

**Hubertus von Grünberg**  
**Chairman**  
**ABB Annual General Meeting**  
**April 30, 2014**

**Check against delivery**

**This is a non-binding translation of the original German version.**

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Dear shareholders,  
Ladies and gentlemen,

We announced yesterday that current business developments in four out of ABB's five divisions were satisfactory. In the Power Systems division, however, there are significant problems that we are addressing with a comprehensive Step Change program. I'm well aware that many of you are disappointed about this and I'd like to reassure you at this point that ABB as a whole remains a sound and innovative company with excellent prospects. The Executive Committee, with the full support of the Board of Directors, has begun decisive business and management measures that I'm convinced will be implemented successfully.

Now, I'd like to turn to the results of 2013. ABB performed well overall in 2013 despite the continuing difficult market environment and is today an extremely sound, innovative company. In many of our businesses, we rank among the global technology and market leaders.

I am happy to be able to report to you today that in the full year 2013 ABB was able to generate record revenues totaling over \$41 billion. Operational EBITDA earnings rose 9 percent to \$6.075 billion, despite an extraordinary charge in the fourth quarter. The high profit quality was also reflected in the high rate of free cash flow. Net income rose 3 percent compared with the previous year.

Ladies and gentlemen, these very solid results are based on the very good performance in four of five divisions and the successful cost reduction program, through which we saved over \$1 billion in 2013.

In automation, we are today one of the most profitable companies, and businesses such as robotics have developed in an outstanding way. In the power products sector, we are the most profitable company by a very large margin, and have been so for years. For that, I would like to expressly thank Bernhard Jucker and his team on behalf of the Board of Directors. The service business was also able to report profitable growth in all areas. This business will continue to be increasingly important for ABB, and we have ambitious goals.

Our broad geographic base also helped us achieve these solid results. Our business is now more or less evenly divided among North and South America, Europe, and Asia, the Middle East and Africa. Our North American business is now benefiting substantially from the successful takeover of Baldor and Thomas & Betts. The Board of Directors is proud that Baldor Electric, the largest acquisition in the history of ABB, was able to exceed the anticipated value added after three years.

Ladies and gentlemen,

One disappointment is the order inflow. Here we are still feeling the impact of the major financial crisis in 2008. Even after seven years, investments in large power transmission and industrial projects are still at a low level. Unfortunately, this situation continued in the first quarter of 2014 and in response, under the direction of our new CEO Ulrich Spiesshofer, we launched substantive strategic initiatives to boost long-term organic growth. I will discuss these in more detail later on.

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Ladies and gentlemen,

The fact that we performed well in a very difficult environment more or less sums up the past several years. Nevertheless, since the last annual general meeting, ABB has faced two major challenges.

One has been the changes in the Executive Committee.

During the past 12 months, there have been four changes at the executive management level of ABB, including Ulrich Spiesshofer taking over from Joe Hogan as CEO. In almost all cases, the departures were for personal reasons. In the opinion of the Board of Directors, it is remarkable how well and efficiently ABB has implemented these changes in key positions. The smooth transition is also a reflection of the healthy and professional culture at ABB.

At this point, I would like to thank the former and current members of the Group Executive Committee and their teams for this successful transition. I would especially like to thank Joe Hogan, who in five years as CEO transformed ABB into a company that is closer to the markets, expanding successfully in North America and that has invested substantially in its own future as a technology and market leader.

(Joe Hogan stepped down from his position as CEO of the company on September 15, 2013, for personal reasons and acted as a valuable advisor to the Board of Directors and the CEO of ABB until March 15 of this year.)

Although losing Joe Hogan is painful, I am happy that the Board of Directors unanimously chose Ulrich Spiesshofer as the new CEO of the company. Ulrich Spiesshofer's performance during his eight years as a Group Executive Committee member was outstanding. Initially, he was responsible for corporate development and then headed up the successful "Discrete Automation and Motion" division. Besides having first-class strategic and execution strengths, he is personable and much-admired colleague and team player. In the past eight years, he has already contributed substantially to the profitable growth of ABB. He implemented an effective supply-chain management and purchasing system, as well as a goal-oriented M&A function. He also developed and executed our cost-cutting initiative in response to the financial crisis and doubled the size of the Discrete Automation and Motion division.

With Pekka Tiitinen, Claudio Facchin and Jean Christoph Deslarzes, we were also able to recruit three new managers, two from inside and one from outside the company, to the Group Executive Committee. All have the right profile and expertise to successfully further develop their areas.

Ladies and gentlemen,

The second extraordinary challenge concerns the division Power Systems. Here the balance is unfortunately not at all satisfactory – we had to take decisive action twice within a 15-month period and in the first quarter again had to deal with high charges.

This is partly due to the very high risks in the offshore wind energy business - the additional burden of the winter storm "Xaver" made it necessary to adapt our growth targets for the division. But as the first quarter results demonstrate, there are unfortunately high risks in the order backlog and also internal mistakes, which are being tackled with great deal of urgency. The division Power Systems today requires restructuring measures in certain areas. The Executive Committee has introduced far-reaching measures, including personnel measures in the management of the division, in order to ensure the successful long-term future of the division.

Mr. Spiesshofer will go into more detail about the situation in Power Systems as well as the measures being taken.

Ladies and gentlemen,

I can assure you here today: we will act decisively in areas where there is no prospect that ABB can grow profitably in the long term. The Power Systems division overall remains a core business of ABB with

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excellent future prospects. In important areas, such as power transmission, we have been the technology and market leader for decades. The long-term prospects for a modern, efficient and stable power transmission system remain very good in view of the global necessity to integrate renewable energy sources. In recent years, we've learned hard and costly lessons, but I am confident that with hard work we can transform the division successfully to take advantage of future opportunities as a technology and market leader, to achieve profitable growth for you, dear shareholders.

Ladies and gentlemen,

A key success factor is that ABB did not lose momentum even under the difficult economic conditions of the past several years. Our current strong performance is also the result of our investments of more than \$20 billion in the past five years. Without these investments, our geographic positioning and our strong product pipeline would not be the same.

In 2013, we again invested \$1.5 billion in research and development, not only to secure our long-term competitiveness but also to strengthen it.

To further support our organic growth, we invested more than \$1 billion in new installations and production plants, and in strengthening our business structures.

Also for external growth, we invested more than \$1 billion in targeted acquisitions. With Power-One, we acquired the world's second-largest maker of solar inverters.

Ladies and gentlemen,

Our priorities in terms of how we allocate of resources have proven themselves very well in recent years and remain unchanged. First, we will invest in organic growth, second in a sustainable increase in dividends, third in targeted, long-term value-adding acquisitions and fourth in the possible return of cash to shareholders.

Ladies and gentlemen,

As I mentioned earlier, ABB faces a challenge in the area of orders. As a result of the weak economy, there has been a lack of investment in major infrastructure projects and new plants, for example in the mining and metals industries.

We will act decisively here. With our strategic focus on profitable growth, business-led cooperation and relentless execution, developed by our new CEO Ulrich Spiesshofer, we are laying the groundwork for stronger organic growth, even in a weak market environment.

Prior to formulating these focus areas, the Board of Directors and the Group Executive Committee conducted a comprehensive analysis of ABB's growth opportunities. These exceeded our own expectations and, over the next few months ABB will work on systematically introducing concrete plans in the divisions and businesses. We will present the result as part of our new five-year plan on September 9 on Capital Markets Day. Mr. Spiesshofer and the Group Executive Committee have the full support of the Board of Directors in the implementation of the strategic focus areas.

Ladies and gentlemen,

ABB offers outstanding solutions and innovations for very interesting long-term market trends such as Industry 4.0, increasing factory automation, a clean, stable and efficient power supply, energy efficiency and electric mobility.

We also have a strong and efficient balance sheet. This gives us the necessary flexibility to invest, within the parameters of our investment grade ratings, in organic and inorganic growth and to distribute to you, the shareholders, a continuously attractive dividend.

That applies this year, too; in light of the good result in 2013, the Board of Directors proposes raising the dividend for the fifth time in a row. You will therefore receive CHF 0.70 per share, which represents an increase of 2.9 percent over the previous year. This is a reflection of confidence in ABB's ability to continue to generate profitable growth.

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To conclude my speech, I would like to take this opportunity to thank my colleague Hans-Ueli Maerki for his great services to ABB as a long-standing member of the Board of Directors. After 12 very dedicated years he is no longer making himself available for re-election.

Newly nominated to the Board of Directors is Matti Alahuhta. Mr. Alahuhta is Chairman of the Board of Directors of the Outotec Corporation, Kone and was until the end of March this year also CEO. Under Matti Alahuhta's leadership, Kone has enjoyed profitable growth and was able to build a strong global service business. Previously, he was long active at Nokia. We are confident that if you, the shareholders, elect Mr. Alahuhta, we will profit considerably from his expertise in industry, software and services.

Ladies and gentlemen, I thank you for your attention and your many years of trust, and now I hand over to Ulrich Spiesshofer, the Chief Executive Officer of ABB.