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# Speech: Ulrich Spiesshofer, Chief Executive Officer

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Honored federal chancellor (Kurz),  
Governor (Stelzer),  
Deputy state governor (Strugl)

Honored guests,  
Dear colleagues,  
Ladies and gentlemen,

Good morning, and thank you for welcoming us today in Linz.

We are pleased to be able to share with you today an important and exciting announcement about the future of B&R. Almost one year has passed since we announced the acquisition of what was at that time the largest independent supplier of product- and software-based solutions for machine and factory automation. The transaction was completed a few months later, in July 2017. Since then, B&R has been fully integrated into ABB's Industrial Automation division and is now our global center for machine and factory automation.

With the acquisition of this gem in the world of machine and factory automation, we closed a historic gap in ABB's portfolio and created an unparalleled offering. We are today the world's only provider offering the entire spectrum of process and software solutions for all areas of industrial automation – from measurement and control, to drives and robotics, to digitalization and electrification.

We would like to celebrate this first anniversary of announcing the acquisition with the presentation of a worthy gift: Today, I am pleased to announce that we will invest 100 million euro here in Austria in the construction of a state-of-the-art innovation and training campus. This engagement is a first in the history of our more than 130-year-old company: It is the largest organic investment ABB has ever made in the area of industrial automation – and also the largest single investment in B&R's nearly 40-year history. We will build here in Upper Austrian Eggelsberg a globally unique center for developing technologies for the factory of the future.

In this factory and in the not-too-distant future, smart and cloud-connected machines and robots based on ABB Ability™ will – almost completely autonomously – manufacture products that are just as smart. And I can tell you now: It will not eliminate jobs – on the contrary - it will create new ones. Our investment lays the cornerstone for about 1,000 new high-tech jobs in Austria.

### **Our focus: innovation**

If you are asking “why this investment” and “why now“, the answer is: Because innovation is in our DNA. ABB became a world-leading technology company not least because we have always focused on progress and technology development. For us, innovation is and has always been the driving force and the most sustainable strategy for profitable growth.

That is why we invest 1.4 billion US dollars annually in research and development and employ about 30,000 people in R&D and application development worldwide. The same applies to B&R: Founders Bernecker and Rainer have always stressed innovation, and 1,000 of the company's 3,500 employees work in research, development and applications.

This focus has not only made it possible to perfect automation technologies, it has always been a continuous growth driver. In the past two decades, B&R has grown at an average annual rate of 11 percent, and by the financial year 2015/2016, had already generated revenues of 600 million US dollars. This growth will further accelerate now that B&R is part of the ABB group. Mid-term, we aim to grow revenues to over one billion US dollars.

### **Innovation as a growth driver**

The new state-of-the-art innovation, research and training campus in Eggelsberg will contribute substantially toward achieving this goal and will further strengthen ABB's position as a leading technology company. The 100-million-euro investment will greatly expand our research and development capacity and further increase our speed and the strength of our innovations. The truly disruptive technologies we develop will enable us to even better serve the extremely attractive, 20-billion US dollar machine and factory automation market, and give our customers around the world the means to participate in the growth opportunities of the Fourth Industrial Revolution.

### **A technology showcase**

Because innovation by definition does not wait, the ground-breaking ceremony for the new campus will already take place this summer. The facility will cover 35,000 square meters, and be home to a significant number of state-of-the-art facilities. Alongside ultra-modern R&D laboratories, which will develop and test new automation technologies, from industrial control systems up to machine learning and artificial intelligence, there will be an “Automation Academy” offering customers, partners and employees from around the world a unique training and education program in these technologies.

The new campus will go into operation in the course of 2020.

### **Boost for Eggelsberg after successful integration**

There are good reasons for building one of our largest research centers at the home of B&R. Today, Eggelsberg is already our global center for machine and factory automation and, with the creation of the new campus for the factory of the future, is a key component of our digital strategy. By combining our ABB Ability™ digital portfolio with B&R's applications and software platforms and custom automation solutions, we are ideally positioned to seize the opportunities of the Fourth Industrial Revolution.

The investment in a new innovation and training campus strengthens our commitment to enhancing the site and at the same time reinforcing the cornerstones of B&R's success story: innovation and people.

I would like to take this opportunity to thank Hans Wimmer and the entire B&R team for their outstanding work. B&R had an excellent start at ABB, and after a completely smooth integration process that went exactly according to plan, it is already exceeding our expectations. Relying on the extensive wealth of experience of the two companies, the enlarged technology portfolio, and market access, our teams are working together around the world to develop new customer value. The first jointly developed applications are already being tested and are delivering very promising results.

### **Strengthening the Austria location**

In closing, allow me to say a few words about what this investment means for Austria. It is well known that both the country and the state of Upper Austria can look back on a long and outstanding industrial history. Expansion of the Eggelsberg location will further strengthen Upper Austria's reputation as a place to do business and Austria's position as an important player in the global high-tech industry. Ideally, Eggelsberg will attract other innovation companies and contribute toward boosting the region's profile as a type of "Silicon Valley for industrial automation".

Last but not least, our investment is also proof of the excellent work of Austria's federal and Upper Austrian governments, who have understood how to create an entrepreneur-friendly environment and favorable conditions for developing state-of-the-art products "made in Austria".

Chancellor Kurz, Mr. Stelzer, Mr. Strugl, I commend you especially on your foresight. I am well aware that for politicians it is by no means a given that the Fourth Industrial Revolution is seen as an opportunity rather than a threat. I am very pleased that you have supported us as an important partner that is investing long-term in the business location and in highly qualified jobs in Austria.

Chancellor Kurz, Mr. Stelzer, Mr. Strugl, we are honored to be here – today and as part of Austria's future.

On behalf of ABB, I can assure you that we will consolidate B&R's successes, develop them further and build on them.

Thank you for your attention.