Michel Demaré

Chief Executive Officer

2007 full-year and fourth-quarter results

Zurich, 14 February 2008

Safe-harbor statement

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, the amount of revenues we are able to generate from order backlogs and orders received, raw materials prices, market acceptance of new products and services, changes in governmental regulations and costs associated with compliance activities, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in ABB’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. 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.

Agenda

- Summary of 2007 full-year and Q4 results
- Financial overview
- 2008 and beyond
- Q&A

"A great year for ABB"

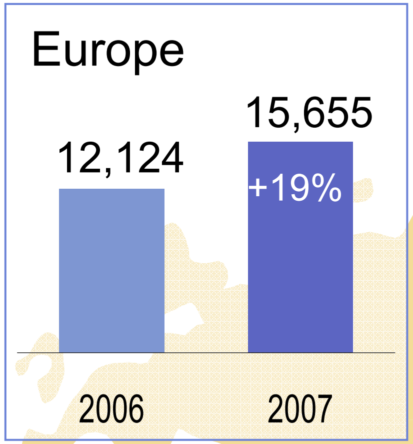
- 2007 was another record year for ABB
  - Continued strong organic order and revenue growth
  - Record EBIT and EBIT margin driven by growth and execution
  - Net income at an all-time high – normalized net income, excluding ABB Lummus gain and tax benefit, up 98% for the full year, 77% for Q4
  - Strong cash flow generation and CHF 1-billion bond conversion leading to strengthened balance sheet
  - Further credit rating upgrades
- ABB follows sound strategy
  - Strategic divestments now almost complete
  - Updated strategy and mid-term targets released in September
  - Prudent acquisition approach
- Board recommends an annual dividend of CHF 0.48 per share in the form of a nominal value reduction, and approves a CHF 2.2-billion share buyback program

Outlook for 2008 remains favorable

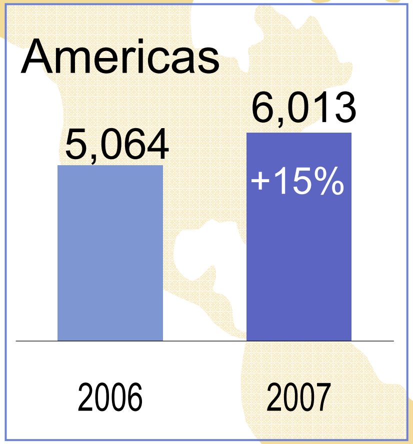
- Demand drivers intact in most areas
  - Long-term investment outlook still positive in every region for power-related businesses and for raw material-related process industries like oil & gas and metals & minerals
  - The need for improved energy efficiency expected to continue even in a downturn
  - Slowdown in the US may have an impact but consequences for the rest of the world remain open
  - Expected 2008 growth rates for ABB businesses still at attractive levels
    (power ≈ 15-20%, automation ≈ 10%), barring an extended recession
- ABB's improved execution provides a buffer against many of the risks
  - Strong order backlog provides good visibility for some divisions
  - Low-cost sourcing and footprint measures have enhanced ABB's competitiveness, increased flexibility and reduced risks
  - Many of the benefits from internal process improvements (e.g., SOX, One Simple ABB) are still to come

Strong growth across most regions in 2007

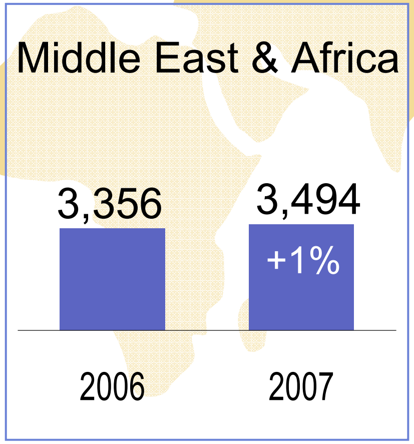
Orders by region 2006 vs 2007
(% change in local currencies)



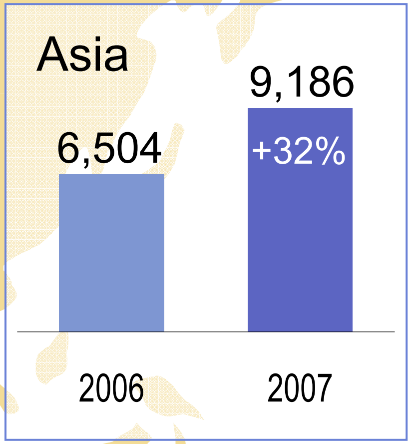
Higher across all divisions, esp. power



All divisions up double-digits, except fewer large orders in Power Systems



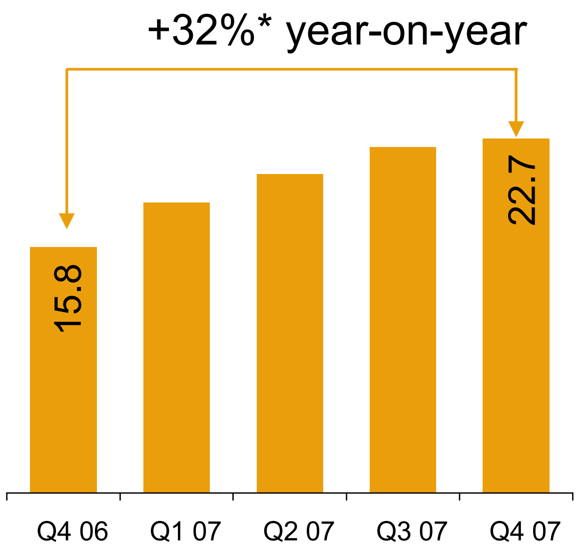
More than 20% growth in product divisions, stable or lower systems orders



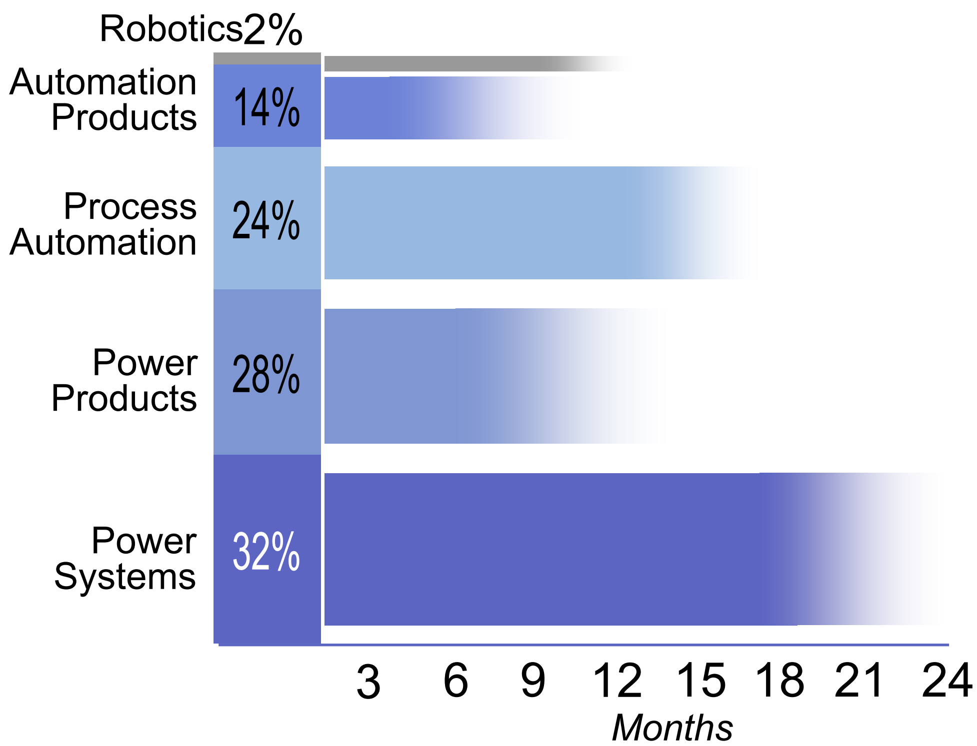
Strong growth across the board

Strong order backlog provides visibility into 2008

Order backlog by quarter
US$ millions



Visibility in the order backlog by division
(months)

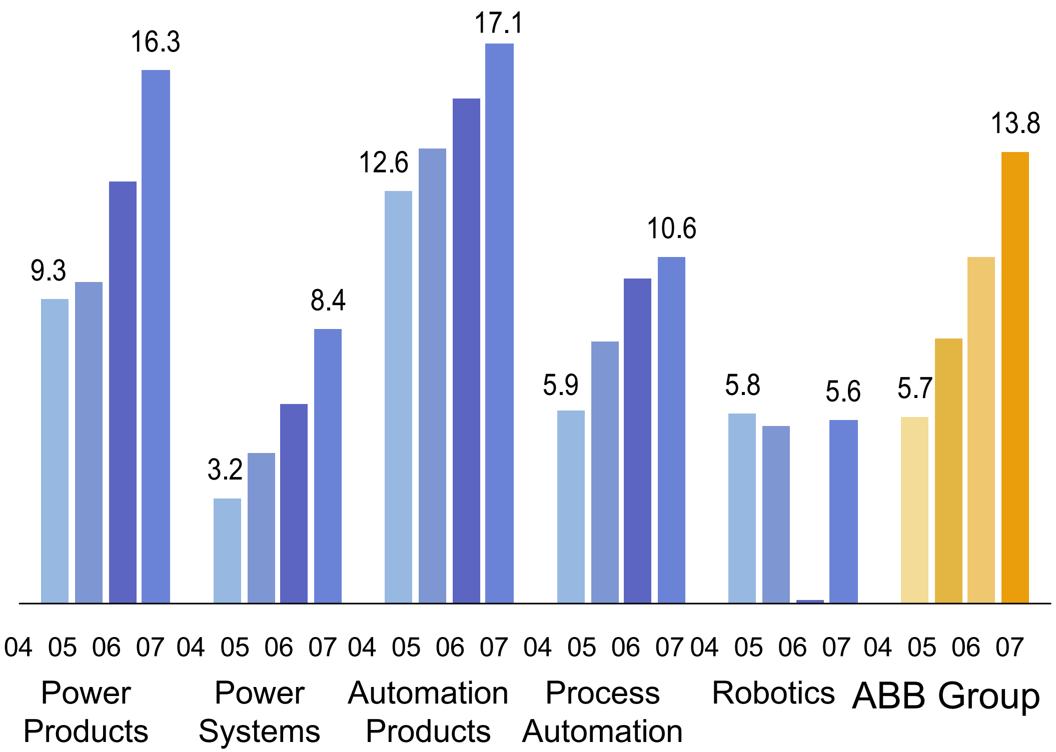


- High 2007 growth in both base (+15%) and large orders (+47%)*
- Revenue stream from large orders extends into 2009 and beyond (esp. utilities, metals & mineral, oil & gas and marine)

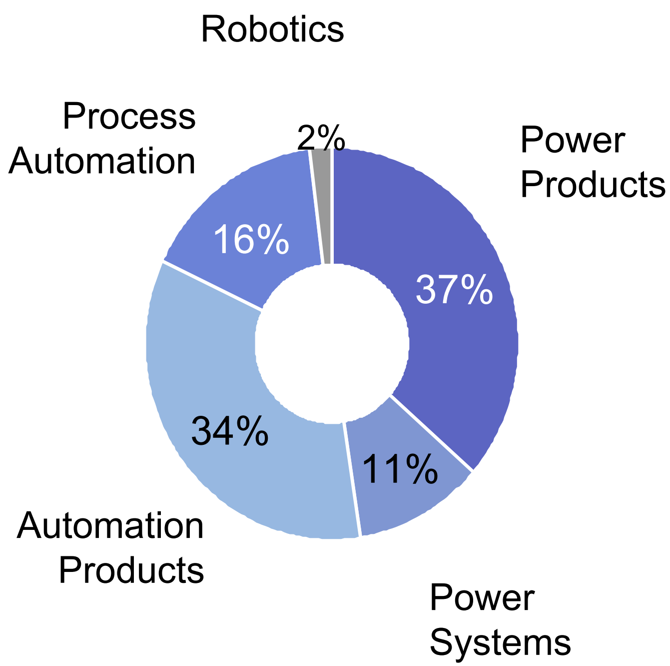
* Local currency change vs previous year's period

Steady margin expansion

EBIT margin by division 2004-2007, in %



EBIT by division 2007, in %



Power Products

Volumes and margins reach new highs

$ millions unless otherwise stated	Fourth quarter 2007	2006	Change Nominal	Change Local	Full year 2007	2006	Change Nominal	Change Local
Orders	2,751	2,005	37%	26%	11,320	8,572	32%	25%
Order backlog (end Dec.)	*6,932*	*4,845*	*43%*	*32%*				
Revenues	2,910	2,247	30%	20%	9,777	7,275	34%	27%
EBIT	466	285	64%		1,596	939	70%	
as % of revenues	*16.0%*	*12.7%*			*16.3%*	*12.9%*		
Cash flow from operations	635	386	65%		1,279	736	74%	

- Fourth quarter
  - Orders and revenues up in all businesses, led by Transformers – base orders up 26%[1]
  - EBIT and margin up on higher revenues and operational improvements
  - Q4 Transformer consolidation costs = $19 million vs $14 million last Q4
- Full year
  - Demand for infrastructure improvements lifted orders and revenues in all businesses and regions
  - EBIT margin up on better capacity utilization and ongoing measures to expand capacity in more cost-competitive emerging markets
  - FY Transformer consolidation costs = $34 million, $195 million since 2005

[1] local currency change

Strong orders, backlog and record margins

$ millions unless otherwise stated	Fourth quarter 2007	Fourth quarter 2006	Change Nominal	Change Local	Full year 2007	Full year 2006	Change Nominal	Change Local
Orders	1,902	1,989	-4%	-12%	7,744	5,733	35%	26%
Order backlog (end Dec.)	8,209	5,627	46%	34%				
Revenues	1,977	1,429	38%	27%	5,832	4,544	28%	20%
EBIT	179	93	92%		489	279	75%	
as % of revenues	9.1%	6.5%			8.4%	6.1%		
Cash flow from operations	245	185	32%		409	293	40%	

- Fourth quarter
  - Orders lower versus very high levels of large orders in Q4 06
  - Revenue growth from increased project execution of the order backlog
  - EBIT and EBIT margin up on higher revenues, improved project execution, greater capacity utilization, and expanded engineering capacity in emerging markets
- Full year
  - Growth driven by grid interconnections and upgrades in Europe (incl. offshore oil & gas and wind power developments) and new infrastructure in Asia and the Middle East
  - Base orders up 18% with growth across all businesses

Automation Products

A steady improvement across the board

$ millions unless otherwise stated	Fourth quarter 2007	2006	Change Nominal	Change Local	Full year 2007	2006	Change Nominal	Change Local
Orders	2,360	1,948	*21%*	*10%*	9,314	7,706	*21%*	*13%*
Order backlog (end Dec.)	*3,490*	*2,439*	*43%*	*31%*				
Revenues	2,396	1,923	*25%*	*14%*	8,644	6,837	*26%*	*18%*
EBIT	410	300	*37%*		1,477	1,053	*40%*	
as % of revenues	*17.1%*	*15.6%*			*17.1%*	*15.4%*		
Cash flow from operations	451	274	*65%*		1,256	916	*37%*	

- Fourth quarter
  - Customers continued to invest in efficiency improvements in the face of high raw material and energy costs, leading to double-digit order growth
  - Revenues increased mainly on higher volumes, while EBIT and EBIT margin were driven by revenues, factory loadings and cost migration
- Full year
  - Industrial demand at high levels, construction sector with lower growth rates
  - Factory loading and cost migration drove EBIT margin improvements

Process Automation

Further progress on good market and better execution

$ millions unless otherwise stated	Fourth quarter 2007	2006	Change Nominal	Change Local	Full year 2007	2006	Change Nominal	Change Local
Orders	2,343	1,381	*70%*	*54%*	7,935	6,550	*21%*	*13%*
Order backlog (end Dec.)	5,951	*3991*	*49%*	*36%*				
Revenues	1,939	1,591	*22%*	*11%*	6,420	5,448	*18%*	*10%*
EBIT	220	164	*34%*		683	541	*26%*	
as % of revenues	*11.3%*	*10.3%*			*10.6%*	*9.9%*		
Cash flow from operations	456	171	*167%*		766	524	*46%*	

- Fourth quarter
  - Orders up in all regions and most sectors, led by oil & gas, minerals and marine
  - Revenues continue to rise on execution of the order backlog and higher product sales
  - Revenues, improved project management and engineering capacity in emerging economies drove EBIT and EBIT margin
- Full year
  - High raw material and energy costs drove customer investments in new capacity and improved productivity
  - Project management remains key to better profitability

Robotics

Back to profitability and set for growth

$ millions unless otherwise stated	Fourth quarter				Full year			
	2007	2006	Change Nominal	Change Local	2007	2006	Change Nominal	Change Local
Orders	348	351	*-1%*	*-9%*	1,488	1,240	*20%*	*13%*
Order backlog (end Dec.)	529	*441*	*20%*	*12%*				
Revenues	419	342	*23%*	*13%*	1,407	1,288	*9%*	*3%*
EBIT	25	(12)	*n/a*		79	1	*n/a*	
as % of revenues	*6.0%*	*-3.5%*			*5.6%*	*0.1%*		
Cash flow from operations	27	47	*-43%*		120	30	*300%*	

- Fourth quarter
  - Orders decreased as higher demand from general industry was offset by continued weakness in automotive sector, especially in the U.S.
  - Revenues showing impact of stronger order backlog
  - EBIT and EBIT margin benefit from better project execution and more cost-competitive product lines
- Full year
  - Orders reflect benefit from refocused sales and marketing
  - Revenue growth weighted more to second half of the year

Progress against 2011 targets – ABB Group

	2007 actual	2007-11 target
Revenue growth (CAGR)	18%[1]	8-11%[2]
EBIT margin *(EBIT as % of revenues)*	13.8%	11-16%
Normalized EPS growth[3]	88%	15-20%
Normalized ROCE[3, 4]	30%	> 30% in 2011
Normalized free cash flow as % of net income[3]	88%	Avg. 100%

[1] Growth rate vs 2006 in local currencies; [2] CAGR 2007-11 at constant exch. rates, excl. major acquisitions & divestitures; [3] Excl. tax effects and ABB Lummus gain; [4] Return on capital employed (after tax);

As reported	
EPS growth	155%
ROCE[4]	35%
FCF as % of net income	65%

Progress against 2011 targets - Divisions

	2007 revenue growth[1]	Revenue growth target 2007-11[2]	2007 EBIT margin	EBIT margin target 2007-11
Power Products	27%	10%	16.3%	12-17%
Power Systems	20%	11%	8.4%	6-10%
Automation Products	18%	8%	17.1%	14-19%
Process Automation	10%	8%	10.6%	9-14%
Robotics	3%	6%	5.6%	5-10%

[1] Growth rate 2007 vs 2006 in local currencies, 2 CAGR 2007-2011 at constant exchange rates and excl. major acquisitions and divestitures

ABB

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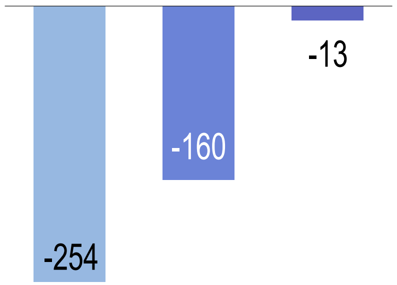
Full year 2007 - Below the EBIT line

US$ in millions

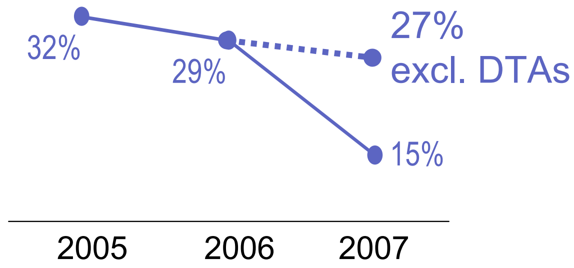
Net finance expense

Strong cash, lower debt



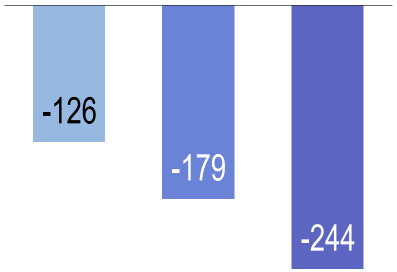
Tax rate *(in percent)*

$475 million DTAs



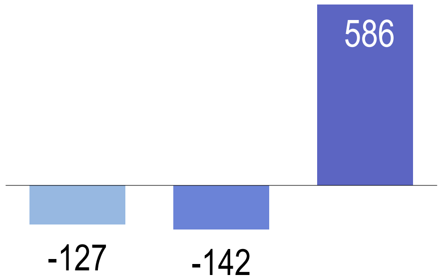
Minority interest

JVs in China, India listing



Discontinued operations

ABB Lummus sale



2005 2006 2007

Net income
(as reported):

Up 170% to $3,757 million

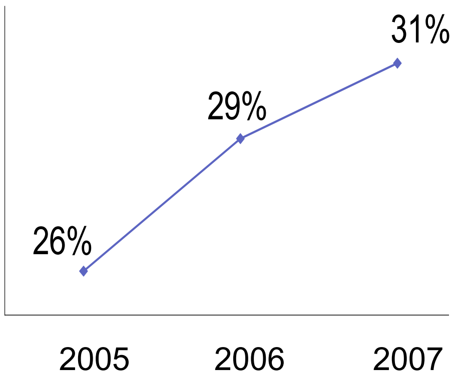
Normalized net income[1]

Up 98% to $2,752 million

[1] Excl. $530-million gain on ABB Lummus sale and $475 tax impact from DTAs

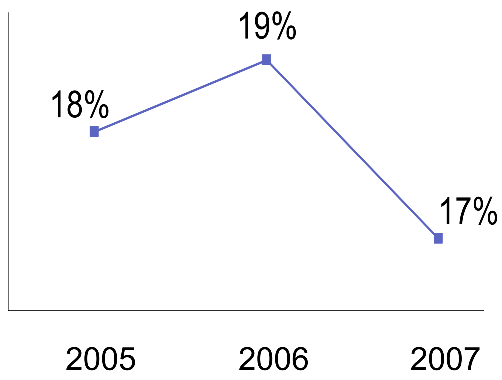
Focus on operational excellence

Gross margin
(as % of revenues)



- Better project execution
- Supply management
- Pricing discipline
- Global footprint

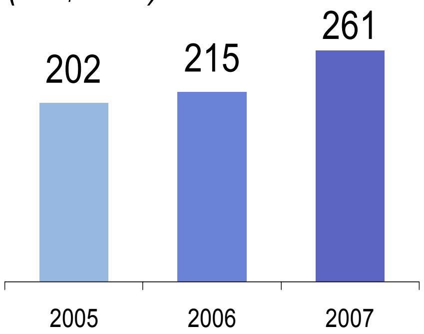
SG&A
(as % of revenues)



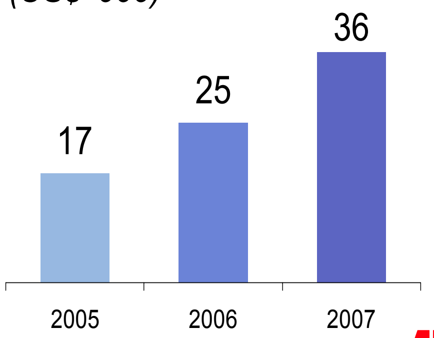
- Strict G&A control
- One Simple ABB
- Optimized sales organization
- Footprint

Productivity measures

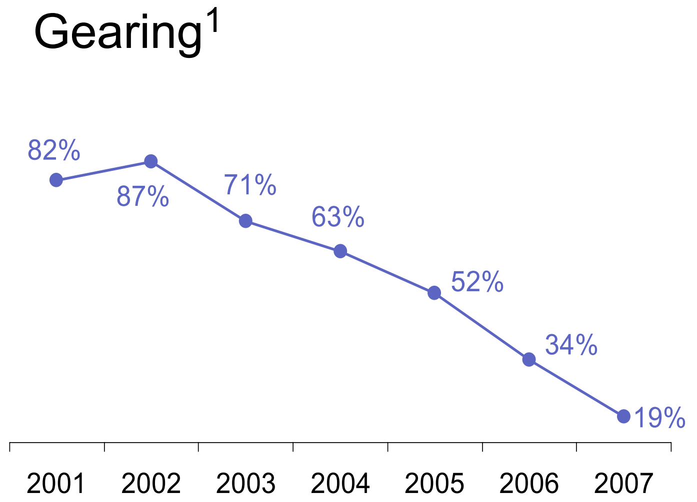
Revenues per employee
(US$ '000)

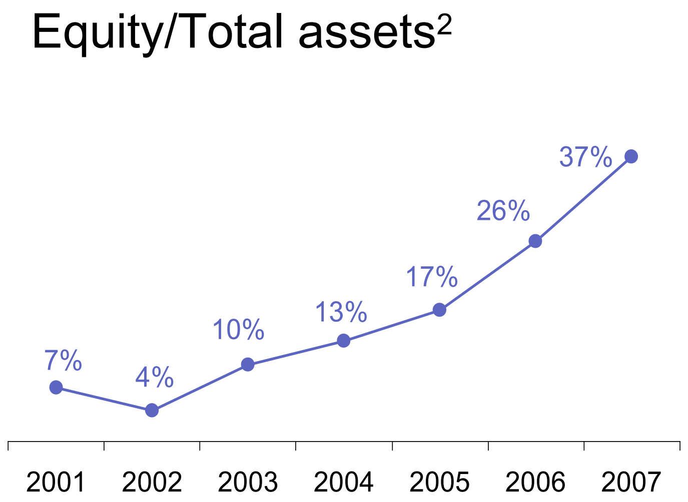


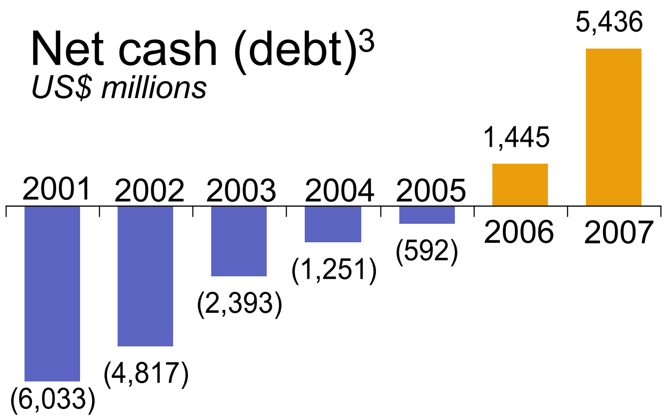
EBIT per employee
(US$ '000)



Balance sheet development 2001 to 2007







[1] Total debt divided by the sum of total debt plus stockholders' equity, incl. minority interest; [2] incl. Minority interest; [3] Cash and equivalents and marketable securities & short-term investments, less total debt

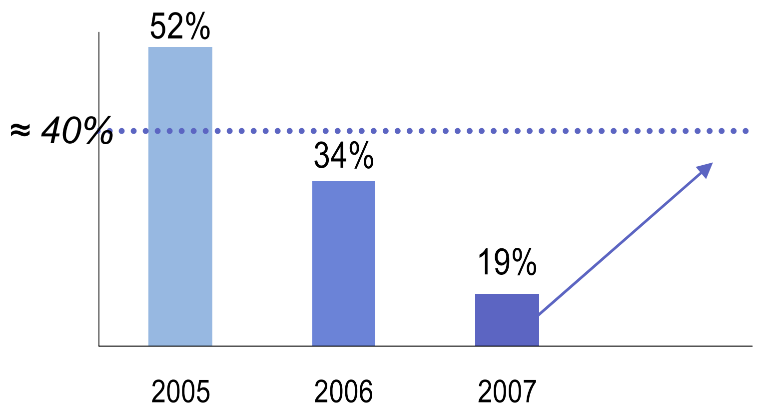
Note: Off balance sheet obligations in 2007 totaled ca. $1.8 bn

Balance sheet management – Priorities 1

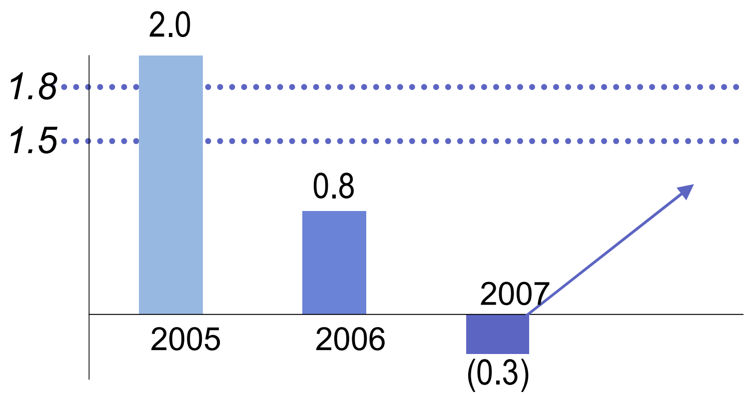
We intend to reach an efficient capital structure by focusing on the following priorities

1. Accelerating organic investments
2. Executing value-creating acquisitions
3. Returning cash to shareholders

Gearing[1]



Net debt / EBITDA[2]



[1] Total debt divided by the sum of total debt plus stockholders' equity, incl. minority interest;
[2] Net debt adjusted for operating leases, pension obligations, warranties, restricted cash, financial guarantees and securitization (for 2005 and 2006, as published by S&P, for 2007, ABB's estimate using the S&P 2006 method applied to 2007 results)

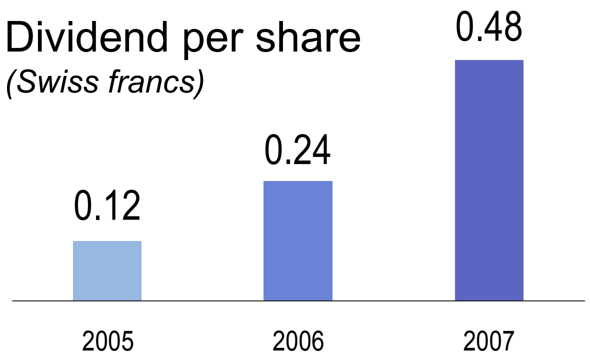
Balance sheet management – Priorities 2

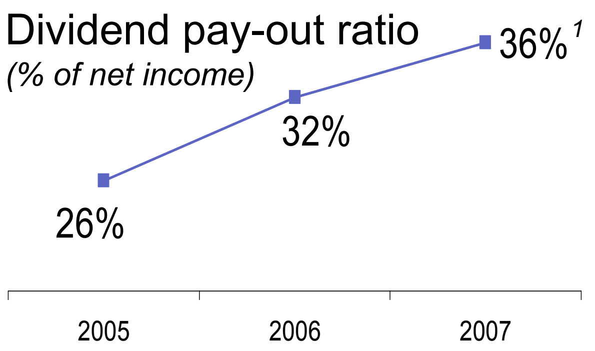
1. *Accelerating organic investments*
   - Capex will increase again in 2008 in excess of $1.1 billion (+ 40%)
   - R&D will be boosted by another 15%

2. *Executing value-creating acquisitions*
   - We are ready – strong cash position, ample leverage potential
   - The current economic environment is a challenge but demonstrates it was right to be cautious
   - M&A opportunities for industrial players will come

Balance sheet management – Returning cash

3. *a) Returning cash to shareholders - dividend*
   - Our policy is *to distribute a steadily rising, sustainable annual dividend*
   - Doubling 2007 dividend to CHF 0.48 per share, to be paid via a nominal value reduction
   - Represents a payout ratio of 36%[1] of normalized net income[2]





3. *b) Returning cash to shareholders – Share buyback program*
   - ABB Board has approved a CHF 2.2-billion ($2-billion) share buyback program
   - Using the SWX Swiss Exchange second-line trading model
   - Intention is to cancel shares prior to the 2010 annual general meeting

[1] Based on year-end 2007 exchange rates and a normalized net income excl. the tax effect and the gain on the sale of ABB Lummus Global

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Good long-term prospects

Fundamental market trends

- Rapidly growing emerging economies
- Need for further T&D investments in mature economies
- Combating climate change and improving energy efficiency are becoming key global issues
- Sustained drive for higher productivity through industrial automation

Opportunities for years to come

ABB's strategic position

- Top global supplier of key products and services
- Leading positions in emerging and mature economies
- Continued massive investments in technology
- Accelerating global footprint
- Attractive employer
- Execution-focused organization

Footprint measures to increase flexibility continue

In 2007, emerging economies accounted for

- 43% of total employees and 72% of new employees hired
- Ca. 37% of total capital expenditures
- 33% of direct material sourcing

ABB orders received in mature vs emerging economies 2006 vs 2007
(share of total orders)

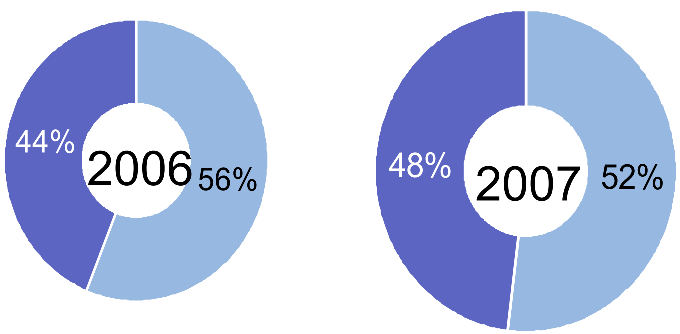
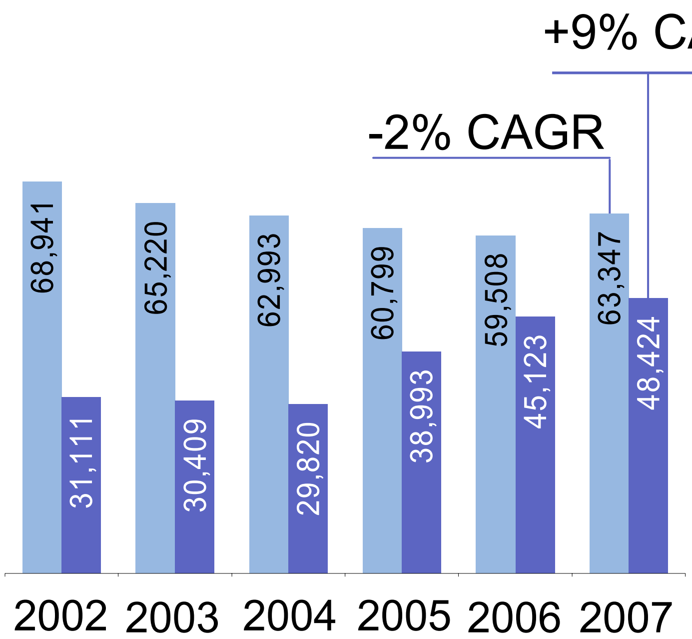


ABB employment in mature vs emerging economies 2002-2007
(No. of employees)



Mature economies[1] Emerging economies

[1] OECD excl. Czech Rep., Hungary, South Korea, Mexico, Poland, Slovak Rep., and Turkey

Acquisition guidelines as presented in the fall of 2005

Re-establish investment grade rating

Focus on execution and margin improvement

Assumptions

- Net income >BUSD 1

Assumptions

- Steady-state operations with sound profit, cash flow
- Healthy balance sheet

2005 | 2006 | 2007 | 2008 | 2009

Acquisitions

< MUSD 100:	likely
MUSD 100-300:	possible
MUSD 300-700:	only if "very convincing"
>MUSD 700:	unlikely

Any size considered within ABB's strategic criteria and financing capability

Possible portfolio expansion into new, but related areas

Current status regarding acquisitions

- Several concrete larger acquisitions were pursued in 2007
  - Some cancelled for specific reasons
  - Some shelved in fall 2007 due to rapidly increasing market uncertainties
- Situation at the beginning of 2008
  - Interest in acquisitions is still alive
  - Markets may offer good opportunities
  - Cash and financing are available
  - Economic uncertainties may impact timing of larger deals

ABB is in a great position to take advantage of the opportunities

The market outlook for ABB in 2008

⊕

- Push for greater energy efficiency in both power and industrial sectors
- Replacement, refurbishment and interconnections in power T&D in mature markets
- Further build-up of new power infrastructure in emerging economies
- Oil and commodity prices to remain high = significant further industry investments
- Need for better industrial productivity and efficiency for greater competitiveness, even in a downturn

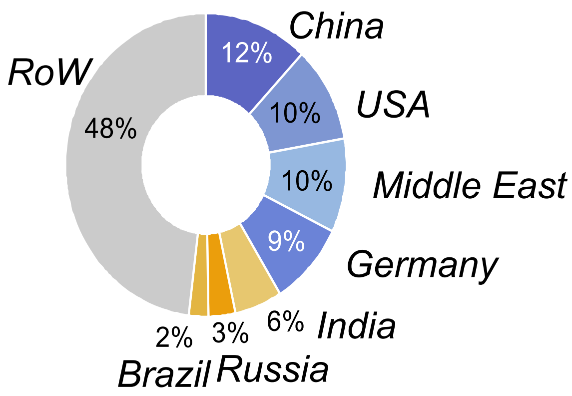
⊖

- The scale of the economic slowdown in the U.S. remains unclear (already in recession?)
- The degree of de-coupling between the US and the rest of the world still open
- Capacity constraints in raw materials and people may slow down customer investments
- Uncertainty on the “credit crunch” could spark reduced or delayed investments
- Growth in construction-related sectors at low levels

Internal strengths support the business through the cycle

- Opening order backlog provides good visibility for 2008 revenue and margin development
- There is still a large untapped potential for cost savings through low-cost sourcing and other footprint measures
- Positive impact from One Simple ABB still to come
  - ABB enjoys some “structural” advantages
    - Well-balanced geographic scope with market strength in both OECD and emerging economies
    - Investments in ABB’s energy efficiency offerings partly independent from economic cycle
    - Footprint measures have helped reduce currency exposures and risks
    - Less than 20% of total revenues generated from early-cycle industries

Share of 2007 ABB orders received by selected countries/regions



What we expect in 2008

1. Different markets will behave differently
   - Power activities should remain very buoyant around the globe
   - Automation markets will still be attractive in emerging economies
   - Certain geographies (e.g., the U.S.) and activities (e.g., housing-related) will see a further dampening
2. Competitors benefit from high order backlog well into 2008 but some effect on the pricing environment may materialize in the 2nd half of 2008 – depending on the general economy
3. Organic growth rates (orders and revenues) are expected to be around 15-20% in the power divisions and close to 10% in automation, barring an extended recession.

Summary

- 2007 was another record year for ABB
  - Robust markets, continued operational improvements took revenues and profitability to new highs
  - Net income more than doubled, even after adjusting for the positive impacts of the Q4 tax rate and the gain on the sale of ABB Lummus Global
  - Cash generation and capital efficiency continued to improve
  - ABB received another ratings increase in 2007 on the basis of higher margins and lower debt
  - Board has proposed a 100% increase in the dividend
  - Strong balance sheet allows ABB to return additional CHF 2.2 billion in cash via a share buyback while maintaining flexibility for potential strategic actions
- The opportunities and challenges ahead
  - Execute the order backlog on time and at the right quality
  - Use better business execution to secure further performance improvements regardless of macro-economic developments – be prepared for changing economy
  - Pursue strategic acquisitions at the right value
  - Continuous drive for leading compliance standards

Power and productivity
for a better world™

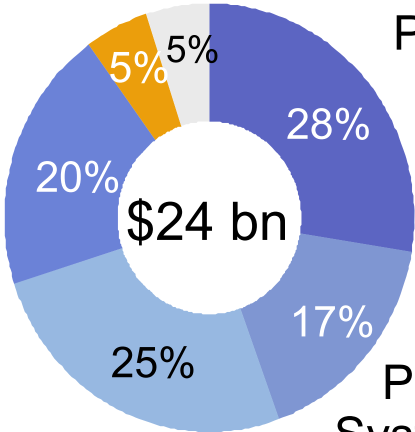
ABB: A focused power and automation company

*Share of total ABB 2006 revenues in %**

Robots, robotic systems and services

Automation solutions for process industries

Low-voltage products and systems, drives, motors, power electronics, etc.



High- and medium-voltage switchgear, breakers, transformers

HVDC, HVDC Light, FACTS, power plant & network automation, substations

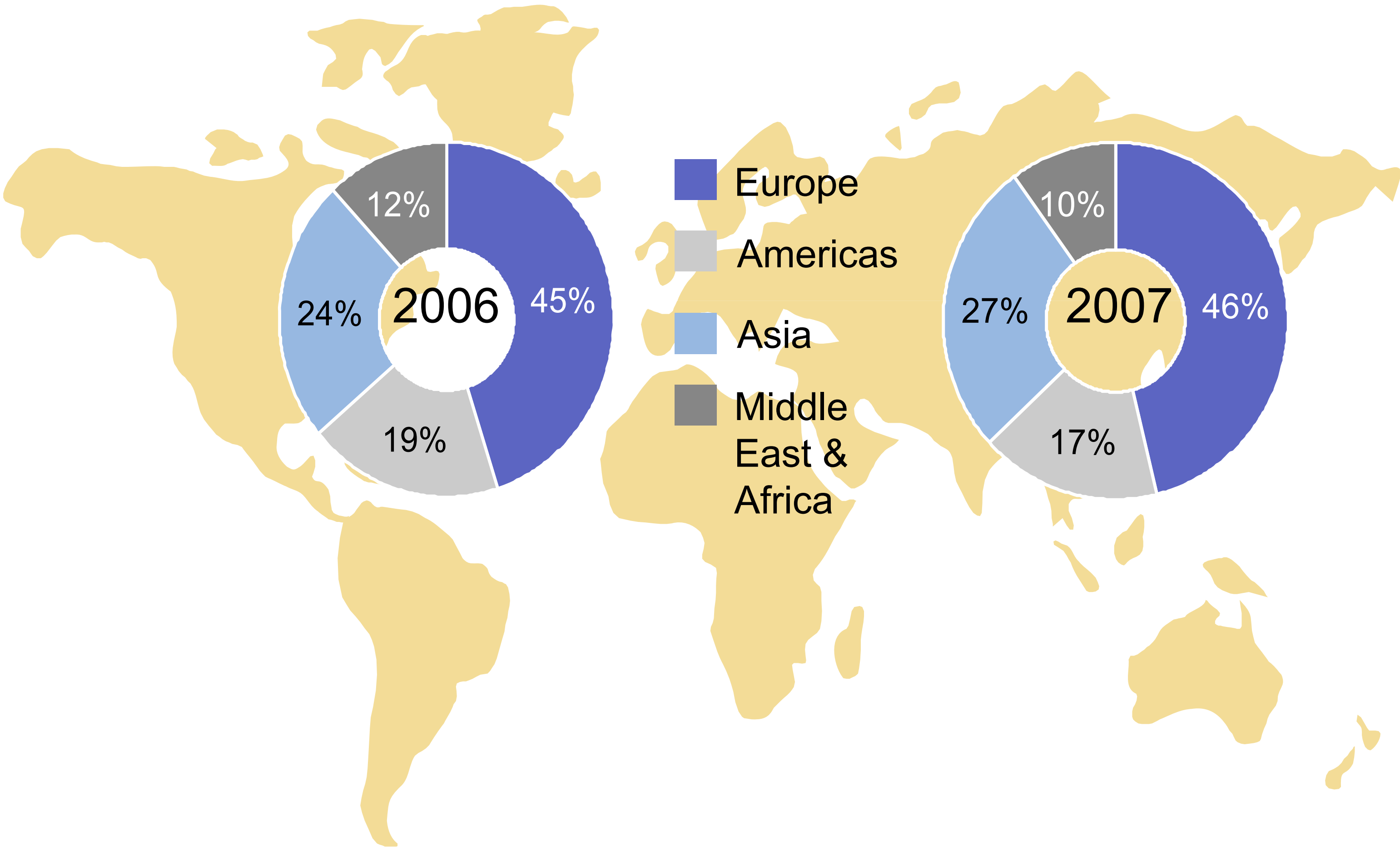
Headquartered in Zurich, Switzerland
112,000 employees in ca. 100 countries
Listed on Swiss, Stockholm & New York exchanges; traded on virt-x

ABB

* Including internal sales

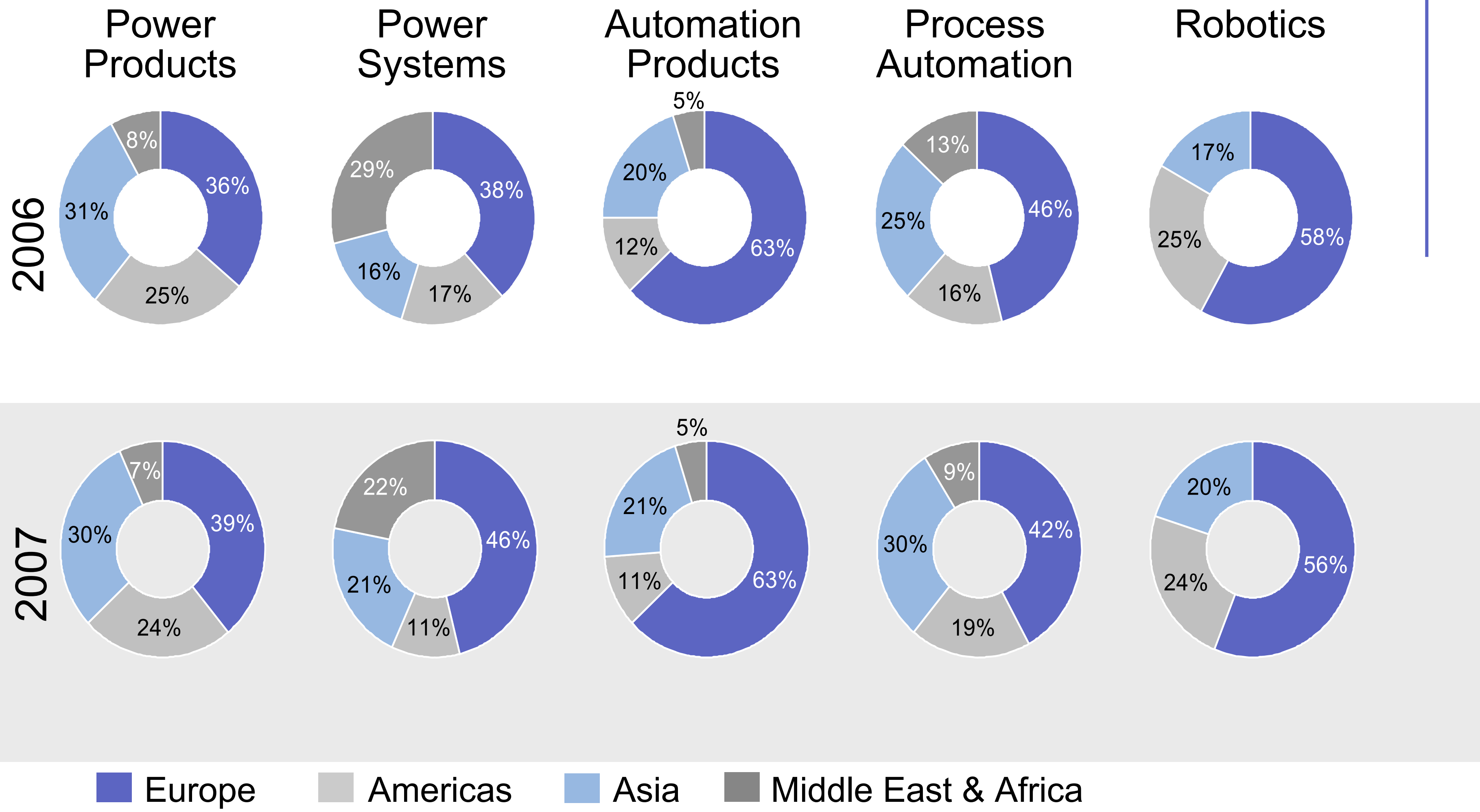
Geographic scope of orders received

Orders received by region, 2006 vs 2007
(percent of total ABB orders received)

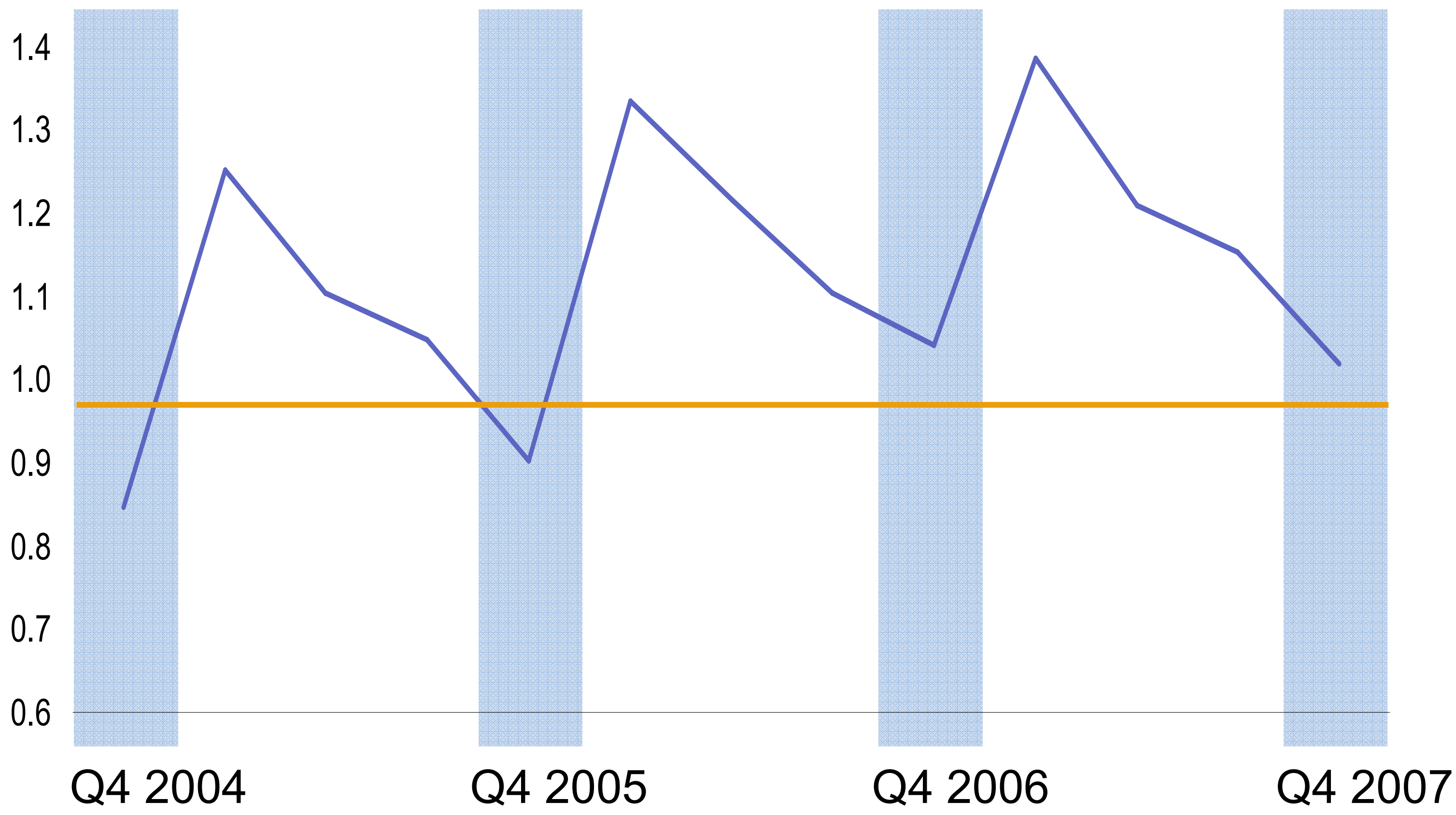


Orders by region 2007 vs 2006

Percentage of total orders by region (nominal)



Seasonal trend in book-to-bill ratio[1]



Q4 decline reflects seasonal revenue growth patterns rather than market trends

[1] Book-to-bill ratio is calculated as orders divided by revenues

Below the EBIT line

($ million)	Fourth quarter 2007	Fourth quarter 2006[1]	Full year 2007	Full year 2006[1]
Finance net	28	(24)	(13)	(160)
Provision for taxes	113	(182)	(595)	(686)
Minority interest	(87)	(60)	(244)	(179)
Income from continuing operations	1,199	497	3,171	1,532
Loss from discontinued operations	554	(75)	586	(142)
Net income	1,753	422	3,757	1,390

[1] Adjusted to reflect the reclassification of activities to discontinued operations

- Positive Q4 finance net on strong cash position and lower debt
- 2007 one-time tax rate of 15% vs 29% in 2006 due to DTAs[1], mainly in the U.S.
- Minority interest continues to grow, reflecting strong earnings from JVs and non-wholly-owned subsidiaries in emerging markets
- Gain in discontinued operations reflects impact of ABB Lummus sale

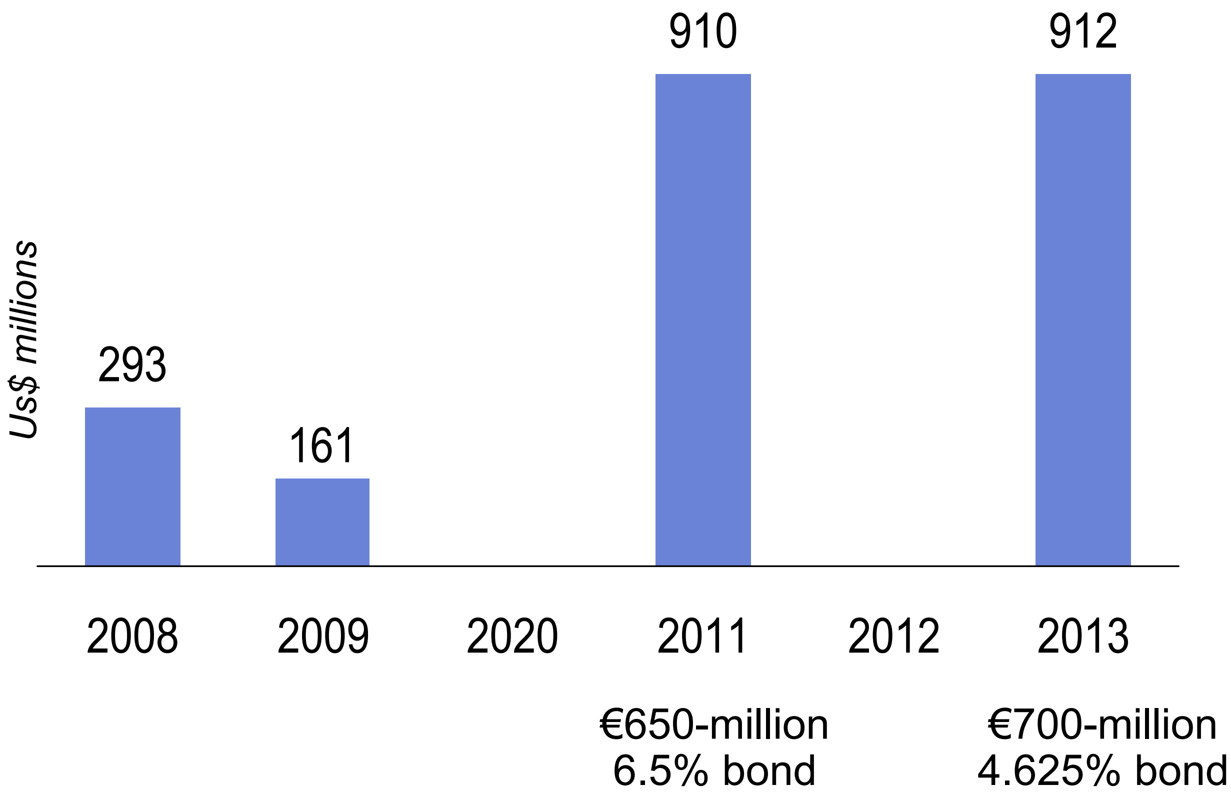
[1] Deferred tax assets

Financial strategy for 2008

- Secure financial flexibility to fund ABB’s organic and external growth ambitions
- Focus on capital efficiency
- Pay out a steadily rising, sustainable dividend
- Maintain ABB's solid investment grade rating
- Optimize and manage pension exposures
- Actively identify and manage enterprise risks
- Minimize financial costs
- Drive home One Simple ABB to deliver expected benefits by end of 2009
- Embed Sarbanes-Oxley in our daily business processes, effectively and efficiently

Maturity profile of debt securities

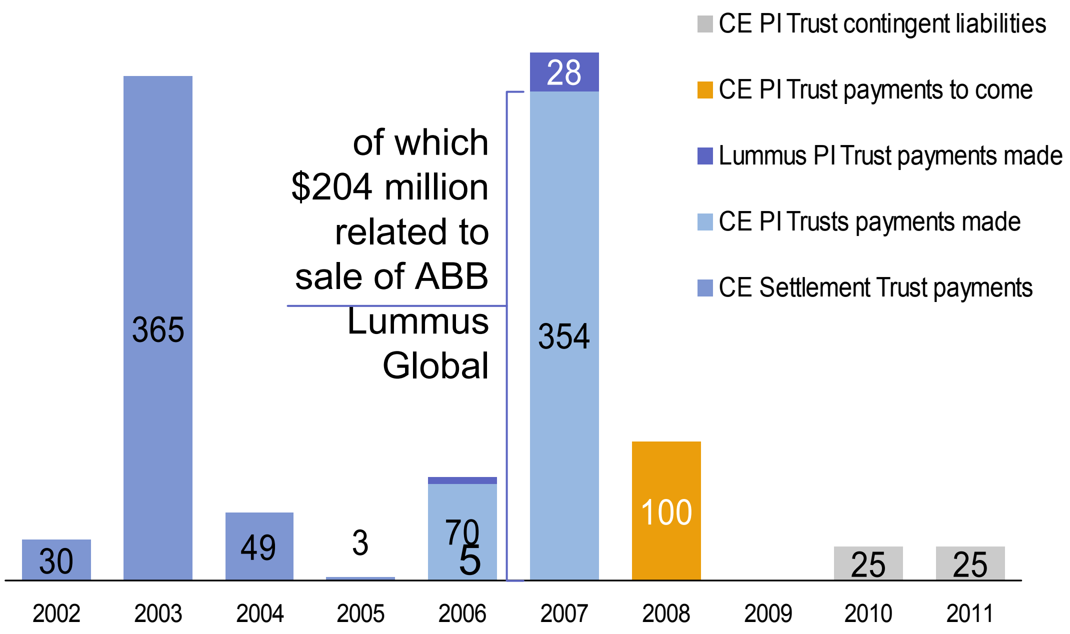
Total debt securities of ca. $2.3 billion as of December 31, 2007



Note: All figures based on December 31, 2007 FX rates

Asbestos trusts cash payments

US$ million



Total paid as of end Q4 2007: $904 million (of which $33 mill. to Lummus PI Trust)

Still due: $100 million

+ $50 million contingent payments

Summary of ABB targets 2007-2011

Revenue growth *(CAGR)* [1]	8-11%
EBIT margin	11-16% corridor
EPS[2] growth *(CAGR)*	15-20%
Cash conversion[3]	Annual avg. 100%
Return on capital employed[4]	> 30% in 2011

	Revenue growth[1]	EBIT margin
Power Products	10%	12-17%
Power Systems	11%	6-10%
Automation Products	8%	14-19%
Process Automation	8%	9-14%
Robotics	6%	5-10%

[1] Compound annual growth rate 2007-11 (i.e., base year = 2006), excl. major acquisitions and divestments and at constant exchange rates
[2] Earnings per share, undiluted
[3] Free cash flow as % net income
[4] After tax

Divestiture history since 2003

- 2003 Reinsurance ✓
- 2003-06 Building systems ✓
- 2004 ABB Vetco Grey ✓
- 2006-07 Power Lines ✓
- 2006-07 Equity Ventures ✓
- 2007 ABB Lummus Global ✓

- $425 million
- > $230 million
- $925 million

- Three remaining
- $950 million

Reconciliation of financial measures for fiscal year 2007

EBIT margin	
Earnings before interest and taxes (EBIT)	4,023
Revenues	29,183
EBIT margin (EBIT as % of revenues)	**13.8%**

Finance net	
Interest and dividend income	273
Interest and other finance expense	(286)
Finance net	**(13)**

Normalized net income	
Net income	3,757
Impact from recognition of deferred tax assets	(475)
Gain on the sale of ABB Lummus Global	(530)
Normalized net income	**2,752**

Normalized basic net income per share	
Normalized net income	**2,752**
Weighted average number of shares outstanding (in millions)	**2,258**
Normalized basic net income per share	**1.22**

Free cash flow (FCF) and as a share of net income (cash conversion)	
Net cash provided by operating activities	3,054
Changes in financing receivables	56
Purchases of property, plant and equipment	(756)
Proceeds from sales of property, plant and equipment	75
Free cash flow	**2,429**
Net income	3,757
Free cash flow as a share of net income	**65%**

Free cash flow as a share of normalized net income	
Free cash flow	2,429
Normalized net income	2,752
Free cash flow as a share of normalized net income	**88%**

Net cash	
Short-term debt and current maturities of long-term debt	(536)
Long-term debt	(2,138)
Total debt	**(2,674)**
Cash and equivalents	4,650
Marketable securities and short-term investments	3,460
Cash and marketable securities	**8,110**
Net cash	**5,436**

Gearing	
Total debt	2,674
Total stockholders' equity	10,957
Minority interest	592
Gearing	**19%**

Return on capital employed (after tax)	
= EBIT x (1-tax rate) / Capital employed	
EBIT	**4,023**
Provision for taxes	595
Income from continuing operations before taxes and minority interest	4,010
Tax rate	**15%**

Capital employed	
= fixed assets + net working capital	
Property, plant and equipment, net	3,246
Goodwill	2,421
Other intangible assets, net	270
Investments in equity method companies	63
Fixed assets	**6,000**
Receivables, net	8,582
Inventories, net	4,863
Prepaid expenses	307
Accounts payable, trade	(4,167)
Billings in excess of sales	(829)
Accounts payable, other	(1,289)
Advances from customers	(2,045)
Accrued expenses	(1,737)
Net working capital	**3,685**
Capital employed	**9,685**
ROCE (after tax)	**35%**

Normalized tax rate	
Provision for taxes	595
DTA impact	475
Income from continuing operations before taxes and minority interest	4,010
Normalized tax rate	**27%**
Normalized ROCE (after tax) = EBIT x (1-normalized tax rate) / Capital employed	**30%**

Target definitions

Revenue growth CAGR	Compound annual growth rate of revenues for the five years from 2007 to 2011 (i.e., starting point = 2006), excluding major acquisitions and divestitures and assuming constant exchange rates
EBIT margin corridor	The minimum and maximum earnings before interest and taxes as a percentage of revenues expected for each year within the period 2007 to 2011
EPS growth	Compound annual growth rate of earnings per share (undiluted) from 2007 to 2011 (i.e., starting point = 2006)
Cash conversion	Free cash flow (cash flow from operating activities adjusted for changes in financing receivables as well as net investments in property, plant and equipment) as a percentage of net income
Return on capital employed	EBIT (less tax), divided by the sum of fixed assets plus net working capital (at year end) EBIT (less tax) = EBIT x (1 – tax rate) Tax rate = Provision for taxes / Income from continuing operations before taxes and minority interest