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 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 countries

Formed in 1988

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

in China since 1907
ABB in simple terms

What (Offering)
- Power
- Automation

For whom (Customers)
- Utilities
- Industry
- Transportation & Infrastructure

Where (Geographies)
- Globally

Listings
- Zurich SIX
- New York NYSE
- Stockholm Nasdaq OMX

HQ: Zurich
In China, for China and the world
Solid results amid steady expansion to 109 cities

<table>
<thead>
<tr>
<th>Orders 2010-13*</th>
<th>Revenues 2010-13*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.2 bn</td>
<td>$4.6 bn</td>
</tr>
</tbody>
</table>

- Order & revenue growth in a mixed environment
- Rapid growth in service

Note*: Domestic business, excluding exports from China

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

Portfolio balance
Approximate share 2013
- Power 40%
- Automation 60%

Solid base order growth in Q1 14

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

ABB with the right solutions

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

Key goals of China’s 5-year plan

- Industrial upgrading
- Smart grid investment: $370 bln
- Reduction of energy used/GDP unit: -16%
- Reduction of CO₂ emissions/GDP unit: -17%
- Proportion of non-fossil in all primary energies: 11.4%
Comprehensive value-chain in China
To expand local capability, product portfolio and footprint

- ABB Sifang power system
- ABB Jiangsu Jingke instrument transformer; Nanjing SAC automation
- Upgraded PA R&D Center set up in Hangzhou
- Chongqing engineering center; Power capacitor and rectifier in Xi’an
- Global DES R&D center in Xiamen
- Precision Assembly Engineering Center
- Azipod® marine propulsion system manufacturing base; Baldor Electric
- Renewables and EV charging in Shenzhen
- TCMS platform in Guangzhou
- 10 4S service centers set up in China and more to come
- Power capacitor and rectifier in Xi’an
Continued investment to support growth
Investment of $1.8 billion over 10 years, more to come

- $300 million investment in the next 5 years
- New Chinese production hub for power and low-voltage products
- Relocation of existing plants in Xiamen into this hub

Chart 9
ABB’s focused approach to the China market
Smart technologies to meet new economic demands

- 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.

- 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.

- 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.
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**

<table>
<thead>
<tr>
<th>BMW in Tiexi, Shenyang</th>
<th>ABB Precision Assembly Engineering Center</th>
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<tbody>
<tr>
<td>- Carrying, gluing, and spot welding robots</td>
<td>- ABB in China is pioneering small robots—such as the 25-kg. “Dragon”—to help customers meet labor market challenges</td>
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<tr>
<td><strong>Great Wall in Tianjin</strong></td>
<td>- The shift in design is key to upgrading industries such as 3C (computers, consumer electronics and communications)</td>
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<td>- Automated welding for domestic brand SUVs</td>
<td>- New applications will drive further growth</td>
</tr>
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<td><strong>Chang’an Ford’s in Chongqing</strong></td>
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<td>- Body framing for multiple car models to shorten production cycles, ensure high-level accuracy, reliability and ease of operation</td>
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<table>
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<tr>
<th>Cosco (Nantong) offshore accommodation platforms</th>
<th>Smart home and building</th>
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</thead>
<tbody>
<tr>
<td>- 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</td>
<td>- ABB provided i-bus ® Intelligent Building Control systems to Four Seasons Hotel and Resorts for comfortable and safe environment</td>
</tr>
<tr>
<td>- Excellent maneuverability with lower noise, vibration and 20-30% less fuel consumption</td>
<td>- 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</td>
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</tbody>
</table>
Rapid growth in service
Meeting new demands for services in local market

>500 standard service products, from spare parts, after-sales service, and annual service packages, to equipment life-cycle management, energy efficiency assessment and more advanced products, such as predictive services and remote monitoring—bringing maximized value to customers.

ABB’s service centers have been widely welcomed by customers, with 10 all-round centers set up so far and >200 service stations established across China.

ABB’s all-round service products, a nation-wide service network, leading service concept and highly professional local service staff (nearly 2,000 people) have generated fast growth in service revenues.
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

### Status today
- Presence in 109 cities
- Covering >500 cities together with partners
- Expanding business in >600 cities through e-commerce platform

+100 cities in the next three years
Beyond China: ABB a reliable partner for Chinese companies expanding into global markets

**PetroChina South-Yoloten Gas Treatment Plant, Turkmenistan**
- Strategic energy project to supply natural gas from Turkmenistan to China
- ABB provides advanced high-voltage substation system to meet local grid codes for reliable power supply

**CITIC Pacific Mining Project, Australia**
- Large iron ore mining project in harsh environment of Western Australia
- ABB provides plant power distribution and modular electrical house solutions, prefabricated and tested to Australia standards

**Sinopec 220kV Substation, Kazakhstan**
- Sinopec’s Atyrau refinery project for new aromatics production
- ABB’s first project to supply overall electrical package to Sinopec’s overseas 220kV general substation

**ZPMC Preferred Service Supplier, Worldwide**
- Cooperate on proposals, offerings and services to client in crane modification projects
- ABB global presence supports ZPMC in 86 countries and 200+ harbors
In China, for China and the world
Recognized brand in China, with active community engagement
A global player, embedded in China
Supporting China’s journey to the next level

Continuing our success story in China
— today and tomorrow!

Chart 18
Power and productivity for a better world™
For more information, call ABB Investor Relations
Or visit our website at www.abb.com/investorcenter

<table>
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<tr>
<th>Name</th>
<th>Telephone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alanna Abrahamson</td>
<td>+41 43 317 3804</td>
<td><a href="mailto:alanna.abrahamson@ch.abb.com">alanna.abrahamson@ch.abb.com</a></td>
</tr>
<tr>
<td>(Head of Investor Relations)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zurich, Switzerland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Fox</td>
<td>+41 43 317 3812</td>
<td><a href="mailto:john.fox@ch.abb.com">john.fox@ch.abb.com</a></td>
</tr>
<tr>
<td>Binit Sanghvi</td>
<td>+41 43 317 3832</td>
<td><a href="mailto:binit.sanghvi@ch.abb.com">binit.sanghvi@ch.abb.com</a></td>
</tr>
<tr>
<td>Beat Fueglistaller</td>
<td>+41 43 317 4144</td>
<td><a href="mailto:beat.fueglistaller@ch.abb.com">beat.fueglistaller@ch.abb.com</a></td>
</tr>
<tr>
<td>Tatyana Dubina</td>
<td>+41 43 317 3816</td>
<td><a href="mailto:tatyana.dubina@ch.abb.com">tatyana.dubina@ch.abb.com</a></td>
</tr>
<tr>
<td>Annatina Tunkelo</td>
<td>+41 43 317 3820</td>
<td><a href="mailto:annatina.tunkelo@ch.abb.com">annatina.tunkelo@ch.abb.com</a></td>
</tr>
<tr>
<td>Ruth Jaeger</td>
<td>+41 43 317 3808</td>
<td><a href="mailto:ruth.jaeger@ch.abb.com">ruth.jaeger@ch.abb.com</a></td>
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