

- [01] Bosch lays foundation stone for factory of the future**
- [02] Laying the foundation stone for 300 mm wafer fab in Dresden**
- [03] Semiconductor production at Bosch**
- [04] Dr. Dirk Hoheisel**
- [05] Key technology for the internet of things: Bosch to set up new semiconductor fab in Dresden, Germany**
- [06] New Bosch wafer fab in Dresden, Germany**
- [07] Key technology for automotive engineering and the in-ternet of things: Bosch is setting up new semiconductor fab in Dresden, Germany**

Robert Bosch GmbH
Postfach 10 60 50
70049 Stuttgart

Media und Public Relations
Leitung: Melita Delic
Presse-Forum:
www.bosch-presse.de



Bosch lays foundation stone for factory of the future Boosting Germany as a high-tech location

June 25, 2018
PI 10669 RB Ka/af

- ▶ Key technology: semiconductors for automotive technology and the internet of things
- ▶ Expansion of manufacturing capacity: more and more chip applications
- ▶ Ten-figure sum: high-tech factory to employ 700
- ▶ Artificial intelligence: Quality assurance through connected manufacturing
- ▶ Bosch board of management member Hoheisel: “Semiconductors pave the way for better quality of life.”
- ▶ Federal and state officials emphasize contribution to Germany’s competitiveness

Stuttgart and Dresden, Germany – The foundation stone laid today in Dresden is a key milestone in the construction of the Bosch Group’s state-of-the-art wafer fab. Construction is scheduled to be completed in late 2019, when installation of the production machinery will start. “Today we are laying the foundation stone for the wafer fab of the future, and with it the foundation for improving people’s quality of life and their safety on the road,” said Dr. Dirk Hoheisel, member of the board of management of Robert Bosch GmbH, at the formal ceremony in Dresden. “Semiconductors are the key technology for the internet of things and the mobility of the future. When installed in cars’ control units, for example, they enable automated, efficient driving and the best possible passenger protection.” In his address, Peter Altmaier, the German Federal Minister for Economic Affairs, underlined the central importance of this Bosch investment: “We are today taking an important step toward securing the future competitiveness of Germany as an industrial location. The research community in Germany and Europe is an excellent one, but we cannot afford to rest on our laurels. In the field of microelectronics, we also need engineering skills and know-how, and especially industrial-scale manufacture and application, in Germany and Europe. Today’s

ceremony is an important step on this route.” As a supplier of technology and services, Bosch is investing roughly one billion euros in its new location in the Saxony state capital. The first associates are due to start work in the new plant in early 2020.

After Reutlingen, the Dresden plant is the Bosch Group’s second wafer fab in Germany. With it, the company aims to expand its manufacturing capacity, and thus to boost its competitive edge in global markets. Semiconductors are finding their way into more and more applications relating to the internet of things and mobility solutions. According to the market research company Gartner, semiconductor sales around the world rose by some 22 percent in 2017 alone. Otto Graf, who will manage the new plant, said: “Construction is proceeding right on schedule. “During the construction phase, we will move some 7,500 truckloads of earth, lay about 80 kilometers of piping and ductwork, and mix more than 65,000 cubic meters of concrete – 8,000 concrete mixers-worth.” Following a rollout phase, pilot manufacturing operations are expected to start at the end of 2021. The plot of land – measuring some 100,000 square meters, or roughly 14 soccer fields – will also be home to a nearly 72,000 square-meter multistory building housing offices and production space. Up to 700 associates will be involved in the highly automated chip manufacturing process, working to plan, manage, and monitor production. This also includes modifying the production processes and evaluating the data from Dresden in Bosch’s global manufacturing network.

Saxony as a business location: driving Europe’s microelectronics industry

“Bosch’s decision is an important milestone. The construction of the new wafer fab here in Dresden will create many other attractive jobs, strengthen Saxony’s reputation as a location for technology and business, and is good for Germany and Europe as well. This project will play a decisive part in securing a leading role for European industry as a whole in the technologies of the future,” said Michael Kretschmer, the Minister-President of the state of Saxony. “This investment in such a major project is a sign of confidence in Saxony, in its people, in the research and industrial network that has become established here, and in its innovativeness.” In its search for a new location, Bosch considered several cities around the world. In Hoheisel’s words, “Dresden is an excellent microelectronics cluster.” He added that the city’s infrastructure is excellent: everything is easily accessible, and the transportation connections are good.

The cluster also includes automotive suppliers and service providers, as well as universities offering technological expertise. As Hoheisel pointed out: “We want to work closely with semiconductor companies and universities to increase semiconductor technology’s competitive edge – not only in Germany, but across Europe.”

Semiconductors: key technology for the internet of things

Manufacturing semiconductor chips always starts with a silicon disc, or wafer.

The bigger the wafer’s diameter, the more chips that can be made per manufacturing cycle. This is one reason why the new Bosch factory will focus on the production of 300 mm wafers: Compared with conventional 150 and 200 mm wafer fabs, 300 mm wafer technology offers greater economies of scale.

Semiconductors are extremely small integrated circuits with structures measured in fractions of a micrometer. Manufacturing them requires a highly automated and complex process consisting of several hundred individual steps over several weeks. It takes place in clean-room conditions, as even the tiniest particles in the ambient air can damage the delicate circuits.

Connected manufacturing: 22 metric tons of data a day for higher quality

Wafer production is one of the forerunners of connected manufacturing. The Dresden plant is expected to generate production data equivalent to 500 text pages per second – written out on paper, that would be more than 42 million pages a day, weighing 22 metric tons. This is why artificial intelligence will play a special part in chip manufacturing in the factory: the highly automated production facilities analyze their own data in order to optimize their processes. As a result, the quality of the chips rises while production costs go down. Furthermore, planning and process engineers can access this production data at any time to accelerate the development of new wafer products or minimize tolerances early on in the manufacturing process. “We need creative minds for our connected and automated manufacturing operations – particularly experts in wafer technology, like process engineers, mathematicians, or software developers,” Graf said. Many new associates have already been hired for the Dresden plant, he added, and there has been no drop in the number of applications.

Leading semiconductor manufacturer with 45 years of experience

For more than 45 years, Bosch has been making semiconductor chips in various forms, above all as application-specific integrated circuits (ASICs). At its wafer fab in Reutlingen, Germany, Bosch currently manufactures ASICs, power semiconductors, and microelectromechanical systems (MEMS). Bosch ASICs have been used in vehicles since 1970. They are customized to individual

applications, and essential for functions such as engine management or airbag deployment. In 2016, every car rolling off the production lines worldwide had on average more than nine Bosch chips on board.

Press photos: #1361836, #1164163, #1339964, #1100697, #1136646, #534371, #1289914, #1243990, #1373444, #1373445, #1373446

Contact persons for press inquiries:

Sven Kahn (Dresden plant ceremony),

Phone: +49 711 811-6415

Twitter: @BoschPresse

Annett Fischer (automotive electronics),

Phone: +49 711 811-6286

Twitter: @Annett__Fischer

The Bosch Group is a leading global supplier of technology and services. It employs roughly 402,000 associates worldwide (as of December 31, 2017). The company generated sales of 78.1 billion euros in 2017. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. At 125 locations across the globe, Bosch employs some 64,500 associates in research and development.

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

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, www.twitter.com/BoschPresse.

Laying the foundation stone for 300 mm wafer fab in Dresden

June 25, 2018
PI 10675 AE Ka/af

General information

- ▶ Total investment approx. 1 billion euros
- ▶ Site approx. 100,000 m²
(about 14 soccer fields)
- ▶ Total floor space approx. 72,000 m² of production area
and office space
- ▶ Construction timeline Groundbreaking in spring 2018,
installation of machinery mid-/end 2019,
pilot production to start at end of 2021
- ▶ Associates in the completed plant Up to 700
- ▶ Qualified professionals needed Experts from the semiconductor industry,
such as process, production, and
maintenance engineers, mathematicians,
software engineers, as well as
professionals with degrees in physics,
chemistry, and microsystems
technologies
- ▶ Manufacturing technology Highly automated wafer production
(300 mm silicon substrate wafers
with structures up to 65 nm in width –
1 nm equals one millionth of a millimeter)

- ▶ Connected manufacturing
Every second, the machines will transmit one gigabit of production data. The volume of data produced is equivalent to more than 42 million written sheets of paper, weighing 22 metric tons.

Details on the building

- ▶ Total building volume
600,000 m³
- ▶ Concrete
approx. 66,500 m³
(about 8,300 concrete mixer trucks)
- ▶ Steel
approx. 16,400 metric tons
(about 30 A380 passenger jets)
- ▶ Earth moved/excavated
approx. 90,000 m³
(some 7,500 truckloads)
- ▶ Bored piles for the foundation
approx. 860
- ▶ Floor slabs
100 cm thick
- ▶ Length of piping and ductwork
approx. 80 km
- ▶ Length of electrical cabling
approx. 380 km
(from Dresden to Berlin and back)

Internet

- ▶ For job seekers
www.bosch-career.de/jobs
- ▶ Site for the Dresden location
<https://www.bosch.de/en/our-company/bosch-in-germany/dresden>
- ▶ Bosch semiconductors
www.bosch-semiconductors.com



Semiconductor production at Bosch

June 25, 2018

PI 10676 AE Ka/af

- ▶ **Current portfolio**

Application-specific integrated circuits (ASICs), semiconductors, and mass-flow sensors for vehicle ECUs; acceleration, yaw-rate, and pressure sensors for vehicle ECUs and consumer applications; surround and geomagnetic sensors and projectors for consumer applications

- ▶ **Manufacturing locations**

Reutlingen, Germany (150 mm and 200 mm technology)

- ▶ **Patents**

Bosch holds more than 1,000 patents and patent applications relating to MEMS and semiconductor technology.

- ▶ **Market**

Bosch manufactures semiconductors and MEMS sensors for its own use. A large portion of the portfolio is also offered in the open market.

- ▶ **History**

For more than 45 years, Bosch has been developing and manufacturing microelectronic components and systems; it developed the microfabrication technique for microelectromechanical systems (MEMS) nearly 25 years ago, and is now the world market leader in this field.

June 25, 2018
RF 10679-en Ka/af

Germany, high-tech hub:

Semiconductors pave the way for better quality of life.

Statement by Dr. Dirk Hoheisel,
member of the board of management
of Robert Bosch GmbH,
at the press briefing at the laying of the foundation stone
for the 300 mm wafer fab in Dresden on June 25, 2018

Check against delivery.

Robert Bosch GmbH
Postfach 10 60 50
70049 Stuttgart

Corporate Communications
and Brand Management
E-mail: Sven.Kahn@bosch.com
Phone: +49 711 811-6415
Twitter: @BoschPresse

Senior Vice President:
Dr. Christoph Zemelka
www.bosch-press.com

Ladies and gentlemen,

It's been only roughly a year since we jointly announced the decision to build a new plant for 300 mm wafers. Now here we are, following a complex planning process, laying the foundation stone for Bosch's chip factory of the future. With it, we are laying the foundation for improving people's quality of life, the foundation for more safety on the road – and the foundation for a technology crucial to the internet of things and the mobility of the future.

Semiconductors are a core component of all electrical systems.

Semiconductors are also turning data into a coveted raw material of the future – none of the cars made today would be able to drive without them. They enable automated and efficient driving, and provide the best passenger protection – such as when they are called on to deploy airbags. With the areas of application for semiconductors becoming larger and larger, we are expanding our manufacturing capacity. As a location, we have opted for Germany. With this plant, we are entering into 300 mm wafer production for the first time, in a drive to achieve further significant economies of scale and to bolster our competitiveness.

We see Dresden, the capital of Saxony, as a driver of microelectronics in Europe – and thus as the first choice worldwide for our billion-euro investment. I firmly believe high-tech is something Germany does well. By working closely with semiconductor companies, researchers, and universities, we aim to strengthen both our innovative strength and the competitiveness of this high-tech industry – in Germany and throughout Europe.

Ladies and gentlemen, every day in our wafer fab, we will use highly automated manufacturing processes to create the future in the shape of semiconductors. But we will be doing more than that: we'll also be creating prospects for the future in the shape of highly attractive jobs. Our high-tech factory will employ up to 700 people. We are looking for creative minds – people who can bring their expertise to bear on the construction of this state-of-the-art Bosch wafer fab. We are counting heavily on finding specialists here in the region as well as international specialists and experts.

Our new construction project is also the biggest single investment in Bosch history. We are putting roughly one billion euros into our new location, and are pleased that the German Ministry for Economic Affairs and Energy plans to support its construction and commissioning. And in addition to the federal government, the state of Saxony and the city of Dresden have also pledged their support. So at this point, I wish to express my thanks to you, Minister Altmaier, and you, Minister-President Kretschmer. It is also thanks to you and your predecessors that things have moved so fast, and we find ourselves here today, ready to lay the symbolic foundation stone together – for better quality of life, for the semiconductor industry in Dresden, and for the competitiveness of Germany as a high-tech location.



July 19, 2016

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Dr. Dirk Hoheisel
Member of the Board of Management,
Robert Bosch GmbH

Dr. Dirk Hoheisel has been a member of the board of management of Robert Bosch GmbH since July 2012. In this function, he is responsible within the Mobility Solutions business sector for systems integration, for the Chassis Systems Control, Car Multimedia, Automotive Electronics, and Automotive Steering divisions, and for the Two-Wheeler and Powersports business unit.

Born in Hameln in 1958, Dirk Hoheisel is married and has one child. He studied electrical engineering at Berlin's technical university, writing his PhD on semiconductor engineering.

Career stages in the Bosch Group

- | | |
|------------------|---|
| 1990 | Senior Expert Semiconductors and Electronic Control Units Division, Reutlingen |
| 1994 | Director Semiconductors and Electronic Control Units Division, Reutlingen |
| 1998 | Director Mobile Communications Division, Hildesheim |
| 2000 | Senior Vice President Car Multimedia Division, Display Systems Business Unit, Leonberg |
| 2002 | Senior Vice President Car Multimedia Division, Driver Information Systems Business Unit, Hildesheim |
| 2004 | Executive Vice President Engineering Car Multimedia Division, Hildesheim |
| 2011 | Executive Vice President Engineering, Chassis Systems Control Division, Abstatt |
| July 2012 | Member of the Board of Management, Robert Bosch GmbH |



Key technology for the internet of things: Bosch to set up new semiconductor fab in Dresden, Germany Billion-euro investment in 12-inch technology

June 19, 2017
PI 9477 RB joe/KB

- ▶ Total investment in the new fab, which will employ up to 700 associates, to come to roughly one billion euros
- ▶ Bosch CEO Denner: “The new wafer fab is the biggest single investment in Bosch’s more than 130-year history.”
- ▶ Dirk Hoheisel, Bosch management board member: “As an industrial location, the state of Saxony offers excellent conditions for enhancing our semiconductor expertise.”
- ▶ Federal and state governments applaud Bosch commitment to Germany

Stuttgart and Dresden, Germany – Continuing its course of investing heavily in Germany, Bosch is to build a wafer fab in Dresden. To satisfy the demand generated by the growing number of internet of things (IoT) and mobility applications, the new location is to manufacture chips on the basis of 12-inch wafers. Construction of the high-tech plant is to be completed by the end of 2019. Following a rollout phase, manufacturing operations will likely start at the end of 2021. Total investment in the location will come to roughly one billion euros. “The new wafer fab is the biggest single investment in Bosch’s more than 130-year history,” said Dr. Volkmar Denner, chairman of the board of management of Robert Bosch GmbH. As many as 700 new jobs are to be created in Dresden. “Semiconductors are the core components of all electronic systems. With connectivity and automation growing, they are being used in more and more areas of application. By extending our semiconductor manufacturing capacity, we are giving ourselves a sound basis for the future and strengthening our competitiveness,” Denner said. According to a study by PricewaterhouseCoopers, the global semiconductor market is set to grow by more than 5 percent annually up to 2019, with the mobility and IoT market segments growing especially strongly.

Investment in Germany as a high-tech location

Brigitte Zypries, the German Federal Minister for Economic Affairs and Energy, welcomed Bosch's investment in Germany as a high-tech location: "We applaud Bosch's decision to invest in Saxony. Strengthening semiconductor expertise in Germany, and thus in Europe as well, is an investment in a key technology of the future, and thus a very important step toward preserving and enhancing competitiveness, also of Germany as an industrial location." Subject to the approval of the European Commission, the Ministry for Economic Affairs and Energy (BMWi) plans to support the construction and commissioning of the new wafer fab in Dresden. "As an industrial location, the state of Saxony offers excellent conditions for enhancing our semiconductor expertise," said Dr. Dirk Hoheisel, member of the board of management of Robert Bosch GmbH. Dresden's microelectronics cluster, also known as "Silicon Saxony," is unrivaled in Europe. It includes automotive suppliers and service providers, as well as universities offering technological expertise. In addition, the Digital Hub Initiative launched by the BMWi aims to make Dresden an IoT ecosystem. Bosch intends to collaborate closely with local companies, and in this way to reinforce not only Germany's, but also Europe's position as an industrial location. "This is a further good decision for Europe's leading microelectronics cluster here in Saxony. I would like to thank Bosch for putting its trust in this location, its workforce, and Saxon innovativeness. Novel products for the internet of things and connected manufacturing are among the most important topics in the microelectronics sector, and in European industry as a whole," said Stanislaw Tillich, the Minister-President of Saxony.

12-inch technology as the basis for economies of scale

Semiconductors are a key technology of our modern age, especially as manufacturing, mobility, and homes become increasingly connected, electrified, and automated. The process of manufacturing semiconductor chips always starts with a silicon disc, known as a wafer. The bigger their diameter, the more chips that can be made per manufacturing cycle. Compared with conventional 6- and 8-inch wafer fabs, 12-inch wafer technology offers economies of scale. These are important, since they allow Bosch to meet the rising demand for semiconductors brought about by connected mobility and applications relating to smart homes and smart cities.

Leading semiconductor manufacturer and pioneer of MEMS fabrication

For more than 45 years, Bosch has been making semiconductor chips in multiple variants, above all as application-specific integrated circuits (ASICs), power semiconductors, and micro-electro-mechanical systems (MEMS). Bosch ASICs have been used in vehicles since 1970. They are customized to individual applications, and essential for functions such as airbag deployment. In 2016,

every car rolling off the production lines worldwide had on average more than nine Bosch chips on board.

When it comes to MEMS sensors, Bosch is both a pioneer and the world's leading manufacturer. More than 20 years ago, the supplier of technology and services itself developed the microfabrication technique known worldwide as the "Bosch process," which is also used to make semiconductors. At its wafer fab in Reutlingen, Germany, Bosch currently manufactures some 1.5 million ASICs and 4 million MEMS sensors a day on the basis of 6- and 8-inch technology. All in all, the company has made more than 8 billion MEMS sensors since 1995. Today, 75 percent of Bosch MEMS sensors are used in consumer and communications electronics applications. Bosch MEMS sensors can be found in three out of four smartphones. Its current semiconductor portfolio includes above all acceleration, yaw, mass-flow, pressure, and environmental sensors, as well as microphones, power semiconductors, and ASICs for vehicle ECUs.

Press photos: #534371, #534372, #534374, #534393, #535387, #1100697, #1100702

Related links: www.semiconductors.com, www.bosch-connectivity.com

Contact person for press inquiries: Joern Ebberg, phone: +49 711 811-26223

The Bosch Group is a leading global supplier of technology and services. It employs roughly 390,000 associates worldwide (as of December 31, 2015). The company generated sales of 73.1 billion euros in 2016. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiaries and regional companies in some 60 countries. Including sales and service partners, Bosch's global manufacturing and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. At 120 locations across the globe, Bosch employs some 59,000 associates in research and development.

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

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New Bosch wafer fab in Dresden, Germany

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PI 9705 AE joe/af

General information

- ▶ Total investment approx. 1 billion euros
- ▶ Start of construction work planned for end 2017 / beginning of 2018
- ▶ Completion by end 2019, production scheduled to begin end 2021
- ▶ Plot approx. 60,000 m²
- ▶ Building one building with up to 15,000 m² shopfloor space and separate office space
- ▶ Associates on site up to 700 (planned)

Information on wafer manufacturing at Bosch

- ▶ Current portfolio acceleration, yaw-rate, mass-flow, pressure, and environmental sensors, as well as microphones, power semiconductors, and application-specific integrated circuits (ASICs) for vehicle ECUs.
- ▶ Manufacturing sites Reutlingen, Germany (6-inch and 8-inch technology)

- ▶ Production volume
From Reutlingen, Bosch delivers some 4 million MEMS and roughly 1.5 million ASICs every day
- ▶ Patents
Bosch holds more than 1,000 patents and patent applications related to MEMS technology
- ▶ Award
2008 German innovation and advanced technology prize for pioneering work in surface micromachining
- ▶ History
For more than 45 years, Bosch has been developing and manufacturing microelectronic components and systems. 20 years ago, Bosch developed the microfabrication technique for microelectromechanical systems (MEMS). Today, it is the world market leader.

Bosch in Germany

- ▶ Headquarters
Gerlingen-Schillerhöhe, near Stuttgart, Germany
- ▶ Sales revenue
2016: 14.5 billion euros (worldwide 73.1 billion euros)
- ▶ Headcount
some 134,000 associates, of which some 26,800 researchers and engineers; worldwide, some 390,000 associates (December 31, 2016)
- ▶ Locations
70, of which 39 R&D locations (December 31, 2016)



BOSCH

June 19, 2017
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Key technology for automotive engineering and the internet of things: Bosch is setting up new semiconductor fab in Dresden, Germany

Statement by Dr. Dirk Hoheisel,
Member of the board of management of Robert Bosch
GmbH
at the press briefing on June 19, 2017

Check against delivery.

Robert Bosch GmbH
Postfach 10 60 50
70049 Stuttgart

Corporate Communications,
Brand Management,
and Sustainability
E-mail
joern.ebberg@bosch.com
Phone +49 711 811-26223
Fax +49 711 811-5187718

Senior Vice President:
Dr. Christoph Zemelka
www.bosch-press.com

Mr. Secretary, thank you very much for your words of introduction. Ladies and gentlemen, it gives me great pleasure to welcome you to our press briefing. Even more so when I say that, today, I can announce the biggest single investment in Bosch's more than 130-year history. We have decided to build a semiconductor manufacturing facility in Dresden. Beginning in 2021, the new location will manufacture chips on the basis of 12-inch wafers. In total, we will be investing roughly one billion euros in the project, and creating as many as 700 new high-tech jobs. By building this wafer fab and investing so much in this promising technology, we are committing ourselves to enhancing Germany's status as a technological and industrial location. High-tech is something Germany does well, and we believe that our decision to invest billion-euro sums in the sophisticated technologies of the future will pay dividends here in Dresden as well. The new facility will allow us to expand our semiconductor manufacturing capacities, boosting not only our own future competitiveness and innovative strength, but also the country's. There is no doubt that this plant makes sense for Bosch. And for Germany, too, our decision is a positive one.

Semiconductors are the cornerstone of modern technology. They are the core components of all electronic systems. Without semiconductors, our daily lives would look completely different: there would be no computers, no smartphones, no tablets – in a nutshell, no modern electronic devices. And we shouldn't forget that without semiconductors, there would be no cars, either today or in the future. After all, the mobility of the future will be automated, electrified, and connected. None of this would be conceivable without semiconductors. Moreover, they're a crucial component of a trend that is of vital importance for Germany: connectivity via the internet of things. Whether we're talking about Industry 4.0, smart homes, or smart cities – semiconductors are essential for the connectivity of our lives and workplaces, and thus contribute to greater security, resource conservation, convenience, and quality of life. The business potential this offers is huge. According to an external study, the global semiconductor market is set to grow by more than 5 percent

annually up to 2019 (source: PricewaterhouseCoopers). This means enormous opportunities for Bosch as well.

Accident-free, emissions-free, and stress-free – these are the components of our vision for the mobility of the future. As the world's largest automotive supplier and a leading technology company, we are working equally toward each of these goals. We already have a USP in the automotive industry, in that nearly every car on the world's roads features Bosch systems. And nearly all those systems, our lifesaving ESP included, rely on semiconductors. In 2016, every car rolling off the production lines worldwide had on average more than nine Bosch chips on board. Bosch has been manufacturing semiconductors for more than 45 years, and this means more than 45 years of technical expertise as well as manufacturing and development know-how.

Ladies and gentlemen, the Bosch Group's strategic objective is to deliver innovations for a connected life. Semiconductors may have been around for a long time, but we have yet to see their full potential realized. They are the technical building blocks of the internet of things. They are used in microelectromechanical sensors, which we use in devices and machines to collect data for business models based on connectivity. Our software analyzes this data and connects the sensors and devices to the internet. On the basis of this information, we then develop services which make people's lives easier and more convenient. Scarcely any other company dominates the entire connectivity value chain as we do – on both the hardware and software levels.

Both mobility and connectivity are generating increased demand for semiconductors. The new manufacturing location will help us to reliably meet this growing demand – today and in the future. Construction of the high-tech plant is to be completed by the end of 2019. Following a rollout phase, manufacturing operations will likely start at the end of 2021. We are also pleased that, subject to the approval of the European Commission, the Ministry for Economic Affairs and Energy (BMWi) plans to support the construction and commissioning of the facility in Dresden. Alongside the federal government, the

state of Saxony and the city of Dresden have also promised us that they will support Bosch in this present venture, as well as in future ones. For this, I would like to thank you both, Mr. Secretary and Mr. Minister-President. It is in large part thanks to your personal support in recent weeks and months that we are standing here today.

As a location, Dresden offers us excellent conditions. The Saxon capital's microelectronics cluster, also known as "Silicon Saxony," is unrivaled in Europe. It includes automotive suppliers and service providers, as well as universities offering technological expertise. In addition, the Digital Hub Initiative launched by the BMWi aims to make Dresden an IoT ecosystem. We want to contribute to this by working closely with local companies and universities. This will help Bosch achieve success, but it will also reinforce not only Germany's, but also Europe's, competitiveness as an industrial location. After all, we share the government's view that Germany as well as Europe must continue to play an active role in this key industry. It's not without reason that Bosch will in the future have two semiconductor fabs in Germany, one in the southwestern city of Reutlingen, and the other in Dresden.

Ladies and gentlemen, the construction of our new semiconductor fab is good news for Bosch, for the city of Dresden, for the state of Saxony, and also for Germany's position as an innovative and high-tech location.

Thank you very much.

Contact person for press inquiries:

Jörn Ebberg,

Phone +49 711 811-26223