Next Level Stage 2
New Electrification Products division: Power & Automation for the site
Presentations given during the Capital Markets Day 2015 include forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and 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 “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

There are numerous 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.

The presentations also contain non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental financial information” under “Capital Markets Day 2015” on our website at http://new.abb.com/investorrelations/
Shifting the Center of Gravity – divisional realignment
New Electrification Products division

Power & Automation

Utilities

Industry

Transport & Infrastructure

Electrification Products (new)
A leading player for LV and MV electrification

Power & Automation “for the site”
BU Medium Voltage Products
Offering management for profitable growth

Product Offering Strategy

Smart technologies
Grid upgrade: focus on feeder automation, remote monitoring and control

Eco-efficiency
Innovative, new technologies mitigate the impact on the environment

Mid-segment
Full range: cost-efficient product offering to meet different regional requirements

Competitiveness
Focus on SCM and product development to retain profitability and competitiveness

Enabling high-end competitiveness and penetration in a challenging market
Electrification Products division
Market offering overview

Complete electrification offering “for the site”
Electrification Products division
Well positioned in attractive markets

Attractive markets

- Utilities
  - Renewable electrification
  - Smart distribution
- Industry
  - Electrical distribution
  - Power quality & reliability
  - Safety & protection
- Transport & Infrastructure
  - Building electrification & automation
  - Transport electrification
  - Data centers

Well positioned

- # 1 in Medium Voltage products – pure player
- # 2 in breakers (Low Voltage & Medium Voltage)
- Global top 3 in electrical distribution channels¹

Competition

CHINT
Eaton
Legrand
Schneider Electric

Market leading offering in high-growth markets
Electrification Products division
Driving multi-channel approach to market

Abb salesforce and partners

Distributor

Panel-builder DEM¹

OEM

System integrator

EPC²

LV and MV offering through established channels and sales organization

Utilities

Industry

Transport & Infrastructure

¹DEM: Distribution Equipment Manufacture; ²EPC: Engineering, Procurement and Construction
Shifting the Center of Gravity – driving organic growth
Penetration: cross-selling

Channel access drives growth
Shifting the Center of Gravity – driving organic growth
Penetration: Thomas & Betts

Unlocking the potential

- Build on existing channels outside of North America
- Collaborating across ABB on project business
- ~2,000 new SKUs\(^1\)

Results H1 2015: Double-digit\(^2\) outside North America
Target 2020: \(2x\)

Broadest offering in the industry provides good growth opportunities

\(^1\)SKU: Stock Keeping Unit; \(^2\)Order growth on a like-for-like basis
Shifting the Center of Gravity – driving organic growth
Innovation for Ecuador’s state oil company

Significant customer impact with Power & Automation combination
Relentless Execution

Value chain

Stage 1

Savings program focused on Marketing, Manufacturing and Supply Chain Management

2015 impact: ~$30 mn

Process focus delivers savings
Relentless Execution
Integrated value chain

Stage 2
Comprehensive program focused on the entire value chain
Continue focus on Working Capital

Building on a strong track record of cost and cash management
### Relentless Execution

**Example: value chain optimization logistics**

#### Regional Distribution Center

- 12 months in operation

#### Results

- From 5,000 to 20,000 SKUs
- Lead time: ↓ 80%
- ROTD\(^1\): ↑ 80%
- NPS\(^2\): 30 → 60

#### Wider roll-out

- Implement best practice
- Middle East RDC in progress
- Analysis complete for EU and South America
- Continued focus on logistics and inventory management

---

Logistics delivers superior customer experience and lower Working Capital

---

\(^1\) ROTD: Requested On Time Delivery; \(^2\) NPS: Net Promoter Score
Business-led Collaboration
Single face to the customer

Ex: Pre-engineered packages

One point of contact for the customer
One order process, one invoice
Faster installation
More agile services

Easier access to ABB products

LV
+
MV

Utilities
Industry
Transport & Infrastructure
Sell the way customers want to buy

Best team in the industry

Building on strong performance to deliver more

Well positioned for profitable growth
Power and productivity for a better world™