



BOSCH

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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