

Michel Demaré
Chief Executive Officer

2007 full-year and fourth-quarter results

Zurich, 14 February 2008



ABB

Safe-harbor statement

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, the amount of revenues we are able to generate from order backlogs and orders received, raw materials prices, market acceptance of new products and services, changes in governmental regulations and costs associated with compliance activities, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in ABB’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Chart 2



Agenda



- Summary of 2007 full-year and Q4 results
- Financial overview
- 2008 and beyond
- Q&A

Chart 3

ABB

“A great year for ABB”

- 2007 was another record year for ABB
 - Continued strong organic order and revenue growth
 - Record EBIT and EBIT margin driven by growth and execution
 - Net income at an all-time high – normalized net income, excluding ABB Lummus gain and tax benefit, up 98% for the full year, 77% for Q4
 - Strong cash flow generation and CHF 1-billion bond conversion leading to strengthened balance sheet
 - Further credit rating upgrades
- ABB follows sound strategy
 - Strategic divestments now almost complete
 - Updated strategy and mid-term targets released in September
 - Prudent acquisition approach
- Board recommends an annual dividend of CHF 0.48 per share in the form of a nominal value reduction, and approves a CHF 2.2-billion share buyback program

Outlook for 2008 remains favorable

- Demand drivers intact in most areas
 - Long-term investment outlook still positive in every region for power-related businesses and for raw material-related process industries like oil & gas and metals & minerals
 - The need for improved energy efficiency expected to continue even in a downturn
 - Slowdown in the US may have an impact but consequences for the rest of the world remain open
 - Expected 2008 growth rates for ABB businesses still at attractive levels (power \approx 15-20%, automation \approx 10%) – barring an extended recession
- ABB's improved execution provides a buffer against many of the risks
 - Strong order backlog provides good visibility for some divisions
 - Low-cost sourcing and footprint measures have enhanced ABB's competitiveness, increased flexibility and reduced risks
 - Many of the benefits from internal process improvements (e.g., SOX, One Simple ABB) are still to come

2007 – Another record year

US\$ millions unless otherwise stated	Full year				Fourth quarter			
	2007	2006 ¹	Change		2007	2006 ¹	Change	
			US\$	Local			US\$	Local
Orders received	34,348	27,048	27%	19%	8,868	7,129	24%	14%
Order backlog (end Dec.)	22,715	15,829	44%	32%				
Revenues	29,183	23,281	25%	18%	8,713	6,886	27%	16%
EBIT	4,023	2,557	57%		1,145	763	50%	
as % of revenues	13.8%	11.0%			13.1%	11.1%		
Net income	3,757	1,390	170%		1,753	422	315%	
Earnings per share (basic)	1.66	0.65	155%		0.76	0.19	300%	
Dividend per share	0.48 ²	0.24	100%					

¹ Adjusted to reflect the reclassification of activities to Discontinued operations; ² Proposed

- Continued robust growth in orders and revenues
- EBIT margin reflects high capacity utilization, better execution and cost control, more low-cost sourcing, lower restructuring costs
- Net income includes positive impact from tax effect and ABB Lummus gain
- Proposed dividend of CHF 0.48 (up 100% vs. 2006), and a CHF 2.2-billion share buyback

Chart 6



Normalized net income

<i>US\$ millions unless otherwise stated</i>	Full year			Fourth quarter		
	2007	2006	Change US\$	2007	2006	Change US\$
Net income as reported	3,757	1,390	170%	1,753	422	315%
Less DTA impact	(475)			(475)		
Less ABB Lummus gain	(530)			(530)		
Normalized net income	2,752	1,390	98%	748	422	77%
EPS as reported	1.66	0.65	155%	0.76	0.19	300%
Normalized EPS	1.22	0.65	88%	0.33	0.19	74%

- The positive tax impact reflects the recognition of deferred tax assets (DTAs), mainly in the U.S.
- The ABB Lummus gain was recognized on the disposal and was also positively influenced by the U.S. tax impact

Even excluding these positive items, net income improved significantly on the strength of the underlying business

Chart 7



Solid cash generation and return on capital

<i>US\$ millions unless otherwise stated</i>	Full year			Fourth quarter		
	2007	2006	Change US\$	2007	2006	Change US\$
Normalized net income	2,752	1,390	98%	748	422	77%
Cash flow from operations	3,054	1,939	58%	1,469	1,040	41%
Free cash flow ¹	2,430	1,598	52%			
<i>as % of normalized net income</i>	88%	115%				
Normalized return on capital employed ²	30%	21%				
Normalized return on equity ³	32%	27%				

¹ Calculated as cash from operating activities adjusted for changes in financing receivables and net investments in property, plant and equipment;

² Normalized ROCE = EBIT x (1-normalized tax rate) divided by capital employed; ³ Normalized ROE = Normalized net income divided by average stockholder's equity, incl. minority interest

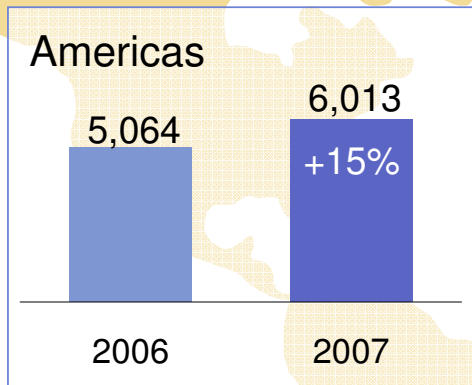
- Cash flow reflects higher earnings and good discipline on working capital, and includes \$382 million in asbestos trust payments vs \$75 million in 2006
- Incl. the ABB Lummus gain and low taxes, the full-year cash conversion ratio was 65%
- ROCE up on higher EBIT and lower tax rate – incl. tax effect, ROCE = 35%
- Normalized ROE at very attractive levels despite substantially higher equity base – ROE as reported = 44%

Chart 8

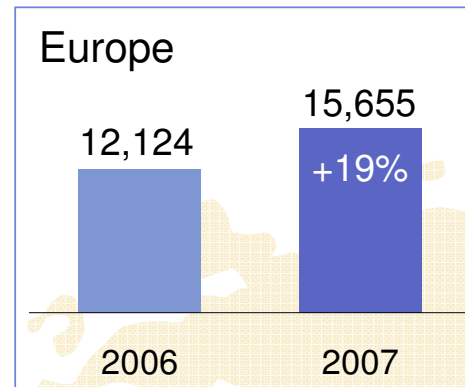


Strong growth across most regions in 2007

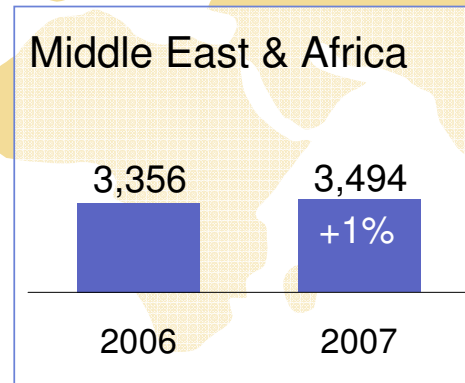
Orders by region 2006 vs 2007
(% change in local currencies)



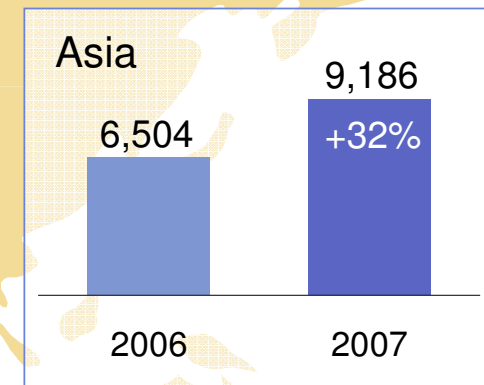
All divisions up double-digits, except fewer large orders in Power Systems



Higher across all divisions, esp. power



More than 20% growth in product divisions, stable or lower systems orders



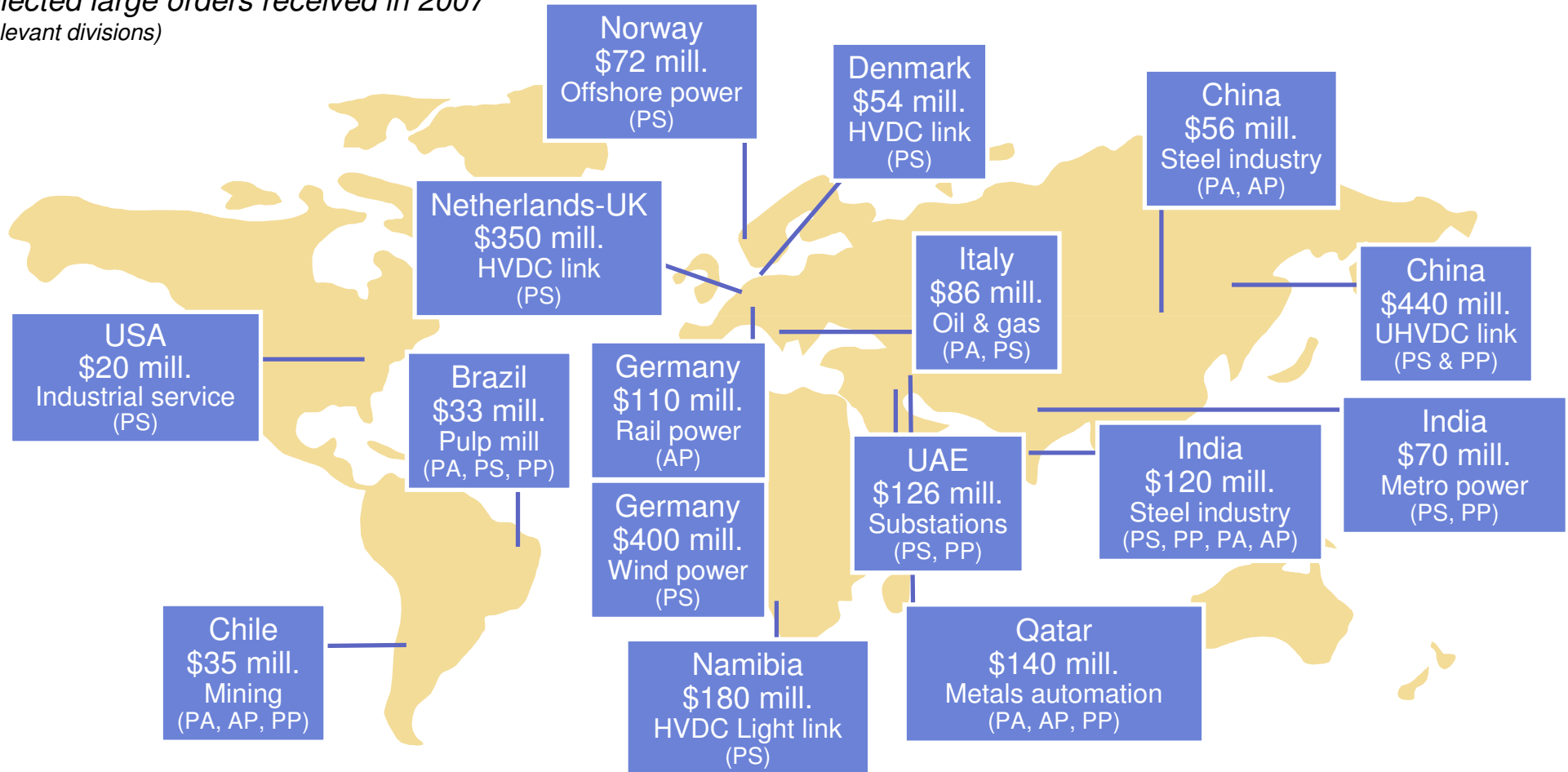
Strong growth across the board

Chart 9



Regional growth drivers benefited all divisions

Selected large orders received in 2007
(Relevant divisions)

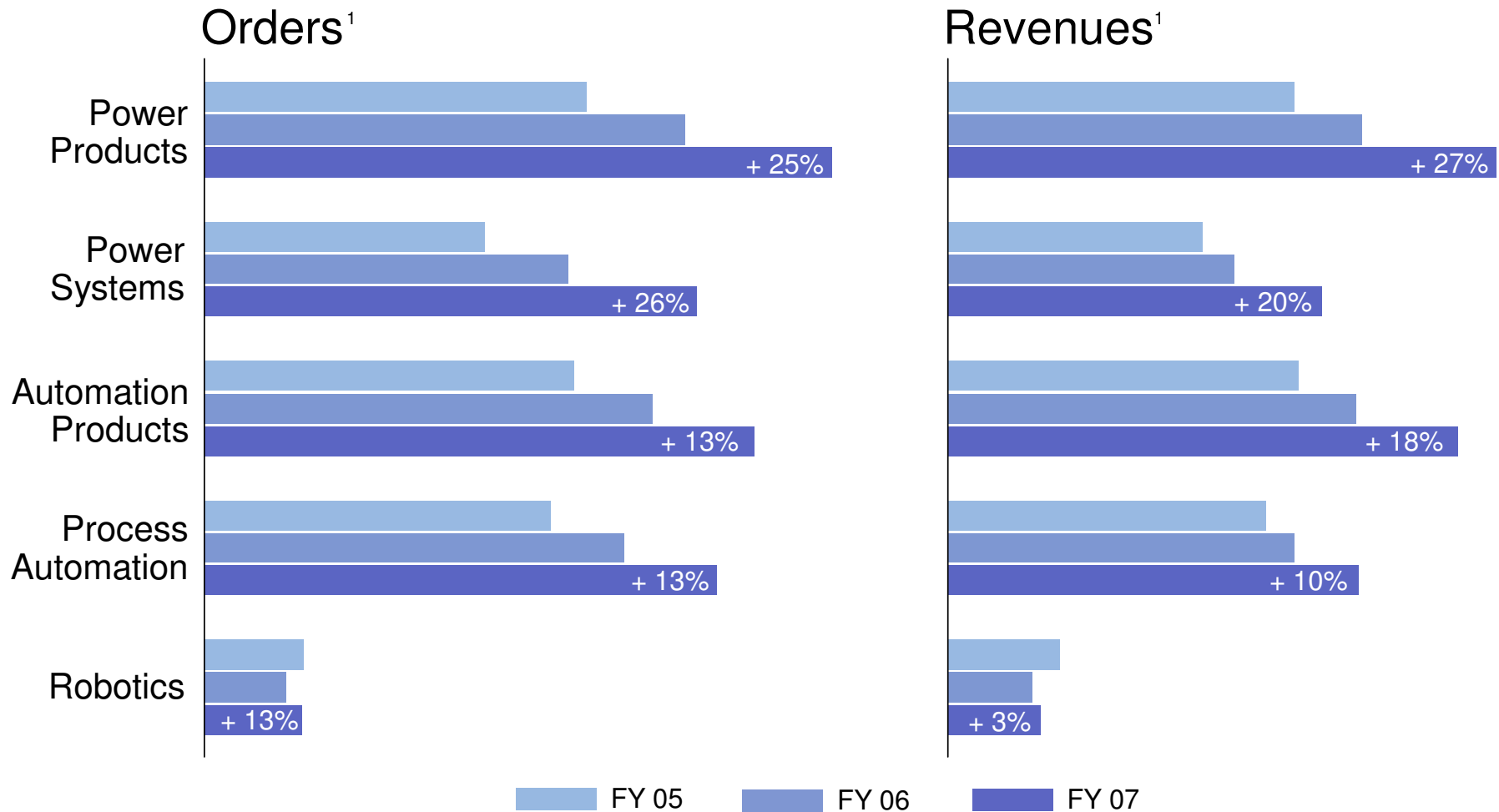


PP = Power Products; PS = Power Systems;
AP = Automation Products; PA = Process Automation

Chart 10



Robust top-line growth in all ABB's businesses



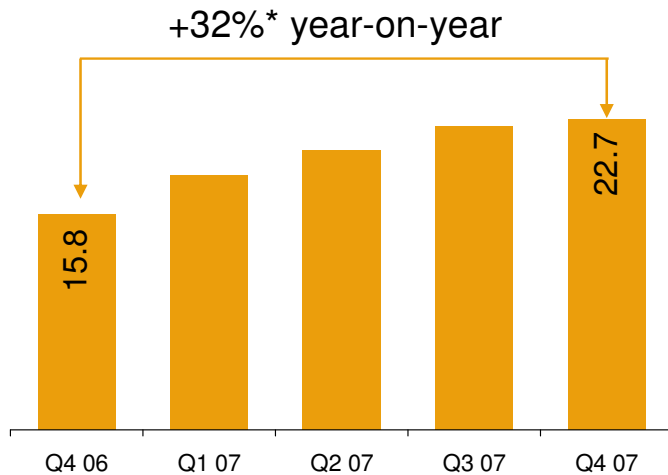
¹ Change in local currencies

Chart 11

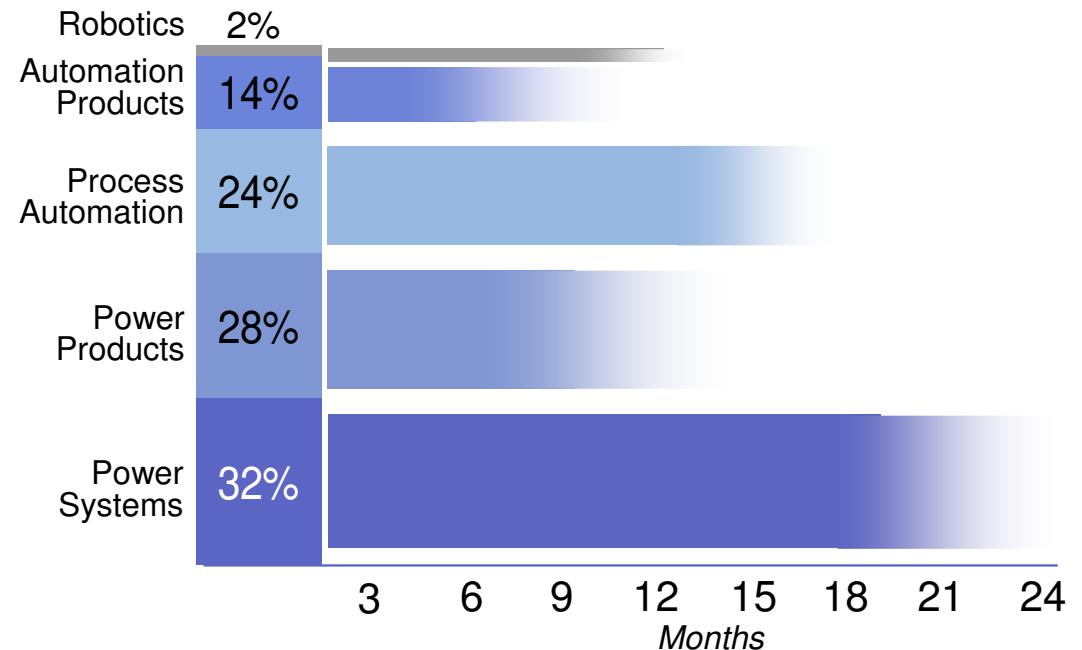


Strong order backlog provides visibility into 2008

Order backlog by quarter
US\$ millions



Visibility in the order backlog by division
(months)



- High 2007 growth in both base (+15%) and large orders (+47%)*
- Revenue stream from large orders extends into 2009 and beyond (esp. utilities, metals & mineral, oil & gas and marine)

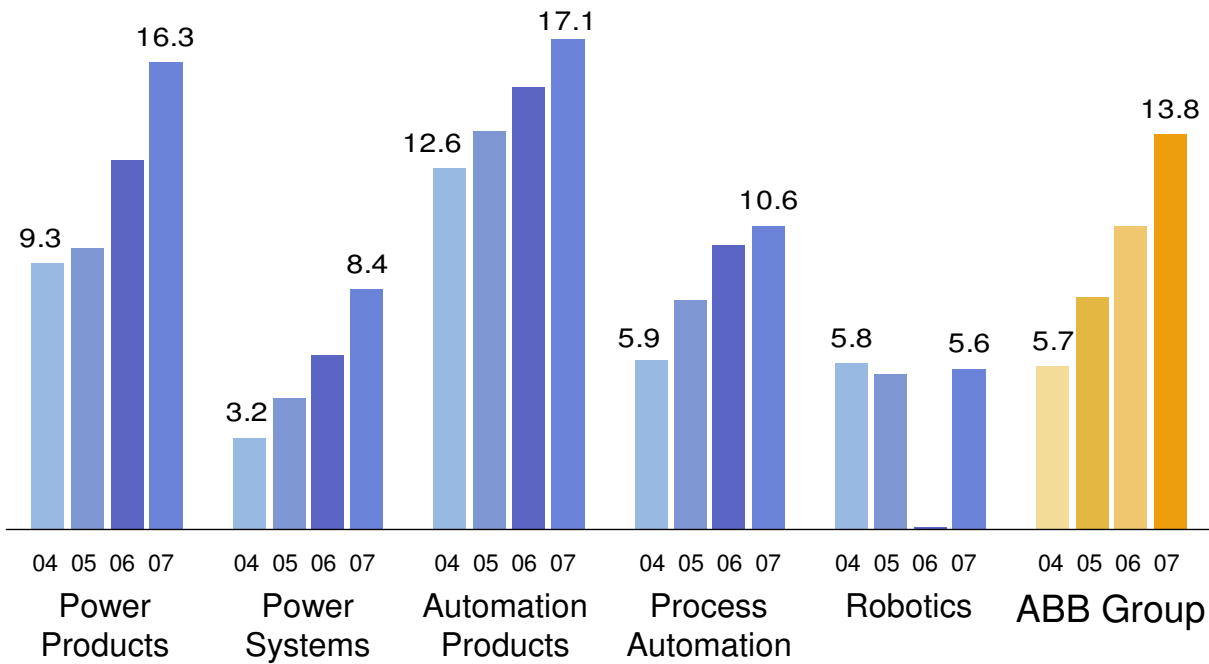
* Local currency change vs previous year's period

Chart 12

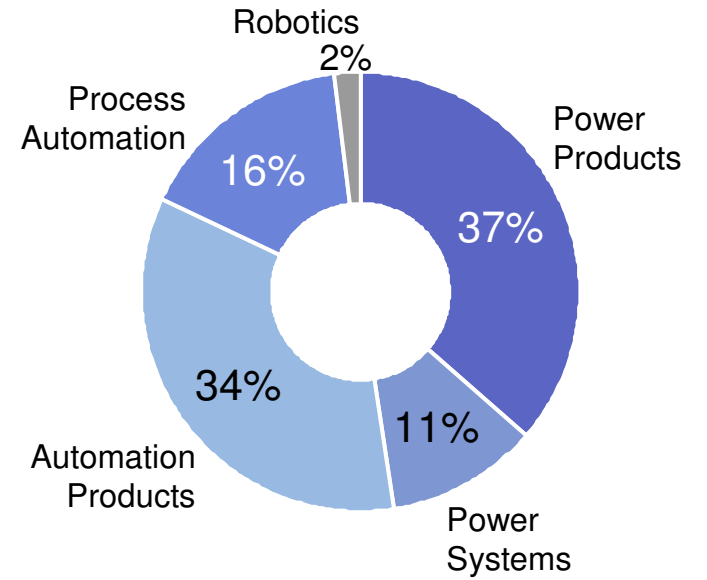


Steady margin expansion

EBIT margin by division 2004-2007, in %



EBIT by division 2007, in %



Volumes and margins reach new highs

\$ millions unless otherwise stated	Fourth quarter				Full year			
	2007	2006	Change		2007	2006	Change	
			Nominal	Local			Nominal	Local
Orders	2,751	2,005	37%	26%	11,320	8,572	32%	25%
Order backlog (end Dec.)	6,932	4,845	43%	32%				
Revenues	2,910	2,247	30%	20%	9,777	7,275	34%	27%
EBIT	466	285	64%		1,596	939	70%	
as % of revenues	16.0%	12.7%			16.3%	12.9%		
Cash flow from operations	635	386	65%		1,279	736	74%	

■ Fourth quarter

- Orders and revenues up in all businesses, led by Transformers – base orders up 26%¹
- EBIT and margin up on higher revenues and operational improvements
- Q4 Transformer consolidation costs = \$19 million vs \$14 million last Q4

■ Full year

- Demand for infrastructure improvements lifted orders and revenues in all businesses and regions
- EBIT margin up on better capacity utilization and ongoing measures to expand capacity in more cost-competitive emerging markets
- FY Transformer consolidation costs = \$34 million, \$195 million since 2005

¹ local currency change

Chart 14



Strong orders, backlog and record margins

\$ millions unless otherwise stated	Fourth quarter				Full year			
	2007	2006	Change		2007	2006	Change	
			Nominal	Local			Nominal	Local
Orders	1,902	1,989	-4%	-12%	7,744	5,733	35%	26%
Order backlog (end Dec.)	8,209	5,627	46%	34%				
Revenues	1,977	1,429	38%	27%	5,832	4,544	28%	20%
EBIT	179	93	92%		489	279	75%	
as % of revenues	9.1%	6.5%			8.4%	6.1%		
Cash flow from operations	245	185	32%		409	293	40%	

■ Fourth quarter

- Orders lower versus very high levels of large orders in Q4 06
- Revenue growth from increased project execution of the order backlog
- EBIT and EBIT margin up on higher revenues, improved project execution, greater capacity utilization, and expanded engineering capacity in emerging markets

■ Full year

- Growth driven by grid interconnections and upgrades in Europe (incl. offshore oil & gas and wind power developments) and new infrastructure in Asia and the Middle East
- Base orders up 18% with growth across all businesses

Chart 15



A steady improvement across the board

<i>\$ millions unless otherwise stated</i>	Fourth quarter				Full year			
	2007	2006	Change		2007	2006	Change	
			Nominal	Local			Nominal	Local
Orders	2,360	1,948	21%	10%	9,314	7,706	21%	13%
Order backlog (end Dec.)	3,490	2,439	43%	31%				
Revenues	2,396	1,923	25%	14%	8,644	6,837	26%	18%
EBIT	410	300	37%		1,477	1,053	40%	
<i>as % of revenues</i>	17.1%	15.6%			17.1%	15.4%		
Cash flow from operations	451	274	65%		1,256	916	37%	

■ Fourth quarter

- Customers continued to invest in efficiency improvements in the face of high raw material and energy costs, leading to double-digit order growth
- Revenues increased mainly on higher volumes, while EBIT and EBIT margin were driven by revenues, factory loadings and cost migration

■ Full year

- Industrial demand at high levels, construction sector with lower growth rates
- Factory loading and cost migration drove EBIT margin improvements

Chart 16



Further progress on good market and better execution

\$ millions unless otherwise stated	Fourth quarter				Full year			
	2007	2006	Change		2007	2006	Change	
			Nominal	Local			Nominal	Local
Orders	2,343	1,381	70%	54%	7,935	6,550	21%	13%
Order backlog (end Dec.)	5,951	3,991	49%	36%				
Revenues	1,939	1,591	22%	11%	6,420	5,448	18%	10%
EBIT	220	164	34%		683	541	26%	
as % of revenues	11.3%	10.3%			10.6%	9.9%		
Cash flow from operations	456	171	167%		766	524	46%	

■ Fourth quarter

- Orders up in all regions and most sectors, led by oil & gas, minerals and marine
- Revenues continue to rise on execution of the order backlog and higher product sales
- Revenues, improved project management and engineering capacity in emerging economies drove EBIT and EBIT margin

■ Full year

- High raw material and energy costs drove customer investments in new capacity and improved productivity
- Project management remains key to better profitability

Chart 17



Back to profitability and set for growth

\$ millions unless otherwise stated	Fourth quarter				Full year			
	2007	2006	Change		2007	2006	Change	
			Nominal	Local			Nominal	Local
Orders	348	351	-1%	-9%	1,488	1,240	20%	13%
Order backlog (end Dec.)	529	441	20%	12%				
Revenues	419	342	23%	13%	1,407	1,288	9%	3%
EBIT	25	(12)	n/a		79	1	n/a	
as % of revenues	6.0%	-3.5%			5.6%	0.1%		
Cash flow from operations	27	47	-43%		120	30	300%	

■ Fourth quarter

- Orders decreased as higher demand from general industry was offset by continued weakness in automotive sector, especially in the U.S.
- Revenues showing impact of stronger order backlog
- EBIT and EBIT margin benefit from better project execution and more cost-competitive product lines

■ Full year

- Orders reflect benefit from refocused sales and marketing
- Revenue growth weighted more to second half of the year

Chart 18



Progress against 2011 targets – ABB Group

	2007 actual	2007-11 target
Revenue growth (CAGR)	18% ¹	8-11% ²
EBIT margin (<i>EBIT as % of revenues</i>)	13.8%	11-16%
Normalized EPS growth ³	88%	15-20%
Normalized ROCE ^{3, 4}	30%	> 30% in 2011
Normalized free cash flow as % of net income ³	88%	Avg. 100%

¹ Growth rate vs 2006 in local currencies; ² CAGR 2007-11 at constant exch. rates, excl. major acquisitions & divestitures; ³ Excl. tax effects and ABB Lummus gain; ⁴ Return on capital employed (after tax);

As reported

EPS growth	155%
ROCE ⁴	35%
FCF as % of net income	65%

Chart 19



Progress against 2011 targets - Divisions

	2007 revenue growth ¹	Revenue growth target 2007-11 ²	2007 EBIT margin	EBIT margin target 2007-11
Power Products	27%	10%	16.3%	12-17%
Power Systems	20%	11%	8.4%	6-10%
Automation Products	18%	8%	17.1%	14-19%
Process Automation	10%	8%	10.6%	9-14%
Robotics	3%	6%	5.6%	5-10%

¹ Growth rate 2007 vs 2006 in local currencies, ² CAGR 2007-2011 at constant exchange rates and excl. major acquisitions and divestitures

Agenda



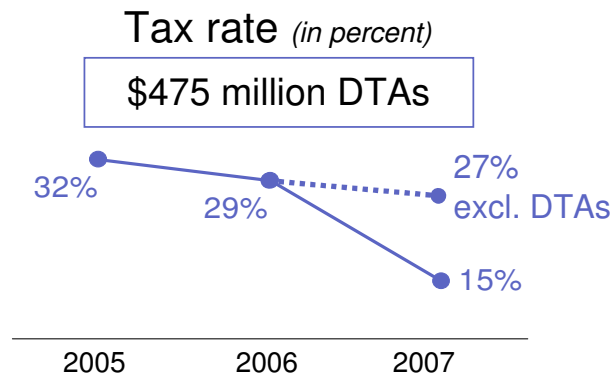
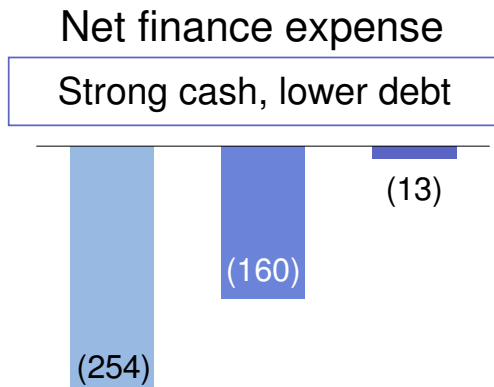
- Summary of 2007 full-year and Q4 results
- Financial overview
- 2008 and beyond
- Q&A

Chart 21

ABB

Full year 2007 - Below the EBIT line

US\$ in millions

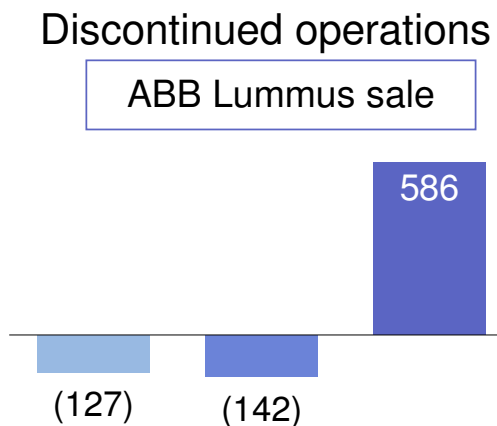
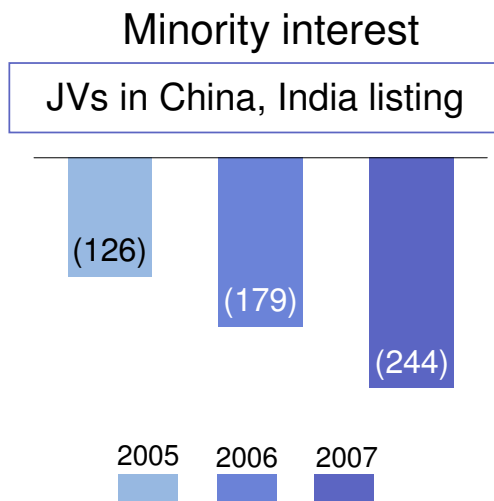


Net income
(as reported):

Up 170% to \$3,757 million

Normalized net income¹

Up 98% to \$2,752 million



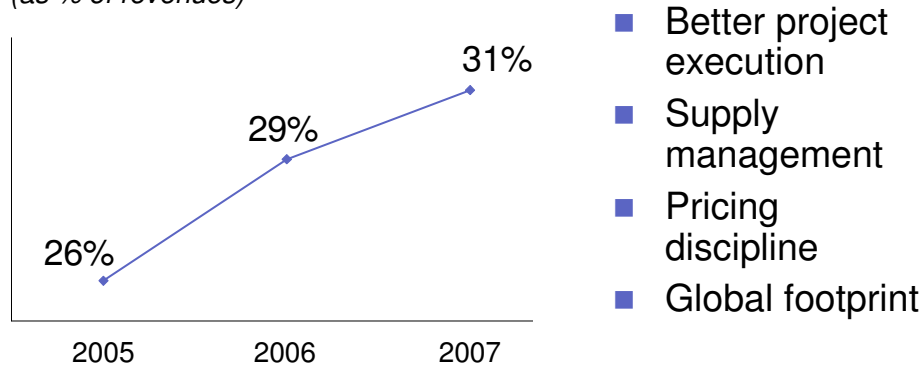
¹ Excl. \$530-million gain on ABB Lummus sale and \$475 tax impact from DTAs

Chart 22

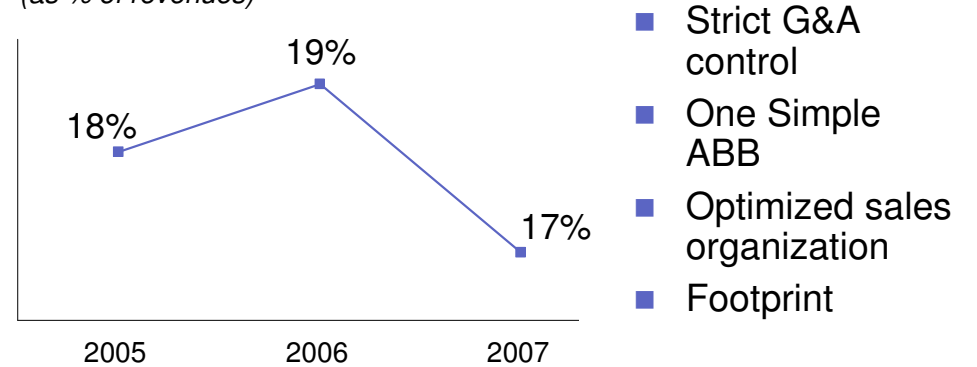


Focus on operational excellence

Gross margin
(as % of revenues)

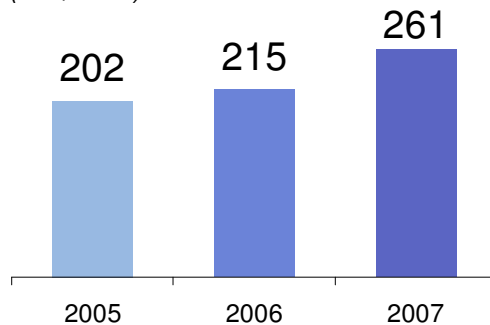


SG&A
(as % of revenues)

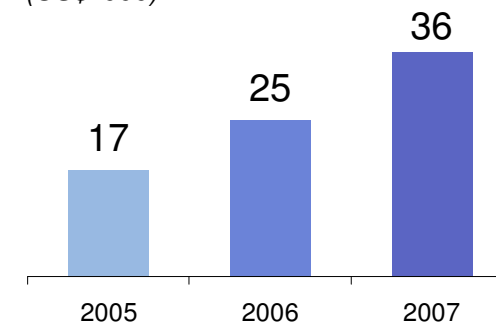


Productivity measures

Revenues per employee
(US\$ '000)



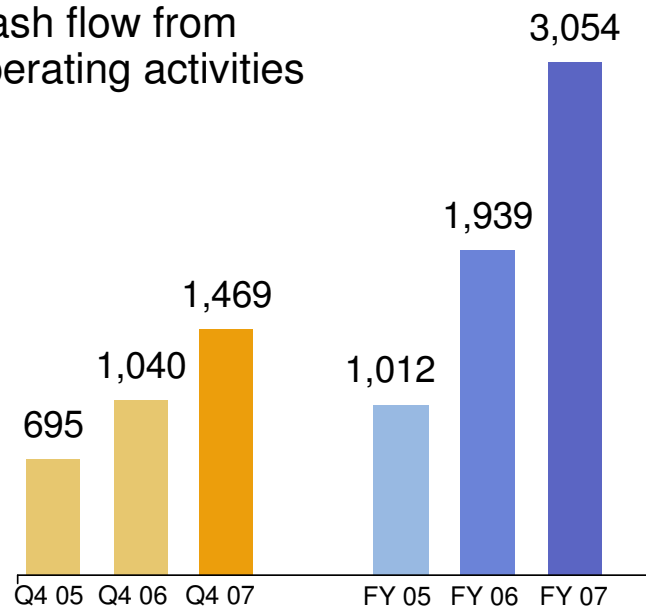
EBIT per employee
(US\$ '000)



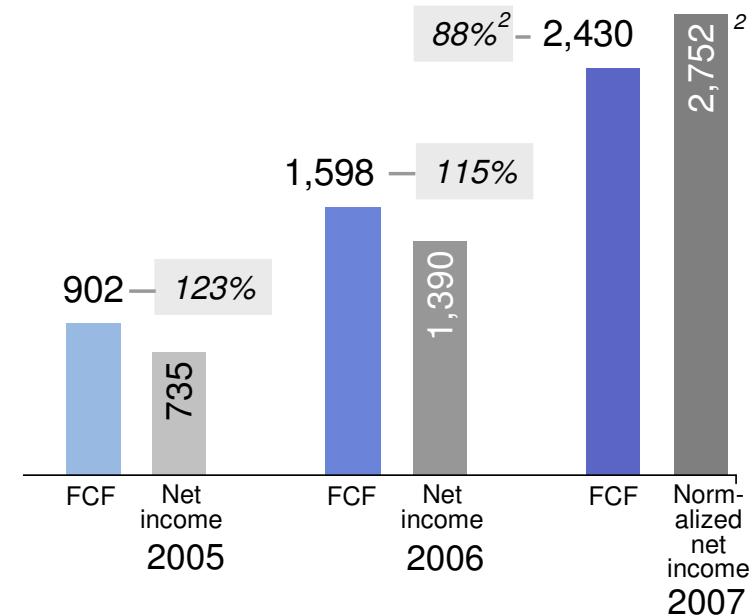
Improved cash flow, conversion still strong despite higher capex

US\$ millions

Cash flow from operating activities



Free cash flow¹, net income and FCF conversion



- Very strong cash flow generation, especially in Q4
- Capital expenditure cash flows increased by 41% to \$756 million (126% of depreciation)

¹ Free cash flow = Cash from operating activities adjusted for changes in financing receivables and net investments in property, plant and equipment;

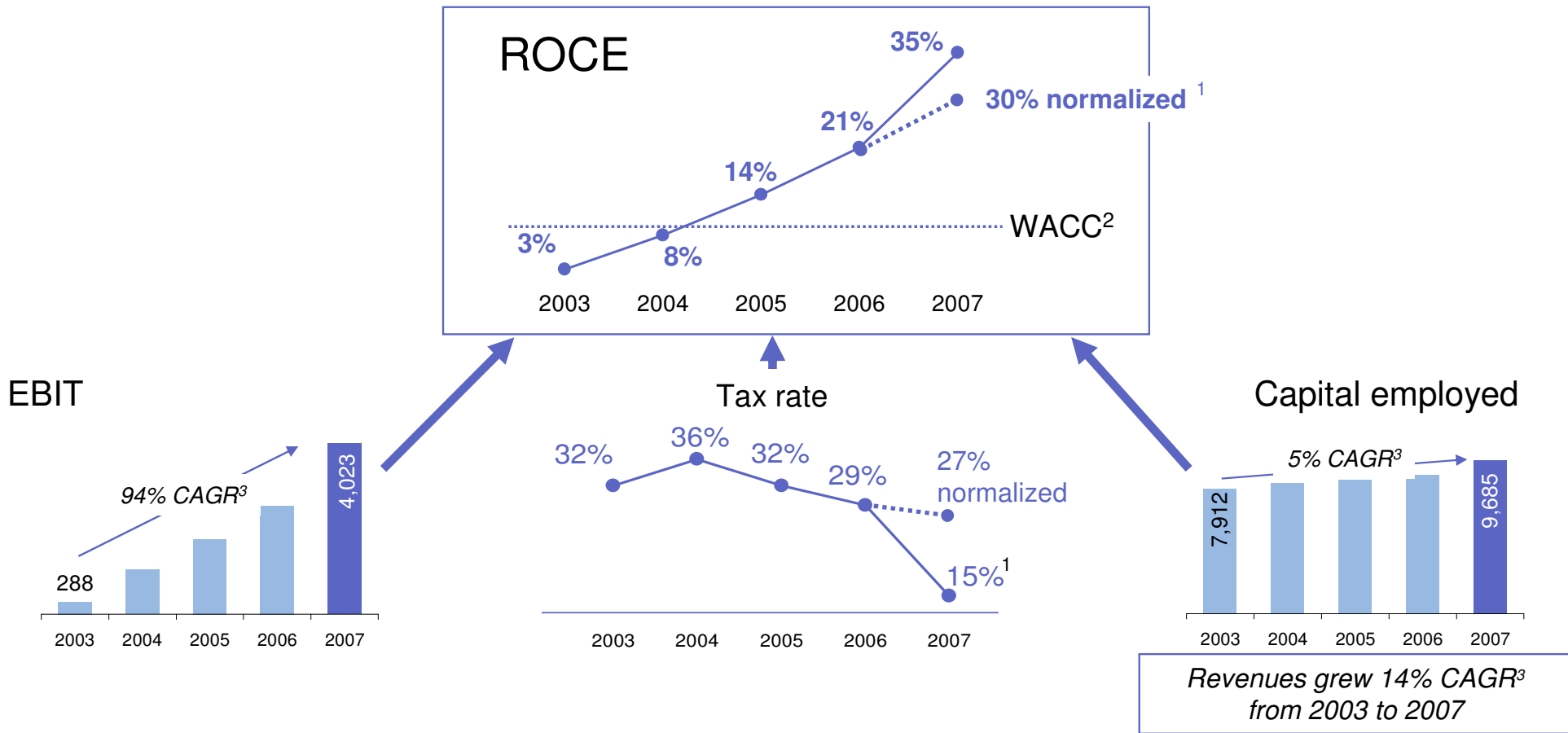
² Numbers shown exclude the gain on the sale of ABB Lummus Global and the tax effect of DTAs – including those effects, the cash conversion ratio is 65%

Chart 24



Improved ROCE drivers across the board

Return on capital employed (ROCE), after tax, 2003-2007



¹ Excl. ABB Lummus gain and effect of deferred tax assets

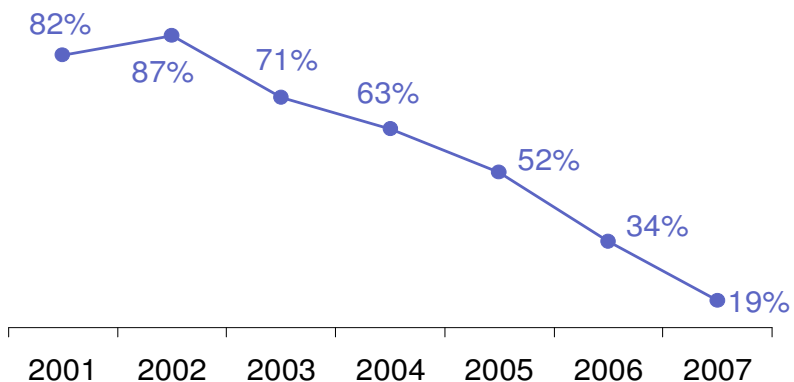
² Weighted average cost of capital; ³ Compound annual growth rate in US\$

Chart 25

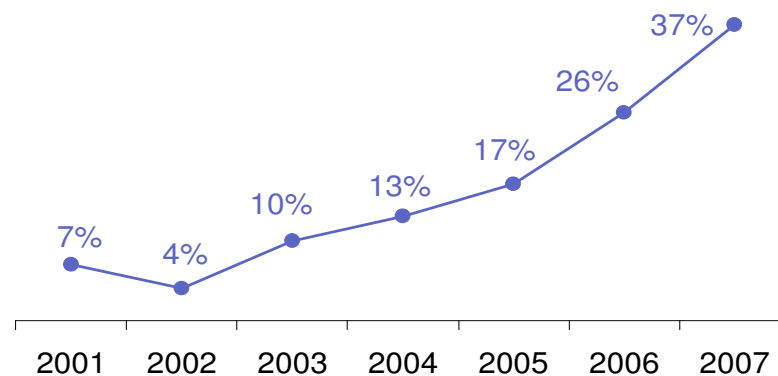


Balance sheet development 2001 to 2007

Gearing¹

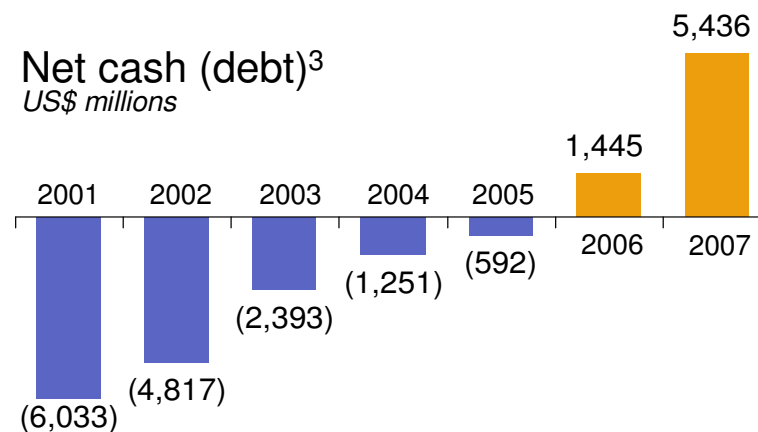


Equity/Total assets²



Net cash (debt)³

US\$ millions



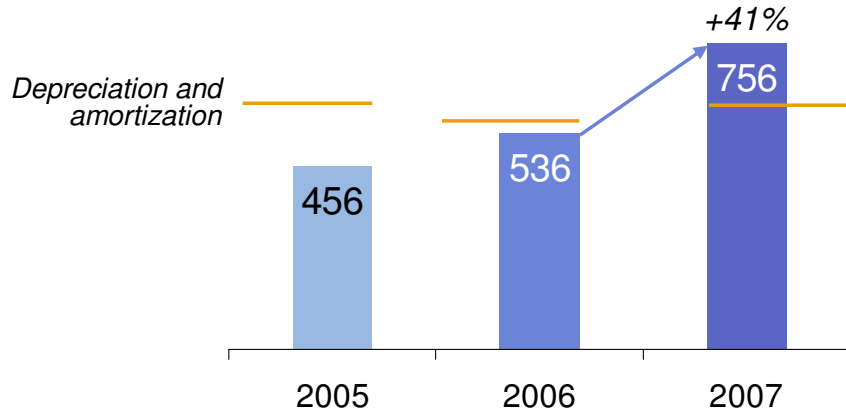
¹ Total debt divided by the sum of total debt plus stockholders' equity, incl. minority interest; ² incl. Minority interest; ³ Cash and equivalents and marketable securities & short-term investments, less total debt

Chart 26

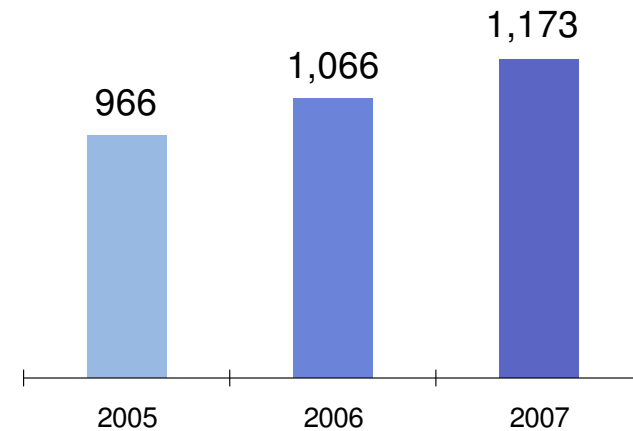


Organic investment is the top priority

Cash flow for capital expenditure¹ 2005-07 as % of depreciation
(US\$ millions)



Annual R&D spend² 2005-07
(US\$ millions)



- Capital expenditure is above depreciation for the first time since 1997, expected to be near 150% in 2008
- Strong impact of global footprint strategy with majority of new capacity in emerging countries
- Research programs accelerated and given more resources
- G&A productivity improving through investment in One Simple ABB, enabling reduced corporate costs

¹ Purchases of property, plant and equipment and intangible assets;

² Non-order related R&D and order-related development

Chart 27



Balance sheet management – 2007 achievements

- Conversion of Sfr1-billion convertible bond reduced long-term debt by \$825 million and increased equity by \$830 million
- ABB's pension funding further improved – pension position overfunded by \$22 million
- Strategic divestments continued (Equity Ventures and ABB Lummus Global), only a few minor equity holdings remain
- Net working capital at 11.1% (+ 0.2%) of revenues despite rapid growth
- S&P and Moody's again upgraded ABB's credit rating
 - S&P to A- from BBB+; Moody's to A3 from Baa1
 - “ ... we have factored material acquisition headroom into the rating” (Moody's credit opinion, Jan. 28, 2008)

Financial flexibility is key in the current environment

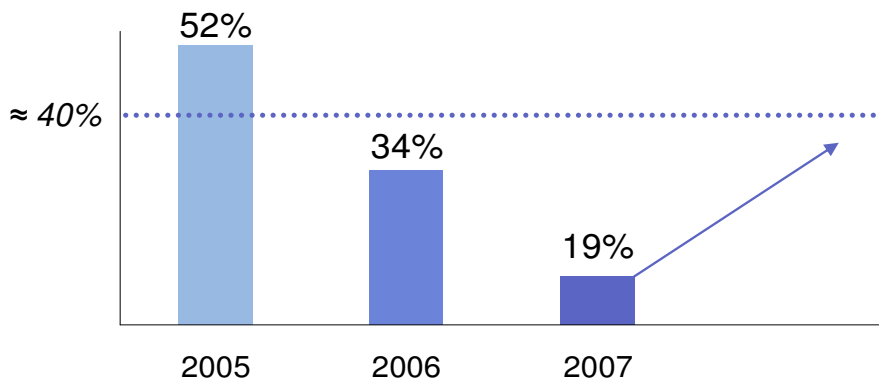
ABB has the balance sheet to support its ambitions

Balance sheet management – Priorities 1

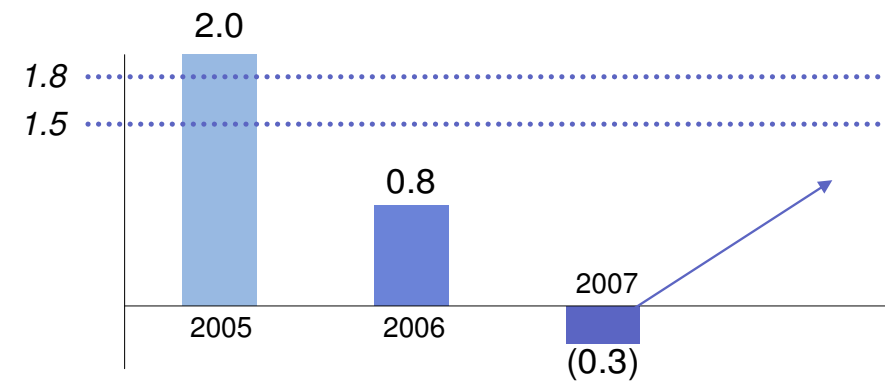
We intend to reach an efficient capital structure by focusing on the following priorities

1. Accelerating organic investments
2. Executing value-creating acquisitions
3. Returning cash to shareholders

Gearing¹



Net debt / EBITDA²



¹ Total debt divided by the sum of total debt plus stockholders' equity, incl. minority interest;

² Net debt adjusted for operating leases, pension obligations, warranties, restricted cash, financial guarantees and securitization (for 2005 and 2006, as published by S&P, for 2007, ABB's estimate using the S&P 2006 method applied to 2007 results)

Chart 29



Balance sheet management – Priorities 2

1. *Accelerating organic investments*

- Capex will increase again in 2008 in excess of \$1.1 billion (+ 40%)
- R&D will be boosted by another 15%

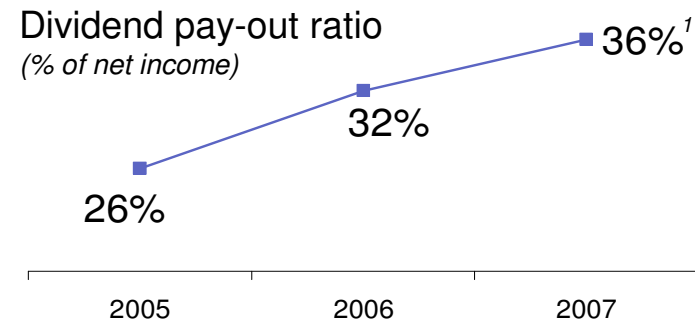
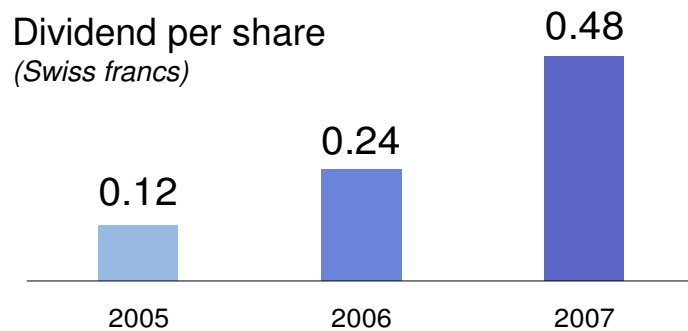
2. *Executing value-creating acquisitions*

- We are ready – strong cash position, ample leverage potential
- The current economic environment is a challenge but demonstrates it was right to be cautious
- M&A opportunities for industrial players will come

Balance sheet management – Returning cash

3. a) *Returning cash to shareholders - dividend*

- Our policy is to distribute a steadily rising, sustainable annual dividend
- Doubling 2007 dividend to CHF 0.48 per share, to be paid via a nominal value reduction
- Represents a payout ratio of 36%¹ of normalized net income²



3. b) *Returning cash to shareholders – Share buyback program*

- ABB Board has approved a CHF 2.2-billion (\$2-billion) share buyback program
- Using the SWX Swiss Exchange second-line trading model
- Intention is to cancel shares prior to the 2010 annual general meeting

¹ Based on year-end 2007 exchange rates and a normalized net income excl. the tax effect and the gain on the sale of ABB Lummus Global

Improved shareholder returns, maximum financial flexibility

- Dividend has quadrupled in two years (from CHF 0.12 in 2005)
- CHF 2.2-billion (\$2-billion) share buyback program
- Shareholders will be required to approve at the next AGM
 - Reclassification of CHF 2.1 billion of legal reserves into retained earnings
 - Authorization for 200 million shares of contingent capital Authorized shares from 2007 AGM

All options open for acquisitions and/or accelerated capital distribution

Agenda

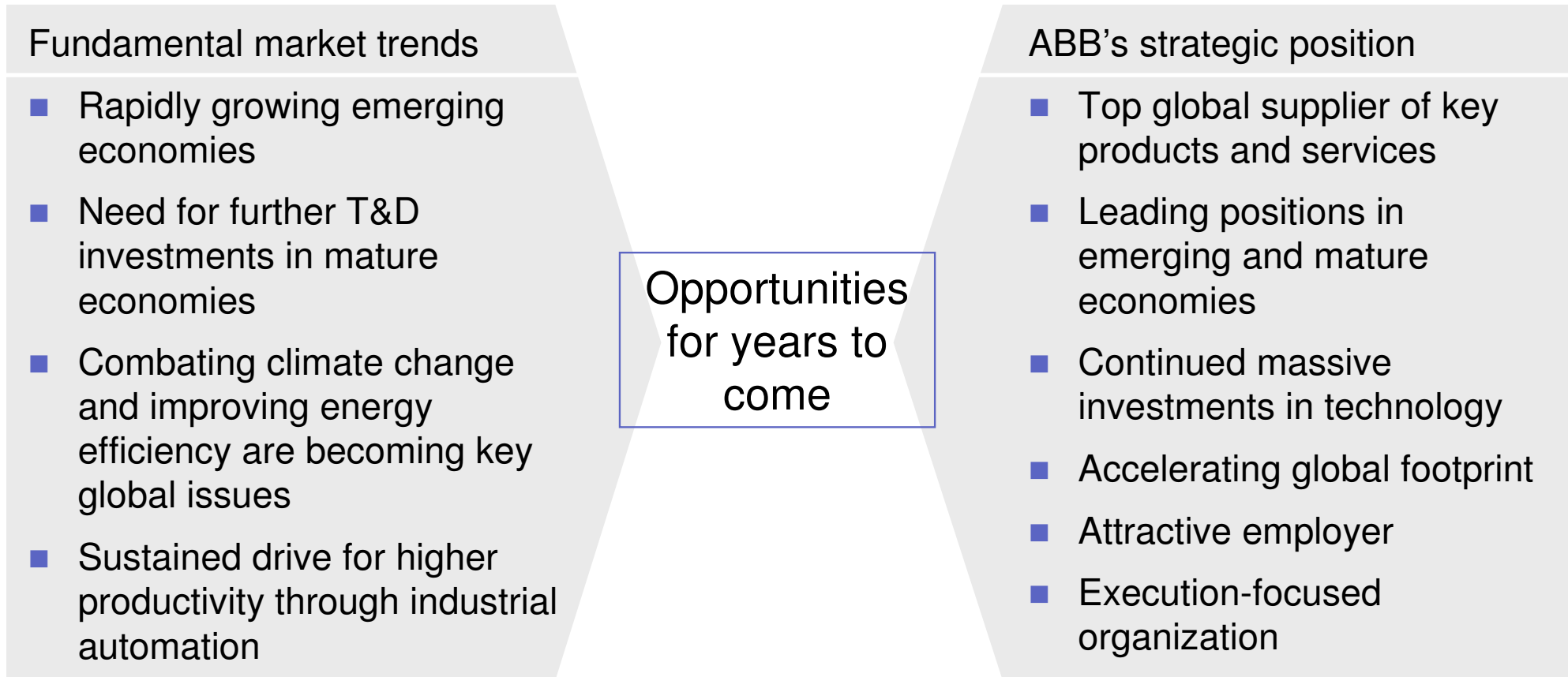


- Summary of 2007 full-year and Q4 results
- Financial overview
- 2008 and beyond
- Q&A

Chart 33

ABB

Good long-term prospects



Footprint measures to increase flexibility continue

In 2007, emerging economies accounted for

- 43% of total employees and 72% of new employees hired
- Ca. 37% of total capital expenditures
- 33% of direct material sourcing

ABB orders received in mature vs emerging economies 2006 vs 2007
(share of total orders)

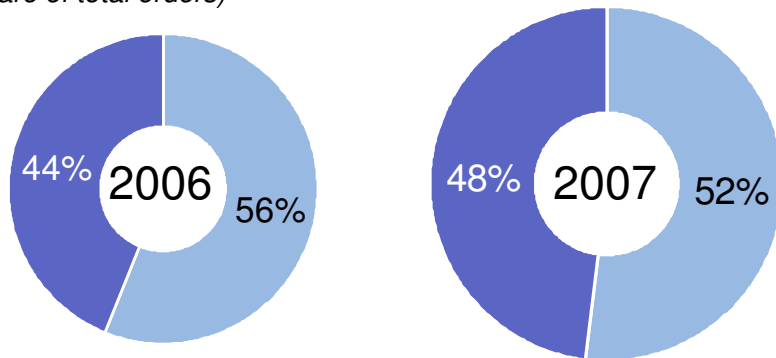
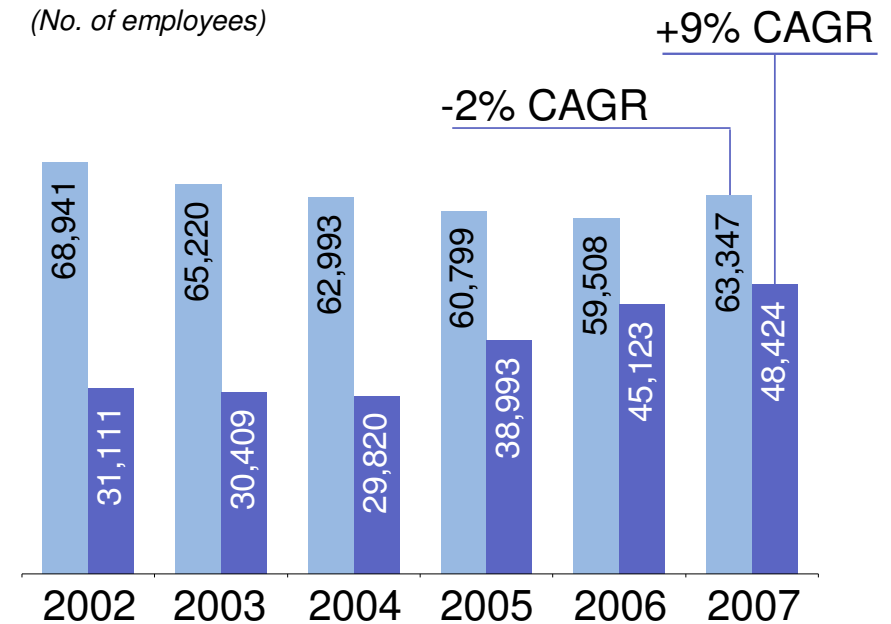


ABB employment in mature vs emerging economies 2002-2007
(No. of employees)



■ Mature economies¹ ■ Emerging economies

¹ OECD excl. Czech Rep., Hungary, South Korea, Mexico, Poland, Slovak Rep., and Turkey

Chart 35



Organization and culture are important

- ABB has an execution-focused culture
 - Experienced management team
 - Attractive employer, solid “bench strength”
 - Effective processes and tools (e.g., One Simple ABB)
 - Open and global culture
 - Focus on getting things done
- Much progress has been made in business ethics
 - Clear, uncompromising values
 - Many improvements in the organization
 - Settlement of outstanding compliance/anti-trust issues during the next year(s)
 - Total expected cost is difficult to assess but may have a material impact on results

Acquisition guidelines as presented in the fall of 2005

Re-establish investment grade rating

Focus on execution and margin improvement

Assumptions

- Net income > BUSD 1

Assumptions

- Steady-state operations with sound profit, cash flow
- Healthy balance sheet

2005

2006

2007

2008

2009

Acquisitions

< MUSD 100:	likely
MUSD 100-300:	possible
MUSD 300-700:	only if "very convincing"
>MUSD 700:	unlikely

Any size considered within ABB's strategic criteria and financing capability

Possible portfolio expansion into new, but related areas

Current status regarding acquisitions

- Several concrete larger acquisitions were pursued in 2007
 - Some cancelled for specific reasons
 - Some shelved in fall 2007 due to rapidly increasing market uncertainties
- Situation at the beginning of 2008
 - Interest in acquisitions is still alive
 - Markets may offer good opportunities
 - Cash and financing are available
 - Economic uncertainties may impact timing of larger deals

ABB is in a great position to take advantage of the opportunities

The market outlook for ABB in 2008



- Push for greater energy efficiency in both power and industrial sectors
- Replacement, refurbishment and interconnections in power T&D in mature markets
- Further build-up of new power infrastructure in emerging economies
- Oil and commodity prices to remain high = significant further industry investments
- Need for better industrial productivity and efficiency for greater competitiveness, even in a downturn



- The scale of the economic slowdown in the U.S. remains unclear (already in recession?)
- The degree of de-coupling between the US and the rest of the world still open
- Capacity constraints in raw materials and people may slow down customer investments
- Uncertainty on the “credit crunch” could spark reduced or delayed investments
- Growth in construction-related sectors at low levels

Internal strengths support the business through the cycle

- Opening order backlog provides good visibility for 2008 revenue and margin development
- There is still a large untapped potential for cost savings through low-cost sourcing and other footprint measures
- Positive impact from One Simple ABB still to come
- ABB enjoys some “structural” advantages
 - Well-balanced geographic scope with market strength in both OECD and emerging economies
 - Investments in ABB’s energy efficiency offerings partly independent from economic cycle
 - Footprint measures have helped reduce currency exposures and risks
 - Less than 20% of total revenues generated from early-cycle industries

Share of 2007 ABB orders received by selected countries/regions

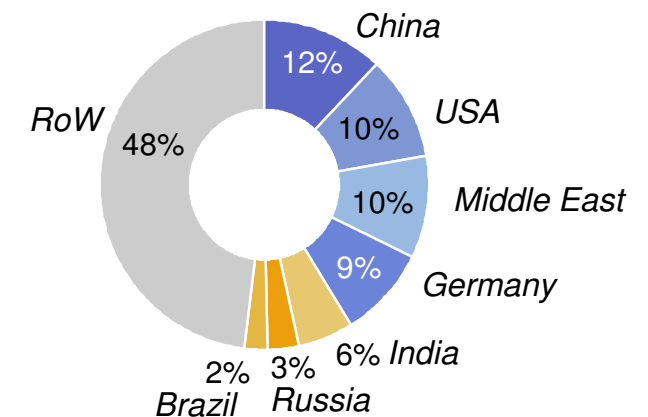


Chart 40



What we expect in 2008

- 1 Different markets will behave differently
 - Power activities should remain very buoyant around the globe
 - Automation markets will still be attractive in emerging economies
 - Certain geographies (e.g., the U.S.) and activities (e.g., housing-related) will see a further dampening
- 2 Competitors benefit from high order backlog well into 2008 but some effect on the pricing environment may materialize in the 2nd half of 2008 – depending on the general economy
- 3 Organic growth rates (orders and revenues) are expected to be around 15-20% in the power divisions and close to 10% in automation – *barring an extended recession*

Summary

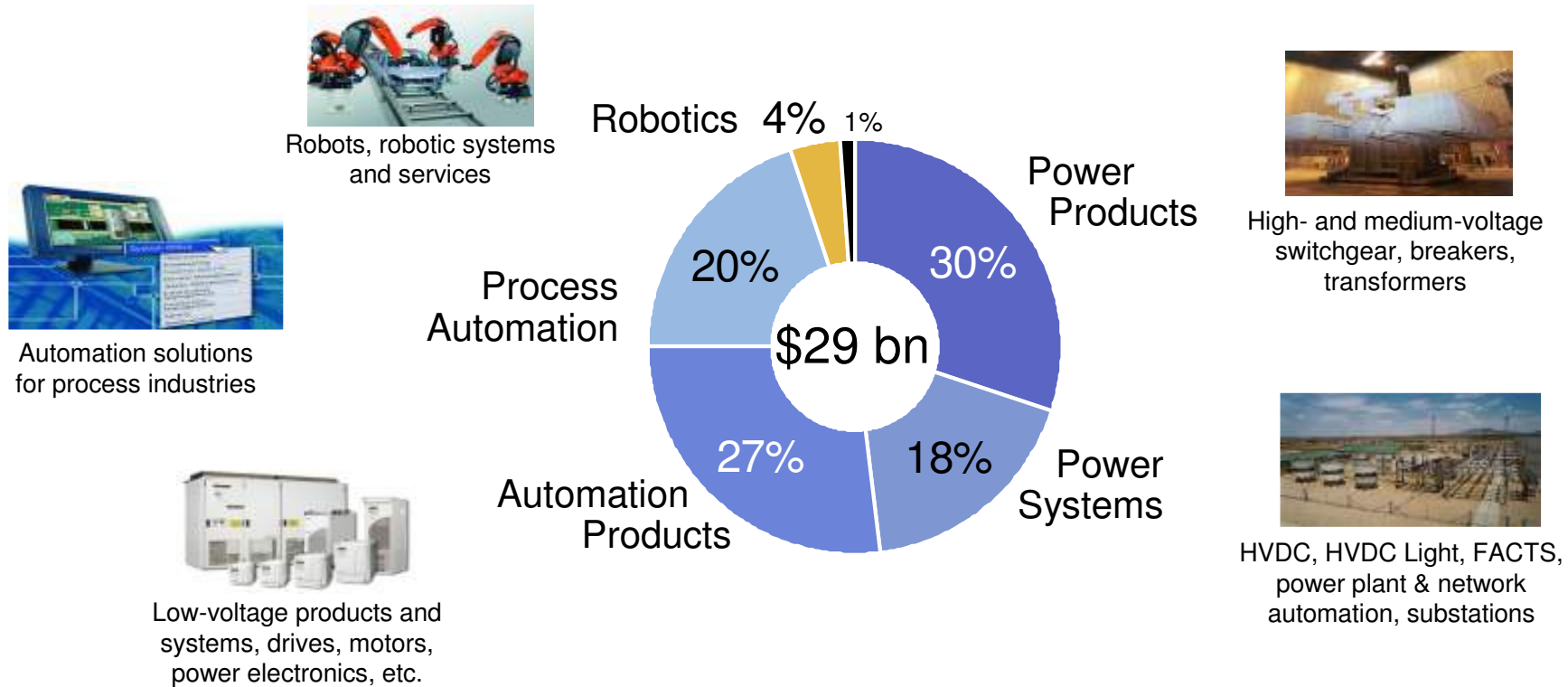
- 2007 was another record year for ABB
 - Robust markets, continued operational improvements took revenues and profitability to new highs
 - Net income almost doubled, even after adjusting for the positive impacts of the Q4 tax rate and the gain on the sale of ABB Lummus Global
 - Cash generation and capital efficiency continued to improve
 - ABB received another ratings increase in 2007 on the basis of higher margins and lower debt
 - Board has proposed a 100% increase in the dividend
 - Strong balance sheet allows ABB to return additional CHF 2.2 billion in cash via a share buyback while maintaining flexibility for potential strategic actions
- The opportunities and challenges ahead
 - Execute the order backlog on time and at the right quality
 - Use better business execution to secure further performance improvements regardless of macro-economic developments – be prepared for changing economy
 - Pursue strategic acquisitions at the right value
 - Continuous drive for leading compliance standards



Power and productivity
for a better world™

ABB: A focused power and automation company

Share of total ABB 2007 revenues in %*



Headquartered in Zurich, Switzerland
 112,000 employees in ca. 100 countries
 Listed on Swiss, Stockholm & New York exchanges; traded on virt-x

* Including internal sales

Chart 44



Geographic scope of orders received

Orders received by region, 2006 vs 2007
(percent of total ABB orders received)

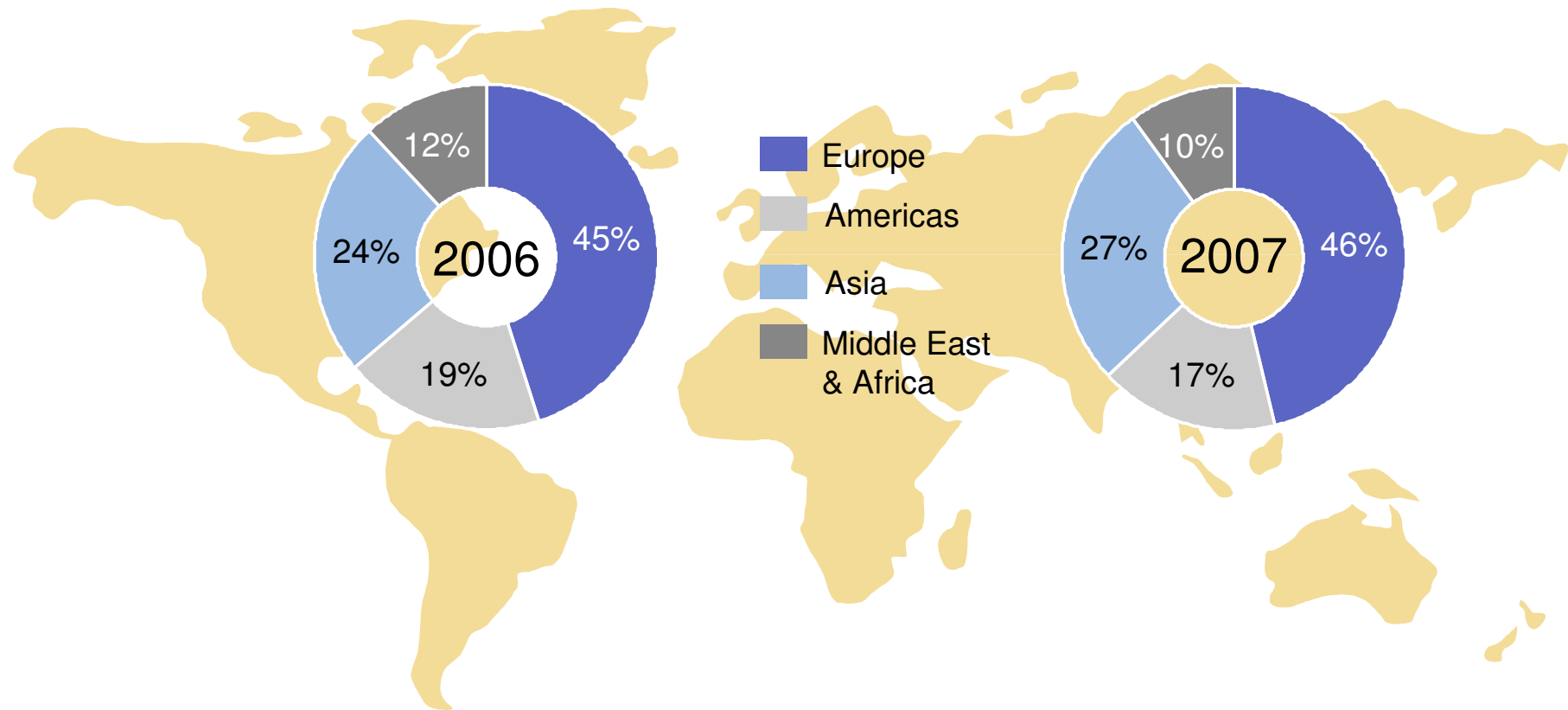


Chart 45



Orders by region 2007 vs 2006

Percentage of total orders by region (nominal)

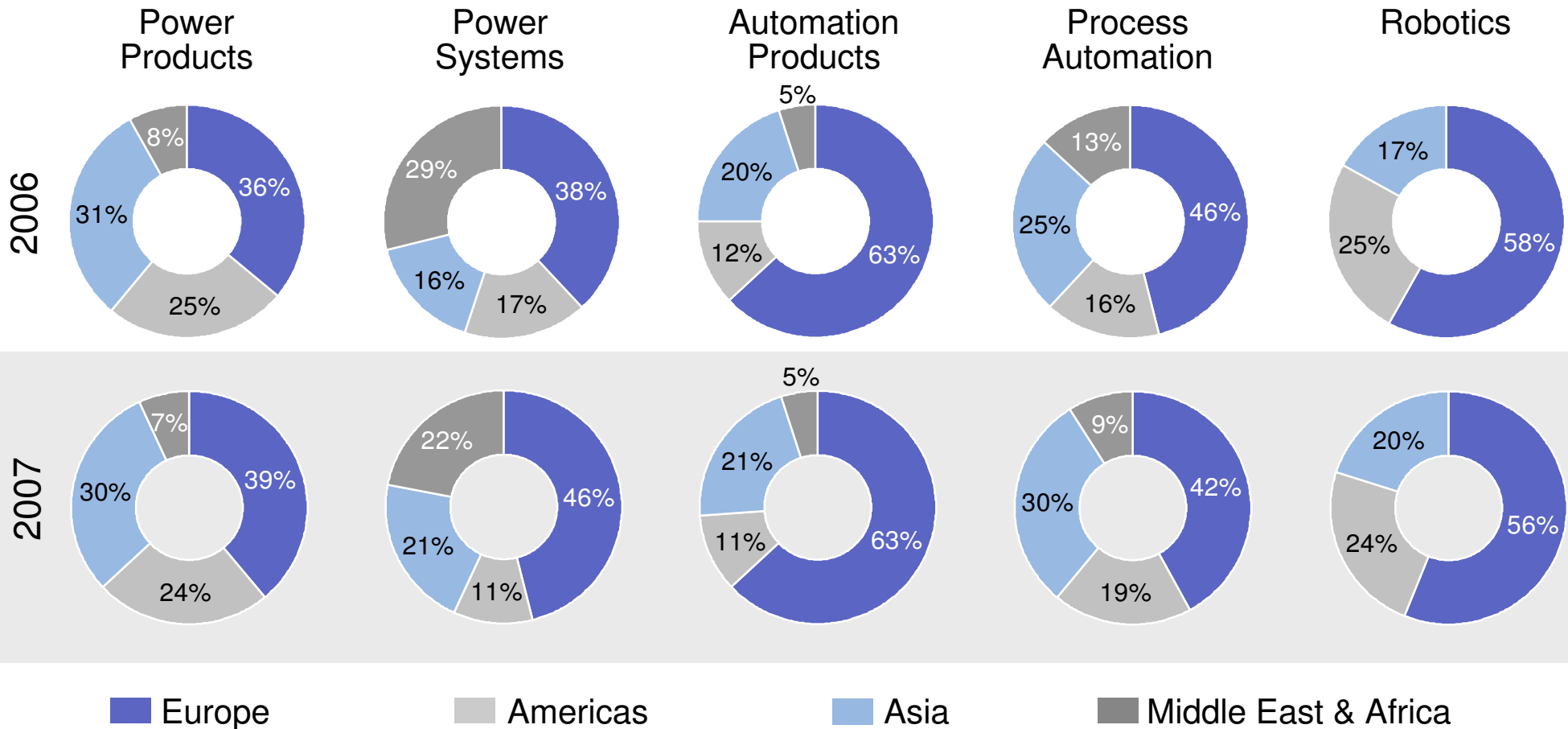
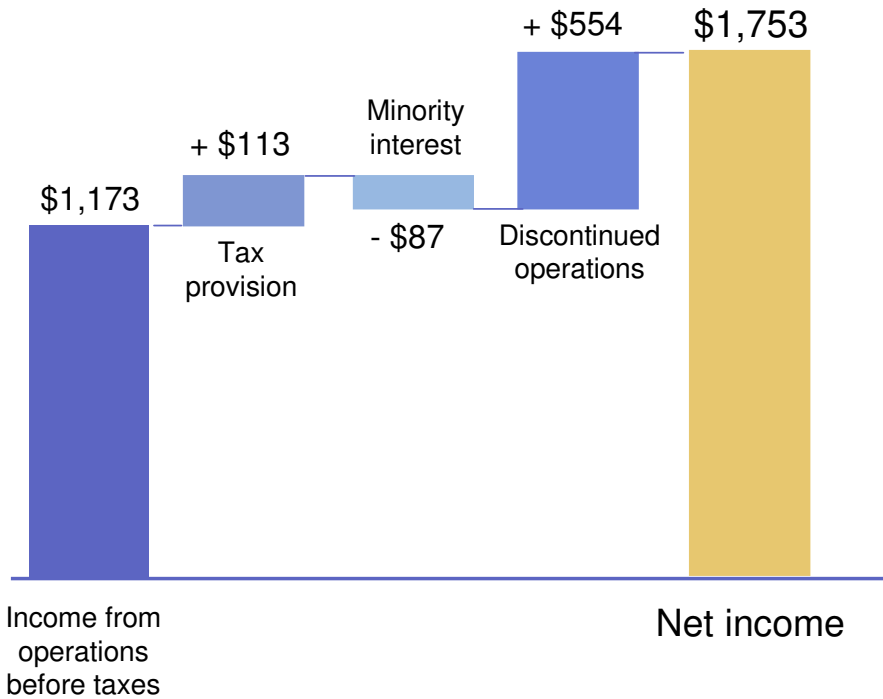


Chart 46



Q4 net income lifted by taxes and ABB Lummus gain

2007 Q4 results
as reported



2007 Q4 results
excl. taxes, ABB Lummus gain

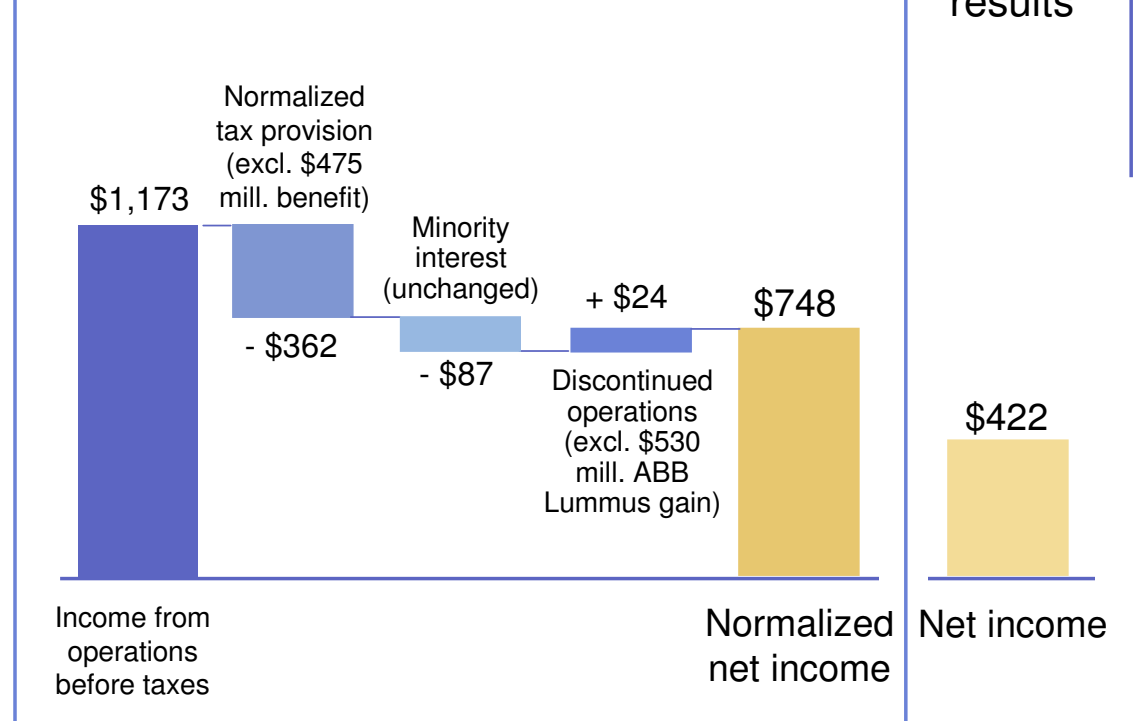
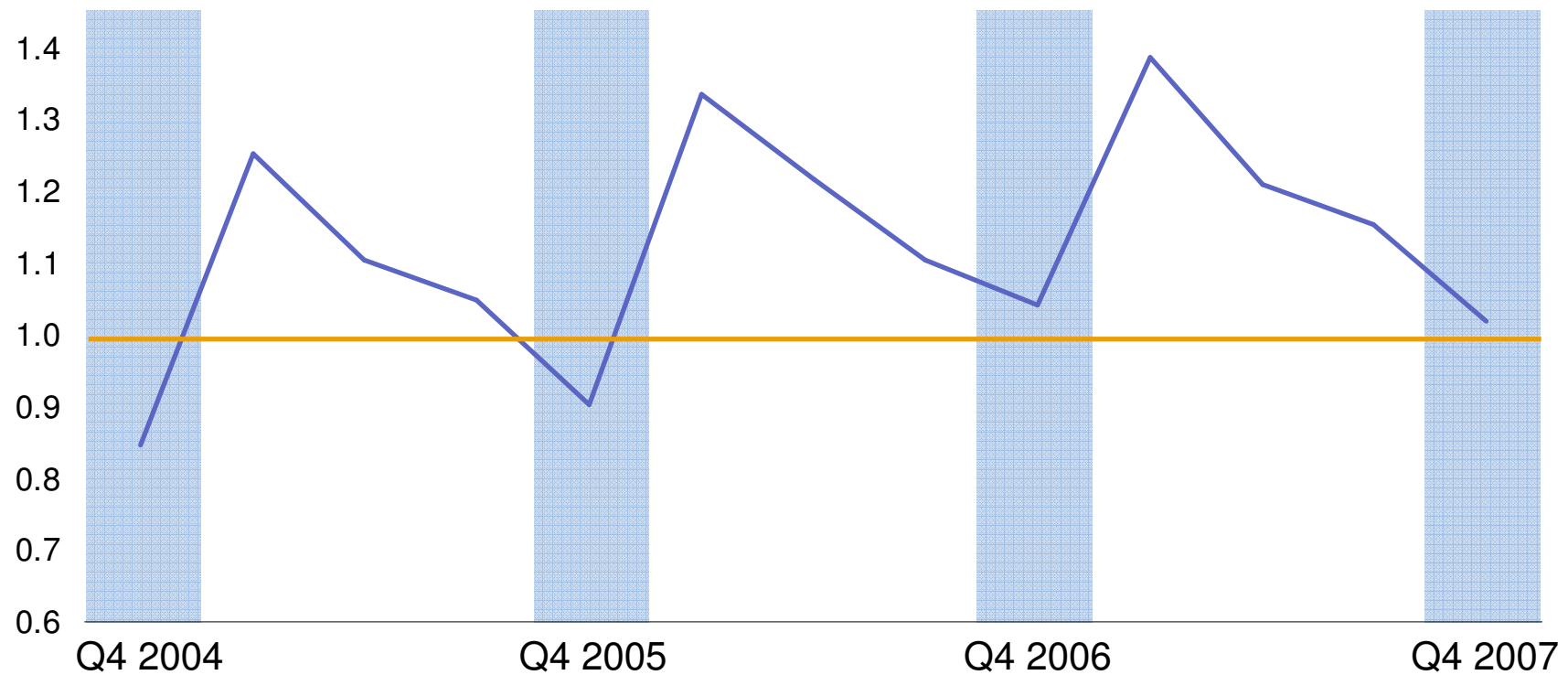


Chart 47



Seasonal trend in book-to-bill ratio¹



Q4 decline reflects seasonal revenue growth patterns rather than market trends

¹ Book-to-bill ratio is calculated as orders divided by revenues

Chart 48



Below the EBIT line

(\$ million)	Fourth quarter		Full year	
	2007	2006 ¹	2007	2006 ¹
Finance net	28	(24)	(13)	(160)
Provision for taxes	113	(182)	(595)	(686)
Minority interest	(87)	(60)	(244)	(179)
Income from continuing operations	1,199	497	3,171	1,532
Loss from discontinued operations	554	(75)	586	(142)
Net income	1,753	422	3,757	1,390

¹ Adjusted to reflect the reclassification of activities to discontinued operations

- Positive Q4 finance net on strong cash position and lower debt
- 2007 tax rate of 15% vs 29% in 2006 due to DTAs¹, mainly in the U.S.
- Minority interest continues to grow, reflecting strong earnings from JVs and non-wholly-owned subsidiaries in emerging markets
- Gain in discontinued operations reflects impact of ABB Lummus sale

¹ Deferred tax assets

Chart 49

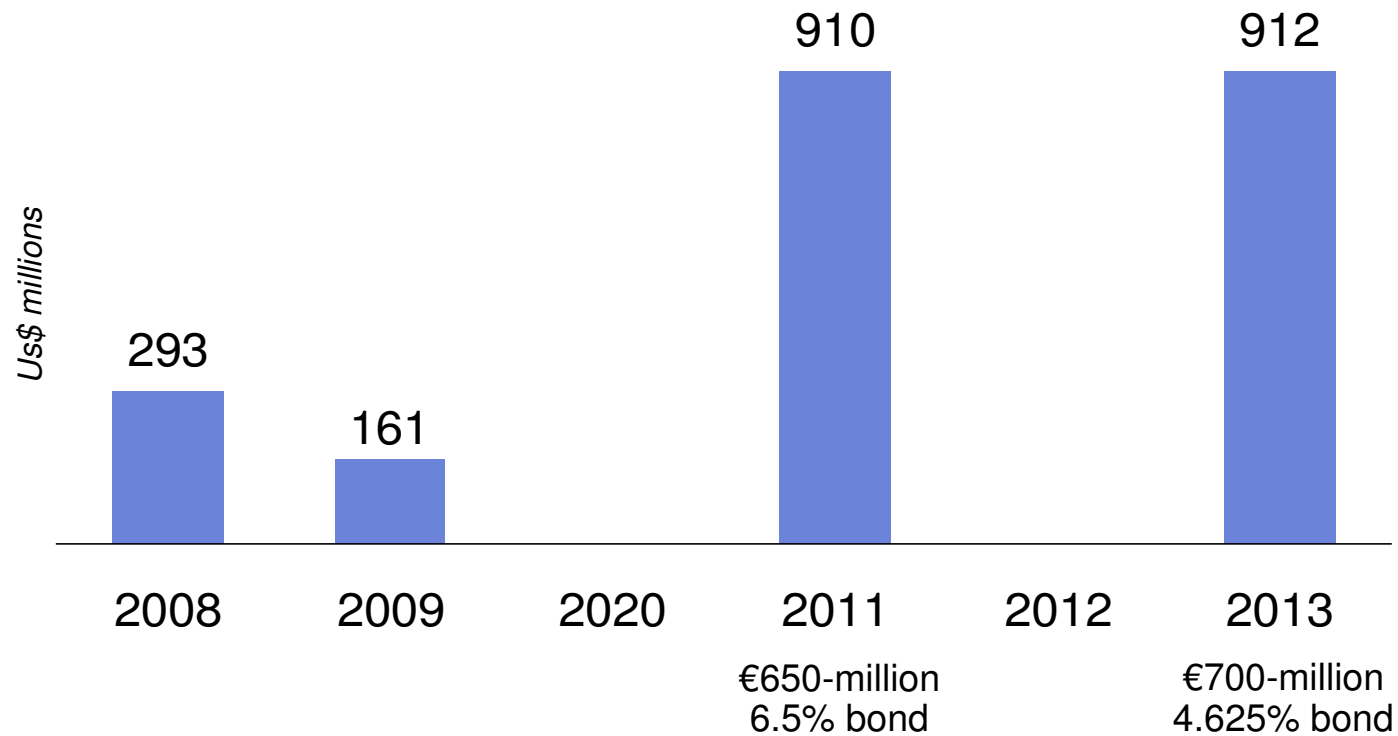


Financial strategy for 2008

- Secure financial flexibility to fund ABB's organic and external growth ambitions
- Focus on capital efficiency
- Pay out a steadily rising, sustainable dividend
- Maintain ABB's solid investment grade rating
- Optimize and manage pension exposures
- Actively identify and manage enterprise risks
- Minimize financial costs
- Drive home One Simple ABB to deliver expected benefits by end of 2009
- Embed Sarbanes-Oxley in our daily business processes, effectively and efficiently

Maturity profile of debt securities

Total debt securities of ca. \$2.3 billion as of December 31, 2007



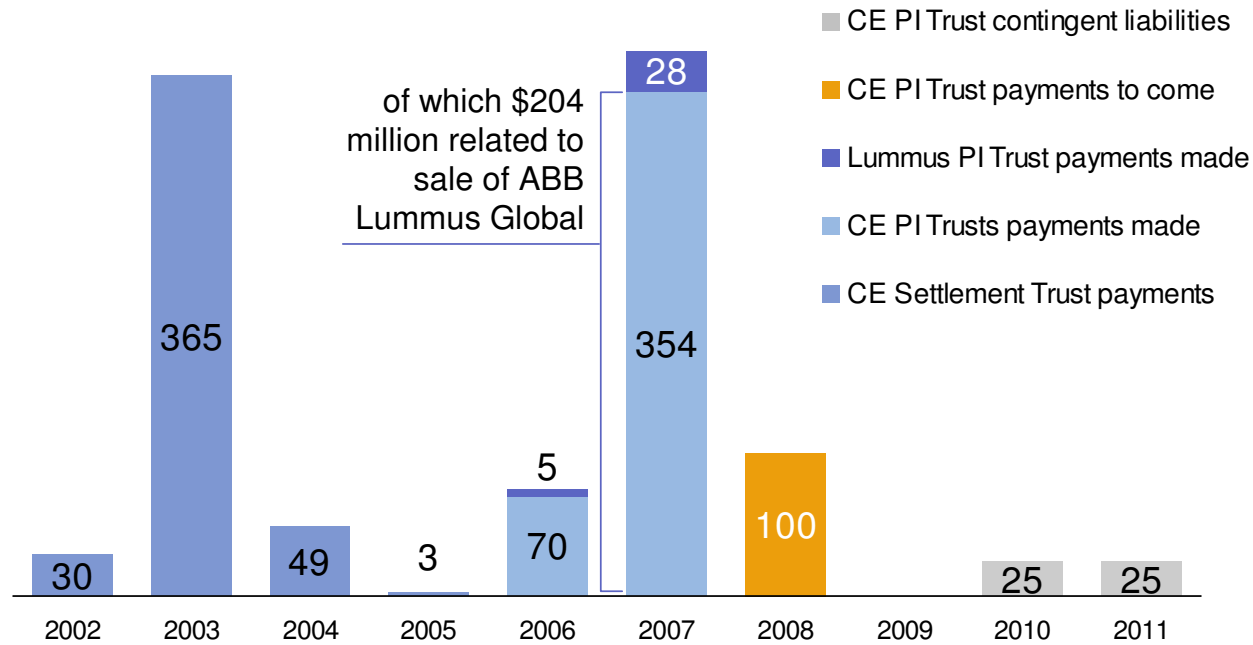
Note: All figures based on December 31, 2007 FX rates

Chart 51



Asbestos trusts cash payments

US\$ million



Total paid as of end Q4 2007: \$904 million (of which \$33 mill. to Lummus PI Trust)

Still due: \$100 million
+ \$50 million contingent payments

Chart 52



Summary of ABB targets 2007-2011

Revenue growth (CAGR) ¹	8-11%
EBIT margin	11-16% corridor
EPS ² growth (CAGR)	15-20%
Cash conversion ³	Annual avg. 100%
Return on capital employed ⁴	> 30% in 2011

	Revenue growth ¹	EBIT margin
Power Products	10%	12-17%
Power Systems	11%	6-10%
Automation Products	8%	14-19%
Process Automation	8%	9-14%
Robotics	6%	5-10%

¹ Compound annual growth rate 2007-11 (i.e., base year = 2006), excl. major acquisitions and divestments and at constant exchange rates

² Earnings per share, undiluted

³ Free cash flow as % net income

⁴ After tax

Chart 53



Divestiture history since 2003

■ 2003 Reinsurance	<input checked="" type="checkbox"/>	■ \$425 million
■ 2003-06 Building systems	<input checked="" type="checkbox"/>	■ > \$230 million
■ 2004 ABB Vetco Grey	<input checked="" type="checkbox"/>	■ \$925 million
■ 2006-07 Power Lines	<input checked="" type="checkbox"/>	
■ 2006-07 Equity Ventures	<input checked="" type="checkbox"/>	■ Three remaining
■ 2007 ABB Lummus Global	<input checked="" type="checkbox"/>	■ \$950 million

Reconciliation of financial measures for fiscal year 2007

EBIT margin	
Earnings before interest and taxes (EBIT)	4,023
Revenues	29,183
EBIT margin (EBIT as % of revenues)	13.8%
Finance net	
Interest and dividend income	273
Interest and other finance expense	(286)
Finance net	(13)
Normalized net income	
Net income	3,757
Impact from recognition of deferred tax assets	(475)
Gain on the sale of ABB Lummus Global	(530)
Normalized net income	2,752
Normalized basic net income per share	
Normalized net income	2,752
Weighted average number of shares outstanding (in millions)	2,258
Normalized basic net income per share	1.22
Free cash flow (FCF) and as a share of net income (cash conversion)	
Net cash provided by operating activities	3,054
Changes in financing receivables	56
Purchases of property, plant and equipment	(756)
Proceeds from sales of property, plant and equipment	75
Free cash flow	2,429
Net income	3,757
Free cash flow as a share of net income	65%
Free cash flow as a share of normalized net income	
Free cash flow	2,429
Normalized net income	2,752
Free cash flow as a share of normalized net income	88%
Net cash	
Short-term debt and current maturities of long-term debt	(536)
Long-term debt	(2,138)
Total debt	(2,674)
Cash and equivalents	4,650
Marketable securities and short-term investments	3,460
Cash and marketable securities	8,110
Net cash	5,436

Gearing	
Total debt	2,674
Total stockholders' equity	10,957
Minority interest	592
Gearing	19%
Return on capital employed (after tax)	
<i>= EBIT x (1-tax rate) / Capital employed</i>	
EBIT	4,023
Provision for taxes	595
Income from continuing operations before taxes and minority interest	4,010
Tax rate	15%
Capital employed	
<i>= fixed assets + net working capital</i>	
Property, plant and equipment, net	3,246
Goodwill	2,421
Other intangible assets, net	270
Investments in equity method companies	63
Fixed assets	6,000
Receivables, net	8,582
Inventories, net	4,863
Prepaid expenses	307
Accounts payable, trade	(4,167)
Billings in excess of sales	(829)
Accounts payable, other	(1,289)
Advances from customers	(2,045)
Accrued expenses	(1,737)
Net working capital	3,685
Capital employed	9,685
ROCE (after tax)	35%
Normalized tax rate	
Provision for taxes	595
DTA impact	475
Income from continuing operations before taxes and minority interest	4,010
Normalized tax rate	27%
Normalized ROCE (after tax) = EBIT x (1-normalized tax rate) / Capital employed	30%

Chart 55



Target definitions

Revenue growth CAGR	Compound annual growth rate of revenues for the five years from 2007 to 2011 (i.e., starting point = 2006), excluding major acquisitions and divestitures and assuming constant exchange rates
EBIT margin corridor	The minimum and maximum earnings before interest and taxes as a percentage of revenues expected for each year within the period 2007 to 2011
EPS growth	Compound annual growth rate of earnings per share (undiluted) from 2007 to 2011 (i.e., starting point = 2006)
Cash conversion	Free cash flow (cash flow from operating activities adjusted for changes in financing receivables as well as net investments in property, plant and equipment) as a percentage of net income
Return on capital employed	EBIT (less tax), divided by the sum of fixed assets plus net working capital (at year end) EBIT (less tax) = EBIT x (1 – tax rate) Tax rate = Provision for taxes / Income from continuing operations before taxes and minority interest

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Chart 57

