July 23, 2009

ABB Q2 2009 results

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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, business risks related to the financial crisis and economic slowdown, costs associated with compliance activities, the amount of revenues we are able to generate from backlog and orders received, raw materials prices, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’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.

Revenues remain near 2008 highs
Cost savings support EBIT margin, cash flow recovers

- Orders down 27%* vs record quarter in 2008 - base orders 25%* lower
- Revenues down 2%*, order backlog stable* vs Q2 08 (down 2%* vs Q1 09)
- Margins down on lower capacity utilization, restructuring-related costs, revenue mix and pricing
  - Underlying operating margin at 14.4%, ~1.5% lower vs Q2 08
- Savings YTD from $2 bn cost take-out >$500 million
- Net income reflects lower EBIT and decline in finance net vs Q2 08
- Cash flow recovered on large project payments and net working capital focus

* All comparisons in local currencies

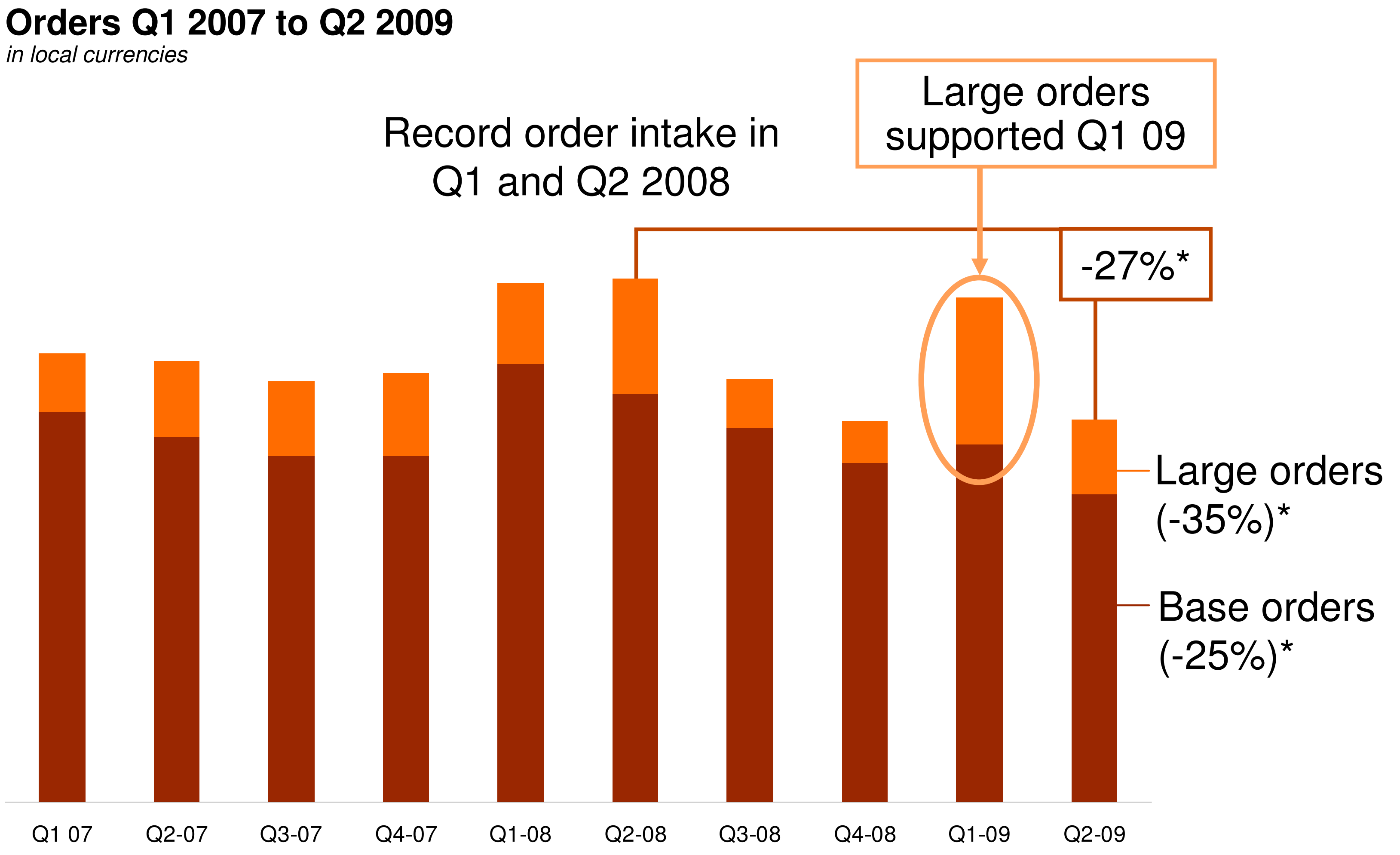
Q2 2009 key figures

Key figures Q2 2009 vs Q2 2008 *change*

US$ millions unless otherwise indicated	Q2 2009	Q2 2008	US$	Local
Orders received	7,309	11,271	-35%	-27%
Revenues	7,915	9,025	-12%	-2%
Order backlog	25,913	29,127	-11%	-1%
EBIT	1,047	1,449	-28%	
as % of revenues	13.2%	16.1%		
Net income	675	975	-31%	
Basic earnings per share *(US$)*	0.30	0.43		
Cash from operations	1,067	978		

- Underlying operational EBIT margin = 14.4%
  - ~$120 mill. restructuring-related costs, small positive from mark-to-market on hedge transactions
- Net income includes $60-million reduction in finance net
- Strong cash flow reflects timing of large project payments, focus on net working capital

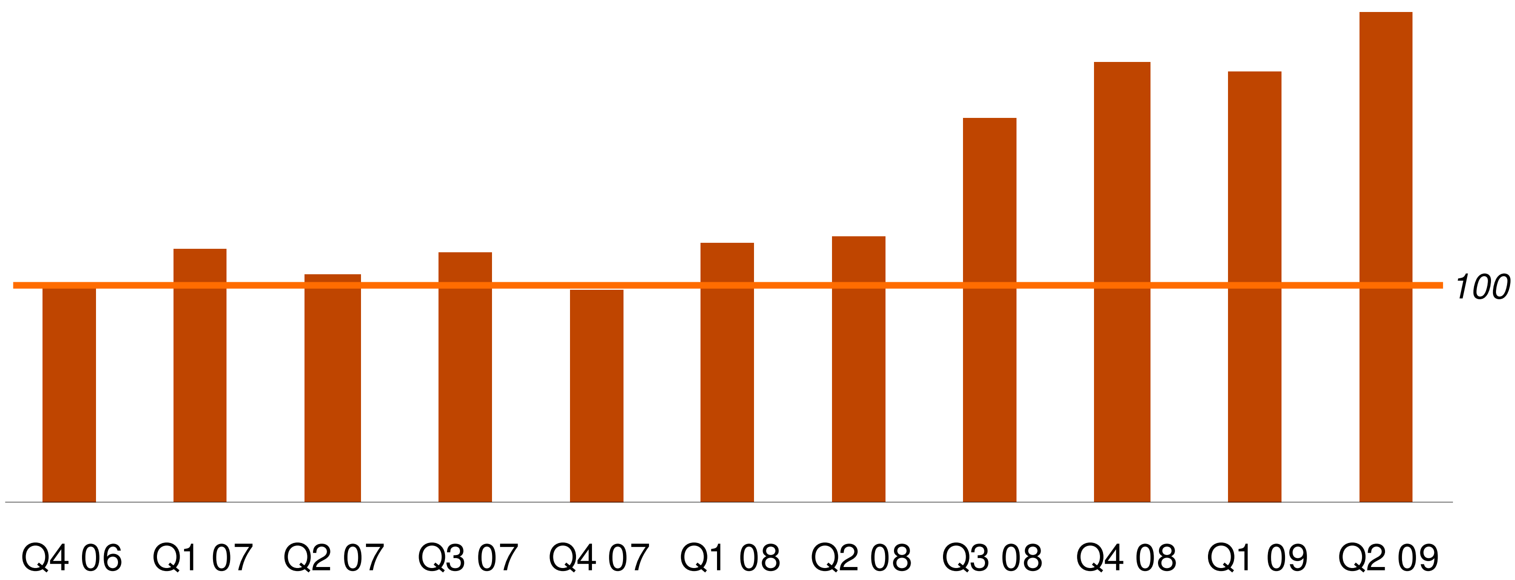
Orders down 27%* vs record ‘08 quarter



* in local currencies

Tender backlog in Power Systems at a new record

Power Systems tender backlog
rebased Q4 06 = 100



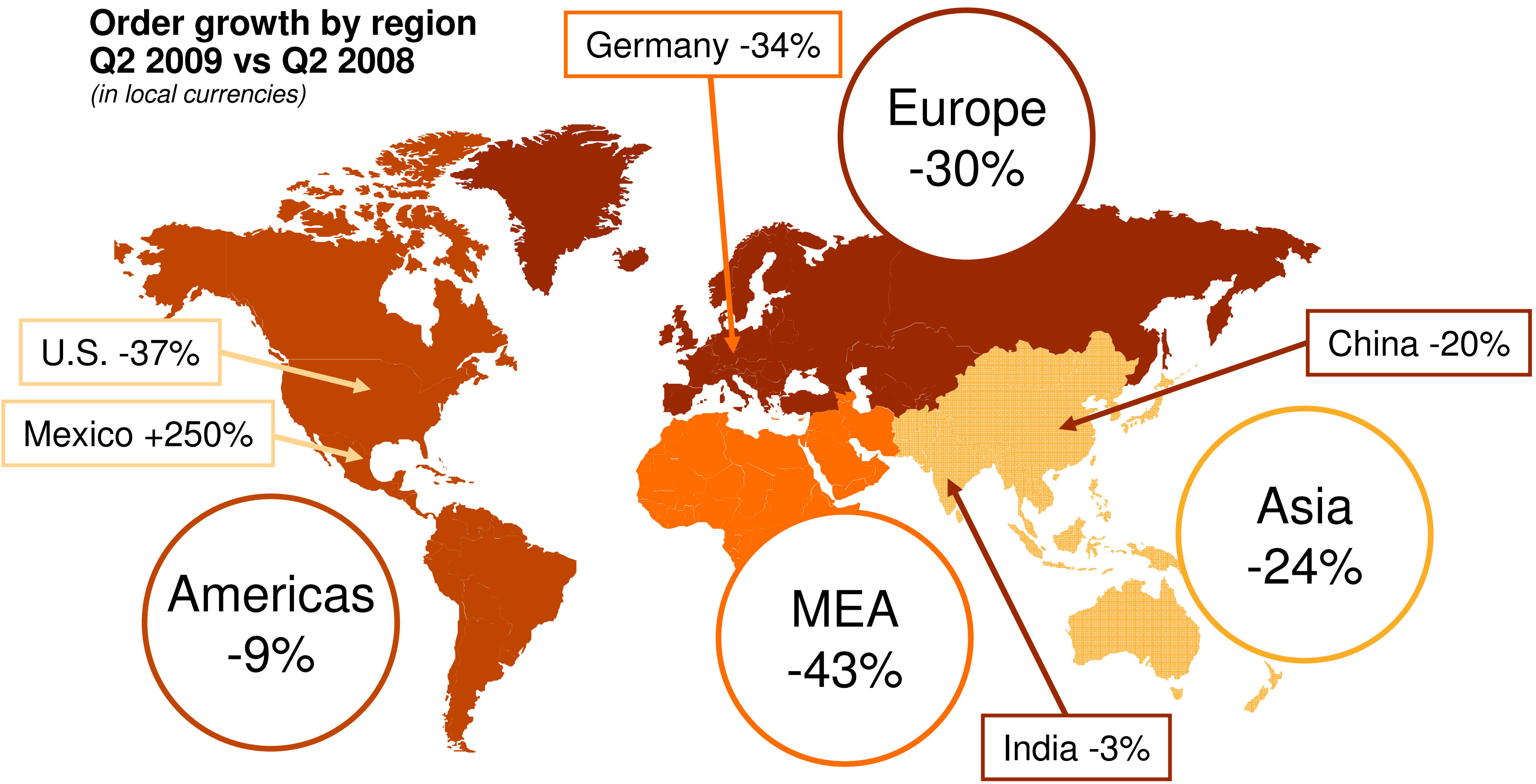
Divisional overview

Key figures by division, Q2 2009

US$ millions, percentage change in local currencies versus same period in 2008	Orders	Change	Revenue	Change	EBIT	EBIT %	EBIT % Q2 08
Power Products	2,760	-14%	2,839	4%	555	19.5%	19.4%
Power Systems	1,697	-25%	1,612	6%	122	7.6%	7.1%
Automation Products	2,146	-19%	2,206	-10%	329	14.9%	19.6%
Process Automation	1,342	-43%	1,865	4%	173	9.3%	11.8%
Robotics	182	-60%	234	-37%	-51	-21.8%	7.0%

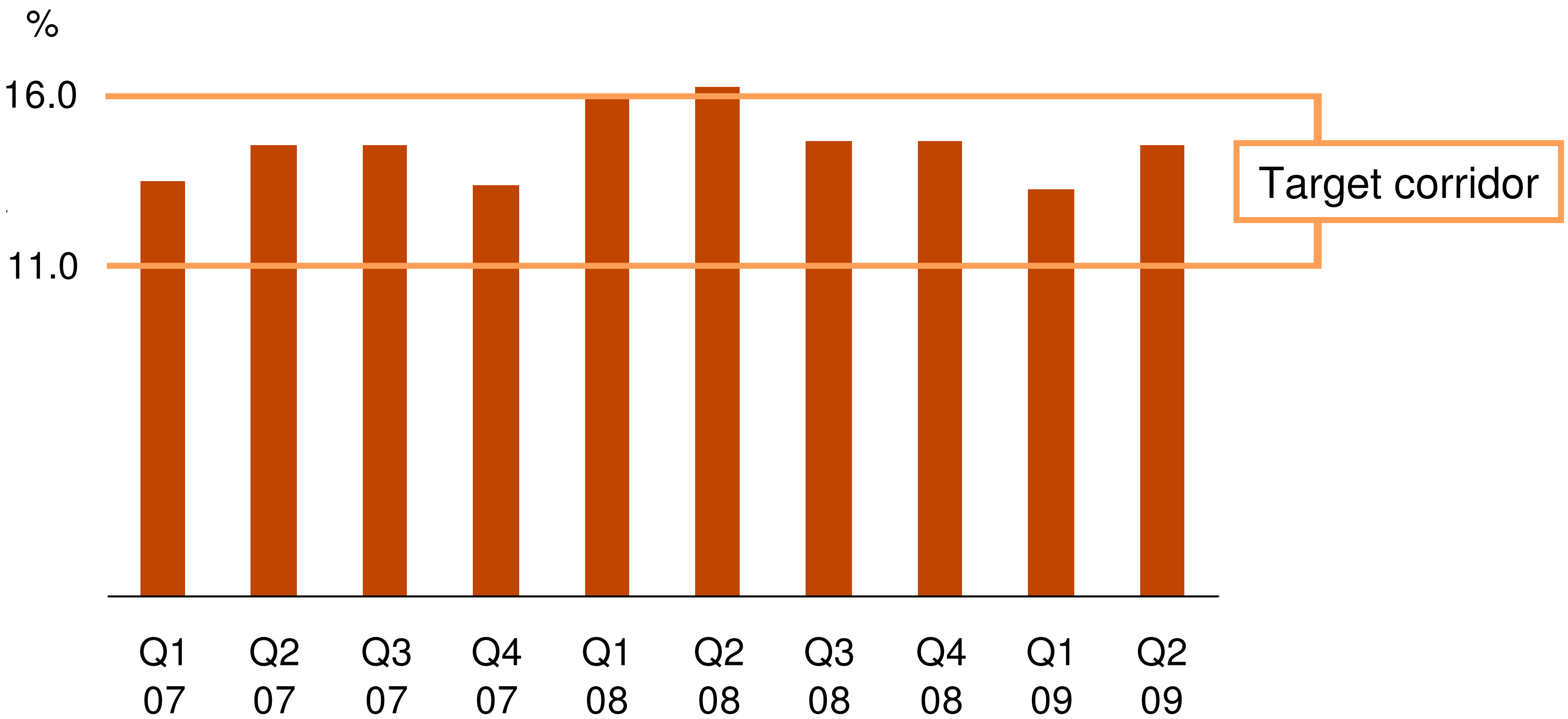
- Base orders lower in all divisions, large order decline most visible in PS & PA
- Resilient revenues in longer backlog divisions (PP, PS and PA), lower in short-cycle (AP, RO)
- Lower capacity utilization impacted EBIT in short-cycle business and service
- Group EBIT effected by higher share of system revenues

All regions lower vs. record Q2 08
No signs yet of "green shoots"



Underlying profitability on target
Well within the 11-16% corridor

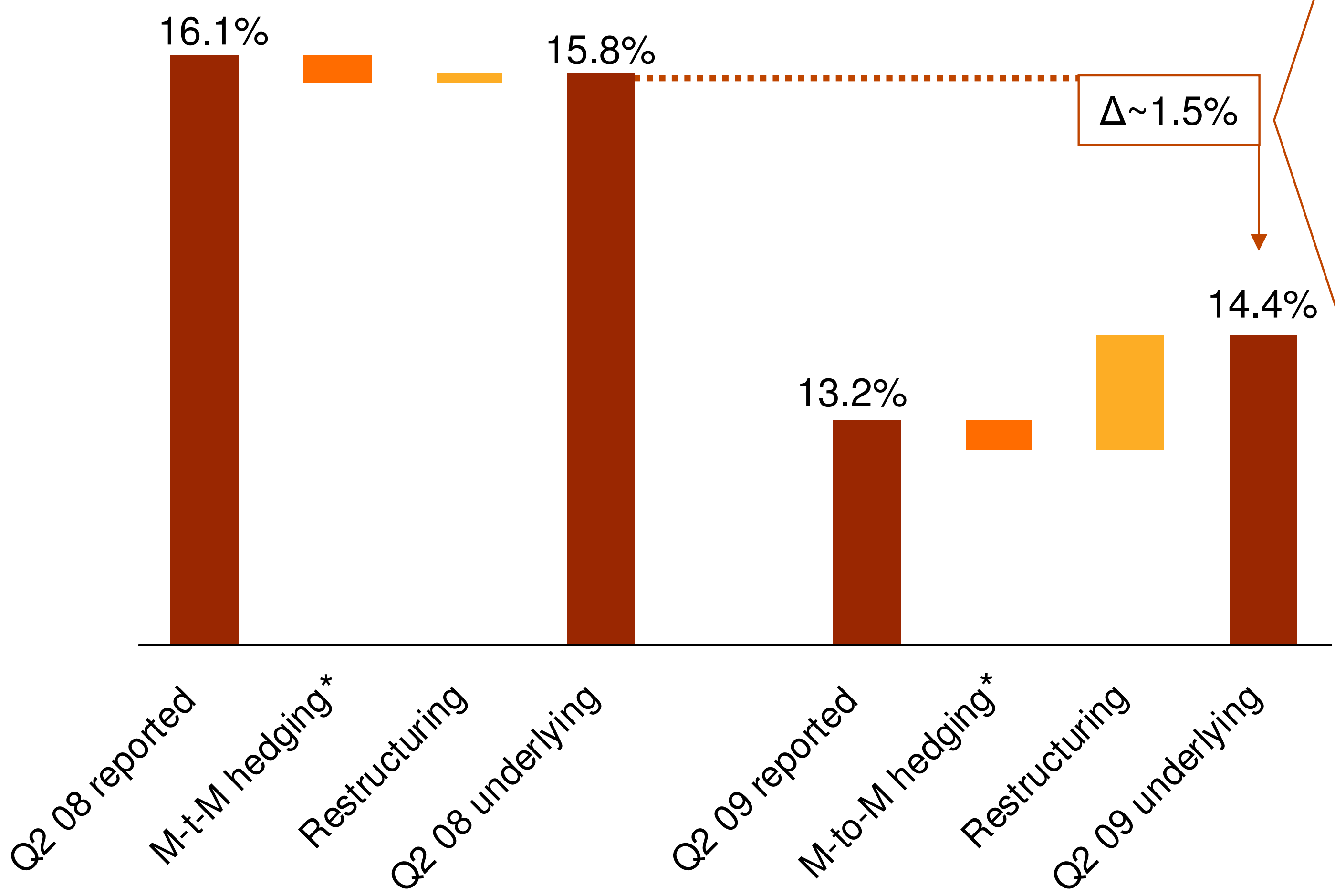
Adjusted EBIT margin* Q1 2007 to Q2 2009
in percent



* Adjusted for the non-operational impacts of the mark-to-market treatment of hedging transactions, restructuring-related charges associated with the 2008-2010 $2-billion cost take-out program, and compliance-related provisions

Q2 EBIT margin bridge

Reconciliation of reported EBIT margin and adjusted EBIT margin Q2 2009 vs Q2 2008



Main drivers in Q2

- Lower capacity utilization, mainly in automation
- Higher mix of systems revenues
- Some price erosion in short-cycle businesses

* Mark-to-market treatment of hedging transactions

Chart 10

Cost take-out summary
More than $500 million savings year-to-date

		Savings YTD	Target 2010
G&A	Lower G&A expenses by 15%	~$50 mill.	~$300 mill.
Footprint	Adjust global footprint to demand	~$70 mill.	~$300 mill.
Operational Excellence	Improve operational efficiency, quality	~$100 mill.	~$400 mill.
Sourcing	Optimize global sourcing (excl. commodity price decreases)	~$300 mill.	~$1 bn.
	TOTAL	**>$500 million**	**$2 billion**

ABB

G&A savings update Q2 2009

- Focus on G&A expense, incl. total IS costs
- More than 1,500 projects identified and initiated
- Major functional savings targeted, mainly in finance, HR and IS but also in business unit and country overheads
- Savings focused on payroll-related expense, service contracts, procurement and consulting
- Primary focus on high-cost countries

Progress is ahead of plan

Capacity adjustment and footprint savings update

- Active programs initiated in all five divisions
- Key projects yield average savings of ~$10 million
- Announced capacity adjustments and closures (e.g., Ireland, France, Norway, Sweden, Italy, Spain, U.S.)
- Capacity build-up continues in emerging economies (e.g., China, India, Poland, Mexico)
- Structural change continued

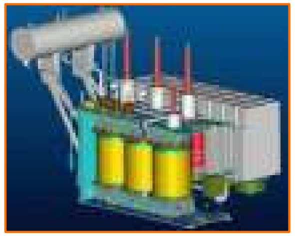
Balancing execution of the order backlog with capacity take-out remains key

Operational Excellence savings update

- More than 1,000 projects identified and initiated
- Focus on manufacturing and engineering processes, supplier quality and delivery, project management, site works, warranty costs

Examples:

COPQ Reduction – Manufacturing (Poland)



- Scrap and rework significant source of COPQ in 2008
- **Actions completed**
  - Productivity improvement as a result of lost hours analysis
  - Replace temporary workers by existing ABB workers
  - Worker training
  - Decreased scrap by modernizing slitting machine

Winding Shop Productivity Increase (Sweden)

- Winding and winding assembly area identified as bottlenecks
- **Actions Completed**
  - Increased manufacturability in winding
  - Planning for short throughput time (parallel vs series)
  - Preventive actions
  - Visualization of KPIs and operational status

Pricing environment is increasingly challenging

- Lower input costs (e.g., raw materials, local engineering services, civil works) are being passed to customers
- Short-cycle businesses continue to see some demand-related price erosion but competitors are adjusting capacity
- Demand in power transmission and market discipline are so far supporting rational pricing

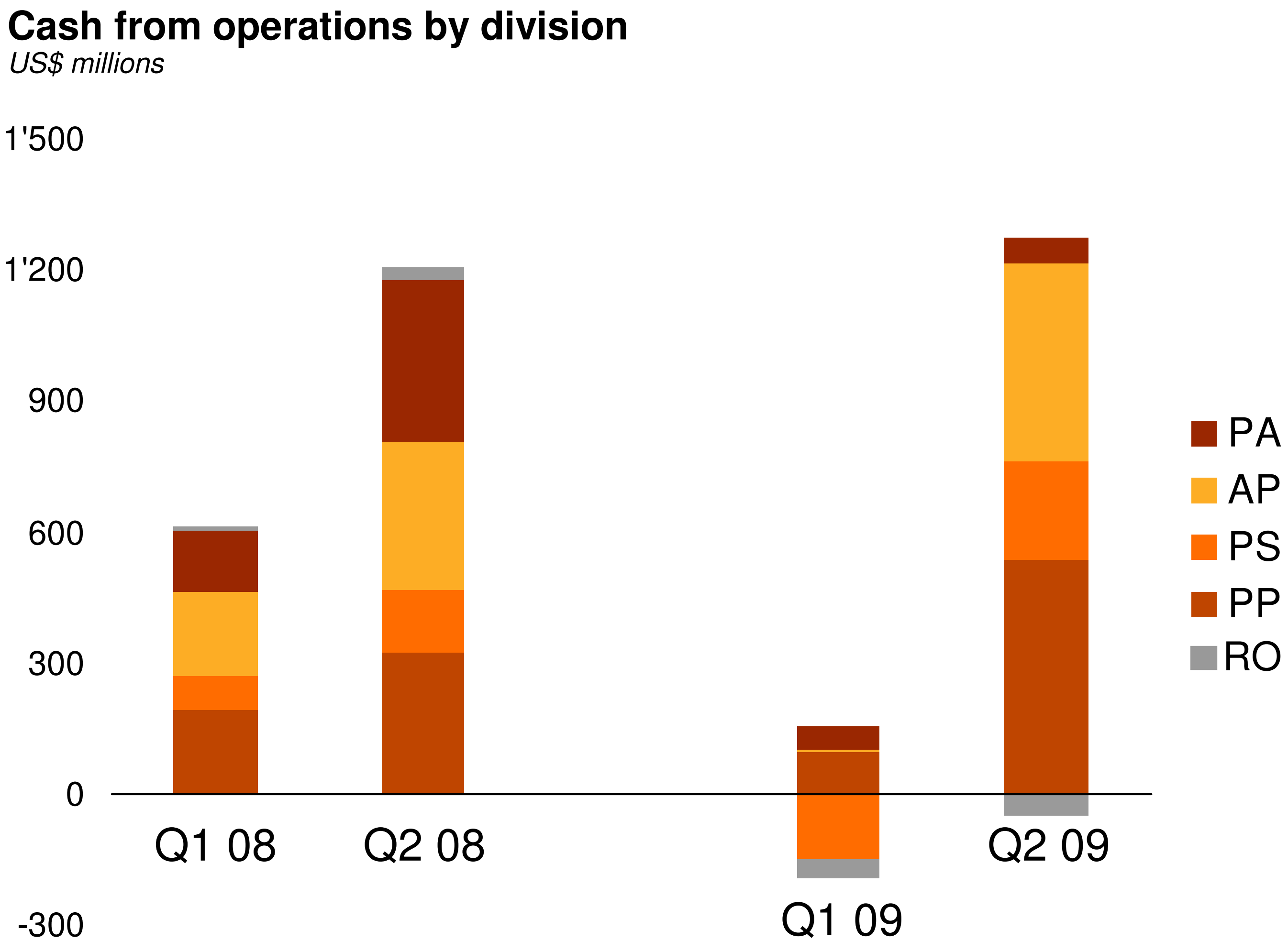
Balancing price and cost take-out will be critical factors in H2

Robotics update

- End markets in automotive and general industry have suffered an unprecedented downturn in all regions
- Aggressive actions being taken to enhance long-term competitiveness:
  - Restructuring
  - Product redesign (design-to-cost)
  - Accelerated low-cost sourcing
  - Vigorous working capital management
- 2011 targets are being reassessed

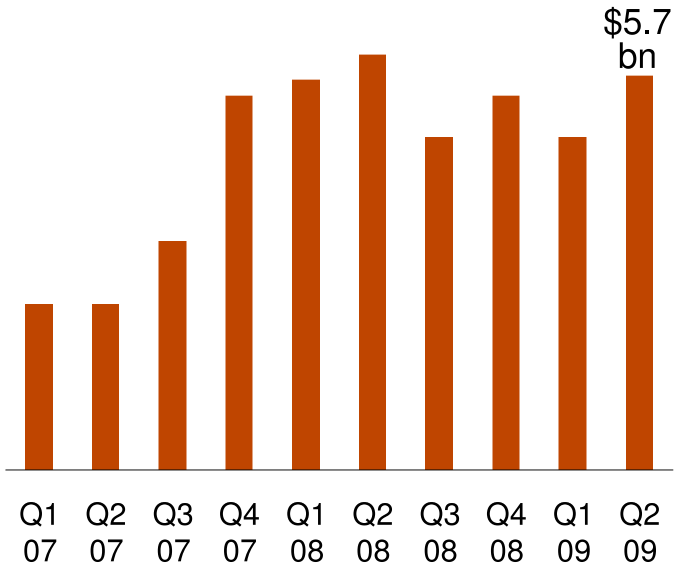
Focus on returning the business to profitability

Cash from operations back on track
Project payments and focus on net working capital



ABB's balance sheet remains rock solid
Maximum flexibility to meet an uncertain market

Net cash* Q1 07 to Q2 09
US$ billions, end of period



* Cash & equivalents plus marketable securities & short-term investments, less total debt

Uses of cash

- Restructuring
- Dividend
- Compliance costs
- M&A

Q2 2009 summary: Backlog execution sustains revenues, cost-savings bolster EBIT

- Orders down significantly from near-record Q2 last year, base order decline similar to level seen in Q1 2009
- Revenues close to last year's highs on timely execution of the backlog
  - Decreases seen in short-cycle book-to-bill sales
- EBIT and EBIT margin impacted by lower capacity utilization, restructuring-related costs, revenue mix
- More than $500 million in cost take-out so far
- Strong cash generation offsets weak Q1 2009 and lifts year-to-date rate of cash conversion above 2008 levels

Visibility into H2 remains limited

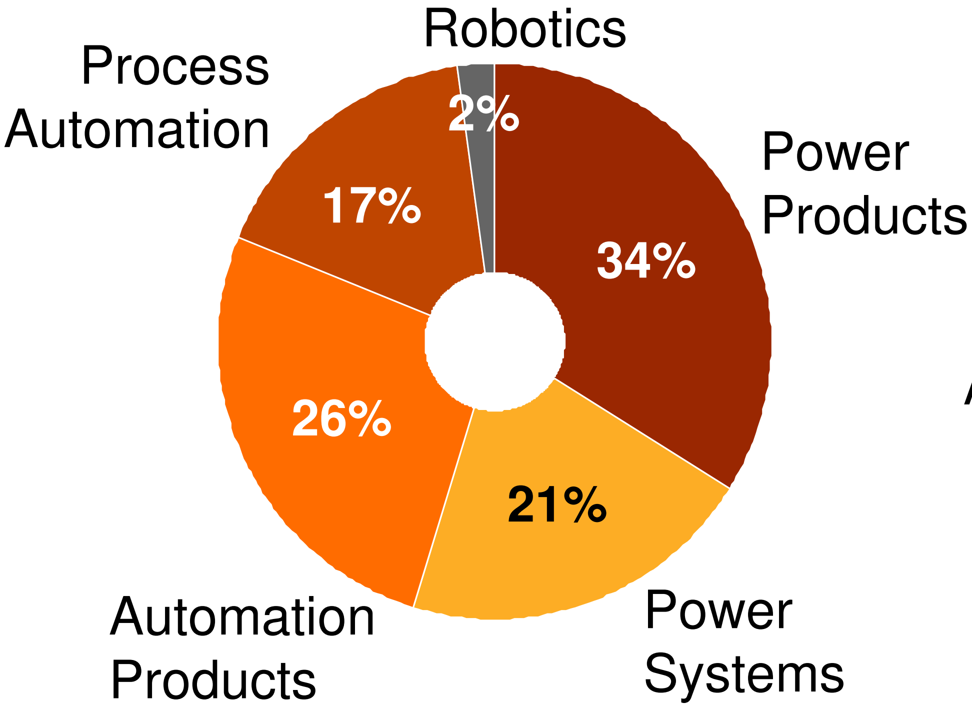
Opportunities	Challenges
▪ Resilient demand in power transmission, oil & gas ▪ Further expansion of service business ▪ Renewables continue to support orders ▪ Value-creating bolt-on acquisitions ▪ Growth potential from fiscal stimulus programs	▪ Pricing environment ▪ Speed of cost and capacity adjustments – revenue impact of lower orders still to come ▪ Outlook for industrial capex (excl. oil & gas) ▪ Focus on cash generation and net working capital ▪ Protectionism could stifle stimulus effect

H2 comparisons will be less challenging, but markets remain tough

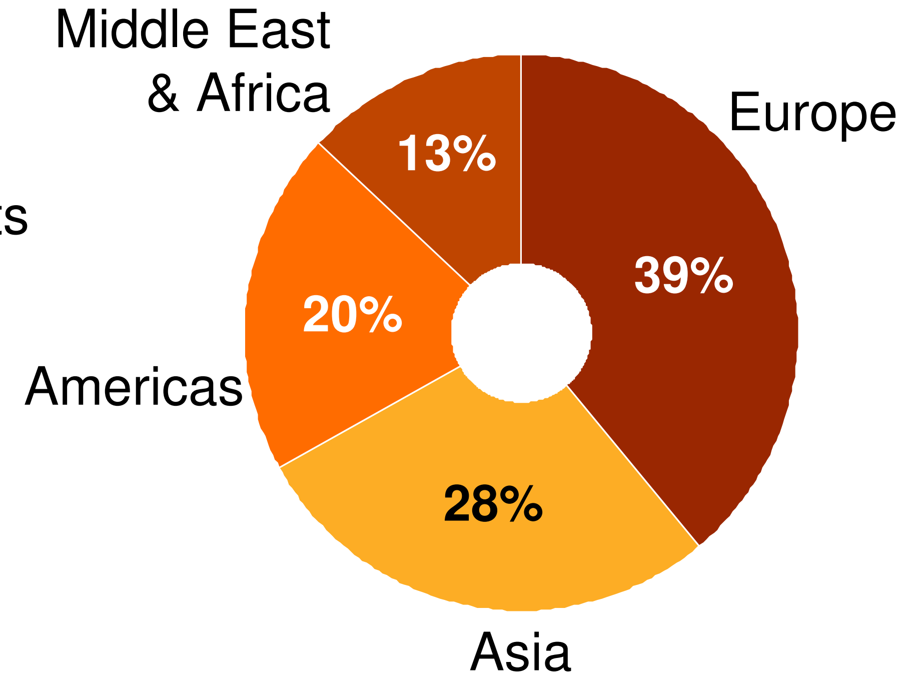
Power and productivity
for a better world™

Well-balanced business and geographic portfolio

Orders by division
% of total orders Q2 2009 (non-consolidated)



Orders by region
% of total orders Q2 2009



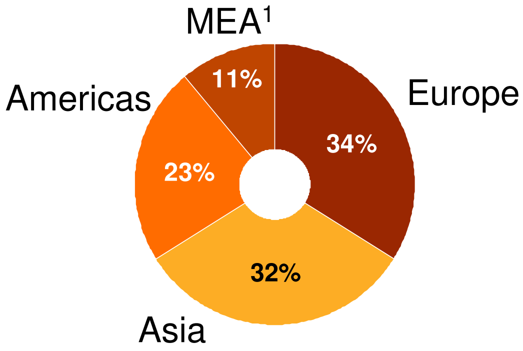
Power Products Q2 2009 summary

Key data Q2 2009

US$ millions unless otherwise stated

	Q2 2009	Q2 2008	Change US$	Change Local
Orders received	2,760	3,592	-23%	-14%
Order backlog (end June)	*8,664*	*8,954*	*-3%*	*7%*
Revenues	2,839	3,026	-6%	4%
EBIT	555	586	-5%	
as % of revenues	19.5%	19.4%		
Cash from operations	534	324		

Orders by region Q2 2009



- Orders down on lower demand from industrial and construction-related markets, price reductions from lower raw material costs
- Revenues up on execution of the order backlog
- EBIT in line with revenues, EBIT margin at same level as Q2 08
- Cost savings offset lower factory loadings in short-cycle business
- Restructuring ~$30 mill. vs $9 mill. in Q2 08
- Cash up from inventory reduction, collection of receivables
- Bolt-on acquisition of transformer component business

[1] Middle East and Africa

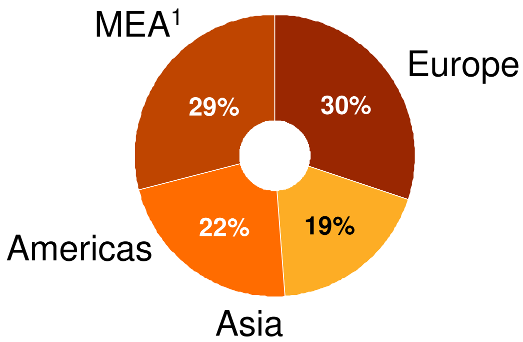
Power Systems Q2 2009 summary

Key data Q2 2009

US$ millions unless otherwise stated

	Q2 2009	Q2 2008	Change US$	Change Local
Orders received	1,697	2,611	-35%	-25%
Order backlog (end June)	*8,918*	*9,695*	*-8%*	*4%*
Revenues	1,612	1,736	-7%	6%
EBIT	122	123	-1%	
as % of revenues	7.6%	7.1%		
Cash from operations	230	141		

Orders by region Q2 2009



- Order decline mainly reflects timing of large orders, base orders also lower but stable over the last 3 quarters
- Revenues up in local currencies on execution of the order backlog
- EBIT steady, EBIT margin up as cost-reduction helped offset selling expenses from higher tendering activity
- Cash improved, mainly due to timing of project payments

[1] Middle East and Africa

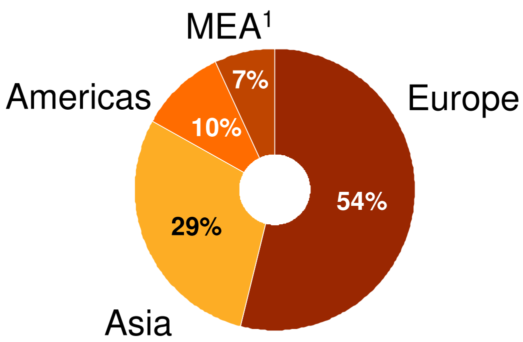
Automation Products Q2 2009 summary

Key data Q2 2009

US$ millions unless otherwise stated

	Q2 2009	Q2 2008	Change US$	Change Local
Orders received	2,146	2,967	-28%	-19%
Order backlog (end June)	*3,969*	*4,602*	*-14%*	*-5%*
Revenues	2,206	2,751	-20%	-10%
EBIT	329	538	-39%	
as % of revenues	14.9%	19.6%		
Cash from operations	450	341		

Orders by region Q2 2009



- Orders down on reduced demand in most market segments, only partly offset by infrastructure investments in areas such as wind energy, rail and water
- Revenues reflect reduced sales of short-cycle products
- EBIT decreased on lower revenues, restructuring of ca. $50 million
- Cash improved mainly from lower inventories

[1] Middle East and Africa

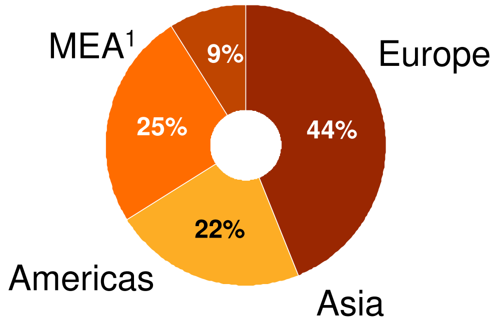
Process Automation Q2 2009 summary

Key data Q2 2009

US$ millions unless otherwise stated

	Q2 2009	Q2 2008	Change US$	Change Local
Orders received	1,342	2,681	-50%	-43%
Order backlog (end June)	*6,442*	*7,730*	*-17%*	*-7%*
Revenues	1,865	2,058	-9%	4%
EBIT	173	243	-29%	
as % of revenues	9.3%	11.8%		
Cash from operations	59	370		

Orders by region Q2 2009



- Orders declined across all regions vs strong Q2 08, both base and large orders down – demand in oil & gas sector steady
- Revenues supported by execution of large projects, service revenues stable
- EBIT margin lower on $24 million restructuring, lower capacity utilization, higher share of systems revenues
- Cash decreased as net working capital for project execution grew, customer advances down on lower large orders in the quarter

[1] Middle East and Africa

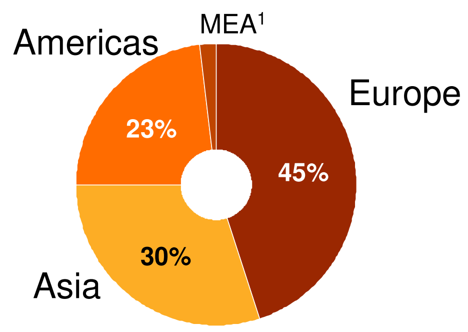
Robotics Q2 2009 summary

Key data Q2 2009

US$ millions unless otherwise stated

	Q2 2009	Q2 2008	Change US$	Change Local
Orders received	182	503	-64%	-60%
Order backlog *(end June)*	*397*	*760*	*-48%*	*-44%*
Revenues	234	417	-44%	-37%
EBIT	(51)	29	n/a	
as % of revenues	-21.8%	7.0%		
Cash from operations	(50)	30		

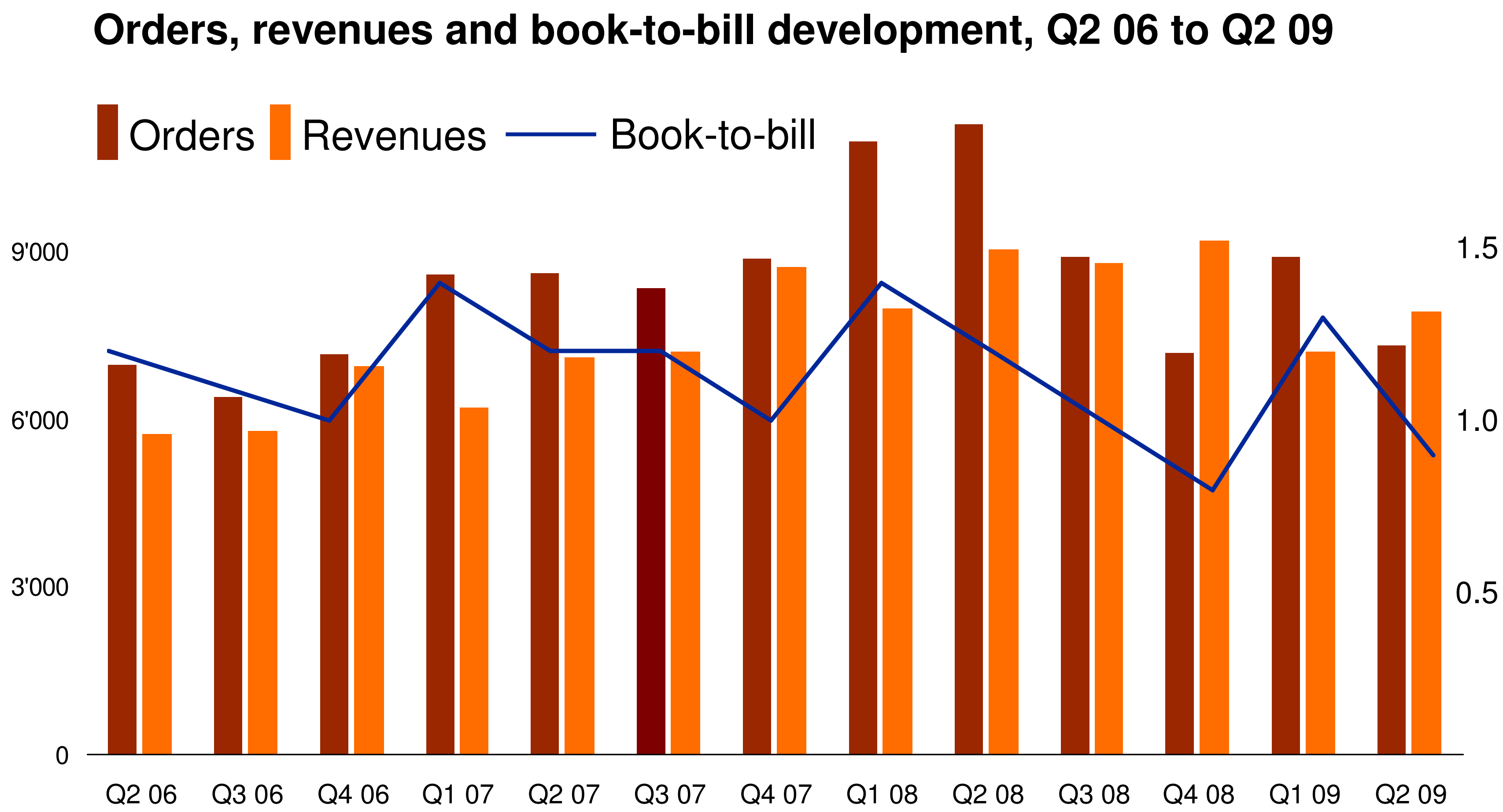
Orders by region Q2 2009



- Orders hit by severe downturn in the global automotive sector and general industry
- Decreased revenues, lower factory loadings, decline in service business, $10 million restructuring all contributed to EBIT loss
- Cash from operations reflects payment conditions in the automotive sector, some project delays

[1] Middle East and Africa

Seasonal order and revenue patterns continue



Below the EBIT line

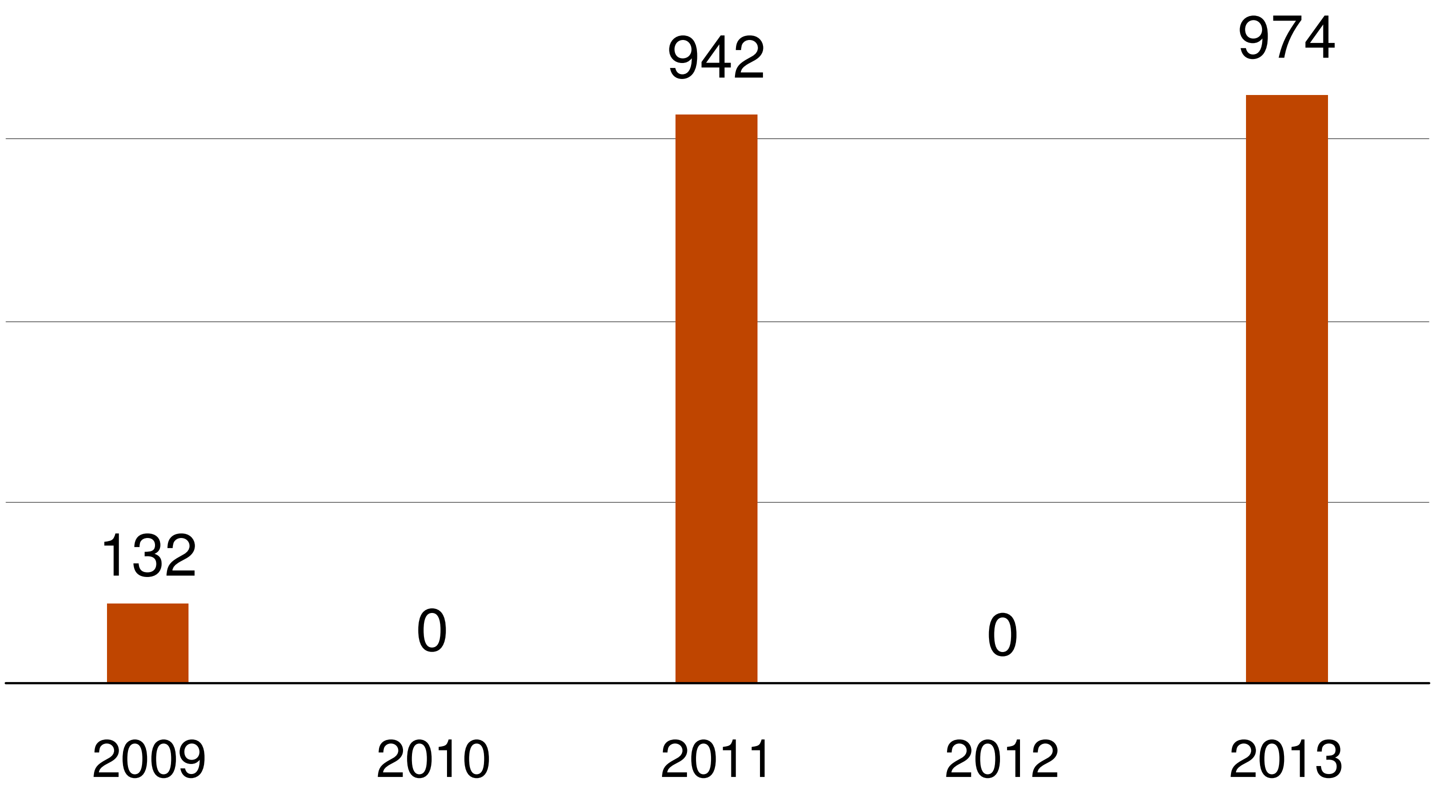
	Q2 2009	Q2 2008
Finance net	(25)	41
Provision for taxes	(307)	(431)
Income from continuing operations	728	1'059
Discontinued operations	12	(17)
Non-controlling interest*	(65)	(67)
Net income	**675**	**975**

- Finance net down as market rates on net cash lower than a year earlier

* Formerly "Minority interest"

Maturity profile of debt securities

Total debt securities of approx. $2 billion as of June 30, 2009



Based on June 30, 2009 FX rates

Reconciliation of financial measures to US GAAP

EBIT margin	
Earnings before interest and taxes (EBIT)	1,047
Revenues	7,915
EBIT margin (EBIT as % of revenues)	**13.2%**

Net cash	
Short-term debt and current maturities of long-term debt	(331)
Long-term debt	(2,063)
Total debt	**(2,394)**
Cash and equivalents	6,822
Marketable securities and short-term investments	1,316
Cash and marketable securities	**8,138**
Net cash	**5,744**

For more information, call ABB Investor Relations or visit our website at www.abb.com/investorrelations

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