



Ulrich Spiesshofer, CEO; Eric Elzvik, CFO, ABB Ltd, February 5<sup>th</sup>, 2015

# Strong foundation, solid momentum

## Full-year and Q4 2014

# Important notices

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 global economic conditions, and 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,” “outlook” or similar expressions.

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- business risks associated with the with the volatile global economic environment and political conditions
- costs associated with compliance activities
- raw materials availability and prices
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and,
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This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental Financial Information” under “Financial results & presentations” – “Quarterly results & annual reports” on our website at [www.abb.com/investorrelations](http://www.abb.com/investorrelations)

# Agenda

## Financial results

- Full-year 2014
- Q4

## Next Level implementation

## Outlook

## Q&A

# Agenda

## Financial results

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Next Level implementation

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Q&A

# 2014 – strong foundation, solid momentum

## Robust order growth, PS<sup>1</sup> break-even, increased dividend

### Delivering along our three focus areas

#### Profitable growth

+10% orders growth<sup>2</sup>, up in all regions and divisions  
Base orders +5%<sup>2</sup>, large orders +50%<sup>2</sup>, book-to-bill 1.04x  
Improved customer satisfaction, NPS<sup>3</sup> index at 44, up by 9 points  
Strategic partnerships to expand market presence

#### Relentless execution

Power Systems full-year break-even<sup>4</sup>  
\$1.1 bn cost savings  
Successful portfolio pruning  
Free cash flow +9%, conversion rate at 110%  
Performance-based compensation model finalized

#### Business-led collaboration

Market-focused organization implemented

- Undiluted global business line responsibilities established
- Customer-oriented, leaner regional organization

Top 1'000 positions filled

**Dividend increase and share buyback show confidence in Next Level strategy**

# Full-year 2014 results

## Strengthening the order backlog for 2015 and beyond

	FY 14	FY 13	Change
\$ mn unless otherwise indicated			
Orders	41'515	38'896	+10% <sup>1</sup>
Order backlog (end December)	24'900	26'046	+5% <sup>2</sup>
Revenues	39'830	41'848	-2% <sup>1</sup>
Operational EBITDA	5'400	6'075	-11%
Op. EBITDA as % of operational revenues	13.5%	14.5%	
Operational EBITA	4'475	5'147	-13%
Op. EBITA as % of operational revenues	11.2%	12.3%	
Net income	2'594	2'787	-7%
Basic earnings per share (\$)	1.13	1.21	
Cash flow from op. activities	3'845	3'653	+5%
Free cash flow	2'857	2'632	+9%
as % of net income	110%	94%	
Dividend per share (CHF)	0.72	0.70	
CROI %	12.7%	11.6%	

# Focused growth initiatives result in 10% order increase

## All divisions and regions grew

### 2014 total orders

Change on a like-for-like basis

\$ mn	Orders	△
Discrete Automation and Motion	10'559	+8%
Low Voltage Products	7'550	+3%
Process Automation	8'577	+13%
Power Products	10'764	+5%
Power Systems	6'871	+20%
Corp. and consolidation	(2'806)	
<b>ABB Group</b>	<b>41'515</b>	<b>+10%</b>

#### Americas

Automation +6%  
Power +14%

**Total +9%**

#### Europe

Automation +5%  
Power +20%

**Total +10%**

#### Asia

Automation +13%  
Power +7%

**Total +11%**

#### MEA<sup>1</sup>

Automation +15%  
Power +5%

**Total +9%**

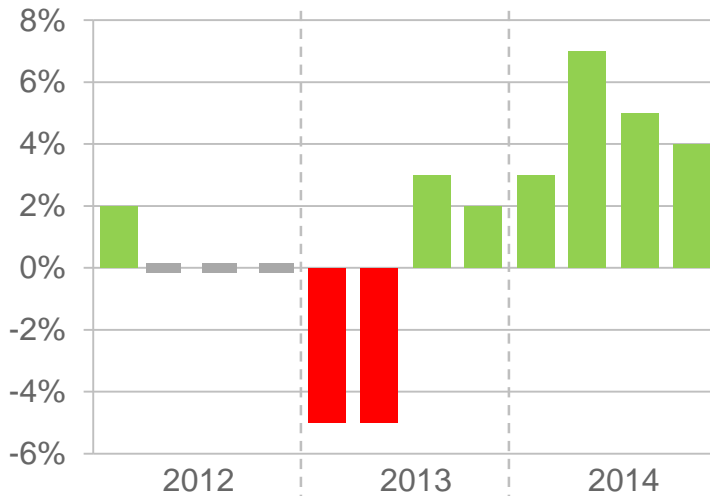
**PIE showing results**

# Strong foundation for 2015

## 6 quarters of base order growth, regained large orders momentum

### Quarterly base orders

Like-for-like change vs year-earlier period



Growth large orders

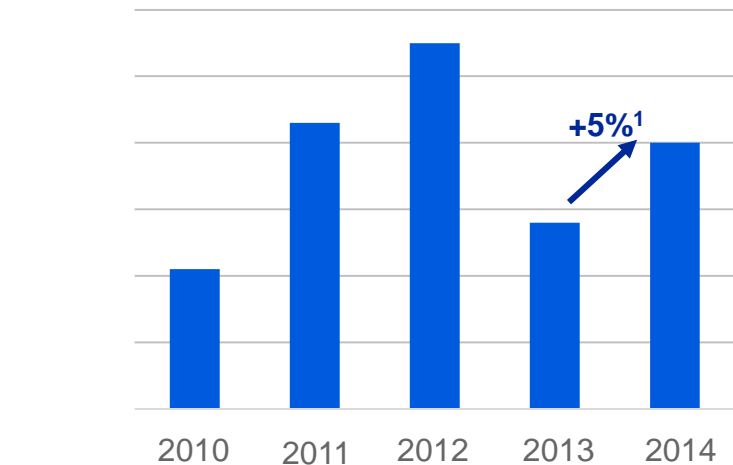
-7%

-31%

+50%

**Solid growth momentum**

### Order backlog strengthened



Book-to-bill

1.03x

1.06x

1.02x

0.93x

1.04x

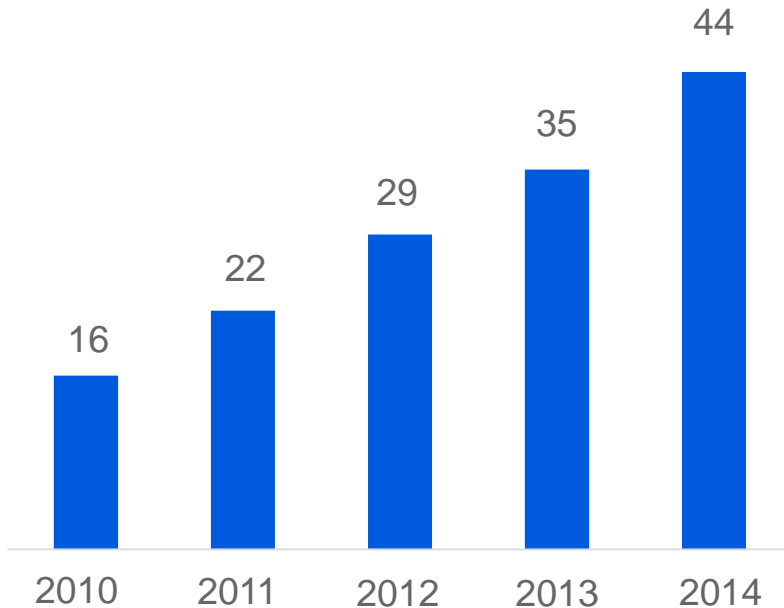
+5%<sup>1</sup>

**Positive book-to-bill**



# Customer satisfaction increasing

## Net Promoter Score development



## Improved coverage and results

**9 point increase** of customer satisfaction

**> 30,000** customer feedbacks

**+14% increase** of number of responses





### Improvement highlights

- **On time delivery**
- **Technical support**
- **Project management and engineering**

**NPS is a key parameter of performance management and compensation**

# Full-year performance by division

## Key figures

<i>\$ mn unless otherwise stated</i>	<b>Orders</b>	 Like-for-like	<b>Revenues</b>	 Like-for-like	<b>Operational EBITDA%</b>		<b>Cash flow from operations</b>	
Discrete Automation and Motion	10'559	+8%	10'142	+2%	17.4%	-0.6 pts	1'564	+74
Low Voltage Products	7'550	+3%	7'532	+3%	18.9%	-0.1 pts	997	-154
Process Automation	8'577	+13%	7'948	-1%	12.9%	0 pts	945	+184
Power Products	10'764	+5%	10'333	-4%	14.7%	-0.1 pts	1'091	-175
Power Systems	6'871	+20%	7'020	-13%	0.1%	-4.9 pts	(138)	+69
Corp. and consolidation	(2'806)		(3'145)				(614)	+194
<b>ABB Group</b>	<b>41'515</b>	<b>+10%</b>	<b>39'830</b>	<b>-2%</b>	<b>13.5%</b>	<b>-1.0 pts</b>	<b>3'845</b>	<b>+192</b>

# Divisional highlights

## Next Level in action across business portfolio

	DM	LP	PA	PP	PS
Profitable growth	<p>YuMi® robot market introduction</p> <p>Double digit service growth</p>	<p>Penetration of US channels through T&amp;B</p> <p>Philips partnership for building automation</p>	<p>Record orders in marine</p> <p>Energy harvesting sensor</p>	<p>Strong growth in industry sector and service</p>	<p>Key HVDC wins in Canada and UK</p> <p>Return to positive base order growth</p>
Relentless execution	<p>Improved net working capital</p>	<p>New regional distribution centers</p>	<p>Full Service portfolio pruning</p>	<p>Margin resilience through operational excellence and cost savings</p>	<p>“Step change” on track</p> <p>Break-even achieved for full-year</p>
Business-led collaboration	<p>Cross-business industry initiatives for F&amp;B<sup>1</sup>, marine</p>	<p>Market-oriented front-end alignment</p>	<p>Cross-divisional sub-sea program</p>	<p>Cross-divisional collaboration resulting in record rail orders</p>	<p>Micro-grids: collaboration across ABB portfolio and geographies</p>

# PS: “step change” on track, full-year break-even

## Delivered on commitment and ambition

### What we said

Aim for full-year profitability

Strengthen leadership team

Complete off-shore wind projects

Exit solar EPC, commit to 90% completion

New partnerships

Grow base business

De-risk business model, improved risk mgmt.

### What we did

Full-year break-even achieved after H1 losses

Changes on four leadership layers

Strong progress, 2 out of 3 energized

Backlog successfully executed, target achieved

HVDC partnership with Hitachi for Japan

+ 4% base orders growth

New business model, “step change” on track

**Solid “step change” progress, stronger team, better grip**

# 6<sup>th</sup> consecutive year of > \$1 bn cost savings

## Contributing to margin resilience and continued momentum

### Strong foundation

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Steady cost savings of > \$1 bn p.a. since 2009

Consistently in target range of 3-5% of COS<sup>1</sup>

No major layoffs or business interruption

Strong focus on SCM<sup>2</sup> and operational excellence

Proven tools and processes

> 15,000 people trained

### Continued momentum

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Confirm ambition of 3-5% of COS for 2015

Priorities for SCM (examples)

- Supplier quality performance
- Productivity through business excellence centers
- Early SCM integration in R&D, tendering

Expanded scope on white collar productivity





- Investments in training, systems, tools
- Shared services

Lean and six sigma everywhere including sales, engineering, and administration

**Committed to savings target**

# Portfolio pruning

## 2014 divestments in line with continuous portfolio optimization

<i>Entity divested</i>	T&B HVAC	Power-One power solutions	T&B steel structures	Full-service
				
<b>Closed</b>	May 2014	Jun. 2014	Aug. 2014	Dec. 2014
<b>Estimated annual 2014 revenues</b>	~\$160 mn	~\$250 mn	~\$325 mn <sup>1</sup>	~\$300 mn
<b>Approx. proceeds</b>	\$260 mn	\$120 mn	\$600 mn	Not disclosed

**Divestments generated more than \$1 bn in pre-tax proceeds**

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# Q4 2014 key takeaways

## Higher base orders in all regions despite volatile market

### Delivering along our three focus areas

#### Profitable growth

6<sup>th</sup> consecutive quarter of base order growth, steady<sup>1</sup> total orders  
Base orders up in all regions, steady to higher in all divisions  
Lower large orders reflect timing of awards  
Hitachi partnership to expand power presence in Japan

#### Relentless execution

Commitment to PS profitability delivered  
Op. EBITDA margin steady to higher in DM, LP, PA; PP solid industry leading position  
Continued cost savings, future cost down locked in  
More balanced cash flow generation across the quarters

#### Business-led collaboration

Next Level organizational changes smoothly implemented, communications completed  
Top 1,000 leadership positions filled  
Performance management tools globally developed



# Q4 2014

## Key figures

	Q4 14	Q4 13	Change
\$ mn unless otherwise indicated			
Orders	9'365	10'003	+1% <sup>1</sup>
Order backlog (end Dec.)	24'900	26'046	+5% <sup>2</sup>
Revenues	10'346	11'373	-1% <sup>1</sup>
Operational EBITDA	1'380	1'418	-3%
as % of operational revenues	13.3%	12.5%	
Net income	680	525	+30%
Basic earnings per share (\$)	0.30	0.23	
Cash from operating activities	1'833	2'092	-12%

# Continued base orders growth

## Regional order pattern reflects timing of large orders

### 2014 Q4 total order growth by region

Change on a like-for-like basis

<b>Americas</b>	
Automation	+7%
Power	-18%
<b>Total</b>	<b>-4%</b>
US	-8%
Canada	-15%
Brazil	-1%

<b>Europe</b>	
Automation	+8%
Power	0%
<b>Total</b>	<b>+5%</b>
Germany	+1%
Sweden	+65%
Italy	+7%

<b>MEAs<sup>1</sup></b>	
Automation	-18%
Power	-5%
<b>Total</b>	<b>-11%</b>
Saudi Arabia	+33%
South Africa	+47%

<b>Asia</b>	
Automation	+1%
Power	+21%
<b>Total</b>	<b>+7%</b>
China	+6%
India	+49%
Japan	+59%

### 2014 Q4 base order growth<sup>2</sup>

Change on a like-for-like basis

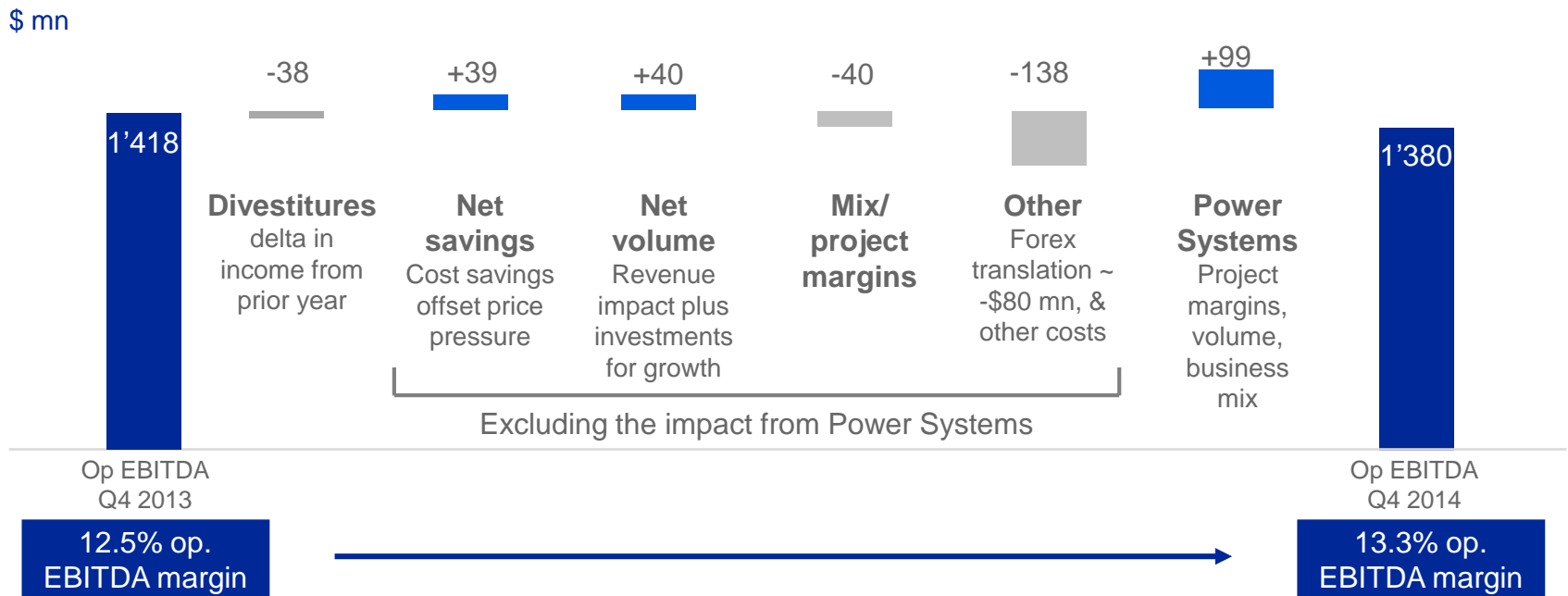
Brazil	+22%
Canada	+14%
China	+4%
Finland	+57%
India	+43%
Italy	+7%
Japan	+59%
Saudi Arabia	+5%
Switzerland	+6%
UK	+12%

**Base orders up 4% in a challenging environment**

# Operational EBITDA bridge

## Savings continue to support, FX translation visible in Q4

### Factors affecting operational EBITDA Q4 2014 vs Q4 2013



**Resilient operations**

# ABB well positioned to manage forex volatility

## Foreign exchange exposures – overview

Example: 15% appreciation of USD  
15% appreciation of CHF vs EUR

	Timing	Estimated impact	Actions / Drivers
Structural effect <i>USD appreciation</i>	Medium-term	Inc. from op. ↑ ~\$200-400 mn Inc. from op.% ↑ ~0.5-1% point	Net exporter from EUR-zone to \$-zone
Structural effect <i>CHF appreciation</i>	Medium-term	Inc. from op. ↓ \$100-200 mn Inc. from op.% ↓ ~0.25-0.5% point	Mitigated by sourcing and cost optimization
Transaction	Immediate	Minor ~ fully hedged, but some valuation timing differences	Policy to hedge all exposures
Translation to USD	Immediate	Inc. from op./orders/revenues ↓ ~9%	> 50% of revenues from non-\$ zones

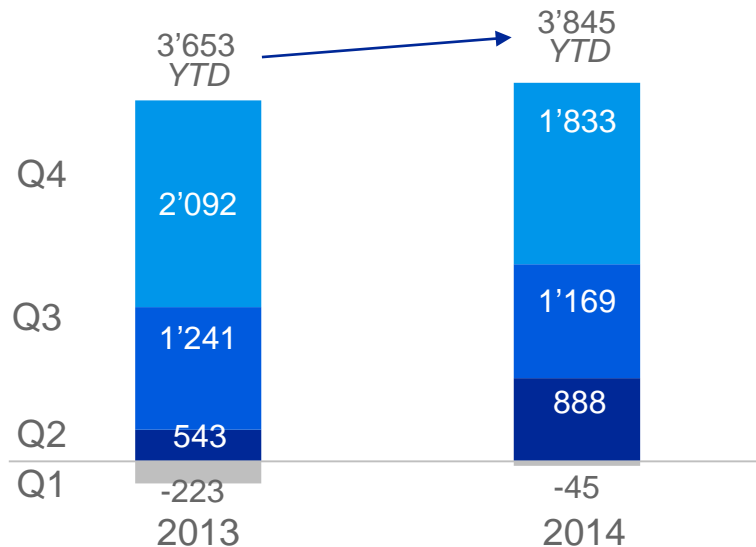
**Limited economic impact due to footprint and proactive actions**

# Improved cash flow

## Cash metrics reflect solid execution

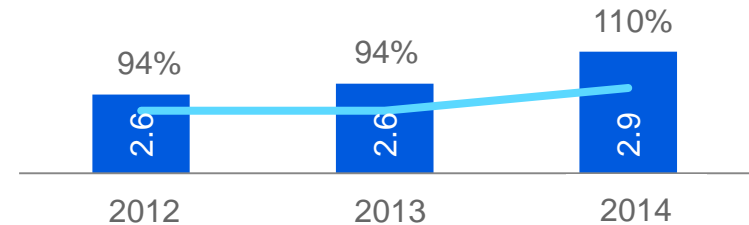
### A solid, more balanced, cash generator

Cash from operations, \$ mn, quarterly build-up

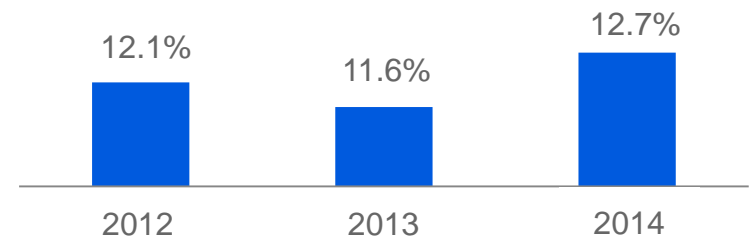


### Strong cash conversion

Free cash flow and conversion rate, \$ bn and %







### CROI<sup>1</sup> now moving in the right direction



**NWC<sup>2</sup> measures also drive more balanced cash generation over the year**

# Q4 performance by division

## Key figures

<i>\$ mn unless otherwise stated</i>	<b>Orders</b>	 Like-for-like	<b>Revenues</b>	 Like-for-like	<b>Operational EBITDA%</b>		<b>Cash flow from operations</b>	
Discrete Automation and Motion	2'379	+1%	2'583	+1%	17.2%	0 pts	487	+28
Low Voltage Products	1'722	+5%	1'793	+2%	19.8%	+0.7 pts	443	-15
Process Automation	1'907	+1%	2'094	+1%	13.2%	+0.1 pts	386	+73
Power Products	2'548	+5%	2'825	-2%	14.5%	-0.7 pts	518	-284
Power Systems	1'437	-14%	1'965	-9%	2.4%	+4.6 pts	203	-47
Corp. and consolidation	(628)		(914)				(204)	-14
<b>ABB Group</b>	<b>9'365</b>	<b>+1%</b>	<b>10'346</b>	<b>-1%</b>	<b>13.3%</b>	<b>+0.8 pts</b>	<b>1'833</b>	<b>-259</b>

# Priorities for capital allocation

## Balance between investing in growth and returns to shareholders

Fund organic growth, R&D, capex at attractive CROI

Investments in PIE and leading operating model

Steadily rising sustainable dividend

Proposed dividend increase in 2015

Value-creating acquisitions

Pruning and incremental, bolt-on acquisitions

Returning additional cash to shareholders

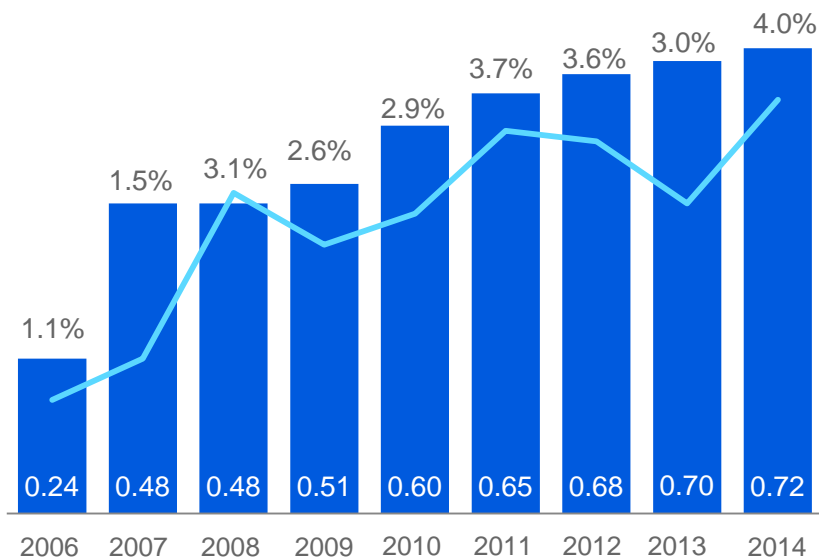
\$4 bn share buyback over 24 months

# Board proposes 6<sup>th</sup> consecutive dividend increase

## Attractive cash returns to shareholders

### 6<sup>th</sup> consecutive dividend increase

Dividend per share 2006-2014 (CHF) and yield<sup>1</sup>



### Share buyback

~\$4 bn 2-yr program announced in Sept. 2014

~\$730 mn cash deployed

~18% of the total program in first 3 months

### Total cash return to shareholders

2014 dividend plus share buyback represents  
>\$2.8 bn cash returns to shareholders

Dividend with attractive, tax-efficient yield ~4%

Share buyback program to continue

**Sustainable value creation**



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## Next Level implementation

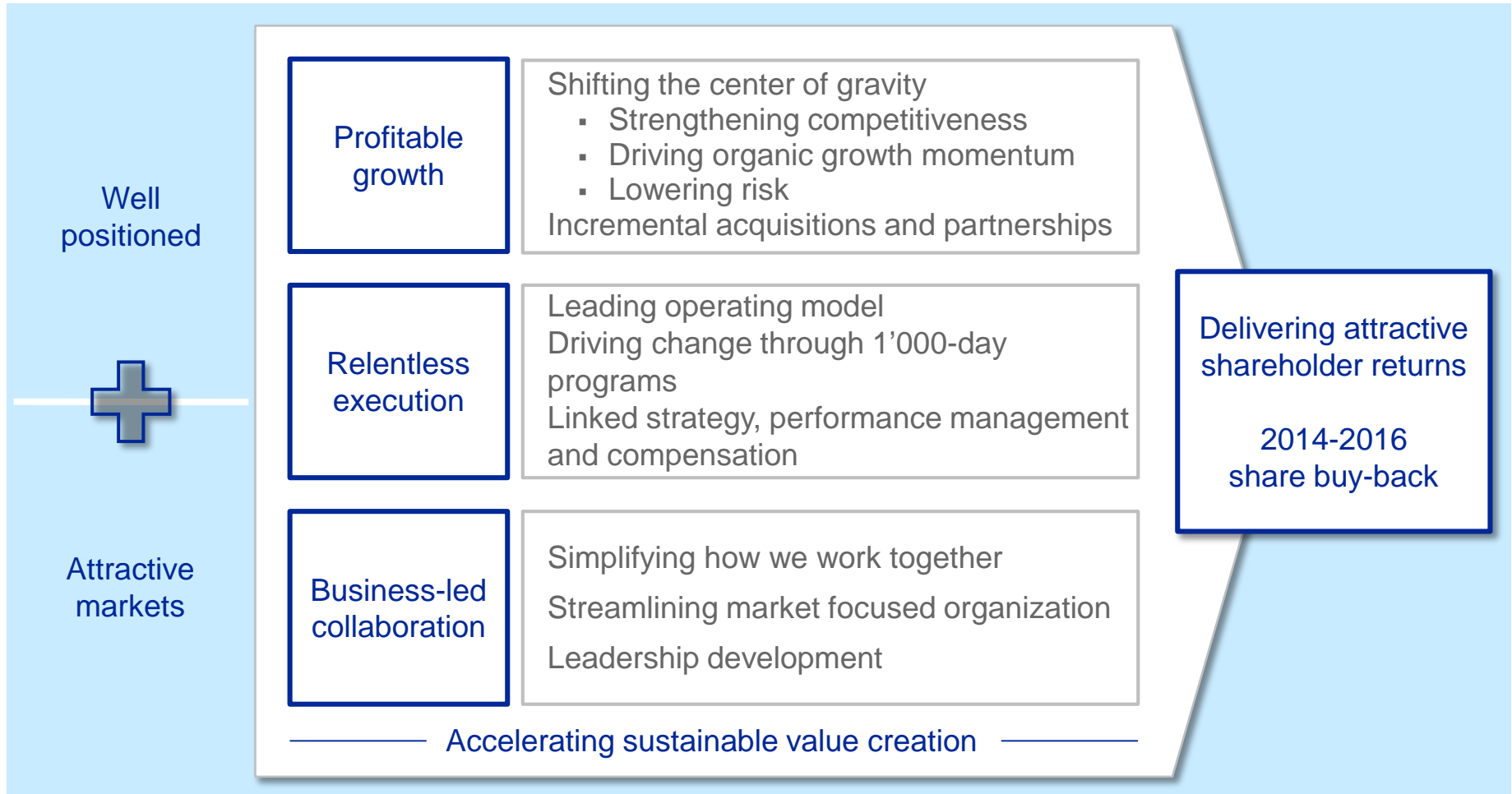
## Outlook

## Q&A

# ABB – our Next Level strategy

## Shaping a global leader in power & automation

Presented September 9<sup>th</sup>, 2014



# Profitable growth

## Driving organic growth momentum

Example

Well  
positioned



Attractive  
markets

Profitable  
growth

Relentless  
execution

Business-led  
collaboration

**Penetration**

Established +20 service  
centers in China



**Innovation**

Compact and dual-arm robots  
for small parts assembly



**Expansion**

Continued expansion in Africa  
– large rail order (\$50 mn)



# Profitable growth

## Partnerships and lowering risks

Example

Well positioned

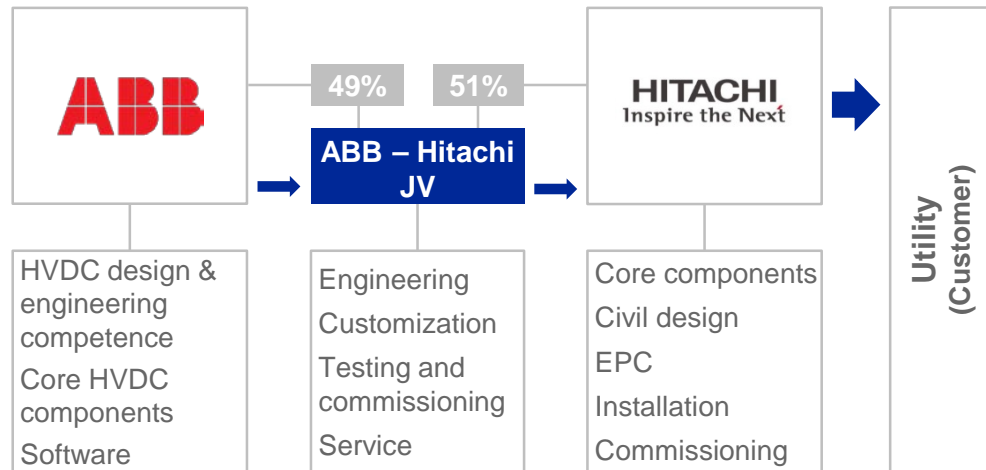


Attractive markets

Profitable growth

Relentless execution

Business-led collaboration



Renewables grid integration in Japan  
Innovative HVDC technology for Japanese customers  
Two players with highly complementary strengths  
De-risked business model

# Relentless execution

## Leading operating model

Example

Well positioned



Attractive markets

Profitable growth

Relentless execution

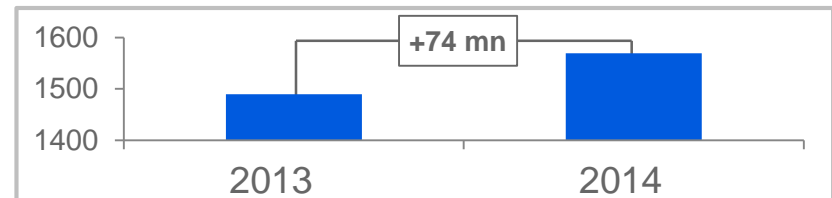
Business-led collaboration

Example: DM

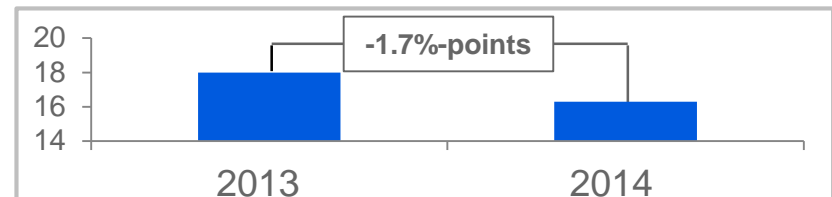
Net promoter score<sup>1</sup>



Cash flow from operations



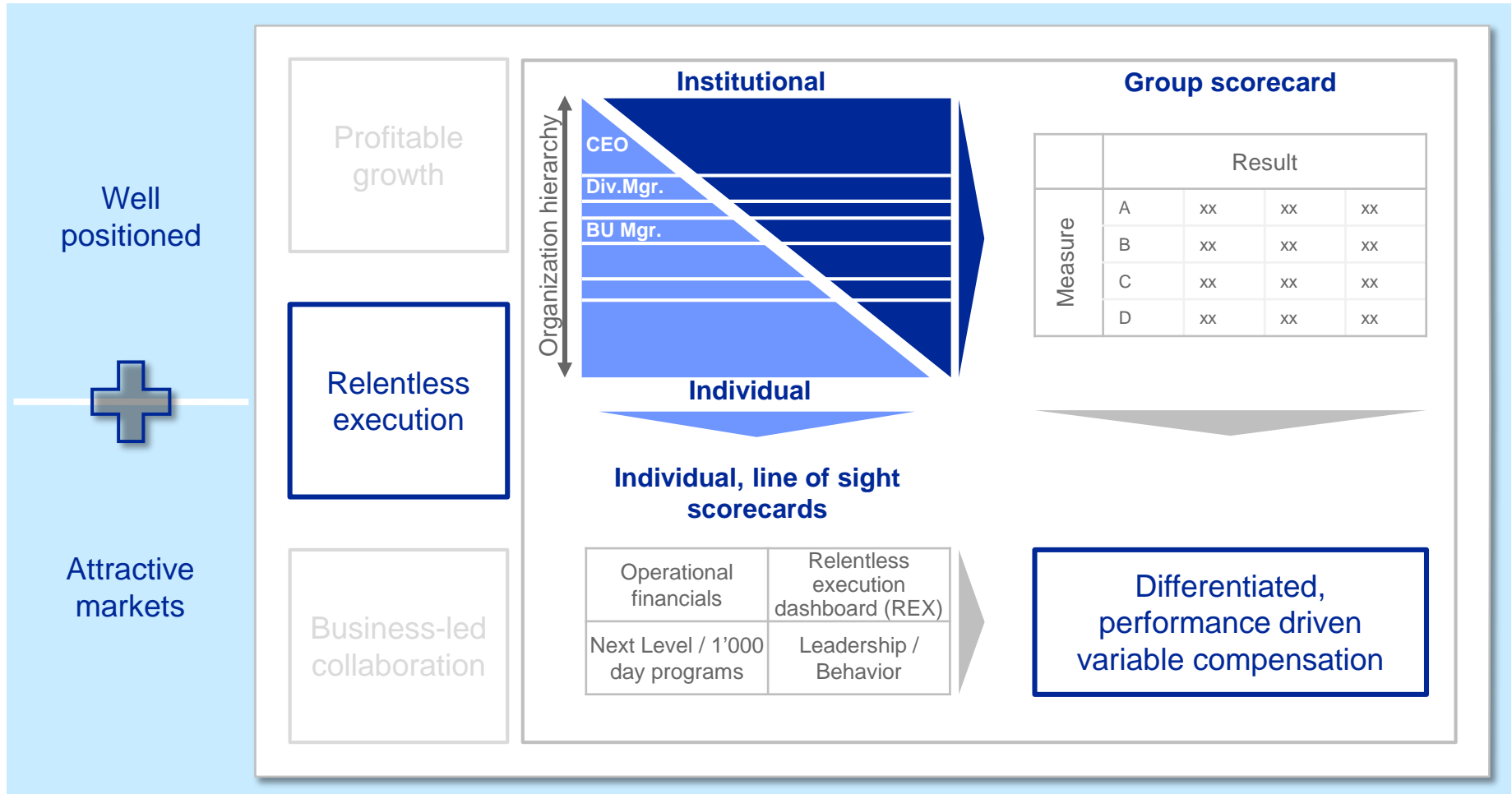
Net working capital<sup>2</sup>



# Relentless execution

## Performance-oriented compensation model

Example



# Business-led collaboration

## Simplifying how we work together

Example

Well  
positioned



Attractive  
markets

Profitable  
growth

Relentless  
execution

**Business-led  
collaboration**



Undiluted business line  
responsibility

Simplified market oriented  
organization fully implemented

From 8 to 3 regions, focused  
on customer collaboration  
and shared services

Top 1,000 appointments  
finalized

Faster, more cost-efficient  
organization

Portfolio pruning and productivity  
measures result in +8,000  
workforce reduction in 2014

# 2014 – delivered on our commitments

## A solid foundation for the future

### Next Level and 2020 targets in place

#### Profitable growth

Organic growth momentum: +10% orders  
Changes in center of gravity  
Partnerships for growth

#### Relentless execution

Delivered on cash and cost  
PS break-even achieved  
Portfolio pruning  
Performance management and compensation model

#### Business-led collaboration

Lean market-oriented organization  
Roles and responsibilities clarified  
Top 1'000 positions filled



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# 2015 – continued volatility and uncertainty

## Economic outlook

### Positives

China remains world's biggest growth engine  
North America continues strong  
Good momentum in India and South East Asia

### Concerns

Eurozone, Japan, South America, Russia  
Return of the financial crisis  
Global “energy battle”, impact of oil price  
Unstable geopolitical situation

**Stable outlook with downside risk**

### Sustain organic growth momentum

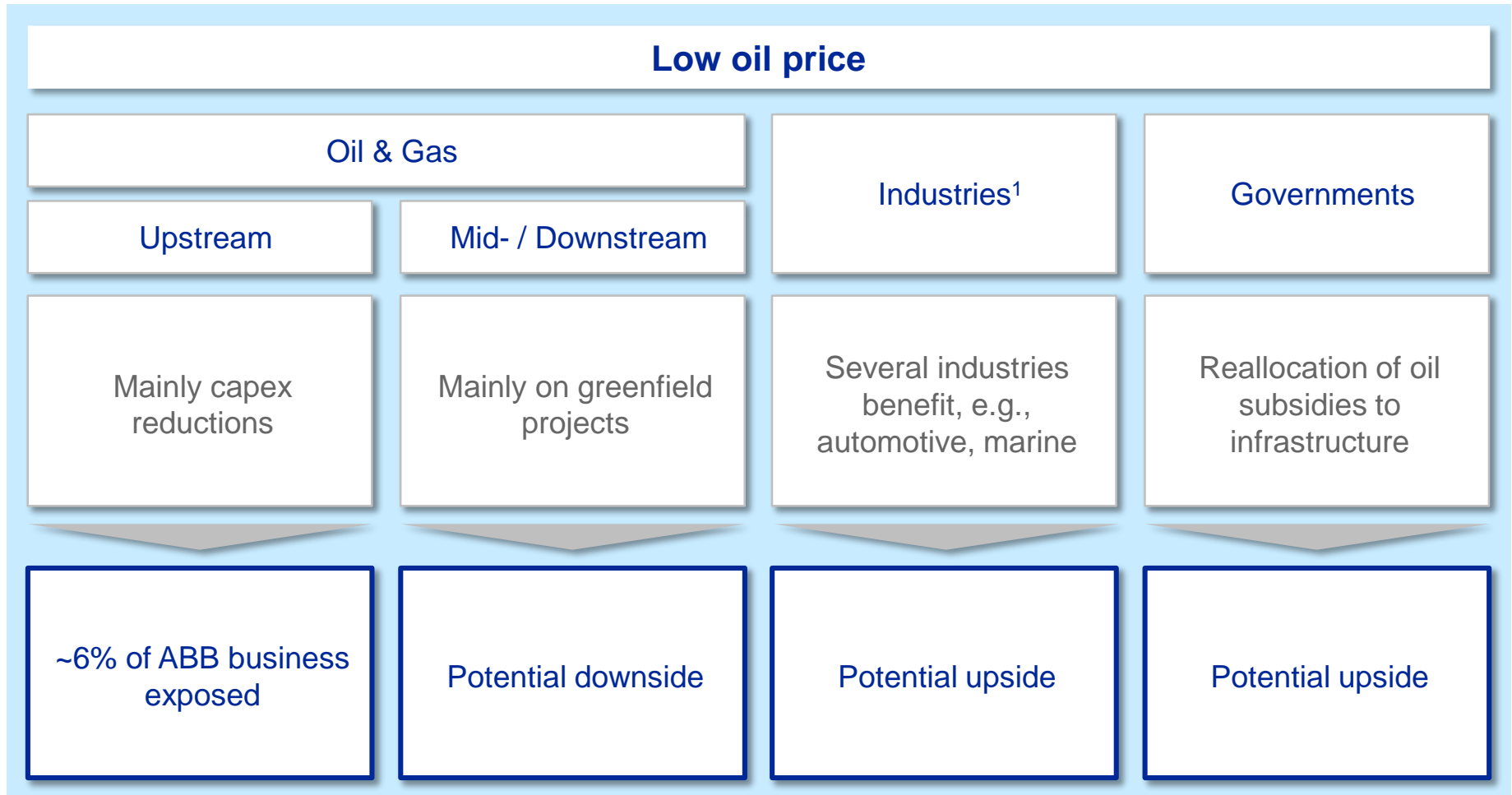
Proven PIE approach  
Agility and speed to address new market opportunities

### Drive operational resilience

Business model adaptation  
Continued focus on cost and cash

# Key topic: oil price

Low oil price impacts global spending in different ways

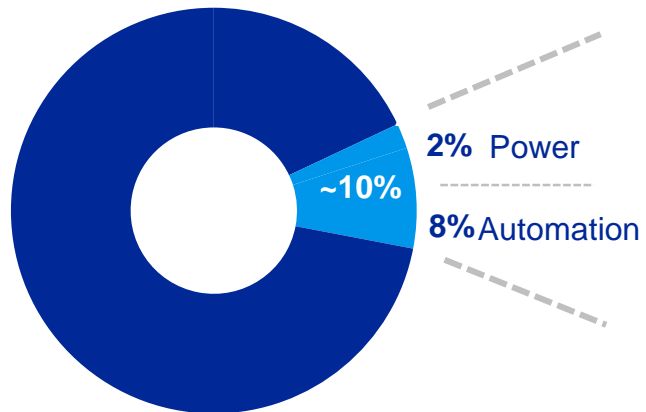


# Key topic: oil price

## ABB in oil, gas, and chemicals

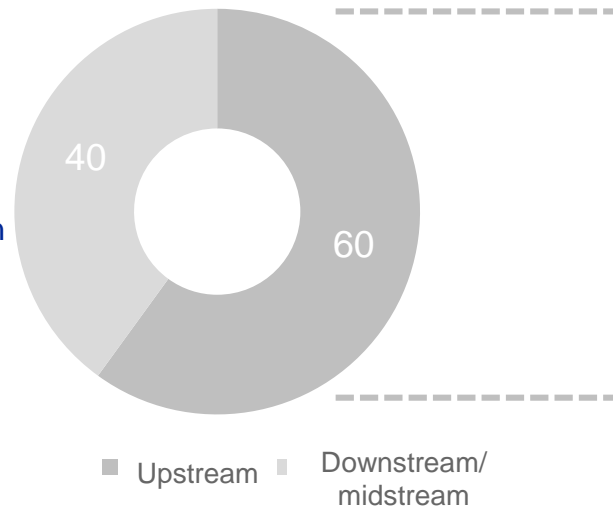
### Share of revenues

% of 2014 total sales from OGC<sup>1</sup>



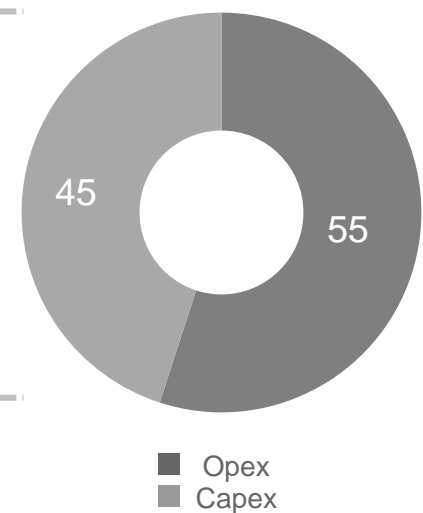
### Split of sales

Approximate



### Type of customer spend

Approximate



**~5% of ABB's sales are exposed to oil and gas capex**

# Priorities for 2015

## Summary

### Profitable growth

- Maintain / accelerate organic growth momentum
- More value from combined \$6 bn R&D and sales investment p.a. through PIE
- Drive shift in center of gravity
- Realize benefits from new partnerships

### Relentless execution

- Deliver 3-5% of COS cost reduction, expand focus on white collar productivity
- Complete PS “step change”
- Continue and accelerate working capital efforts
- Drive change through our 1'000 day programs for growth and competitiveness

### Business-led collaboration

- Energize new organization and aligned team
- Tap growth and cost opportunities together
- Ramp up shared services

**Accelerate sustainable value creation, deliver double digit EPS growth**

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Power and productivity  
for a better world™



# Key figures Q4 and FY 2014

	Q4 14	Q4 13	Change			FY 14	FY 13	Change		
<i>\$ mn unless otherwise indicated</i>			\$	Local currency	Like-for-like			\$	Local currency	Like-for-like
Orders	9'365	10'003	-6%	-1%	+1%	41'515	38'896	+7%	+9%	+10%
Order backlog (end December)	24'900	26'046	-4%	+5%		24'900	26'046	-4%	+5%	
Revenues	10'346	11'373	-9%	-3%	-1%	39'830	41'848	-5%	-2%	-2%
Income from operations	1'049	823	27%			4'178	4'387	-5%		
as % of revenues	10.1%	7.2%				10.5%	10.5%			
Operational EBITDA	1'380	1'418	-3%			5'400	6'075	-11%		
as % of operational revenues	13.3%	12.5%				13.5%	14.5%			
Net income	680	525	+30%			2'594	2'787	-7%		
Basic earnings per share (\$)	0.30	0.23				1.13	1.21			
Cash from operating activities	1'833	2'092	-12%			3'845	3'653	+5%		



# Order backlog by division

	2014	2013	Change %	
<i>Order backlog (end December)</i> <i>\$ mn</i>			\$	Local currency
Discrete Automation and Motion	4'385	4'351	+1%	+9%
Low Voltage Products	891	1'057	-16%	-9%
Process Automation	5'661	5'772	-2%	+9%
Power Products	7'791	7'946	-2%	+6%
Power Systems	8'246	9'435	-13%	-4%
Consolidation and Other (incl. Inter-division eliminations)	(2'074)	(2'515)		
<b>Total Group</b>	<b>24'900</b>	<b>26'046</b>	<b>-4%</b>	<b>+5%</b>

# Operational EPS analysis

	Q4 2014		Q4 2013			FY 14		FY13		
<i>mn \$</i> <i>except per share data in \$</i>		EPS <sup>1</sup>		EPS	△ <sup>2</sup>		EPS <sup>1</sup>		EPS	△ <sup>2</sup>
<b>Net income (attributable to ABB)</b>	<b>680</b>	<b>0.30</b>	<b>525</b>	<b>0.23</b>	<b>31%</b>	<b>2'594</b>	<b>1.13</b>	<b>2'787</b>	<b>1.21</b>	<b>-7%</b>
Restructuring and restructuring- related expenses <sup>3</sup>	69	0.03	121	0.05		171	0.07	182	0.08	
Acquisition-related expenses and certain non-operational items <sup>4</sup>	(76)	(0.03)	68	0.03		(221)	(0.10)	131	0.06	
FX/commodity timing differences in Income from operations <sup>3</sup>	32	0.01	(3)	0		120	0.05	(46)	(0.02)	
Amortization rel. to acquisitions <sup>3</sup>	67	0.03	79	0.03		275	0.12	282	0.12	
<b>Operational net income</b>	<b>772</b>	<b>0.34</b>	<b>790</b>	<b>0.34</b>	<b>-1%</b>	<b>2'939</b>	<b>1.28</b>	<b>3'336</b>	<b>1.45</b>	<b>-12%</b>
<b>Change in local currencies<sup>5</sup></b>					<b>+5%</b>					<b>-11%</b>

<sup>1</sup>EPS amounts are computed separately, therefore the sum of the per share amounts may not equal to the total; <sup>2</sup>Calculated on basic earnings per share before rounding; <sup>3</sup>Net of tax at the Adjusted Group effective tax rate; <sup>4</sup>Net of tax at the Adjusted Group effective tax rate, except for gains and losses on sale of businesses which are net of the actual provision for taxes; <sup>5</sup>Management estimates

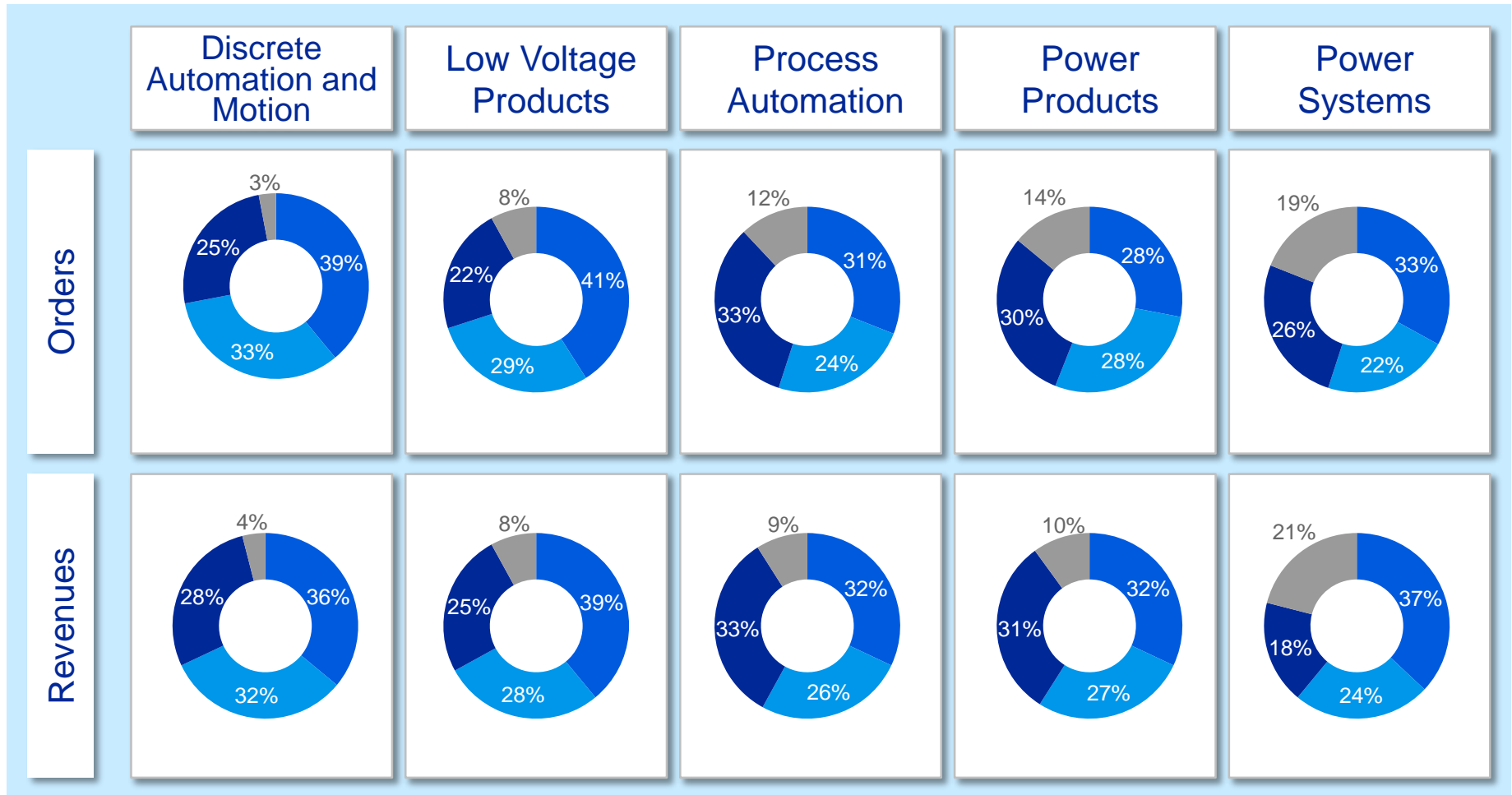
# Overview of 2015-2020 targets

## Group targets and divisional operational EBITA margin targets

Group		Divisions	
Revenue growth <sup>1</sup>	4-7%	Discrete Automation and Motion	14-19%
Operational EBITA % <sup>2</sup>	11-16%	Low Voltage Products	15-19%
Operational EPS growth CAGR <sup>3</sup>	10-15%	Process Automation	11-15%
FCF conversion to net income	>90%	Power Products	12-16%
		Power Systems	7-11% <sup>5</sup>
CROI % <sup>4</sup>	Mid-teens		

<sup>1</sup>Average annual revenue growth on a like-for-like basis over 6 years, base year 2014; <sup>2</sup>Target is on a full-year basis; <sup>3</sup>CAGR = Compound annual growth rate, base year is 2014 and assuming constant exchange rates; <sup>4</sup>Temporary reduction possible in the event of larger acquisitions; <sup>5</sup>The margin target for Power Systems will be in effect as of January 1, 2016 after concluding the "step change" program

# Regional share of total orders and revenues by division Q4 2014



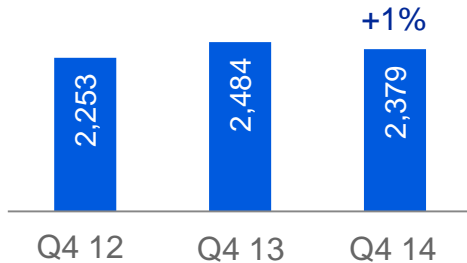
■ Europe 
 ■ Americas 
 ■ Asia 
 ■ Middle East and Africa

# Discrete Automation & Motion

## Q4 2014 summary

### Orders received

\$ mn, y-o-y change like-for-like



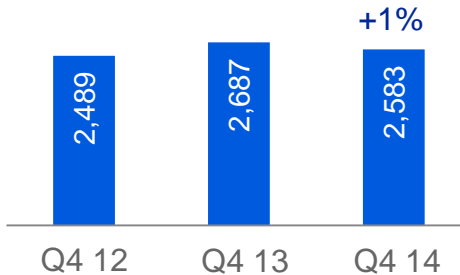
Orders and revenues steady in a mixed environment

Growth initiatives supported growth in robotics and drives

Orders up in Europe, lower in Asia and the Americas

### Revenues

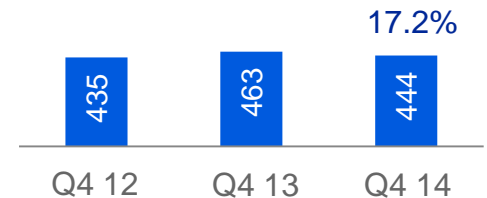
\$ mn, y-o-y change like-for-like



Higher service revenues compensated lower revenues in longer cycle businesses

### Operational EBITDA

\$ mn, operational EBITDA margin



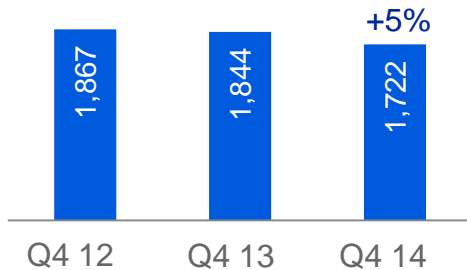
Margin was steady, as cost and productivity measures offset the weak margins in the Power-One solar inverter business

# Low Voltage Products

## Q4 2014 summary

### Orders received

\$ mn, y-o-y change like-for-like



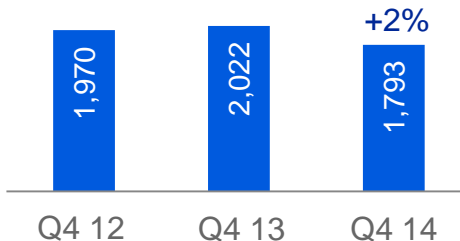
Like-for-like orders increased driven partly by marine and rail

Growth was strongest in MEA

Growth in Americas supported by initiatives to increase the sale of ABB products through the T&B distribution system

### Revenues

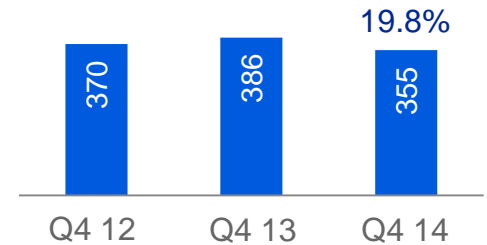
\$ mn, y-o-y change like-for-like



Like-for-like revenues were higher

### Operational EBITDA

\$ mn, operational EBITDA margin



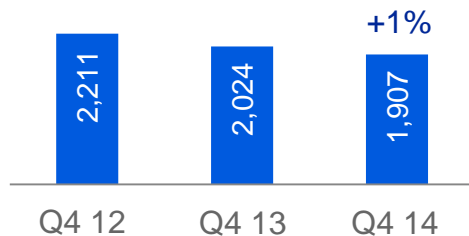
Improved margin reflects a positive product mix as well as cost reduction and increased productivity

# Process Automation

## Q4 2014 summary

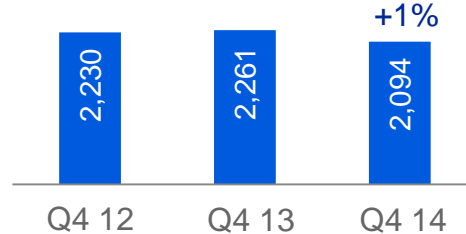
### Orders received

\$ mn, y-o-y change like-for-like



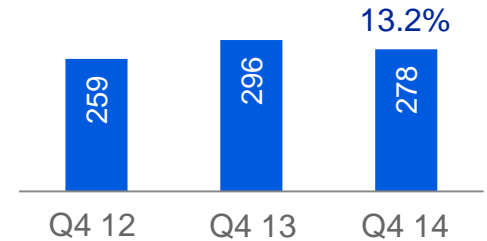
### Revenues

\$ mn, y-o-y change like-for-like



### Operational EBITDA

\$ mn, operational EBITDA margin



Both large and base orders near same levels as Q4 2013

Oil & Gas and marine stronger than mining and metals

Orders up in Americas and Europe, steady in Asia while MEA declined

Revenues stable as higher service revenues offset lower opening order backlog in the systems business

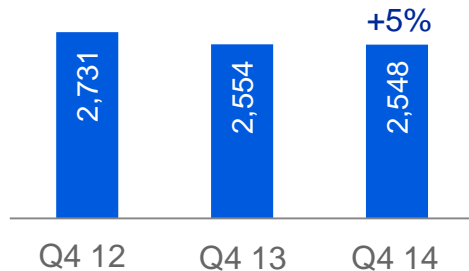
Operational EBITDA and margin remained steady, in line with stable revenues

# Power Products

## Q4 2014 summary

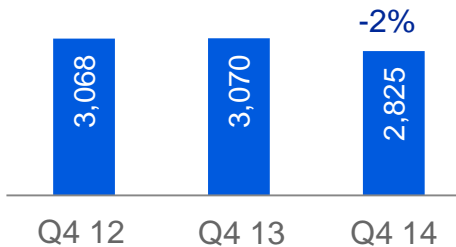
### Orders received

\$ mn, y-o-y change like-for-like



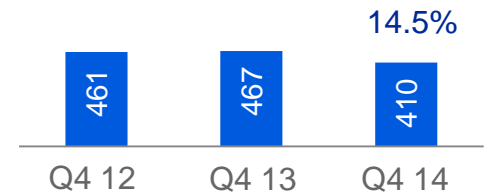
### Revenues

\$ mn, y-o-y change like-for-like



### Operational EBITDA

\$ mn, operational EBITDA margin



Both large and base orders increased in most markets, supported by industrial demand and selective power transmission investments

Orders grew in all regions except Europe, driven by growth in emerging markets

Revenue decline largely resulted from lower opening order backlog

Operational EBITDA and margin declined, reflecting lower revenues, mix effects and increased investments

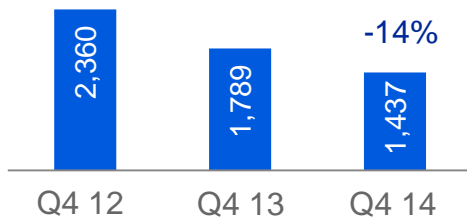


# Power Systems

## Q4 2014 summary

### Orders received

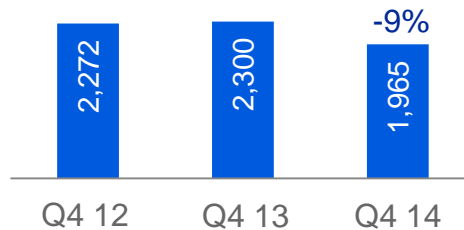
\$ mn, y-o-y change like-for-like



Higher base orders, reflecting in large part ongoing initiatives to reposition the business and focus on high value-added projects, were more than offset by a decrease in large orders compared to Q4 2013

### Revenues

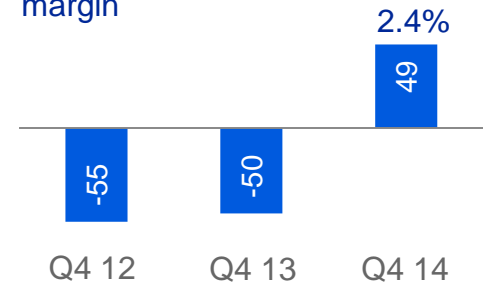
\$ mn, y-o-y change like-for-like



Revenues were lower than the previous year, impacted by the lower opening order backlog

### Operational EBITDA

\$ mn, operational EBITDA margin



Operational EBITDA and margin improved significantly as measures to de-risk the business and focus on higher value-added projects continued

Partly offset by project-related costs in a small number of ongoing offshore wind orders

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