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ABB Q1 2010 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 global economic conditions, 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 associated with the weakened global economy 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 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.

Short-cycle momentum, long-cycle trend still to come

- Industrial upturn fuels momentum in short-cycle divisions
- Cautious customer spending continues in late-cycle areas
- Revenues reflect lower 2009 orders flowing through P&L
- Cost take-out of >\$300 million in the quarter, minimal restructuring-related costs
- EBIT margin of 10.2% – favorable short cycle revenue mix offset by project execution costs in Power Systems, continued volume and price pressure in Power Products
 - EBIT margin excl. derivative impact and restructuring at 11.5%
- Strong cash flow on improvements in net working capital

Key figures for Q1 2010

Key figures Q1 2010 vs Q1 2009

<i>US\$ millions unless otherwise indicated</i>	Q1 2010	Q1 2009	<i>change</i>	
			US\$	Local
Orders received	8,067	9,150	-12%	-19%
Revenues	6,934	7,209	-4%	-11%
Order backlog (end March)	25,454	25,017	2%	-5%
EBIT	709	862	-18%	
as % of revenues	10.2%	12.0%		
Net income	464	652	-29%	
Basic earnings per share (US\$)	0.20			
Cash from operations	427	(104)		

- Orders down vs strong Q1 09, but pace of decline is slowing
- Base orders down 5%¹ vs Q1 2009, up 15%¹ vs Q4 2009
- Order backlog up 5%¹ vs end of Q4 2009

¹ Change in local currencies

Short-cycle sees order and EBIT margin recovery

Key figures by division, Q1 2010

US\$ millions, percentage change in local currencies vs same period in 2009

	Orders	Revenue	EBIT %	EBIT % Q1 2009
Power Products	-26%	-12%	15.0%	17.9%
Power Systems	-30%	-10%	-1.0%	5.9%
Discrete Automation	2%	-13%	13.8%	12.7%
Low-Voltage Products	2%	2%	14.8%	13.6%
Process Automation	-24%	-15%	9.2%	7.8%
ABB Group	-19%	-11%	10.2%	12.0%

Volume & price (red oval) points to Orders.

Short cycle recovery (green oval) points to Revenue.

Project execution (red oval) points to EBIT %.

Large order comps (red oval) points to Orders.

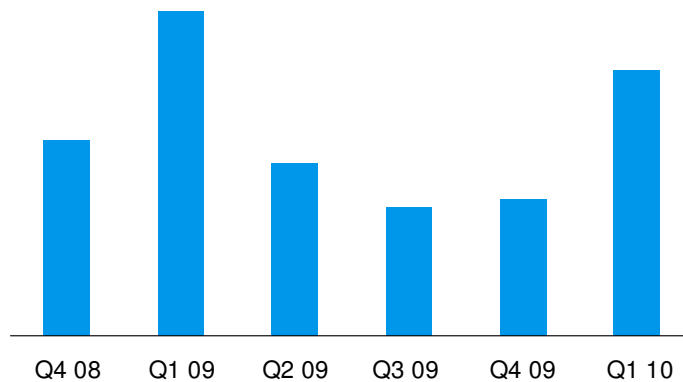
Product mix, cost savings (green oval) points to EBIT %.

Chart 5

Short-cycle momentum building in automation

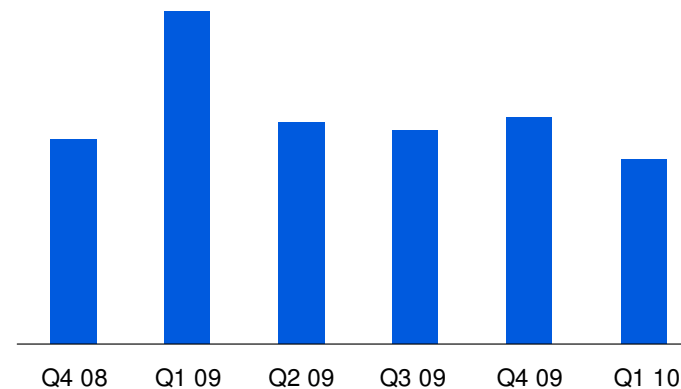
Power will take longer to catch up

Automation orders Q4 08 to Q1 10
Local currencies



- GDP growth, increasing industrial production
- ABB with good emerging market exposure
- Q1 double-digit growth in most regions

Power orders Q4 08 to Q1 10
Local currencies



- Accelerated price pressure
- Timing of large projects
- Utilities still spending cautiously

Power Products facing short-term pressure But well positioned for market rebound

Challenges	Opportunities
<ul style="list-style-type: none">▪ Utility spending on transmission down mainly on timing – project pipeline remains robust▪ “Buy local” pattern with a negative impact – especially under stimulus programs▪ Revenues to remain under pressure due to lower order intake in preceding quarters▪ EBIT margin affected by<ul style="list-style-type: none">▪ Lower revenues – mainly timing▪ Price pressure▪ Increasing raw material costs	<ul style="list-style-type: none">▪ Slowing pace of order decline in short-cycle distribution products▪ Backlog still above \$8 bn with steady margins▪ Good progress on cost and footprint optimization expected to yield upside when demand recovers – cost savings accelerated in specific areas▪ Mid-segment initiatives in targeted markets▪ Comprehensive portfolio of high efficiency, environmentally friendly products and solutions

Some encouraging signs in longer-cycle industries

Broad trends not yet visible

Order increases by selected business and region, Q1 2010

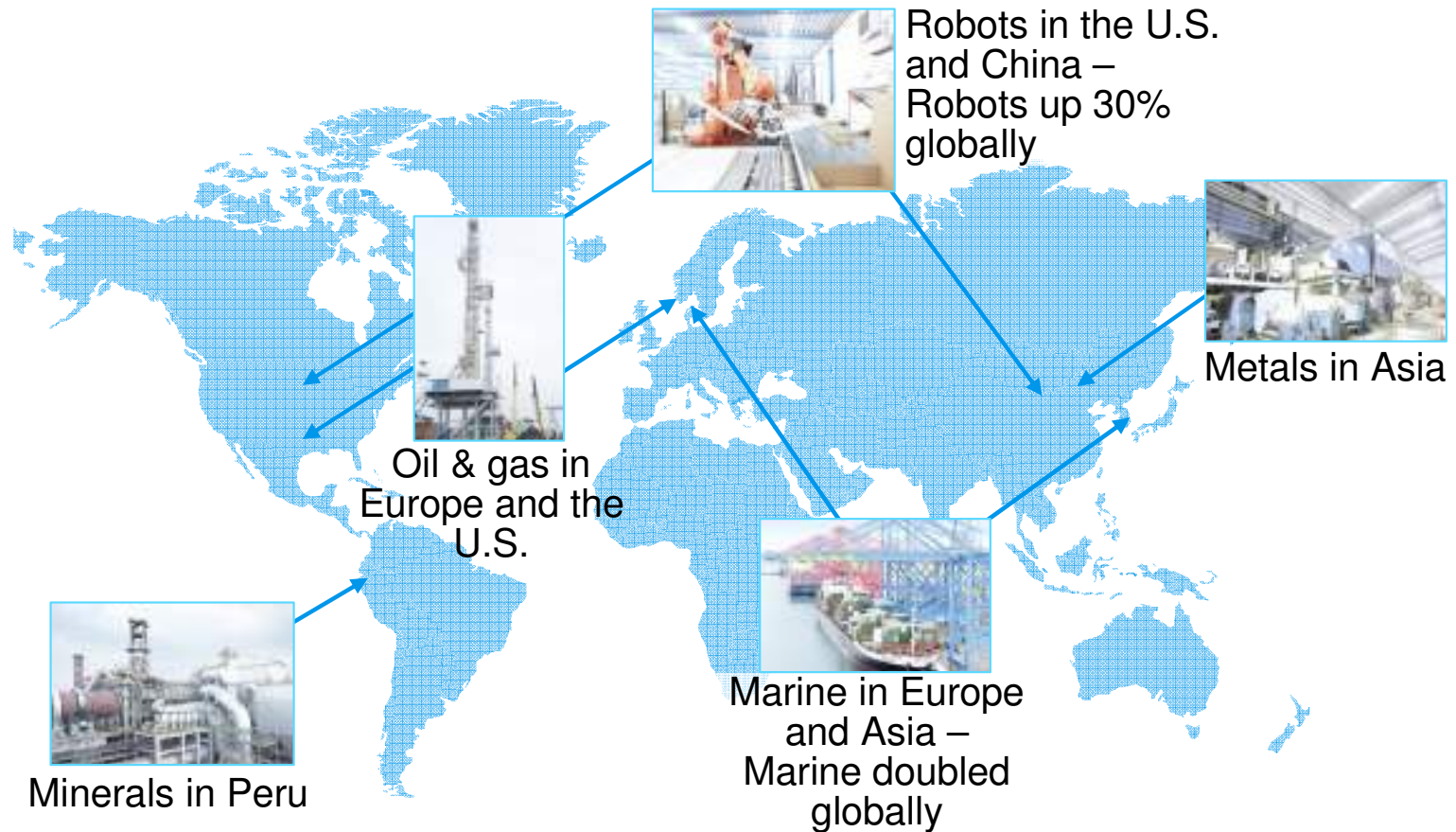


Chart 8

Strong book-to-bill maintains seasonal trends

Backlog up 5% vs end of Q4 2009

Orders, revenues and book-to-bill development, Q4 07 to Q1 10

US\$ millions, ratio of orders-to-revenues

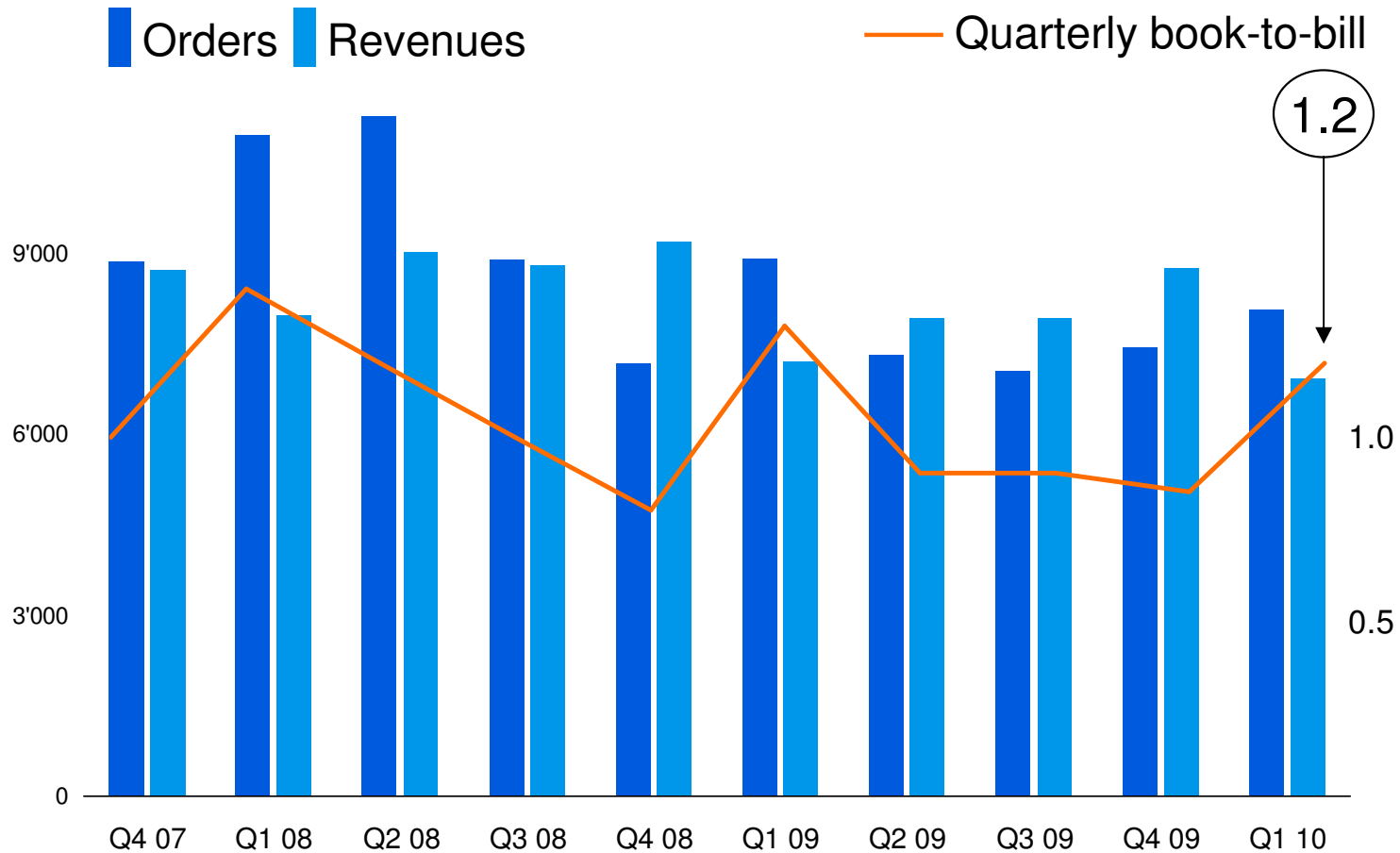


Chart 9

Large orders return to normalized levels

Base orders down 5% vs Q1 09 but up 15% vs Q4 09

Orders Q1 2008 to Q1 2010
in local currencies

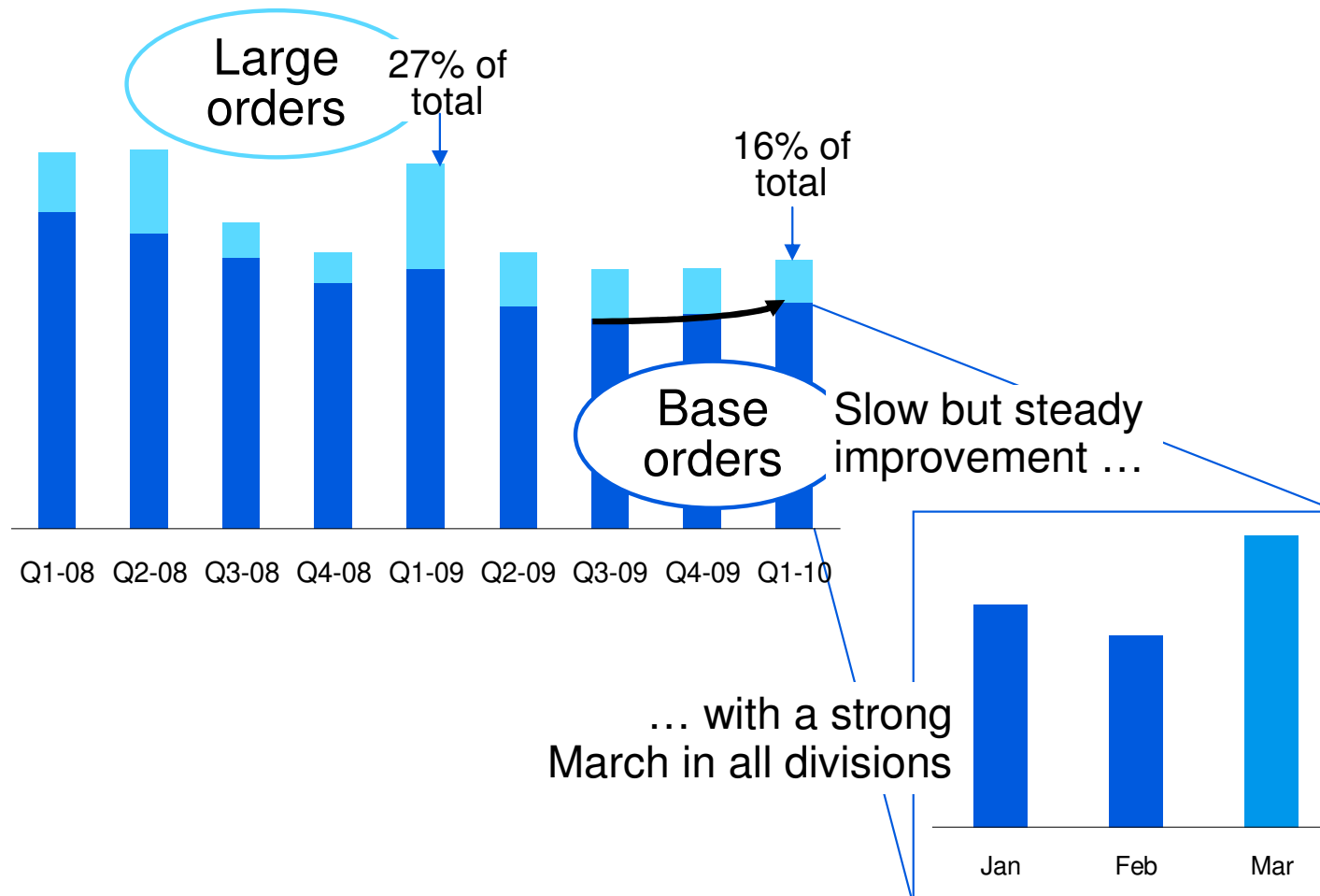


Chart 10

Industry recovery lifts automation in most regions

Utility spending trends follow longer cycles

Order growth by region
Q1 2010 vs Q1 2009
(in local currencies)

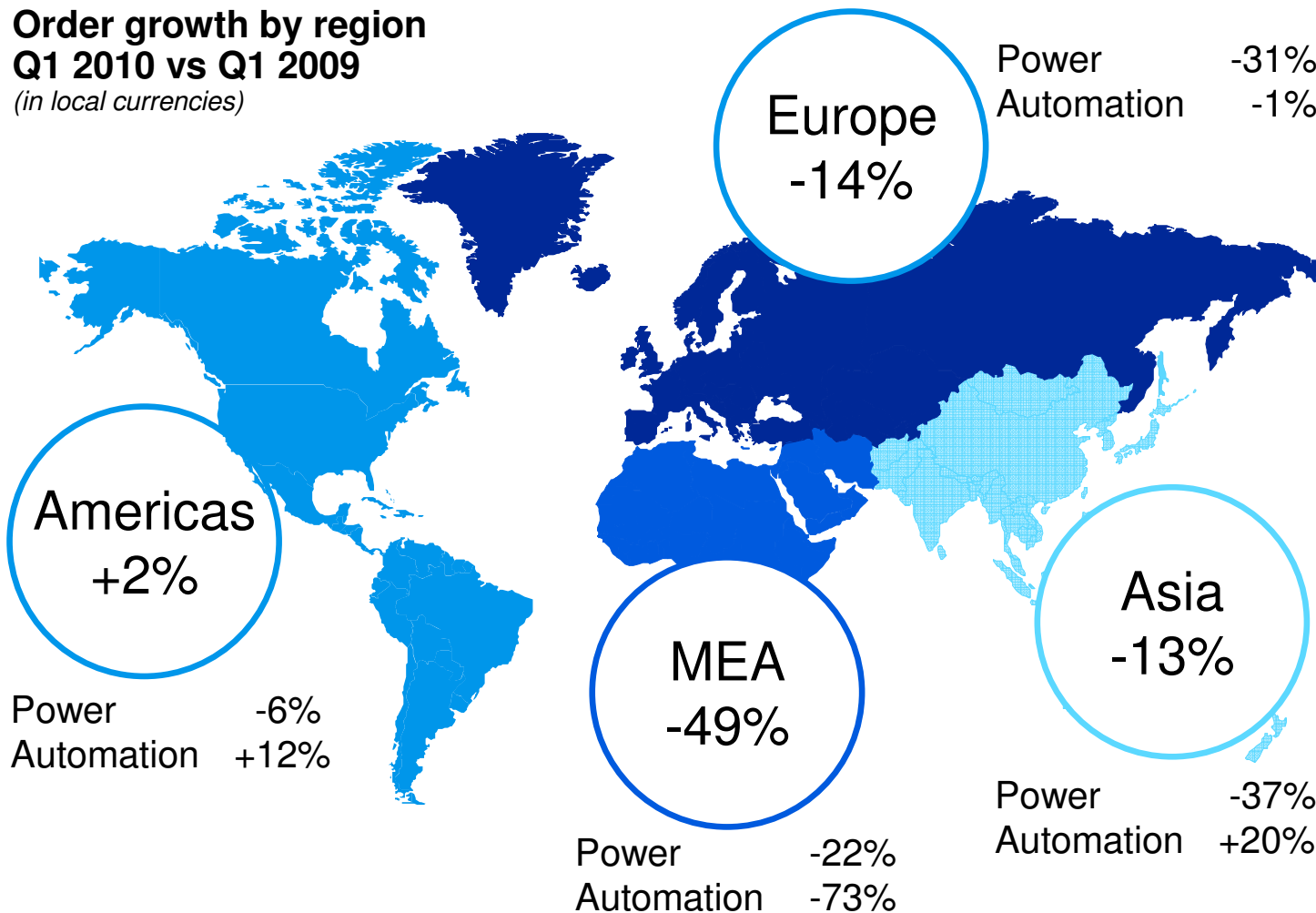


Chart 11

Power and automation performance in key markets

Order growth by selected country
Q1 2010 vs Q1 2009
(in local currencies)

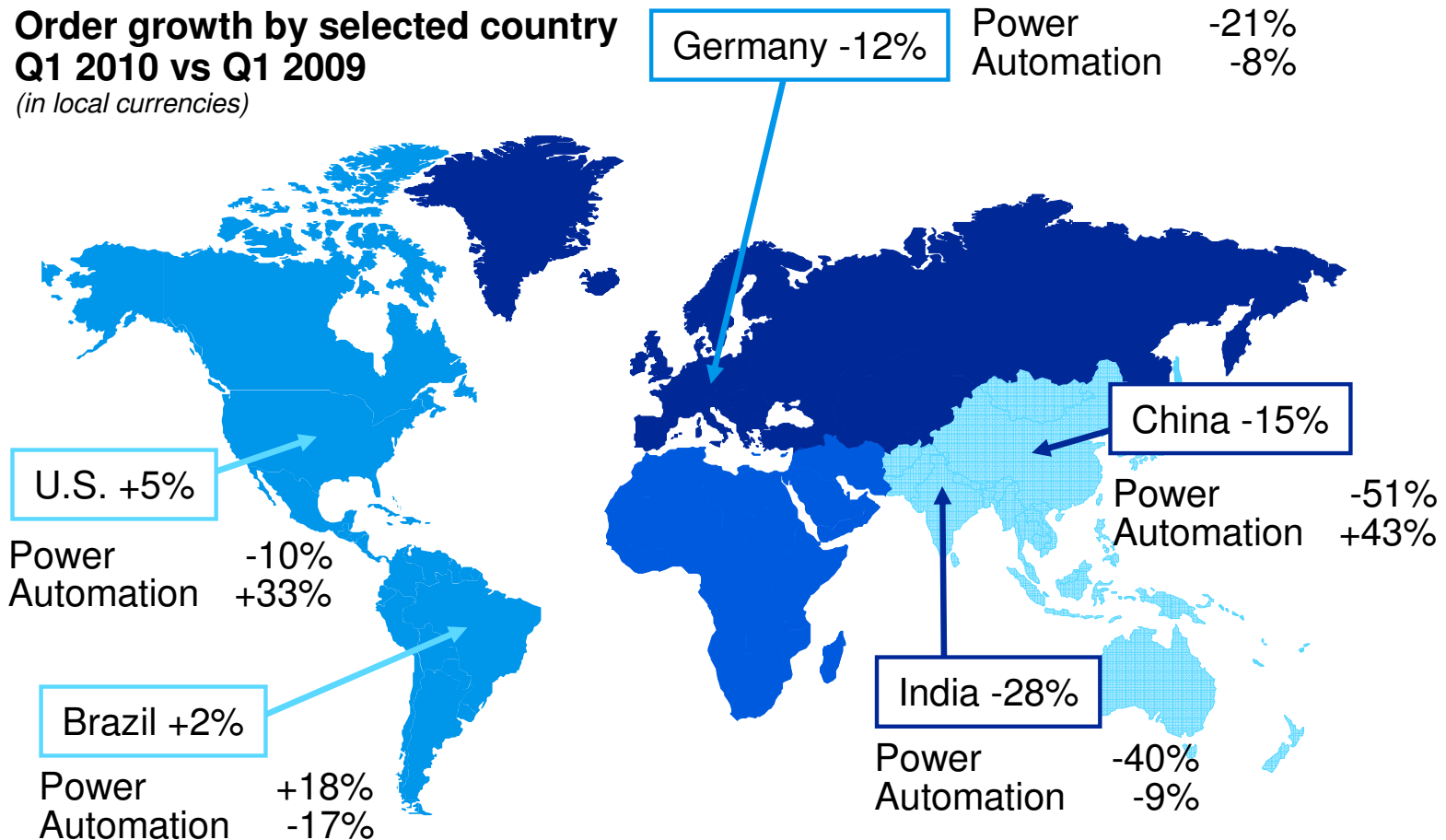
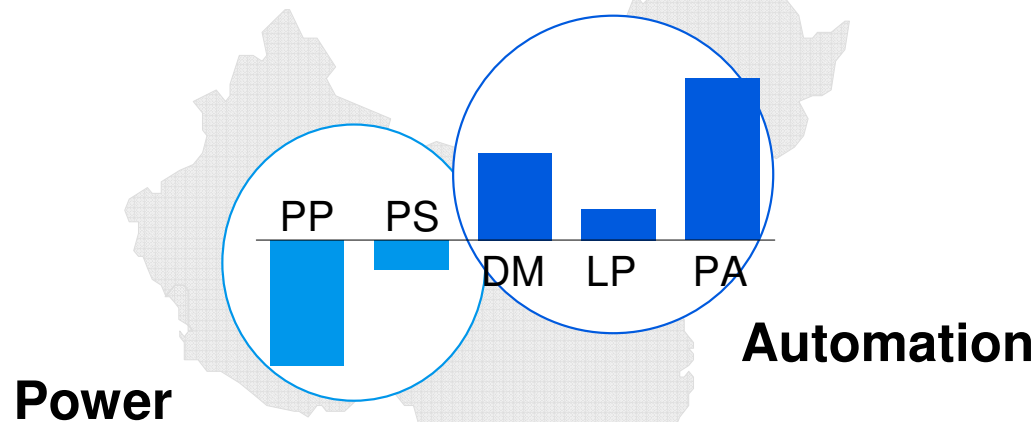


Chart 12

China update: Solid quarter for automation, power a challenge on lower large orders

Order development in China Q1 10 vs Q1 09

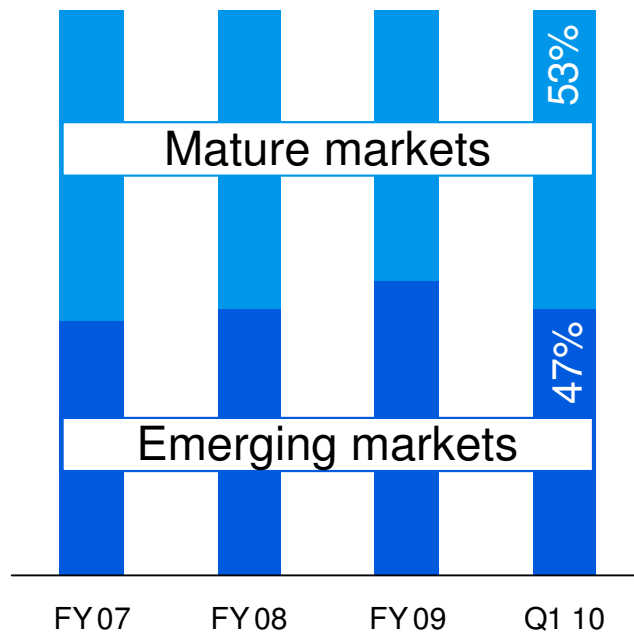


- Aggressive local competition
- \$140-million transformer order not repeated
- Need for high-voltage transmission remains supportive

- Strong industrial production
- Metals orders lifted PA
- Energy efficiency, product quality supported DM
- Robotics with solid order growth

Emerging market share reflects impact of large orders

Share of orders by region (in local currencies)



Q1 2010 highlights

Double-digit order growth*

PP	PS	DM	LP	PA
Poland	Indonesia	China	China	India
Russia	Peru	Brazil	Russia	Peru
Brazil	Algeria	Thailand	Qatar	Congo
UAE	UAE			
	Saudi Arabia			

Large orders

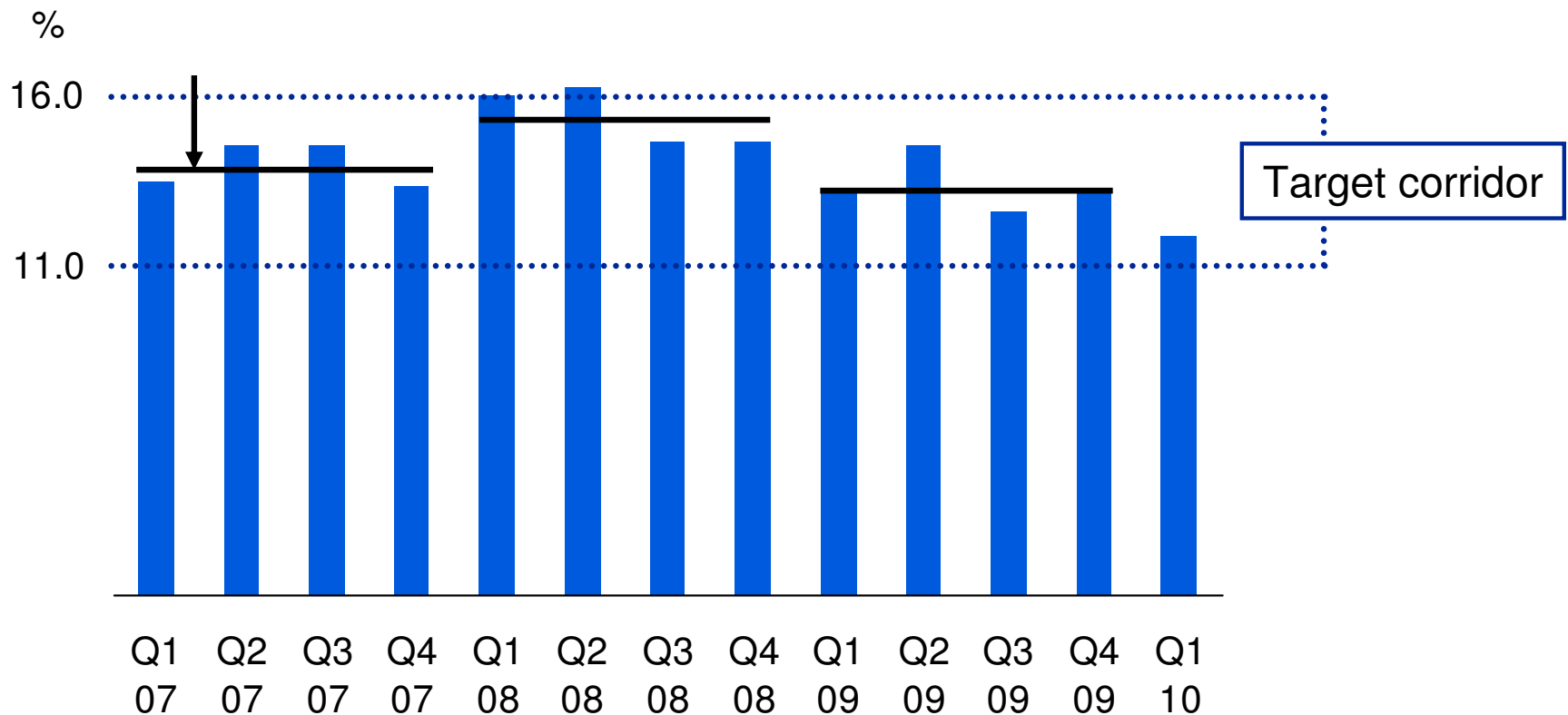
- \$48-mill substation, Saudi Arabia
- \$104-million substation, UAE
- \$47-mill SVC installation, Peru

* Change in local currencies, increase greater than \$10 million

EBIT at operational level within annual target corridor

EBIT margin* Q1 2007 to Q1 2010

in percent



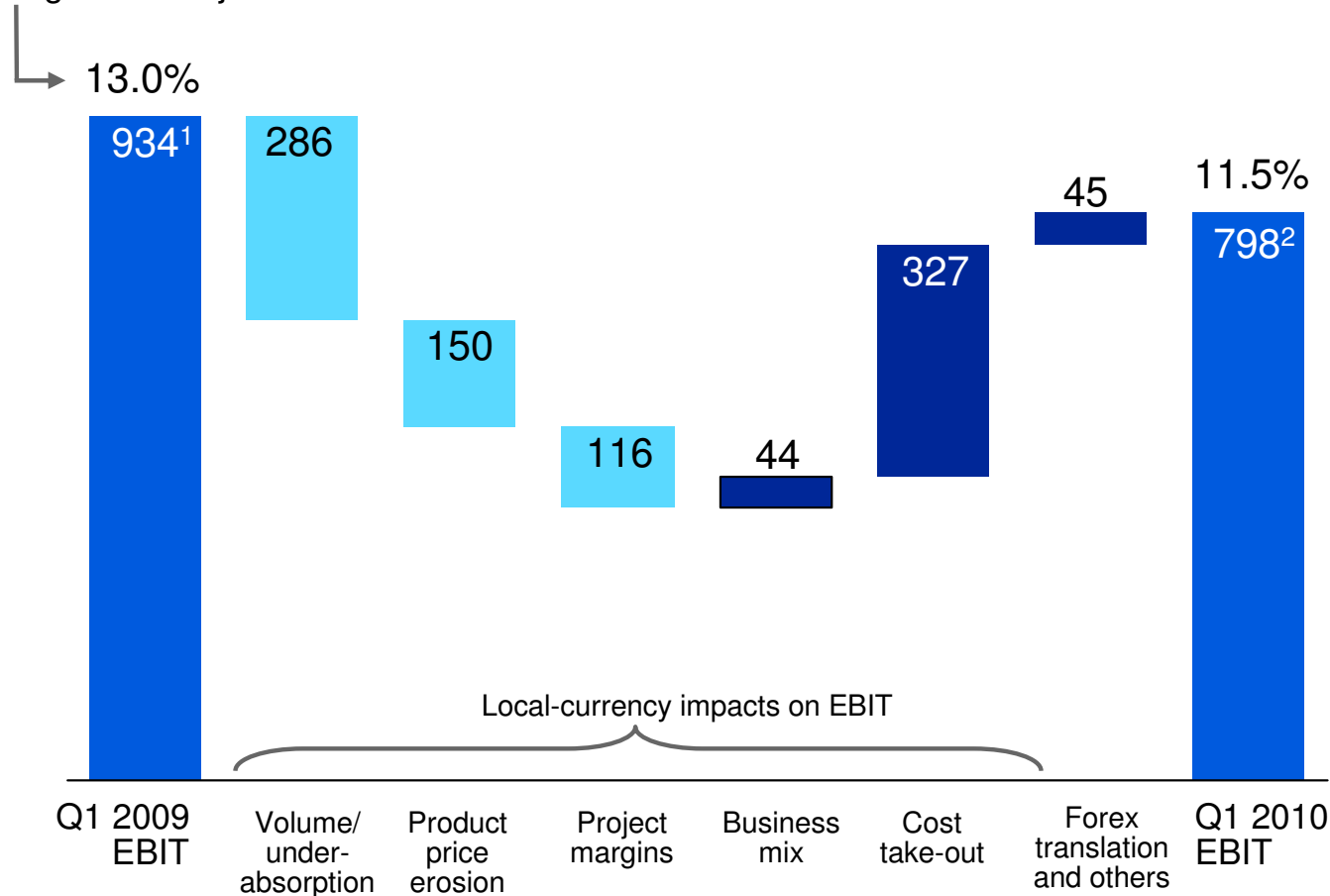
* Reported EBIT margin adjusted for unrealized gains and losses on derivative transactions, restructuring-related charges and adjustments to compliance and other provisions

Chart 15

Cost savings offset EBIT impact of volume shortage

Local currency analysis of change in adjusted EBIT margin¹

Margin after adjustments



¹ EBIT adjusted for gains/losses on derivative transactions, restructuring-related charges and, in Q1 2009, an asset write-down related mainly to ABB's business in Russia

Chart 16

Cost take-out continues to support profitability

Approximate cost savings by category, Q1 2010 and FY 2010E

US\$ millions

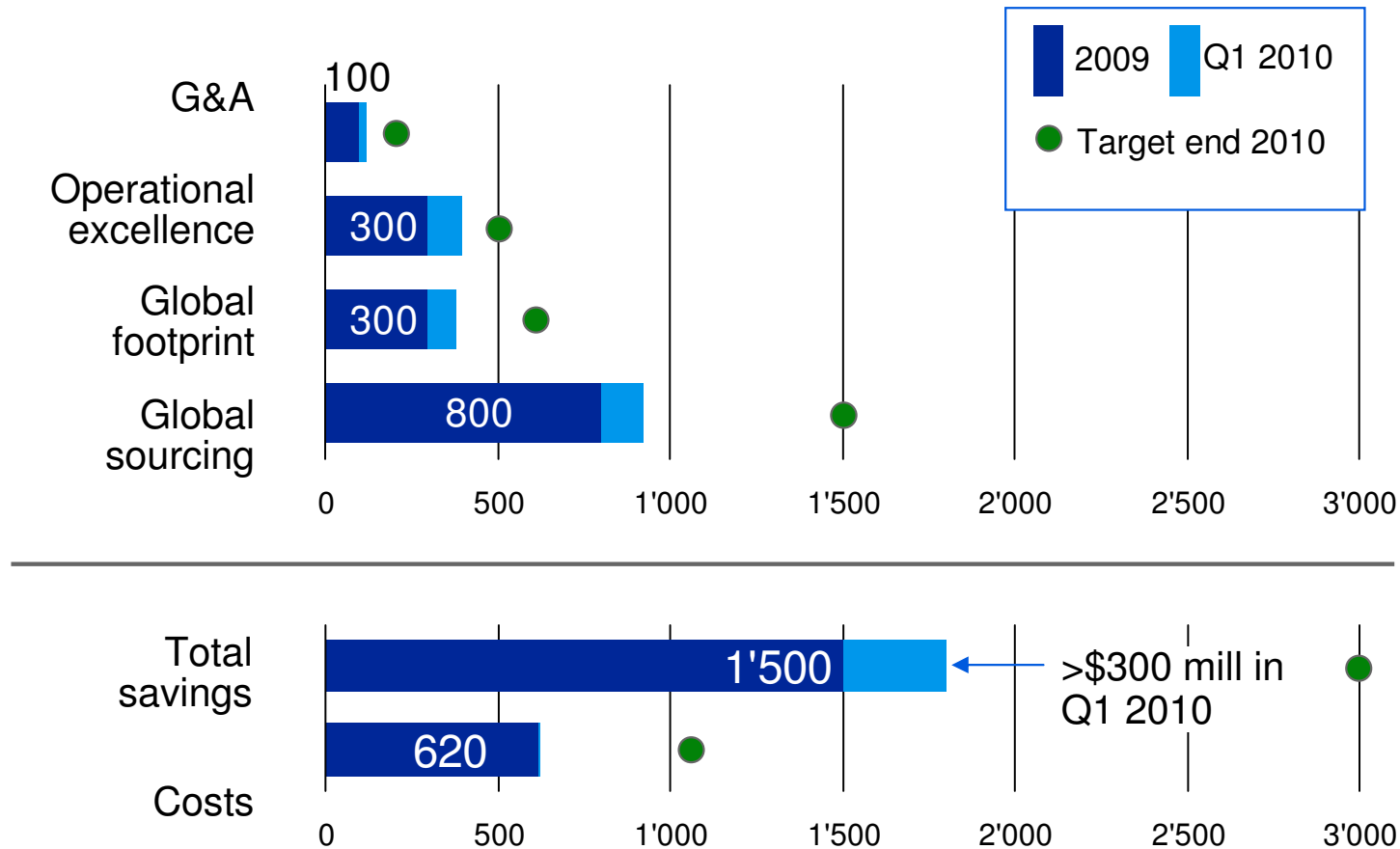
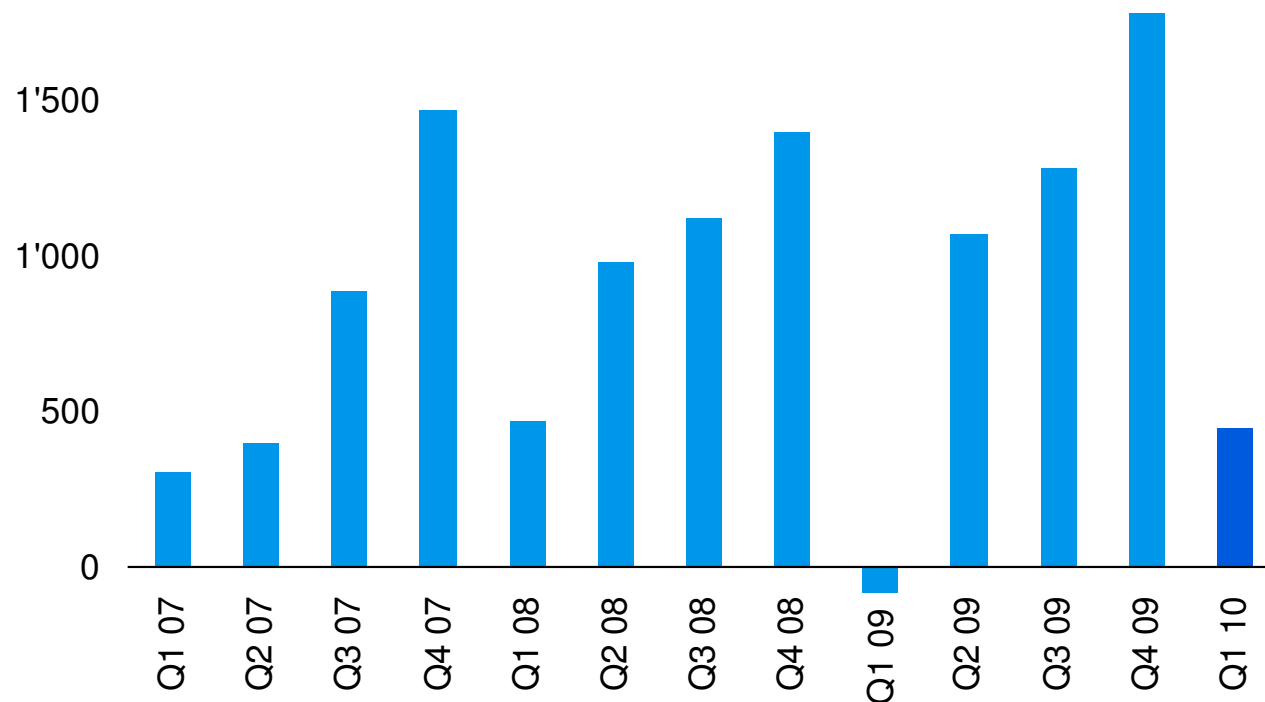


Chart 17

A strong first quarter for cash flow

Cash from operations Q1 2007-Q1 2010

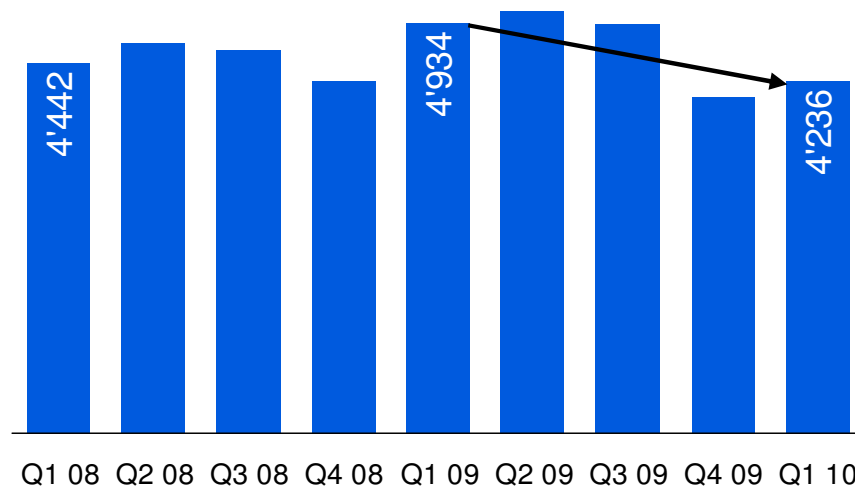
US\$ millions



- Net working capital as % revenues 13.4% vs 14.4% in Q1 2009
- Cash flow incl. ~\$75 mill. cash out for restructuring

Disciplined approach to net working capital

Net working capital
US\$ millions



- A strong Q1 performance against the usual seasonal trend
- Due mainly to lower inventories but NWC also lower in growing divisions (DM and LP)

Summary and outlook

Short-cycle momentum, infrastructure still challenging

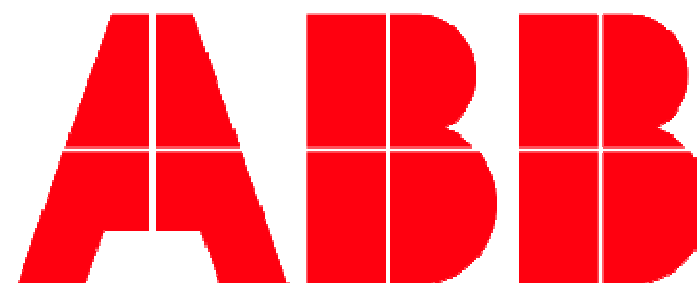
- Base orders gain momentum in automation divisions
- Later-cycle divisions continue to see order declines
- Revenues down as lower 2009 orders flow through to P&L
- Backlog steady
- Cost take-out offsets volume declines and price pressure – EBIT margin at operational level = 11.5%
- Good Q1 cash flow on improved NWC management

Outlook

- Global GDP recovery supports continued short-cycle recovery
- Demand in late-cycle businesses likely to remain a challenge
- Continued focus on operational execution around cost

Tap growth opportunities to leverage improved cost base

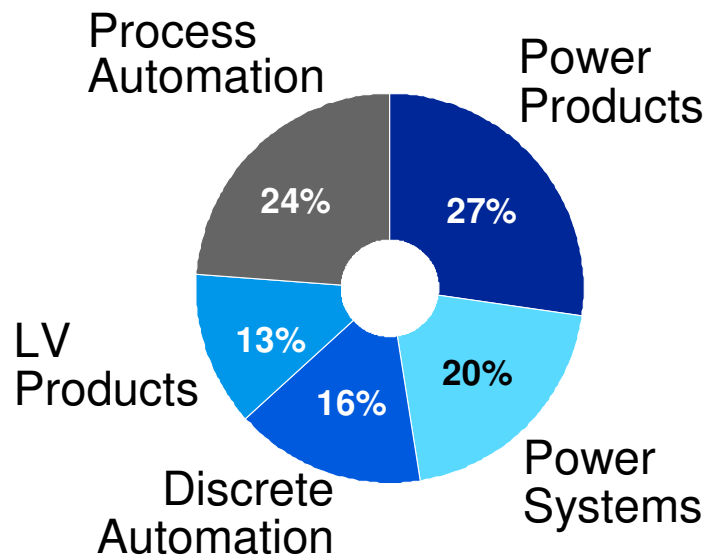
Power and productivity
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Balanced business and geographic portfolio

Orders by division

% of total orders Q1 2010 (non-consolidated)



Orders by region

% of total orders Q1 2010

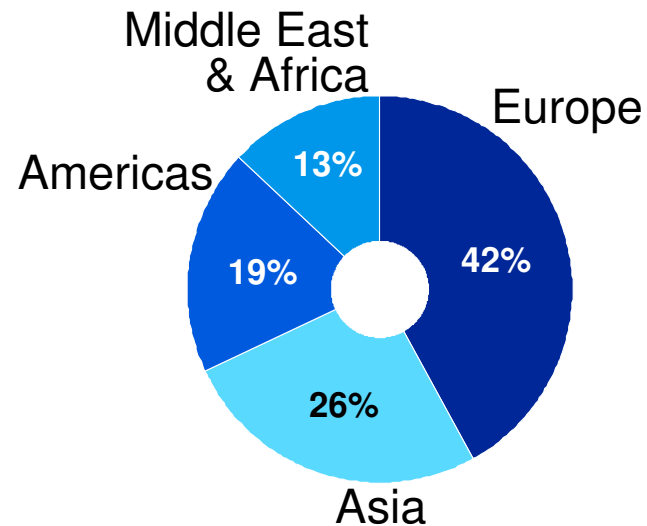


Chart 22

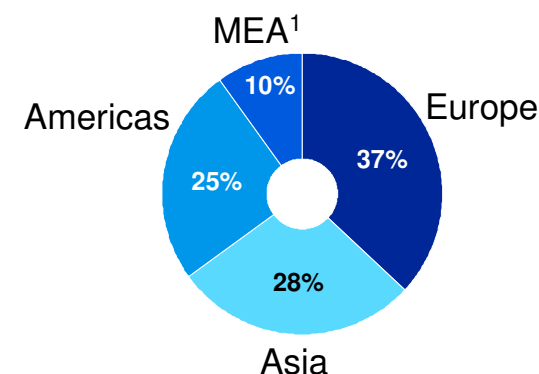
Power Products Q1 2010 summary

Key data Q1 2010

US\$ millions unless otherwise stated

	Q1 2010	Q1 2009	Change	
			US\$	Local
Orders received	2,401	2,960	-19%	-26%
Order backlog (end Mar)	8,151	8,178	0%	-7%
Revenues	2,319	2,468	-6%	-12%
EBIT	348	442	-21%	
as % of revenues	15.0%	17.9%		
Cash from operations	247	97		

Orders by region Q1 2010



- Utility spending restrained, industry demand still at low levels - both base and large orders declined
- Orders up >50% in CEE, higher in South America – this was more than offset by declines in mature markets, China and MEA
- Revenues down on lower short-cycle sales, order declines from 2009 and customer delays in accepting product delivery
- EBIT and EBIT margin reflect lower revenues, cost underabsorption and continued price pressure

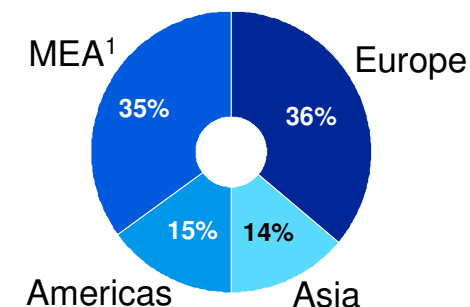
Power Systems Q1 2010 summary

Key data Q1 2010

US\$ millions unless otherwise stated

	Q1 2010	Q1 2009	Change	
			US\$	Local
Orders received	1,758	2,279	-23%	-30%
Order backlog (end Mar)	9,861	8,332	18%	10%
Revenues	1,384	1,417	-2%	-10%
EBIT	-14	83	N/A	
as % of revenues	-1.0%	5.9%		
Cash from operations	-37	-150		

Orders by region Q1 2010



- Fundamental demand drivers intact – new grid capacity and upgrades, regional interconnections, renewables
- Orders impacted by timing of large orders, lower base orders on weaker utility and industrial demand
- Revenues reflect project delays, lower 2009 base orders
- EBIT hit by mark-to-market treatment of derivative transactions (~4% of EBIT margin), execution challenges on a small number of specific projects

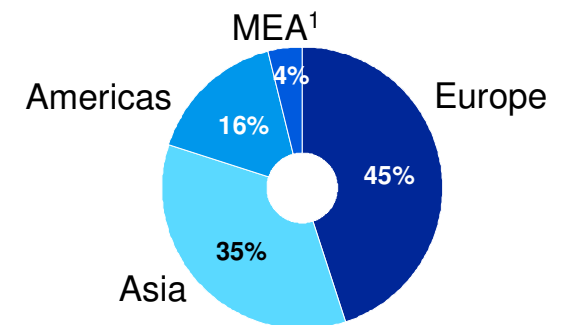
Discrete Automation and Motion Q1 2010 summary

Key data Q1 2010

US\$ millions unless otherwise stated

	Q1 2010	Q1 2009	Change	
			US\$	Local
Orders received	1,408	1,285	10%	2%
Order backlog (end Mar)	3,162	3,386	-7%	-12%
Revenues	1,213	1,301	-7%	-13%
EBIT	168	165	2%	
as % of revenues	13.8%	12.7%		
Cash from operations	59	-18		

Orders by region Q1 2010



- Base orders up in short-cycle businesses (e.g. LV motors & drives), more than offset lower later-cycle orders (e.g., machines and power electronics) - robotics orders up from low level
- Highest growth in Americas (led by the U.S.) and Asia (China up >30%) - orders lower in Europe, MEA
- Revenues reflect low opening backlog in machines and robotics
- Cost savings plus favorable product mix lifted EBIT and EBIT margin

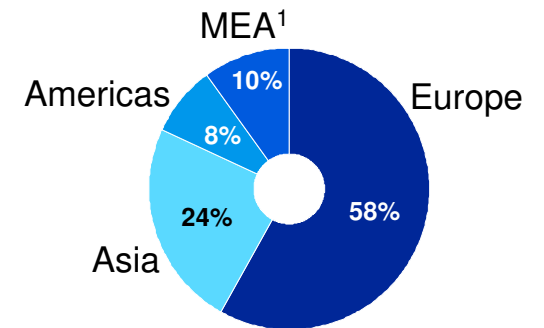
Low-Voltage Products Q1 2010 summary

Key data Q1 2010

US\$ millions unless otherwise stated

	Q1 2010	Q1 2009	Change	
			US\$	Local
Orders received	1,106	1,020	8%	2%
<i>Order backlog (end Mar)</i>	<i>816</i>	<i>772</i>	5%	1%
Revenues	1,011	933	8%	2%
EBIT	150	127	18%	
as % of revenues	14.8%	13.6%		
Cash from operations	76	-18		

Orders by region Q1 2010



- Construction and industry demand supported growth in Asia (China up 13%), MEA, Americas - Europe lower despite growth in large Germany and Italy markets
- Revenues in line with orders (book-to-bill sales)
- EBIT and EBIT margin up on higher revenues, positive product mix and impact of cost measures taken in 2009

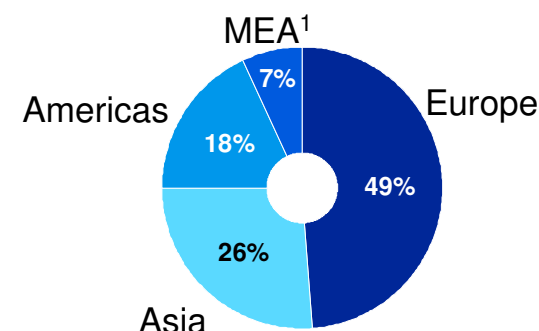
Process Automation Q1 2010 summary

Key data Q1 2010

US\$ millions unless otherwise stated

	Q1 2010	Q1 2009	Change	
			US\$	Local
Orders received	2,115	2,553	-17%	-24%
Order backlog (end Mar)	5,729	6,765	-15%	-21%
Revenues	1,735	1,878	-8%	-15%
EBIT	159	146	9%	
as % of revenues	9.2%	7.8%		
Cash from operations	137	48		

Orders by region Q1 2010



- Orders down mainly on lower large orders – base orders back to high levels of a year ago and up double-digits since mid-2009
- Oil & gas lower on large project comparison; marine, pulp & paper up from low levels, metals and minerals steady
- Service mixed - strong oil & gas, turbocharging offset by efforts to reduce exposure to some less profitable full-service contracts
- Revenues down mainly on lower 2009 orders
- EBIT and EBIT margin shows larger share of service and product sales plus cost benefits

Below the EBIT line

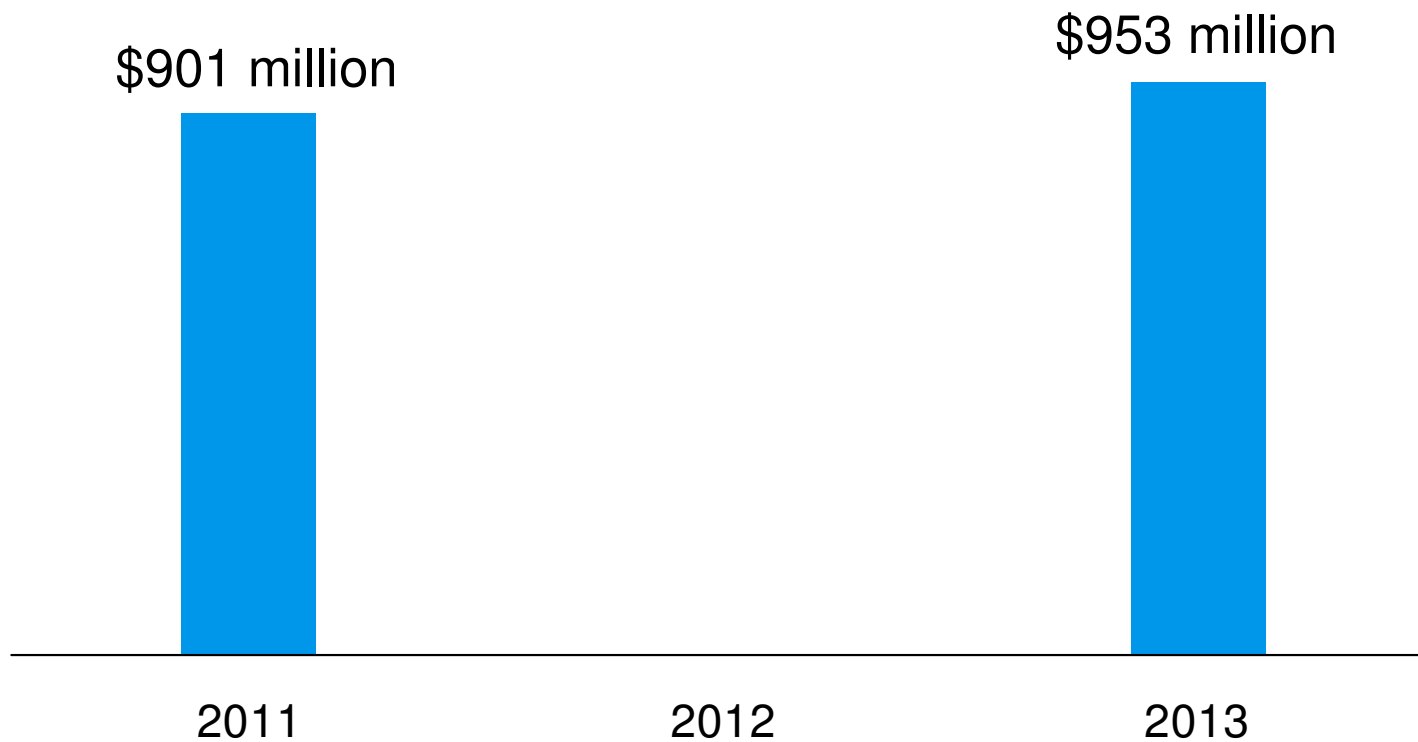
	Q1 2010	Q1 2009
Finance net	(19)	60
Provision for taxes	(200)	(240)
Income from continuing operations	489	682
Discontinued operations	1	10
Non-controlling interest*	(27)	(40)
Net income	463	652

- Finance net in 2009 included reversal of ~\$100-million unrealized gains (fair value accounting) from Q4 2008

* Formerly "Minority interest"

Maturity profile of debt securities

Total debt securities of approx. \$1.9 billion as of March 31, 2010



Based on Mar 31, 2010 FX rates

Reconciliation of financial measures to US GAAP

EBIT margin	Q1 2010
<i>= EBIT as % of revenues</i>	
Earnings before interest and taxes (EBIT)	709
Revenues	6'934
EBIT margin	10.2%
Net cash	
<i>= Cash and equivalents plus marketable securities and short-term investments, less total debt</i>	
Short-term debt and current maturities of long-term debt	(205)
Long-term debt	(2'061)
Total debt	(2'266)
Cash and equivalents	7'408
Marketable securities and short-term investments	2'005
Cash and marketable securities	9'413
Net cash	7'147
Adjustments to EBIT margin	
EBIT	709
<i>adjusted for the effects of</i>	
Unrealized gains (losses) on derivatives (FX, commodities, embedded derivatives)	69
Realized gains (losses) on derivatives where the underlying hedged transaction has not yet been realized	17
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(4)
Restructuring and restructuring-related expenses	7
EBIT after adjustments	798
Revenues	6'934
As % of revenues	11.5%

Chart 30

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

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