

Independent auditor's report

related to the reduction of share capital with release of funds

ABB Ltd, Zurich



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To the general meeting of
ABB Ltd, Zurich

Zurich, April 23, 2015

Independent auditor's report related to the reduction of share capital with release of funds

We have audited in accordance with article 732 para. 2 Swiss Code of Obligations (CO) whether the claims of the creditors of ABB Ltd are fully covered despite the proposed reduction of the share capital.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the interim balance sheet as of March 31, 2015 and for executing the capital reduction in accordance with the legal requirements.

Board of Directors' proposal

The Board of Directors proposes to reduce the current share capital of CHF 2,384,185,561.92 divided into 2,314,743,264 registered shares with a nominal value of CHF 1.03,

by means of a repayment of CHF 0.17 per share or a total of CHF 393,506,354.88

resulting in a new share capital amount of CHF 1,990,679,207.04

After the reduction, the share capital will be divided into 2,314,743,264 shares with a nominal value of CHF 0.86.

CHF 393,506,354.88 of the repayment will be made in cash.

Auditor's responsibility

Our responsibility is to express an opinion based on our audit as to whether the claims of the creditors are fully covered despite the reduction of the share capital. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the claims of the creditors are fully covered despite the reduction of the share capital.

An audit involves performing procedures to obtain audit evidence about the disclosures in the Board of Directors' proposal. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the proposal, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the claims of the creditors of ABB Ltd are fully covered despite the proposed reduction of the share capital.

Ernst & Young AG



Leslie Clifford
Licensed audit expert
(Auditor in charge)



Robin Errico
Licensed audit expert

Enclosure

- ▶ Interim balance sheet as of March 31, 2015 (before and after the capital reduction)

ABB Ltd - Balance Sheet for Nominal Value Reduction

(CHF in thousands)	March 31, 2015 (before nominal value reduction)	nominal value reduction	March 31, 2015 (after nominal value reduction)
Cash	617		617
Cash deposit with ABB Group Treasury Operations	1'496'689		1'496'689
Non-trade receivables	1'071		1'071
Non-trade receivables - Group	6'877		6'877
Accrued income and prepaid expenses	1'600		1'600
Accrued income and prepaid expenses - Group	6'631		6'631
Total current assets	1'513'485		1'513'485
Participation	8'973'229		8'973'229
Other long-term assets	6'983		6'983
Total non-current assets	8'980'212		8'980'212
Total assets	10'493'697		10'493'697
Non-trade payables	56'510		56'510
Liability to shareholders	-	380'361	380'361
Non-trade payables - Group	1'675		1'675
Deferred income and accrued expenses	25'450		25'450
Deferred income and accrued expenses - Group	2'638		2'638
Total current liabilities	86'273	380'361	466'634
Interest-bearing liabilities	1'199'628		1'199'628
Total non-current liabilities	1'199'628	-	1'199'628
Total liabilities	1'285'901	380'361	1'666'262
Share capital	2'384'186	(393'507)	1'990'679
Legal reserves			
Legal reserves from capital contribution	1'263'005		1'263'005
Legal reserves from retained earnings	1'000'000		1'000'000
Free reserves			
Other reserves	535'119	13'146	548'265
Retained earnings	5'647'858		5'647'858
Net income	(10'810)		(10'810)
Own shares	(1'611'562)		(1'611'562)
Total stockholders' equity	9'207'796	(380'361)	8'827'435
Total liabilities and stockholders' equity	10'493'697	-	10'493'697