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**Bosch Automotive Aftermarket is pushing
connectivity forward:
Preparing workshops for the future and ensuring
driver mobility**

Dr. Uwe Thomas

Chairman of the Automotive Aftermarket Divisional

Board at Robert Bosch GmbH

at the Automechanika Press Conference

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Check against delivery.

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Ladies and gentlemen,

Allow me to wish you a warm welcome to our booth and to the Bosch Automotive Aftermarket press conference. Not only is this the first press conference to be given by an exhibitor at this year's Automechanika, it is also my first visit to the trade show since I became President of the Automotive Aftermarket division. Looking around our booth, I can honestly say that I picked a great year: just look at all the parts, bytes, and services that make up our outstanding offer.

Despite these firsts, I am not new to Automechanika or to our division. I joined Bosch exactly 25 years ago, and started out at Automotive Aftermarket. In the years that followed, my work at Bosch took me to different countries and divisions. But I have spent most of my time at Automotive Aftermarket. When I was offered the opportunity to head the division last year, I didn't hesitate for a second.

Bosch Automotive Aftermarket has seen very dynamic growth since Automechanika 2012. Take the acquisition of SPX Service Solutions, for instance. With it, we can further expand our global presence, especially in North America - the biggest market for parts, workshop equipment, and services. Automo-

tive Aftermarket's workforce has also grown to 18,000 associates – an increase of more than 3,500. In part, this is the result of the acquisition. Today, we are present at 150 locations around the globe. This makes us one of the world's largest providers of parts, bytes, and services. And we are optimistic about the future.

As we look ahead, we expect to see moderate growth. This will be driven mainly by two things: demand in France and Germany, and a clear market recovery in Spain and the U.K. The market is also developing well in North America, Japan, and China. In contrast, growth has slowed in India, Latin America, and Russia. Despite this, our forecast for the year in progress is positive.

This is important, as a global and economically sound basis is essential for meeting the challenges of the future. Our field of business is in a period of major technical and regional change. Around the world, market players are becoming increasingly demanding in terms of know-how, innovation, international presence, and the willingness to invest. Only companies that can meet these demands will survive in the years to come. This is why we are not resting on our laurels despite our leading position. We are consistently tackling these challenges head on.

Not only do we want to keep up with the changes ahead. As a market leader, we aim to actively shape the industry and influence others. In so doing, we continue to pursue our aim of enabling and maintaining mobility.

Drivers are always at the center of our strategic considerations. We see to it that they remain mobile. At the same time, we develop modern technology that drivers benefit from in a variety of ways. These include shorter repair times, more safety in road traffic, and greater comfort. So as you can see, we not only enable our customers' mobility, we also make it even better. To successfully meet the challenges of the future, understanding the customer is important. This is where we come in: we know what our customers want and offer them the solutions they need:

- fast repairs at current market value with high-quality parts,
- repairs carried out in modern workshops with well-qualified staff.

To this end, we invest in the development of new solutions throughout the entire value chain. These include everything from replacement parts, software, and diagnostics technology to our portfolio of services.

The end customer's expectations are consistent: drivers around the world want the same thing - to remain mobile. However, different vehicle technologies and varying economic conditions call for a range of approaches. In emerging markets, for instance, we develop special solutions that aim to keep low-cost vehicles running. And we do this without compromising on the reliability and quality that Bosch stands for, also in the emerging markets. In established markets, solutions that reflect the current market value of vehicles play an increasingly important role. This is why we offer reconditioned parts as an attractive, high-quality alternative to new parts.

We also support workshops with innovative solutions that allow them to offer customers fast and affordable repairs. To this end, we increasingly focus on the possibilities of connectivity. After all, digital communication and networking are also making their way into workshops. This is why we are currently developing a range of technical solutions that will contribute to realizing our vision: the connected workshop of the future. With our support, the workshop of the future will be aware of a vehicle's general condition before a customer arrives at the workshop. In turn, this will enable workshops to offer vehicle owners preventive maintenance prior to the end of a component's service life.

This will help prevent breakdowns and unnecessary downtime, which is especially important for commercial vehicles. Ultimately, this type of service will save time and money, and make workshops more competitive. At the same time, customers will get their repaired vehicles back quickly and thus remain mobile.

Scenarios like this one clearly show that the growing complexity of automotive technology is not frightening, it is an opportunity. With the help of tablet computers and databases, service employees learn to quickly identify and remove problems that would otherwise remain hidden. Indeed, technology allows us to create modern and attractive jobs in workshops. And jobs that incorporate advanced technology are especially important for young people.

Ladies and gentlemen, we at Bosch will not only use our software expertise to support the development of vehicle connectivity. We also aim to drive it forward. I am not exaggerating when I say that we are just at the beginning of a revolution. Just think of the new opportunities that will arise from vehicle networking and new telematics services. Especially for leasing companies, fleet managers, and vehicle insurers, for instance, all-new approaches are being developed that make cost trans-

parency and control possible. With this information, maintenance appointments can be planned individually for each vehicle depending on the services needed, and made with a partner workshop. With our colleagues at Bosch Software Innovations, we have developed a solution that can be tailored to the specific requirements of our fleet management customers.

As you can see, when it comes to the car, networking offers a broad range of opportunities, both for drivers and professional workshops. However, there is a need for clear rules to determine

- who vehicle data belongs to,
- how data can be secured,
- who can access the data, and under what conditions.

Developments such as eCall are a strong example of the potential that new technologies offer. From October 2017 onward, the European emergency call system will be mandatory for all newly developed vehicles in the EU. Car-2-car communication is another example. With it, vehicles can exchange safety-related data with one another. Transportation authorities in the United States are currently considering making the technology mandatory.

Without the right regulatory framework, many innovations and business models cannot evolve, as access rights and liability risks are not clearly defined. In our view, clear legal safeguards are urgently needed. These must consider data protection issues while at the same time enabling an open market for vehicle networking. In this regard, Europe's automotive industry has the chance to play a pioneering role in cooperation with the European Commission. Together, they can set standards for the entire industry. This is an excellent opportunity to create a decisive competitive advantage, and it should not be ignored.

With that thought, I'd like to introduce Hans-Peter Meyen, who will address some of the topics I've touched on in greater detail.

Thank you for your attention.

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The Automotive Aftermarket division (AA) provides the aftermarket and repair shops worldwide with a complete range of diagnostic and repair shop equipment and a wide range of spare parts – from new and exchange parts to repair solutions – for passenger cars and commercial vehicles. Its product portfolio includes products made as Bosch original equipment, as well as aftermarket products and services developed and manufactured in-house. More than 18,000 associates in 150 countries, as well as a global logistics network, ensure that some 650,000 different spare parts reach customers quickly and on time. In its “Automotive Service Solutions” operations, AA supplies testing and repair-shop technology, diagnostic software, service training, and information services. In addition, the division is responsible for the “Bosch Service” repair-shop franchise, one of the world’s largest independent chains of repair-shops, with some 16,500 franchises. In addition, AA is responsible for more than 800 “AutoCrew” partners.

Additional information can be accessed at www.bosch-automotive.com.

The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, its roughly 281,000 associates generated sales of 46.4 billion euros in 2013 (Note: due to a change in the legal rules governing consolidation, the 2013 figures can only be compared to a limited extent with the 2012 figures). Its operations are divided into four business sectors: Automotive Technology, Industrial Technology, Consumer Goods, and Energy and Building Technology. The Bosch Group comprises Robert Bosch GmbH and its more than 360 subsidiaries and regional companies in some 50 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. In 2013, Bosch applied for some 5,000 patents worldwide. The Bosch Group’s products and services are designed to fascinate, and to improve the quality of life by providing solutions which are both innovative and beneficial. In this way, the company offers technology worldwide that is “Invented for life.”

Additional information is available online at www.bosch.com, www.bosch-press.com and <http://twitter.com/BoschPresse>