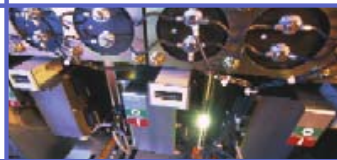


Peter Smits
Head of Power
Technologies Division



2005 Q1 results
Power 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.

Power Technologies division today

Power Technology Products

\$6.0 bn (62%)



HV
Products

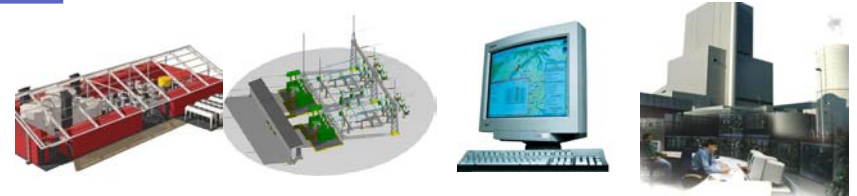
MV
Products

Transformers

- High-voltage and medium-voltage products, distribution and power transformers
- Main customers: Utilities, industries, OEMs and product distributors
- 2004 revenues: \$6.0 bn ¹⁾
- Employees: 27,500

Power Technology Systems

\$3.7 bn (38%)



Grid
Systems

Substations

Network
Management

Power
Generation

- Turnkey substations, grid systems, network management systems, power plant control systems, service
- Main customers: Utilities, industries, OEMs and EPCs
- 2004 revenues: \$3.7 bn ¹⁾
- Employees: 13,000

*Division
consoli-
dation
\$0.9 bn

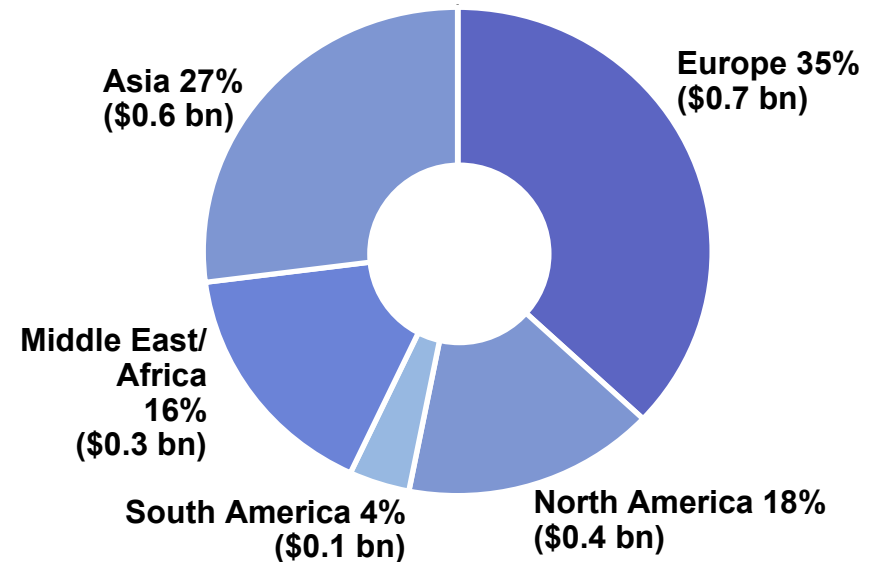
¹ Full-year 2004 revenues (nominal rates), based on BA consolidation



Q1 2005 revenue development

- Revenue share from Asia continued to increase; growth led by China
- Increase in Middle East and Africa driven by large projects
- Single digit growth in Europe and North America on higher product revenues
- Revenues increased in South America from low 2004 level

Q1 2005 revenues by region



Total: \$2.1 billion

Business overview Q1 2005

Power Technology Products



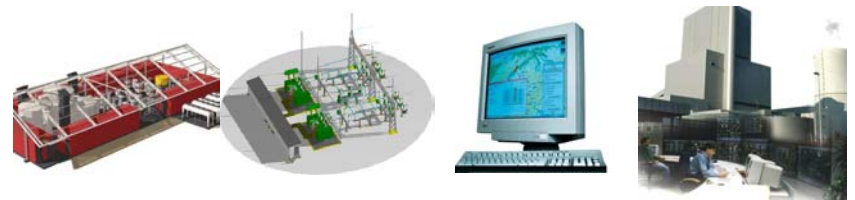
HV
Products

MV
Products

Transformers

- Order growth across all business units and regions. Growth in Asia led by India; orders in China down (lower transformer orders)
- Double digit revenue growth across all business units, led by Asia in general, China in particular.

Power Technology Systems



Grid
Systems

Substations

Network
Management

Power
Generation

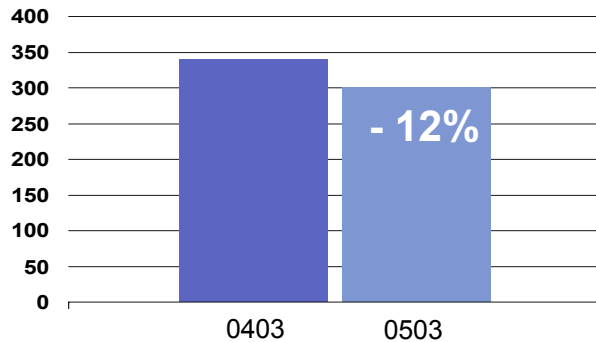
- Orders flat; higher large orders offset by lower base orders. Strong growth in the Middle East and Africa [Substations]; most other regions down.
- Revenue growth in Substations and Network Management more than offset decreases in Grid Systems and Power Generation; regionally driven by Middle East and Africa



Improved order performance in Q1 2005

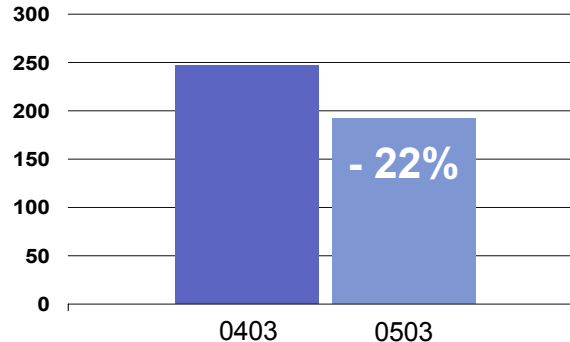
Nominal rates – consolidated division numbers

China



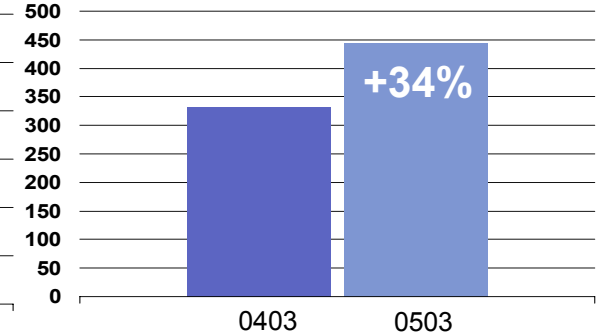
- Lower base orders mainly in Transformers & Systems.

Central/Eastern Europe



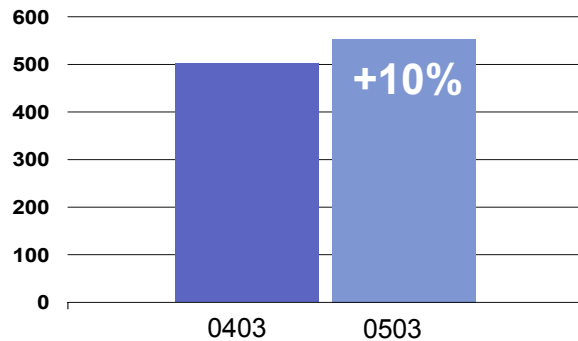
- Decrease in large orders (no large orders booked in 2005); base orders up by 4%

Asia excl. China



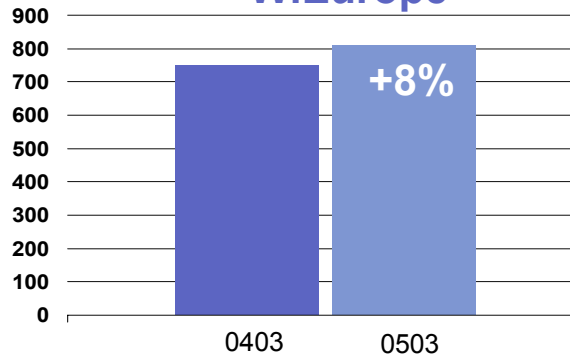
- Strong order growth driven by India

Americas



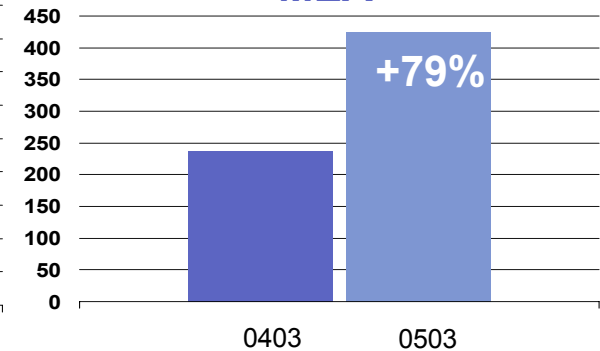
- Steady growth in base orders, mainly in the US; South America slightly up from low 2004 level

W.Europe



- Continued growth in base orders

MEA



- Strong order growth driven by large orders



Summary Q1 2005

MUSD	Q1 2005	Q1 2004	Change Nominal	Change Local
Orders	2,698	2,349	15%	10%
Revenues	2,148	1,831	17%	12%
EBIT	163	146	12%	
EBIT Margin	7.6%	8.0%		
Cash flow from operations	(73)	(57)		

- Order growth led by MEA, India
- Double-digit revenue growth in both business areas
- EBIT margin decline in Transformers (significant commodity price increases, along with other operational challenges) more than offset improvements in Medium-Voltage Products (productivity and operational improvements) and in Systems (improved capacity utilization and lower restructuring costs)
- Cash flow from operations lower due to higher working capital, mainly inventories and work in progress



Market expectations for 2005

Regions

- **W. Europe:** Utility investments mixed, depending on regulatory and political factors
- **E. Europe:** Strong growth led by need for infrastructure upgrade
- **Americas:** Reliability concerns drive U.S. transmission investments, increased investments in Latin America
- **Asia:** Continued strong demand, led by India
- **Middle East and Africa:** Positive market environment continuing

Business Areas

- **Power Technology Products:** Growing demand for high-voltage and medium-voltage products and transformers in Asia, Middle East, North America and Europe; increased demand for service and retrofit in mature markets
- **Power Technology Systems:** Increased demand for interconnections, especially in Asia, Middle East and Eastern Europe, continued high demand for distribution substations



ABB

Macro trends for 2005 and beyond



North America (market size: \$10 bn)

- Aged infrastructure needs to be refurbished
- Reliability concerns trigger T&D investments



Europe (market size: \$11.4 bn)

- Need for interconnections and power grid upgrades in new and potentially future EU member states



China (market size: \$10.3 bn)

- Continued strong government commitment to power infrastructure
- Prospect of the world's most modern power grid



India (market size: \$1.4 bn)

- Rural electricity delivery seen lifting demand for power distribution products and systems



Middle East/Africa (market size: \$8.2 bn)

- Oil and gas sector expected to be main demand driver for power transmission, distribution

Rest of world (market size: \$4.7 bn)

- Latin America and Asia excl. China and India