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Chief Executive Officer



2005 third quarter results

28 October 2005



ABB

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ABB Group – Q3 2005 summary

“Very strong third quarter performance”

- Favorable markets continue for both divisions
 - Orders up 14%* (15%**), higher in all regions except Europe (lower large orders from eastern Europe)
 - Base orders grow 10%* (11%**), large orders up 43%* (47%**)
 - Revenues up 12%* (13%**), reflecting strong order backlog
- Further progress made on productivity, low-cost sourcing, pricing
- Group EBIT up 81%** to \$458 mill.
 - Power Technologies (PT) EBIT up 89%, Automation Technologies (AT) EBIT up 21%
 - Non-core activities earned a modest profit (\$11 mill.)
- Group EBIT margin at 8.1% from 5.1%
 - PT up sharply to 9.0%, continued improvement in AT to 11.0%

* local currency change ** (in US\$)



ABB Group – Q3 2005 summary (cont'd)

- Lease portfolio in Finland to be divested, moved to Discontinued operations in Q3 (related loss of \$26 mill.)
- Net income almost doubled to \$188 mill.
- Cash flow from operations up, despite negative securitization impact
- Q3 2005 net debt at \$866 mill. on positive cash flow
- Gearing* at 56% from 59% at the end of Q2 2005
- Asbestos: Proposed confirmation order on revised CE plan filed with U.S. Bankruptcy Court, ABB Lummus Global plan running in parallel

2005 targets – in view of positive markets and expected results from strong focus on execution, ABB is on track to hit or exceed the top end of its 2005 group EBIT margin target

* Calculated as total debt divided by total debt plus equity, including minority interests.



Power Technologies – Q3 summary

- Orders up 28%* (30%**); higher in all regions; base orders up in both business areas, large orders increased in systems business
- Revenues up 13%* (15%**); growth in base business plus impact of large system orders won in 2004
- EBIT up 89%** to \$219 mill., EBIT margin of 9.0% from 5.5%
 - Higher revenues (incl. in service), restructuring benefits, supply management
 - Higher margins in system orders out of the backlog
 - Raw materials impact offset by pricing and other measures
 - This year's Q3 includes \$14 mill. transformer consolidation charges (\$80 mill. in first 9 months)
- Cash flow at \$225 mill: higher customer advances, better payment terms, and despite –\$51 mill. impact from reducing securitization

Automation Technologies – Q3 summary

- Orders up 8%* (9%**); continuing industrial investment in most markets; orders increased in Automation Products and Process Automation, lower in Manufacturing Automation
- Revenues grew 9%* (10%**), up in all business areas on higher volumes, strong order backlog
- EBIT** up 21% at \$323 mill.; improvement in all business areas, led by Process Automation; restructuring costs remain low
- EBIT margin at 11.0% from 10.0% in Q3 2004
- Cash flow of \$102 mill. down from \$239 mill. as higher earnings were partly offset by a negative \$283 million impact from reducing securitization

EBIT* - Q3 overview

<i>US\$ million</i>	Q3 2005	Q3 2004
Power Technologies	219	116
Automation Technologies	323	266
Core businesses	542	382
Non-core activities	11	(20)
Corporate	(95)	(109)
Group EBIT	458	253
<i>Group EBIT margin</i>	8.1%	5.1%

- In Non-core activities, a positive EBIT in oil, gas and petrochemicals offset a small loss in Building Systems
- Corporate costs down on lower local and head office spending

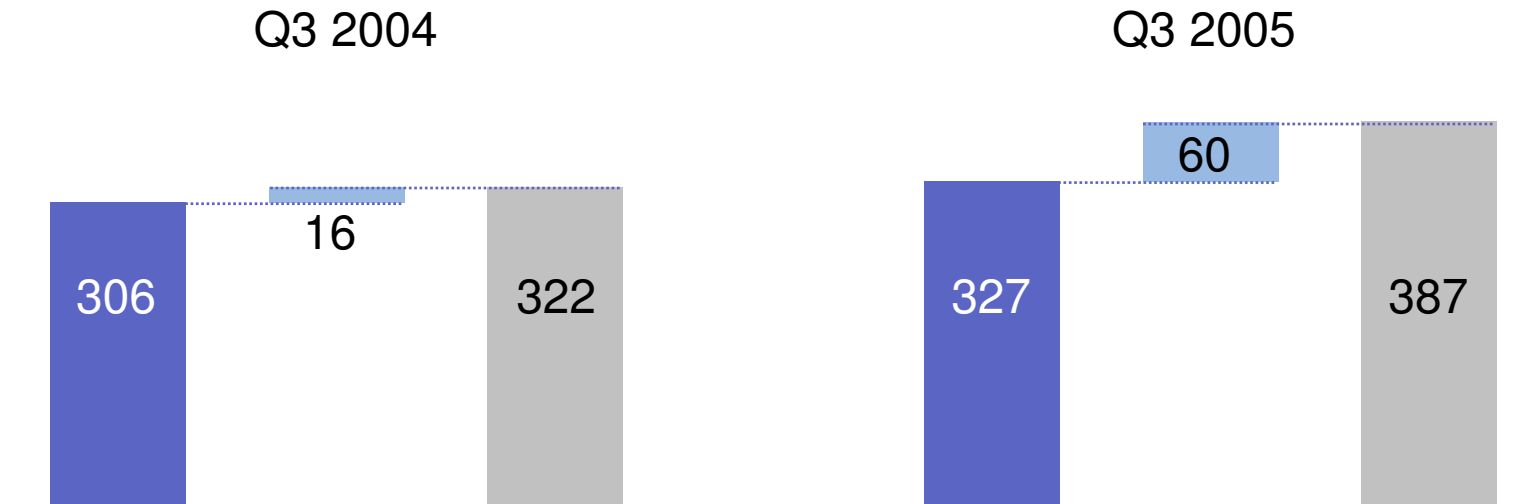
ABB Group – key figures

\$ million	Q3 2005	Q3 2004
EBIT	458	253
Finance net	(55)	(29)
Income from continuing operations	238	95
Income (loss) from discontinued operations	(50)	3
Net income	188	98

- Finance net in Q3 2005 includes exceptional items with a net negative impact of \$18 mill.
- Discontinued operations include asbestos mark-to-market (–\$23 mill.) and expected loss on sale of Finnish lease portfolio (–\$26 mill.)

Q3 cash flow from operating activities

US\$ million

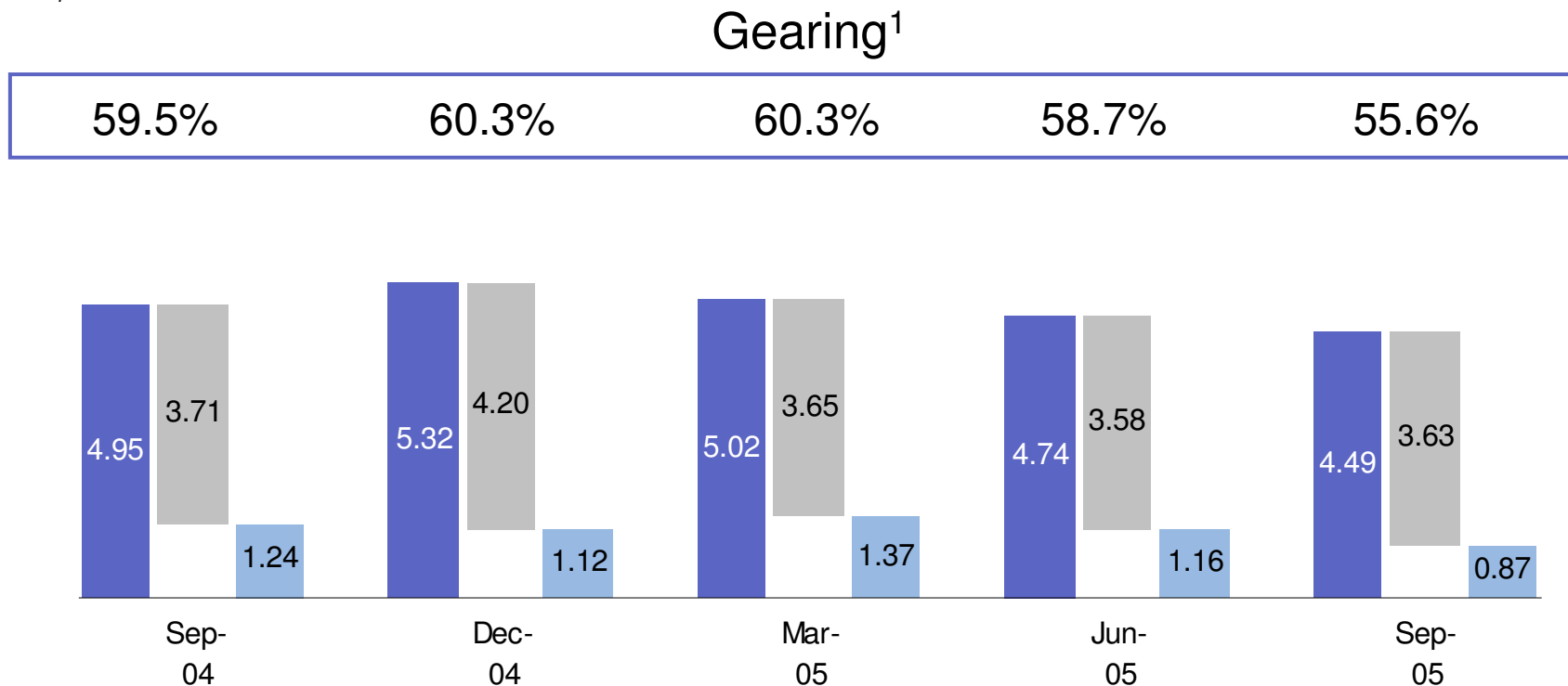


- Cash flow (used) from operating activities
- Cash flow (used) from Non-core and Corporate
- Cash flow (used) from core businesses

- Higher despite approximately \$250-mill. negative impact from reducing securitization

Net debt and gearing

US\$ billion



- Net debt (total debt minus cash & marketable securities)
- Cash & marketable securities
- Total debt (LT borrowings plus ST borrowings)

¹ Total debt/(total debt plus equity (incl. minorities))

Note: All periods adjusted to reflect the reclassification of \$170 mill. gross debt from the Finnish lease portfolio to Liabilities held for sale and in discontinued operations.



Update on asbestos

- ABB and all other parties filed consensual proposed confirmation order on revised CE Plan of Reorganization with Bankruptcy Court following September 28 hearing
- Next step: Awaiting issuance of confirmation order
- ABB Lummus Global process running in parallel on separate pre-packaged Plan of Reorganization
- Positive vote for Lummus plan completed in September 2005

2005 outlook and targets

- Markets: Economies continue to look favorable
- Operations: Continued focus on business execution, cost migration, project management

	2005 target
PT EBIT ¹ margin	6.8 – 7.3%
AT EBIT margin	10.7%
Non-core activities EBIT	break even
Corporate costs	\$450 mill. or less
Group EBIT margin	6.6 – 7.1%

Overview of Group targets 2009

Criteria	Target
Revenue growth ¹	> 5%
EBIT margin	> 10%
Net margin	> 5%
ROCE ²	Mid-teens
Free cash flow (FCF)	100%

¹ Compound average growth rate (CAGR) 2005-2009 at constant exchange rates and excluding major acquisitions and divestitures

² Return on capital employed (after tax)

Overview of division 2009 targets

	Revenue growth ¹	EBIT margin 2009	EBIT margin 2004
Power Products	> 6%	> 11%	8.3%
Power Systems	> 5%	> 6%	3.2%
Automation Products	> 5%	> 14%	12.4%
Process Automation	> 5%	> 9%	6.0%
Robotics	> 4%	> 9%	5.9%

¹ Compound average growth rate (CAGR) 2005-2009 at constant exchange rates and excluding major acquisitions and divestitures

Q3 2005 key points

- Operational improvements and strong markets drove solid results
 - Orders and revenues higher in most businesses and regions
 - Operational improvements continue to lift profitability
 - Cost impact from raw materials offset by pricing and other measures
- Net income almost doubled, despite \$70 mill. in non-operational charges
- Stronger balance sheet with lower gearing
- Higher cash flow, despite reduced securitization impact
- Good progress on asbestos
- On track to hit or exceed top end of 2005 group EBIT margin target

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.

AABB

ABB Group – Key figures

<i>US\$ million</i>	Q3 2005	Q3 2004
Orders	5'740	4'993
Revenues	5'648	5'005
EBIT (earnings before interest and taxes)	458	253
Finance net	(55)	(29)
Discontinued operations	(50)	3
Net income / (loss)	188	98
Cash flow from operating activities	387	322

	30-Sep-05	30-Jun-05	31-Dec-04
Cash & marketable securities	3'628	3'575	4'200
Total debt (LT borrowings plus ST borrowings) *	(4'494)	(4'738)	(5'323)
Net debt (total debt minus cash & marketable securities)	(866)	(1'163)	(1'123)
Equity (incl. minority interest)	3'591	3'333	3'121
Gearing (total debt / total debt plus equity incl. minority interest)	55.6%	58.7%	63.0%

* Gross debt of ca. \$170 mill. from the lease portfolio being divested was reclassified in the balance sheet from borrowings to Liabilities held for sale and in discontinued operations. Previous periods have been adjusted accordingly.



Cash Flow from operating activities

<i>US\$ million</i>		Q3 2005	Q3 2004
	<i>Cash-effective earnings</i>	554	233
	<i>Marketable securities</i>	0	(1)
	<i>Net operating working capital</i>	(167)	90
	Net cash from operating activities	387	322
	<i>Combustion Engineering</i>	6	(2)
	<i>Non-core activities</i>	(92)	(46)
	<i>Corporate and other¹</i>	146	64
	Cash generated (used) in Non-core and Corporate	60	16
	Cash flow from operating activities of core divisions	327	306

¹ incl. Treasury activities

Q3 EBIT* - Non-core activities

<i>US\$ million</i>	Q3 2005	Q3 2004
Oil, Gas and Petrochemicals	15	(9)
Building Systems	(5)	(12)
Equity Ventures	12	9
Other non-core activities	(11)	(8)
Total Non-core EBIT	11	(20)

- Positive EBIT in OGP on higher project margins (lower orders)
- Building Systems with small loss as projects wound down
- Equity Ventures: Steady income, esp. from Jorf Lasfar power project

Q3 EBIT* - Corporate

<i>US\$ million</i>	Q3 2005	Q3 2004
Headquarters / Stewardship	(67)	(84)
Research & Development	(24)	(23)
Other *	(4)	(2)
Corporate EBIT	(95)	(109)

* includes consolidation, Real Estate and Treasury Services

- Headquarters / Stewardship costs reduced further, both local and Zurich head offices

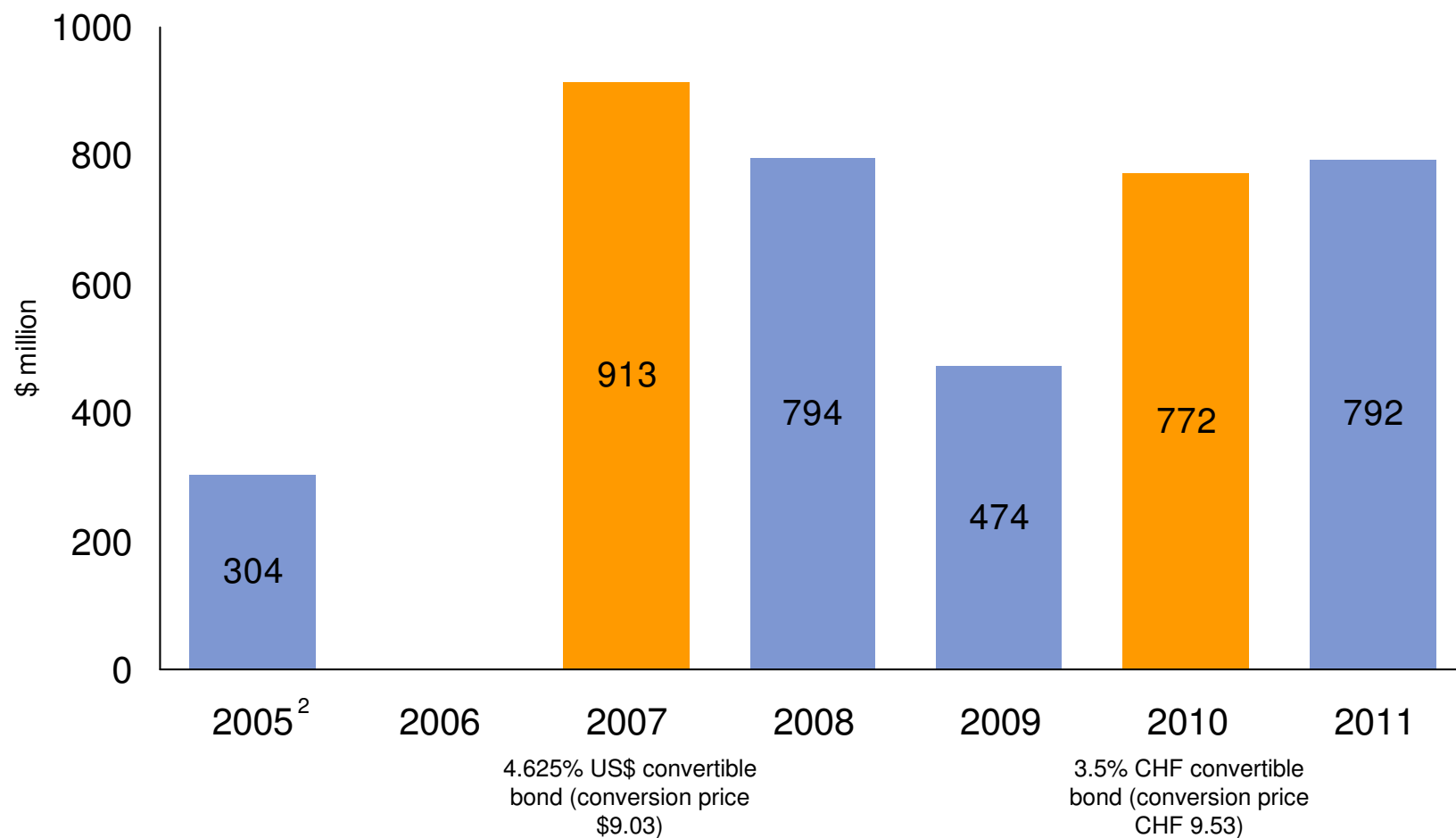
Discontinued operations – Q3 net income impact

<i>US\$ million</i>	Q3 2005	Q3 2004
Asbestos	(24)	(24)
Lease portfolio (prev. in Structured Finance)	(26)	20
Power lines	(1)	(6)
Other	1	13
Net income (loss)	(50)	3

- Asbestos included \$23-mill. expense on mark-to-market valuation of ABB shares reserved for asbestos trust
- Close to divestment of leasing portfolio in Finland; moved to Discontinued operations and recorded anticipated loss on sale

Maturity profile of debt securities¹ (as of Sept. 30, 2005)

Total debt securities of approx. \$4,049 million

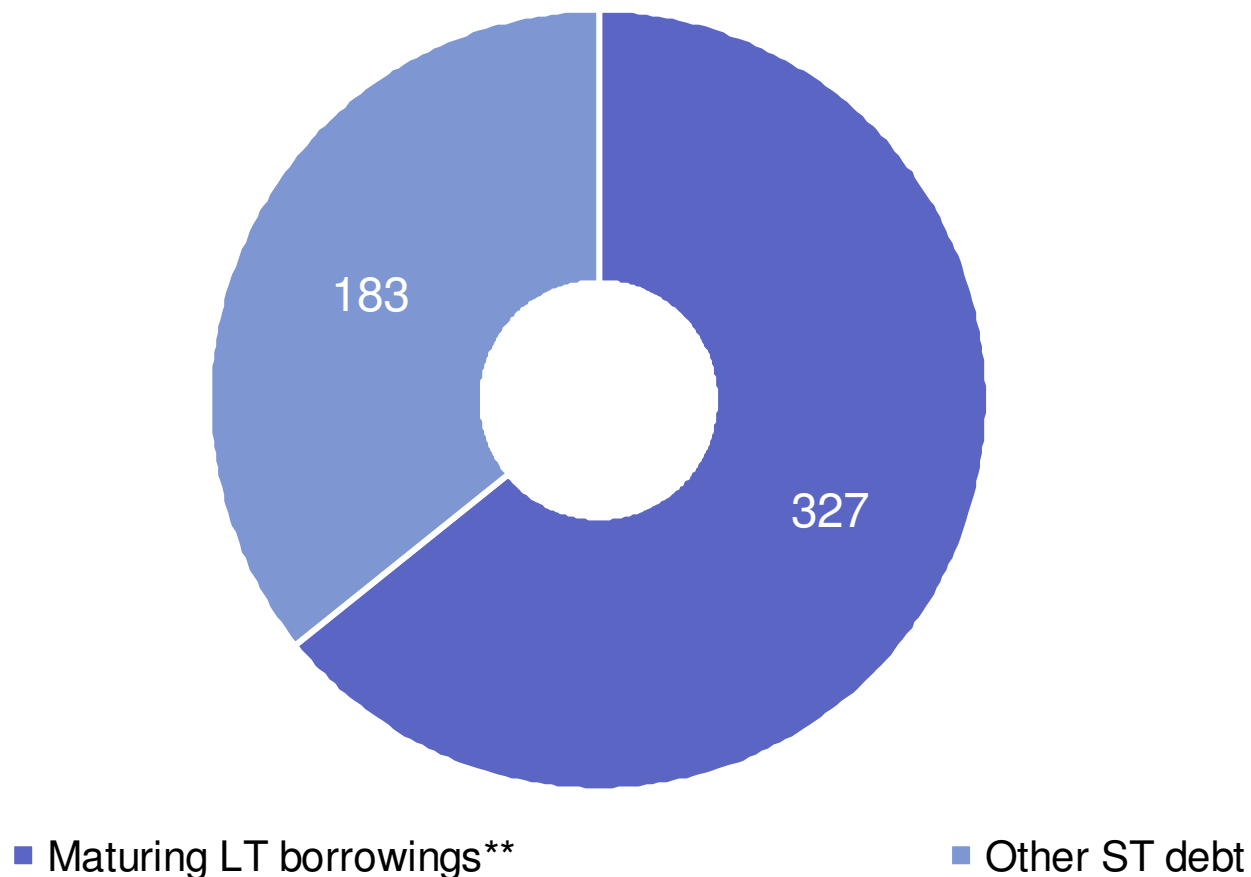


¹ based on Sept. 30, 2005 FX rates; ² \$ 304 million of debt securities were repurchased in October 2005



Composition of short-term debt * (as of Sept. 30, 2005)

Total short-term debt of ca. \$510 million



* Short-term debt = debt maturing prior to Sept. 30, 2006

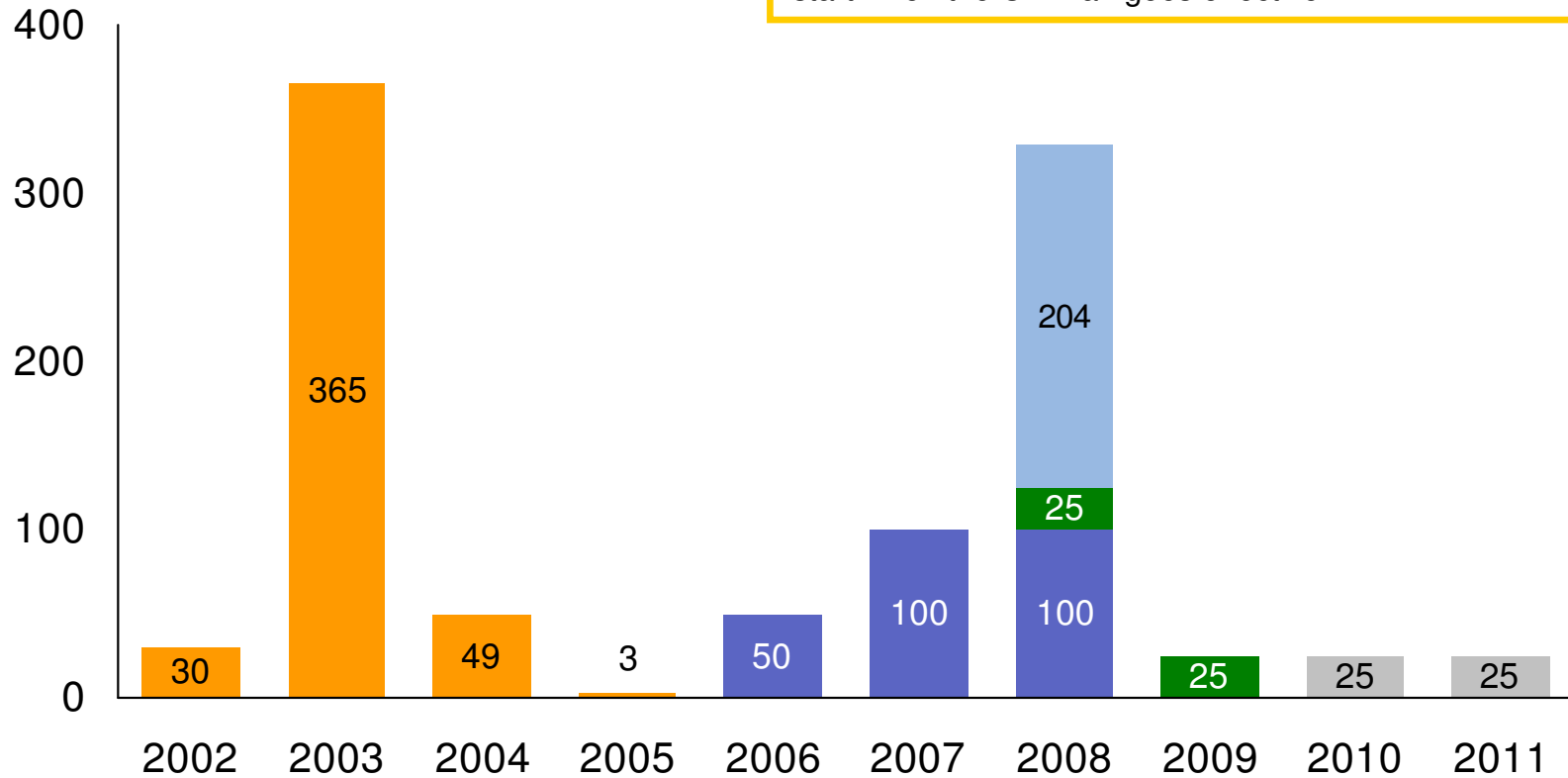
** Maturing long-term borrowings incl. \$304 million of debt securities repurchased in October 2005 and previously classified as long-term



Asbestos trusts cash payments*

(in \$ million)

Note: Cash payments and asset transfers to the CE PI Trust start when the CE Plan goes effective.



- Disposal of ABB Lummus Global in 2006 or 2007 will trigger early payment
- CE PI Trust Contingent Liabilities
- CE PI Trust Contingent Liabilities (already provisioned)
- CE PI Trust Payments
- Completed CE Settlement Trust Payments

* Assuming CE Plan goes effective in Q1 2006

