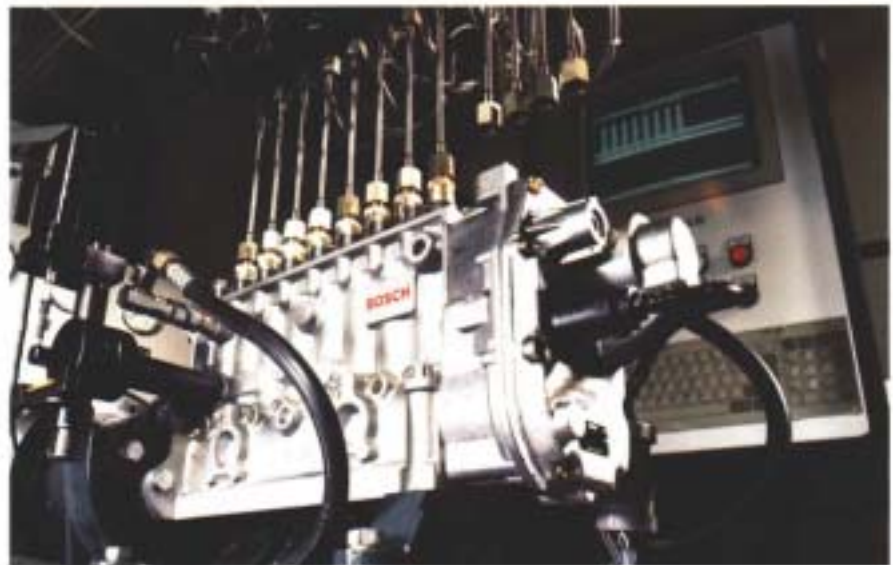
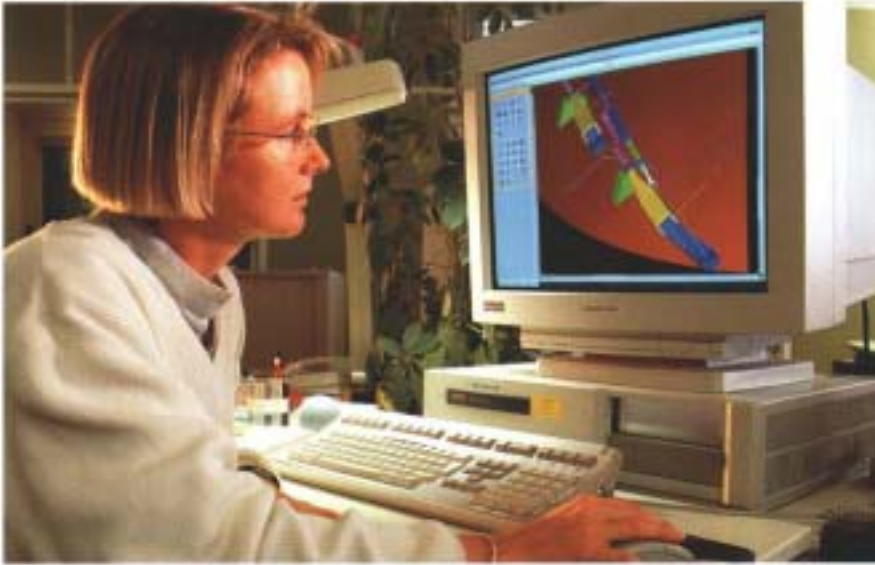


Annual Report 1995



BOSCH

Photo above: Design engineer during construction work with a monitor.

Small photo: Reutlingen plant: Meeting in progress in the clean-room of our new semiconductor facility.

Photo below: Engine test-stand with control-sleeve pump; an electronically controlled injection system for diesel-powered engines.

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Key Figures

Bosch Group Worldwide	1995	1994
Sales	35,844	34,478
Change compared to the prior year as a percentage	+ 4.0	+ 6.2
Foreign sales		
as a percentage of sales	56	54
Expenditures for research and development	2,474	2,255
as a percentage of sales	6.9	6.5
Additions to tangible fixed assets	2,056	1,578
as a percentage of depreciation	117	90
Number of employees		
Annual average	158,372	156,464
as of January 1, 1996/1995	156,771	153,794
Total assets	28,504	27,373
Equity capital	9,038	8,583
as a percentage of total assets	32	31
Net income for the year	550	512
Unappropriated earnings	67.5	60.0

Values in million DM

Situation Report

Growth of the worldwide economy slowed down in 1995. Western Europe experienced a reduction from 3% to 2.5%, and Germany from 2.9% to 1.9%. The growth rate in North America declined as well, dropping from 4% to 3%. The Japanese economy remained stagnant for the fourth consecutive year. In contrast, developing countries and emerging countries, especially in the Far East experienced strong growth.

Foreign sales as part of total sales increased again

In 1995, consolidated sales of the Bosch Group increased 4.0% to 35.8 billion DM. The share of foreign sales increased to 56 (1994: 54)%.

The sales increase as expressed in DM barely reflects the real picture for the Bosch Group. Exchange rates of important foreign markets changed, in some instances considerably, during the course of the year. These changes resulted in a reduction of our sales volume by around 1.2 billion DM when sales in foreign currencies were converted to DM. Without this conversion total sales would have increased by 7.4%.

Changes in currency values, as well as the high wage agreement with the German Metal Industry Union in March of 1995, impacted our business considerably. In order not to lose market shares it was necessary to considerably lower our prices in important export markets. This severely impacted our earnings.

As in the prior year, growth took place mainly abroad. After adjustments for currency variations, increases in the sales of our Regional Subsidiaries were above-average. This applied particularly to Brazil, India, Spain, and the USA. In total,

our foreign sales grew 7.8% to 20.1 billion DM.

Progress of the business sectors

In the Automotive Equipment Business Sector, sales increased by 4.7% to 20.5 billion DM. The increases here resulted from stronger demand for diesel fuel-injection systems, as well as for electrical and electronic bodywork products. The Consumer Goods Business Sector increased sales by 6.1% to 7.9 billion DM. In the Capital Goods Business Sector, heavy sales of hydraulic and pneumatic products, and industrial equipment, resulted in sales increases of 6.0% to 2.0 billion DM. Due to rapidly falling prices, sales of equipment by the Communications Technology Business Sector dropped 2.3% to 5.4 billion DM.

Further intensification of international activities

We continued to increase our activities in foreign countries. To expand our product program and to enter new markets, we concluded several contracts for the acquisition of enterprises or creation of joint ventures.

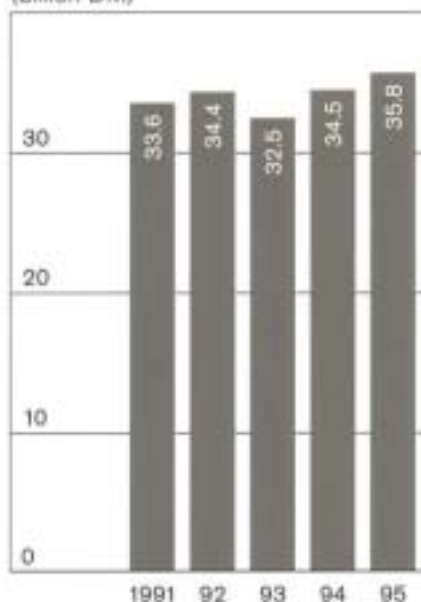
Acquisition of companies in Europe and in the United States

We acquired Van Doorne's Transmissie b.v., Tilburg, Netherlands. This company employs 220 people and is the leading producer of sliding-link steel belts for continuously variable transmissions (CVT) in passenger cars.

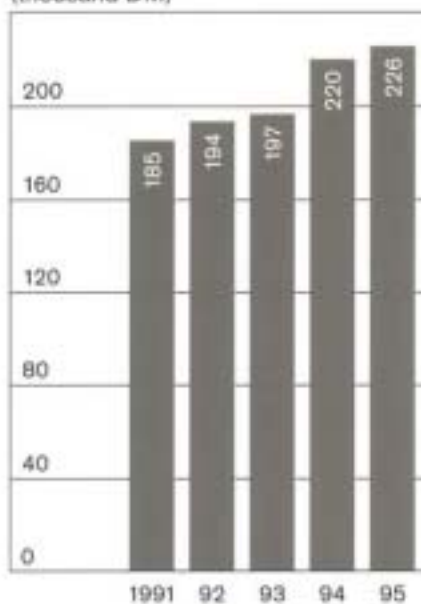
In Great Britain, we acquired Atco-Qualcast Ltd, Stowmarket. This company is an important producer of gardening tools, especially lawn mowers. It employs approximately 500 people.

In the USA we acquired TL Systems Corporation, Brooklyn Park, MN, a specialist for sterile filling and packaging of liquid pharmaceuti-

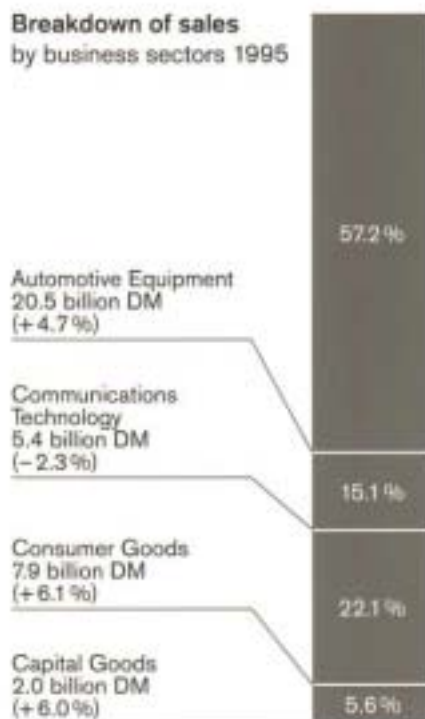
Sales
Progress 1991-1995
(billion DM)



Sales per employee
Progress 1991-1995
(thousand DM)



**Breakdown of sales
by business sectors 1995**



icals. The company employs 130 persons.

It has long been one of our business goals to enter the braking-system business for passenger cars and light commercial vehicles. We reached an agreement with Allied Signal Inc, Morristown, New Jersey, USA, to acquire their business operations for braking systems in passenger cars, and light and medium commercial vehicles. This step will make us one of the world's largest suppliers of complete braking systems for all types of motor vehicles.

In addition, we concluded negotiations with our partner Emerson Electric Company, St. Louis, MO, USA, to acquire, effective October 1, 1996, their shares of the S-B Power Tool Company in the USA, which had been formed as an equal representation joint venture company in 1992. This company belongs to the group of leading manufacturers of electric power tools in North America.

We founded joint venture companies in China

We continued our progress in forming joint ventures in China. In 1995, we were able to successfully conclude negotiations in 6 different cases, and formed new companies.

We acquired shares in Wuxi Europe-Asia Diesel Fuel Injection Co Ltd at Wuxi for the production and sale of nozzles and nozzle holders for diesel injection systems. Our Japanese Licensee Zexel Corporation, Tokyo, and ourselves hold 26% each. The rest remains with the Chinese partner Weifu Co Ltd, Wuxi.

Together with Zhong-Lian Automotive Electronics Co Ltd, a consortium initiated by the Chinese central government, we founded a joint-venture company for the production

and sale of gasoline fuel-injection equipment. Each partner holds a 50%-share in the United Automotive Electronic Systems Co Ltd located in Shanghai. It is planned to start production during the second half of 1996.

Together with Hangzhou Steam Turbine & Power (Group) Co, Hangzhou, and Trading Company C. Melchers GmbH & Co, our long-time sales partner for electric power tools in China, we formed a company which will produce and sell electric power tools in China. Production is due to start in mid-1996. Our interest in Hangzhou Power Tools Co Ltd is 60%, our Chinese partner holds 30% and Melchers 10%.

Together with Guangdong Shenzhou Group Co Ltd, we founded Guangdong Shenzhou Gas Appliances Co Ltd, which, at Lecong, in the vicinity of Guangdong produces and sells gas-fired hot-water appliances and table ranges. Our share of the company is 60%.

For the production of hydraulic gear pumps, we founded, together with Huaiyin Machinery Factory, Huaiyin, the Jiangsu Bosch Hydraulics Co Ltd. In this company, Bosch owns 55% and the Chinese partner 45%.

Together with Nanjing Electro-Ceramic Factory (NECF), Nanjing, we founded another joint venture: Nanjing Huade Spark Plug Co Ltd, Nanjing, which produces and sells spark plugs in China, Bosch holds 51% and NECF 49%.

NECF will contribute its production facility for spark plugs at Nanjing to the joint venture. The production will undergo a step by step conversion to Bosch license.

Enterprises with European partners

In Europe we founded a joint venture together with Janivo Holding BV, Breda (Netherlands). This joint venture will digitalize street maps that are used with our vehicle-navigation systems. Both partners hold 50% in Tele Atlas BV, Breda.

Another two joint ventures are planned for Russia. Together with AOOT Elektronye Pribor, Rjasan, we agreed to build a facility for headlamps and other lamps for the Russian market. In this joint venture, Bosch will hold 51%. Early 1996, we signed a contract with three Russian partners for the foundation of Bosch Saratov GmbH. This enterprise, situated at Saratov on the river Wolga, will produce and sell gasoline fuel-injection systems.

Worldwide strategy also applies to household appliances

Bosch-Siemens Hausgeräte GmbH (BSHG), Munich, in which Bosch and Siemens both hold 50%, increased its capacity at home and abroad.

BSHG acquired the majority share of BS Continental SA Utilidades Domésticas, São Paulo. This company is the third largest Brazilian producer of household appliances and market leader with ranges. In China, together with Wuxi Little Swan Co Ltd, Wuxi, BSHG founded two joint ventures for the manufacture of washing machines and ranges. In Turkey, BSHG acquired the majority capital of the home-appliance producer PEG Profilo Elektrik Gereçler Sanayii AS, Istanbul. In addition, BSHG decided to build a facility for the production of dishwashers in the USA.

In Germany, the BSHG acquired the complete interest of Gaggenau Werke Haus- und Lufttechnik GmbH, Gaggenau, a producer of household appliances.

Further internationalisation of sales and purchasing

Our efforts to force ahead with the expansion of our foreign business, together with increasing competition, demand that we intensify the alignment of our sales and purchasing to international requirements.

The worldwide orientation of our purchasing activities was expanded to include Eastern European countries, specifically Hungary, Poland, Russia, and Slovenia. Total purchases of the Bosch Group for materials, services, and tangible fixed assets amounted to 17.4 (1994: 16.1) billion DM.

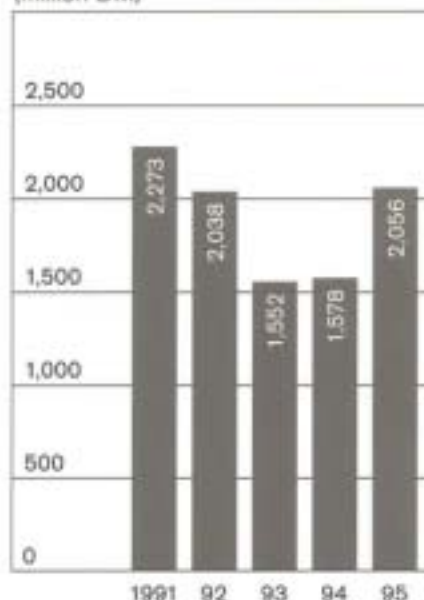
It is the goal of our aftermarket organization to explore and make full use of the opportunities deriving from the growing together of the European Union, and to promote an even better and more customer-oriented approach to the market. In 1995, we launched a number of such large projects. Initially, these include the creation of an international warehousing combination and a central, Europe-wide planning and stock-control system. Similar projects are scheduled for North and South America.

Intensive cooperation with our suppliers

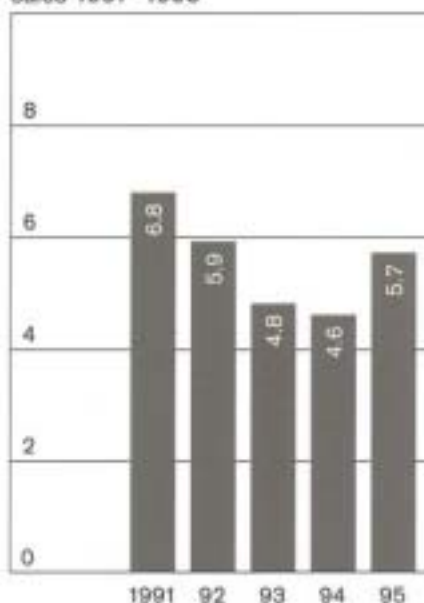
The majority of our suppliers are medium-size companies which in 1995 again proved to be very flexible and highly innovative. For the fifth time since 1987, we made awards for quality and for special efforts. More than 60 suppliers received awards in 1995.

Together with our suppliers, we again conducted a large number of projects in order to decrease costs for parts, assemblies and products, as well as to improve production processes. In order to quickly and directly communicate, we increasingly used data transmission.

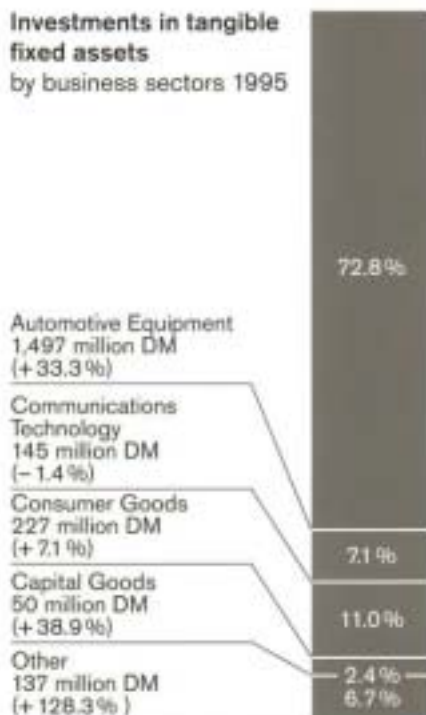
Investments in tangible fixed assets
Progress 1991–1995
(million DM)



Investments in tangible fixed assets
Progress as a percentage of sales 1991–1995



Investments in tangible fixed assets by business sectors 1995



DIN EN ISO 9001 used to certify quality management

The requirements laid down in the international quality standard DIN EN ISO 9001 are complied with by all of our Divisions.

Following a certification phase which lasted several months, we received the certification in December 1995. In the future, this certification will constitute an important prerequisite for the standard approval of those automotive components which are subject to design certification via the Federal Motor-Vehicle Registration Agency.

Top technology at attractive prices

On a worldwide basis, Bosch is among the top ten enterprises holding the most patent applications. In order to preserve our high innovative power, we annually invest considerable sums in research and development. In 1995, we increased these expenditures by 9.7% to 2.5 billion DM; this is almost double the investment of a decade ago. Expressed as a percentage of sales, R&D expenditure rose from 5.3% in 1986 to 6.9% in 1995. We intend to continue to provide top technology at attractive prices in the future.

Important new products introduced to the market

In addition to the expansion of our international activities, 1995 was marked by the introduction of two important, innovative products to the market.

In May 1995, we became the first manufacturer worldwide to bring a novel system for motor-vehicle stabilization onto the market, known as Vehicle Dynamics Control (VDC). This system is based on the principles of the antilock braking system (ABS) and traction control (ASR), and considerably decreases the danger of skid-

ding without any interference being necessary by the driver. It reinforces our position in the field of active safety systems and guarantees, similar to the introduction of gasoline fuel-injection systems and antilock braking systems, our leading position in today's highly competitive environment.

In June, we introduced our new vehicle-navigation system to the market with which the driver is directed to the destination by voice. It was exceptionally well received by the market.

Substantial increase of investments in tangible fixed assets

Investments in tangible fixed assets increased 30.3% to 2.1 (1994: 1.6) billion DM, 117% of depreciation on tangible fixed assets. Approximately 61 (1994: 61)% of these investments were made in Germany; 92 (1994: 88)% were for machinery and equipment. For land and buildings we invested 160 (1994: 142) million DM, of which 75 (1994: 79) million DM were invested domestically, and 85 (1994: 63) million DM abroad. In the new states, we concluded the extensive renewal work needed at our Brotterode, Radeberg, and Sebnitz factories.

Decisions on locations in Germany

We decided on locations in Baden-Württemberg for two investments which are important for the future of our company. We consider our decision to be a contribution towards preserving Germany as a viable industrial location.

Since 1970, we have been manufacturing semiconductors in Reutlingen where, in October 1995, we began production at our new semiconductor facility. This factory represents an investment of 220 million DM and increases our viability as an electronics enterprise.

Up to now, semiconductor production in Reutlingen was restricted to the manufacture of silicon wafers in four-inch technology. The new factory produces six-inch wafers which permit more than twice the number of chips per wafer.

In December 1995, we approved the planning of a vehicle test facility in Boxberg. This project will serve for the development and testing of antilock braking systems (ABS) and vehicle dynamics control systems (VDC), as well as of new systems for the improvement of vehicle safety. It will cost close to 100 million DM.

Number of employees increased

On annual average, the number of employees increased by 1,908 to 158,372 (1994: 156,464). However, this number is the result of changes in the consolidated group. Computed comparatively, the number of employees dropped by around 1,500 to about 155,000.

The increase occurred exclusively in foreign countries, where the average workforce totalled 66,502 (1994: 61,281). The domestic workforce dropped to 91,870 (1994: 95,183).

Inadequate increase in profitability

The 1995 financial results were unsatisfactory. Changing currency parities strongly impacted foreign earnings. Furthermore, the financial results were negatively affected by the union-scale pay agreements reached in the German metal industry in the spring of 1995. Our measures to lower costs did not compensate for these increases.

In order to improve profitability, we were forced to make decisive structural changes. It has become necessary to discontinue several domestic locations and to concentrate production. The facilities concerned

are at Leonberg, Lorch, Möglingen, Rödermark and Wolfenbüttel.

We have offered employment to most of the employees in other, nearby facilities of the Bosch Group.

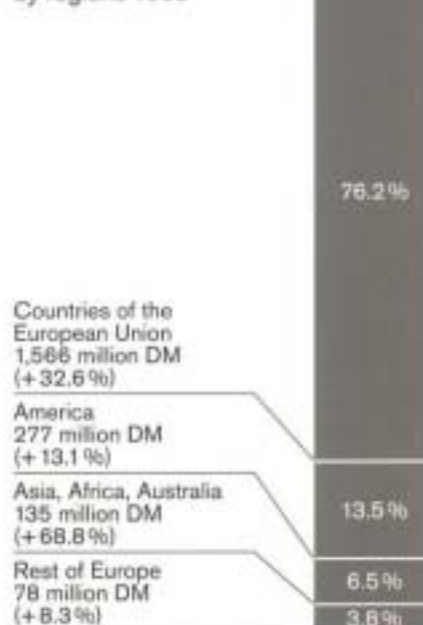
Conclusion of the reorganization of the Communications Technology Business Sector

We concluded the corporate reorganization of the Communications Technology Business Sector. Retroactive to January 1, 1995, we combined ANT Nachrichtentechnik GmbH, Telenorma GmbH, Bosch Telecom Öffentliche Vermittlungstechnik GmbH, as well as the radio and broadband technology of Robert Bosch GmbH to form Bosch Telecom GmbH, Stuttgart. We acquired the remaining shares of the Gesellschaft für Betriebsfunksysteme mbH, Stuttgart, from Ascorm Holding, Berne, Switzerland.

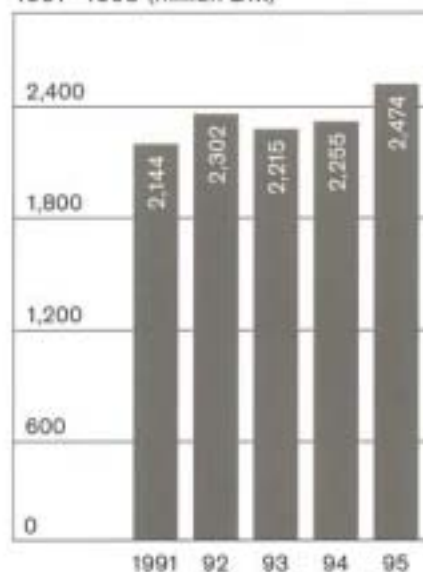
Outlook for current year

Faced with the uncertain economic situation, we entered 1996 with caution. We expect a continued rise of sales volume. Our foremost goal is the improvement of earnings. Therefore, we shall pursue measures to lower costs. However we will retain the high level of our expenditures for research and development.

Investments in tangible fixed assets by regions 1995



Expenditure for Research and Development 1991-1995 (million DM)



Automotive Equipment



The core of our Vehicle Dynamics Control: The yaw-rate sensor which detects all rotational movements of the car around its vertical axis. The measuring principle which has already proven successful in aviation was further developed by Bosch for use in cars.

Worldwide automotive production increased by about 2% to almost 51 million units. In Western Europe the increase was 6%. In contrast, in North America the production volume declined about 1%, the first drop since 1991. Production also declined 3% in Japan, where it declined for the fifth year in succession, and was 23% below the 1990 level. Our Automotive Equipment Business Sector increased sales by 4.7% to 20.5 billion DM.

New standards set with especially small and light ABS

Our Antilock Braking System 5.3 introduced in Summer 1995 sets new standards: It is only half as large as

the predecessor model and a third lighter. It was jointly developed within the Bosch alliance as a standard system for all major markets. The circuitry of the ECU mounted on the hydraulic modulator is based on multi-layer microhybrid technology, and requires only a fifth of the area of the first ABS hybrid unit of 1989. This makes ABS 5.3 the smallest system currently available in the market.

Vehicle Dynamics Control (VDC) which went into volume production in Spring 1995 attracted great interest among our customers worldwide. VDC improves directional stability in critical driving situations and thus contributes to active driving safety.

We expect a strong demand for these systems in the next few years.

We started the development of an "electronic brake pedal". With this electrohydraulic brake system, brake-pedal operation is detected by sensors and fed to an ECU as an electronic signal. The ECU converts the signals into reference values for the wheel-pressure modulators which control the brake pressure individually in each wheel. The advantage lies in the uniform brake behavior in all driving situations resulting in a considerable safety increase.

More and more vehicles are being equipped with driver and passenger airbags as well as belt tensioners as a standard feature. With the introduction of the side airbag the trend towards cost-effective trigger units with a wide performance range continues. We are contributing to this trend with new compact versions.

Improved passenger protection is also possible in commercial vehicles. Our trigger unit with central acceleration sensor which is adapted to the special requirements of heavy-duty



Automotive equipment must withstand the severest stresses. Here our compact alternator is subjected to a splash-water test.

commercial vehicles, allowed the use of airbags in these vehicles for the first time.

Litronic headlamp systems also for mid-size and small cars

Our Litronic headlamp system with gaseous-discharge lamp is available in a growing number of headlamp designs.

Litronic is being used increasingly in mid-size and small cars. We can offer space-saving and cost-effective new developments for such vehicles.

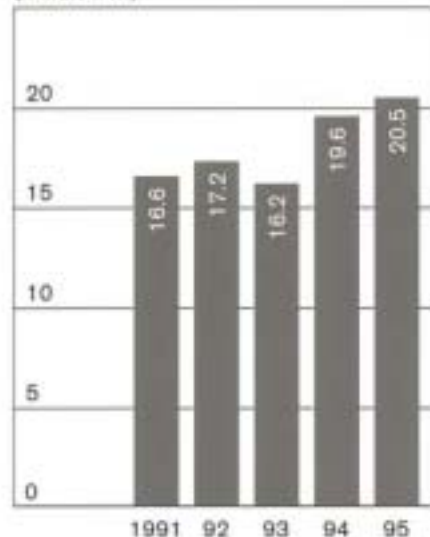
By applying new computation methods and simulation on the computer, small fog lamps can be designed without having to accept reductions in light output. This makes it possible to integrate the fog lamp in the main headlamp.

In cooperation with other automotive-equipment manufacturers, we started mass production of a front module for a small car.

Gasoline injection system with EGAS functions

Mass production of a Motronic system with an ECU incorporating the "electronic accelerator pedal" (EGAS or drive-by-wire) functions started in the second half of 1995. The mechanical linkage between the accelerator pedal and engine throttle valve is eliminated, the throttle valve being adjusted exclusively by an electric motor. In this manner, engine operation can be optimized by changing the ignition angle, throttle-valve position and injected fuel quantity. This concept is the basis for future gasoline injection systems which meet the requirements of the European Emission Standards MVEG III (Motor Vehicle Emissions Group). The goal is to offer our customers a highly efficient exhaust-gas control system which only requires a catalytic con-

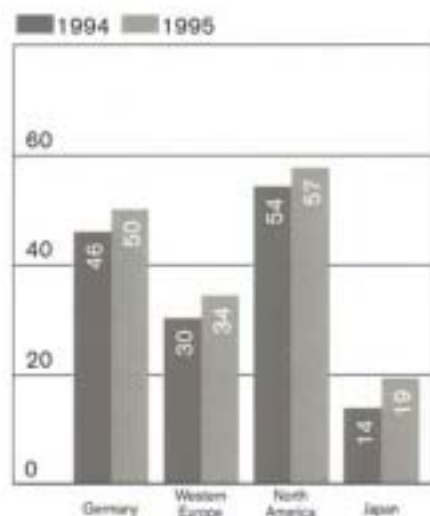
Sales of automotive equipment Progress 1991-1995 (billion DM)



From 1994 onwards, including sales of car radios, and automotive display and navigation systems

Automotive market

Percentage of ABS-equipped vehicles as compared to passenger-car production. In selected markets 1994/1995.





To date, Bosch has equipped over 50 million vehicles with gasoline injection systems worldwide.

Photo: An injector for modern 4-valve engines with dual fuel spray.

verter without additional components for exhaust gas after-treatment.

With the development of ECUs based on microhybrid technology, we are complying with the demands of our customers for versions which can be mounted directly on the engine. These are smaller and lighter than ECUs based on printed-circuit board technology, and are able to withstand higher temperatures and vibration stresses.

The demand for our compact and cost-effective injector EV6 which we have been mass producing since 1992 is increasing worldwide. Two Japanese licensees started production in 1995 in addition to existing production in Bamberg, and Charleston, South Carolina (USA).

Direct gasoline injection offers a great potential for reducing fuel consumption and carbon dioxide emissions. We are working intensively on system development.

Use of electronically controlled diesel injection systems increases

The demand for cars and light commercial vehicles with diesel engines continued to grow in Europe in 1995. As market leader with diesel injection systems we benefitted from this favorable trend.

Our customers are increasingly installing high-quality, electronic diesel injection systems in their vehicles. We continued with the development of three new high-pressure diesel injection systems - the radial-piston pump, the unit injector, and the "common rail" accumulator injection system. In this manner we created the prerequisites at our customers for the development of new fuel-efficient, low-pollution direct-injection engines.

The demand for diesel injection systems for heavy-duty commercial vehicles also remained high in 1995.

Electronic diesel injection systems are increasingly gaining in importance in this class of vehicles. Systems such as the unit injector and electronically controlled in-line pumps introduced in the last few years were well received by the market.

Since October 1995 we have been offering an additional diesel injection system for commercial vehicles in the form of the unit pump. We developed it in cooperation with our U.S. affiliate Diesel Technology Company which also builds the system.

Development of controls for continuously variable automatic transmissions

We continued our work on the development of controls for automatic transmissions. We developed an innovative control module for continuously variable transmissions in close collaboration with our subsidiary Van Doorne's Transmissie. It combines the sensors, the hydraulics and the ECU into one module. This leads to a cost-effective and compact design of these transmissions which are becoming increasingly more important in smaller and mid-size cars.

Development of an electromotive servo drive to operate the clutch has reached the production stage. All clutch engagement and disengagement operations during start-up, gear shifting and stopping are carried out automatically. The clutch pedal is no longer needed in the vehicle.

Valve cover made of plastic

The demand from our customers for light and cost-effective plastic engine parts is increasing. Production of a valve cover for a 6-cylinder engine started in our plant in the Czech Republic. We optimized the stiffness and took advantage of the specific

damping properties inherent in plastics.

New starters in the lower output range

For small vehicles with up to 1.4 liter engines, we developed a starter with 0.7 kW rated output to supplement the existing series in the lower output range.

We introduced a new voltage regulator for compact alternators which delays alternator switch on when starting in order to reduce the load on the engine.

Windshield wiper system with reversing motor

We developed a new windshield wiper system characterized by low space requirements, maximum wiping angle and hidden position when parked. This is achieved by a motor which reverses its direction of rotation after each wiping movement.

We started volume production of an air-quality sensor with integrated electronic evaluation circuitry for passenger compartment ventilation. It responds to carbon monoxide and nitrogen oxide and automatically regulates fresh air supply and circulating air operation.

Expanded range of micro-mechanical sensors

After the production start-up of our first micromechanical sensor to measure the engine intake pressure in 1994, the production volume increased significantly in 1995. We also added micromechanical sensors to measure the internal fuel-tank pressure as well as the barometric pressure, a correction variable needed for diesel injection systems.

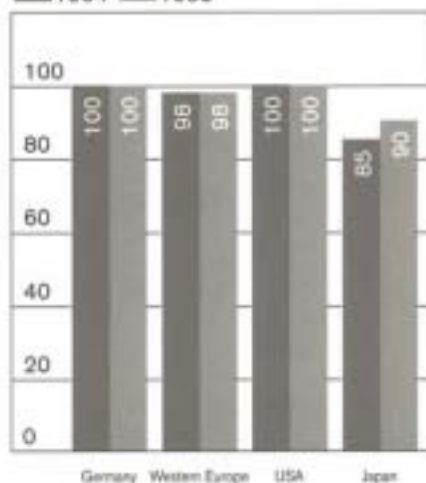
We developed the first silicon-based sensor suitable for automotive applications. This is used to measure

Automotive market

Percentage of vehicles equipped with gasoline-injection systems compared to the total production of gasoline-engined vehicles.

In selected markets 1994/1995.

■ 1994 ■ 1995

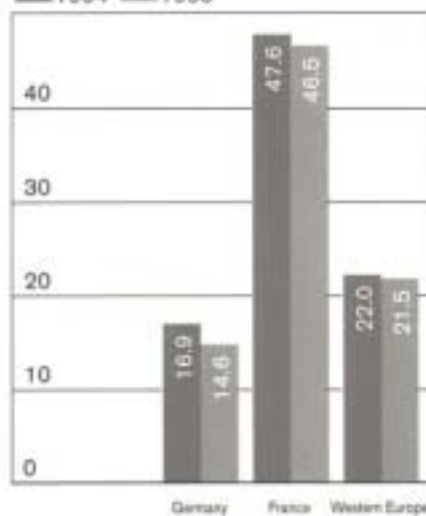


Automotive market

Percentage of diesel-engine passenger cars in total new-car registrations.

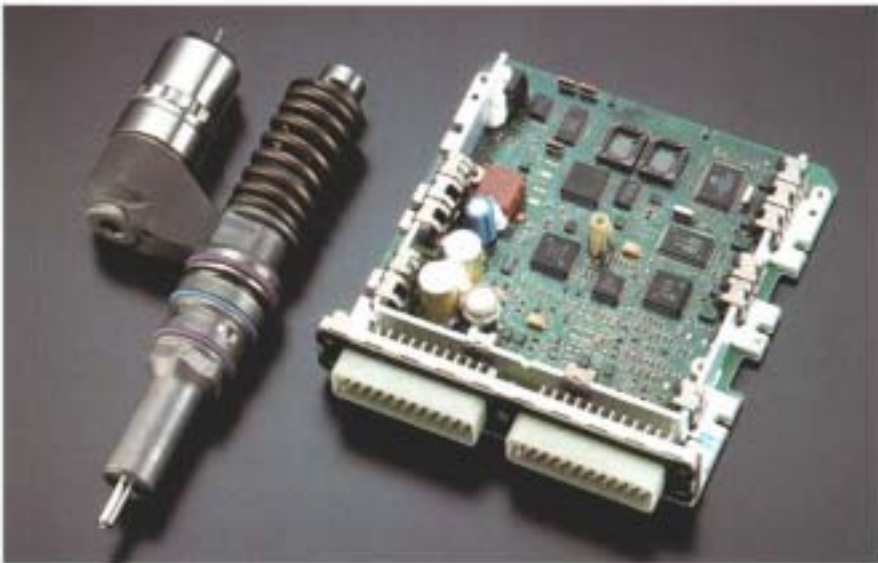
In selected markets 1994/1995.

■ 1994 ■ 1995





Top photo: Our field walkers carry out detailed on-site surveys of traffic flow. Their information is employed in producing the digitized maps on CD used in vehicle navigation systems.



Bottom photo: Electronically controlled diesel injection systems are increasingly also used in commercial vehicles. Photo: Our unit injector and its ECU.

the air mass in the engine intake manifold. It is smaller and more efficient than conventional sensors and measures very precisely.

In a work team including the German automobile industry, we developed a uniform housing concept for electronic control units. In future, the majority of our new ECUs for gasoline and diesel injection will be designed on the basis of this standardization. We have been producing the first types of these units in our Salzgitter plant since October 1995. Other manufacturers of electronic control units are producing this design under license.

In May 1995 we started volume production of ceramic substrates for microhybrid devices at the Reutlingen plant.

Blaupunkt strengthens its market position with car radios

Our subsidiary Blaupunkt-Werke GmbH strengthened its leading market position with car radios in Europe. Blaupunkt gained additional market shares in the original equipment market, and was able to maintain its position in the aftermarket.

The quality of sound reproduction in the vehicle is affected by the constantly changing driving noise. In order to achieve optimum sound reproduction it is essential that throughout the entire frequency range, the volume of the required sound be higher than that of the disturbing driving noise. Blaupunkt introduced an innovation called DSA (Digital Sound Adaptation) which constantly measures the sound level of the driving noise. Accordingly, the car radio is constantly readjusted in such a way that the required sound in all frequency ranges is above the interfering sound. The comprehensive electronic circuitry required for this

purpose has been miniaturized in the meantime and this function can now be integrated in the car radio.

Work is now being conducted on the introduction of the new digital traffic broadcasting system RDS-TMC (Radio Data System with Traffic Message Channel) to improve the traffic information provided to drivers. This system will make it possible to broadcast reports on traffic disruptions to a vehicle for more quickly than presently. Blaupunkt had a leading role in contributing to the development of the infrastructure and future terminals. A field test in the Rhineland with the participation of the police, state reporting centers and broadcasting stations was completed at the end of 1995. Preparations for volume production of car radios equipped with RDS-TMC were started.

Vehicle navigation system introduced

Early 1995 we started regular delivery of a driver information system as original equipment offered in a luxury-class model range for the Japanese market. Currently, it is the most efficient and powerful system of its kind worldwide.

Since Spring 1995 we have been supplying a vehicle navigation system with route-calculation facility as original equipment. The required geographic data from city and road maps are stored on a compact disc. The unit is reasonably priced and easy to install because it has been integrated into the car radio. The system provides information to the driver via voice output and symbols.

Since mid-1995 Blaupunkt has been offering a navigation system with the designation "Travelpilot" which is also suitable for retrofitting on the aftermarket. It comes with voice output and is available as a component of

our "Berlin" car radio or as a separate unit. Both versions were very well received by the market.

Aftermarket operations expanded further worldwide

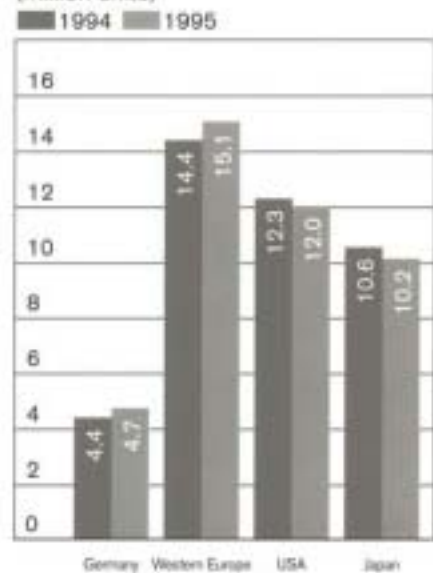
We further expanded our automotive aftermarket equipment operations in Europe. We set new standards in this market with the introduction of the new Super 4 spark plug. This spark plug uses the semi-surface air-gap principle and is the first spark plug to feature four ground electrodes and one single, pointed silver-plated center electrode.

In the North American market we increased our market share at retail chains by introducing a new wiper-blade series. We also strengthened our market position in the fast growing Southeast Asian market.

Our customer service organization is represented in 128 countries with about 10,500 Bosch Service Agents.

Automotive market

Motor-vehicle production, in selected markets 1994/1995 (million units)



Automotive Equipment - 1995 Highlights

Sales	20.5	billion DM
Investments	1.5	billion DM
Research and Development	1.6	billion DM

Communications Technology



Bosch communications equipment for international financial markets: The ISDN system Integral 33x for stock exchanges.

Demand for equipment for public and private networks was restrained in the European telecommunications markets. Sales by our Communications Technology Business Sector declined 2.3% to 5.4 billion DM, especially as a result of major price decreases.

System technology for public networks

The availability of our advanced, efficient network management system NSU strengthened our market position with network components for transmission technology. To further expand its fixed network we supplied Deutsche Telekom AG with multiplexers and cross-connects based on SDH technology (Synchronous Digital

Hierarchy) for the long-haul and access networks, as well as fiber-optic transmission equipment. We also completed digital local exchanges and ISDN basic accesses (Integrated Services Digital Network) to speed up network digitization as planned. We continued supplying systems based on fiber-optic technology within the Telekom "Opal" projects (Optical Local Line). Our optical broadband technology was also installed for the first time in the Netherlands, Switzerland and the USA. The new digital feeder and distribution system "Diamant" for TV programs is being tried out by Deutsche Telekom in a pilot test. We installed switching equipment based on EWSD technology (Digital Elec-

tronic Switching System) for public networks in Russia and Vietnam. Our development work concentrated primarily on systems for access networks, the expansion of our product lines for SDH multiplexers and microwave radio systems, as well as on fiber-optic transmission technology with high bit rates for a transmission capacity of up to 10 gigabits per second. With our new, flexible system for access networks based on fiber-optic and coaxial cable as well as radio links (point-to-multipoint radio systems), broadband subscriber accesses can be implemented economically.

We installed the communications equipment for three important railroad lines in the new German states for the German Unity Railroad construction project. Mobile radio network operators ordered multiplex and microwave radio systems to further expand their networks. Supplies of transmission equipment for the communications networks of electrical utilities in Germany and abroad increased.

In Germany as well as Brazil, India, the Philippines, Korea and Thailand we further strengthened our market position in microwave radio systems. We received an order for multiplex and microwave systems based on SDH technology from a Brazilian telecommunications company. In Great Britain we entered into a general agreement with a network operator for our newly developed point-to-multipoint microwave radio system.

In the area of GSM mobile communications we increased our sales with base stations, transcoders and mobile radio switching centers for German and foreign network operators. The mobile-radio communications consortium with Philips Kommunikations Industrie AG was

dissolved at the end of the year as scheduled.

We maintained our position on the PMR market

We maintained our strong market position for private mobile radio with system projects in Germany and abroad, for government agencies and organizations with security functions, and with private users. The use of our digital private mobile-radio system "Selectacom Disco" also contributed to this result. However, sales fell short of our expectations as a result of slack investment activity by public contractors.

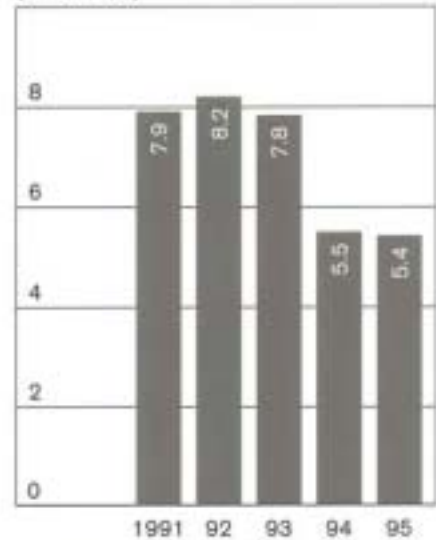
We intensified the development of a system for digital private mobile radio and public trunked mobile radio based on the European TETRA standard (Trans-European Trunked Radio System). We supplied tunnel radio systems to various foreign railroad companies.

Integrated solutions for private networks

Despite weak market growth, there was an increasing demand for system solutions with integrated data processing and telecommunications functions, among other things for call center applications. Our new large telecommunications systems Integral 33xE with the new T1 terminal family were introduced in 17 European and four non-European countries. We established a network consisting of 20 Integral 33xE systems with a capacity of about 8,000 extensions for a German electrical utility. In Berlin we commissioned a system with 750 extensions for the German Bundestag (Parliament).

We also established a communications network with a capacity of several thousand ports in the Friedrichstadt-Passages, a large resi-

Sales of communications technology products
Progress 1991-1995
(billion DM)



From 1994 onwards, excluding sales of car radios, and automotive display and navigation systems.

dential, office and business complex in the center of Berlin. The order comprised the infrastructure for the transmission of voice and data as well as the network components for connecting networks throughout the building. Apart from the operation, maintenance and data management of the networks, we are also responsible for the call charge-accounting management. Additional services we offer are centralized operator, central call answering and videoconferencing.

The Integral 3, a medium-sized communications system which also features the new T1 terminal generation, was introduced and met with a positive response in the European markets. A growing interest in the use of ISDN functions, including systems with a capacity of fewer than 100 extensions, stimulated the demand for smaller ISDN telecommunications systems.

The sales of our GSM mobile and cordless phones increased in an environment of severe price erosion. We are preparing for production of a newly-developed digital cordless

phone to the European DECT standard (Digital European Cordless Telecommunication). We received long-term manufacturing contracts for a new family of analog desktop telephones from the Deutsche Telekom AG after being awarded the design contract in 1994.

Growing demand for security services

The areas of fire and burglar alarm systems, as well as video surveillance and access control, are growing closer and closer. We improved our market position with integrated system solutions, with our newly-developed line technology based on a digital bus system for alarms, and with industry-specific concepts. Our new video surveillance system with data compression, ISDN transmission and automatic image evaluation for detecting and assessing alarms, set new technical standards. We achieved above-average growth in the area of security services connecting subscribers to our central control center.

We supplied Synchronous Digital Hierarchy (SDH) multiplexers to the Deutsche Telekom AG to further expand its network. Our photo shows a test station in our integration laboratory in Backnang.





A new cost-effective broadband microwave radio system for short-haul transmission of up to 30 kilometers. It is especially compact and completely compatible with networks based on Synchronous Digital Hierarchy (SDH) technology.

Strengthened market position with traffic-guidance systems

Increasingly, we are also gaining customers outside Germany for our traffic-control systems with data collection and variable message signs on highways, including in Portugal and Spain. We received the Chinese National Excellent Engineering Award for our traffic-control system on the 140 km long highway connecting Beijing and the coastal city Tanggu. In Germany we installed a traffic-control system along the highway connecting Munich and Salzburg. We established the Traffic Information Pool in connection with the European Drive Project "Munich Comfort". It supplies important dynamic information to the traffic service center on the traffic situation, parking availability, and departure times of local public transport.

Growing exports of aerospace communications equipment

We achieved above-average sales increases with gyro-stabilizers and traveling-wave tube amplifiers for

satellites, and strengthened our position in the world market through general contracts from American and Asian customers.

Communications Technology – 1995 Highlights

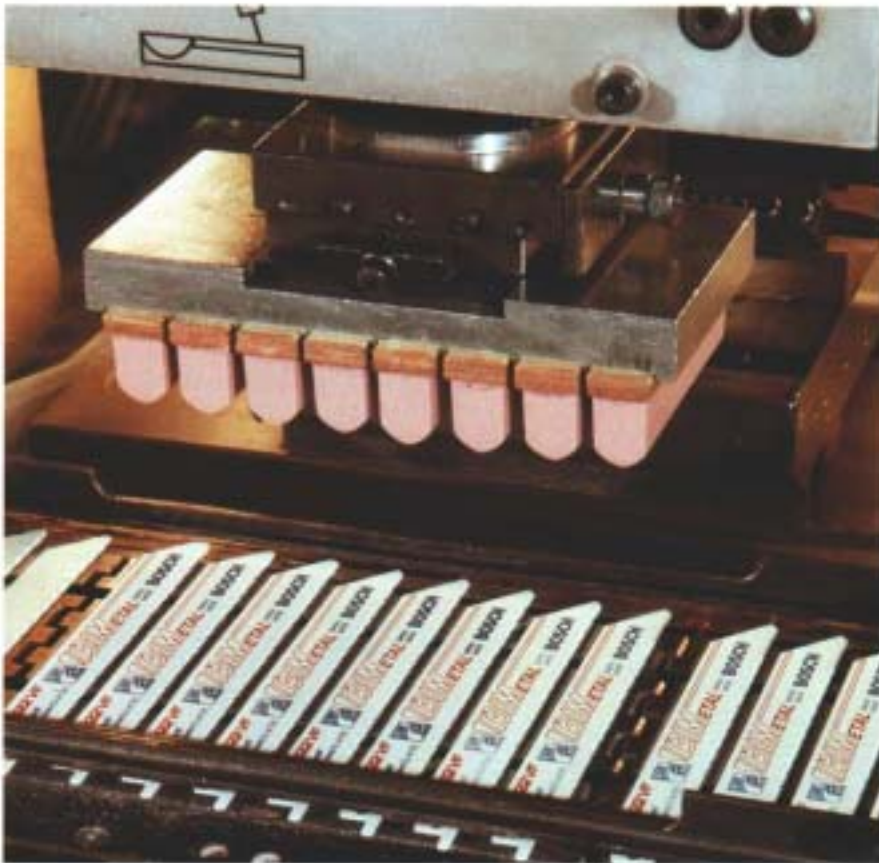
Sales	5.4 billion DM
Investments	145 million DM
Research and Development	517 million DM

Consumer Goods

*Our gas-fired water heaters meet the highest environmental requirements.
Photo: Test station to adjust optimal combustion values.*



The market for power-tool accessories in which Bosch has a leading position is growing worldwide. The photo shows saw-blade production at the St. Niklaus plant in Switzerland.



Private consumption declined in many Western European countries. Consumer demand was also weak in Germany. Total sales by our Consumer Goods Business Sector increased 6.1% to 7.9 billion DM. This figure includes the prorated sales share of Bosch-Siemens Hausgeräte GmbH (BSHG) in which we have a 50% interest.

Growth with electric household appliances abroad

BSHG was able to increase its market share despite weak demand. Sales increased 12.5% to 7.7 billion DM. This figure includes the sales of the Brazilian BS Continental SA Utilidades Domésticas acquired in 1995, and Gaggenau Werke Haus- und Lufttechnik GmbH.

BSHG achieved the majority of its growth overseas. The export share of sales increased to 48% (1994: 42%) while domestic sales stagnated. Within the various product areas the highest rates of increase were achieved with refrigerators and freezers, range hoods and dishwashers.

The result fell short of the previous year. Investments in fixed assets increased to 306 (1994: 267) million DM; expenditures for research and development rose to 168 (1994: 135) million DM. In April 1995 the company started production of dryers in the new Nauen plant near Berlin.

Strong worldwide position with power tools

Worldwide sales of power tools increased 8% to about 87 million units in 1995. In terms of value, the market stagnated at 10.5 billion DM. Our Power Tool Division expanded its international operations and solidified its position in all areas of activity.

We are the market leader in Europe in the area of power tools. In North America we rank second with the Bosch, Skil and Dremel trademarks and in the Far East we are the strongest non-Asian supplier.

Our manufacturing alliance is making a major contribution to the further expansion of our position in world markets. In Europe, power tools are built at the German plants in Leinfelden, Murrhardt and Sebnitz as well as at the Swiss locations in Solothurn and St. Niklaus. In addition, we produce power tools in Brazil, India, and Malaysia as well as through our U.S. joint venture S-B Power Tool Company, and in Mexico and the Netherlands. We will fully acquire the joint venture on October 1, 1996 (see page 4).

The market for accessories is larger than the market for power tools. In 1995 its worldwide volume reached about 12 billion DM. Together with a second joint venture, Vermont American Corporation, we hold a leading position in this market. In order to further strengthen our position, at the beginning of 1995 we acquired the remaining shares in

Hawera Probst GmbH + Co, Ravensburg, a manufacturer of special drills.

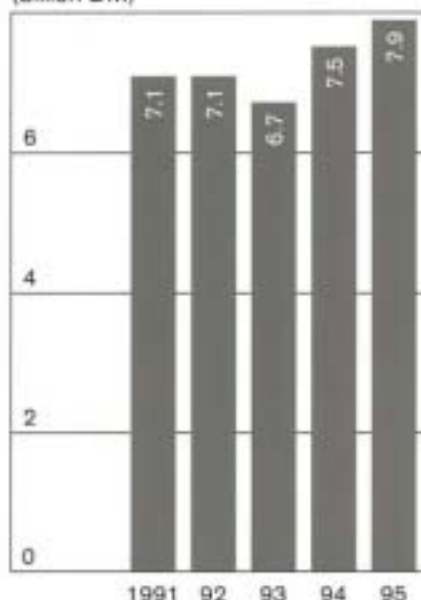
We expanded our good market position with heating equipment

Our Bosch Thermotechnology Division concentrates on gas as the cleanest and most environmentally compatible energy source for heating and hot water. The wide product range meets current and future environmental regulations and European standards. A full line of products which meet the limits as imposed by the "Blue Angel" environmental seal is available on the German market. Products which meet the even more stringent requirements of the "Hamburg Promotional Program" are also offered.

Our development activities focus on further improving the environmental compatibility of our products by increasing their efficiency and reducing pollutant emissions. For this purpose, together with the Corporate Research Center, we are developing new combustion methods such as catalytic combustion.

Despite slightly declining sales, Bosch Thermotechnology expanded its market position in Europe.

Sales of consumer goods
Progress 1991-1995
(billion DM)



Consumer Goods - 1995 Highlights

Sales	7.9 billion DM
Investments	227 million DM
Research and Development	202 million DM

Capital Goods



High-quality packaging machinery from our Crailsheim plant: Filling and sealing machine for ampules.

Investment confidence continued in many Western European countries. New orders and production increased again in the German mechanical engineering industry. Sales by our Capital Goods Business Sector rose 6.0% to 2.0 billion DM.

Greater demand for fluid technology

Our Hydraulics and Pneumatics Division realized a significant sales increase. Our greater sales presence abroad contributed to this result.

We expanded our market position in important sectors of the mechanical engineering industry with industrial hydraulics. We expanded our product range by adding electronically controlled hydraulic axles, an electroni-

cally controlled radial-piston pump and a new cylinder series.

The trend towards electrohydraulic systems also continued in the area of vehicle hydraulics, especially agricultural and conveyor equipment. The development of a cost-effective electronic hitch control and the addition of energy-saving versions to the line of directional control valves contributed significantly to the strengthening of our position in this market segment.

Electronic control of components is also quickly gaining in importance in the area of pneumatics. The continuing integration of pneumatics in electronic machine controls led to a boost in demand for our valve mount system VTS with field bus actuation.

Market position expanded in industrial equipment

Our Industrial Equipment Division strengthened its market position in Germany and abroad. Sales rose above expectations.

In Germany and abroad we gained new customers for the application of our industrial control electronics and electrical drives as standard equipment for machines. In addition, orders for several large projects stimulated the business performance.

We achieved the greatest sales increase with assembly modules. New products and intensified sales activities abroad contributed significantly to this result.

Demand for test equipment for automotive workshops was weak, especially in Germany. The introduction of mandatory emission tests in various European countries stimulated business towards the end of the year.

Foreign production of packaging machinery expanded

Our Packaging Machinery Division is among the largest suppliers world-

wide. We serve customers from the food, confectionery, pharmaceutical and chemical engineering industry with a wide product range. In addition to manufacturing single machines, our strength lies in project planning and the implementation of complete lines. With the acquisition of TL Systems Corporation in the USA (see Page 4) we further expanded our technical and market position in the area of sterile filling and packaging of liquid pharmaceuticals.

On the whole our sales increased. The business performance in the various areas and regions varied. While demand from the pharmaceutical and confectionery industry increased, demand from the food industry was weak. The market in Germany and the remaining Western European countries declined. We increased our market shares in the growing Asian and North American markets.

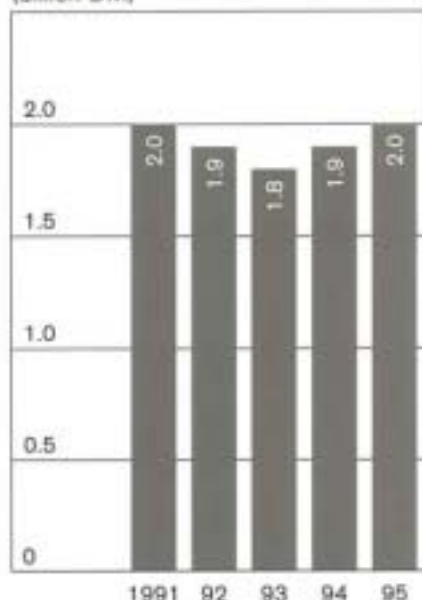
In India we started additional production of cost-effective vertical form, fill and seal machines to meet local

demand. Overseas, we already have manufacturing plants in the Netherlands, the USA, Brazil and Japan.

Among other things, our development work focused on improving the protection of the products to be packaged, saving packaging material and processing packaging materials in a more environmentally compatible manner.

As part of a large order from the USA, we delivered the first newly developed high-performance facility for aseptic filling of dietetic dairy products in thermoformed cups made of environmentally compatible polypropylene.

Sales of capital goods
Progress 1991-1995
(billion DM)



*Test equipment for automotive workshops:
Efficient analyzers with all functions for
a comprehensive engine test on gasoline and
diesel engines*

Capital Goods - 1995 Highlights

Sales	2.0	billion DM
Investments	50	million DM
Research and Development	134	million DM

International Business



Southeast Asia and the USA.

Today, the Bosch Group has subsidiaries in 47 countries. Over 70 production sites outside Germany – in Europe, North and South America, Africa, Asia and Australia – underscore this international orientation. We also have an interest in 38 joint ventures worldwide.

Economic slowdown in European countries

Growth in the countries of the European Union slowed down in 1995. In these countries, demand increased at a slower rate than the year before. Growth in exports also slowed down. We realized sales of 12.7 (1994: 11.6) billion DM in Europe outside Germany.

In France, our most important European export market with 2.8 billion DM in sales and 5,740 employees, we increased our sales to automobile manufacturers. We took advantage of the introduction of mandatory emission control for diesel engines to boost our sales of test equipment. We further increased production of our compact alternator in Great Britain. We increased sales to original equipment manufacturers in Italy, Sweden and Spain. Aftermarket sales grew in Switzerland. Our sales company in Zurich concentrated its operations on one location to improve logistics.

High growth in the USA and Brazil

In the USA, our most important foreign market with 2.7 billion DM in sales and 6,340 employees, deliveries to automobile manufacturers increased again, especially antilock braking (ABS) and gasoline injection systems. Sales of assembly systems, deburring machines and packaging machinery also grew substantially.

The competitive situation for automotive suppliers intensified in Brazil.



Top photo: In China Bosch expanded its activities in 1995 to include thermotechnical products.

Bottom photo: India has well-trained engineers who develop software for the Bosch Group worldwide.

Our extensive worldwide presence is attributable to two historical sources: the aftermarket especially for consumer goods and automotive spare parts, and the original equipment business which followed the worldwide spread of motor-vehicle production. Currently, we are concentrating our efforts on the growth markets in

The economic upturn led to a strong increase in our aftermarket sales.

Continuing dynamic growth in Asia

Automobile production in the Southeast Asian markets again increased substantially. In Korea, where we operate with several joint ventures, we further expanded our original equipment and aftermarket operations. The capacity of our plant in Malaysia which builds car radios, car speakers and electronic modules for export was fully utilized. We acquired land to build a fourth production site in order to meet the growing demand for automotive equipment in India. We increased our sales despite continuing economic stagnation in Japan.

Operations further expanded in South Africa and Australia

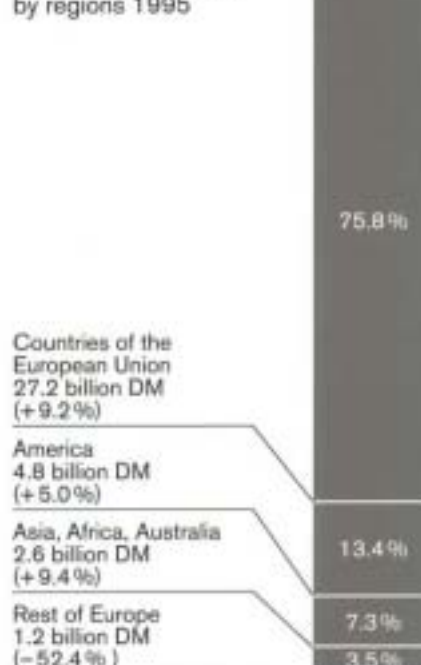
The changed political situation in South Africa promoted greater economic growth and a substantial capital influx. We increased our sales to original equipment manufacturers significantly and further strengthened our position in the automotive equipment market. We started construction of a sales office in Johannesburg in the second half of the year.

In Australia the increased number of new-vehicle registrations led to a substantial rise in our sales.

Our major foreign markets

Sales 1995	Billion DM
France	2.8
USA	2.7
Great Britain	1.7
Italy	1.7
Brazil	1.4
Spain	1.4
Sweden	0.9
Austria	0.8
Belgium	0.7
Netherlands	0.6

Breakdown of sales by regions 1995



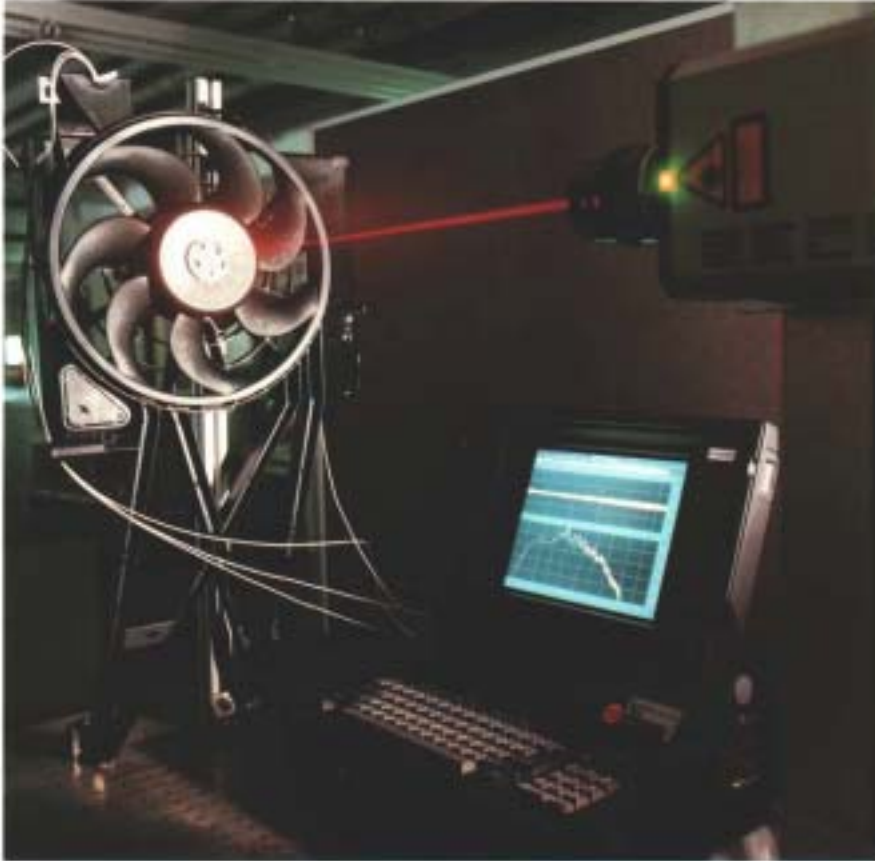
Employees and production outside Germany

Country	Employees	Automotive equipment	Communications technology	Consumer goods	Capital goods
Brazil	13,800	●	●	●	●
India	9,970	●		●	●
USA	6,340	●	●	●	●
Spain	6,060	●	●	●	●
France	5,740	●	●		●
Malaysia	4,690	●		●	
Portugal	2,800	●		●	
Switzerland	2,770		●	●	
Great Britain	2,600	●		●	
Mexico	1,950	●			

International Operations – 1995 Highlights

Sales	20.1 billion DM
Investments	801 million DM
Research and Development	382 million DM

Research and Development



The vibration behavior of electric motors is analyzed with the aid of laser test equipment and evaluated electronically.

One of the strengths of the Bosch Group is its great innovative capacity. Worldwide, we employ 12,500 people in Research and Development.

Safety systems to protect passengers in the vehicle

To protect passengers, car makers are increasingly installing safety systems in their vehicles such as the airbag. The airbag is triggered by a signal from the acceleration sensor. Its key element, the seismic mass, is accelerated if the vehicle decelerates by a critical value as may be the case in an accident.

By applying new methods of surface micromechanics, the seismic mass can be precisely mounted on the

surface of a silicon chip into which the electronic circuitry is also integrated. In this manner, efficient acceleration sensors can be produced cost effectively.

Superconductor modules for satellite communications

We are working on the development of even smaller, lighter and more efficient high-frequency modules. This offers significant advantages especially in satellite communications in which volume, weight and performance are of importance.

Chrome plating of components in production

We developed new methods to chrome-plate components by which chromium is deposited based on an innovative principle. The equipment is hermetically sealed in order to achieve safe and reliable as well as emission-free operation. The process materials are reprocessed in the same cycle thus allowing its use in the flow of production. We started applying this method to chrome-plate fuel-injection components.

Injection molding method for microsystem components

We developed an injection molding method to produce plastic molded parts with microstructures. We use metallic mold inserts made by means of galvanic modeling of a silicon master structure. The modeling geometry can be reproduced in a magnitude of one micrometer.

Radio reception in CD quality

Even today radio broadcasts, including FM, take place with analog technology. A digital broadcast method, Digital Audio Broadcasting (DAB), which is not susceptible to interference of any kind is being developed.

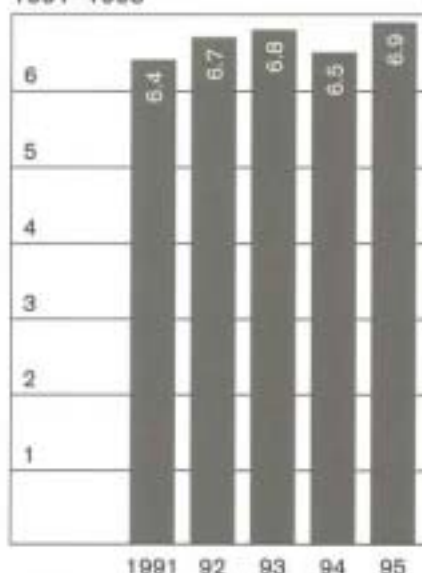
We played a decisive role in bringing about a system definition and European standardization, and developed receivers for pilot projects. These receivers not only process digitally transmitted audio signals but also decode information for additional services (texts, graphics, still and full-motion pictures) which are broadcast simultaneously with DAB audio. This information is available at interfaces for further processing, for example with a personal computer. For the first time, TV and multi-media services can thus also be received interference-free in moving vehicles.

Self-learning video surveillance system

We developed a self-learning video sensor to monitor buildings. It has reached the prototype stage and is capable of detecting movements, and yet reliably suppress interference brought about by snow, rain, wind or mirror reflections. The sensor system adjusts automatically to changes in the image frame. In case of an alarm, images of the event are transmitted in compressed form to the monitoring center.

Total expenditures for research and development¹⁾

As a percentage of sales
1991–1995



¹⁾ 11% thereof is spent for basic research and advance development; remaining expenditures for R+D at the divisions and foreign companies is for product development.



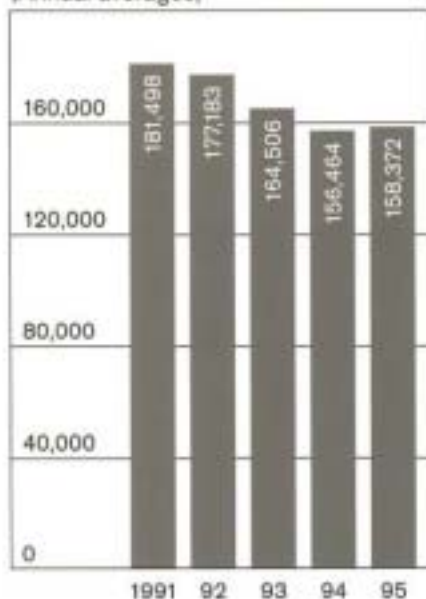
Analysis of the material properties of components. The deformation caused by the laser beam is recorded and evaluated with the aid of TV holography.

Employees of the Bosch Group

Traditionally, at Bosch great importance is given to training young people. In 1995 we hired close to 900 apprentices in Germany, primarily from the technical-commercial field.



Number of employees
Trend 1991–1995
(Annual averages)



On January 1, 1996 the Bosch Group had a worldwide workforce of 156,771 employees, 2,977 more than a year before. The workforce increased at our foreign subsidiaries where the number of employees rose 4,341 or 7.0% to 66,684. In contrast the number of employees declined in Germany by 1,364 or 1.5% to 90,087.

Labor costs continue to increase

Worldwide, labor costs increased to 11.5 (1994: 11.4 billion DM). As a result of costly collective bargaining agreements, hourly labor costs increased by about 6% in the old German states. In the new German States, labor costs per employee rose 21%, especially because of higher union-scale pay, the introduction of a vacation allowance and higher social contributions.

The employees of the parent company and of most domestic subsidiaries again shared in year-end results. The work and performance bonus was at about the previous year's level.

Models for flexible work-time design

In order to offset competitive disadvantages in the face of shortened union work hours and rising labor costs, we are adjusting the utilization times of our production equipment in the plants to the orders on hand.

Work continues seven days a week in the new semiconductor plant in Reutlingen. The employees work in 6 shift teams. Four workdays are followed by four days off.

At several locations, work models were introduced which include Saturday as a regular workday or allow it if necessary. Employees receive time off on other days of the week if they work on Saturday.

Measures to reduce illness-related absenteeism

The average absentee rate due to illness in Germany is unsatisfactory. We took additional location-specific measures to reduce illness-related absenteeism. The shop councils have been involved in the discussions on causes and measures.

Employee-dialog procedure also introduced abroad

We are increasingly adopting the employee dialog introduced in 1992 for all salaried employees of the parent company in domestic and foreign subsidiaries. The concept developed by the parent company was adapted to the general conditions of the respective country. The idea of cooperative management and collaboration on the basis of jointly agreed goals is enjoying worldwide acceptance among employees. The employee dialog has now been implemented in 22 foreign companies.

More apprentices in Germany

We hired close to 900 apprentices in 1995, a 5% increase over the previous year. Most of them receive training for technical-commercial professions. We took on almost 90% of apprentices in 1995 after they completed their training.

Improving opportunities for women employees

We would like to take greater advantage of the skills and knowledge of women in our company and to improve the opportunities of women for assuming management positions. More flexible work times, and support in selecting and locating child-care facilities are intended to help to make the family and job more compatible. In connection with an in-house initiative called "Networking", women meet regularly to exchange experiences and to offer each other mutual advice.

Expression of appreciation to our employees

The great demand made by the market together with drastic structural changes required a high degree of motivation and flexibility from all

employees. We want to thank them for this commitment. We would also like to express our appreciation to labor representatives who helped make important decisions to ensure our competitiveness in the future.

Employee teams meet for quality discussions in the workshops as shown here at the hybrid plant in Reutlingen.



Financial Statements of Bosch Group Worldwide

Consolidated Balance Sheet as of December 31, 1995

Assets

	Appendix	December 31, 1995 million DM	December 31, 1994 million DM
Fixed assets	(6)		
Intangible fixed assets		13	13
Tangible fixed assets		6,161	5,894
Financial investments		783	743
		6,957	6,650
Current assets			
Leased products		635	892
Inventories	(7)	4,538	4,079
Accounts receivable and other assets	(8)		
Trade accounts receivable		5,617	5,210
Other receivables and assets		1,133	1,520
Marketable securities		7,171	6,536
Liquid assets		2,413	2,436
		21,507	20,673
Deferred expenses		40	50
		28,504	27,373

Liabilities

	Appendix	December 31, 1995	December 31, 1994
		million DM	million DM
Equity capital	(9)		
Capital stock		1,500	1,500
Capital surplus		2,895	2,895
Earned surplus		4,029	3,652
Unappropriated earnings		68	80
Minority interests		546	456
		9,038	8,583
Accruals with valuation reserve portion	(10)	78	141
Accruals			
Accruals for pensions and similar obligations		5,281	5,045
Other accruals	(11)	9,263	8,962
		14,544	14,007
Liabilities	(12)		
Liabilities with banks		838	992
Accounts payable trade		2,201	1,964
Other liabilities		1,771	1,694
		4,810	4,650
Deferred income		34	12
		28,504	27,373

Financial Statements of Bosch Group Worldwide

Consolidated Statement of Income
for the period from January 1 to December 31, 1995

	Appendix	1995 million DM	1994 million DM
Sales	(15)	35,844	34,478
Changes in finished goods and work-in-progress inventories and other capitalized costs	(16)	414	84
Total operating performance		36,258	34,562
Other operating income	(17)	1,945	1,798
Costs of materials	(18)	- 16,072	- 14,666
Personnel costs	(19)	- 11,476	- 11,439
Depreciation of intangible and tangible fixed assets		- 1,988	- 2,060
Other operating expenses	(17)	- 7,281	- 7,244
Income from investments	(20)	101	43
Amortization of financial investments and securities included with current assets		- 349	- 368
Interest income net of expenses	(21)	508	521
Income from ordinary business activities		1,646	1,147
Taxes on income	(22)	- 1,096	- 635
Net income of the year		550	512
Including profit and loss of minority shareholders	(23)	71	68

Financial Statements of Bosch Group Worldwide

Capital Flow Statement

	1995 million DM	1994 million DM
Net income of the year	550	512
Depreciation of fixed assets	2,337	2,271
Increase of long-term accruals	358	982
Cash flow	3,245	3,765
Increase of inventories and leased products	- 202	- 175
Change of receivables	- 10	107
Increase of short-term accruals	115	469
Increase of liabilities	337	415
Additions to funds from business activities (1)	3,485	4,581
Additions to fixed assets	- 2,706	- 2,101
Retirements of fixed assets	107	164
Application of funds from investments (2)	- 2,599	- 1,937
Dividends 1994/1993	- 60	- 60
Decrease of liabilities with banks	- 154	- 199
Other changes in balance-sheet items	- 60	- 174
Decrease of funds from financial activities (3)	- 274	- 433
Change in liquidity (1) + (2) + (3)	612	2,211
Liquidity at the beginning of the year	8,972	6,761
Liquidity at the end of the year	9,584	8,972

Financial Statements of Bosch Group Worldwide

1995 Development of Fixed Assets

	Cost of acquisition or manufacture as of			
	Jan. 1, 1995	Changes in the consolidated group	Additions	Transfers
	million DM	million DM	million DM	million DM
Intangible fixed assets				
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	261	5	119	
Goodwill	111	87	41	
Advance payments	1		1	
	373	92	161	
Tangible fixed assets				
Land, leasehold rights and buildings, including buildings on land owned by others	4,846	51	71	48
Production equipment and machinery	7,602	74	972	168
Other equipment, fixtures and furniture	8,358	78	631	97
Advance payments and construction in progress	401	7	382	- 313
	21,207	210	2,056	
Financial investments				
Investments in affiliated companies	453	- 83	411	12
Loans to affiliated companies	13	13	4	
Investments in associated companies	751		54	
Other financial investments	279		11	- 12
Other loans	110	1	9	
	1,806	- 69	489	
Total fixed assets	23,186	233	2,706	

Retirements	Dec. 31, 1995	Depreciation cumulative to Dec. 31, 1995	Net book value as of Dec. 31, 1995	Net book value as of Dec. 31, 1994	Depreciation current year
million DM	million DM	million DM	million DM	million DM	million DM
176	209	197	12	13	123
110	129	129			107
	2	1	1		1
286	340	327	13	13	231
30	4,986	2,704	2,282	2,380	205
421	8,395	6,373	2,022	1,759	853
699	8,465	7,049	1,416	1,372	683
8	469	28	441	383	16
1,158	22,315	16,154	6,161	5,894	1,757
6	787	522	265	233	318
13	17	1	16	13	
26	779	476	303	270	7
3	275	170	105	119	24
23	97	3	94	108	
71	1,955	1,172	783	743	349
1,515	24,810	17,653	6,957	6,650	2,337

Financial Statements of Bosch Group Worldwide

Balance Sheet Structure 1991-1995

Assets

				27,373	28,504
Total assets	24,247	24,452	25,447		
				6,650 24%	6,957 24%
Fixed assets	7,467 31%	7,769 32%	7,003 27%	4,971 18%	5,173 18%
			4,796 19%		
Inventories, leased products	5,715 23%	5,339 22%		6,780 25%	6,790 24%
			6,887 27%		
Receivables	6,036 25%	5,930 24%			
			6,761 27%	8,972 33%	9,564 34%
Marketable securities, liquid assets	5,029 21%	5,414 22%			

Liabilities

				27,373	28,504
Total liabilities and equity	24,247	24,452	25,447		
				8,563 31%	9,038 32%
Equity capital	7,471 31%	7,859 32%	8,304 33%		
Long-term liabilities	10,083 41%	10,126 41%	10,569 41%	11,385 42%	11,388 40%
Current liabilities	6,693 28%	6,467 27%	6,574 26%	7,425 27%	8,078 28%
	1991	1992	1993	1994	1995

Values in million DM

Financial Statements of Bosch Group Worldwide

Appendix 1995

(1) General remarks

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

In order to ensure better understanding of these financial statements, we combined a number of individual balance-sheet items and profit and

loss statement items into key groupings. These items are stated separately in the Appendix. Required comments for individual items are also contained in the Appendix. The consolidated profit and loss statement follows the format of the total cost method.

(2) Consolidated group

The consolidated statements include Robert Bosch GmbH and 20 domestic as well as 89 foreign subsidiaries. For the first time, we consolidated the Gesellschaft für Betriebsfunksysteme mbH, Stuttgart; Ascom Radiocom AG, Solothurn; Bosch Telecom Teprina SA, Ivry-sur-Seine; as well as TL Systems Corporation, Brooklyn Park, MN. The new alignments and legal terms in the Communications Technology Business Sector and in Spain, did not result in material changes of the consolidated group.

The consolidated statements of Bosch-Siemens Hausgeräte GmbH were included pro rata pursuant to Section 310 of the Commercial Code. For the first time, the partial financial statements of Gaggenau Werke Haus- und Lufttechnik GmbH, Gaggenau,

and the BS Continental SA Utilidades Domésticas, São Paulo, are included. These companies had been acquired at year-end 1994.

In accordance with Section 296, Paragraph 2 of the Commercial Code, companies lacking operations or having insignificant business volume, were not included with the consolidated financial statements. Regarding relief fund institutions, we waived inclusion pursuant to Section 296, Paragraph 1, Digit 1 of the Commercial Code.

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

(3) Principles of classification and evaluation

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

We adhered to evaluation of lower of cost or market and imparity of gain or loss recognition.

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

Intangible assets including goodwill resulting from the first-time consolidation of shares as well as tangible and

financial assets were valued at acquisition or cost of manufacture subject to depreciation.

Straight-line as well as accelerated depreciation methods were applied. Items of minor value were depreciated during the year of acquisition. In addition we applied all special depreciation allowances according to tax regulations in all host countries.

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

Additions regarding interests in

associated companies include capital contributions and prorated profits. Retirements include partial losses and dividends paid.

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

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

We provided for risks inherent with warehousing and distribution through appropriate deductions. Additional depreciation was taken in cases of unfavorable returns.

Accounts receivable and other current assets were stated at nominal

values less write-downs for individual risks and for general credit risks. Interest-free or low-interest receivables with maturities of more than one year were discounted.

Marketable securities included in current assets were valued at the lower of acquisition cost or market.

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

Pension accruals and similar liabilities were determined by the application of actuarial principles and were discounted to reflect present values.

For domestic companies, we used a 6% discount rate, while regional subsidiaries used discount rates prevailing in their respective countries.

Liabilities were stated at the amounts owed.

(4) Currency translation

Accounts receivable and accounts payable stated in the respective foreign currencies were converted to DM equivalents at the lower of the exchange rate at the date of origin, or at the balance-sheet date.

For the conversion to DM of the financial statements in foreign currencies and the related profits and losses, we applied, in principle, average exchange rates at the balance-sheet date. Transactions pertaining to fixed assets were converted at mean average quarterly or annual DM equivalents respectively. Resulting differences were included with beginning balances of cost of acquisition or

manufacture as well as in cumulative depreciations.

Tangible fixed assets of our subsidiaries in Brazil were valued at their original carried-forward DM equivalents of cost of acquisition or manufacture. Depreciation was based on historic values. As in the past, the equity capital of these companies is also stated at historical DM values.

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

(5) Consolidation principles

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

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

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

Deferred taxes resulting from consolidation measures in the amount of 65 million DM were included with other assets.

(6) Fixed assets

Extraordinary depreciation amounting to 497 million DM pertained mostly to financial investments.

In accordance with tax regulations, we additionally deducted 55 million DM directly from the acquisition costs of tangible fixed assets. The depreciation was taken pursuant to Section 6b

of the Income Tax Law, Section 82a of the Income Tax Regulations, Section 4 of the Development Area Law, and pursuant to local tax laws at our regional subsidiaries.

The development of fixed assets is presented on pages 32 and 33 of this report.

(7) Inventories

We depreciated 2 million DM in accordance with local tax regulations, mainly at regional subsidiaries.

Included with the stated value of inventories, in the amount of 4,538 million DM, are our advance pay-

ments of 41 million DM (1994: 36 million DM). On the other hand, advance payments received in the amount of 442 million DM (1994: 436 million DM) were deducted.

(8) Accounts receivable and other assets

Million DM	1995	1994
Accounts receivable	5,617	5,210
including maturities of more than one year	41	14
Other receivables and assets		
Receivables from affiliated companies	224	164
Receivables from companies in which interests are held	86	113
including maturities of more than one year	10	10
Other assets	823	1,243
including maturities of more than one year	16	290
	1,133	1,520
Receivables and other assets	6,750	6,730

(9) Equity capital

The subscribed capital stock of 1,500 million DM and the capital surplus of 2,895 million DM correspond to the

respective balance-sheet items of Robert Bosch GmbH. Revenue surplus accounts consist of the following:

Million DM	1995	1994
Earned surplus of Robert Bosch GmbH	717	485
Other earned surplus	3,312	3,167
	4,029	3,652

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

(10) Accruals with valuation reserve portion	Accruals with valuation reserve portion were formed pursuant to Section 6b of the Income Tax Law and Section 1 of the DDR Investment Law.	Our foreign subsidiaries followed local regulations with respect to such risks.	
(11) Other accruals	Million DM	1995	1994
	Accrued taxes	281	200
	Other accruals	8,982	8,762
		9,263	8,962

(12) Liabilities	Million DM	1995	Including maturities of one year	1994	Including maturities of one year
	Liabilities with banks	838	478	992	430
	Accounts payable trade	2,201	2,194	1,964	1,961
	Other liabilities				
	Liabilities from acceptances and drafts	37	37	15	15
	Liabilities with affiliated companies	37	37	121	33
	Liabilities with companies in which interests are held	79	79	72	72
	Other liabilities	1,618	1,264	1,486	1,062
		1,771	1,417	1,694	1,182
	Total liabilities	4,810	4,089	4,650	3,573

Of the liabilities with banks, 135 million DM were secured by mortgages and another 131 million DM by other liens. Of other liabilities, 9 million DM were secured by mortgages and 1 million by other liens.

Other liabilities contain tax liabilities in the amount of 319 million DM (1994: 304 million DM) and liabilities pertaining to social obligations in the

amount of 440 million DM (1994: 374 million DM). Liabilities with shareholders in the amount of 70 million DM pertain to Robert Bosch Stiftung GmbH.

Liabilities with maturities of more than 5 years amounting to 252 million DM included 30 million DM of liabilities with banks and 222 million DM of other liabilities.

(13) Contingent liabilities	Million DM					
	Contingent liabilities from the issuance or transfer of notes				171	
	including affiliated companies				5	
	Contingent liabilities from guarantees				287	
	including affiliated companies				42	
Contingent liabilities from warranties				22		
including affiliated companies				-		
Contingent liabilities for third-party liabilities				12		
	As a partner in two foreign private companies, we are jointly and sever-		ally liable in accordance with legal requirements.			
(14) Other financial obligations	Other financial obligations of significance for an opinion on the financial		condition of the company do not exist.			
(15) Breakdown of sales	Million DM		1995	%	1994	%
	Sales by business sectors					
	Automotive equipment		20,521	57.2	19,600	56.8
	Communications technology		5,413	15.1	5,538	16.1
	Consumer goods		7,917	22.1	7,460	21.6
	Capital goods		1,993	5.6	1,880	5.5
			35,844	100.0	34,478	100.0
	Sales by regions					
	EC countries		27,176	75.8	24,876	72.1
	Other European countries		1,259	3.5	2,647	7.7
	America		4,798	13.4	4,569	13.3
	Asia, Africa, Australia		2,611	7.3	2,386	6.9
			35,844	100.0	34,478	100.0
	(16) Changes in finished goods and work-in-progress inventories and other capitalized costs	Million DM		1995		1994
Change in finished goods and work-in-progress inventories			144		- 114	
Other capitalized costs			270		198	
			414		84	
(17) Other operating expenses and income	Expenses resulting from additions to accruals with valuation reserve portion in the amount of 11 million DM are included in other operating expenses.		Income from the reversal of accruals with valuation reserve portion in the amount of 74 million DM are included in other operating income.			

(18) Costs of materials	Million DM		1995	1994
	Costs of raw materials, supplies, and merchandise		14,903	13,583
	Purchased services		1,169	1,083
			16,072	14,666
(19) Personnel costs	Million DM		1995	1994
	Wages and salaries		9,158	9,220
	Social security, pension plans, and support payments including pension plans		2,318	2,219
			596	569
			11,476	11,439
	Average numbers of employees during the year:			
		1995	Including	1994
		Total	BSHG	Total
			(prorated)	Including
				BSHG
				(prorated)
	Factory workers	99,421	8,843	97,055
	Salaried employees	54,102	4,578	53,926
	Apprentices	4,849	250	5,483
		158,372	13,671	156,464
				11,337
(20) Income from investments	Million DM		1995	1994
	Income from investments		28	19
	including affiliated companies		6	3
	Expenses from loss transfers		- 10	- 19
	Result from associated companies		83	43
			101	43
(21) Interest income net of expenses	Million DM		1995	1994
	Interest from long-term loans included with financial investments		4	3
	Other interest and similar income		640	671
	including affiliated companies		5	1
	Interest and similar expenses		- 136	- 153
	including affiliated companies		- 5	- 7
			508	521
(22) Taxes	Million DM		1995	1994
	Taxes on income		- 1,096	- 635
	Other taxes		- 232	- 235
			- 1,328	- 870

Other taxes are included in other operating expenses.

The impact of tax allowances on the profit for the fiscal year as well as

in former years, and the size of future burdens from the respective valuations are of secondary significance.

(23) Profit and loss of minority shareholders	Million DM	1995	1994
	Shares of profits		75
Losses		4	-
		71	68

(24) Compensation of the members of the Board of Management and of the Supervisory Council	During the fiscal year 1995, the aggregate compensation of the members of the Board of Management of Robert Bosch GmbH amounted to 12 million DM. Former members of the Board of Management and their dependents received 9 million DM, and the members of the Supervisory Council one million DM.	Accruals at Robert Bosch GmbH for pension liabilities for former members of the Board of Management and their dependents amounted to 68 million DM. The members of the Supervisory Council and the Board of Management of Robert Bosch GmbH are listed on page 47.
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(25) Shareholdings of Bosch Group Worldwide	A listing of the shareholdings of the consolidated Bosch Group will be Stuttgart, March 12, 1996	deposited with the commercial registry of the Stuttgart Court. Robert Bosch GmbH The Board of Management
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Auditor's opinion	The accounting and the consolidated financial statements of Robert Bosch GmbH as of December 31, 1995, which we have audited in accordance with professional standards, comply with legal provisions. With due regard to generally accepted accounting principles the consolidated financial statements give a true and fair view of the company's assets, liabilities, financial position and profit and loss. The management report to the consolidated financial statements is consistent with its content.
	Stuttgart, March 12, 1996 Schitag Ernst & Young Deutsche Allgemeine Treuhand AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Dörner Dr. Pfitzer Wirtschaftsprüfer Wirtschaftsprüfer

Major Companies of the Bosch Group

(as of December 31, 1995)

Name	Location	Equity Capital % owned *	Equity Capital ²⁾ million DM	Sales ³⁾ million DM	Profit or loss ²⁾ million DM
Germany					
Blaupunkt-Werke GmbH	Hildesheim	100	183	1,498	EAV ⁴⁾
Bomoro Bocklenberg & Motte GmbH	Wuppertal	100	11	317	EAV
Bosch-Siemens Hausgeräte GmbH ⁵⁾	Munich	50	1,034	7,743	34
Bosch Telecom GmbH	Stuttgart	100	539	4,067	EAV
Bosch Telecom Radeberg GmbH	Radeberg	100	10	117	EAV
MotoMeter GmbH	Leonberg	100	25	257	EAV
Robert Bosch Elektronik GmbH	Salzgitter	100	23	560	EAV
Robert Bosch Elektrowerkzeuge GmbH	Sebnitz	100	15	218	EAV
Robert Bosch Fahrzeugelektrik Eisenach GmbH	Eisenach	100	71	434	EAV
Signalbau Huber AG	Munich	100 ⁶⁾	76	142	2
VB Autobatterie GmbH	Hannover	35	145	459	- 34
Foreign Countries					
Europe					
Robert Bosch Productie NV	Tienen/Belgium	100	173	371	36
Robert Bosch (France) SA ⁷⁾	Saint-Ouen (Paris)/France	100	539	2,197	15
Robert Bosch Ltd	Denham/Great Britain	100	226	690	24
Worcester Group plc ⁸⁾	Worcester/Great Britain	69	40	282	18
Robert Bosch SpA ⁹⁾	Milan/Italy	100	118	512	13
Robert Bosch Verpakkingsmachines BV	Weert/Netherlands	100	21	46	3
Robert Bosch AG	Vienna/Austria	100	105	529	19
Blaupunkt Auto-Rádio Portugal Lda	Braga/Portugal	70	35	332	2
Vulcano Termo-Domésticos SA	Aveiro/Portugal	90	54	130	12
Robert Bosch AB	Kista (Stockholm)/Sweden	100	28	196	9
Robert Bosch Internationale Beteiligungen AG	Zurich/Switzerland	90	660		50
Scintilla AG	Solothurn/Switzerland	85	421	1,010	49
Robert Bosch España SA	Madrid/Spain	100	18	347	9
Robert Bosch España Fábrica Madrid SA	Madrid/Spain	100	12	140	- 2
Robert Bosch España Fábrica Treto SA	Treto/Spain	100	42	470	14
Robert Bosch spol. sr.o.	České Budějovice/ Czech Republic	100	48	70	7
Bosch Diesel spol. sr.o.	Jihlava/Czech Republic	76	20	27	- 4
Bosch Sanayi ve Ticaret AS	Bursa/Turkey	100	55	163	37

Name	Location	Equity Capital % owned ¹⁾	Equity Capital ²⁾ million DM	Sales ³⁾ million DM	Profit or loss ⁴⁾ million DM
America					
Robert Bosch Ltda ⁴⁾	Campinas/Brazil	100	443	1,175	32
WAPSA Auto Peças Ltda	São Paulo/Brazil	100	74	260	1
Robert Bosch SA de CV	Toluca/Mexico	100	84	268	- 12
Robert Bosch Corporation ⁵⁾	Broadview (Chicago)/USA	100	983	2,891	90
S-B Power Tool Company ⁴⁾	Chicago/USA	50	319	905	74
Vermont American Corporation ⁴⁾	Louisville/USA	50	249	720	24
Asia, Africa, Australia					
Motor Industries Co Ltd	Bangalore/India	51	93	409	21
Bosch KK	Yokohama/Japan	100	111	628	5
Nippon ABS Ltd	Tokyo/Japan	50	198	402	2
Doowon Precision Industry Co Ltd	Seoul/Korea	20	35	305	5
KEFICO Corporation	Kunpo-Si/Korea	25	82	292	14
Robert Bosch (Malaysia) Sdn Bhd	Penang/Malaysia	100	40	280	1
Robert Bosch (South East Asia) Pte Ltd	Singapore/Singapore	70	38	308	6
Robert Bosch (Pty) Ltd ⁵⁾	Johannesburg/South Africa	64	37	216	2
Robert Bosch (Australia) Pty Ltd	Clayton (Melbourne)/Australia	100	111	421	20

Values in million DM

¹⁾ Shares held directly and indirectly by Robert Bosch GmbH

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

³⁾ Profit and loss transfer agreement

⁴⁾ Statement of partial consolidation

⁵⁾ Refers to shares with voting rights

Financial Statements of Robert Bosch GmbH

Balance Sheet as of December 31, 1995

Assets

	December 31, 1995 million DM	December 31, 1994 million DM
Fixed assets		
Tangible fixed assets	2,105	1,932
Financial investments	3,269	2,804
	5,374	4,736
Current assets		
Inventories	1,508	1,431
Accounts receivable and other assets	3,122	3,771
Marketable securities, liquid assets	7,122	6,086
	11,752	11,288
Deferred expenses	11	26
	17,137	16,050

Liabilities

Equity capital

Capital stock	1,500	1,500
Capital surplus	2,895	2,895
Earned surplus	717	485
Unappropriated earnings	68	60
	5,180	4,940

Accruals with valuation reserve portion

1	43
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Accruals

Accruals for pensions and similar obligations	3,686	3,606
Other accruals	5,993	5,581
	9,679	9,187

Liabilities

2,277	1,874
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Deferred income

	6
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17,137	16,050
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Financial Statements of Robert Bosch GmbH

Statement of Income for the period from January 1 to December 31, 1995

	1995 million DM	1994 million DM
Sales	19,374	18,459
Changes in finished goods and work-in-progress inventories and other capitalized costs	161	80
Total operating performance	19,535	18,539
Other operating income	1,484	964
Costs of materials	- 10,546	- 9,259
Personnel costs	- 5,254	- 5,345
Depreciation of intangible and tangible fixed assets	- 744	- 802
Other operating expenses	- 3,622	- 3,644
Income from investments	149	157
Amortization of financial investments and securities included with current assets	- 341	- 407
Interest income net of expenses	402	433
Income from ordinary business activities	1,063	636
Taxes on income	- 763	- 351
Net income of the year	300	285
Additions to surplus accounts	- 232	- 225
Unappropriated earnings	68	60

Supervisory Council Report

In its sessions the Supervisory Council concerned itself mainly with the progress of business, the financial situation, capital investments, and joint ventures. It also concerned itself with new technical developments. Outside of these sessions, the Supervisory Council was informed by written monthly reports from the Board of Management about business trends, and about the situation and development of the enterprise.

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

Stuttgart, April 1996

For the Supervisory Council
Dr. Marcus Bierich
Chairman

Supervisory Council

Dr. phil. Dr. rer. oec. h.c.

Marcus Bierich, Stuttgart

Chairman

Former Chairman of the Board of Management of Robert Bosch GmbH

Walter Bauer, Kohlberg

Deputy Chairman

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

Dr. jur. Peter Adolff, Stuttgart

Member of the Board of Management of Allianz Versicherungs-Aktiengesellschaft

Knut Angstenberger, Stuttgart

Department Manager at the Feuerbach Plant of Robert Bosch GmbH, and Chairman of the speaker panel

Rudolf Baron, Sibbesse

Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Blaupunkt-Werke GmbH

Dietfried Blanarsch, Stuttgart

Deputy Chairman of the Shop Council of the Feuerbach Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr. jur. Robert E. Ehret, Frankfurt

former Member of the Board of Management of Deutsche Bank AG

Dr.-Ing. Wolfgang Eychmüller,

Ulm/Donau

Chairman of the Board of Management of Wieland-Werke AG

Ruth Fischer-Pusch, Stuttgart

Trade Unions of the Metal Industry, District Management Baden-Württemberg

Hans-Henning Funk, Hildesheim

Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr. rer. pol. Johan M. Goudswaard,

Wassenaar/Netherlands

Former Deputy Chairman of the Board of Directors of Unilever NV

Dr. jur. Karl Gutbrod, Stuttgart

Former Member of the Board of Management of Robert Bosch GmbH Chairman of the Board of Trustees of Robert Bosch Stiftung GmbH

Gudrun Hamacher, Frankfurt

Managing Member of the Board of Directors of the Trade Unions of the Metal Industry

Jörg A. Henle, Berlin

Chairman of the Board of Trustees of the Peter-Klöckner-Stiftung

Dr. jur. Robert Holzach,

Zürikon/Switzerland

Honorary President of the Union Bank of Switzerland

Prof. Gero Madelung, Munich

Technical University Munich, Chair of Aviation Technology

Prof. Dr. rer. nat.

Hans-Joachim Queisser, Stuttgart

Director at the Max-Planck-Institut für Festkörperforschung

Gerhard Sautter, Erdmannhausen

Chairman of the Shop Council of the Feuerbach Plant and Deputy Chairman of the Joint Shop Council and the Combined Shop Council of Robert Bosch GmbH

Joachim Stöber, Frankfurt

Member of the Board of Directors of the Trade Unions of the Metal Industry, Department for Industrial Comanagement

Hans Wolff, Bamberg

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

Management

Members of the

Board of Management

Hermann Scholl

Chairman

Friedrich Schiefer

Deputy Chairman

Clemens Börsig

Hermann Eisele

until June 30, 1996

Heiner Gutberlet

Rainer Hahn

Wolfgang Hugo

until June 30, 1996

Hansjörg Manger

until June 30, 1996

Tilman Todenhöfer

Hubert Zimmerer

Associate Members of the Board of Management

Claus Dieter Hoffmann

as of July 1, 1996

Hans Hugendubel

as of July 1, 1996

Robert S. Oswald

as of July 1, 1996

Gotthard Romberg

as of July 1, 1996

Ten Year Statistics Bosch Group Worldwide

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Sales	23,807	25,365	27,675	30,588	31,824	33,600	34,432	32,469	34,478	35,844
Foreign share as a percentage of sales	50	50	51	52	51	48	47	49	54	56
Expenditures for research and development										
	1,262	1,425	1,640	1,803	2,042	2,144	2,302	2,215	2,255	2,474
as a percentage of sales	5.3	5.6	5.9	5.9	6.4	6.4	6.7	6.8	6.5	6.9
Investments in tangible fixed assets										
	1,813	2,015	1,937	2,064	2,790	2,273	2,038	1,552	1,578	2,056
including domestic	1,407	1,576	1,390	1,259	1,708	1,464	1,347	990	960	1,255
including foreign	406	439	547	805	1,082	809	691	562	618	801
as a percentage of sales	7.6	7.9	7.0	6.7	8.8	6.8	5.9	4.8	4.6	5.7
as a percentage of depreciation	145	142	128	128	162	126	103	85	90	117
Depreciation on tangible fixed assets	1,254	1,416	1,511	1,607	1,725	1,799	1,976	1,836	1,747	1,757
Employees – annual average – (000 omitted)										
	158	161	166	175	180	181	177	165	156	158
including domestic	110	111	113	117	118	117	113	104	95	92
including foreign	48	50	53	58	62	64	64	61	61	66
as of January 1, of following year	149	161	168	178	181	177	170	157	154	157
Personnel expenses	8,139	8,782	9,277	10,202	10,718	11,403	11,838	11,692	11,439	11,476
Total assets										
	16,770	18,181	20,301	22,205	23,544	24,247	24,452	25,447	27,373	28,504
Fixed assets	3,773	4,580	5,732	6,064	7,147	7,467	7,769	7,003	6,650	6,957
as a percentage of total assets	22	25	28	27	30	31	32	27	24	24
Equity capital	5,177	5,623	6,174	6,668	7,050	7,471	7,859	8,304	8,563	9,038
as a percentage of total assets	31	31	30	30	30	31	32	33	31	32
Cash Flow	2,258	2,849	3,265	3,433	3,104	3,267	3,501	3,717	3,765	3,245
as a percentage of sales	10.7	11.2	11.8	11.2	9.8	9.7	10.2	11.4	10.9	9.1
Net income for the year	454	825	554	626	560	540	512	428	512	550
Unappropriated earnings										
(Dividends of Robert Bosch GmbH)	40	43	43	43	43	43	60	60	60	68

Values in million DM

Bosch Group – Business Sectors

Automotive Equipment

**Automotive Equipment
Division 1**
ABS, chassis systems, safety systems

**Automotive Equipment
Division 2**
Lighting technology

**Automotive Equipment
Division 3**
Management systems for gasoline engines

**Automotive Equipment
Division 4**
Bodywork electrics and electronics

**Automotive Equipment
Division 5**
Diesel fuel-injection equipment

**Automotive Equipment
Division 6**
Synthetic parts

**Automotive Equipment
Division 7**
Mobile communications

**Automotive Equipment
Division 8**
Semiconductors and electronic control units

**Automotive Equipment
Division 9**
Starting motors and alternators

**Automotive Aftermarket
Division**
Distribution of automotive equipment,
after-sales service

Communications Technology

Private mobile radio
Broadband communications
Terminals

Multiplex systems/Network management
Public switching systems
Private communications – large-scale systems,
networks
Private communications – medium-size systems

Radio-relay systems
Satellite technology/Avionics
Security engineering
Traffic-control technology

Consumer Goods

**Bosch-Siemens
Hausgeräte GmbH¹⁾**
Electrical household appliances,
entertainment electronics

**Power Tools
Division**
Electric power tools for the trades, for industry,
and for the do-it-yourself markets. Accessories

**Bosch
Thermotechnology Division**
Heating and hot-water equipment, controls,
gas controls

Capital Goods

**Hydraulics and Pneumatics
Division**
Hydraulic and pneumatic products for
mobile and stationary applications,
electronic fluid-control technology

**Industrial Equipment
Division**
Industrial electronics, assembly and
handling equipment, deburring equipment,
test equipment and technology

**Packaging Machinery
Division**
Packaging machines and equipment. Machinery
for the production of candies

¹⁾ Bosch ownership 50%



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