



May 17, 2011

Deutsche Bank Swiss Equities 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

- Introduction to ABB: A well-balanced, dynamic portfolio
- ABB weathers the downturn in good shape
- Summary of most recent results
- Strategy and growth opportunities going forward
- Summary
- Q&A

ABB: A global leader in power and automation

	 Power Products	 Power Systems	 Discrete Automation and Motion	 Low Voltage Products	 Process Automation	Total
2010 revenues	\$10 bn	\$6.8 bn	\$5.6 bn	\$4.5 bn	\$7.4 bn	\$31.6 bn
2010 EBIT	\$1.6 bn	\$111 mill	\$926 mill	\$806 mill	\$755 mill	\$3.8 bn

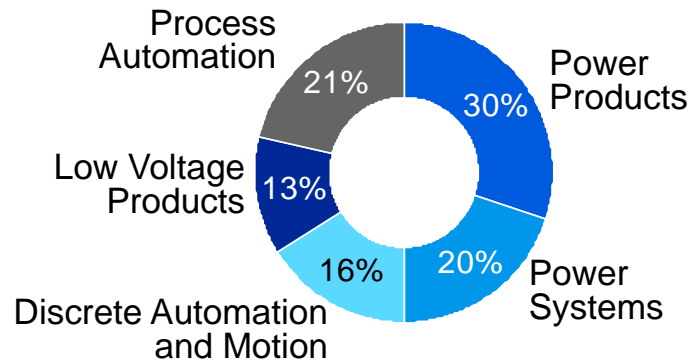
- Power transmission & distribution solutions for utilities and industry
 - Market leader across most of the portfolio
 - Energy efficiency solutions for process industries (e.g., oil & gas), factory automation and building & construction
-
- 116,500 employees in 100 countries
 - Head office in Zurich, Switzerland, traded on stock exchanges in Switzerland, Sweden and the U.S. (NYSE)
 - Market capitalization ~\$55 bn

Well balanced by business and geography

A dynamic portfolio that mitigates market cycles

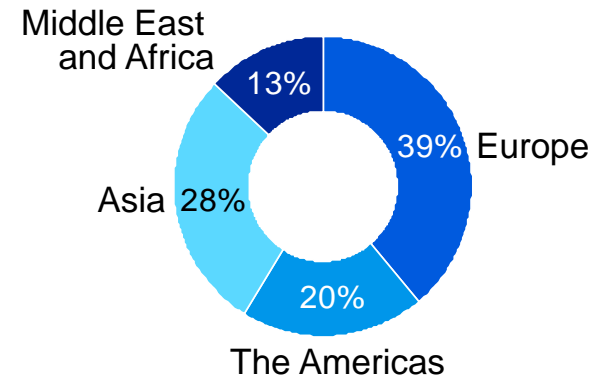
2010 revenues by division

Share of total revenues in %, unconsolidated

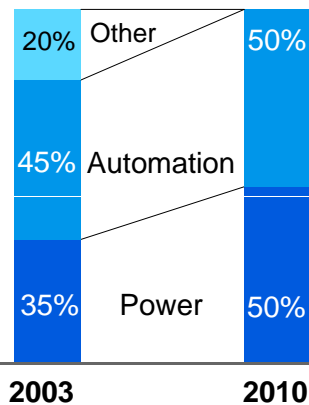


2010 revenues by geography

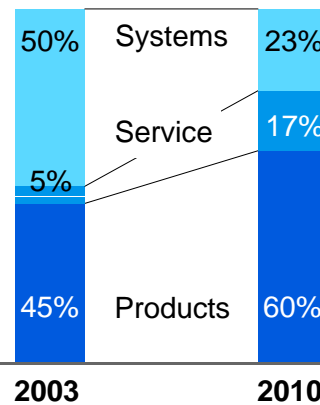
Share of total revenues in %, unconsolidated



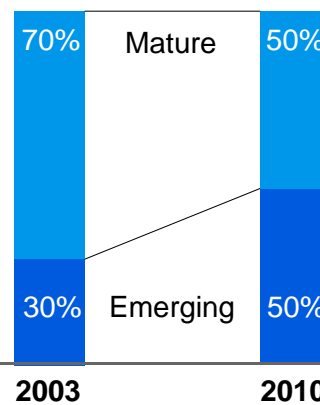
Power and Automation



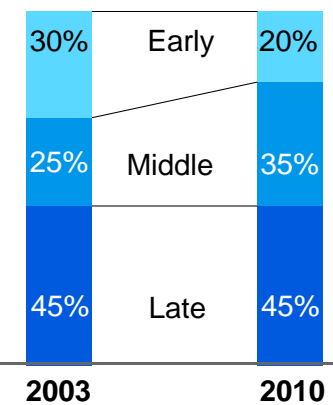
Business mix



Geographic mix

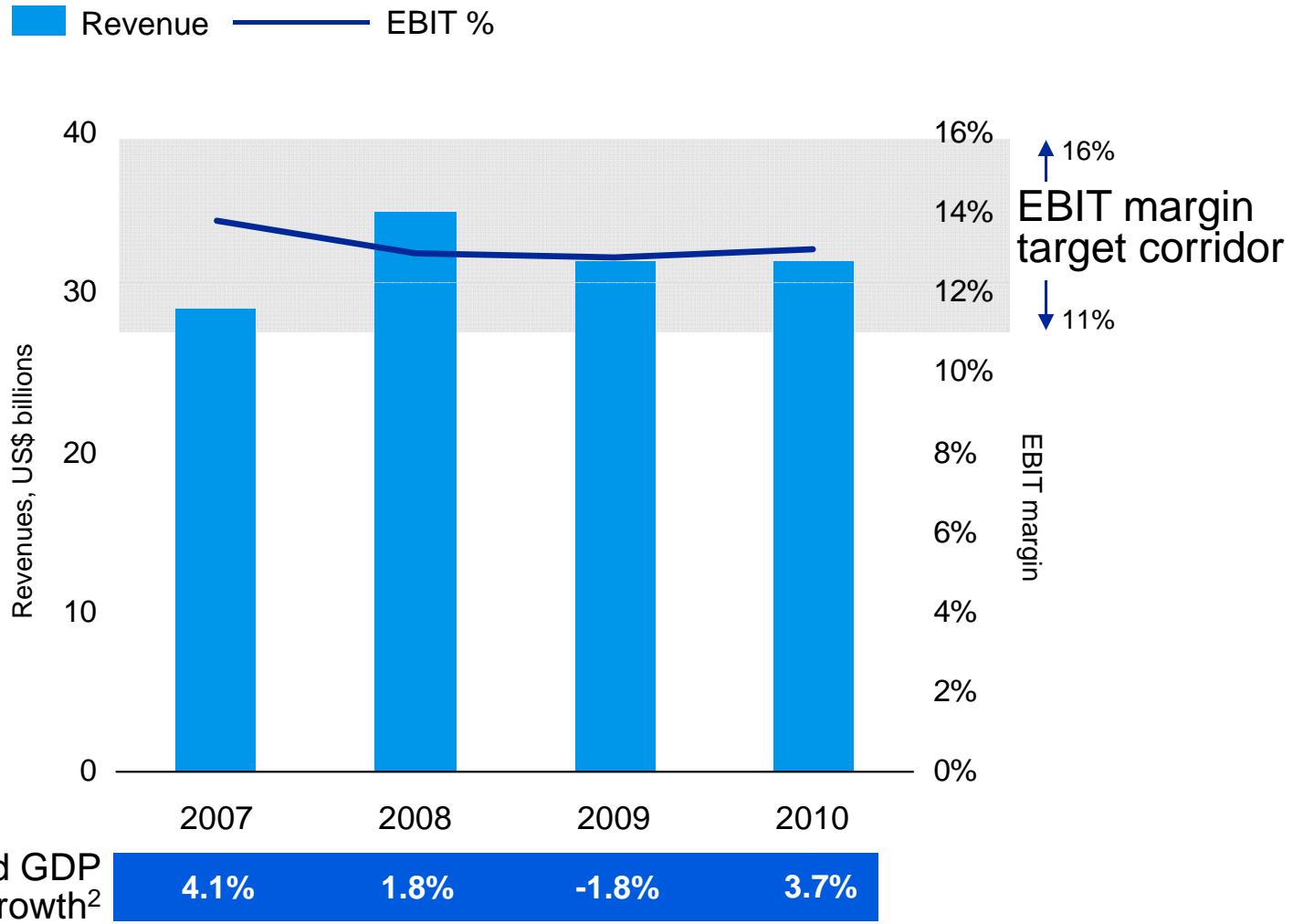


Cyclicality



Portfolio focus and execution drive strong performance through historic downturn

Revenue and operational EBIT margin¹, 2007-2010

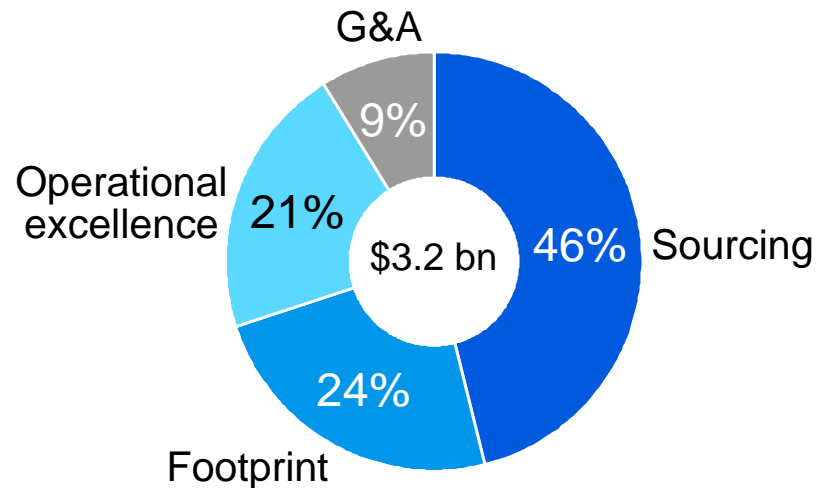


¹ Reported EBIT excl. derivative impacts, restructuring and adjustments to compliance provisions;
² Source: Global Insight

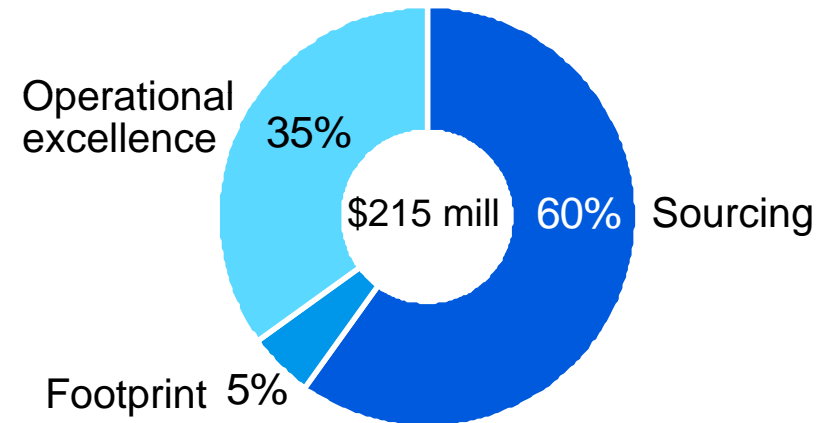
\$3 billion cost savings program hits target on schedule

\$1 billion of cost savings targeted for 2011

Approximate share of savings by category 2009-2010



Approximate share of savings by category Q1 2011



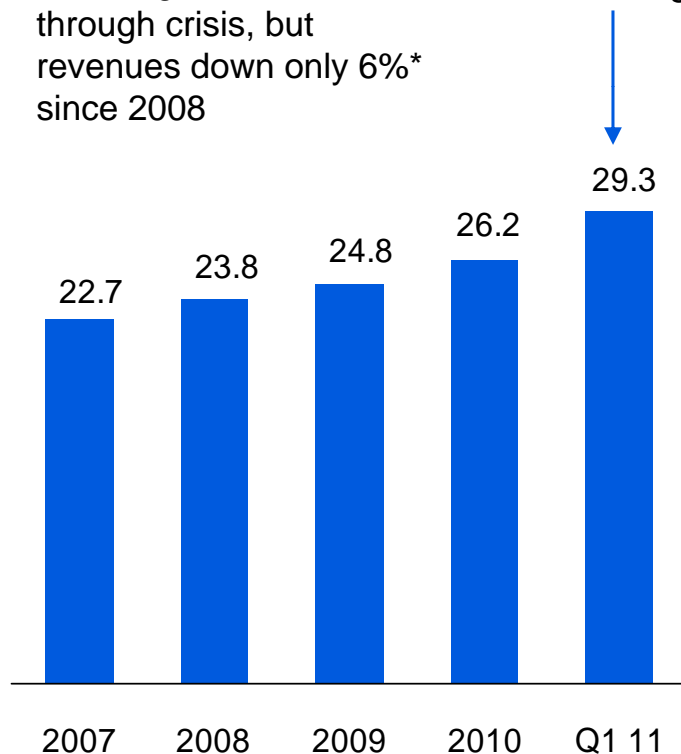
2009–2010: Two years of economic crisis ABB emerges leaner, stronger and with intact ambitions

Order backlog 2007-Q1 2011

US\$ billions

Challenge in orders through crisis, but revenues down only 6%* since 2008

Record high



* local currencies

Free cash flow 2007-2010

US\$ millions

Strong NWC management, capex reduced but still above depreciation

Record high

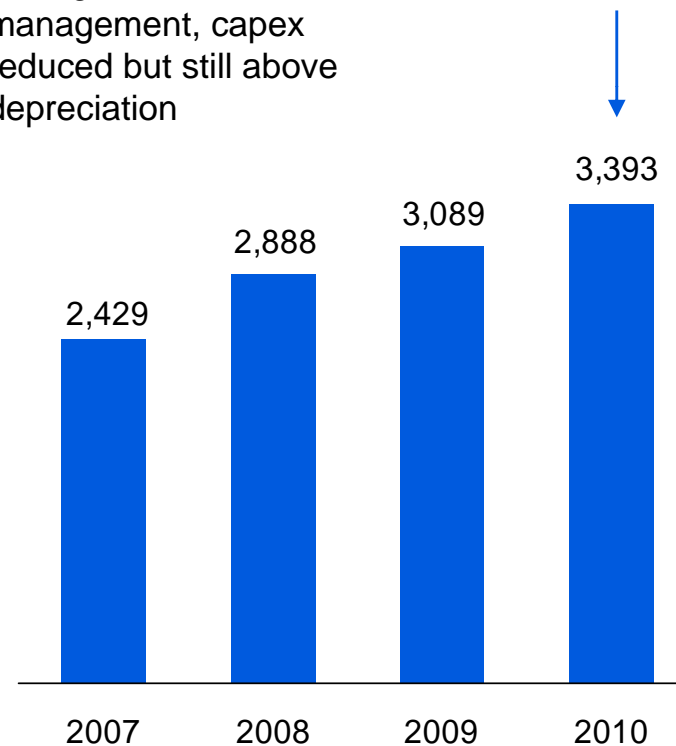


Chart 8

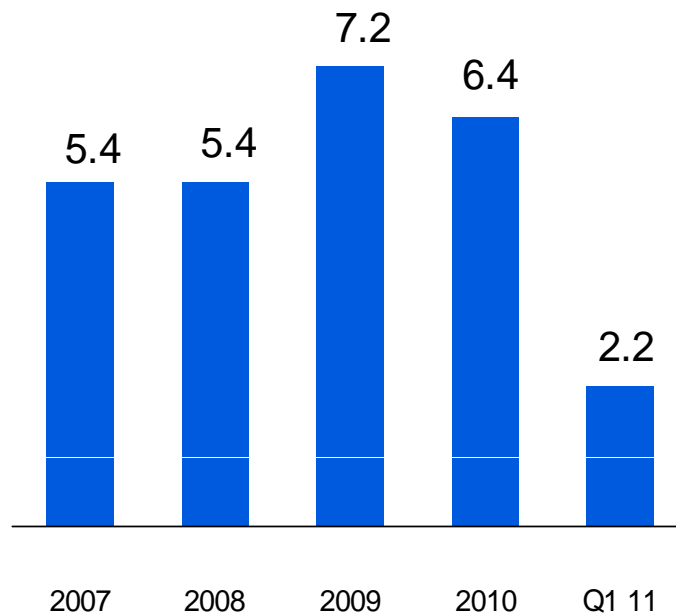
2009–2010: Two years of economic crisis

ABB emerges with one of the strongest balance sheets in the sector

Net cash position 2007-2011

US\$ billions

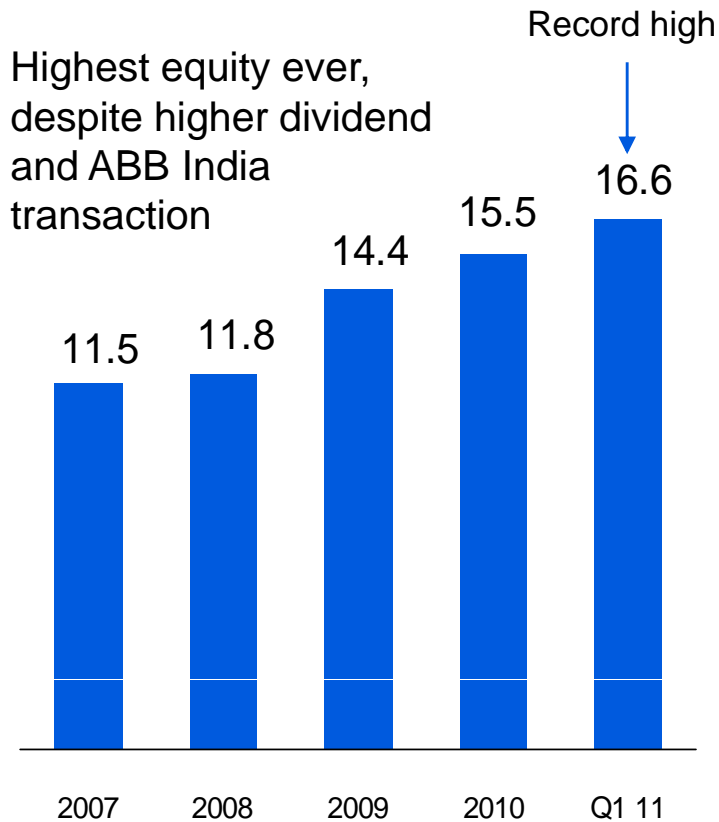
Still strong net cash Q1 2011
>\$2 bln cash after Baldor
payment



Stockholders' equity 2007-2011

US\$ billions

Highest equity ever,
despite higher dividend
and ABB India
transaction



Q1 11: Earnings up sharply as top line accelerates Power grows in China, base orders up across the board

- Orders up 25%¹ (19% organic²) to \$10.4 bn
- Best base order performance in 2 yrs, large orders up 21%
- China orders rebound 70%, led by Power Products (up 92%)
- 18% revenue growth (12% organic) to \$8.4 bn
- Cost reductions of >\$200 mill, mainly sourcing
- \$1.3 bn operational EBITDA³, up 37%
- 15.7% operational EBITDA margin³, up 1.9 percentage points

¹ Change in local currencies;

² Organic change excludes the acquisitions of Ventyx and Baldor Electric;

³ Operational EBITDA represents earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges, the mark-to-market treatment of hedging transactions along with unrealized foreign exchange movements on receivables/payables, and non-recurring charges related to acquisitions (Ventyx and Baldor Electric)

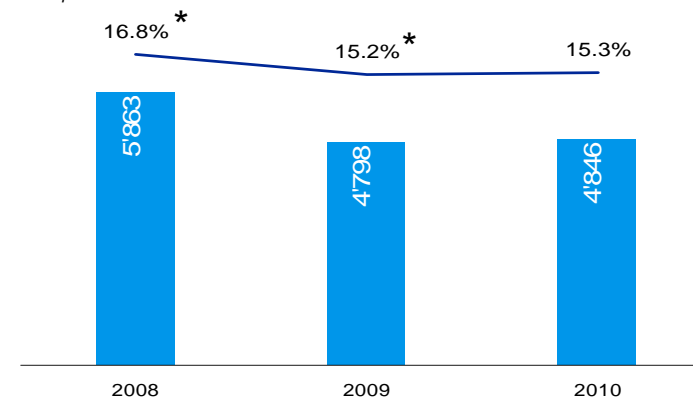
Future focus on EBITDA as acquisitions impact the P&L

As of 2011, management discussion will focus on **Operational EBITDA:**

= EBIT
+/- derivatives' impact
+ restructuring charges
+ depreciation & amortization

Operational EBITDA margin 2008-10

US\$ millions



* excl. the impacts of certain compliance-related provisions

Order growth

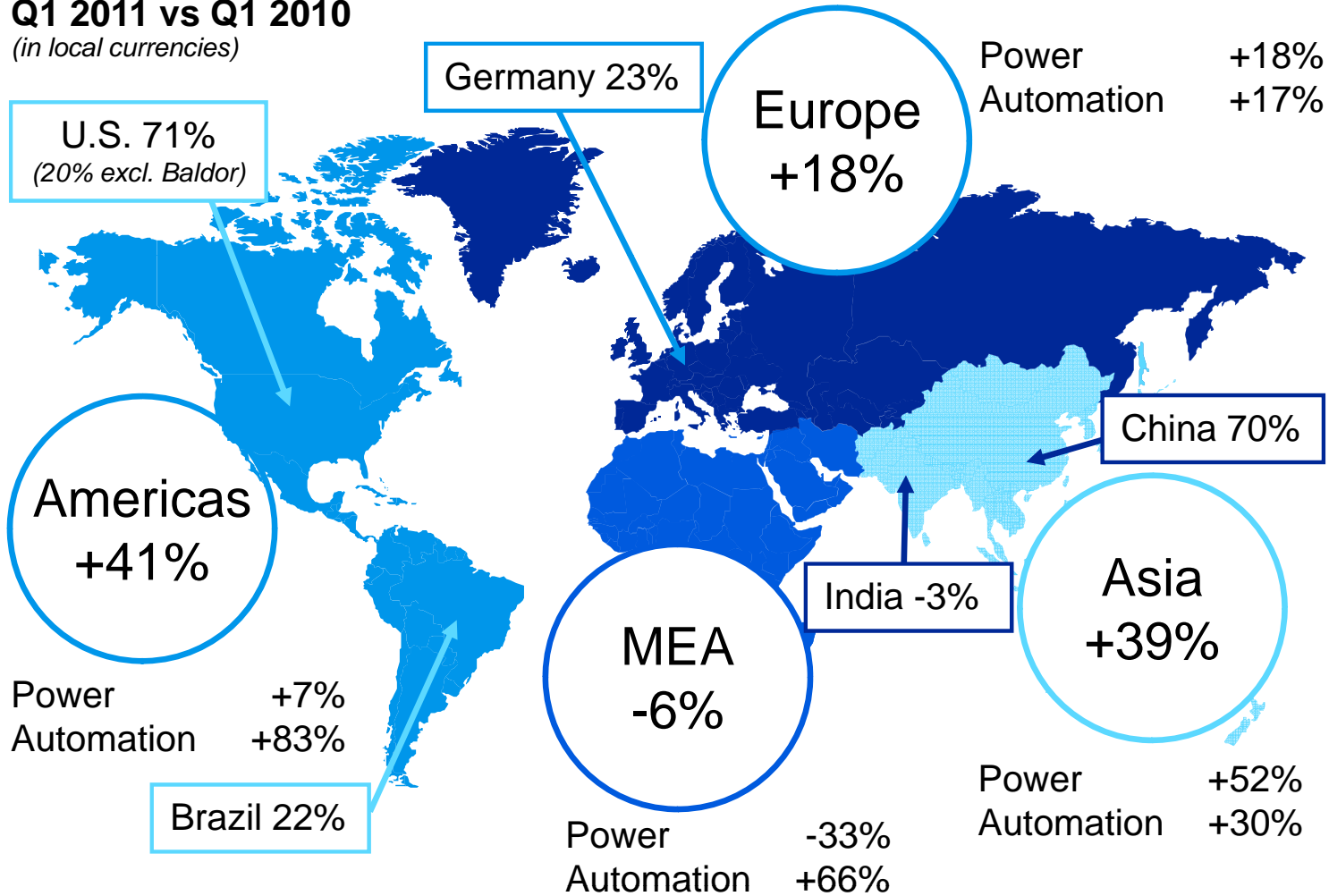
Automation still leading, power recovering in China



Order growth by region and selected countries

Q1 2011 vs Q1 2010

(in local currencies)



Power update

Record tender backlog reflects strong global market

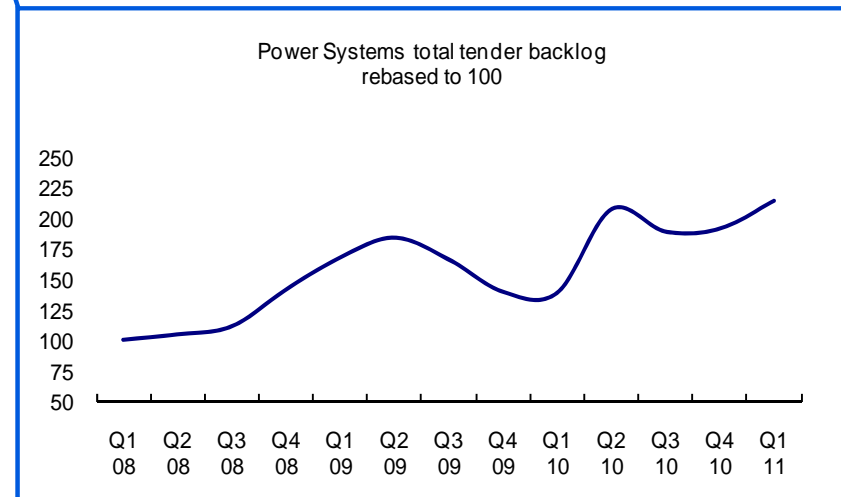


Opportunities

- Large interconnection and HVDC/UHVDC project awards
- China utilities placing orders for high-end equipment
- Good growth in Asia, N America
- Power distribution and industry orders growing (MV and distribution transformers)
- Mid-segment product launches
- Stronger push to renewables
- Export from low-cost footprint

Challenges

- Excess global capacity in some products
- Utility capex has yet to fully recover, especially in transmission
- Emerging competitors and price pressure
- Order selectivity key to secure margins
- Speed up localized R&D and design



Automation update

High commodity prices support efficiency and productivity



Opportunities

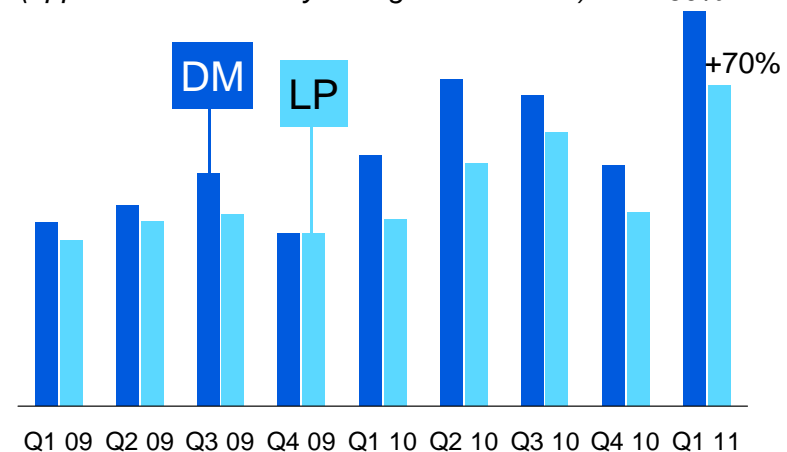
- Commodity prices, energy efficiency rules driving demand
- New high-efficiency motors & drives launched
- Robotics at mid-teen operational EBITDA margin
- Strong industrial productivity need in emerging markets
- China booming for LP and DM
- Price increases under way in most segments
- Mid-segment product launches

Challenges

- Duration of industrial upswing
- Greenfield capex has yet to fully recover
- Potential for Japan-related supply bottlenecks (still low as of today)
- Extract full synergies from Baldor

Orders in China Q1 2009 to Q1 2011

(approx. local-currency change vs Q1 2010)



China update

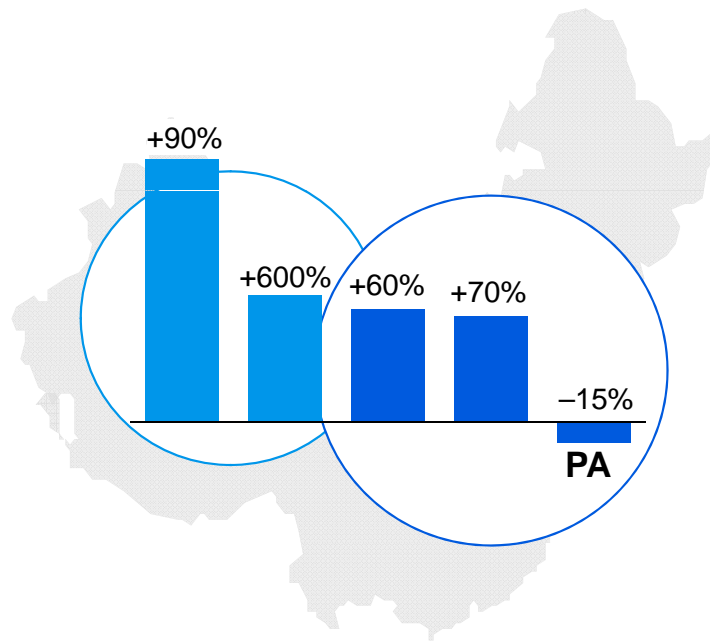
Recovery in power, automation continues to thrive



Order development in China

Q1 11 vs Q1 10

Approximate change in local currencies



Automation

- Need for energy efficiency and process quality long-term drivers
- Growth ramp-up with higher investments in sales resources
- Strong market channels

Power

- \$350 million in HVDC and UHVDC equipment orders
- Buying from both major utilities
- Further medium-voltage growth on back of healthy GDP development
- Mid-segment strategy beginning to pay off

Baldor update: Solid contribution to ABB results

Demand outlook remains positive

BALDOR
A MEMBER OF THE ABB GROUP



- A key step to increase our presence in the key North American market
- Solid revenue growth so far this year, driven in part by energy-efficiency regs, Q1 revenues up 21%
- Indicative operational EBITDA margin >20%¹
- Synergy update:
 - Early wins cross-selling NEMA/IEC motors
 - Synergy estimates confirmed
 - Several international sales offices merged
 - Sourcing savings started
- Integration on track: ABB's US motors & generators sales merged with Baldor
- Q1 acquisition-related charges of \$107 mill.
- Annual amortization at ~\$100 million going forward

¹ Operating profit margin based on Baldor historical definition at 16.7% in Q1 2011

Overall direction and strategy

New five year plan in the making

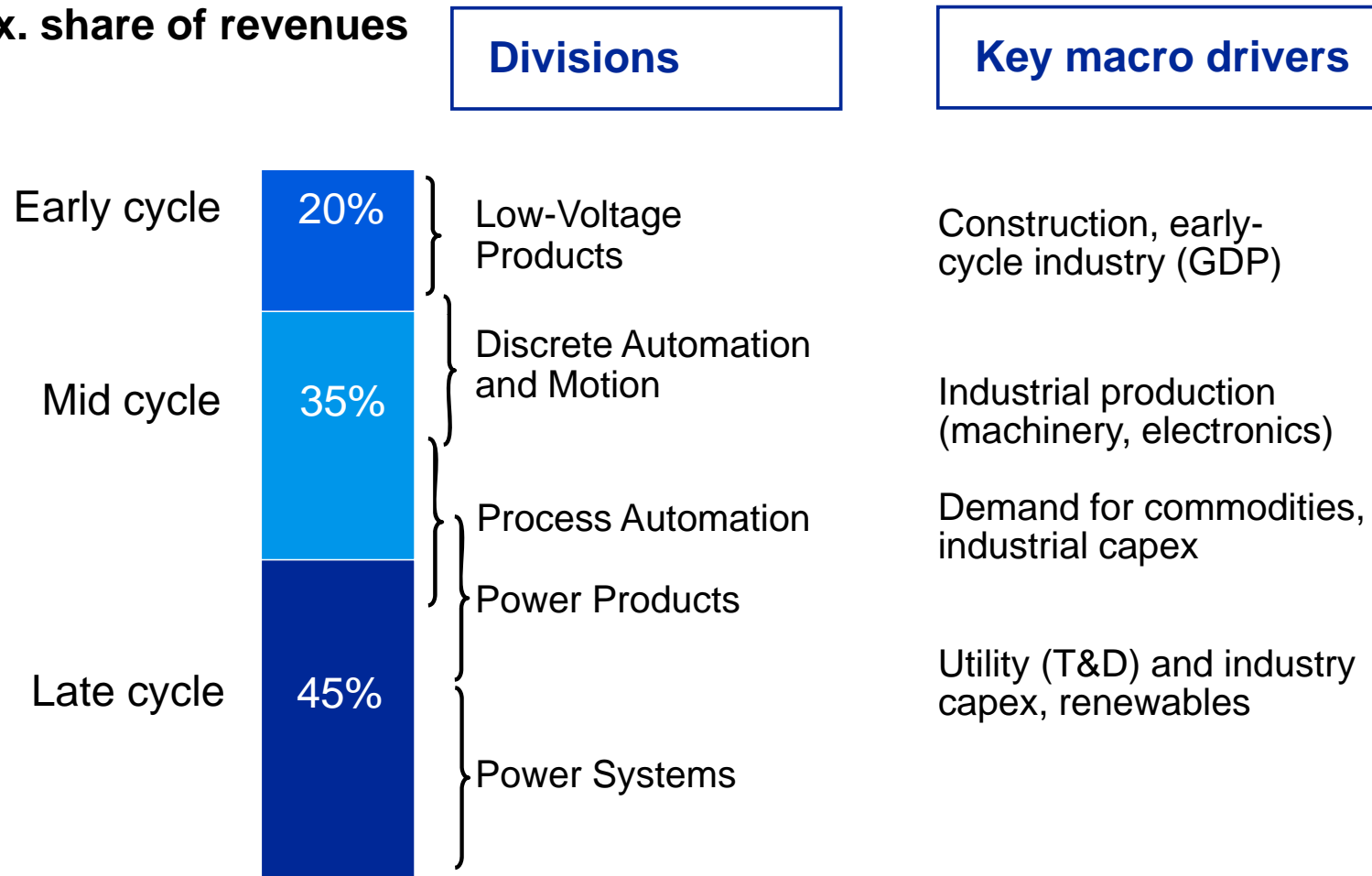


- Leading technology and total solutions provider in global power and automation markets.
- No significant divestments, no “new business pillar”
- Focus on leadership in high-growth areas, e.g. emerging markets, renewables, energy efficiency
- Focus on high potential and under-represented markets, e.g. U.S., Brazil and other emerging markets
- Leverage emerging market growth through “in-country, for-country”
- Target service sales at 20-25% of total, expand software business (size and profitability)
- Current EBIT margin corridor target of 11-16% still valid until year-end

Completing 2007-11 strategic plan, next plan in preparation for release Nov 2011

We have built a balanced portfolio across early, mid and late cycle sectors

Approx. share of revenues
Percent



Robust organic growth vs peers through the downturn

Emerging markets remain key to ABB's growth

Orders from emerging and mature markets Q2 2008 to Q1 2011
In local currencies and as share of total orders

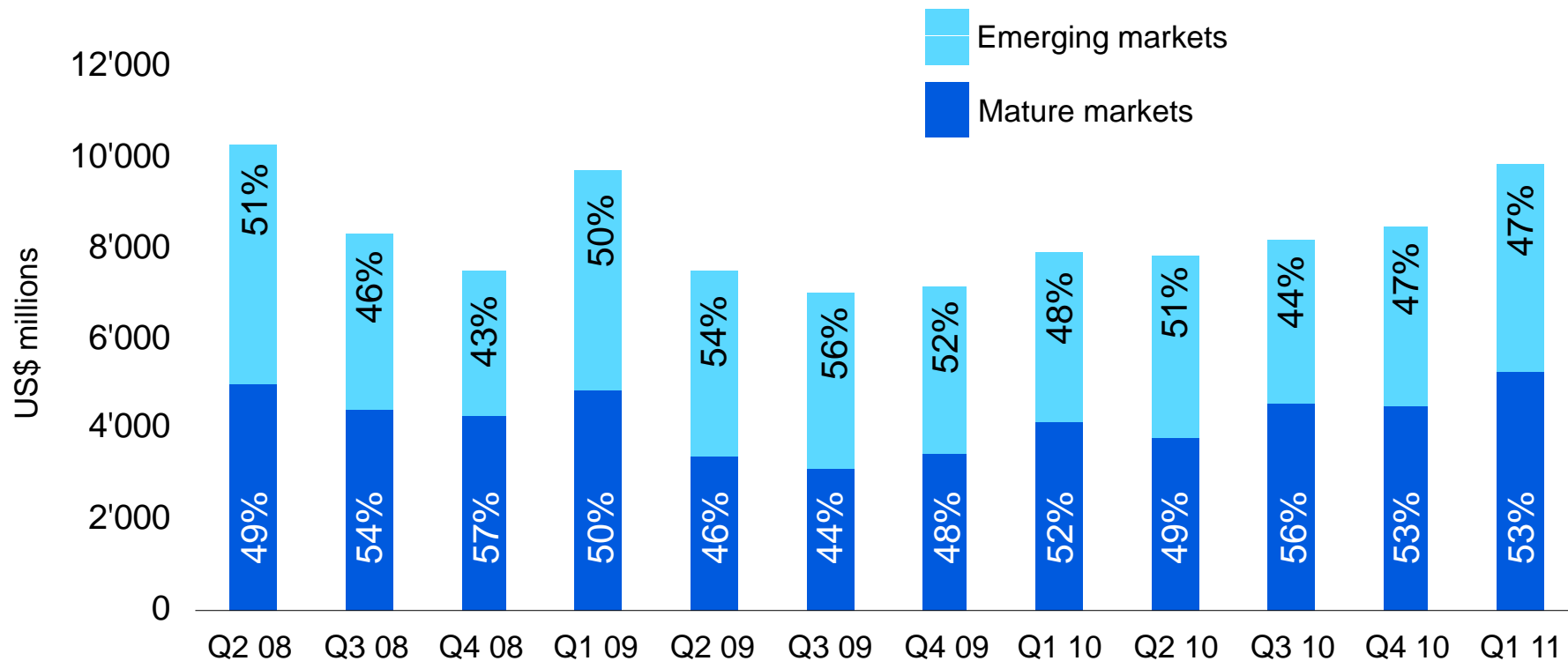


ABB strongly positioned to capture future growth

Current and future growth drivers

Need for more power



Technology and market leadership in high-efficiency power grids, renewables, automation and services

**Energy efficiency/
industrial productivity**



Half of sales driven by need for energy efficiency, productivity focus increasing, esp. in emerging markets

Emerging markets



Leading emerging market sales >50%, net exporter

Commodity demand



Strong position in process automation, expanding discrete capability and power delivery

Climate change



Broad, strong portfolio for greenfield and upgrade for infrastructure, industry and utilities



Unmatched expertise and position in promising growth markets

ABB's power and automation businesses are converging across many infrastructure industries

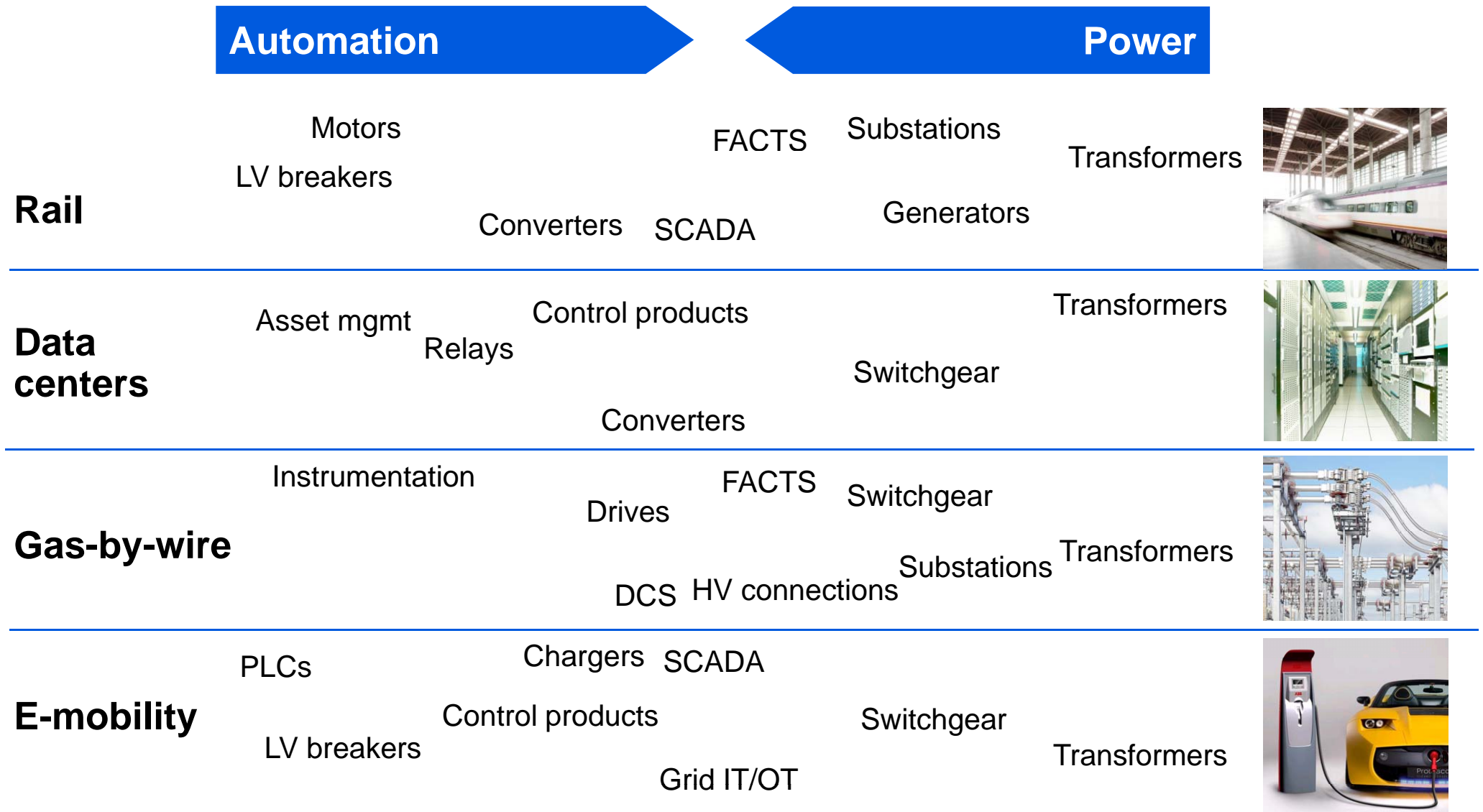






ABB used its strong balance sheet for strategic growth 2010/11

Some \$7 billion* spent on acquisitions

Description		Revenue US\$ mln	Rationale
Ventyx		250	Growth (smart grid), regional gap, customer access, business model
Increase holding in ABB India		---	Growth (domestic and export), earnings upside
K-Tek Holding		20	Close technology gap (measurement equipment)
Baldor Electric		1,725	Close regional gap, sales synergies, portfolio (energy efficiency)
Mincom		200	Growth, portfolio (EAM, mining), sales synergies

- M&A strategy continues: geographic gaps (e.g., US), technology adjacencies, growth verticals (e.g., smart grids)
- Strong processes in place at top level to drive integration

- Acquisition to provide cash returns at or above WACC within 3 years, incl. synergies
 - Synergies for target and ABB
- Acquisition must be NPV positive, discounting cash flows at WACC +/- additional hurdles, e.g.
 - Country risk premium, system vs. product risk, cash flow stability
- Financing in line with our investment grade ambition
 - Committed to Single A rating
 - Implies conservative Net Debt/EBITDA and gearing ratios

* Includes Mincom, announced May 9 and expected to close Q3 2011, and Baldor Electric, which was closed and paid in January 2011

Summary and outlook

A strong start to 2011



- Strong industrial demand boosts orders in all businesses
- Resumption of large orders, also in China
- Revenue growth accelerates, backlog up 8%
- Acquisitions make solid contribution to results
- Operational EBITDA up 37%, margin up 1.9 percentage points

Outlook for remainder of 2011

- Steady industrial demand, emerging markets remain key
- Power transmission on track for second half recovery
- Long-term drivers - energy efficiency, grid reliability, renewables - stronger than ever

**Power and productivity
for a better world™**



Key figures for Q1 2011

Focus on operational EBITDA going forward

Key figures Q1 2011 vs Q1 2010	change			
	Q1 2011	Q1 2010	US\$	Local
<i>US\$ millions unless otherwise indicated</i>				
Orders received	10,357	8,067	28%	25%
Revenues	8,402	6,934	21%	18%
Order backlog (end March)	29,265	25,454	15%	8%
EBIT	1,013	709	43%	
as % of revenues	12.1%	10.2%		
Operational EBITDA	1,319	962	37%	
as % of op. revenues	15.7%	13.8%		
Net income	655	464	41%	
Basic earnings per share (US\$)	0.29	0.20		
Cash from operations	166	427		

~\$420 mill revenues, ~\$80 mill operational EBITDA from acquisitions

Operational EBITDA as a key KPI going forward

	Q1 2011		Q1 2010
	Reported	Organic	
Order growth	25%	19%	
Revenue growth	18%	12%	
EBIT	1,013	1,083	709
EBIT %	12.1%	15.6%	10.2%
<i>Restructuring-related</i>	1	1	7
<i>Derivatives</i>	-18	-18	82
<i>Acquisition-related charges</i>	107	0	0
Operational EBIT	1,103	1,066	798
Operational EBIT%	13.2%	13.4%	11.5%
Depreciation	152	142	133
Amortization	79	34	31
<i>of which acquisition-related backlog amortization related to significant acquisitions</i>	52	7	8
Operational EBITDA	1,319	1,242	962
Operational EBITDA%	15.7%	15.6%	13.8%

Reconciliation of financial measures to US GAAP

	3 months ended Mar. 31,	
	2011	2010
EBIT Margin (= EBIT as % of revenues)		
Earnings before interest and taxes (EBIT)	1'013	709
Revenues	8'402	6'934
EBIT Margin	12.1%	10.2%
EBIT as per financial statements	1'013	709
<i>adjusted for the effects of:</i>		
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	(24)	69
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(5)	17
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	11	(4)
Restructuring and restructuring-related expenses	1	7
Charges related to significant acquisitions ⁽¹⁾	107	0
Operational EBIT (adjusted)	1'103	798
<i>reversal of:</i>		
Depreciation	152	133
Amortization	79	31
Backlog amortization related to significant acquisitions	(15)	0
Operational EBITDA	1'319	962
Revenues as per financial statements	8'402	6'934
<i>adjusted for the effects of:</i>		
Unrealized gains and losses on derivatives	10	9
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(9)	18
Unrealized foreign exchange movements on receivables (and related assets)	(16)	8
Operational Revenues	8'387	6'969
Operational EBITDA Margin (= Operational EBITDA as % of Operational Revenues)	15.7%	13.8%
<small>(1) includes \$15 million backlog amortization related to acquisitions in the 3 months ended March 31, 2011</small>		

	Mar. 31,	Dec. 31,
	2011	2010
Net Cash (= Cash and equivalents plus marketable securities and short-term investments, less total debt)		
Cash and equivalents	3'649	5'897
Marketable securities and short-term investments	862	2'713
Cash and marketable securities	4'511	8'610
Short-term debt and current maturities of long-term debt	1'125	1'043
Long-term debt	1'189	1'139
Total debt	2'314	2'182
Net Cash	2'197	6'428

	Mar. 31,	Dec. 31,
	2011	2010
Net Working Capital		
Receivables, net	10'507	9'970
Inventories, net	6'085	4'878
Prepaid expenses	280	193
Accounts payable, trade	(4'967)	(4'555)
Billings in excess of sales	(1'685)	(1'730)
Employee and other payables	(1'469)	(1'526)
Advances from customers	(1'777)	(1'764)
Accrued expenses	(1'691)	(1'644)
Net Working Capital	5'283	3'822

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

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