

Chunyuan Gu, President, ABB North Asia Region and China, Morgan Stanley Conference, Beijing, June 2014

ABB: Well positioned to support China's drive for sustainable development

Important notices

This presentation includes 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 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
- 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.

This presentation contains 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 “Reports and Presentations” – “Quarterly Financial Releases” on our website at www.abb.com/investorrelations

Global leader in power and automation technologies

~150,000 
employees

 **\$42**
billion
In revenue
(2013)

Present in
+100 
in China since 1907 countries

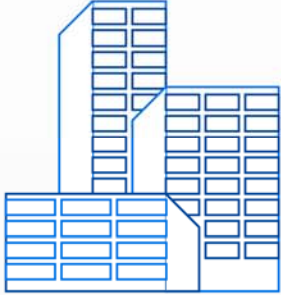
Formed in
1988 
merger of Swiss (BBC, 1891)
and Swedish (ASEA, 1883)
engineering companies

Chart 3

ABB in simple terms

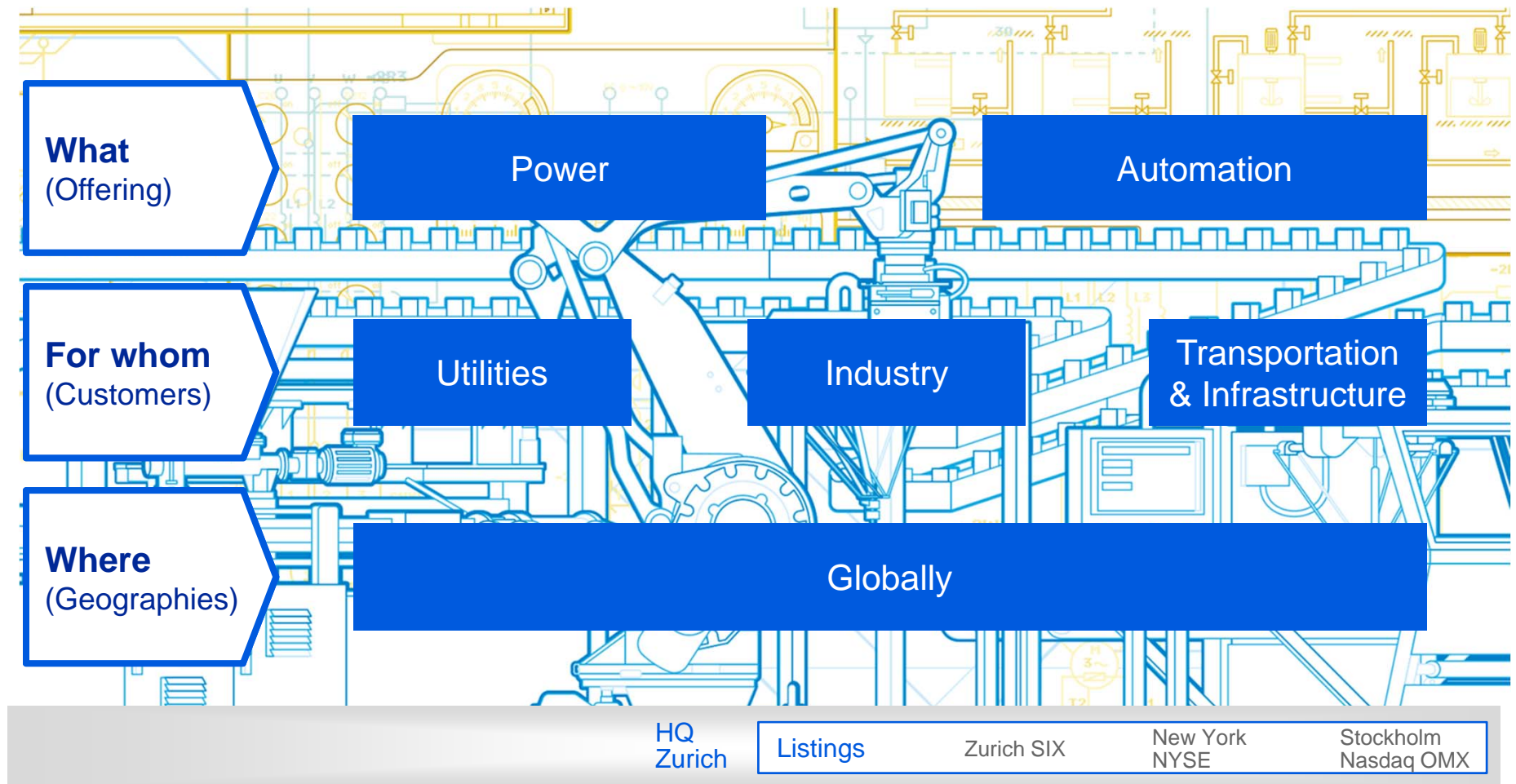
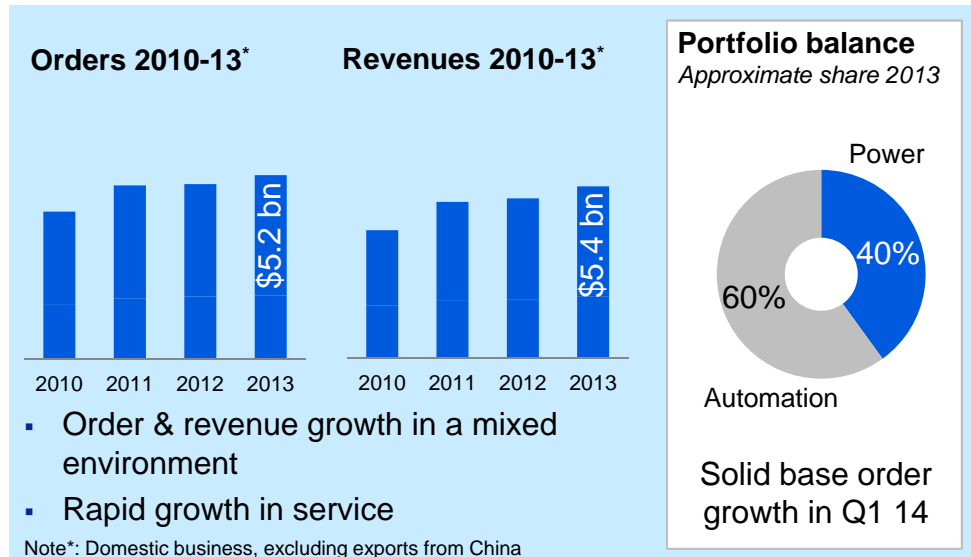


Chart 4

In China, for China and the world

Solid results amid steady expansion to 109 cities



In China, for China and the world

- Over 80% of sales from locally-made products
- Total patents filed grew 12% YoY
- Over 2,000 R&D professionals

Expanded footprint

- 37 local companies
- ~19,000 people in 109 locations
- 10 4S service centers
- Accumulated investment ~\$1.8 billion



Chart 5

China's long-term growth drivers

Rapidly changing economic requirements

Urbanization



Smart city & home

- Urbanization rate >53% in 2013, and 60% in 2020
- Urban population to rise by 13-16 million per year from 2012-22
- One billion m² new green buildings from 2010-15, with 20% of new urban buildings to meet Green Building Standards by 2015

Industry upgrading



Innovation, productivity & quality

- Labor productivity to grow 10% a year by 2015
- Intelligent upgrading & advanced manufacturing (e.g. China at 23 robots per 10000 workers which is below world average of 58)
- Services at 47% of GDP by 2015
- Strategic industries value-added at 8% of GDP by 2015, growing 20%+ a year

Evolving energy



Total energy consumption, structure & efficiency

- Proportion of non-fossil in primary energy mix to reach 11.4% by 2015
- Reduce energy intensity (energy use per unit of GDP) by 16% and CO₂ intensity by 17% by 2015
- Build a strong smart grid by 2020

Contributing to China's long-term sustainable growth ABB has the right solutions to tackle the challenges

Key goals of China's 5-year plan






-  Industrial upgrading
-  \$370 bln Smart grid investment
-  -16% Reduction of energy used/GDP unit
-  -17% Reduction of CO₂ emissions/GDP unit
-  11.4% Proportion of non-fossil in all primary energies

ABB with the right solutions

- Energy efficiency
- Industrial productivity and upgrading
- Smarter and more reliable grid
- Lower impact on environment
- Sustainable Technologies and Innovation



Chart 7

Comprehensive value-chain in China

To expand local capability, product portfolio and footprint

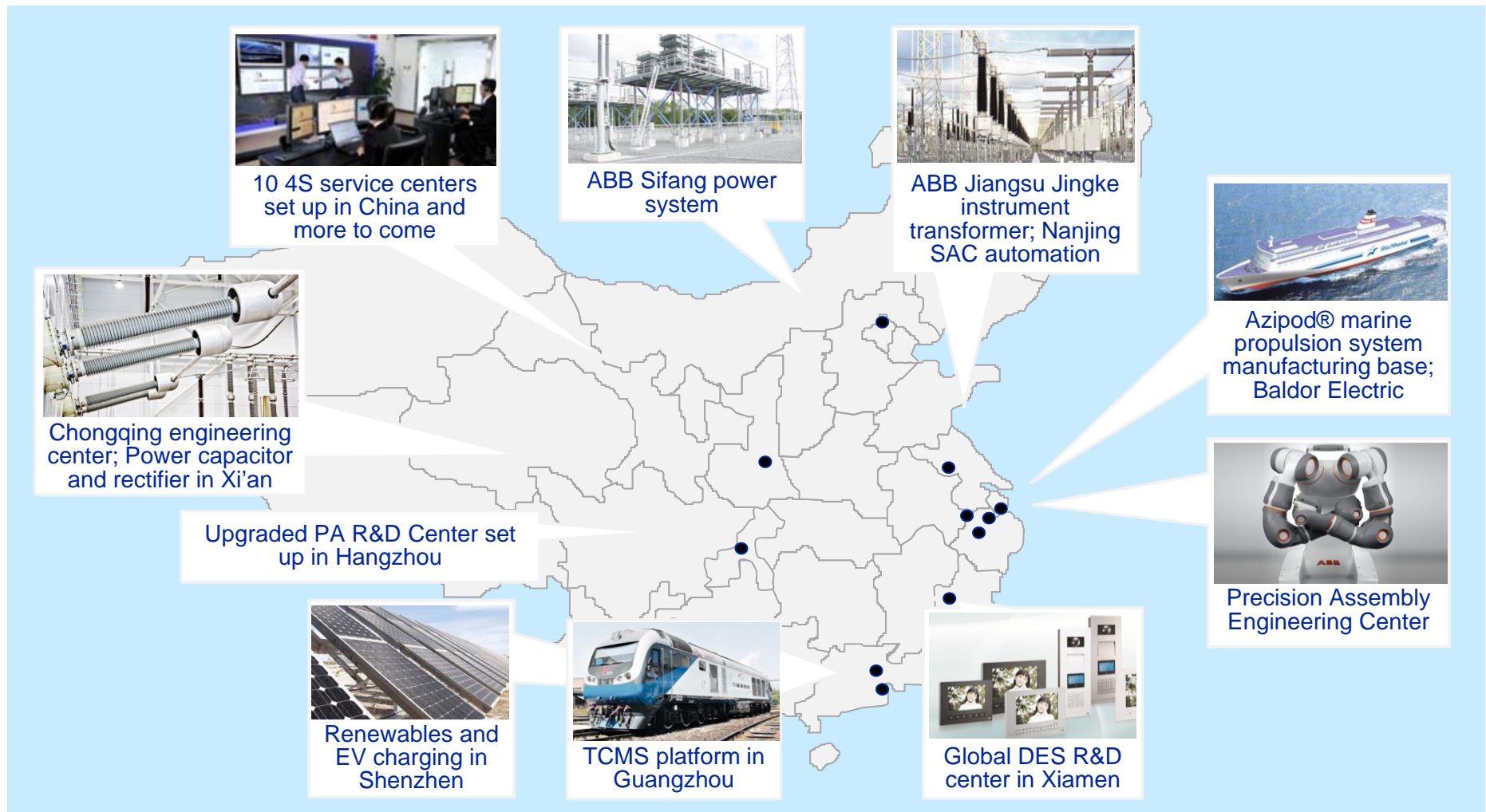


Chart 8

Continued investment to support growth

Investment of \$1.8 billion over 10 years, more to come

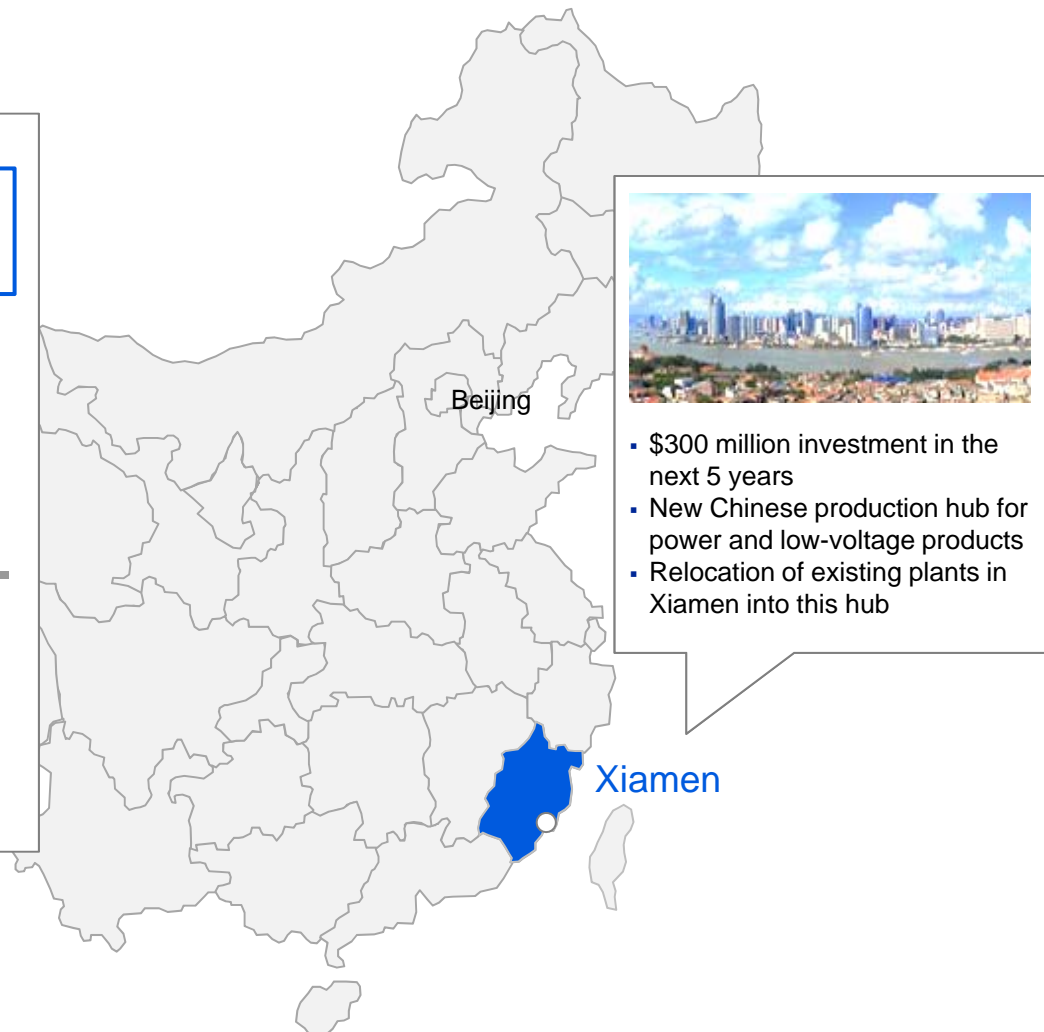
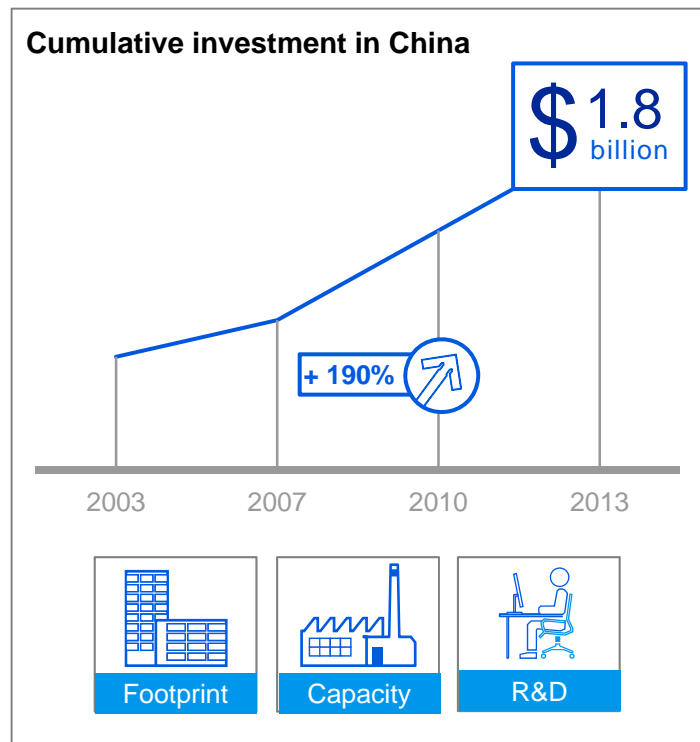


Chart 9

ABB's focused approach to the China market

Smart technologies to meet new economic demands



Smart grid
and city

- ABB develops an evolved grid system that manages electricity demand in a sustainable, reliable and economic manner, built on advanced infrastructure and tuned to facilitate system integration.
- ABB products and solutions are at the heart of a city's critical infrastructure, relied upon for everything from the supply of power, water and heat, to the automation of buildings and infrastructure.



Smart
manufacturing
and production

- ABB helps customers realize intelligent upgrading by adopting automation in industrial manufacturing and production, supporting the development of resource-efficient and environmentally friendly industries.
- ABB smart technologies also help customers achieve higher energy efficiency and productivity, improve product quality as well as enhance their competitiveness.



Smart home
and building

- ABB's people-oriented smart technologies use a full range of intelligent building controls to improve the safety and comfort experience of using electricity in buildings and homes.

Solutions and packages

Life-span Full Service

World-class operations

Smart grid and city

Efficient and sustainable solutions for China's cities

Xiluodu-Zhexi ± 800 KV high-voltage DC power transmission line

- World's largest direct current (DC) power transmission line by capacity (8,000 MW), at a total length of more than 1,670 km
- Provides 40 bn kWh of clean hydro power to Zhejiang each year, meeting the needs of 11 million people, saving 12 mill t of coal and cutting 34 mill t of CO₂ emissions

Rudong Offshore Demonstration Wind Farm

- ABB supplied box-type substations to link Jiangsu Rudong offshore wind power plant—the largest offshore wind farm in Asia—to the local grid
- The project won *Best Wind Power Project of the Year* at Asian Power Awards 2013.

DENZA electric vehicle (EV)

- DENZA (made by Daimler-BYD JV) is among 1st long-range EVs in China (range >300 km)
- ABB to supply DC fast chargers and support JV to develop national DC fast-charging solutions
- ABB launched a local EV unit in 2013 with R&D, manufacturing, logistics, and service

Tencent data center in Tianjin

- Data centers require high power reliability as power interruptions or fluctuations can result in data losses with serious consequences
- ABB's dry-type 10kV transformers are ideal for such applications—environmentally-friendly (no oil), high efficiency and reliability, and up to 10% lower no-load losses

Smart home and building

Full control of all key home and building systems



BMW in Tiexi, Shenyang

- Carrying, gluing, and spot welding robots

Great Wall in Tianjin

- Automated welding for domestic brand SUVs

Chang'an Ford's in Chongqing

- Body framing for multiple car models to shorten production cycles, ensure high-level accuracy, reliability and ease of operation



ABB Precision Assembly Engineering Center

- ABB in China is pioneering small robots—such as the 25-kg. “Dragon”—to help customers meet labor market challenges
- The shift in design is key to upgrading industries such as 3C (computers, consumer electronics and communications)
- New applications will drive further growth



Cosco (Nantong) offshore accommodation platforms

- ABB's integrated power, Azipod® propulsion, and automation systems adjust platform angle and speed and ensure real-time positioning to ensure higher levels of stability and comfort
- Excellent maneuverability with lower noise, vibration and 20-30% less fuel consumption

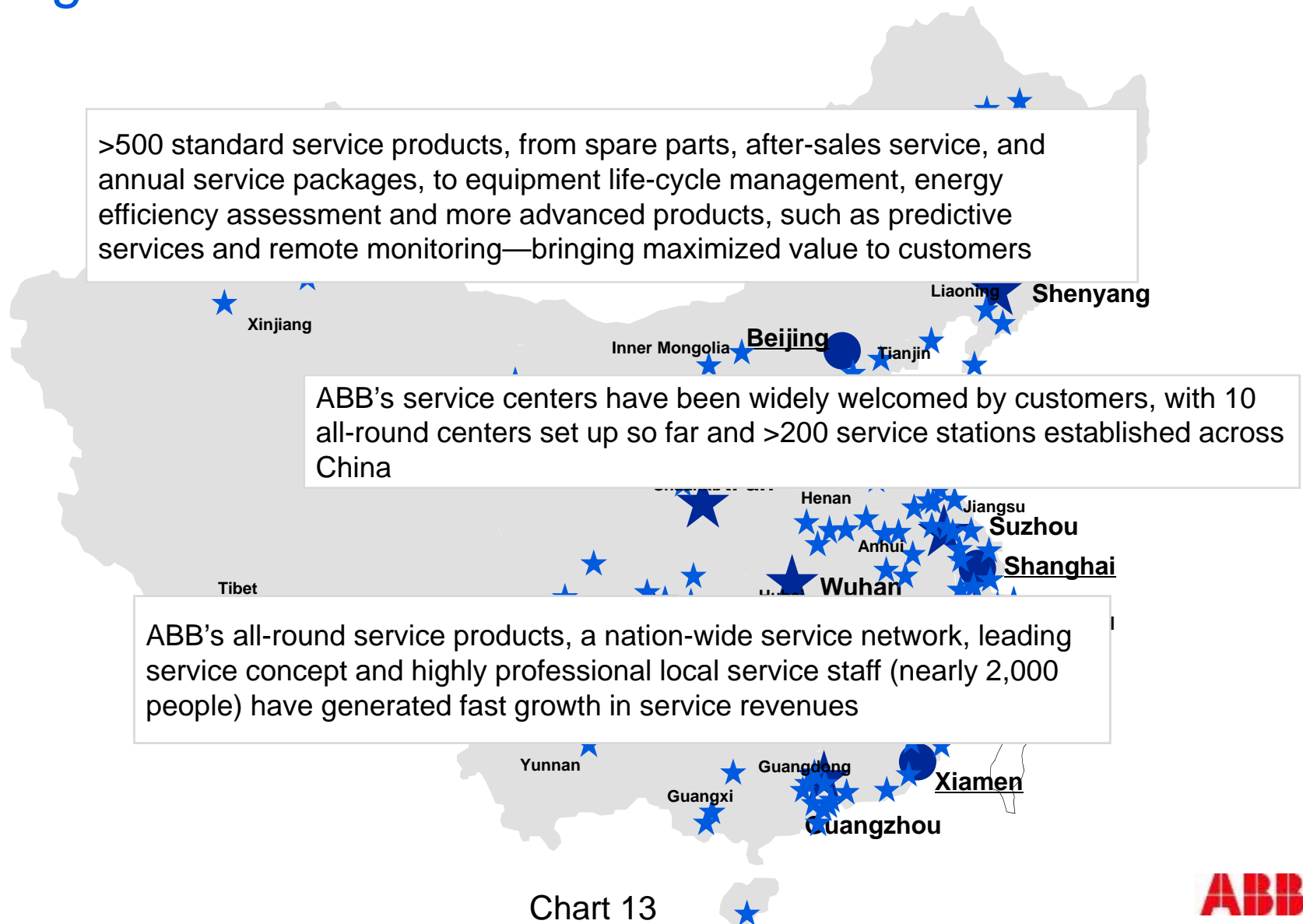


Smart home and building

- ABB provided i-bus® Intelligent Building Control systems to Four Seasons Hotel and Resorts for comfortable and safe environment
- ABB smart home solutions enable residents to control door entry systems, lighting, air conditioning and curtains, audio-video systems and other components through mobile devices

Rapid growth in service

Meeting new demands for services in local market



Providing comprehensive and professional service Improve productivity and ensure safety



Daya Bay generator breaker services

- The Daya Bay nuclear power station is one of China's key commercial nuclear power plants. The plant's current export load switch generator was provided by ABB Group about 20 years ago, and has entered the final stages of its life cycle
- ABB offers an ideal service solution, using the latest technology to upgrade its generator breaker, reducing maintenance costs, improving product life cycle costs, and enhancing safety and reliability of the nuclear power plant

Bring profitable growth to the next level

Continuous expansion of market coverage



Beyond China: ABB a reliable partner for Chinese companies expanding into global markets

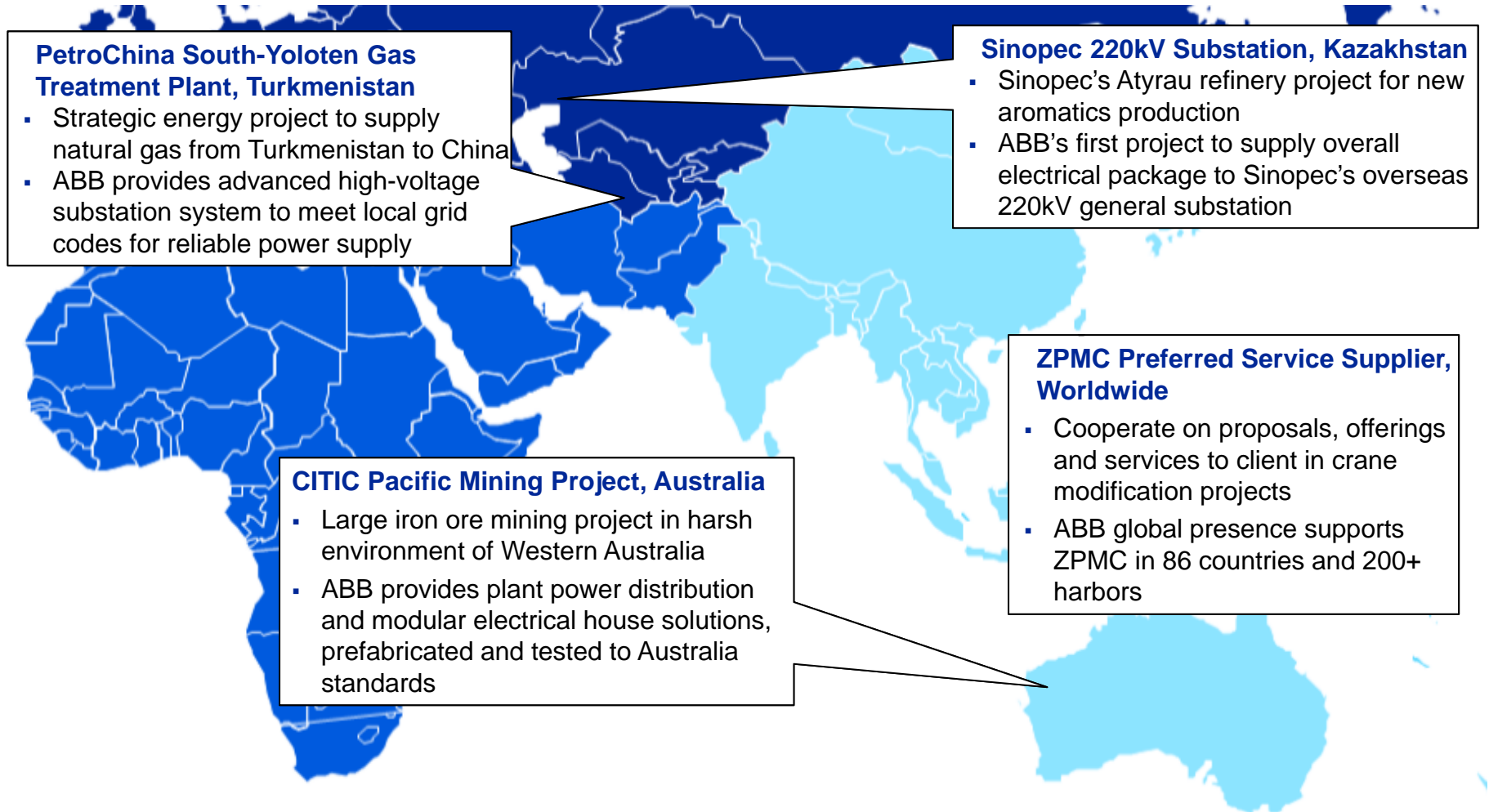


Chart 16

In China, for China and the world
Recognized brand in China, with active community
engagement



Chart 17



A global player, embedded in China
Supporting China's journey to the next level



**Continuing our success story in
China
— today and tomorrow!**

Power and productivity
for a better world™



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