

Difficult year 2008 for the Bosch Group in Hungary R&D investments to be continued Positive business development for consumer goods and automotive aftermarket products

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The Bosch Group is looking back on a difficult year in Hungary. Following the positive prospects experienced until the first half of 2008, the unfavourable development of the world economy has become perceivable in the operation of the company in Hungary as well.

After a long-term positive development, the Bosch Group in 2008 for the first time had revenues lower than in the previous year. Total sales of the Hungarian Bosch subsidiaries were at 1,372 million EUR, compared to 1,465 million EUR the year before. In 2008 the investments of the company reached 79 million EUR (82 million EUR in 2007). The number of full-time employees decreased to 7,250 as of January 1st 2009. Consolidated sales of the Bosch Group on the Hungarian market were 202 million Euros.

In conformity with the strategy of the parent company, Bosch increased its R&D investments in Hungary as well. In 2008, the Group spent approximately 36 million EUR on research and development compared to 25 million EUR in the previous year. The company's innovative power is shown by the fact that last year the number of patents filed by Bosch Group worldwide grew by 18 percent to 3 850.

Thomas E. Beyer, representative of the Bosch Group in Hungary said, „We are aware that we are facing a difficult year in 2009, however, there are fields where we can continue strengthening and maintaining our leading position in spite of the unfavourable business conditions. Bosch is looking at the post-crisis times already and is laying emphasis on environment-friendly and energy-saving technologies in Hungary, too. We feel well positioned to continue our long-term presence in this country.”

An evidence of this is that last year the Bosch Engineering Centre Budapest was extended. Today, more than 430 development engineers are working on automotive industry developments. Cooperating with colleges and universities special attention is devoted to the professional training of students in technical higher education. In

addition to activities with BME (Budapest University of Technology and Economics), last year an assignment for the development of a “Smart and small car” was concluded with the Budapest Tech. This year, a new automotive electronics laboratory is planned to be opened at BME Together with the Bosch Group plants in Hatvan and Miskolc they launched the “Bosch Invented for Life Award” in Hungary, Under this pioneering initiative, students could apply for concrete development tasks for which Bosch offered consultation opportunities, considerable prizes and scholarship programmes.

Difficult year in the automotive industry

Among the Hungarian subsidiaries of Bosch, the automotive electronics plant in Hatvan experienced a difficult year, especially in the 4th quarter of 2008. Despite of the decline in orders in 2009 the production of numerous new electronic components will begin and there is an increasing business with various instrument panels produced to the individual demands of customers. Therefore, four new production lines will be installed this year in the Bosch plant in Hatvan. The plant is well prepared for the future, with its continuous investment in new lines, new technologies and the training of the employees. The excellent product quality made in Hatvan was acknowledged by Volkswagen and Knorr Bremse with two quality awards, “Most innovative supplier 2008” and “Supplier of the year 2008”.

In 2008 the plant of the Bosch Group in Miskolc manufacturing starters and electric drives also experienced the slowdown in the automotive industry. The most popular product of the plant unit is still the start-stop system which leads to a considerable decrease in fuel consumption and CO₂ emission in city traffic. In 2008 the plant extended its manufacturing capacity with two new products: engine cooling fans as well as armatures for commercial-vehicle starters. Highlight has been the manufacturing of their 10 millionth starter and 25 millionth Airflap-actuator.

The Automotive Aftermarket department of Robert Bosch Kft. realised a record turnover on the domestic market in 2008. Sales of batteries accounted for the major part of the sales growth but also parts and accessories contributed well. The sale of strategically important testing equipment also showed an increase until the last quarter of last year. In 2008, Bosch was able to further expand its Bosch Car Service network. The 87 partners in Hungary are members of the world’s largest international network comprising 14,000 Bosch car services worldwide in 141 countries altogether.

Positive development in Consumer goods and building technology

The electric power tools plant of Bosch located in Miskolc successfully closed the year 2008 with numerous new products. They started manufacturing 10 new electric power- and garden tools and it manufactured its 25 millionth power tool last October. As a result of innovative achievements a multifunctional tool named UNEO was

launched lately, which is regarded as a unique product on the market with its weight of 1.1 kg and its diversity.

The power tools sales department of Robert Bosch Kft. realized significant growth on the domestic market in 2008. Bosch Powertools are market leader in Hungary. In 2008 numerous new products were introduced on the domestic market. Besides the all-purpose tile cutter named Rotozip a new line under the brand Skil Master had been launched for customers committed to high quality.

The Security systems division could register considerable growth in 2008. It could keep its market position even in a building industry environment and could extend its business in sports establishments, shopping centres and logistics centres. Sales of the products of the Extreme CCTV Group, acquired by Bosch, were extended. The modular fire alarm centre was extended with further services. More and more partners recognised the advantages of the Bosch wireless conference system and in 2008 the third generation Bosch digital evacuation sound system appeared on the market.

Bosch Thermotechnology was able to achieve strong growth on the Hungarian market in 2008. A growing demand was shown for innovative, cost-efficient and environment-friendly solutions. With the brand Junkers they supported several initiatives aimed at the popularisation of economical and environment-friendly features. These include the WWF climate tour and “Lakcímke” campaign of the Energy Club. In 2008, Junkers registered a double-digit growth on the stagnating market, and doubled their market share becoming the second biggest brand in the condensing boiler segment. Regarding renewable energy sources the division registered threefold growth in Hungary due to the drastic increase of Junkers heat pump and solar systems.

Industrial Technology with stable development in 2008

Bosch Rexroth in Eger manufactures and assembles pneumatic parts (cylinders, valves and marine components) that are mainly used in mechanical engineering, various industries, and in marine applications. The preparations for manufacturing the so called short stroke cylinders are in progress in Eger. The selection of Eger plant was due to the strong abilities in quality and cost efficiency.

On the Hungarian market Bosch Rexroth Kft. closed last year with positive results. The most remarkable installation was a conveyor line of more than 1.4 km ensuring the operation of a packaging production line. Bosch Rexroth Kft. offers drive and control solutions for almost all industry sectors, including the food and packaging industry, the automotive industry, as well as the electronics industry.

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The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, some 282,000 associates generated sales of roughly 45 billion Euro in the areas of automotive and industrial technology, consumer goods, and building technology in fiscal 2008. The Bosch Group comprises Robert Bosch GmbH and its more than 300 subsidiaries and regional companies in over 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. Each year, Bosch spends more than 3 billion euro for research and development, and applies for over 3,000 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.