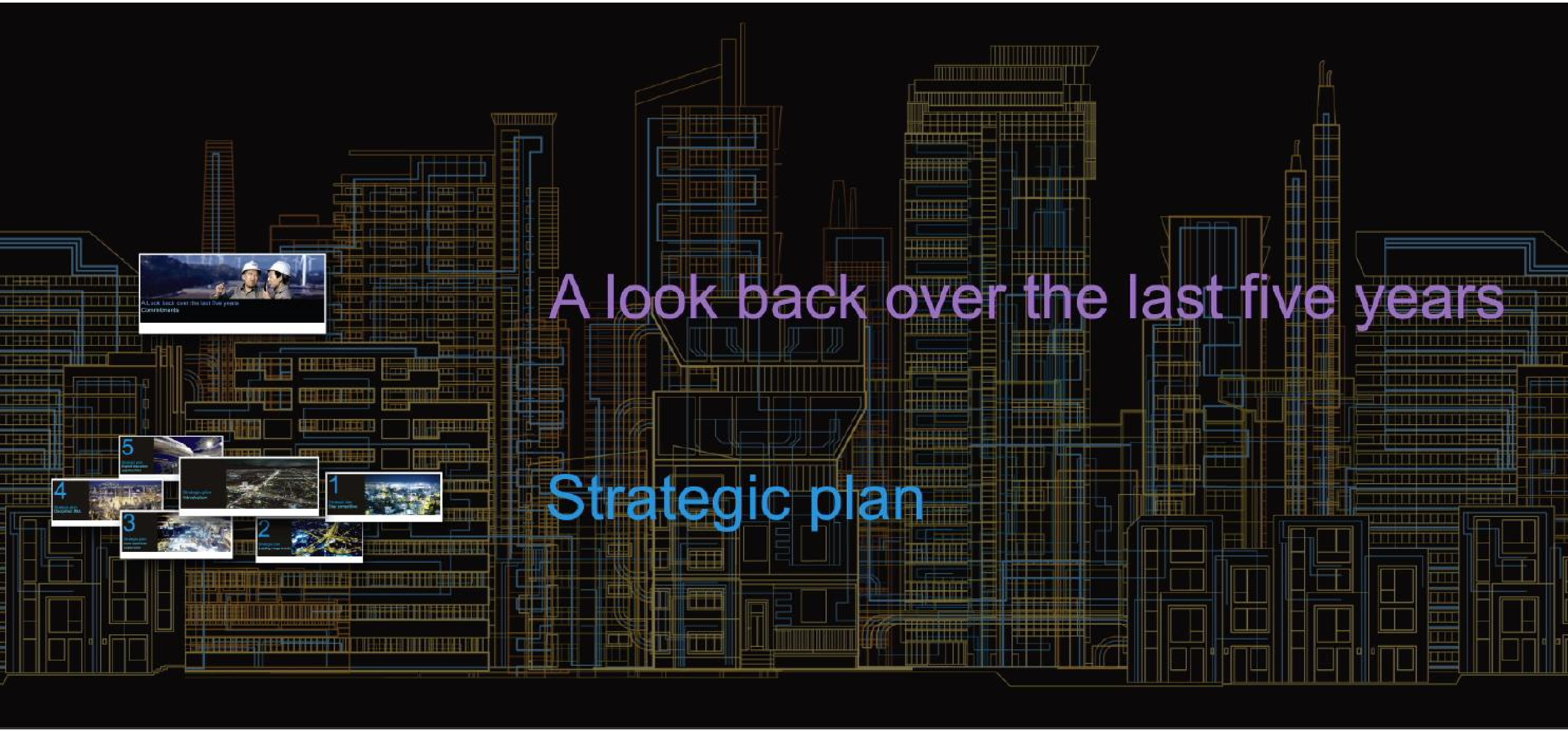
Capital Markets Day

CEO Opening

Safe harbor statement

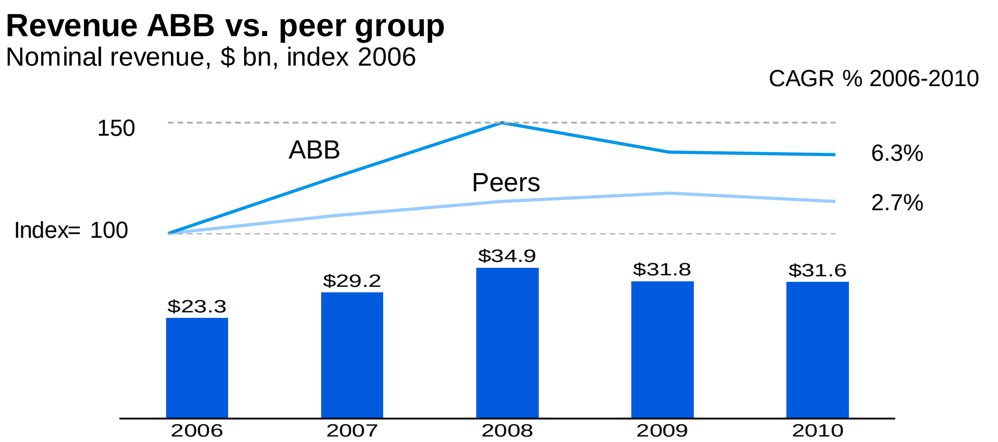
This presentation includes forward-looking information and statements as well as other statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic 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.

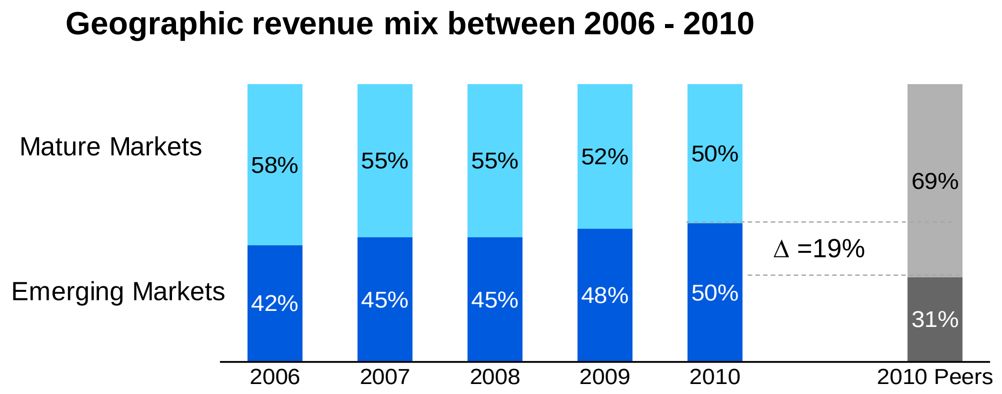

A Look back over the last five years
Commitments
A look back over the last five years
Strategic plan
5
4
3
2
1

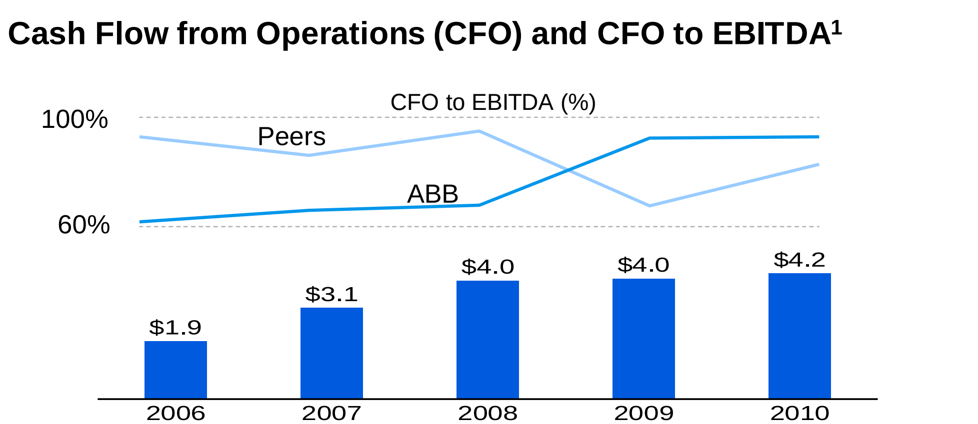
A look back over the last 5 years

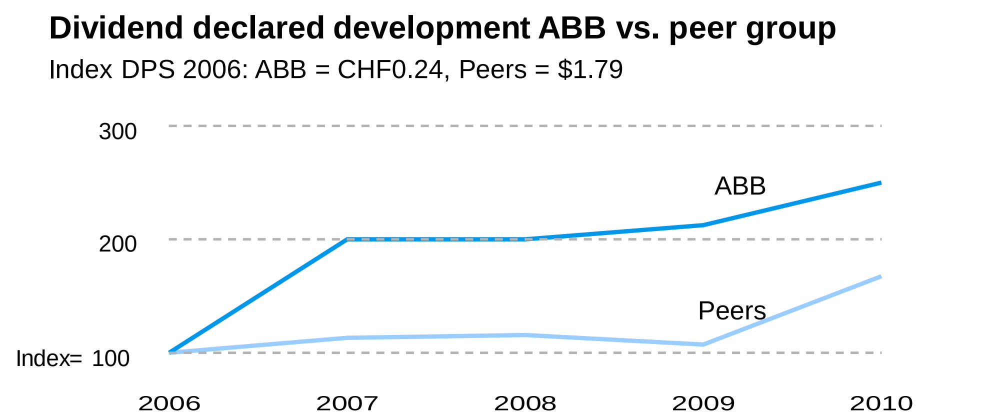

Revenue
Geographic mix
Dividend development
Cash flow

ABB has performed and is well positioned for the economic environment







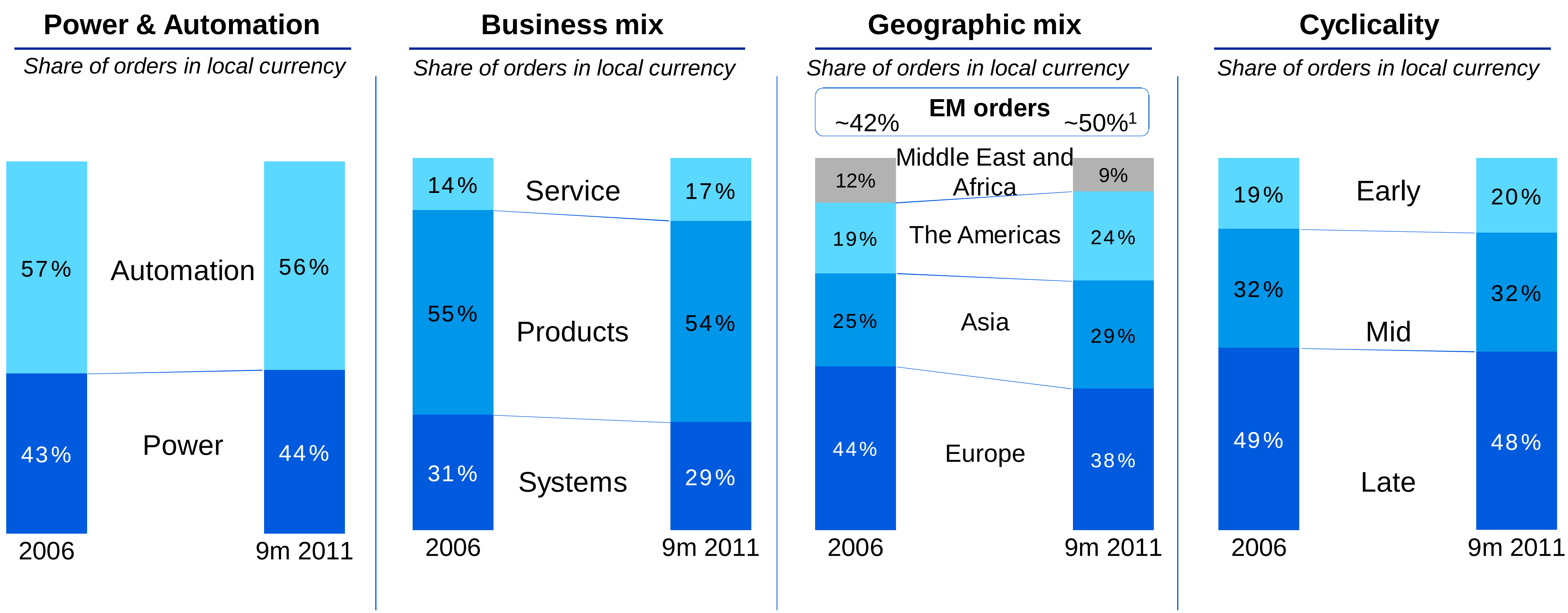


Source: Thomson Reuters

[1] Adjusted for compliance provision in 2008 and 2009

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

A stable portfolio over the past five years – share of orders
Increased exposure to emerging markets



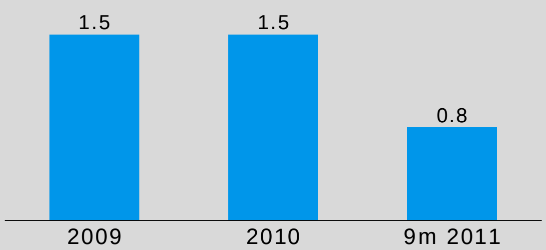
[1] 9m 2011 excluding Baldor

Commitments made at 2009 CMD

We have executed well

Operational cost out focus through the cycle

Results of cost take-out program [in $bn]:

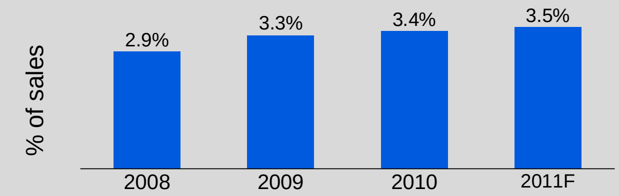


Continued expansion in emerging markets

19 new factories / engineering centers in EM[1]:

Technology leadership with focus on renewables, energy efficiency & smart grids

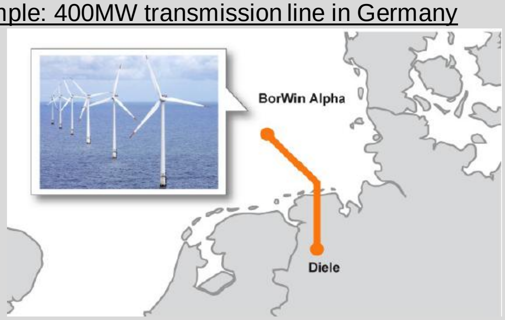
Annual R&D spend:



	2008	2009	2010	2011F
in $bn	1.0	1.0	1.1	1.3

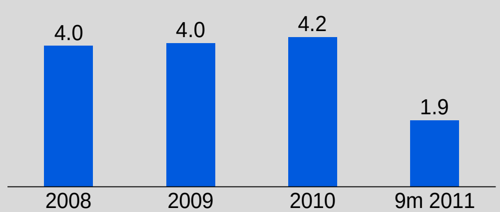
Leading high tech infrastructure company

Example: 400MW transmission line in Germany



Commitment to a strong cash flow generation

Cash flow from operations [in $bn]:



[1] *PP = Power Products, PS = Power Systems, DM = Discrete Automation and Motion, LP = Low Voltage Products, PA = Process Automation*

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

	Annual impact vs. 2008 [$ bn]	Examples of achievements since we started:
Sourcing	1.8	▪ Emerging market sourcing increased by 40% ▪ Number of global forwarders reduced by 50%
Footprint & restructuring	0.8	▪ 25% increase of floor space in emerging markets ▪ R&D resources in EMs up 4x (>1'500 people) since 2005
Operational Excellence	0.9	▪ Number of products re-designed to cost: 400+ ▪ Warranty savings: $100mn+
G&A cost	0.3	▪ Savings from sharing finance & HR services: $100mn+ ▪ Renegotiated IS outsourcing agreement: $50mn

Realignment of automation products businesses

Peak Year - 2008

Revenues[1]	EBITDA
$11bn	$2.1bn

Automation Products
- Breakers & Switches
- Enclosures & Din-rail
- Wiring Accessories
- Control Products
- LV Systems
- LV Drives
- PES and MV Drives
- Motors & Generators

Robotics
- Robotics

Trailing 12 months to Sep 11

Revenues[2]	EBITDA
$12bn	$2.4bn

LV Products
- Breakers & Switches
- Enclosures & Din-rail
- Wiring Accessories
- Control Products
- LV Systems

Discrete Automation and Motion
- LV Drives
- PES and MV Drives
- Motors and Generators
- Robotics

[1] Third party in local currency
[2] Third party in local currency adjusted for Instrumentation and excluding Baldor

Marketing & Customer Solutions created in 2009
Strengthening a culture that is externally focused

Marketing & Customer Solutions

ABB Technology Ventures

- Investing in early stage technologies of strategic interest to ABB
- 7 companies and 2VC fund investments since 2009

Group Account Management

- Drive sustainable growth for our customers and ABB
- Unified and responsive face to our customers

Industry Segment Initiatives

Wind

Rail

Solar

Energy Efficiency

Water

Smart Grid

Data Center

Our acquisitions have performed well
Baldor growing strongly, synergies starting to kick in

BALDOR
A MEMBER OF THE ABB GROUP

Baldor's stand-alone performance 9m 2011[1] vs. last year

- 20% revenue growth, higher prices and volume
- Operational EBITDA up by >40%[2]
- Operational EBITDA margin at 20%[3]

Synergy update

- Good progress in cross-selling NEMA/IEC motors and drives
- Upside from mechanical power transmission orders outside U.S.
- Sourcing and other cost savings in line with plan

[1] Febr-Sept 2011 vs 2010. [2] Indicative; [3] Operating profit margin based on Baldor historical definition at 17.1% in YTD 2011 vs 14.2% in YTD 2010

Ventyx and Mincom acquisitions create a new force

A world leading enterprise asset management platform

Market leader in major regions…

… and industries

#1 **Mining & Metals**

#1 **Electric Power T&D**

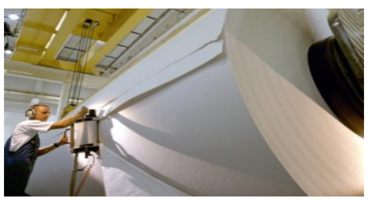
#1 **Electric Power Generation**

Enterprise Asset Management software is a $1.9B industry growing at 6% p.a.

Latin America: Mexico, Central America, South America
Asia: Japan, China Taiwan, South East Asia, Korea, Australia
North America: US and Canada

Source: ARC Advisory, EAM Solutions Worldwide Outlook 2011

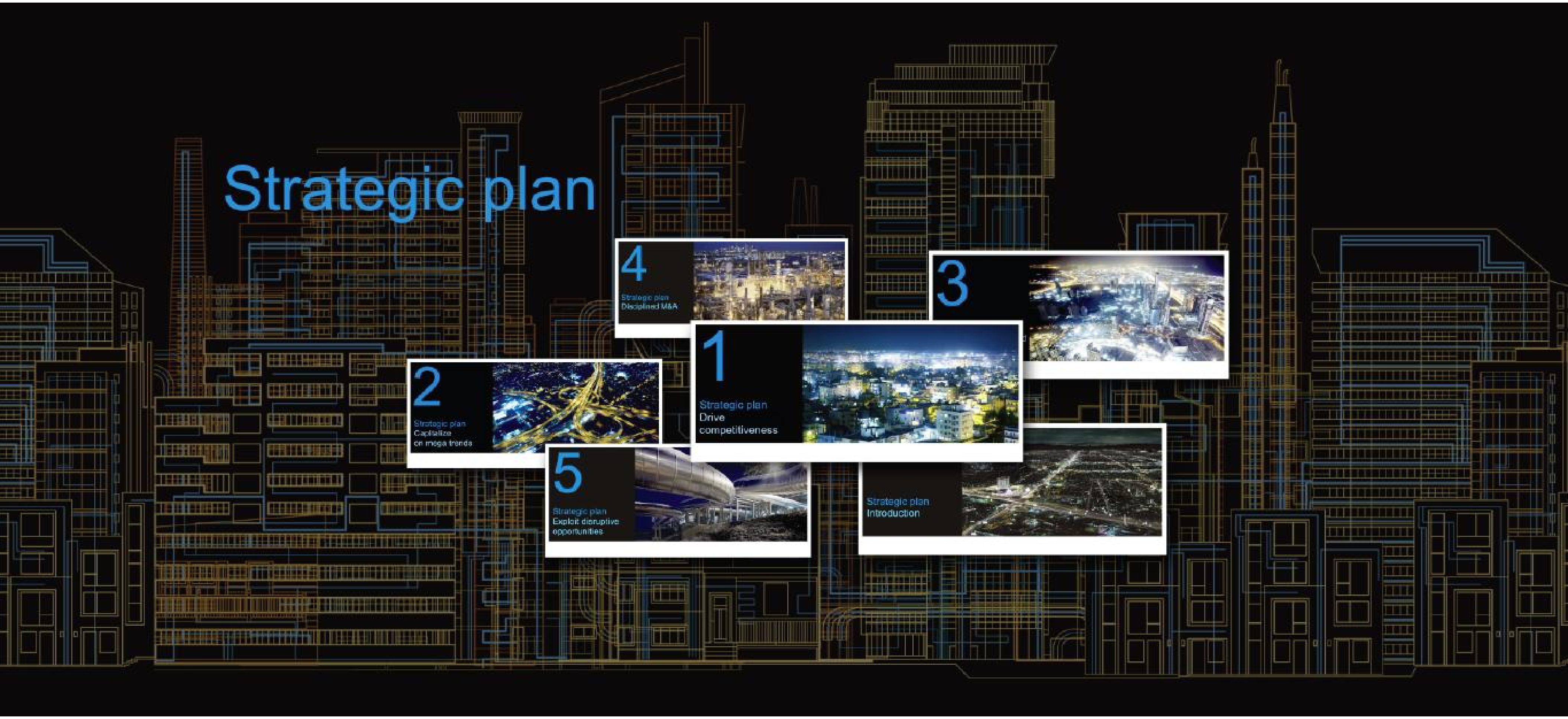
ABB accelerated bolt-on acquisitions in 2011

	Target	Key Products	What capability did this acquisition bring?
	VALIDUS DC SYSTEMS, LLC[1]	DC power infrastructure for data centers	▪ Completes the ABB DC data Center portfolio ▪ Channels to market for the US data centers ▪ Global product applications
	epyon POWER	Electric vehicle charging infrastructure solutions	▪ DC charger control platform and software ▪ Software suite for charger infrastructure management ▪ Robust maintenance service business model
	Lorentzen & Wettre	Automated fiber and pulp analysis devices	▪ Increases pulp and paper expertise ▪ Increases application process knowledge ▪ Pull through of hardware and systems
	TRASFOR	Dry-type transformers	▪ Extends ABB's portfolio in dry transformers ▪ Widens end market exposure ▪ Specialty products for drives, railway, renewables, etc

[1] Controlling interest investment through ABB Technology Ventures

Summary of Progress to Plan
We created a better balanced, increasingly market focused organization

- Outperformed peer set on most measures
- Implemented operational cost out actions resulting in significant savings
- Generated superior cash flow in the period
- Aligned organization for better growth and transparency
- Aggressive emerging markets growth resulting in better global balance
- Drove organic and inorganic growth


Strategic plan
4
Strategic plan
Disciplined M&A
3
2
Strategic plan
Capitalize
on mega trends
1
Strategic plan
Drive
competitiveness
5
Strategic plan
Exploit disruptive
opportunities
Strategic plan
Introduction

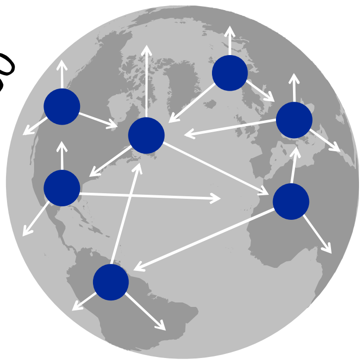
How is ABB different?

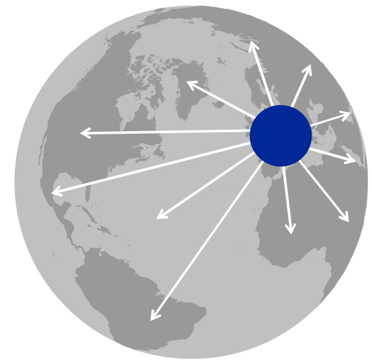

Best in class emerging market position
Market leadership in grids
Automation expansion
Service opportunity
Industrial software leadership
Automation and power synergies
Strongest power T&D portfolio

ABB has evolved over the past decade

From holding company to locally relevant globally optimized organization

ABB 2000





Highly decentralized conglomerate

Cons

- 1000s of P&Ls
- Little scale
- Poor coordination
- Little best practice sharing

Pros

- 1000s of P&Ls
- Local autonomy
- Speed to market
- Market segmentation

Highly centralized organization

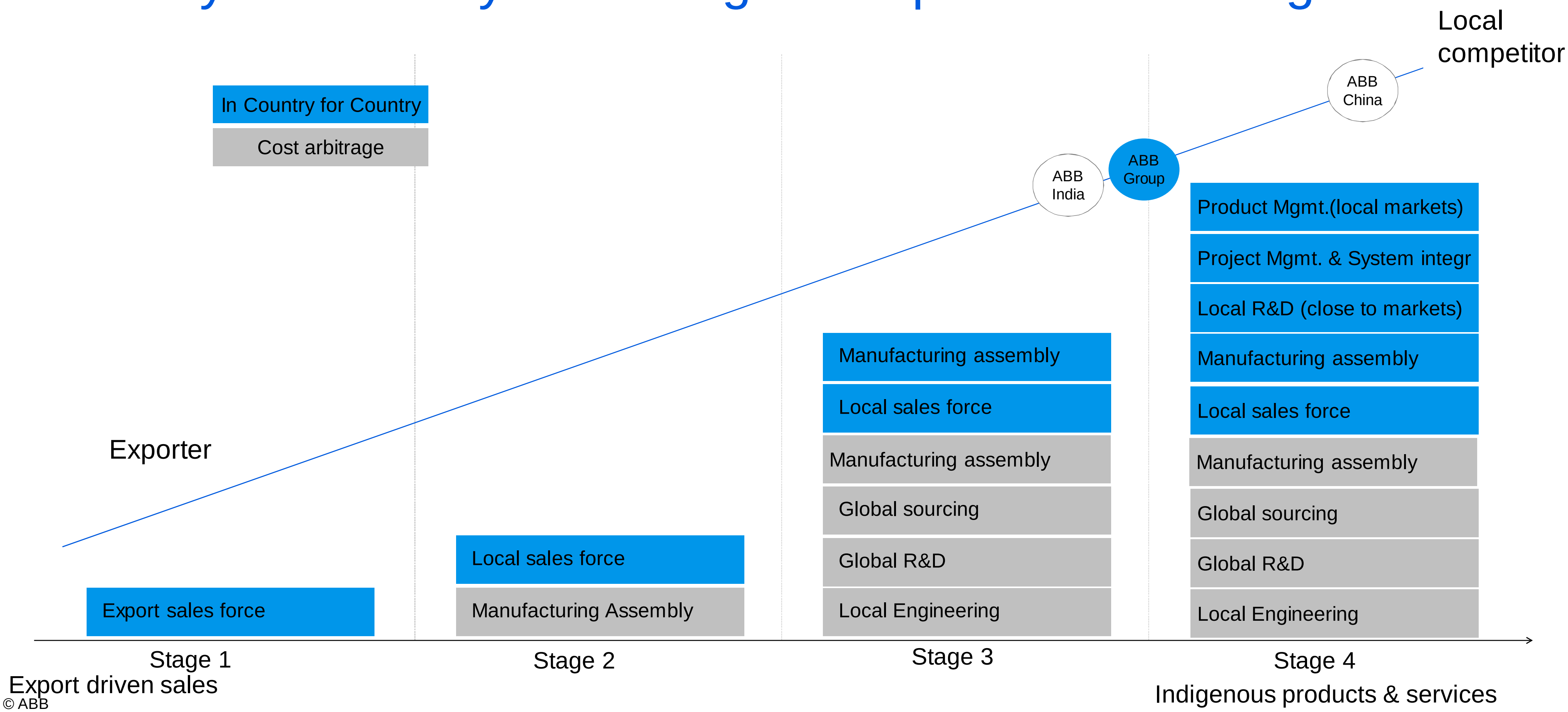
Pros

- One size fits all
- Leverage scale
- Process optimization
- Best practice sharing

Cons

- Operational flexibility
- Corporate down view
- Slow to market
- Local market effectiveness

The nature of global business is changing
In Country for Country becoming a competitive advantage for ABB



Five components of ABB strategic direction
Strong execution and focus across these 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

Technology development
Driving competitiveness begins with product development

In country for country

Product Competitiveness based on:

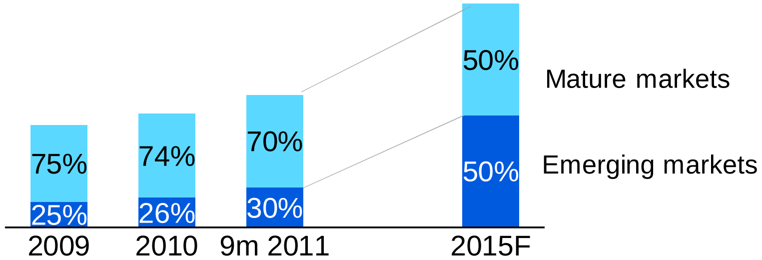
Local product requirements

Local competitiveness: cost and performance

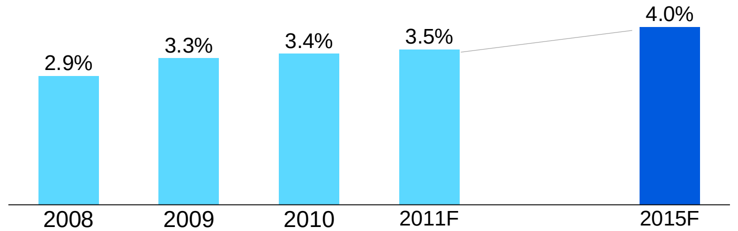
Innovation

Speed to market

Development of R&D employees



Annual R&D spend as % of sales

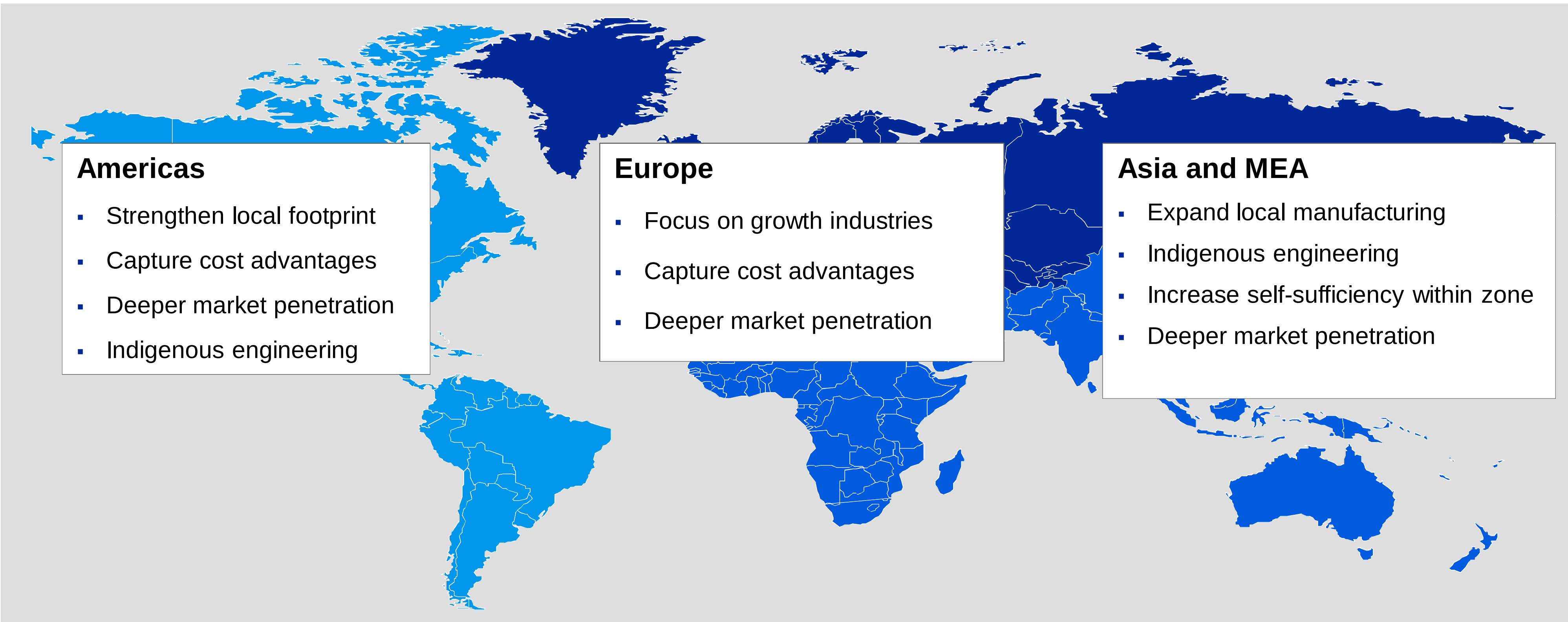


Moving closer to customers and markets allows ABB to move at local speeds and develop products for local markets

1) Non-order related research and development expenses

Balancing global footprint
Three trading zones perspective

1 Balancing global footprint
Three trading zones perspective



Americas
- Strengthen local footprint
- Capture cost advantages
- Deeper market penetration
- Indigenous engineering

Europe
- Focus on growth industries
- Capture cost advantages
- Deeper market penetration

Asia and MEA
- Expand local manufacturing
- Indigenous engineering
- Increase self-sufficiency within zone
- Deeper market penetration

1

Developing world class operations
Nurturing a culture of excellence in ABB

PPMV factory in US
Florence, South Carolina
February 2010

PPMV factory in US
Florence, South Carolina
July 2010

Overall ABB objectives

Customers	Boost Net Promoter Score by +5 to10% per year
Productivity	3% to 5% COS Improvement per year
People	Continuous productivity improvement culture
Cash	Improve NWC[1] from 16% to 11-13% of sales

February 2010		July 2010
61%	On-time delivery (average last 12 months)	86%
$4.9m	Cost of poor quality (last 12 months)	$3.2m

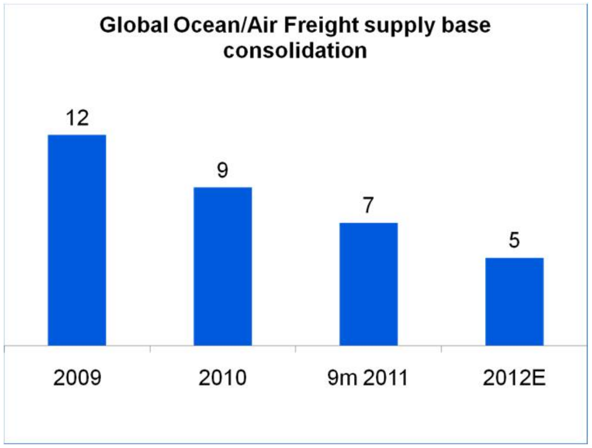
[1] NWC = Net Working Capital

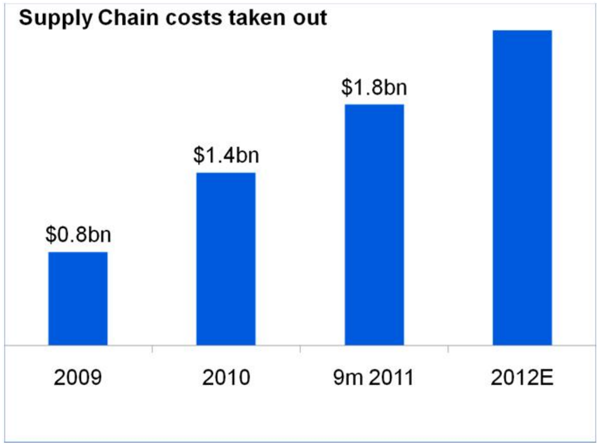
1 Drive the next level of supply chain excellence
Reducing costs while improving quality

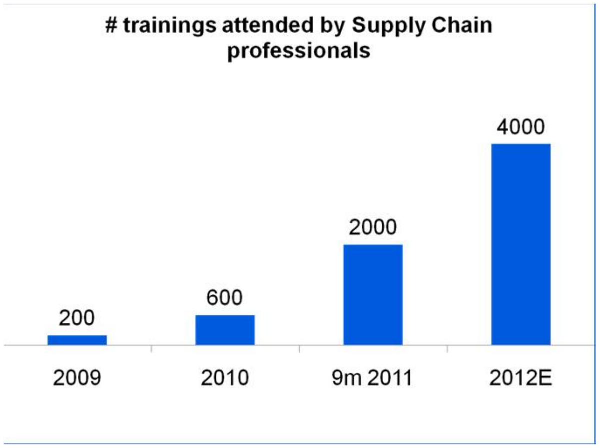
Strategy:
- “Glocalized“ strategic commodity management
- Maximum efficiency in logistics

Processes & systems:
- Proactive risk management
- Improved quality and sustainability processes
- Standard IS for performance management

People:
- Training & certification of professionals
- Organizational structure to support objectives
- Emphasize strategic vs transactional approach
- Supply base collaboration







Learning the lessons from Net Promoter Score
Measuring up in our customers' eyes

Collecting the voice of the customer

- 70'000 participants
- 69 countries
- >120 large customers addressed

Revealing real-time insight

- Identification of segment priorities
- Root cause analysis for red cards

Actions in a close loop process

- Immediate actions
- Improved accountability and resolution
- Satisfied customers

Driving immediate action, improving our performance and enhancing our customers' experience

2

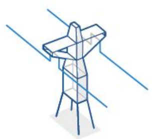
Capitalizing on mega trends
Global megatrends will override short-term volatility

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

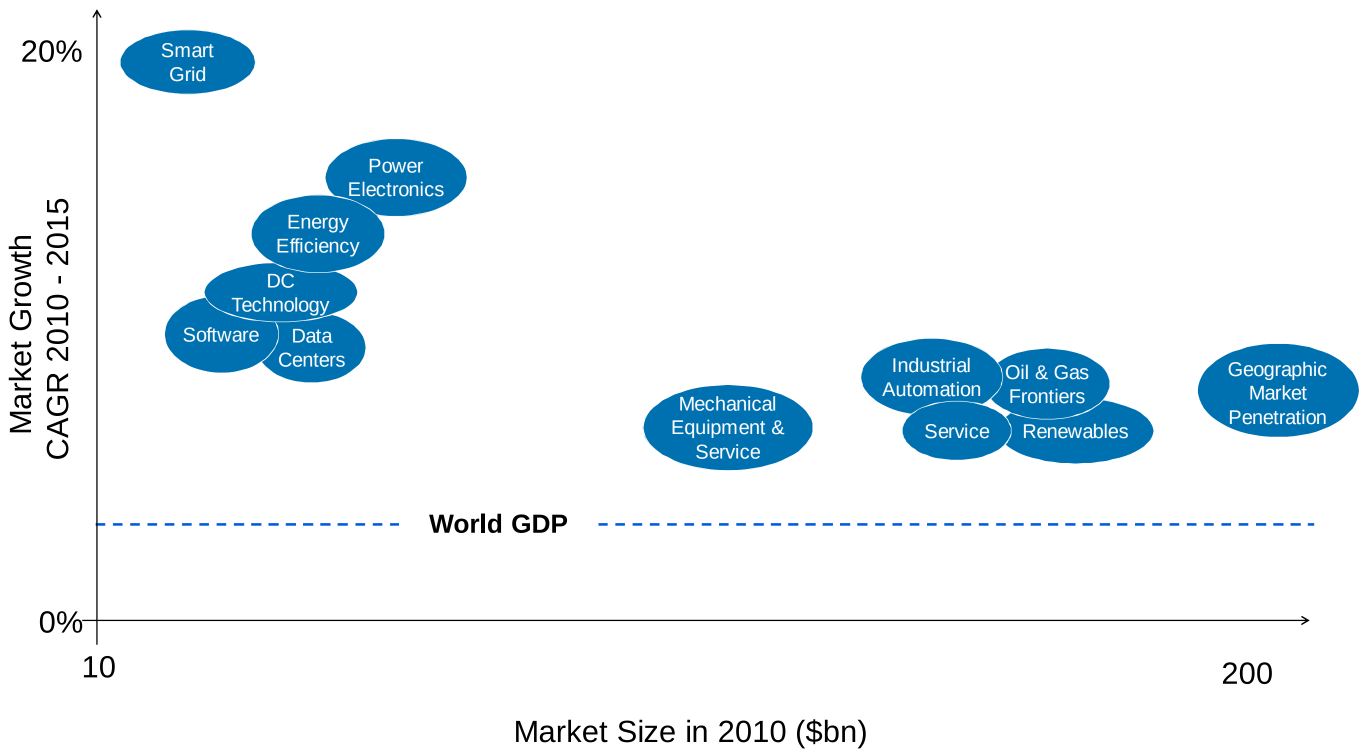
Execution around markets and trends

Continued investment in R&D

Strong sales / distribution

2

Building on ABB strength in strategic growth areas
Focus on industries growing faster than world GDP



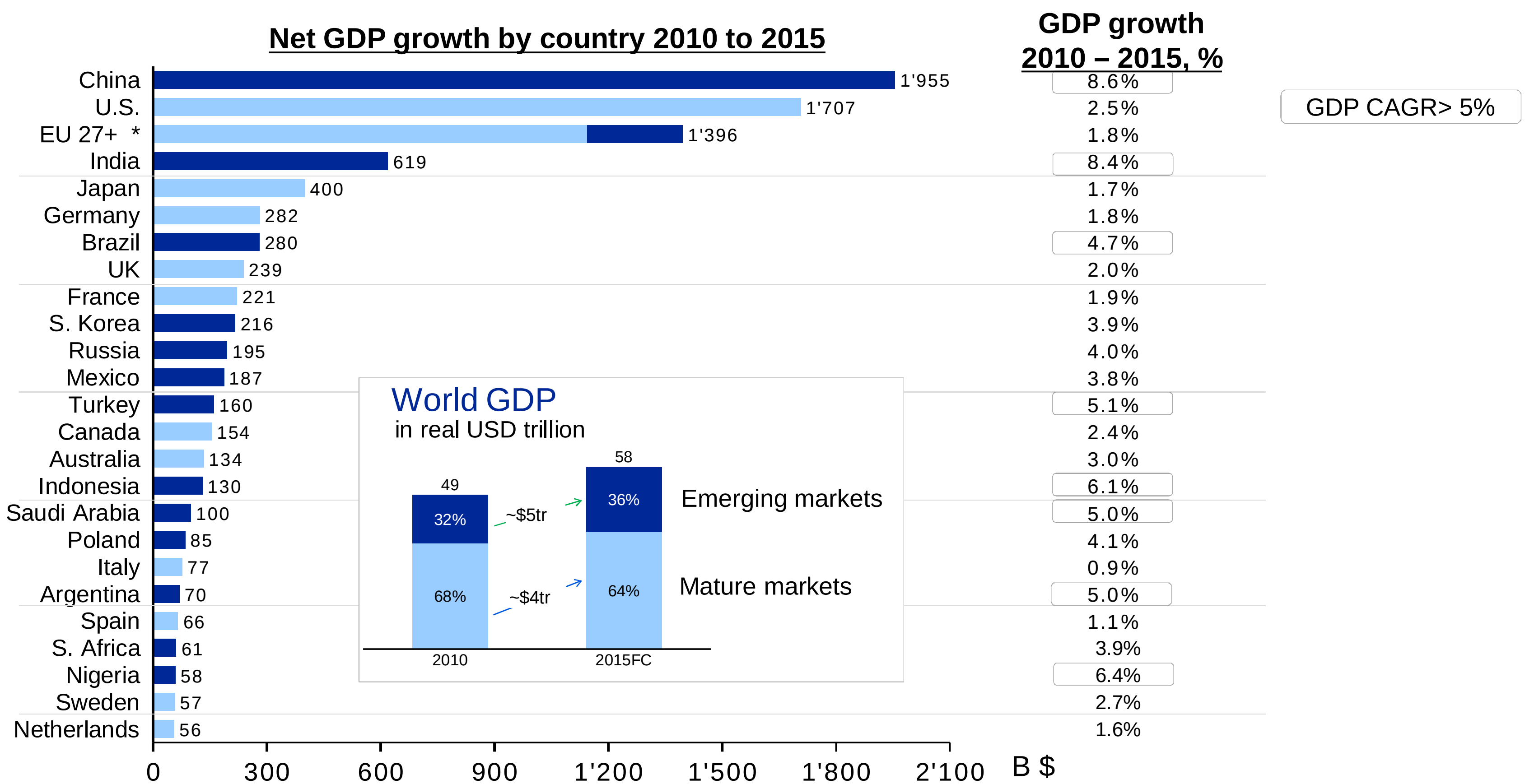
12 priority growth areas

- Geographic Market Penetration
- Renewables
- Smart Grid
- Oil & Gas Frontiers
- Data Centers
- Service
- Energy efficiency
- Software
- Leader in industrial automation
- Mechanical equipment & service
- Power electronics
- DC technology and applications

2

Focus on emerging and mature markets with high growth

Traditional mature markets still with significant opportunity



Source: Global Insight, World Real GDP, Sep 2011; *European Union 27 member states plus Norway & Switzerland

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

3

Modernizing our software business model
Integrating OT and IT

Ventyx and Mincom		Historical ABB
Information technology Plan-Construct-Service-Maintain	**Energy management infrastructure** Generation – Transmission - Distribution	**Operations technology** Operate assets-real-time-event driven

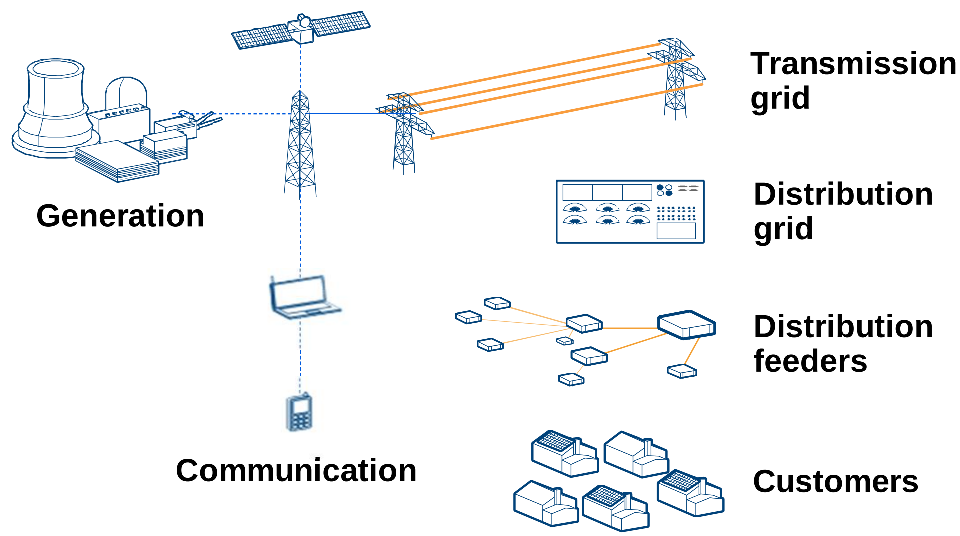
Plant operations

Plant / system maintenance

Design engineering

Mobile workforce

Customer service



Transmission grid operations

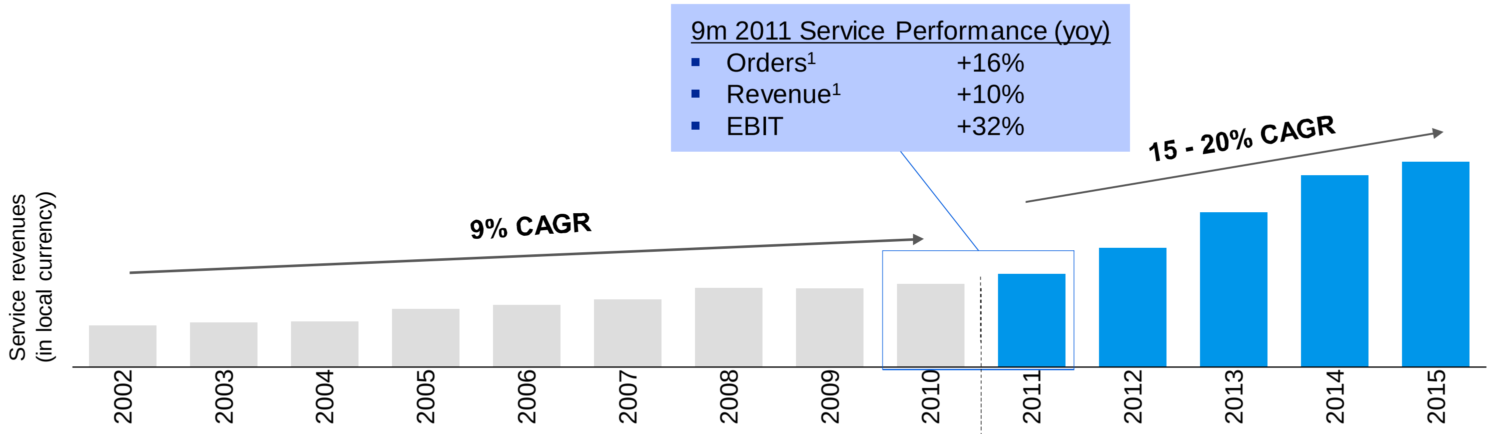
Distribution grid operations / Outage management

Generation operations

- ABB mix is changing towards more IT/OT
- Business model for OT is evolving towards IT
- OT installed base becomes a highly valuable driver for profit

3

Accelerating growth in services



Historical service performance

- Strong ABB installed base to build on
- Several best practices across ABB (e.g. Turbo, LVD)
- Above average profitability
- Key driver to improve customer satisfaction
- Inconsistent "Go to market approach"
- Fragmented service offering portfolio

Focus going forward

- Fully capitalize installed base potential
- Industrialized service offering portfolio
- Aligned One ABB `Go-to-market` approach
- Leverage M&A to accelerate growth
- Clear accountability and ownership
- Investment in people

ABB to grow service revenues to 20-25% by 2015

[1] Based on local currencies

4

Disciplined M&A to help close gap areas
Acquisitions to act as accelerator in priority gap areas

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

5

Disruptive innovation in technology and/or business models
Being the first with new value proposition for customers

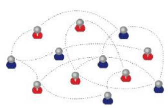
5 We systematically look for technology and business model disruptions to position ABB for market leadership

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.

5

HVDC Light transmission systems
ABB uniquely positioned to drive technology and innovation

HVDC Light special features:

- Compact footprint of AC/DC converter stations
- Undergrounding through use of extruded cables
- Black start capability
- Connection to passive loads
- Controllability enables enhancement of AC networks
- Suited for future DC grid applications

ABB is the only player with in -house manufacturing and R&D for semiconductors, converters and HV cables

A key enabler for many emerging trends

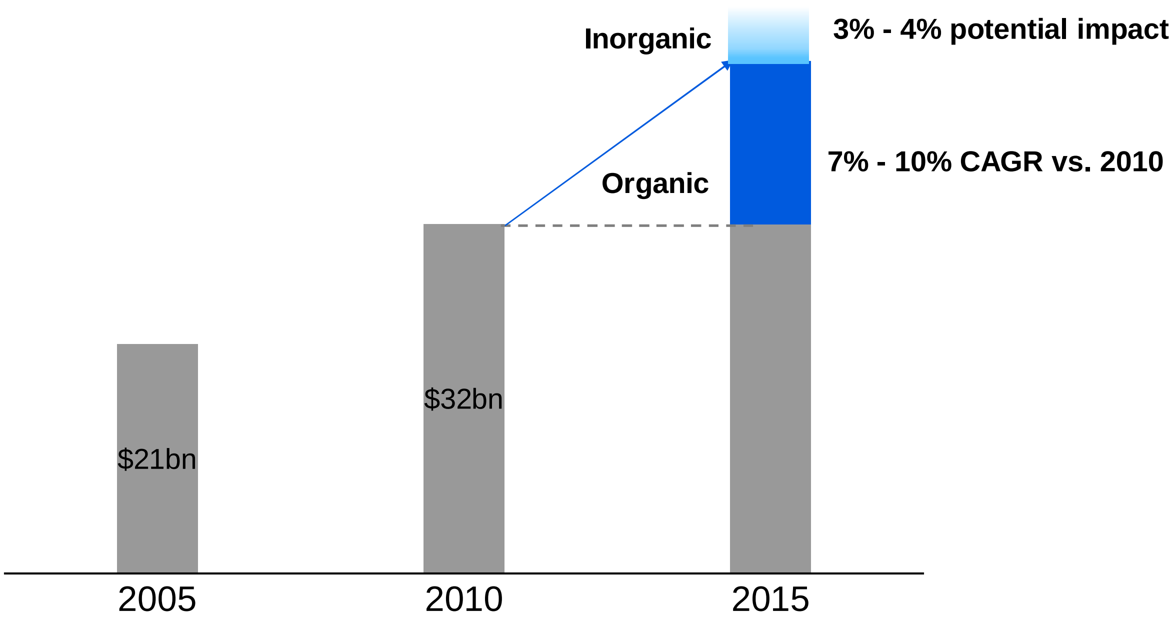
Borwin, Germany integrating the world's most remote offshore wind farm

Troll A, world's first offshore platform connected to shore supply

Murraylink, Australia, world's longest underground cable

Caprivi Link, Namibia, world's first HVDC Light on overhead line

ABB expects to outpace world economy
Revenue growth at twice the pace of global GDP through 2015



Macro growth drivers:
- Emerging markets
- Climate change investment
- Service & software expansion
- Infrastructure spend emerging & developed

Key growth areas
- Grid expansion and reliability
- Emerging market growth in power and automation
- Service and software growth entitlement
- DC technology market expansion
- Automation business expansion
- Energy efficiency
- Renewables

2015 Strategy Summary

Long term growth	**Find and exploit disruptive opportunities in relevant markets** **Disciplined M&A across products, markets and geographies** **Aggressively expand core business to secure next level of growth** **Capitalize on mega trends: anticipate, participate and lead in key mega trends**
Execution	**Drive competitiveness and stay relevant in our current markets** ▪ Continue to drive cost and quality competitivness ▪ Invest in technology leadership ▪ Efficient use of assets: cash, people, IP & brand ▪ People development and Investment

Power and productivity
for a better world™