

Bosch acquires FHP Manufacturing Company Acquisition of a U.S. manufacturer of water-source heat pumps Boost for the promising renewable-energy field

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- ▶ Takeover of FHP marks Bosch's entry into attractive U.S. market
- ▶ U.S. heat pump market shows high growth rates
- ▶ FHP generates sales of \$51 million with workforce of roughly 220

STUTT GART, Jan. 31 – As a part of its strategy to strengthen the company's Thermotechnology division and gain better access to the rapidly-growing U.S. market for electric geothermal heat pumps, Bosch announced today it has acquired FHP Manufacturing Company of Fort Lauderdale. FHP is one of the leading U.S. manufacturers of these systems in the renewable-energy field. Bosch has acquired all shares of FHP Manufacturing Company from a group of investors led by G.L. Ohrstrom & Co., Inc. The purchase price will not be disclosed. FHP will be integrated into the Thermotechnology division led by BBT Thermotechnik GmbH, which also holds a strong position in the European market for electric heat pumps.

"With the acquisition of FHP, our growth trajectory in the promising renewable-energy segment is now strengthened in the attractive U.S. market. Because of their energy-efficient and environmentally friendly technology, electric geothermal heat pumps have great potential worldwide," said Dr.-Ing. Joachim Berner, president of the Thermotechnology division.

Following the acquisition of the Swedish IVT Industrier AB in January 2005, FHP is Bosch's second acquisition in the field of electric heat pumps. Established in 1969 and employing a workforce of roughly 220, FHP Manufacturing Company generated sales of about \$51 million (41 million euros) in the fiscal year 2005/2006. The company is one of the leading American manufacturers of electric water-source heat pumps for the

heating and air-conditioning of residential buildings and commercial premises. The product range includes systems with an output of up to 220 kilowatts.

There is clear growth potential for water-source heat pumps in the U.S. Electric geothermal heat pumps for residential buildings in particular are expected to see double digit growth in the next few years. This favorable development will primarily be driven by the water-source heat pump's high-efficiency and cost-saving potential when compared to the heating and air-conditioning systems traditionally used in the U.S.

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The Bosch Group is a leading global manufacturer of automotive and industrial technology, consumer goods, and building technology. In fiscal 2005, some 251,000 associates generated sales of 41.5 billion euros. Set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering," the Bosch Group today comprises a manufacturing, sales, and after-sales service network of more than 280 subsidiaries and some 13,000 Bosch service centers in over 140 countries. Additional information can be accessed at www.bosch.com.

In North America, the Bosch Group manufactures and markets automotive original equipment and aftermarket products, industrial automation and mobile products, power tools and accessories, security technology, thermo-technology, packaging equipment and household appliances. Bosch employs 22,700 associates in more than 80 primary and 20 associated facilities throughout the region with reported sales of \$8.4 billion in 2005. This year marks Bosch's 100th year of operating in the U.S. For more information on the company, visit www.bosch.us.