January 14, 2012, Flims, Switzerland

Managing for growth and cost
Michel Demaré, CFO

Power and productivity
for a better world™

Safe harbor statement

This presentation includes forward-looking information and statements as well as other statements concerning the outlook for our business. 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 “aims,” “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 presentation 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 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 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.

An introduction to ABB

A global leader in power and automation

ABB: A global leader in power and automation

Power Products

$10 billion

Power Systems

$6.8 billion

Power transmission & distribution solutions for utilities and industry

Market leader across most of the portfolio

Discrete Automation and Motion

$5.6 billion

Low Voltage Products

$4.5 billion

Process Automation

$7.4 billion

Energy efficiency solutions for process industries (e.g., oil & gas), factory automation and building & construction

Among Top 3 in most markets

130,000 employees in 100 countries

$32 billion in revenue (2010)

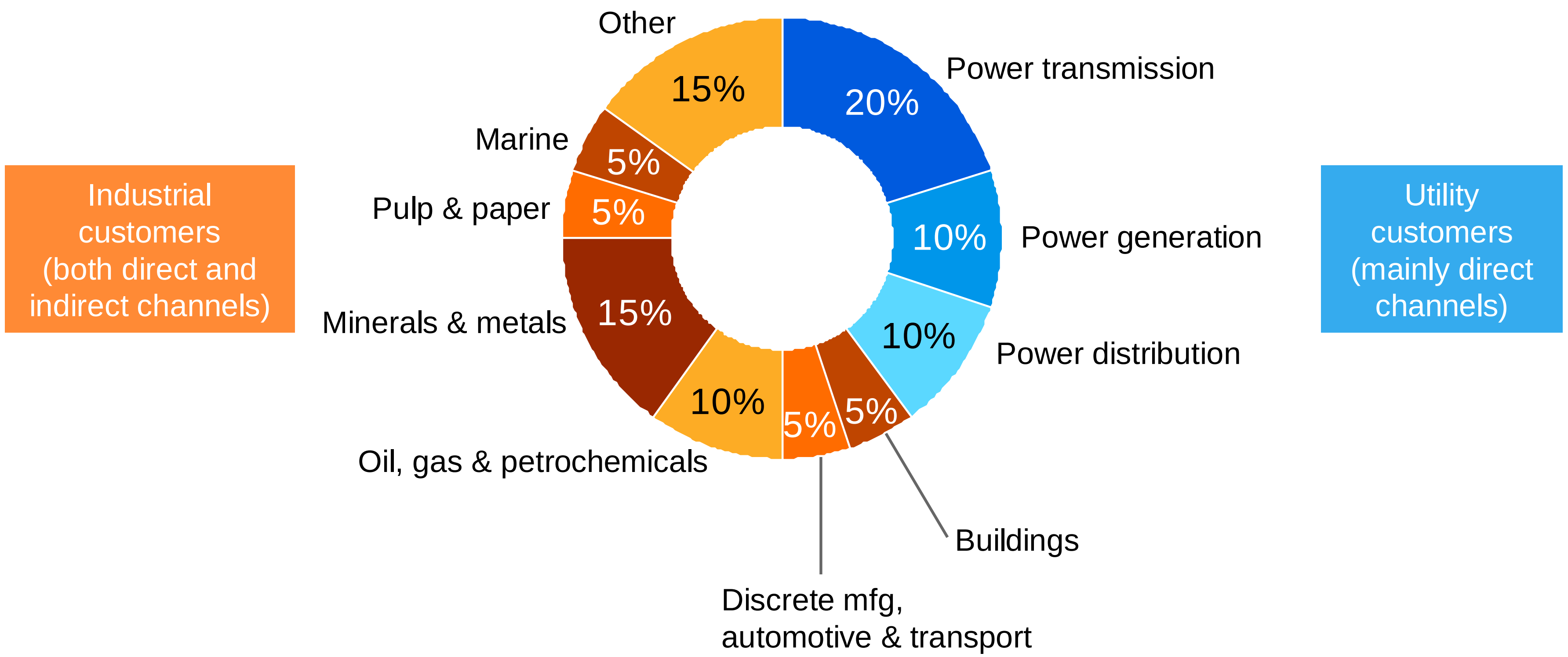
Head office in Zurich, Switzerland, traded on stock exchanges in Switzerland, Sweden and the U.S. (NYSE)

Market capitalization ~$45 bn

2010 revenues unconsolidated

ABB serves a broad customer base
With both direct and indirect sales channels

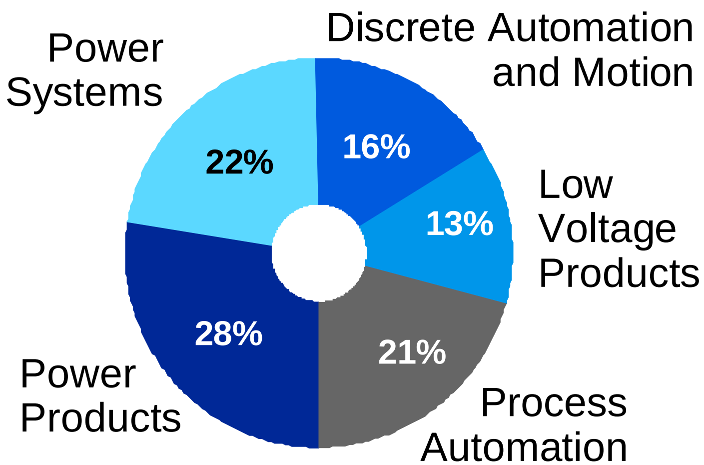
End markets served*



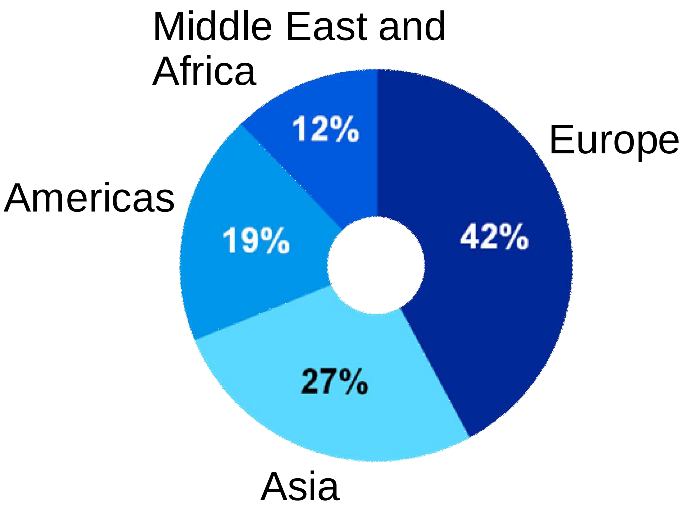
* As a percentage of total 2010 Divisional revenues; approximations

Well-balanced business and geographic portfolio
Capturing growth opportunities, wherever they arise

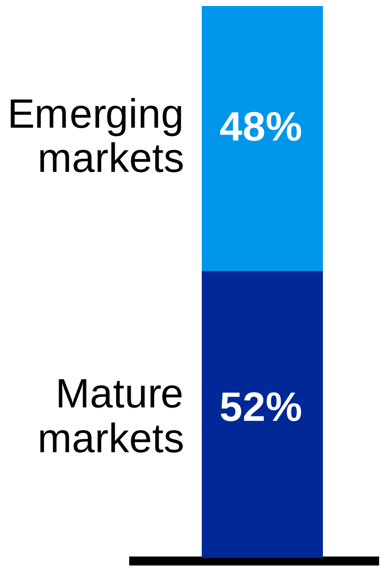
Orders by division
% of total orders 2010 (non-consolidated)



Orders by region
% of total orders 2010



Share of employees
2010



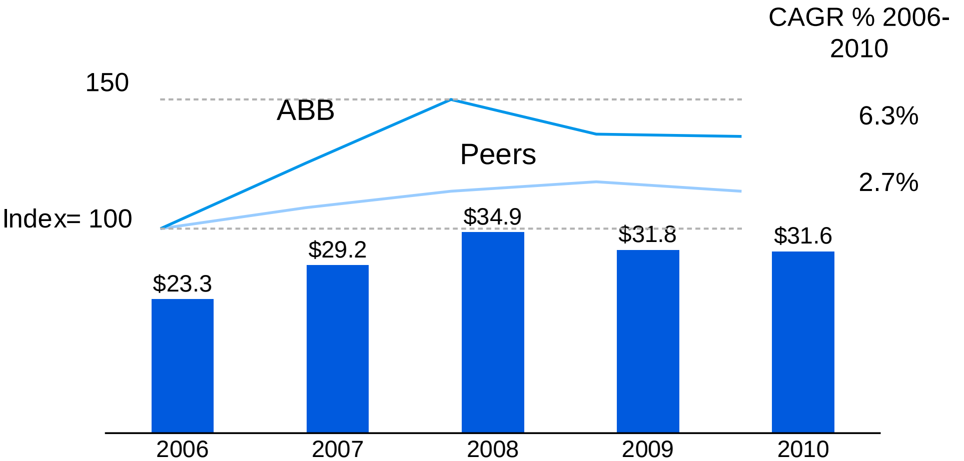
ABB's recent business performance

Resilience through the cycle

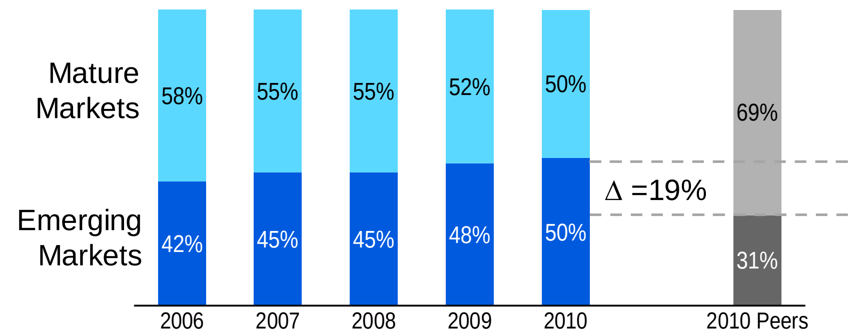
ABB performed well through previous downturn

Revenue ABB vs. peer group

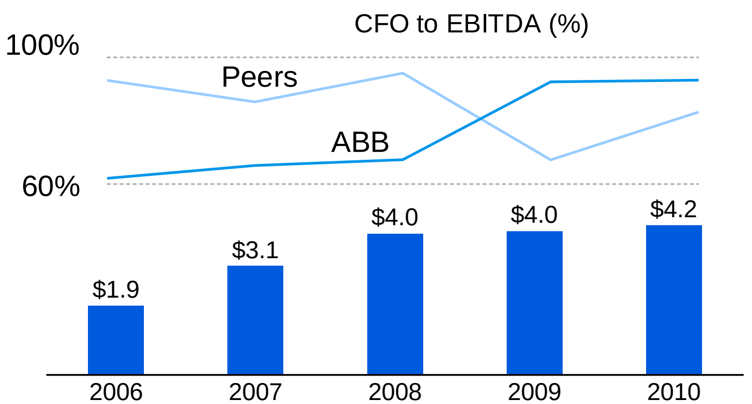
Nominal revenue, $ bn, index 2006



Geographic revenue mix between 2006 - 2010

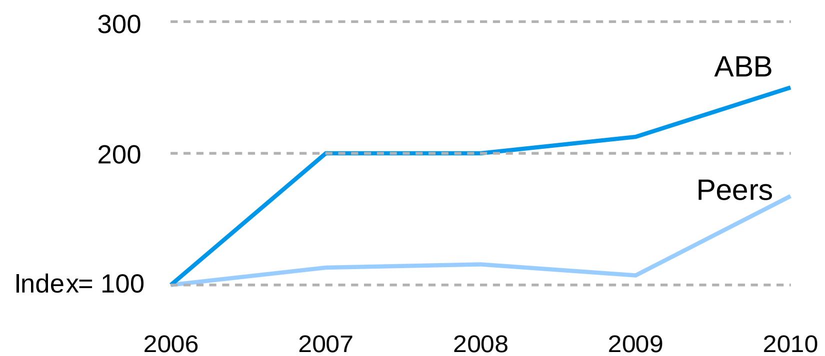


Cash Flow from Operations (CFO) and CFO to EBITDA(1)



Dividend development ABB vs. peer group

Index DPS 2006: ABB = CHF0.24, Peers = $1.79



Source: Thomson Reuters

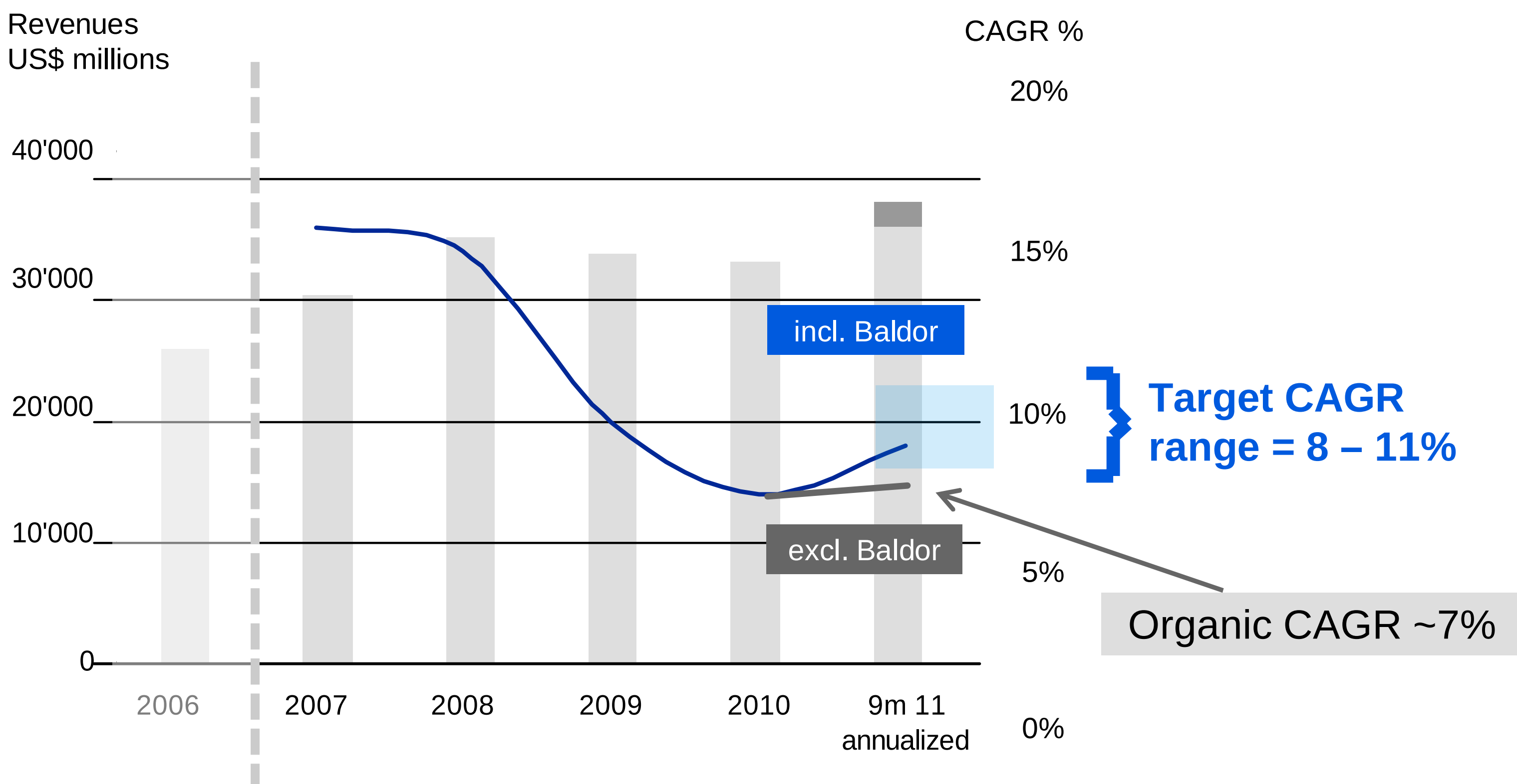
Chart 8

(1) Adjusted for compliance provision in 2008 and 2009

Peer Group: Cooper, Eaton Electric, Emerson, Rockwell, Schneider Electric, Siemens

Performance against our 2007 – 2011 targets
Revenues: Close despite historic downturn

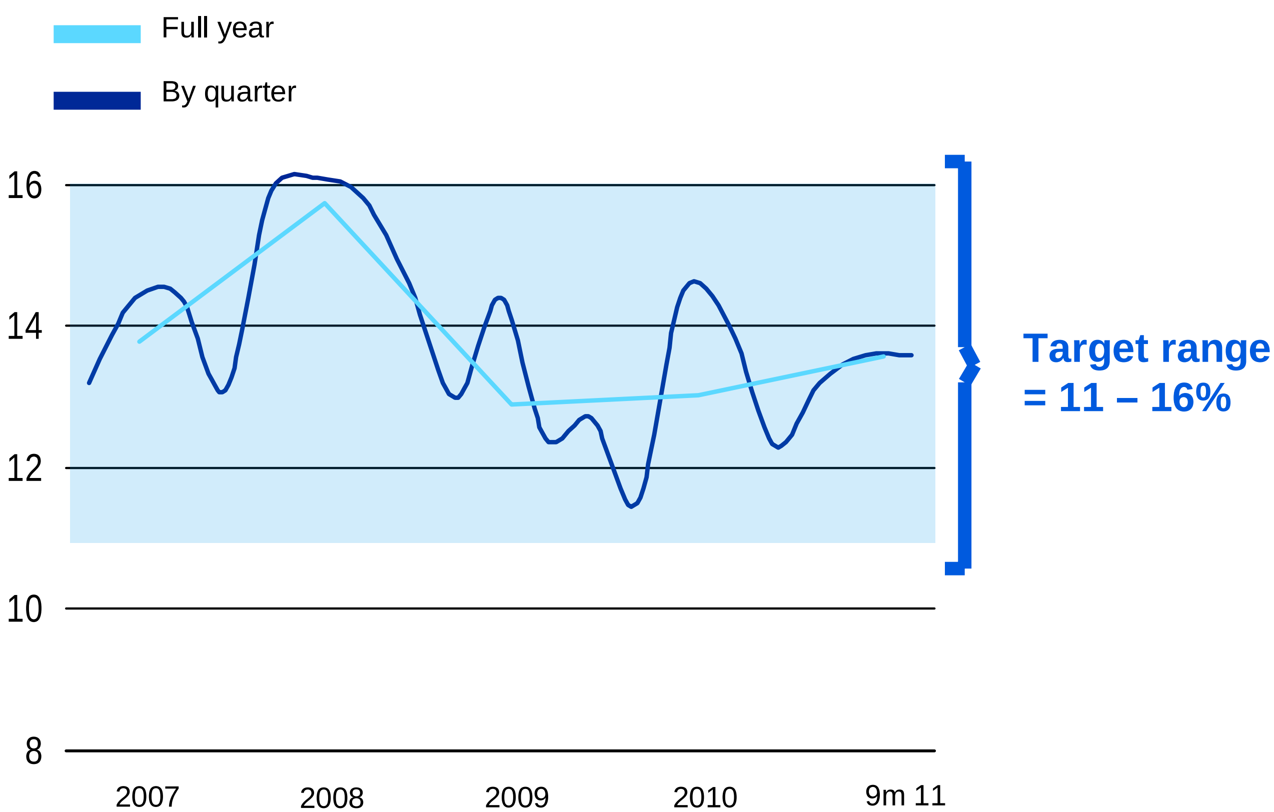
Revenues and revenue CAGR 2007 – 2011[1]
% change year-on-year in local currencies



[1] 2011 annualized using 9-months to Sept 2011

Performance against our 2007 – 2011 targets
EBIT margin: Within/above range each Q over the cycle

EBIT margin[1] full year and by quarter 2007 – 9 months 2011
% revenues



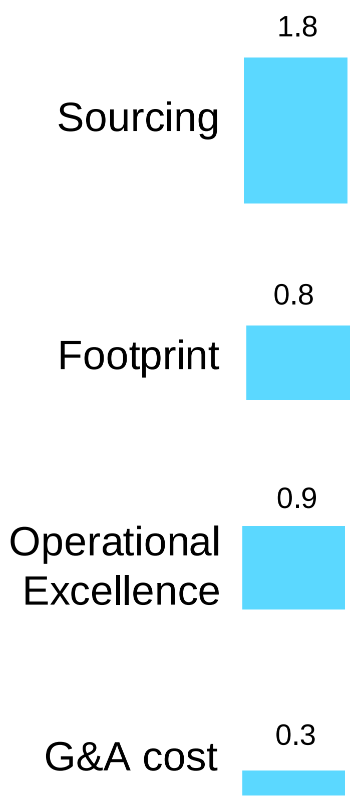
- Reliable earnings delivery
- High-margin businesses maintained solid performance
- Fast, effective cost take-out
- Successful crisis management

1 2007-08 EBIT adj. for transformer restructuring; 2008-10 adj. for cost take-out restructuring program; 2008-09 adjusted for compliance and other provisions; 2009-11 = operational EBIT

Enhancing competitiveness through cost reduction
>$3.5bn savings starting in 2009

Annual impact vs. 2008

US$ bn



Some achievements since we started:

- Emerging market sourcing up 40%
- No. global forwarders 50% lower

- 25% more floor space in EMs
- R&D resources in EMs up 4x (>1’500 people) since 2005

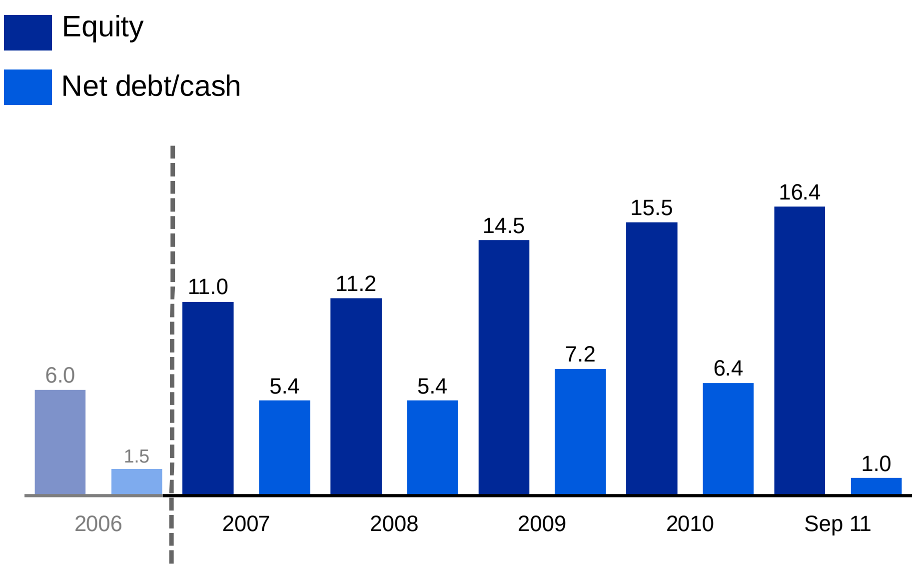
- >400 products re-designed to cost
- Warranty savings: >$100 mill

- Shared service savings >$100 mill
- Renegotiated IS outsourcing: $50 mill

An unprecedented financial crisis
ABB emerges with strongest balance sheet ever

Total stockholders' equity and net debt/cash 2006 – Sep 30, 2011

US$ billions

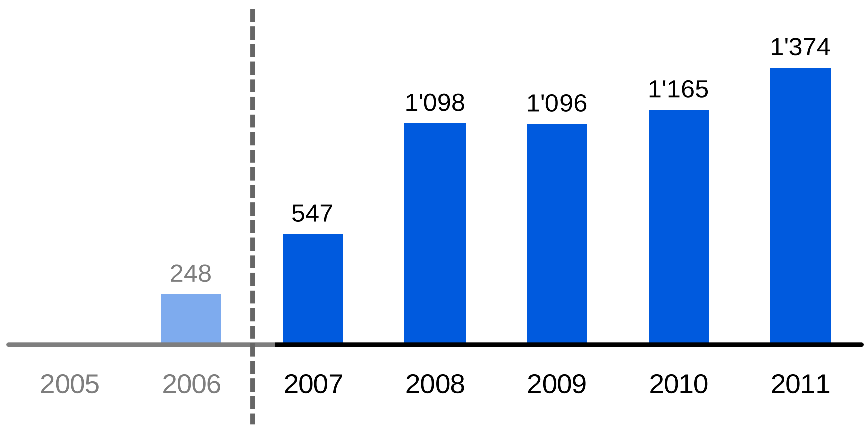


M&A: $7 bn spent since 2007

Dividends: CHF 5.3 bn paid

Dividends paid 2005 – 2011

Swiss francs millions



Dividend policy

To pay a steadily rising, sustainable dividend over time

1 Chart shows amount of dividends in the year paid

ABB returned to bond markets with $2.5 bn new issues
Extended bond maturity at attractive rates

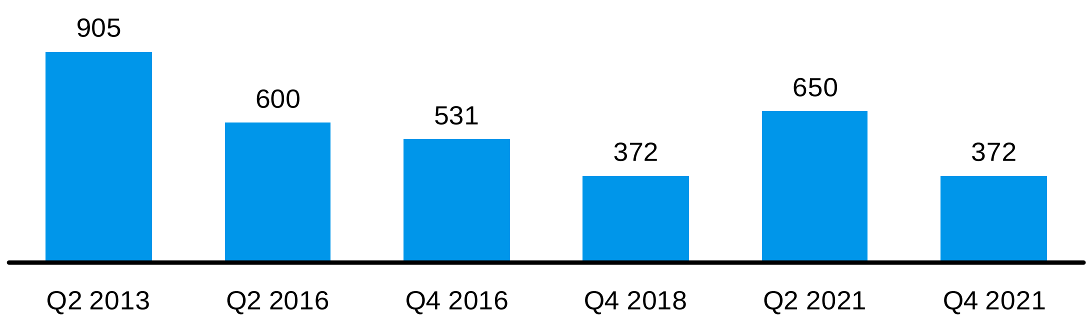
New issues in 2011/12

144a/RegS US bond issues
- $600 million 5-year at 2.50%
- $650 million 10-year at 4.00%

Swiss bond issues
- CHF 500 million 5-year at 1.25%
- CHF 350 million 10-year at 2.25%
- CHF 350 million long 5-year at 1.50%

Average bond maturity as of Jan 2012 = 5.4 years

US$ millions



Since 2007, two rating upgrades and a return to solid Single A investment grade

An overview of the 2011-2015 strategy

Managing for growth and cost competitiveness

Five components of ABB strategic direction
Strong execution focus across key strategic areas

1	**Drive competitiveness** and stay relevant in our current markets
2	**Capitalize on mega trends:** anticipate, participate and lead in key mega trends
3	**Aggressively expand core business** to secure next level of growth
4	**Disciplined M&A** across products, markets and geographies
5	Find and **exploit disruptive opportunities** in relevant markets

1 Drive competitiveness
Focus on a range of Group-wide programs

Ambition	Focus areas
"To develop, produce, source and sell optimally to match market needs, profitably growing the business while increasing levels of productivity and quality"	In country for country
	Global footprint
	Operational excellence
	Supply chain management
	Customer satisfaction

ABB

2

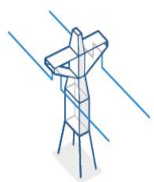
Capitalize on mega trends
Global megatrends will override short-term volatility

Mega-trends relevant for ABB long term growth


Resource Economics


Transportation mobility (people, goods)


Green


Electrification


Urbanization


Digital information


Emerging economies and power shift

How will we capitalize on these trends?

Deep understanding of markets

Penetration of key geographic areas

Execution around markets and trends

Continued investment in R&D

Strong sales / distribution

ABB

3

Aggressively expand core business to secure next level of growth

- Grow service and software contribution from 16% to ~ 25% of revenues
- Lead in grid expansion through HVDC and FACTS
- Exploit energy savings opportunities in services, systems and products
- Aggressively pursue vertical markets & services opportunities
- Cultivate product opportunities: solar inverters, DCS for power generation, general purpose MV drives, discrete automation…

Leverage existing market position, technology and relationships for growth

4

Disciplined M&A to close gap areas
Acquisitions as accelerators

Geography

- NEMA motors in US
- India, USA low voltage
- US ANSI, NEMA Markets
- South East Asia Penetration
- China, relays, MV drives

Product and Services

- PLCs, solar Inverters
- Industrial software
- High service products
- Electro mechanicals
- Flow valves, measurements

Markets

- Oil & gas, e.g. subsea
- Smart grids
- Renewables, e-mobility
- Data centers
- Wind, water and rail
- Smart building controls

BALDOR

Ventyx® Performance Proven

epyon POWER

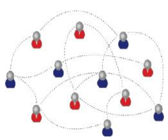
5 Technology and business model disruptions that position ABB for market leadership

IEEE[1]

Top technologies of the decade

#1 Smart Phone

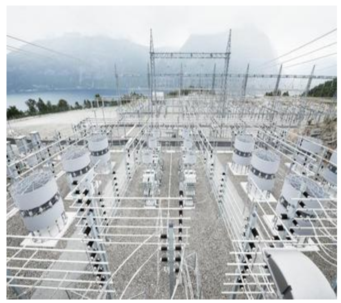
#2 Social Networking



#3 Voice Over IP

#4 LED lighting

9 ABB's Pioneer Technology - FACTs



An enabler for a "smarter grid"

- Increase transmission capacity – up to 50%
- Improve system stability/reliability
- Improve power quality

ABB Position:

- Pioneer and technology leader
- World's leading supplier
- Delivered >50% of world total installations

(1) Institute of Electrical and Electronics Engineers , one of the world's largest professional associations for the advancement of technology.

Overview of new targets 2011 – 2015

Group targets[1]

		Potential M&A impact
Organic revenue growth (CAGR[2])	**7 – 10%**	+3% to 4%
Operational EBITDA margin corridor	**13 – 19%**	Within the same corridor
Organic EPS growth (CAGR[2])	**10 – 15%**	+3%
Free cash flow conversion	**Annual average >90%**	Same conversion rate
Cash flow return on invested capital	**>20% by 2015**	Depends on acquisition timing, steady over the long term

1 See Appendix for definition of non-GAAP measures

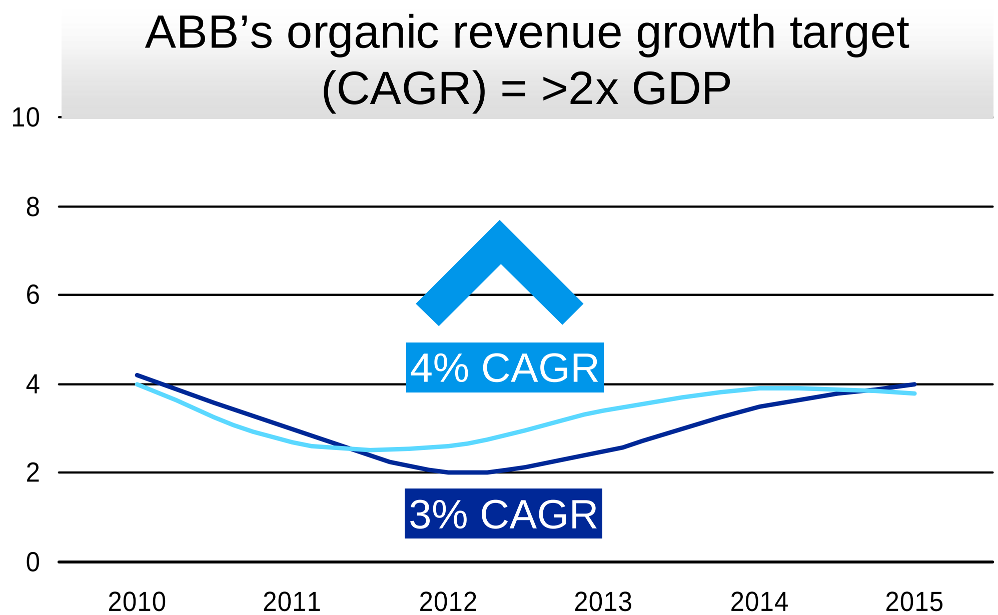
2 Organic incl acquisitions closed as of end-Oct. 2011; CAGR = Compound annual growth rate, base year 2010

2011 – 2015 plan assumptions
We expect to outgrow global GDP by more than 2x

- Assumptions based on a slowdown in next 18 months, not a deep recession
- World GDP to grow 3–4%[1] p.a., emerging market (EM) growth >2x developed markets
- Global industrial capex to grow 5–6% p.a., EM capex share growing to 65% from < 60%
- ABB's markets assumed to grow 6% CAGR over the period

World GDP growth assumptions[2]

Real GDP growth %



1 Compound annual growth rate, base year 2010; 2 Source: Global Insight

2011 – 2015 plan assumptions
Execution to balance cost AND growth remains key

Market assumptions

- Emerging markets keep commodity prices high – good for business, challenge for input costs
- Plan assumes stable forex, changes compensated by hedging policy and balanced footprint
- Price pressure and emerging market competition are a fact of life – continuous cost savings required to incrementally improve gross margin

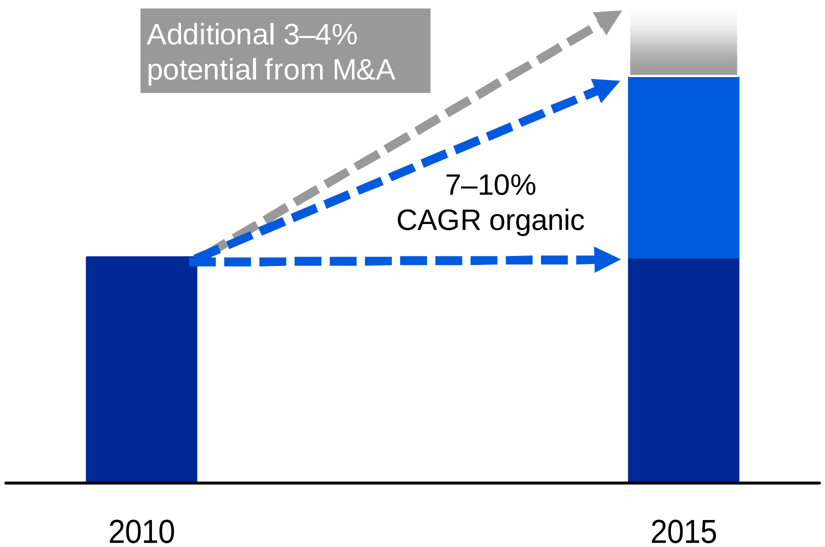
Strategic parameters

- Portfolio remains focused on Power and Automation – no divestments planned
- M&A capacity to potentially increase top line CAGR[1] by 3-4% (not included in targets)

1 Compound annual growth rate, base year 2010

Group Target #1
Organic revenue growth 7% to 10% a year CAGR

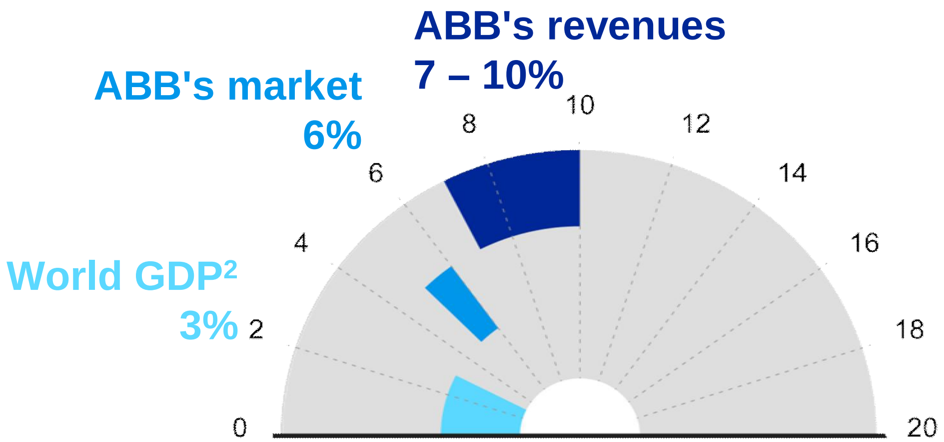
Revenue growth CAGR[1] 2011 – 2015
Base year = 2010



- Baldor, Ventyx and Mincom account for ~1.5% of 7–10% organic growth – they're in the portfolio today
- "Pure" organic growth is 5.5% to 8.5% CAGR

1 Compound annual growth rate, base year 2010

Base scenario



- Emerging market strategy: "In country, for country"
- Mature economy focus: gain share in local markets
- Further focus on energy efficiency, grids, renewables
- Service and software growth in high teens, to reach >20% total sales

2 Source: Global Insight

Group Target #2
Operational EBITDA margin corridor 13% to 19%

Drivers

Supportive

- Service and software growth expected to lift Group margins from current levels
- Value-based pricing, packaged solutions
- Cost savings to protect gross margins – primarily sourcing, operational excellence and footprint
- Steady G&A to absorb more volume

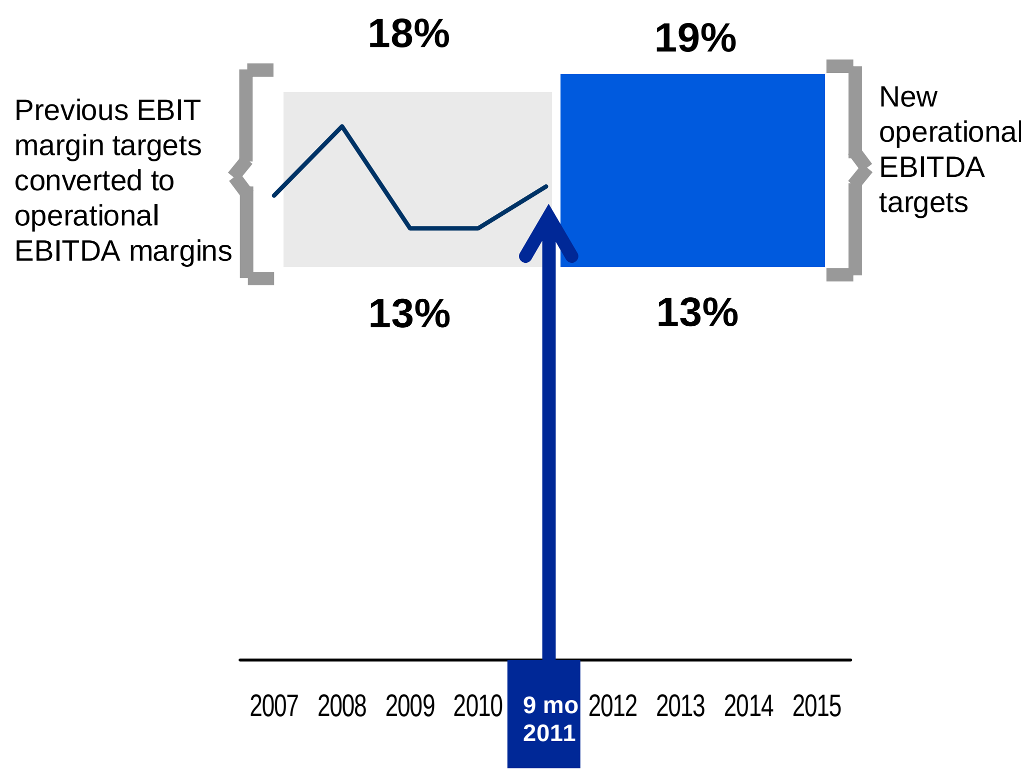
Dilutive

- Continuous price pressure – emerging competitors, overcapacity in some segments
- Investments in R&D and selling to accelerate top line growth

Potential M&A initiatives expected to deliver operational EBITDA margins within the target range

Operational EBITDA[1] margins and targets 2007–2015

% operational revenues



1 See Appendix for definition of non-GAAP measures

Group Target #3
Organic EPS growth CAGR 10% to 15%

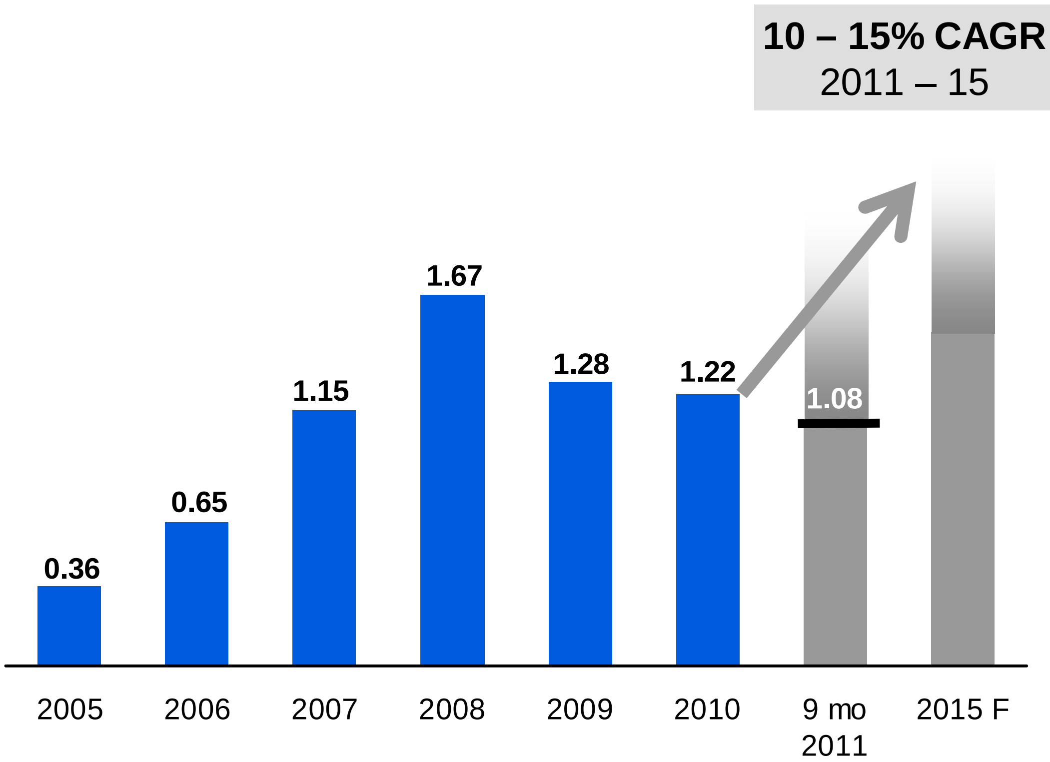
Key assumptions

- Unchanged number of shares over the period
- Sustainable low tax rate ~27%
- Immaterial impact from finance net

Potential M&A initiatives could raise EPS CAGR by 3%

Normalized[1] EPS and growth 2005 – 2015F

US$

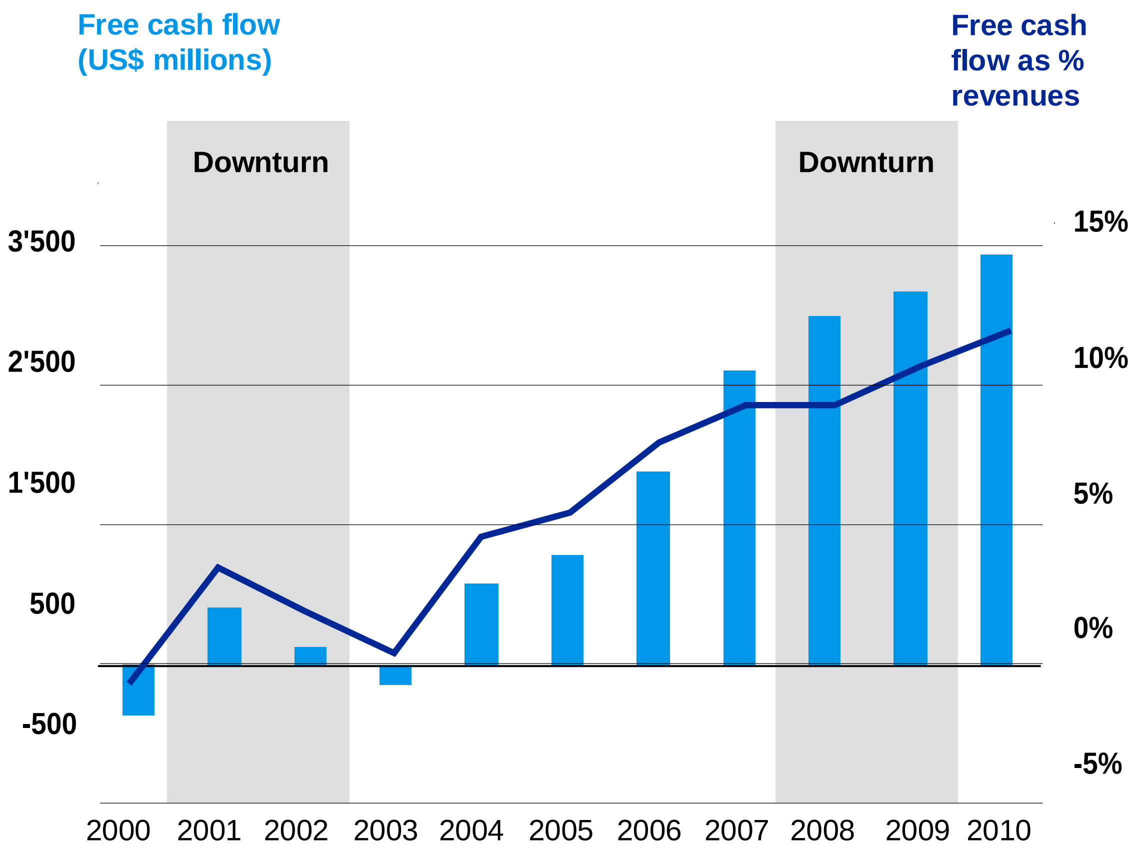


1 2007 excl. gain on sale of ABB Lummus, recognition of deferred tax assets (DTA); 2008-2009 excl. impact of compliance provisions; 2008-2010 adj. for cost take-out program; 2009-2011 adj. for mark-to-market treatment of hedging transactions and unrealized FX movements on receivables/ payables; 2011 adj. for Baldor acquisition costs, and restructuring and restructuring-related costs. See Appendix for definition of non-GAAP measures.

Group target #4
Average net income to free cash flow conversion >90%

- Ambition to stay at the top of the league for cash generation
- Capital expenditure expected to continue above depreciation
- Higher capex partly offset by net working capital discipline (11 – 14% of revenues over the cycle)
- Target annual average conversion >90% across the plan period (also including potential M&A)

Free cash flow[1], and as % revenues 2000 – 2010



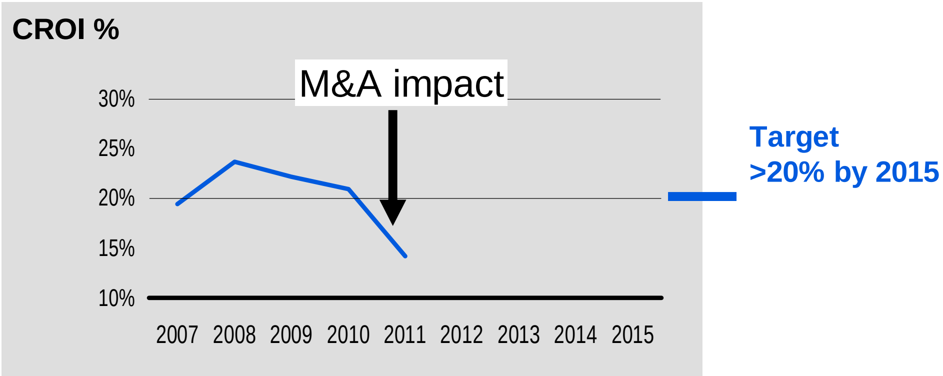
1 See Appendix for definition of non-GAAP measures

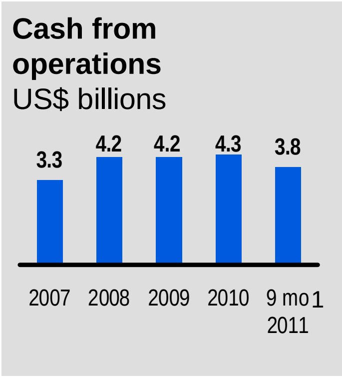
Group Target #5
Cash return on invested capital >20% by 2015

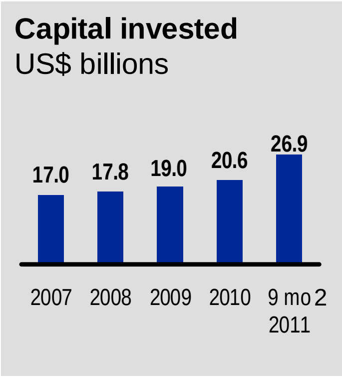
Cash Return on Invested Capital (CROI)[1]

- Excludes accounting distortions
- Focuses on cash from operations (adj for interest paid)
- Capital invested = Capital employed + accumulated depreciation/amortization

- Ambitious sustainable target to exceed 20% cash return by 2015 from a high capital basis
- Better aligned with shareholder interest in cash returns







[1] Rolling 12 months; [2] adj. as Baldor part of ABB from Feb-Sept 2011

1 See Appendix for definition of non-GAAP measures

Conservative financial strategy
Solid single A rating remains our standard

- Net debt/EBITDA ratio ~1.5x, gearing <40%
- Debt maturities repaid out of free cash flow
- Customer financing without loading ABB balance sheet
- Centralized financial risk management and execution
- Strict hedging policy – forex, interest rates, commodities
- Acquisition financing always in line with balance sheet targets
- Steadily rising, sustainable annual dividend
- Additional distributions (special dividend, share buyback) only if/when M&A doesn't require full availability of cash

Investment priorities

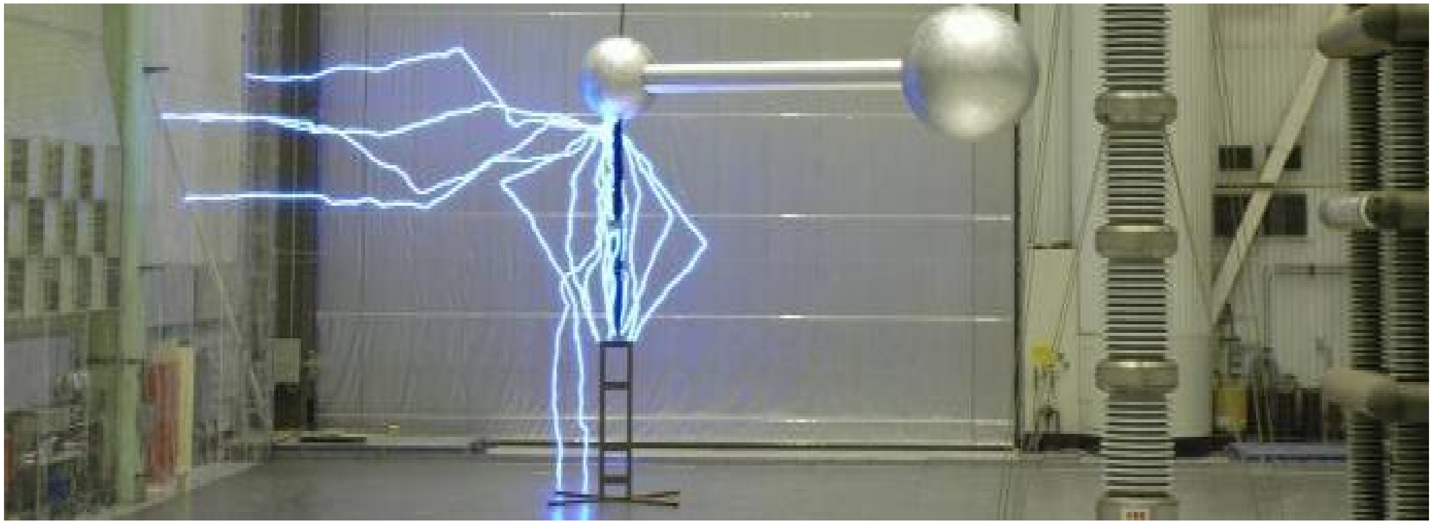
1. Organic growth, R&D, and capex
2. Value-creating acquisitions
3. Paying annual dividend in line with policy
4. Returning additional cash to shareholders

M&A investment criteria

1. Cash return >WACC within 3 years
2. IRR > WACC + specific hurdles
3. Financing designed to retain investment grade

Innovation is key to ABB's competitive advantage
Leadership built on consistent R&D investment

* Comprises non-order related R&D and order-related development



- More than $1 billion invested annually in R&D*
- 6,000 scientists and engineers
- Collaboration with 70 universities
  - MIT (US), Tsinghua (China), KTH Royal Institute of Technology (Sweden), Indian Institute of Science (Bangalore), ETH (Switzerland), Karlsruhe (Germany), AGH University of Science and Technology (Poland)

Outlook: Uncertain environment ahead
Solid execution will remain key through 2012

2011 so far

- Steady earnings as early cycle demand softens
- Savings offset pricing pressure in power
- Baldor has been a solid performer on top and bottom line
- Cash development is a challenge, mainly around inventories

Outlook

- Macro concerns make short term forecasting more challenging
- Long-term remains positive around grids, energy efficiency and emerging markets
- Focus on flexibility and productivity will remain key

ABB: Global leader in power and automation
Power and productivity for a better world

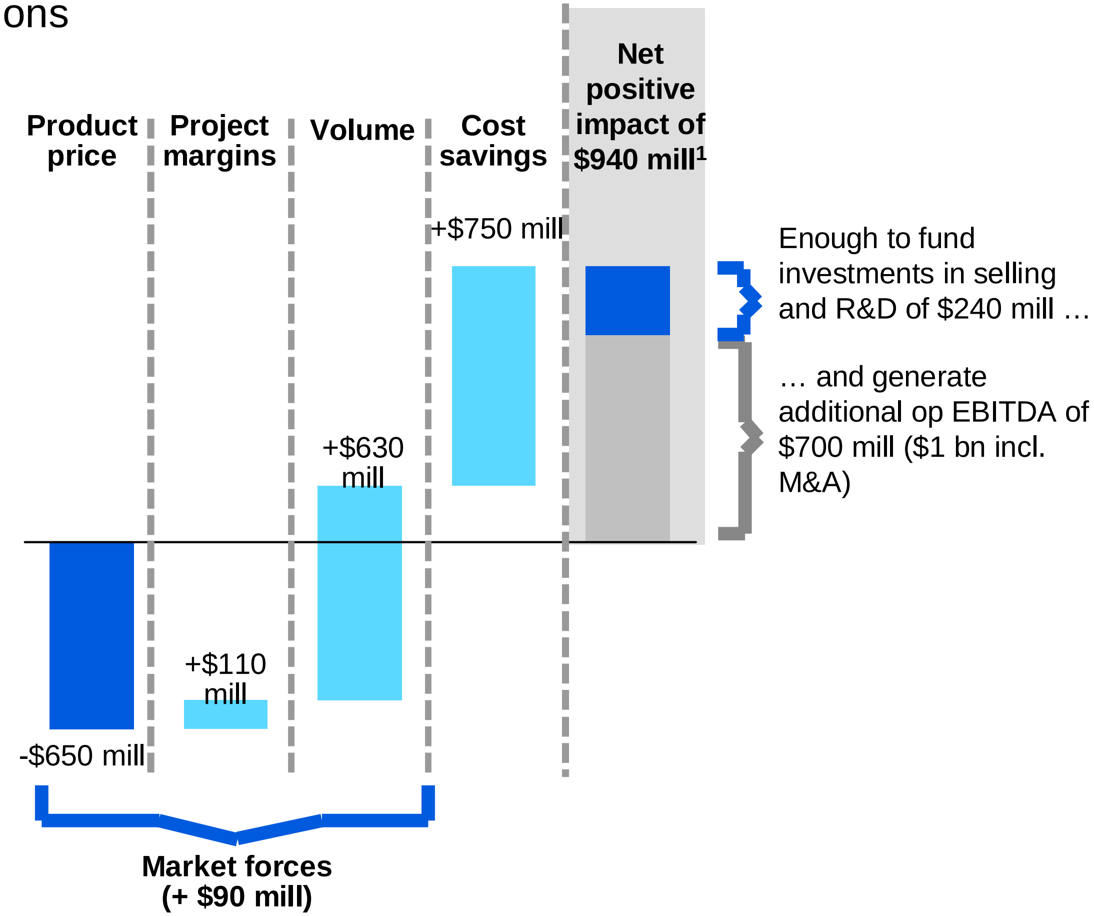
- Proven record of meeting financial targets and generating cash flow for shareholders
- Solid balance sheet and flexibility to take out costs when needed
- Strong commitment to R&D to stay ahead of the competition
- New targets will help ABB to drive competitiveness and stay relevant in our markets
- Capitalize on mega trends: anticipate, participate and lead in key mega trends

ABB uniquely positioned to drive technology and innovation

Power and productivity
for a better world™

Current environment: We are prepared
Growth AND cost is now part of ABB's DNA

Operational EBITDA impacts 9-months 2011
US$ millions



1 Incl. forex, mix and commodity impacts

~$1 bn cost savings expected in 2012

ABB

Appendix: Definitions of non-GAAP measures 1

- Organic: includes acquisitions closed by October 31, 2011
- Operational EBIT: Earnings before interest and taxes (EBIT) adjusted for i) unrealized gains and losses on derivatives (FX, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), iv) restructuring and restructuring-related expenses, and v) charges related to significant acquisitions.
- Operational EBITDA: Operational EBIT adjusted for depreciation and amortization
- Operational revenues: Revenues adjusted for i) unrealized gains and losses on derivatives, ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and iii) unrealized foreign exchange movements on receivables (and related assets).
- Operational EBIT margin: Operational EBIT as a percentage of operational revenues
- Operational EBITDA margin: Operational EBITDA as a percentage of operational revenues

Appendix: Definitions of non-GAAP measures 2

- ROCE: Return on capital employed, calculated as 12 months EBIT x (1-tax rate) divided by capital employed
- Capital employed: the sum of fixed assets and net working capital
- Fixed assets: the sum of property, plant and equipment (net), goodwill, other intangible assets (net) and investments in equity method companies
- Net working capital (NWC): the sum of i) receivables, net, ii) inventories, net, and iii) prepaid expenses; less iv) accounts payable, trade, v) billings in excess of sales, vi) employee and other payables, vii) advances from customers, and viii) accrued expenses
- Normalized earnings per share: Reported basic earnings per share (undiluted) adjusted in the relevant periods for i) the gain on the sale of ABB Lummus Global, ii) the recognition of certain deferred tax assets (DTA), iii) the impact of compliance provisions, iv) costs associated with the cost take-out program and/or restructuring and restructuring-related costs, v) the mark-to-market treatment of hedging transactions and unrealized FX movements on receivables/payables, and vi) Baldor acquisition costs

Appendix: Definitions of non-GAAP measures 3

- Gross gearing: Total debt divided by total debt plus total stockholders' equity (including noncontrolling interests)
- Total debt: the sum of short-term debt (including current maturities of long-term debt) and long-term debt
- Net cash/Net debt: Cash and equivalents plus marketable securities and short-term investments, less total debt
- Free cash flow (FCF): Net cash provided by operating activities adjusted for i) changes in financing and other non-current receivables; ii) purchases of property, plant and equipment and intangible assets; and iii) proceeds from sales of property, plant and equipment
- Cash conversion: Free cash flow as a percentage of net income
- CROI: Cash return on capital invested, calculated as i) cash provided by operating activities plus interest paid, divided by ii) capital employed plus accumulated amortization and depreciation