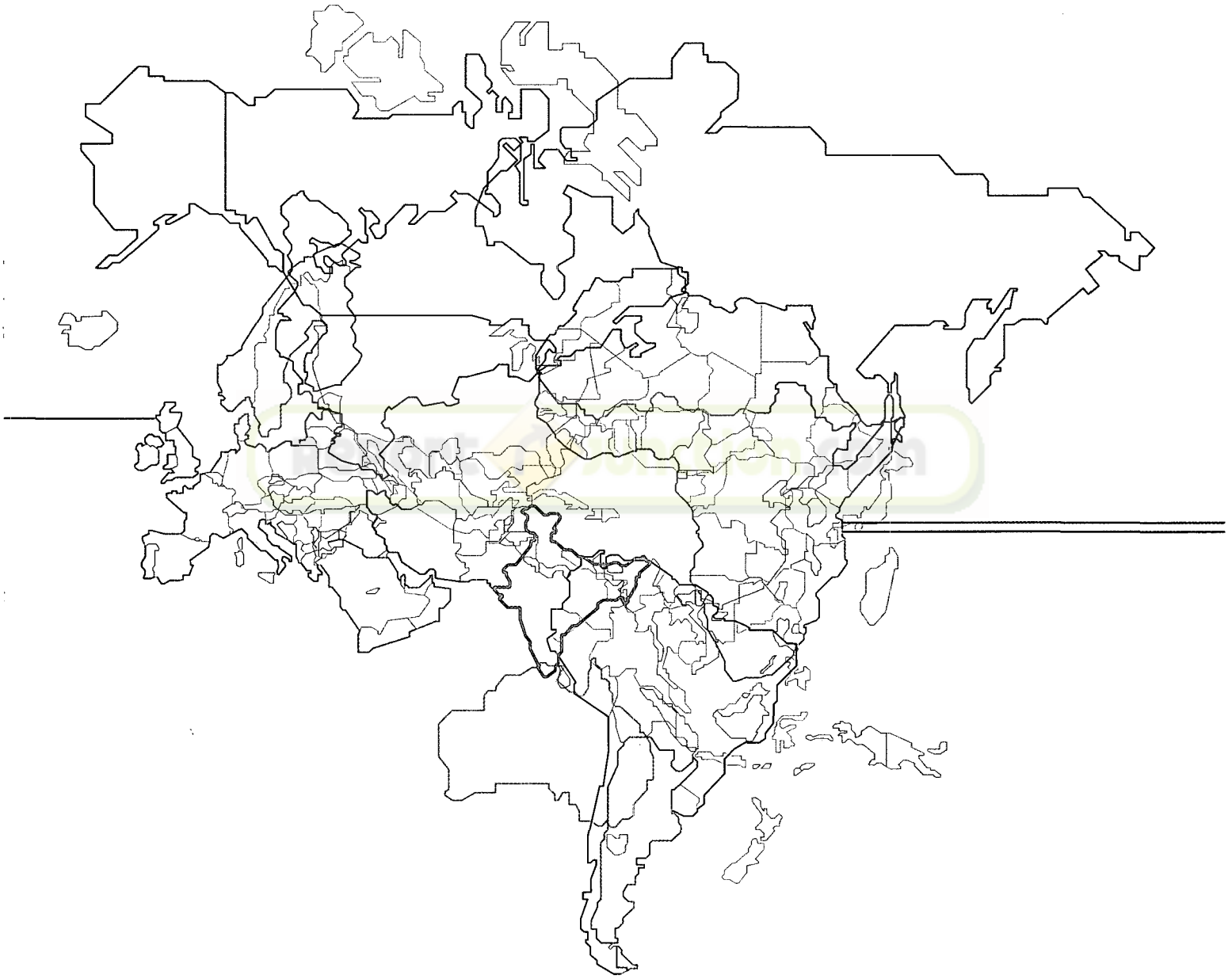
Energy efficiency for a connected world

ABB Limited - Annual Report 2007

India



ABB

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ABB Limited

Board of Directors

Ravi Uppal, Chairman (w.e.f. 26.07.2007)
Biplab Majumder, Managing Director (w.e.f. 26.07.2007)
K. Rajagopal, Whole-time Director (w.e.f. 19.02.2008)
Nasser Munjee
N. S. Raghavan
D. E. Udwadia
A. K. Dasgupta (w.e.f. 26.04.2007)
Bernhard Jucker
Peter Leupp (w.e.f. 26.07.2007)
Veli-Matti Reinikkala (w.e.f. 26.07.2007)
Dinesh Paliwal (upto 25.05.2007)
Tom Eric Sjoekvist (upto 05.07.2007)

Company Secretary

B. Gururaj

Corporate Management Committee

Biplab Majumder
I. K. Sadhu
K. Rajagopal
Ramesh Shankar
Shyam Karmarkar
Pankaj Sachdeva
Madhav M. Digraskar
N. Ravi
Prakash Nayak
Prakash Kanagalekar
S. Karun
Ranjan De

Bankers

ICICI Bank Limited
Canara Bank
The Hongkong & Shanghai Banking Corporation Limited
ABN Amro Bank
HDFC Bank Limited
Deutsche Bank
Industrial Development Bank of India Limited
State Bank of India
Citibank N.A.
Union Bank of India

Auditors

S. R. Batliboi & Co.
Chartered Accountants

Registered Office

2nd Floor, East Wing
Khanija Bhavan
49, Race Course Road
Bangalore - 560 001

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
No. 51/2, T.K.N. Complex
Opp. National College
Basavanagudi
Bangalore - 560 004

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5 Year Highlights

(Rs in Millions)

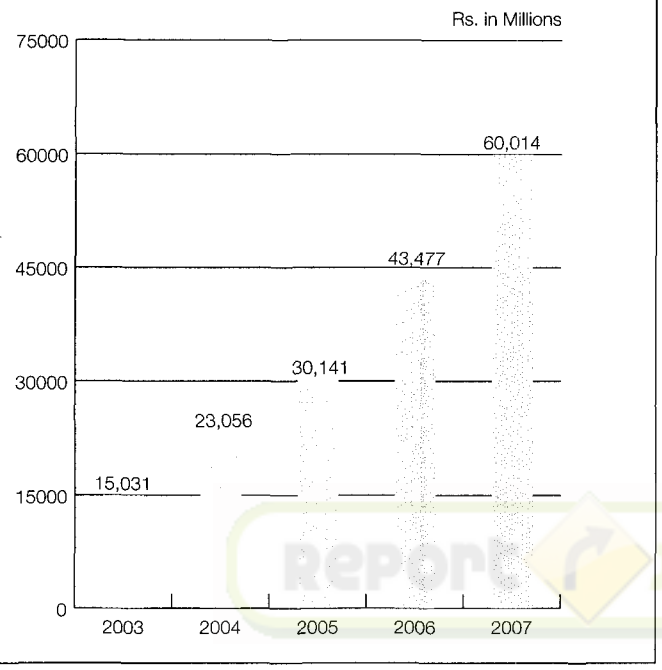
Description	**2007**	2006	2005	2004	2003
Sources of Funds					
Share Capital	**423.8**	423.8	423.8	423.8	423.8
Reserves	**15,694.2**	11,386.5	8,466.7	6,669.4	5,461.6
Net Worth	**16,118.0**	11,810.3	8,890.5	7,093.2	5,885.4
Borrowings	**5.6**	15.5	27.3	14.9	101.0
Funds Employed	**16,123.6**	11,825.8	8,917.8	7,108.1	5,986.4
Income and Profits					
Sales & Other Income	**60,013.6**	43,477.0	30,141.4	23,055.7	15,030.6
Operating Profit Before Interest and Depreciation	**7,632.7**	5,504.0	3,692.6	2,582.3	1,722.8
Profit Before Tax	**7,564.6**	5,232.1	3,394.8	2,365.2	1,528.9
Tax	**2,647.9**	1,829.0	1,208.0	860.0	520.0
Profit After Tax	**4,916.7**	3,403.1	2,186.8	1,505.2	1,008.9
Dividend / Dividend Tax	**558.0**	483.3	389.4	335.4	319.5
Retained Earnings	**4,358.7**	2,919.8	1,797.4	1,169.8	689.4
Other Data					
Gross Fixed Assets	**6,627.1**	5,190.0	4,324.4	3,428.1	3,037.9
Debt Equity Ratio	**0.00:1**	0.01:1	0.01:1	0.01:1	0.02:1
Net Worth Per Equity Share - Rs	**76.1**	55.7	42.0	33.5	27.8
Earnings Per Equity Share - Rs	**23.2**	16.1	10.3	7.1	4.8
Dividend Per Equity Share - Rs	**2.2**	2.0	1.6	1.4	1.2
Profit After Taxes as % to Average Net Worth	**35.2**	32.9	27.4	23.2	18.6

Excludes revaluation of fixed assets, revaluation reserve and exceptional items.

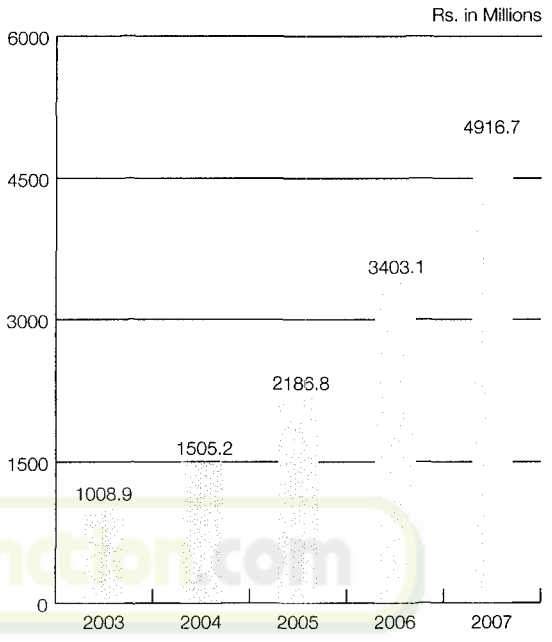
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5 Year Highlights

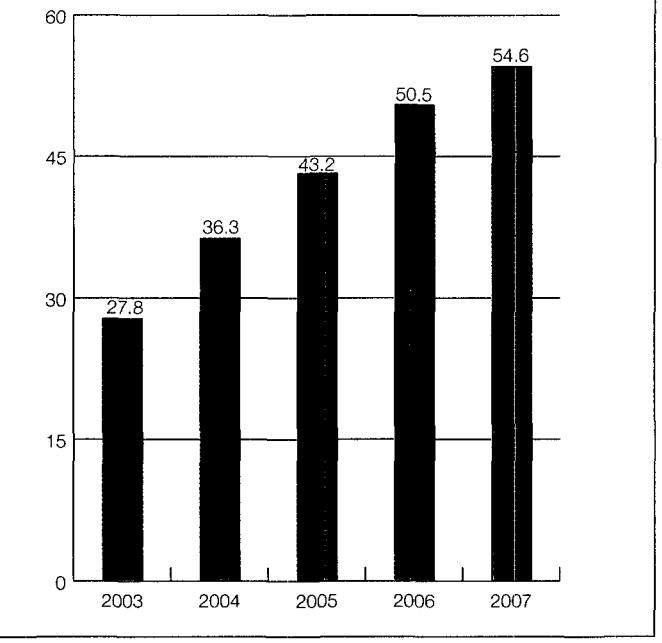
Revenues



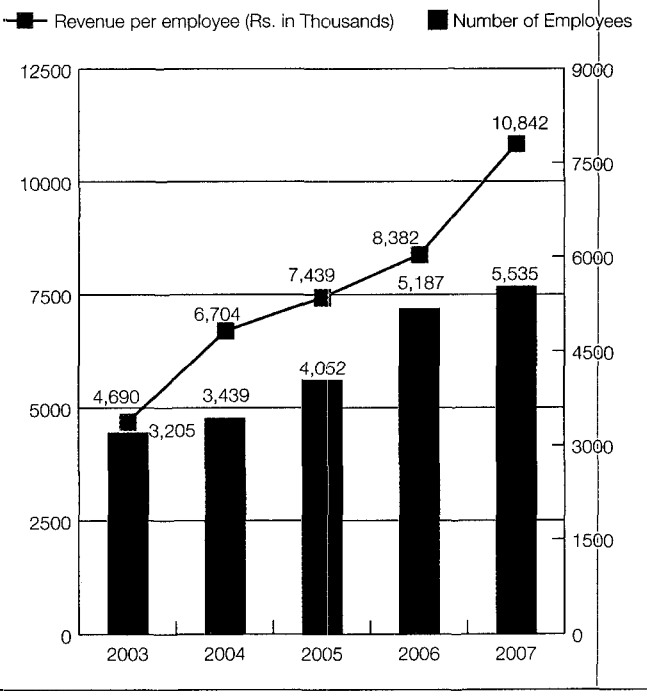
Profit After Tax



Return on Capital Employed (%)



Employees & Productivity



Excludes revaluation of fixed assets, revaluation reserve and exceptional items.

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Corporate Management Committee



Left to right (Front row) - Shyam Karmarkar, Head - Marketing & Sales, Prakash Kanagalekar, Head - Operational Excellence, K Rajagopal, Chief Financial Officer, Biplab Majumder, Country Manager & Head - Automation Products, Prakash Nayak, Head - Global Services, S Karun, Head - Service

Left to right (Behind) - Inder Sadhu, Head - Power Generation, Pankaj Sachdeva, Head - Power Systems, Madhav Digraskar, Head - Power Products, N Ravi, Head - Process Automation, P C Rajiv, Head - Human Resources, Ranjan Kumar De, Head - Account Management

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Welcome to the world of ABB

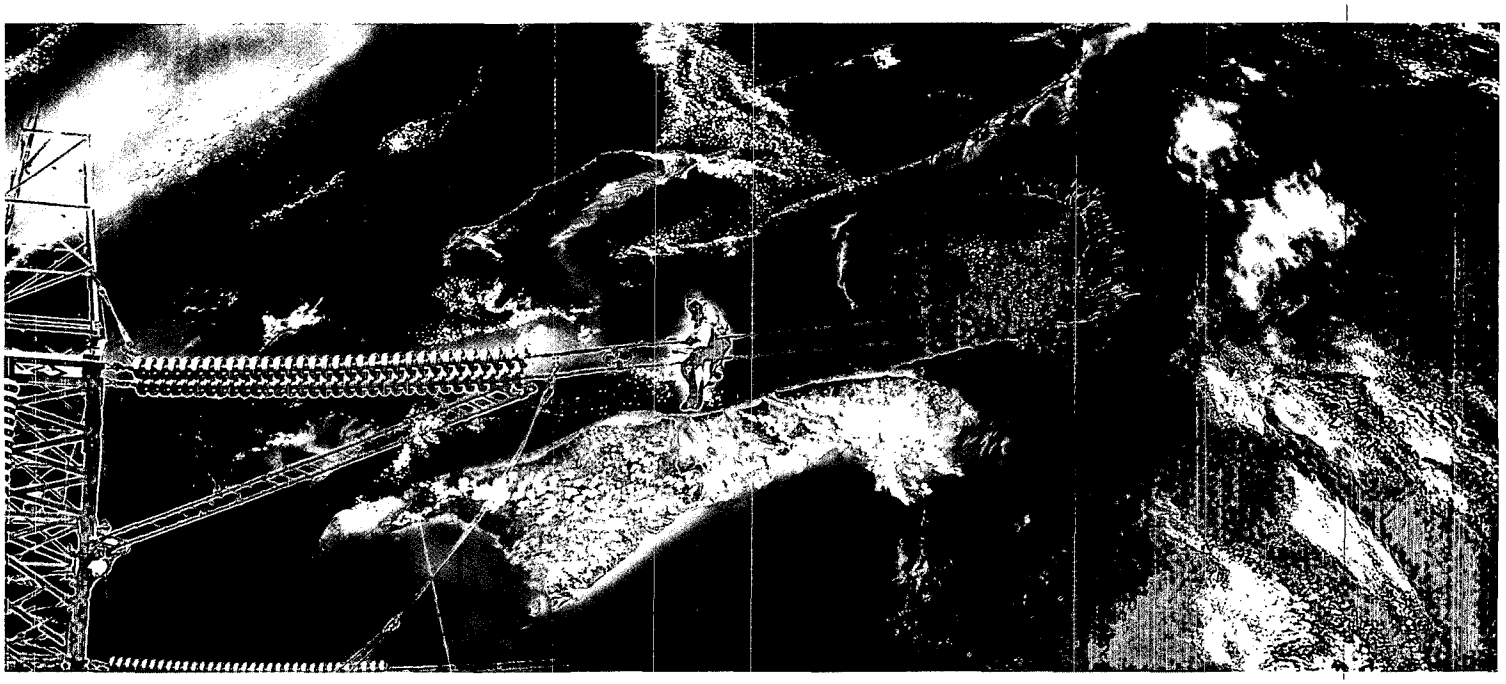


ABB is one of the world's leading power and automation engineering companies. We provide solutions for energy-efficient generation, transmission and distribution of electricity, and for increasing productivity in industrial, commercial and utility operations.

Our portfolio ranges from light switches to robots for painting cars or packing food, and from huge electrical transformers to control systems that manage entire power networks and factories.

We help our customers meet their challenges with minimum environmental impact delivering Power and Productivity for a better world.

Technology & Innovation

ABB's leading position in power and automation technologies results from strengths such as quality, commitment to customers and above all, successful innovation in our R&D activities. Our approach to technology is based on our key aims of enhancing electrical power reliability, industrial productivity and energy efficiency.

We work closely with our customers, suppliers and leading academic institutions around the world to develop technologies that will meet both existing and future challenges.

ABB has eight research centers, 6,000 scientists and 70 university collaborations - all working to develop and improve technologies that will make our customers more competitive. We spent $1.2 billion globally on research and development (including order-related) in 2007, and more than half of our efforts were aimed at improving energy efficiency.

Our strategy for the future is to focus on developing products and services that use energy more effectively and maximize returns on capital investments. We will continue to invest in existing technologies to ensure their reliability for years to come, while developing new technologies to meet future needs for power and automation systems.

ABB and energy efficiency

Did you know that as much as 80 percent of available energy is lost in the process of making and distributing electricity, and in its inefficient consumption? That means just one-fifth of the energy we have becomes the power we need.

As the global leader in power transmission and distribution technology and one of the world's leading automation companies, ABB has found ways to optimize energy use at every step.

From harvesting primary energy resources to transporting, distributing and using electrical power, proven ABB technologies reduce waste by 20 to 30 percent.

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ABB in India

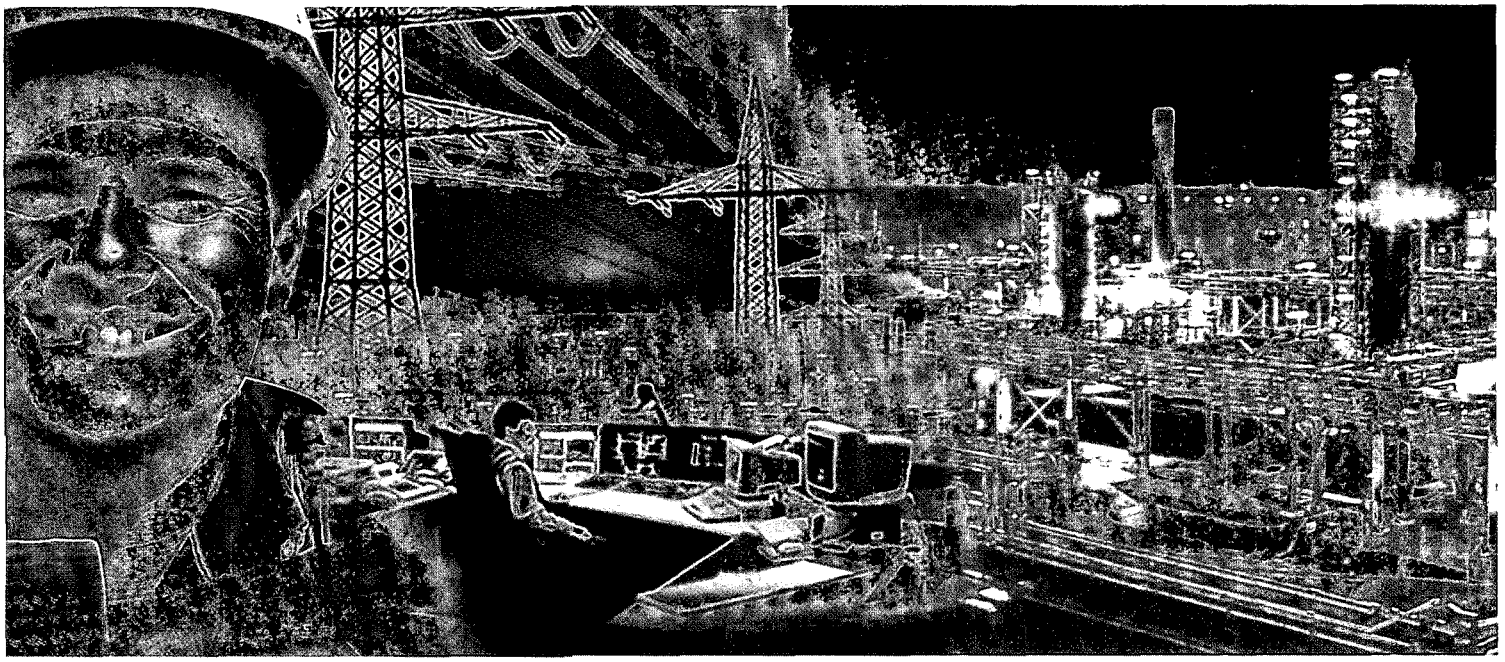


ABB has over 5,500 employees and 14 manufacturing facilities across India. We serve customers through an extensive countrywide presence of around 30 marketing offices, 8 service centers, 3 logistics warehouses and a network of over 775 channel partners. The ABB Group is increasingly leveraging the Indian operations for projects, products, services, engineering and R&D. Also, as part of ABB's new regional approach, India has been designated as the hub for the South Asia region.

ABB India continues to bring value to customers through leading-edge technologies, domain expertise and project execution abilities. The products focus continues in the form of range expansion and market penetration.

To meet growing demand, capacity and range expansion is underway across businesses and locations. Several new products and technologies were introduced in the Indian market during 2007. In addition to enhancing the capacity of existing plants, many new manufacturing units are being set up across the country. This includes a global factory for distribution automation in Vadodara commissioned recently.

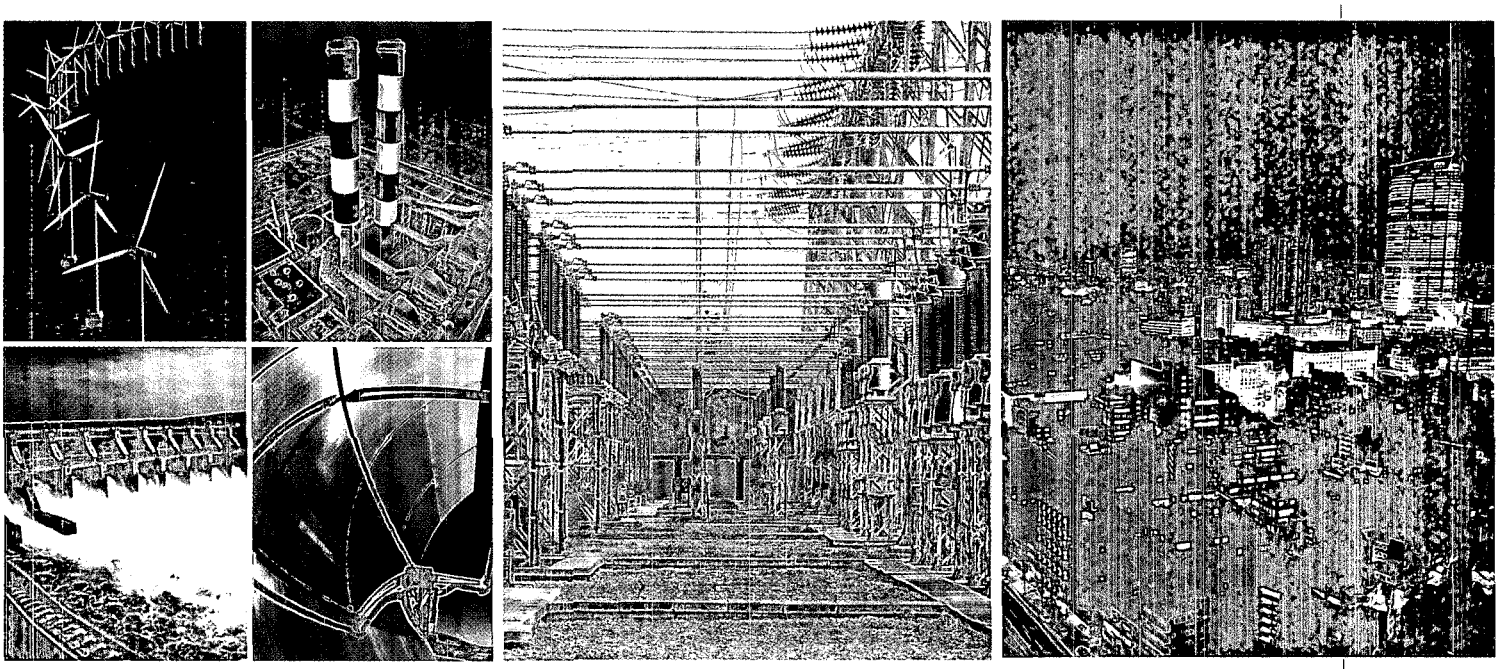
The company's technology strengths, wide offering portfolio and unique ability to package solutions and provide a single window approach to verticals continue to be a key differentiator. While the top-line grows, focus on productivity, operational efficiencies and working capital management continues unabated.

Strong macro economic fundamentals, integration with the world economy, industrial growth and the significant work that still remains to be done with reference to the power sector, continue to offer bright prospects for power and automation technologies. ABB is well positioned to leverage these market opportunities based on its intrinsic technology strengths, market presence, track record, extensive manufacturing base and skill competence.



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Grid Reliability



Power Systems

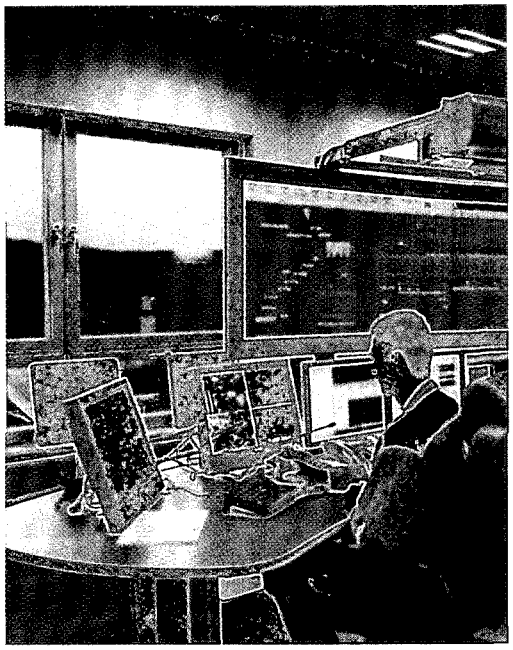
Our Power Systems division is a market leader in the engineering of grid systems, power generation systems, network management solutions and substations. Power Systems deliverables include network management, utility communication, transmission and distribution substations, Flexible Alternating Current Transmission Systems (FACTS), High-Voltage Direct Current (HVDC) systems and automation and electrical solutions for power plants. This division also offers automation, control and protection systems and related services for power transmission and distribution networks, power plants and water pumping stations. Our FACTS and HVDC businesses offer technologically advanced solutions designed to increase transmission capacity and stability in power networks. ABB also delivers end-to-end solutions for urban and rural electrification projects. The Power Systems customer base includes central, state and private power utilities as well as industry clients.

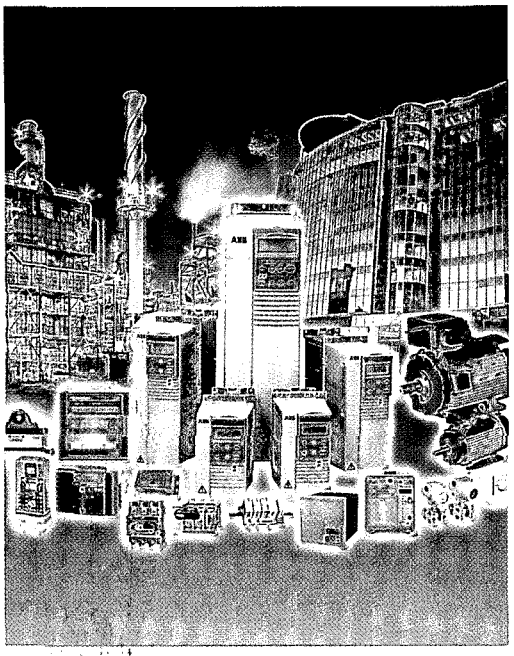
Power Products

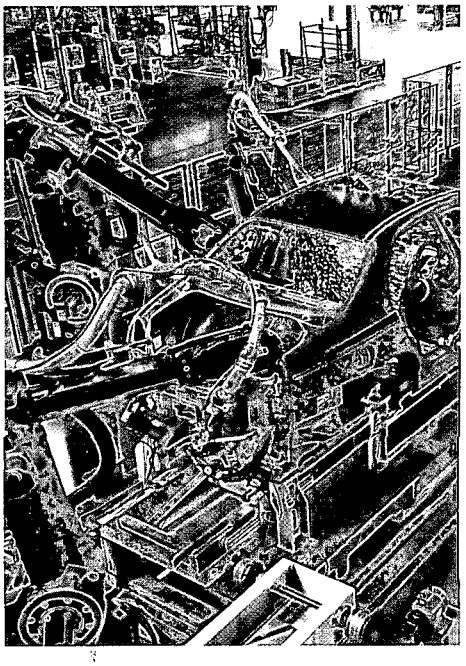
Our Power Products division is a leading supplier of power transmission and distribution products and services, serving electric, gas and water utilities, as well as industrial and commercial customers, with a broad range of products and services across the power value chain. ABB's offering includes a broad range of indoor and outdoor circuit breakers, air and gas insulated switchgear, including hybrid switchgear, instrument transformers, disconnectors, high and low voltage capacitors, reactive power compensators, power and distribution transformers and a range of distribution products including Compact Secondary Substations (CSS) and Ring Main Units (RMUs). ABB also provides a full range of lifecycle services from spare parts and equipment repair to training, migration, remote monitoring and technical support.

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Industrial Productivity







Process Automation

Our Process Automation division's products, systems and services give our customers complete automation and optimization solutions and this includes industry-specific solutions for plant automation and electrification, energy management, process and asset optimization, analytical measurement and telecommunication. Major industries served include oil and gas, metals and minerals, pulp and paper, chemicals and pharmaceuticals. For product life cycle support, we offer field services, spare parts, remote monitoring, training and upgrades. For asset optimization we offer services for engineering, design, consulting, compliance, validation, benchmarking, plant performance improvement, safety and hazardous operation analysis and reliability analysis. Using our full service program we also offer plant-wide, performance-based maintenance contracts, which provide customers an opportunity to outsource their plant maintenance. The Process Automation division also delivers specialized solutions for turbo charging, as well as propulsion and electrification systems for the marine industry. In addition, the division delivers stand-alone control system products sold through distributors, system integrators and OEMs.

Automation Products

The Automation Products division offers a wide range of products and services including low-voltage switchgear, breakers, switches, control products, DIN-rail components, enclosures, line protection devices, wiring accessories, instrumentation, drives, motors, generators and power electronics systems. All these products help customers to improve productivity, save energy and ensure safety. The majority of these products are used for industrial applications, but also in buildings, utilities and rail transportation. Channel partners such as distributors, wholesalers, machine builders, system integrators and electrical panel builders form an important customer segment with direct OEM sales comprising the rest.

Robotics

Our Robotics division offers robots, services and modular manufacturing solutions for use in assembly, finishing and machine tending. Key markets include the automotive and manufacturing industries, in addition to applications in foundry, packaging and material handling. The division develops standardized manufacturing cells for machine tending, welding, cutting, painting and finishing and provides packaged systems to automobile manufacturers for press automation, paint process automation, body-in-white systems (automation systems for adding components to automobile bodies) and power train assembly.

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