

Press Release

Bosch Rexroth to acquire a 50% stake in the Hytec Group

Acquisition elevates fluid power leader's positioning on the African continent

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Signing in Johannesburg (from left to right): Ingo Neuer (Head of Legal Department, Bosch Rexroth), Mike Burgess (CEO Tesuco Holdings Pty. Ltd.), Peter Daus (Director Regional Sales Management, Bosch Rexroth), John Wingrove (CEO HYTEC Holdings Pty. Ltd.)

Bosch Rexroth plans to acquire a 50 percent stake in its sales partner Hytec Holdings (Pty) Limited, a wholly owned subsidiary of the Tesuco Group for an undisclosed sum. Hytec Holdings generated sales of almost 1 billion rand (about 63 million euros) in the 2013/2014 fiscal year and employs 675 employees across its operations.

The transaction, which is subject to regulatory approval, will cement Hytec's position as the leading supplier and manufacturer of hydraulic and automation components and fluid power solutions in Africa. Bosch Rexroth will have the option to increase its shareholding over the next few years to 100% of the Hytec Group. Power Team, a subsidiary company of Hytec which specializes in hydraulic maintenance tools and torque tightening equipment, is excluded from the deal and will remain a wholly owned subsidiary of the Tesuco Group.

"Strategically the deal allows Hytec to gain closer synergies with a business partner with whom we already have strong ties, combining our complementary activities to achieve greater performance and increase our market share in sub-Saharan Africa," says John Wingrove, Group Managing

Contact for Journalists:

Bosch Rexroth AG

Jana Ullsperger

97816 Lohr a. Main

Tel.: +49 9352 18-1589

Fax: +49 9352 18-1812

jana.ullspurger@boschrexroth.de

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Director of Hytec Holdings. “The best practice and technical knowledge that exists between the two businesses underpins what is a natural progression of our business growth,” he adds.

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“This acquisition is an important step for Bosch Rexroth to increase our presence in Africa which in turn will allow us to better fulfill the needs of our customers. As technical experts who know the local market well, the Hytec Group has been an important partner of ours for many years, so it is a natural progression for us to expand our presence in the region together with them. This acquisition brings together two premier organizations and reinforces our strong joint commitment to the African continent. Combining the best talent between our two organizations enhances our ability to deliver world class solutions to our clients,” said Dr Karl Tragl, President of Bosch Rexroth AG.

Michael Burgess, CEO of Tesuco Holdings added that “From a Tesuco perspective, the deal affords Tesuco the opportunity to further advance its existing and greenfield business interests by optimizing existing assets.”

Hytec’s existing 31 branches and operations across South Africa, Ghana, Mozambique, Namibia and Zambia will provide a strong basis for Bosch Rexroth to further expand its network into Africa which is seen as a key growth area. Bosch Rexroth employs over 36 700 people across all operations and sales volumes in 2013 topped EUR 5.7 billion.

Bosch Group in Africa

Bosch has been present in Africa since 1906. The focus of the company's activities is South Africa, where there are two manufacturing sites, in Brits and Midrand. They primarily manufacture automotive components and assemble packaging machinery. There are additional regional subsidiaries in Egypt and Morocco. In February 2014, the Bosch Group opened a new sales and service subsidiary in Nairobi, the Kenyan capital. This year, Bosch intends to open a further six locations in Africa: in Algeria, Angola, Ghana, Mozambique, Nigeria, and Tunisia. The company's more than 600 associates in Africa generated sales of some 340 million euros in 2013 in its four business sectors Automotive Technology, Industrial Technology, Consumer Goods, and Energy and Building Technology.

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Economical, precise, safe, and energy efficient: drive and control technology from Bosch Rexroth moves machines and systems of any size. The company bundles global application experience in the market segments of Mobile Applications, Machinery Applications and Engineering, Factory Automation, and Renewable Energies to develop innovative components as well as tailored system solutions and services. Bosch Rexroth offers its customers hydraulics, electric drives and controls, gear technology, and linear motion and assembly technology all from one source. With locations in over 80 countries, roughly 36,700 associates generated sales revenue of approximately 5.7 billion euros in 2013.

To learn more, please visit www.boschrexroth.com

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The Bosch Group is a leading global supplier of technology and services. In 2013, its roughly 281,000 associates generated sales of 46.1 billion euros. (NB: Due to a change in accounting policies, 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 roughly 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, the Bosch Group invested some 4.5 billion euros in research and development and applied for some 5,000 patents. This is an average of 20 patents per day. 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>

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