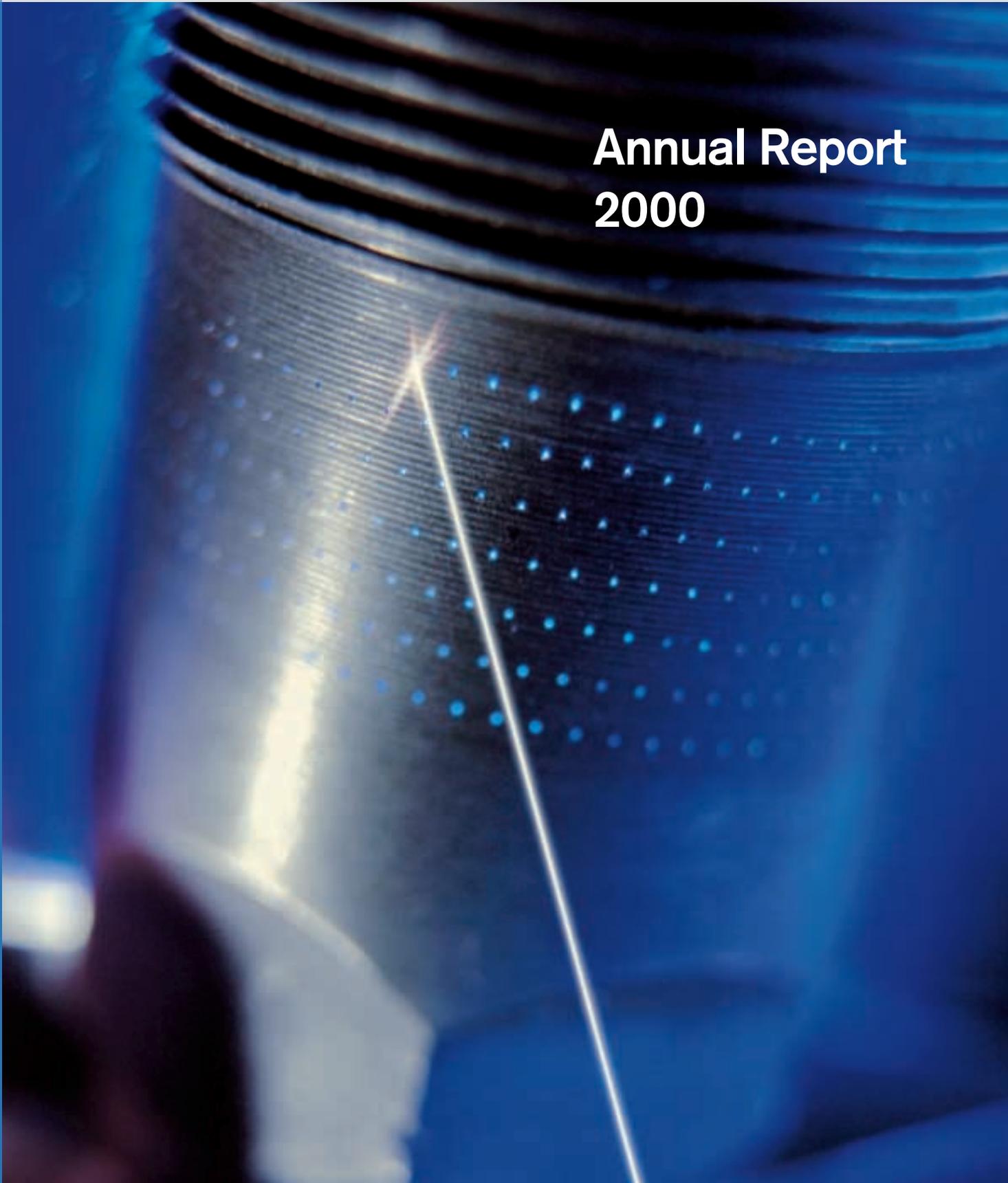


BOSCH

**Annual Report
2000**



Key Figures

(million DM)

Bosch Group Worldwide	2000	1999
Sales	61,717	54,579
percentage change from prior year	+ 13	+ 8.4
Foreign sales		
as a percentage of sales	72	66
Research and development expense	3,971	3,757
as a percentage of sales	6.4	6.9
Investments in tangible fixed assets	4,128	3,806
as a percentage of depreciation	118	128
Number of employees		
average for the year	196,880	194,335
as of January 1, 2001/2000	198,666	194,889
Total assets	47,926	40,743
Equity capital	16,210	12,998
as a percentage of total assets	34	32
Net income for the year	2,700¹	900
Unappropriated earnings		
(Dividends of Robert Bosch GmbH)	5,090¹	80

Front page illustration:

Since our new high-pressure diesel injection system operating on the unit injector principle generates injection pressures of up to 2,050 bar, it is very economical. The high-pressure injectors are manufactured using extremely narrow tolerances and are thus very sensitive to contamination in the diesel fuel. Such contamination is held back by a fine strainer produced by a laser beam which within five seconds "shoots" 540 holes in a steel sleeve. These holes each have a diameter of less than 0.1 mm.

1 Special effect of "pay-out-and-reinvest" procedure at Robert Bosch GmbH

Table of Contents

	Page
Supervisory Council	4
Management	5
Senior Management	6
Supervisory Council Report	8
Management Report	10
Automotive Technology Business Sector	18
Industrial Technology Business Sector	26
Consumer Goods and Building Technology Business Sector	30
International Business	36
Research and Development	40
Employees of the Bosch Group	42
Financial Statements of the Bosch Group Worldwide	44
Major Companies of the Bosch Group Worldwide	62
Financial Statements of Robert Bosch GmbH	64
Ten Year Statistics Bosch Group Worldwide	66

Supervisory Council

Dr. phil. Dr. rer. oec. h.c.
Marcus Bierich, Stuttgart,

Chairman

(until April 11, 2000)

Former Chairman of the Board of Management of Robert Bosch GmbH, deceased on November 25, 2000

Dr.-Ing. Wolfgang Eychmüller,
Ulm/Donau,

Chairman

(as of April 12, 2000)

Chairman of the Supervisory Council of Wieland-Werke AG

Walter Bauer, Kohlberg,

Deputy Chairman

Chairman of the Joint Shop Council of Robert Bosch GmbH as well as of the Combined Shop Council, and Chairman of the Shop Council of the Reutlingen Plant

Dr. jur. Peter Adolff, Stuttgart,
former Member of the Board of Management of Allianz Versicherungs-Aktiengesellschaft

Knut Angstenberger, Stuttgart,
Department Manager in the Diesel Systems Division, and Chairman of the Joint Speaker Group of Robert Bosch GmbH and of the Group Speaker Committee

Dr. h.c. Bo Erik Berggren, Stockholm,
former Chairman of the Board of Directors and Chief Executive Officer of STORA Kopparbergs Bergslags AB

Henning Blum, Hildesheim,
(as of January 18, 2001)
Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr. jur. Ulrich Cartellieri, Frankfurt,
Member of the Supervisory Council of Deutsche Bank AG

Ruth Fischer-Pusch, Stuttgart,
Trade Unions of the Metal Industry, District Management Baden-Württemberg

Hans-Henning Funk, Hildesheim,
(until December 31, 2000)
Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr. jur. Karl Gutbrod, Stuttgart,
Former Member of the Board of Management of Robert Bosch GmbH

Gudrun Hamacher, Frankfurt,
(until June 29, 2000)
Managing Member of the Board of Directors of the Trade Unions of the Metal Industry

Hans-Joachim Jaquet,
Mörfelden-Walldorf,
(until March 31, 2000)
Chairman of the Joint Shop Council of Bosch Telecom GmbH and Chairman of the Shop Council of Bosch Telecom GmbH at Frankfurt

Dieter Klein, Wolfersheim,
Chairman of the Shop Council of the Homburg Plant of Robert Bosch GmbH and Member of the Joint Shop Council of Robert Bosch GmbH

Dieter Krause, Hildesheim,
(as of April 3, 2000)
Chairman of the Shop Council of Blaupunkt GmbH, Hildesheim

Olaf Kunz, Frankfurt,
Managing Director of the Trade Unions of the Metal Industry, Department for Union Policy

Prof. Gero Madelung, Munich,
Formerly Technical University Munich
Chair of Aviation Technology

Prof. Dr. rer. nat.
Hans-Joachim Queisser, Stuttgart,
Formerly Director at the Max-Planck-Institute for Solid-State Research

Management

Urs B. Rinderknecht, Ennetbaden,
Chief Executive of UBS AG

Wolf Jürgen Röder, Tübingen,
(as of July 4, 2000)
Trade Unions of the Metal Industry
Managing Director

Gerhard Sautter, Erdmannhausen,
Chairman of the Shop Council of the
Feuerbach Plant, and Deputy Chairman
of the Joint Shop Council of Robert
Bosch GmbH and the Combined Shop
Council

Hans Peter Stihl, Remseck,
Chairman of the Board of Management
of Stihl AG

Hans Wolff, Bamberg,
Chairman of the Shop Council
of the Bamberg Plant and
Member of the Joint Shop Council
of Robert Bosch GmbH

Hubert Zimmerer, Stuttgart,
(as of April 12, 2000)
Former Member of the Board of
Management of Robert Bosch GmbH

Board of Management

Hermann Scholl
Chairman

Tilman Todenhöfer
Deputy Chairman

Siegfried Dais

Rainer Hahn

Claus Dieter Hoffmann

Robert S. Oswald
(until December 31, 2000)

Stephan Rojahn

Gotthard Romberg

Deputy Members of the Board of Management

Bernd Bohr

Wolfgang Chur

Franz Fehrenbach

Associate Member of the Board of Management

Kurt Liedtke
(as of January 1, 2001)

Senior Management

As of January 1, 2001

Executive Management of the Divisions

Automotive Technology

Gasoline Systems

Ludwig Walz*

Reiner Leipold-Büttner*
Rolf Leonhard
Rainer Lohse*
Peter Tyroller

Diesel Systems

Klaus Bohler
Jens-Michael Busselt
Ulrich Dohle
Klaus Krieger*
Manfred Möser

Chassis Systems

Wolfgang Drees*

Bernd Ehlers*
Kristen Mellvé
Günther Plapp*

Energy Systems

Beda-Helmut Bolzenius*

Sepp-Ernst Ramsauer
Frank Seidel

Body Electronics

Peter Marks*

Herbert Hemming
Wolfgang Prüße
Peter Schick

Car Multimedia

Stefan Asenkerschbaumer
Klaus Dieterich
Otto Mayer
Wolf-Henning Scheider

Automotive Electronics

Martin Zechall*

Rainhard Aßmann
Volkmar Denner
Edgar Silva-Garbade

Automotive Aftermarket

Eugen Konrad*

Heinz Decker
Ruprecht Hammerbacher

Senior Vice Presidents – Original Equipment Sales

Dieter Eichler*
Volker Fahr
Karsten Köhn
Eckhardt Oldekop*
Volker Schmidt
Helmut Schwarz

Industrial Technology

Automation Technology

Heinz Grewe
Mehmet Varlik

Packaging Technology

Dieter Büschelberger*

Heinz-Jürgen Strube

Consumer Goods and Building Technology

Power Tools

Alfred Odendahl*

Wolfgang Malchow*
Uwe Raschke

Thermotechnology

Joachim Berner*

Hans-Dieter Eckhardt
Klaus Huttelmaier

Security Technology

Hans-Diethelm Harenberg

Broadband Networks

Reiner Beutel

Names in bold print:
Presidents of the Divisions

* At the same time Senior Directors
of Robert Bosch GmbH

Executive Management of selected Regional Subsidiaries

USA

John Moulton*
David D. Robinson*
Hans-Joachim Weckerle*
Knut Bendixen
Reiner Emig
Jürgen Freihold
Lee Manduzzi
Meredith Nickol
Gary Saunders

France

Patrick Mermilliod*
Dietmar Feder*

Japan

Horst Wittmoser*
Yutaka Ota
Helmut Pfeifle
Stefan Stocker
Toshio Takata
Andreas Wiegert

Italy

Massimo Guarini*
Rudolf Colm

Spain

Dieter Zieroth
Horst-Günther Jobs

Brazil

Klaus Neidhard*
Holger Jacoby
Karl Nowak
Luciano Reis
Dettloff von Simson

U.K.

Robert Hanser

Further Regional Subsidiaries

Hans-Peter Bauer
Manfred Beesch
Hermann Birg
Klaus Peter Fouquet
Günter Käs
Per Kempel
Muthuswamy Lakshminarayan

V.K. Viswanathan
Harald Margreiter
Andreas Nobis
Manfred Seitz
Uwe Thomas
Eigil Thorberg
Dietmar Zieger

Corporate Executive Management

Adolf Ahnefeld*
Klaus Bleier*
Klaus Bolenz
Frank-Ulrich Breitsprecher
Detlef Classe
Christian Deplewski
Heinz Derenbach

Bernt Graf zu Dohna
Ulrich Eichler
Andreas Eppinger
Josef Evers*
Gerd Friedrich
Manfred Graf
Wolf-Dieter Haecker*
Georg Hanen*

Thomas Heinz
Eva-Maria Höller-Cladders
Hans-Gerd Holtkamp
Bertram Huber
Micha Kirchhoff
Gebhard König
Detlef Konter

Gerhard Kümmel*
Hans-Joachim Leydecker
Wolfgang Mierzwa
Gert Siegle
Thomas Wagner
Tyll Weber-Carstanjen
Udo Wolz

Supervisory Council Report

Hans L. Merkle, Honorary Chairman of the Bosch Group, died on September 22, 2000, at the age of 87 years. He was Chairman of the Board of Management of Robert Bosch GmbH from 1963 to 1984, and from 1984 to 1988, Chairman of the Supervisory Council. Hans L. Merkle remained engaged in Robert Bosch Senior's life's work until the last days of his full life.

Dr. Marcus Bierich, Chairman of the Board of Management from 1984 to 1993, and Chairman of the Supervisory Council from 1993 to 2000, died on November 25, 2000, at the age of 74 years. His concerns had been above all the further internationalization of the company and a cooperative style of management.

The Supervisory Council mourns the loss of two personalities who have left a lasting impression on the development of the enterprise.

In regular meetings, the Supervisory Council kept itself informed about the progress of business and the company's situation. Business developments, financial situation and investment plans, as well as new technical developments were presented and discussed in detail. Reporting and discussion included all important companies of the Bosch Group. Written monthly reports brought the Supervisory Council up to date on current business developments. Special events were covered in newsletters.

Ernst & Young Deutsche Allgemeine Treuhand AG, Stuttgart, audited the accounting and financial statements of Robert Bosch GmbH and the consolidated financial statements of the Bosch Group. The auditors in all cases gave their unqualified opinion. The Supervisory Council concurs with the audit findings, and recommends that the shareholders approve the financial statements of Robert Bosch GmbH and follow the proposal of the Board of Management for the disposition of net income.

Effective April 11, 2000, Dr. Marcus Bierich resigned from the chairmanship of the Supervisory Council. Dr.-Ing. Wolfgang Eychmüller, who had held the chairmanship once before from 1988 to 1993, was elected as successor to him in this function.

As of April 12, 2000, Hubert Zimmerer, formerly a member of the Board of Management of Robert Bosch GmbH, was elected to the Council.

During the year, the following members left the Supervisory Council: Hans-Joachim Jaquet (March 31, 2000), Gudrun Hamacher (June 29, 2000) and Hans-Henning Funk (December 31, 2000). The Supervisory Council expresses its thanks to them for their constructive work for the company. As new members of the Supervisory Council the Stuttgart Court appointed Dieter Krause (April 3, 2000), Wolf Jürgen Röder (July 4, 2000) and Henning Blum (January 18, 2001).

Robert S. Oswald, member of the Board of Management, retired effective December 31, 2000. The Supervisory Council expresses its appreciation for his long and successful career in the enterprise. Kurt Liedtke, previously Managing Director of Robert Bosch (Australia) Pty Ltd, was elected associate member of the Board of Management of Robert Bosch GmbH, effective January 1, 2001.

Stuttgart, April 2001
For the Supervisory Council
Dr.-Ing. Wolfgang Eychmüller
Chairman



Maximum precision in the manufacture of our diesel direct-injection systems is a prerequisite for precision fuel metering, and therefore for economic and low-emission engines. Here: Test set-up for the injector of the Common Rail System.

Management Report

The year 2000 was a successful one for the Bosch Group. It was also characterized by special events. We were able to increase sales considerably in all areas. At the same time we took fundamental steps for the continuing permanent growth of the business. This culminated in the take-over of the industrial management of Mannesmann Rexroth AG. As a result, the Industrial Technology Business Sector becomes with Automotive Technology and Consumer Goods the third pillar with global market leadership for the Bosch Group.

Strong growth in a favorable world economy

Consolidated sales of the Bosch Group in 2000 reached 61.7 billion DM, growing by 13%. Of this, 1.4 percentage points (800 million DM) resulted from changes in consolidation and 5 percentage points from currency exchange effects. The sales mix changed first of all as a result of the sale of substantial areas of communications technology, which was completed in April of the year 2000. This accounted for the majority of the 3.4 billion DM in lost sales. In addition, 4.2 billion DM in sales were added by first-time consolidations, especially of Bosch Automotive Systems Corporation (formerly Zexel Corporation), Tokyo.

The high rate of growth of the Bosch Group was favorably affected by a positive global economic trend. The world economy grew at 4.5%, the highest rate in 10 years, supported primarily by the strong expansion of the U.S. economy during the first three quarters (5% plus). The approximately 3.5% rate of growth in Western Europe, however, was also higher than in the previous years.

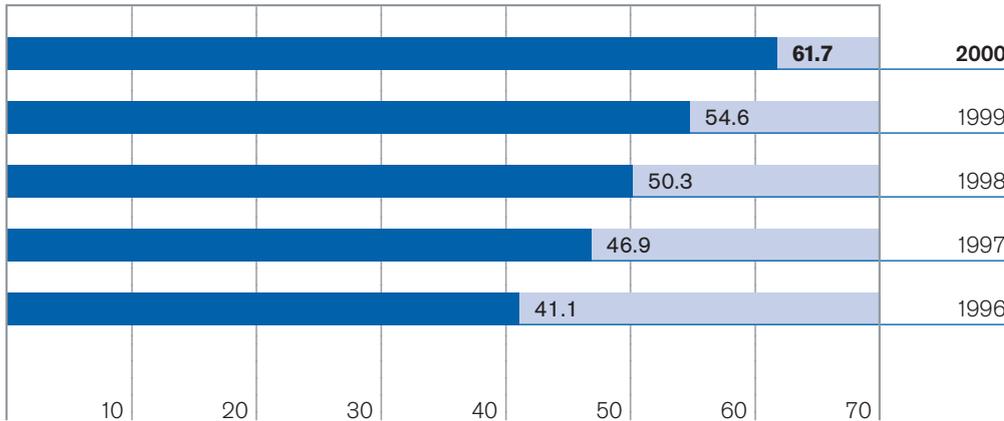
The German economy reached a 3% growth rate for the year 2000, primarily carried by exports. Domestic demand for automobiles and consumer goods as well as in the construction industry showed a much less favorable development.

Against this background, we increased sales abroad in 2000 by 16%, of which, however, 6 percentage points resulted from exchange rate changes, especially the higher U.S. dollar rate. Domestic sales increased by only 4.0%, about as weakly as in 1999. Sales in our most important markets, Western Europe except Germany and the NAFTA-area, rose by 10% and 17% respectively.

Including first-time consolidations, our foreign business amounted to 44.3 billion DM, or 23% above the prior year and made up 72% of our sales total (1999: 66%). The majority acquisition of the former Zexel Corporation caused the Asian share of the total sales to double from 5% to 11%. The European share, including Germany, fell from 73% to 66%.

Sales

(billion DM) Progress 1996–2000



Balanced internal growth

After sales of Automotive Technology had increased by far the strongest in prior years, the year 2000 showed internal growth of our business sectors to be relatively evenly balanced. Automotive Technology increased by 14%, Consumer Goods and Building Technology 10% and Industrial Technology 12%.

The internal growth in automotive technology stems, as in prior years, primarily from our new diesel direct-injection systems. The advantages of this technology have contributed to the growth, from 25% to 32%, in the share of diesel-powered vehicles in the new registrations of passenger automobiles in Western Europe during the past two years. This share is continuing to trend upward. The production boom in diesel direct-injection systems is unmatched in the history of the Bosch Group. Because of many follow-up orders with short lead times, it was impossible to avoid temporary delivery bottlenecks. We also achieved considerable increases with antilock braking systems, the electronic stability program (ESP) and the new products in vehicle navigation.

With these products we pursue the motto, which has served us for over 25 years and which is today more appropriate than ever: “Safe – Clean – Economical”. This finds us at the center of the trend towards greater demands for safety and further reduction in fuel consumption and emissions.

Including the Japanese Bosch Automotive Systems Corporation and Zexel Valeo Climate Control Corporation, both of which are spin-offs from Zexel Corporation, sales in the Automotive Technology Business Sector increased to 44 billion DM, or 24% over the 1999 level. This growth confirmed our position as the world’s second largest supplier to the automobile industry.

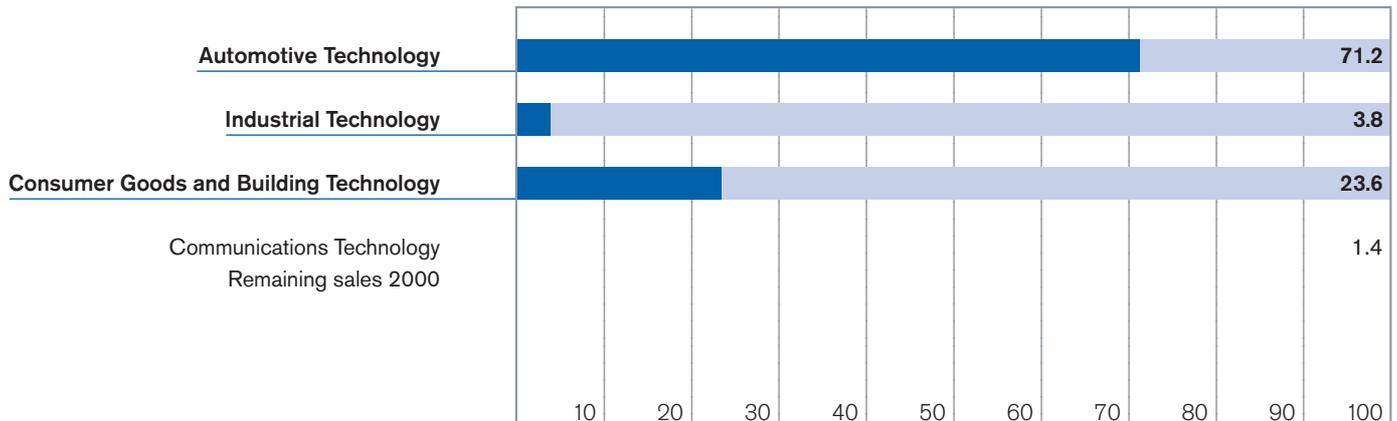
With consumer goods – power tools, thermotechnology, household appliances – and with products of building technology, our sales in 2000 increased to 14.6 (1999: 13.1) billion DM. This growth substantially eclipsed the performance of previous years. The primary contributor to this growth was brisk business outside Germany, while domestic sales suffered from the weak economic trends in the consumer-goods and building-industry sectors.

Sales to outsiders in the Industrial Technology Business Sector – automation technology and packaging technology – amounted to 2.3 (1999: 2.1) billion DM. This growth was supported by an improved investment climate both domestically and abroad. Including internal deliveries of production equipment, sales increased by 11% to 2.8 billion DM.

Structural adjustments in communications technology completed

We were able to complete the significant structural changes in the Communications Technology Business Sector, which we had started in 1999. The business with public and private networks as well as terminals, was transferred to third parties during the first half of 2000. In these areas we still achieved sales of 850 million DM. Out of the former business sector we retained the security technology, aerospace engineering and broadband networks divisions with total year 2000 sales of 1.4 billion DM. These have now been added to the expanded Consumer Goods and Building Technology Business Sector.

Breakdown of sales
(as a percentage) by business sectors 2000



Workforce close to 200,000

As of January 1, 2001, the Bosch Group employed about 198,700 people worldwide, 3,800 more than at the end of 1999. Because of the spin-off of large portions of communications technology business, the number of employees in Germany went down by about 8,000 to 89,900, although other business sectors in Germany hired 2,700 more employees. In contrast, the number of employees outside Germany increased by 11,800 to 108,800, of which 10,500 were added through first-time consolidations abroad. As a result, at the beginning of 2001, 55% of our workforce was located outside Germany. Ten years ago that figure was 35%.

German jobs not reduced

The reduced percentage of domestic employees is the result of changes in the make-up of the companies included in consolidation and should not be seen as a step-by-step withdrawal from Germany. The jobs in the spun-off areas of communications

technology were not in fact eliminated. We are committed to retain the international competitiveness of our domestic facilities.

Inadequate operational results

The favorable year 2000 sales development was again not matched by a corresponding development in profit. Although operating profit improved, the yield only reached our expectations in consumer and capital goods. In contrast, yields in automotive technology remained unsatisfactory for two important reasons: first because of continuing high start-up costs for new products, especially in the diesel area, and secondly because of unabated strong price competition for most products of automotive technology. We are making great efforts to secure our innovative strength with satisfactory profit developments in all areas.

Special items increase net income

The income from ordinary business activities and the net income for the year as compared to the previous year were affected by special items.

This year's results were positively affected by a partial reversal of special accruals. In contrast, results in 1999 were affected negatively by consequences of the Tax Relief Act.

As a result of the legal requirement for the reclassification of the equity capital available under tax law, which came into effect at the end of 1999, we will increase the subscribed capital stock from 1,800 million DM to 2,347 million DM (1,200 million euro), utilizing the pay-out-and-reinvest procedure. This has a positive effect on profits.

Investment volume increased further

Our investments in tangible fixed assets in 2000 amounted to 4.1 billion DM, of which 60% were invested outside Germany. As in 1999, we used a large portion thereof for the expansion of production capacity in the area of new diesel direct-injection systems.

In the spring of 2000 we started planning for the construction of a new development center for automotive technology in Abstatt near Heilbronn. We plan to locate activities for development and application engineering with up to 2,000 employees on this 250,000 sqm large site. The first buildings are to be taken into use by the end of 2002. This new location will relieve the development center at Schwieberdingen near Stuttgart and will provide additional opportunities to offer the automobile industry engineering services and even more application engineering capacity.

Further expansion of research and development

We enjoy a leading market position worldwide in many product areas thanks to the intensive research and development work in which we have now been engaged for many decades. To secure and further expand this position, we increased spending for research and development in 2000 to 4.0 billion DM.

As of January 1, 2001, we employ about 16,000 scientists, engineers and technicians in R&D around the

world. As a result of their work, we were able to apply for 2,400 patents and registered designs, more than ever before. This number places us far and away at the top for the entire automobile industry worldwide.

Increased cooperation with suppliers

The worldwide purchasing volume of the Bosch Group, including services, merchandise and capital goods in 2000 amounted to 32.5 (1999: 28.8) billion DM. About 60% (1999: 57%) of what we buy came from outside Germany. The markets in which we purchase featured in part massive price increases, especially in electronic components. Because of the strong demand worldwide, our suppliers were producing at full capacity, in some areas they were overwhelmed.

Our “competeS” program, which we started in 1999, helped in part to counter these unfavorable market conditions: We concentrated our cooperation on the most efficient suppliers and were thus able to enlist their know-how more strongly and early in the development of new products and production equipment.

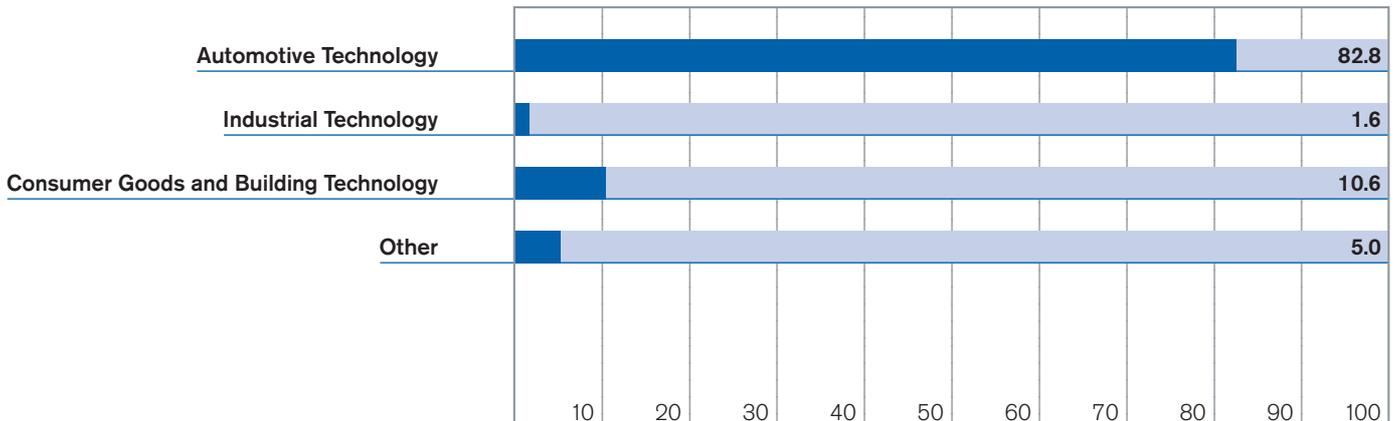
Internet market founded

Together with Continental AG, Industrieaufbaugesellschaft Schaeffler KG, ZF Friedrichshafen AG and SAPMarkets Europe GmbH, we founded the e-commerce market SupplyOn AG. Additional well-known automobile industry suppliers are registered as “partner companies”. We thus furnish a common communications and transaction platform on the internet. It will simplify and speed up business processes of European automobile industry suppliers and their sub-suppliers. SupplyOn AG complements the corresponding activities of the automobile manufacturers.

Change in marketing structures

We take into account the increasingly severe delivery fulfillment standards of our customers by using an improved supply-chain management system. The goal is to permanently shorten our delivery and reaction times. To do so, the entire delivery chain from our suppliers through our factories to our customers is being integrated.

Investments in tangible fixed assets
(as a percentage) by business sectors 2000



Distinct positioning of Bosch brands

Global competition, our progressive internationalization and increased use of electronic media enhance the importance of Bosch-owned brands for our business. We keep pace with this development by systematically positioning our brands and goal-oriented communication measures in the most important markets.

Internal improvement process under the motto BeQIK

Rapidly changing conditions in the marketplace, in technology and the customer wishes that result therefrom, require swift increases in flexibility, initiative and task work at all levels. As support for these changes we persistently pushed the initiatives “Time to Market” and “Customer Focus”, which we started in 1999, as part of our continuous improvement process (CIP). Our motto is BeQIK: more speed in all that we do, with the emphasis on quality (Q), innovation (I) and focus on the customer (K).

- Within the framework of the “Time to Market” project, the internal processes are systematized, standardized, measured and given

result parameters, which are continuously checked for compliance and are supported by whatever measures necessary. In important areas it was already possible to achieve a significant acceleration of processes and an improvement of process quality.

- Through the “Customer Focus” initiative we in all areas focus our attention totally on our customers. As a complement to the hard factors such as quality and delivery fulfillment we also want to further improve the soft factors in customer orientation. To achieve this we give our employees at all levels concrete goals, which are taken into account in the evaluation of their performance. The first important successes encourage us to follow through in the direction we have taken.

High priority for quality

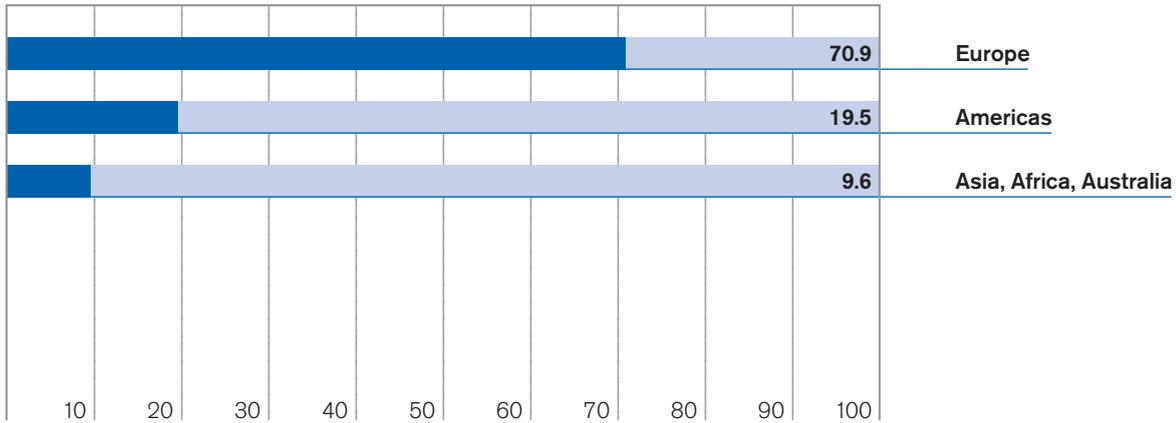
A central aim of our work is to satisfy our customers with the exceptional quality of our products and services. To this purpose we have taken up additional activities. Preventive quality-assurance measures in software are achieved using methods of the capability maturity model (CMM) of Carnegie-Mellon University, Pittsburgh, Pennsylvania (USA). For the

first time we performed a self-evaluation of the complete business activity of an entire division (car multimedia) using the excellence model of the European Foundation for Quality Management (EFQM).

Highlight of the year: Rexroth joins Bosch

Since mid-April 2000, together with the Siemens AG, we have been engaged in the acquisition of various companies of Atecs Mannesmann AG. We were interested in Mannesmann Rexroth AG, one of the largest Atecs companies. In December 2000, the EU Commission approved our application for the take-over of Rexroth. Together, in the automation technology area, we will reach a sales volume this year of about 7.5 billion DM and a workforce of 26,000. After full consolidation of Rexroth, the Industrial Technology Business Sector, which in addition to automation technology also comprises the packaging technology division, will reach a sales volume of more than 8 billion DM, thus creating the third strong pillar of the Bosch Group.

Investments in tangible fixed assets
(as a percentage) by regions 2000



At the EXPO 2000 we made it possible in our pavilion "Telematic Landscapes" to experience the operation of a guidance system. The visitor could undertake a virtual trip on a landscape relief map around Lake Constance. Not only was he guided by our navigation system TravelPilot, but he could also call up places of interest along the route on a monitor.

Rexroth and our own automation technology division are being merged into Bosch Rexroth AG, which is a wholly-owned subsidiary of Robert Bosch GmbH. It includes the business areas for industrial hydraulics, pneumatics, assembly- and linear technology, electric motors and controls, service and mobile hydraulics. Bosch and Rexroth complement each other in the individual product areas and programs as well as in important target industries. Their excellent technical position makes it possible to offer customers a broader product and services range and to place themselves in a leadership position in their core areas.

Outlook for the current year

The world economic climate has markedly deteriorated since the fall of 2000, influenced by a rise in crude-oil prices, increased inflation and interest rates, as well as significant stock-exchange losses. After years of high rates of growth it was particularly the U.S. economy that weakened. The economies in Western Europe and in other world regions also lost strength.

Worldwide automobile production is likely to shrink somewhat in 2001 after two strong growth years. North America can expect to see a relatively substantial drop.

Against this background, we expect internal growth of the Bosch Group for 2001 of only 4 to 5%, assuming a relatively stable currency exchange relation between the U.S. dollar and the euro. The expected weakening has been confirmed by the development of business in the early months of this year.

For the rest of the year we expect for our business areas a generally stable development, supported by the further production run-up of new products. In particular, the strong demand for our diesel direct-injection systems continues without let-up. In the other business areas, too, we have confidence in our innovative product range, high quality and close customer relations, to enable us to open up further sales potentials with promising results. The total sales volume of the Bosch Group in 2001 will be greatly influenced by the consolidation of Rexroth for part of the year.

Risks inherent in future development

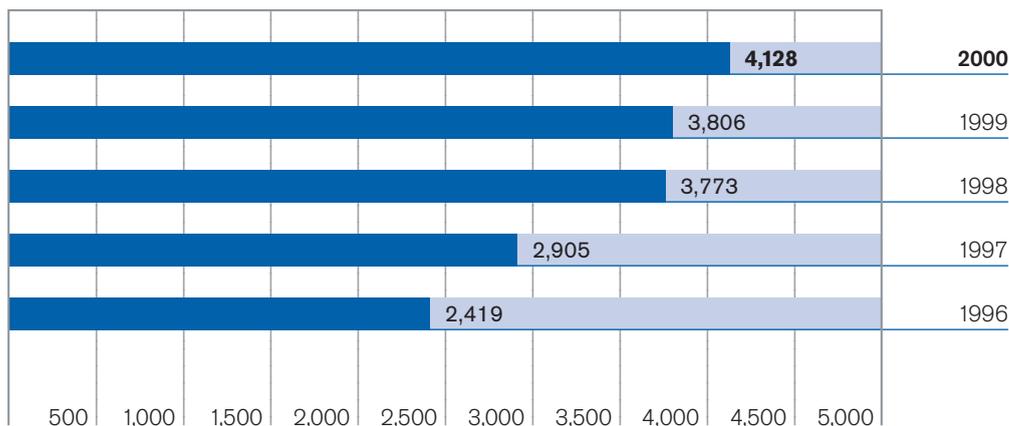
Our risk management is organized to detect threats to assets, capacity utilization, profits and liquidity at an early stage and to take effective measures to contain risks.

The core of our risk-management system constitutes an internal reporting system, which includes comprehensive worldwide monitoring of all relevant business processes. It is complemented by a constant review and optimization of all financial and monetary movements, including the possible hedging of currency positions and an independent internal audit function.

The risks which we must deal with lie foremost in a possibly stronger and longer economic downturn in North America, with negative effects for the entire world economy and particularly for the international automobile industry.

Investments in tangible fixed assets

(million DM) Progress 1996–2000



Resulting pressure on profits at our customers could further sharpen price competition in many business areas. With the economic uncertainties, the risk of larger exchange-rate fluctuations between the most important world currencies, the U.S. dollar, the euro and the yen also increases.

In order to limit possible negative effects, we have aligned our business strategy with the following points of view:

- Capacity utilization fluctuations will be coped with primarily by changing the volume of work and less by adjusting the number of employees. To achieve this, we have created favorable conditions at many locations through flexible, work-time related arrangements.
- In order to increase our efficiency and reduce our costs, we are constantly engaged in all areas in improving the product creation and development process together with our suppliers and in close contact with our customers. This also includes an adjustment of our

marketing structures in merging markets, utilizing the new possibilities offered by e-commerce.

- Our investments are concentrated in promising areas of long-term growth, where we are already in a position of international market leadership, or plan to get there.
- In order to continue to identify new growth areas, we give research and development a high priority even when economic trends are less favorable. By improving internal processes we strive to bring new product ideas to maturity and to the market at an ever faster pace.
- At the same time, we have a rational, long-term exit strategy from business areas if we cannot achieve adequate returns over time.
- We broaden our business activities in markets and with customers, which offer us a large untapped potential.
- We persist in improving customer relations, and offer our products and services on terms which can

withstand any objective competitive comparison. At the same time we insist that extraordinary financial sacrifices need to have a positive effect on our margins as well.

- In order to avoid exchange-rate losses, we aim to close the gap between sales and production in the various currency blocks even further than the already significantly reduced imbalance.

Given these strategic priorities and precautions, we are confident that we will be able to cope with changing challenges at all times and thereby guarantee the growth, profit and stability of the Bosch Group.



Key numbers

	2000	1999
Sales	44.0	35.5 billion DM
Investments	3.4	3.1 billion DM
R & D Expense	3.3	2.7 billion DM

Worldwide motor-vehicle production in 2000 amounted to 57.5 million units, for an increase of 3.5%. German automobile output showed a less favorable development. It was supported by export only, whereas new motor-vehicle registrations domestically declined by 10%. German production was slightly lower than the prior year with 5.5 million units in total. Western European production rose by 1.6% to a total of 17.1 million vehicles. Production in the NAFTA area rose by 1.2% to 17.8 million. In Japan, production increased for the first time in three years.

Including the first-time consolidation of Bosch Automotive Systems Corporation, sales of the Automotive Technology Business Sector increased by 24% to 44.0 billion DM.

Automotive Technology Business Sector

Convenience through radar technology: ACC introduced to the market

In April of 2000 we commenced full production of the adaptive cruise control system (ACC). This consists of a driver support system, which recognizes vehicles driving ahead, calculates their speed and keeps the desired distance by initiating the appropriate brake or engine speed actions. Especially drivers on limited access highways and other through-highways benefit from this stress relief.

At the core of the system is its radar sensor. It determines the relative position and speed of vehicles driving ahead. Its basis is a vehicle-adapted radar microwave technology, which we developed into a mass production device. The result is the smallest radar distance sensor currently offered. This technically very sophisticated system can thus be integrated inconspicuously into the front of any vehicle.

ACC is the start of a trend toward driver assistance systems, which, by registering the entire vehicle surroundings and the resulting required actions, will provide more and more relief for the driver. We expect that these systems will find a high degree of market acceptance and will contribute significantly to driver safety. This will lead to stronger growth especially in our sensor business.

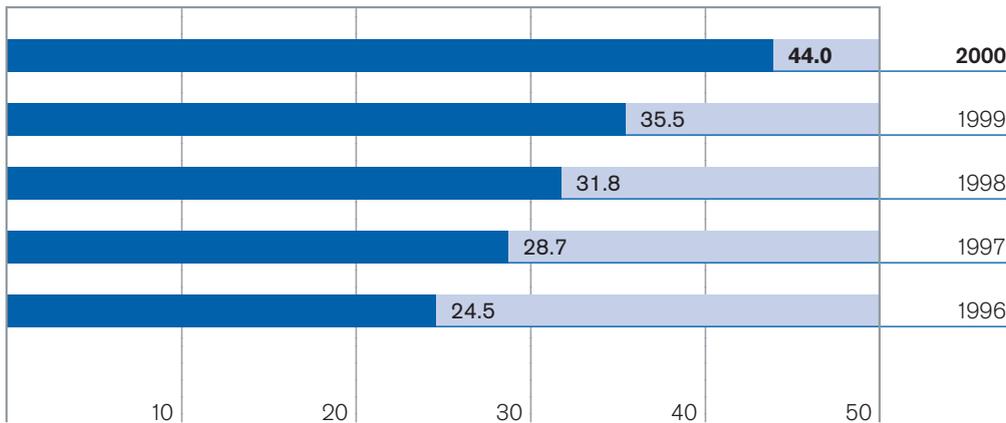
More and more vehicles equipped with ESP

Demand for our electronic stability program (ESP) continues to grow apace. This vehicle dynamics system, which we were the first to market in 1995, stabilizes the vehicle in critical situations by active intervention in the operation of brakes and drivetrain. In the meantime, 16 automobile manufacturers worldwide offer our system as standard or optional equipment in approximately 50 models of all classes of vehicles. We expect that ESP – even faster than ABS – will reach a high rate of installation in European vehicles.

A study by the Association of the German Insurance Industry has endorsed our efforts towards more safety in vehicles. The study states that a quarter of all accidents involving severe injuries result from skidding in which, at least at the outset, no other vehicle was involved. The accident researchers therefore highly recommend the broad use of vehicle dynamics systems.

With the electrohydraulic brake (EHB) we have now developed the next generation of vehicle dynamics systems, ready for full production. EHB is the first completely electronically guided vehicle brake system (brake-by-wire).

Sales of automotive technology
(billion DM) Progress 1996–2000



Gasoline direct-injection as standard equipment

In the year 2000 a mini-car was launched for the first time with our gasoline direct-injection system as standard equipment. This vehicle uses fewer than 5 liters of fuel per 100 kilometers.

Our gasoline direct-injection is characterized by a sophisticated stratified charge concept which, while idling or during low-load operation, provides an explosive fuel mixture only around the spark plug, enabling an extremely economical fuel usage. This results in potential fuel savings of up to 15% while increasing performance by 5%.

New injection valves from U.S. production

We have completed the pre-marketing phase of our newest generation of injection valves for intake-manifold injection. The valve was developed jointly in the U.S. and Germany. Production will start in the United States, to be followed by production in Europe. Its technology is designed to contribute significantly to meeting ever tighter emission limits for motor vehicles. Since the valve is very small, it offers automobile producers greater flexibility in engine design.

Engine management for tighter emission limits

Since January 1, 2001, all newly-registered passenger cars with diesel and gasoline engines in the European Union must adhere to the appropriate emission standard under Euro III. These rules limit emissions considerably as compared to former regulations. In the case of gasoline engines the standard also requires that all relevant emission components be permanently monitored by self-diagnosis.

Our product range for gasoline engines contains all components and systems necessary to comply with the standard. In addition, our engine management systems already enable the requirements of the Euro IV emission standard, which goes into effect in 2005, to be complied with. This standard stipulates a further 50% reduction in emissions.

The diesel market grows thanks to direct-injection

Demand for our high-pressure injection systems for diesel engines continues to grow strongly. The number of newly-registered passenger automobiles with diesel engines in Western Europe increased by 12% in the year 2000. As a result, the portion of diesel-driven cars in this market segment rose from 28% to 32%.

Our modern high-pressure diesel injection systems contribute decisively to this continuing success. Automobiles in the entire range from

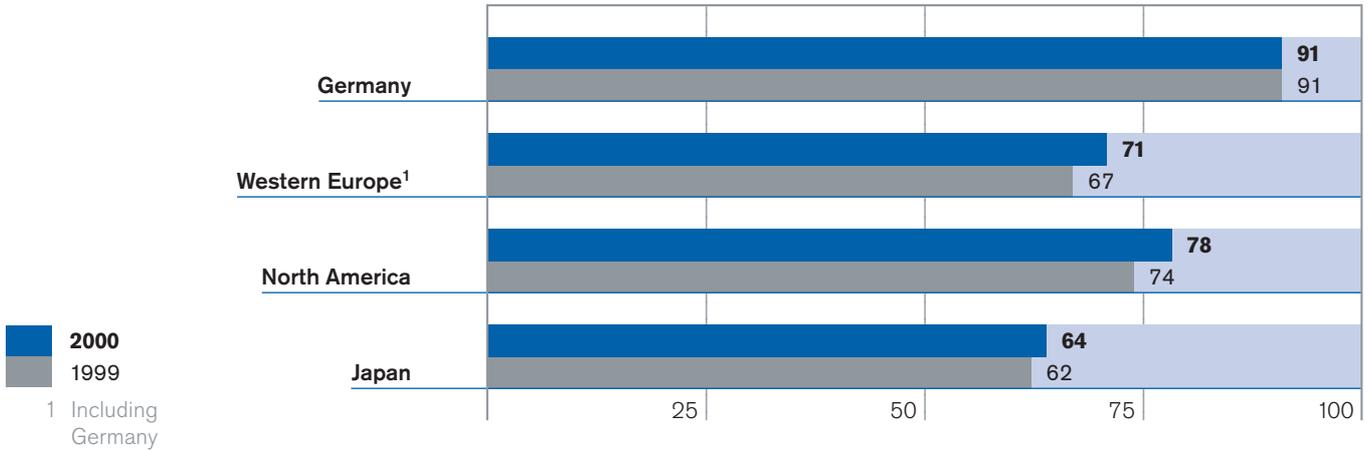


We developed a very compact injection valve for manifold injection. The basic design came from Germany, serial production development took place in the United States.



Passenger-car market

ABS-equipped vehicles as a percentage of passenger-car production in selected markets 1999/2000



mini-cars to luxury vehicles are now equipped with these systems. The engines are characterized by their high performance, their smooth operation and their superlative torque over the entire speed range. This increases driving enjoyment and at the same time significantly reduces fuel consumption.

We are concentrating on developing still more economical injection systems. The emphasis rests on higher injection pressures, tighter tolerances, closed loops and additional functions. The first applications already meet the Euro IV emissions standards.

Our production capacity for direct injection has been expanded significantly in recent years. In the fourth year of its production, in November 2000, we already delivered the three-millionth common rail system. Unit injectors and radial piston pumps of type VP44, both injection systems using high-pressure technology, each passed the 2 million mark in the year 2000.

Also in 2000, two heavy-duty commercial-vehicle manufacturers installed our common rail technology for the first time. We are preparing to go into series production for other customers as well.

For the treatment of exhaust emissions from heavy commercial vehicles we are in the process of developing a

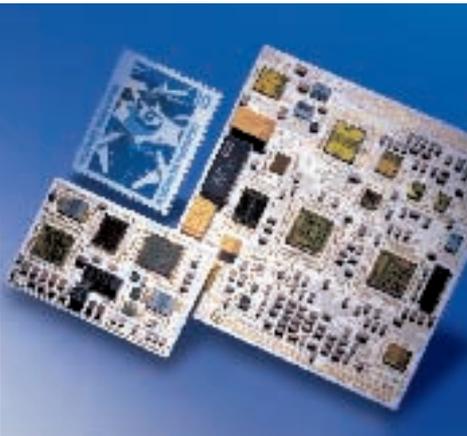
urea metering system, which, together with a special catalytic converter, reduces nitrogen oxide emissions by around 70%. It also reduces fuel consumption and particulates emissions.

Brushless electric motors for cooling fans

In the fall of 2000 we commenced production of brushless electric motors for engine cooling fans. They contain, in contrast to conventional brush-type motors, integrated power electronics. This makes continuous speed control and error diagnostics possible. Additional advantages are: increased useful life, short length, lower noise level and lower system costs.

Automated shift transmission for low- and medium-priced cars

Together with a clutch manufacturer we developed a system, which allows manual transmissions of passenger vehicles to be automated. From 2001 on it is available for the first time in a small car. The gear selection and engagement processes are activated by two servomotors mounted on the transmission. A third motor activates the clutch. The system offers the complete functionality of an automatic transmission. It is, however, much more economical in cost, about 30% lighter and reduces fuel consumption by up to 5%.



For demanding automotive applications, we develop complex electronic circuits which need a minimum of space. This example shows the controllers for ABS (left) and for engine management (right).

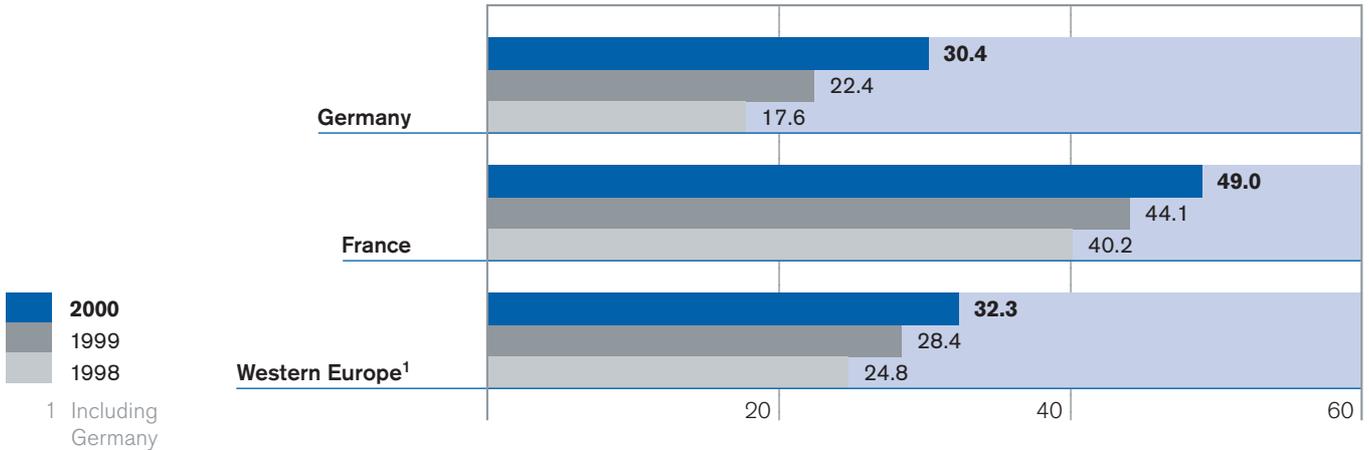


Because of brisk demand for direct-injection systems for diesel engines, we expanded our capacities significantly. Since February 2000, we also produce common rail system injectors in Bursa, Turkey.



Automotive market

Diesel-engine passenger cars as a percentage of new-car registrations in selected markets 1998–2000



Airbags which deploy as the situation requires

We have further increased the range of functions of our airbag trigger devices, significantly contributing to safety. Sensors, which are mounted throughout the deformable zone of the vehicle, emit early signals as to the actual severity of the accident. As a result, the system more reliably recognizes situations in which the airbag should not be triggered and senses a massive collision sooner. Further sensors can classify the weight of passengers and trigger the airbag appropriately. Vehicle passengers are thus protected with minimal interference.

Parkpilot makes further inroads

The demand for our parking aid Parkpilot continues to increase. Although originally limited mostly to luxury automobiles, this distance measuring system is in the meantime also increasingly found as equipment in compact cars and vans. The system recognizes objects and persons which are located within the maneuvering area, but which are not visible. It simplifies parking and thus reduces the danger of accident damage.

Smaller and lighter starters

We developed new starters for passenger cars and commercial vehicles, which can be used with most gasoline and diesel engines. They are smaller and lighter than their predecessors and thus contribute to a further reduction in fuel consumption.

The small size creates additional free design space for vehicle manufacturers. For the first time, it is possible in commercial vehicles to trigger the starter directly with vehicle electronics.

Reliable energy with battery management

We completed development of an ECU, which operates in an on-board network with two batteries. It monitors the charge levels of the special start and general energy supply batteries, increasing their availability.

The next generation of battery management with additional functions is already in preparation. Its role is to recognize the relative performance level of the battery at all times. A predictive diagnosis of charge and battery condition is crucial for a reliable energy supply in the conventional 14 volt on-board network as well as in future combined 14/42 volt and pure 42 volt high-performance networks.

Alternator regulator with serial interface

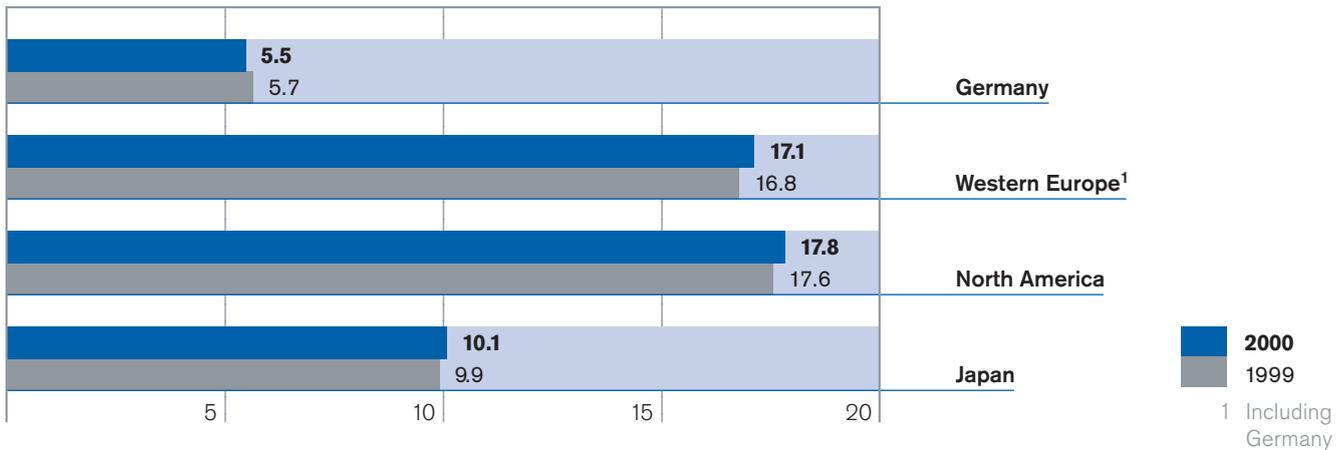
We developed new voltage regulators for alternators to the full production phase. They enable communication with, for instance, the engine-management ECU and contribute to the improvement of the battery charge level, the engine starting operation and smoothness of the idling engine.



We continue to strengthen our engagement in Eastern European countries. In Hatvan, Hungary, we in 2000 completed the run-up to full series production of ECUs for automatic transmissions.

Automotive market

Motor-vehicle production in selected markets
1999/2000 (in million units)



Engineering services for drive functions

Vehicles are being equipped with more and more electronic systems. Since their effects are not independent of each other, further benefits can be derived from systems integration. Our Automotive Systems and Engineering Technology GmbH (Asset) subsidiary has therefore expanded its application engineering and software development for engine management and brake systems by the addition of engineering services for drive functions. It will thus also support development and integration work on complex, networked subsystems for drivetrains, chassis management, energy management and automated vehicle guidance. Asset, with its know-how, offers solutions for the rapidly increasing demand of automobile manufacturers in the area of systems integration.

Continued positive development at Blaupunkt

Our Blaupunkt subsidiary was able to follow up the good prior year with further sales increases. Here, the brisk demand for car radios and navigation systems on the part of automobile manufacturers played a major role. Our audio, video and information systems business for touring buses was also expanded. We were able to strengthen our position as an important European supplier of loudspeakers.

A contribution to more road safety – the radiophone

As successor to our first radiophone, we presented in the summer of 2000, the model Antares T60. This combination of car radio and integrated GSM telephone offers with 8 watts an equally high transmission output as separate car telephones. It has an option for voice-activated controls. This, and the high-quality hands-off speech-input facility make it one of the safest solutions for telephone operation in a vehicle.

Dynamic navigation in the form of a car radio

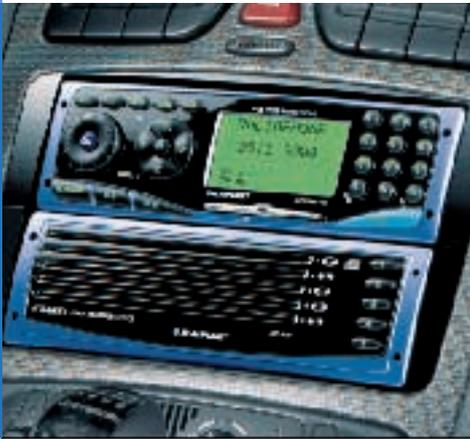
We are the first automotive supplier in the world to take up the series production for an automobile manufacturer of an economically priced navigation system which is in car-radio format and features dynamic homing. When performing route calculations, the device takes current traffic information into account which it receives digitally through the radio. This helps the driver to avoid traffic jams by utilizing the shortest detour.

Great market opportunities in fleet management

For vehicle fleet management we have marketed two new devices, which improve the communication between driver and dispatcher. We



In our Toluca plant in Mexico, we produce alternators and generators for the North American market. Here: testing area for quality assurance.



With the radiophone it is possible for the driver to make telephone calls in the vehicle without endangering traffic. The radiophone, a combination of car radio and integrated GSM telephone, offers hands-off speech and optionally a voice activation feature which we developed.

expect that within a few years, the majority of commercial vehicles will be equipped with such systems.

Aftermarket business for motor vehicles shows steady growth

We were able to further increase aftermarket sales of automotive technology. Especially in North America, Eastern Europe and Asia we outstripped the market.

The increasing level of electronic vehicle equipment is currently a great challenge in repairs and maintenance. We offer repair shops a complete range of solutions starting with a broad spectrum of products, and via testing technology extending to technical information for rapid problem diagnosis and repair. In addition, we expanded our product program for less time-consuming repairs by adding components for brake systems and gasoline injection.

Our lighting technology program was expanded with headlamps, auxiliary lamps, and rear lamps. These helped to expand our market position.

The worldwide Bosch service organization supports our aftermarket business with more than 9,000 service centers employing a workforce of

more than 90,000 in 131 countries. We continued with the redesign of the outward appearance of the Bosch service centers, which we started in 1999.

Bosch image stronger in public awareness

We have in the year 2000 brought our performance and competence as one of the world's largest suppliers to the automobile industry more into the public eye. We designed a new advertising concept, which emphasizes our innovativeness and the benefits of "solutions from Bosch" for drivers and automobile manufacturers. After its introduction in Germany, we took the advertising campaign to other important European countries, the United States, Japan and Korea.

Our new advertising concept is accompanied by participation in the German Touring Car Masters. For this sports event we make available such important products as engine-management systems, equipment for data recording and the leader-board. At strategic locations we display our Bosch brand. We also act as program sponsor for the television broadcast.



Is there any company which plays a key role in the conception of new automobiles through developments such as ABS, ASR, ESP, Motronic, Direct Injection, Airbag Control, CAN Bus, and telematically supported navigation?

Yes

Bosch is a globally active developer and supplier of automobile technology.



Bosch. We bring innovation



BOSCH



An invention in every working hour so that cars become ever safer, cleaner and more economical?

Yes

Bosch registers over 2,000 patents in the automotive equipment sector every year.



Bosch. We bring innovation



BOSCH

Our new advertising concept focuses on the outstanding innovative forces at Bosch. A number of different advertisements appear in magazines and daily newspapers, and present our capabilities in automotive technology as a central theme, for instance our achievements in the field of direct injection, while underlining their advantages for the driver and for the automobile manufacturer.



Key numbers

	2000	1999
Sales	2.3	2.1 billion DM
Investments	66	74 million DM
R & D Expense	165	158 million DM

The capital goods economies in the U.S. and Asia in the year 2000 turned out better than expected. The European markets also showed a growth trend. The German mechanical engineering industry reported brisk exports.

Our Industrial Technology Business Sector grew primarily outside Germany. Worldwide sales in 2000 rose 12% to 2.3 billion DM.



Rexroth played a major role in equipping the "London Eye" built for the millennium celebrations. It supplied the drive, the electronic controls and the anchoring and stabilizing system.

Industrial Technology Business Sector

**A new company:
Bosch Rexroth AG**

By the planned take-over of the industrial management of Mannesmann Rexroth AG, Lohr, we are setting our sights on the permanent strengthening of our Industrial Technology Business Sector. The most important legal and organizational decisions have been taken. In the year 2001, we will completely merge our automation technology division with Mannesmann Rexroth AG to form Bosch Rexroth AG.

Both partners complement each other in both product programs as well as target industries. The new company has a strong position in world markets. Above all in hydraulics it belongs to the leading manufacturers.

In the area of factory automation, Bosch Rexroth AG is represented with five divisions: industrial hydraulics, pneumatics, assembly and linear-motion technology, electric motors and controls as well as

service. A common marketing organization of these divisions is the basis for a unified market presence of the new company as a systems and component supplier. The mobile hydraulics division has a special standing within Bosch Rexroth AG. It differs from the other divisions in its customer profile. Mobile hydraulics are used primarily in agricultural and conveyor technology as well as in construction machinery.

The Mannesmann Rexroth Group had year 2000 sales of 5.8 billion DM. It employs approximately 21,500 persons worldwide and has 67 production sites in 33 countries.

**Automation technology
grew primarily abroad**

Sales of our automation technology division, which operates eight plants in three countries, showed double-digit growth in the year 2000. The rate of growth abroad exceeded that in Germany. This resulted not only from the healthy Western European economy, but also from continued brisk demand in the U.S. and the recovery of the Asian markets.



View of the inside of a wind-turbine rotor head, for which both Bosch and Rexroth supply drive technology.



Our new generation of robots. The specialty of this assembly component is the random parts feed, whose positioning is ascertained by the integrated Bosch image processing system.

Electrohydraulics increases its share of the sales volume

In mobile hydraulics we increased sales with application engineering business at large European customers in the agricultural technology sector. In this industry, which is an important market for us, as well as in conveyor technology, increasing demand became apparent for electrohydraulically activated proportional valves. We profited from the increasing importance of fluid technology in agricultural tractors.

In the area of industrial hydraulics we experienced brisk demand. The share of sales represented by electrohydraulic and electronic products increased. This also forms the core of our development work. We introduced a freely programmable digital controller for hydraulic axles for longitudinal motion. We also continued development of our highly dynamic control valve.

Our new pneumatic valve-mount system was well received by our customers. Its modular and compact construction was a major contributor to this success.

We applied for a worldwide patent for our newly developed modular grip container for assembly technology. It can be flexibly assembled from aluminum sections and its plastic grippers are ergonomically shaped.

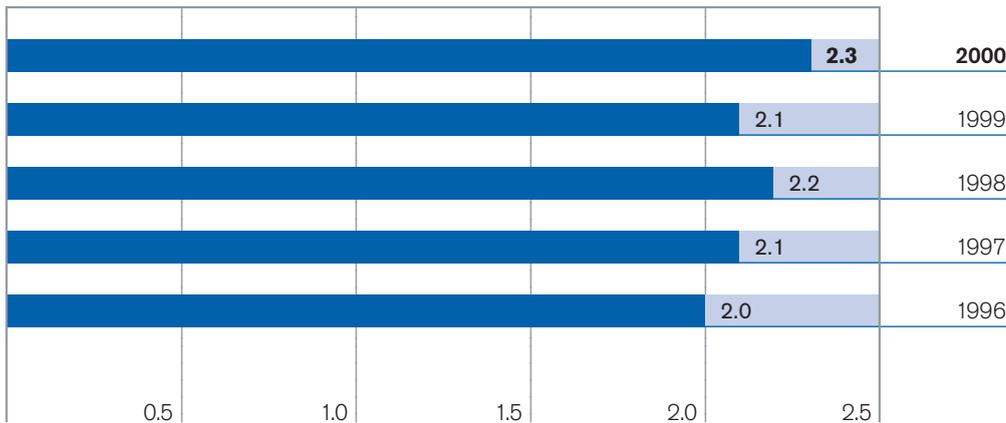
We expanded our program of swivel-arm robots with a version suited to clean-room applications. During operation, it draws off the contaminated air. A special seal and enamel also prevent dust and abrasion from contaminating the surrounding area. We expanded our PC-driven robot controller with an image-processing system, which allows unsorted parts to be recognized and picked up.

New control for an automobile-bodyshell production line

We developed a programmable logic control in the form of a high-performance multiprocessor system. This, for example, can control the operations of a complete bodyshell production line. Its integrated PC technology makes it possible to connect several networks via standardized interfaces.

Our training activities concentrated around the career concept of a mechatronic technician. Not only do

Sales of industrial technology
(billion DM) Progress 1996–2000



we offer seminar series for technical trainers, teachers and experienced workers, but we also developed two interactive learning programs, which can be accessed over the internet.

Packaging technology growth abroad

Our packaging technology sales in the year 2000 increased further. The growth was outside Europe. We thus expanded our international market position.

As one of the most important producers of packaging technology worldwide, we supply customers in the food, confectionery, pharmaceutical and chemo-cosmetic industries. In Europe, we produce in the Netherlands as well as in three German plants. In addition we operate factories in the United States, Brazil, India and Japan. Important sales and service establishments are maintained in China, Russia, Singapore and Mexico.

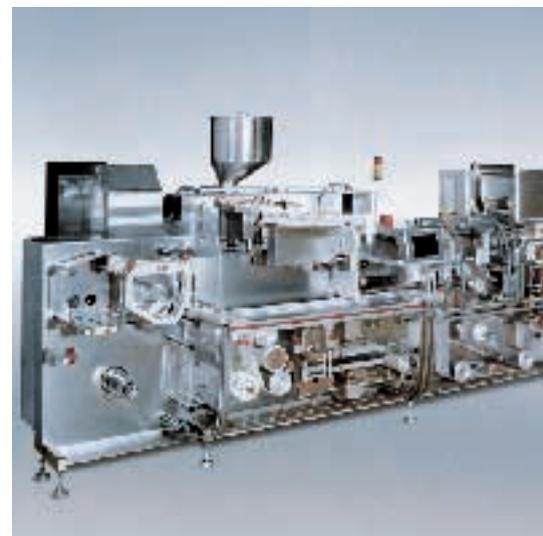
World premieres for the pharmaceutical industry

We expanded our product range for the pharmaceutical industry. As a world premiere we introduced to our

customers a filling and closing machine, which seals ampules with the help of a laser. This procedure minimizes the risk of contamination with particulates.

As another world first we marketed a capsule filling and closing machine, which monitors its entire output. It weighs every single capsule fill and automatically adjusts the weight. We also developed a filling and closing machine for infusion bottles. Its capacity of 600 bottles per minute and a fill range from 1 to 500 milliliters makes it the most powerful equipment of its kind on the market.

We are expanding our series of bundling and pouch-filling machines for the food industry. We consolidated our position in thermoform- and filling and closing machines for milk products. Our customers can now choose shelf-life grades from near germfree to aseptic in our methods for filling of yogurt and dessert products.



We are a leading world supplier of packaging technology. This photo shows a blister-cartoning line for the pharmaceutical industry.



Key numbers¹

	2000	1999
Sales	14.6	13.1 billion DM
Investments	436	412 million DM
R & D Expense	406	386 million DM

¹ Including the security technology, aerospace engineering, and broadband networks product groups

Our Consumer Goods and Building Technology Business Sector profited from a generally good economic climate abroad. In Germany it was especially the stagnant construction activity, which softened demand for power tools and thermotechnology and security technology. European markets outside Germany grew generally more than the domestic market. There were significant increases in North America and Asia.

Our sales of consumer goods and building technology increased by 11.5 % to 14.6 billion DM. This includes 50% of sales by BSH Bosch und Siemens Hausgeräte GmbH.

Consumer Goods and Building Technology Business Sector

Foreign sales of power tools make up a greater proportion than ever before

Sales of our power tool division achieved 15 % growth in the year 2000. Foreign sales accounted for 87 %, the highest figure ever achieved. In 1999, the foreign share of sales was 84 %. We produce power tools, accessories and gardening equipment at 32 locations worldwide. Our marketing organization operates in 94 countries.

In our power-tools core business, the world market in the year 2000 grew to 15 billion DM, or 100 million units. This was caused primarily by increasing demand in North America and Asia. The German market again declined in value.

Greater presence in Asia

The Asian markets have overcome their crisis. Even though demand in Japan continued to stagnate, all other countries showed upward trends. We were able to further expand our Asian market position in 2000. Our presence was strengthened with a branch in Hong Kong for the coordination of our marketing and sales activities. With production facilities in Malaysia, India and China, we are the largest non-Asian supplier in the region.

The first 24 V battery – a new kind of rotary cutter

With our Bosch, Skil and Dremel brands we belong to the leading producers of power tools in the world. We assure ourselves this strong position by continuous innovation: At the 2000 International Hardware Fair, we were the first to present a line of 24 V batteries for power tools ranging from hammer drills and screwdrivers to hacksaws and reciprocating saws. It is suitable for commercial applications which in part were previously limited to corded equipment. We also introduced a high-performance battery-operated hammer-drill/screwdriver using 24 V technology to the do-it-yourself market.

The introduction of our rotary cutter Rotocut brings a power tool with a new operating principle to the European market. Tools, which rotate 30,000 times per minute, make simple piercing and any type of figure cutting in different materials possible. No other type of power tool can cut curves as tightly as the Rotocut.



Very simple to operate:
Our new laser distance meter for
one, two, and three-dimensional
measurements



Powerful: our new 24 Volt batteries for commercial applications. Even a screw auger with a 22 millimeter diameter penetrates the beam like butter.

Strong position in accessories

We are also one of the important suppliers of accessories in the world. Our most important brands are Bosch, Hawera, Magna and Vermont American.

The accessory market is about the same size as that for power tools. We strengthened our position in North America with the completion of the take-over of Vermont American Corporation, Louisville/Kentucky (USA). In addition, we expanded our own production in important segments of the accessory and gardening-equipment businesses.

Many novelties in gardening equipment

The gardening-equipment market in the year 2000 reached 15 billion DM, about the same as that for power tools. Our gardening-equipment business, consisting of the Bosch, Atco and Qualcast brands, outperformed the market as a whole. In Europe we are among the five largest suppliers. At the 2000 Gardening Trade Fair in Cologne, we introduced 29 new gardening products. These innovations were well received by the trade.

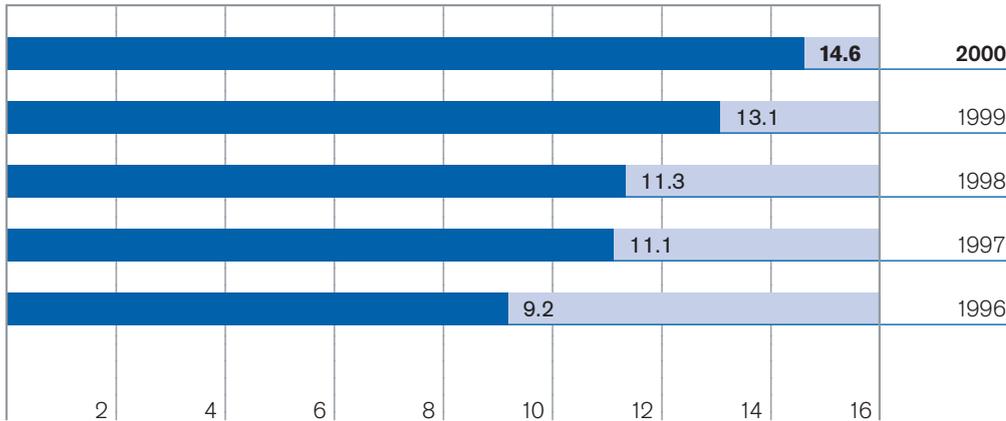
Repair service in ten countries

Aside from by its power to innovate, our power tool division is also characterized by its excellent customer service. We guarantee the repair of our power tools within five days, or the customer gets the service free of charge. We have meanwhile introduced this speedy service in ten European markets. During 2000 seven new countries were added to the original group consisting of Germany, Switzerland and the Czech Republic.

Growth in thermotechnology

Our thermotechnology division belongs to the leading producers of gas heating units in the world and in Europe to the important manufacturers of gas water heaters. We continued to increase our sales in the year 2000 and with the Bosch, Junkers, Vulcano, Worcester, Radson, e.l.m. Leblanc and Geminox brands strengthened our market position. We produce at eight locations in Europe and Asia. The expansion of

Sales of consumer goods and building technology¹
 (billion DM) Progress 1996–2000



¹ Figures for 1999 and 2000 include the security technology, aerospace engineering, and broadband communications product groups

our plants in Turkey and China will further strengthen our international manufacturing alliance.

The world market in our business areas for gas-fired heating units, gas-fired boilers, gas and oil-fired heating boilers, and accessories, amounted to 15 billion DM in 2000. Europe, accounting for 10 billion DM, is the largest market, ahead of Asia and the Americas.

Development in Europe differed from country to country. Growth in the U.K. and Spain increased, but in Central and Eastern Europe it stagnated. The cautious progress in modernizing central-heating systems in Germany again caused demand to shrink in the year 2000. The European market in its entirety stagnated, but Asian and American markets grew.

Heat value technology in greater demand

More and more, customers want convenience, such as rapid availability of warm water at a preselected temperature. In the demand for heating units and boilers, energy-saving heat-

value equipment which maximizes useful heat is gaining in importance, especially in Germany and in the Benelux countries. On the supplier side, further concentration took place among both producers and in the trade. Overcapacities stiffened the competition.

In our core business with gas-fired heating units, we were able to strengthen our good position in the European market. In order to meet the various customer requirements, we developed product families in both heat value and conventional technologies for virtually all price categories. During the year 2000 we introduced a novel heat-value heating unit for operation in a conventional fireplace.

We gained market shares in the stagnating European gas-fired boiler market. Here too, we introduced a world first in 2000: a water heater that can operate independent of electric mains or battery.

Sales of household appliances rose especially abroad

BSH Bosch und Siemens Hausgeräte GmbH, a 50–50 Bosch and Siemens joint venture experienced strong



Versatility: Even when marking the ski-runs for the World Cup race our power tools are valuable aids.



Our business in household appliances is run by our 50–50 joint venture, BSH Bosch und Siemens Hausgeräte GmbH. Here: production of washing machines in Berlin.

growth in 2000. Its sales increased 14% over 1999 to 12.3 billion DM. German sales rose 3.4%, and sales abroad by the company rose correspondingly much more.

BSH further improved its market position in European countries. It achieved high rates of sales growth in the U.K., France, Italy, Scandinavia, Turkey, Poland and Russia. The regions outside Europe also contributed strongly to this growth. In total, BSH business outside Germany increased in 2000 by 20% for an increase in the ratio of non-German to total sales from 68% to 71%.

Security technology outstrips the market

We were able to strengthen our position in the security technology business. We plan and install professional alarm systems, develop and produce systems components and provide the appropriate services. The security technology world market grew by 4%, in Germany by only 2%. Although the important domestic market showed only a subdued trend, we achieved above-average growth. In order to expand our world market position, we acquired Detection Systems, Inc., Fairport/New York (USA), a leading producer of electronic security technology with sales primarily in North America, Asia and Australia.

We are increasingly asked to provide total solutions for the security of large buildings, which also involves building technology. For this purpose we developed an alarm management and danger notification system. It offers more than 100 different building-technology interfaces with the appropriate software. This allows the system not only to record fire and burglary alarms, but also to register and localize interruptions in heating, air conditioning or ventilation.

The video monitoring-equipment market experienced an especially dynamic growth. We enlarged our technical lead in this area with additional systems solutions and video sensors. In the meantime we have installed our ViStar system in 120 branches of the German state central banks.

Our service business, which is involved with the operation of security-technology installations, again grew briskly in 2000. The number of incoming calls at our call center in Magdeburg, which was originally set up to receive alarm or emergency calls, doubled to 8 million. Additional orders from telematics suppliers and

information services for hospitals were primary contributors to this development. We took the first step towards internationalizing this business by establishing a call center in France.

From cable TV to multimedia networks

In the business of building and operating broadband networks we consolidated our position among the three largest private network operators in the growing German market. We intensified our partnership with apartment management businesses by signing new and extending existing contracts as well as by expansion of the programs being offered.

By adding a retro channel to cable TV networks and by increasing their transmission capacity they become interactive broadband networks. They are particularly suited to the high-speed transmission of multimedia signals ("fast internet"). We prepare for this new era of business with a pilot operation in Zwickau. The necessary network preparation was completed by the end of 2000. The upgrade of other broadband installations is being continued in order to raise the transmission capacity for television signals.

Increased demand for satellite technology

In 2000, notwithstanding increased competition, our satellite-technology business recorded a significant increase in incoming orders compared to 1999. The world market recession in this area has passed its lowest point. In the geostationary satellite segment, which is important for us, demand appears to be increasing.

We can service the growing market for satellite-supported multimedia systems with newly developed components and more integrated modules all the way to complete transmission units. During the year 2000 we also delivered telecommunications engineering equipment for the international space station (ISS).

Our new production facility at Backnang commenced operation, providing for a lasting improvement in the flow of production.

Retroactive to January 1, 2000, we established a new subsidiary, Bosch Satcom GmbH, to run our satellite technology business.



Final examination for safety and reliability: Before our fire alarms leave the plant, we connect every single device to an alarm system and test all its functions.

Key numbers

	2000	1999
Sales	44.3	36.0 billion DM
Investments	2,464	2,060 million DM
R & D Expense	1,400	1,085 million DM

Progressive internationalization and growth primarily in foreign markets characterize the past business year of the Bosch Group. We benefited from the good development of the world economy. In the important markets abroad, we experienced double-digit growth. Business trends in our important European markets were also positive.

The worldwide networking of our development, manufacturing and marketing activities has benefited this development. We expanded our strong international presence further with new start-ups, restructuring and take-overs.

International Business

In nearly all markets at or near the top

Active as we are on every continent and represented in nearly 50 countries with subsidiaries or affiliated companies, we occupy a strong position in all our business areas throughout the world. Generally we are among the top three in the markets in which we are active. Because of our worldwide presence, we are better positioned to deal with economic and currency-exchange induced swings. We manufacture our products at 193 locations, of which 150 are outside Germany.

Brisk growth in important regions

During the past ten years we have grown particularly rapidly outside Europe. The proportion of our sales for this area rose during this period from 16% to 34%. The share of sales in the Americas more than doubled in this decade from 10% to 22%. Asia's share increased from 4% to 11% in the same period. We expect future growth predominantly outside Europe, although this will not cause us to neglect our commitment to home markets.

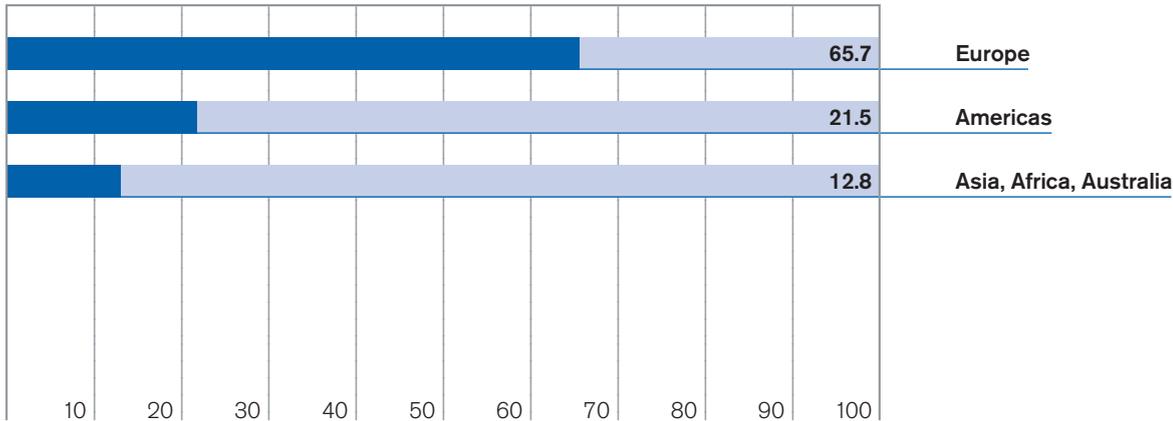
Position in Japan significantly strengthened

In the year 2000 we continued to stress internationalization of our activities. At the center of this was Asia. Our business in this region grew a strong 140%.

We strengthened our position in Japan especially and created the basis for further growth by acquiring the majority interest in automotive supplier Zexel Corporation, now Bosch Automotive Systems Corporation and by the reorganization of our brake systems business. In addition, the joint venture of Bosch Automotive Systems Corporation and Valeo has created the basis for a stable and permanently successful business in vehicle air-conditioning equipment in Asia as well as in air-conditioner compressors worldwide. Integration of our Japanese activities in our international production and development network makes good progress. This serves primarily the continued development of our business with Japanese automobile producers and their worldwide transplants.

Breakdown of sales

(as a percentage) by regions 2000



Japan has become the third most important market outside Germany, based on sales volume. Sales in Japan reached about 3.9 billion DM in the year 2000. We employ a workforce of 6,200 at 10 locations.

We also strengthened and expanded our positions in Korea, India and China. These markets, we believe, offer us good opportunities based on their strong growth potentials.

Reorganization in Korea completed

With the merger of the ABS and engine control systems activities into Robert Bosch Korea Mechanics and Electronics Ltd at the beginning of the year 2000, our reorganization in Korea was complete. This has enabled its inclusion in our international manufacturing alliance. In addition to our wholly-owned Korea Automotive Motor Corporation, we have minority interests in two other motor-vehicle supply companies. Compared to the previous year, our sales in Korea more than doubled and increased to 1.1 billion DM. Among other things, this increase was attributable to the initial consolidation of the Korea Automotive Motor Corporation.

Software solutions from India for the entire Bosch world

In Bangalore, one of four Bosch locations in India, we strengthened our market presence significantly by opening an application-engineering center for automotive equipment in September 2000. The activities of the new technical center are concentrated on diesel and gasoline injection systems, which are being adapted to the requirements of the Indian market.

Bangalore also plays a major role with its software in our worldwide development network. With the software activities, which were built up in our Robert Bosch India Ltd subsidiary, we created the largest establishment of its kind within the Bosch Group outside Germany. A total of 600 employees develop software for nearly all Bosch Group divisions and also some technical and commercial applications for external customers.

In India we employ a workforce of 11,400. We develop products in the areas of automotive equipment, automation technology, packaging technology and power tools for do-it-yourselfers. During the past year we also commenced producing car radios.



Software development in India for Bosch Group divisions and external customers: Solutions are developed by more than 600 highly qualified computer scientists and engineers, of whom 20% are women.

**The most important year 2000
markets outside Germany**

Sales (billion DM)

NAFTA	11.2
France	5.7
Japan	3.9
U.K.	3.3
Italy	3.2
Spain	2.8
Brazil	1.7
Sweden	1.2
Korea	1.1
Austria	1.1

**China – a market with
great growth potential**

Our business volume in China continued to grow. Aside from the holding company Bosch (China) Investment Ltd, Peking, its branch in Shanghai and two trading companies, we operate in China with six enterprises, in four of which we have Chinese partners. They develop, produce and market products in the areas of automotive technology and thermotechnology as well as power tools. There are three further companies, in which BSH Bosch und Siemens Hausgeräte GmbH and ZF Lenksysteme GmbH manufacture their products, some with Chinese partners. The Bosch Automotive Systems Corporation and Valeo joint venture (vehicle air-conditioners) also produces with Chinese partners.

**North America most
important market abroad**

With sales of 11.2 billion DM, we did more business in the NAFTA area (Canada, Mexico, USA) than in any other market abroad. This is equivalent to a growth of 20%. We profited from the strength of the U.S. dollar and the initially good development of the U.S. economy, particularly in the automobile industry. However, since the fall of 2000, economic weakness has become noticeable.

All in all, at 41 locations in this region we develop and manufacture products in automotive technology, power tools, automation technology and packaging technology. The significance of North America for Bosch is also visible in the employment figures: a workforce of 23,600, more than anywhere else outside Germany.

**Recovery in
South America**

After crises caused sales to fall in 1999, we saw the South American market recover last year. We achieved sales of 2.0 billion DM, or an increase of 38%. Sales in Brazil were 1.7 billion DM, or 39% more. We employ 11,900 people in South America and belong to the most important automotive suppliers there. We manufacture at 10 locations in South America.

**The European region
increasingly dynamic**

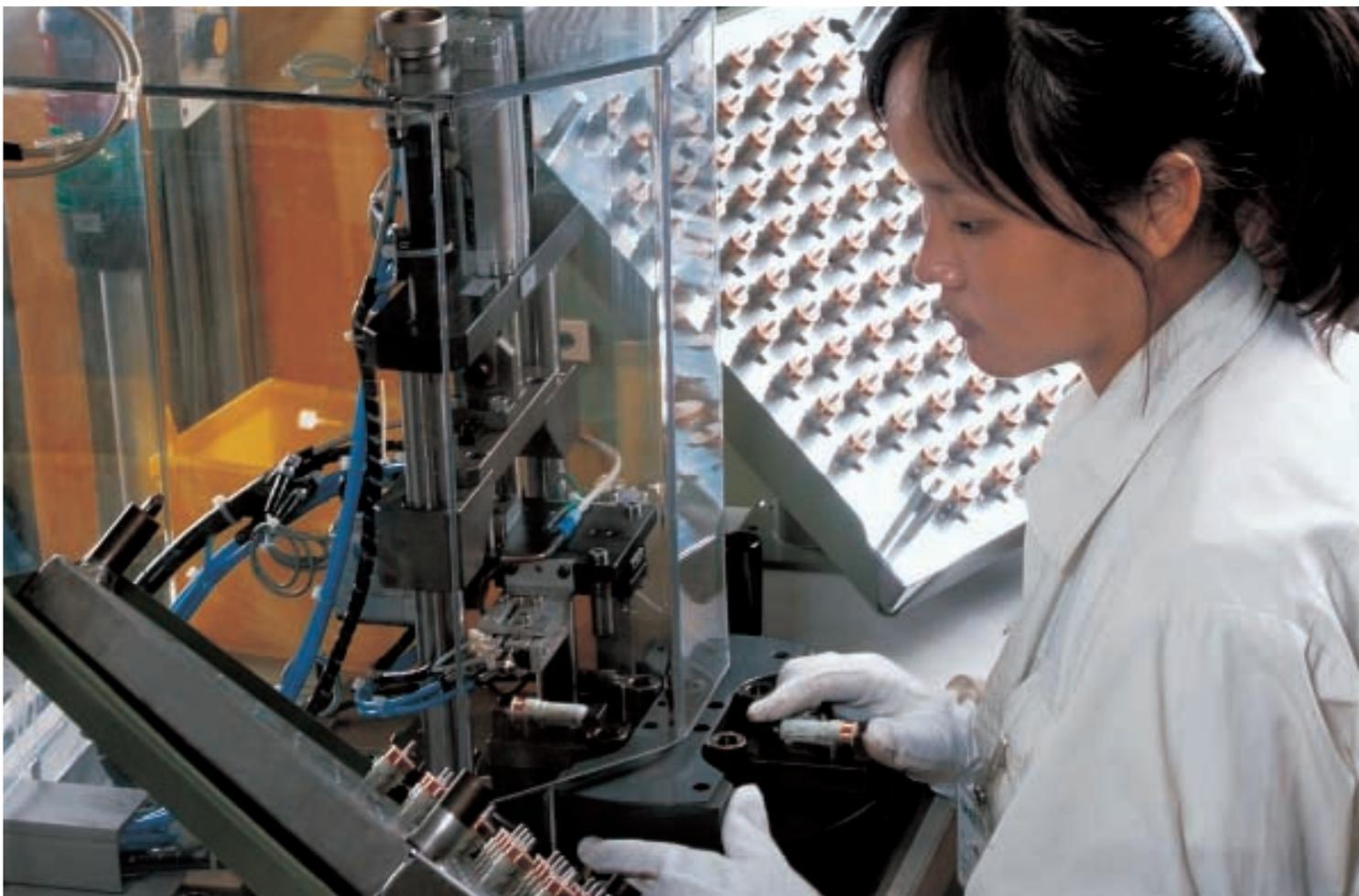
Economic growth of 3.5% in the Western European countries exceeded that of the previous years. We achieved high rates of growth in our important Western European markets. Sales in Western Europe (excluding Germany) increased an average of 6.3%. In France and the U.K., our two largest Western European markets, we were able to achieve sales increases of 9% and 4% respectively.

The Central and Eastern European countries are profiting from their closer relations with the European Union. That has given them economic impetus. This development also benefited our business. We achieved total sales increases in the Central and Eastern European countries last year of 42%. We are represented in this region in 16 countries with both marketing and production.

Employees and production outside Germany (2000)

Country	Employees	Automotive Technology	Industrial Technology	Consumer Goods and Building Technology
USA	18,500	■	■	■
Brazil	11,800	■	■	■
India	11,400	■	■	■
France	10,100	■	■	■
Spain	7,700	■	■	■
Japan	6,200	■	■	
Mexico	5,000	■		■
Turkey	4,900	■		■
Czech Republic	4,400	■		■
Portugal	4,100	■		■

Automotive technology for the Asian growth market China: production of engine-management components for gasoline injection.



Research and Development

Shorter product life cycles and progressive complexity in technical, technological and market aspects challenge us to unrelenting innovation. Our Corporate Research and Advanced Engineering Department performs basic and application-oriented work for future products and production processes.

Laser tomography for flow optimization

For fluid-technological optimization of our injection components and to validate our simulation software, we need efficient measurement methods. To achieve this, we developed laser split-beam tomography and a system based thereon to measure complex flow fields three-dimensionally. We use this, for example, to investigate the sequential and spatial dispersion of fuel in direct-injection gasoline engines. This comprehensive analysis allows us to take more rapid steps towards achieving optimal fuel dispersion and therefore improved injection systems for environmentally friendly engines with low fuel consumption.

Use of laser technology for precise and fast drilling

We use laser-drilling technology for both very precise and fast machining of diesel-injection components. In order to produce high-precision small holes in the injection nozzle, as is

required by the increasing pressures used in diesel direct-injection, we developed special optics and machining methodology. In contrast to conventional machining methods, this new precision drilling process permits holes to be produced with diameters of less than 120 micrometers and tolerances of below 2 micrometers. For other applications using high-speed drilling, each laser pulse produces a hole in rapid sequence. Although the tolerance at this speed, approximately 10 micrometers, is not as exact, the rate of production is considerably higher. We use this method to produce the finest type of metallic filters, which are integrated in highly stressed components.

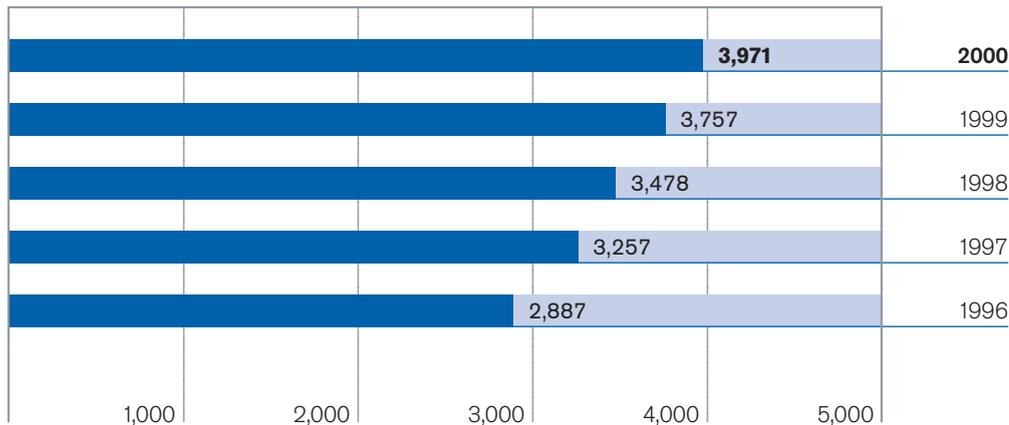
Quality assurance using X-ray computer tomography

Components, which may consist of very dissimilar materials, can be shown three-dimensionally with a very powerful X-ray computer tomography device. This non-destructive method lets all details which are hidden inside the component become visible. Material and manufacturing defects, such as in joints and castings,



Functional testing of micro-electronic components for adaptive cruise control systems (ACC). We develop new test methods to make production processes faster and more reliable.

Total expenditures for research and development¹
 (million DM) Progress 1996–2000



¹ Approximately 11% thereof is spent on corporate research and advanced engineering; the rest on research and development in the business divisions, and in the foreign subsidiaries for product development

can also be recognized. With this method we can thus improve our production processes and raise product quality.

Thermo-management – the electronically controlled cooling system

The cooling system of the engine in motor vehicles still operates mostly mechanically. We are developing an electronically-supported system, which adapts the engine temperature and the coolant flow optimally to the operating conditions of the engine. To do so, we control the water pump and valves. Together with modern engine concepts, this improves combustion and engine performance, lengthens the engine life and further reduces fuel consumption. By utilizing coordinated control of all heat sources, such as engine, electric supplemental heater and water-cooled alternator, we also shorten the cold-start phase and improve heating performance for the car interior.

Television transmission by radio with MPEG-4 data compression

Multimedia data will in future be increasingly transmitted to mobile receivers, such as motor vehicles and trains. To this purpose we have expanded the data compression standard MPEG-4 and integrated it into our Digital Audio Broadcasting/Digital Multimedia Broadcasting (DAB/DMB) transmission technology. These measures expanding MPEG-4 make high-quality applications possible, such as television on the internet or transmission of moving images by way of future UMTS mobile telephones. Using MPEG-4, our DAB/DMB technology is currently the only broadcasting system, which transmits television signals of high quality, whereby data rates of only 1.5 megabit per second are used.



Direct injection systems for diesel engines operate with high pressures. A carbon coating applied using a plasma process assures lasting wear resistance of single components.

Employees of the Bosch Group

On January 1, 2001, there were 198,700 employees in the Bosch Group Worldwide, 3,800 more than at the same time the year before. Employment in Germany fell by 8,000 to 89,900. This was largely the effect of the spin-off of significant parts of Communications Technology. The workforce outside Germany increased by 11,800 to 108,800. This increase is primarily caused by the consolidation of Bosch Automotive Systems Corporation in Japan.

More employment, higher pay rates: personnel costs increased

With the increase in employees, our personnel costs rose by 7.9% to 17.5 billion DM. In Germany, they dropped by 3% to 10 billion DM. This reduction is due to the disposal of parts of communications technology. Domestic employee-benefit costs increased by 5.6% per employee. For each 100 DM pay for work performed, there were 91 DM additional mandatory, contractual and other social contributions.

Expatriate employees

As an international company, we more and more utilize employees outside their home country. Their tours of duty usually last several years. As of January 1, 2001, nearly 1,300 employees worked away from their home country, a 15% increase over the prior year. From Germany, 800 employees were employed internationally, our foreign subsidiaries sent 500 of their employees to Germany or to other countries.

Higher number of new apprentices – German trainers abroad

On January 1, 2001, we had in Germany a total of 3,493 apprentices in training, the year before there were 3,839. Here, too, the sale of large parts of communications technology showed its effects. In the year 2000 we hired 1,112 apprentices at our domestic locations, on a comparable basis 2% more than the year before.

Of the successful graduates of our apprenticeship program we hired 94% as employees. We also took greater advantage in other countries of our good experience with career training in Germany. For instance, we have trainers from German locations active in the United States and Turkey and since early 2001 also in Australia.

Future executives from all over the world

We continue to have a great need for qualified university graduates, this in the light of increased competition for management trainees. In spite of this we were able to hire 2,000 university graduates in Germany. Recruiting days at our locations were well received.

At the same time we intensified our efforts to hire academically educated personnel from abroad. We participated in the year 2000 in eight recruiting events in eight cities in Europe and the United States. In Barcelona we arranged our own recruiting event for international management trainees, at which we hired two-thirds of the participants.

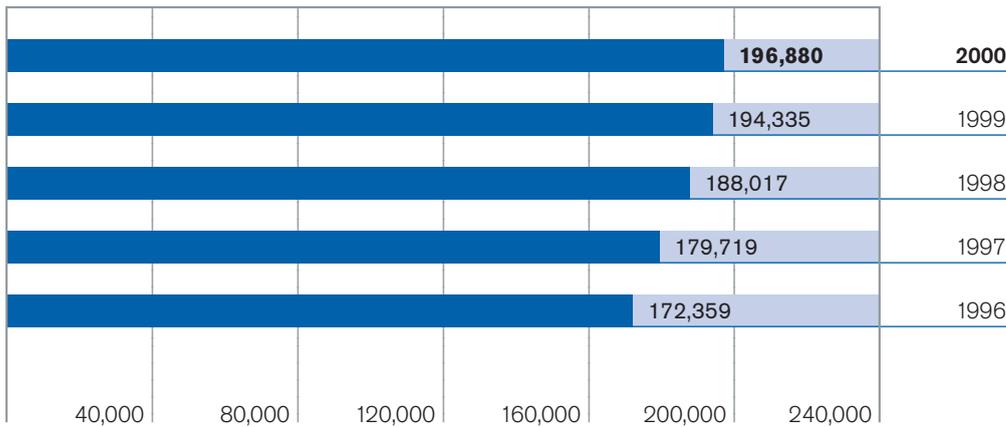
The company university: 20 years Robert Bosch Kolleg

During the year 2000, the Robert Bosch Kolleg, one of the first company-internal universities in Germany, celebrated its 20th anniversary.



We continued to increase trainee positions in 2000. We also train young people at foreign locations.

Number of employees
(annual averages) Trend 1996–2000



sary. It provides continuing education at the university level. The institution promotes the exchange of know-how and experience between our skilled labor and management. Courses cover topics in technology, business, management, law and ethics.

From skilled worker to technical employee

Utilizing a ten-month long career-enhancing program, 89 skilled workers from 20 locations qualified themselves as technical employees. As of the end of the year 2000, 90% of the participants had already been able to take on a higher level of responsibility. We will continue the program in 2001, and consider this an effective measure to combat the shortage of technically skilled employees.

Union agreements with respect to tele-working and retiree part-time program

Robert Bosch GmbH concluded an agreement with the joint shop council effective June 1, 2000, with respect to alternative tele-working. It enables the employee with permission of his or her superior to alternate work at home and at the company. Employees will also be able to access data at the company network from home. This flexible work method enables employees to better balance career and family. At present, about 100 employees of the domestic Bosch Group make use of tele-working to do their jobs.

The retiree part-time work agreement for Robert Bosch GmbH, which has been in effect since 1998, was changed on October 6, 2000, and extended to the end of 2003. Until that date, we allow 1% of employees each year a gradual transition into retirement. At the same time we offer young people the chance of a career. Although the part-time arrangement formerly ended at the earliest pensionable age, the changed rules now allow it to end upon reaching the age of 63 in particular cases. Similar arrangements were entered into at our German subsidiaries. As of the end of 2000, around 1,300 employees in the domestic Bosch Group were in the retiree part-time program.

Expression of appreciation to employees and their representatives

The strained employment situation of earlier years continued in the year 2000. Only the special commitment of all involved allowed us to fulfill the wishes of our customers. We want to thank our employees for their high degree of readiness to perform and for their flexibility. We also want to express our appreciation to the labor representatives who cooperated in the measures necessary to secure our competitiveness. This understanding helped especially in arriving at flexible operational work-time arrangements in the plants.



Employee teams regularly meet in our plants to discuss quality, such as here in our Hungarian location at Hatvan.

Financial Statements of the Bosch Group Worldwide

Consolidated Balance Sheet as of December 31, 2000

(million DM)

Assets	Appendix	December 31, 2000	December 31, 1999
Fixed assets	(6)		
Intangible fixed assets		1,874	1,643
Tangible fixed assets		12,488	10,909
Financial investments		2,082	1,552
		16,444	14,104
Current assets			
Leased products		79	419
Inventories	(7)	7,147	6,525
Accounts receivable and other assets	(8)		
Accounts receivable		10,310	9,337
Other receivables and assets		3,941	2,910
Marketable securities		6,650	5,216
Liquid assets		3,294	2,178
		31,421	26,585
Deferred expenses		61	54
		47,926	40,743

Liabilities and Equity	Appendix	December 31, 2000	December 31, 1999
Equity capital	(9)		
Capital stock		1,800	1,800
Capital surplus		4,630	4,630
Earned surplus		3,725	5,842
Unappropriated earnings		5,090	80
Minority interests		965	646
		16,210	12,998
Accruals with valuation reserve portion	(10)	224	533
Accruals			
Accruals for pensions and similar obligations		7,433	7,256
Other accruals	(11)	11,653	10,782
		19,086	18,038
Liabilities	(12)		
Bonds		951	
Liabilities with banks		3,329	2,356
Accounts payable		4,367	4,064
Other liabilities		3,721	2,690
		12,368	9,110
Deferred income		38	64
		47,926	40,743

Financial Statements of the Bosch Group Worldwide

Consolidated Statement of Income

for the period from January 1 to December 31, 2000

(million DM)

	Appendix	2000	1999
Sales	(15)	61,717	54,579
Changes in finished goods and work-in-progress inventories and other capitalized costs	(16)	722	743
Total operating performance		62,439	55,322
Other operating income	(17)	4,003	2,822
Costs of materials	(18)	-30,175	-25,734
Personnel costs	(19)	-17,505	-16,229
Depreciation and amortization of intangible and tangible fixed assets		-4,401	-3,749
Other operating expenses	(17)	-11,888	-10,854
Net income from investments	(20)	163	95
Amortization of financial investments and securities included			
with current assets		-140	-221
Interest income, net of expenses	(21)	270	251
Income from ordinary business activities		2,766	1,703
Taxes on income	(22)	-66	-803
Net income for the year		2,700	900
Including profit and loss of minority shareholders	(23)	103	115

Financial Statements of the Bosch Group Worldwide

Capital Flow Statement

(million DM)

	2000	1999
Net income for the year	2,700	900
Depreciation of fixed assets ¹	4,517	3,884
Increase in long-term accruals and accruals with valuation reserve portion	79	1,588
Cash flow	7,296	6,372
Increase in inventories and leased products	-1,024	-506
Increase in receivables	-979	-2,181
Increase in short-term accruals	265	684
Change in liabilities	-225	622
Additions to funds from business activities (1)	5,333	4,991
Additions to fixed assets	-5,460	-4,832
Retirements of fixed assets	922	576
Application of funds to investment activities (2)	-4,538	-4,256
Dividends 1999/1998	-80	-80
Change in financing debt	-36	377
Other changes in balance-sheet items	1,003	-720
Change in funds from financial activities (3)	887	-423
Change in liquidity (1) + (2) + (3)	1,682	312
Liquidity at the beginning of the year	7,394	7,082
Change in the composition of the consolidated group	868	
Liquidity at the end of the year	9,944	7,394

1 after offset by write-ups of 3 million DM (prior year 19 million DM)

Financial Statements of the Bosch Group Worldwide

2000 Development of Fixed Assets

(million DM)

	Cost of acquisition or manufacture			
	Jan.1, 2000	Changes in the consolidated group	Additions	Transfers
Intangible fixed assets				
Concessions, patents, trademarks and similar rights				
and assets as well as licenses to such rights and assets	595	39	193	
Goodwill	3,310	814	75	
Advance payments			1	
	<u>3,905</u>	<u>853</u>	<u>269</u>	
Tangible fixed assets				
Land, leasehold rights and buildings,				
including buildings on land owned by others	6,534	1,440	213	135
Production equipment and machinery	16,434	3,393	1,984	773
Other equipment, fixtures and furniture	9,203	503	762	126
Advance payments and construction in progress	971	224	1,169	-1,034
	<u>33,142</u>	<u>5,560</u>	<u>4,128</u>	
Financial investments				
Investments in affiliated companies	1,611	-375	246	12
Loans to affiliated companies	17			
Investments in associated companies	461	-123	51	
Other financial investments	499	46	544	-12
Long-term investments			206	
Other loans	82	17	16	
	<u>2,670</u>	<u>-435</u>	<u>1,063</u>	
Total fixed assets	<u>39,717</u>	<u>5,978</u>	<u>5,460</u>	

Retirements	Dec.31, 2000	Depreciation cumulative to Dec.31, 2000	Net book value as of Dec.31, 2000	Net book value as of Dec.31, 1999	Depreciation current year	Write-ups current year
235	592	423	169	194	222	
317	3,882	2,178	1,704	1,449	681	
	1		1			
552	4,475	2,601	1,874	1,643	903	
620	7,702	4,341	3,361	2,946	322	
1,182	21,402	15,323	6,079	5,141	2,327	
1,457	9,137	7,371	1,766	1,865	846	
33	1,297	15	1,282	957	3	
3,292	39,538	27,050	12,488	10,909	3,498	
29	1,465	666	799	846	95	3
1	16	1	15	15		
104	285	70	215	354	1	
55	1,022	262	760	254	22	
	206	1	205		1	
26	89	1	88	83		
215	3,083	1,001	2,082	1,552	119	3
4,059	47,096	30,652	16,444	14,104	4,520	3

Financial Statements of the Bosch Group Worldwide

Balance Sheet Structure 1996–2000

(million DM)

	1996	1997	1998	1999	2000
Assets					
Fixed assets	10,784 33%	12,013 34%	12,703 35%	14,104 35%	16,444 34%
Inventories, leased products	5,329 17%	6,131 18%	6,438 18%	6,944 17%	14,312 30%
Receivables	8,578 27%	9,450 27%	10,120 28%	12,301 30%	9,944 21%
Marketable securities, liquid assets	7,582 23%	7,312 21%	7,082 19%	7,394 18%	9,944 21%
	32,273	34,906	36,343	40,743	47,926
Liabilities and Equity					
Equity capital	9,527 30%	11,377 33%	11,869 33%	12,998 32%	16,210 34%
Long-term liabilities	12,928 40%	13,149 37%	13,870 38%	15,703 38%	16,540 34%
Current liabilities	9,818 30%	10,380 30%	10,604 29%	12,042 30%	15,176 32%
	32,273	34,906	36,343	40,743	47,926

Financial Statements of the Bosch Group Worldwide

Appendix 2000

(1) General remarks

The consolidated statements of the Bosch Group Worldwide conform to the regulations of the Commercial Code.

In order to ensure better understanding of these financial statements, we combined a number of individual balance sheet and statement of income items into key groupings. These items are stated separately in this appendix. Required comments for individual items are also contained in this appendix. The consolidated statement of income follows the format of the total cost method.

(2) Consolidated group

The consolidation includes Robert Bosch GmbH and 19 domestic as well as 123 foreign subsidiaries. For the first time, we consolidated the following companies:

- Bosch Automotive Systems Corporation, Shibuya-ku, Tokyo, Japan,
- Zexel Valeo Climate Control Corporation, Shibuya-ku, Tokyo, Japan,
- Robert Bosch Electronics Manufacturing Kft Ltd, Hatvan, Hungary,
- Bosch Isitma Ürünleri Sanayi ve Ticaret AS, Manisa, Turkey,
- Korea Automotive Motor Corporation, Buyong, Korea, and from October, 2000, also the sub-group financial statements of
- Vermont American Corporation, Louisville, KY, USA. We acquired all interests in this company at this time.

During the year we sold our public and private networks product lines as well as the mobile radio business. These changes pertained especially to Bosch Telecom GmbH and its subsidiaries in Leipzig, Radeberg, and Backnang (Bosch Telecom Software-Systeme) and those in the U.S. and Venezuela. This also affected our European sales companies. Our interests in Tele Atlas Deutschland GmbH, Hildesheim, were also sold.

The consolidated statements of BSH Bosch und Siemens Hausgeräte GmbH, Munich, and ZF Lenksysteme GmbH, Schwäbisch Gmünd, were included pro rata pursuant to Section 310 of the Commercial Code.

In accordance with Section 296, Paragraph 2 of the Commercial Code, companies lacking operations or having insignificant business volume, were not included with the consolidated financial statements. In addition, we did not yet include in the consolidation the financial statements of the following companies in Japan as a result of reorganization: Bosch Braking Systems Co Ltd, Shibuya-ku, Tokyo, as well as the subsidiaries of Bosch Automotive Systems Corporation, Shibuya-ku, Tokyo, and of Zexel Valeo Climate Control Corporation, Shibuya-ku, Tokyo (see Section 296, Paragraph 1, Sub 2 of the Commercial Code).

The equity valuation of material interests in associated companies was applied in accordance with the book-value method. This valuation pertained to three domestic and five foreign companies.

(3) Principles of classification and valuation

The financial statements of Bosch Group Worldwide include the individual statements of our subsidiaries which conform to uniform principles of classification and valuation.

We adhered to the valuation at lower of cost or market and imparity of gain or loss recognition.

Financial statements of foreign associated companies were not modified to comply with the uniform accounting principles of the consolidated group.

Intangible assets including goodwill resulting from first-time consolidations as well as tangible and financial assets were valued at acquisition cost or cost of manufacture subject to depreciation and amortization.

We applied straight-line as well as accelerated depreciation methods. Items of minor value were fully depreciated during the year of acquisition. We applied special depreciation allowances according to tax regulations in all countries.

Interest-free and low-interest loans were adjusted to reflect present values by application of a uniform discount rate domestically, and prevailing rates in foreign countries.

Additions to interests in associated companies include shares purchased as well as capital contributions and prorated profits. Retirements include prorated losses, dividends paid and shares sold.

We valued inventories at the lower of average purchase or manufacturing cost or market. Manufacturing costs include direct costs and reasonable overhead.

At domestic companies, the Lifo valuation method was used in principle. We used this method also at foreign subsidiaries when accepted by the tax authorities.

We provided for risks inherent in warehousing and distribution through appropriate deductions. Additional write-downs were taken in cases of unfavorable returns.

Accounts receivable and other current assets were stated at face values less write-downs for individual risks and for general credit risks. Interest-free or low-interest receivables with maturities of more than one year were discounted.

We valued marketable securities included in current assets at the lower of acquisition cost or market.

In determining the size of accruals we provided for all identifiable risks.

Pension accruals and similar liabilities were determined by the application of actuarial principles and were discounted to reflect present values. For domestic companies, we used a 6% discount rate in accordance with the 1998 guideline tables, while foreign subsidiaries used discount rates prevailing in their respective countries.

In determining the amounts accrued for pending transactions with expected losses, we basically took account of prices and costs expected at the time these transactions would close.

Liabilities were stated at the amounts owed.

(4) Currency translation

Accounts receivable and accounts payable stated in foreign currencies were translated to DM equivalents at the less favorable of the average exchange rate at the date of origin, or at the balance-sheet date.

For the translation to DM of the financial statements in foreign currencies and the related profits and losses, we applied, in principle, average exchange rates at the balance-sheet date. Transactions pertaining to fixed assets were translated at average annual DM equivalents. Resulting differences were included with beginning balances of cost of acquisition or manufacture as well as in cumulative depreciation.

Income and expenses were translated at average exchange rates. Differences resulting from the application of average exchange rates versus year-end exchange rates were included with other operating expenses.

(5) Consolidation principles

For capital consolidation of companies or for newly acquired capital shares, we applied the book-value method at the date of acquisition or at the date of first-time consolidation. As far as possible, we allocated amounts subject to capitalization to the respective assets. Remaining amounts were included with goodwill. Negative goodwill resulting from capital consolidation was included with earned surplus.

Receivables and payables, sales, expenses, and income, as well as results within the consolidated group were eliminated.

Profits from sales to the consolidated group by associated companies were not eliminated since they were insignificant.

Deferred tax assets resulting from consolidation measures in the amount of 60 (prior year 60) million DM were included with other assets.

(6) Fixed assets

Extraordinary depreciation and amortization amounting to 404 million DM pertained mostly to goodwill and to financial investments.

In accordance with tax regulations, we deducted an extra 67 million DM directly from the acquisition costs of tangible fixed assets. The depreciation was taken pursuant to Section 6b of the Income Tax Law, Section 82a of the Income Tax Implementation Regulations and pursuant to local tax laws at our foreign subsidiaries.

Investments in affiliated companies were written up by 3 million DM.

The development of fixed assets is presented on pages 48 and 49 of this report.

(7) Inventories

Included with the stated value of inventories, in the amount of 7,147 million DM, are our advance payments of 79 million DM (1999: 50 million DM). On the other hand, advance payments received in the amount of 152 million DM (1999: 218 million DM) were deducted.

(8) Accounts receivable and other assets

Million DM	2000	1999
Accounts receivable	10,310	9,337
including maturities of more than one year	21	13
Other receivables and assets		
Receivables from affiliated companies	790	655
including maturities of more than one year	47	154
Receivables from companies in which interests are held	136	150
including maturities of more than one year	-	-
Other assets	3,015	2,105
including maturities of more than one year	181	252
	3,941	2,910
Receivables and other assets	14,251	12,247

(9) Equity capital

The subscribed capital stock of 1,800 million DM and the capital surplus of 4,630 million DM correspond to the respective balance-sheet items of Robert Bosch GmbH.

Earned surplus accounts consist of the following:

Million DM	2000	1999
Earned surplus of Robert Bosch GmbH	180	1,240
Other earned surplus	3,545	4,602
	<u>3,725</u>	<u>5,842</u>

To accommodate the capital increase at Robert Bosch GmbH, which is planned for the year 2001, we transferred 1,060 million DM from earned surplus of the company to unappropriated earnings.

Unappropriated earnings of the consolidated group are identical to those of Robert Bosch GmbH.

(10) Accruals with valuation reserve portion

Accruals with valuation reserve portion were formed pursuant to Sections 6b and 52 Paragraph 16 of the Income Tax Law. Our foreign subsidiaries followed local regulations with respect to such items.

(11) Other accruals

Million DM	2000	1999
Accrued taxes	323	330
Other accruals	11,330	10,452
	<u>11,653</u>	<u>10,782</u>

(12) Liabilities	Million DM	2000	Including	1999	Including
			maturities		maturities
			up to one		up to one
			year		year
Bonds		951	183		
Liabilities with banks		3,329	1,765	2,356	467
Accounts payable		4,367	4,359	4,064	4,064
Other liabilities					
Liabilities from acceptances and drafts		208	208	118	118
Liabilities with affiliated companies		489	489	104	104
Liabilities with companies in which interests are held		194	194	155	155
Other liabilities		2,830	2,677	2,313	2,227
		3,721	3,568	2,690	2,604
Total liabilities		12,368	9,875	9,110	7,135

Of the liabilities with banks, 51 million DM were secured by mortgages and another 13 million DM by other liens. Of other liabilities, 8 million DM were secured by mortgages.

Other liabilities contain tax liabilities in the amount of 537 million DM (1999: 475 million DM) and liabilities pertaining to social obligations in the amount of 381 million DM (1999: 420 million DM). Liabilities with shareholders in the amount of 48 million DM pertain to Robert Bosch Stiftung GmbH.

Total liabilities with maturities of more than 5 years amounting to 1,314 million DM included 1,277 million DM of liabilities with banks and 37 million DM of other liabilities.

(13) Contingent liabilities

Million DM	
Contingent liabilities from the issuance or transfer of notes	433
including on behalf of affiliated companies	196
Contingent liabilities from guarantees	263
including on behalf of affiliated companies	164
Contingent liabilities from warranties	22
Contingent liabilities from collateral given for third-party liabilities	20
including mortgages	1

As a partner in two foreign private companies, we are jointly and severally liable in accordance with legal requirements.

(14) Other financial obligations

Other financial obligations of significance for an opinion on the financial condition of the company did not exist.

(15) Breakdown of sales

Million DM	2000	%	1999	%
Sales by business sectors				
Automotive technology	43,950	71.2	35,470	65.0
Industrial technology	2,342	3.8	2,092	3.8
Consumer goods and building technology ¹	14,575	23.6	13,067	24.0
Spun-off divisions of communications technology ²	850	1.4	3,950	7.2
	61,717	100.0	54,579	100.0

1 Including the security technology, aerospace engineering and broadband networks product groups

2 Public and private networks as well as terminals

Million DM	2000	%	1999	%
Sales by regions				
Countries of the European Union	37,434	60.7	37,641	69.0
Rest of Europe	3,103	5.0	2,392	4.4
Americas	13,291	21.5	10,852	19.9
Asia, Africa, Australia	7,889	12.8	3,694	6.7
	61,717	100.0	54,579	100.0

(16) Changes in finished goods and work-in-progress inventories and other capitalized costs	Million DM	2000	1999
	Change in finished goods and work-in-progress inventories	315	341
	Other capitalized costs	407	402
		722	743

(17) Other operating expenses and income

Expenses resulting from additions to accruals with valuation reserve portion in the amount of 14 million DM are included in other operating expenses. Income from the reversal of accruals with valuation reserve portion in the amount of 322 million DM are included in other operating income.

(18) Costs of materials	Million DM	2000	1999
	Cost of raw materials, supplies and merchandise	28,130	23,910
	Purchased services	2,045	1,824
		30,175	25,734

(19) Personnel costs	Million DM	2000	1999
	Wages and salaries	14,002	13,069
	Social security, pension plans, and support payments	3,503	3,160
	of which pension plans	1,034	806
		17,505	16,229

Average numbers of employees during the year, by region:

	2000	Including	1999	Including
	Total	BSH,	Total	BSH,
		ZFLS		ZFLS
		(prorated)		(prorated)
Countries of the European Union	125,783	15,406	132,749	15,423
Rest of Europe	12,285	2,812	10,527	3,112
Americas	33,118	2,728	31,592	2,812
Asia, Africa, Australia	25,694	1,681	19,467	1,648
	196,880	22,627	194,335	22,995

(20) Net income from investments	Million DM	2000	1999
	Income from investments	94	35
	including affiliated companies	39	11
	Result from associated companies	76	60
	Expenses from loss transfers	- 7	
		163	95

(21) Interest income, net of expenses	Million DM	2000	1999
	Interest from loans included		
	with financial investments	7	6
	including affiliated companies	1	4
	Other interest and similar income	627	497
	including affiliated companies	17	11
	Interest and similar expenses	- 364	- 252
	including affiliated companies	- 1	- 1
		270	251

(22) Tax expenses	Million DM	2000	1999
	Taxes on income	66	803
	Other taxes	285	241
		351	1,044

Taxes on income were significantly affected by the tax reduction resulting from employing the “pay-out-and-reinvest” procedure at Robert Bosch GmbH.

The impact of other tax allowances on the profit for the fiscal year as well as in former years, and the size of future burdens from the resulting valuations are of secondary significance.

(23) Profit and loss of minority shareholders	Million DM	2000	1999
	Profits	182	131
	Losses	- 79	- 16
		103	115

(24) Compensation of the members of the Board of Management and of the Supervisory Council

During 2000, the aggregate compensation of the members of the Board of Management of Robert Bosch GmbH amounted to 15 million DM. Former members of the Board of Management and their dependents received 10 million DM, and the members of the Supervisory Council one million DM.

Accruals at Robert Bosch GmbH for pension liabilities for former members of the Board of Management and their dependents amounted to 82 million DM.

The members of the Supervisory Council and the Board of Management of Robert Bosch GmbH are listed on pages 4 and 5.

(25) Shareholdings of Bosch Group Worldwide

A listing of the shareholdings of the consolidated Bosch Group will be deposited with the commercial registry of the Stuttgart Court.

Stuttgart, March 6, 2001

Robert Bosch GmbH
The Board of Management

Auditors' report

We have audited the consolidated financial statements and the group management report prepared by Robert Bosch GmbH, Stuttgart, for the business year from January 1 to December 31, 2000. The preparation of the consolidated financial statements and group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated annual financial statements in accordance with § 317 HGB (German Commercial Code) and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). The applied standards are also in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system as it relates to accounting and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. On the whole the group management report provides a suitable understanding of the Group's position and suitably presents the risks of future developments.

Stuttgart, March 6, 2001

Ernst & Young
Deutsche Allgemeine Treuhand AG
Wirtschaftsprüfungsgesellschaft

Dr. Dörner Prof. Dr. Pfitzer
Wirtschaftsprüfer Wirtschaftsprüfer

Major Companies of the Bosch Group Worldwide

(as of December 31, 2000)

Name	Location	Equity Capital % owned ¹	Equity Capital ² million DM	Sales ² million DM	Profit or loss ² million DM
Germany					
Blaupunkt GmbH	Hildesheim	100	186	2,044	PLT ³
BSH Bosch und Siemens Hausgeräte GmbH ⁴	Munich	50	1,390	12,279	173
Bosch Telecom GmbH	Stuttgart	100	539	1,364	PLT ³
BT Magnet-Technologie GmbH ⁵	Herne	50	60	39	2
Hawera Probst GmbH	Ravensburg	100	26	153	8
Knorr-Bremse Systeme für Nutzfahrzeuge GmbH ⁴	Munich	20	223	1,421	54
Robert Bosch Fahrzeugelektrik Eisenach GmbH	Eisenach	100	81	653	39
VB Autobatterie GmbH	Hanover	20	154	452	36
ZF Lenksysteme GmbH ⁴	Schwäbisch Gmünd	50	499	2,774	11

Foreign Countries

Europe

NV Robert Bosch SA	Anderlecht/Belgium	100	41	306	2
Robert Bosch Produktie NV	Tienen/Belgium	100	102	462	30
Robert Bosch A/S	Ballerup/Denmark	100	37	168	3
Robert Bosch (France) SA ⁴	Saint-Ouen (Paris)/France	100	459	3,752	-133
Atco-Qualcast Limited	Stowmarket, Suffolk/U.K.	100	26	185	-1
Robert Bosch Ltd	Denham/U.K.	100	233	1,216	40
Worcester Group plc ⁴	Worcester/U.K.	100	71	390	54
Robert Bosch SpA ⁴	Milan/Italy	100	82	1,378	-49
Robert Bosch BV	Hoofddorp/Netherlands	100	24	263	9
Van Doorne's Transmissie BV	Tilburg/Netherlands	100	18	86	-23
Robert Bosch A/S	Trollaasen (Oslo)/Norway	100	19	89	0
Robert Bosch AG	Vienna/Austria	100	87	431	30
Blaupunkt Auto-Rádio Portugal Lda	Braga/Portugal	100	53	707	-1
Vulcano Termo-Domésticos SA	Aveiro/Portugal	100	183	345	21
Robert Bosch AB	Kista (Stockholm)/Sweden	100	23	165	12
Robert Bosch Internationale Beteiligungen AG	Zurich/Switzerland	90	785		92
Robert Bosch AG	Zurich/Switzerland	100	28	228	7
Scintilla AG	Solothurn/Switzerland	85	892	1,171	199
Robert Bosch España SA ⁴	Madrid/Spain	100	427	2,414	-8
Robert Bosch spol. s r.o.	České Budějovice/Czech Rep.	100	87	335	11
Bosch Diesel spol. s r.o.	Jihlava/Czech Republic	100	44	254	-3
Bosch Sanayi ve Ticaret AS	Bursa/Turkey	100	205	512	42

Name	Location	Equity Capital % owned ¹	Equity Capital ² million DM	Sales ² million DM	Profit or loss ² million DM
Americas					
Robert Bosch Ltda	Campinas/Brazil	100	430	1,914	45
Associated Fuel Pump Systems Corporation	Anderson/USA	50	238	365	53
Automotive Electronic Control Systems Inc	Anderson/USA	51	70	245	19
Robert Bosch Corporation ⁴	Broadview (Chicago)/USA	100	2,066	9,276	-72
S-B Power Tool Company ⁴	Chicago/USA	100	483	1,754	190
Vermont American Corporation ⁴	Louisville/USA	100	270	855	-132
Asia, Australia					
Motor Industries Co Ltd	Bangalore/India	54	235	779	51
Bosch KK	Yokohama/Japan	100	157	733	7
Bosch Automotive Systems Corporation ⁴	Shibuya-ku (Tokyo)/Japan	51	1,963	4,878	-332
Bosch Electronics Corporation	Tomioka-shi/Japan	100	51	162	-2
Nippon Injector Corporation	Odawara-shi/Japan	35	119	179	14
Korea Automotive Motor Corporation	Buyong/Korea	100	85	339	7
KEFICO Corporation	Kunpo-Si/Korea	25	153	563	34
Robert Bosch Korea Mechanics & Electronics Ltd	Chonan/Korea	100	68	287	1
Robert Bosch (Malaysia) Sdn Bhd	Penang/Malaysia	100	43	296	22
Robert Bosch (South East Asia) Pte Ltd	Singapore/Singapore	100	37	250	12
Robert Bosch (Australia) Pty Ltd ⁴	Clayton (Melbourne)/Australia	100	151	928	44

1 Shares held directly and indirectly
by Robert Bosch GmbH

2 Translation of foreign currencies
pertaining to equity capital and profit
and loss stated at average
exchange rates at the balance-sheet date;
sales stated at average
exchange rates of the year

3 Profit and loss transfer agreement (PLT)

4 Represents a consolidated sub-group

5 Values refer to the stub period ended March 31, 2000

Financial Statements of Robert Bosch GmbH

Balance Sheet as of December 31, 2000

(million DM)

Assets	December 31, 2000	December 31, 1999
Fixed assets		
Intangible fixed assets	-	-
Tangible fixed assets	3,313	3,279
Financial investments	7,448	6,222
	10,761	9,501
Current assets		
Inventories	2,528	2,175
Accounts receivable and other assets		
Accounts receivable	3,918	3,579
Other receivables and assets	3,381	2,752
Marketable securities	5,316	4,394
Liquid assets	1,971	803
	17,114	13,703
Deferred expenses	6	4
	27,881	23,208
Liabilities and Equity		
Equity capital		
Capital stock	1,800	1,800
Capital surplus	4,630	4,630
Earned surplus	180	1,240
Unappropriated earnings	5,090	80
	11,700	7,750
Accruals with valuation reserve portion	126	400
Accruals		
Accruals for pensions and similar obligations	4,718	4,449
Other accruals	6,235	5,985
	10,953	10,434
Liabilities		
Liabilities with banks	384	384
Accounts payable	1,135	1,093
Other liabilities	3,583	3,144
	5,102	4,621
Deferred income		3
	27,881	23,208

Financial Statements of Robert Bosch GmbH

Statement of Income

for the period from January 1 to December 31, 2000

(million DM)

	2000	1999
Sales	32,378	29,061
Changes in finished goods and work-in-progress inventories and other capitalized costs	224	185
Total operating performance	32,602	29,246
Other operating income	3,519	2,172
Costs of materials	-19,597	-17,632
Personnel costs	-7,235	-6,670
Depreciation and amortization of intangible and tangible fixed assets	-1,321	-1,203
Other operating expenses	-5,275	-5,144
Net income from investments	708	110
Amortization of financial investments and securities included with current assets	-207	-356
Interest income, net of expenses	320	308
Income from ordinary business activities	3,514	831
Taxes on income	516	-181
Net income for the year	4,030	650
Transfers from surplus accounts	1,060	
Additions to surplus accounts		-570
Unappropriated earnings	5,090	80

Ten Year Statistics Bosch Group Worldwide

(million DM)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Sales	33,600	34,432	32,469	34,478	35,844	41,146	46,851	50,333	54,579	61,717
Foreign share as a percentage of sales	48	47	49	54	56	61	65	65	66	72
Research and development expense	2,144	2,302	2,215	2,255	2,474	2,887	3,257	3,478	3,757	3,971
as a percentage of sales	6.4	6.7	6.8	6.5	6.9	7.0	7.0	6.9	6.9	6.4
Investments in tangible fixed assets	2,273	2,038	1,552	1,578	2,056	2,419	2,905	3,773	3,806	4,128
including domestic	1,464	1,347	990	960	1,255	1,270	1,376	1,930	1,746	1,664
including foreign	809	691	562	618	801	1,149	1,529	1,843	2,060	2,464
as a percentage of sales	6.8	5.9	4.8	4.6	5.7	5.9	6.2	7.5	7.0	6.7
as a percentage of depreciation	126	103	85	90	117	117	125	148	128	118
Depreciation on tangible fixed assets	1,799	1,976	1,836	1,747	1,757	2,059	2,321	2,546	2,978	3,498
Employees – annual average – (000 omitted)	181	177	165	156	158	172	180	188	194	197
including domestic	117	113	104	95	92	91	91	94	97	91
including foreign	64	64	61	61	66	81	89	94	97	106
as of January 1 of following year	177	170	157	154	157	176	181	190	195	199
Personnel costs	11,403	11,838	11,692	11,439	11,476	13,017	14,359	15,575	16,229	17,505
Total assets	24,247	24,452	25,447	27,373	28,504	32,273	34,906	36,343	40,743	47,926
Fixed assets	7,467	7,769	7,003	6,650	6,957	10,784	12,013	12,703	14,104	16,444
as a percentage of total assets	31	32	27	24	24	33	34	35	35	34
Equity capital	7,471	7,859	8,304	8,563	9,038	9,527	11,377	11,869	12,998	16,210
as a percentage of total assets	31	32	33	31	32	30	33	33	32	34
Cash flow	3,267	3,501	3,717	3,765	3,245	3,539	5,219	4,904	6,372	7,296
as a percentage of sales	9.7	10.2	11.4	10.9	9.1	8.6	11.1	9.7	11.7	11.8
Net income for the year	540	512	426	512	550	500	1,659 ¹	850	900	2,700 ¹
Unappropriated earnings (Dividends of Robert Bosch GmbH)	43	60	60	60	68	68	2,209 ¹	80	80	5,090 ¹

¹ Special effect of "pay-out-and-reinvest" procedure at Robert Bosch GmbH

Bosch Group

Business Sectors and Divisions

Automotive Technology¹

Gasoline Systems

Diesel Systems

Chassis Systems

Energy Systems

Body Electronics

Car Multimedia²

Automotive Electronics

Automotive Aftermarket

Industrial Technology

Automation Technology

Packaging Technology

Consumer Goods and Building Technology

Power Tools

Thermotechnology

Household Appliances³

Security Technology

Broadband Networks

¹ Including ZF Lenksysteme GmbH (50% Bosch)

² Blaupunkt GmbH (100% Bosch)

³ BSH Bosch und Siemens Hausgeräte GmbH (50% Bosch)

BOSCH

Robert Bosch GmbH
Robert-Bosch-Platz 1
D-70839 Gerlingen-Schillerhöhe

Mailing address:
Postfach 10 60 50
D-70049 Stuttgart

Telephone +49 711 8 11-0
Fax +49 711 8 11-66 30

www.bosch.com