150th anniversary of Robert Bosch's birth

Bosch Group: 125 years of "knowing how, thinking beyond"

Drivers of innovation

Annual Report 2010

Innovations

Power of innovation

Culture of innovation

125 Years Bosch 1886–2011

BOSCH

Invented for life

The Bosch Vision
Creating value – sharing values

If we want to work successfully as a team in a globalized and complex world, then we need a common image of the future for our company. This image – this vision – helps us bring our strategic thinking into clear alignment.

As a leading technology and services company, we take advantage of our global opportunities for a strong and meaningful development. Our ambition is to enhance the quality of life with solutions that are both innovative and beneficial. We focus on our core competencies in automotive and industrial technologies as well as in products and services for professional and private use.

We strive for sustained economic success and a leading market position in all that we do. Entrepreneurial freedom and financial independence allow our actions to be guided by a long-term perspective. In the spirit of our founder, we particularly demonstrate social and environmental responsibility – wherever we do business.

Our customers choose us for our innovative strength and efficiency, for our reliability and quality of work. Our organizational structures, processes, and leadership tools are clear and effective, and support the requirements of our various businesses. We act according to common principles. We are strongly determined to jointly achieve the goals we have agreed upon.

As associates worldwide, we feel a special bond in the values we live by – day for day. The diversity of our cultures is a source of additional strength. We experience our task as challenging, we are dedicated to our work, and we are proud to be part of Bosch.

BOSCH
Invented for life

Key Data

Bosch Group	2009	2010
Sales revenue	38,174	**47,259**
percentage change from previous year	–15	**+24**
Sales revenue generated outside Germany		
as a percentage of sales revenue	76	**77**
Research and development cost	3,603	**3,810**
as a percentage of sales revenue	9.4	**8.1**
Capital expenditure	1,892	**2,379**
as a percentage of depreciation	80	**100**
Associates		
average for the year	274,530	**276,418**
as of January 1, 2010/2011	270,687	**283,507**
Total assets	47,509	**52,683**
Equity	23,069	**26,243**
as a percentage of total assets	49	**50**
Profit before tax	–1,197	**3,485**
as a percentage of sales revenue	–3.1	**7.4**
Profit after tax	–1,214	**2,489**
Unappropriated earnings (dividend of Robert Bosch GmbH)	67	**82**

Currency figures in millions of euros

The Bosch Group at a Glance

The Bosch Values

- Future and result focus
- Responsibility
- Initiative and determination
- Openness and trust
- Fairness
- Reliability, credibility, and legality
- Cultural diversity

The Bosch Group is a leading global supplier of technology and services. In the areas of automotive and industrial technology, consumer goods, and building technology, some 285,000 associates generated sales of 47.3 billion euros in fiscal 2010. The Bosch Group comprises Robert Bosch GmbH and its more than 350 subsidiaries and regional companies in over 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. Bosch spent 3.8 billion euros for research and development in 2010, and applied for over 3,800 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.

Bosch is celebrating its 125th anniversary in 2011. The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

Shareholders of Robert Bosch GmbH

- Robert Bosch Stiftung GmbH
  92 % share of equity
  No voting rights
- Bosch family
  7 % share of equity
  7 % voting rights
- Robert Bosch Industrietreuhand KG
  93 % voting rights
- Robert Bosch GmbH
  1 % share of equity
  No voting rights

Business sectors and divisions

Automotive Technology	Industrial Technology	Consumer Goods and Building Technology
Gasoline Systems	Drive and Control Technology[2]	Power Tools
Diesel Systems	Packaging Technology	Thermotechnology
Chassis Systems Brakes	Solar Energy	Household Appliances[3]
Chassis Systems Control		Security Systems
Electrical Drives		
Starter Motors and Generators		
Car Multimedia		
Automotive Electronics		
Automotive Aftermarket		
Steering Systems[1]		

[1] ZF Lenksysteme GmbH (50 % Bosch-owned)

[2] Bosch Rexroth AG (100 % Bosch-owned)

[3] BSH Bosch und Siemens Hausgeräte GmbH (50 % Bosch-owned)

www.bosch.com

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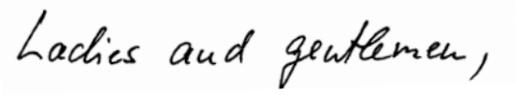
Innovations
People

Foreword

"The Bosch Group has emerged from the crisis with renewed strength. With this strength, we have laid the foundation for our ability to capitalize on the opportunities arising from an increased pace of change worldwide, and to master the challenges that lie ahead." *Franz Fehrenbach*



Where 2009 brought recession on a historic scale, 2010 proved a year of historic recovery. We can now say we have emerged from the crisis with renewed strength. Not just in the shape of new orders and gains in market share, nor solely in the further expansion of our presence in growth regions like Asia Pacific; we are also stronger in the solidarity shown across the company.

Part of this we owe to the principles and measures we embraced in steering our company through the economic and financial crisis. Every step of the way, despite all the cost savings, we kept our sights clearly set on our long-term survival. This is why we kept our research and development expenditure at high levels and did not abandon significant investment plans. It was of utmost importance for us to keep associates and their knowledge within the company as far as possible, and also to be as fair as possible in distributing the burdens of the crisis.

All this gives us a good basis for meeting the challenges that lie ahead. Right now we are seeing our business environment undergo radical, accelerated change that truly puts our company's adaptability to the test. Economic globalization shifted up a gear during the crisis. To harness the opportunities this brings with it, we are adding to our presence in the fast-growing emerging markets of Asia and South America as well as in central Europe, eastern Europe, and Russia. The African continent, too, is becoming more and more important. In parallel, we aim to further enhance our position in the major European and North American markets.

At the same time, we are bracing ourselves for major technological changes. These include the electric drive in the field of automotive technology – though it has to be said that there is still considerable scope for improving fuel economy and emissions in internal-combustion engines. Another example is the rising use of renewable energy and hence more decentralized forms of power supply, a trend which will transform the energy landscape for good. And increasingly widespread internet access and continuing miniatur-

ization in electronics mean ever more devices can communicate with each other autonomously. This opens the door to a whole new world of services and business models.

The same changes also affect corporate management and working practices. Issues such as interdisciplinary knowledge and innovation management are making their way up the agenda, alongside even closer global cooperation within the Bosch Group. All this calls for highly capable associates, together with a strong sense of belonging in the company. Given the changes in progress, however, we also need a common understanding of how we do business. The principles we follow go right back to our founder, Robert Bosch. Within this context, corporate social responsibility means maintaining a balance between business interests on the one hand and social and environmental interests on the other.

The 125th anniversary of the company's founding and the 150th anniversary of the birth of its founder, Robert Bosch, present an opportunity to look back over the path our company has taken and to see what lessons it holds for our future. Reviewing that path, we see how change has been a constant traveling companion, and how innovative spirit and the ability to adapt have been driving forces in our success thus far. This is why our annual report comes with an anniversary magazine entitled "Innovation."

I join with my colleagues on the board of management in expressing sincere gratitude to all our associates, whose unfailing commitment was pivotal in our successfully weathering the crisis. Thanks also go to our business partners for the strong working relationships we share, to our shareholders and supervisory council members for the great trust they have shown in us through difficult times over the last two years, and to our company's employee representatives for their constructive support.

Franz Fehrenbach
Chairman of the Board of Management

Board of Management

What does innovation mean?

Franz Fehrenbach
Chairman

Corporate Planning;
Corporate Communications with Brand Management and Marketing Communication;
Senior Executives;
Real Estate and Facilities

"Inventions and ideas alone don't make an innovation. It takes market success. Only when a new development has made a breakthrough in the market can we honestly speak of innovation. That's why every new solution – whether in the shape of a product, function, service, process, or business model – must always create added value for its customers or clients. But the make or break of innovation is our associates: without their creativity and expertise in all areas of the company, there would be no outstanding achievements and no innovation."

Dr. Siegfried Dais
Deputy Chairman

Information Technology

Drive and Control Technology;
Solar Energy

"Every innovation redefines the state of the art, puts a new spin on business models, or changes consumer behavior. Masterminding superior solutions that are of benefit to our customers is a challenge we take up day in, day out with passion and dedication."

Dr. Bernd Bohr

Chairman,
Automotive Group;
Automotive Systems Integration;
Quality Management

Gasoline Systems;
Diesel Systems;
Chassis Systems Brakes;
Steering Systems

India

"Innovations are more than just new products or functions. Above all, what sets an innovation apart from a mere novelty is market acceptance. Whereas novelties appear in established markets as variations on an existing theme, innovations create whole new markets."

Responsibilities effective July 1, 2010.

Dr. Rudolf Colm

Coordination, Consumer Goods and Building Technology business sector; Purchasing and Logistics; Insurance

Power Tools; Thermotechnology; Security Systems; Household Appliances

Western Europe; Middle Eastern Europe; Russia; Middle East; Africa

"Innovations are products or services that are new and unique from the customer's perspective. They must offer tangible customer benefit and have a positive overall impact on Bosch's sales and profits."

Dr. Stefan Asenkerschbaumer
(from July 1, 2010)

Business Administration
Finance and Financial Statements; Planning and Controlling

"Innovations represent a new approach to products, services, business models, methods, and processes that boost efficiency and productivity within the company and for suppliers and our customers."

Gerhard Kümmel
(until June 30, 2010)

Dr. Volkmar Denner

Research and Advance Engineering; Product Planning and Technology Coordination

Car Multimedia; Automotive Electronics

"A Bosch innovation is a new and meaningful thing that has been 'Invented for life'."

Dr. Wolfgang Malchow

Human Resources and Social Services; CIP Coordination; Legal Services; Compliance; Taxes; Intellectual Property; Internal Auditing; External Affairs, Governmental and Political Relations

Packaging Technology

"For innovations to succeed, they need creative, motivated associates who develop solutions for products, services, technologies, methods, processes, and business models and see them successfully established in the market."

Peter Marks

Manufacturing Coordination and Investment Planning; Environmental Protection

North America; South America

"Innovation involves premiering or fine-tuning a product, service, or process and establishing it in the market. From the customer's point of view, the innovation must be novel and – above all – beneficial. Innovation is part of each associate's job description."

Uwe Raschke

Asia Pacific

"Innovations are successful in the market when they solve a problem, and when they are fuss-free and affordable, or at least cost-effective."

Peter Tyroller

Marketing and Sales;
Original Equipment Sales
Automotive Aftermarket

"In the narrowest sense, innovations can be defined as new or improved products that have been successfully launched and offer distinct customer benefits."

Wolf-Henning Scheider
(from July 1, 2010)

Chassis Systems Control;
Electrical Drives;
Starter Motors and Generators

"Bosch innovations stand out as new solutions informed by our slogan 'Invented for life.' Their success secures our company's future and raises the bar in terms of benefit, quality, and cost."

Presidents of the Divisions

Dr. Rolf Bulander
Gasoline Systems
(from July 1, 2010)

Wolf-Henning Scheider
Gasoline Systems
(until June 30, 2010)

Gerhard Turner
Diesel Systems

Gerhard Steiger
Chassis Systems Brakes

Dr. Werner Struth
Chassis Systems Control

Dr. Udo Wolz
Electrical Drives

Ulrich Kirschner
Starter Motors and Generators
(from July 1, 2010)

Dr. Stefan Asenkerschbaumer
Starter Motors and Generators
(until June 30, 2010)

Dr. Uwe Thomas
Car Multimedia

Christoph Kübel
Automotive Electronics

Robert Hanser
Automotive Aftermarket

Dr. Karl Tragl
Drive and Control Technology
(from July 1, 2010)

Dr. Albert Hieronimus
Drive and Control Technology
(until June 30, 2010)

Friedbert Klefenz
Packaging Technology

Holger von Hebel
Solar Energy

Dr. Stefan Hartung
Power Tools

Uwe Glock
Thermotechnology

Gert van Iperen
Security Systems

Supervisory Council Report

Ladies and gentlemen,

The Bosch Group was able to regain its pre-crisis level in 2010, far sooner than had originally been expected. This is not only a reflection of the global economic recovery. It is also a great achievement of all our associates and managers. During the crisis, they shouldered considerable burdens. When the economy began its upturn, they worked hard to leverage opportunities for the benefit of our company. On behalf of the entire supervisory council, I would like to thank them for that.

The supervisory council supported the board of management in its endeavor to keep future opportunities firmly in the company's sights during the crisis. It was also close at hand as the company was put back on track for growth. Especially in the first half of 2010, economic uncertainty meant that this was no easy task. In this context, the council looked continuously and in detail at the business performance of the Bosch Group as a whole, as well as at a number of specific matters, such as ensuring delivery capability.

Likewise, the supervisory council kept itself fully abreast of future business challenges and the resulting strategic focal points. One issue was the increasing importance of services and systems solutions across all business sectors. The council also dealt in detail with the future prospects in the ever more important Chinese market. Other special topics included risk management and our internal control systems, including the structure and effect of the compliance organization.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft audited and issued an unqualified audit opinion on the Robert Bosch GmbH annual financial statements, the Bosch Group consolidated financial statements, and the accompanying management reports as of and for the year ended December 31, 2010. The supervisory council discussed these documents at length and subjected them to its own examination. All members of the supervisory council had access to the auditor's reports. At the supervisory council meeting, the auditor reported on the main findings of the audit, which were discussed in detail in the auditor's presence.

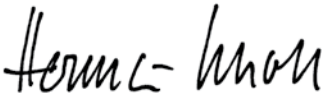
"The independent status of our company, which in 2011 marks its 125th anniversary, has always enabled us to pursue our long-term opportunities consistently and successfully. This was especially true during the global financial and economic crisis." *Hermann Scholl*

The supervisory council approved the results of the audit, raising no objections. It also ratified the Robert Bosch GmbH annual financial statements and the Bosch Group consolidated financial statements. The supervisory council recommended that the shareholders adopt the annual financial statements, ratify the consolidated financial statements, and approve the board of management's proposal for the appropriation of net profit.

Effective June 30, 2010, Mr. Wolfgang Ries resigned from his position on the supervisory council. At the suggestion of the combined works council and the German metalworkers' union IG Metall, Mr. Klaus Friedrich was appointed a new member of the supervisory council by order of the Stuttgart local court effective July 1, 2010. The supervisory council wishes to thank Mr. Ries for his dedication and loyal collaboration and his successor for his willingness to take on responsibility and play an active role on the council.

In addition, the supervisory council would like to thank the board of management for their successful work in 2010. Going forward, the council will continue to offer the members of the board of management its close support in their responsibility and commitment to the company. The 125th anniversary of the company's founding and the 150th anniversary of the birth of its founder, Robert Bosch, are an enormous incentive to drive the company's successful onward development.

Stuttgart, March 2011
For the supervisory council



Prof. Dr. Hermann Scholl
Chairman

Supervisory Council, Industrial Trust, International Advisory Committee

Supervisory Council

Prof. Dr.-Ing. Hermann Scholl
Stuttgart

Chairman,
formerly Chairman
of the Board of Management
of Robert Bosch GmbH

Alfred Löckle
Ludwigsburg

Deputy Chairman,
Member of the Works Council
of the Schwieberdingen Location
and Chairman of the Central
Works Council as well as
of the Combined Works Council
of Robert Bosch GmbH

Dr. forest. Christof Bosch
Königsdorf

Spokesperson
for the Bosch family

Christian Brunkhorst
Mühltal

Representative of the Chairman
of Industriegewerkschaft Metall

Klaus Friedrich
Lohr

(from July 1, 2010)
Chairman of the Works Council
of Bosch Rexroth AG, Lohr am
Main, and Chairman of the
Central Works Council of Bosch
Rexroth AG and Member of
the Combined Works Council
of Robert Bosch GmbH

Hartwig Geisel
Leinfelden-Echterdingen

Chairman of the Works Council
of the Feuerbach Plant and
Deputy Chairman of the Central
Works Council as well as
of the Combined Works Council
of Robert Bosch GmbH

Hans-Peter Gräther
Freiberg am Neckar

Vice-President Purchasing,
Power Tools Division, and
Chairman of the Central
Executives' Committee
of Robert Bosch GmbH and
of the Combined Executives'
Committee

Dr.-Ing. Rainer Hahn
Stuttgart

former Member
of the Board of Management
of Robert Bosch GmbH

Jörg Hofmann
Stuttgart

Regional Chairman of Industrie-
gewerkschaft Metall,
Baden-Württemberg region

Prof. Lars G. Josefsson
Stockholm

former President and Chief
Executive Officer of
Vattenfall AB

Dieter Klein
Wolfersheim

Chairman of the Works Council
of the Homburg Plant and
Member of the Central Works
Council of Robert Bosch GmbH

Prof. Dr. Hermut Kormann
Heidenheim

former Chairman of the Board
of Management of Voith AG

Prof. Dr. Olaf Kübler
Zurich

former Director,
Eidgenössische Technische
Hochschule (ETH) Zürich

Matthias Georg Madelung
Munich

Member of the Board of Trustees
of Robert Bosch Stiftung GmbH

Daniel Müller
Metzingen

Chairman of the Works
Council of the Reutlingen Plant
and Member of the Central Works
Council of Robert Bosch GmbH

Dr. Hans-Friedrich von Ploetz
Berlin

former German Ambassador
to Russia

Wolfgang Ries
Lohr

(until June 30, 2010)
former Chairman of the Works
Council of Bosch Rexroth Electric
Drives and Controls GmbH,
Chairman of the Central Works
Council of Bosch Rexroth AG, and
Member of the Combined Works
Council of Robert Bosch GmbH

Urs B. Rinderknecht
Zurich

former Chief Executive of UBS AG

Wolf Jürgen Röder
Hofheim (Taunus)

Executive Director,
Otto Brenner Stiftung der
Industriegewerkschaft Metall

Tilman Todenhöfer
Madrid

former Deputy Chairman
of the Board of Management
of Robert Bosch GmbH

Hans Wolff
Bamberg

Chairman of the Works Council
of the Bamberg Plant and
Member of the Central Works
Council of Robert Bosch GmbH

Robert Bosch Industrietreuhand KG

General partners

Prof. Dr.-Ing. Hermann Scholl
Stuttgart

Chairman of the Shareholders' Meeting

Tilman Todenhöfer
Madrid

Limited partners

Dr. forest. Christof Bosch
Königsdorf

Dr. Siegfried Dais
Stuttgart

Franz Fehrenbach
Stuttgart

Dr. rer. nat. Jürgen Hambrecht
Ludwigshafen

Prof. Lars G. Josefsson
Stockholm

Prof. Dr. Olaf Kübler
Zurich

Dr. Michael Otto
Hamburg

Urs B. Rinderknecht
Zurich

Robert Bosch International Advisory Committee

Prof. Dr.-Ing. Hermann Scholl
Stuttgart

President

Dott. Alessandro Benetton
Treviso (Venice)

Miguel Boyer Salvador
Madrid

Professor the Lord Alec Broers FRS FREng
Cambridge
(until December 31, 2010)

Dr. Hugo Bütler
Zurich

Kensuke Hotta
Tokyo
(until December 31, 2010)

Baba N. Kalyani
Pune

Dr. Klaus Kinkel
St. Augustin (Bonn)

Dr. Henry A. Kissinger KCMG
Washington

Friedrich Merz
Berlin
(from January 1, 2011)

Ingo Plöger
São Paulo

Dr. Hans-Friedrich von Ploetz
Berlin

François Scheer
Paris

Erwin Schurtenberger
Ascona, Beijing

Louis Schweitzer
Paris
(from March 8, 2011)

Highlights **2010**

January

Jan. 18
New presence in southeast Asia: Bosch Communication Center opens branch office in the Philippine capital Manila.

Mar. 17
Result of "Fortune" industry survey: Bosch is named the world's most admired automotive supplier.

March

Mar. 18
Largest single investment in Bosch history: eight-inch wafer fab goes into operation in Reutlingen – inauguration ceremony attended by the German Federal President.

May 13
Bosch steps up its activities in southeast Asia: new headquarters opened in Singapore.

May

May 27
New area of business: Bosch builds electric drives for e-bikes – entry into the bicycle industry.

June

June 14
Series production of Volkswagen and Porsche hybrid vehicles starts: Bosch supplies the key components.

July

July 5
Indian software subsidiary expands its operations: Robert Bosch Engineering and Business Solutions opens location in Vietnam.

September

Sept. 3
50 million systems produced: Bosch ESP® has been in series production for 15 years – a milestone of active driving safety.

Sept. 13
Market entry in China: Bosch delivers 40,000 start-stop systems to the automaker ChangAn.

Sept. 16
Success story at the Jihlava location: 15 million CP3 high-pressure diesel pumps produced.

Sept. 24
Africa Day at Schillerhöhe: Bosch defines new objectives for this growth region.

Sept. 27
Bosch celebrates 100 years in Turkey.

October

Oct. 1
Congratulations, Homburg! The Bosch plant celebrates its 50th anniversary.

Oct. 8
Happy birthday, Blaichach and Immenstadt! Bosch operations there started 50 years ago.

Oct. 8
Successful bid for a pioneering pilot project: Bosch to set up a service platform for e-mobility in Singapore.

Oct. 11
Bosch builds new plant in India: Packaging Technology invests four million euros in a facility near Goa.

Oct. 21
95 percent less nitrogen oxide: one-millionth Denoxtronic system for commercial vehicles manufactured.

November

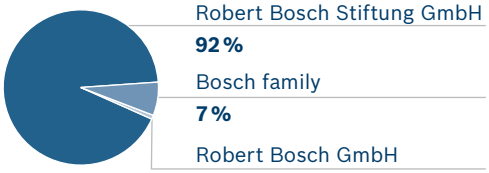
Nov. 10
SB LiMotive opens a new production plant: in Ulsan, Korea, lithium-ion battery cells for hybrid and electric vehicles will be manufactured.

Nov. 16
New proving ground in Japan: in the north of Hokkaido, an extended proving ground has been inaugurated – twice as big as its predecessor.

Group Management Report

Shareholders of Robert Bosch GmbH

Share of equity

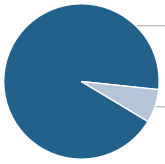


Robert Bosch Stiftung GmbH
92 %

Bosch family
7 %

Robert Bosch GmbH
1 %

Voting rights



Robert Bosch Industrietreuhand KG
93 %

Bosch family
7 %

The year 2010 brought a strong recovery for the Bosch Group, with sales surpassing the pre-crisis level of 2007 far earlier than anticipated. Having sustained the greatest losses during the economic crisis, the Automotive Technology and Industrial Technology business sectors came back particularly strongly. The Consumer Goods and Building Technology business sector continued to record steady growth. Result was also significantly better than originally forecast. The rapid recovery was driven above all by the greatly improved global economic conditions. The course we pursued in order to counter the deepest recession for more than 60 years also proved its worth. Despite certain risks, the outlook for 2011 is fundamentally positive. We anticipate further growth in the global economy, albeit at a slower pace. It is our aim to increase Bosch Group sales to more than 50 billion euros.

The automotive market, capital goods industry, and consumer goods segment benefited from the recovery of the global economy.

Economic environment and business situation

Economic environment

Global economic recovery faster than anticipated

Our planning for 2010 envisaged a continued recovery in the global economy following the improvement that began in mid-2009. However, it was generally not expected that the recovery would be so strong. Growth of a good 4 percent in global economic output more than compensated for the losses of the previous year. The primary growth drivers were the emerging markets in Asia and South America. However, the industrialized countries also recorded quite dynamic growth for 2010. The upturn in the emerging markets reached some 7 percent, while growth in the industrialized countries was approximately 3 percent. China was once again pre-eminent among the emerging markets, but India also significantly increased its economic output. Among the industrialized countries, Germany was one of the economies to record above-average growth, although developments in Europe as a whole were significantly slower. The U.S. also benefited from the global economic recovery, though growth lagged behind expectations due to the high levels of public and private debt.

The automotive market recovered especially strongly. The global production of passenger cars and commercial vehicles reached a new record level of 76 million units in 2010. In passenger cars, the production of smaller vehicles continued to increase due to the growing significance of automotive production in the Asian emerging markets. However, the middle-class and premium vehicle segments also benefited from the global economic recovery. Automotive production in North America and Europe also grew, but still fell short of its pre-recession levels. The situation in Japan remained difficult, despite the rise in production figures there.

Improvement took hold in the capital goods industry after some delay. This industry is late-cycle, and had previously suffered particularly significant losses. The rapid expansion in world trade and the pick-up in production had a positive impact on the investment climate. Companies increasingly began to roll out investment projects that had been deferred during the economic crisis. This led to a significant increase in incoming orders and a rapid rise in production in the mechanical engineering sector.

The demand for consumer goods also grew, albeit not as strongly as in other business fields. Nonetheless, as in previous recessions, the crisis had a far less significant impact on this sector. In the advanced economies in particular, private consumption picked up once the situation in the labor markets had eased, albeit with major regional differences. The U.S. continued to suffer the after-effects of the real-estate and financial crisis. Only the private sector created new jobs. By contrast, unemployment in Germany dropped to its lowest level for 18 years. Cutbacks introduced in numerous European countries to rebalance budgets had a negative impact on private demand.

Business sectors and divisions

Automotive Technology	Industrial Technology	Consumer Goods and Building Technology
Gasoline Systems	Drive and Control Technology[2]	Power Tools
Diesel Systems	Packaging Technology	Thermotechnology
Chassis Systems Brakes	Solar Energy	Household Appliances[3]
Chassis Systems Control		Security Systems
Electrical Drives		
Starter Motors and Generators		
Car Multimedia		
Automotive Electronics		
Automotive Aftermarket		
Steering Systems[1]		

[1] ZF Lenksysteme GmbH (50 % Bosch-owned)

[2] Bosch Rexroth AG (100 % Bosch-owned)

[3] BSH Bosch und Siemens Hausgeräte GmbH (50 % Bosch-owned)

Business situation

Rapid return to pre-crisis levels

The Bosch Group benefited from the global economic recovery, as well as from its strong presence in many of the emerging markets in Asia and South America. In 2010, it increased sales by a nominal 24 percent to 47.3 billion euros. This surpassed the pre-crisis value recorded in 2007 by one billion euros. However, the increase in sales includes currency effects totaling some 1.9 billion euros. Allowing for these effects, sales rose by 19 percent, still significantly exceeding our original expectations.

The effects of newly consolidated companies had a positive impact on sales to the tune of a good 700 million euros. They relate almost entirely to acquisitions from 2009, and above all to the majority shareholding in aleo solar AG, which is based in Prenzlau and Oldenburg, Germany. Although the assets and liabilities as of the cut-off date had been included in consolidation in the financial statements for 2009, the figures from the income statement had not. In addition, several smaller subsidiaries that had been acquired in 2009 were consolidated in full for the first time. There were no major acquisitions in 2010. The positive effects of newly consolidated companies were counterbalanced by the sale of the foundation brakes business in North America to the Japanese brakes manufacturer Akebono at the end of 2009. This had a negative effect on sales of some 200 million euros.

Business in Asia drives growth

Despite the economic crisis, we continued to expand our presence in the rapidly growing emerging markets of Asia, and this worked to our benefit. We were able to improve Bosch Group sales in Asia Pacific by 43 percent to 11 billion euros. Even after adjusting for currency effects, the sales increase was still 31 percent. For the first time, sales in this region climbed to

23 percent of total Bosch Group sales (previous year: 20 percent). We recorded particularly high rates of growth in China, where sales grew by 44 percent to 4.2 billion euros, or by 38 percent in local-currency terms. Our business in India also developed very dynamically. Sales rose by 59 percent to 1.3 billion euros. After adjusting for currency effects, the increase was 44 percent. We also achieved high growth rates in North and South America. Overall, sales in the Americas rose by 29 percent – or 19 percent in local currency terms. In South America, we exceeded the pre-crisis levels of 2007, while it was impossible for us to fully compensate for the losses of previous years in North America. We also recorded strong sales growth of 16 percent in Europe. However, this was still not sufficient to offset the significant losses made in this region during the economic crisis.

Clear growth in all business sectors

All three business sectors capitalized on the economic upturn in 2010. Sales growth was particularly strong in Automotive Technology and Industrial Technology, the business sectors that had suffered the most from the crisis. The Consumer Goods and Building Technology business sector continued its upward trend, following only relatively minor losses by the consumer-oriented divisions in the previous year.

Sales in the Automotive Technology business sector increased by 29 percent to 28.1 billion euros (24 percent after adjusting for currency effects). Despite the sale of its foundation brakes business in North America, therefore, Automotive Technology has already nearly returned to the pre-crisis level of 2007. During the first six months, the business sector achieved growth of some 40 percent year on year, while growth slowed during the second half of the year, as expected. This development can be attributed to baseline effects, since the recovery in the automotive industry began as early as mid-2009.

The improved economic conditions benefited all divisions. We were also able to expand our market share and further extend our position in the particularly strong Asian market. For the first time, the share of Automotive Technology sales generated in Asia Pacific reached 28 percent (previous year: 24 percent). Business also improved significantly in the other regions. Furthermore, we benefited from rising demand for products that help improve energy efficiency, safety, and comfort. This applies in particular to gasoline direct injection, start-stop systems, and electric power steering. The demand for active safety systems also increased. The Automotive Aftermarket division performed extremely well, thanks also to its extended portfolio of products, diagnostic equipment, and services. Having completed its reorganization in 2010, the Car Multimedia division enjoyed success with its cost-effective, high-performance devices sold as original equipment.

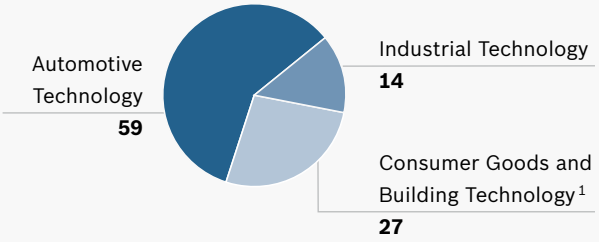
The Diesel Systems division, which had been particularly badly affected by the crisis in 2009, recovered significantly. An upturn in the number of diesel-powered vehicles among new car registrations in western Europe had a positive impact. This number climbed from some 46 percent in 2009 to an average of 52 percent for the year as a whole. The green shoots of recovery in the commercial vehicles market also provided additional momentum for the division. The situation facing the Chassis Systems Brakes division remained difficult.

Business also picks up in industrial technology

From mid-2010, a strong recovery also began to gather pace in the capital goods industry. In 2010, sales of the Industrial Technology business sector rose by 30 percent (26 percent after adjusting for currency effects) to 6.7 billion euros. Consolidation effects also played a role in this development, with the first-time consolidation of the majority shareholding in aleo solar AG in particular accounting for some 530 million euros. Even allowing for these

Sales by business sector

Bosch Group 2010
Percentage figures

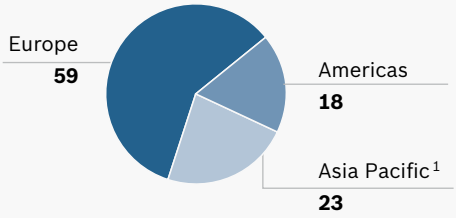


Total: 47.3 billion euros

[1] Including other activities

Sales by region

Bosch Group 2010
Percentage figures



[1] Including other countries

effects, growth in the Industrial Technology business sector was still significant, at more than 20 percent. Industrial Technology also expanded its market position in Asia Pacific, with the share of sales generated in this region reaching 24 percent for the first time (previous year: 23 percent).

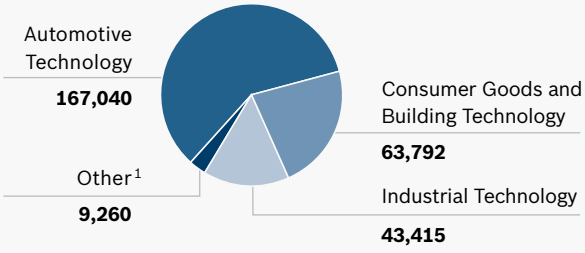
The strong increase in industrial technology sales was primarily the result of developments in the Drive and Control Technology division, in which we have pooled our automation technology, mobile applications, and wind-turbine gearbox businesses. As in the mechanical engineering sector and capital goods industry as a whole, orders improved quite considerably. Our subsidiary Bosch Rexroth reorganized its operations to suit the changing market environment. Instead of focusing on various technologies, its organization is now aligned to sectors and markets, since customers are increasingly looking for all-in-one solutions that combine different technologies. Other challenges include a move toward more electrification in industrial automation, where electric drives are increasingly being combined with hydraulic drives. The situation in the renewable energy market remained difficult due to reluctance among investors in the wake of the financial crisis. Nonetheless, the market for wind power still offers great potential in the medium and long term.

The upturn in the demand for capital goods also had a positive impact on our packaging machinery operations. As in the crisis year of 2009, packaging technology developed more steadily than other areas of the capital goods industry. In addition to the recovery in the European markets, further expansion in the growth regions of Asia and South America also contributed to this development. Since systems solutions are also becoming increasingly popular in the packaging machinery segment, a systems unit is being established to offer one-stop services.

Also in the Industrial Technology business sector, the Solar Energy division achieved growth that was well above average. In addition to a general upturn in international demand for photovoltaics, exceptional economic circumstances in Germany – an important market for us – played a crucial role. The trigger for this growth was the lowering of the feed-in tariff, as a result of which many orders were brought forward. We are also encouraging the growth of our interna-

Headcount by business sector

Bosch Group
As per January 1, 2011

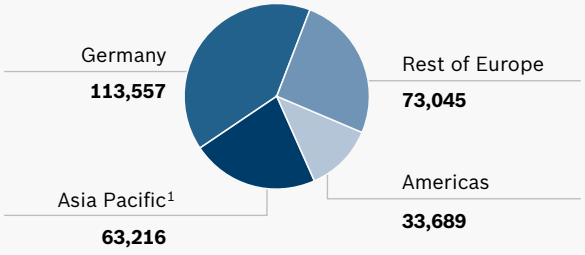


Total: 283,507

[1] Corporate functions and research

Headcount by region

Bosch Group
As per January 1, 2011



Total: 283,507

[1] Including other countries

tional operations. Furthermore, we are working intensively to improve products and production processes, also in response to the continued high pressure on prices in this market.

Growth in consumer goods and building technology

All the divisions of the Consumer Goods and Building Technology business sector improved their sales, particularly in consumer-related areas. All in all, sales of consumer goods and building technology rose by 10 percent to 12.5 billion euros, or by 6.4 percent after adjusting for currency effects. As a result, the business sector's sales surpassed the pre-crisis levels recorded in 2007. In addition to the improved economic environment, gains in market share also played an important role in this result. Growth in Asia Pacific and South America was well above average. However, this business sector is not yet as well represented in these regions as the other business sectors.

The demand for power tools saw a particularly strong recovery. The professional segment had suffered especially significant losses during the economic crisis. In addition, the situation in the American and eastern European markets improved following the previous year's sharp downturn. We were able to further expand our business in Asia, especially in China and India. Up to now we have geared our business activities there mainly to tools for professional users, but we are now focusing increasingly on the DIY segment.

As a result of the long cold winter, developments in the Thermotechnology division were initially restrained. Business picked up over the course of the year. This growth was to a large extent the result of the upturn in international markets. In the crucial German market, the suspension of financial subsidies had a dampening effect on the demand for systems that harness renewable energy sources. Nonetheless, we still believe that renewable energies offer significant growth potential in the medium and long term.

In 2010, BSH Bosch und Siemens Hausgeräte GmbH significantly increased its sales. The backlog in demand generated by the economic crisis had a positive impact on business in Europe. BSH also further expanded its presence in China. The positive development in business also resulted from the attractiveness of products that focus on economy and energy efficiency.

From the middle of the year, there was also a clear improvement in the market for security technology. The Asian market again brought the strongest growth. However, demand also recovered in other regions. The recovery was especially beneficial for the product business of our Security Systems division, which had been particularly badly hit by the economic crisis. The situation for its building technology business was also much improved. Furthermore, we are expanding our comprehensive service-provider business internationally by setting up communication centers.

Renewed upward trend in headcount

Due to the improved economic situation, we were once again able to take on additional associates in 2010. In the course of the year, the number of associates worldwide rose by 12,800 – or nearly 5 percent – to 283,500. This growth was centered primarily on Asia Pacific, where more than 63,000 associates now work for the Bosch Group. Headcount in China increased by some 5,000 to 26,200, while in India it rose by 2,200 to its current total of 20,800. However, headcount also grew in other regions. In Germany, it rose to 113,600, compared with 111,700 one year previously. When the upturn set in, it was an advantage for us that we had primarily chosen to adjust working hours in order to offset the drop in sales caused by the crisis. When the crisis was at its height, some 100,000 associates worldwide were at times affected by measures to adjust working hours, some 65,000 of these associates in Germany. In the course of 2010, it was possible to gradually phase out these schemes.

Strategy

Emerging stronger from the crisis

The business policy principles and measures that we applied to help us through the crisis paid off. These included comprehensive cutbacks, a strategy of safeguarding liquidity by putting in place systematic inventory management, and deliberate limits on capital expenditure and acquisitions. However, our long-term business strategy meant that it was also extremely important for us to keep our core team on board and preserve our innovative strength. Even during the crisis, we further expanded our presence in the Asia Pacific growth region. In this way, we ensured that we will be able to take full advantage of our future opportunities.

This approach proved its worth. When the recovery came, we had in place the resources needed to meet the resurgent demand. However, given the uncertainty surrounding the strength of the global economic recovery in the first half of 2010, it was important that we geared up for growth only gradually. We also made market gains in many of our divisions and won major automotive technology orders, the effects of which will be felt for a number of years to come. Furthermore, we made progress in terms of our restructuring activities. The immense loyalty and solidarity shown by associates and managers worldwide during the crisis bodes particularly well for the future. All in all, we are now in better shape than before the crisis.

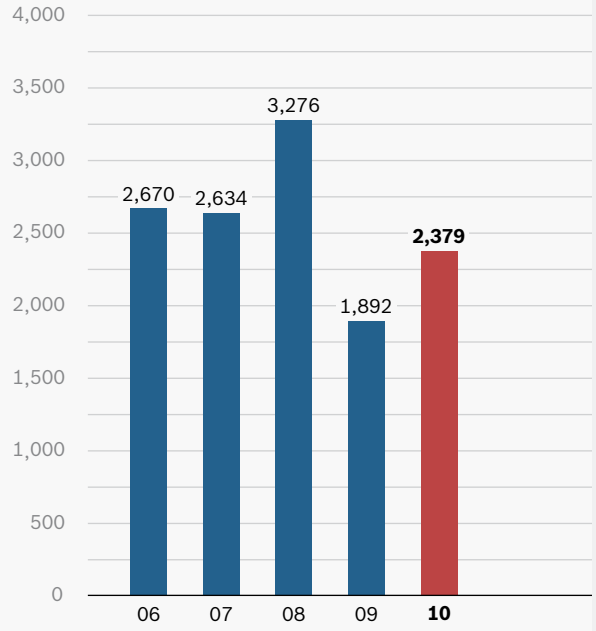
No changes to strategic framework

Having come through the recession quickly and returned to the positive trend of the pre-crisis period, we can now refocus on our company's long-term development. Here, our previous strategy remains valid, and the "House of Orientation" continues to serve as our roadmap. This roadmap brings together the Bosch vision, the Bosch values, the BeQIK mission, our core competencies, and our fundamental Bosch processes. The Bosch vision sets out our goal to

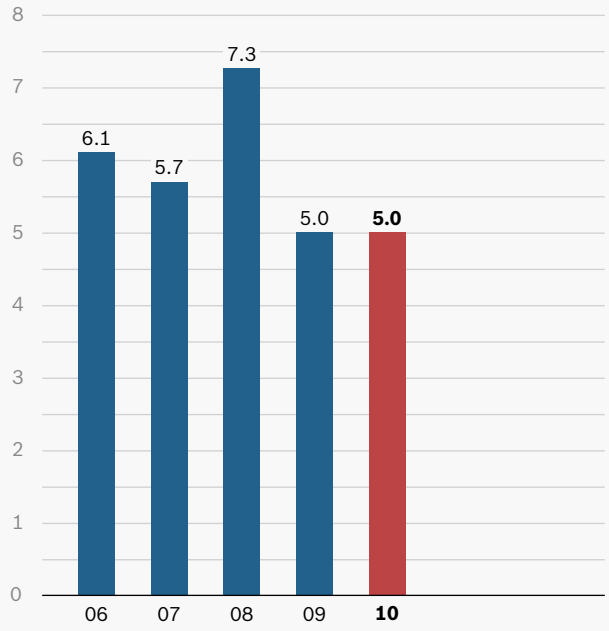
Capital expenditure

Bosch Group 2006 – 2010

Figures in millions of euros



Percentage of sales revenue



be a leading supplier of technology and services that seizes opportunities for strong growth wherever in the world they present themselves. Our ambition is to enhance the quality of life with solutions that are both innovative and beneficial. In doing so, we strive for sustained economic success and leading market positions in our areas of activity. The BeQIK mission sets out the high standards we want to achieve when it comes to quality, innovation, customer focus, and speed, and is an inspiration for continuous improvement. Our entrepreneurial independence forms the basis for our long-term strategy. The key to this independence is the corporate constitution, with a charitable foundation and the family of the company founder Robert Bosch as shareholders, and an industrial trust that carries out the entrepreneurial ownership functions. To achieve strong growth while retaining financial independence, we continue to aim for long-term average annual growth of 8 percent and a pre-tax return on sales of 7 to 8 percent. The core elements of our strategy are a strong global presence, focused diversification, and exceptional innovative strength.

Strategic focus on global trends

Our long-term strategy takes its lead from fundamental global trends that influence our operations. By systematically analyzing these trends, we have already been able to make important strategic decisions for Bosch. For example, as climate change becomes a reality and fossil fuels become ever scarcer, renewable energy is becoming increasingly important. We therefore decided to expand this area of business and have made acquisitions to this end over recent years. In 2010, our products for harnessing renewable energy generated some 1.5 billion euros in sales. In addition to wind power and photovoltaics from the Industrial Technology business sector, we are also active in solar thermal products, heat pumps, combined heat and power plants, and solid-fuel boilers through our Consumer Goods and Building Technology business sector.

Another challenge is presented by demographic developments, which are resulting in an aging population. In response, we are gradually expanding our activities in telehealth, a segment that we entered in 2008. Scientific studies show that regular telemedical recording and monitoring of vital parameters can significantly improve the quality of life and extend life expectancy for patients suffering from chronic conditions such as heart disease. Treatment costs can also be reduced, not least because fewer hospital admissions and emergency hospitalizations are required. We want to play our part in establishing telehealth as a firm component of regular medical care.

Shaping the dynamic future

A number of global trends have picked up pace significantly. This is particularly true of the trend toward globalized markets and ever greater interconnection among people, objects, and services. The rapidly growing emerging markets in Asia – particularly China and India – became significantly more important during the economic crisis. In this context, we are also encountering a growing number of competitors from the emerging markets – in areas such as photovoltaics and the newly developing market for electromobility. The rapid growth of internet-based networking is opening the door to new services and business models, and will thus change the environment in which we compete. We see this rapid process of change as both an opportunity and a challenge, and aim to play an active role in shaping it for our benefit.

A broader global footprint

In light of these developments, we continue to expand our international presence. This applies equally to the developing countries of Asia and South America, but not only to these countries. Central Europe, eastern Europe, and Russia, all of which were especially badly hit by the economic crisis, are again offering prospects of growth. We are also focusing on Africa and the Middle East, where we are setting up our own sales companies and new representative offices as an important step toward tapping into these markets. As the balance of economic power has shifted, we will be reviewing our current regional growth targets. Stiff competition in the emerging markets, new local competitors, and the specific requirements of the newly emerging middle classes demand that we further expand our local resources for sales, manufacturing, and engineering, and also that we come up with customized product concepts. These challenges apply to all our business sectors. However, innovative products and services also continue to present good growth opportunities in the developed markets of Europe and North America, and we will make full use of these opportunities.

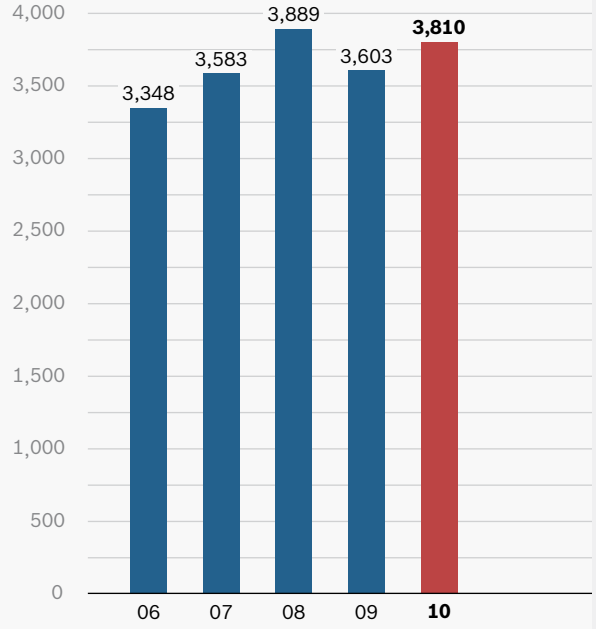
Focused diversification

Bosch has a long history of serving a broad range of business segments with various business models and structures. This broad-based approach helps to spread risks and also paid off during the economic crisis. One of our main strategic goals is therefore to create an even better balance in our sales structure. We want our Industrial Technology and our Consumer

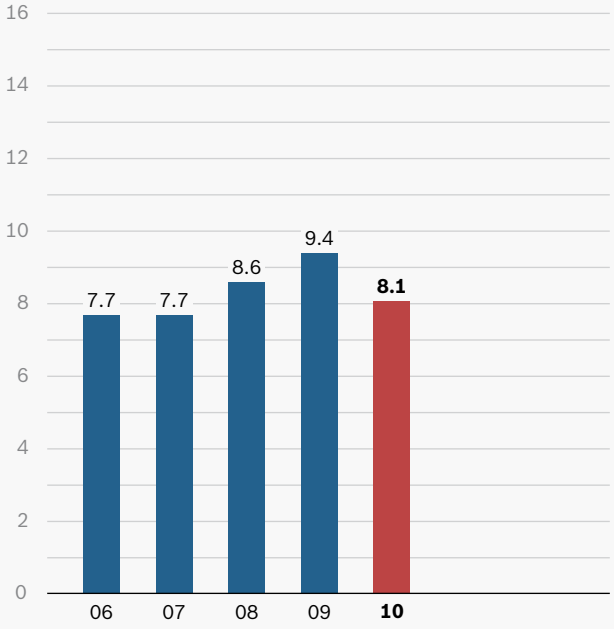
Total research and development cost[1]

Bosch Group 2006 – 2010

Figures in millions of euros



Percentage of sales revenue



[1] Including development work charged directly to customers

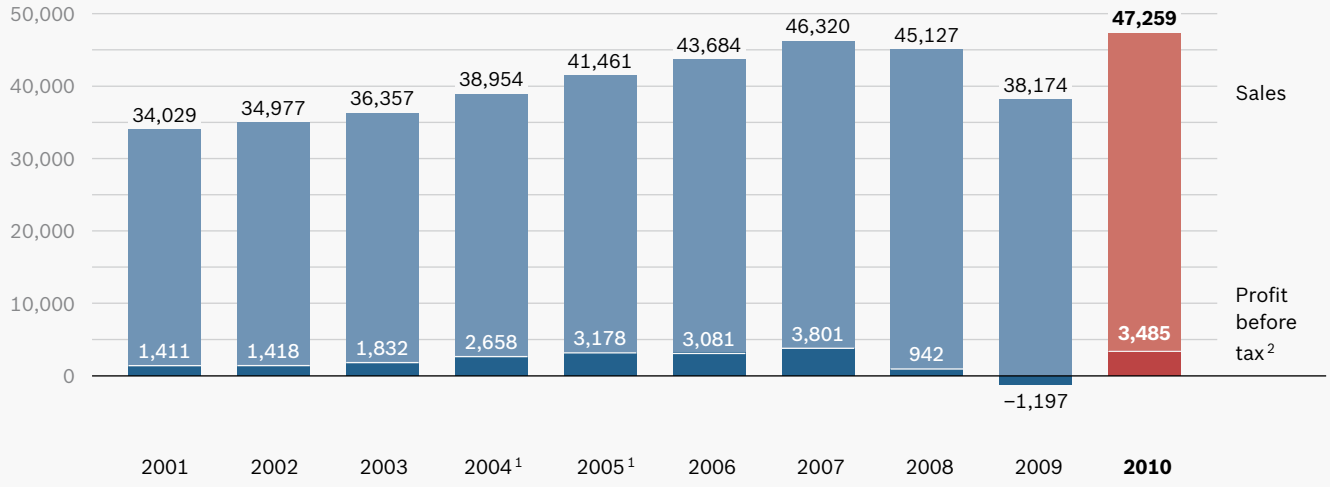
Goods and Building Technology business sectors to grow faster than the group average, but without neglecting any market opportunities in Automotive Technology. Roughly speaking, our long-term aim is to achieve a balance between sales in automotive technology on the one hand, and those in our remaining areas of activity on the other. In working toward this aim, we focus on activities that take their lead from our corporate slogan “Invented for life” and that reflect the high standards we set for innovation, service, and proficiency in highly demanding production processes.

One of the driving forces behind diversification in the future will be the growing importance of services, software, and customized end-to-end solutions that incorporate web-based networking. Together, they open up completely new potential for competitive advantage. That is why we took the decision in 2010 to pool our internet expertise in Bosch Software Innovations GmbH, based in Immenstaad, Germany. This company is tasked with supporting the divisions in developing market-specific solutions. In Singapore, for example, we have successfully bid for a contract to build a software-based service platform for electric

Sales and profit before tax

Bosch Group 2001 – 2010

Figures in millions of euros



[1] Pursuant to IFRS, only continuing operations; 2004 sales pursuant to HGB: 40 billion euros
[2] Up to 2003, designated as: income from ordinary business activities pursuant to HGB

vehicles. The Automotive Aftermarket division can now offer a web-based platform for repair and service workshops as a logical complement to our vehicle diagnostic system. For the first time, the Car Multimedia division is offering Bosch navigation as an add-on for cell phones. In the case of power tools, we are using the internet to reach our customers directly, for example through a portal for do-it-yourselfers that offers advice and support for home improvement projects. In the Thermotechnology division, meanwhile, we have developed an application that allows cell phones to be used as remote controls for heating systems.

In the future, it will be even more important for our divisions to work together closely. Closer networking in the fields of building and energy technology, for example, will make it easier to coordinate energy consumption and generation, thereby improving energy efficiency. This is especially important for business customers. We are looking to utilize our broad base in renewables, heating and air-conditioning technology, household appliances, and security technology to develop this area further. We are also strengthening technological cooperation between, for instance, the Automotive Technology and Industrial Technology business sectors. One example of this approach is the recently launched HRB hydrostatic

regenerative braking system, which is initially being used in garbage trucks and uses the energy generated during braking in order to set the vehicle in motion again.

Enhancing capacity to innovate

The innovative strength of the Bosch Group will continue to be a decisive asset in the future. In 2010, having also maintained a high level of spending on research and development throughout the economic crisis, we increased R&D expenditure by some 6 percent, to 3.8 billion euros. At the end of the year, approximately 34,000 associates were working in this area worldwide. We further strengthened our global research network by opening an additional research center in Singapore, with operations in Shanghai and Tokyo. And in order to pool our research, advance engineering, and process development activities, we also acquired a substantial area of land close to Stuttgart.

Products that help to enhance energy efficiency and protect the environment will continue to be a focal point for innovation. In automotive technology we are working both to improve the internal-combustion engine and to develop components and systems for future electric vehicles. Our total yearly expenditure on the electrical powertrain amounted to some 400 million euros, an investment that will only be recouped in the long term. The year 2010 saw the market launch of our first hybrid solutions. The batteries used in electric vehicles are another important area of business. In 2010, the production of battery cells began at SB LiMotive Ltd. – the joint venture we founded with the Korean company Samsung SDI in Giheung, Korea, in 2008.

At the same time, we are working intensively to further reduce the fuel consumption and emissions of internal-combustion engines. We believe there is still considerable room for improvement in this area over the next few years, for example in the form of engines equipped with direct injection systems and turbocharging. Our joint venture for turbochargers, Bosch Mahle Turbo Systems, Stuttgart, has already secured a number of orders and will start series production at the end of 2011. Additional focal points in automotive technology include systems for active and passive safety, driver assistance systems, and infotainment and instrumentation systems.

However, we have brought many new products to market in our other business sectors as well. The Thermotechnology division of our Consumer Goods and Building Technology business sector is developing hybrid devices that, alongside gas appliances, integrate solar thermal systems or electric heat pumps. In the garden tools, DIY, and professional markets, we have launched new power tools with particularly high-performance lithium-ion batteries. These cordless tools offer users a high degree of mobility and user-friendliness. Innovations are driving growth in the field of security technology as well. For example, our automatic fire detectors use an intelligent algorithm to distinguish smoke particles from other particles such as dust. A similarly innovative example from among our latest household appliances is the self-dosing washing machine, which helps protect the environment by reducing the appliance's detergent and water consumption.

Corporate social responsibility

It is a fundamental aim of our company to achieve a balance between the company's long-term development on the one hand and business, technological, social, and ecological concerns on the other. As a result, right from the product creation process, we aim to contribute to environmental protection and the conservation of resources. By 2020, our objective is to cut CO_2 emissions related to internal activity at our own locations by at least 20 percent from their 2007 levels. As a result of the economic recovery, our CO_2 emissions rose to 2.4 million metric tons in 2010, from 2.1 million metric tons in the crisis year 2009. However, with respect to the share contributed by

internal activity, this was 4.4 percent below the 2007 levels. In order to reduce emissions, we are working continuously to improve energy efficiency at our locations. Our total energy consumption in 2010 amounted to 6,285 gigawatt hours (previous year: 5,602 gigawatt hours). Compared with 2007, however, energy demand fell by 7.3 percent.

We also place very great importance on occupational health and safety. The number of occupational accidents rose to 2,128 in 2010, from 1,818 in the previous year, while the relative number of occupational accidents per million working hours rose to 4.9 from 4.7 in the previous year. However, the value for 2010 is significantly lower than for the reference year 2007, when there were 6.9 accidents per million working hours.

The figures for CO_2 emissions, energy demand, and occupational accidents refer to the group of consolidated companies set out in the Corporate Social Responsibility Report 2007/2008. The figures do not include data from companies in which Bosch owns a stake of 50 percent or less, or from the Solar Energy division.

Diversity among associates and managers is important for a creative and productive environment. This is all the more important given the impending shortage of skilled labor. One very ambitious aim, for example, is to increase the share of women executives to 15 percent by the end of 2012. An equally important concern is to increase the share of international executives within the group. In the future, we want at

Controlling supports transition

On the basis of data generated by a comprehensive and integrated internal controlling system, the board of management receives a monthly business report outlining the performance of the operating units. Key performance indicators include sales revenue and result, headcount, investments, fixed costs, and current assets. One of the main purposes of controlling in 2010 was to provide detailed, management-relevant analyses to support the cautious transition from the cutbacks of the crisis period to the growth course brought about by the economic recovery.

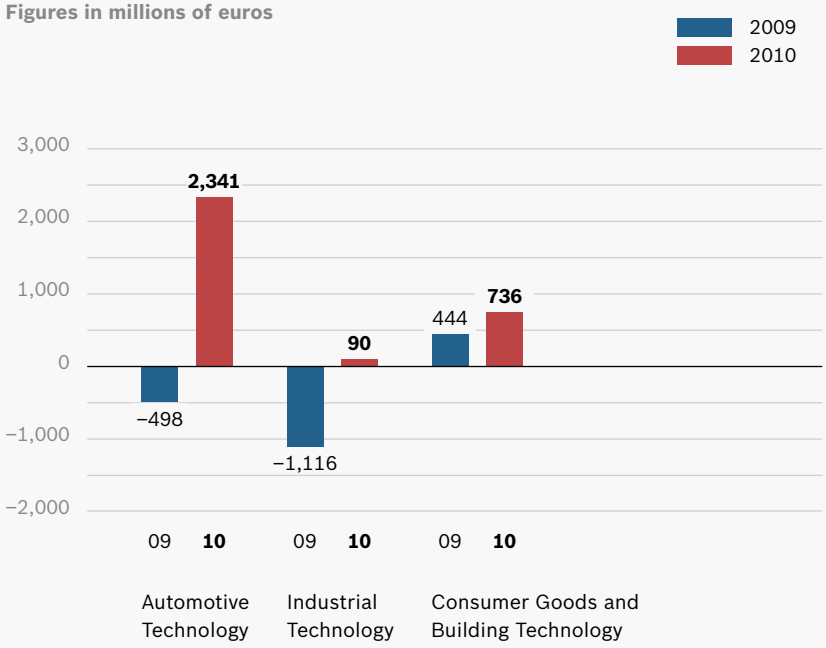
In basic terms, controlling involves comparing actual values with target values that are based on the business plan, which itself is embedded into longer-term strategic planning. Due to the recovery and the normalization of economic development, we were able to return to our usual planning cycle and had by and large already completed the business plan for 2011 by the end of 2010. Based on our experience of the crisis – and in anticipation of greater economic vacillations in the future – we are working to shorten our planning process and build in more flexibility. It is also our goal to reduce fixed costs and the associated profit threshold by bundling specific strategies in areas that are particularly exposed to economic volatility. The monthly business report provides a comparison with actual data from previous years, which proved extremely useful during the unexpectedly rapid recovery period. And, throughout 2010, comparisons with values from 2007 gave us a yardstick for the return to pre-crisis levels.

The central control parameter of our value-based management system is value contribution, which for the Bosch Group is derived from the target of achieving a sustained pre-tax return on sales of between 7 and 8 percent. The value contribution represents cash flow less the cost of capital. The cost of capital in 2010 remained unchanged at 8 percent. The development of the value contribution is the yardstick we use to assess performance. It thus forms the basis for calculating the performance-based part of executives' variable remuneration, from section-manager level to board of management. The performance-related bonuses of associates are also increasingly being based on the value contribution, which is used for portfolio management as well.

EBIT (formerly operating result) by business sector

Bosch Group 2009/2010

Figures in millions of euros



least 80 percent of senior executives at our international locations to be natives of the respective countries. In most countries where we have a large long-established presence, this aim has already been achieved. This applies not only to western Europe, the U.S., and Japan, but also to emerging markets such as Brazil and India.

Prevention at the heart of quality management

High quality standards are a firm component of our BeQIK mission and our corporate culture. The further development of the Bosch quality management system is an important element in this regard. Our quality management is tailored to the specific requirements of the various areas of business. In 2010, particular emphasis was also placed on prevention. The aim is to design products that can withstand the stresses and strains to which they are exposed. To achieve an in-depth understanding of how products perform during practical use, we are expanding field-analysis testing. This involves testing a product in the actual conditions under which it will be used, and feeding any additional findings into engineering and trials. The systematic and continuous development of our associates' problem-solving skills is another important task in this context. In 2010, these efforts enabled us to further reduce our total quality costs. Our continuous and consistent quality work is also acknowledged by our customers, who once again honored us with a series of prestigious quality awards.

Consolidated statement of cash flows

Bosch Group 2009/2010

Figures in millions of euros

	2009	**2010**
Cash flow	1,910	**5,460**
Cash flow as a percentage of sales	5.0	**11.6**
Liquidity[1] at the beginning of the year (Jan. 1)	2,267	**2,937**
Cash flows from operating activities	+2,912	**+4,391**
Cash flows from investing activities	−3,558	**−2,918**
Cash flows from financing activities	+1,294	**−684**
Miscellaneous	+22	**+95**
Liquidity[1] at the end of the year (Dec. 31)	2,937	**3,821**

[1] Cash and cash equivalents

Tough challenges for purchasing and logistics

Having substantially reduced inventories during the crisis by pursuing systematic inventory management, our purchasing and logistics teams faced the tough challenge of managing the transition to rapid economic recovery in 2010. Given the prevailing sense of uncertainty, particularly in the first half of 2010, it was crucial to ensure we could always meet our delivery obligations, but without accumulating excessive inventories. Overall, we spent some 24.1 billion euros on production materials, merchandise, supplies, services, and machinery in 2010. In 2009, our purchasing volume had dropped to 17.5 billion euros. The purchasing and procurement organization also had the formidable challenge of dealing with the scarcity of electronic components, as companies in this industry had significantly scaled back capacity during the crisis.

Throughout 2010, we continued to pursue our strategy of more closely pooling purchasing requirements, information, and expertise as well as taking a consistent line in the supplier market, with purchasing activities geared to specific categories of materials. We are further expanding the existing cooperation among divisions in the Automotive Technology business sector. We are setting up a global, cross-divisional purchasing organization for purchased automotive parts. This organization will be based in supra-regional centers. We are also realigning indirect purchasing operations throughout the Bosch Group. This realignment affects logistics and development services, but also impacts on machinery, systems, equipment, and tools. Our aim is to merge the purchasing offices of the various divisions, regional organizations, and plants under one central umbrella organization. However, purchasing associates will still be present locally in the various regions, thus maintaining close proximity to internal customers and the local procurement markets.

Results of operations

Result once again within target corridor

The strong growth in sales was one of the main reasons figures were significantly better than originally expected. We disclose a pre-tax profit of 3.5 billion euros, compared with a loss of 1.2 billion euros in the previous year. Earnings before interest and tax (EBIT) developed in similarly positive fashion, reaching 3.2 billion euros in 2010 (previous year: minus 1.2 billion euros), on a par with the pre-crisis level of 2007.

Apart from cutbacks and growth in sales, important factors in this marked improvement included improvements in a number of areas requiring restructuring measures. These operational improvements more than offset the effects of the significantly higher raw materials prices that accompanied the upturn. Due to the sale of listed financial holdings and the improved conditions for capital investments, the financial result for 2010 was very healthy, at some 300 million euros. For fiscal 2009, we recorded a slightly negative financial result of roughly minus 50 million euros. At 2.5 billion euros, the result after tax was also positive, following a negative after-tax result of minus 1.2 billion euros the previous year.

The result situation in the Automotive Technology business sector showed particular improvement. It achieved EBIT of some 2.3 billion euros, having recorded a loss of 500 million euros the previous year. Activities designed to boost competitiveness were particularly effective in this business sector. The result was also burdened far less by restructuring provisions than in the previous year. Improved cost levels and our efforts to improve quality enabled us

Challenges for currency and interest rate management

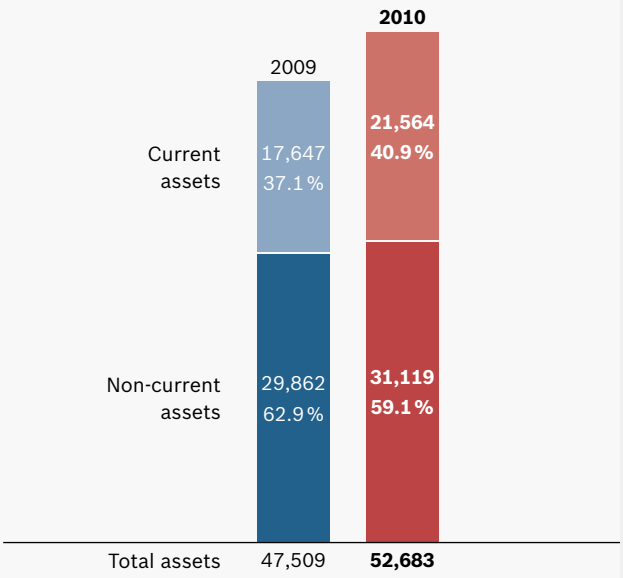
The financial activities of the Bosch Group are controlled through corporate financial and currency management. This is designed to ensure the group's ability to pay at all times, to control payment flows to optimum effect, and to limit the risk of currency exposures at Bosch Group level. Currency management in 2010 was shaped by persistent volatility on the global foreign exchange markets. Using business planning as a basis, our foreign exchange balance plan establishes the financial and foreign currency flows. Currency exposures are hedged centrally in the foreign exchange market.

Corporate financial management is also responsible for managing our borrowing and financial investments. In terms of short- and long-term investments, we were faced by two major challenges in 2010 – historically low interest rates and a downgrading of the creditworthiness rating of eurozone countries. Nonetheless, our investment policy continued to be based on the same basic principle – security before returns. Our sound financial position meant we were able to maintain our good credit rating in 2010. Standard & Poor's reaffirmed our long-term rating of AA- and upgraded the outlook from "negative" to "stable."

Structure of the statement of financial position – assets

Bosch Group 2009/2010

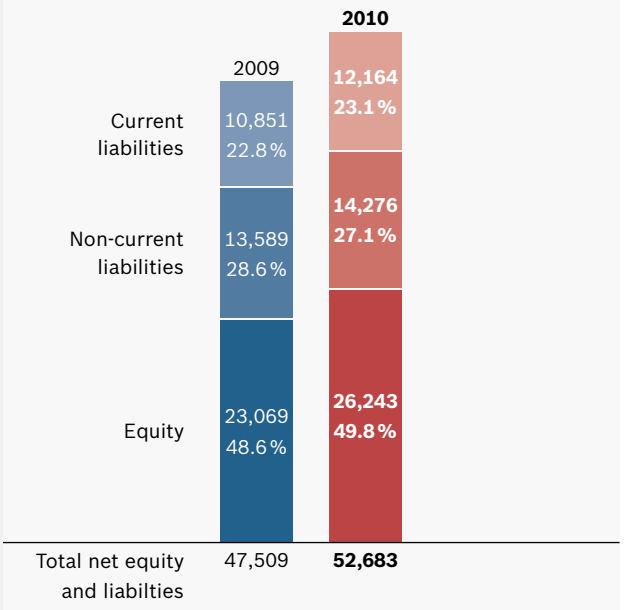
Figures in millions of euros/as a percentage of total assets



Structure of the statement of financial position – equity and liabilities

Bosch Group 2009/2010

Figures in millions of euros/as a percentage of total net equity and liabilities



to achieve improvements with respect to sales and marketing provisions. However, in the Chassis Systems Brakes division, we suffered impairment losses on property, plant, and equipment amounting to 98 million euros.

The Industrial Technology business sector, where the economic recovery set in much later, also generated a positive result in 2010. EBIT reached 90 million euros, after a loss of 1.1 billion euros in the previous year. The economic recovery and associated increase in capacity utilization in the Drive and Control Technology division was a major factor in this upturn.

Furthermore, the previous year's result had been significantly burdened by one-off effects from impairment losses on intangible assets, particularly in the Solar Energy division.

EBIT in the Consumer Goods and Building Technology business sector rose to approximately 740 million euros. All the divisions contributed to this increase. This was the only business sector to disclose a positive result during the crisis year of 2009, at some 445 million euros.

Financial position and net assets

Financial strength reinforced

Thanks to the good result situation, we were able to further boost our financial strength. Due to the prevailing sense of uncertainty, particularly in the first six months, safeguarding liquidity initially also remained a top priority for 2010. Consequently, we did not make any major acquisitions and stepped up our investment levels and inventories only gradually, in pace with the economic recovery. Cash flow amounted to 5.5 billion euros in 2010, reaching 11.6 percent of sales compared to 5.0 percent in the previous year. At the end of the year, our liquidity as per the consolidated statement of cash flows (cash and cash equivalents) reached 3.8 billion euros (previous year: 2.9 billion euros), despite the repayment of a loan totaling 600 million euros at the end of the year. The liquidity as per statement of financial position rose from 10.5 billion euros in the previous year to 12.4 billion euros. Apart from cash and cash equivalents, this liquidity also includes securities and bank balances with a term of more than 90 days.

Capital expenditure budget increased

We invested some 2.4 billion euros in the Bosch Group in 2010, significantly more than in the crisis year of 2009, when our capital expenditure was 1.9 billion euros. As a result, capital expenditure in 2010 was on a par with depreciation of property, plant, and equipment. We invested 1.6 billion euros in our European locations (previous year: 1.4 billion euros). Approximately one billion euros of this total were spent in Germany (previous year: 930 million euros). Investment in Asia Pacific grew to nearly 560 million euros, bringing it well above the 2009 level of some 375 million euros. We invested a good 170 million euros in North and South America, compared to approximately 125 million euros in the previous year.

In particular, we increased our investment in the Automotive Technology and Industrial Technology business sectors. Our biggest single investment in automotive technology related to the completion of the new semiconductor facility for eight-inch wafers in Reutlingen, Germany. We also invested in product ramp-ups at a number of divisions and expanded manufacturing capacity primarily at Asian locations. In the Industrial Technology business sector, we again invested heavily in the new photovoltaic cell facility at the Arnstadt location (Germany), where production began in 2010. We also expanded the manufacturing capacity of our Drive and Control Technology division in China and India. In the Consumer Goods and Building Technology business sector, the Power Tools division established a new manufacturing facility for abrasives at our Swiss subsidiary sia Abrasives. Our investments in the Thermotechnology division centered primarily on renewables. With regard to household appliances, we boosted our investment at a number of German and international locations to support production rollouts.

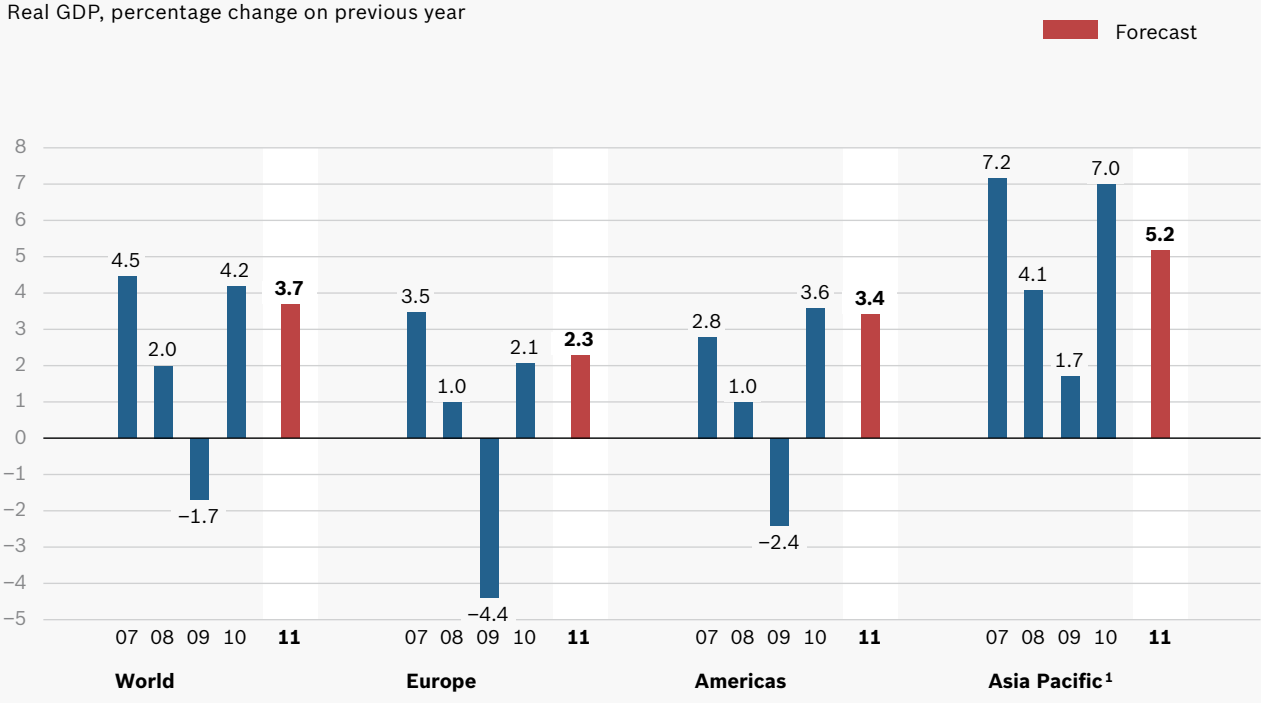
Statement of financial position – sound structure

The structure of the statement of financial position remains sound. At the end of the reporting period, equity was 26.2 billion euros, compared to 23.1 billion euros for the previous year. At just under 50 percent, the equity ratio was slightly above the previous year's level. This increase can be put down to our positive result and the favorable development of our securities and investments, which itself was brought about by the further recovery in the capital markets. These effects were counteracted by a lowering of the actuarial interest rate for pension provisions, which resulted from a further drop in interest-rate levels.

The balanced structure of our non-current financial liabilities also helped to keep our financial situation sound in 2010. The total volume fell slightly to 3.4 billion euros. The due dates of our non-current financial liabilities lie between 2013 and 2019. At the end of the year, our cash and cash equivalents, including current bank balances and current securities, stood at 4.7 billion euros.

Regional economic growth 2007 – 2011

Real GDP, percentage change on previous year



[1] Including other countries

The securities we report under non-current financial assets amounted to 7.4 billion euros at the end of the year. Our liquidity and securities therefore covered our pension provisions of 6.5 billion euros, as well as our current and non-current liabilities. Our net financial position increased to 2.3 billion euros, compared to 500 million euros in the previous year.

In 2010, as a result of the rapid increase in production, the inventories of the Bosch Group increased to 6.8 billion euros, from 5.4 billion euros in the previous year. Trade receivables also increased, due to the clear upturn in business. There were no significant bad debts in 2010.

Subsequent events

There were no events of material importance subsequent to the end of the reporting period.

Forecast

Favorable outlook

We anticipate that the economic environment will remain positive in 2011, even if the pace of growth slows somewhat. At present, we expect the global economy to grow by a good 3.5 percent. The emerging markets will continue to be the main drivers of this growth, and are expected to grow by more than 6 percent in 2011. China and India will again contribute an above-average share of this growth, and growth in Brazil and Russia will also be strong at 5 to 5.5 percent. Growth in the advanced economies is expected to be approximately 2.5 percent. We believe there will be below-average growth of around 1 percent in Japan and approximately 2 percent in Europe, while the North American economy will achieve strong growth of a good 3 percent. We envisage that Germany will continue to perform well in comparison with other European countries, achieving at least 2.5 percent growth.

Despite the altogether positive environment, we also need to prepare for significant risks. The consequences of the financial crisis continue to burden the global economy. Many advanced economies are also struggling with high levels of debt – primarily in the eurozone. We therefore need to prepare for marked fluctuations in exchange rates. Further increases in the cost of raw materials could also dampen economic prospects.

However, we also believe that new opportunities have emerged. The outlook for investments and private consumption is still favorable. Growth in industrial production is encouraging companies to expand their investment activities. Global employment levels are also picking up again, although there are considerable differences from region to region. As employment rises, so too will the availability of disposable income and the level of consumption in the private sector. As in previous years, private-sector consumption will gather pace first and foremost in the emerging markets.

We also expect further growth in global automotive production. In terms of units, we believe that the rapid recovery of 2010 will be followed by a period of normalization, with growth of some 7 percent to 81 million vehicles. In our view, the biggest increases will again be in the emerging markets, but we also expect North America to enjoy a sustained recovery. We expect there to be further slight growth in western Europe.

Against this global backdrop, we were able to further increase Bosch Group sales in the first few months of 2011. For the year as a whole, we aim to increase Bosch Group sales to more than 50 billion euros for the first time. We also want to once more achieve our target corridor for pre-tax return on sales of between 7 and 8 percent. However, at the current point in time, it is not possible to accurately forecast the burdens that increased raw materials prices will bring. The positive outlook applies to all three business sectors. These developments will also mean a further expansion of our workforce in the growth regions. We anticipate that approximately 300,000 associates will be working for the Bosch Group by the end of 2011. In our view, there is a strong likelihood that this favorable development will continue into 2012.

For this reason, we will match pre-crisis levels of investment with an annual budget of more than three billion euros in 2011 and 2012 and will maintain, if not surpass, the current high level of research and development expenditure. Overall, we believe we are well positioned globally, thanks to our strong worldwide presence and products that are geared to energy efficiency, environmental protection, resource conservation, and safety.

Risk report

Risk management in the Bosch Group

The rules and strategies for risk management within the Bosch Group are summarized in directives that we review on a regular basis to ensure they are effective. All the latest statutory regulations are taken into account during these review processes. The executive management of the divisions and presidents of the regional organizations identify and manage risks at the point of origin, while the board of management of Robert Bosch GmbH – with support from the corporate departments – identifies and manages risks of general relevance.

Defined processes ensure that relevant risks and opportunities are forwarded to the appropriate decision-makers, right up to board of management level. Risk management tools include systematic business field, competition, and regional analyses. Our comprehensive reporting system is the basis for monthly reports on all commercially and financially relevant matters. At meetings of the raw materials, foreign exchange, and investment committees, specific risks are examined on a regular basis.

General risk assessment

On the basis of the information currently available and the individual risks listed, there are no additional recognizable opportunities or risks, apart from the market-related opportunities and risks listed in the forecast above, that will materially impair the net assets, financial position, and results of operations of the Bosch Group in fiscal 2011. Our broad regional and sectoral presence also ensures that risks are spread.

The following risk categories are considered in greater detail:

Strategic risks: We systematically and regularly examine the consequences resulting from changes in the markets, the supplier environment, the possible concentration of customers and competitors, and technical developments. For example, the competitive environment in the field of automotive technology will change as a result of the broad introduction of electric vehicles over the longer term. In industrial automation, there are signs that the market will change as a result of the increasing electrification of drive systems. In heating systems, we are examining the changes resulting from the merging of the global heating and air-conditioning markets. And we are also working across all business sectors on new systems solutions and business models that utilize the internet.

Operational risks: Although many of our suppliers found it difficult to borrow capital during the financial and economic crisis, the rapid improvement in the economic environment has helped to significantly reduce the risks facing our suppliers. Our suppliers also escaped serious financial bottlenecks thanks to the upturn in production. Substantial increases in raw materials prices, however, do present a risk. These increases are being driven by the recovery in the global economy. We are countering this development to some extent through price escalator clauses and forward transactions. One risk that remains unchanged has its origin in automakers' demands for continued price reductions, as well as in price pressures in the area of consumer goods. Stringent requirements relating to product liability, particularly in the field of automotive technology, also pose a risk. We respond to this situation by pursuing intensive quality assurance strategies along the entire supply chain, so as to further reduce the risk of poor quality, and by continuously developing our quality management system.

IT risks: We have put in place comprehensive measures valid throughout the company to provide organizational and technical protection against all kinds of data loss, manipulation, and theft. We are responding to the growing demands and increasing sensitivity of data protection by means of a comprehensive set of policies and a broad-based and well trained data protection organization. We also protect our data against IT system failures by using redundant systems that run independently of location.

Legal risks, compliance: We do not anticipate any material risks as a result of current or impending litigation. The principle of legality is an integral part of the Bosch values and is reinforced through a global compliance organization, whose staffing and organization was further improved in 2010. The core element of this organization is the compliance committee, which comprises the directors of the corporate legal department and the internal auditing unit. The compliance committee is supported in strategic and operational issues by the compliance committee office and a global network of national compliance officers. There is also a global hotline system that associates and third parties can use to report questionable situations. Worldwide information and training events and publications are used to ensure that the issue of compliance maintains a high profile within the company. Associates are continuously reminded that violations of the law or the Bosch Code of Business Conduct will not be tolerated under any circumstances. In addition to internal disciplinary measures, cases of misconduct can also result in criminal charges.

Financial risks: The operative business of the Bosch Group is impacted by fluctuations in exchange and interest rates. Our strategy of maintaining a strong global presence with local production reduces currency risks. We also limit these risks by taking precautionary measures at corporate level. Internal regulations and guidelines set down a mandatory framework and define the responsibilities relating to payment transactions, investments, and precautionary activities. According to these regulations, financial tools such as futures trading and interest swaps may only be used in connection with operative business, financial investments, or financing transactions; speculative transactions are not allowed. Hedging transactions are entered into solely via banks whose creditworthiness is regarded as impeccable.

We have substantial financial assets. These are subject to interest-rate and exchange-rate risks. We manage these risks by means of an investment process geared to our financial exposure. The objective is to secure appropriate, risk-adjusted returns on invested capital. Here, we endeavor to spread our investments as widely as possible. A detailed depiction of risk management in relation to financial risks can be found in the notes to the consolidated financial statements.

Global risks: We systematically and comprehensively analyze the economic, legal, and political developments in individual regions and countries and, among other things, assess the risks stemming from disasters or the actions of third parties.

Tobias Fluck headed the team in Japan that developed a particularly small and compact motorcycle ABS. He returned to Germany at the end of 2010 and is now a product manager in the Chassis Systems Control division.

"Full braking performance, whenever it is needed"

Tobias, in your nearly five years in Japan, you and your team developed a motorcycle ABS. Germany's leading automobile association, the ADAC, awarded your ABS its "Gelber Engel" (yellow angel) award. Are you proud of that achievement?

Yes, it was wonderful that we were honored with a "Gelber Engel," which is not actually very well known outside Europe. Don't forget that our center of competence for the motorcycle ABS is in Japan. That's a long way away, and throughout the entire development process certain questions kept coming up: What are you doing over there in Japan? What is it for? Does it have market potential? Does it have a future? We were always having to justify ourselves, so the ADAC award gave us a certain satisfaction.

And at the end of the year, you won the Bosch Innovation Award as well.

That was another high point, of course. And an additional endorsement of our work. Now we know what all the years of hard cross-divisional work were for, and we can reassure ourselves that it was worth it.

Why is this development so important?

Our ABS is small, inexpensive, and a real boost to safety. Plus, it can be installed in almost any motorcycle, not just in heavy ones like before.

So your development is not entirely new; the innovative aspect is that it can be used in any motorcycle?

Right. We did some intensive market analysis and talked to lots of customers. And again and again we heard people asking for smaller units. The motorcycle manufacturers wanted to put in ABS systems – they realized what a benefit that would be – but there was always the problem of weight and space.

How will motorcycle riders benefit from the new Bosch ABS?

It's a huge plus for bikers in terms of safety. With our ABS, we're giving them a system that always ensures full braking performance in an emergency situation, without the wheels locking up.

What will the next generation be capable of?

Our latest ABS modules are made for passenger cars and light commercial vehicles. In the next generation, we want to incorporate the motorcycle versions. So we're working on an ABS series that will cover everything from motorcycles to light commercial vehicles.

For the complete text of this interview, go to:
www.bosch-presse.de/interviews

Automotive Technology

Key data	2009	2010
Sales revenue	21,716	**28,097**
Capital expenditure	1,165	**1,556**
R&D cost	2,862	**3,004**

Figures in millions of euros

The year 2010 saw the automotive market recover far more quickly than expected. At 76 million vehicles, global vehicle production was 23 percent up on 2009, and even exceeded its 2007 level. Our Automotive Technology business sector benefited significantly from the positive market developments, in particular due to our substantial presence in major growth economies such as China and India. Sales grew strongly to over 28 billion euros, 29 percent up on the previous year.

ABS: 16 %

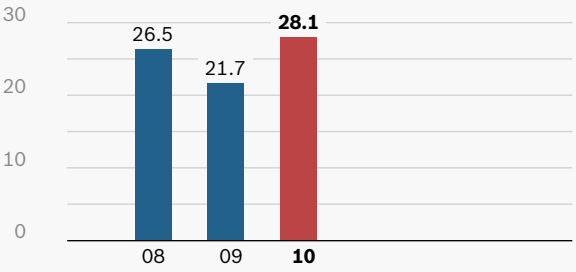
of all motorcycles produced in Europe in 2010 have ABS

Our new motorcycle ABS was developed entirely in Japan. It was awarded the “Gelber Engel” (yellow angel) in early 2010 by the ADAC, the German automobile association. The picture shows Bosch engineers carrying out application work after a field test.

Automotive Technology sales

Bosch Group 2008 – 2010

Figures in billions of euros



Technical and environmental issues returned to dominate discussion in the automotive sector during the upturn in 2010. Focal points included energy efficiency, resource conservation, future powertrain concepts, and systems and functions designed to improve safety and comfort. We offer automakers across the globe a wide range of solutions in all these areas. And despite the difficult economic climate of the past two years, we have fully maintained our R&D expenditure for areas with a promising future. This strategy has paid off, enabling us to gain an edge over our competitors in many areas.

The future belongs to alternative powertrain concepts

In Bosch’s view, electromobility has a promising future for individual transportation over the long term. That is why we invest some 400 million euros annually in this business field, working on powertrain electrification and developing systems solutions for hybrid and electric vehicles. In 2010, we started series production of a parallel full hybrid in two premium models. Starting in 2011, a further automaker will be marketing diesel vehicles that incorporate Bosch hybrid technology.

The biggest technical challenge in electromobility is energy storage – the battery, in other words. It needs to be powerful, durable, robust, and cost-effective. In a joint venture with Samsung SDI, Bosch has been developing such batteries since 2008. This joint venture, SB LiMotive Ltd., supplies battery cells and systems, and gained two major customers in 2010. In November 2010, the joint venture started series production in Ulsan, Korea.

Our subsidiary Innovations Software Technology GmbH has also successfully bid for a pilot project in Singapore that comprises a software-based service platform for e-mobility, as well as the charging and communication infrastructure to go with it.

The Electrical Drives division develops and manufactures low-power electrical motors for use in the automotive industry. More than 72 million motors are manufactured at the Bosch plant in Bühl, Germany, each year. The picture shows an associate in Bühl carrying out a visual check of an engine radiator fan.

Bosch Engineering GmbH (BEG) combines custom solutions with the advantages of proven large-scale series production. BEG runs a state-of-the-art performance test bench at the Bosch location in Abstatt.

Internal-combustion engines – still plenty of potential

Internal-combustion engines will remain the dominant drive system in passenger cars for at least another 20 years, and in commercial vehicles for much longer. That is why we are working closely with automakers to enhance the efficiency of such engines. We believe that the potential exists to further reduce fuel consumption in diesel and gasoline engines by some 30 percent over the next few years. Such a reduction will allow them to comply with the CO_2 fleet limits that will come into force in the future. Moreover, we have developed injection systems that will make it possible to use natural gas or fuels produced either synthetically or from renewable raw materials.

Engines equipped with direct injection and turbocharging are the key to lower consumption. Both systems are already standard for diesel engines, and a growing number of gasoline engines are also being fitted with them. Efficiency can be improved still further by reducing displacement while keeping performance constant – a process known as downsizing. More and more engines, particularly in Europe, are being downsized. We offer injection systems for each type of engine – for gasoline engines we have second-generation direct injection systems, and for diesel engines we have systems that use solenoid and piezo valves and generate injection pressures of over 2,000 bar. Bosch Mahle Turbo Systems GmbH & Co. KG, a joint venture founded in 2008, supplies turbochargers for both gasoline and diesel engines. Series production will start in late 2011.

When equipped with exhaust-gas treatment systems, diesel engines can satisfy the most stringent environmental standards. We supply the Denoxtronic urea-metering system for use in passenger cars and commercial vehicles. In conjunction with an SCR catalytic converter, it helps lower nitrogen-oxide emissions considerably and also offers additional potential for cutting consumption. For use in commercial vehicles, we supply Departronic, a system that injects diesel fuel

Associates at our Bosch Software Innovations systems unit with the prototype of a charge spot for electric cars. In Singapore, Bosch has won a bid to create a software-based service platform for electromobility.

into the exhaust-gas flow and thus helps to regenerate the particulate filter.

Our start-stop systems use a straightforward approach to save fuel, shutting off the engine when vehicles come to a stop at red lights or in traffic jams. Series production of start-stop systems began in 2007, and they are now being used increasingly in midsize and premium vehicles, as well as in conjunction with automatic transmissions. Our eco-routing function uses an equally straightforward approach to save fuel: the navigation system uses route profiles and vehicle-specific parameters to select a route that will ensure the best possible fuel consumption.

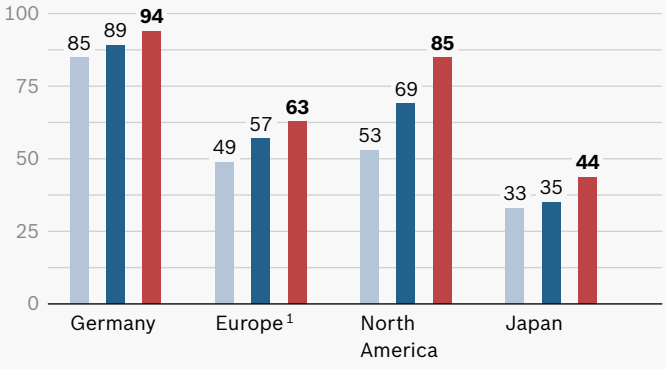
Active safety systems becoming the standard

With the number of road fatalities growing around the world, the United Nations has proclaimed 2011 to 2020 the decade of action for road safety. The aim is to halve the number of road fatalities currently predicted for 2020 on the assumption that nothing more is done to prevent them. The action plan incorporates a range of elements, including the widespread use of accident prevention systems such as the ESP® electronic stability program developed by Bosch. In 2010, ESP® featured in 41 percent of all new vehicles produced worldwide that had a gross weight of six metric tons or less. The percentage will continue to rise over the next few years, as other countries follow the lead set by the U.S., Australia, and Europe in making this active safety system a legal requirement. In 2010, such legislation was introduced in Russia and Japan.

Growing acceptance of ESP®

Share of vehicles equipped with an electronic stability program, based on production of passenger cars in selected markets from 2008 to 2010

Percentage figures



[1] Including the Russian Federation

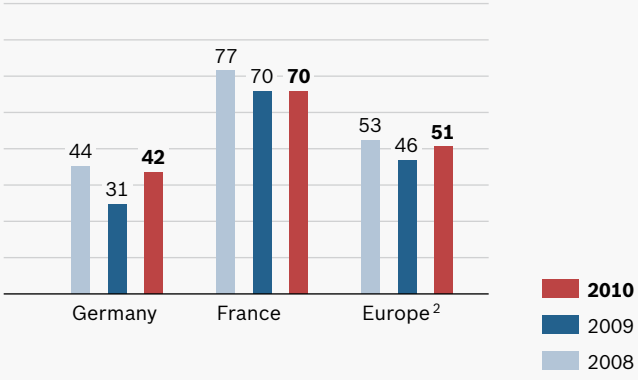
Since the start of series production in 1995, we have manufactured more than 60 million ESP® systems.

ESP® also forms the basis for other assistance and safety functions. The more vehicles equipped with ESP®, therefore, the easier it is for automakers to offer the systems that build on it. One example is our predictive emergency braking system, which went into series production in 2010. Radar and video sensors register the situation in front of the vehicle and assist the driver if there is a risk of a rear-end collision. Depending on the vehicle's specifications, this assistance can range from an initial warning to fully automatic emergency braking.

Passenger cars powered by diesel

Share of diesel in newly registered passenger cars, based on selected markets from 2008 to 2010

Percentage figures



[2] EU 27

The ABS antilock braking system makes motorcycle driving safer, preventing wheels from locking up when drivers engage the brakes. We began producing a variant of our latest generation 9 at the end of 2009, and launched the base version at the end of 2010. The generation 9 base-version ABS is currently the smallest system in the world. Moreover, it is so cost-effective that it can even be used in small motorcycles and scooters. Riders of motorized two-wheelers account for such a large number of road fatalities that, in fall 2010, the EU Commission put forward the proposal that ABS be made mandatory in such vehicles.

Other assistance and safety functions supplied by Bosch are also growing in popularity. Night-vision systems help when visibility is limited in the dark, adaptive cruise control with a stop-and-go function comes in especially useful in dense traffic and jams, and the parking assistant skillfully steers vehicles into parking spaces. Our side view assist, which uses ultrasound sensors to monitor the area to the side of the vehicle, is designed to issue warnings about dangerous lane changes. It entered series production in 2010. We are also breaking into a new price segment with cost-effective navigation devices that are built into new vehicles and perform much better than mobile alternatives. The demand for these systems has been high.

Single-source supplier for the independent aftermarket and repair shops

During 2010, our Automotive Aftermarket division continued to extend its range for repair shops and the independent aftermarket. We considerably expanded our portfolio of products, diagnostics, maintenance, and service for commercial vehicles and hybrid and electric cars. Bosch is thus the leading single-source supplier for the independent aftermarket and repair shops, offering a broad range of diagnostic and repair-shop systems, spare parts, services, and repair-shop concepts. With over 15,000 repair shops, our Bosch Car Service is the world's largest brand-independent garage network.

Additional information about Automotive Technology is available online at: www.bosch-kraftfahrzeugtechnik.de

Carola Diebold, an engineer at Bosch Rexroth in Horb, and ***Andreas Josef Birnesser,*** a process engineer in specialist machinery at Bosch in Stuttgart-Feuerbach. Their development efforts won them the Rexroth Innovation Award and the Bosch Innovation Award respectively.

"I need colored pencils"

Ms. Diebold, the team you led developed a new kind of axial piston pump. What's so special about this pump?

To be more precise, we developed a pump, the A1, for the budget end of the market. Not only is it competitive in this target segment, it also has the big advantage of having variable displacement. Compared with fixed-displacement pumps, the A1 is much more energy-efficient and will help meet increasingly strict exhaust emission standards.

Mr. Birnesser, you work in process engineering. With your team, you developed a special laser welding technique. What makes it so prizeworthy?

Together with Research and Advance Engineering in Schwieberdingen, we developed a new technique to control the laser welding process. It allows you to measure and also control the depth, and so improve the quality of the weld by up to 75 percent.

How would you describe the development process? Is it a straight line to a goal, or does it proceed in loops?

Birnesser: The goal is always on the horizon, but progress toward it is never a straight line.

Diebold: Even if you run into a dead-end, the experience you gain is important. You may not be able to use it in the current project, but perhaps in your next one or the one after.

Where do you have your best ideas?

Birnesser: I get my best ideas when driving. Your mind is free, you're driving along, and suddenly you get a flash of inspiration.

Diebold: I make a little sketch or jot down a note and stick it next to the telephone. Then whenever I see it, it reminds me that I need to think about it.

Is it also a question of mood?

Diebold: Definitely. A good lunch helps!

How important is the working environment?

Diebold: I need a clear challenge and, when I've had an idea, the opportunity to talk it through with the others. And I need lots of paper, and colored pencils.

For the complete text of this interview, go to:
www.bosch-presse.de/interviews

Industrial Technology

Key data	2009	2010
Sales revenue	5,105	**6,660**
Capital expenditure	393	**386**
R&D cost	309	**334**

Figures in millions of euros

It was not until the second half of 2010 that business in the Industrial Technology business sector picked up, ultimately generating sales of 6.7 billion euros for the year as a whole, an improvement of 30 percent on the previous year. Operations at Bosch Rexroth AG and in our Packaging Technology division were boosted by strong growth in markets such as Asia Pacific and South America. Our subsidiaries Bosch Solar Energy AG and aleo solar AG benefited from a boom in the German photovoltaics market.

Carola Diebold and her team developed the new A1 axial piston pump.

Bosch Rexroth drive technology kept the huge pendulum at Expo 2010 in Shanghai safely under control. At 1.2 metric tons in weight and 5.6 meters in length, the pendulum was one of the main attractions at the German pavilion. Three meters in diameter and covered in 400,000 LEDs, it was used as a projection surface for images and movies.

Market environment has changed

After a difficult start, the situation in the mechanical and industrial engineering sector eased over the course of 2010. Accordingly, Bosch Rexroth recorded a clear upward trend in the second half of the year. Nonetheless, the crisis has rapidly and lastingly changed the market environment for our drive and control products. These changes are partly regional: Asia Pacific now offers by far the greatest growth potential for us. They are also product-related: there is now growing demand for solutions that combine multiple technologies.

Bosch Rexroth has responded to these changes and repositioned itself in the market. The Mobile Applications unit offers components, modules, and systems solutions for mobile machinery, primarily for use in construction and agriculture. Demand is being driven by growing affluence in large emerging markets, by the increasing importance of renewable raw materials, and by the numerous infrastructure projects underway worldwide. Bosch Rexroth planetary gears and

Bosch Rexroth sees great future potential in equipping plants that harness renewable energy. We supply the gearbox technology and hydraulics needed in wind turbines. The photo shows an associate assembling the spur gear drive of a wind-turbine gearbox at our plant in Witten, Germany.

We have developed a completely new conveyor system for packaging delicate foodstuffs and confectionery. The compact system ensures that the items to be packaged are moved quickly and spaced evenly as they move toward the point of packaging. Achieving this used to require highly complex belt systems or robots.

hydraulic drive technology are impressive proof of our expertise in this area. They are important components in equipment such as the nine-meter tunnel-boring machines used to excavate the main elements of the Gotthard Base Tunnel, which runs under the Swiss Alps. The pumps and gears have racked up tens of thousands of operating hours ensuring that the heavy machinery runs smoothly.

The new Industrial Applications unit supplies the general mechanical and industrial engineering sector with our comprehensive portfolio of drive and control technologies, which range from hydraulic, electrical, and electronic systems to mechanical and pneumatic equipment. To further leverage our expertise, we have expanded the services we offer to include advising on energy efficiency. Our specialists record and analyze all the power consumers in a given factory and then develop an approach for reducing consumption. This way, we can help our customers reduce their long-term energy consumption at comparatively low cost.

Every aspect of our control technologies' flexibility was demonstrated at Germany's Expo 2010 pavilion in Shanghai, where a multimedia pendulum was installed that visitors could move by clapping or shouting. We supplied a drive solution that was tried and tested in more than 14,000 demonstrations. We also showcased the reliability of our products in a project that is designed to protect the city of Venice from flooding. Our hydraulic cylinders were used to position heavy pieces of concrete in the sea around the city to form a new mobile flood defense system.

Service for wind turbines

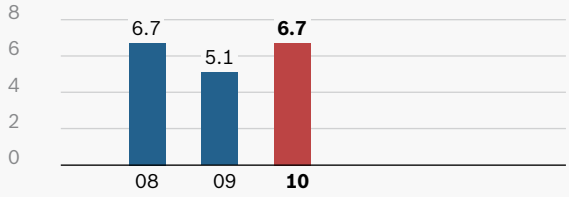
The Renewable Energies unit combines the gearbox and drive solutions we have developed for plants that harness wind power and other renewable energy sources. The financial crisis made credit for major projects harder to come by, which delayed further expansion of wind power in 2010. Nonetheless, we still believe that the outlook for this market is very promising. The trend in Europe is toward offshore wind farms, and wind power is also being significantly

Research laboratory for the production of organic photovoltaic cells at our southeast Asian headquarters in Singapore. The photo shows a screen-printing machine being set up.

Industrial Technology sales

Bosch Group 2008 – 2010

Figures in billions of euros



expanded in China and the United States. We will be expanding our service portfolio in this area accordingly. We are also continuing to work on new ways to harness marine energy, which offers enormous potential for future power generation.

Our hydraulics experts are working hand in hand with our diesel specialists to improve energy efficiency. For example, there is a growing convergence between diesel-engine and hydraulic-control systems in construction machinery and other mobile equipment. We are cutting fuel consumption by up to 20 percent despite the complex movements that a machine must be capable of producing. Our HRB hydrostatic regenerative braking system for garbage trucks has been in series production since October 2010. This system recycles the energy generated by frequent braking maneuvers to power the truck when it moves off again. Our HRB can cut the fuel consumption of heavy vehicles by up to 25 percent. HRB is already being used in several municipal garbage fleets worldwide, including in New York City and Vienna.

Packaging technology grows in Asia

Over the course of the year, the core business of our Packaging Technology division benefited from growth in the global economy, with orders from the pharmaceuticals sector playing a crucial role. This was particularly true in China, where we succeeded in expanding our strong market position. At our Hangzhou location, we doubled production capacity. Following our strategy of expansion in the major emerging markets, we also continued our activities in India, where we took the first steps toward building a new plant in

Verna. India's appetite for products in the foodstuffs, confectionery, and pharmaceuticals industries is constantly growing, and thus boosting demand for new packaging solutions.

We offer our customers one-stop solutions. And our planned "Food & Confectionery" systems unit will reinforce this strength. Our approach enables us to utilize our full potential when working on projects that can be highly complex. It is in these circumstances that our skills and experience in systems solutions are in demand. Throughout the installation phase, we manage the entire project, coordinating it right up to the final inspection at the customer's plant.

Our innovations in process and packaging technology offer reliable solutions for a whole range of production needs. In 2010, we worked with a major pharmaceuticals manufacturer to design and install an innovative packaging line for drugs produced using biotechnology. The line can handle two different packaging containers at the same time – syringe cartridges and injection vials. Our intelligent conveyor system provides a gentle and flexible means of transporting and positioning delicate foodstuffs and confectionery such as chocolates. And our new track-and-trace system lowers the risk of product counterfeiting considerably. By giving each product a unique ID label once it has been packaged, the system enables manufacturers to trace each individual product through the supply chain.

Photovoltaics boom

Global demand for photovoltaics increased again in 2010, driven by strong growth across Europe, as well as in the U.S., Japan, China, and a number of smaller markets. The cause for the demand increase in Germany – still the biggest market – was the announcement of further cuts in the electricity feed-in tariff. This news triggered a boom for photovoltaic systems, although it also brought increased price pressure. Our subsidiaries Bosch Solar Energy AG and aleo solar AG benefited from the rise in demand and achieved impressive growth. However, considerable price pressure and tough competition from Asian suppliers in particular continue to present real challenges.

We are responding to these challenges by consistently expanding our production facilities and internationalizing our solar business. Our new production plant in Arnstadt, Germany, went into operation in 2010, and we plan to triple our capacity for crystalline solar cells by 2012. In the year ahead, we will also be completing work on a cutting-edge development center in Arnstadt, where a total of more than 1,000 jobs will be created.

We continue to develop the technology used to harness solar power. We manufacture not only crystalline modules, but also innovative thin-film modules, which save materials and costs. We are gearing up for future growth on an international scale. We opened three new sales offices in 2010: in China, Singapore, and Australia. Our subsidiary aleo solar AG is currently increasing its production capacity, allowing us to consolidate our position as a leading European module manufacturer and lay the groundwork for further growth.

Additional information is available online as follows:
Drive and Control Technology **www.boschrexroth.com**
Packaging Technology **www.boschpackaging.com**
Solar Energy **www.bosch-solarenergy.de**

Sungbae Park heads the pre-development of Bosch Thermotechnology in Deventer, Netherlands. The 37-year-old graduate engineer and his project team are developing a new system for better combustion management of condensing gas boilers.

"I want to develop things that help people"

Mr. Park, why did you become an engineer?
I want to develop processes and products that help people in their everyday lives. This is why I feel very much at home at Bosch. Bosch takes the motto "Invented for life" very seriously and this is very much in line with what I want.

You have developed a process for managing the combustion of condensing gas boilers. What is it about?
The aim is to manage and control the gas-air ratio by means of an electronic regulation in such a way that the combustion is always very efficient and clean. Whenever a resident turns on the heating or the hot water, a conventional system releases a certain amount of gas, which has been preset as the necessary amount for the required heating performance. In fact, however, the gas requirements fluctuate because they are dependent on a number of factors such as changing gas quality. Currently, there is no verification if the heating system actually produces the required performance. This could be measured by sensors but this would be relatively expensive and complex. Our project team has therefore developed a process – CMS – in which the control device of the gas valve uses the values delivered by the flame detector to calculate the performance actually delivered very precisely and increase or decrease the gas supply on this basis.

How is this achieved?
What makes CMS so innovative is the algorithms – software, in other words. It obviates the need for expensive sensors and measurements. We have managed to develop the algorithms in such a way that they are very precise and come very, very close to a measurement.

What are the advantages of CMS?
CMS achieves optimum combustion and a reduction in harmful emissions with little technical effort. This makes the device quieter, more efficient, and more eco-friendly. The enlarged modulation range – i. e. the range between minimum and maximum output of a system – also contributes to this. Our partners from the skilled trades also benefit from the new technology as CMS makes it easier to start up the boiler and reduces the error ratio when presetting the gas valve.

What do you do when you are not working on CMS?
My family and I use the weekends for short trips to get to know the country and the people. One of my main hobbies is model aircraft. I also love to cook and play golf. And, of course, I like to ride my bike – but then again this is THE thing to do in Holland.

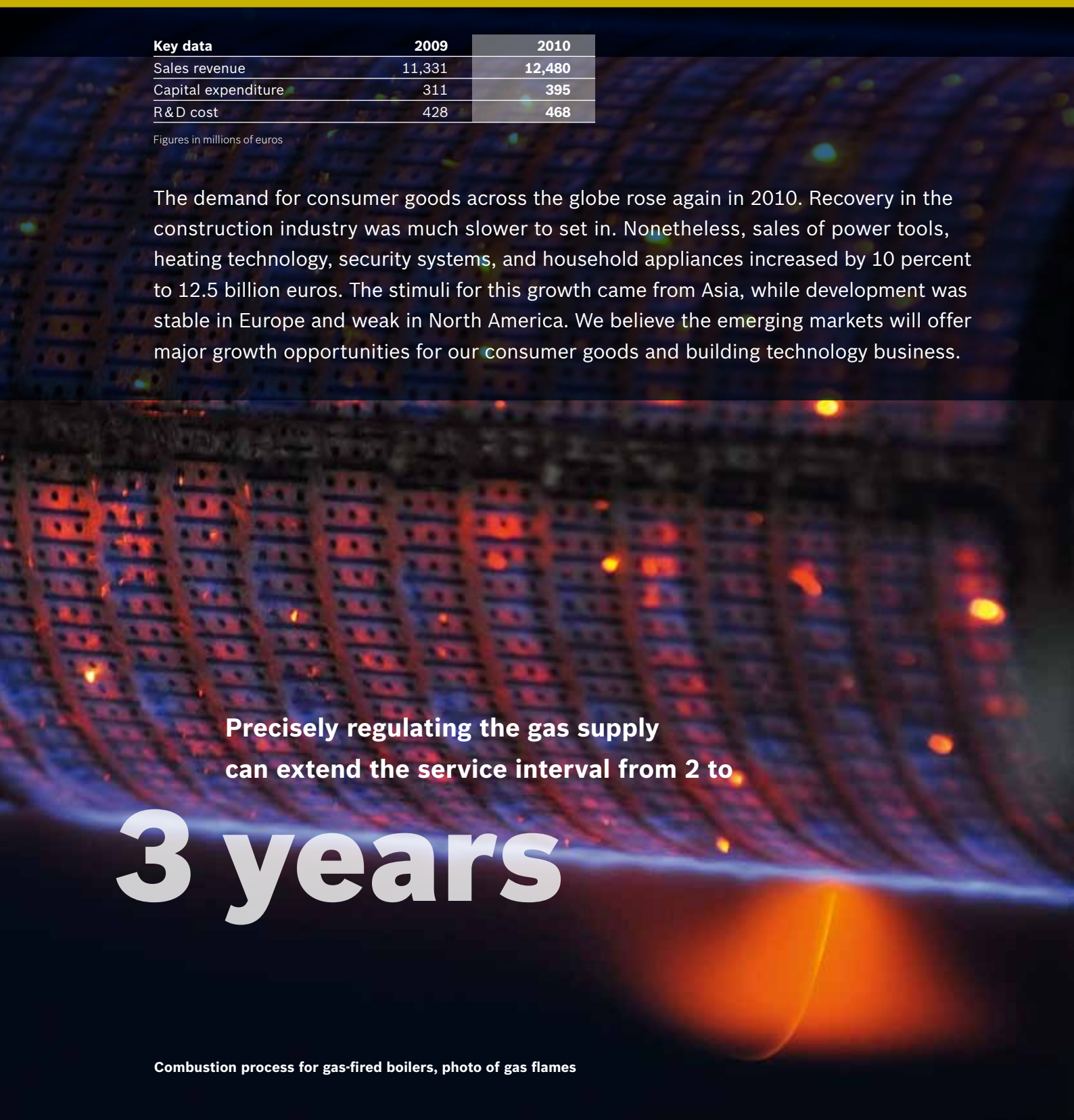
For the complete text of this interview, go to:
www.bosch-presse.de/interviews

Consumer Goods and Building Technology

Key data	2009	2010
Sales revenue	11,331	**12,480**
Capital expenditure	311	**395**
R&D cost	428	**468**

Figures in millions of euros

The demand for consumer goods across the globe rose again in 2010. Recovery in the construction industry was much slower to set in. Nonetheless, sales of power tools, heating technology, security systems, and household appliances increased by 10 percent to 12.5 billion euros. The stimuli for this growth came from Asia, while development was stable in Europe and weak in North America. We believe the emerging markets will offer major growth opportunities for our consumer goods and building technology business.



Combustion process for gas-fired boilers, photo of gas flames

To keep in close contact with our customers, we organize a variety of events such as DIY projects and creative workshops. Such events also enable us to show new target groups how power tools work.

Bosch Power Tools finds its former strength

Following the major downturns of the previous year, 2010 saw a recovery in the global market for power tools. Growth in western Europe, which had remained comparatively stable the year before, was moderate. The eastern European market – where losses had been particularly severe – saw strong growth but fell short of pre-crisis levels. A slight upturn followed several weak years in the U.S., while sales in the South American and Asian markets, which largely escaped the downturns of 2009, continued to climb throughout 2010.

Our power tools and accessories business continues to grow. We succeeded in outperforming market growth in all our core business segments and have thus extended our share in these markets. We experienced a strong recovery in countries where we suffered losses in 2009, such as the countries of eastern Europe. Our business also recovered in the United States. We have continued to maintain strong growth in Germany, and growth rates in South America and Asia have been very high.

Our innovative strength remains crucial for our success. Some 40 percent of our sales in 2010 – more than ever before – came from products launched within the last two years. We introduced more than 100 new power tools and modified products in 2010, all of which were innovations that had been deliberately designed in line with our focus on trends and customer needs.

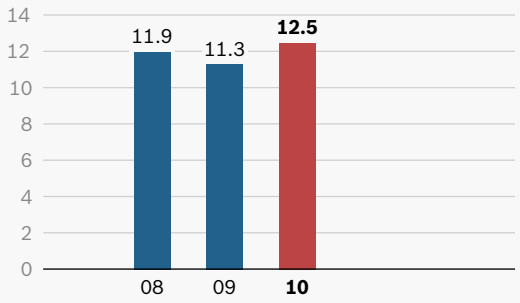
Our handy multifunctional tools – used for sawing, sanding, cutting, and scraping – provide a good example of how this approach works. These innovative tools and accessories have brought us great success in Europe and the U.S., among do-it-yourselfers and professionals alike.

We have greatly expanded our production facilities in Wettringen, Germany, where we manufacture solar collectors that are used to heat water and to support heating systems. We also have production facilities in Aveiro, Portugal.

Consumer Goods and Building Technology sales

Bosch Group 2008–2010

Figures in billions of euros



The Asia Pacific growth region was a focal point for our strategy in 2010. In the past, our operations in this region have focused primarily on tools for professional end users. Now, we are expanding our operations in other areas, including measuring technology and accessories on the one hand and garden tools on the other. We entered the Indian market with our garden tools in 2010.

Systems for the “Energy Plus” house

During 2010, our heating technology business recovered well, primarily outside Germany. The major growth drivers were the U.K., Turkey, and Russia in Europe, as well as the countries of South America and Asia. In the U.K., we expanded our market share considerably yet again. Some 70 percent of sales in our heating technology operations were generated outside Germany. Meanwhile, after a weak first quarter, sales in Germany came back much stronger, even though government subsidies were reduced considerably in scope. We maintained our market share in Germany and were able to slightly expand it in solar thermal systems.

We aim to use innovative technology to leverage the potential generated by the global demand for products that protect the environment and conserve resources – demand which is expected to increase in the medium term. For example, we launched an appliance in 2010 that makes it far easier, in terms of both the hydraulics and control technology involved, to take energy from additional sources of heat besides gas – such as solar thermal systems – and integrate that energy into heating systems. Compared with older oil- and gas-fired systems, the new Bosch appliance can cut energy consumption for heating and hot water by up to 50 percent – and it also costs far less to buy than conventional systems. Furthermore, our first hybrid solutions – which combine gas-fired

Our MIC 500 series high-speed camera is used in city-center and pedestrian-zone surveillance systems. Its robust aluminum housing is important to help it withstand the highly changeable weather conditions it is often exposed to. The camera's durability is tested in the lab.

Dishwasher production at the Dillingen plant in Germany. Our machine with the energy-saving zeolite® drying system won the 2010 German Innovation Prize for Climate and Environment.

condensing boilers and electric heat pumps – are scheduled for market launch in 2011. If the two appliances are used together in a carefully coordinated and controlled system, end consumers can achieve lower fuel consumption and CO_2 emissions than when using either appliance on its own.

The heating technology sector is undergoing more fundamental structural changes than ever before, primarily due to the increasing convergence of heating, ventilation, climate control, and water heating technologies, as well as decentralized power generation. Developments in the areas of reversible heat pumps and combined heat and power will become increasingly important here. That is why we are now spending more on research and development. We are focusing on products that will become more important over the next ten years. In the medium and long term, these are products that will help to establish the "Energy Plus" house as the building standard of the future. "Energy Plus" houses are buildings that produce more energy over the course of the year than they need. Decentralized, electricity-based systems for heating, ventilation, and climate-control technology are a major area of development work. That is why Bosch is establishing a new competence center for electric heat pumps at its Lollar location in Germany.

Our acquisition of the German company Köhler & Ziegler Anlagentechnik GmbH in March 2010 enabled us to expand our portfolio in the combined heat and power market. We are now able to offer a fully comprehensive product range of block heating and power plants that are manufactured in-house and offer a performance range from two kilowatts to two megawatts. In November 2010, we agreed to increase our shareholding in RBS Thermotechnology Co. Ltd. – which is based in Jiading in Shanghai and was formerly a joint venture with a Japanese manufacturer – from 70 to 100 percent. Established in 2006, RBS Thermotechnology manufactures gas-fired instantaneous water heaters for Bosch Thermotechnology. Acquiring full control of this company strengthens our presence in China.

Strong growth for security systems in Asia

There was a distinct recovery in the global market for security technology during the latter half of 2010. The European and North American markets showed initial signs of improvement, while growth in South America and Asia continued unabated. Growth in the Chinese and Indian markets was particularly strong at more than 10 percent – a development from which our operations clearly benefited.

Our security and communications products are used throughout the world in a wide range of sectors – in airports, production facilities, logistics centers, banks, schools, universities, and elsewhere.

Bosch video cameras were also present at Expo 2010 in Shanghai, where 700 security cameras were installed at the architecturally stunning China Pavilion. A leading U.S. technology company now also uses our video systems to monitor its manufacturing processes. During the soccer World Cup in South Africa, our professional sound systems made sure that announcements came across loud and clear. Last but not least, our products provided security at the largest production site of one of Germany's leading frozen food manufacturers.

In 2010, we once again invested significant sums in research and development, and the resulting product innovations played an important role in driving growth. Our high definition video surveillance systems are only one example of such product innovations. They provide crisp, sharp images, where even the tiniest of details can be made out. Such a level of detail is crucial for facial recognition systems and similar biometric applications.

Using an intelligent algorithm, our 420 series automatic fire detectors can differentiate between smoke particles and other particles such as dust and steam. As a result, they can identify all types of fires extremely quickly and reliably.

During 2010, we continued to expand our services sector in strategically important regions. For example, we opened new communications centers in Manila, Lisbon, and Vienna, as well as in Joinville in Brazil and Châlons-en-Champagne in France. As an international service provider, we serve customers from a variety of industries in over 25 languages.

Success with efficient household appliances

At BSH Bosch und Siemens Hausgeräte GmbH, resource efficiency is more than just a sales pitch. It is a strategic objective. Like the entire Bosch Group, BSH regards a business policy that reconciles environmental and economic interests as the basis for a corporate strategy that is geared to sustainability. A clear strength of BSH lies in its innovations in the premium sector, which combine exceptional economy with energy efficiency. These products secure major advantages for BSH in a competitive international market.

The innovative strength of BSH, a joint venture, is reflected in a wide range of new products – products that also set new international standards. One current example of this is the globally unrivalled, self-dosing washing machine based on i-Dos technology. These machines automatically identify how large and how dirty a load is and then, using an integrated tank, add only as much detergent to the load as is strictly necessary to achieve optimum results. This saves water – up to 7,000 liters a year for some 200 laundry loads. BSH has also won numerous awards for its zeolite® dishwasher drying and energy recovery system, such as the 2010 German Innovation Prize for Climate and Environment, which is awarded jointly by the German Federal Ministry for the Environment and by the Federation of German Industries.

Bosch and Siemens are household appliance brands that generate strong sales in Europe. Their product range includes large and small household appliances, floor-care equipment, and water heaters. BSH's six special brands Gaggenau, Neff, Thermador, Constructa, Viva, and Ufesa cater to individual customer requirements. The four regional brands Balay, Pitsos, Profilo, and Coldex also ensure regional presence and market share.

Additional information is available online as follows:
Power Tools **www.bosch-pt.com**
Thermotechnology **www.bosch-thermotechnology.com**
Security Systems **www.boschsecurity.com**
Household Appliances **www.bosch-home.com**

Dr. Uwe Schirmer *(left)*
Senior Vice President Human Resources, Policies, and Labor Relations at Bosch

Prof. Dr. Andreas Kruse *(right)*
Director, Institute for Gerontology, Ruprecht-Karls-University of Heidelberg

Interview

Professor Kruse, why are companies suddenly starting to focus on older associates?

Kruse: It's mainly a question of demographic change. The younger generation won't be able to shoulder that on their own.

Can you give us some figures?

Schirmer: Certainly. Between 2003 and 2010, the average age at Bosch in Germany rose from 40.7 to 42.7, and even more for associates working directly in production, from 40.5 to 43.

Kruse: Averaged out across all companies of all sizes, by 2040 there will be more workers aged 50 and above than there will be younger staff.

Schirmer: At Bosch, we anticipate a rise in the average age of our associates from the current 42 to 49 by 2030.

Did the study confirm that systematic training can boost performance?

Kruse: It is excellent for maintaining performance capacity, and in some cases can even enhance it. Most importantly, such activities can also foster creativity. In terms of motivation, qualification is important for one chief reason: it shows associates how strongly they themselves can influence their own performance and health.

Schirmer: It is true that physical and cognitive training can enhance older associates' performance, both on and off the job – as can courses that teach about health issues. And the interesting thing is, the combination of all three components achieves more than isolated courses.

What are the plans for the future?

Schirmer: We are facing a huge challenge, in fact. The company offers and subsidizes these activities, but they take place outside working hours. That's why attendance is always voluntary. And another thing: often the people who take advantage of such activities are the ones who are already involved in things like that. But the people who would most benefit are those who don't use them yet.

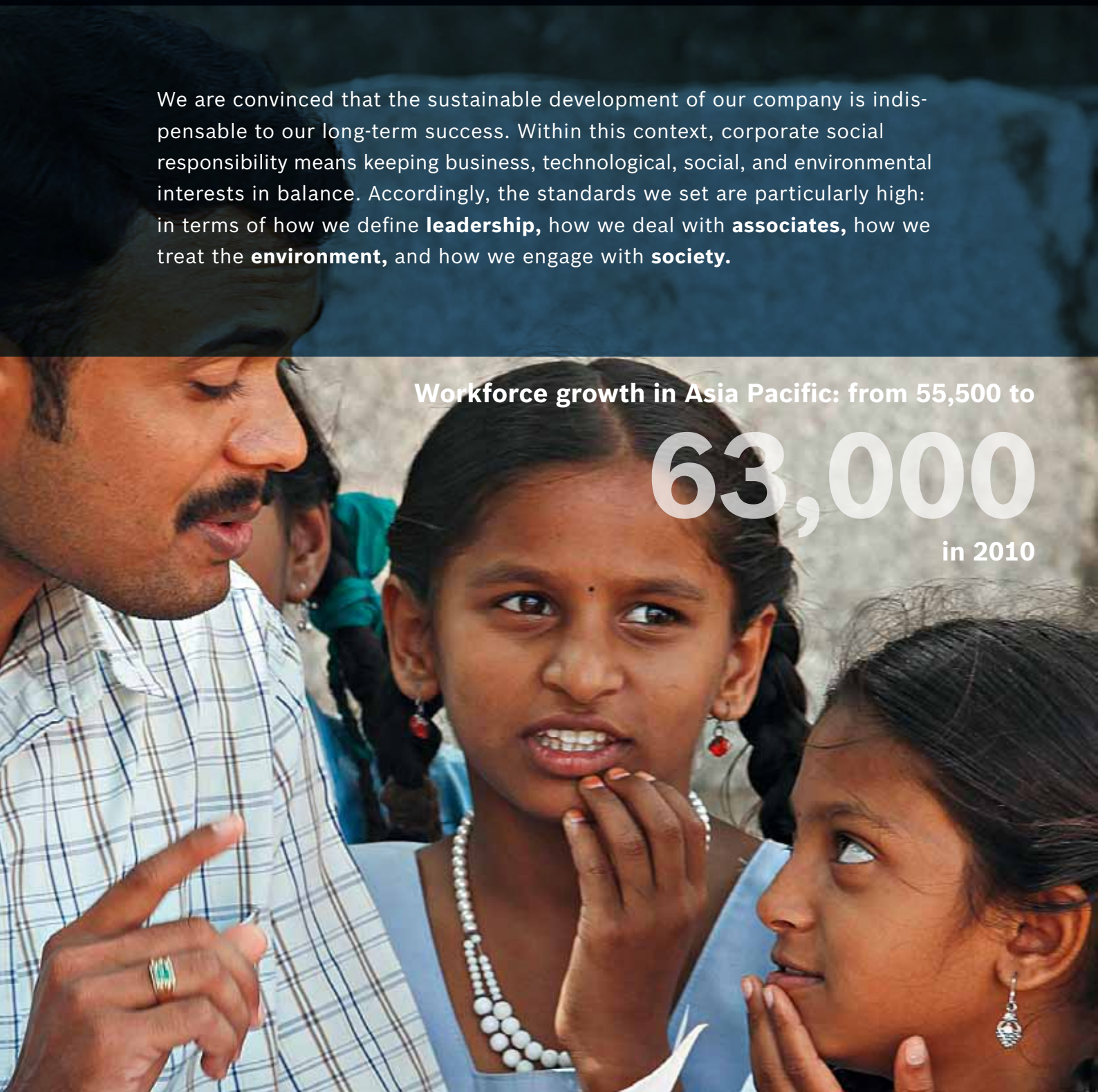
And how do you aim to pull them in?

Schirmer: We need to get both managers and the works councils involved in vigorously promoting activities among these associates, and in generating enthusiasm so as many of them as possible will join in.

For the complete text of this interview, go to:
www.bosch-presse.de/interviews

Our Responsibility

We are convinced that the sustainable development of our company is indispensable to our long-term success. Within this context, corporate social responsibility means keeping business, technological, social, and environmental interests in balance. Accordingly, the standards we set are particularly high: in terms of how we define **leadership,** how we deal with **associates,** how we treat the **environment,** and how we engage with **society.**



Workforce growth in Asia Pacific: from 55,500 to

63,000

in 2010

In China we are increasing the number of local executives at Bosch. Special development programs prepare aspiring Chinese managers for their responsibilities.

To boost the number of women in engineering, we offer female university graduates a twice-yearly special junior managers program. In addition to lectures, case studies, and interviews, the program also includes tours of plants such as the diesel production facility in Stuttgart-Feuerbach.

Leadership

Long-term development as a goal

For us, securing the successful, sustained development of our company is the mission Robert Bosch handed down in his will. In it, he prioritized the need "to secure [...] a strong and meaningful development to help [...] cope with the inevitable difficulties and crises of the future." He considered it absolutely vital to remain financially independent, autonomous, and "able to take appropriate action" at all times. And the high standards he set applied not only to his company's products but also to social responsibility. Paying special tribute to these ideals will be an integral part of our celebrations in 2011 marking the 125th anniversary of our company's founding and the 150th anniversary of Robert Bosch's birth.

The key to maintaining our independence is our distinctive corporate constitution – with a charitable foundation and the Bosch family as shareholders, and with an industrial trust that carries out the entrepreneurial ownership functions. To this day we enjoy a close relationship with the descendants of our company founder, who are actively involved in our supervisory council and the meetings of the shareholders, as well as in the trust. This relationship is an important part of our corporate culture and strengthens the identity of the Bosch Group.

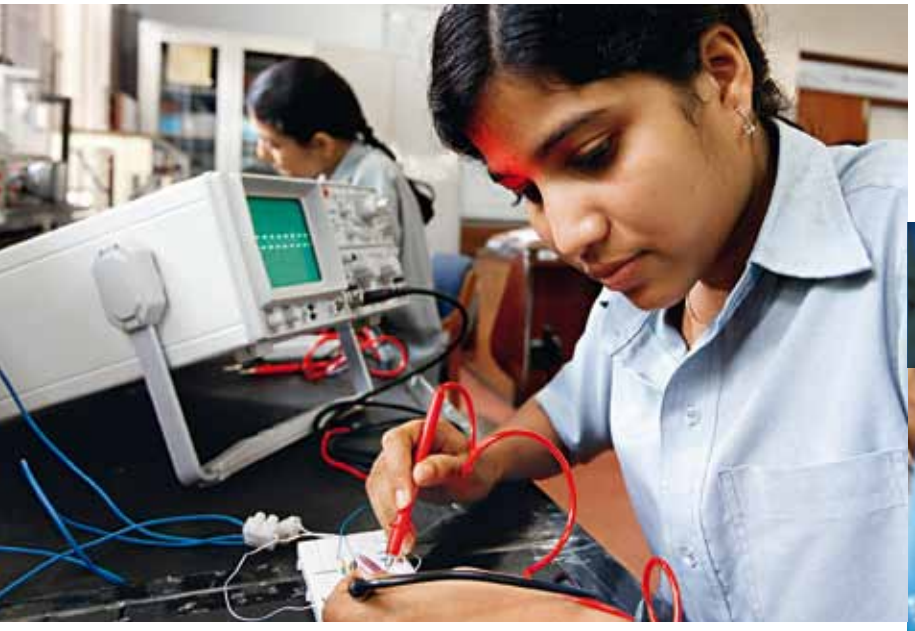
During the difficult times of the economic crisis in 2008 and 2009, our independence enabled us to maintain a balance between making the savings that were necessary on the one hand and keeping our options for the future open on the other. It was also important for us to distribute the burden of these

Bosch CEO Franz Fehrenbach at members' day for the "Knowledge Factory," a network initiative organized by German companies to promote young talent in technology and science. Fehrenbach learned about a school project devoted to "hands-on economics." Schoolchildren from Ditzingen, near Stuttgart, presented their business ideas.

measures as evenly as possible. As we emerge from the crisis, we now face the challenge of accelerated change. One of its main drivers is globalization, particularly the fast-increasing significance of the Asian economic region. Added to this, there are the fundamental market shifts triggered by an ever greater networking of people, things, and services through the internet. The job of corporate management is to encourage associates and executives to actively shape the opportunities this accelerated change presents and meet the accompanying challenges.

Vital road map

In the face of such challenges, an international company like the Bosch Group, which even now has more than 280,000 associates, needs to be guided by a set of basic ideals that are shared. This holds true now more than ever, as faster globalization leads to even broader international reach and greater diversity within the company. In order to provide our associates with a road map, we published a brochure known as the House of Orientation, which is based on our corporate culture. The House of Orientation comprises the Bosch vision as our shared image of the future, the BeQIK mission as a guide for our every-day action, and our core competencies for the continued successful development of our company. In addition, there is the Bosch Business System, which provides a framework for the continuous improvement of all internal processes within the company. The Bosch values are a central element of the House of Orientation: in addition to a clear future and result focus, we also commit to responsibility, initiative and determination, openness and trust, fairness, and cultural diversity, as well as to reliability, credibility, and legality. These values create a common ground and are part and parcel of our corporate responsibility.



Apprentices in the electronics laboratory at our location in Bangalore, India. At any given time, over 6,000 young people are being trained at our occupational training facilities.

Associates

The past year was marked by recovery from the crisis and by accelerating growth. Flexible working time models enabled us to keep our core team on board in the difficult year 2009. And it was thanks not least to the loyalty of our associates that we were able to respond quickly to the surprisingly rapid economic upswing in 2010. We also took on new associates, notably in areas where the surge in demand has been most pronounced, such as China, India, and the Asean countries. In Asia Pacific alone, our headcount grew from some 55,500 to 63,000 in 2010. And we grew in Germany as well, with headcount rising from 112,000 associates to 114,000. Our global workforce rose to some 283,500 over the course of 2010.

Hiring new researchers and engineers worldwide

Our innovative strength plays a pivotal role in our efforts to meet our long-term growth targets. That is why we have continued to invest in expanding research and development in particular, hiring highly qualified new associates in this area. By the end of 2010, Bosch had 26,000 associates working in research and development in automotive technology alone, some 1,000 more than at the beginning of the year. Our R&D workforce showed the strongest growth in Asia, where the number of engineers rose from some 7,000 to over 8,000. Some of them work in Singapore, where in September we opened our Research and Technology Center Asia Pacific, which also has operations in Shanghai and Tokyo. Our goal is to pinpoint new technology trends and market opportunities in the region as well as to set up long-term alliances with local research institutes.

We are boosting our innovative strength in Germany as well. The year 2011 will see the start of construction

Once a year, our regional headquarters for southeast Asia in Singapore organizes a "Kids Day," when associates can bring their children to work. While the parents are busy with their jobs, the children spend the day learning and playing.

work on a new center for research, advance engineering, and process engineering near Stuttgart, which will initially employ some 1,200 associates.

International experience critical to success

Cross-functional transfers and international assignments remain the order of the day. A large number of our executives have completed multi-year assignments outside their country of origin. Continuing in the tradition of the past, in 2010 there were 2,200 Bosch associates on such assignments lasting over two years. The number of associates from Asia, the Americas, and Europe gaining hands-on experience at Bosch in Germany during assignments lasting 24 months or more rose by 8 percent to over 400. The expatriates take their intercultural experiences back home with them. The goal is to recruit at least eight out of ten managers locally and qualify them for the jobs they will perform in their own countries.

Our approach to supporting associate development is based on the needs of an increasingly globalized world. Positions that used to be located in Germany are now being moved to our local markets – to China, India, Japan, Brazil, and the U.S. In China alone, some 6,000 associates participated in at least one course at our Bosch Training Center in Shanghai.

Expanding diversity

Diversity and equal opportunity are drivers of innovation. Moreover, demographic change is causing a growing shortage of specialists in many parts of the world, making it necessary to invest even greater efforts in attracting, recruiting, and developing certain target groups. One of the ways we plan to respond is by expanding the number of women in executive positions from currently just under 10 percent to 15 percent by 2012. Of course, female associates are very welcome at Bosch on all levels. We actively encourage women

Our subsidiary Bosch Rexroth is taking part in the new “Model Factory for Energy Productivity” initiative established by the Technical University of Munich and the management consultants McKinsey & Company. This project gives students, engineers, and managers practical insights into the benefits of optimizing energy efficiency in manufacturing.

to pursue careers in engineering. Our support includes initiatives such as Femtec, the German higher education career center for women in engineering and the sciences, which we have been involved with since 2005. Femtec offers many forms of assistance for young women, including scholarships, technology workshops, and career advisory seminars.

Occupational training in excess of demand

Despite the recent crisis years, we still managed to keep occupational training in 2010 at the same level as in the previous year. Over 6,600 young people around the world are in occupational training at Bosch, 4,400 of them in Germany. Our locations in Germany and in a number of other countries continue to train many more apprentices than we actually need. In China, in order to meet the demand for specialists there, we are expanding our occupational training activities in line with the German model. We regard this as an integral part of our social responsibility.

Thanks to our associates and their elected representatives

Our thanks go to our associates for their commitment, their great flexibility, and above all their unwavering loyalty, especially during the past fiscal year. In recognition of their efforts, Bosch raised its payments under the work-bonus scheme in Germany to their highest levels since the company was founded. Profit-sharing systems are also in place in other parts of the world to allow local associates to benefit directly from positive developments in profit.

We would also like to express our gratitude to the employee representatives. The unexpectedly strong growth we experienced in 2010 placed great demands on our collaborative efforts. Yet despite this difficult situation, the solutions achieved were always in the best interests of the company and our associates.

An associate checks the performance of the photovoltaic system on the roof of our regional headquarters for south-east Asia in Singapore. Over 400 solar modules made by our subsidiary Bosch Solar Energy AG are installed on the building, both for testing purposes and as an energy source.

Environment

Bosch provides technical solutions to environmental challenges. We spend some 45 percent of our research and development budget on resource-conserving and energy-saving technologies, and these account for nearly 40 percent of our sales. In our production processes, too, we work hard to minimize environmental impact. Our climate protection goal for 2020 is to reduce carbon dioxide emissions at all our manufacturing plants by at least 20 percent compared with 2007 levels. In 2010 we reduced relative CO_2 emissions by 4.4 percent compared with 2007.

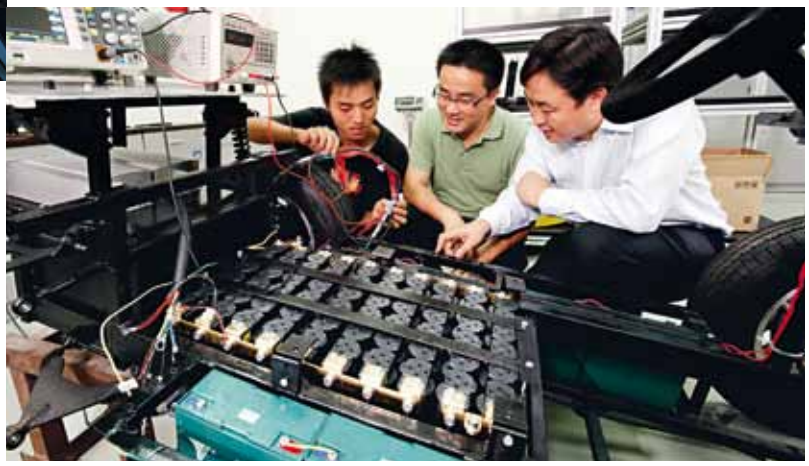
Energy management certification

Improved energy management is one important element in the systematic reduction of CO_2 emissions at our manufacturing sites. In 2010, our Homburg plant in Germany was one of the first sites to be certified in accordance with the EN 16001 standard, which sets out standardized criteria for energy management systems throughout the EU. The new energy management system developed in Homburg includes measures to improve compressed-air management, to shut down machinery, systems, and equipment when not in use, to identify main power consumers, and to use energy passes to rate the energy efficiency of machinery and equipment.

Energy-efficient machinery and equipment

Our subsidiary Bosch Rexroth has developed a systematic approach for unlocking energy efficiency potential at every stage of a machine's life cycle. The "Rexroth for Energy Efficiency" (Rexroth 4EE) program looks at all drive and control systems and the way they interact, using four levers to increase efficiency: (1) energy-efficient products and systems, (2) energy recovery, (3) energy on demand, and (4)

At the Munichennappa Government Modern Primary School in Bangalore, India, a Bosch associate teaches children from poor families just as many other local associates do.



Our partnerships with research institutes all over the world help us spot engineering trends and market opportunities early. For example, our Asia Pacific research center is collaborating with Shanghai Jiao Tong University to examine a new battery concept for electric vehicle drives.

energy system design. The aim is to boost energy efficiency from product development all the way to application support. For example, combining servo motors with optimized efficiency ratings, variable-speed pump drives, electric and hydraulic recuperation, demand-based pneumatics, and constant motion control can increase the energy efficiency of metal-cutting machine tools and cut energy consumption by up to 35 percent.

Innovation award for zeolite® dishwashers

The Bosch and Siemens fifty-fifty joint venture BSH Bosch und Siemens Hausgeräte GmbH won the German Federal Environment Ministry's 2010 "Innovation Prize for Climate and Environment" for its zeolite® drying system for dishwashers. This system achieves a 20 percent power saving compared with the most efficient dishwashers available to date. The mineral zeolite stores moisture and energy and dries the dishes after the cleaning cycle by absorbing the moisture from the air in the dishwasher's interior. During the next cleaning cycle, the zeolite is heated up and the moisture released so that it is ready for the next drying cycle. If all the dishwashers in German households today that are over ten years old and use more than 1.3 kilowatt hours of electricity per cycle were to be replaced with highly efficient appliances featuring the zeolite® drying system, over 1.2 million metric tons of CO_2 could be saved every year in Germany alone. This is equivalent to the emissions of some 600,000 cars each traveling roughly 15,000 kilometers a year.

Society

We firmly believe that commitment to social concerns is fundamental to a company's long-term success. That is why over the last year we continued our long-standing commitment to education, to young talent in the sciences, and to charitable work, as well as providing immediate aid when it was called for.

Helping people in need

The devastating earthquake that hit Haiti in early 2010 set off a wave of assistance to which Bosch in North America contributed. We focused on building a school in the capital city of Port-au-Prince. We also supported a relief organization that provides assistance chiefly to the rural population. The organization's initiatives include planting 120,000 trees and buying seeds for farmers. Close to the epicenter of the earthquake in Chile, we are funding the rebuilding of a home which is run by a charitable organization. The home looks after orphans and children whose families are unable to care for them. Finally, we donated to a group of German relief organizations working to help victims of the floods in Pakistan.

Helping locally over the long term

In 2008, our regional subsidiaries in India established the Bosch India Foundation, whose initial capital is supplemented by annual donations from the companies involved. The Bosch India Foundation focuses on helping to provide education for teenagers in rural areas and health care for underprivileged children. As far as education is concerned, our support goes beyond funding programs: Indian associates also volunteer to teach the adolescents, showing them how to use computers, for example, or using Bosch power tools to teach them how to work with their hands.

The precursor to the Robert Bosch Institute in Campinas, Brazil, dates back to 1971. The institute is involved in work for the environment, education, and culture. It also supports charitable projects, especially in communities close to our Brazilian plants. The common focus is education: improving occupational training for teenagers, raising environmental awareness, promoting healthy lifestyles, and arousing cultural interest.

Back in 1990, associates and retirees founded the Primavera association. Their aim was to give the children who live near Bosch locations in developing and emerging countries a better start in life.

Awakening interest in science and engineering

Generating enthusiasm for engineering and science among young people is high on the Bosch agenda. Last year, for the 25th time in a row, we sponsored and organized the Baden-Württemberg heat of the German competition for young researchers ("Jugend forscht"). Apprentices from our workshops have been among the contestants for years, and with resounding success. One Bosch team earned first place nationwide in the "working world" category for the procedure and equipment they had developed for identifying external screw threads. The judges particularly commended the harmonious way the team had worked, as well as the low-cost way their design had been put into practice.

In 2005, we were among the companies that founded the "Wissensfabrik" (Knowledge Factory) initiative. Working in tandem with day care centers and schools, we set up projects that make business and technology accessible to children and adolescents. We now maintain nearly one hundred such partnerships throughout Germany and, in 2011, our anniversary year, that number will grow to 125. Since 2002, we have been promoting the interests of engineering and technology in our role as a founding member of "acatech," the German Academy of Science and Engineering. Our main objective here is to raise awareness of the importance of pioneering technologies for society and the economy. In 2008, acatech was recognized as a national academy operating with federal and state funding. This has further boosted its efforts to promote sustainable growth through innovation.

Additional information is available online as follows:
Jobs and careers **www.bosch-career.com**
Corporate social responsibility **http://csr.bosch.com**
Primavera **www.primavera-ev.de**

Robert Bosch Stiftung

Since 1964, the company's majority shareholder has been Robert Bosch Stiftung GmbH, a charitable foundation. The Stiftung carries on the charitable and social endeavors of the company founder in contemporary form. It sees itself as a foundation that pursues its objectives both with programs and institutions of its own, as well as by supporting suitable projects and initiatives proposed by others for tackling the issues faced by society.

In line with the values of Robert Bosch, as well as with the wishes he expressed in his will, many of the foundation's projects develop and test solutions for social and societal challenges. These include the integration of minorities, the shaping of demographic change, education, health, the promotion of civic initiatives, and the sustainable use of our natural resources. These projects are funded by the dividends the Stiftung receives as a shareholder in Robert Bosch GmbH. Just like the company itself, the Stiftung pursues the goal of developing high-quality solutions and ideas that are of lasting practical benefit. The market in which the Stiftung operates is society as a whole.

Making encounters possible

On an international level, foundations can also play a part in maintaining constructive dialogue even in difficult situations, in helping parties see different perspectives in a conflict situation, and in creating understanding for others by making encounters possible, especially among young people. The following are just some of the programs established with these goals in mind – a summit meeting for European citizens, an exchange program for young executives in Europe's government administrations, and meetings between young German and Russian entrepreneurs. Sponsorship of cultural projects also plays a very special role in the foundation's work. The Stiftung has supported authors and translators for many years.

The Stiftung aims to give young people in particular the opportunity to broaden their horizons and improve their prospects for the future. In the "Jugend denkt Europa" (Young Ideas for Europe) program, for example, schoolchildren are encouraged to play an active role in shaping their environment, and meet with other schoolchildren to discuss their visions for the future of Europe. Similarly, science and research help safeguard the future viability of our societies and make a contribution to solving global problems. Each year, the Robert Bosch Junior Professorship for the Sustainable Use of Natural Resources honors outstanding young researchers from around the world. In 2010, the professorship went to Dr. Regina Palkovits, a chemical engineer. Her research group at RWTH Aachen University is working on methods to utilize biomass efficiently. The research results are expected to help emerging markets and transition countries position themselves as "energy suppliers of the future."

Our initiatives for political awareness are designed to appeal to young people who feel alienated by traditional politics, encouraging them to take a greater interest in political issues.

The Robert Bosch Stiftung's "Talent im Land" (Talent in the State) program supports young immigrants.

Tradition and modernity – the Robert Bosch House, the former residence of the company founder, is today the seat of the Robert Bosch Stiftung. The Stiftung also has offices in the neighboring Bosch Haus Heidehof, which serves as a training and conference center for the Bosch Group.

Accelerating the pace of reform

The "Deutscher Schulpreis" (German school award) and a large number of other educational programs run by the Stiftung are designed to help accelerate the pace of reform in Germany's education system. The Stiftung is focusing increasingly on the transition from school to training and the workplace, as well as on the future of the working world. With regard to aging and demographic change, the central issue is how preconceptions of age must be changed so that there is greater awareness of the potential of older people. Families are the smallest social unit in our society and also its social center. A further goal of the Robert Bosch Stiftung is to strengthen the position of the family. The Stiftung also devotes a great deal of attention to the difficult aspects of growing old, such as multimorbidity and dementia.

These are just a few examples of the more than 800 Stiftung projects.

The Robert Bosch Hospital, the Dr. Margarete Fischer-Bosch Institute for Clinical Pharmacology, and the Institute for the History of Medicine are also part of the Stiftung. The Otto und Edith Mühlschlegel Stiftung, the Hans-Walz-Stiftung, the DVA-Stiftung, and the Rochus und Beatrice Mummert Stiftung are dependent foundations within the Robert Bosch Stiftung. They deal in greater depth with issues such as old age, research in complementary medicine, Franco-German relations, and promoting international talent.

Total 2010 project grants by Robert Bosch Stiftung

Figures in millions of euros	
Science and research	5.8
Health and humanitarian aid	5.8
International relations: western Europe, America, Turkey, Japan, India	11.2
International relations: central Europe, southeast Europe, the CIS states, China	10.8
Education and society	8.5
Society and culture	6.9
Research at institutes[1] and the hospital	7.0
Investments in the Robert Bosch Hospital	5.4
Dependent foundations	1.8
Total	**63.2**

[1] Dr. Margarete Fischer-Bosch Institute for Clinical Pharmacology, Institute for Medical History of Robert Bosch Stiftung

Additional information about the Robert Bosch Stiftung is available online at: www.bosch-stiftung.de

Consolidated Financial Statements of the Bosch Group

Income statement for the period from January 1 to December 31, 2010

	Note	2010	2009
Sales revenue	1	**47,259**	**38,174**
Cost of sales		–31,064	–27,518
Gross profit		**16,195**	**10,656**
Distribution and administrative cost	2	–9,010	–7,819
Research and development cost	3	–3,810	–3,603
Other operating income	4	1,195	1,084
Other operating expenses	5	–1,389	–1,469
EBIT		**3,181**	**–1,151**
Financial income	6	1,912	1,370
Financial expenses	6	–1,608	–1,416
Profit before tax		**3,485**	**–1,197**
Income taxes	7	–996	–17
Profit after tax		**2,489**	**–1,214**
of which attributable to non-controlling interests	8	112	46
of which attributable to parent company		2,377	–1,260

Figures in millions of euros

Statement of comprehensive income for the period from January 1 to December 31, 2010

	2010	2009
Profit after tax	**2,489**	**–1,214**
Change from marketable financial instruments		
recognized in other comprehensive income	635	1,102
of which attributable to non-controlling interests		
transferred to profit or loss	–216	62
of which attributable to non-controlling interests	7	3
Change in actuarial gains and losses for pension provisions	–525	49
of which attributable to non-controlling interests	–1	
Adjustment item from currency translation of entities outside the euro zone	885	178
of which attributable to non-controlling interests	48	4
Other comprehensive income	**779**	**1,391**
Comprehensive income	**3,268**	**177**
of which attributable to non-controlling interests	166	53
of which attributable to parent company	3,102	124

Figures in millions of euros

Statement of financial position for the year ended December 31, 2010

Assets	Note	12/31/2010	12/31/2009
Current assets			
Cash and cash equivalents	10	3,821	2,937
Marketable securities	11	872	467
Trade receivables	12	8,017	6,840
Income tax receivables		218	234
Other assets	13	1,856	1,737
Inventories	14	6,780	5,432
		21,564	**17,647**
Non-current assets			
Financial assets	15	9,858	9,200
Income tax receivables		117	130
Property, plant, and equipment	16	13,000	12,572
Intangible assets	17	6,267	6,205
Deferred taxes	7	1,877	1,755
		31,119	**29,862**
Total assets		**52,683**	**47,509**

Figures in millions of euros

Equity and liabilities	Note	12/31/2010	12/31/2009
Current liabilities			
Financial liabilities	18	250	740
Trade payables	19	3,895	2,916
Income tax liabilities		216	106
Other liabilities	20	4,226	3,587
Income tax provisions		422	197
Other provisions	20	3,155	3,305
		12,164	**10,851**
Non-current liabilities			
Financial liabilities	18	3,397	3,445
Other liabilities	20	441	429
Pension provisions	21	6,503	5,786
Income tax provisions		237	200
Other provisions	20	2,842	2,873
Deferred taxes	7	856	856
		14,276	**13,589**
Equity	22		
Issued capital		1,200	1,200
Capital reserve		4,557	4,557
Retained earnings		19,886	16,862
Unappropriated earnings		82	67
Non-controlling interests		518	383
		26,243	**23,069**
Total equity and liabilities		**52,683**	**47,509**

Figures in millions of euros

Statement of changes in equity

			Retained earnings		
	Issued capital	Capital reserve	Earned profit	Treasury stock	Currency translation
January 1, 2009	**1,200**	**4,557**	**17,212**	**–62**	**–479**
Comprehensive income					174
Dividends					
Change in retained earnings			–1,327		
Other changes					22
December 31, 2009	**1,200**	**4,557**	**15,885**	**–62**	**–283**
Comprehensive income					837
Dividends					
Change in retained earnings			2,295		
Other changes					
December 31, 2010	**1,200**	**4,557**	**18,180**	**–62**	**554**

Figures in millions of euros

Other comprehensive income						
Securities	Other changes	Total	Unappropriated earnings	**Equity parent company**	Non-controlling interests	**Total equity**
231	**–118**	**–366**	**75**	**22,616**	**393**	**23,009**
1,161	49	1,384	–1,260	**124**	53	**177**
			–75	**–75**	–20	**–95**
			1,327			
	–1	21		**21**	–43	**–22**
1,392	**–70**	**1,039**	**67**	**22,686**	**383**	**23,069**
412	–524	725	2,377	**3,102**	166	**3,268**
			–67	**–67**	–28	**–95**
			–2,295			
	4	4		**4**	–3	**1**
1,804	**–590**	**1,768**	**82**	**25,725**	**518**	**26,243**

Statement of cash flows

	Note 23	2010	2009
Profit before tax		3,485	–1,197
Depreciation and amortization[1]		2,812	3,424
Decrease in pension provisions		–41	–68
Decrease in non-current provisions		–67	–195
Gains on disposal of non-current assets		–220	–92
Losses on disposal of non-current assets		119	157
Gains on disposal of securities		–236	–172
Losses on disposal of securities		111	238
Financial income		–669	–511
Financial expenses		578	600
Interest and dividends received		405	328
Interest paid		–298	–197
Income taxes paid		–519	–405
Cash flow		**5,460**	**1,910**
Change in inventories		–1,069	1,626
Change in receivables and other assets		–391	62
Change in liabilities		775	–712
Change in current provisions		–384	26
Cash flows from operating activities (A)		**4,391**	**2,912**
Acquisition of subsidiaries and other business units		–14	–397
Additions to non-current assets		–2,839	–2,380
Proceeds from disposal of non-current assets		564	262
Purchase of securities		–7,072	–6,073
Disposal of securities		6,443	5,030
Cash flows from investing activities (B)		**–2,918**	**–3,558**
Acquisition of non-controlling interests		–3	–84
Borrowing		244	2,185
Repayment of financial liabilities		–830	–712
Dividends paid		–95	–95
Cash flows from financing activities (C)		**–684**	**1,294**
Increase in liquidity (A+B+C)		**789**	**648**
Liquidity at the beginning of the period (January 1)		**2,937**	**2,267**
Exchange-rate related increase in liquidity		87	18
Increase in liquidity due to changes in the consolidated group		8	4
Liquidity at the end of the period (December 31)		**3,821**	**2,937**

Figures in millions of euros

[1] After offsetting write-ups of EUR 36 million (previous year: EUR 17 million)

Notes to the consolidated financial statements
Principles and methods

Basis of presentation

The consolidated financial statements of the Bosch Group for the year ended December 31, 2010, have been prepared according to the standards issued by the ***I****nternational* ***A****ccounting* ***S****tandards* ***B****oard* (IASB), London. The ***I****nternational* ***F****inancial* ***R****eporting* ***S****tandards* (IFRSs) and the Interpretations of the ***I****nternational* ***F****inancial* ***R****eporting* ***I****nterpretations* ***C****ommittee* (IFRIC) applicable in the EU at the end of the reporting period have been applied. The prior-year figures have been determined using the same principles.

The consolidated financial statements are in line with the provisions of Sec. 315a HGB ["Handelsgesetzbuch": German Commercial Code] and Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards.

The following IFRSs or ***I****nternational* ***A****ccounting* ***S****tandards* (IASs) are applied:
- IAS 1: Presentation of Financial Statements
- IAS 2: Inventories
- IAS 7: Statement of Cash Flows
- IAS 8: Accounting Policies, Changes in Accounting Estimates, and Errors
- IAS 10: Events after the Reporting Period
- IAS 11: Construction Contracts
- IAS 12: Income Taxes
- IAS 16: Property, Plant, and Equipment
- IAS 17: Leases
- IAS 18: Revenue
- IAS 19: Employee Benefits
- IAS 20: Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21: The Effects of Changes in Foreign Exchange Rates
- IAS 23: Borrowing Costs
- IAS 24: Related Party Disclosures
- IAS 26: Accounting and Reporting by Retirement Benefit Plans
- IAS 27: Consolidated and Separate Financial Statements
- IAS 28: Investments in Associates
- IAS 29: Financial Reporting in Hyperinflationary Economies
- IAS 31: Interests in Joint Ventures
- IAS 32: Financial Instruments: Presentation
- IAS 36: Impairment of Assets
- IAS 37: Provisions, Contingent Liabilities, and Contingent Assets
- IAS 38: Intangible Assets
- IAS 39: Financial Instruments: Recognition and Measurement
- IAS 40: Investment Property
- IFRS 1: First-Time Adoption of International Financial Reporting Standards
- IFRS 3: Business Combinations
- IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations
- IFRS 7: Financial Instruments: Disclosures
- IFRS 8: Operating Segments

The Bosch Group has elected not to early adopt the changes endorsed by the EU to IAS 24 *Related Party Disclosures* (mandatory application for fiscal years beginning on or after January 1, 2011) and to IAS 32 *Financial Instruments: Presentation* (mandatory application for fiscal years beginning on or after February 1, 2010).

To enhance the clarity and transparency of the consolidated financial statements, individual items of the consolidated income statement and the consolidated statement of financial position have been combined. These items are explained separately in the notes to the consolidated financial statements. The income statement has been prepared using the function of expense method.

The preparation of consolidated financial statements in accordance with IFRS requires that assumptions be made for some items. These assumptions have an effect on the amount of the assets and liabilities, income and expenses, and contingent liabilities disclosed in the consolidated statement of financial position.

The group currency is the euro (EUR). Unless otherwise stated, all figures are in millions of euros (EUR million).

The consolidated financial statements prepared as of December 31, 2010, were authorized for disclosure by management on March 8, 2011. The consolidated financial statements and group management report will be filed with the electronic Federal Gazette [Bundesanzeiger] and published there.

Basis of consolidation

Besides Robert Bosch GmbH, the consolidated financial statements include all subsidiaries for which Robert Bosch GmbH fulfills the criteria pursuant to IAS 27 *Consolidated and Separate Financial Statements,* or to which the interpretation of the ***S****tanding* ***I****nterpretations* ***C****ommittee* SIC 12 *Consolidation – Special Purpose Entities* apply. These entities are included in the consolidated financial statements from the date on which the Bosch Group obtains control. Conversely, subsidiaries are no longer included when control of the entity is lost.

The capital of the companies consolidated in the fiscal year for the first time is consolidated pursuant to IFRS 3 *Business Combinations* using the purchase method of accounting. At the time of combination, the purchase cost of the shares acquired is offset against pro-rata revalued equity. Assets, liabilities, and contingent liabilities are carried at fair value. Remaining debit differences are accounted for as goodwill. Any credit differences are recognized through profit or loss. Any difference resulting from the purchase of additional non-controlling shares is offset against equity.

Joint ventures as defined by IAS 31 *Interests in Joint Ventures* are consolidated proportionately.

Pursuant to IAS 28 *Investments in Associates,* investments are included in consolidation using the equity method if significant influence can be exercised. At present, no entity has been accounted for using the equity method.

Within the consolidated group, intercompany profits and losses, sales, expenses and other income, as well as all receivables and liabilities or provisions are eliminated. In the case of consolidation measures with an effect on income, the effects for income tax purposes are considered and deferred taxes disclosed.

Currency translation

In the separate financial statements of the group companies, all receivables and liabilities denominated in currencies other than the euro are measured at the closing rate at the end of the reporting period, regardless of whether they are hedged or not. Exchange-rate gains and losses from revaluations are recorded in profit or loss.

The financial statements of the consolidated companies outside the euro zone are translated into euros in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates.* Assets and liabilities are translated at the closing rate at the end of the reporting period, while equity is translated at historical rates. The positions of the income statement are translated into euros at the annual average exchange rate. Any resulting exchange-rate differences are recorded as other comprehensive income until the disposal of the subsidiaries, and disclosed as a separate position in equity.

For the most important non-euro currencies of the Bosch Group, the following exchange rates apply:

		Closing rate		Average rate	
	EUR 1 =	12/31/2010	12/31/2009	2010	2009
Australia	AUD	1.31	1.60	1.44	1.77
Brazil	BRL	2.22	2.51	2.33	2.77
China	CNY	8.81	9.80	8.98	9.53
Czech Republic	CZK	25.06	26.47	25.30	26.44
Hungary	HUF	278.75	270.84	275.47	280.59
India	INR	59.76	67.04	60.59	67.38
Japan	JPY	108.65	133.16	116.24	130.33
Korea	KRW	1,499.06	1,666.97	1,531.82	1,773.20
Switzerland	CHF	1.25	1.48	1.38	1.51
United Kingdom	GBP	0.86	0.89	0.86	0.89
USA	USD	1.34	1.44	1.33	1.39

Accounting policies

Cash and cash equivalents consist of cash, reserve bank deposits, bank balances with an original maturity of less than 90 days, and checks. Measurement is at amortized cost.

Trade receivables, income tax receivables, other assets (current), and other financial assets (non-current) are measured at amortized cost. All discernible specific risks and general credit risks are accounted for by appropriate valuation allowances. This does not apply to derivative financial instruments. For finance leases under which the Bosch Group is the lessor, a receivable is disclosed equivalent to the net investment value. Leases under which substantially all risks and rewards in connection with ownership have been transferred to the lessee are classified as finance leases.

Inventories include raw materials, consumables, and supplies, work in process, finished goods and merchandise, and prepayments. Inventories are stated at purchase cost or cost of conversion using the average cost method. In addition to direct cost, cost of conversion includes an allocable portion of necessary materials and production overheads as well as depreciation that can be directly allocated to the production process. Appropriate allowance is made for risks associated with holding and selling inventories due to obsolescence. Inventories are devalued further when the net selling price of the inventories has fallen below cost.

Property, plant, and equipment are measured at cost of purchase or production cost less depreciation and, if necessary, impairment losses. Depreciation is charged on a straight-line basis over the economic useful life.

Depreciation is based on the following ranges of useful lives:

	Useful life
Buildings	10 – 33 years
Plant and equipment	6 – 14 years
Other equipment, fixtures, and furniture	3 – 12 years

In accordance with IAS 36 *Impairment of Assets,* impairment losses are recorded on property, plant, and equipment if the recoverable amount has fallen below the carrying amount. Impairment losses are reversed if the reasons for the impairment loss from previous years no longer apply. Repair costs are recognized in the income statement.

In accordance with IAS 17 *Leases,* leased items of property, plant, and equipment which for economic purposes are deemed to be purchases of assets with long-term financing (finance leases) are recognized at the time of addition at the lower of cost or present value of the minimum lease payments. Depreciation is charged over the economic useful life. If it is uncertain whether title to the leased asset will be transferred, the asset is depreciated over the term of the lease agreement (if shorter than the economic useful life). The finance expense from these leases is disclosed under other financial expenses.

Government grants are only recognized pursuant to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* if it is sufficiently certain that the assistance will be granted. Grants related to assets are deducted in order to calculate the carrying amount of the asset. Grants related to income are recognized in the income statement of the period in which the expenses are incurred.

Investment property is measured at depreciated cost in accordance with IAS 40 *Investment Property.*

Purchased and internally generated intangible assets are capitalized pursuant to IAS 38 *Intangible Assets* if a future economic benefit will flow to the entity from the use of the asset and the cost of the asset can be reliably determined. These assets are generally carried at cost and amortized using the straight-line method over their economic useful life. As a rule, the useful life is four years. Intangible assets accounted for in the course of business combinations have a useful life of up to 20 years.

Borrowing costs incurred in connection with the acquisition, construction, or production of qualifying assets are included in the cost of this asset for the period of time until the asset is commissioned and subsequently written off with the asset concerned. Other borrowing costs are recorded as expenses.

Goodwill from business combinations represents the difference between the purchase price on the one hand and the pro-rata fair value of the equity at the time of acquisition on the other. Goodwill is allocated to the cash-generating units and tested annually for impairment. If the recoverable amount of the cash-generating unit does not cover the carrying amount of the net asset, impairment losses are charged in accordance with the requirements of IAS 36.

Pursuant to IFRS 1 *First-time Adoption of International Financial Reporting Standards,* goodwill existing as of January 1, 2004 (date of transition) was transferred at the carrying amount in accordance with the provisions of the German Commercial Code. Goodwill is also tested for impairment pursuant to the provisions of IAS 36.

Intangible assets with an indefinite useful life are tested annually for impairment. Intangible assets subject to wear and tear are only tested for impairment if there is any indication that they may be impaired. In accordance with IAS 36 *Impairment of Assets,* impairment losses are recorded if the recoverable amount has fallen below the carrying amount. Impairment losses are reversed if the reasons for the impairment loss from previous years no longer apply.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity on the one hand and to a financial liability or equity instrument of a second entity on the other. As a rule, financial instruments are determined as of the settlement date. Financial instruments are accounted for at amortized cost or fair value. In the case of a financial asset or financial liability not accounted for at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are taken into account. Fair value is the market value. If it is not possible to reliably determine a market value, the fair value is determined using actuarial methods based on available market information (the most common methods are the discounted cash flow method and the Black-Scholes model). The fair values needed to present the market values required by IFRS 7 are determined in the same way. The fair value of current financial assets and liabilities corresponds to the carrying amount.

Under IAS 39 *Financial Instruments: Recognition and Measurement,* the following categories of financial instruments are used in the Bosch Group:

- Held-to-maturity investments
- Loans and receivables
- Financial liabilities measured at amortized cost
- Assets and liabilities held for trading
- Available-for-sale financial assets

The fair-value option pursuant to IAS 39 is not exercised.

Financial investments held to maturity, loans and receivables, and current and non-current financial liabilities are measured at amortized cost using the effective interest method. These are mainly loans, trade receivables, and current and non-current other financial assets and liabilities. Impairments of loans and receivables to allow for anticipated credit risks are recognized in the form of specific and general doubtful debt allowances. When determining valuation allowances for the general credit risk, financial assets that could potentially be impaired are grouped together by similar credit risk characteristics and collectively tested for impairment and, if necessary, written down.

Financial assets and liabilities held for trading are measured at fair value. Changes in value are recognized in profit or loss. These are derivative financial instruments which are mainly used to limit currency and interest risks in accordance with internal risk management. Hedge accounting is not used in the Bosch Group.

Available-for-sale financial assets are those non-derivative financial assets that cannot be allocated to any of the preceding categories. They are carried at fair value. Unrealized gains and losses from changes in market value are disclosed in equity, net of deferred taxes, until they are realized. Interest received is generally recognized through profit and loss using the effective interest method. Dividends are recognized through profit and loss as soon as payment is legally enforceable. If impairment losses are necessary, the accumulated net loss is eliminated from equity and disclosed in profit or loss. If an impairment loss recorded on equity instruments is reversed in accordance with IAS 39, this is offset directly against equity. Reversals of impairment losses on debt instruments are recognized in profit or loss. They may not exceed the amount for which the impairment loss was recorded.

If the fair value of available-for-sale financial assets cannot be reliably determined, they are accounted for at acquisition cost. These are investments for which there is no active market. Necessary impairment losses are recognized in profit or loss and are not reversed.

As of the end of every reporting period, the carrying amounts of the financial assets which are not measured at fair value through profit or loss are examined for substantial objective indications that an asset may be impaired. Such indications may, for instance, be serious financial difficulties suffered by the debtor, the high probability that insolvency proceedings will be instituted against the debtor, the loss of an active market for the financial asset, a permanent drop in the fair value of the financial asset below amortized cost, or significant changes in the technological, economic, or legal environment, or in the market of the issuer. A possible impairment loss is given if the fair value of the asset is lower than the carrying amount. The fair value of loans and receivables is the present value of the estimated future cash flows discounted using the original effective interest rate.

In accordance with IAS 12 *Income Taxes,* **deferred tax assets and liabilities** are recorded for temporary differences between the tax carrying amounts and the carrying amounts in the consolidated statement of financial position unless they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the profit before tax nor the taxable profit. This also applies to unused tax losses and tax credits if there is assurance beyond reasonable doubt that future taxable profit will be available against which they can be utilized. The deferred tax item equals the estimated tax burden/relief in later periods. The tax rate applicable at the time of realization is taken as a basis. Tax implications from profit distributions are generally not considered until the resolution for the appropriation of profits has been adopted. If it is uncertain whether recognized deferred taxes can be realized, they are adjusted accordingly.

Liabilities are measured at amortized cost. Liabilities from finance leases are disclosed under other liabilities, at the present value of the future lease installments. The effective interest method is applied when measuring bonds.

Pursuant to IAS 19 *Employee Benefits,* **pension provisions** are recognized using the projected unit credit method, taking future estimated increases in pensions and salaries into account.

Tax provisions pertain to obligations relating to income tax and other taxes. Deferred taxes are disclosed in separate positions of the statement of financial position.

Pursuant to IAS 37 *Provisions, Contingent Liabilities, and Contingent Assets,* **other provisions** are recognized if there is a current obligation from a past event which will probably lead to an outflow of resources in the future. In addition, it must be possible to reliably estimate the amount of this outflow. Other provisions are measured at full cost. Provisions due in more than one year are stated at their discounted settlement amount.

Revenue from the supply of products and goods or from the provision of services is recognized when title and risk is transferred to the purchaser, less sales deductions. Interest and lease income is recorded according to the contractual agreement and, where appropriate, accrued pro rata temporis. In the case of finance leases, the payments are divided up using actuarial methods.

Cost of sales contains the cost of internally manufactured goods and the cost price of resold merchandise. The production cost of internally manufactured goods contains materials and production cost that can be allocated directly, the allocable parts of indirect overheads, including the depreciation of production equipment and the amortization of other intangible assets, and the devaluation of inventories.

Development cost that cannot be recognized is charged against income in the period incurred.

Consolidation

Consolidated group

Robert Bosch GmbH is headquartered in Stuttgart, Germany. The shareholders of Robert Bosch GmbH are Robert Bosch Stiftung GmbH, Stuttgart (92.0% of the shares), the Bosch family (7.4% of the shares), and Robert Bosch Industrietreuhand KG, Stuttgart, which performs the entrepreneurial ownership functions. Robert Bosch GmbH holds treasury stock equivalent to 0.6% of capital.

Besides Robert Bosch GmbH, the consolidated group comprises a further 360 (previous year: 375) fully consolidated companies. The group developed as follows:

	Germany	Outside Germany	Total
Included in consolidation at December 31, 2008	**56**	**327**	**383**
Additions/formations in fiscal year 2009	9	21	30
Disposals/mergers in fiscal year 2009	2	35	37
Included in consolidation at December 31, 2009	**63**	**313**	**376**
Additions/formations in fiscal year 2010	2	6	8
Disposals/mergers in fiscal year 2010	6	17	23
Included in consolidation at December 31, 2010	**59**	**302**	**361**

Pursuant to SIC 12, the consolidated group contains special funds and other investments for which the Bosch Group bears the economic risks and rewards.

In fiscal year 2010, the following companies were included in the consolidation for the first time:

- Bosch Solar Operations GmbH, Erfurt, Germany
- Köhler & Ziegler Anlagentechnik GmbH, Lollar, Germany
- Servico N.V., Aartselaar, Belgium
- Robert Bosch UK Holdings Limited, Denham, United Kingdom
- Bosch Automotive Electronics India Private Ltd., Bangalore, India
- Robert Bosch Ireland Ltd., Portlaoise, Ireland
- Morse Automotive Corporation Mexico S. de R.L. de C.V., Juarez, Mexico
- Robert Bosch Vietnam Co., Ltd., Ho Chi Minh City, Vietnam

Due to corporate restructuring and mergers, the number of subsidiaries included in consolidation was reduced by a total of 23.

Due to changes in the consolidated group, sales revenue increased by EUR 499 million and total assets by EUR 40 million.

Proportionate consolidation

The following companies are joint ventures. In accordance with IAS 31, their financial statements have therefore been included proportionate to the share Bosch holds in their capital:

- BSH Bosch und Siemens Hausgeräte GmbH (50%), Munich, Germany (the sub-group comprises 70 companies)
- ZF Lenksysteme GmbH (50%), Schwäbisch Gmünd, Germany (the sub-group comprises 12 companies)
- United Automotive Electronic Systems Co., Ltd. (51%), Shanghai, China
- KEFICO Corporation (50%), Gunpo, Korea (the sub-group comprises three companies)
- Purolator Filters North America LLC (50%), Fayetteville, NC, USA

The proportionate consolidation of these companies had the following impact on the assets, liabilities, as well as the income and expenses of the Bosch Group:

Effects of proportionate consolidation on assets and liabilities

Figures in millions of euros	2010	2009
Current assets	2,940	2,596
Non-current assets	1,596	1,424
Current liabilities	1,940	1,470
Non-current liabilities	1,171	1,156

Effects of proportionate consolidation on the income statement

Figures in millions of euros	2010	2009
Income	7,078	6,013
Expenses	6,689	5,813

The share of contingent liabilities of these companies attributable to the Bosch Group amounts to EUR 2 million (previous year: EUR 10 million).

Business combinations

In the reporting period, 100% of the shares in Köhler & Ziegler Anlagentechnik GmbH, Lollar, Germany, and the business operations of IVT Naturvarme A/S, Stavanger, Norway, and of Protym Sp.z o.o., Poznan, Poland, were acquired for a total of EUR 15 million. The above business combinations were financed by transferring cash and cash equivalents and had no material impact on the sales revenue and result of the Bosch Group.

Discontinued operations

No decisions were taken during the reporting period which would have resulted in parts of the company, subsidiaries, or joint ventures being classified as held for sale.

Notes to the income statement

1 Sales revenue

Sales revenue amounted to EUR 47,259 million (previous year: EUR 38,174 million). The Automotive Technology business sector accounted for EUR 28,097 million (previous year: EUR 21,716 million) of this total, the Industrial Technology business sector for EUR 6,660 million (previous year: EUR 5,105 million), and the Consumer Goods and Building Technology business sector for EUR 12,480 million (previous year: EUR 11,331 million). Sales revenue that cannot be allocated to the business sectors came to EUR 22 million (previous year: EUR 22 million).

2 Distribution cost and administrative expenses

Figures in millions of euros	2010	2009
Administrative expenses	2,321	1,984
Distribution cost	6,689	5,835
	9,010	**7,819**

The distribution cost includes personnel and indirect costs, depreciation charged in the distribution function, customer service, logistics, market research, sales promotion, shipping, advertising, and warranty costs.

3 Research and development cost

Research and development cost contains both research cost as well as development cost that cannot be capitalized and depreciation on recognized development cost. In addition, it includes development work charged directly to customers.

Figures in millions of euros	2010	2009
Total research and development cost	3,809	3,543
Development cost recognized in the reporting period	–131	–145
Depreciation on recognized development cost	132	205
	3,810	**3,603**

4 Other operating income

Figures in millions of euros	2010	2009
Income from exchange-rate fluctuations	614	535
Income from the reversal of valuation allowances on receivables and other assets	73	67
Income from the disposal of non-current assets	47	43
Income from rent and leases	12	12
Income from the reversal of provisions (not disclosed in the functional areas)	88	76
Sundry other operating income	361	351
	1,195	**1,084**

The income from exchange-rate fluctuations is offset by expenses which are disclosed in other operating expenses. These items contain the effective exchange-rate results and the results from foreign-currency derivatives allocable to the operating business.

Leases are accounted for according to the rules pertaining to operating leases, provided that the substantial risks and rewards associated with the leased asset rest with the lessor. The assets concerned are recognized in property, plant, and equipment and the lease payments received, provided they are not disclosed as sales revenue, are recorded in other operating income.

Government grants related to income amounted to EUR 77 million (previous year: EUR 102 million). They are offset against the respective expenses. If there are no such expenses, the grants are disclosed in sundry other operating income.

5 Other operating expenses

Figures in millions of euros	2010	2009
Expenses from exchange-rate fluctuations	560	453
Valuation allowances on receivables and other assets	115	169
Expenses from the disposal of non-current assets	117	157
Other taxes	21	19
Expenses from the recognition of provisions	155	68
Impairment of goodwill		194
Sundry other operating expenses	421	409
	1,389	**1,469**

6 Financial result

Figures in millions of euros	2010	2009
Investment income	57	39
Gains on disposal of investments	171	49
Income from investments	**228**	**88**
Interest and similar income	342	315
Interest and similar expenses	–256	–217
Interest result	**86**	**98**
Gains on disposal of securities	236	172
Losses on disposal of securities	–111	–238
Exchange-rate gains	724	558
Exchange-rate losses	–495	–516
Gains on derivatives	326	198
Losses on derivatives	–560	–203
Other income	56	39
Other expenses	–186	–242
Other financial result	**–10**	**–232**
Financial result, total	**304**	**–46**
of which financial income	1,912	1,370
of which financial expenses	–1,608	–1,416

The positions “gains/losses on derivatives” contain transactions to hedge financial assets. The position “other expenses” contains impairments of securities totaling EUR 7 million (previous year: EUR 30 million).

Capitalized borrowing costs of EUR 5 million (previous year: EUR 5 million) have been deducted from interest expenses. The underlying borrowing rate is 4.0% (previous year: 4.0%).

Interest income and expenses are attributable to financial instruments not measured at fair value through profit or loss as follows:

Figures in millions of euros	2010		2009	
	Interest income	Interest expenses	Interest income	Interest expenses
Loans and receivables	77		77	
Held-to-maturity investments	4		4	
Available-for-sale financial assets	259	29	232	18
Financial liabilities measured at amortized cost		227		198

The interest result of the “available-for-sale financial assets” category contains dividend income from equity instruments held, totaling EUR 74 million (previous year: EUR 58 million).

7 Income taxes

Income taxes are classified according to their origin as follows:

Figures in millions of euros	2010	2009
Current taxes	888	358
Deferred taxes	108	–341
Income taxes	**996**	**17**

Deferred taxes are calculated on the basis of the tax rates that apply or that are expected to apply given the current legislation in the individual countries at the expected time of realization. Based on the current corporate tax rate of 15 %, the tax rate for German companies is 29 %, taking trade tax and the solidarity surcharge into account.

The tax rates outside Germany range between 7 % and 42 %.

As of December 31, deferred tax assets and liabilities are allocable to the following positions in the statement of financial position:

Figures in millions of euros	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Receivables, other assets, and inventories	366	209	343	213
Securities, investments	89	277	83	248
Property, plant, and equipment	158	558	124	569
Intangible assets	82	418	86	405
Other assets	108		98	
Liabilities	385	32	348	48
Provisions	1,308	42	1,168	65
Other liabilities	1	21	1	22
Unused tax losses and tax credits	700		754	
Gross amount	**3,197**	**1,557**	**3,005**	**1,570**
Valuation allowances	–619		–536	
Netting	–701	–701	–714	–714
	1,877	**856**	**1,755**	**856**

There are EUR 1,002 million in unused tax losses for which no deferred tax assets have been recognized (previous year: EUR 1,308 million). Within the next three years, EUR 9 million (previous year: EUR 43 million) will be forfeited.

Consolidation measures give rise to deferred tax assets of EUR 131 million (previous year: EUR 98 million) and deferred tax liabilities of EUR 15 million (previous year: EUR 18 million).

In the reporting period, deferred taxes of EUR 178 million (previous year: EUR 182 million) were recorded as other comprehensive income. Of this amount, EUR 2 million (previous year: EUR 32 million) reduces the surplus from securities and EUR 180 million increases the retained earnings due to the change in actuarial parameters in accordance with IAS 19 (previous year: decrease of EUR 150 million).

The basis for the expected income tax expense is the German tax rate of 29%. The difference between expected and disclosed income tax expense is attributable to the following factors:

Figures in millions of euros	2010	2009
Profit before tax	3,485	–1,197
Expected income tax expense	1,011	–347
Variances due to tax rates	–57	–80
Non-deductible expenses	113	129
Zero-rated income	–247	–78
Other differences	176	393
Income tax expense disclosed	**996**	**17**
Effective tax rate	29%	–1%

The position “Other differences” contains the decrease in valuation allowances on deferred tax assets from unused tax losses and from temporary differences of EUR 74 million (previous year: increase of EUR 378 million).

8 Non-controlling interests

Profits attributable to non-controlling interests amount to EUR 116 million (previous year: EUR 49 million). This is counterbalanced by losses of EUR 4 million (previous year: EUR 3 million).

9 Other notes to the income statement

The income statement contains personnel expenses of EUR 14,132 million (previous year: EUR 12,787 million).

Cost of materials amounts to EUR 21,081 million (previous year: EUR 17,260 million). Information about amortization and depreciation is contained in the notes on non-current assets.

Notes to the statement of financial position

10 Cash and cash equivalents

Figures in millions of euros	2010	2009
Bank balances (term up to 90 days)	3,802	2,916
Checks, cash, and reserve bank deposits	19	21
	3,821	**2,937**

11 Marketable securities (current)

The securities classified as current are listed securities with a residual term of less than one year as well as securities which are intended for sale within one year.

12 Trade receivables

Figures in millions of euros	2010	2009
Trade receivables	8,017	6,840
of which not impaired and not past due at the end of the reporting period	1,582	1,659
of which not impaired and past due at the end of the reporting period	120	121
for less than one month	76	71
for more than one month, but less than three months	28	23
for more than three months	16	27

The carrying amount of trade receivables contains allowances for specific doubtful debts of EUR 262 million (previous year: EUR 273 million) and for general credit risks of EUR 182 million (previous year: EUR 169 million).

Trade receivables totaling EUR 14 million (previous year: EUR 17 million) are due in more than one year.

13 Other assets (current)

Figures in millions of euros	2010	2009
Bank balances (term of more than 90 days)	324	256
Loan receivables	236	196
Receivables from finance leases	27	26
Positive market values from derivatives	59	111
Prepaid expenses	134	92
Receivables from tax authorities (without income tax receivables)	685	681
Receivables from board of management, associates	41	44
Sundry other receivables	350	331
	1,856	**1,737**

The receivables from finance leases stem from products leased by the Security Systems division. As a rule, the agreed term is ten years. The receivables are due as follows:

Figures in millions of euros	2010	2009
Gross capital expenditures on finance leases		
due not later than one year	36	35
due later than one year and not later than five years	113	109
due later than five years	53	53
	202	**197**
Present value of outstanding minimum lease payments		
due not later than one year	27	26
due later than one year and not later than five years	91	88
due later than five years	48	47
	166	**161**
Unearned finance income	**36**	**36**

There were no unguaranteed residual values. It was not necessary to write down any lease receivables.

The outstanding minimum lease payments from operating leases mainly stem from activities of the Security Systems division. The minimum lease payments are due as follows:

Figures in millions of euros	2010	2009
Due not later than one year	39	30
Due later than one year and not later than five years	121	99
Due later than five years	55	48
	215	**177**

14 Inventories

Figures in millions of euros	2010	2009
Raw materials, consumables, and supplies	2,136	1,742
Work in process	1,177	936
Finished goods and merchandise	3,200	2,543
Prepayments	267	211
	6,780	**5,432**

Of the total amount of inventories, an amount of EUR 128 million (previous year: EUR 101 million) is carried at the lower net selling price. In the fiscal year, reversals of impairment losses of EUR 22 million (previous year: impairment losses of EUR 2 million) were recognized in profit or loss. No inventories were pledged.

15 Non-current financial assets

Figures in millions of euros	2010	2009
Securities	7,396	6,738
Investments	1,973	1,942
Other financial assets	489	520
	9,858	**9,200**

Held-to-maturity investments

Figures in millions of euros	2010	2009
Due later than five years	7	6
	7	**6**

The financial investments held to maturity have a market value of EUR 7 million (previous year: EUR 6 million).

Other non-current financial assets

Figures in millions of euros	2010	2009
Loan receivables	27	22
Receivables from finance leases	139	135
Other receivables and other assets	323	363
	489	**520**

There are no loans or other receivables due in more than five years.

The carrying amount of loan receivables contains allowances for specific risks of EUR 2 million (previous year: EUR 1 million) and for general credit risks of EUR 2 million (previous year: EUR 2 million).

Of the loan receivables and receivables from finance leases (both current and non-current), an amount of EUR 234 million (previous year: EUR 349 million) is not impaired and not past due. There are no loan receivables and receivables from finance leases (either current or non-current) which are not impaired but past due.

Non-current securities and investments
The securities consist of interest-bearing and other securities as well as shares which are not designated for sale within twelve months of the end of the reporting period.

The market value of the pledged securities amounts to EUR 304 million (previous year: EUR 297 million). They are used to secure bank guarantees. Medium-term interest-bearing securities and units equivalent at least to the value of the claims from the bank-guarantee obligations were used for pledging.

Non-current securities and investments developed as follows:

Figures in millions of euros	Available-for-sale financial assets				Held-to-maturity investments	Total
	Investments		Securities		Securities	
	measured at fair value	measured at cost	Shares	Other		
Gross values 1/1/2009	**986**	**692**	**1,382**	**3,731**	**9**	**6,800**
Changes in consolidated group	–2	–137				–139
Additions	2	182	1,040	4,295		5,519
Reclassifications				–359		–359
Disposals	–88	–22	–914	–3,088	–3	–4,115
Revaluations	488		486	161		1,135
Exchange differences	–2	6	–1	–1		2
Gross values 12/31/2009	**1,384**	**721**	**1,993**	**4,739**	**6**	**8,843**
Depreciation 1/1/2009		**167**				**167**
Changes in consolidated group		–76				–76
Additions		85				85
Disposals		–14				–14
Exchange differences		1				1
Depreciation 12/31/2009		**163**				**163**
Carrying amounts 12/31/2009	**1,384**	**558**	**1,993**	**4,739**	**6**	**8,680**
Gross values 1/1/2010	**1,384**	**721**	**1,993**	**4,739**	**6**	**8,843**
Changes in consolidated group		–53				–53
Additions	6	185	1,068	4,884		6,143
Reclassifications				–809		–809
Disposals	–318	–6	–1,083	–3,821		–5,228
Revaluations	293		297	86		676
Exchange differences	4	23	9	26	1	63
Gross values 12/31/2010	**1,369**	**870**	**2,284**	**5,105**	**7**	**9,635**
Depreciation 1/1/2010		**163**				**163**
Changes in consolidated group		24				24
Additions		80				80
Disposals		–4				–4
Exchange differences		3				3
Depreciation 12/31/2010		**266**				**266**
Carrying amounts 12/31/2010	**1,369**	**604**	**2,284**	**5,105**	**7**	**9,369**

16 Property, plant, and equipment

Figures in millions of euros	Land, buildings belonging to operating assets	Investment property	Plant and equipment	Other equipment, fixtures and furniture, leased assets	Prepayments and assets under construction	Total
Gross values 1/1/2009	**6,455**	**138**	**17,464**	**7,269**	**1,399**	**32,725**
Changes in consolidated group	217		60	35	9	321
Additions	191	4	614	438	645	1,892
Reclassifications	263	25	653	199	–1,140	
Disposals	–97	–1	–1,241	–870	–57	–2,266
Exchange differences	11		156	17	–2	182
Gross values 12/31/2009	**7,040**	**166**	**17,706**	**7,088**	**854**	**32,854**
Depreciation 1/1/2009	**2,690**	**64**	**11,868**	**5,192**	**14**	**19,828**
Changes in consolidated group	15		–21	9	–1	2
Additions	207	3	1,433	725	6	2,374
Reclassifications	12	2	–9	1	–6	
Disposals	–67		–1,112	–828	–1	–2,008
Write-ups			–16		–1	–17
Exchange differences	–4		100	7		103
Depreciation 12/31/2009	**2,853**	**69**	**12,243**	**5,106**	**11**	**20,282**
Carrying amounts 12/31/2009	**4,187**	**97**	**5,463**	**1,982**	**843**	**12,572**
Gross values 1/1/2010	**7,040**	**166**	**17,706**	**7,088**	**854**	**32,854**
Changes in consolidated group	36	–14	41	–1	10	72
Additions	181		747	473	978	2,379
Reclassifications	161		364	146	–671	
Disposals	–66	–7	–924	–618	–43	–1,658
Exchange differences	386	4	810	195	40	1,435
Gross values 12/31/2010	**7,738**	**149**	**18,744**	**7,283**	**1,168**	**35,082**
Depreciation 1/1/2010	**2,853**	**69**	**12,243**	**5,106**	**11**	**20,282**
Changes in consolidated group	14	–9	35	–2		38
Additions	220	3	1,454	694	2	2,373
Disposals	–47	–1	–831	–570		–1,449
Write-ups	–1		–23			–24
Exchange differences	158		568	136		862
Depreciation 12/31/2010	**3,197**	**62**	**13,446**	**5,364**	**13**	**22,082**
Carrying amounts 12/31/2010	**4,541**	**87**	**5,298**	**1,919**	**1,155**	**13,000**

The total depreciation charge contains the following impairment losses:
- Land and buildings: EUR 15 million (previous year: EUR 26 million)
- Plant and equipment: EUR 97 million (previous year: EUR 81 million)
- Other equipment, fixtures, and furniture: EUR 8 million (previous year: EUR 29 million)

The impairment losses of the fiscal year contain an amount of EUR 98 million attributable to plant and equipment and the land and buildings of the Chassis Systems Brakes division. The impairment test was carried out at division level. The recoverable amount was assumed to be the fair value less costs to sell. The fair value was determined by means of a qualified estimate.

In the reporting period, impairment losses of EUR 4 million were recorded for land and buildings of the Starter Motors and Generators division. The impairment test was carried out at business-unit level. The recoverable amount was assumed to be the fair value less costs to sell. The fair value was determined by means of a qualified estimate.

The carrying amounts contain the following amounts from finance leases under which the Bosch Group is the lessee:
- Land and buildings: EUR 32 million (previous year: EUR 24 million)
- Plant and equipment: EUR 16 million (previous year: EUR 13 million)
- Other equipment, fixtures, and furniture: EUR 18 million (previous year: EUR 21 million)

The obligations entered into to purchase items of property, plant, and equipment amounted to EUR 361 million (previous year: EUR 353 million), restrictions on title totaled EUR 45 million (previous year: EUR 91 million). Government grants for assets of EUR 28 million (previous year: EUR 58 million) were deducted from the additions in the reporting period.

Investment property comprises rented properties which were measured at amortized cost. Measured at fair value, the portfolio comes to EUR 145 million (previous year: EUR 153 million). The fair values were determined on the basis of freely available representative lists of market rents and on the basis of the company's own estimates. The rental income from investment property came to EUR 7 million (previous year: EUR 9 million), maintenance expenses totaled EUR 4 million (previous year: EUR 4 million).

17 Intangible assets

Figures in millions of euros	Acquired intangible assets (without goodwill)	Acquired goodwill	Internally generated intangible assets	Total
Gross values 1/1/2009	**2,277**	**4,490**	**1,077**	**7,844**
Changes in consolidated group	164	214	–1	377
Additions	117	7	180	304
Disposals	–124	–3	–207	–334
Exchange differences	14	16		30
Gross values 12/31/2009	**2,448**	**4,724**	**1,049**	**8,221**
Amortization 1/1/2009	**675**	**79**	**598**	**1,352**
Changes in consolidated group	1			1
Additions	542	194	246	982
Disposals	–116		–206	–322
Exchange differences	1	2		3
Amortization 12/31/2009	**1,103**	**275**	**638**	**2,016**
Carrying amounts 12/31/2009	**1,345**	**4,449**	**411**	**6,205**
Gross values 1/1/2010	**2,448**	**4,724**	**1,049**	**8,221**
Changes in consolidated group		16		16
Additions	112	11	146	269
Reclassifications	9	–9		
Disposals	–135	–7	–175	–317
Exchange differences	127	115	1	243
Gross values 12/31/2010	**2,561**	**4,850**	**1,021**	**8,432**
Amortization 1/1/2010	**1,103**	**275**	**638**	**2,016**
Additions	244		140	384
Reclassifications	3	–3		
Disposals	–106	–7	–175	–288
Write-ups	–1			–1
Exchange differences	49	4	1	54
Amortization 12/31/2010	**1,292**	**269**	**604**	**2,165**
Carrying amounts 12/31/2010	**1,269**	**4,581**	**417**	**6,267**

The amount of amortization for the fiscal year contains the following impairment losses:

- Acquired intangible assets (without goodwill): EUR 0 million (previous year: EUR 294 million)
- Internally generated intangible assets: EUR 23 million (previous year: EUR 72 million)

The goodwill of EUR 4,581 million (previous year: EUR 4,449 million) is attributable to the business sectors as follows: Automotive Technology EUR 102 million (previous year: EUR 100 million), Industrial Technology EUR 2,688 million (previous year: EUR 2,646 million), Consumer Goods and Building Technology EUR 1,791 million (previous year: EUR 1,703 million).

Goodwill is subjected to an annual impairment test. An impairment loss is recorded when the recoverable amount is below the carrying amount of the cash-generating unit. The recoverable amount is derived from the future cash flows. The cash flows are determined on the basis of business plans with a planning period of five years.

For the Automotive Technology business sector, a growth rate of 1.0% (previous year: 1.0%) was applied, for Industrial Technology 2.0% (previous year: 2.0%), and for Consumer Goods and Building Technology 2.0% (previous year: 2.0%). For the Automotive Technology business sector, a pre-tax discount rate of 10.2% (previous year: 10.0%) was applied, for Industrial Technology 11.0% (previous year: 10.0%), and for Consumer Goods and Building Technology 11.3% (previous year: 10.6%). A risk-free interest rate of 3.4% (previous year: 4.0%) and a market risk premium of 5.0% (previous year: 5.0%) were assumed. The standard tax rate used is 29% (previous year: 29%).

In the reporting period, the annual impairment test did not give rise to any impairment requirement for goodwill.

18 Current and non-current financial liabilities

Figures in millions of euros	2010		2009	
	up to 1 year	more than 1 year	up to 1 year	more than 1 year
Bonds		2,348		2,346
Promissory loans		499		499
Liabilities to banks	248	529	738	579
Other financial liabilities	2	21	2	21
	250	**3,397**	**740**	**3,445**

Financial liabilities amounting to EUR 1,821 million (previous year: EUR 1,833 million) are due in more than five years.

Terms and conditions of the major bonds

					Figures in millions of euros	
Interest terms	**Interest rate**	**Beginning of term**	**End of term**	**Currency**	**Nominal**	**Fair value 12/31/2010**
Fixed	4.375%	05/2006	05/2016	EUR	750	806
Fixed	3.750%	06/2009	06/2013	EUR	700	731
Fixed	5.125%	06/2009	06/2017	EUR	600	668
Fixed	5.000%	08/2009	08/2019	EUR	300	332

The undiscounted cash flows of the non-derivative and derivative financial liabilities are presented in the table below:

Figures in millions of euros	Carrying amount	Undiscounted cash flows					
	2010	2011	2012	2013	2014	2015	2016 ff.
Non-derivative financial liabilities							
Bonds	**2,348**	105	105	791	79	79	1,769
Promissory loans	**499**	22	22	22	358	9	184
Liabilities to banks	**777**	250	36	428	41	33	15
Other financial liabilities	**906**	795	36	47	25	21	24
Finance lease obligations	**40**	17	10	7	4	3	24
Derivative financial liabilities	**74**	42	1		8	10	3

Figures in millions of euros	Carrying amount	Undiscounted cash flows					
	2009	2010	2011	2012	2013	2014	2015 ff.
Non-derivative financial liabilities							
Bonds	**2,346**	105	105	105	791	79	1,737
Promissory loans	**499**	21	21	21	21	358	164
Liabilities to banks	**1,317**	768	132	55	416	29	30
Other financial liabilities	**1,021**	883	66	27	25	23	30
Finance lease obligations	**46**	26	10	7	5	3	19
Derivative financial liabilities	**80**	61					20

The undiscounted cash flows contain interest and principal payments. All on-call financial liabilities are allocated to the earliest possible period. The variable interest payments were determined using the last interest rate determined before the end of the respective reporting period.

For the derivatives presented under derivative financial liabilities for which gross settlement has been agreed, the undiscounted cash outflows are netted against the corresponding cash inflows.

19 Trade payables

Figures in millions of euros	2010	2009
Trade payables	3,762	2,820
Notes payable	133	96
	3,895	**2,916**

There are trade payables which are due in more than one year of EUR 7 million (previous year: EUR 4 million).

20 Other liabilities and provisions

Other liabilities

Figures in millions of euros	2010		2009	
	up to 1 year	more than 1 year	up to 1 year	more than 1 year
Loans	98	92	77	70
Accruals in the personnel area	1,436		949	
Accruals in the sales and marketing area	522		434	
Other accruals	346		284	
Deferred income	122		110	
Tax liabilities (without income tax liabilities)	340		341	
Finance lease obligations	14	26	20	26
Deferred income from tooling compensation received	43	105	48	116
Prepayments received for inventories	546		427	
Sundry other liabilities	759	218	897	217
	4,226	**441**	**3,587**	**429**

Loans with a residual term of more than five years amount to EUR 9 million (previous year: EUR 12 million). As in the previous year, there are no sundry other liabilities due in more than five years.

The accruals in the personnel area mainly relate to vacation and salary entitlements as well as accrued special payments, while those in the sales and marketing area mainly pertain to bonus and commission payments.

Finance lease obligations primarily stem from vehicle lease agreements with terms of three to six years. The liabilities are due as follows:

Figures in millions of euros	2010	2009
Future minimum lease payments		
due not later than one year	17	22
due later than one year and not later than five years	26	28
due later than five years	17	16
Interest portion contained in the future minimum lease payments		
due not later than one year	3	2
due later than one year and not later than five years	7	7
due later than five years	10	11
Present value of outstanding minimum lease payments		
due not later than one year	14	20
due later than one year and not later than five years	19	21
due later than five years	7	5
	40	**46**

Provisions (without income tax provisions and pension provisions)

Figures in millions of euros	2010		2009	
	up to 1 year	**more than 1 year**	**up to 1 year**	**more than 1 year**
Tax provisions (without income tax provisions)	10	76	19	76
Provisions in the personnel area	747	913	722	901
Provisions in the sales and marketing area	1,879	1,128	2,005	1,365
Other provisions	519	725	559	531
	3,155	**2,842**	**3,305**	**2,873**

Provisions developed as follows:

Figures in millions of euros						
	At 1/1/2010	Amounts used	Amounts reversed	Increase incl. increase in discounted amount	Exchange adjust-ments	At 12/31/2010
Tax provisions	492	–103	–32	352	36	**745**
Provisions in the personnel area	1,623	–501	–121	641	18	**1,660**
Provisions in the sales and marketing area	3,370	–1,148	–558	1,270	73	**3,007**
Other provisions	1,090	–214	–160	493	35	**1,244**
	6,575	**–1,966**	**–871**	**2,756**	**162**	**6,656**

Of the total increase in provisions, an amount of EUR 49 million (previous year: EUR 84 million) relates to increases in discounted amount.

Provisions in the personnel area relate to obligations from personnel adjustment measures, from early phased retirement, and from other special benefits for which the time or amount cannot yet be precisely determined. Provisions in the sales and marketing area mainly take account of losses from delivery and warranty obligations, including risks from recall, exchange, and product liability cases. Other provisions are recognized, among other things, for risks from restructuring, purchasing obligations, and renewal obligations for rent and lease agreements.

Contingent liabilities and other financial obligations
No provisions were recognized for the following contingent liabilities, as it is more likely than not that they will not occur:

Figures in millions of euros	2010	2009
Contingent liabilities related to notes issued and transferred	18	1
Contingent liabilities from guarantees	24	37
Contingent liabilities from warranties	4	1
Other contingent liabilities	4	7
	50	**46**

Obligations from operating leases mainly pertain to lease agreements for technical equipment, for IT equipment, and for vehicles. They mature in between two and six years. The minimum amount of the undiscounted future payments from operating leases amounts to EUR 640 million (previous year: EUR 567 million). The obligations are due as follows:

Figures in millions of euros	2010	2009
Due not later than one year	216	178
Due later than one year and not later than five years	346	326
Due later than five years	78	63
	640	**567**

The payments of the period recognized in profit or loss of EUR 247 million (previous year: EUR 210 million) are contained in the costs of the functional areas (cost of sales, and distribution, administrative, and research and development cost).

21 Pension provisions

Associates of the companies included in the consolidated financial statements have certain rights in connection with the company pension scheme, depending on the conditions existing in the various countries. The benefit obligations include both currently claimed benefits and future benefit obligations of active associates or associates that have left the company.

The group's post-employment benefits include both defined contribution plans and defined benefit plans. In the case of defined contribution plans, the company pays voluntary contributions to state or private pension or insurance funds, based on legal or contractual provisions. No further payment obligations arise for the company from the payment of these contributions. The defined benefit plans are funded or unfunded pension systems, or systems financed by insurance premiums.

The Bosch Pension Scheme has been in place for most Bosch Group associates in Germany since January 1, 2006. During the vesting phase, both company and employee contributions are made to the Bosch Pensionsfonds (Bosch pension fund) up to the tax-allowed limit for contributions; amounts in excess of this, as well as the claims of associates born before 1951, are reported in the unfunded obligation (direct benefit obligation).

Pension provisions for the defined benefit plans are calculated according to the projected unit credit method in accordance with IAS 19. This involves measuring future obligations using actuarial procedures, with prudent estimates of the relevant factors. Taking account of dynamic components, the future benefit obligations are spread over the entire period of service.

Actuarial calculations and estimates are made for all defined benefit plans. Besides assumptions about life expectancy, the calculations are based on the following parameters, which vary from one country to another depending on the local economic circumstances:

Percentage figures	Europe		Americas		Asia		Africa, Australia		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Discount factor	5.0	5.7	5.4	6.0	1.2	1.5	8.9	9.3	4.9	5.6
Expected return on plan assets	4.9	4.9	7.8	7.7	2.4	2.5	n.a.	n.a.	5.5	5.5
Future salary increases	2.9	2.9	4.2	4.2	2.6	2.5	7.0	7.0	3.1	3.1
Pension increases	1.4	1.7	0.1	2.6	n.a.	n.a.	6.0	6.0	1.2	1.8

n.a. not applicable

The assumptions about the expected return on assets are based on a target portfolio structure and the forecast returns in the individual investment categories. These forecasts are based on publicly available and internal capital-market studies and forecasts for each category of asset. The estimates of future salary increases are made, among other things, on the basis of the economic situation and inflation.

Adjustments between the actuarial projected benefit obligation – after deducting plan assets – and the provision mainly result from actuarial gains or losses related to changes in the rates of personnel turnover and deviations between the actual salary development and the assumptions used for calculation purposes.

The actuarial gains and losses from defined benefit plans are recognized outside of profit or loss in other comprehensive income. In this way, all actuarial gains and losses are accounted for.

If the benefit system is funded externally, the value of the assets of the external pension institutions is deducted from the benefit obligation resulting from the projected unit credit method. The externally funded pension institutions in Germany are Bosch Pensionsfonds AG and Bosch Hilfe e.V.

Pension schemes and obligations are measured at regular intervals, at least every three years. All significant schemes are measured annually by means of comprehensive actuarial procedures.

The present value of the obligation breaks down as follows:

Figures in millions of euros	2010	2009
Defined benefit obligation at January 1	**8,728**	**8,488**
Changes in the consolidated group	–4	99
Current service cost	312	318
Interest cost	484	467
Transfers	7	1
Past service cost	14	–33
Pension payments	–506	–531
Actuarial gains / losses	790	–36
Currency translation	303	–37
Other	–13	–8
Defined benefit obligation at December 31	**10,115**	**8,728**

Plan assets developed as follows:

Figures in millions of euros	2010	2009
Fair value of plan assets at January 1	**2,957**	**2,755**
Changes in the consolidated group	3	98
Expected return on plan assets	175	159
Contributions paid / received	282	–46
Contributions by the employees	13	12
Transfers	13	–16
Benefits paid	–144	–138
Actuarial gains	94	159
Currency translation	237	–24
Other	–8	–2
Fair value of plan assets at December 31	**3,622**	**2,957**
Actual income	269	318
Expected contributions in the following year	334	278

The fund assets comprise the following components:

Percentage figures	2010	2009
Shares	36.1	33.7
Fixed-interest securities	42.3	42.6
Property	12.1	12.8
Other	9.5	10.9

The funding status of the defined benefit obligation pursuant to IAS 19 is as follows:

Figures in millions of euros	2010	2009
Present value of benefit obligation from wholly unfunded plans	3,272	3,148
Present value of benefit obligation from plans that are wholly or partly funded	6,843	5,580
Total present value of benefit obligation	10,115	8,728
Plan assets at fair value	–3,622	–2,957
Net obligation	6,493	5,771
Past service cost	5	7
Asset amount not recognized at December 31 due to the limitation pursuant to IAS 19.58 (b)	5	8
	6,503	**5,786**

The table below presents changes in the pension provisions:

Figures in millions of euros	2010	2009
Carrying amount at January 1	**5,786**	**5,738**
Changes in the consolidated group	–7	9
Net expense for the period	608	573
Transfers	–6	17
Pension payments	–362	–393
Contributions paid / received	–282	46
Actuarial gains / losses	690	–191
Other	76	–13
Carrying amount at December 31	**6,503**	**5,786**

The total amount of recognized actuarial gains and losses developed as follows:

Figures in millions of euros	2010	2009
Total actuarial gains at January 1	**–537**	**–338**
Actuarial gains / losses of the current year	696	–195
Change of effect pursuant to IAS 19.58 (b)	–5	4
Other changes and adjustments	–1	
Total actuarial gains / losses	**690**	**–191**
Currency effects and changes in the consolidated group	23	–8
Total actuarial gains / losses at December 31	**176**	**–537**

The amounts recognized in the income statement are as follows:

Figures in millions of euros	2010	2009
Current service cost	299	306
Interest cost	484	467
Expected return on plan assets	–175	–159
Past service cost	14	–33
Other	–14	–8
Net expense for the period	**608**	**573**

The net expense is contained in the costs of the functional areas.

Expenses for defined benefit obligations amounted to EUR 843 million (previous year: EUR 744 million).

Other disclosures in the notes:

Figures in millions of euros	2010	2009
Distribution of gains and losses from the valuation	790	–36
of which from changes in assumptions	642	–32
of which from unexpected changes in number of beneficiaries	148	–4
Payments expected in the following year		
additions to plan assets	334	278
directly payable benefits	331	68

Figures in millions of euros	2010	2009	2008	2007	2006
History of the present value of the obligation	10,115	8,728	8,488	8,553	9,278
History of the plan assets	3,622	2,957	2,755	2,880	2,768
History of net obligation	–6,493	–5,771	–5,733	–5,673	–6,510
History of change in obligation due to changes in number of beneficiaries	148	–4	–24	–54	105
History of change in plan assets (actual vs. expected)	94	159	–580	–35	66

Effect of change in cost trend on medical costs:

Figures in millions of euros	2010	2009	One percentage point increase in cost trend		One percentage point decrease in cost trend	
			2010	2009	2010	2009
Present value of the obligation	196	159	213	174	181	147
Service cost and interest cost	13	19	14	21	12	17

22 Equity

The issued capital of EUR 1,200 million and capital reserve of EUR 4,557 million correspond with the items of the statement of financial position disclosed by Robert Bosch GmbH. The issued capital is divided between the shareholders as follows:

Shareholders of Robert Bosch GmbH

Percentage figures	Shareholding	Voting rights
Robert Bosch Stiftung GmbH	92.0	
Robert Bosch Industrietreuhand KG		93.2
Bosch family	7.4	6.8
Robert Bosch GmbH (treasury stock)	0.6	

Retained earnings contain profits that have not been distributed and that were generated in the past by the entities included in the consolidated financial statements, as well as in other comprehensive income. The effects of changes in actuarial parameters in the pension provisions are disclosed in the “Other changes” column of other comprehensive income. This position also contains differences between purchase price and purchased pro-rata equity of additional share purchases.

Retained earnings also consider treasury stock of EUR 62 million.

The unappropriated earnings of the group match those of Robert Bosch GmbH.

Non-controlling interests
The shares of non-controlling interests in the equity of the consolidated subsidiaries mainly comprise the non-controlling interests in aleo solar AG, Prenzlau, Germany, in Bosch Automotive Diesel Systems Co., Ltd., Wuxi, China, and in Bosch Ltd., Bangalore, India.

Other notes

23 Statement of cash flows

The statement of cash flows presents cash inflows and outflows from operating activities, investing activities, and financing activities.

The cash flow is derived indirectly, starting from the profit before tax. Cash inflows from operating activities are adjusted for non-cash expenses and income (mainly depreciation of non-current assets), and take changes in working capital into account.

The investing activities mainly consist of additions to non-current assets, including leased assets and the purchase and disposal of subsidiaries and other business entities, as well as of securities.

Financing activities combine the inflows and outflows of cash and cash equivalents from borrowing and repayment of financial liabilities, from dividends, and from the acquisition of non-controlling interests.

Changes in positions of the statement of financial position contained in the statement of cash flows cannot be directly derived from the statement of financial position, as these have been adjusted for exchange-rate effects and changes in the consolidated group. The change in accounting for pensions is adjusted to eliminate actuarial gains and losses.

The cash and cash equivalents contained in the statement of cash flows comprise cash of EUR 3,821 million (previous year: EUR 2,937 million). In the reporting period, there was no transfer restriction for cash and cash equivalents.

Effects on the cash flow from acquisitions are explained in the section on business combinations.

24 Segment reporting

Business sector data

Figures in millions of euros	Automotive Technology		Industrial Technology	
	2010	2009	2010	2009
External sales	28,097	21,716	6,660	5,105
Intersegment sales	89	54	190	137
Total sales	28,186	21,770	6,850	5,242
EBIT	2,341	–498	90	–1,116
Non-cash expenses (without depreciation)	2,200	2,100	436	486
Amortization and depreciation	1,840	1,898	357	345
Impairment losses on intangible assets and property, plant, and equipment	136	180		476
Non-cash income	772	822	123	77
Assets	8,549	6,972	3,005	2,514

Based on the internal management and reporting structure, the Bosch Group is divided into three business sectors. These are the reportable segments and result from the combination of divisions in accordance with the criteria set forth in IFRS 8. The operating business within the business sectors is the responsibility of the divisions.

The activities of the Automotive Technology business sector mainly comprise injection technology for internal-combustion engines, alternative drive concepts, active and passive vehicle safety systems, assistance and comfort functions, technology for in-car information and communication, and a range of after-sales, engineering-support, and service concepts for the automotive aftermarket.

The Industrial Technology business sector combines the following activities:
- Automation technology (hydraulics, pneumatics, all important technologies for drives, controls, and motion)
- Packaging technology (machines and packaging lines for the confectionery, food, beverage, and tobacco industry, as well as for the pharmaceuticals industry)
- Photovoltaics (solar cells and photovoltaic modules).

The operations of the Consumer Goods and Building Technology business sector comprise the production and distribution of
- Power tools (tools for the trade, industry, and DIY, accessories, garden tools, as well as industrial tools and measuring equipment)
- Heating systems (heating and hot-water boilers including open- and closed-loop control systems)
- Security systems (video surveillance, public address systems, evacuation systems, and access control)
- Household appliances (appliances for cooking, washing up, washing, drying, cooling, freezing, floor care, etc.).

	Consumer Goods and Building Technology		All other segments		Consolidation		Group	
	2010	2009	2010	2009	2010	2009	2010	2009
	12,480	11,331	22	22			47,259	38,174
	24	16			–303	–207		
	12,504	11,347	22	22	–303	–207	47,259	38,174
	736	444	14	19			3,181	–1,151
	668	696	2	4			3,306	3,286
	411	413	6	4			2,614	2,660
	7	40					143	696
	149	96		6			1,044	1,001
	4,474	4,035					16,028	13,521

Business segments which are not reportable are combined and presented in the category “All other segments.” This mainly relates to financial and holding companies. Positions that belong to financing activities are not included in the segment reporting.

Value added is the main controlling parameter of our value-based management. In addition to this earnings ratio, the internal reporting to management also reports EBIT at segment level. EBIT is earnings before taxes and before financial result.

Transfer prices between the business segments are determined at arm’s length.

The main items included in non-cash expenses are bad debt allowances, additions to provisions, as well as losses on the disposal of items of property, plant, and equipment and of intangible assets.

The main items included in non-cash income are income from the reversal of provisions as well as gains on the disposal of items of property, plant, and equipment and of intangible assets.

Segment assets comprise trade receivables as well as inventories, in both cases before valuation allowances.

Reconciliation statements

Figures in millions of euros	2010	2009
Sales		
Sales by reportable segment	47,540	38,359
All other segments	22	22
Consolidation	–303	–207
Group sales	**47,259**	**38,174**
EBIT		
EBIT by reportable segment	3,167	–1,170
All other segments	14	19
Financial income	1,912	1,370
Financial expenses	–1,608	–1,416
Profit before tax	**3,485**	**–1,197**
Assets		
Assets by reportable segment	16,028	13,521
Allowances and impairment losses on segment assets	–1,231	–1,249
Other current assets	6,767	5,375
Non-current assets	31,119	29,862
Group assets	**52,683**	**47,509**

Disclosures by important country

Figures in millions of euros	Sales by registered office of the customer		Non-current assets[1]	
	2010	2009	2010	2009
Europe	**27,693**	**23,824**	**14,491**	**14,512**
of which Germany	10,865	9,325	9,536	9,677
of which France	2,955	2,492	314	331
of which the U.K.	2,044	1,639	109	145
of which Italy	1,968	1,577	505	530
Americas	**8,591**	**6,661**	**1,911**	**1,881**
of which the U.S.	5,524	4,421	1,320	1,081
Asia	**10,121**	**6,987**	**2,740**	**2,269**
of which China	4,153	2,874	1,330	1,024
of which Japan	2,302	1,571	751	685
Other regions	**854**	**702**	**125**	**115**
Group	**47,259**	**38,174**	**19,267**	**18,777**

[1] The non-current assets consist of intangible assets and property, plant, and equipment.

The customer structure of the Bosch Group in the reporting period does not reveal any concentration on individual customers.

25 Additional notes on financial instruments

Net profit/loss by category

The table below presents the net effects of financial instruments recognized in the income statement, classified by the categories defined in IAS 39:

Figures in millions of euros	2010	2009
Loans and receivables	135	–76
Held-to-maturity investments	4	4
Available-for-sale financial assets	566	116
Financial assets and liabilities held for trading	–222	92
Financial liabilities measured at amortized cost	–98	–120

The net profit/loss contains the result of the receivables and loan valuation, the result of the reversal of the reserve from securities in equity, exchange-rate gains and losses, interest income and expenses, as well as the result from derivatives.

The valuation gains and losses from securities and equity investments are presented in the statement of comprehensive income.

Book values, carrying amounts, and fair values by category

Figures in millions of euros	Category pursuant to IAS 39	Carrying amount 2010	Carrying amount pursuant to IAS 39			Carrying amount pursuant to IAS 17	Fair value 2010
			(Amortized) cost	Fair value recognized in other comprehensive income	Fair value recognized in profit or loss		
Assets							
Cash and cash equivalents	LaR	3,821	3,821				3,821
Current investments		872					
Available-for-sale financial assets	AfS	872		872			872
Trade receivables	LaR	8,017	8,017				8,017
Other current assets		1,856					
Receivables from finance leases	n. a.	27				27	27
Other financial assets	LaR	868	868				868
Derivative financial assets	FAHfT	59			59		59
Non-financial assets within the meaning of IFRS 7	n. a.	902					
Non-current financial assets		9,858					
Available-for-sale financial assets	AfS	7,389		7,389			7,389
Held-to-maturity investments	HtM	7	7				7
Investments	AfS	1,973	604	1,369			1,369
Derivative financial assets	FAHfT	80			80		80
Receivables from finance leases	n. a.	139				139	139
Other financial assets	LaR	113	113				115
Non-financial assets within the meaning of IFRS 7	n. a.	157					
Equity and liabilities							
Trade payables	FLAC	3,895	3,895				3,895
Current financial liabilities		250					
Liabilities to banks	FLAC	248	248				248
Other financial liabilities	FLAC	2	2				2
Other current liabilities		4,226					
Derivative financial liabilities	FLHfT	43			43		43
Finance lease obligations	n. a.	14				14	14
Other financial liabilities	FLAC	701	701				701
Other non-financial liabilities within the meaning of IFRS 7	n. a.	3,468					
Non-current financial liabilities		3,397					
Bonds	FLAC	2,348	2,348				2,544
Promissory loans	FLAC	499	499				543
Liabilities to banks	FLAC	529	529				630
Other financial liabilities	FLAC	21	21				24
Other non-current liabilities		441					
Derivative financial liabilities	FLHfT	31			31		31
Finance lease obligations	n. a.	26				26	26
Other financial liabilities	FLAC	182	182				191
Other non-financial liabilities within the meaning of IFRS 7	n. a.	202					

LaR Loans and receivables
AfS Available-for-sale financial assets
HtM Held-to-maturity investments
FAHfT Financial assets held for trading
FLAC Financial liabilities measured at amortized cost
FLHfT Financial liabilities held for trading
n. a. not applicable

Figures in millions of euros	Category pursuant to IAS 39	Carrying amount 2009	Carrying amount pursuant to IAS 39			Carrying amount pursuant to IAS 17	Fair value 2009
			(Amortized) cost	Fair value recognized in other comprehensive income	Fair value recognized in profit or loss		
Assets							
Cash and cash equivalents	LaR	2,937	2,937				2,937
Current investments		467					
Available-for-sale financial assets	AfS	467		467			467
Trade receivables	LaR	6,840	6,840				6,840
Other current assets		1,737					
Receivables from finance leases	n. a.	26				26	26
Other financial assets	LaR	746	746				746
Derivative financial assets	FAHfT	111			111		111
Non-financial assets within the meaning of IFRS 7	n. a.	854					
Non-current financial assets		9,200					
Available-for-sale financial assets	AfS	6,732		6,732			6,732
Held-to-maturity investments	HtM	6	6				6
Investments	AfS	1,942	558	1,384			1,384
Derivative financial assets	FAHfT	67			67		67
Receivables from finance leases	n. a.	135				135	135
Other financial assets	LaR	182	182				182
Non-financial assets within the meaning of IFRS 7	n. a.	136					
Equity and liabilities							
Trade payables	FLAC	2,916	2,916				2,916
Current financial liabilities		740					
Liabilities to banks	FLAC	738	738				738
Other financial liabilities	FLAC	2	2				2
Other current liabilities		3,587					
Derivative financial liabilities	FLHfT	56			56		56
Finance lease obligations	n. a.	20				20	20
Other financial liabilities	FLAC	828	828				828
Other non-financial liabilities within the meaning of IFRS 7	n. a.	2,683					
Non-current financial liabilities		3,445					
Bonds	FLAC	2,346	2,346				2,471
Promissory loans	FLAC	499	499				555
Liabilities to banks	FLAC	579	579				648
Other financial liabilities	FLAC	21	21				21
Other non-current liabilities		429					
Derivative financial liabilities	FLHfT	24			24		24
Finance lease obligations	n. a.	26				26	26
Other financial liabilities	FLAC	170	170				181
Other non-financial liabilities within the meaning of IFRS 7	n. a.	209					

The carrying amounts of the financial assets and liabilities, classified by the categories defined in IAS 39, are as follows:

Figures in millions of euros	2010	2009
Loans and receivables	12,819	10,705
Held-to-maturity investments	7	6
Available-for-sale financial assets	10,234	9,141
Financial assets held for trading	139	178
Financial liabilities measured at amortized cost	8,425	8,099
Financial liabilities held for trading	74	80

Composition of the derivative financial instruments

Figures in millions of euros	Market values				Nominal values	
	2010 up to 1 year	2010 more than 1 year	2009 up to 1 year	2009 more than 1 year	2010	2009
Derivatives with a positive market value						
Interest derivatives			**3**		**4**	**250**
of which interest swaps						9
of which other interest derivatives			3		4	241
Foreign currency derivatives	**40**	**3**	**100**	**6**	**1,535**	**1,487**
Other derivatives	**19**	**77**	**8**	**13**	**164**	**91**
Derivatives with a negative market value						
Interest derivatives		**10**	**9**	**2**	**705**	**828**
of which interest swaps		10	8	2	334	629
of which other interest derivatives			1		371	199
Foreign currency derivatives	**43**	**4**	**45**	**2**	**1,519**	**1,413**
Other derivatives		**17**	**2**	**20**	**59**	**291**

The foreign currency derivatives are mainly forward exchange contracts.

The fair values of financial assets and financial liabilities were derived as follows:

Figures in millions of euros	Price listed on active markets		Other significant observable input parameters		Total	
	2010	2009	2010	2009	2010	2009
Financial assets						
Investments	1,369	1,384			1,369	1,384
Derivative financial instruments	54		85	178	139	178
Other securities	5,115	6,970	3,146	229	8,261	7,199
Financial liabilities						
Derivative financial instruments	53		21	80	74	80

26 Capital and risk management

Capital management
The main objective of the centralized capital management of the Bosch Group is to maintain the company's sound financial substance and thus to secure the financial independence and flexibility required for further growth.

The central controlling parameter of our financial target system is value contribution, which represents cash flow less cost of capital. Its development is the yardstick we use to assess performance, and it is also used for portfolio management. It is supplemented for capital management purposes by the conventional financial, liquidity, and indebtedness indicators.

Hedging policy and financial derivatives
The operative business of the Bosch Group is impacted in particular by fluctuations in exchange and interest rates. Business policy aims to limit these risks by means of hedging. All hedging transactions are implemented at corporate level.

Internal regulations and guidelines set down a mandatory framework and define the responsibilities related to investment and hedging transactions. According to these regulations, derivatives may only be used in connection with operative business, financial investments, or financing transactions; speculative transactions are not allowed. Limits for business transactions are an important element of these guidelines. Hedges are entered into solely via banks whose creditworthiness is regarded as impeccable;

we take the rating given by leading agencies as well as current developments in the financial markets into account. Due to experience gathered in the financial crisis, the creditworthiness of the banking partners of the Bosch Group is closely monitored and the risk mitigated by means of even tighter counterparty limits.

Within the corporate finance department, there is a spatial and functional segregation of trading, settlement, and control functions. Key tasks of the control function include determining risks using the value-at-risk method as well as the basis-point-value method, and regular compliance checks with instructions and guidelines.

Each month, the risk of financial investments is calculated using the value-at-risk concept for the next month. Prescribed risk limits for the various investment categories limit the potential loss. The forecast quality of the value-at-risk method is tested by means of monthly backtesting. Management is informed monthly about the performance of investments and hedges and the result of the risk analyses.

Currency risks
Currency risks of the operative business are mitigated by the central management of selling and purchasing currencies. The currency risk is determined on the basis of the worldwide consolidated cash flow in the respective foreign currencies. Based on the business plan, estimated inflows and outflows in the various countries for the planning period are aggregated in a foreign exchange balance plan. The resulting net position is used for the central management of currency exposures.

The largest net currency position of the planned foreign currency cash flow is in CNY.

Hedging largely takes the form of forward exchange contracts; currency options and currency swaps to secure group financing are used to a lesser extent. These transactions, which are only entered into with banks, are subject to certain minimum requirements.

The risk of the entire operative foreign currency position is determined using the value-at-risk concept, supplemented by worst-case analyses. These risk analyses and the hedge result are determined monthly and presented to management. Interest-bearing investments in currencies other than EUR are also generally hedged against currency fluctuations.

To present the currency risks in accordance with IFRS 7 *Financial Instruments: Disclosures* for the most important foreign currencies, all monetary assets and monetary liabilities denominated in foreign currency for all consolidated companies were analyzed at the end of the reporting period and sensitivity analyses carried out for the respective currency pairs, in terms of the net risk.

A change in the EUR of 10% (starting from the closing rate) against the foreign currencies listed in the table would have the following implications for the profit before tax:

Figures in millions of euros	10% increase in EUR		10% decrease in EUR	
	2010	2009	2010	2009
CHF	123	17	–124	–18
CZK	–27	–31	29	34
HUF	–15	–16	17	17
JPY	20	–15	–30	8
RUB	–14	–13	14	13
USD	–106	–77	100	65

A change in the USD of 10% (starting from the closing rate) against the foreign currencies listed in the table would have the following implications for the profit before tax:

Figures in millions of euros	10% increase in USD		10% decrease in USD	
	2010	2009	2010	2009
CNY	–33	–32	33	32

The effects on earnings shown here mainly result from loans within the Bosch Group which, by way of an exception, were not granted in the local currency of the borrower, e.g. because it can be repaid from expected cash flows in this currency. The currency risk for the statement of financial position does not correspond to the economic risk, which is determined on the basis of forecast cash flows.

Interest-rate risks

Risks from anticipated changes in interest rates on investments and borrowings are limited by means of derivative financial instruments. On the cut-off date, payer swaps were used on a small scale to swap the floating interest expense for promissory note tranches for a fixed rate of interest.

An analysis of the interest risk was carried out in accordance with IFRS 7. The sensitivity analysis considered assets and liabilities subject to floating interest rates, available-for-sale fixed-rate securities, and interest derivatives. Due to immateriality, mutual funds and money market funds are not considered.

A change in the market interest rate by 100 basis points (starting from the interest rate on the cut-off date) would have the following effect on the reserve from securities in equity and the profit before tax:

Figures in millions of euros	Increase in market interest-rate level by 100 basis points		Decrease in market interest-rate level by 100 basis points	
	2010	2009	2010	2009
Reserve from securities	–150	–160	150	160
Profit before tax	8	12	–8	–12

Share-price risks
Derivatives are used on a small scale to limit the risks from investments in shares.

The analysis of the share-price risk in accordance with IFRS 7 took into account share portfolios in the “available-for-sale financial assets” category, investments measured at fair value, as well as share derivatives with a carrying amount of EUR 3,644 million (previous year: EUR 3,365 million).

A change in the share price of 10% (starting from the share price on the cut-off date) would have the following effect on the reserve from securities in equity and the profit before tax:

Figures in millions of euros	10% increase in share price		10% decrease in share price	
	2010	2009	2010	2009
Reserve from securities	365	338	–340	–312
Profit before tax	2	5	–27	–27

Other price risks
The Bosch Group is not exposed to any significant other price risks as defined by IFRS 7.

Credit risks
The maximum credit risk is the carrying amount of the financial assets recognized in the statement of financial position. The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring.

There is no indication at the end of the reporting period of any significant defaults of trade receivables or of other financial assets exposed to credit risks that are neither impaired nor past due.

The sections on trade receivables and non-current financial assets contain further information about credit risks.

Liquidity risks
The development of financial assets and liabilities is recorded and monitored on an ongoing basis. Internal directives regulate the duties and responsibilities of liquidity management and planning. The company has liquidity reserves in the form of highly liquid assets totaling EUR 4,693 million (previous year: EUR 3,404 million). In addition to that, there are two established commercial paper programs with a volume of EUR 1,000 million and USD 2,000 million, neither of which had been drawn at the end of the reporting period. There is also a medium-term-note program with a volume of EUR 3,000 million, of which EUR 2,350 million has been drawn. See the section on current and non-current financial liabilities for more information about liquidity risks.

27 Related parties disclosures

As shareholder, Robert Bosch Industrietreuhand KG exercises majority voting rights at Robert Bosch GmbH. In addition, Robert Bosch Industrietreuhand KG is accountable for the internal audit of the Bosch Group. The costs incurred for this of EUR 10 million (previous year: EUR 11 million) were borne by Robert Bosch GmbH.

A part of the pension obligations and funds has been outsourced to Bosch Pensionsfonds AG. Robert Bosch GmbH is the sole shareholder of Bosch Pensionsfonds AG. Bosch Hilfe e.V. provides assistance to associates of co-owners in emergencies (emergency assistance). Bosch Hilfe e.V. is co-owned by Robert Bosch GmbH, Stuttgart, Robert Bosch Car Multimedia Holding GmbH, Hildesheim, and Robert Bosch Elektronik GmbH, Salzgitter, all in Germany. A part of the asset portfolio of Bosch Hilfe e.V. consists of its ownership in Robert Bosch Wohnungsgesellschaft mbH, Stuttgart, which builds and rents property for Bosch associates.

Robert Bosch Stiftung GmbH, Stuttgart, is the tenant of several properties belonging to Robert Bosch GmbH, Stuttgart.

As of December 31, 2010, receivables from related parties came to EUR 24 million (previous year: EUR 42 million) and liabilities to related parties to EUR 23 million (previous year: EUR 15 million).

Sales revenue, receivables, and liabilities due to and from related parties

Figures in millions of euros	Sales		Receivables		Liabilities	
	2010	2009	2010	2009	2010	2009
FMP Group (Australia) Pty. Ltd., Australia	4	4	1	2	1	1
EMASA, Equipos y Maquinarias S.A., Chile	18	7	5	2		
RBS Thermotechnology Co., Ltd., China		3		3		
Weifu High Technology Co., Ltd., China	10	8	2	1	5	6
BT Magnet-Technologie GmbH, Germany			4	4	1	2
Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, Germany	42	23	8	5		
VB Autobatterie GmbH & Co. KGaA, Germany	3	3		11	1	1
Akebono Brake Industry Co., Ltd., Japan	61		2		12	2
Denso Corporation, Japan	3	3	1	1		
Knorr-Bremse Commercial Vehicle Systems Japan Ltd., Japan					1	1
Ohta Iron Works Co., Ltd., Japan					2	1
Doowon Precision Industry Co., Ltd., Korea	9	6	1			
Advanced Diesel Particulate Filters Sp. z o.o., Poland				13		
Rotzinger AG, Switzerland						1
Associated Fuel Pump Systems Corporation, USA	1	1				

Total remuneration of management in key positions

The members of management in key positions are the general partners of Robert Bosch Industrietreuhand KG, the members of the supervisory council, and the members of the board of management of Robert Bosch GmbH.

The total remuneration of members of management in key positions totals EUR 29 million in the fiscal year 2010 (previous year: EUR 18 million) and breaks down as follows:

Figures in millions of euros	2010	2009
Short-term benefits	21	13
Post-employment benefits	8	5
Other long-term benefits	0	

Share-based payments are not made.

There are no provisions (valuation allowances) for doubtful debts due from key management personnel. Moreover, no expenses were incurred for uncollectible or doubtful receivables.

The Bosch Group pays other related parties compensation totaling EUR 0.2 million (previous year: EUR 0.3 million) for various services, mainly consulting services. At the end of the fiscal year there were neither receivables nor liabilities from these business transactions. Guarantees have neither been given nor received.

28 Additional disclosures pursuant to Sec. 315a HGB

Declaration of compliance with the German Corporate Governance Code
The declaration of compliance required by Sec. 161 AktG ["Aktiengesetz": German Stock Corporations Act] for the listed company aleo solar AG, Prenzlau, Germany, which was included in the consolidated financial statements of the Bosch Group for the first time in the fiscal year 2009, was issued by the board of management and supervisory council of aleo solar AG and is publicly accessible on the internet site of aleo solar AG.

Remuneration of members of the board of management and supervisory council
The total remuneration of the members of the board of management (including provisions) comes to EUR 19 million in the fiscal year (previous year: EUR 11 million), and that of the former members of the board of management and their dependants to EUR 9 million (previous year: EUR 8 million). The remuneration of the members of the supervisory council comes to approximately EUR 1 million. An amount of EUR 97 million (previous year: EUR 80 million) has been accrued at Robert Bosch GmbH for pension commitments to former members of the board of management and their survivors.

Headcount

	Annual average 2010		Annual average 2009	
	Total	of which BSH, KEFI, PFNA, UAES, ZFLS (proportional)	Total	of which BSH, KEFI, PFNA, UAES, ZFLS (proportional)
EU countries	170,522	16,481	172,123	16,428
Rest of Europe	14,171	2,578	13,921	2,363
Americas	32,875	2,015	33,913	2,305
Asia, Africa, Australia	58,850	7,907	54,573	6,623
	276,418	**28,981**	**274,530**	**27,719**

Auditor's fees
The fees of the group auditor for assurance and advisory services in Germany amount to:

Figures in millions of euros	2010	2009
Fees for		
Audit services	4.4	4.7
Audit-related services	0.1	0.1
Tax advisory services	1.4	0.4
Other services	2.5	1.2

Bosch Group shareholdings December 31, 2010

1 Consolidated group

Germany	Company name	Headquarters	Percentage share of capital held
	Robert Bosch GmbH	Stuttgart	
	Robert Bosch Car Multimedia GmbH	Hildesheim	100 [1)]
	Robert Bosch Car Multimedia Holding GmbH	Hildesheim	100 [1), 3)]
	Robert Bosch Elektronik GmbH	Salzgitter	100 [1)]
	Robert Bosch Elektrowerkzeuge GmbH	Sebnitz	100 [1)]
	Robert Bosch Erste Vermögensverwaltungsgesellschaft mbH	Gerlingen	100 [1), 3)]
	Robert Bosch Fahrzeugelektrik Eisenach GmbH	Eisenach	100 [1)]
	Robert Bosch Healthcare GmbH	Waiblingen	100 [1)]
	Robert Bosch Venture Capital GmbH	Gerlingen	100 [1)]
	Robert Bosch Versicherungsvermittlungs-GmbH	Stuttgart	100 [1)]
	Robert Bosch Zweite Vermögensverwaltungsgesellschaft mbH	Gerlingen	100 [1)]
	aleo solar AG	Prenzlau	70.2
	aleo solar Deutschland GmbH	Oldenburg	100
	aleo solar Dritte Produktion GmbH	Prenzlau	100
	Beissbarth GmbH	Munich	100 [1), 3)]
	Bosch Access Systems GmbH	Würselen	100
	Bosch Communication Center Magdeburg GmbH	Magdeburg	100
	Bosch Engineering GmbH	Abstatt	100 [1), 3)]
	Bosch Packaging Services GmbH	Viersen	100 [1)]
	Bosch Pensionsgesellschaft mbH	Stuttgart	100 [1)]
	Bosch Rexroth AG	Stuttgart	100 [1), 3)]
	Bosch Rexroth Electric Drives and Controls GmbH	Lohr am Main	100 [1)]
	Bosch Rexroth Filtration Systems GmbH	Ketsch	100 [1)]
	Bosch Rexroth Mechatronics GmbH	Schweinfurt	100 [1)]
	Bosch Rexroth Pneumatics GmbH	Laatzen	100 [1)]
	Bosch Sensortec GmbH	Kusterdingen	100 [1)]
	Bosch Sicherheitssysteme GmbH	Stuttgart	100 [3)]
	Bosch Sicherheitssysteme Montage und Service GmbH	Weimar	100
	Bosch Solar Operations GmbH	Erfurt	100 [1)]
	Bosch Solar Wafers GmbH	Arnstadt	100 [1)]
	Bosch Solarthermie GmbH	Wettringen	100 [1)]
	Bosch Telecom Holding GmbH	Stuttgart	100 [1), 3)]
	Bosch Thermotechnik GmbH	Wetzlar	100 [1), 3)]
	BSH Bosch und Siemens Hausgeräte GmbH	Munich	50 [2)]
	Buderus Guss GmbH	Breidenbach	100 [1)]
	Buderus Immobilien GmbH	Wetzlar	96 [1)]
	Elektra-Versicherungsvermittlungs-GmbH	Stuttgart	100 [1)]
	Bosch Solar Modules GmbH	Erfurt	100 [1)]
	Bosch Solar Energy AG	Erfurt	100 [1), 3)]
	Bosch Solar Thin Film GmbH	Erfurt	50

Germany	Company name	Headquarters	Percentage share of capital held
	ETAS Entwicklungs- und Applikationswerkzeuge für elektronische Systeme GmbH	Stuttgart	100 [1), 3)]
	EVI Audio GmbH	Straubing	100
	Hägglunds Drives GmbH	Haan	100 [1)]
	Hawera Probst GmbH	Ravensburg	100 [1)]
	Holger Christiansen Deutschland GmbH	Wilnsdorf	100 [1)]
	Holger Christiansen Produktion GmbH	Rothenfels	100 [1)]
	Bosch Solar CISTech GmbH	Brandenburg/Havel	90.7
	Köhler & Ziegler Anlagentechnik GmbH	Lollar	100
	Landau Electronic GmbH	Landau	100
	Loos Deutschland GmbH	Gunzenhausen	100 [1)]
	Moehwald GmbH	Homburg/Saar	100 [1)]
	Paal Verpackungsmaschinen GmbH	Remshalden	100 [1)]
	Pharmatec GmbH	Dresden	100 [1)]
	sia Abrasives Deutschland GmbH	Solingen	100
	sia Abrasives Holding GmbH	Solingen	100
	Sieger Heizsysteme GmbH	Siegen	100 [1)]
	Thüringer Rexroth Pneumatik GmbH	Benshausen	100
	UC Vermögensverwaltung GmbH	Stuttgart	100 [1)]
	VCS Video Communication Systems AG	Nuremberg	100
	ZF Lenksysteme GmbH	Schwäbisch Gmünd	50 [2)]

[1] Pursuant to Sec. 264 (3) HGB, these companies exercise the option exempting them from the duty to publish their financial statements.
[2] Pursuant to IAS 27, the consolidated financial statements were included on a pro rata basis.
[3] Pursuant to Sec. 291 (2) HGB, these companies exercise the option exempting them from the duty to prepare consolidated financial statements.

Outside Germany	Company name	Headquarters	Percentage share of capital held
Europe			
Austria	Robert Bosch AG	Vienna	100
	Bosch Rexroth GmbH	Pasching	100
	Buderus Austria Heiztechnik GmbH	Wels	100
	Loos Austria GmbH	Bischofshofen	100
	Robert Bosch Holding Austria GmbH	Vienna	100
	SBM Schoeller-Bleckmann-Medizintechnik GmbH	Ternitz	100
Belgium	Robert Bosch Produktie N.V.	Tienen	100
	Bosch Thermotechnology N.V. / S.A.	Leuven-Heverlee	100
	Bosch Rexroth N.V.	Brussels	100
	Bosch Security Systems N.V. / S.A.	Kortrijk-Marke	100
	Robert Bosch S.A.	Anderlecht (Brussels)	100
	sia Abrasives Belgium N.V. / S.A.	Mollem	100
	Servico N.V.	Aartselaar	100
Czech	Robert Bosch odbytova s.r.o.	Prague	100
Republic	Robert Bosch, spol. s.r.o.	Ceske Budejovice	100
	Bosch Thermotechnika s.r.o.	Krnov	100
	Bosch Diesel s.r.o.	Jihlava	100
	Bosch Rexroth spol. s.r.o.	Brno	100
Denmark	Robert Bosch A/S	Ballerup	100
	Bosch Rexroth A/S	Hvidovre	100
	Holger Christiansen A/S	Esbjerg	100
Finland	Robert Bosch Oy	Vantaa	100
	Bosch Rexroth Oy	Vantaa	100
	Hägglunds Drives Oy	Vantaa	100
France	Robert Bosch (France) S.A.S.	Saint-Ouen (Paris)	100
	Bosch Centre de Service S.A.S.	Forbach	100
	Bosch Packaging Services S.a.r.l.	Reichstett	100
	Bosch Rexroth DSI S.A.S.	Vénissieux	100
	Bosch Rexroth Fluidtech S.A.S.	Bonneville	100
	Bosch Rexroth S.A.S.	Vénissieux	100
	Bosch Security Systems S.A.S. France	Clamart	100
	Buderus Chauffage S.A.S.	Haguenau	100
	E.L.M. Leblanc S.A.S.U.	Drancy	100
	Geminox S.A.S.U.	Saint Thégonnec	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
	Hägglunds Drives S.a.r.l.	Grenoble	100
	Holger Christiansen France S.A.S.	Olivet	100
	sia Abrasives France S.a.r.l.	Roissy Ch.-de-Gaulle	100
Greece	Robert Bosch S.A.	Peristeri (Athens)	100
	Bosch Thermotechniki S.A.	Athens	100
Hungary	Robert Bosch Elektronika Gyártó Kft.	Hatvan	100
	Robert Bosch Kft.	Budapest	100
	Robert Bosch Energy and Body Systems Kft.	Miskolc	100
	Robert Bosch Power Tool Elektromos Szerszámgyártó Kft.	Miskolc	100
	Bosch Rexroth Kft.	Budapest	100
	Bosch Rexroth Pneumatika Kft.	Eger	100
Ireland	Robert Bosch Ireland Ltd.	Portlaoise	100
Italy	ROBERT BOSCH S.p.A.	Milan	100
	aleo solar Italia S.r.l.	Treviso	100
	BMA Abrasives S.p.A.	Borgo San Giovanni (Lodi)	100
	Bosch Rexroth Oil Control S.p.A.	Milan	94.5
	Bosch Rexroth S.p.A.	Cernusco sul Naviglio, Milan	100
	Bosch Security Systems S.p.A.	Milan	100
	Buderus S.p.A.	Assago	100
	Centro Studi Componenti per Veicoli S.p.A.	Modugno (Bari)	100
	Freud Produzioni Industriali S.p.A.	Milan	100
	Hägglunds Drives S.r.l.	Lainate (Milan)	100
	Holger Christiansen Italia S.r.l.	Bologna	100
	Freud S.p.A.	Brugherio	100
	SICAM S.r.l.	Correggio (Reggio Emilia)	100
	Tecnologie Diesel e Sistemi Frenanti S.p.A.	Modugno (Bari)	100
	VHIT S.p.A.	Offanengo (Crema)	100
Luxembourg	Ferroknepper Buderus S.A.	Esch-sur-Alzette	100
Malta	Robert Bosch Finance Malta, Ltd.	Valetta	100
	Robert Bosch Holding Malta, Ltd.	Valetta	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
Netherlands	Robert Bosch B.V.	Hoofddorp (Amsterdam)	100
	Robert Bosch Holding Nederland B.V.	Boxtel	100
	Robert Bosch Investment Nederland B.V.	Amsterdam	100
	Bosch Thermotechniek B.V.	Deventer	100
	Robert Bosch Packaging Technology B.V.	Weert	100
	Bosch Thermotechnik Holding B.V.	Deventer	100
	Bosch Communications Center B.V.	Nijmegen	100
	Bosch Rexroth B.V.	Boxtel	100
	Bosch Security Systems B.V.	Eindhoven	100
	Holger Christiansen Benelux B.V.	Etten-leur	100
	Nefit B.V.	Deventer	100
	Nefit Vastgoed B.V.	Deventer	100
	Professional Communication, Security & Imaging International Holding B.V.	Eindhoven	100
	Skil Europe B.V.	Breda	100
	Telex Holding Germany B.V.	Boxtel	100
	Telex Holding Hong Kong B.V.	Boxtel	100
	Telex Holding Singapore B.V.	Boxtel	100
	Bosch Packaging Technology B.V.	Schiedam	100
	Bosch Transmission Technology B.V.	Tilburg	100
Norway	Robert Bosch A/S	Ski	100
	Bosch Rexroth A/S	Ski	100
	Hägglunds Drives A/S	Tonsberg	100
Poland	ROBERT BOSCH Sp. z o.o.	Warsaw	100
	Bosch Rexroth Sp. z o.o.	Pruszków	100
	Buderus Technika Grewcza Sp. z o.o.	Tarnowo Podgórne	100
	Holger Christiansen Polska Sp. z o.o.	Poznan	100
Portugal	Robert Bosch Travões, S.A.	Abrantes (Lisbon)	100
	Robert Bosch, S.A.	Lisbon	100
	Robert Bosch Portugal, SGPS, S.A.	Lisbon	100
	Bosch Car Multimedia Portugal, S.A.	Braga	100
	Bosch Security Systems, S.A.	Ovar	100
	Bosch Termotechnologia, S.A.	Aveiro	100
Romania	ROBERT BOSCH S.R.L.	Bucharest	100
	Bosch Communication Center S.R.L.	Timisoara	100
	Bosch Rexroth S.R.L.	Bucharest	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
Russian	Robert Bosch Saratow AG	Engels	100
Federation	OOO Robert Bosch	Moscow	100
	OOO Bosch Rexroth	Moscow	100
	OOO Buderus Otopitelnaja Technika	Moscow	99
Slovakia	Holger Christiansen Produktion Slovakia s.r.o.	Bernolákovo	100
Slovenia	Indramat electromotorji d.o.o.	Skofja Loka	100
Spain	ROBERT BOSCH ESPAÑA, S.L.U.	Madrid	100
	ROBERT BOSCH ESPAÑA FÁBRICA CASTELLET S.A.	Castellet	100
	ROBERT BOSCH ESPAÑA FÁBRICA MADRID S.A.	Madrid	100
	ROBERT BOSCH ESPAÑA FÁBRICA TRETO S.A.	Treto	100
	Robert Bosch España Gasoline Systems S.A.	Madrid	100
	aleo solar España S.L.	Barcelona	100
	aleo solar distribución España S.L.	Barcelona	100
	Bosch Rexroth, S.L.	Barcelona	100
	Bosch Security Systems S.A.	Madrid	100
	BOSCH SISTEMAS DE FRENADO, S.L.	Madrid	100
	sia Abrasives Espana S.A.U.	Madrid	100
Sweden	Robert Bosch AB	Kista	100
	Bosch Rexroth Teknik AB	Stockholm	100
	Bosch Security Systems AB	Askim (Gothenburg)	100
	Grelsson & Wahnér Hydraulic AB	Sundsvall	100
	Hägglunds Drives AB	Mellansel	100
	Hägglunds Drives Production AB	Mellansel	100
	Hägglunds Drives Svenska AB	Mellansel	100
	Holger Christiansen Sverige AB	Örebro	100
	Bosch Thermoteknik AB	Tranas	100
Switzerland	Robert Bosch AG	Zuchwil	100
	Robert Bosch Internationale Beteiligungen AG	Zuchwil	100
	Bosch Power Tools Holding AG	Solothurn	100
	Bosch Rexroth Schweiz AG	Buttikon	100
	Bosch Packaging Services AG	Neuhausen am Rheinfall	100
	Buderus Heiztechnik AG	Pratteln	100
	Buderus Heiztechnik Holding AG	Pratteln	100
	Bosch Packaging Technology SA	Romanel-sur-Lausanne	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
	Sapal S.A.	Ecublens	100
	Scintilla AG	Solothurn	100
	sia Abrasives Industries AG	Frauenfeld	100
	Sigpack Systems AG	Beringen	100
	TeleAlarm Group Holding S.A.	La Chaux-de-Fonds	99.5
	TeleAlarm S.A.	La Chaux-de-Fonds	100
	Transver AG	Altendorf	100
Turkey	Bosch Fren Sistemleri Sanayi ve Ticaret A.S.	Bursa	84.5
	Bosch Termoteknik Sanayi ve Ticaret A.S.	Manisa	100
	Bosch Rexroth Otomasyon Sanayi ve Ticaret A.S.	Sefaköy-Istanbul	100
	Bosch Sanayi ve Ticaret A.S.	Bursa	100
	Isisan Isitma ve Klima Sanayi A.S.	Balmumcu, Istanbul	100
Ukraine	Holger Christiansen Production Ukraine	Krakovets, lviv region	100
United Kingdom	Robert Bosch Ltd.	Denham	100
	Robert Bosch Finance plc	Denham	100
	ROBERT BOSCH INVESTMENT plc	Warndon, Worcester	100
	Bosch Lawn and Garden Ltd.	Stowmarket	100
	Bosch Packaging Services Ltd.	Derby	100
	Bosch Rexroth Ltd.	St. Neots	100
	Bosch Rexroth UK Holdings Ltd.	St. Neots	100
	Bosch Security Systems Ltd.	Denham	100
	Bosch Thermotechnology Ltd.	Worcester	100
	Derwent Systems Ltd.	Cramlington	100
	Extreme CCTV (UK) Ltd.	Cramlington	100
	Forward Vision CCTV Ltd.	Church Crookham	100
	Hägglunds Drives Limited	Wakefield	100
	Holger Christiansen UK Ltd.	Nottingham	100
	Robert Bosch UK Holdings Limited	Denham	100
	sia Abrafoam Ltd.	Alfreton	100
	sia Abrasives (G.B.) Ltd.	Greetland	100
	sia Abrasives Holding Ltd.	Greetland	100
	sia Fibral Ltd.	Greetland	100
	Telex Communications (UK) Ltd.	Mitcham	100
	Worcester Group plc	Warndon, Worcester	100
	Worcester Group Properties Ltd.	Warndon, Worcester	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
Americas			
Argentina	Robert Bosch Argentina Industrial S.A.	Buenos Aires	100
	Bosch Rexroth S.A.I.C.	Buenos Aires	100
Brazil	Robert Bosch Ltda.	Campinas	100
	Robert Bosch Tecnologia de Embalagem Ltda.	Barueri-São Paulo	100
	Bosch Rexroth Ltda.	Atibaia-SP	100
	Hägglunds Drives Comercio de Pecas para Motores Ltda.	São Paulo	100
	sia Abrasivos Industriais Ltda.	São José dos Pinhais	100
Canada	ROBERT BOSCH INC.	Mississauga, ON	100
	Bosch Rexroth Canada Corporation	Welland, ON	100
	Extreme CCTV Inc.	Burnaby, BC	100
	Freud Canada Inc.	Mississauga, ON	100
	Hägglunds Drives (Canada) Inc.	Burlington, ON	100
Mexico	Morse Automotive Corporation Mexico S. de R.L. de C.V.	Juarez	100
	Robert Bosch, S. de R.L. de C.V.	Toluca	100
	Robert Bosch Sistemas de Frenos, S.A. de C.V.	San Luis Potosi	100
	Robert Bosch Sistemas Automotrices, S.A. de C.V.	Juarez	100
	Robert Bosch Tool de Mexico, S.A. de C.V.	Mexicali	100
	Robert Bosch Mexico Holding, S.A. de C.V.	Mexico City	100
	Bosch Rexroth, S.A. de C.V.	Mexico, D.F.	100
	Frenados Mexicanos, S.A. de C.V.	Aguascalientes	100
	Hägglunds Drives, S.A. de C.V.	City of Queretaro	100
	Saguaro Electronica, S.A. de C.V.	Hermosillo	100
United	Robert Bosch LLC	Broadview, IL	100
States	Robert Bosch Finance LLC	Broadview, IL	100
	ROBERT BOSCH FUEL SYSTEMS LLC	Kentwood, MI	100
	Robert Bosch North America Corporation	Broadview, IL	100
	Robert Bosch Packaging Technology Inc.	Brooklyn Park, MN	100
	Robert Bosch Tool Corporation	Louisville, IL	100
	aleo solar North America Inc.	Westminster, CO	100
	Bosch Brake Components LLC	Broadview, IL	100
	Bosch Thermotechnology Corporation	Londonderry, NH	100
	Bosch Packaging Services Inc.	Raleigh, NC	100
	Bosch Rexroth Corporation	Lehigh Valley, PA	100
	Bosch Security Systems Inc.	Burnsville, MN	100
	Compu-Spread Corporation	Delano, DE	100
	Bosch Packaging Technology, Inc.	New Richmond, WI	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
	ETAS Inc.	Ann Arbor, MI	100
	FHP Manufacturing Company	Fort Lauderdale, FL	100
	Freud America Inc.	High Point, NC	100
	Hägglunds Drives, Inc.	Columbus, OH	100
	Health Hero Network Inc.	Palo Alto, CA	100
	Holger Christiansen North America Inc.	Suwanee, GA	100
	Pacifica USA Holdings	West Columbia, SC	100
	PBR Carolina Inc.	West Columbia, SC	100
	PBR International USA Ltd.	Knoxville, TN	100
	PBR Knoxville LLC	Knoxville, TN	100
	PBR South Carolina Inc.	West Columbia, SC	100
	PBR Tennessee Inc.	Knoxville, TN	100
	Purolator Filters North America LLC	Fayetteville, NC	50 [4)]
	Rineer Hydraulics, Inc.	San Antonio, TX	100
	sia Abrasives, Inc. USA	Charlotte, NC	100
	Silicon Processing and Trading, Inc.	Camarillo, CA	100
	Vetronix Corporation	Santa Barbara, CA	100
Venezuela	Inversiones 421.10 (Venezuela Holding)	Caracas	100
	Skil Venezolana SRL	Caracas	100
Asia			
China	Robert Bosch Company Ltd.	Hong Kong	100
	Bosch (China) Investment Ltd.	Shanghai	100
	Bosch (Zhuhai) Security Systems Co., Ltd.	Zhuhai	100
	Bosch Automotive Diesel Systems Co., Ltd.	Wuxi	67
	Bosch Automotive Products (Changsha) Co., Ltd.	Changsha	100
	Bosch Automotive Products (Suzhou) Co., Ltd.	Suzhou	100
	Bosch Chassis Systems (Dalian) Co., Ltd.	Dalian	100
	Bosch Packaging Technology (Hangzhou) Co., Ltd.	Hangzhou	100
	Bosch Power Tools (China) Ltd.	Hangzhou	100
	Bosch Rexroth (Beijing) Hydraulic Co., Ltd.	Beijing	100
	Bosch Rexroth (Changzhou) Co., Ltd.	Changzhou V, Jiangsu Province	100
	Bosch Rexroth (China) Ltd.	Kowloon, Hong Kong	100
	Bosch Rexroth Electric Drives and Controls (Xi'an) Co., Ltd.	Xi'an	100
	Bosch Security Systems Ltd.	Hong Kong	100
	Bosch Trading (Shanghai) Co., Ltd.	Waigaoqiao (Shanghai)	100
	ETAS Automotive Technology (Shanghai) Co., Ltd.	Shanghai	100
	EVI Audio (Hongkong) Ltd.	Hong Kong	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
	Hägglunds Drives Shanghai Ltd.	Shanghai	100
	Shanghai Bosch Rexroth Hydraulics & Automation Ltd.	Shanghai	100
	Telex EVI Audio (Hongkong) Co., Ltd.	Hong Kong	100
	Bosch (Shanghai) Security Systems Ltd.	Waigaoqiao (Shanghai)	100
	United Automotive Electronic Systems Co., Ltd.	Shanghai	51 [4]
India	Bosch Automotive Electronics India Private Ltd.	Bangalore	100
	Robert Bosch Engineering and Business Solutions Ltd.	Bangalore	100
	Bosch Chassis Systems India Ltd.	Pune	97.9
	Bosch Rexroth (India) Ltd.	Ahmedabad	96.4
	Bosch Ltd.	Bangalore	71.2
	Hägglunds Drives (India) Private Limited	Pune	100
Japan	Bosch Corporation	Shibuya-ku, Tokyo	100
	Bosch Packaging Services K.K.	Chiba	100
	Bosch Packaging Technology K.K.	Tokyo	100
	Bosch Real Estate Japan Corporation	Shibuya-ku, Tokyo	100
	Bosch Rexroth Corporation	Ibaraki-ken	99.9
	Daito Hydraulics Co., Ltd.	Tochigi-ken, Nasu-gun	100
	ETAS K.K.	Yokohama	100
	EVI Audio (Japan) Ltd.	Tokyo	100
	FA Niigata Co., Ltd.	Izumozaki-machi/ Niigata pref.	100
	Fuji Aitac Co., Ltd.	Ora-gun/Gunma pref.	100
	Gunma Seiki Co., Ltd.	Takasaki-shi/ Gunma pref.	100
	Hägglunds Ltd.	Kouhoku-ku, Yokohama	100
	Nippon Injector Corporation	Odawara-City	50
	Tokyo Foundry Co., Ltd.	Fukaya-shi	100
Korea	Robert Bosch Korea Diesel Ltd.	Daejeon	100
	Robert Bosch Korea Ltd.	Daejeon	100
	Bosch Rexroth Korea Ltd.	Busan	100
	KEFICO Corporation	Gunpo	50 [2]
	Bosch Electrical Drives Co., Ltd.	Buyong	100
Malaysia	ROBERT BOSCH (MALAYSIA) SDN. BHD.	Penang	100
	ROBERT BOSCH POWER TOOLS SDN. BHD.	Penang	100
	Robert Bosch Sdn. Bhd.	Kuala Lumpur	100
	Bosch Rexroth Sdn. Bhd.	Shah Alam, Selangor	100

Outside Germany	Company name	Headquarters	Percentage share of capital held
	FMP Automotive (Malaysia) Sdn. Bhd.	Shah Alam, Selangor	100
	Pacific BBA (Malaysia) Sdn. Bhd.	Shah Alam, Selangor	100
	PBR (Malaysia) Sdn. Bhd.	Shah Alam, Selangor	100
Singapore	Robert Bosch (South East Asia) Pte. Ltd.	Singapore	100
	ADC Technologies International Pte. Ltd.	Singapore	100
	BOSCH PACKAGING TECHNOLOGY (SINGAPORE) PTE. LTD.	Singapore	100
	Bosch Rexroth Pte. Ltd.	Singapore	100
	Hägglunds Drives SEA Pte. Ltd.	Singapore	100
Taiwan	Bosch Rexroth Co. Ltd.	Taipei Hsien	100
Thailand	Robert Bosch Ltd.	Bangkok	100
	Bosch Automotive Thailand Co. Ltd.	Rayong	87.9
	Bosch Chassis Systems (Thailand) Ltd.	Rayong	100
	FMP Distribution Ltd.	Rayong	49.9
	FMP Group (Thailand) Ltd.	Rayong	100
	Pacific BBA (Thailand) Ltd.	Bangkok	100
Vietnam	Robert Bosch Vietnam Co., Ltd.	Ho Chi Minh City	100
Rest of the world			
Australia	Robert Bosch (Australia) Pty. Ltd.	Clayton	100
	Abrasives Products Pty. Ltd.	Rowville	100
	Australian Industrial Abrasives Pty. Ltd.	Rowville	100
	Bosch Chassis Systems Australia Pty. Ltd.	Melbourne	100
	Bosch Rexroth Pty. Ltd.	Kings Park	100
	Bosch Security Systems Pty. Ltd.	Sydney	100
	Pacifica Group Pty. Ltd.	Melbourne	100
	PacMat China Pty. Ltd.	Melbourne	100
	sia Abrasives Australia Pty. Ltd.	Rowville	100
	sia Abrasives Australasia Holding Pty. Ltd.	Rowville	100
New Zealand	Robert Bosch Ltd.	Auckland	100
	AIA Abrasives Ltd.	Christchurch	100
	Bosch Security Systems Ltd.	Auckland	100
South Africa	Robert Bosch (Pty.) Ltd.	Brits	100

[4] Pursuant to IAS 27, the financial statements were included on a pro rata basis.

2 Companies included in the financial statements of the companies included proportionately in consolidation (proportionate consolidation).

	Company name	Headquarters
Germany	BSH Bosch und Siemens Hausgeräte GmbH	Munich
	BSH Hausgeräte Service GmbH	Munich
	BSH Hausgeräte Service Nauen GmbH	Nauen
	BSH Hausgeräte Vertriebs GmbH	Munich
	BSH Hausgerätewerk Nauen GmbH	Nauen
	BSH Vermögensverwaltungs-GmbH	Munich
	Constructa GmbH	Munich
	Constructa-Neff Vertriebs-GmbH	Munich
	Gaggenau Hausgeräte GmbH	Munich
	Neff GmbH	Munich
	Robert Bosch Hausgeräte GmbH	Munich
	Siemens-Electrogeräte GmbH	Munich
	ZF Lenksysteme GmbH	Schwäbisch Gmünd
	ZF Lenksysteme NACAM GmbH	Bremen
Europe		
Austria	BSH Finance Management GmbH	Vienna
	BSH Hausgeräte Gesellschaft mbH	Vienna
	BSH Home Appliances Holding GmbH	Vienna
Belgium	BSH Home Appliances S.A.	Brussels
Czech Republic	BSH domácí spotřebiče s r.o.	Prague
Denmark	BSH Hvidevarer A/S	Ballerup
Finland	BSH Kodinkoneet Oy	Helsinki
France	BSH Electroménager S.A.S.	St. Ouen
	Gaggenau Industrie S.A.S.	Lipsheim
	ZF-Systèmes de Directions France S.A.S.	Marignier
	ZF Systèmes de Directions Nacam S.A.S.	Vendôme
Greece	BSH Ikiakes Syskeves A.B.E.	Athens
Hungary	BSH Háztartási Készülék Kereskedelmi Kft.	Budapest
	ZF Lenksysteme Hungaria Kft.	Eger
Italy	BSH Elettrodomestici S.p.A.	Milan

	Company name	Headquarters
Luxembourg	BSH électroménagers S.A.	Luxembourg
Netherlands	BSH Huishoudapparaten B.V.	Amsterdam
Norway	BSH Husholdningsapparater A/S	Oslo
Poland	BSH Sprzet Gospodarstwa Domowego Sp. z o.o.	Warsaw
Portugal	BSHP Electrodomésticos, S.U., Lda.	Carnaxide
Romania	BSH Electrocasnice S.R.L.	Bucharest
Russian	OOO BSH Bytovye Pribory	St. Petersburg
Federation	OOO BSH Bytowaja Technika	Moscow
Slovakia	BSH Drives and Pumps s.r.o.	Michalovce
Slovenia	BSH Hišni Aparati, d.o.o.	Nazarje
Spain	BSH Electrodomésticos España S.A.	Huarte
	BSH Krainel, S.A.	Vitoria
	BSH PAE, S.L.	Vitoria
Sweden	BSH Hushållsapparater AB	Stockholm
Switzerland	BSH Hausgeräte AG	Geroldswil
Turkey	BSH Ev Aletleri Sanayi ve Ticaret A.S.	Istanbul
Ukraine	TOV BSH Pobutova Technika	Kiev
United Kingdom	BSH Home Appliances Ltd.	Milton Keynes
Americas		
Argentina	BSH Electrodomésticos S.A.	Buenos Aires
Brazil	ZF Sistemas de Direcáo Ltda.	Sorocaba
	BSH Indústria e Comércio de Eletrodomésticos Ltda.	São Paulo
Canada	BSH Home Appliances Ltd. / Électroménagers BSH Ltée	Mississauga, ON

	Company name	Headquarters
Mexico	BSH Electrodomesticos S.A. de C.V.	Mexico City
Peru	BSH Electrodomésticos S.A.C.	Callao-Lima
United	BSH Home Appliances Corporation	Huntington Beach, New Bern
States	ZF Steering Systems LLC	Florence, KY
Uruguay	Briky S.A.	Montevideo
Asia		
China	BSH Electrical Appliances (Jiangsu) Co., Ltd.	Nanjing
	BSH Electrical Appliances (Anhui) Co., Ltd.	Chuzhou
	BSH Home Appliances Co., Ltd.	Chuzhou
	BSH Home Appliances Ltd.	Hong Kong
	BSW Household Appliances Co., Ltd.	Wuxi
	BSH Home Appliances (China) Co., Ltd.	Nanjing
	BSH Home Appliances Holding (China) Co., Ltd. (Jiangsu)	Nanjing
	BSH Home Appliances Service Jiangsu Co., Ltd.	Nanjing
	KEFICO Automotive Systems (Beijing) Co., Ltd.	Beijing
	ZF Commercial Vehicle Steering (Shandong) Co., Ltd.	Jinan
	ZF Shanghai Steering Co., Ltd.	Shanghai
	ZF Shanghai Steering System (Yan Tai) Co., Ltd.	Yan Tai
	ZF Steering Jincheng (Nanjing) Co., Ltd.	Nanjing
India	BSH Home Appliances Private Limited	Mumbai
Israel	BSH Home Appliances Ltd.	Tel Aviv
Korea	KEFICO Corporation	Gunpo
Malaysia	BSH Home Appliances Sdn. Bhd.	Kuala Lumpur
	ZF Steerings (Malaysia) SDN. BHD.	Perai, Penang
Saudi Arabia	BSH Home Appliances Saudi Arabia LLC	Jeddah
Singapore	BSH Home Appliances Pte. Ltd.	Singapore
Thailand	BSH Home Appliances Manufacturing Ltd.	Kabinburi
	BSH Home Appliances Ltd.	Bangkok

	Company name	Headquarters
United Arab		
Emirates	BSH Home Appliances FZE	Dubai
Vietnam	KEFICO Vietnam Company Limited	Hai Duong City
Rest of the world		
Australia	BSH Home Appliances Pty. Ltd.	Heatherton
Morocco	BSH Electroménagers (SA)	Casablanca
New Zealand	BSH Home Appliances Ltd.	Auckland
South Africa	BSH Home Appliances (Pty.) Ltd.	Johannesburg
Tunisia	BSH Home Appliances Sarl	Tunis

3 Affiliated companies valued at the lower of cost or market

	Company name	Headquarters	Percentage share of capital held
Germany	AIG Planungs- und Ingenieurgesellschaft mbH	Stuttgart	100
	Asanetwork GmbH	Willstätt	23.3
	Bosch Emission Systems GmbH & Co. KG	Stuttgart	55
	Bosch Emission Systems Verwaltungs-GmbH	Stuttgart	55
	Bosch Global Travel Management GmbH	Stuttgart	100
	Bosch Management Support GmbH	Leonberg	100
	Bosch Mahle Turbo Systems GmbH & Co. KG	Stuttgart	50
	Bosch Mahle Turbo Systems Verwaltungs GmbH	Stuttgart	50
	Bosch Pensionsfonds AG	Stuttgart	100
	Bosch Reisebüro GmbH	Stuttgart	100
	Bosch Rexroth Interlit GmbH	Joachimsthal	100
	BT Magnet-Technologie GmbH	Herne	50
	CDE - Packaging GmbH	Glauburg-Stockheim	49
	erphi electronic GmbH	Holzkirchen	100
	GFI Gesellschaft für Infrastrukturdienste mbH	Reutlingen	100
	IGUS - Innovative Technische Systeme GmbH	Dresden	80.8
	Innovations Software Technology GmbH	Immenstaad	100
	Knorr-Bremse Systeme für Nutzfahrzeuge GmbH	Munich	20

	Company name	Headquarters	Percentage share of capital held
	Makat Candy Technology GmbH	Dierdorf	100
	part GmbH	Bad Urach	50
	Prüfzentrum Boxberg GmbH	Boxberg	100
	Robert Bosch Car Multimedia Personal Service GmbH	Hildesheim	100
	Robert Bosch Immobilien GmbH	Stuttgart	100
	Robert Bosch Immobilienverwaltungs GmbH & Co. KG	Stuttgart	100
	Robert Bosch Technical and Business Solutions GmbH	Schwieberdingen	100
	Service- und Betriebsgesellschaft Heidehof GmbH	Stuttgart	100
	SupplyOn AG	Hallbergmoos	38.5
	thermea. Energiesysteme GmbH	Freital	24
	TMS Technik & Marketing Service GmbH	Hildesheim	100
	Valicare GmbH	Frankfurt am Main	100
	VB Autobatterie GmbH & Co. KGaA	Hannover	20
	VB Management GmbH	Hannover	20
	WQ Management GmbH	Wernau	100
Europe			
Austria	Bosch General Aviation Technology GmbH	Vienna	100
	sia Abrasives GmbH	Schwaz	100
Belarus	Robert Bosch OOO	Minsk	100
Bulgaria	Robert Bosch EOOD	Sofia	100
Croatia	Robert Bosch d.o.o.	Zagreb	100
Czech			
Republic	Kotle-Loos spol. s.r.o.	Prague	100
Denmark	Moeller & Devicon A/S	Sandved	100
	ScandiaPack ApS	Ballerup	24.2
Estonia	Robert Bosch OÜ	Tallinn	100
France	Bosch Techniques d'Emballage S.A.S.	Reichstett	100
	ETAS S.A.S.	Rungis	100
	Loos France S.A.S.	Cernay Cedex	100
Greece	Bosch Rexroth S.A.	Athens	100

	Company name	Headquarters	Percentage share of capital held
Hungary	Bosch Electronic Service Kft.	Kecskemét	100
	Buderus Hungaria Futéstechnika Kft.	Szigetszentmiklós	100
	Sigpack Gyártástechnológiai Kft.	Pécel	100
Italy	ARESI S.p.A.	Brembate	100
	BARI SERVIZI INDUSTRIALI Società consortile a r.l.	Modugno	33.3
	MA.NA. S.r.l.	Borgo San Giovanni (Lodi)	50
	Oleodinamica Gambini S.r.l.	Modena	20
Kazakhstan	TOO Robert Bosch	Almaty	99.9
Latvia	Robert Bosch SIA	Riga	100
	Buderus Baltic SIA	Riga	100
Lithuania	UAB Robert Bosch	Vilnius	100
Poland	Advanced Diesel Particulate Filters Sp. z o.o.	Wroclaw	100
	Loos Centrum Sp.z o.o.	Warsaw	26
Russian	OOO “Construction & investments”	Khimki	100
Federation	OOO Bosch Power Tools	Engels	100
Serbia	Robert Bosch DOO	Belgrade	100
Slovakia	Robert Bosch spol. s.r.o.	Bratislava	100
	Valicare s.r.o.	Trencin	51.1
	Buderus Vykurovacia technika spol. s.r.o.	Bratislava	100
	Kotle-Loos Slovakia s.r.o.	Bratislava	100
Slovenia	Robert Bosch d.o.o.	Ljubljana	100
Spain	Industrial J. Gispert S.A.	Rubi (Barcelona)	100
Sweden	Totalkonsult i Sverige AB	Falkenberg	49
Switzerland	Bosch Pouch Systems AG	Neuhausen a. Rhf.	100
	Pharmatec Schweiz GmbH	Pratteln	100
	Rotzinger AG	Kaiseraugst	46.7

	Company name	Headquarters	Percentage share of capital held
Ukraine	Robert Bosch Ltd.	Kiev	100
United Kingdom	Beissbarth UK Ltd.	Nottingham	100
	ETAS Ltd.	Osbaldwick, York	100
	Freud Tooling UK Ltd.	Leeds	100
Americas			
Brazil	Ishida do Brasil Ltda.	Osasco	50
	Metapar Usinagem Ltda.	Curitiba-Paraná	100
	Bosch Management Support Ltda.	Campinas	99.9
Chile	EMASA, Equipos y Maquinarias S.A.	Santiago de Chile	42.4
	Robert Bosch S. A.	Santiago de Chile	100
Columbia	Robert Bosch Ltda.	Bogota	100
Mexico	sia Abrasivos México, S.A. de C.V.	Mexico City	100
	Swiss Servicios, S.A. de C.V.	Mexico City	100
Panama	Robert Bosch Panama S.A.	Panama City	100
Peru	Robert Bosch S.A.C.	Lima	100
United	Akustica Inc.	Pittsburgh, PA	100
States	Associated Fuel Pump Systems Corporation	Anderson, SC	50
	Bosch Chassis Systems Columbia LLC	West Columbia, SC	100
	Bosch Management Services Corporation	Wilmington, DE	100
	Bosch Pouch Systems LLC	Wilmington, DE	100
	Innovations Software Technology Corporation	Chicago, IL	100
	North America Fuel Systems Remanufacturing LLC	Kentwood, MI	50
	RoboToolz Inc.	Mountain View, CA	100
	RTI Technologies Co., Ltd.	York, PA	100
	Visual Telecommunication Network Inc.	McLean, VA	100
	Woodworking Tools Distribution LLC	High Point, NC	100
Venezuela	Robert Bosch S.A.	Caracas	100
	Bosch Rexroth S.A.	Caracas	100

	Company name	Headquarters	Percentage share of capital held
Asia			
China	avim solar production Co. Ltd.	Gaomi	50
	Bosch Automotive Diagnostics Equipment (Beijing) Ltd.	Beijing	90
	Bosch Automotive Diagnostics Equipment (Shenzhen) Ltd.	Shenzhen	100
	Bosch (Donghai) Automotive Test & Technology Center Co., Ltd.	Donghai	100
	Bosch (Hulunbeier) Automotive Test and Technology Centre Co., Ltd.	Yakeshi	100
	Bosch Thermotechnology (Beijing) Co., Ltd.	Tianjin	100
	Dalian Rexroth Control Technology Ltd.	Dalian	50
	Freud International Trading (Shanghai) Co., Ltd.	Shanghai	100
	Loos China Ltd.	Hong Kong	100
	Nanjing Bovon Power Tools Co.	Nanjing	50
	Nanjing Huade Spark Plug Co., Ltd.	Nanjing	100
	Bosch Gardening Equipment (Ningbo) Co. Ltd.	Yuyao City	100
	RBS Thermotechnology Co., Ltd.	Shanghai	70
	Bosch Laser Equipment (Dongguan) Limited	Dongguan	100
	Shanghai Electric Solar Energy Co., Ltd.	Shanghai	35
	sia Abrasives Company Ltd.	Hong Kong	30
India	Bosch Electrical Drives India Private Ltd.	Chennai	92.5
	ETAS Automotive India Private Ltd.	Bangalore	100
	MHB Filter India Private Ltd.	Bangalore	50
	MIVIN Engineering Technologies Private Ltd.	Bangalore	100
	Precision Seals Manufacturing Ltd.	Pune	100
Indonesia	P.T. Bosch Rexroth	Jakarta	100
	P.T. Robert Bosch	Jakarta	100
Japan	Advanced Driver Information Technology Corporation	Kariya-Shi, Aichi-Ken	50
	Bosch Engineering K.K.	Yokohama	100
	Kanto Seiatsu Kogyo Co., Ltd.	Kodama-cho	86.7
	Knorr-Bremse Commercial Vehicle Systems Japan, Ltd.	Toshima-ku, Tokyo	20
	Mecman Japan, Ltd.	Saitama-Ken, Yono-shi	40
	Ohta Iron Works Co., Ltd.	Isehara-shi, Kanagawa pref.	32
Korea	Doowon Precision Industry Co., Ltd.	Seoul	40
	ETAS Korea Co., Ltd.	Seoul	100
	SB LiMotive Company Ltd.	Suwon	49.9

	Company name	Headquarters	Percentage share of capital held
Malaysia	ROBERT BOSCH (PENANG) SDN. BHD.	Penang	100
Philippines	Robert Bosch Inc.	Manila	100
	Robert Bosch Communication Center Inc.	Manila	100
Taiwan	Robert Bosch Taiwan Co. Ltd.	Taipei	100
United Arab			
Emirates	Robert Bosch Middle East FZE	Dubai	100
Vietnam	Robert Bosch Engineering and Business Solutions Vietnam Co. Ltd.	Ho Chi Minh City	100
Rest of the world			
Australia	Beissbarth (Australia) Pty. Ltd.	Thomastown	100
	FMP Group (Australia) Pty. Ltd.	Ballarat	49.0
New Zealand	Bosch Rexroth Ltd.	East Tamaki, Auckland	100
South Africa	Hägglunds Drives South Africa (Pty.) Ltd.	Fourways	100

Stuttgart, March 8, 2011

Robert Bosch GmbH
The Board of Management

Auditor’s Report

We have audited the consolidated financial statements prepared by Robert Bosch GmbH, Stuttgart, comprising the income statement, the statement of comprehensive income, the statement of financial position, statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2010. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB (“Handelsgesetzbuch”: German Commercial Code) and supplementary provisions of the shareholder agreement is the responsibility of the parent Company’s Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA).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 the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system 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 those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company’s Managing Directors, 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 based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and supplementary provisions of the shareholder agreement, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.

Stuttgart, March 8, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Franz Wagner
German Public Auditor

Dieter Wißfeld
German Public Auditor

Ten-Year Summary of the Bosch Group

	2001	2002	2003[1]	2004[2]	2005[2]	2006	2007	2008	2009	2010
Sales revenue	**34,029**	**34,977**	**36,357**	**38,954**	**41,461**	**43,684**	**46,320**	**45,127**	**38,174**	**47,259**
Percentage share of sales revenue generated outside Germany	72	72	71	72	73	74	75	74	76	77
Research and development cost[3]	2,274	2,487	2,650	2,715	3,073	3,348	3,583	3,889	3,603	3,810
– as a percentage of sales revenue	6.7	7.1	7.3	7.0	7.4	7.7	7.7	8.6	9.4	8.1
Capital expenditure	2,368	2,006	2,028	2,377	2,923	2,670	2,634	3,276	1,892	2,379
– of which in Germany	905	903	1,002	1,057	974	968	1,138	1,610	928	1,023
– of which outside Germany	1,463	1,103	1,026	1,320	1,949	1,702	1,496	1,666	964	1,356
– as a percentage of sales revenue	7.0	5.7	5.6	6.1	7.0	6.1	5.7	7.3	5.0	5.0
– as a percentage of depreciation	123	108	118	135	156	116	108	136	80	100
Depreciation of property, plant, and equipment	1,924	1,865	1,713	1,758	1,870	2,309	2,428	2,410	2,374	2,373
Annual average number of associates (thousands)	218	226	229	234	249	258	268	283	275	276
– located in Germany	99	103	105	107	110	110	111	114	113	112
– located outside Germany	119	123	124	127	139	148	157	169	162	164
– as of Jan. 1 of subsequent year	221	224	232	238	251	261	271	282	271	284
Personnel expenses	9,959	10,815	10,994	11,179	11,936	12,534	12,896	12,994	12,787	14,132
Total assets	**27,783**	**27,475**	**31,995**	**41,170**	**45,554**	**46,940**	**48,568**	**46,761**	**47,509**	**52,683**
Equity	9,014	8,885	11,760	17,428	20,943	22,482	24,825	23,009	23,069	26,243
– as a percentage of total assets	32	32	37	42	46	48	51	49	49	50
Cash flow	3,681	3,352	3,727	3,977	4,352	4,521	5,052	4,032	1,910	5,460
– as a percentage of sales revenue	10.8	9.6	10.3	10.2	10.5	10.3	10.9	8.9	5.0	11.6
Profit after tax	650	650	1,100	1,870	2,450	2,170	2,850	372	–1,214	2,489
Unappropriated earnings (dividend of Robert Bosch GmbH)	50	60	60	63	63	69	72	75	67	82

Currency figures in millions of euros

[1] Before 2004, figures pursuant to the provisions of the German commercial code
[2] With the exception of profit after tax, without discontinued operations
[3] Including development work charged directly to customers

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Additional information can be taken from the company brochures
– Bosch today
– Corporate Social Responsibility

The above brochures can be ordered at:

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