

Peter Voser

Chairman

ABB Annual General Meeting April 21, 2016

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This is a non-binding translation of the original German version.

Dear shareholders,
Ladies and gentlemen,

This year's annual general meeting has been tragically overshadowed by the death of a long-standing and highly respected member of ABB's Board of Directors. Roger Agnelli died together with his wife, his two children and their partners in a plane crash on March 19 in São Paulo, Brazil.

Roger was an extraordinary man who contributed to the success of our company for more than a decade with his profound knowledge and charisma, and was a good personal friend. We are deeply saddened, and our thoughts are with the families of those who died. I would like to ask everyone to rise for a moment of silence to honor the victims of this tragic event.

Thank you.

Dear shareholders,
2016 is a very special year for ABB in Switzerland. We are celebrating an important anniversary: for 125 years, we have stood for pioneering spirit, progress and innovation here in Switzerland. We are very proud of this great tradition.

Ladies and gentlemen,

In today's terms, we would say that Charles Brown and Walter Boveri launched a "start-up" in 1891 when they founded Brown Boveri & Cie. and conquered the world with the forward-looking inventions that they developed in Switzerland. In doing so, they laid the foundations for today's ABB.

We contributed to the electrification of the original Gotthard Tunnel in the early 1920s and supplied essential components for the rolling stock used on the Gotthard line back then and now. Today, ABB's power products and components for tunnel ventilation are also an integral part of the new Gotthard Base Tunnel, and are contributing to the successful completion of this project of the century.

But to us, 125 years of ABB is more than just history, memories and tradition.

To us, 125 years of ABB is a wealth of experience that gives us the ability and confidence to take on the tasks that lie ahead of us. We will thus continue to invest heavily in research and development to maintain our position as a technology leader. Last year alone, our spending in this area totaled \$1.4 billion.

Let me give you two examples of our power to innovate globally.

Working with ABB colleagues in Switzerland, our research and development center in Bangalore has developed a 1,200 kilovolt ultra-high-voltage circuit breaker that can interrupt the highest voltages currently used anywhere in the world. With our groundbreaking new technology, power companies will be able to safely transmit and switch voltages that are roughly 10 percent higher than was previously possible. This represents a pioneering solution for many of our customers.

Our engineers in Bangalore also monitor and analyze the health and performance of more than 5,000 robots installed by ABB worldwide. This analysis enables our specialists in India to initiate preventive maintenance measures, which in turn help prevent costly downtime for our customers. This is one impressive example of ABB's concept of the "Internet of Things, Services and People." The "things" are the robots,

the “services” are the preventive maintenance measures, and the “people” are the service technicians, whose contributions are optimized through this approach.

Dear shareholders,

When I came to ABB exactly one year ago, it was a return home for me. As you know, I had already worked at ABB from 2002 to 2004 as CFO and as a member of the Executive Committee.

I expected that a number of things would have changed since then. So the first thing I had to do, and wanted to do, was to get to know the company again because ABB then and ABB now are almost two different worlds.

Markets have fundamentally changed in many ways, driven by innovative new technologies, geopolitical uncertainty and changing economic conditions. Digitalization is profoundly altering the industrial landscape as never before. New competitors are emerging in the blink of an eye, long-held beliefs are being shaken, and companies are being forced to rethink their business models in response to these new circumstances.

However, industrial digitalization – that same “Internet of Things, Services and People” – also presents an opportunity to develop completely new models of value creation. So it comes as no surprise that over 50 percent of ABB’s products today are software-based. Innovative ABB technologies provide a basis to optimize power and automation for utilities, industry and the transport and infrastructure sectors.

The advent of renewable energy has led to a paradigm shift in the power industry value chain. Power supplies from alternative energy sources have greatly increased grid complexity: Electricity must be transmitted at high voltages over long distances and fed into the grid; at the same time, the number of feed-in points has increased considerably. Volatility in power generation has also risen, as wind and solar do not provide steady levels of power.

The Middle East is struggling with uncertainty as never before. And the region’s political instability has long posed a serious economic problem. The decline in oil prices

has had far-reaching consequences for the entire global economy. Investment activity in the oil and gas sector remains at a very low level, and this directly affects the order books of equipment suppliers.

ABB is well-positioned today to meet these challenges. Adaptability is more important than ever, as is our firm resolve to align our activities with changing customer requirements and to place customer needs at the center of all our efforts.

ABB has therefore developed a strategy that will make us even more competitive so that we can continue to expand our leading market position in power and automation.

The Board of Directors and the Executive Committee under the leadership of Ulrich Spiesshofer together set the course for the Next Level strategy in 2014. After the successful launch of stage 1, we accelerated implementation of the strategy in 2015 with stage 2.

One of the results is the new corporate structure. Today we have four divisions that are aligned with the needs of our customers.

One of the divisions – Power Grids – is undergoing a strategic review. The reason is simple: We want to make sure that this business will still be the market leader in 10 years. The Power Grids division should continue to be the ideal partner to help utilities build the digital grids of the future – grids that transmit both electricity and data – and should also support them in addressing increasing grid complexity and in integrating renewable energy. So we are keeping a watchful eye on markets and technologies, and we are carefully considering the best organization and ownership structure for this division.

Ladies and gentlemen,

With our Next Level strategy, we are driving the transformation of our group in this difficult market environment. We are convinced that this strategy is making even better use of our strengths for the benefit of our customers and our shareholders. The strategy also puts us in an excellent position to meet the challenges of the future. I would like to take this opportunity to thank Ulrich Spiesshofer – who will tell you more

about the Next Level strategy and the financial results in a moment – and his team for their excellent work in this area. They have certainly delivered on their promises:

- ABB has maintained orders and revenues at comparable levels despite the challenging market environment.
- Profitability, measured by operational EBITA margin, rose year-on-year by 60 basis points to 11.8 percent.
- Another major success was the turnaround in the Power Systems division, which met its margin targets in the fourth quarter.
- And group restructuring is making very good progress.

Based on these results, our recommendation at today's Annual General Meeting is to increase the dividend from CHF 0.72 to CHF 0.74 per share. The dividend payout is made in form of nominal value reduction of the share capital.

This will be the seventh dividend increase in a row. It is our way of underlining our aim to deliver attractive, steady returns to our shareholders. In total, we will be distributing a record \$3.2 billion to our shareholders for 2015 in the form of dividend payments and share buybacks.

Dear shareholders,

Our strategy and the developments associated with it also affect the Board of Directors' duties and the qualifications that are called for.

This is why I have focused so much attention on the board's strategic role since I became chairman. In addition to its legal function as a supervisory body with the highest authority, the Board of Directors is responsible for reviewing and approving the company strategy. It is therefore crucial that the directors on the board represent areas of expertise that will strengthen the strategic orientation of our group.

Today we are nominating four new members for the board who perfectly meet this requirement, because all four have extensive experience and skills that are strategically important to ABB.

Robyn Denholm will strengthen our expertise in digitalization and software. At the same time, her leadership experience in financial roles at large and very successful

companies can make an important contribution to ABB's competitiveness and profitability. The same applies to David Meline.

In turn, Frederico Fleury Curado and Satish Pai lead flagship companies in some of the emerging markets that are so crucial for us. Their vast experience in research and development, technology and manufacturing are also highly valuable to ABB.

Furthermore, these nominations for the Board of Directors underscore ABB's status as a true global player. If you approve our nominations, eight different nationalities will be represented on our board in the future.

Ladies and gentlemen,

For 125 years, ABB's roots have been in Switzerland and Sweden, but we are at home all over the world. More than 135,000 people in around 100 countries work not just for ABB but above all for our customers.

We know what their needs are because we are right there. Day in, day out, all around the globe, we help them reach their goals while creating solutions for the greatest challenges of our time:

- climate change;
- supplying power for a growing world population;
- and the increasing automation and connectivity of industrial processes.

I would like to make one thing clear: We create lasting value; we do not stand for short-term profit maximization. The Board of Directors and the Executive Committee stand firmly behind this principle.

Charles Brown and Walter Boveri were pioneers who realized their vision and overcame technical limits and geographical borders for the benefit of mankind.

125 years have passed since their time, but their pioneering and entrepreneurial spirit is still a key pillar of our success today – and always will be.

Thank you.