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2004 Third Quarter Results

Automation Technologies



Safe-harbor statement

This presentation includes forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for ABB Ltd and ABB Ltd's lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are major markets for ABB's businesses, market acceptance of new products and services, changes in governmental regulations, interest rates, and fluctuation in currency exchange rates. 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.



Overview: Automation Technologies



Our offerings

- Products, services and solutions
 - Low voltage products
 - Electrical motors and drives
 - Controls and instrumentation
 - Robotics and peripherals
 - Automation software
 - Process and discrete solutions
 - Aftermarket and optimizing services

Our markets

- Industry and utility segments
 - Chemicals and life sciences
 - Automotive and manufacturing
 - Metals and minerals
 - Pulp and paper
 - Energy: utilities, oil and gas
 - Marine and turbocharging
 - Independent channel partners

Our resources

- 150 manufacturing, software and application centers
- 54,800 employees, plus channel partners (wholesalers, distributors, systems integrators, installers, OEMs)



Market demand in Q3 2004

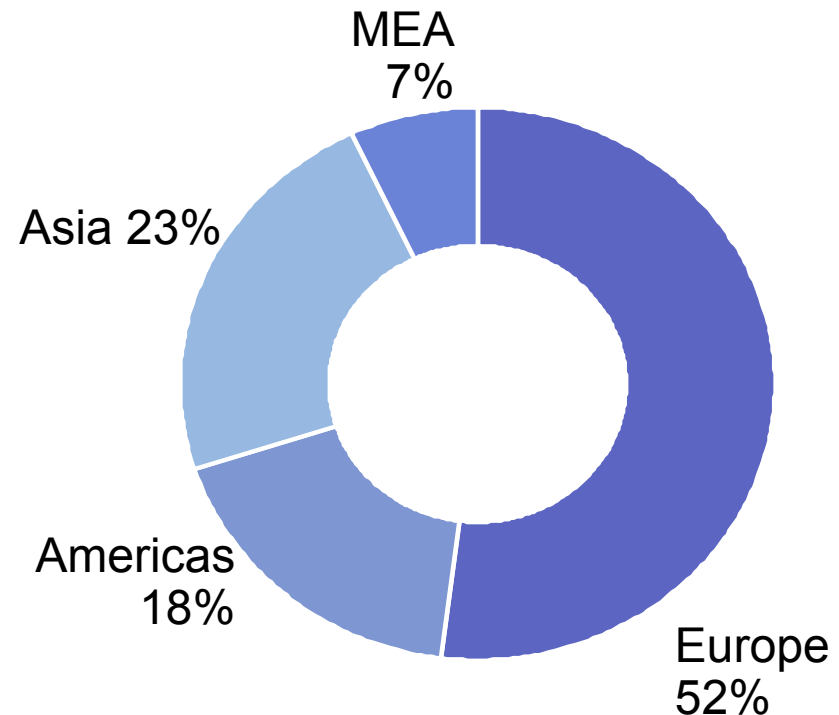
Strong order growth in most regions

- N. America up strong double-digit
- Asia flat due to prior year large order; China continued double-digit pace
- W. Europe up slightly, E. Europe up strongly
- Middle East and Africa up

Recovery seen in most sectors

- Oil & Gas and Marine up strongly
- Pulp & paper up in China
- Minerals up in Asia and MEA
- Automotive up in N. America, flat in Europe
- Chemicals flat, pharma up in Asia

Q3 2004 revenues estimated by final destination



Q3 2004 summary

US\$ millions	Q3 2004	Q3 2003	Change*	Local
Orders	2,750	2,312	19%	13%
Revenues	2,684	2,392	12%	6%
EBIT	266	173	54%	
EBIT margin	9.9%	7.2%		
Restructuring	(11)	(40)		
EBIT margin (excl. restructuring)	10.3%	8.9%		
Cash flow from operations	239	219		

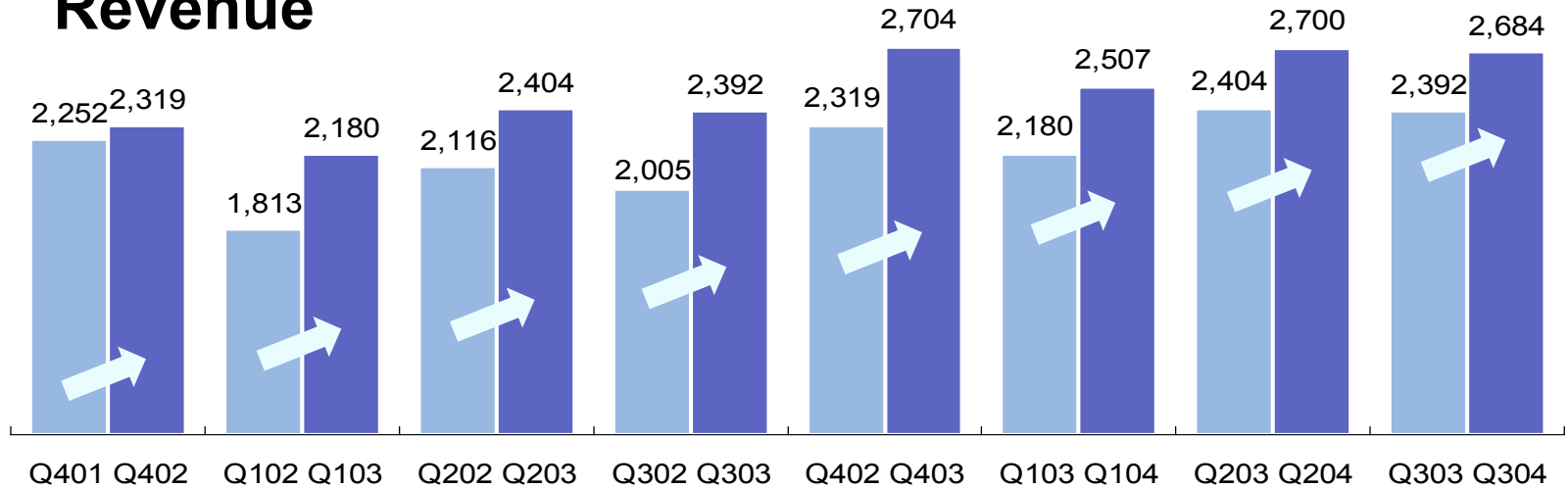
- North American orders up strongly in the quarter and year-to-date
- Robust revenue growth continued in Asia, led by China, India, Japan and Korea, and in Eastern Europe and MEA
- Higher revenues in Automation Products and Process Automation
- Operational excellence initiatives continue to lower cost base, outweighing increases in raw material costs
- Cash flow in line with earnings less cash-effective restructuring

* Nominal

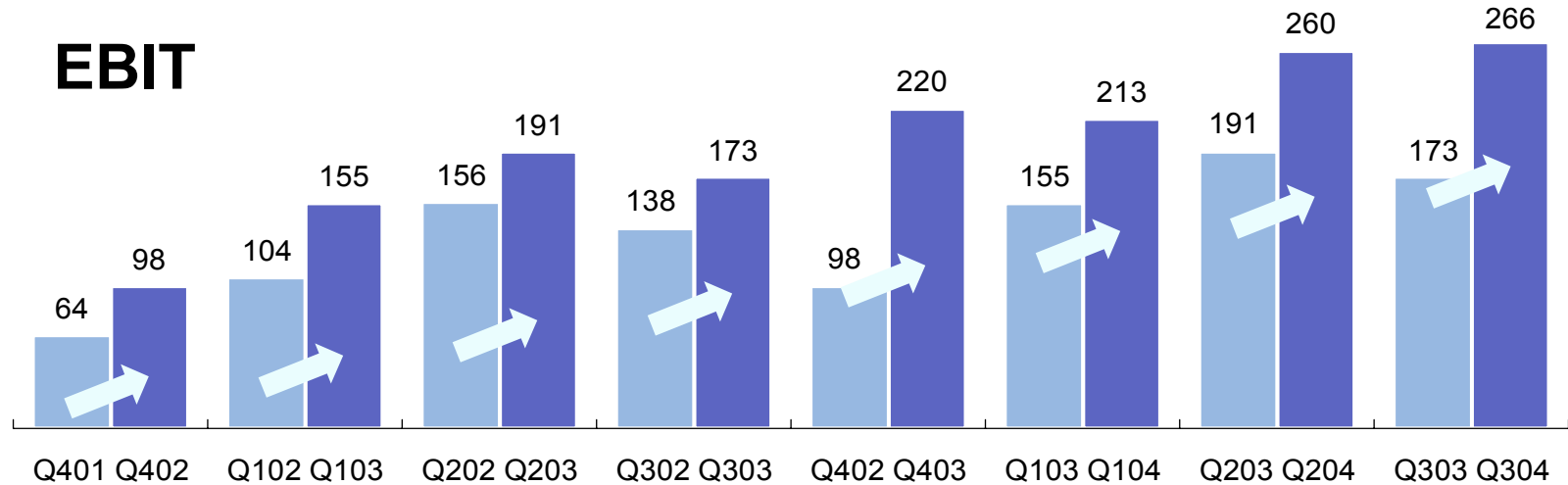


Eight straight quarters higher revenues, EBIT

Revenue



EBIT



All figures are restated to exclude Substation Automation which moved to PT division 1-1-04



Q3 2004 achievements

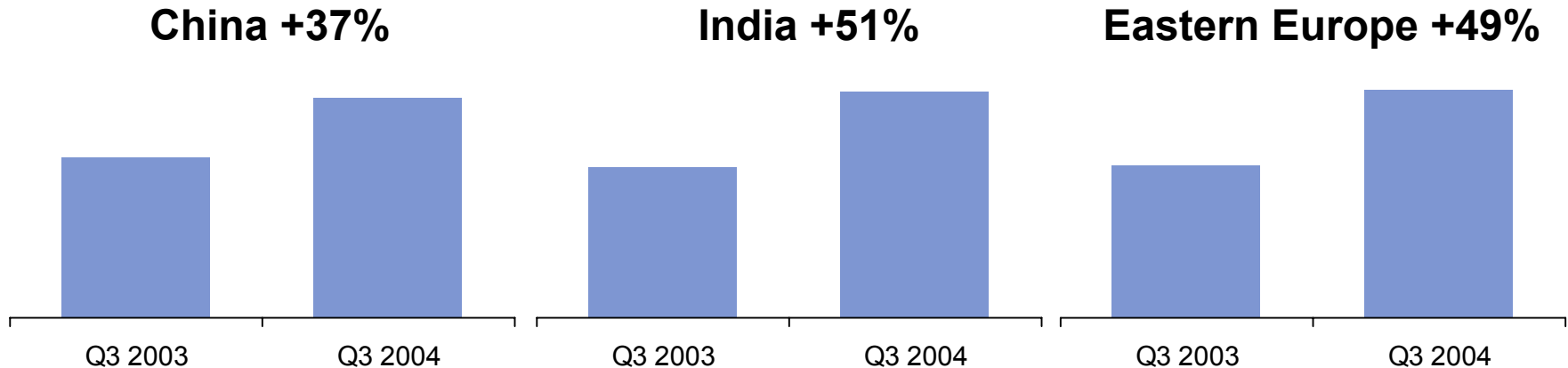
Automation Technologies



- Double-digit growth in all key financial measurements
- North America orders up >40% in the quarter, 22% YTD
- Announced Automation Operations Center in India
- Order development on track for Control System 800xA
- Strong R&D pipeline, new product launched, e.g.
 - Marine Propulsion: Contra-rotating propeller Azipod technology with 20% fuel savings
 - Drives Control System: New open control system launched for low-voltage drives (BACnet) for further energy savings

Strong performance in emerging markets

Change in Q3 quarterly revenues year-on-year (nominal)



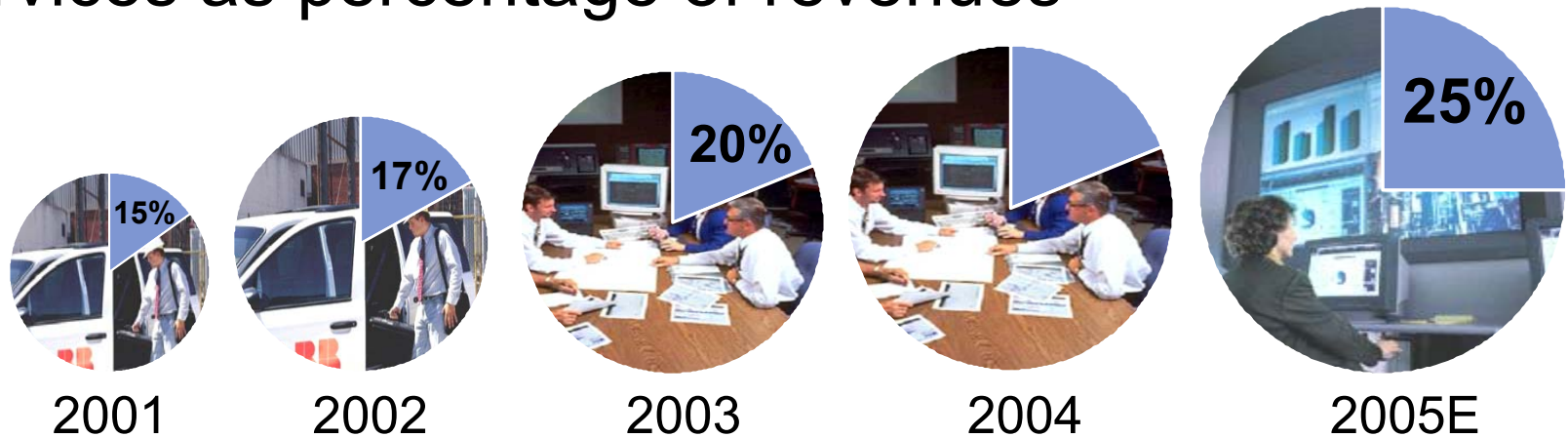
Shifting resources to emerging countries

- Automation Products: Doubling drives and motors factory capacity, setting up new factories for Instrumentation and Electrical Machines, increasing LV Products production capacity, Increasing R&D in Asia, stepping up sourcing from EC countries
- Process Automation: Setting up operations center in India, Asian Cranes and Metals centers in China, and Asian Cement center in India
- Manufacturing Automation: R&D center for products and systems to China, Announced relocation of paint robot assembly from Norway and arc welding from Sweden to China



Automation Technologies Services

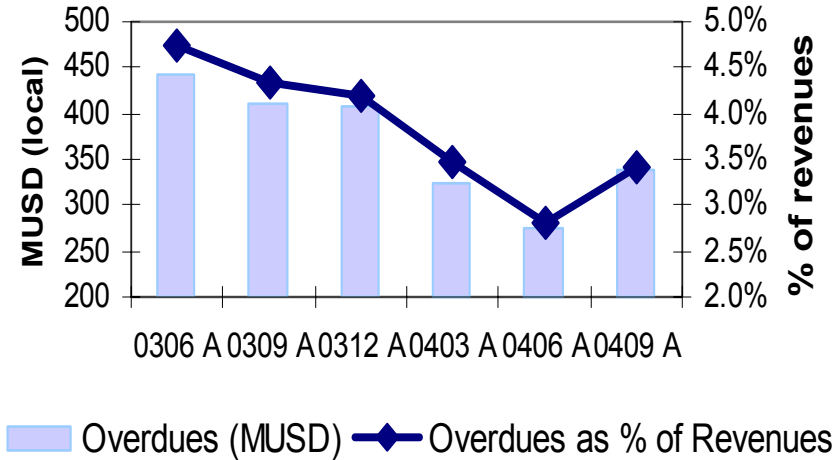
Services as percentage of revenues



- Service growth means less dependency on economic and project cycles
- Initial automation project purchase is only 25% of the lifetime costs!
- \$100 BUSD installed base needs greater productivity
- Market trend to outsourcing of automation and maintenance services

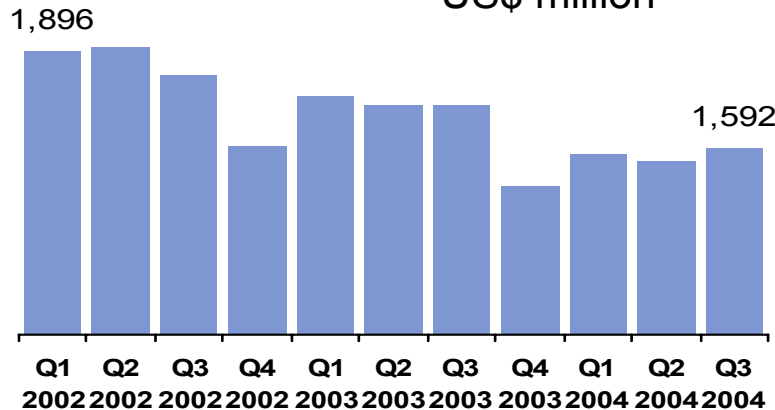
Operational Excellence – working capital

Third party overdue receivables*



- 3rd-party overdue receivables down 17% from Q3 2003
- Inventory turnover 7 days lower year-on-year
- Rolling four-quarter net operating working capital down \$155 million in local currencies, or 1.6% of revenues
- Cash flow in line with earnings less cash-effective restructuring

Net operating working capital
US\$ million*

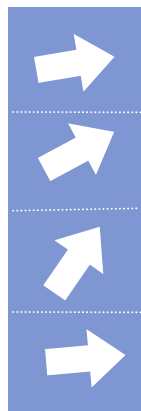


* Local currencies



Improved market conditions in 2004

Regions



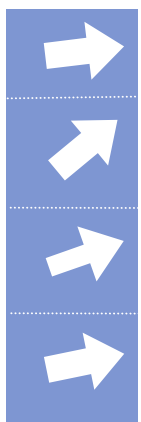
W. Europe slightly up, E. Europe up strongly

Orders improving in Americas

Asia continued strong growth, led by China, India

Middle East and Africa modest growth

Industries



Slowly improving chemicals and pharmaceuticals

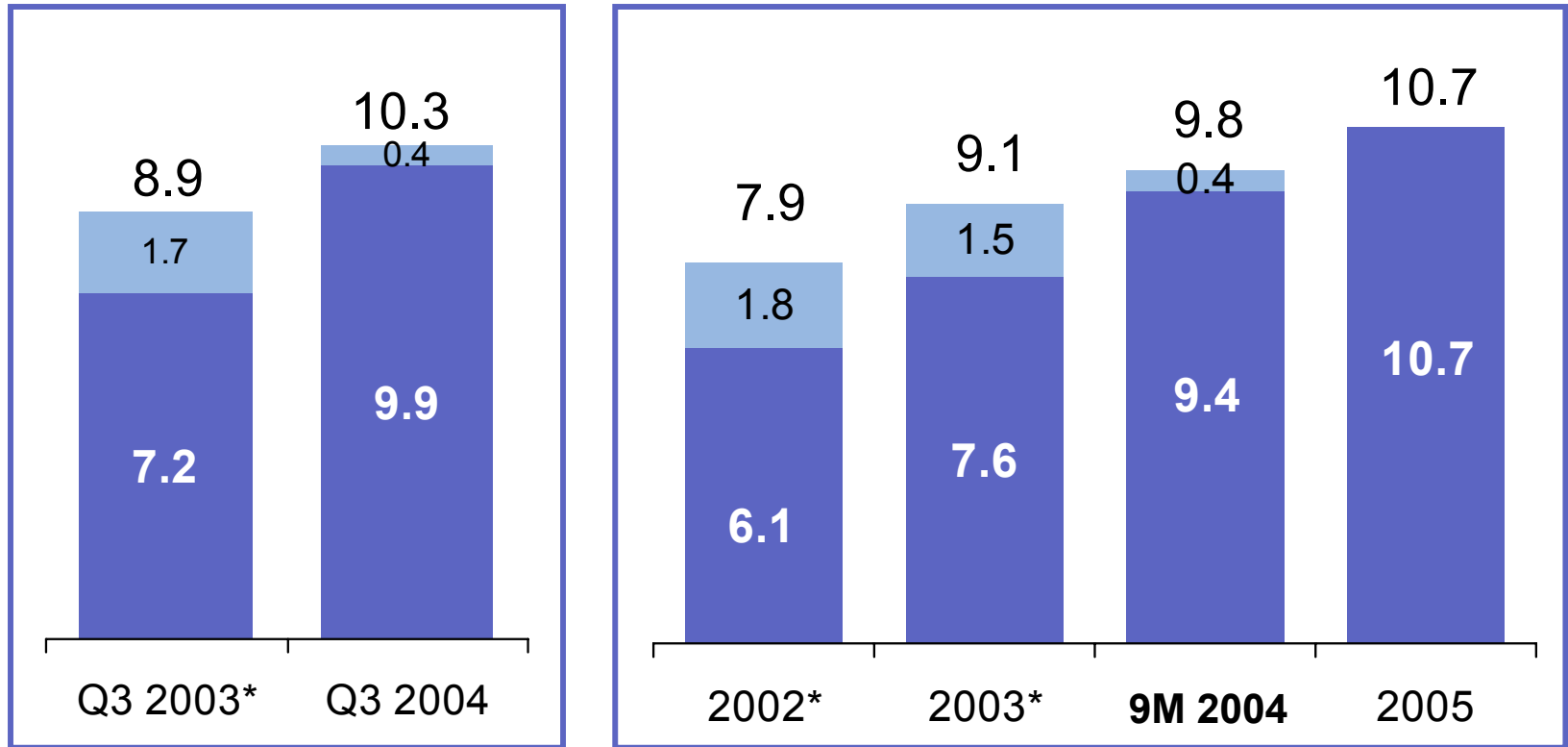
Improving in oil & gas and marine, minerals strong in Asia

Pick-up in automotive in North America

General industry demand up

EBIT margin performance

EBIT margin before and after restructuring



■ % Restructuring costs
■ % EBIT margin

■ Continuous improvements; on track to meet 2005 target

* Restated to exclude Substation Automation



Revenue growth and EBIT margin targets*

Automation Technologies

	2003**	Q3 04	Targets 2005
Revenue growth (local)	3.0%	5.9%	3.3%***
EBIT margin (nominal)	7.6%	9.9%	10.7%

* Targets exclude major acquisitions, divestments and business closures.

** 2003 restated to exclude Substation Automation.

*** Compound average growth rate 2002 - 2005.



Conclusions

Solid performance confirms strategy

- Eight consecutive quarters of earnings and revenue growth
- Cost reductions and productivity gains key drivers
- Strong cash flow from improved earnings, working capital management

Continue focus on growth and operational excellence

- Productivity with cost reduction, cost migration and portfolio focus
- Expanded service offerings for large installed base
- Further build on strong position in developing markets
- Continue regional strategy focus in Asia and North America



ABB

Nine-months 2004 summary

US\$ millions	9m 2004	9m 2003	Change*	Local
Orders	8,648	7,162	21%	13%
Revenues	7,891	6,976	13%	5%
EBIT	739	519	42%	
EBIT margin	9.4%	7.4%		
Restructuring	(36)	(81)		
EBIT margin (excl. restructuring)	9.8%	8.6%		
Cash flow from operations	561	288		

- North American orders up strongly
- Robust revenue growth continued in Asia, led by China, India, Japan and Korea, and in Eastern Europe and MEA
- Higher revenues in Automation Products and Process Automation
- Operational excellence initiatives continue to lower cost base, outweighing increases in raw material costs
- Increased cash flows on higher earnings and working capital management

* Nominal

