



London, Sept. 15, 2011

Credit Suisse Capital Goods Conference

Michel Demaré, CFO

Safe-harbor statement

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, 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” 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 press release 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 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.

Agenda



- ABB is fit for a turbulent world
- Recent performance



- Longer-term growth opportunities
- Where we stand today



- Summary and Q&A

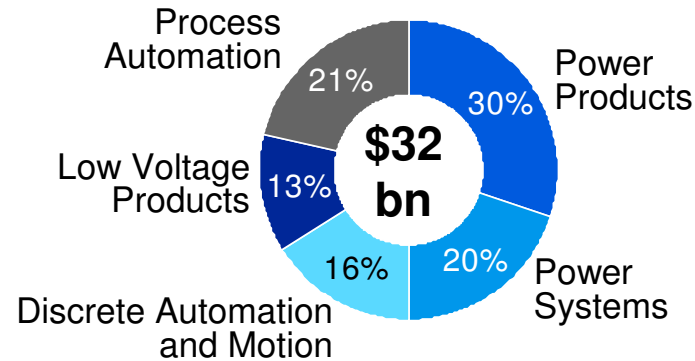


ABB is well balanced by business and geography

A dynamic portfolio that mitigates market cycles

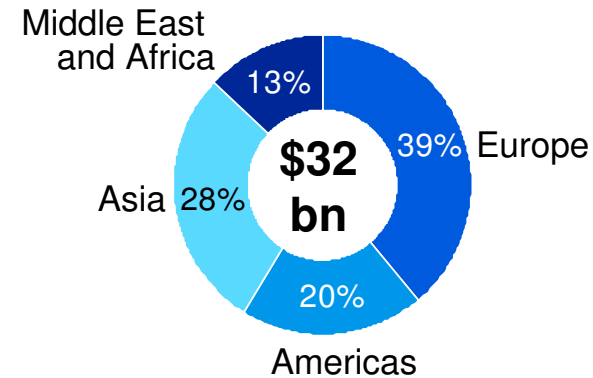
2010 revenues by division

Share of total revenues in %, unconsolidated

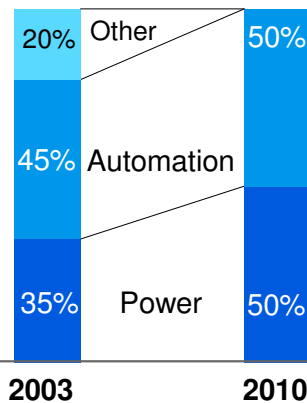


2010 revenues by geography

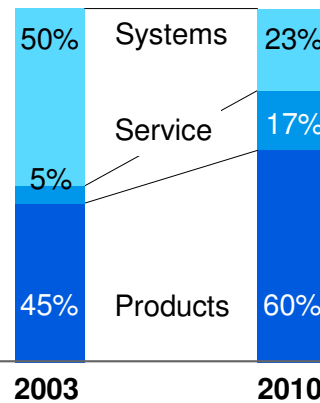
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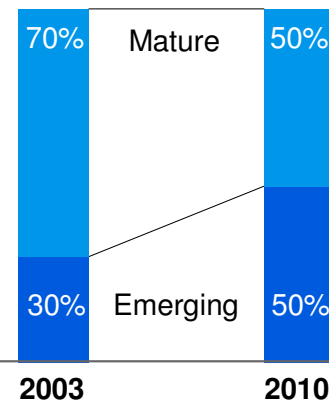
Power and Automation



Business mix



Geographic mix



Cyclicality

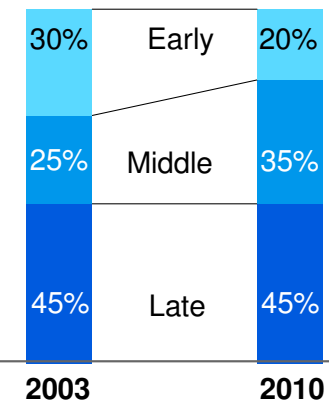


Chart 4

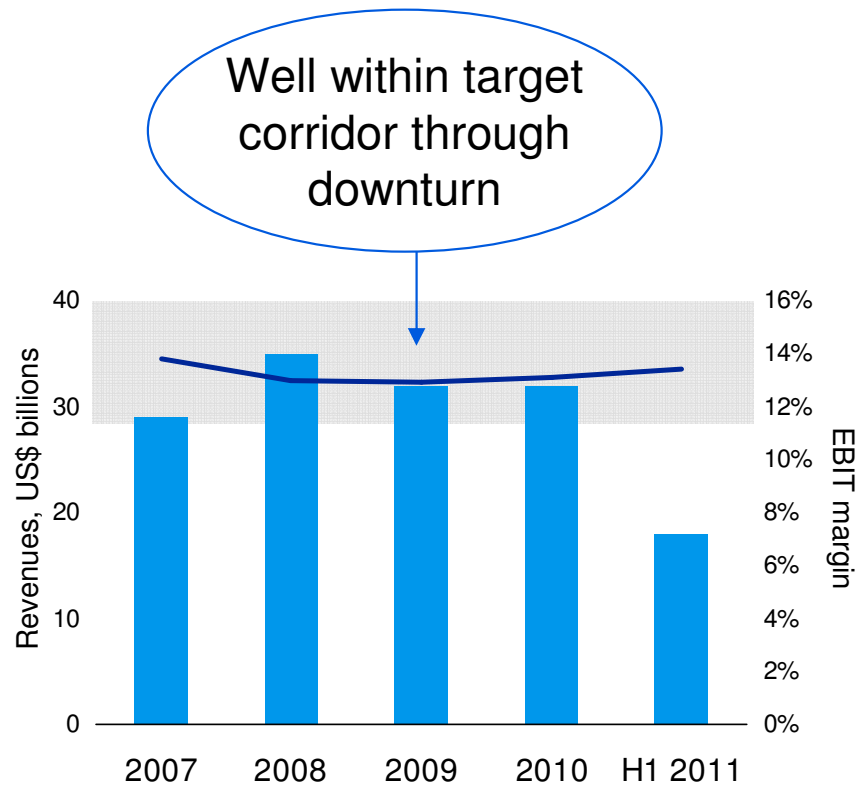
ABB: Solid track record in turbulent times

Portfolio proved its strength through historic downturn

Revenue and op EBIT margin

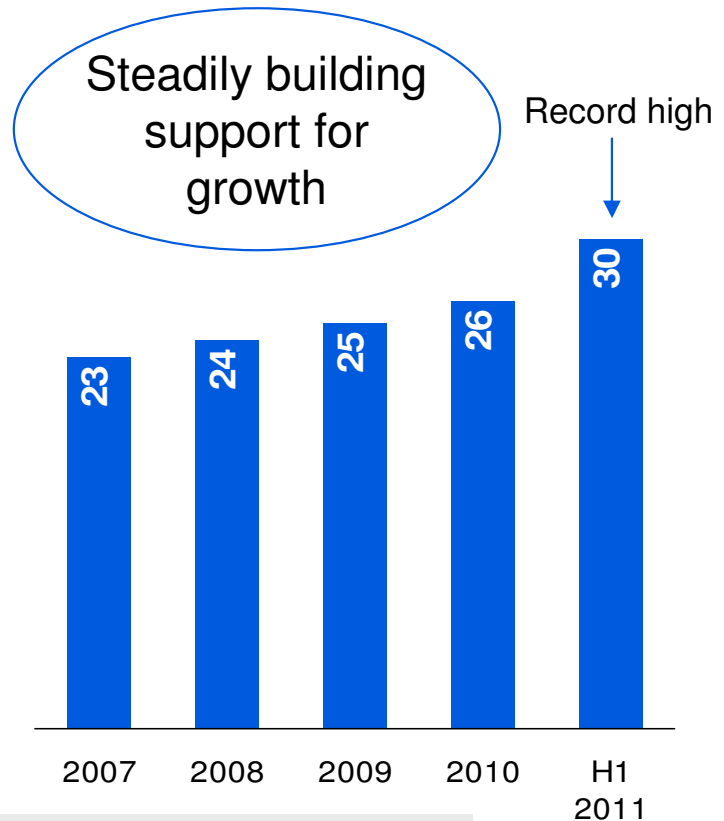
2007-H1 2011

■ Revenue — Operational EBIT %



Order backlog 2007-H1 2011

US\$ billions, end of period



\$1.2 bn net cash in Q2 post dividends and Baldor

Chart 5

Q2 showed a strong performance in almost all areas

Balanced focus between cost-out and targeted growth

- 10% organic order growth, organic sales growth at 9%
- Operational EBITDA up 22%, op. EBITDA margin at 16.0%
- Net income up 43%, cash from operations grew 37%
- M&A adds ~\$600 mill in sales, ~\$115 mill in op. EBITDA
- ~\$270 mill cost out, sales and R&D investments of ~\$90 mill
- ~\$1.3 bn in new long-term debt, Moody's upgrade to A2

Balanced geographic scope mitigates regional risks

Order growth H1 2011 vs H1 2010
(in local currencies)

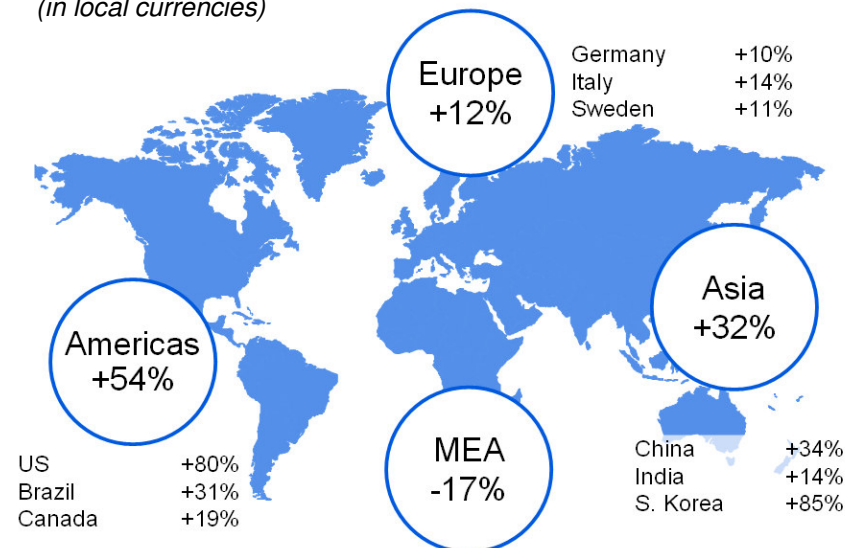
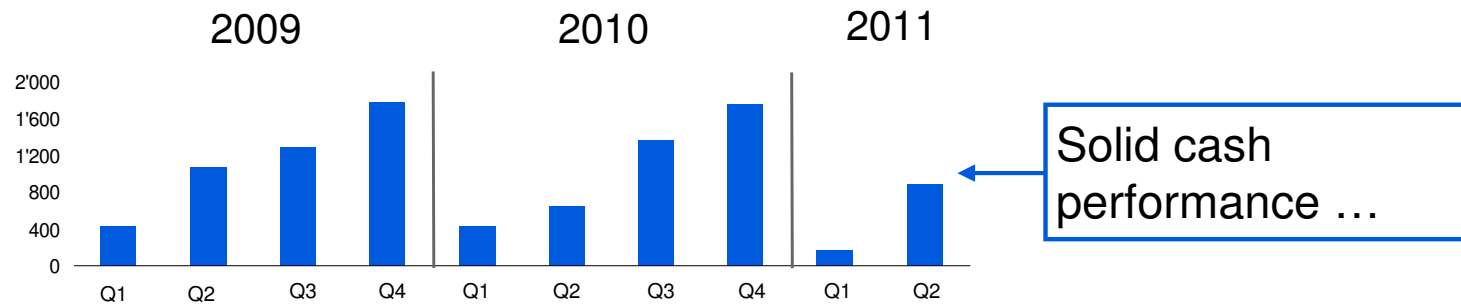


Chart 6

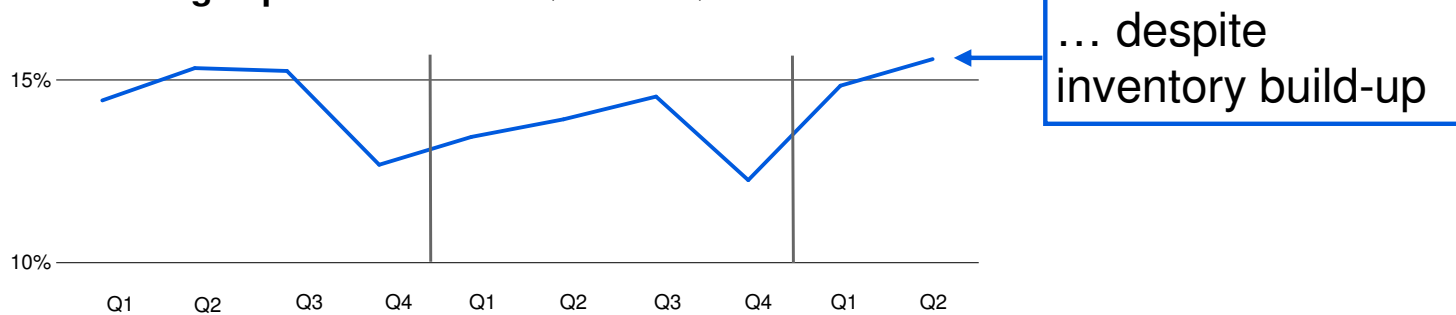
ABB maintains its strong cash performance despite NWC increase to support growth

Cash from operations Q1 2009-Q2 2011

US\$ millions



Net working capital as % revs* Q1 2009-Q2 2011



* Excl Baldor

Chart 7

Cost measures have offset market pressures

We will continue to focus on cost and productivity

EBIT bridge summary 2009-H1 2011

US\$ millions rounded to nearest \$50 million

US\$ millions	2009	2010	H1 2011	TOTAL
Pricing	(1,400)	(850)	(450)	(2,700)
Project margins	(150)	(450)	100	(500)
Volume	(800)	(100)	500	(400)
TOTAL IMPACT	(2,350)	(1,400)	150	(3,600)
Cost savings	1,600	1,500	500	3,600

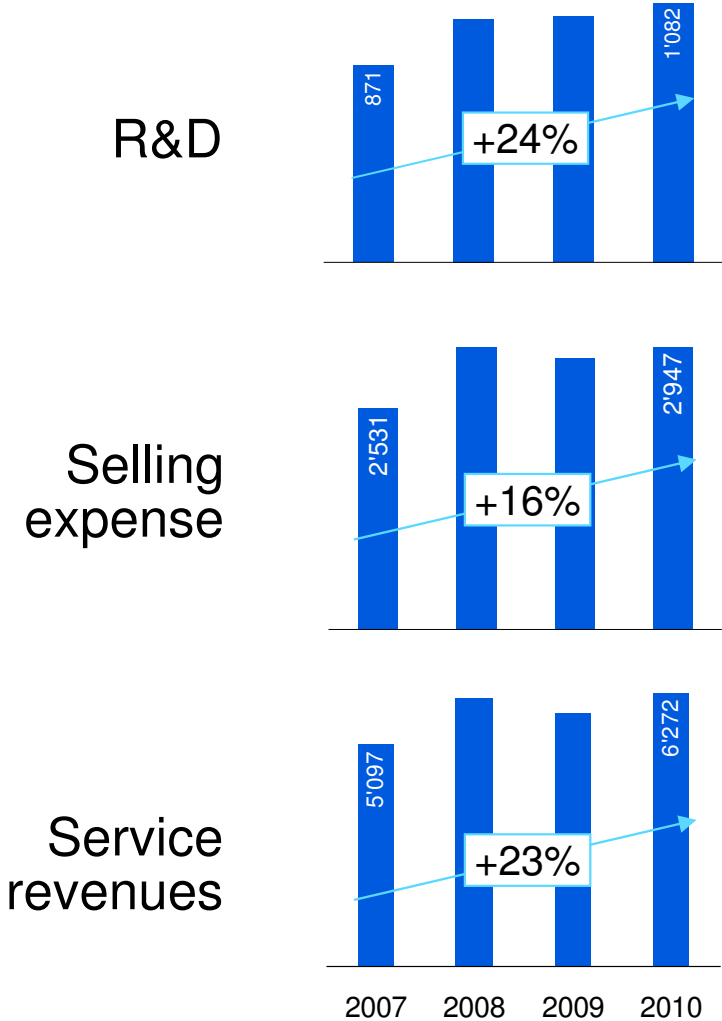
Chart 8

Striking a balance between growth and cost

Cost savings program was timely and efficient

Targeted growth initiatives

US\$ millions, % change in US\$



Steady cost out performance

Savings in US\$ millions

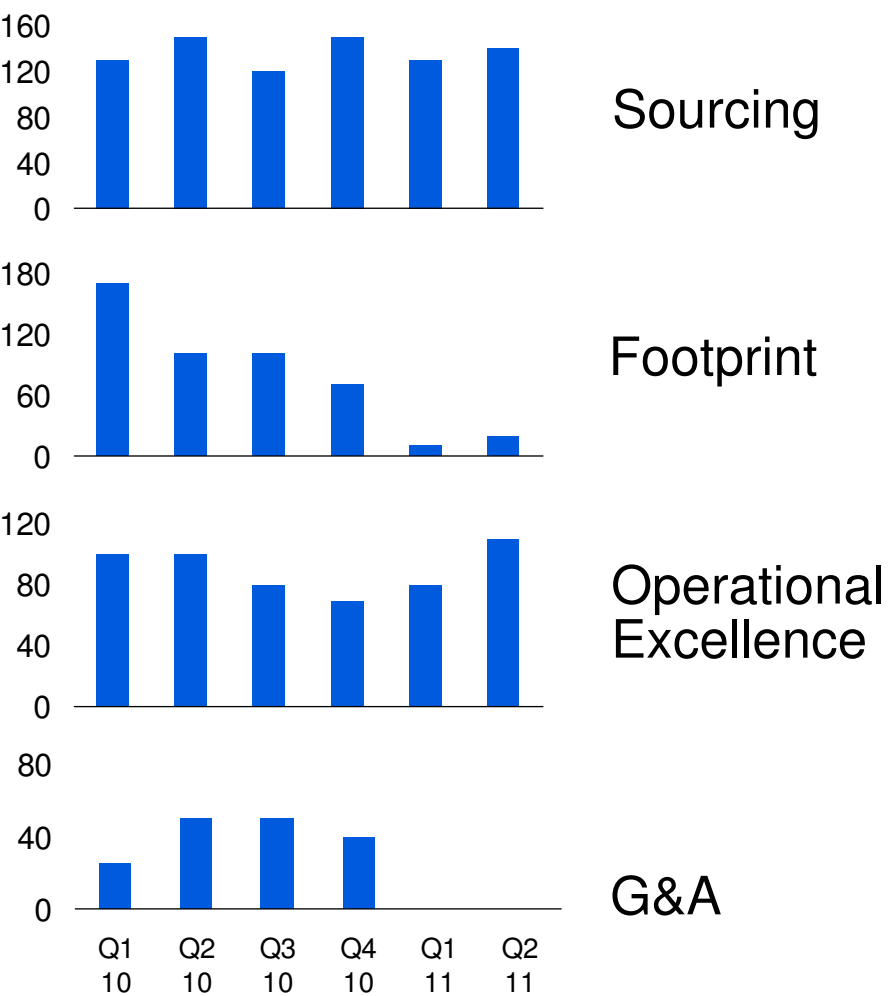


Chart 9

ABB continues its M&A strategy to fill critical gaps

Disciplined approach

- All transactions in line with stated acquisition strategy
- Balancing integration challenges across divisions and geography

Financial criteria

- Cash returns at or above WACC within 3 years
- NPV positive (DCF at WACC + internal hurdles)
- Conservative net debt/EBITDA and gearing ratios – maintain single A credit rating

<i>Critical gap</i>	Ventyx	Baldor	Mincom	Epyon	Lorentzen & Wettre	Trasfor
Geographic	✓	✓	✓		✓	
Product/ service/ solution	✓	✓	✓	✓	✓	✓
Industry/ market	✓	✓	✓	✓	✓	✓

Chart 10

Baldor: Solid stand-alone result, synergies on track ~\$200 mill contribution to H1 operational EBITDA



- Great stand-alone performance in first half 2011:
 - 20% revenue growth, higher prices and volume
 - Stand alone operating profit up by 40%+, margin up 3%
 - Operational EBITDA margin (ABB view) at 21%
- Synergy update:
 - Quality of distribution channels confirmed, revenue synergies on track
 - Successful cross-selling of NEMA/IEC motors and drives
 - Positive outlook for mechanical power transmission outside U.S.
 - Pull-thru opportunities (e.g., LV products, power electronics, transformers) realized
 - Sourcing and other cost savings in line with plan
- Integration on track, management retention successful

Getting the true value from software Ventyx delivering as expected

ABB shifting towards a “purer” software model

Build one, sell one

Fully customized one-off system designed for one customer, often a secondary offering to hardware sale

Ventyx[®]
An ABB Company

Build one, sell many

Modularized design for multiple applications, recurring license fees, updates and service, sold as primary product

Ventyx integration update

- On-track to deliver EBITDA as per business plan (>30%), 2011 revenues expected to grow double-digit
- Ventyx driving Mincom integration as well as the two smaller software companies acquired
- Ventyx now operating as ABB’s global software hub

The view today: Significant additional uncertainty

Still too early to forecast rest of the year

- Late cycle power still on track (strong order and tender backlog)
- Some early-cycle slowdown seen in Q2
- Too early to say whether it's structural or event-related (i.e., Japan)
- Continued focus on cost ...
- ... while building sales resources in growing markets, and service

ABB wins \$1 billion order for offshore wind power connection

- >900 MW HVDC Light link to German grid
- ABB's largest-ever power transmission order
- Incl. offshore platform, converter stations, 135 km of land and sea cables
- Operational in 2015



- Power losses <1% per converter station
- Supply clean power to >1.5 mill. homes
- Prevent >300 mill t/yr CO₂ emissions
- 3rd offshore wind link for ABB in Germany

Plenty of growth opportunities, short- and long-term

Both geographic and in key sectors

- China GDP and electricity consumption seen rising 8.5-10% in 2012
- India GDP expected to grow 8-9% in 2012
- Brazil capex spending still riding high, especially cement & construction, oil & gas, power transmission
- Global oil & gas, mining capex outlook still robust
- Record volume of power projects (e.g., HVDC, offshore wind, substations) in the pipeline for 2012

Some challenges remain

- GDP development in mature economies in doubt
- Potential liquidity crisis, especially in Europe
- Political agenda in US and Europe
- China sectoral uncertainties (rail, construction)
- Short-term outlook on renewables unclear
- Project award delays remain a risk
- Price pressure still a concern in some areas

The impact of currency movements

Strong risk mitigation and a natural hedge



- ABB hedges all cash flow exposures to forex and commodities
- Hedging managed centrally through Group Treasury operations in Zurich
- Natural structural hedge through global footprint
- CHF the main forex exposure over last 12 months
- Limited cost risk at <5% for the Group



But CHF is reflected in relative changes in share price vs peers

Well-balanced revenue vs cost

Based on 2010 sales and costs

Currency	Share of consolidated revenues	Share of cost of sales and SG&A
US dollar	11%	11%
Euro	26%	25%
Chinese renminbi	11%	10%
Swedish krona	6%	6%
Swiss franc	6%	5%
Indian rupee	4%	5%

Forex impact on share price changes

From Sept. 13, 2010 to Sept. 9, 2011

	Local change	EUR	USD	CHF
ABB	-22%	-16%	-11%	-22%
Siemens	-14%	-14%	-9%	-21%
Schneider	-13%	-13%	-8%	-19%
Emerson	-14%	-19%	-14%	-25%

Summary: ABB is fit for turbulent times

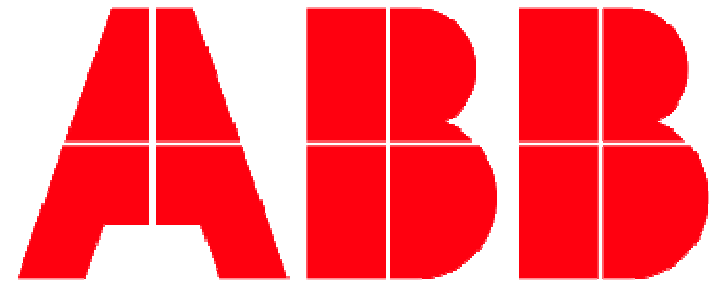
In a great position to benefit from long-term trends



- Robust portfolio and geographic scope provides stability
- Balance sheet supports targeted growth, mitigates risks
- Visibility limited on early-cycle business ...
- ... while mid- to late-cycle remains on track
- Long term drive for energy efficiency, grid reliability, and renewables is as strong as ever

Strategy and targets to be updated at Capital Markets Day,
Nov. 4 in Zurich

Power and productivity
for a better world™



For more information, call ABB Investor Relations or visit our website at www.abb.com/investorrelations

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