Ulrich Spiesshofer, CEO ABB; Eric Elzvik, CFO ABB, April 29th, 2015

Solid growth in a mixed market

Q1 2015

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, 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.

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 the ‘Supplemental reconciliations and definitions’ section of “Financial Information” under “Financial results & presentations” – “Quarterly results & annual reports” on our website at www.abb.com/investorrelations

Q1 2015 – solid growth in a mixed market

Delivering along our three focus areas

Profitable growth	Growth initiatives drive solid top line development; PIE is working Orders up 15%[1], revenues grew 3% Book to bill 1.2x, >1.0x in every division Innovation: YuMi® robot, intelligent transformer sensors, production mgmt. software
Relentless execution	Progress in Power Systems "step change" program, 2.2% op EBITA margin Group operational EBITA margin steady at 11.1% 5% higher operational EPS on a constant currency basis New performance linked compensation system rolled out to 60'000 employees
Business-led collaboration	Key project wins driven by combined power and automation offering Engagement with +7'000 customers at ABB Automation & Power World in Houston, TX

Next Level starts to create impact

[1]Changes in orders and revenues are on a like-for like basis

Q1 2015
Key figures

$ mn unless otherwise indicated	Q1 15	Q1 14	Change
Orders	10’404	10’358	+15%[1]
Order backlog (end March)	25’491	26’924	+10%[1]
Revenues	8’555	9’471	+3%[1]
Operational EBITA	949	1’039	+5%[1]
as % of operational revenues	11.1%	11.0%	+0.1 pts
Net income	564	544	+4%
Basic earnings per share ($)	0.25	0.24	+6%[2]
Operational earnings per share ($) (constant currency basis)	0.31	0.29	+5%[3]
Cash from operations	53	(45)	n/a

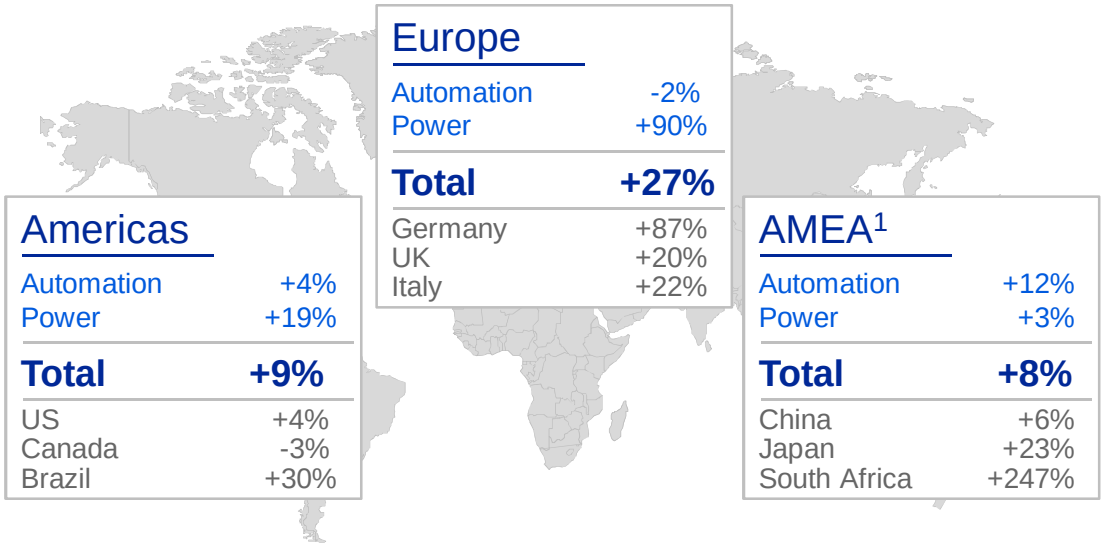
[1]On a like-for-like basis; [2] Calculated on basic EPS before rounding; [3]Calculated before rounding

Focused growth initiatives drive 15% order increase

Base orders increase in four divisions

2015 Q1 total order growth by region

Change on a like-for-like basis



Europe

Automation	-2%
Power	+90%
Total	**+27%**
Germany	+87%
UK	+20%
Italy	+22%

Americas

Automation	+4%
Power	+19%
Total	**+9%**
US	+4%
Canada	-3%
Brazil	+30%

AMEA[1]

Automation	+12%
Power	+3%
Total	**+8%**
China	+6%
Japan	+23%
South Africa	+247%

2015 Q1 base order growth[2]

Change on a like-for-like basis

Brazil	*-10%*
Canada	*+8%*
China	*0%*
Finland	*+16%*
Italy	*+15%*
India	*+15%*
Japan	*+23%*
Sweden	*+5%*
UK	*0%*
US	*+4%*

Broad-based growth in both power and automation orders

[1]Asia, Middle East, and Africa; [2] Selected countries from among ABB's Top 20 countries

Negative double digit translation impacts in Q1

Foreign exchange exposures – overview

Example: 15% appreciation of USD
15% appreciation of CHF vs EUR

	Timing	Estimated impact	Actions / Drivers
Structural effect *USD appreciation*	Medium-term	Inc. from op. ↑ ~$200-400 mn Inc. from op.% ↑ ~0.5-1% point	Net exporter from EUR-zone to $-zone
Structural effect *CHF appreciation*	Medium-term	Inc. from op.↓ $100-200 mn Inc. from op.% ↓ ~0.25-0.5% point	Mitigated by sourcing and cost optimization
Transaction	Immediate	Minor ~ fully hedged, but some valuation timing differences	Policy to hedge all exposures
Translation to USD	**Immediate**	**Inc. from op./orders/revenues ↓ ~9%**	**> 50% of revenues from non-$ zones**

Translation impacts from strong USD will continue

Impact of low oil price

Low oil price

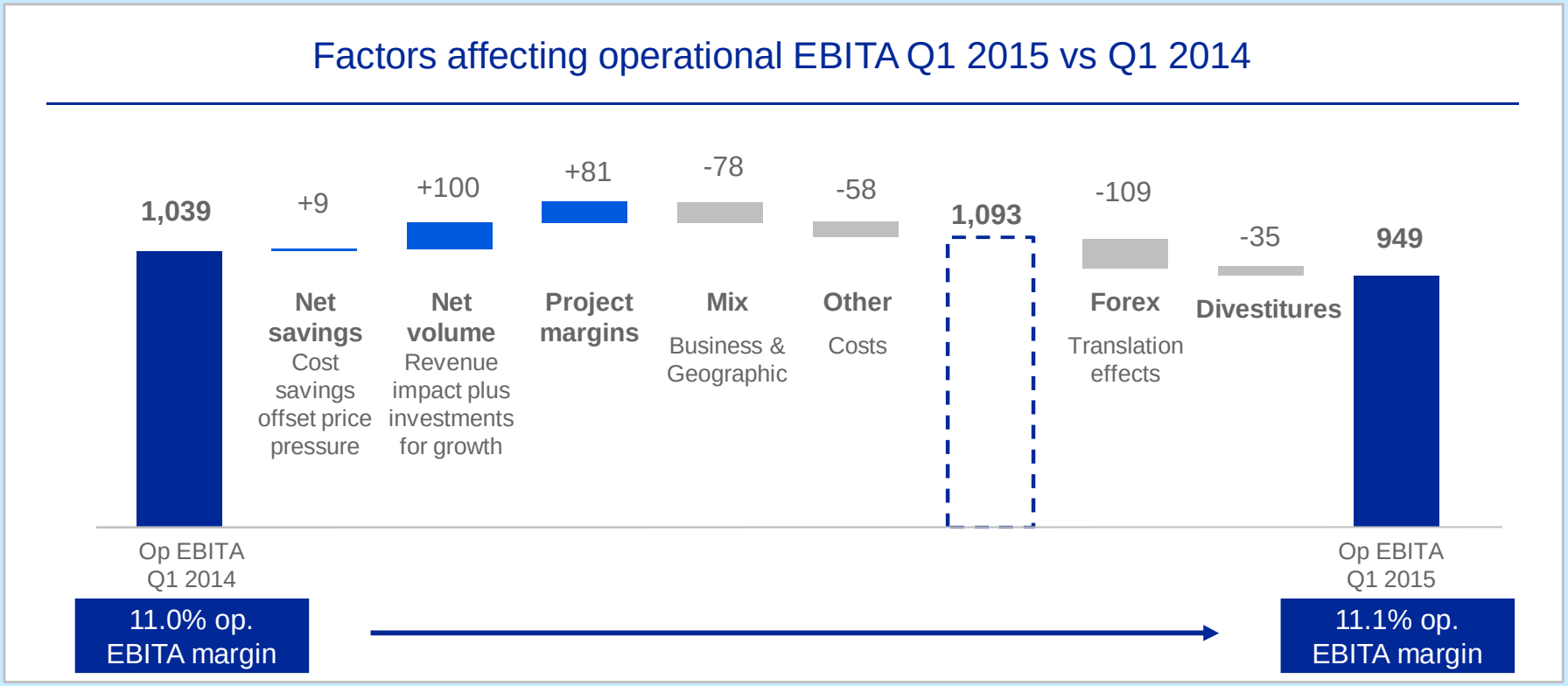
Oil & Gas		Industries[1]	Governments
Upstream	Mid- / Downstream		
Short term opex reductions Longer term capex reductions	Short term opex reductions Impact mainly on greenfield projects	Several industries benefit, e.g., automotive, aluminum	Reallocation of oil subsidies to infrastructure
~6% of ABB business exposed	Potential downside	Potential upside	Potential upside

Q1 impact from lower O&G discretionary spend

[1]Except Oil and Gas

Operational EBITA bridge

Growth offset by mix and foreign translation



Actions under way for further cost reductions and white collar productivity

Q1 2015 performance by division

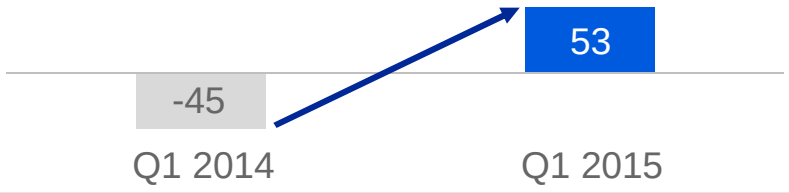
Key figures quarter on quarter

$ mn unless otherwise stated	**Orders**	△ Like-for-like	**Revenues**	△ Like-for-like	**Operational EBITA%**	△	**Cash flow from operations**	△
Discrete Automation and Motion	2'569	*-1%*	2'271	*+4%*	14.2%	*-0.6 pts*	223	*(71)*
Low Voltage Products	1'703	*+2%*	1'555	*-1%*	15.6%	*-0.3 pts*	(10)	*+17*
Process Automation	1'921	*+16%*	1'579	*-4%*	12.2%	*-0.4 pts*	64	*(31)*
Power Products	2'656	*+7%*	2'275	*+4%*	11.2%	*-1.5 pts*	80	*+21*
Power Systems	2'394	*+90%*	1'472	*+4%*	2.2%	*+5.5 pts*	(147)	*+156*
Corporate & consolidation	(839)		(597)				(157)	*+6*
ABB Group	10'404	*+15%*	8'555	*+3%*	11.1%	*+0.1 pts*	53	*+98*

Capital management
Freeing up cash for growth and value creation

A solid, more balanced, cash generator

Cash from operations, $ mn



2015 Total cash distribution

Dividend from capital contribution to be paid early May (0.55CHF/ share)

Dividend distribution from nominal reduction to be paid late July/ early August (0.17CHF/share)

Actions in place

Net working capital focused efforts:

- Stronger operational execution on lead times, on-time delivery, payables/receivables
- Focus on driving inventory turns

NWC[1] at 15% of revenues; aim long term 11-13%

Status of share buyback

Q1 purchased 21.5 mn shares with a buyback value of ~$450 million

In total: 54 mn shares purchase with an approx value of $1.2 billion

Continued focus on driving sustainable value creation

[1]NWC: Net Working Capital

ABB – our Next Level strategy

Shaping a global leader in power & automation

Presented September 9th, 2014

Well positioned

+

Attractive markets

Profitable growth

Shifting the center of gravity
- Strengthening competitiveness
- Driving organic growth momentum
- Lowering risk

Incremental acquisitions and partnerships

Relentless execution

Leading operating model
Driving change through 1'000 day programs
Linked strategy, performance management and compensation

Business-led collaboration

Simplifying how we work together

Streamlining market focused organization

Leadership development

Accelerating sustainable value creation

Delivering attractive shareholder returns

2014-2016
share buy-back

Profitable growth
Driving organic growth momentum

Example

Well positioned

+

Attractive markets

Profitable growth

Relentless execution

Business-led collaboration

Penetration

Growth in Japan
- Q1 2015 growth >20%
- e.g., solar, utilities, robotics

Innovation

Yumi®
- Collaborative dual-arm robots for small parts assembly; 3C industry

Expansion

Partnership with Samsung for modular and scalable microgrids e.g., India, South Asia, Africa

Profitable growth

Partnerships to expand into growth markets

Example

Well positioned

+

Attractive markets

Profitable growth

Relentless execution

Business-led collaboration

ABB

Power electronics, converter and electrification competence

Packaged energy storage solutions

Grid connection capabilities, automation and remote monitoring

Global market access

+

SAMSUNG

Technological expertise and scale in lithium battery technology

High performance battery energy storage portfolio

Battery integration and battery management system knowledge

Worldwide track record

Joining forces to enable microgrids globally

Relentless execution

Securing profitability in challenging markets

Example

Well positioned

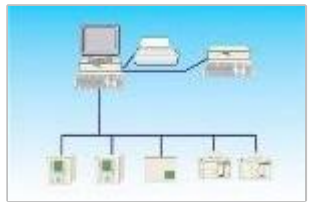
+

Attractive markets

Profitable growth

Relentless execution

Business-led collaboration

Structural cost savings	New global business model for IT infrastructure Sustainably lower annual costs	
Productivity improvements	8'000 workforce reduction via productivity & portfolio measures Accelerated cost-out initiatives reduced G&A by 7%	
Value chain optimization	Footprint expansion, in Saudi Arabia, India, Czech Rep. Closure of Swedish motor factory	

Relentless execution

Power Systems delivering on ‘step change’

Example

Well positioned

+

Attractive markets

Profitable growth

Relentless execution

Business-led collaboration

What we said	What we delivered
Progress on profitability in 2015	Profitable Q1
Strengthen leadership	Division line and project mgmt. strengthened
Complete off-shore wind	Milestone progress on track
Exit solar EPC	On track for completion
New partnerships	Samsung microgrid partnership
Grow base business	Steady base orders and service
De-risk business model, improved risk mgmt.	Reflected in order bookings

Solid ‘step change’ progress, key wins reflect new business model

Relentless execution

New compensation model rolled out

Example

Well positioned

Attractive markets

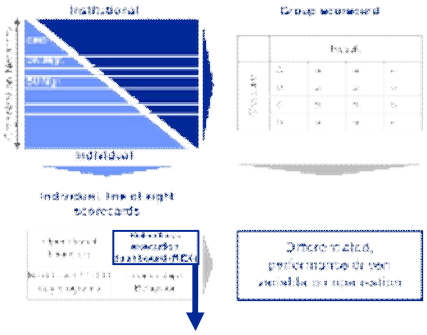
Profitable growth

Relentless execution

Business-led collaboration

Better link between performance and compensation

What we said in Q4 2014



Rolled out globally

Care	Customer			Cost			Cash		
Hazard Ratio	OTD Request in Place	CCRP's Resolved on Time	Field Failure Rate Metric in Place	Cost reductions as % cost	OPQ as % COS	Productivity Coefficient Δ* Actual	DPO Δ* Actual	Inventory Turns Δ* Actual	DSO Δ* Actual

Compensation further aligned to performance targets

- Rolled out to more than 60'000 employees in Q1
- Institutional and individual targets

Business-led collaboration

Profitable growth from combined power & automation offering

Example

Well positioned

+

Attractive markets

Profitable growth

Relentless execution

Business-led collaboration

Cross-division collaboration delivers greater customer value in Q1

Utilities	Industry	Transportation & Infrastructure
Eskom, South Africa *~$170 mn*	**Statoil, Norway** *~$120 mn*	**Stadler rail** *~$60 mn combined*
Power plant control, software, instrumentation	200-km subsea power link – ABB expertise in HVDC plus offshore O&G	Integrate power & automation to increase efficiency, lower environmental impact
		

Q1 summary and outlook
2015 priorities remain unchanged

Q1 results

Growth initiatives drive top line, PIE is working

Order backlog support revenues

Higher operational EPS in constant currency

Continued progress in PS step change

Steady operational EBITA margin

New compensation model rolled out

Key orders combining power and automation

Sharper focus on markets and customers

Next Level starts to create impact

Outlook

Mixed short-term picture, uncertainty remains

Continued growth in US; slower growth in China; modest growth in Europe

Oil price & forex translation effects to continue

Long-term demand outlook remains positive – growth drivers in place for utility, industry, transportation & infrastructure

Manage uncertainties ahead through Next Level

Power and productivity
for a better world™

April 29, 2015

Key figures Q1 2015

	Q1 15	Q1 14	Change		
$ mn unless otherwise indicated			$	Local currency	Like-for-like
Orders	10’404	10’358	0%	+13%	+15%
Order backlog (end March)	25’491	26’924	-5%	+9%	+10%
Revenues	8’555	9’471	-10%	0%	+3%
Operational EBITA	949	1’039	-9%	+1%	+5%
as % of operational revenues	11.1%	11.0%			
Income from operations	859	855	0%		
as % of revenues	10.0%	9.0%	+1.0 pts		
Net income	564	544	+4%		
Basic earnings per share ($)	0.25	0.24	+6%		
Cash from operating activities	53	(45)	n.a.		

Order backlog by division

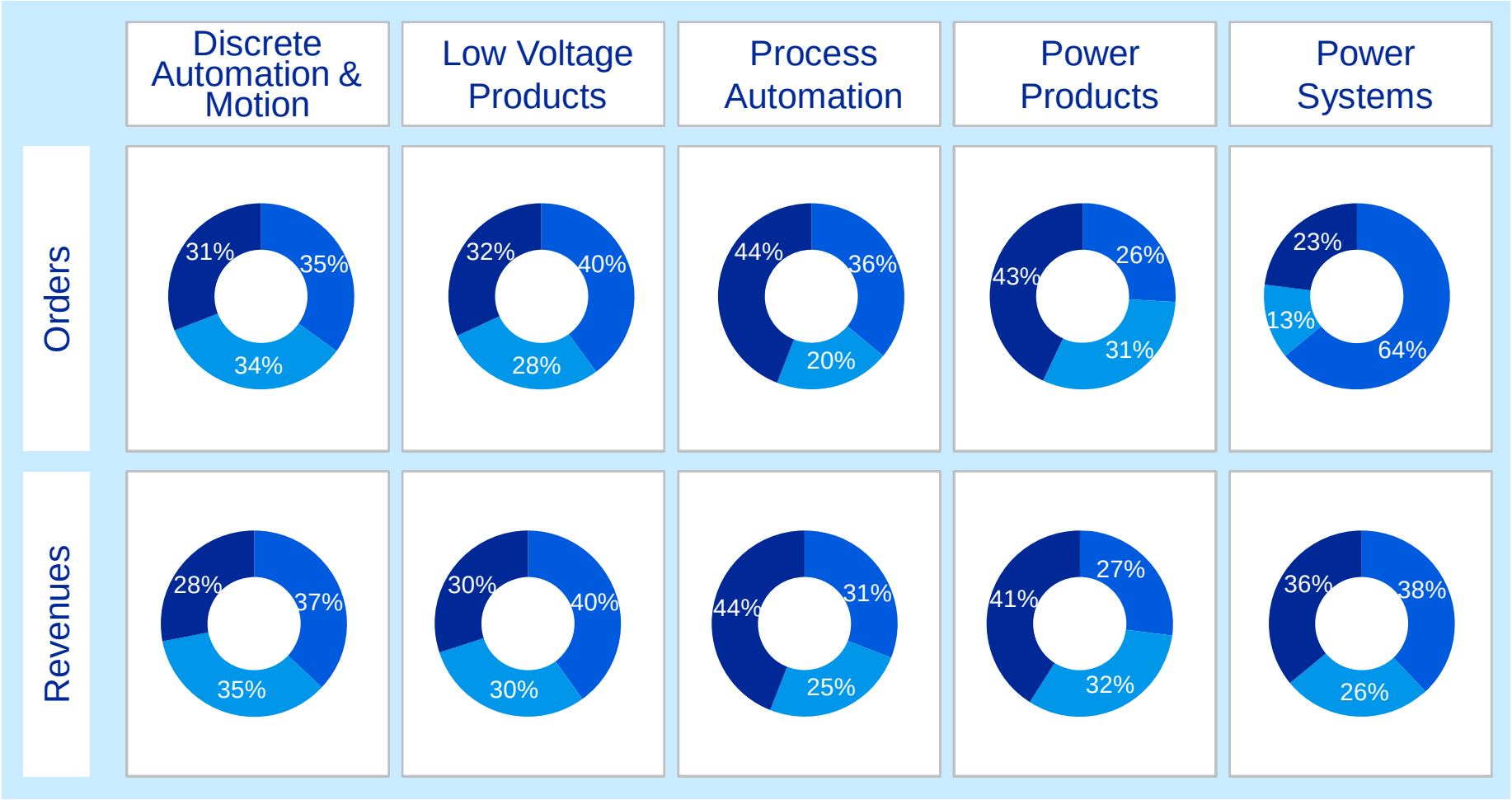
Order backlog (end March) *$ mn*	Q1 2015	Q1 2014	Change %	
			$	Like-for like
Discrete Automation and Motion	4’596	4’839	-5%	+6%
Low Voltage Products	1’003	1’161	-14%	+6%
Process Automation	5’648	5’836	-3%	+19%
Power Products	7’874	8’277	-5%	+7%
Power Systems	8’746	9’280	-6%	+11%
Consolidation and Other (incl. Inter-division eliminations)	(2’376)	(2’469)		
Total Group	**25’491**	**26’924**	**-5%**	**+10%**

Operational EPS analysis

mn $ *except per share data in $*	Q1 2015	EPS[1]	Q1 2014	EPS	△[2]
Net income (attributable to ABB)	**564**	**0.25**	**544**	**0.24**	**+6%**
Restructuring and restructuring-related expenses[3]	19	0.01	34	0.01	
Acquisition-related expenses and certain non-operational items[4]	8	0.00	8	0.00	
FX/commodity timing differences in Income from operations[3]	(21)	(0.01)	18	0.01	
Amortization rel. to acquisitions[3]	59	0.03	72	0.03	
Operational net income	**629**	**0.28**	**676**	**0.29**	**-5%**
Operational EPS (constant currency)		**0.31**		**0.29**	**+5%**

[1]EPS amounts are computed separately, therefore the sum of the per share amounts may not equal to the total; [2]Calculated on basic earnings per share before rounding; [3]Net of tax at the Adjusted Group effective tax rate; [4]Net of tax at the Adjusted Group effective tax rate, except for gains and losses on sale of businesses which are net of the actual provision for taxes;

Regional share of total orders and revenues by division
Q1 2015

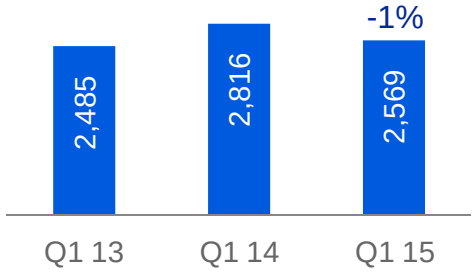


Power and productivity for a better world™

Discrete Automation & Motion
Q1 2015

Orders received

$ mn, y-o-y change like-for-like

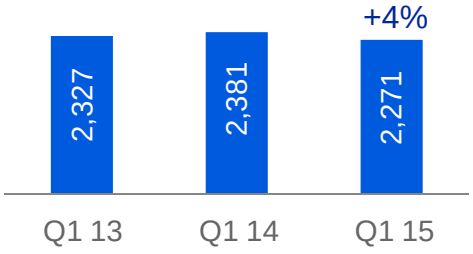


Base orders increased, led by robotics; large orders declined mainly due to a difficult Q1 2014 comparable – resulting in a flat order development.

Orders up in AMEA* and Americas.

Revenues

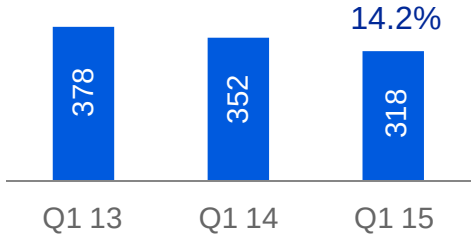
$ mn, y-o-y change like-for-like



Revenues increased on execution of the stronger order backlog, mainly in deliveries to the rail transportation sector and robotics.

Operational EBITA

$ mn, operational EBITA margin



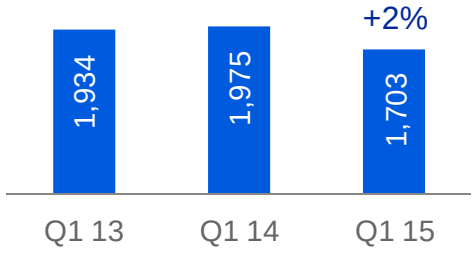
Operational EBITA margin declined, reflecting a lower share of higher-margin standard products in total revenues compared with the same quarter a year ago.

* Asia, Middle East, and Africa

Low Voltage Products
Q1 2015

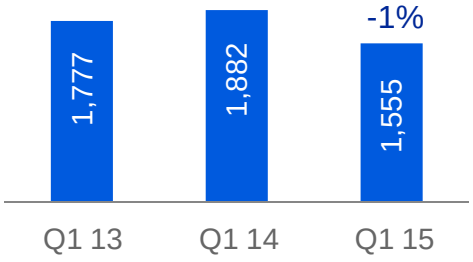
Orders received

$ mn, y-o-y change like-for-like



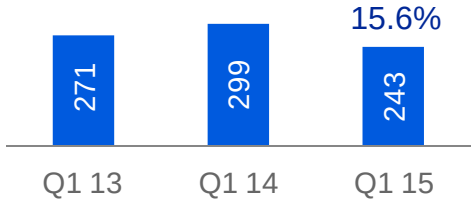
Revenues

$ mn, y-o-y change like-for-like



Operational EBITA

$ mn, operational EBITA margin



Orders steady to higher in all regions, supported by successful initiatives to increase cross-selling of ABB and Thomas & Betts products.

Contruction-driven orders were down.

Revenues steady.

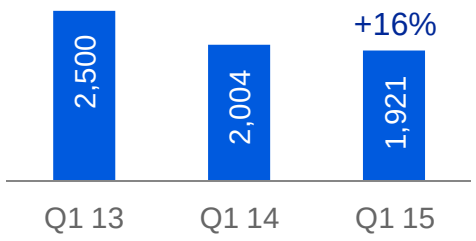
Operational EBITA margin mainly reflects revenue development and challenges in Russia.

The division completed two major divestments in 2014 that are reflected in lower reported op EBITA in Q1 15

Process Automation
Q1 2015

Orders received

$ mn, y-o-y change like-for-like

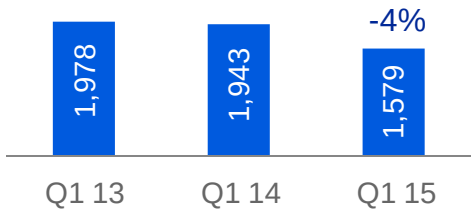


Orders increased significantly as a result of large orders from offshore O&G, and marine sectors; base orders lower, partly due to reduced discretionary spend in O&G.

Mining and metals remained at low levels.

Revenues

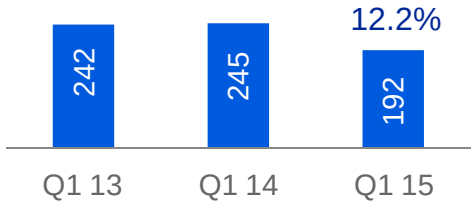
$ mn, y-o-y change like-for-like



Revenues declined, as the result of the reduced discretionary spend of O&G customers and timing of order backlog execution in the marine business.

Operational EBITA

$ mn, operational EBITA margin



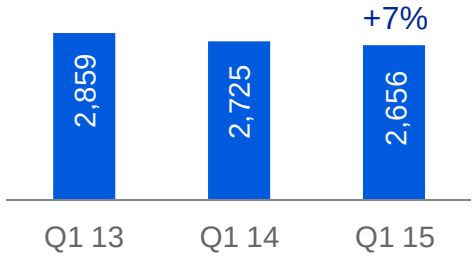
Operational EBITA and the related margin declined as the result of lower revenues.

 * Liquified natural gas

Power Products
Q1 2015

Orders received

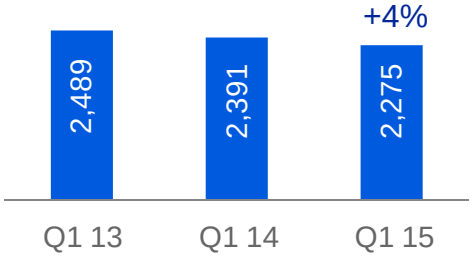
$ mn, y-o-y change like-for-like



Both large and base orders increased, led primarily by selective power transmission investments and supported by industrial demand.

Revenues

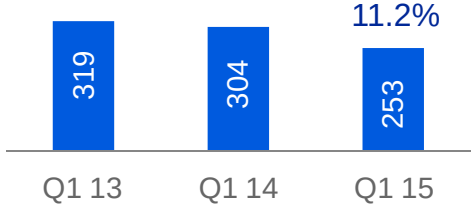
$ mn, y-o-y change like-for-like



Revenues grew in all businesses on the execution of the order backlog.

Operational EBITA

$ mn, operational EBITA margin

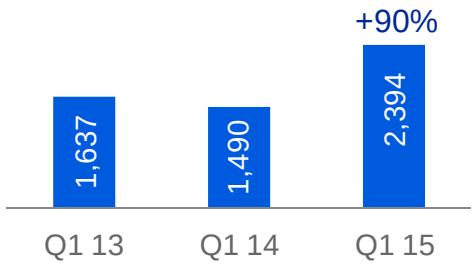


The operational EBITA margin decline largely reflects the ramp-up costs associated with the strategic production footprint alignment towards key markets, such as Saudi Arabia and India.
Lower volumes in Russia also weighed on divisional results.

Power Systems
Q1 2015

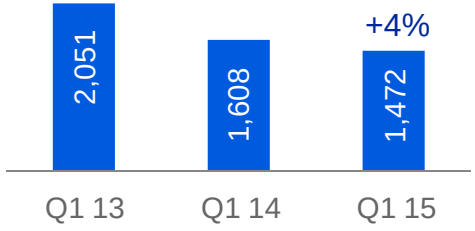
Orders received

$ mn, y-o-y change like-for-like



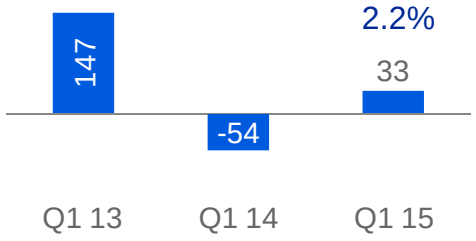
Revenues

$ mn, y-o-y change like-for-like



Operational EBITA

$ mn, operational EBITA margin



Orders almost doubled, led by strong increase in large orders in areas such as high-voltage direct current (HVDC) transmission links, cable systems, and power plant automation under the new business model.

Revenue growth was mainly driven by execution of the order backlog.

Operational EBITA and margin up, reflecting ongoing ‘step change’ measures and continued cost savings to return the division to higher and more consistent profitability.

More information available at ABB Investor Relations

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