ANNUAL REPORT 1993

ROBERT BOSCH GMBH

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Robert Bosch GmbH
Stuttgart

Annual Report 1993

Key Figures

Bosch Group Worldwide	1993	1992
Sales	32,469	34,432
Change compared to the prior year as a percentage	–5.7	+2.5
Foreign sales		
as a percentage of sales	49	47
Expenditures for research and development	2,215	2,302
as a percentage of sales	6.8	6.7
Additions to tangible fixed assets	1,552	2,038
as a percentage of depreciation	85	103
Average number of employees		
Annual average number of employees	164,506	177,183
as of January 1, 1994/1993	156,615	169,804
Total assets	25,447	24,452
Equity capital	8,304	7,859
as a percentage of total assets	33	32
Net income for the year	426	512
Unappropriated earnings	60	60

Values stated in million DM

References to interests in companies in this report pertain to shares held directly or indirectly by Robert Bosch GmbH.

Highlights

1993 was a difficult year for the German economy and also therefore for the Bosch Group. The recession in many industrial countries led to a sales decline. Consolidated worldwide sales of the Bosch Group decreased by about 6% to 32.5 billion DM.

Competition continued to intensify. All areas were affected by the persistent pressure on prices. For this reason we continued our cost reduction and structural improvement measures at all locations.

The number of employees in the Bosch Group worldwide decreased by about 13,000 in the course of the year. Three-fourths of the cutbacks were made in Germany.

We were able to curtail investments in tangible fixed assets to 1.6 (1992: 2.0) billion DM through improved cooperation between product development and manufacturing in the early stages of new products, and by postponing plans for capacity expansion.

In contrast, expenditures for research and development which are designed to solidify our position in the world markets with innovative products remained almost unchanged at 2.2 billion DM.

We started construction of a new semiconductor plant at our production site in Reutlingen in order to strengthen our competitiveness in the field of microelectronics.

To increase productivity we emphasized with the Continuous Improvement Process (CIP) in all areas of the company. Increasingly, we introduced team-oriented work in production. We reduced material costs, improved product quality and cut development cycles through more intensive cooperation between product development and purchasing departments, a close partnership with our suppliers as well as intensified global purchasing.

In order to strengthen the financial basis of the company and to better meet the requirements of the next few years, the shareholders of Robert Bosch GmbH decided on September 20, 1993, to increase the capital stock of the company from 1.2 billion DM to 1.5 billion DM by employing the "payout/take-back" method. The shareholders' shares in Robert Bosch GmbH remained unchanged.

The economic development of the industrial countries was uneven in 1993. The recovery continued in North America. The recession intensified in Japan. Economic activity also declined in most Western European countries. Germany experienced the most severe economic downturn since the end of the Second World War.

Motor-vehicle production also varied according to region. While motor-vehicle production increased by 12% in North America, it decreased significantly in Japan (9.4%), Europe (12%) and especially Germany (23%).

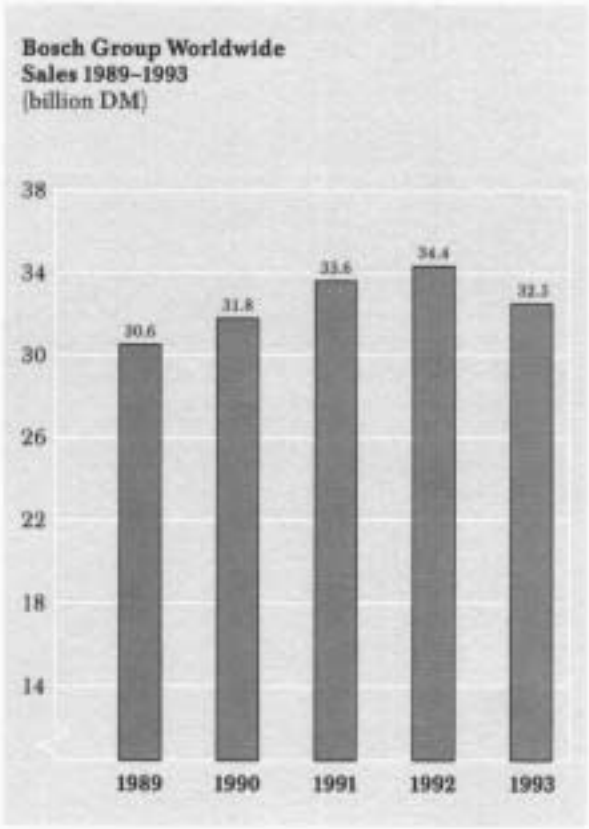
Bosch Group Sales

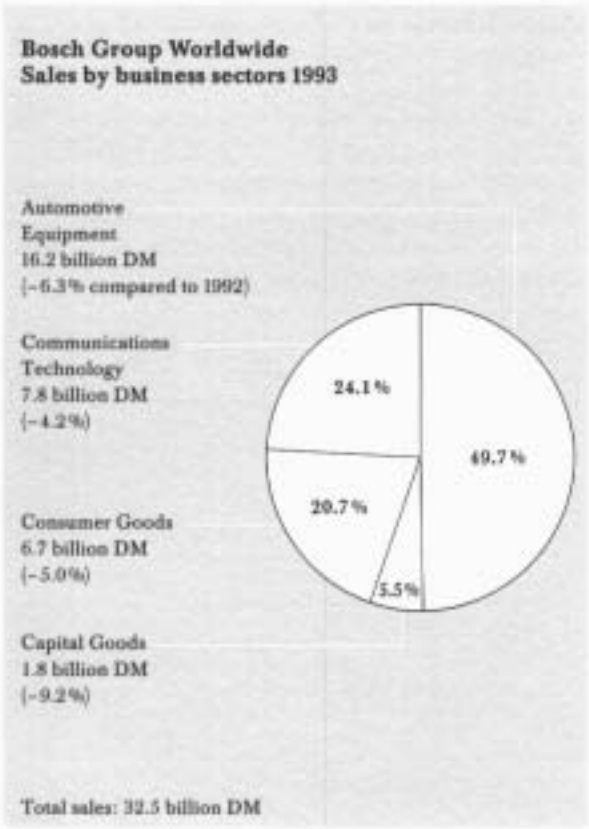
In 1993 consolidated Bosch Group sales declined by about 6% to 32.5 billion DM. Adjusted for prices and exchange rates, this decline amounted to 4.4%.

The decrease in sales is attributable primarily to weak domestic business activity; sales decreased by 10% to 16.5 billion DM. Abroad, sales remained practically unchanged at about 16 billion DM.

Sales declined in all four business sectors. The capital goods business sector was the most severely affected. Because of continuing market weakness in the mechanical engineering industry sales decreased by 9.2% to 1.8 billion DM. The strong decline of motor-vehicle production in Europe and especially in Germany depressed sales of the automotive equipment business sector. As a result of favorable performance overseas, especially in the USA and Brazil, the worldwide decline was only 6.3%.

Falling aftermarket sales of car radios and the continuing drop in prices led to a sales decline in the communications technology business sector of 4.2% to 7.8 billion DM. Weak market activity in Europe reduced sales of the consumer goods business sector by 5.0% to 6.7 billion DM.





Reorganization of several areas

In order to strengthen our position with driver information systems, we established a new product division for car radios, display instruments and navigation equipment. We combined the radio communications, broadband communications and car antenna product groups into the new radio technology product division within the communications technology business sector.

In order to concentrate our forces in research and advance development, effective October 1, 1993, we combined our previous corporate research and production technology departments, as well as the automotive equipment advance-development area and the communications technology research institute, into a new Corporate Research and Advance Development Center.

Presence in foreign markets strengthened further

In order to be able to offer complete airbag systems, we established a joint venture with the US company Morton International Inc., Chicago, IL (USA), a leading manufacturer of gas generators and airbag modules. United Airbag Systems GmbH, headquartered in Schwieberdingen near Stuttgart, in which both partners have an equal interest will be involved in the development, application and distribution of airbag systems.

We established Korea Automotive Motor Corp. with Mando Machinery Corp., Kumpo (South Korea). The new company started operation at the beginning of 1994. The company, in which both partners have an equal interest, develops, manufactures and distributes small electric motors for motor vehicles in Korea.

On January 1, 1993, we acquired 25.1% of the shares in the tool company Hawera-Probst GmbH Co, Ravensburg. The company specializes in making stone drills for power tools.

With Etak Inc., Menlo Park (USA), and Tele Atlas International BV, s'Hertogenbosch (Netherlands) we reached a cooperative agreement on the digitization of road maps in Western Europe according to uniform standards. Information stored on data carriers is being used for traffic control engineering, specifically with automotive navigation equipment.

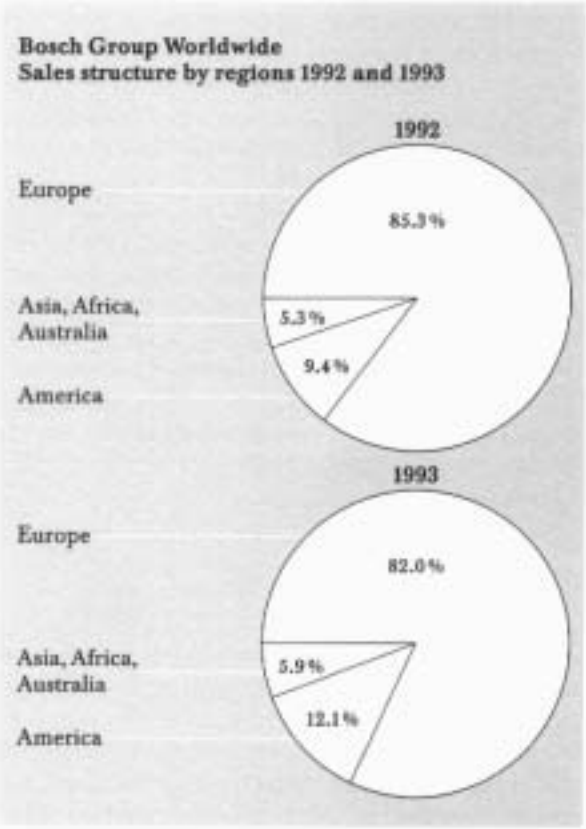
In India, our regional subsidiary Motor Industries Co Ltd established a company for software development. In Japan, we acquired the interest in Nippon Packaging Machinery KK held by our previous partner.

Sales of shares
Additional structural measures

In order to concentrate our forces and to secure the future of our company, we disposed of marginal operations and initiated additional measures to bring about structural adjustments.

We sold the Elektra Insurance Corporation to the Württemberg Insurance Group in Stuttgart. The close cooperation between Elektra and our subsidiary Telenorma GmbH in the phone-

Bosch Group Worldwide
Sales structure by regions 1992 and 1993



systems rental business will be continued under the new arrangement.

Effective April 1, 1993, we sold our 50% interest in KB Lighting Inc., Kentwood, MI (USA) to our partner Keeler Brass Co, Grand Rapids, MI (USA). The joint venture supplied standard headlamps to a US vehicle manufacturer. However, we will continue our activities in the USA with innovative headlamp systems.

Because of worldwide overcapacity in the PC-board market, we shut down the Telenorma plant in Landstuhl as of September 30, 1993.

In Brazil we discontinued car-radio production in Manaus. The opening of the Brazilian market to foreign imports removed the economic basis for our manufacturing operation in that country. In the future we will supply Brazil with car radios from other production sites.

Distribution network expanded further

We continued to expand our distribution network in Central and Eastern Europe in 1993 as well. We established distribution and service companies in Bulgaria, Croatia, Latvia, Russia, Slovakia, Ukraine and Belorussia. As a result, by the end of 1993, we were represented in eleven countries of the former Eastern Bloc with our own companies.

The new Bosch-Partner-System product group headquartered in Karlsruhe started operations as of July 1, 1993. It will assist the Bosch service organization and other customer groups in Germany and abroad in further broadening the Bosch range of goods and services. We are gradually expanding this product group which already supported 40 Bosch Service Centers by the end of 1993.

Purchasing activities intensified

We have increasingly been buying goods and services worldwide and strengthened our international joint-purchasing efforts. We conducted joint cost-reduction programs with many of our suppliers. Our purchasing volume for goods, equipment and services totaled 15.0 (1992: 16.3) billion DM. Acquisitions from the New States of Germany – including inter-company deliveries – increased by 25% to about 725 million DM.

Product quality

We continued our efforts to further improve the quality of our products in all areas. We are attempting to approximate our "zero defects" goal as much as possible through close cooperation between engineering and manufacturing as well as by involving our suppliers at an early stage. New quality goals were set with many customers.

In 1993 our Junkers Division as well as Telenorma GmbH and its subsidiary Friedrich Merk Telefonbau GmbH were certified for DIN/ISO 9001. This certifies that the quality programs of these areas meet the high requirements of this important standard in international business.

Investments in tangible fixed assets reduced

We reduced investments in tangible fixed assets to 1.6 (1992: 2.0) billion DM. As a result they were 15% below depreciation of fixed assets. About 64 (1992: 66)% of investments were made in Germany, 87 (1992: 84)% of investments were attributable to plant and equipment.

We invested 202 (1992: 312) million DM in the acquisition of land and in buildings. Of this amount, 148 (222) million DM were invested in Germany and 54 (90) million DM abroad.

Unchanged research and development expenditures

Expenditures for research and development remained almost unchanged at 2.2 billion DM. The number of employees in this area was 11,902 (1992: 12,670) worldwide. By year end, 1,674 (1992: 1,731) employees were working in research and development in our regional subsidiaries.

Number of employees declines further

On average, in 1993 we employed 12,677 fewer people than in the previous year.

Out of a total workforce of 164,506 employees, 104,018 were working in Germany. The number of employees also declined abroad.

Annual average number of employees	1993	1992
Domestic Bosch Group	104,018	112,942
Regional subsidiaries	60,488	64,241
Bosch Group Worldwide	164,506	177,183

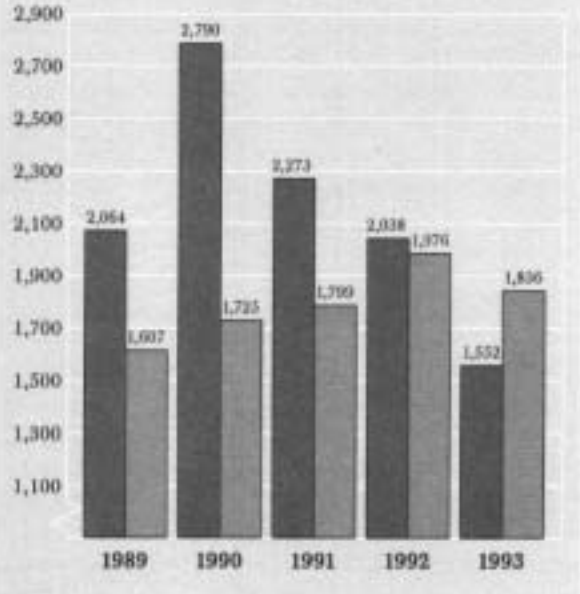
Continuing pressure on our earnings

Competitive pressure intensified in all international markets. Downward pressure on our earnings continued. The operating profits declined further and were negative.

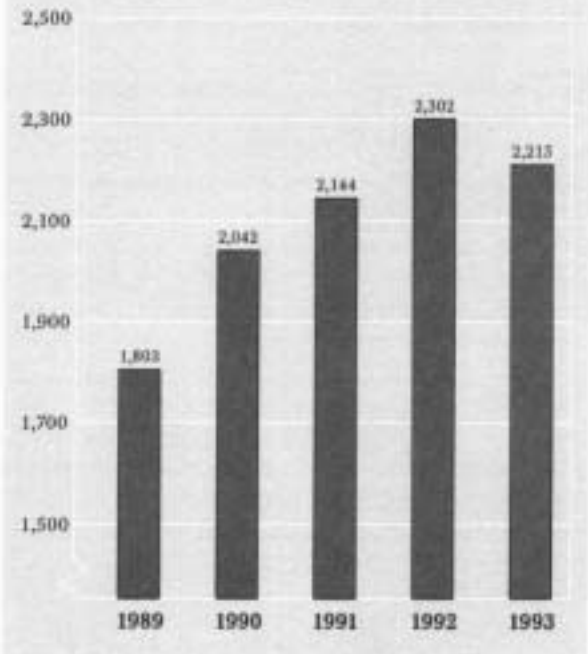
Outlook: No noteworthy upswing in sales expected

We do not expect a significant sales increase in 1994 in view of the largely unchanged market conditions. We will continue our cost-reduction measures in order to improve our earning power.

Bosch Group Worldwide
Additions to tangible fixed assets and depreciation 1989–1993
(million DM)



Bosch Group Worldwide
Expenditures for research and development 1989–1993
(million DM)



On January 1, 1994, the Bosch Group employed 156,615 persons worldwide, 13,189 or 7.8% fewer than the year before. The decline affected Germany in particular, where the number of employees decreased by 9,643 or 9.0% to 97,856.

As in the previous year, 5% of the domestic workforce consisted of apprentices. The share of factory workers declined to 58% (1992: 60%). Of the domestic wage earners, 40% were skilled workers.

Manpower adjustment with virtually no layoffs

The number of employees was reduced largely through individual termination agreements and early retirements. For this purpose we reduced the age limit from 58 years to 55 years and 7 months. Operation-related layoffs were only needed in a few areas.

We also cut back production by instituting a reduced work schedule especially in the automotive equipment sector. These measures affected over 20,000 employees over several months in Germany. On average, these employees lost between four and six workdays a month.

Agreement on measures to reduce labor costs

In February 1993 we started negotiations with domestic employee representatives on measures to reduce our personnel costs, in order to contribute to the strengthening of our international competitiveness. After sometimes difficult negotiations we agreed on a cost-reduction program which takes into account both the unsatisfactory operating results and the concerns of the employees.

The voluntary compensation payments and company fringe benefits are being reduced by one fourth at Robert Bosch GmbH. Personnel costs in the Worldwide Bosch Group amounted to 11.7 (1992: 11.8) billion DM.

Experiences with CIP and TOP

In 1993 we increased concentration on the Continuous Improvement Process started in 1991 with a number of workshops and projects in all areas of the company. This work concentrated on expanding activities to include development, marketing and the corporate headquarters as well as on involving managerial personnel to a greater extent.

We trained moderators and further adapted our methods and instruments. With the aid of manufacturing analysis, we are improving quality and productivity while also optimizing the entire process of manufacturing, throughput times and inventories. Transfunctional processes were analyzed in workshops.

We introduced team-oriented work forms in production (TOP) at almost all major production sites. Initial experiences show that employees work together more closely and efficiently. In particular the agreement on common goals as well as regular and fast information to teams about the results achieved have proven to be motivating factors.

Family leave agreed upon

A company family leave agreement allows employees to care for family members requiring nursing in a home setting. We grant such employees the right to be rehired provided a suitable job is available upon their return. Employees are able to keep their qualifications up to date during the family leave through continuing education or part-time work.

Employee representatives elected to supervisory council

The election of employee representatives to the supervisory council of Robert Bosch GmbH took place late April 1993. 1,560 delegates who had previously been elected by employees of the parent company as well as subsidiaries and affiliates, voted on ten supervisory council members from the workforce (five

workers, one salaried employee, one executive, three union representatives).

Improvement of company suggestions scheme

We agreed on several changes with the joint shop council in order to improve the effect and benefit of the company suggestions scheme. By giving lump-sum awards, the new rules make it possible to evaluate suggestions for improvement much more quickly. Supervisors and managers will support their employees to a much greater extent in developing and implementing suggestions for improvement. We expect that through these measures all employees will be more motivated to initiate improvements, and that suggestions will be examined and implemented more quickly.

Vocational training and further education matched to changed requirements

We accompany processes of change, such as new types of cooperation, with further education oriented towards the specific requirements of the areas in question. One example of this is the continuing education course entitled "Applied Information Technology" offered by the Robert Bosch Kolleg. The participants who have worked as electrical engineers were trained to handle tasks related to information processing.

The number of apprentices hired by the domestic Bosch Group in 1993 declined to 1,204 (1992: 1,552) and will probably decrease in 1994 as well in connection with overall personnel adjustments. Nevertheless, the apprentice share of the domestic workforce remained unchanged as of January 1, 1994.

Our training workshops continue to require skilled personnel trained according to the state of the art. This applies particularly to our foreign locations, where we will set up additional training areas – in some instances in cooperation with other companies – based on the proven German dual training system and also develop new forms of training.

Expression of appreciation to employees

The difficult business year also took a toll on our employees and required special motivation and effort. We would like to express our appreciation for their great commitment. We would also like to thank all employee representatives who after sometimes difficult negotiations also supported the decisions required to maintain the competitiveness of the company.

A few examples serve to illustrate the work conducted by our Corporate Center for Research and Advance Development. We will report on the improvement of existing products and the development of new products in the sections dealing with our business sectors.

Development of opto-electronic microsystems

Optical communications are becoming increasingly more important. This requires highly reliable components which convert electrical signals into optical signals and vice-versa. This task can best be achieved with microsystem technology in which optical and electronic components are integrated on a single chip on the basis of semi-conductor technology.

We developed optical receivers, modulators and switches on this basis. The coupling to the glass-fiber transmission link was also achieved inexpensively with the aid of microsystem technology.

New applications for sensors

In particular for automotive uses, we integrated movable micro-mechanical structures and electronic evaluation circuits on a silicon chip for new sensor applications. In this manner the number of electrical connections is reduced, the mounting methods are simplified, manufacturing costs are reduced and the reliability of the components is increased. The size of the sensor elements corresponds to that of integrated circuits.

Improvement of acoustic quality testing

We developed a new measuring and evaluation system for objective noise evaluation and acoustical diagnostics, in order to largely replace the often inadequate subjective noise evaluation.

Here, we are applying analytical techniques which simulate the human sense of hearing. From these, we capture typical characteristics of the sound signal, for instance volume, roughness, and intensity of variation. In this manner, we achieve superior coordination between measured sound and subjective hearing.

Knowledge-based support of preventive quality assurance

An effective tool for preventive quality assurance is the Failure Mode and Effect Analysis (FMEA). For example, if the vehicle is to be examined as a whole with this method, it requires the cooperation between vehicle manufacturers and suppliers.

At the Research Institute for Application-Oriented Knowledge Processing (FAW) in Ulm we are working on a project called "Knowledge-Based Support of FMEA" with an automotive manufacturer and another supplier. This joint approach leads to time savings and quality gains among suppliers and customers.

More precise characterization of materials

By use of customized materials we reduce costs and improve the operation of our products. We are better able to characterize magnetic materials through newly developed test methods. For example, by using this method the dynamic properties for solenoid-operated actuators in fuel-injection systems, which are subject to particularly high requirements, can be correlated very accurately with material characteristics. In this manner the characteristics of different components can be matched to the functional requirements through alloying measures.

With a new ultrasound test method, we are able to detect minute internal structural details of ceramic composite materials, for instance as used in exhaust-gas sensors, quickly and without causing damage. This has enabled us to produce material structures with greatly improved characteristics.

Microhybrid technology to reduce the size of ECUs

We developed a special technology which enables us to significantly reduce the size of automotive electronic control units. The ECUs are specially suited for mounting on mechanical or hydraulic equipment. In addition, we contribute to weight reduction while increasing reliability at the same time.

Non-sintered ceramic foils produced by the multilayer process and baked together form the base material for the microhybrids.

The electrical connections are routed between the individual layers in such a way that a very high packing density of the components is achieved on the substrate surface. As a result the required surface area is reduced by up to 50% compared to conventional circuits.

Tools to develop electronic systems

Tougher emission standards and reduced fuel consumption requirements make electronic control units increasingly more complex. For this reason we developed software tools with which the planned functions can be simulated and tested in the vehicle before the development of the ECU begins. We expect even shorter development cycles and improved quality of the functions from this simulation software.

Automotive Equipment

Automotive Equipment Division 1
ABS, chassis systems and 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

Radio Technology Division
Installations and equipment for mobile-radio technology (private mobile radio, radio for emergency services, trunking equipment), paging technology, car antennas, broadband communications

Public Communications Division
Wire-less and cable transmission technology, switching systems for public networks, space communications and satellite technology, traffic control technology, video-conference studios

Private Communications Division
Products and services for private networks, terminals, security engineering, time-service and time-management systems, display equipment

Consumer Goods

Bosch-Siemens Hausgeräte GmbH[1]
Electrical household appliances, entertainment electronics

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

Junkers Division
Heating and hot-water equipment, controls, blower burners, gas controls, bathroom furniture

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 candles

1) Bosch ownership 50 %

(Status as of December 31, 1993)

In 1993, worldwide motor-vehicle production fell slightly short of the previous year's level. At 47.5 million vehicles, car production was down 2% compared to 1992. Motor-vehicle production in Western Europe declined significantly, dropping from 15.4 to 12.7 million units compared to 1992. Automobile production in Japan had a downward trend for the third year in a row. Japanese car production totaled 11.2 million, a drop of 9.4% over 1992. In contrast, manufacturers in North and Latin America increased their output of motor vehicles by 13.1% to 16 million units.

In 1993, sales of our automotive equipment business sector decreased by 6.3% to 16.2 billion DM.

New developments for fuel-injection systems

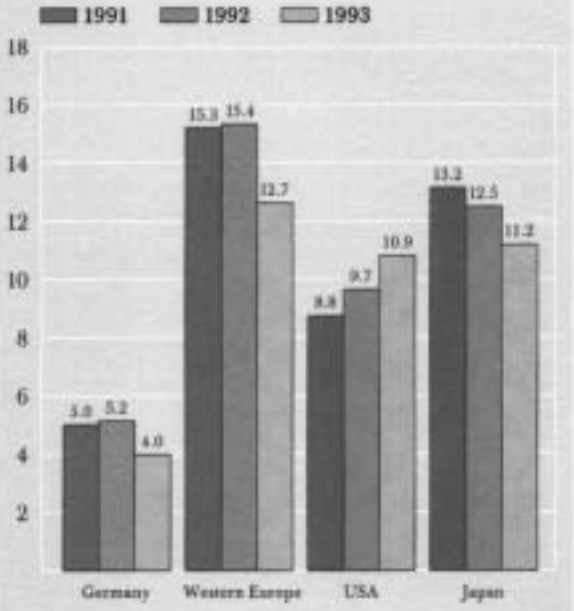
Starting with model year 1994, the California EPA and other US states are requiring more stringent on-board diagnostics (OBD 2) for new models to monitor all the vehicle's exhaust-gas-relevant components. Together with our customers we developed the highly complex diagnostic system required and are offering it as the first European manufacturer.

Many motor-vehicle manufacturers are seeking less vertical integration and intend to outsource comprehensive systems to a greater extent than in the past. As system leader, together with another supplier, we are jointly developing a complete intake module consisting of the intake manifold, fuel rail with injectors, pressure regulator, temperature sensor and the related ECU.

We started production of an electric secondary-air pump in May 1993. Using this pump, emissions of hydrocarbons and carbon monoxide are reduced significantly during the catalytic converter's warmup phase. For this purpose extra air which leads to afterburning of the hot exhaust gases is blown in upstream of the catalytic converter.

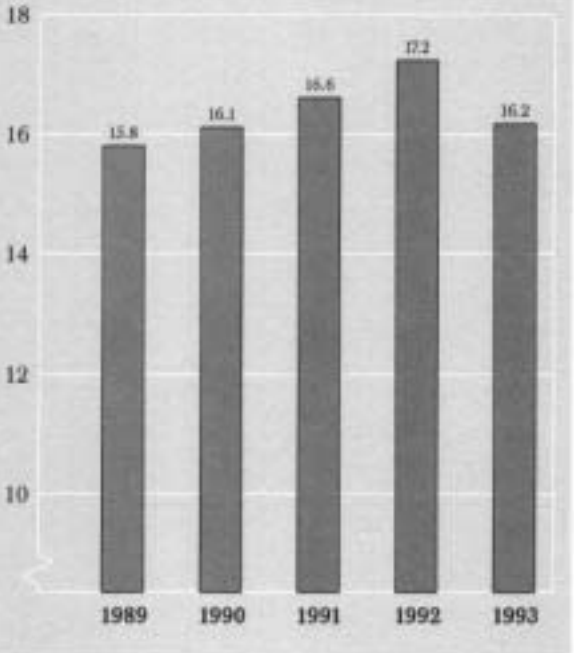
Large-scale production of our new EV6 injector was started at our Bamberg plant in the first half of 1993. Another production line began operation in the USA in early 1994. The new

Automotive market
Production of motor vehicles in selected markets 1991–1993
(million units)

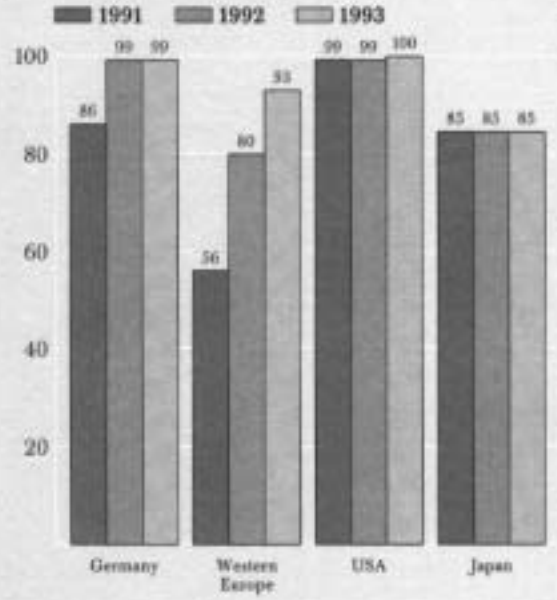


Source: VDA

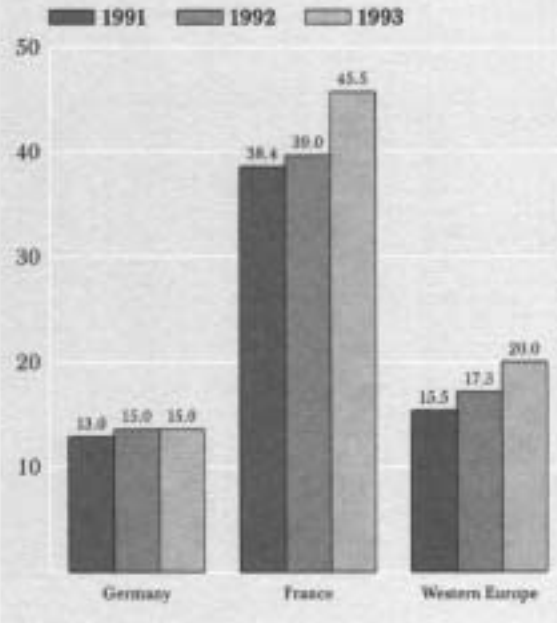
Bosch Group Worldwide
Sales of automotive equipment 1989–1993
(billion DM)



Automotive market
Share of gasoline-injection systems in the production of gasoline-engine motor vehicles in selected markets 1991–1993
(percentage)



Automotive market
Share of diesel-engine passenger cars within newly registered passenger cars in selected markets 1991–1993
(percentage)



injector is characterized by especially small size and low weight.

Rising demand for electronically controlled diesel injection systems

The share of newly registered cars with diesel engines increased further in Western Europe. Fuel economy as well as improvements with respect to noise and driving comfort explain the increasing importance of the diesel engine. We participated in this growth.

Demand for our electronically controlled diesel fuel-injection systems for passenger cars increased further.

These improve driving comfort and reduce emission levels. In the past, electronically controlled systems were used primarily in luxury class vehicles. In 1993, we started large-scale production for a vehicle in the mid-size range powered by a direct-injection engine.

Tougher emission standards for commercial vehicles beginning in 1994 in the USA, which will also become effective in the European Union starting in 1996, require an even higher injection pressure and load-dependent start of injection. For this purpose we further developed our in-line injection pumps and added the sleeve-metering in-line pump to our product line. This controls the fuel quantity and start of injection via an electronic control unit and solenoid actuators. We brought this highly developed injection system on the market in 1993 for heavy utility vehicles.

Various new engine concepts call for greater integration of diesel injection in the engine in future. For this purpose we are working on electronically controlled single-cylinder pump systems. In close cooperation with our US affiliate Diesel Technology Company, we developed a second generation of the electronically controlled unit injector.

Electronic control for automatic transmission

Our new adaptive shift-point control makes shifting of automatic transmissions even more

convenient. It is no longer necessary to manually select several programs.

The transmission automatically adapts itself to the driver's driving style.

We continued work on the optimization of the vehicle's powertrain. The electronic transmission and throttle-valve control, as well as the Motronic, are linked via a bus system and are controlled in such a way that the engine operates at the lowest possible speed and thus fuel-efficiently. As a result, fuel consumption is reduced by up to 8 %.

Position maintained in the growing market for antilock braking systems (ABS)

We maintained our position as market leader in the continuously growing market for antilock braking systems (ABS). Over 16 million Bosch ABS have been built since we began mass production in 1978.

We continued to develop the ABS 5 family in order to reduce manufacturing costs and weight, and we added a particularly small and light ABS. It is designed especially for small and mid-size vehicles. Traction control (ASR) can also be added.

Continuing demand for passive restraint systems

The demand for airbag and belt tensioners, the currently most effective passive safety system in motor vehicles, continues to grow.

Airbags have largely become standard equipment in the USA. The principle of centralized electronic sensing which we employed from the very beginning is now being applied worldwide.

Increasingly, driver and passenger-side airbags are now also becoming standard equipment for vehicles in Europe, and this has led to the demand for even lower-priced airbag systems. For this purpose we are offering newly developed, standardized and highly integrated trigger units.

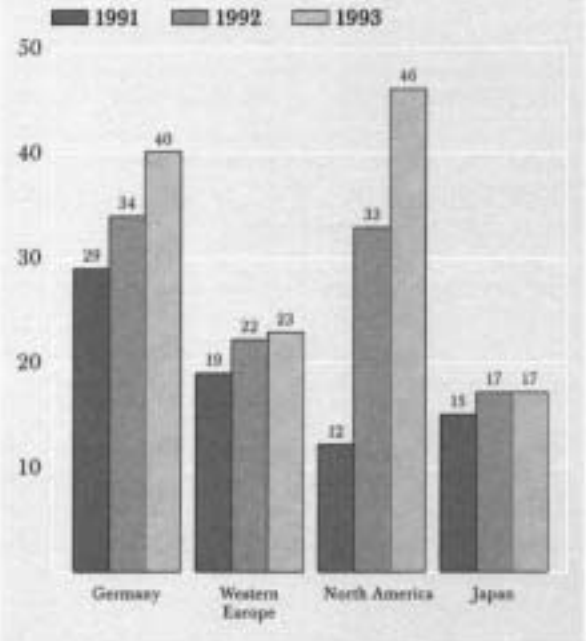
Mass production of second Litronic generation started

Two years after the start of production of Litronic, the first headlamp system with gaseous-discharge lamp, the second generation went into production at the end of 1993. It is smaller, lighter and more cost-effective.

Our calculation methods for reflectors were improved further. As a result, headlamps can be designed very compactly making it possible to combine reflectors for low-beam, high-beam, fog and turn-signal lamps into a single molded part.

We developed an automatic dynamic headlight vertical-aim control device for optimal headlight aiming. Regardless of the vehicle load and acceleration and braking processes, this system allows the driver to make full use of the headlamp output in all situations without interfering with oncoming traffic.

Automotive market
Share of ABS-equipped* passenger cars in total passenger-car production in selected markets 1991–1993 (percentage)
*Antilock Braking System



Expansion of alternator production

Demand for our new compact alternators increased again. After reaching full production in our Cardiff plant (Great Britain), we also started production of this alternator in Treto (Spain) in 1993.

Noise reduction and an increase in efficiency are the primary goals of our continued development work on the compact alternators. Higher efficiency makes a contribution to the efforts of our customers to further reduce fuel consumption.

Introduction of lighter and smaller starter series

Our customers are demanding smaller and lighter starters to save space in the engine compartment and to reduce weight and thus fuel consumption. For this reason we completely revised our product line. The new L-series is smaller and lighter by 15% to 25% depending on the output class. The manufacturing costs are lower than our previous series.

New products for convenience and safety

The development of a pollution sensor to measure the air quality in the passenger compartment has reached the production stage. For example during a traffic jam or while passing through a tunnel the fresh-air vent can be closed automatically and opened again once the outside air is clean.

Our new optical rain sensor makes a contribution to traffic safety. It detects varying rain intensities and automatically controls the wiping frequency.

We introduced electronic disabling devices to protect vehicles against theft. These devices cut off important engine functions. We will make future systems even more secure through additional functional characteristics. These include a 3-channel cutoff of important engine components as well as various possibilities using coded override of electronic engine controls, as for example electronically coded ignition and door locks.

We started mass production of a new generation of power-seat motors. These motors are quieter and more cost-effective than previous adjustment motors.

From the car radio to a comprehensive information system

Our subsidiary Blaupunkt-Werke GmbH increased its market share in Europe with original equipment sales of car radios.

We continued measures to reduce production costs and to increase product quality and reliability.

Our development efforts concentrated on car radios with multiple antenna reception, CD changers as well as new digital audio-signal processing. This method achieves an optimal sound quality inside the vehicle.

In addition, we concentrated on the development of navigation systems which guide the driver to the destination by voice and directional arrows on a central monitor. This innovation was introduced for the first time in our Berlin RCM 303-A system which received great attention at this year's International Radio Trade Show in Berlin and at the Tokyo Motorshow. Together with a German motor-vehicle manufacturer, we also exhibited a customized driver-information system for the Japanese market which contains the car radio, mobile phone, navigation, video as well as a central operator control panel. This serves to reflect our strength in the field of comprehensive electronic systems for the motor vehicle.

Participation in the Stuttgart pilot project for traffic management

Since March 1993, the future digital RDS-TMC Traffic Radio Communications System has been undergoing a field test designated "Better traffic information" in the Rhineland under our leadership. For this purpose we equipped vehicles of test participants and de-

veloped the software required for transmission by the participating radio stations. We also took part in the Stuttgart pilot project STORM for which we developed new concepts for regional traffic management.

Auto-Radio Portuguesa Lda increased its sales by 26% by starting production of additional units previously built in Hildesheim. The company started to supply original equipment customers directly. Blaupunkt Electronica Lda built fewer car-radio cassette drives due to reduced demand.

At our subsidiary MotoMeter GmbH, sales of display systems were affected by the decline of motor-vehicle production. We received new orders for a display system designed with very flat instruments and stepper-motor drive. Its flat design allows installation in tight spaces.

MotoMeter Portuguesa Lda increased sales by 36%. On average the company employed 125 people.

Development of modules made of plastic

The low specific weight of synthetic materials and the relatively low costs involved with producing complex shapes, make innovative designs of components and systems possible. Additional cost benefits and logistical advantages are obtained if several components can be combined into preassembled units or modules. We are developing these modules together with our customers. We started mass production of various new actuators for gasoline and diesel injection systems.

The requirements for high-quality connectors are growing as motor vehicles are equipped with more and more electronic systems. We therefore broadened our product range.

Automotive equipment aftermarket sales vary by region

In Europe automotive equipment aftermarket sales were characterized by buyer restraint, foreign-currency changes and inventory reductions at all marketing stages. We expanded our operations in Central and Eastern Europe.

We solidified our market position in America, especially in the USA and Canada as well as in all Southeast Asian markets and China.

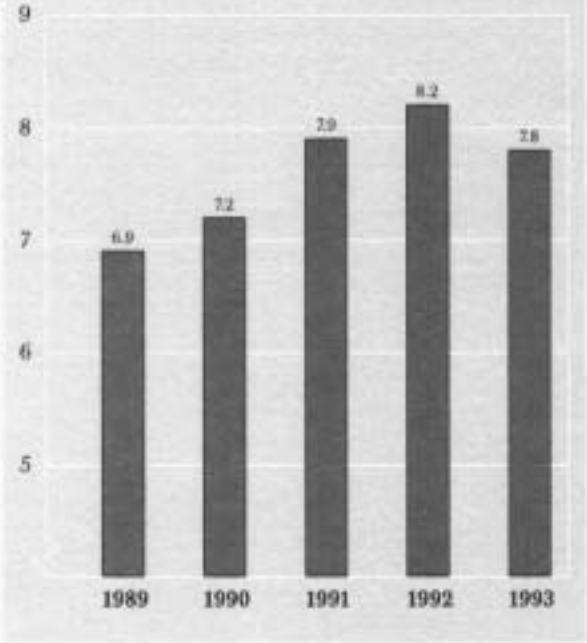
We are represented in 131 countries with over 10,000 Customer Service outlets. The first Bosch Service outlet in Russia started operation in Moscow.

The rise in vehicle thefts in Europe increased demand for our retrofittable vehicle-protection systems. We expanded our product line to include an alarm system with remote control and two disabling functions.

The communications technology world market is undergoing a fundamental structural change. The changed investment and buying behavior of major customers as well as new microelectronic products put pressure on volume and prices. Political uncertainties and finance difficulties inhibit opportunities for the expansion of public and private telecommunications networks in the Eastern European countries.

Overall, sales of the communications technology business sector decreased by 4.2% to 7.8 billion DM. For the first time this includes sales of Signalbau Huber AG. It still includes sales of Blaupunkt-Werke GmbH and Moto-Meter GmbH which were incorporated in the automotive equipment business sector as of July 1, 1993.

Bosch Group Worldwide
Sales of communications technology 1989–1993
(billion DM)



Cautious investment activity in public communications technology

After years with growth rates, the Public Communications Division sales declined by 4.4%. This division combines ANT Nachrichtentechnik GmbH, Teldix GmbH and Bosch Telecom Öffentliche Vermittlungstechnik GmbH. This decline is largely attributable to the severe price drop for systems and equipment and the cautious investment activity of network operators. Taking into account the sales of Signalbau Huber AG, there resulted an increase of 1.9%.

We supplied glass fiber and radio relay transmission systems to the German Postal Service Telecom (DBP Telekom) to enable them to expand their networks.

We completed turnkey projects for additional phone networks in the New German States. ANT received orders from various domestic and foreign network operators to expand networks based on synchronous digital hierarchy technology (SDH).

ANT supplied equipment and glass fiber cables for local networks and TV program distribution to the Optical Broadband Line Group Project (OPAL) of DBP Telekom.

Mannesmann Mobilfunk GmbH awarded ANT a major contract for narrowband radio-relay systems to link fixed radio stations within the D2 network and to the public telephone network. We supplied digital radio-relay systems to the former East German railroad.

As a member of the DMCS 900 consortium, we participated substantially in the expansion of the D1 mobile radio telephone network of DeTeMobil GmbH in 1993 as well. The consortium received follow-up orders for the network expansion from Belgian, French and Portuguese network operators.

The German railroad system charged a bidding group, in which ANT takes part, with the setup of a railroad-owned ISDN network. In addition ANT received a contract for the communications system of the Magdeburg–Berlin railroad link.

The space communications product group received contracts for the supply of subsystems for communication satellites, as well as complete ground stations from the Martin Marietta Astrospace Division for the Ecostar 1 Project.

ANT is offering a new cost-effective data service via satellite under the designation "Skypipe Advantage". It is operated via narrowband transmission channels for which small satellite stations (VSAT) are used.

Teldix GmbH intensified its activities in the civilian area. Sales of satellite components increased. Sales of RF switches and spin stabilizers rose on the US market. Teldix received the first orders for satellite-supported navigational systems for ships and helicopters, including CoPilot map readers for police helicopters.

Bosch Telecom Öffentliche Vermittlungstechnik GmbH increased its sales of EWSD systems as well as pay-card phones and supplied the DBP Telekom with the new EWSD version with the "Euro-ISDN" user facility. The company set up EWSD switching centers in Hanoi for the Vietnamese Postal Administration.

Our Radeberg plant carried out installation and test work during the construction of phone networks and VSAT stations in the New German States.

We received orders from several agencies for collective traffic-control systems to control traffic on expressways and highways. We set up test facilities to test individual traffic-control methods and automated electronic toll collection, as well as for the system test of the Federal Ministry of Transport.

Our subsidiary Signalbau Huber AG supplied and installed traffic signal systems and traffic-control computers in various communities in Germany. Sales of priority systems for commuter traffic and park routing systems increased.

In China the company completed the traffic-control system for the highway tunnel near Chengdou and received an order for the construction of a similar system for the Pearl River tunnel near Canton. The company is also establishing a traffic-control system for an expressway in China. The company is modernizing the traffic signal systems in Prague, the Czech capital.

The company developed and installed "Park and Ride" systems for the projects to improve regional traffic management in Stuttgart and Munich promoted by the European Union.

The Public Communications Division invested 284 (1992: 306) million DM in research and development.

Weak economic environment for private mobile radios

The weak economy led to a sales decline of private mobile radios which was only partially offset by system sales. We are investing heavily in advance development of digital two-way radio systems.

We increased our market share in paging systems through newly developed products. We expect an additional boost from the introduction of cordless digital phone systems based on the European standard DECT. Orders from abroad increased for tunnel radio communications systems.

Sales of vehicle antennas for car radios and cellular phones declined as a result of the weak car market.

Strengthened market position in private communications technology

The Private Communications Division was able to maintain its position in an overall declining market for private networks and telecommunications terminals. This division comprises Telenorma GmbH with its domestic and foreign subsidiaries, and the business of JS Télécom in France, Robert Bosch Industriale e Commerciale SpA in Italy, and Robert Bosch SA de CV in Mexico with Telenorma products and services. Division sales decreased by 1.6 %.

For the first time in Germany, we established a virtual private communications network (VPN) for a Bank with a number of branch offices in different locations. This system does not connect the subscribers via permanently dedicated leased lines as is customary, but only temporarily as needed. This leads to cost

savings and also enables the user to take advantage of the full performance spectrum of an ISDN communications network via switched lines.

Together with our partner Digital Equipment GmbH, we developed a call distribution system for the service sector, and field-tested it at our customers. This automatic call distribution system automatically switches incoming calls to a free slot. It is used, for instance, to order goods by phone, for central reservations in the travel and hotel business, for cab companies and for securities trading.

We introduced the ISDN video telephone VISITEL 10 to the market at the end of 1993.

Our new microprocessor-controlled telecommunications system Integral 20, with two lines to the public telephone network and up to 6 extensions, is especially suitable for small businesses, contractors and the self-employed. Fax machines, answering machines, modems or cordless phones can also be connected with an optional attachment.

In Great Britain we obtained the approval for our ISDN telecommunications system Integral 33x. After approval in the USA for our Integral 33H dealer system for bank transactions with money, foreign currency and securities, we received the first orders from the USA.

From France Télécom, the French state-owned telephone company, JS Télécom SA was awarded a multi-year basic contract for the delivery of ISDN PABXs from the Integral 3 family. JS Télécom entered into a cooperative agreement with Téléphonie Française Nord, a large French installation company.

In the security-systems sector, we introduced a new generation of our UGM alarm system. Also, we developed a new computer-based product line for time-recording and access control.

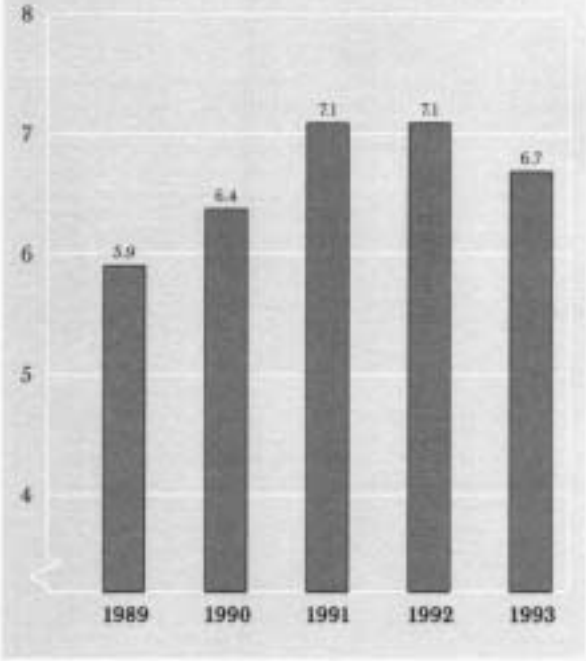
In the area of display technology, demand for passenger information displays of the German Railroad increased. We equipped the Olympia Hall in Munich with a modern video sports display. We installed Germany's largest LED display board for information and advertising in the center of Leipzig.

The Private Communications Division invested 211 (1992: 206) million DM for research and development.

The recession in Western Europe reduced private consumption and disposable income. In Germany, purchasing power declined.

Sales of our consumer goods business sector dropped by 5.0% to 6.7 billion DM.

Bosch Group Worldwide
Sales of consumer goods 1989–1993
(billion DM)



Sluggish foreign demand for household appliances

At Bosch-Siemens Hausgeräte GmbH, which we consolidated in accordance with our 50% interest, the foreign market for home appliances was severely weakened due to economic and currency-exchange factors. This led to a sales decline of 5% to 6.7 billion DM in 1993. The company experienced slight growth in Germany. In particular, sales of dishwashers, dryers, ranges, hoods and small household appliances increased. Demand for electronic home-entertainment equipment remained sluggish.

The company continued to expand its capacity. The foundation was laid for a new dryer plant in Nauen/Brandenburg. In Giengen we took a new refrigeration-equipment plant into operation. The company invested 270 (1992: 338) million DM in fixed assets. Expenditures for research and development increased to 147 (1992: 142) million DM.

The company successfully completed its efforts to replace chlorofluorocarbons in refrigeration equipment. In the meantime, all products from German, Spanish and Greek production are free of chlorofluorocarbons.

Bosch-Siemens Hausgeräte GmbH was unable to repeat last year's performance due to setbacks in export sales. The company continued its cost-reduction measures to ensure profitability.

The company strengthened its market presence with the establishment of new distribution companies abroad. In March 1993, it acquired the operations for small household appliances from Gorenje MGA, Nazarje (Slovenia).

The Power Tool Division strengthens its global market position

The world market for power tools stagnated at around 10 billion DM in 1993. A decline in Europe was offset by increases in the Far East and in North America. The domestic market grew, especially as a result of continuing demand in the New German States.

Our Power Tool Division strengthened its global market position. Company sales in Europe and in the Far East as well as in North American markets outperformed the market in general. Our two affiliates S-B Power Tool Company and Vermont American Corporation operate in North America.

We hold an equal interest in these companies with Emerson Electric Co, St. Louis, MO (USA).

Innovations made a significant contribution to the business performance abroad. Demand was especially brisk for our new rotary hammer in the lower price range.

Sales of the Power Tool Division, which do not include sales of our American affiliates, stagnated.

Junkers solidifies market position in Europe

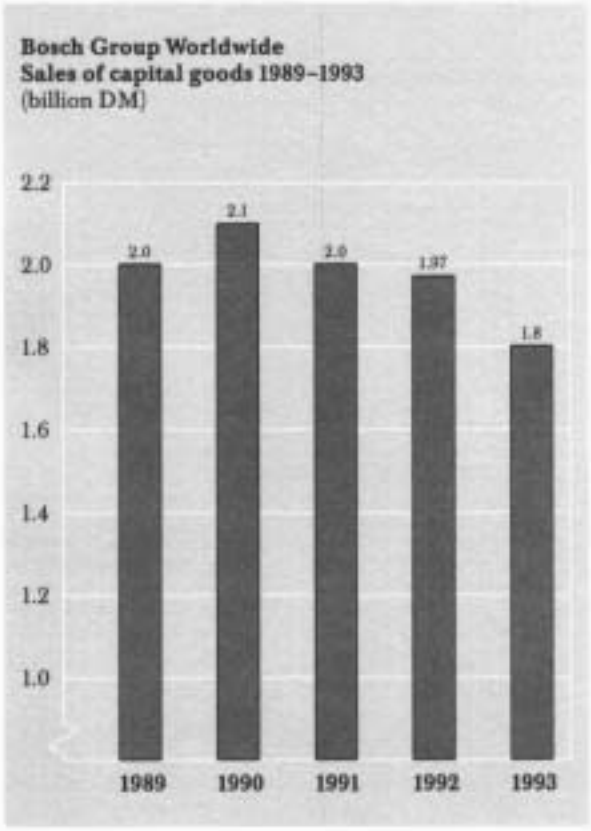
Our Junkers Division increased sales in 1993.

In Germany the amendment to the first German air-pollution law in effect since October 1, 1993, and the change in housing-aid law in effect since January 1, 1994, benefitted the business performance.

In Great Britain the incipient economic recovery is having a positive effect on the sales of our affiliate Worcester Group plc. The demand for combination water heaters increased.

In addition to Germany (Wernau) and Great Britain (Worcester), thermo-technological products are also manufactured in Belgium (Houthalen), the Netherlands (Lichtenvoorde), Portugal (Aveiro) and Turkey (Manisa).

The output of the mechanical-engineering industry declined by 5% in Europe and by 12% in Germany. Sales of our capital goods business sector declined by 9.2% to 1.8 billion DM.



Declining activity in fluid technology

Our Hydraulics and Pneumatics Division was affected by the recessionary trend in fluid technology in Europe. Sales increases were realized in the USA and in Far Eastern countries.

Increasingly, energy-saving systems with a high degree of operating convenience are demanded in the field of automotive hydraulics. We expanded our line of very sensitive directional control valves and electrohydraulic controls. We are offering a series of especially quiet gear pumps for compact assemblies of equipment in passenger cars.

In the field of industrial hydraulics we added a version with constant displacement volume to

our range of high-pressure radial-piston pumps. It is designed for use in presses and injection molding machines.

We developed a new generation of control valves with a space-saving dual tractive electromagnet. It allows applications previously limited to servo-valves.

We met the growing demand for system solutions by introducing servo-cylinders in which the position measuring system and control-valve are integrated. They are particularly suited for use in machine tools and wood-working machines.

In the field of pneumatics, the new valve-mounting system VTS with central connector and bus connection was well received by the market. This design requires less user installation work. The expanded cylinder line as well as new small directional control valves attracted new groups of buyers.

Sales decline in industrial equipment

The continuing difficult economic environment also led to a sales decline in the Industrial Equipment Division.

The product group for industrial control electronics was particularly affected by the declining demand from machine-tool manufacturers.

Our new package of movement controls for the mechanical-engineering industry met with great interest. The package consists of a control with open software structures and digitally controlled drives.

We received the first orders for resistance welding controls from the American automobile industry. Our converter series for the welding of aluminum sheets was rounded out.

In the area of assembly and handling equipment, declining demand in Europe was coupled with higher sales on the American market. The further expansion of our distribution network in the USA contributed to this development.

We strengthened our market position with test equipment for automotive workshops. Sales increased as a result of legally mandated emission analysis of catalytic-converter and diesel vehicles in effect since December 1, 1993.

Sluggish sales of packaging machinery

In the Packaging Machinery Division weakened demand in Germany, the USA and Japan led to declining activity. Increased demand from Europe outside Germany only partially offset this development. Sales did not reach the previous year's level.

As one of the leading manufacturers worldwide we are increasingly offering machinery which allows the efficient use of environmentally compatible packaging materials and which can be quickly adapted to different package sizes.

We expanded our product line of medium-output coffee packaging machinery. In addition, we developed new machinery to fill and seal disposable syringes for the pharmaceutical industry. We completely redesigned our series of filling machines for liquid drugs.

Customer requests for a narrow space-saving design easily accessible to operators was met through linear transport of ampules and injection bottles.

For the production and packaging of confectionery we developed a high-performance cooking facility as well as a cutting and wrapping machine for soft candy. We have already sold a number of these machines.

In 1993, sales of our consolidated companies abroad including inter-company deliveries increased by 2.2% to 14.6 billion DM. Adjusted for prices and exchange rates the increase amounted to 2.4%. The performance varied significantly by region. The decline in Europe was offset by growth in other regions, especially America.

Robert Bosch Internationale Beteiligungen AG, Zurich, which acts as a holding company for several holdings abroad, realized a profit for the year of 30 (1992: 26) million Swiss Francs. The dividend remained unchanged at 20 million Francs. Its financial investments amounted to 411 (1992: 488) million Francs. As in the previous year the company's capital stock totalled 150 million Francs.

Europe

France

Robert Bosch (France) SA, Saint-Ouen (Paris)

Manufacture of automotive equipment, hydraulic and pneumatic products as well as private communications equipment. Sales and service of Bosch products in France

Production sites at Bonneville, Mondeville/Caen, Montceau-les-Mines, Rodez, Rumilly, Vénissieux

Capital stock:	350 (1992: 350) million F.Fr.
Equity interest:	100 (100)%
Employees:	5,605 (5,970)
Export share of sales:	43 (44)%

Declining investments and sluggish domestic demand led to a decline in the French gross domestic product of 1%. The production level decreased. The Franc came under devaluation pressure in the second half, but stabilized again towards the end of the year.

Motor-vehicle production and new-vehicle registrations decreased by 16% and 18% respectively.

Sales declined by 6%[1]). We increased original equipment sales of antilock braking systems. Sales of car radios to motor-vehicle manufacturers also increased. Sales of gasoline and diesel fuel-injection systems fell short of the previous year's level.

We established sales branches in Marseilles, Dijon and Toulouse in order to strengthen sales in the automotive equipment aftermarket. In a generally soft market we were able to increase our market share with power tools.

Sales of JS Télécom SA declined in the weak market for private communications equipment. Production of the Telenorma switching system Integral 2 began in Montceau-les-Mines.

Great Britain

Great Britain showed the first signs of a recovery from the deep recession. The gross domestic product increased by 2% primarily as a result of higher consumer spending. New-vehicle registrations were 10% higher than the year before. However, output rose only by about 2% due to lower exports.

Robert Bosch Ltd, Denham

Manufacture of automotive equipment. Sales and service of Bosch products in Great Britain

Production site at Cardiff

Capital stock:	48.3 (1992: 48.3) million £
Equity interest:	100 (100)%
Employees:	1,100 (1,145)
Export share of sales:	47 (48)%

Our company's sales increased by almost 8%. In particular the delivery volume to the British automobile industry increased. We increased the output of our Cardiff plant in order to meet the demand for compact alternators.

[1]) Figures apply to domestic currency here and elsewhere

Aftermarket sales of mobile communications equipment and power tools for industrial applications increased. Demand for do-it-yourself tools remained weak. We acquired new partners for the distribution of automotive aftermarket equipment.

Italy

Italy's overall economy weakened. Domestic demand decreased by about 4%, since expenditures for plant and machinery in particular, declined drastically.

Robert Bosch SpA, Milan

Sales and service of Bosch products in Italy

Capital stock: 36 (1992: 36) billion Lit
Equity interest: 100 (100)%
Employees: 420 (455)

Company sales decreased by 11%. Automotive original-equipment sales, in particular, decreased and thus reflected declining motor-vehicle production. In the aftermarket, declining sales of car radios, power tools and telephones were not fully offset by increasing sales of automotive aftermarket equipment and test equipment.

Austria

Austria's economic development weakened further. Gross domestic product barely reached the previous year's level.

Robert Bosch AG, Vienna

Manufacture of injection equipment for large diesel engines. Sales and service of Bosch products in Austria and in Central and Eastern Europe

Production site at Hallein

Capital stock: 200 (1992: 200) million ö.S.
Equity interest: 100 (100)%
Employees: 1,250 (1,270)
Export share of sales: 32 (34)%

Sales of our company decreased by 5%. Deliveries to original equipment customers in particular, fell below the previous year's level.

The company became responsible for the operation of seven other distribution and service companies in Central and Eastern Europe. The sales performance in these markets continues to be positive.

Portugal

The Portuguese gross domestic product declined by 1%. The inflation rate decreased, but unemployment worsened.

Robert Bosch Lda, Lisbon

Sales and service of Bosch products in Portugal

Capital stock: 1 (1992: 1) billion P.Esc.
Equity interest: 100 (100)%
Employees: 125 (130)

Sales of Robert Bosch Lda declined by 3%. This was primarily attributable to sluggish sales of car radios and industrial tools. In contrast, sales of household appliances and power tools for do-it-yourselfers were higher. In the mobile phone area we achieved a 16% market share within a year after starting the D-network at the end of 1992.

Sweden

Sweden's economic situation remained unfavorable. Gross domestic product decreased by close to 2%. Private consumption remained at a low level.

Robert Bosch AB, Kista (Stockholm)

Sales and service of Bosch products in Sweden

Capital stock: 40 (1992: 40) million S.Kr.
Equity interest: 100 (100)%
Employees: 235 (305)

Our company's sales decreased by 3%. We increased our shares with new vehicle models in the original equipment field. Aftermarket sales remained weak, especially in the area of household appliances.

Switzerland

Scintilla AG, Solothurn	
Manufacture of power tools and saw blades	
Production sites at Derendingen (Solothurn), St. Niklaus (Wallis), Zuchwil (Solothurn)	
Capital stock:	45 (1992: 45) million S.Fr.
Equity interest:	85 (84.8)%
Employees:	2,050 (2,220)
Export share of sales:	97 (97)%

The gross domestic product of Switzerland stagnated. Investments in equipment and construction shrank again. Consumer spending also declined. With a low inflation rate, interest rates also declined.

Scintilla AG sales declined by 2%. The principal European markets, in particular, suffered setbacks. In contrast, exports overseas increased. We realized higher sales with saw blades and accessories.

We largely completed the concentration of product assembly in the new manufacturing plant in Derendingen.

Spain

Spain's gross domestic product dropped by close to 1%. The value of the Peseta sank again. While the inflation rate slowed down, unemployment continued to be significantly higher than the average in the European Union.

The decline in motor-vehicle production negatively impacted the performance of our company. Sales dropped by 3% as a result of a weaker aftermarket and slower original equipment sales.

Robert Bosch SA, Madrid	
Manufacture of automotive equipment and industrial equipment. Sales and service of Bosch products in Spain	
Production sites at Alcalá de Henares, Aranjuez, Castellet, La Carolina, Madrid, Treto	
Capital stock:	14.9 (1992: 14.9) billion S.Ptas
Equity interest:	100 (100)%
Employees:	4,625 (4,920)
Export share of sales:	57 (53)%

Turkey

Robert Bosch Motorlu Araçlar Yan Sanayi ve Ticaret AS, Bursa	
Manufacture of automotive equipment. Sales and service of Bosch products in Turkey and the Turkic Republics	
Production site at Bursa	
Capital stock:	55 (1992: 21) billion T.L.
Equity interest:	100 (80)%
Employees:	895 (860)

The strong growth of the Turkish economy continued in 1993. The gross national product increased by almost 7%. Efforts to stabilize the economy were hampered primarily by the high inflation rate of 71% as well as budget and trade deficits. Motor-vehicle production rose by 31% over the previous year.

In 1993, sales of our company increased by 21% in real terms. This increase is primarily attributable to higher sales of power tools, industrial equipment and mobile communication equipment. Early 1993, our company assumed the responsibility for the distribution of Bosch products in the Turkic Republics.

America

USA

The economic recovery in the USA accelerated. The gross domestic product increased by almost 3%. Sales of Robert Bosch Corporation rose by close to 7% in the face of continuing stiff competition.

American motor-vehicle production increased by 12%. Our company increased its original equipment sales by close to 24%. In particular, increases were achieved with antilock braking systems, trigger units for airbags, and fuel-injection equipment for gasoline and diesel engines. We expanded capacity for a new series of antilock braking systems and injectors, and put new production lines into operation.

Robert Bosch Corporation, Broadview, IL

Manufacture of automotive equipment, hydraulic equipment, industrial equipment and packaging machinery. Sales and service of Bosch products in the USA

Production sites at Albion, IN, Anderson, SC, Atlanta, GA, Belleville, MI, Bridgman, MI, Buchanan, MI, Charleston, SC, Juarez (Mexico), Madison Heights, MI, Racine, WI

Capital stock:	100 (1992: 100) million US$
Equity interest:	100 (100)%
Employees:	4,695 (5,140)

We started production of trigger units for airbag systems at the Juarez location in Mexico. Thanks to the economic recovery, aftermarket sales rose by 7%, especially in the replacement and service-parts segment.

Robert Bosch Corporation invested 75 (1992: 51) million US$ in fixed assets.

Airflow Research & Manufacturing Corporation started production of engine cooling systems in the new plant in Albion, IN in the fourth quarter of 1993.

Racine Fluid Power Inc. was renamed Robert Bosch Fluid Power Corporation effective January 1, 1993. The company started regular production of a new series of vane pumps, and introduced new hydraulic directional control valves to the North American market.

S-B Power Tool Company increased its sales of power tools under the Bosch and Skil trademark. The new "Bosch Retail Line" which consists of tools for craftsman and upscale do-it-yourselfers was well received by the trade.

Vermont American Corporation increased its sales with accessories for power tools and further strengthened its market position in this area.

Mexico

Robert Bosch SA de CV, Toluca

Manufacture of automotive equipment. Sales and service of Bosch products in Mexico

Production site at Toluca

Capital stock:	36 million MexN$ (1992: 36 billion Mex$)
Equity interest:	96.2 (96.2)%
Employees:	2,055 (2,225)

The Mexican government continued its stabilization efforts. The inflation rate decreased from 11% to 8% within a year.

Sales of our company rose 33%. Additional automotive equipment was included in the production program.

Brazil

Brazil continued its open market policy through additional tariff reductions and deregulation. The inflation rate increased again. The gross domestic product grew by about 5% following the downward trend of the two previous years. The automotive industry was a major economic pillar.

It increased output by 29% to 1.4 million vehicles.

Robert Bosch Ltda, Campinas	
Manufacture of automotive equipment, hydraulic products and power tools. Sales and service of Bosch products in Brazil	
Production sites at Aratú, Campinas, Curitiba	
Capital stock:	5,708.2 million CR$ (1992: 470.4 billion Cr$)
Equity interest:	100 (100)%
Employees:	9,775 (11,235)
Export share of sales:	30 (27)%

Our company increased its sales by 22% in real terms. We responded to increasing international competition through restructuring in all areas. We shut down production and discontinued sales of car radios in Manaus in the middle of the year. The opening up of the Brazilian market to foreign imports removed the economic basis for our production.

Asia, Africa, Australia

India

Motor Industries Co Ltd, Bangalore	
Manufacture of automotive equipment, hydraulic products and special machinery. Sales and service of Bosch products in India	
Production sites at Bangalore, Nashik, Naganathapura	
Capital stock:	380 (1992: 380) million ind.Rs.
Equity interest:	51 (51)%
Employees:	9,740 (9,870)
Export share of sales:	13 (14)%

The Indian government continued its policy of opening up the market. The inflation rate leveled off. The value of the Indian Rupee has remained stable relative to the US$ since Spring 1993.

Our company increased its sales by 9% and invested in the expansion of capacity as well as in quality improvements.

Japan

The recession worsened in Japan. The gross domestic product stagnated. The strong increase in the value of the Yen led to a decline in exports.

Bosch KK, Yokohama	
Sales and service of Bosch products in Japan	
Capital stock:	6.5 (1992: 6.5) billion Yen
Equity interest:	100 (100)%
Employees:	305 (350)

As a result of the difficult economic situation, aftermarket sales of our company fell again. In contrast, our original equipment activities were strengthened. We concentrated our activities, which were previously spread across several locations, at Yokohama.

Malaysia

Robert Bosch (Malaysia) Sdn Bhd, Penang	
Manufacture of automotive equipment, car radios, car speakers and electronic assemblies	
Production site at Penang	
Capital stock:	36 (1992: 36) million M$
Equity interest:	100 (100)%
Employees:	2,845 (3,130)
Export share of sales:	89 (93)%

Major sales declines of car radios in Europe reduced the utilization of our production capacity to 70%. Sales and the number of

employees declined. A new plant to manufacture headlamps and headlight vertical-aim control devices was completed in October 1993 in Penang.

South Korea

Bosch Korea Ltd, Seoul	
Sales and service of Bosch products in South Korea	
Capital stock:	8.3 (1992: 8.3) billion Won
Equity interest:	100 (100)%
Employees:	50 (44)

South Korea's economic growth slowed down to about 5%. Motor-vehicle production rose by about 15%. Our company further expanded its original equipment and aftermarket operations.

South Africa

Robert Bosch (Pty) Ltd, Johannesburg	
Manufacture of automotive equipment. Sales and service of Bosch products in South Africa	
Production site at Brits	
Capital stock:	17.1 (1992: 17.1) million S.A.R.
Equity interest:	64 (64)%
Employees:	955 (1,060)

Negotiations on the writing of a new constitution were successfully completed in South Africa in 1993 and preparations were made for the first democratic elections. These positive political signals strengthened the economic development. The inflation rate decreased. New-vehicle registrations which had been declining for several years increased again in 1993 for the first time by about 5%.

Our company maintained its position as market leader in the automotive-equipment field. During the course of the year, we started with sales of car radios, and with production of electronic control units for antilock braking systems.

Australia

The Australian economy continued to grow. Gross domestic product increased by 3%. Inflation and interest stayed low. New-vehicle registrations increased by 2%.

Robert Bosch (Australia) Pty Ltd, Clayton (Melbourne)	
Manufacture of automotive equipment and heating-technology products. Sales and service of Bosch products in Australia and New Zealand	
Production site at Clayton (Melbourne)	
Capital stock:	24 (1992: 24) million A$
Equity interest:	100 (100)%
Employees:	1,140 (1,110)

Our company increased its sales by 19%. Original equipment sales and exports experienced particularly high increases.

Consolidated Balance Sheet as of December 31, 1993

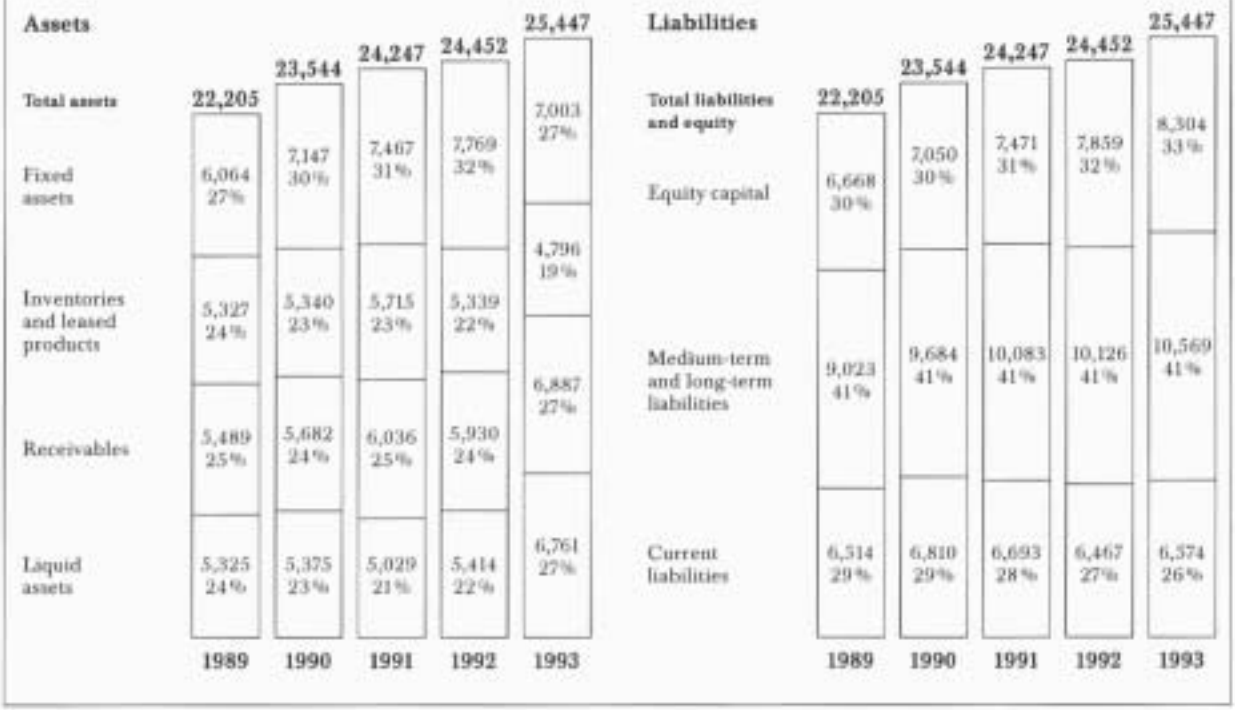
ASSETS	December 31, 1993		*December 31, 1992*
	million DM	million DM	*million DM*
FIXED ASSETS			
Intangible fixed assets			
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	50.3		*70.8*
Goodwill	–		*–*
Advance payments	0.8		*1.2*
	51.1		*72.0*
Tangible fixed assets			
Land, leasehold rights and buildings, including buildings on land owned by others	2,338.9		*2,296.1*
Production equipment and machinery	1,736.3		*1,618.8*
Other equipment, fixtures and furniture	1,685.2		*2,042.8*
Advance payments and construction in progress	399.9		*523.8*
	6,160.3		*6,481.5*
Financial investments			
Investments in affiliated companies	84.5		*207.3*
Loans to affiliated companies	18.7		*7.1*
Investments in associated companies	377.6		*690.0*
Other financial investments	138.7		*129.3*
Other loans	171.9		*181.3*
	791.4		*1,215.0*
		7,002.8	*7,768.5*
CURRENT ASSETS			
Leased products	1,017.0		*1,079.2*
Inventories	4,245.6		*4,857.3*
Advance payments made	36.9		*89.1*
Advance payments received	–503.5		*–686.1*
	3,779.0		*4,260.3*
Accounts receivable and other assets			
Trade accounts receivable	5,036.2		*4,920.6*
Receivables from affiliated companies	73.0		*81.9*
Receivables from companies in which interests are held	71.6		*92.4*
Other assets	1,672.4		*967.0*
	6,853.2		*6,061.9*
Marketable securities	4,623.5		*2,938.0*
Checks, cash on hand, in Federal Reserve Bank, postal checking accounts and cash in banks	2,137.4		*2,302.3*
		18,410.1	*16,641.7*
DEFERRED EXPENSES		34.3	*41.9*
		25,447.2	*24,452.1*

LIABILITIES	December 31, 1993		*December 31, 1992*
	million DM	million DM	*million DM*
EQUITY CAPITAL			
Capital stock	1,500.0		*1,100.0*
Capital surplus	2,895.0		*1,140.0*
Earned surplus	3,381.1		*5,082.5*
Unappropriated earnings	60.0		*60.0*
Minority interests	467.7		*476.8*
		8,303.8	*7,859.3*
ACCRUALS WITH VALUATION RESERVE PORTION		149.3	*130.3*
ACCRUALS			
Accrued pensions and similar obligations	4,815.8		*4,597.8*
Accrued taxes	257.8		*279.1*
Other accruals	7,474.6		*6,687.1*
		12,548.2	*11,564.0*
LIABILITIES			
Loans	0.7		*0.7*
Liabilities with banks	1,190.9		*1,686.7*
Accounts payable trade	1,574.5		*1,488.2*
Notes payable and acceptances	9.6		*34.0*
Payables to affiliated companies	132.2		*150.2*
Payables to companies in which interests are held	70.7		*31.9*
Other liabilities	1,430.4		*1,481.2*
		4,409.0	*4,872.9*
DEFERRED INCOME		36.9	*25.6*
		25,447.2	*24,452.1*

Consolidated Statement of Income for the period from January 1 to December 31, 1993

	1993		*1992*
	million DM	million DM	*million DM*
Sales		32,469.1	*34,431.7*
Increase/Decrease in finished goods and work-in-progress inventories		−535.7	*−225.9*
Other capitalized costs		223.1	*243.9*
Total operating performance		32,156.5	*34,449.7*
Other operating income		1,787.7	*1,677.7*
Costs of materials			
Raw materials, supplies and merchandise	−12,498.1		*−13,320.6*
Purchased services	−1,199.8		*−1,297.9*
		−13,697.9	*−14,618.5*
Personnel costs			
Wages and salaries	−9,597.1		*−9,633.2*
Social security, pension plans and support payments	−2,094.7		*−2,204.7*
		−11,691.8	*−11,837.9*
Depreciation of intangible and tangible fixed assets		−1,973.9	*−2,569.3*
Other operating expenses		−5,804.0	*−5,828.1*
Income from affiliated companies		20.8	*13.4*
Expenses from loss transfers		−	*−9.2*
Income from long-term financial investments		8.1	*9.3*
Other interest and similar income		527.2	*481.1*
Income/Loss from interests in associated companies		−415.6	*15.3*
Amortization of financial investments and securities included in current assets		−175.2	*−146.6*
Interest and similar expenses		−232.1	*−277.2*
Income from ordinary activities		509.8	*1,359.7*
Taxes on income		143.9	*−612.5*
Other taxes		−227.4	*−235.5*
Net income of the year		426.3	*511.7*
(including profits attributable to other shareholders)		(42.8)	*(42.7)*
(including loss allotable to other shareholders)		(3.1)	*(2.7)*

Bosch Group Worldwide
Balance Sheet Structure 1989–1993 (million DM and in %)



1993 Development of Fixed Assets

	Cost of acquisition or manufacture as of Jan. 1, 1993 million DM	Changes in the consolidated group million DM	Additions million DM
Intangible fixed assets			
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	682.7	8.2	102.1
Goodwill	884.7		12.5
Advance payments	1.3		0.8
	1,568.7	8.2	115.4
Tangible fixed assets			
Land, leasehold rights and buildings, including buildings on land owned by others	4,461.6	9.2	94.3
Production equipment and machinery	6,582.0	2.4	683.3
Other equipment, fixtures and furniture	8,516.8	21.1	481.3
Advance payments and construction in progress	585.9	3.3	293.5
	20,146.3	36.0	1,552.4
Financial investments			
Investments in affiliated companies	355.7	-99.5	34.8
Loans to affiliated companies	8.2		10.6
Investments in associated companies	815.2		119.8
Other financial investments	218.4	2.5	47.4
Other loans	183.8	0.6	34.2
	1,581.3	-96.4	246.8
	23,296.3	-52.2	1,914.6

Transfers	Retirements	Cost of aquisition or manufacture as of Dec. 31, 1993	Depreciation cumulative to Dec. 31, 1993	Net book value as of Dec. 31, 1993	Depreciation current year	Write-ups current year
million DM	million DM	million DM	million DM	million DM	million DM	million DM
1.3	584.0	210.3	160.0	50.3	125.8	
	884.7	12.5	12.5		12.5	
−1.3		0.8		0.8		
	1,468.7	223.6	172.5	51.1	138.3	
172.6	83.8	4,653.9	2,315.0	2,338.9	207.5	0.1
204.3	279.4	7,192.6	5,456.3	1,736.3	734.7	0.8
61.7	582.2	8,498.7	6,813.5	1,685.2	875.6	
−438.6	8.8	435.3	35.4	399.9	17.8	0.1
	954.2	20,780.5	14,620.2	6,160.3	1,835.6	1.0
	0.3	290.7	206.2	84.5	132.1	
		18.8	0.1	18.7	0.1	
12.8	52.6	895.2	517.6	377.6	377.4	
−12.8	19.3	236.2	97.5	138.7	40.6	
	44.1	174.5	2.6	171.9		
	116.3	1,615.4	824.0	791.4	550.2	
	2,539.2	22,619.5	15,616.7	7,002.8	2,524.1	1.0

Capital-flow statement

	1993 million DM	1992 million DM
Source of funds from business activity		
Net income of the year	426	512
Increase of long- and medium-term accruals	748	441
Depreciation of fixed assets	2,524	2,707
Cash flow	3,698	3,660
Source of funds from financial transactions		
Increase of accruals with valuation reserve portion	19	
Increase of short-term accruals	236	110
Reduction of inventories and leased products	543	376
Transfers and retirements of fixed assets	185	121
	983	607
Total funds available	4,681	4,267
Application of funds		
Additions to fixed assets	−1,914	−3,068
Increase of receivables	−783	−1
Decrease of accruals with valuation reserve portion		−159
Decrease of liabilities	−453	−575
Dividends 1992/1991	−60	−43
Other changes in balance-sheet items	50	−143
Total funds applied	−3,160	−3,989
Change in liquidity	1,521	278

General remarks

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

In order to ensure better understanding of these financial statements, we included, as required, additional comments pertaining to individual items in the balance sheet and the profit and loss statements. The consolidated profit and loss statement follows the format of the total cost method.

The consolidated group

The consolidated statements include Robert Bosch GmbH and 24 domestic as well as 73 foreign subsidiaries. For the first time we consolidated Signalbau Huber AG, Munich, Robert Bosch NV, Amsterdam, and Robert Bosch SA, Athens.

The consolidated financial statements of Bosch-Siemens Hausgeräte GmbH were included pro rata pursuant to Section 310 of the Commercial Code.

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

The equity valuation of significant interests in associated companies was applied in accordance with the book-value method. This valuation method pertained to 5 domestic and 11 foreign companies.

Principles of classification and evaluation

The financial statements of Bosch Group Worldwide, include the individual statements of our subsidiaries which conform to our uniform principles of classification. The auditors of our subsidiaries certified the accuracy of these statements.

We adhered to evaluation of lower of cost or market, and imparity of gain or loss recognition. Acquisition costs or costs of manufacture were applied as the upper limit for the evaluation of assets.

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

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. Anticipated losses of foreign-currency contracts were provided for by corresponding accruals.

For the conversion to DM of the financial statements in foreign currencies and the related profits or 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 depreciation.

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 historical values. As in the past, the equity capital of these companies is also stated at historical DM equivalents.

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

Consolidation principles

For capital-consolidation purposes, 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 profits, as well as interim 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 56.0 million DM were included with other assets.

Fixed assets

Intangible fixed assets including goodwill from first-time consolidation or acquired interests, as well as of intangible fixed assets and financial assets, were stated at the lower of cost of manufacture or acquisition less applicable depreciation.

Depreciation was taken according to plans in either linear or accelerated modes. Low-cost items were fully depreciated during the year of acquisition. In addition, we made full use of special depreciation allowances in all host countries.

Extraordinary depreciation in the amount of 440 million DM pertained mostly to financial investments. In addition, in the consolidated financial statements, we took full advantage of the option to apply depreciation on interests in associated companies in the amount of 104 million DM, even in cases in which permanent impairment of value was not to be expected.

In accordance with tax regulations, we additionally deducted 78.5 million DM directly from the acquisition cost 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 3 of the Law for the Promotion of the Economy of the Border Regions, Section 14 of the Berlin Development Law, Section 4 of the Development Area Law, and pursuant to local tax laws in the host countries of our regional subsidiaries.

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

The development of fixed assets of the Consolidated Group is shown on pages 34 and 35 Additions to interests in associated companies include pro-rata earnings and also accumulated profits of a company which, for the first time, was included with other companies following the Equity Method of accounting. Retirements include prorated losses, dividends, and the book value before adjustments of a company that was sold.

Current assets

Inventories were valued at the lower of average cost of manufacture or market. Costs of manufacture include direct costs plus a reasonable overhead.

Generally, we applied the Lifo-valuation method at domestic companies. When permitted by local tax laws, our foreign subsidiaries also applied this valuation method. Inherent risks of storage and distribution were provided for by write-downs. Additional downward adjustments were applied in cases of insufficient profitability and when production capacities were not fully utilized. Pursuant mainly to Section 80 of the Income Tax Regulations, and also to local regulations, we depreciated 3.6 million DM.

Accounts receivable and other assets were stated at nominal values minus deductions for identifiable individual risks as well as general credit risks. Interest-free or low-interest receivables with maturities of more than one year were discounted.

Maturities:	Maturities of more than one year	
	1993 million DM	1992 million DM
Trade accounts receivable	28	23
Receivables from companies in which we hold financial interests	4	2
Other assets	285	306

Marketable securities included in current assets were valued at the lower of acquisition cost or market. With regard to potential future market fluctuations, we depreciated 3.4 million DM.

Equity capital

The suscribed capital stock of 1,500 million DM, and the capital surplus of 2,895 million DM, correspond to the respective balance-sheet items of the Robert Bosch GmbH.

Revenue surplus accounts consist of the following:

	1993 million DM	1992 million DM
Revenue surplus accounts of Robert Bosch GmbH	260	1,671
Other earned surplus	3,121	3,411
	3,381	5,082

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

Liabilities

Accruals with valuation reserve portion were formed pursuant to Section 6b of the Income Tax Law, Section 34, Paragraph 5 of the Income Tax Regulations, Section 3 of the Law for the Promotion of the Economy of the Border Regions, and Section 1 of the DDR Investment Law. Our foreign subsidiaries followed local regulations with respect to such risks.

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

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

Liabilities were stated at the amounts owed. Other liabilities include indebtedness to shareholders (Robert Bosch Stiftung GmbH) in the amount of 66.2 million DM.

Of liabilities, 190 million DM were secured by mortgages and 152 million DM by other liens.

Included in the other liabilities are tax liabilities in the amount of 230 million DM (1992: 164 million DM) and liabilities pertaining to social benefits in the amount of 321 million DM (1992: 246 million DM).

Contingent liabilities

Contingencies not included in the balance sheet nor as balance-sheet notes	(million DM)
Contingent liabilities from the issuance or transfer of notes	260
Including affiliated companies	2
Contingent liabilities from guarantees	480
Including affiliated companies	2
Contingent liabilities from warranties	38
Including affiliated companies	4
Contingent liabilities for third-party liabilities	10

According to Section 24 of the GmbH Law, there exists a secondary liability in the amount of 34.0 million DM. In addition, there exist joint and several obligations within the frame-

Maturities:	of less than one year million DM 1993	Maturities million DM 1992	of more than five years million DM 1993
Bank loans	535	839	184
Accounts payable trade	1,565	1,488	
Notes and acceptances	9	34	
Payables to affiliated companies	43	32	
Payables to companies in which we own interests	71	32	64
Other liabilities	943	882	265
	3,166	3,307	513

work of a variety of different syndicate members engaged in new projects and capital investments.

Due to our partnership in two foreign companies, we are jointly and severally liable in accordance with legal requirements.

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

Details to the consolidated profit and loss statement

Breakdown of sales: 1993 sales by business sectors	million DM	%
Automotive equipment	16,140	49.7
Communications technology	7,826	24.1
Consumer goods	6,719	20.7
Capital goods	1,784	5.5
	32,469	100.0

1993 sales by regions	million DM	%
EC countries	24,237	74.7
Other European countries	2,380	7.3
America	3,947	12.1
Asia, Africa Australia	1,905	5.9
	32,469	100.0

For social security and pensions we spent a total of 2.1 billion DM including 501 million DM for pensions (1992: 554 million DM).

Income from financial interests amounted to 20.8 million DM, including 5.8 million DM from affiliated companies.

The results from associated companies include profits and losses as well as required depreciation.

Other interest and similar income amounted to 527 million DM, including 2.7 million DM (1992: 0.7 million DM) from affiliates. Of 232 million DM interest and similar expenses, 7.8 million DM are attributable to affiliated companies (1992: 8.0 million DM).

Expenses resulting from additions to accruals with valuation reserve portion are included in other operating expenses in the amount of 44.6 million DM. Income from the reversal of accruals with valuation reserve portion is included in other operating income in the amount of 26.0 million DM.

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.

Additional details

Average numbers of employees during 1993 were as follows:

	Total	Including BSHG (prorated)
Factory workers	100,917	7,276
Salaried employees	57,395	3,857
Apprentices/ Trainees	6,194	227
	164,506	11,360

In 1992, aggregate compensation of the members of the Board of Management of Robert Bosch GmbH amounted to 10.3 million DM. Former members of the Board and their dependents received 9.6 million DM and members of the Supervisory Council 1.0 million DM.

Accruals at Robert Bosch GmbH for pension liabilities for former members of the Board of Management and their dependents amounted to 70.7 million DM.

The members of the Supervisory Council and the Board of Management of Robert Bosch GmbH are listed on Pages 56 and 57.

Shareholdings of Bosch Group Worldwide

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

Stuttgart, April 25, 1994

ROBERT BOSCH GMBH

The Board of Management

Auditor's opinion

The accounting and the consolidated statements, which we have audited in accordance with professional standards, comply with legal provisions. With due regard to the 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, April 25, 1994

Schitag
Schwäbische Treuhand-Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dörner
Wirtschaftsprüfer

Wolff
Wirtschaftsprüfer

Balance Sheet as of December 31, 1993

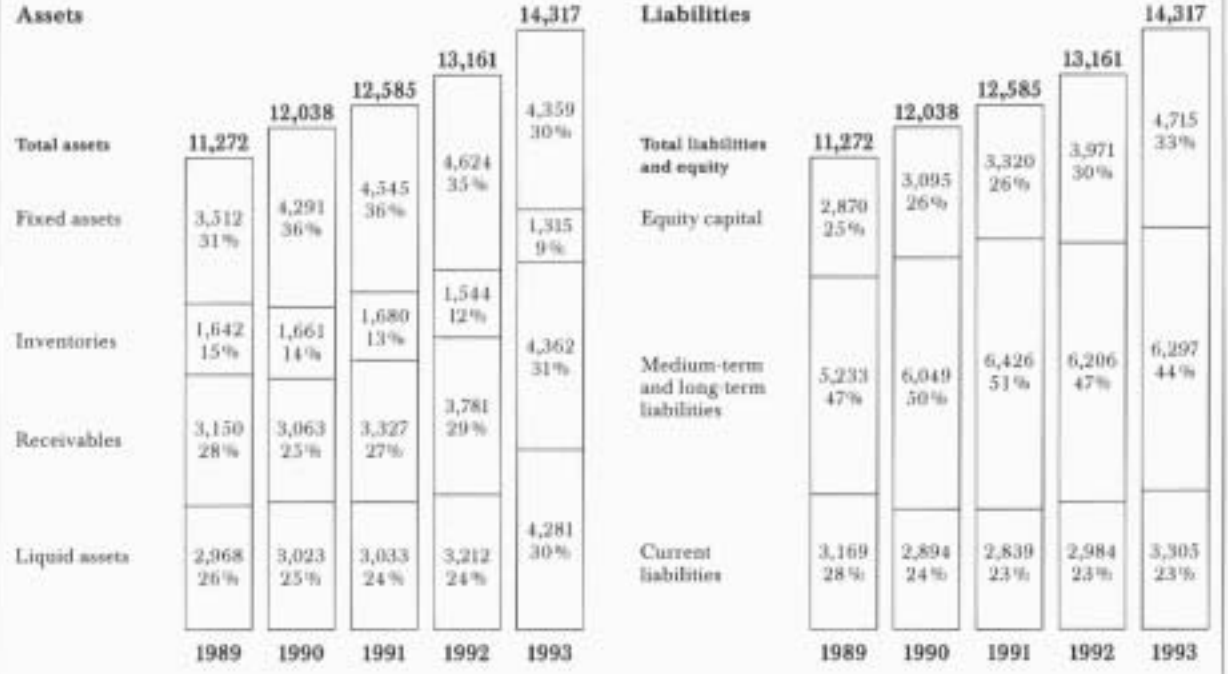
ASSETS	December 31, 1993 million DM	million DM	*December 31, 1992 million DM*
FIXED ASSETS			
Intangible fixed assets			
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	–		–
Tangible fixed assets			
Land, leasehold rights and buildings, including buildings on land owned by others	459.6		*473.6*
Production equipment and machinery	532.9		*380.7*
Other equipment, fixtures and furniture	889.6		*1,204.5*
Advance payments and construction in progress	127.8		*177.8*
	2,009.9		*2,236.6*
Financial investments			
Investments in affiliated companies	1,939.8		*1,894.3*
Other financial investments	304.0		*378.2*
Loans to companies in which interests are held	32.6		*43.0*
Other loans	72.7		*71.7*
	2,349.1		*2,387.2*
		4,359.0	*4,623.8*
CURRENT ASSETS			
Inventories			
Raw materials and supplies	338.0		*399.7*
Work in progress, uncompleted projects	303.7		*371.4*
Finished products and merchandise	744.0		*849.2*
Advance payments made	1.9		*1.5*
Advance payments received	–72.7		*–77.7*
	1,314.9		*1,544.1*
Accounts receivable and other assets			
Trade accounts receivable	1,743.2		*1,829.7*
Receivables from affiliated companies	1,335.8		*1,368.9*
Receivables from companies in which interests are held	81.0		*93.8*
Other assets	1,189.2		*590.9*
	4,349.2		*3,883.3*
Marketable securities	3,283.5		*2,109.5*
Checks, cash on hand, in Federal Reserve Bank, postal checking accounts and cash in banks	997.8		*986.2*
		9,945.4	*8,523.1*
DEFERRED EXPENSES		12.1	*13.8*
		14,316.5	*13,160.7*

LIABILITIES	December 31, 1993 million DM	million DM	*December 31, 1992 million DM*
EQUITY CAPITAL			
Capital stock	1,500.0		*1,100.0*
Capital surplus	2,895.0		*1,140.0*
Earned surplus			
Legal reserve	150.0		*110.0*
Other surplus	110.0		*1,560.8*
	260.0		*1,670.8*
Unappropriated earnings	60.0		*60.0*
		4,715.0	*3,970.8*
ACCRUALS WITH VALUATION RESERVE PORTION		55.0	*46.5*
ACCRUALS			
Accrued pensions and similar obligations	3,447.3		*3,312.5*
Accrued taxes	51.0		*71.7*
Other accruals	4,724.8		*4,679.6*
		8,223.1	*8,063.8*
LIABILITIES			
Liabilities with banks	74.3		*107.4*
Accounts payable trade	352.8		*253.7*
Payables to affiliated companies	322.2		*243.8*
Payables to companies in which interests are held	34.0		*21.7*
Other liabilities	329.0		*450.6*
		1,312.3	*1,077.2*
DEFERRED INCOME		11.1	*2.4*
		14,316.5	*13,160.7*

Statement of Income for the period from January 1 to December 31, 1993

	1993		*1992*
	million DM	million DM	*million DM*
Sales		17,233.0	*19,375.4*
Increase/Decrease in finished goods and work-in-progress inventories		-133.9	*-125.6*
Other capitalized costs		53.5	*62.9*
Total operating performance		17,152.6	*19,312.7*
Other operating income		1,282.5	*1,362.0*
Costs of materials			
Raw materials, supplies and merchandise	-8,140.8		*-9,067.7*
Purchased services	-579.2		*-741.5*
		-8,720.0	*-9,809.2*
Personnel costs			
Wages and salaries	-4,615.6		*-4,768.7*
Social security, pension plans and support payments	-965.9		*-1,001.1*
		-5,581.5	*-5,769.8*
Depreciation of intangible and tangible fixed assets		-804.2	*-945.8*
Other operating expenses		-2,737.8	*-3,066.7*
Income from profit transfer agreements		72.2	*133.4*
Income from affiliated companies		154.0	*135.2*
Expenses from loss transfers		-234.5	*-157.2*
Income from long-term financial investments		2.8	*3.3*
Other interests and similar income		413.5	*380.6*
Amortization of financial investments and securities included in current assets		-182.3	*-245.9*
Interest and similar expenses		-101.3	*-88.5*
Income from ordinary activities		716.0	*1,244.1*
Taxes on income		248.2	*-382.7*
Other taxes		-90.3	*-107.6*
Net income of the year		873.9	*753.8*
Transfers from surplus accounts		1,460.8	*1,031.2*
Additions to surplus accounts			
Legal reserve	-40.0		*-30.0*
Other surplus	-110.0		*-195.0*
		-150.0	*-225.0*
		2,184.7	*1,560.0*
Advanced distribution of dividends		-2,124.7	*-1,500.0*
Unappropriated earnings		60.0	*60.0*

Robert Bosch GmbH
Balance Sheet Structure 1989–1993 (million DM and in %)



1993 Development of Fixed Assets

	Cost of aquisition or manufacture as of Jan. 1, 1993 million DM	Additions million DM	Transfers million DM
Intangible fixed assets			
Concessions, patents, trademarks and similar rights and assets as well as licenses on such rights and assets	72.3	54.1	
Tangible fixed assets			
Land, leasehold rights and buildings, including buildings on land owned by others	1,351.8	13.9	29.5
Production equipment and machinery	2,051.1	320.6	109.2
Other equipment, fixtures and furniture	4,988.6	111.2	27.5
Advance payments and construction in progress	222.5	98.6	- 166.2
	8,614.0	544.3	
Financial investments			
Investments in affiliated companies	4,397.3	124.3	
Other financial investments	647.9	66.1	
Loans to companies in which interests are held	43.0		
Other loans	71.7	14.9	
	5,159.9	205.3	
	13,846.2	803.7	

Retirements million DM	Cost of aquisition or manufacture as of Dec. 31, 1993 million DM	Depreciation cumulative to Dec. 31, 1993 million DM	Net book value as of Dec. 31, 1993 million DM	Depreciation current year million DM	Write-ups current year million DM
72.3	54.1	54.1	–	54.1	
2.7	1,392.5	932.9	459.6	56.2	
64.2	2,416.7	1,883.8	532.9	247.9	0.4
262.9	4,864.4	3,974.8	889.6	439.0	
4.0	150.9	23.1	127.8	7.0	
333.8	8,824.5	6,814.6	2,009.9	750.1	0.4
6.1	4,515.5	2,575.7	1,939.8	72.6	
19.8	694.2	390.2	304.0	109.6	
10.4	32.6		32.6		
13.9	72.7		72.7		
50.2	5,315.0	2,965.9	2,349.1	182.2	
456.3	14,193.6	9,834.6	4,359.0	986.4	0.4

Capital-flow statement

	1993 million DM	1992 million DM
Sources of funds from business activity		
Dividends	60	60
Increase of long- and medium-term accruals	148	190
Increase of capital stock	400	300
Increase of surplus accounts	344	334
Depreciation of fixed assets	986	1,176
Cash flow	1,938	2,060
Source of funds from financial transactions		
Increase in accruals with valuation reserve portion	8	
Increase of short-term accruals	11	41
Increase of liabilities	236	
Reduction of inventories	229	136
Retirements of fixed assets	83	188
Increase of deferred income	11	2
	578	367
Total funds available	2,516	2,427
Application of funds		
Additions to fixed assets	−804	−1,443
Increase of receivables	−467	−520
Decrease of accruals with valuation reserve portion		−118
Decrease of liabilities		−190
Dividends 1992/1991	−60	43
Total funds applied	−1,331	−2,314
Change in liquidity	1,185	113

1993 Added net value

Source of added net value	million DM
Sales	17,233
– Decrease in work in progress and finished goods	–134
+ Other costs capitalized	54
= Total operating performance	17,153
+ All other income	1,925
= Total company performance	19,078
– Cost excluding depreciation,	
Materials	–8,720
Expenditures from loss transfers	–235
Other operating expenses	–2,738
= Added net value before depreciation	7,385
– Cost of depreciation	
Depreciation of tangible and intangible fixed assets	–804
Write-offs of financial investments and securities included in current assets	–182
= Added net value (after depreciation)	6,399

Distribution of added net value		million DM	%
Added net value		6,399	100.0
Thereof to employees			
Wages and salaries, social-security levies, pension plans and support payments		5,582	87.2
to company			
Equity capital			
advanced distribution of dividends	–2,125		
Reduction of corporation income tax due to advanced dividends distribution	664		
Repayment	2,055		
Transfer from net income of the year	150	744	11.6
to Government			
Taxes			
From company	–158		
From shareholders due to "payout/take-back" method	70	–88	–1.3
to Lenders			
Interest		101	1.6
to Shareholders			
Dividends		60	0.9

Appendix Robert Bosch GmbH

General remarks

The financial statements of Robert Bosch GmbH for the fiscal year 1993 conform in classification and valuation to the provisions of the German Commercial Code.

In order to ensure better understanding of these financial statements, we included in the appendix comments pertaining to certain items of the balance sheet as well as the profit and loss statements as required.

The profit and loss statement follows the format of the total cost method.

On September 20, 1993, the shareholders of Robert Bosch GmbH resolved to increase the company's capital stock from 1,200 million to 1,500 million DM. This increase in capital stock was registered on October 8, 1993, as a consequence of the "payout/take-back" method.

This was accomplished by distribution of a special dividend to stockholders in the amount of 2,125 million DM. This amount was derived from net-of-income-tax surplus accounts in the amount of 1,461 million DM and from a corresponding reduction of the corporate income tax of 664 million DM caused by the dividend distribution. The shareholders contributed the net amount of the distribution in the amount of 2,055 million DM back to Robert Bosch GmbH by increasing shareholders' capital by 300 million DM to a total of 1,500 million DM and 1,755 million DM as contribution to surplus accounts.

Beforehand, the shareholders' capital was increased in two separate steps in December 1992 and June 1993 from 800 million DM to 1,200 million DM respectively.

Fixed assets

Fixed assets are stated at cost of manufacture or acquisition. Depreciation was based on established guidelines and, whenever permitted by tax laws, by application of accelerated depreciation methods.

Straight-line depreciation was used when resulting depreciation amounts were higher. Shift differentials were added to straight-line depreciation when equipment was used in multi-shift operations. Items of minor value were fully depreciated in the year of acquisition.

We made use of extraordinary depreciation in the amount of 186 million DM on such capital assets, which, at the balance sheet date had to be adjusted to lower values.

We applied depreciation in the amount of 26.5 million DM directly to the purchase costs of capital assets pursuant to the tax regulations of Section 3 of the Law for the Promotion of the Economy of the Border Regions, Section 14 of the Berlin Development Law, Section 4 of the Development Area Law.

Interest-free and low-interest loans were discounted to reflect present values. We retained, pro rata, lower valuations when discounts at the date of issue were lower.

The 1993 development of fixed assets is presented on pages 46 and 47.

Inventories

Raw materials, supplies and merchandise were valued at the lower of average purchase cost or market.

The valuation of work-in-progress and finished goods was based on production costs pursuant to Section 255, paragraph 2 of the Commercial Code to the extent they had to be capitalized in accordance with the German Tax Laws.

We used the Lifo-valuation method in order to arrive at the cost of purchase or manufacture of certain similar inventory items.

We provided for risks inherent with warehousing and distribution by grouping inventories in different valuation categories. We also accomodated future valuation changes by applying appropriate deductions. When production capacities were not fully utilized and also in cases of unfavorable returns on

certain products, we applied special write-downs.

In accordance with Section 80 of the Income Tax Regulations, we depreciated 0.9 million DM.

Accounts receivable, other assets, marketable securities

Accounts receivable and other current assets were valued at acquisition cost. We provided for all recognizable individual risks as well as general credit risks by corresponding write-downs. Dated receivables and notes were discounted to reflect present values. Accounts receivable in foreign currencies were stated at the lower of the exchange rate at acquisition or balance-sheet date.

The portfolio of marketable securities consisted mainly of stock-exchange listed debentures. They were valued at the lower of aquisition cost or stock-exchange prices in application of pertaining valuation principles.

Maturities:	Maturities of more than one year	
	1993 million DM	1992 million DM
Trade accounts receivable	5	10
Receivables from affiliated companies	504	457
Other assets	261	267

Accruals with valuation reserve portion

The amounts were computed pursuant to Section 6b of the Income Tax Law, Section 3 of the Development Law for the Promotion of the Economy of the Border Regions and pursuant to Section 1 of the DDR-Investment Law.

Accruals

The size of accruals provides for all identifiable risks.

Pension accruals were computed in full by application of actuarial principles at their fractional or present values. For the most part, valuations were based on an interest factor of 5.5%. New additions were also computed by application of a 5.5% interest factor.

Other accruals provide for obligations in the areas of sales, personnel, and fringe benefits, obligations from regional subsidiaries as well as other risks. For deferred maintenance, we also included accruals for expenditures which will be incurred from between four to twelve months after the close of the fiscal year.

Liabilities

All liabilities are stated at amounts owed. Liabilities in foreign currencies were stated at the higher of exchange rates at the date of origination or balance-sheet date.

Liabilities in the amount of 43.3 million DM were secured by mortgages.

Included with other liabilities are tax liabilities in the amount of 94.1 million DM (1992: 29.8 million DM) as well as liabilities for social benefits in the amount of 205 million DM (1992: 128 million DM). Liabilities with shareholders (Robert Bosch Stiftung GmbH) amounted to 66.2 million DM.

Contingencies

Together with Siemens AG, Robert Bosch GmbH ist a shareholder in the holding company of Bosch-Siemens Hausgeräte GmbH. This holding company is governed by civil law. Between this holding company and Bosch-Siemens Hausgeräte GmbH exists a control and profit-transfer agreement.

Other financial obligations of any significance for an opinion on the financial statements do not exist.

Maturities:	Maturities one year or less		more than five years
	1993 million DM	1992 million DM	1993 million DM
Bank loans	36	6	5
Accounts payable trade	352	253	
Payables to affiliated companies	322	226	
Payables to companies in which we hold interests	34	22	
Other liabilities	401	336	125
	1,145	843	130

Contingencies not included in the balance sheet nor mentioned in the balance-sheet notes	(million DM)
Contingent obligations from issuance or transfer of notes	105
Contingent obligations from guarantees	493
including affiliated companies	175
Contingent liabilities from warranties	151
including affiliated companies	117

Details to the profit and loss statement

For social security and similar benefits, and for pension and support payments, we expensed 966 million DM, including 279 million DM for pension payments (1992: 278 million DM).

Income from affiliated companies amounted to 154 million DM. This amount includes 138 million DM (1992: 122 million DM) from companies in the consolidated group.

Other interest and similar income amounted to 413 million DM including 32.2 million DM (1992: 21.6 million DM) from affiliated companies. Of interest and similar expenses in the amount of 101 million DM, 60.2 million DM (1992: 46.1 million DM) are attributable to affiliated companies.

Expenses resulting from additions to accruals with valuation reserve portion amounting to 12.3 million DM are included with other expenses. Income from reversal of accruals with valuation reserve portion in the amount of 3.8 million DM are included with other income.

The reduction of income taxes as a result of the "payout/take-back" method used in conjunction with the increase in shareholders' capital

Breakdown of sales:

1993 sales by business sectors:	million DM	%	1993 sales by regions:	million DM	%
Automotive equipment	12,983	75.4	EC countries	13,701	79.5
Communications technology	782	4.5	Rest of Europe	1,244	7.2
Consumer goods	1,998	11.6	America	1,449	8.4
Capital goods	1,379	8.0	Asia, Africa, Australia	839	4.9
Others	91	0.5			
	17,233	100.0		17,233	100.0

amounted to 664 million DM (1992: 469 million DM).

The application of the tax allowances and their impact on profits of the current fiscal year as well as in former years, and also the size of future burdens from such valuations are of minor importance.

Other details

Average number of employees during 1992:	
Factory workers	41,794
Salaried employees	19,994
Apprentices	2,654
	64,442

Aggregate compensation of the members of the Board of Management amounted to 9.6 million DM in 1993. Former members of the Board of Management and their dependents received 9.3 million DM and members of the Supervisory Council 1.0 million DM.

Accruals for pension liabilities to former members of the Board of Management and their dependents amounted to 70.7 million DM.

Members of the Supervisory Council and the Board of Management are listed on page 56 and 57.

Shareholdings of Robert Bosch GmbH

Except for insignificant interests, a listing of the shareholdings of Robert Bosch GmbH is included on pages 54 and 55.

A complete listing of the shareholdings of the consolidated Bosch Group will be submitted to the commercial registry of the Stuttgart District Court.

Stuttgart, March 30, 1994

ROBERT BOSCH GMBH
The Board of Management

Auditor's opinion

The accounting and the annual financial statements of Robert Bosch GmbH as per December 31, 1993, which we have audited in accordance with professional standards, comply with legal provisions. With due regard to the generally accepted accounting principles the annual financial statements give a true and fair view of the company's assets, liabilities, financial position and profit and loss. The management report is consistent with the annual financial statements.

Stuttgart, March 30, 1994

Schitag
Schwäbische Treuhand-Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dörner
Wirtschaftsprüfer

Wolff
Wirtschaftsprüfer

Shareholdings of Robert Bosch GmbH (as of December 31, 1993)

Name and location of the company	Currency	Exchange rate 100 units of local currency	Owned[1] %	Equity Capital millions in local currency	Profit or Loss millions in local currency
Germany					
Anlagenvermietung GmbH, Stuttgart	DM		50	40.9	14.3
ANT Nachrichtentechnik GmbH, Backnang	DM		100[2]	277.9	0.0
ANT Nachrichtentechnik Radeberg GmbH, Radeberg	DM		100	10.0	EAV[3]
Blaupunkt-Werke GmbH, Hildesheim	DM		100	183.4	EAV
Bosch-Siemens Hausgeräte GmbH, Munich[4]	DM		50	838.0	41.3
Bosch Telecom Öffentliche Vermittlungstechnik GmbH, Eschborn	DM		100	66.6	21.9
Hans Feierabend GmbH, Einbeck	DM		40	3.3	–1.3
MB Video GmbH, Peine	DM		35	28.9	–5.9
MotoMeter GmbH, Leonberg	DM		100	25.1	EAV
Robert Bosch Elektronik GmbH, Salzgitter	DM		100	22.8	EAV
Robert Bosch Elektrowerkzeuge GmbH, Sebnitz	DM		100	14.7	EAV
Robert Bosch Fahrzeugelektrik Eisenach GmbH, Eisenach	DM		97.6	68.0	EAV
Robert Bosch Industrieanlagen GmbH, Stuttgart	DM		100	87.7	EAV
Signalbau Huber AG, Munich	DM		100[5]	74.3	3.0
Teldix GmbH, Heidelberg	DM		100	31.2	EAV
Telenorma GmbH, Frankfurt am Main[4]	DM		100	523.7	31.7
VB Autobatterie GmbH, Hannover	DM		35	221.3	–12.8
Foreign Countries					
EUROPE					
Austria					
Robert Bosch AG, Vienna	ö.S.	14.22	100	665.8	114.9
Belgium					
Robert Bosch Produktie NV, Tienen	B.Fr.	4.81	100	3,175.2	626.3
NV Robert Bosch SA, Anderlecht (Brussels)	B.Fr.	4.81	100	581.9	–60.6
Denmark					
Robert Bosch A/S, Ballerup	D.Kr.	25.64	100	176.3	21.6
Finland					
Robert Bosch Oy, Espoo	Markka	29.95	100	25.2	5.8
France					
Robert Bosch (France) SA, Saint-Ouen (Paris)[4]	F.Fr.	29.43	100	1,638.3	–6.0
Great Britain					
Robert Bosch Ltd, Denham	£	255.60	100	101.6	–0.8
Worcester Group plc, Warndon (Worcester)[4]	£	255.60	69.1	5.9	5.3
Italy					
Robert Bosch SpA, Milan[4]	Lit	0.10	100	111,444.0	5,241.0
Netherlands					
Robert Bosch Verpakkingsmachines BV, Weert	N.FL.	89.36	100	22.8	3.3
Blaupunkt BV, Amsterdam	N.FL.	89.36	100	10.8	–3.4
Norway					
Robert Bosch A/S, Trollaasen (Oslo)	N.Kr.	23.07	100	102.6	0.6
Portugal					
Robert Bosch Lda, Lisbon	P.Esc.	0.98	100	1,860.5	132.9
ARP – Auto-Radio Portuguesa Lda, Braga	P.Esc.	0.98	70	2,749.8	462.3
Blaupunkt Electronica Lda, Braga	P.Esc.	0.98	100	230.9	37.1
Vulcano Termo-Domésticos SA, Aveiro	P.Esc.	0.98	90	3,650.6	1,055.1

1) Directly and indirectly held shares
2) A subsidiary of Allianz AG Holdings owns an 18% share of ANT
3) EAV = Profit and loss transfer agreement
4) Statement of partial consolidation
5) Refers to shares with voting rights

Shareholdings of Robert Bosch GmbH (as of December 31, 1993)

Name and location of the company	Currency	Exchange rate 100 units of local currency	Owned[1] %	Equity Capital millions in local currency	Profit or Loss millions in local currency
Sweden					
Robert Bosch AB, Kista	S.Kr.	20.78	100	100.0	46.7
Switzerland					
Robert Bosch Internationale Beteiligungen AG, Zurich	S.Fr.	117.64	90	499.7	30.0
Robert Bosch AG, Zurich	S.Fr.	117.64	100	25.8	0.9
Scintilla AG, Solothurn	S.Fr.	117.64	85	285.1	31.2
Spain					
Robert Bosch SA, Madrid	S.Pts	1.22	100	15,671.2	–3,704.0
Turkey					
Robert Bosch Motorlu Araçlar Yan Sanayi ve Ticaret AS, Bursa	T.L.	0.01	100	319,308.9	113,251.3
AMERICA					
Argentina					
Robert Bosch Argentina SA, Buenos Aires	A	171.74	100	4.8	1.5
Brazil					
Robert Bosch Ltda, Campinas[2]	Cr.$	0.53	100	74,314.5	7,362.3
WAPSA Auto Peças Ltda, São Paulo	Cr.$	0.53	100	14,591.0	2,415.0
Canada					
Robert Bosch Inc, Mississauga	Can.$	129.18	100	7.5	0.5
Mexico					
Robert Bosch SA de CV, Toluca	Mex.$	55.91	96.2	245.5	–21.0
USA					
Robert Bosch Corporation, Broadview, IL[2]	US$	172.63	100	607.4	33.1
S-B Power Tool Company, Chicago, IL	US$	172.63	50	242.2	32.0
Vermont American Corporation, Louisville, KY[2]	US$	172.63	50	140.9	14.7
ASIA					
India					
Motor Industries Co Ltd, Bangalore	ind.Rs.	5.50	51	1,600.6	246.2
Japan					
Bosch KK, Yokohama	¥	1.55	100	6,478.1	14.9
Nippon ABS Ltd, Tokyo	¥	1.55	50	14,527.5	637.0
Malaysia					
Robert Bosch (Malaysia) Sdn Bhd, Penang	M.$.	64.00	100	66.7	1.5
Singapore					
Robert Bosch (South East Asia) Pte Ltd, Singapore	S.$.	107.90	70	27.9	5.3
South Korea					
Doowon Precision Industry Co Ltd, Seoul	Won	0.21	20	15,159.5	2,815.7
KEFICO Corporation, Kunpo-Si	Won	0.21	25.5	34,980.5	4,107.3
AFRICA, AUSTRALIA					
South Africa					
Robert Bosch (Pty) Ltd, Johannesburg[2]	R	51.04	64	81.4	1.6
Australia					
Robert Bosch (Australia) Pty Ltd, Clayton	A.$.	116.63	100	82.6	8.3

1) Directly and indirectly held shares
2) Statement of partial consolidation

Supervisory Council

– Until June 30, 1993 –

Dr.-Ing. Wolfgang Eychmüller, Ulm/Donau
Chairman
Chairman of the Board of Management of Wieland-Werke AG

Ludwig Vogt, Litzendorf-Pödeldorf
Deputy Chairman
Chairman of the Shop Council of the Bamberg Plant and Member of the Joint Shop Council of Robert Bosch GmbH as well as of the Combined Shop Council

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

Rudolf Baron, Sibbesse
Chairman of the Shop Council of the Hildesheim Plant and Member of the Joint Shop Council of Blaupunkt-Werke GmbH

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

Hans Beuttler, Ditzingen
Deputy Chairman of the Shop Council of the Feuerbach Plant of Robert Bosch GmbH until June 17, 1993

Dietfried Blanarsch, Stuttgart
Member of the Shop Council of the Feuerbach Plant of Robert Bosch GmbH effective June 17, 1993

Rudolf Bley, Immenstadt
Deputy Chairman of the Shop Council of the Blaichach Plant and Member of the Joint Shop Council of Robert Bosch GmbH

Dr.-Ing. Konrad Eckert, Stuttgart
Former Member of the Board of Management of Robert Bosch GmbH

Dr. jur. Robert E. Ehret, Frankfurt/Main
Former Member of the Board of Management of Deutsche Bank AG

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 effective June 17, 1993

Gudrun Hamacher, Frankfurt/Main
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, Zumikon/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

Walter Riester, Frankfurt/Main
Deputy Chairman of the Trade Unions of the Metal Industry

Kurt Schips, Gerlingen
Former Member of the Board of Management of Robert Bosch GmbH until June 17, 1993

Joachim Stöber, Frankfurt/Main
Secretary of the Board of Directors of the Trade Unions of the Metal Industry

Management

Members of the Board of Management

Marcus Bierich
Chairman

Günter Bensinger

Hermann Eisele

Wolfgang Hugo

Hansjörg Manger

Friedrich Schiefer

Hermann Scholl

Herbert Weber

Heiner Gutberlet

Tilman Todenhöfer

Associate Members of the Board of Management

Clemens Börsig

Rainer Hahn

Martin Sälzer

Hubert Zimmerer

Supervisory Council

– Effective July 1, 1993 –

Dr. phil. Dr. rer. oec. h.c.
Marcus Bierich, Stuttgart
Chairman
Former Chairman of the
Board of Management
of Robert Bosch GmbH

Ludwig Vogt, Litzendorf-Pödeldorf
Deputy Chairman
Chairman of the Shop Council
of the Bamberg Plant and
Member of the Joint Shop Council
of Robert Bosch GmbH as well as
of the Combined Shop Council

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

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Department Manager at the Feuerbach
Plant of Robert Bosch GmbH

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Peter-Klöckner-Stiftung

Dr. jur. Robert Holzach,
Zumikon/Switzerland
Honorary President of 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

Walter Riester, Frankfurt/Main
Deputy Chairman of the Trade Unions of the
Metal Industry

Joachim Stöber, Frankfurt/Main
Secretary of the Board
of Directors of the Trade
Unions of the Metal Industry

Management

Members of the Board of Management

Hermann Scholl
Chairman

Friedrich Schiefer
Deputy Chairman

Hermann Eisele

Wolfgang Hugo

Hansjörg Manger

Tilman Todenhöfer

Heiner Gutberlet

Rainer Hahn
effective Jan. 1, 1994

Associate Members of the Board of Management

Clemens Börsig

Hubert Zimmerer

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 further concerned itself with new technical developments. Outside of these sessions, the Supervisory Council was informed about business trends by written monthly reports pertaining to the status of the company and about business trends within the company. Information about special events was made available through circular letters.

Schitag, Schwäbische Treuhand Aktiengesellschaft, Stuttgart, audited the accounting records, the financial statements, and the situation report of the 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.

As of June 30, 1993, Dr. Marcus Bierich retired from the Board of Management. Effective July 1, 1993, he was elected as a member of the Supervisory Council and voted Chairman of this body. Dr. Wolfgang Eychmüller, chairman until June 30, 1993, continues as a member of the Supervisory Council.

Effective June 17, 1993, Messrs. Hans Beuttler and Kurt Schips and also effective June 30, 1993, Dr. Konrad Eckert retired from the Supervisory Council. The Supervisory Council wishes to thank these gentlemen for their constructive cooperation.

Effective June 17, 1993, Dr. Karl Gutbrod was elected a member of the Supervisory Council. Also effective June 17, 1993, Mr. Dietfried Blanarsch, representative of the employees, was elected as a member of the Supervisory Council.

Effective July 1, 1993, Dr. Hermann Scholl was appointed Chairman, and Dr. Friedrich Schiefer Deputy Chairman, of the Board of Management.

Dr. Günter Bensinger and Dr. Herbert Weber retired from the Board of Management effective June 30, 1993. The Supervisory Council wishes to thank both these gentlemen for their long-time activity for the company. Effective July 1, 1993, Dr. Tilman Todenhöfer was elected full member of the Board of Management as well as Director of Personnel. Effective January 1, 1994, Dr. Rainer Hahn was elected deputy member of the Board of Management.

Stuttgart, May 1994

For the Supervisory Council
Dr. Marcus Bierich,
Chairman

Ten Year Statistics

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Sales										
Worldwide Bosch Group	18,373	21,223	23,807	25,365	27,675	30,588	31,824	33,600	34,432	32,469
Foreign share as a percentage of sales	53	54	50	50	51	52	51	48	47	49
Domestic Bosch Group	14,158	16,121	19,573	20,832	22,491	24,452	25,776	27,467	28,613	26,285
Export share as a percentage of sales	39	39	39	39	38	39	38	35	35	36
Robert Bosch GmbH	10,653	12,474	13,265	14,261	15,101	16,623	17,524	18,474	19,375	17,233
Expenditures for research and development										
Worldwide Bosch Group	977	1,097	1,262	1,425	1,640	1,803	2,042	2,144	2,302	2,215
as a percentage of sales	5.3	5.2	5.3	5.6	5.9	5.9	6.4	6.4	6.7	6.8
Domestic Bosch Group	906	1,017	1,172	1,321	1,500	1,625	1,879	1,957	2,125	2,051
as a percentage of sales	6.4	6.3	6.0	6.3	6.7	6.6	7.3	7.1	7.4	7.8
Investments in tangible fixed assets										
Worldwide Bosch Group	1,129	1,406	1,813	2,015	1,937	2,064	2,790	2,273	2,038	1,552
including domestic	789	1,031	1,407	1,576	1,390	1,259	1,708	1,464	1,347	990
including foreign	340	375	406	439	547	805	1,082	809	691	562
as a percentage of sales	6.1	6.6	7.6	7.9	7.0	6.7	8.8	6.8	5.9	4.8
as a percentage of depreciation	134	139	145	142	128	128	162	126	103	85
Depreciation on tangible fixed assets										
Worldwide Bosch Group	844	1,009	1,254	1,416	1,511	1,607	1,725	1,799	1,976	1,836
Employees – annual average										
Worldwide Bosch Group	131,882	140,374	158,142	161,343	165,732	174,742	179,636	181,498	177,183	164,506
including domestic	89,230	94,422	109,604	111,046	113,146	116,644	117,549	116,811	112,942	104,018
including foreign	42,652	45,952	48,538	50,297	52,586	58,058	62,087	64,687	64,241	60,488
Personnel expenses										
Worldwide Bosch Group	6,563	6,983	8,139	8,782	9,277	10,202	10,718	11,403	11,838	11,692
Key figures from financial statements										
Total assets	14,073	15,117	16,770	18,181	20,301	22,205	23,544	24,247	24,452	25,447
Equity capital	4,377	4,664	5,177	5,623	6,174	6,668	7,050	7,471	7,859	8,304
as a percentage of total assets	31	31	31	31	30	30	30	31	32	33
Net income for the year	446	402	454	825	554	626	560	540	512	426
Unappropriated earnings	40	44	40	43	43	43	43	43	60	60

Values in million DM

BOSCH

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