# Hubertus von Grünberg
## Chairman of the Board of Directors of ABB
## Annual General Meeting of ABB
## April 26, 2012

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**The German original is binding**
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Ladies and Gentlemen,
dear shareholders,

2011 was a very successful year for ABB worldwide in times of major uncertainty across the globe.

In Europe and the US there were dramatic developments concerning public debts. In Europe, the excessive debt levels of several countries led to public austerity programs, which triggered a deep recession in almost all of southern Europe, which continues today.

2011 was also marked by political unrest in North Africa and the Arabian Peninsula, and the terrible environmental disasters in Japan and Thailand.

These events triggered considerable uncertainty in the economy, which also continued to weigh on business sentiment in many of our markets.

ABB had to act decisively when these things happened in 2011.`

Ladies and gentlemen,

ABB has emerged unscathed from these turbulent events. This applies both to the health of our employees and operations, as well as our market and technology positions and our profitability.

We can be very satisfied with our business results.

We achieved our ambitious goals and even hit a new orders received record. For the first time in our company's history, ABB's annual orders surpassed the 40 billion US dollar mark.

Revenues rose 15 percent to almost 38 billion US Dollars. Organic growth came in at a respectable 9 percent.

ABB thus grew about two times faster than the world economy, and we were able to grow our market share substantially in many of our fields of activity.

This did not negatively impact our profitability.

Our profit at the operational EBITDA level as well as net income grew in the double-digit area. Joe Hogan will in his speech elaborate in detail about the performance.

Operational BITDA and net income could have been even higher if ABB had not once again invested more on research and development, sales & marketing and our manufacturing plants.

For example, in 2011 we spent over 1.3 billion US dollars on research and development alone. In the last 5 years, ABB has increased R&D spending by more than 50 percent.

We see this as a sound investment in our long-term success and thus long-term improvement in shareholder value of your ABB.

Ladies and gentlemen,

ABB's balance sheet is solid.

Despite the expense of 4 billion for investments and acquisitions in 2011, ABB enjoys a fundamentally sound investment grade rating from the two large rating agencies.

This excellent credit rating was reconfirmed by the rating agencies after we announced the purchase of Thomas & Betts Corporation in the United States.

ABB will pay interest at a rate of 2.625 percent on the seven-year Eurobond valued at 1.25 billion euro that the company placed in March of this year. This is a further indicator of the strong confidence the financial markets have in our company.

On behalf of the board of directors, I would like to take this opportunity to thank Joe Hogan and the Group Executive Committee team, as well as the more than 135,000 persons we employ.

You too, dear shareholders, should participate in these excellent results. The board is thus for the fourth time in a row proposing to raise the dividend from 60 to 65 centimes.

This corresponds to an increase of 8 percent and reflects the board of directors' confidence that ABB will continue to successfully generate profitable growth.

As it did in 2011, the board proposes that the dividend be paid from the capital contribution reserve, a form of payment that is exempt from Swiss withholding tax.

Ladies and gentlemen,

This excellent performance confirms that ABB's focus on the automation and power technologies business is correct, and that we are very well positioned in our core businesses, both technologically and geographically. In addition, we continue to successfully combine strong capital investment and disciplined cost management. A number of acquisitions in the last years have contributed to this growth, especially Baldor in the US.

Almost half of our business is now generated in growing emerging markets.

In 2011, we were able to significantly expand our market share in North America, home to the world's largest industrial nation.

Our revenues there came in at about 6 billion and we now have 18,000 employees in the region.

The purchase of motor manufacturer Baldor Electric proved to be a great move.

Joe Hogan and his team did an outstanding job of integrating the company.

Baldor grew correspondingly well and exceeded by far all of the value-added goals of an acquisition. Last year, Baldor contributed 387 million to ABB’s Operational EBITDA.

Ladies and gentlemen, with Thomas & Betts we expect to make our second large acquisition in the United States. The company with its headquarters in Memphis, Tennessee, is well managed and manufactures mainly low-voltage components. Thomas & Betts has a very strong business model selling these parts through more than 6,000 distributors and wholesalers.

These well established channels will allow for the first time ABB's highly profitable low-voltage product business to have a broad-based sales channel in the United States. We expect this acquisition to again add considerable value for ABB, and thus also benefit you as shareholders.

Ladies and gentlemen,

At the Capital Markets Day in November, we communicated our medium-term corporate strategy from 2011 to 2015.

The first and most important point: ABB will continue to operate in its traditional business fields. Here we have leading edge solutions for global market trends, such as rising power requirements, or the high demand for automation solutions required to improve energy efficiency, productivity and product quality in industry.

ABB is targeting an average growth rate of seven to ten percent per year between 2011 and 2015, which is almost double the growth forecasts for the markets in which we do business.
Ladies and gentlemen,

We have ambitious targets until 2015, which reflect also the strong global long-term trends.

ABB has identified for the period until 2015 seven megatrends and 12 sectors with exceptionally high growth rates for our products and services.

One example is the expanded use of renewable energies.

In 2011, ABB sold several billion worth of automation and technology equipment and service to the renewable energies industry.

ABB technology helped our customers to integrate renewable energy on the basis of direct current technology to the electricity grid.

One of the key technologies of these orders comes from ABB's semiconductor factory in Lenzburg. ABB invested about 200 million dollars in this factory over the past two years.

ABB pioneered DC technology. Engineers working for the former Asea were the first to break the DC to AC barrier over fifty years ago, marking the birth of HVDC technology. Without this technology, feeding in large amounts of renewable energies would be unaffordable today.

And I promise you, we have not yet reached the end of the journey.

On Monday of this week, ABB unveiled its version of the world's first DC power grid at this year's Hanover fair. In Germany for example, it will be capable of transporting wind-generated power from northern Germany to the business centers in the south.

Successfully building such a DC network would be a historic event in the field of power technology.

Ladies and gentlemen,

As we said at our strategy presentation in November 2011, ABB will continue to focus strongly on continuously reducing costs. Growth and costs have become part of our DNA. In 2011, revenue growth of 15 percent was accompanied by cost savings of more than one billion US dollars.

Our goal is to save between three and five percent of costs annually from 2011 to 2015. The savings will be generated above all in supply chain management and in continuing operational improvements.

At the same time, ABB will further boost investments in research and development. ABB's technology leadership position continues to be the foundation of a successful future.

The goal here is also to generate long-term value for the company and you, our shareholders. ABB will also continue to invest billions in our production, services and sales, with the same goal in mind.

Switzerland has benefited more than others in this regard. If ABB Switzerland is able to further improve its already high productivity and innovation rate, we will continue to invest substantial sums in our Swiss operations going forward.

Ladies and gentlemen,

A key component of the new strategy is to bring ABB's development and manufacturing closer to its customers. It is the only way we can offer products that will truly meet customer needs.

The aim of our "in region for region" strategy, is to better penetrate potential markets. ABB already has most of the products required for Europe, however, marketing them often has had a low priority because exports to Asia and the Near East fully absorbed our manufacturing capacities for many products.

ABB has enormous potential to penetrate these markets with our products and expand our service offering. This development will go hand-in-hand with strengthening our regional supply chains. As a result, in some cases our search for partners will focus more on Europe over the course of the next few years. We have already had some excellent results in countries such as the Czech Republic, Poland and Estonia.

Ladies and gentlemen,

I would like to close my remarks today with a brief summary of our outlook for 2012.

[As you gathered from the report on the first quarter, ABB has performed well despite the ongoing impact of the financial crisis especially in Europe.

We expect positive business results this year from North America and countries such as Germany. In the industrial sectors, we expect steady high demand from oil and gas. Furthermore, the raw material sector will boost investment in automation and power technology solutions.]

Again this year, ABB will rigorously combine profitability and cost management. At the same time, we will systematically execute our strategy and boost investments in research and development, as well as sales and marketing. All this is based on a solid balance sheet.

Thank you for listening.