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Member Executive Committee
ABB Group



India's growing role in ABB's global footprint



Zurich,
24th June 2008



Welcome to the world of ABB



- Headquarters: Zurich, Switzerland
- 110,000 employees in around 100 countries
- Orders in 2007: \$34.4 billion
- Revenues in 2007: \$29.2 billion

- ABB is a leader in power and automation technologies that enable utility and industry customers improve their performance while lowering environmental impact.
- Our goal is to create value for our stakeholders by meeting the needs of our customers, employees and the communities where we do business

ABB - What we offer : structure and portfolio

■ Core business organized in five divisions



Power Products



Power Systems



Automation Products



Process Automation



Robotics

Business Units:

- High Voltage Products
- Medium Voltage Products
- Transformers

Business Units:

- Grid Systems
- Network Management
- Power Generation
- Substations

Business Units:

- Breakers & Switches
- Enclosures & DIN
- Rail Products
- Control Products
- LV Drives
- Power Electronics & MV Drives
- LV Motors
- LV Systems
- Machines
- Instrumentation
- Wiring Accessories

Business Units:

- Oil & Gas
- Metals and Minerals
- Pulp & paper
- Marine
- Chemical and Pharmaceutical
- Turbocharging
- Force Measurement
- Performance Services
- Process Industry Products

Business Units:

- Products
- Robot Automation
- Services
- Systems



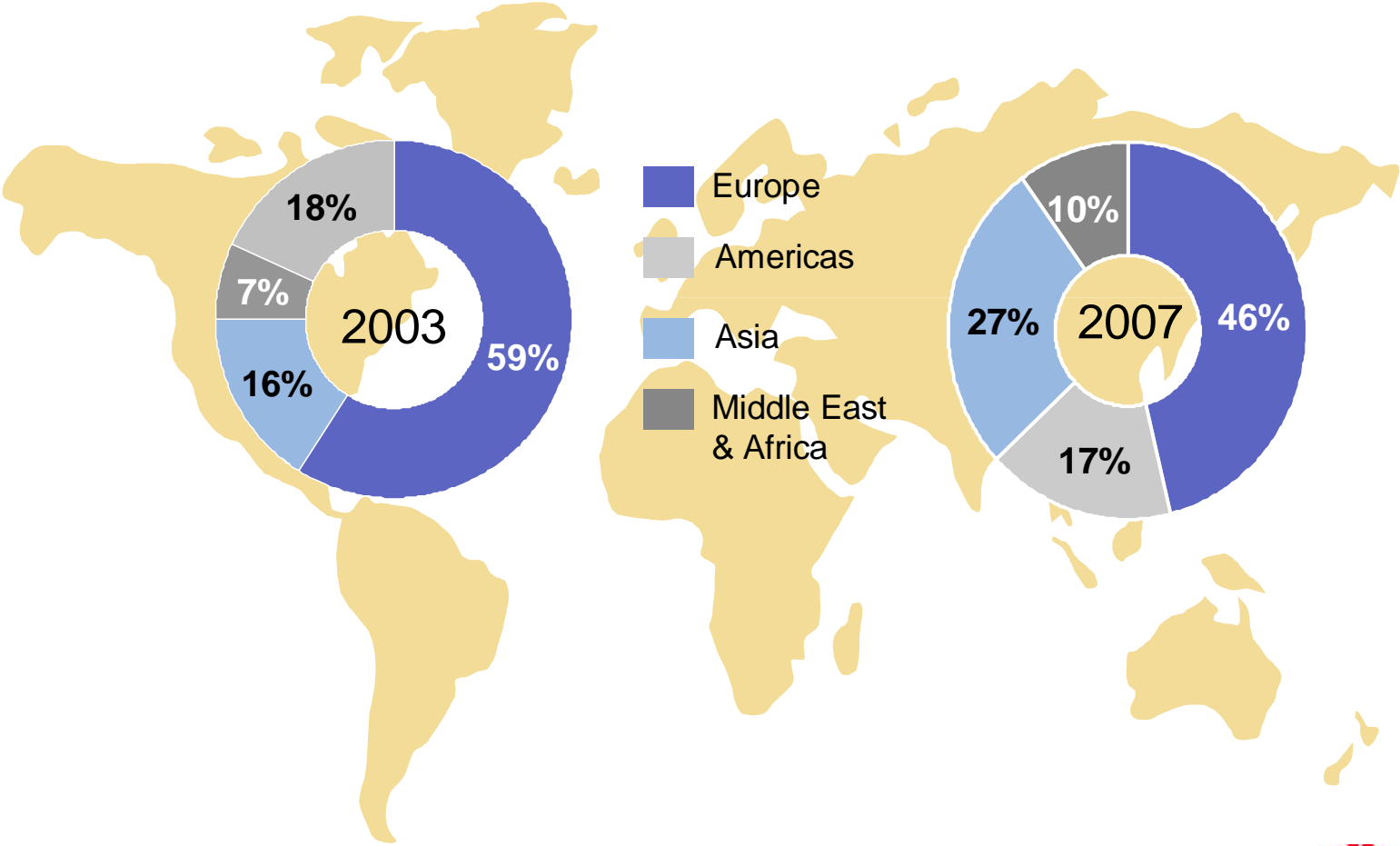
ABB has a strong global footprint

- ABB is a global leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact.
- The ABB Group of companies operates in around 100 countries and employs about 110,000 people across eight regions
- ABB is committed to strengthening its global footprint in order to leverage its global presence
- As a business philosophy, ABB believes in having manufacturing and R&D closer to fast growing markets
- China and India have seen extensive investment in manufacturing and R&D in recent years and continue to play a key role in ABB's global footprint expansion
- The company has adopted a 'Made in ABB' philosophy which denotes the technology strengths of ABB's offering regardless of its products' country of origin



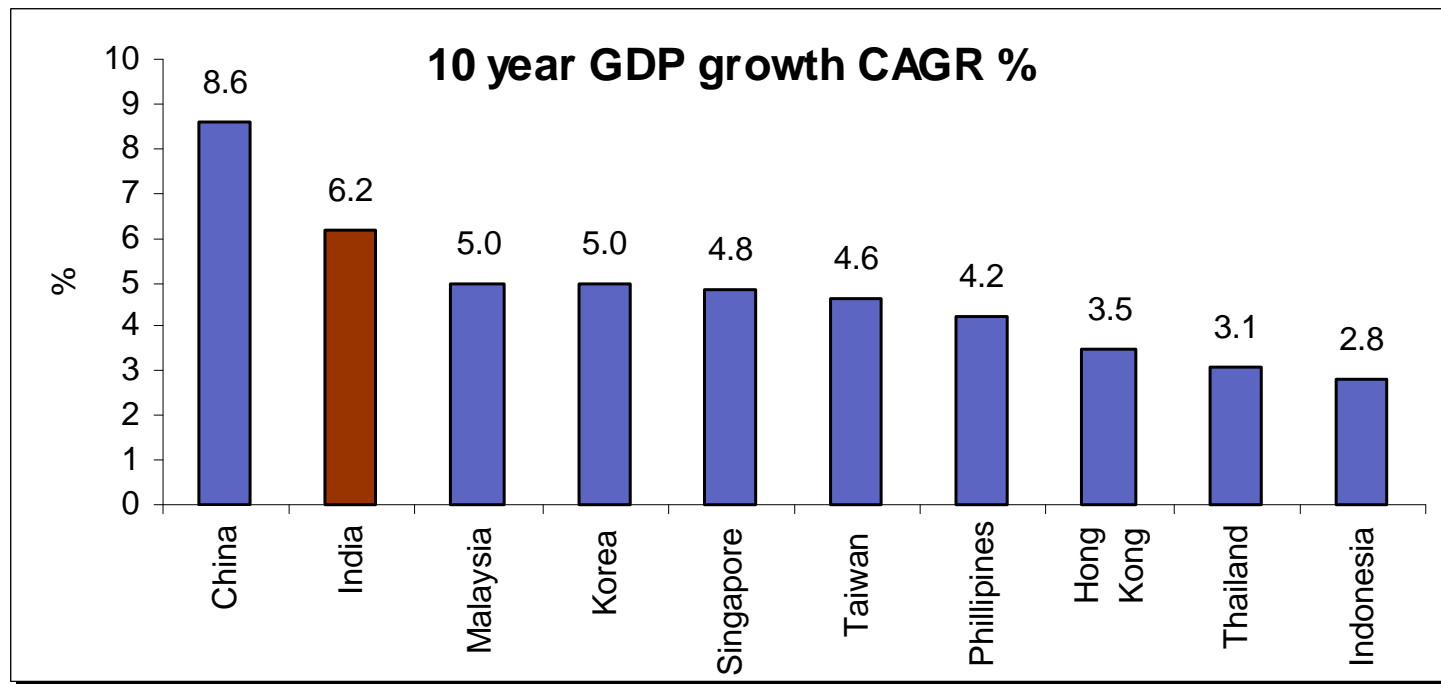
Asia on the march led by China & India

Percentage of ABB Orders received by region

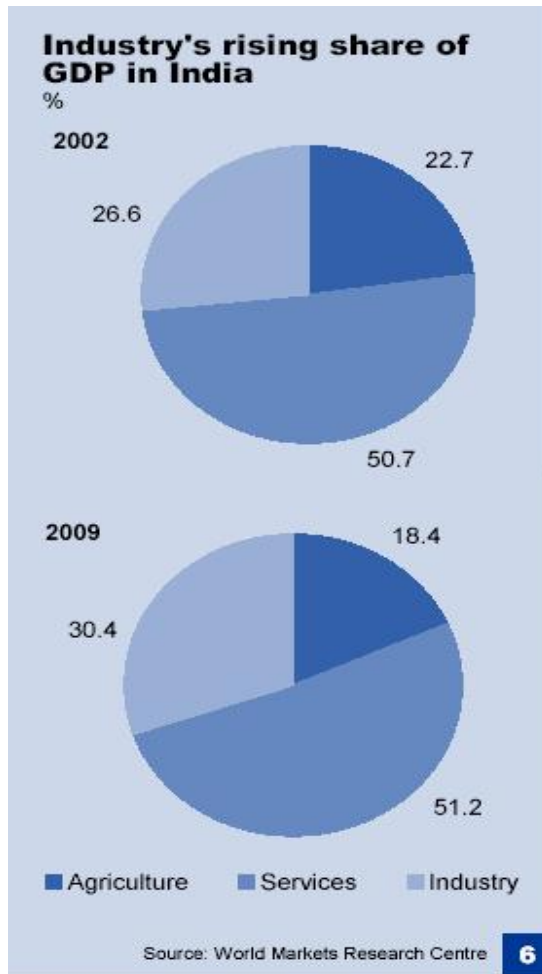


India has seen sustainable growth in the last decade

- Indian Economy . The 4th largest & 2nd fastest growing economy in the world (based on PPP adjusted GDP > USD 3.3 tri)
- Current GDP growth > 8 %



Economy snapshot



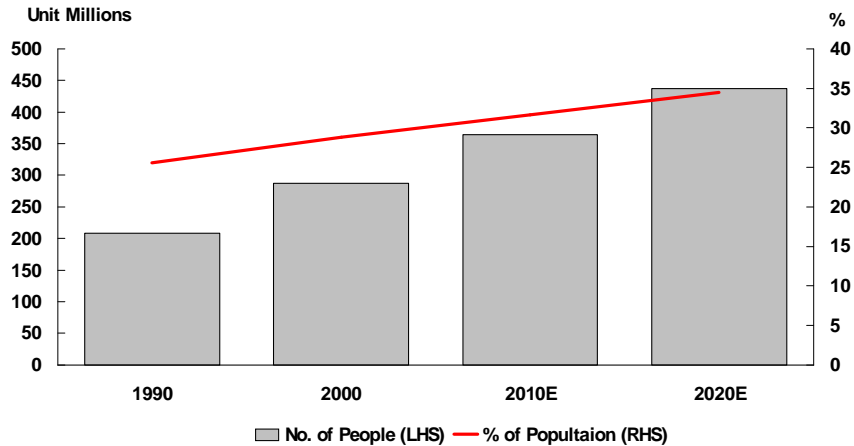
Key Economic indicators	FY'07-'08	FY'06-07
Nominal GDP (US\$ bn)	1'172	919
GDP Growth	9.0%	9.6%
Per capita GDP (US\$)	1'103	864
FDI(Foreign Direct Investment)-US\$ bn	25	15.7
Investment on Infrastructure as % of GDP	8%	5%
Total Investment (% of GDP)	37.2	35
Gross Domestic savings(% of GDP)	34.6	33.5
Exchange Rate (RS/USD)	39.8	43.5
Foreign Exchange Reserves BUSD	315	285

India is increasingly becoming a consumption led economy

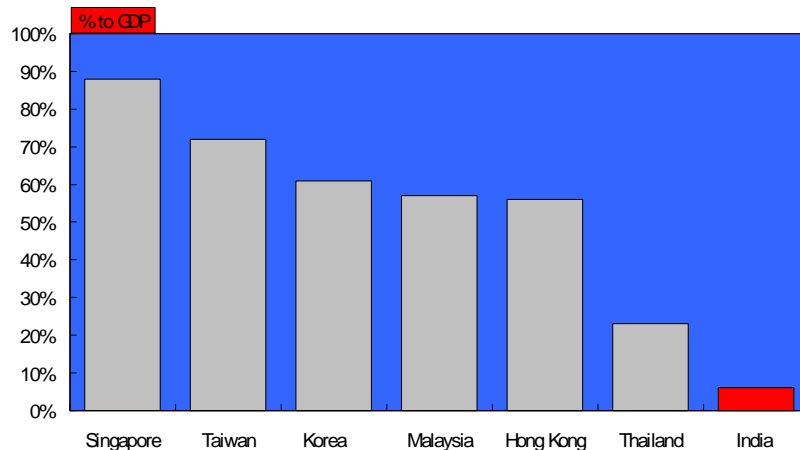
Positive Trends in Consumption Likely to Continue

- “ Favorable demographics – India is in a position to reap the benefits of both rising consumption as well as a growing labor supply
- “ Strong trends in retail lending...benefited sectors such as housing, automobiles
- “ Going forward, the interest rate environment may impact retail lending but given that the average consumer is still underleveraged, the impact will be marginal

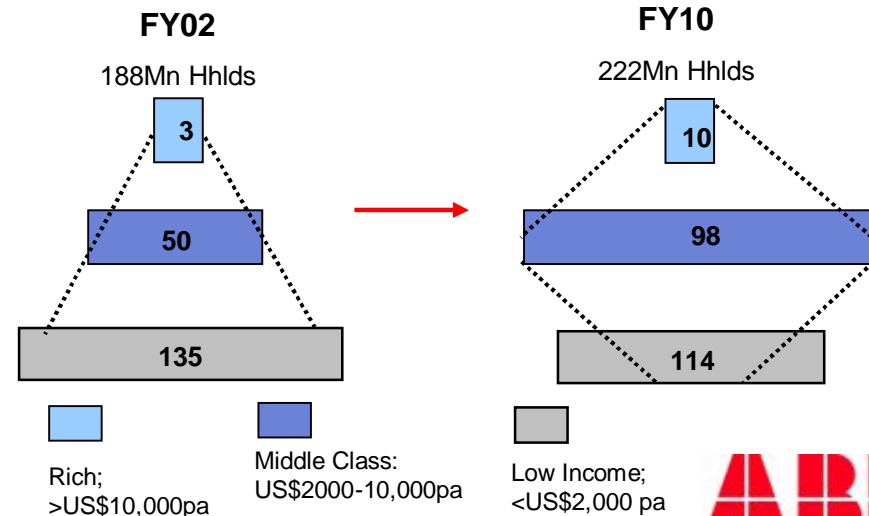
Trends in Urbanization (Millions, %)



Consumer Credit Penetration (%)



Growing Middle Class- From Pyramid to Diamond

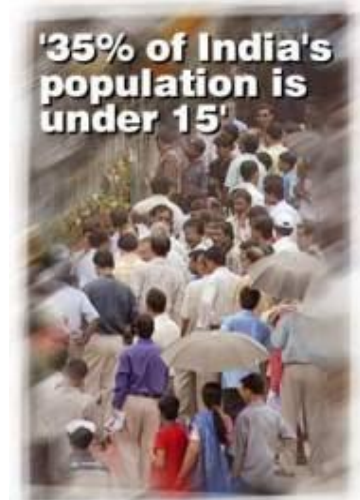


Source: Citigroup estimates ; Registrar General of India; RBI, NCAER

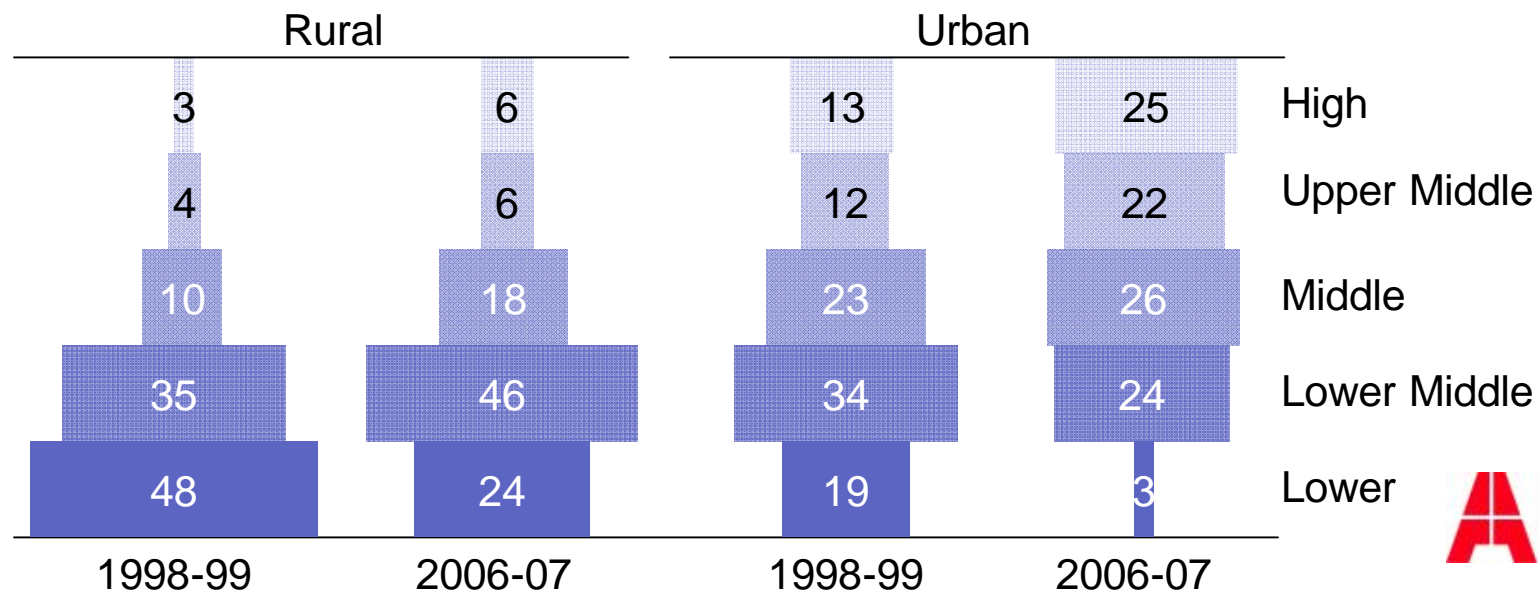


Favorable demographics for long term growth

- India is a young country . average age 26
 - 54% of the population below 25 years;
 - Young earning class means sustained manpower advantage
 - By 2013, nearly 200m more people will join the nation's productive age bracket
 - Income profile will change drastically



Changing Income distribution profile (% of population)



Source: CLSA

Industry Ë Growth momentum continues



- Industrial growth expected to continue
- Core sectors planning significant capacity expansion by 2012 :
 - Steel capacity from 55 mt to 100 mt
 - Aluminum capacity from 1.8 mt to 4 mt
 - Cement capacity from 157 mt to 260 mt
- Construction/housing sector expected to grow ~20%
- Strong demand for pharmaceuticals, textiles, automotive
- Oil & Gas sector grow both upstream & downstream
- Major thrust on Renewables

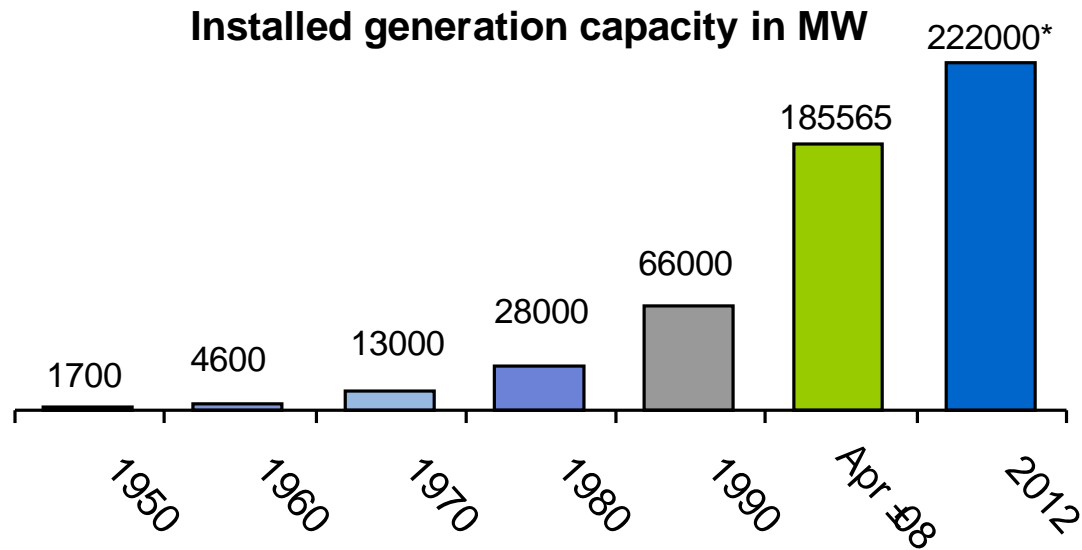
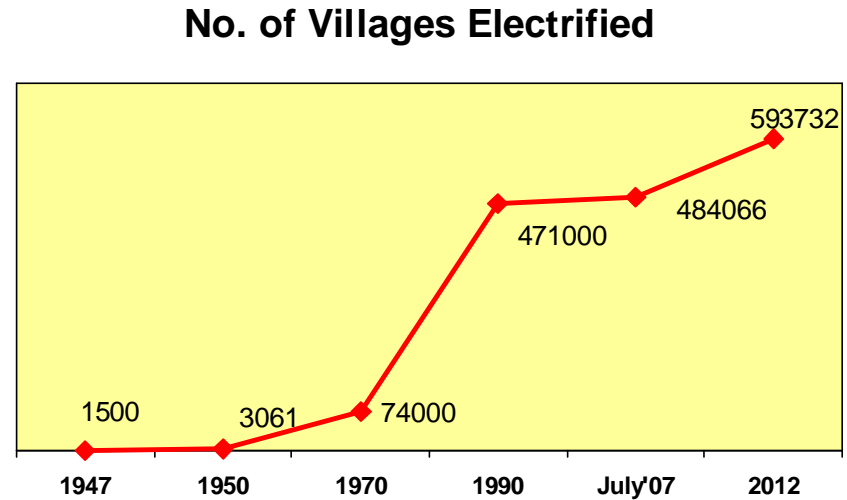
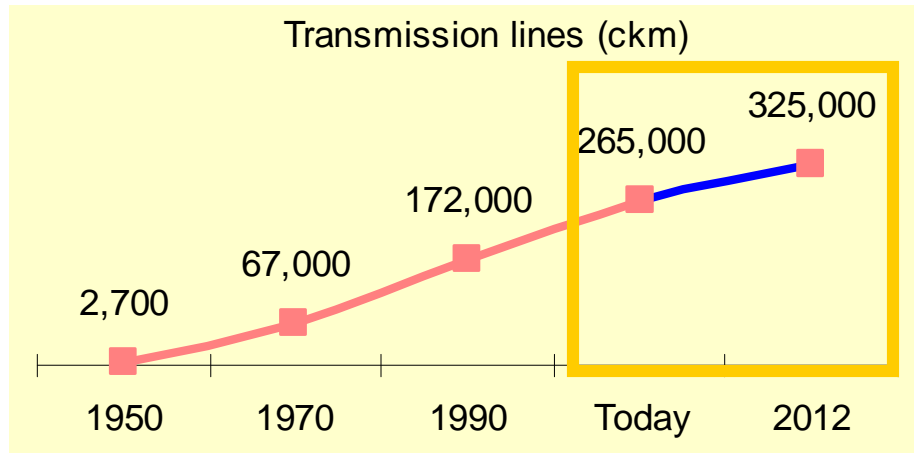
Promising outlook across verticals

Expected investments in next five years

Power	220 BUSD	↑
Steel	130 BUSD	↑
Aluminium	13 BUSD	↑
Cement	10 BUSD	↑
Construction/Urban Infrastructure	150 BUSD	↑
Water and Lift Irrigation	10 BUSD	↑
Paper	600 MUSD	↑
Oil & Gas	25 BUSD	↑



Power Sector Opportunity



Note : *2012 Projected Installed Capacity does not include UMPP of 28000-36000 MW - likely to come after 2012



Power: Positive trend continues

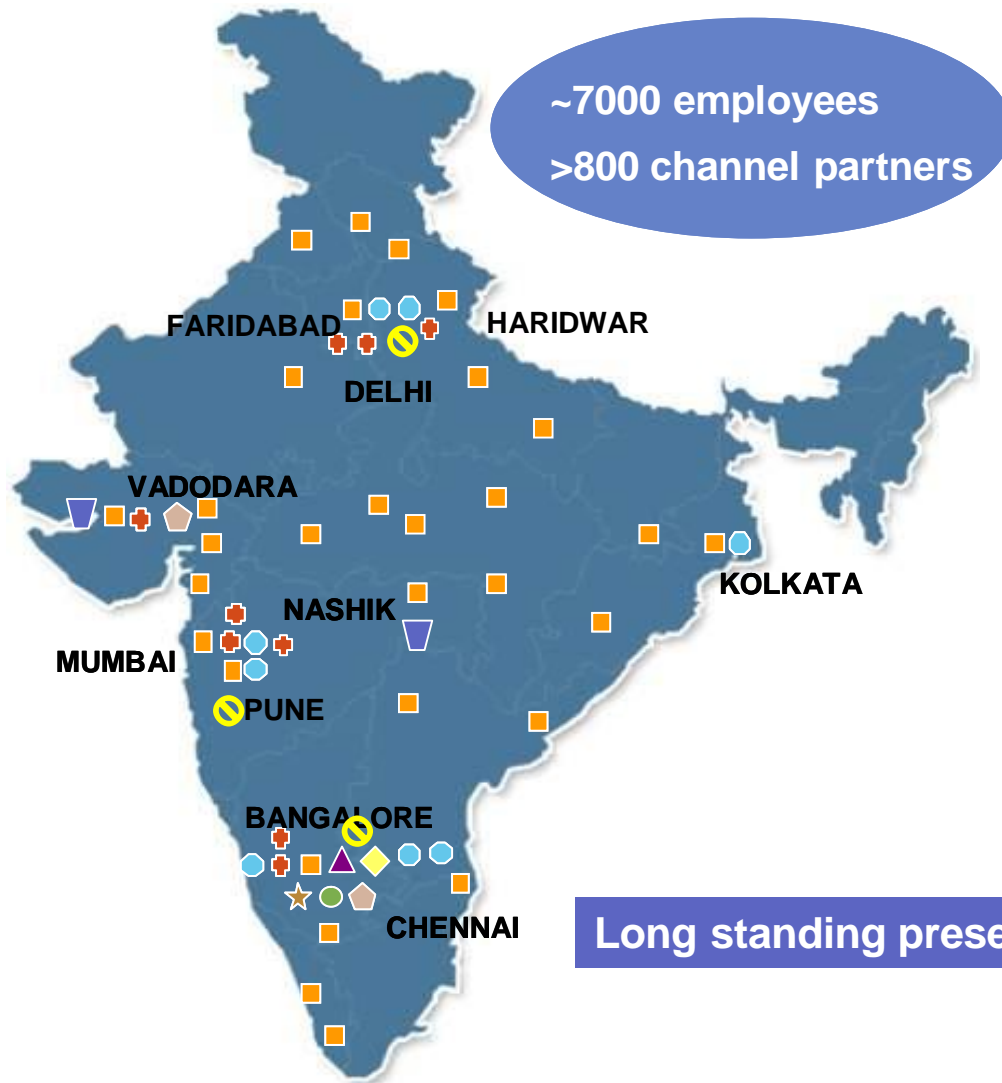
- Investment in Power sector 220 BUSD in 11th plan (2007-2012)
- Capacity addition ~ 100,000 MW includes
 - Ultra mega power projects . 32000 MW
 - Renewables - 6000 MW
 - Captive . 7000 MW
- Interregional grid capacity addition 20,700 MW (incremental)
 - Growth in 765kV lines from 1704 ckms to 7132 ckms; 2 HVDC bipole lines planned
- Distribution . Rural Electrification
 - Rural Load Management System (RLMS)
 - Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
 - Accelerated Power Development and Reforms Programme (APDRP)



ABB has grown with India

- ABB has been in India for half a century
- ABB has grown with India ã ..through the tough times and the liberalisation years
- ã .as a marketã .as a resource baseã .as a knowledge center
- ABB's growth is closely linked with India's growth
- India shiningã ã .ABB in full blossom !

ABB in India - a countrywide presence



~7000 employees
>800 channel partners

- Corporate Office
- ★ Registered Office
- ▲ Global Corporate Research
- ▼ 2 PT Technology Centers
- ◆ AT Operations Center
- ⊕ 14 Manufacturing Facilities
- 30 Marketing Offices
- ⬢ 4 Training Centers
- ⬢ 8 Service Centers
- ⊖ 3 Logistics Warehouses

Long standing presence in India over several decades



ABB India Performance track record

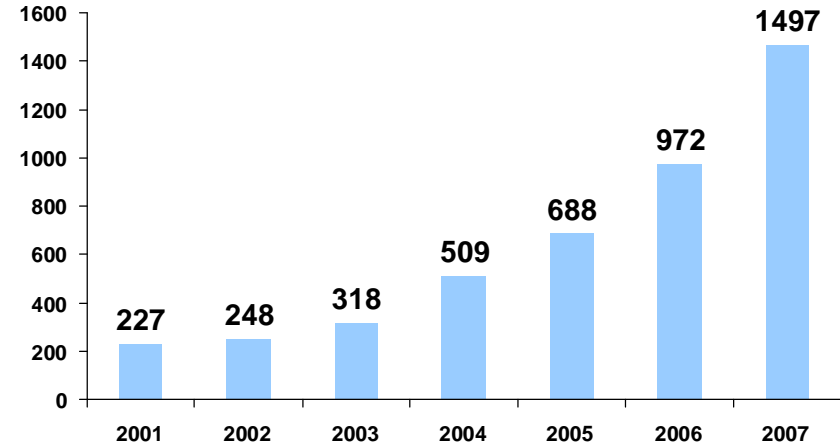
MUSD

Orders



MUSD

Revenues



%

ROCE

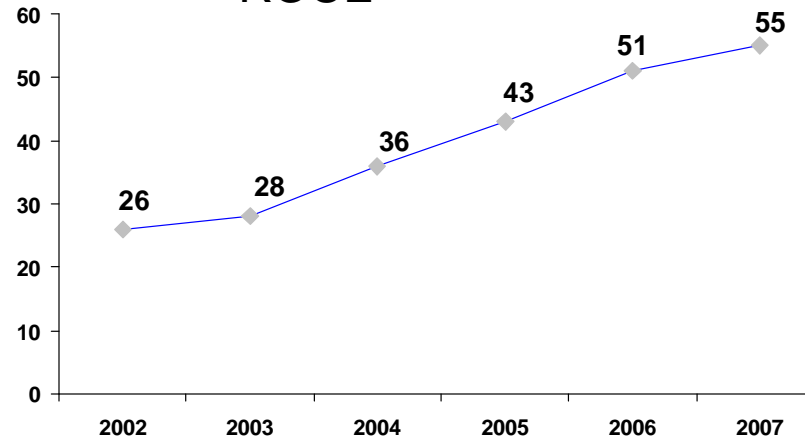
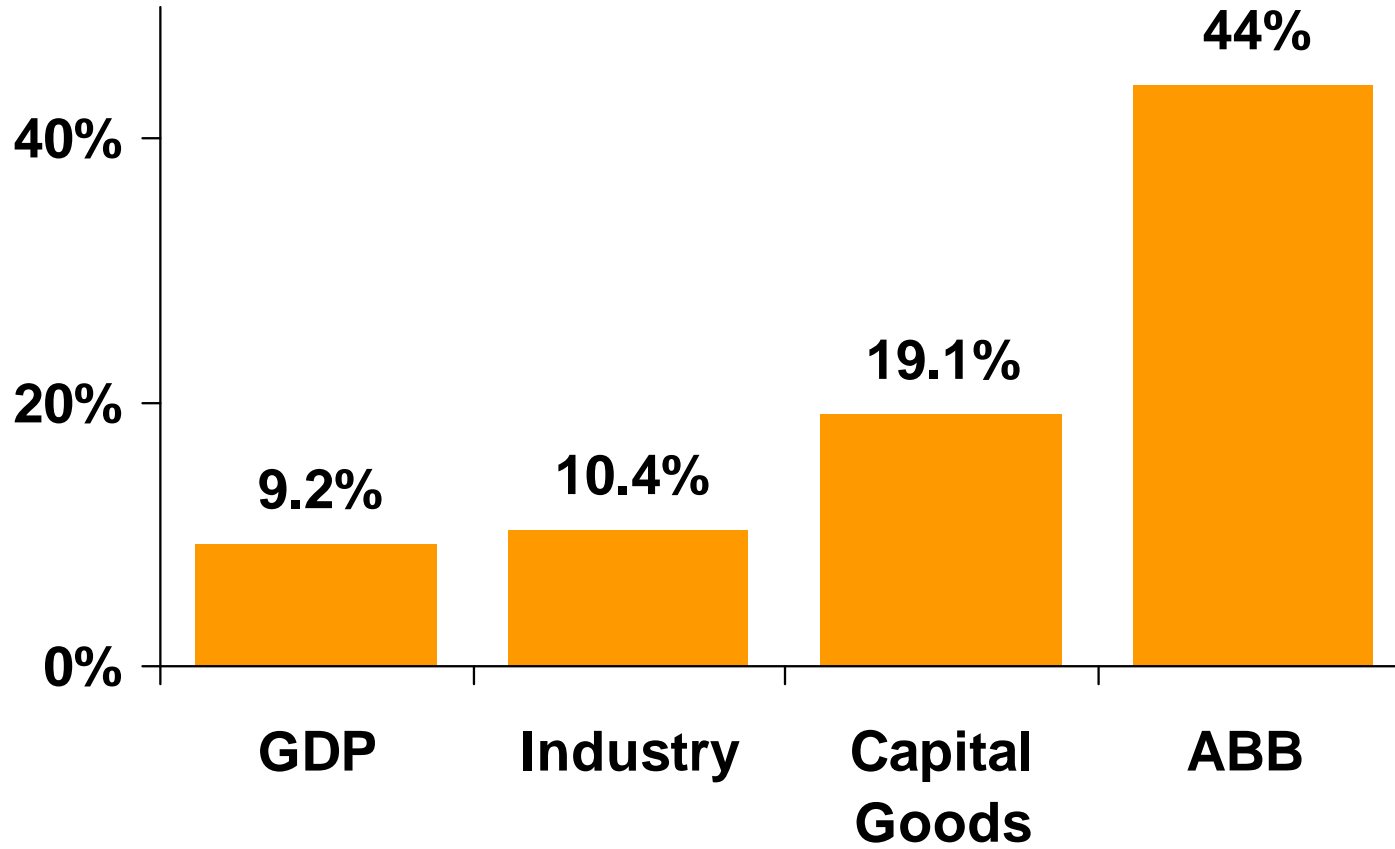


ABB India - Growth well above market

Average growth over last three years



Capacity & Range expansion on track

- Investment program of 100 MUSD completed
- Another 100 MUSD underway- planned over next two years
- Major capacity & range expansions:
 - Power & Industrial Transformers
 - 765 kV equipments
 - HV/ MV Switchgear
 - HV Machines
 - LV Motors
 - LV Switchgear
 - Instrumentation
 - Line Protections Devices



Some key strengths of ABB in India

- Long standing presence with excellent track record
- Complete range of offering
- Extensive local manufacturing
- Countrywide market coverage
- Vast installed base
- Financial Strengths
- Significant Growth potential
- Global hub . projects, products, services, R&D
- Information Technology Strengths
- Human Resource Strengths
 - technical knowledge base
 - domain competence & experience
 - functional expertise
 - strong & visionary leadership



ABB strategic positioning in India

- Recognized among India's most respected companies by all stakeholder groups
- Acknowledged for its technology leadership & domain expertise
- Enjoys market leadership and leading market shares across businesses
- Has built up strong credibility based on consistent performance and strong corporate governance
- Recognised as a *Blue Chip* stock
- Rated among India's 20 Best Performing Companies



ABB India Ę Regional responsibility

- As part of ABB's new organizational approach , eight regions have been created, to manage business line & functional roles effectively across geographies to maximize synergies.
- India has been designated as the hub for the South Asia region. Some of the major countries included in this region are India, Pakistan, Singapore, Indonesia, Malaysia, Thailand, Australia, New Zealand, Philippines & Vietnam.



India's growing role in ABB Group

- 4th largest contributor to the group business volumes
- More global feeder factories being set up
 - Transmission Relays
 - Distribution Relays
 - LV Motors
 - LV Breakers
- Increased sourcing of products
 - HV / MV Breakers, Instrument Transformers, Disconnectors, Magnetic Actuators, HV Machines, PCB Assemblies
- Increased participation in ABB group & research programs
 - Bangalore R&D Centre now largest worldwide in terms of people

What it took to move into a higher orbit



Our 4-S Management Philosophy



Some beliefs we embedded in our culture

- Power of performance
- Large organization as %Federation of Business Enterprises+
- Organizational fabric . Warp and waft to be equally strong
- Plural leadership
- Spirit of Good %Followership+
- Enduring values with deep roots
 - Transparency
 - Objectivity / Fairness
 - Only merit matters !
 - Ethics in Business
- Good execution

Some beliefs we embedded in our culture

- Culture of innovation / emotional engagement
- People & people alone key to a lasting success
 - People like to be successful
 - Ordinary people can do extraordinary things
 - Just say what to do but not how to do it
 - Trust people and support them
- Leadership means a lot of sacrifice
- Good leaders let team members take the credit
- Communicate, Communicate & Communicate
- Successful companies do business in all seasons

Successful companies do business in all seasons

ABB India's growth march has been driven by :

- Organic growth . maintaining leading market positions
- Widening the portfolio . range expansion
- Finding new ways to market . multiple channels
- Seeking new value propositions
- Widening the customer base
- Constantly generating new business streams
- Capacity expansion and upgrades underway across locations
- Innovation is key to our success
- Moving faster than others . Speed is critical
- Strong leadership team that walks the talk
- Highly motivated workforce

Plural leadership

10 member Corporate Management Committee (C MC)

40 member Core Management Team (CMT)

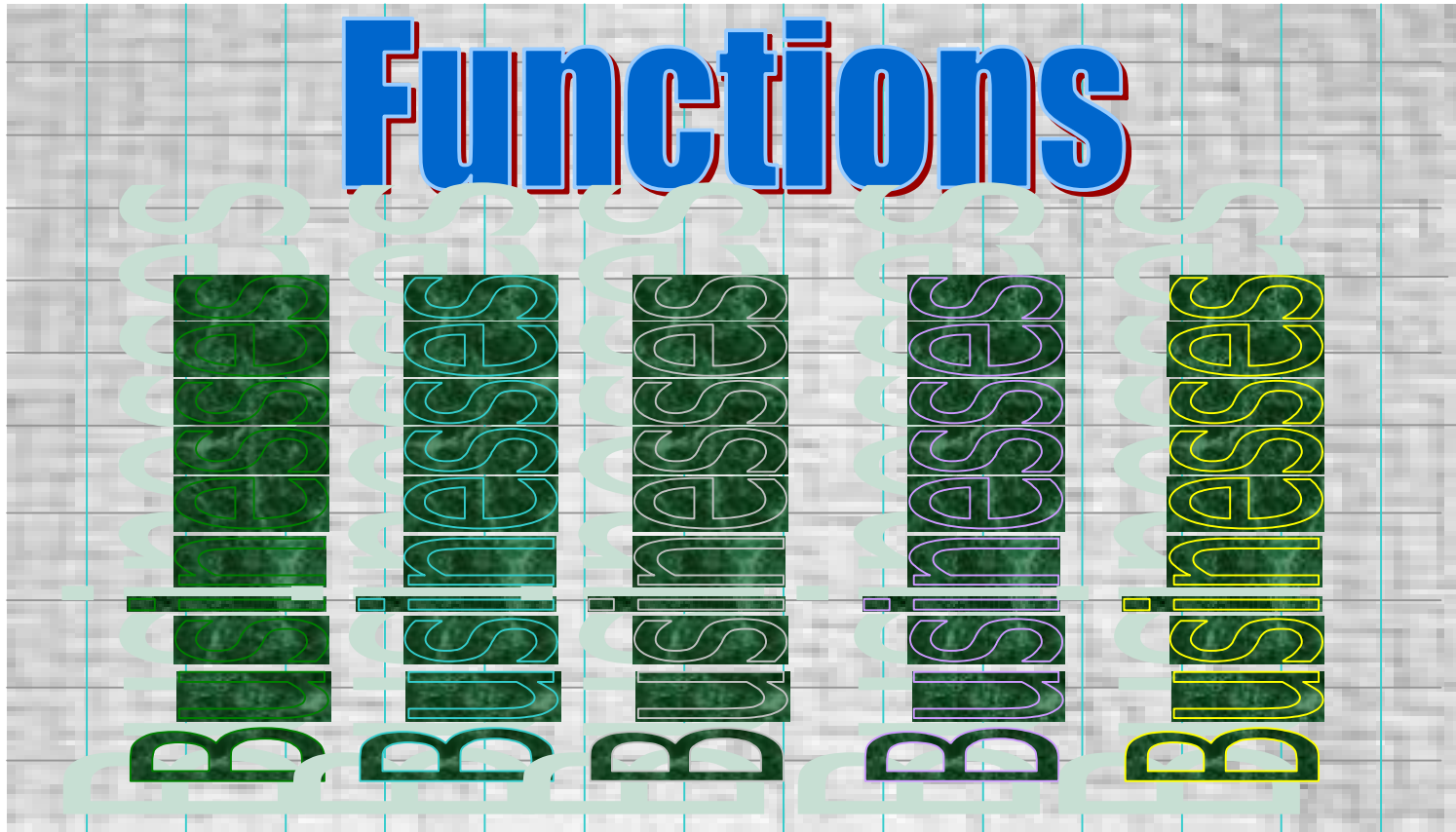
100 strong Senior Management Team (SMT)



Strengthening the fabric of the organisation

Weft

W
A
R
P

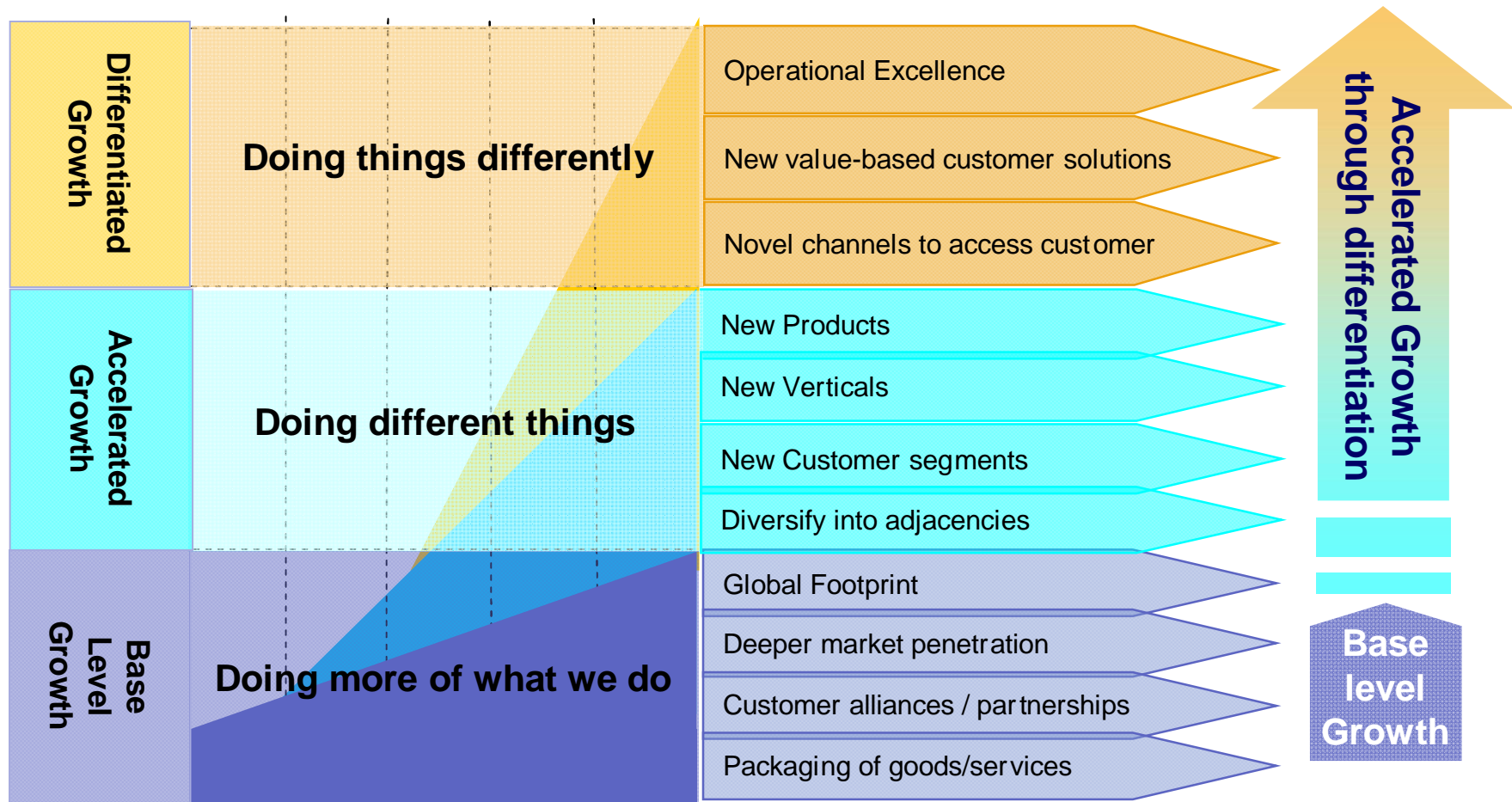


ABB's vision for India

- India should be among top 3 countries for ABB
- Revenues to double by 2010
- New investments: 100 MUSD investment programme just completed . another \$100 mill. to expand operations, start new engineering centers and factories
- Develop local talent : hire appx. 3000 new employees in India by 2010 taking headcount to over10,000
- India to play a key role in ABB's globalization and global footprint initiative
- Expand R&D facilities: scope and headcount expected to rise significantly
- ABB in India to be a preferred employer for the best talent



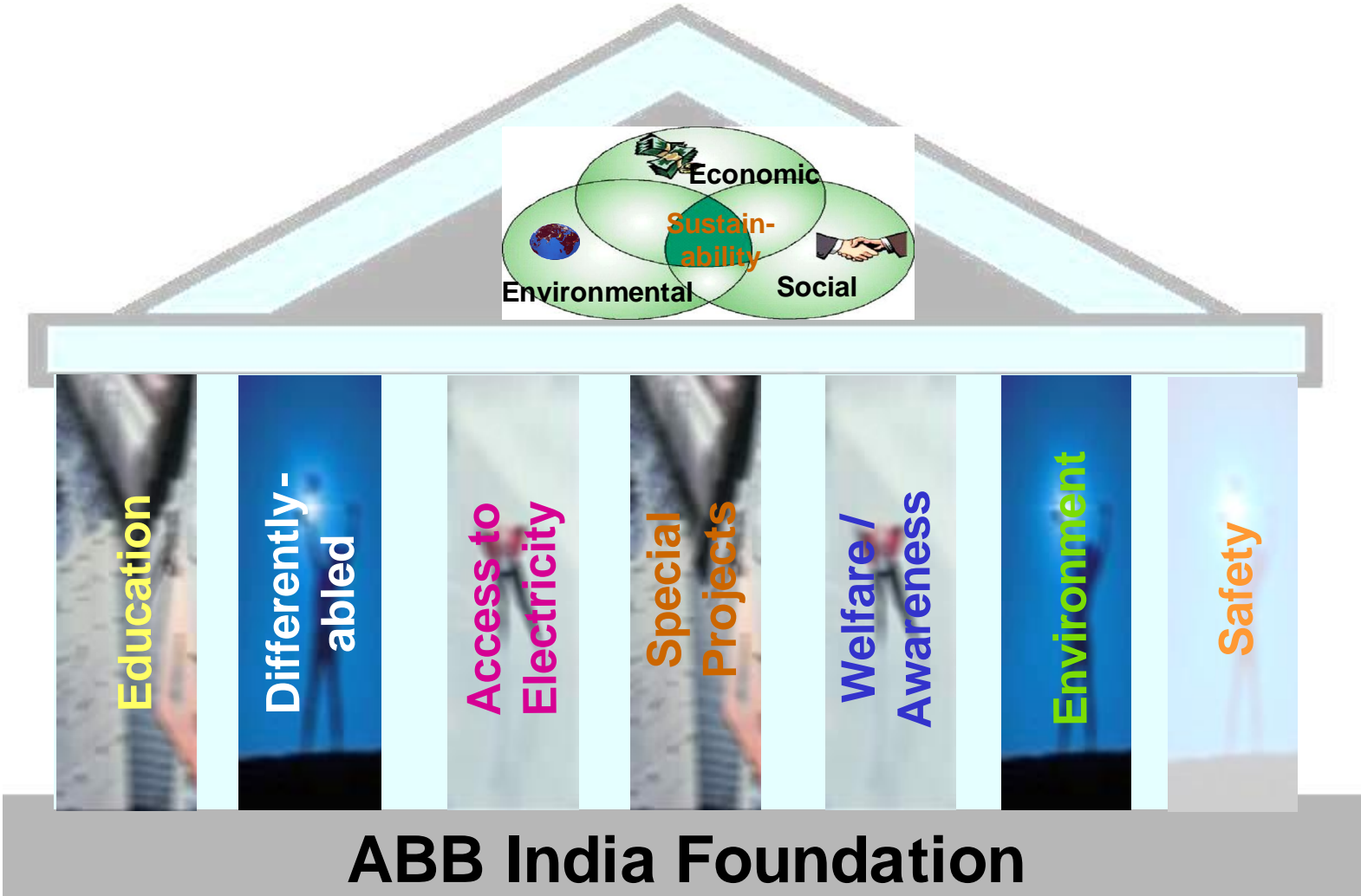
ABB India - Growth Strategy



Maintaining the momentum of profitable and sustai nable growth



Beyond business - ABB India Sustainability Pillars



Supporting primary schools for underprivileged children

- 2 new schools adopted (Vadodara & Bangalore)
5 primary schools now supported by ABB India
- Infrastructure support :
 - Drinking water & toilet facilities
 - Class rooms & computer labs
 - Benches & furniture
- Several deeper engagement initiatives:
 - Teachers training
 - Educational trips
 - Medical camps
 - Mid-day meals
 - Value education programmes
 - Competitions / Greeting cards
 - Sports & cultural programmes
 - Safety and awareness programmes



Before



After



Eye camps

~1200+ students;
partly supported
through employee
contributions



Greeting Cards



Mid-day Meals



Project Roshni – facilitating earning for the differently-abled

Seva Tirth - Vadodara



Prabodhini - Nashik



Prerana-Bangalore



Multiple greening initiatives across cities





Power and productivity
for a better world™

