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BSH-Turkey: Demands on Rail Logistics

Market Place Seminar – Rail
Transport Connecting Continents

22. – 23. October 2009

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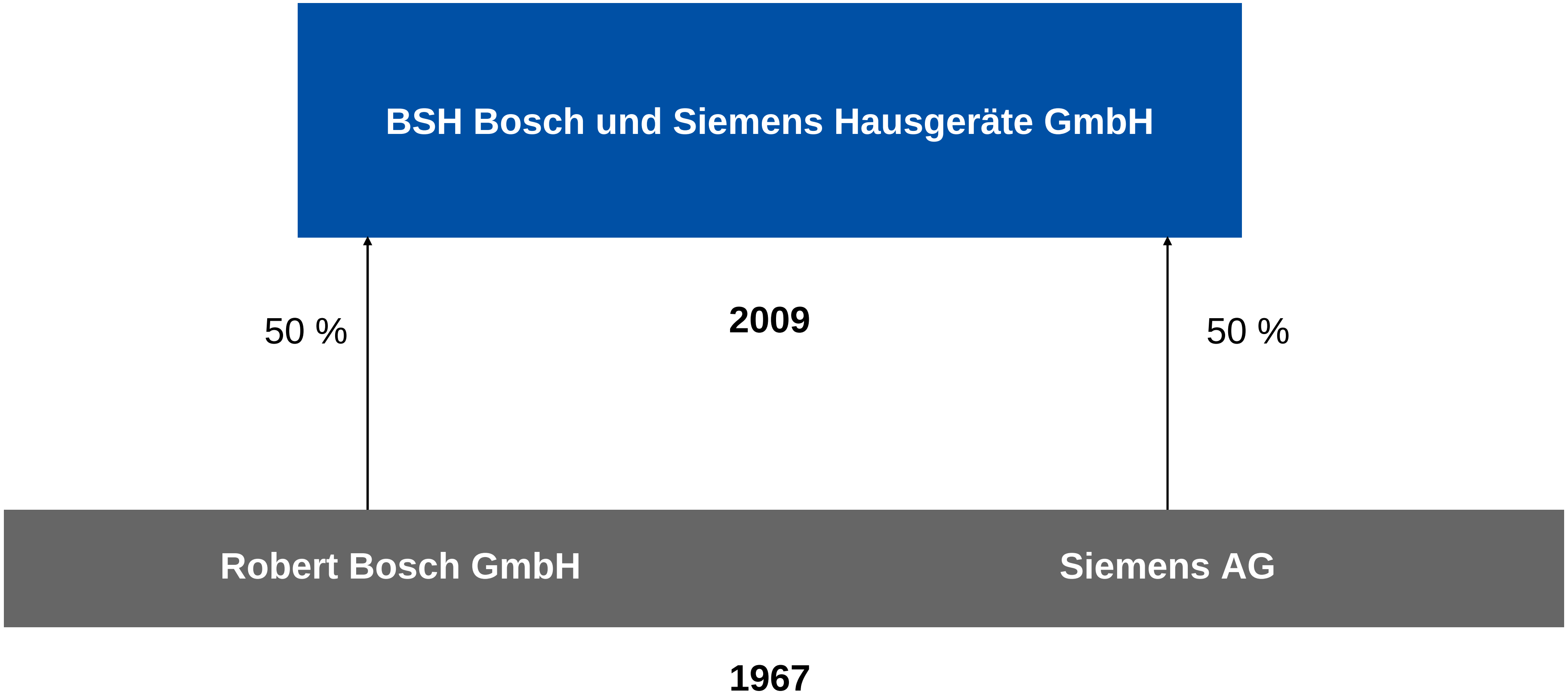
BSH-TR / Logistics

BSH Group – Shareholding Structure



BSH Group – Brand Portfolio

Main Brands

BOSCH

SIEMENS

Special Brands

GAGGENAU

NEFF

Thermador

Constructa

viva

ufesa

Local Brands

Balay

LYNX

PITSOS

PROFILO

Continental

COLDEX

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From German Exporter to Global Number-3

1967

1990

2009

3 factories in Germany

Companies	7
Employees	14,000
Sales	0.5 billion EUR

13 factories
in Germany, Greece, Spain

Companies	41
Employees	23,000
Sales:	3.3 billion EUR

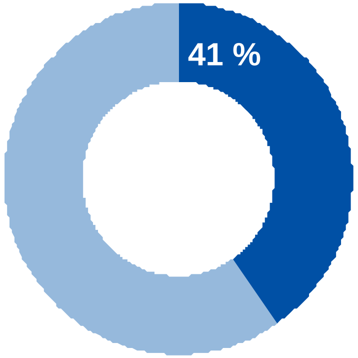
42 factories
in Germany, Greece, Spain, Slovenia, France, China, Turkey, U.S.A., Peru, Poland, Russia, Slovakia, Thailand

Companies*	> 60
Employees*	~ 39,000
Sales**	approx. 8.76 billion EUR

* Valid at: August 2009 ** Valid at: 31.12.2008

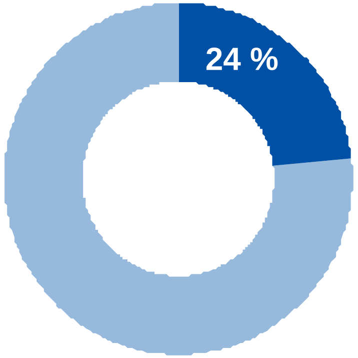
BSH Group's Strong Position

Market Leader in Germany



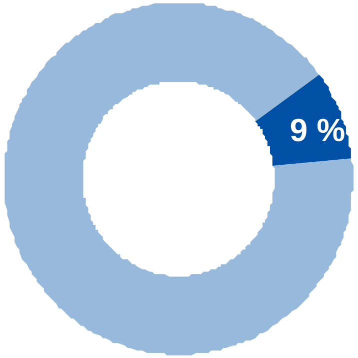
Market share large home appliances in 2008 (source: GfK Handelspanel)

Market Leader in Western Europe



Market share large home appliances in 2008 (source: GfK Handelspanel)

Number Three Worldwide



Market Share large home appliances in 2008 (source internal estimation)

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BSH Turkey: Factories in Çerkezköy

Çerkezköy 2008

- all product areas, 5 factories
- 2.600 employees (Ø)
- 3‘1 mio production units, 54 % export

Logistics 2008

- 50.200 sqm warehouse surface
- 100.000 cbm storage capacity
- railway accessed, own container yard

55% of Çerkezköy production is for Export all over Europe

- Production for Turkish market covers 80% of BSH-TR LDA Sales
- Imports from other factories are comparably low

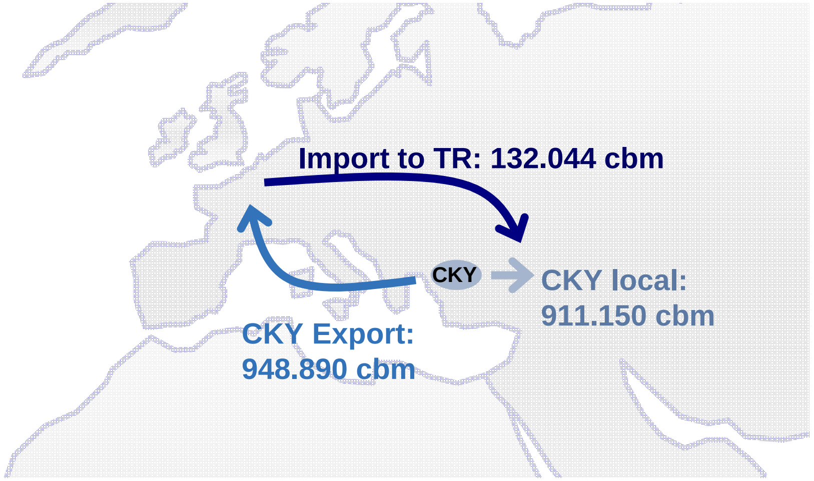

Chart: Supply of BSH Turkey (stream of finished goods in cbm)

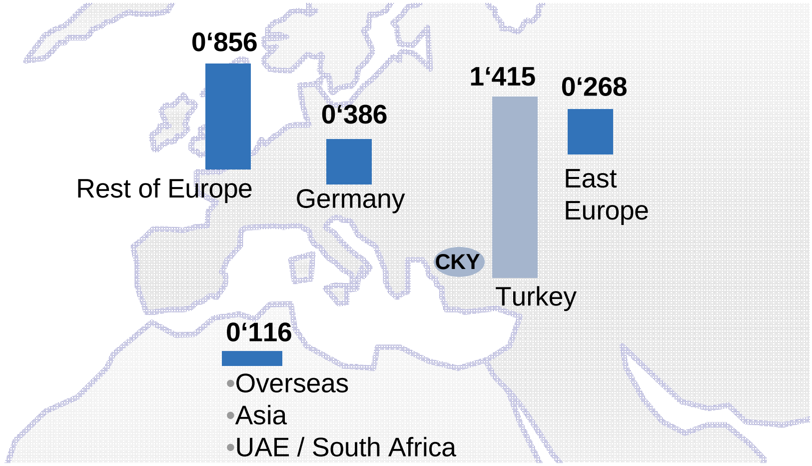

Chart: Export countries and regions (ex Cerkezköy) in LDA [1]

[1] Large domestic appliances / Source: CPA actual 2008 (Sales Responsibility)

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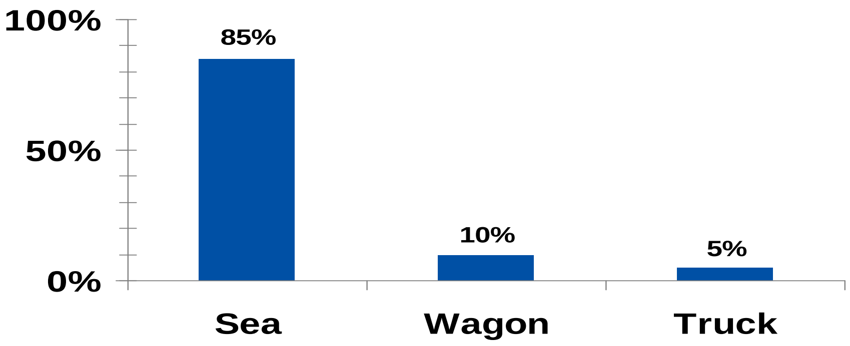
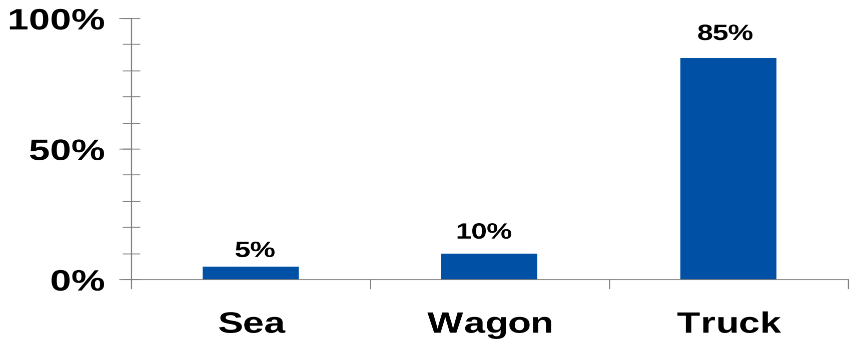
Transport Mean Structure Finished Goods

Export



Import



- Trucks are used only for specific countries (e.g. CH) or in case of urgency (express deliveries)
- Wagon share does not show the wagon potential
- Sea and wagons are not competitive (prices and/or lead times)
- Missing multi-modal terminal close to Çerkezköy

Although wagon traffic is advantageous for our operations (good lead times at acceptable costs, environmentally friendly) its share is comparably underrepresented.

BSH rail-accessed Warehouses in Europe

- Germany
  – Giengen
  – Vohenstein
  – Nauen
  – Melle
  – Bretten
  – Traunreut
- France
  – Paris
- Spain
  – Zaragoza
- Poland
  – Lodz
- Turkey
  – Çerkezköy

Why does BSH not increase its railway-share?

BSH supports wagon traffic and would like to increase this transport mean’s share in its structure. However, recent developments lead even to a decreased share of wagon traffic:

- Wagon availability (type, quantity and quality) not always satisfying
- Reimbursement in case of thefts or wet goods nearly impossible
- Responsibility to stop thefts unaccepted by railway companies
- Missing conceptual works of suppliers or Why do we as shipper have to carry the unbalances and volume risk?
- Price development

All in all we see a huge potential to convert to wagon traffic, but the overall package must fit (prices, lead times, availability etc)