November 4, 2011

Capital Markets Day
Joe Hogan, CEO

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Power and productivity
for a better world™

Commitments made at 2009 CMD
We have executed well

Operational cost out focus through the cycle

Results of cost take-out program [in $bn]:

Continued expansion in emerging markets

19 new factories / engineering centers in EM[1]:

Technology leadership with focus on renewables, energy efficiency & smart grids

Annual R&D spend:

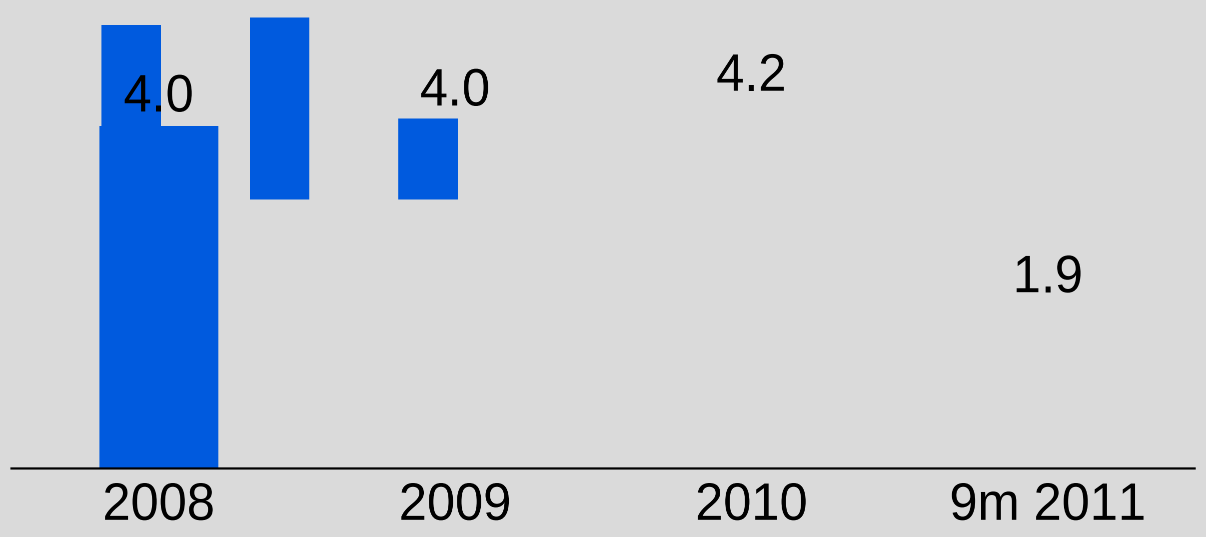
	2008	2009	2010	2011F
in $bn	1.0	1.0	1.1	1.3

Leading high tech infrastructure company

Example: 400MW transmission line in Germany

Commitment to a strong cash flow generation

Cash flow from operations [in $bn]:

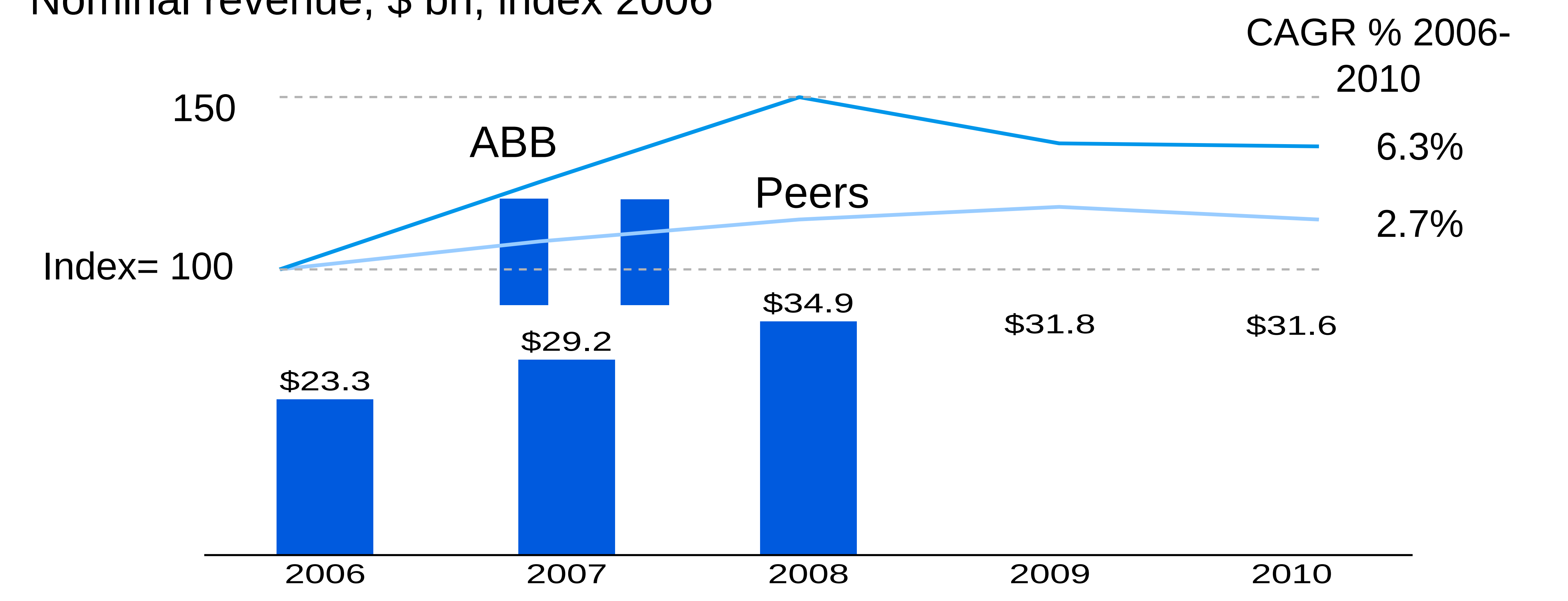


(1) PP = Power Products, PS = Power Systems, DM = Discrete Automation and Motion, LP = Low Voltage Products, PA = Process Automation

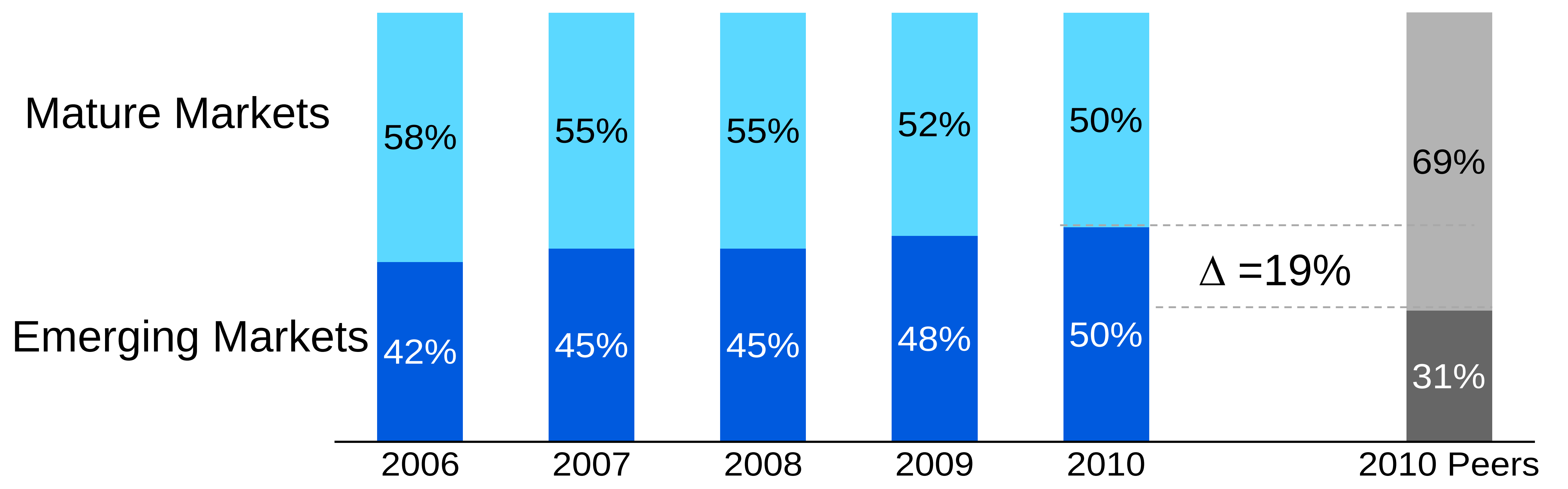
ABB has performed and is well positioned for the economic environment

Revenue ABB vs. peer group

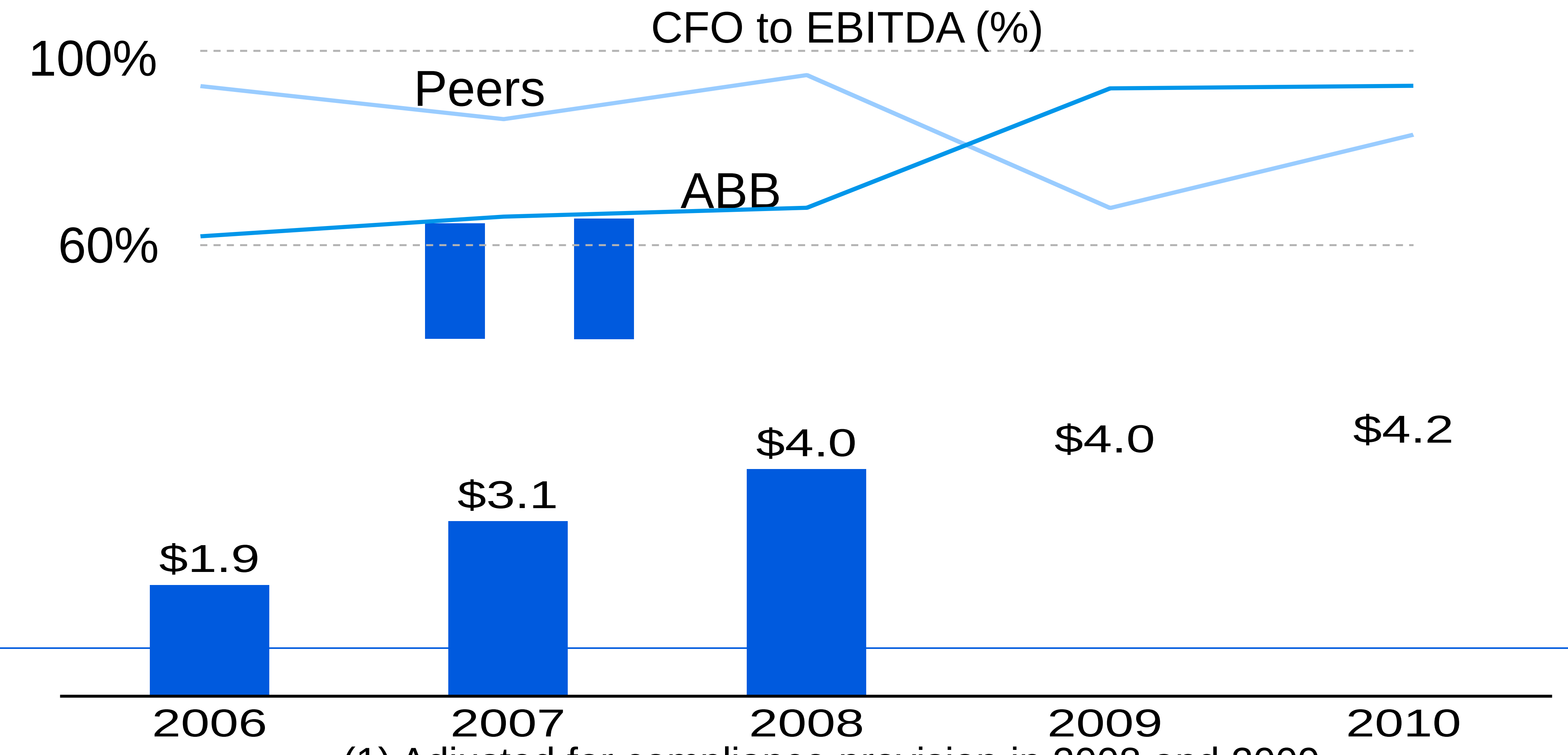
Nominal revenue, $ bn, index 2006



Geographic revenue mix between 2006 - 2010



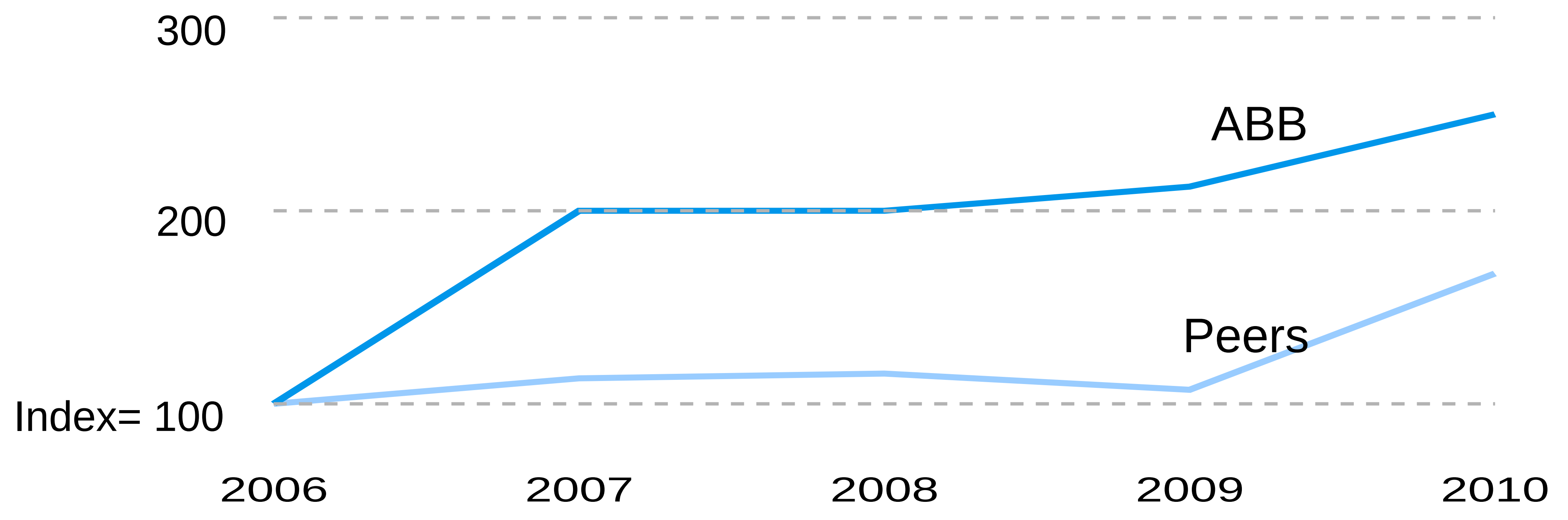
Cash Flow from Operations (CFO) and CFO to EBITDA[(1)]



(1) Adjusted for compliance provision in 2008 and 2009

Dividend development ABB vs. peer group

Index DPS 2006: ABB = CHF0.24, Peers = $1.79



Source: Thomson Reuters

Peer Group: Cooper, Eaton Electric, Emerson, Rockwell, Schneider Electric, Siemens

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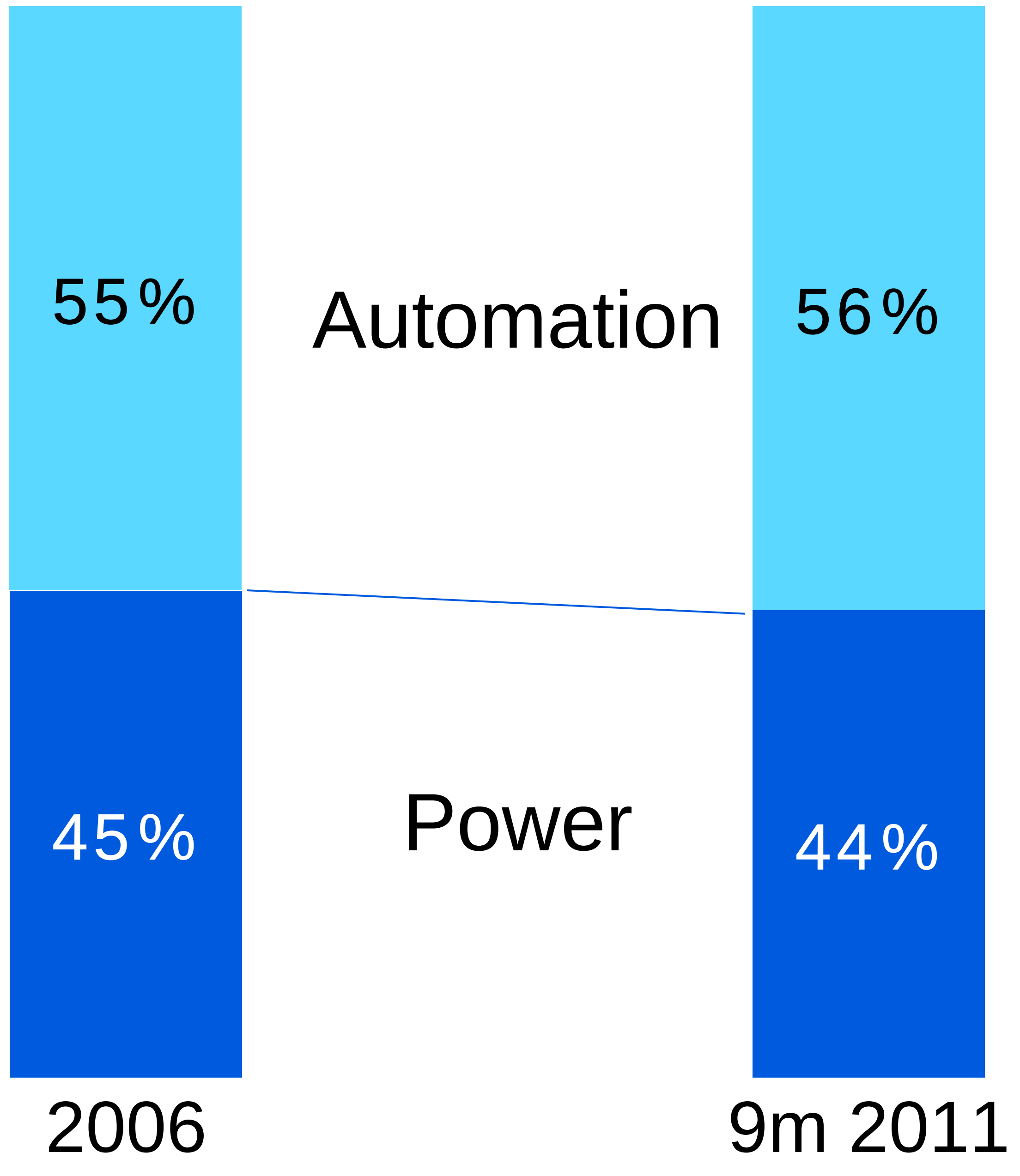
A stable portfolio over the past five years – share of revenues

Increased exposure to emerging markets

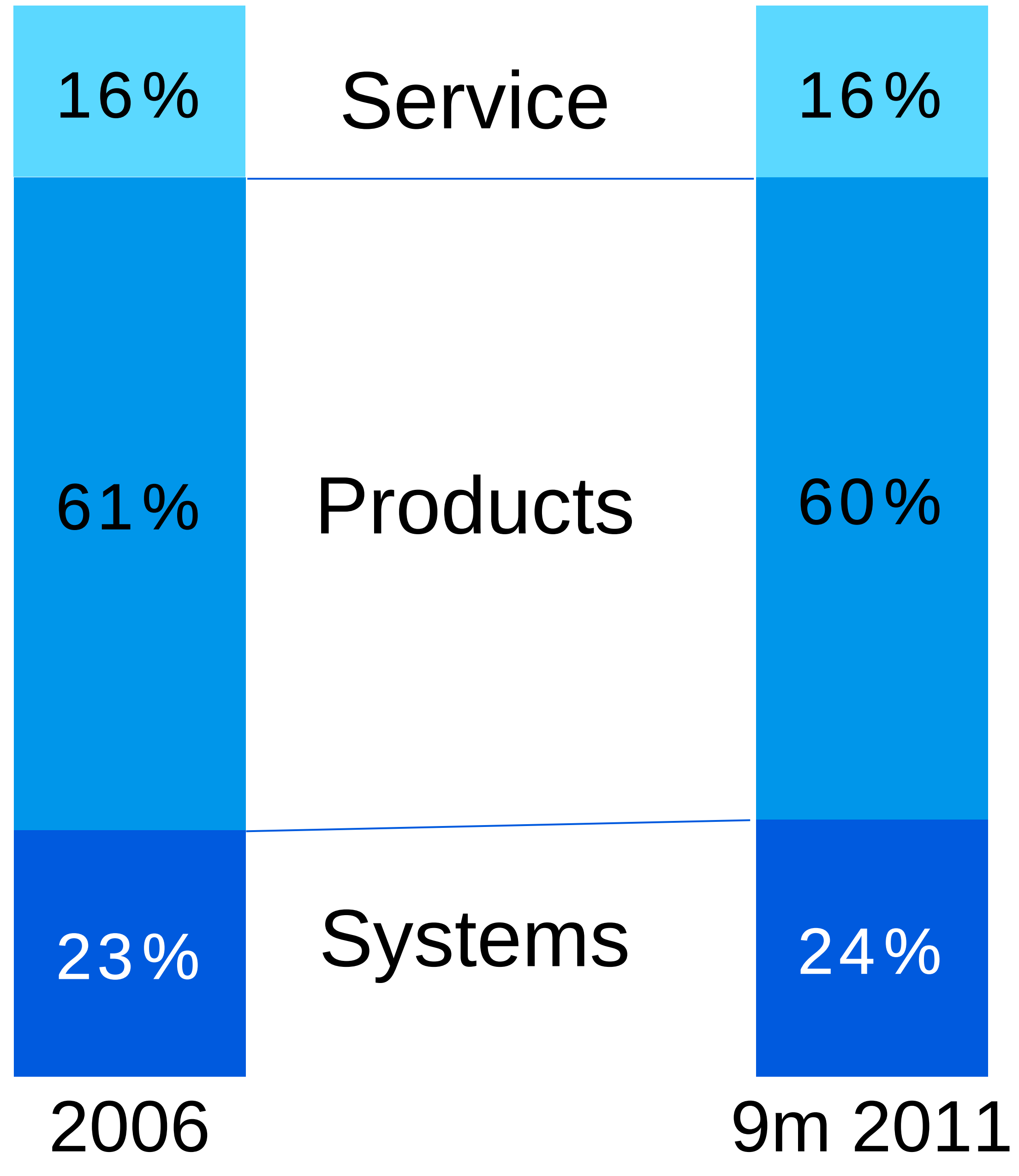
Power & Automation

Share of Revenue in local currency



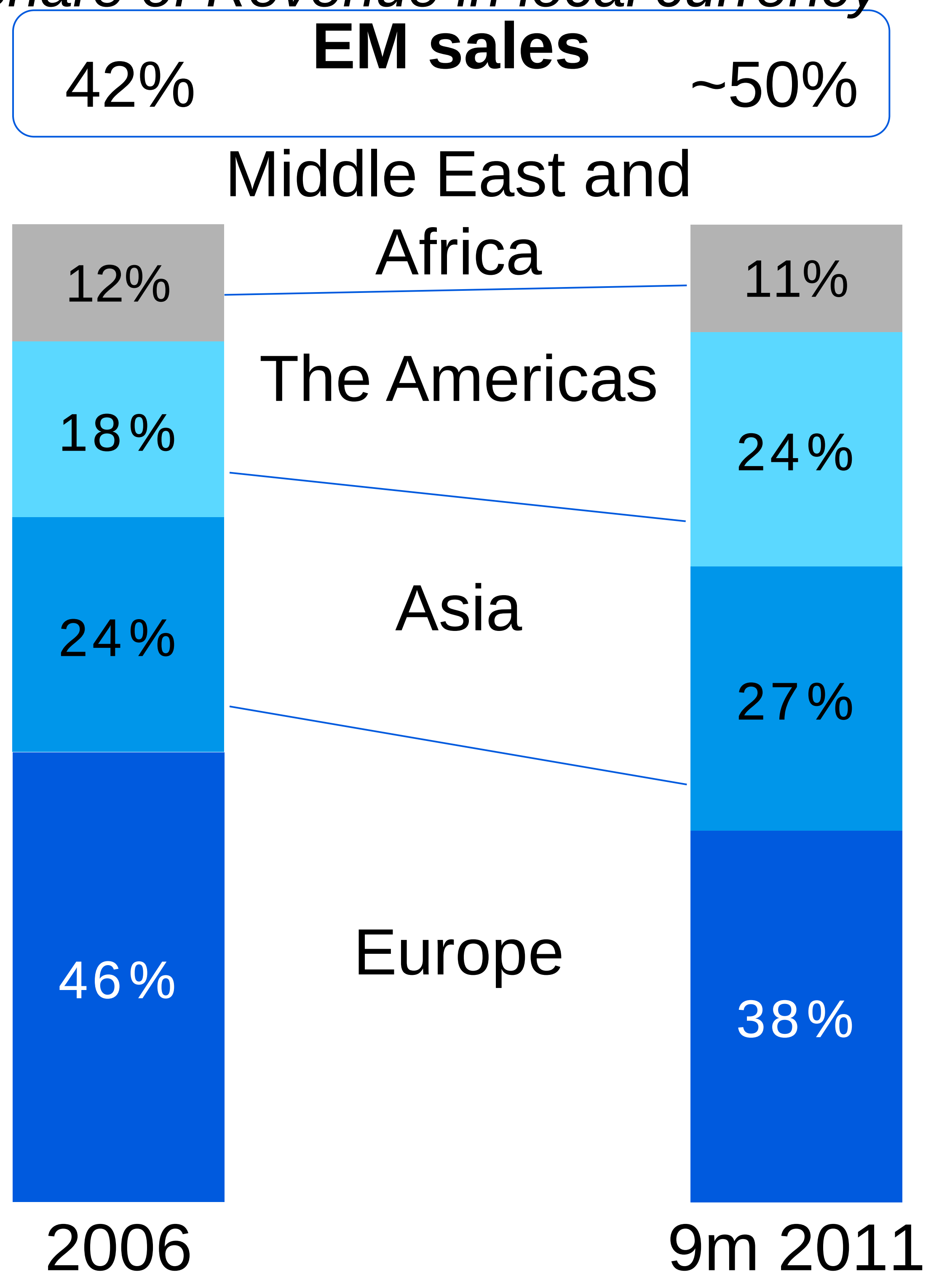
Business mix

Share of Revenue in local currency



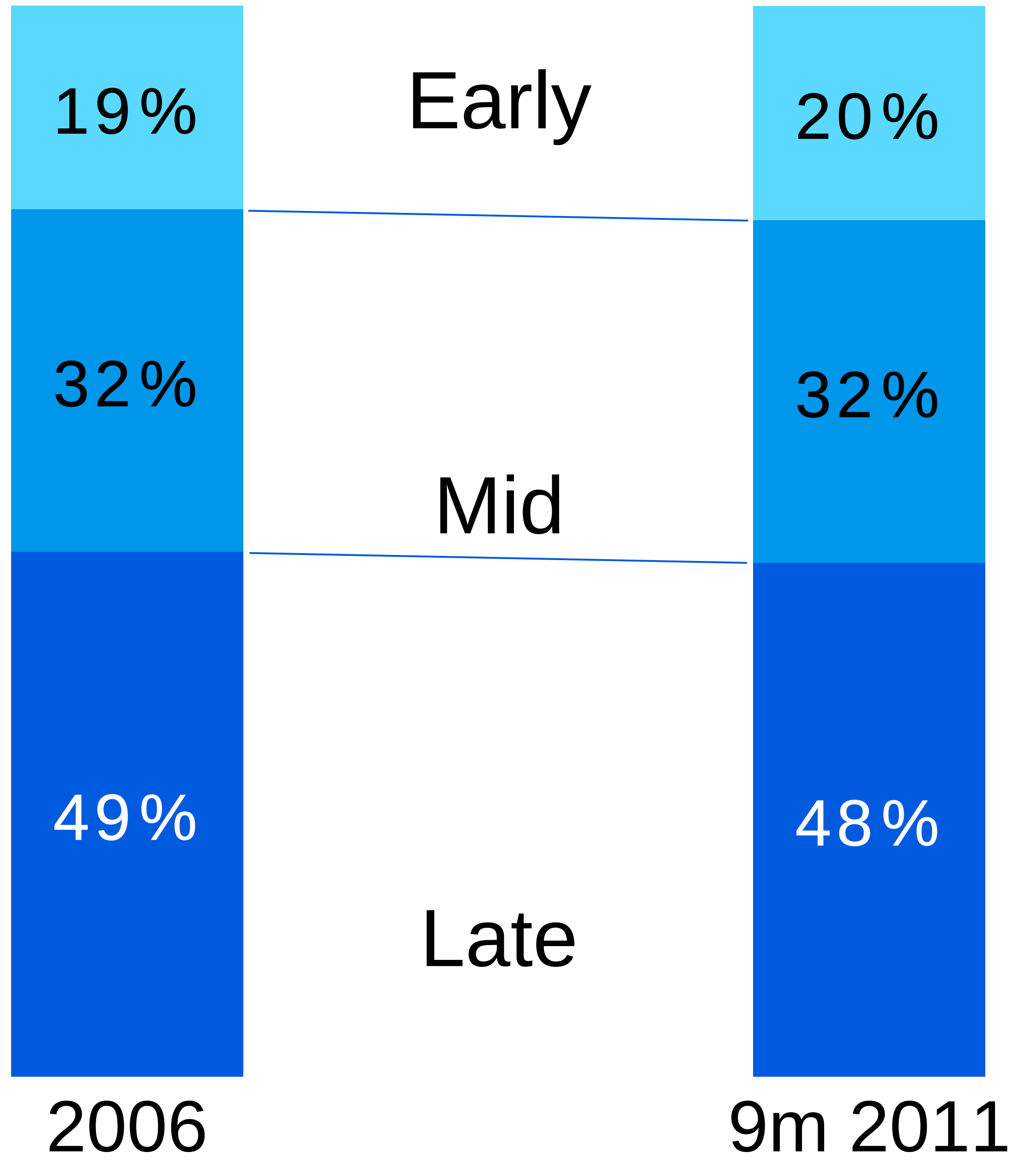
Geographic mix

Share of Revenue in local currency



Cyclicality

Share of Revenue in local currency



(1) 9m 2011 including Baldor

Enhancing competitiveness through cost reduction
>$3.5bn savings starting in 2009

	Annual impact vs. 2008 [$ bn]	**Examples of achievements since we started:**
Sourcing	1.8	▪ Emerging market sourcing increased by 40% ▪ Number of global forwarders reduced by 50%
Footprint & restructuring	0.8	▪ 25% increase of floor space in emerging markets ▪ R&D resources in EMs up 4x (>1,500 people) since 2005
Operational Excellence	0.9	▪ Number of products re-designed to cost: 400+ ▪ Warranty savings: $100mn+
G&A cost	0.3	▪ Savings from sharing finance & HR services: $100mn+ ▪ Renegotiated IS outsourcing agreement: $50mn

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Realignment of automation products businesses

Peak Year - 2008

Revenues	EBITDA
$11bn	$2.1bn

Automaiton Products

- Breakers & Switches
- Enclosures & Din-rail
- Wiring Accessories
- Control Products
- LV Systems
- LV Drives
- PES and MV Drives
- Motors & Generators

Robotics

- Robotics

Trailing 12 months to Sep 11

Revenues	EBITDA
$12bn	$2.4bn

LV Products

- Breakers & Switches
- Enclosures & Din-rail
- Wiring Accessories
- Control Products
- LV Systems

Discrete Automation and Motion

- LV Drives
- PES and MV Drives
- Motors and Generators
- Robotics

(1) Third party in local currency
(2) Third party in local currency adjusted for Instrumentation and excluding Baldor

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Marketing & Customer Solutions created in 2009
Strengthening a culture that is externally focused

Marketing & Customer Solutions

ABB Technology Ventures

- Investing in early stage technologies of strategic interest to ABB
- 7 companies and 2VC fund investments since 2009

Group Account Management

- Drive sustainable growth for our customers and ABB
- Unified and responsive face to its customer

Industry Segment Initiatives

Wind

Rail

Solar

Energy Efficiency

Water

Smart Grid

Data Center

Our acquisitions have performed well
Baldor growing strongly, synergies starting to kick in

BALDOR
A MEMBER OF THE ABB GROUP

Baldor’s stand-alone performance 9m 2011[1] vs. last year

- 20% revenue growth, higher prices and volume
- Operational EBITDA up by >40%[2]
- Operational EBITDA margin at 20%[3]

Synergy update

- Good progress in cross-selling NEMA/IEC motors and drives
- Upside from mechanical power transmission orders outside U.S.
- Sourcing and other cost savings in line with plan

[1] Febr-Sept 2011 vs 2010. [2] Indicative; [3] Operating profit margin based on Baldor historical definition at 17.1% in YTD 2011 vs 14.2% in YTD 2010

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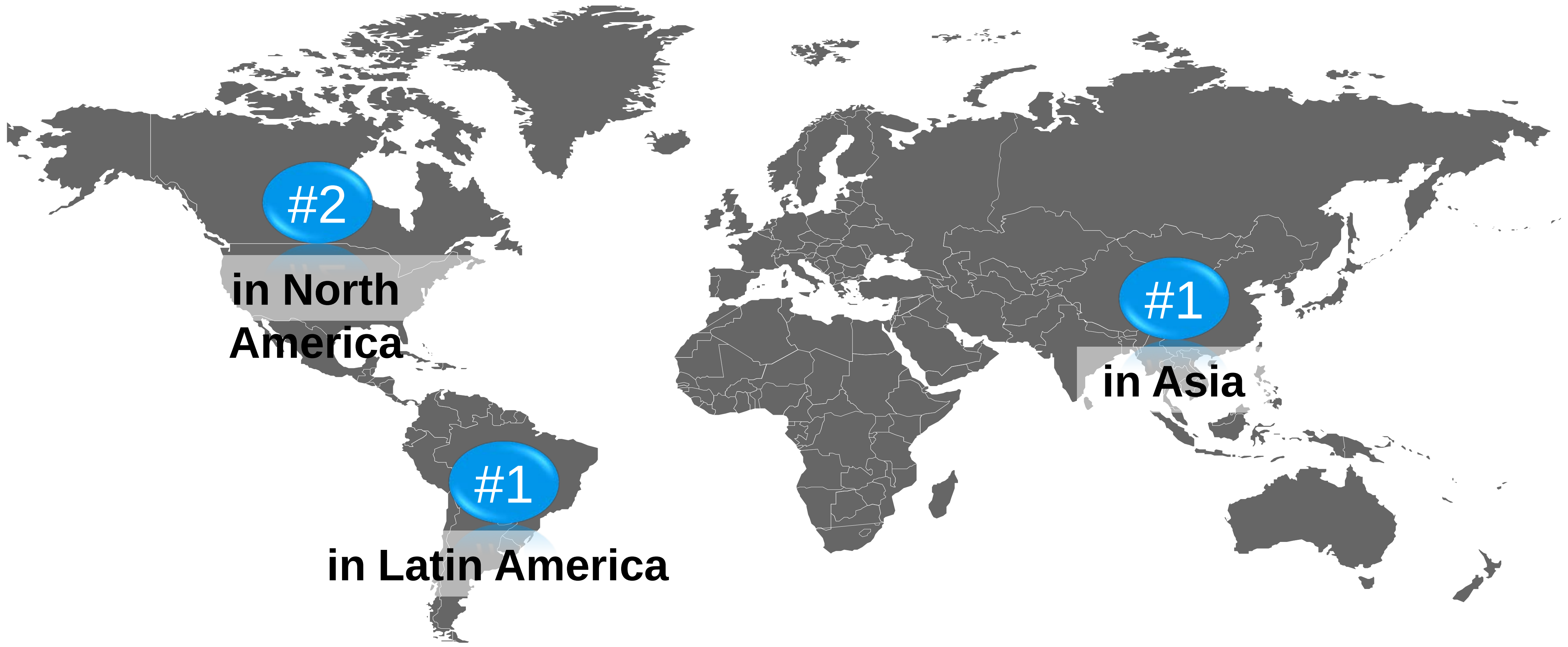
Ventyx and Mincom acquisitions create a new force
The world's leading enterprise asset management platform

Market leader in major regions…



… and industries

#1 **Mining & Metals**

#1 **Electric Power T&D**

#1 **Electric Power Generation**

Enterprise Asset Management software is a $1.9bn industry growing at 6% p.a.

Latin America: Mexico, Central America, South America
Asia: Japan, China Taiwan, South East Asia, Korea, Australia
North America: US and Canada

Source: ARC Advisory, EAM Solutions Worldwide Outlook 2011

ABB accelerated bolt-on acquisitions in 2011

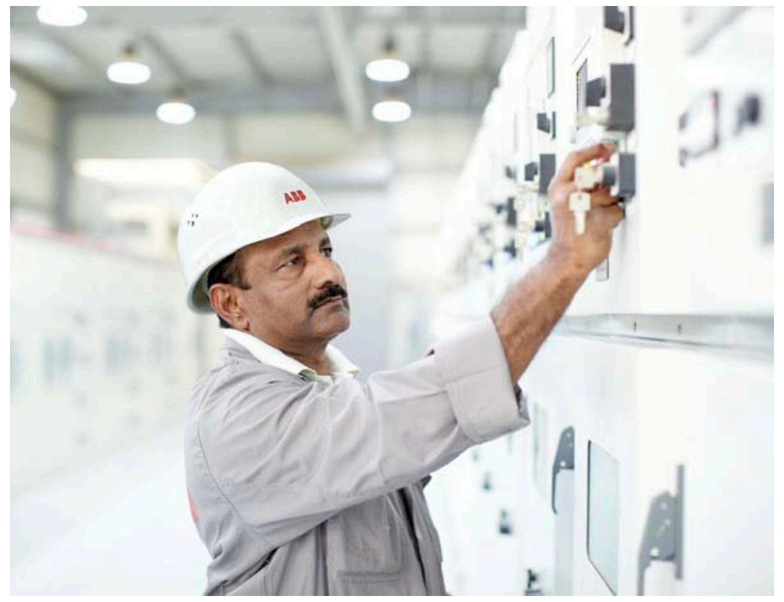
	Target	Key Products	What capability did this acquisition bring?
	(1) VALIDUS DC A MEMBER OF THE ABB GROUP	DC power infrastructure for data centers	▪ Completes the ABB DC data center portfolio ▪ Channels to market for the US data centers ▪ Global product applications
	epyon POWER	Electric vehicle charging infrastructure solutions	▪ DC charger control platform and software ▪ Software suite for charger infrastructure management ▪ Robust maintenance service business model
	Lorentzen & Wettre A MEMBER OF THE ABB GROUP	Automated fiber and pulp analysis devices	▪ Increases pulp and paper expertise ▪ Increases application process knowledge ▪ Pull through of hardware and systems
	TRASFOR	Dry-type transformers	▪ Extends ABB's portfolio in dry transformers ▪ Widens end market exposure ▪ Strengthens higher voltage dry technology

(1) Controlling interest investment through ABB Technology Ventures

ABB

Summary of Progress to Plan

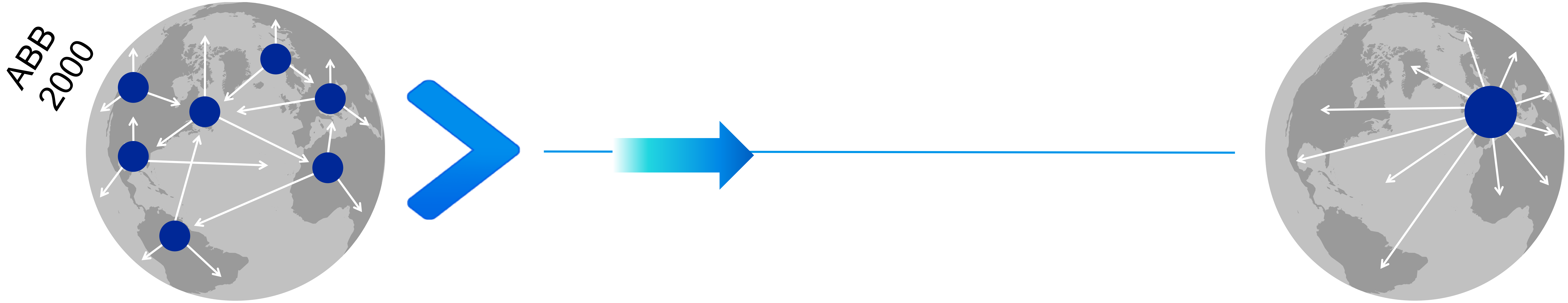
We created a better balanced, increasingly market focused organization


- Outperformed peer set on most measures
- Implemented operational cost out actions resulting in significant savings
- Generated superior cash flow in the period
- Aligned organization for better growth and transparency
- Aggressive emerging markets growth resulting in better global balance
- Drove organic and inorganic growth

ABB has evolved over the past decade

From holding company to locally relevant globally optimized organization



Highly decentralized conglomerate

Cons

- 1000s of P&Ls
- Little scale
- Poor coordination
- Little best practice sharing

Pros

- 1000s of P&Ls
- Local autonomy
- Speed to market
- Market segmentation

Highly centralized organization

Pros

- One size fits all
- Leverage scale
- Process optimization
- Best practice sharing

Cons

- Operational flexibility
- Corporate down view
- Slow to market
- Local market effectiveness

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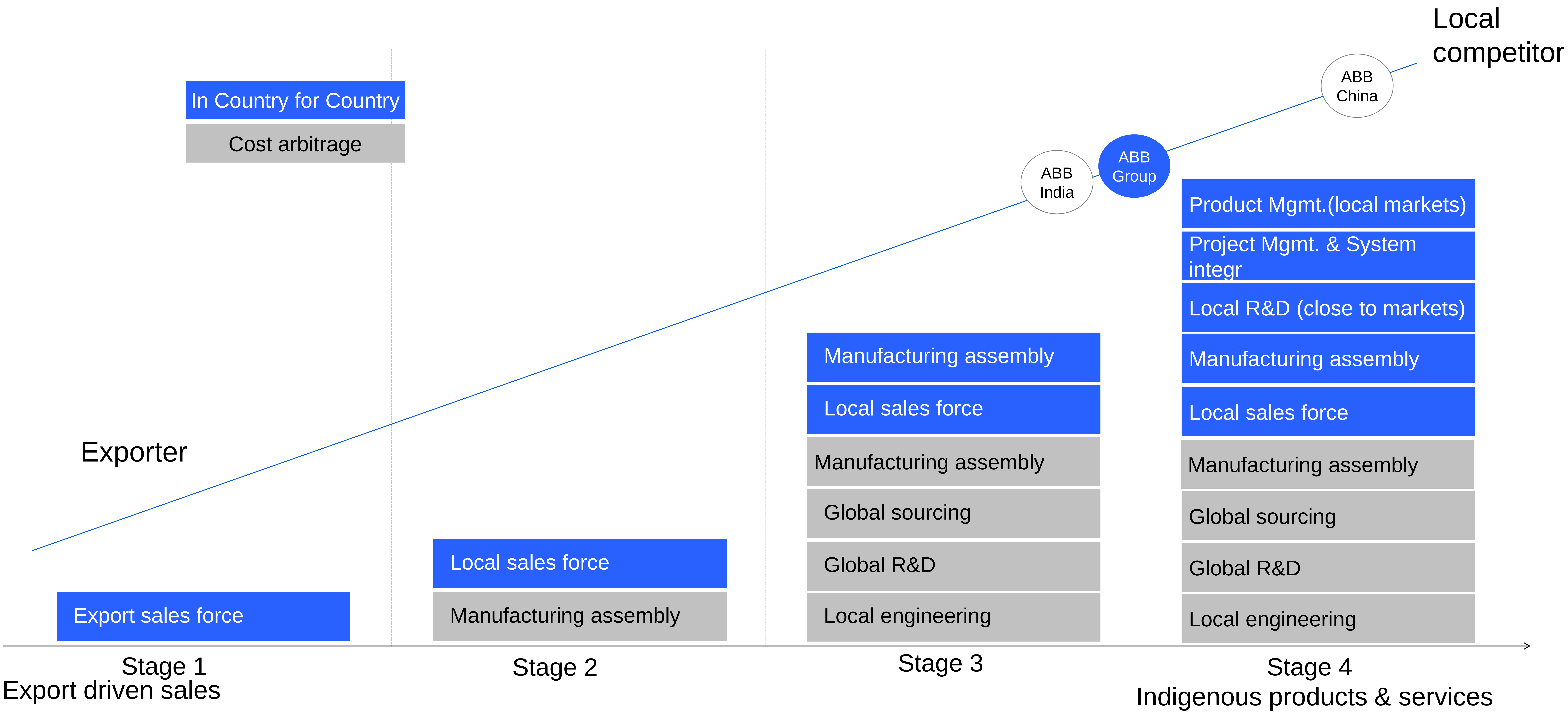
The nature of global business is changing

In Country for Country becoming a competitive advantage for ABB



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Five components of ABB strategic direction

Strong execution and focus across these key strategic areas

1	**Drive competitiveness** and stay relevant in our current markets
2	**Capitalize on mega trends:** anticipate, participate and lead in key mega trends
3	**Aggressively expand core business** to secure next level of growth
4	**Disciplined M&A** across products, markets and geographies
5	Find and **exploit disruptive opportunities** in relevant markets

1

Drive competitiveness
Focus on a range of Group-wide programs

Ambition	Focus areas
"To develop, produce, source and sell optimally to match market needs, profitably growing the business while increasing levels of productivity and quality"	In country for country
	Global footprint
	Operational excellence
	Supply chain management
	Customer satisfaction

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1

Technology development
Driving competitiveness begins with product development

In country for country

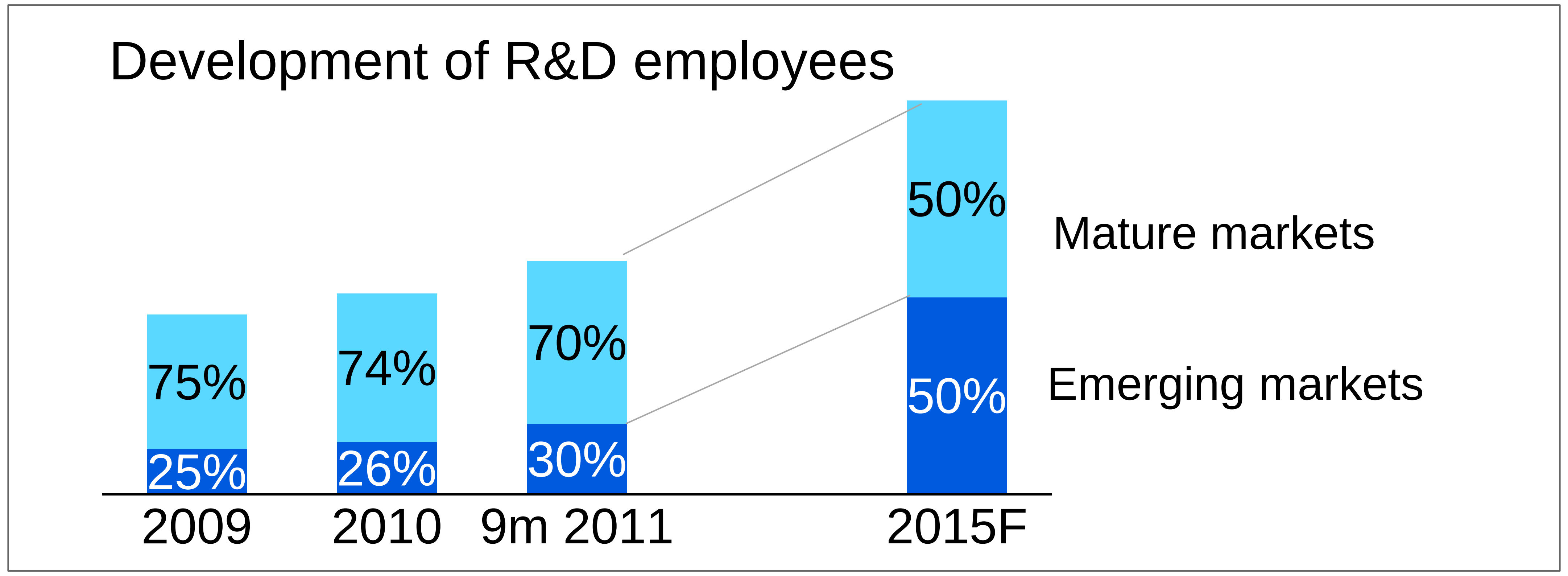
<u>Product competitiveness based on:</u>

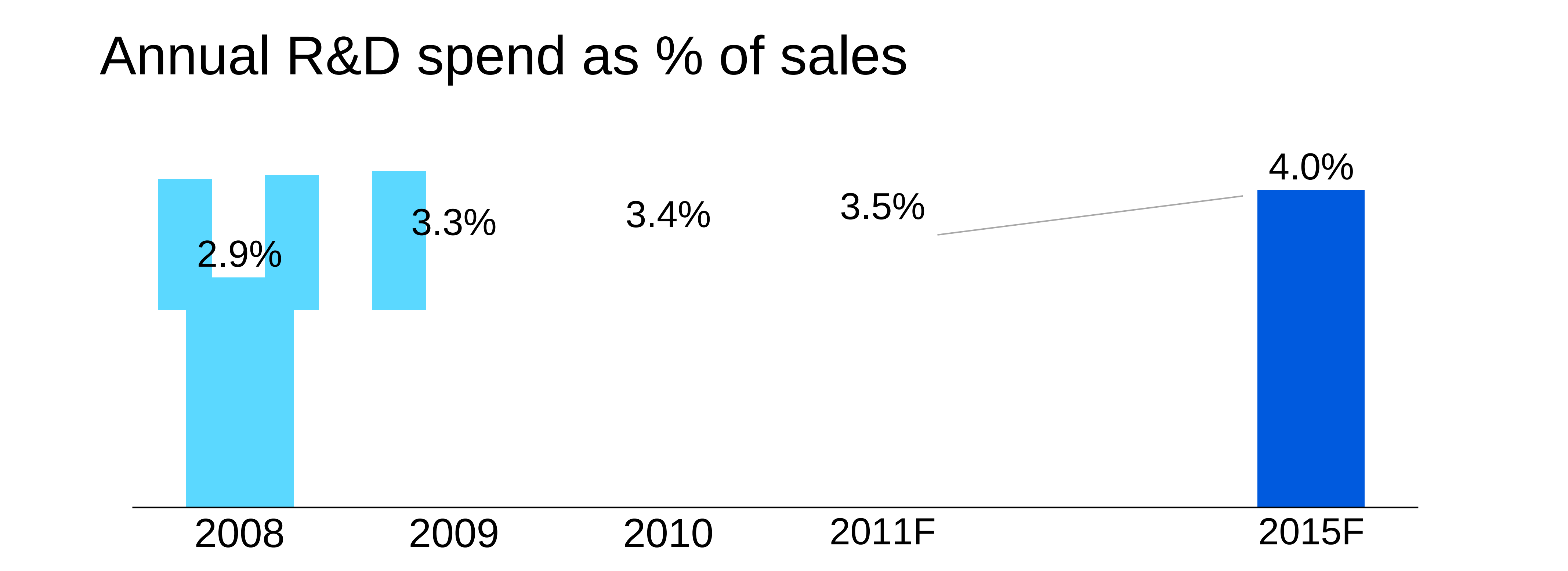
Local product requirements

Local competitiveness: cost and performance

Innovation

Speed to market





Moving closer to customers and markets allows ABB to move at local speeds and develop products for local markets

1

Balancing global footprint
Three trading zones perspective

Americas
- Strengthen local footprint
- Capture cost advantages
- Deeper market penetration
- Indigenous engineering

Europe
- Focus on growth industries
- Capture cost advantages
- Deeper market penetration

Asia and MEA
- Expand local manufacturing
- Indigenous engineering
- Increase self-sufficiency within zone
- Deeper market penetration

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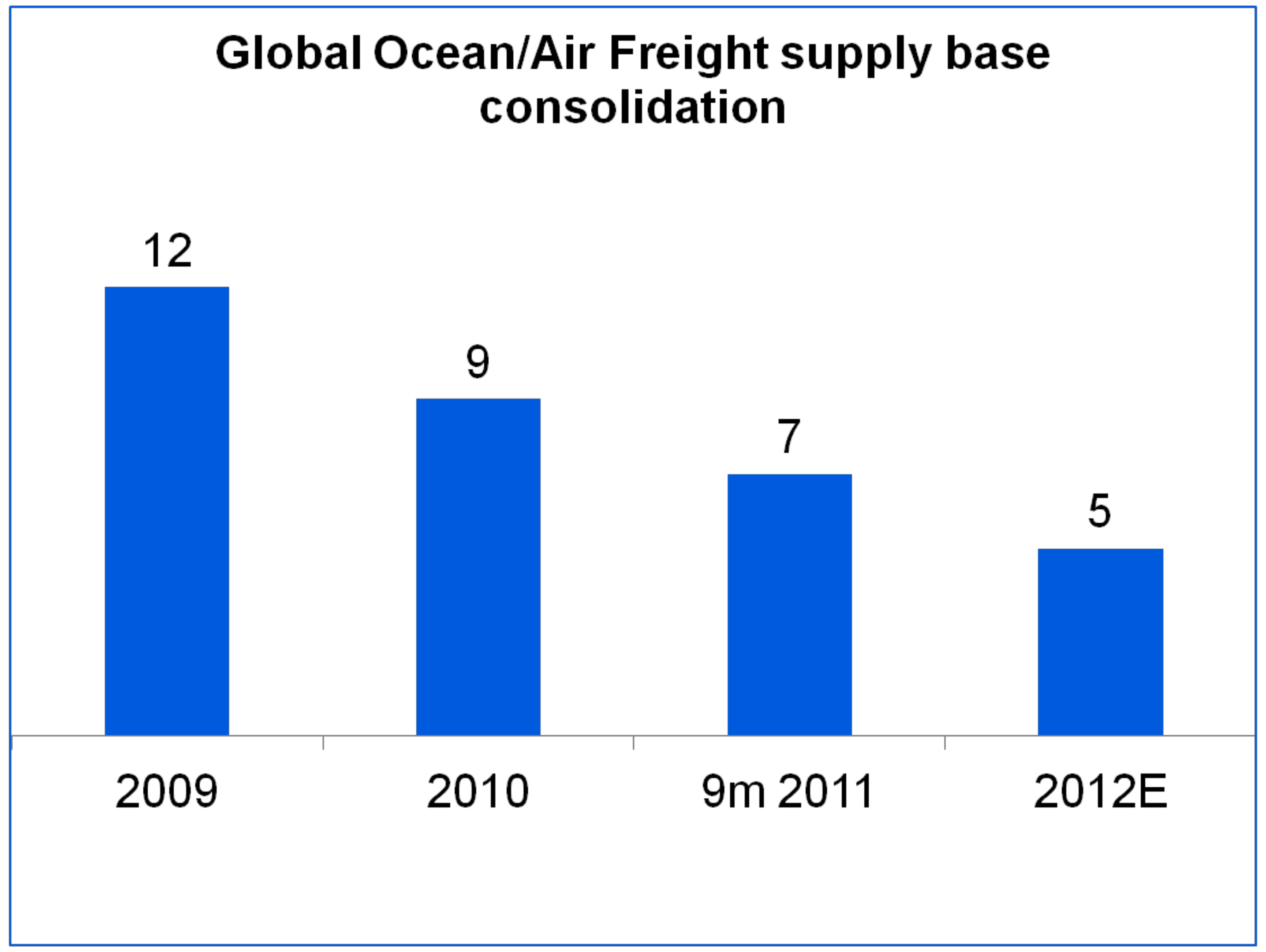
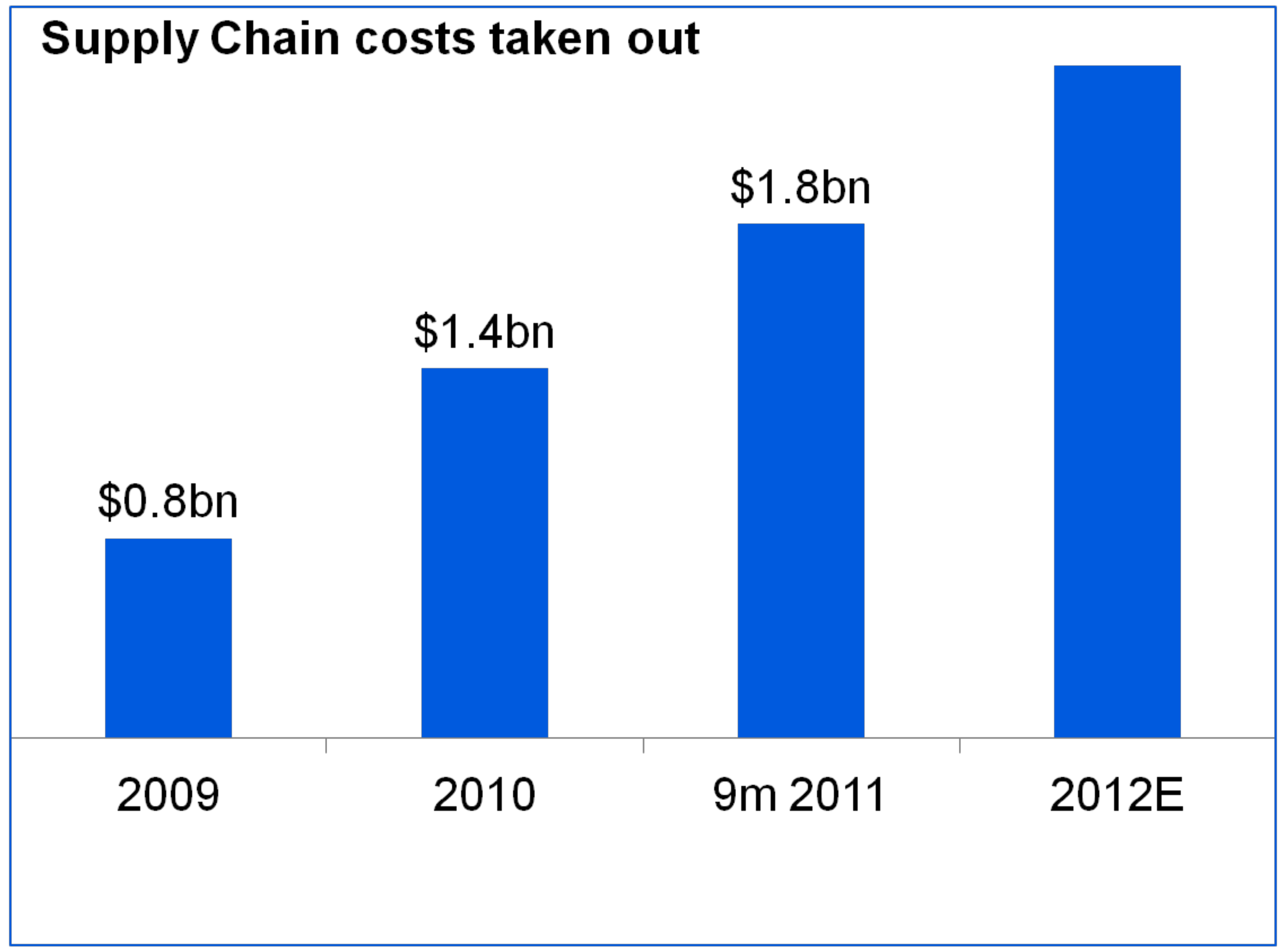
Drive the next level of supply chain excellence
Reducing costs while improving quality

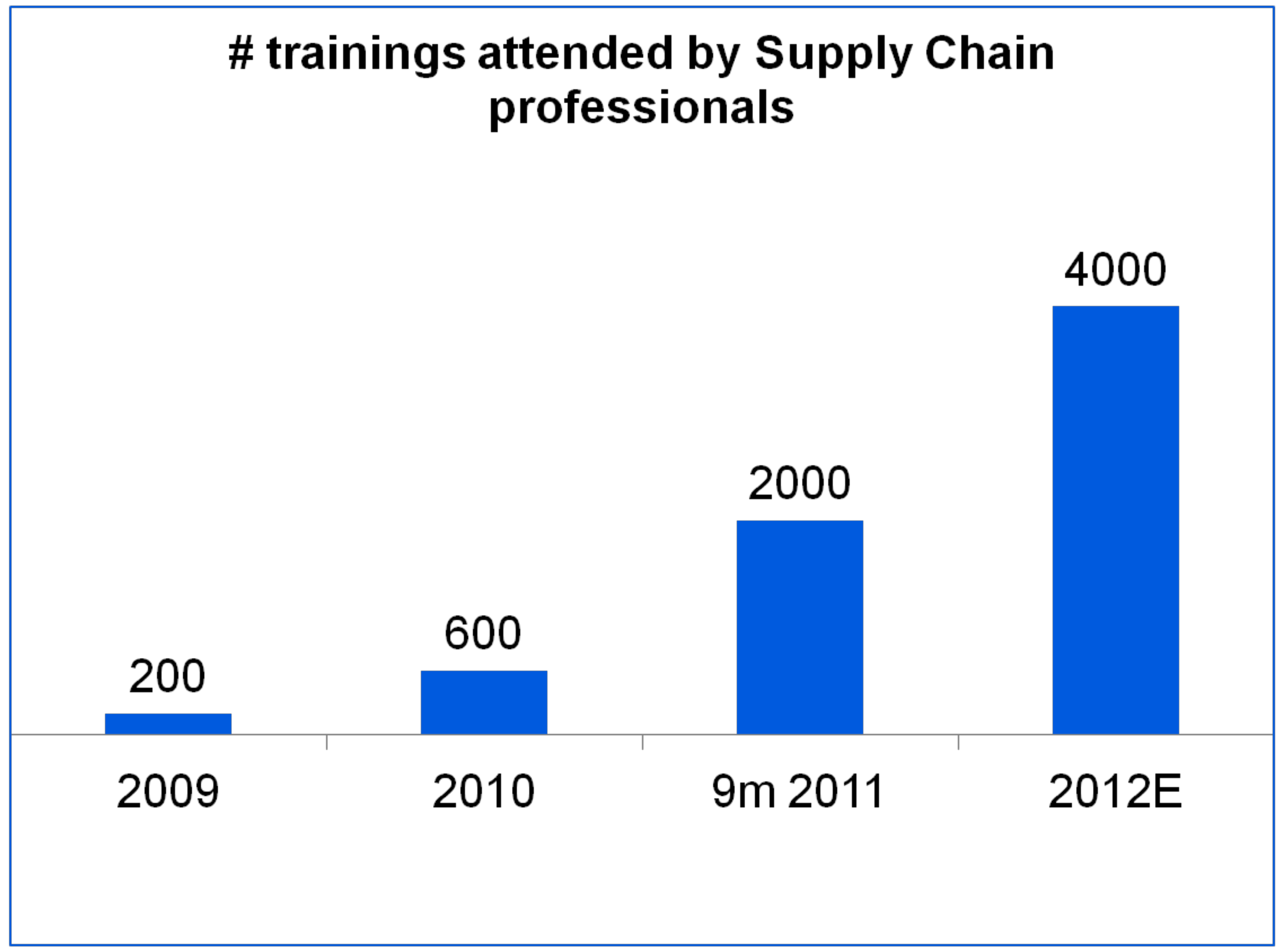
Strategy:
- “Glocalized“ strategic commodity management
- Maximum efficiency in logistics

Processes & systems:
- Proactive risk management
- Improved quality and sustainability processes
- Standard IS for performance management

People:
- Training & certification of professionals
- Organizational structure to support objectives
- Emphasize strategic vs transactional approach
- Supply base collaboration

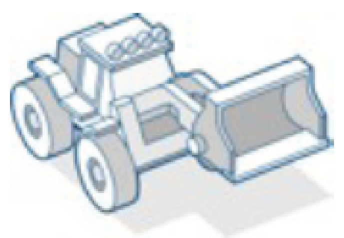






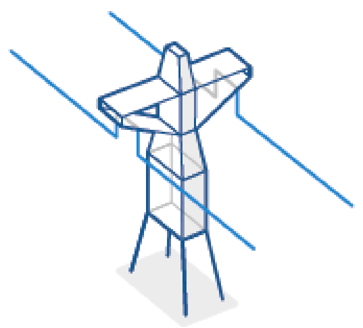
2 Capitalizing on mega trends
Global megatrends will override short-term volatility

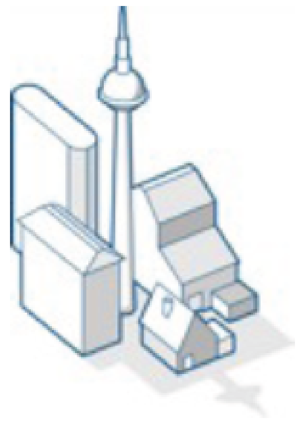
Mega-trends relevant for ABB long term growth

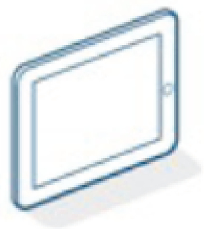

Resource Economics


Transportation mobility (people, goods)


Green


Electrification


Urbanization


Digital information


Emerging economies and power shift

How will we capitalize on these trends?

Deep understanding of markets

Penetration of key geographic areas

Execution around markets and trends

Continued investment in R&D

Strong sales / distribution

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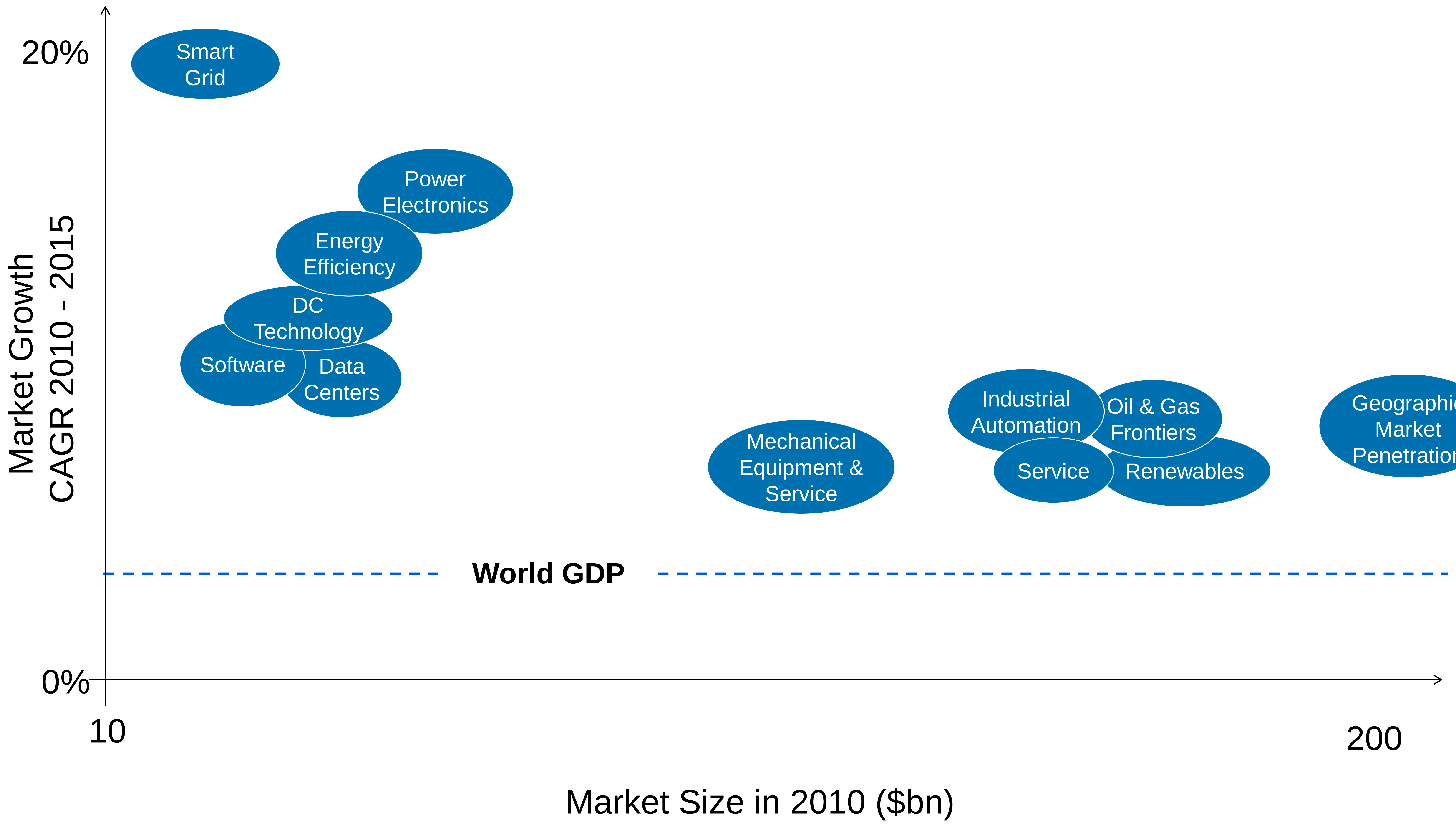
2

Building on ABB strength in strategic growth areas
Focus on industries growing faster than world GDP

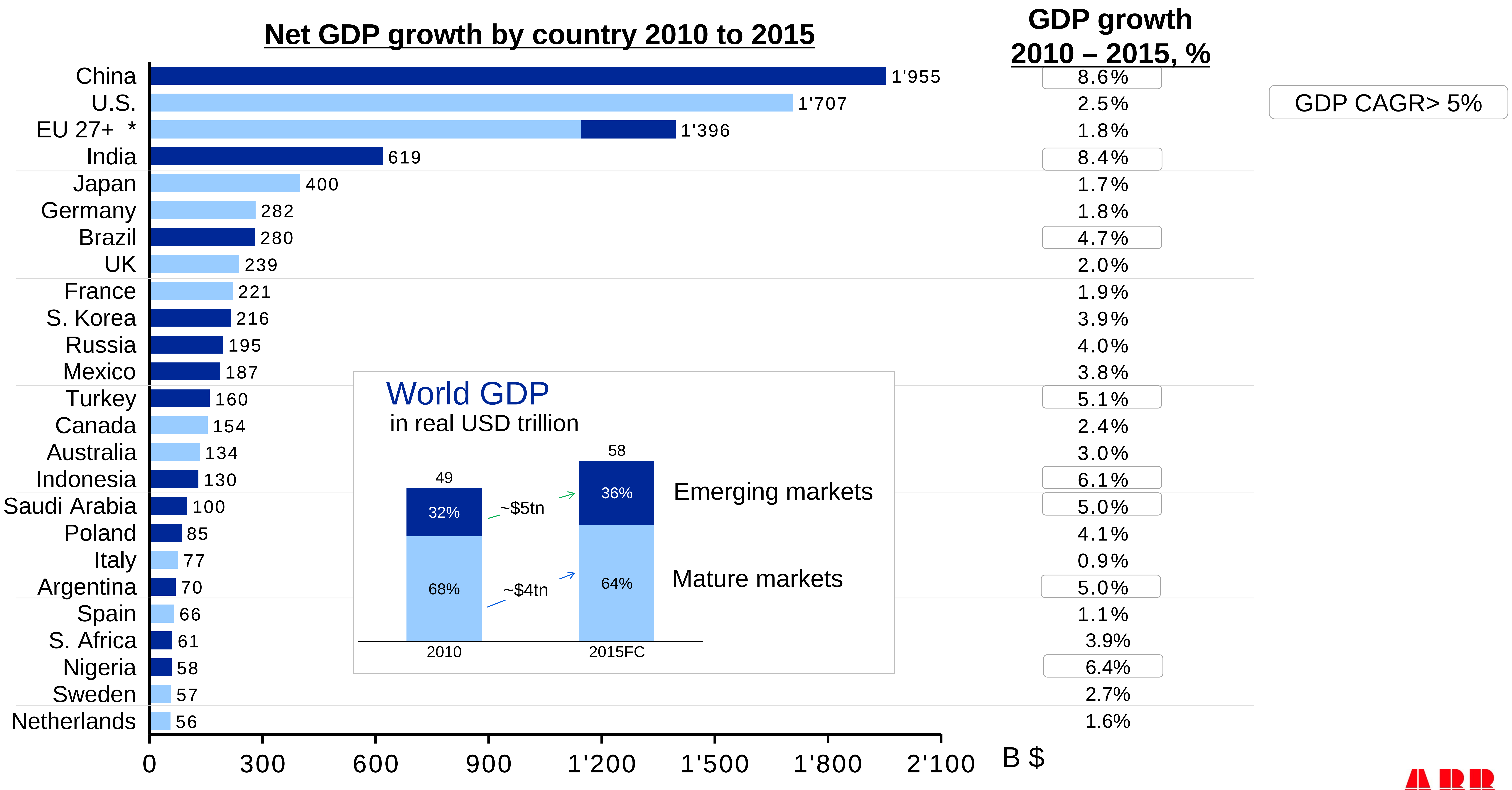


12 priority growth areas

- Geographic Market Penetration
- Renewables
- Smart Grid
- Oil & Gas Frontiers
- Data Centers
- Service
- Energy efficiency
- Software
- Leader in industrial automation
- Mechanical equipment & service
- Power electronics
- DC technology and applications

2

Focus on emerging and mature markets with high growth
Traditional mature markets still with significant opportunity



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Source: Global Insight, World Real GDP, Sep 2011; *European Union 27 member states plus Norway & Switzerland

3

Aggressively expand core business to secure next level of growth

- Grow service and software contribution from 16% to ~ 25% of revenues
- Lead in grid expansion through HVDC and FACTS
- Exploit energy savings opportunities in services, systems and products
- Aggressively pursue vertical markets & services opportunities
- Cultivate product opportunities: solar inverters, DCS for power generation, general purpose MV drives, discrete automation…

Leverage existing market position, technology and relationships for growth

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ABB

3

Modernizing our software business model
Transitioning from OT to IT

Ventyx and Mincom

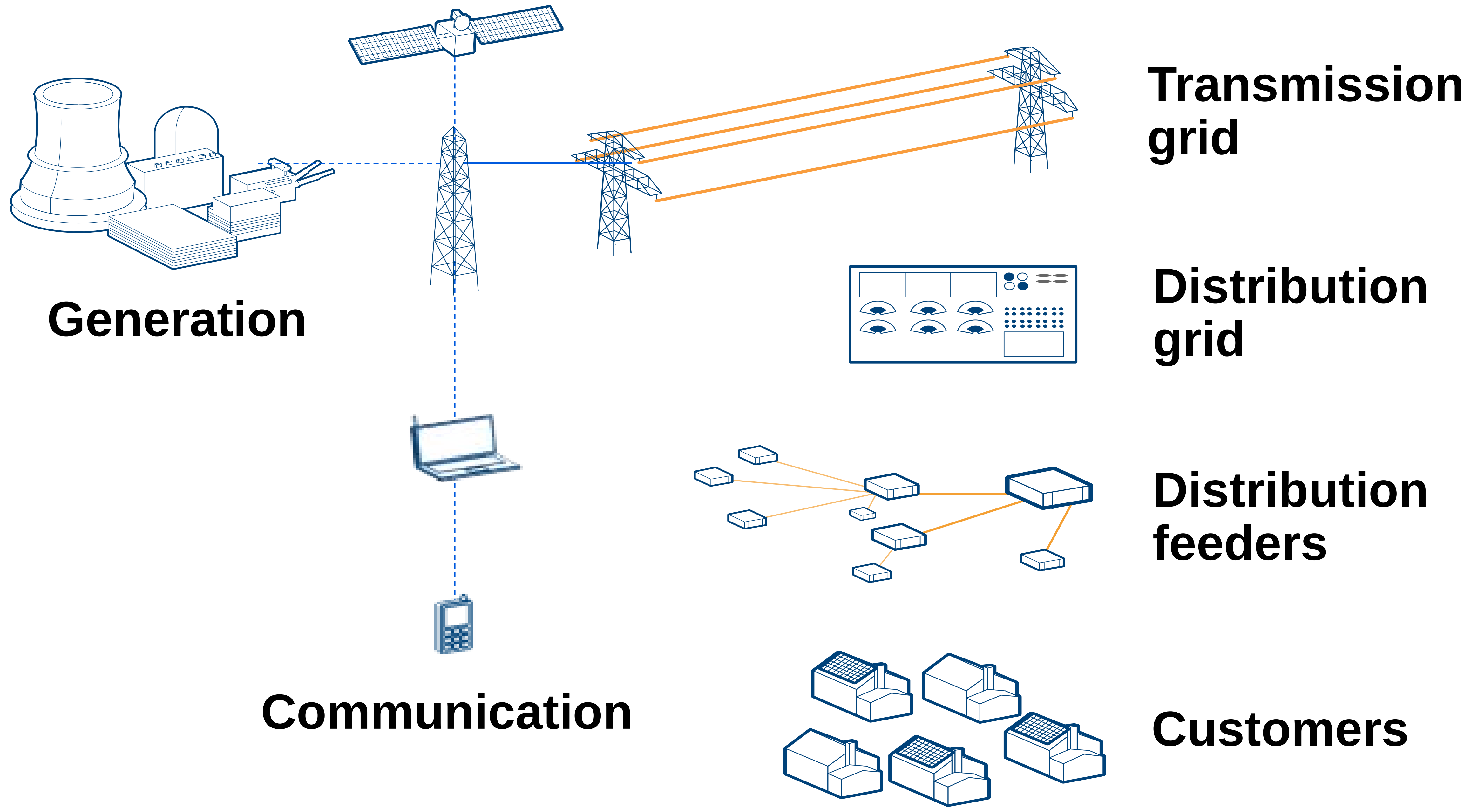
Information technology

Plan-Construct-Service-Maintain

- **Plant operations**
- **Plant / system maintenance**
- **Design engineering**
- **Mobile workforce**
- **Customer service**

Energy management infrastructure

Generation – Transmission - Distribution



Historical ABB

Operations technology

Operate assets-real-time-event driven

- **Transmission grid operations**
- **Distribution grid operations / Outage management**
- **Generation operations**

- ABB mix is changing towards more IT/OT
- Business model for OT is evolving towards IT
- OT installed base becomes a highly valuable driver for profit

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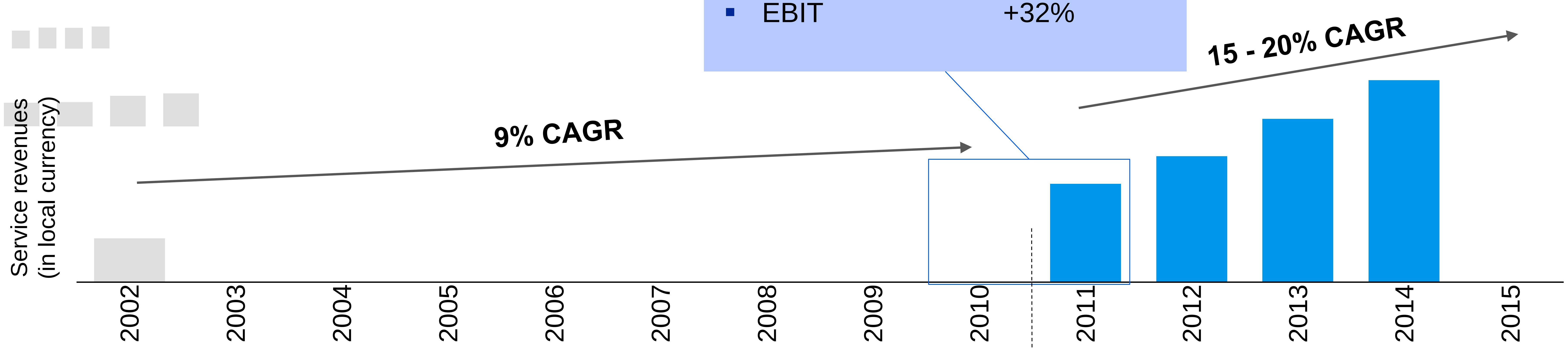
Accelerating growth in services

3

9m 2011 Service Performance (yoy)

- Orders +16%
- Revenue +10%
- EBIT +32%



Historical service performance

- Strong ABB installed base to build on
- Several best practices across ABB (e.g. Turbo, LVD)
- Above average profitability
- Key driver to improve customer satisfaction
- Inconsistent “Go to market approach”
- Fragmented service offering portfolio

Focus going forward

- Fully capitalize installed base potential
- Industrialized service offering portfolio
- Aligned One ABB `Go-to-market` approach
- Leverage M&A to accelerate growth
- Clear accountability and ownership
- Investment in people

ABB to grow service revenues to 20-25% by 2015

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4

Disciplined M&A to help close gap areas

Acquisitions to act as accelerator in priority gap areas

Geography

- NEMA motors in US
- India, USA low voltage
- US ANSI, NEMA Markets
- South East Asia Penetration
- China, relays, MV drives

BALDOR

Product and Services

- PLC's, solar Inverters
- Industrial software
- High service products
- Electro mechanicals
- Flow valves, measurements

Ventyx® Performance Proven

Markets

- Oil & gas, e.g. subsea
- Smart grids
- Renewables, e-mobility
- Data centers
- Wind, water and rail
- Smart building controls

epyon POWER

5

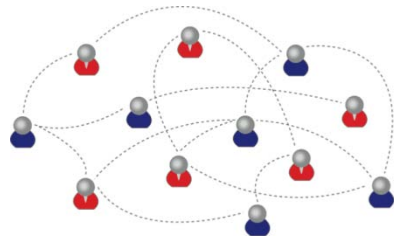
We systematically look for technology and business model disruptions to position ABB for market leadership

IEEE (1)

Top technologies of the decade

#1 Smart Phone

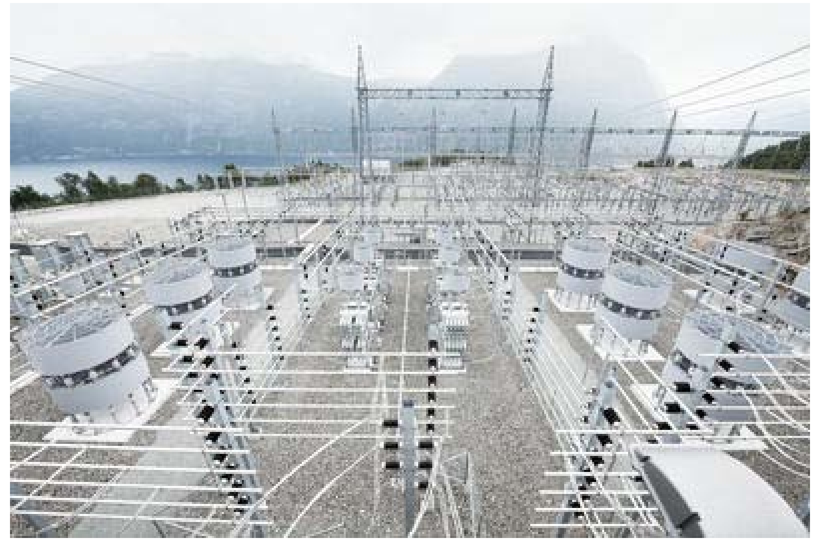
#2 Social Networking



#3 Voice Over IP

#4 LED lighting

9 ABB's Pioneer Technology - FACTs



An enabler for a "smarter grid"

- Increase transmission capacity – up to 50%
- Improve system stability/reliability
- Improve power quality

ABB Position:

- Pioneer and technology leader
- World's leading supplier
- Delivered >50% of world total installations

(1) Institute of Electrical and Electronics Engineers , one of the world's largest professional associations for the advancement of technology.

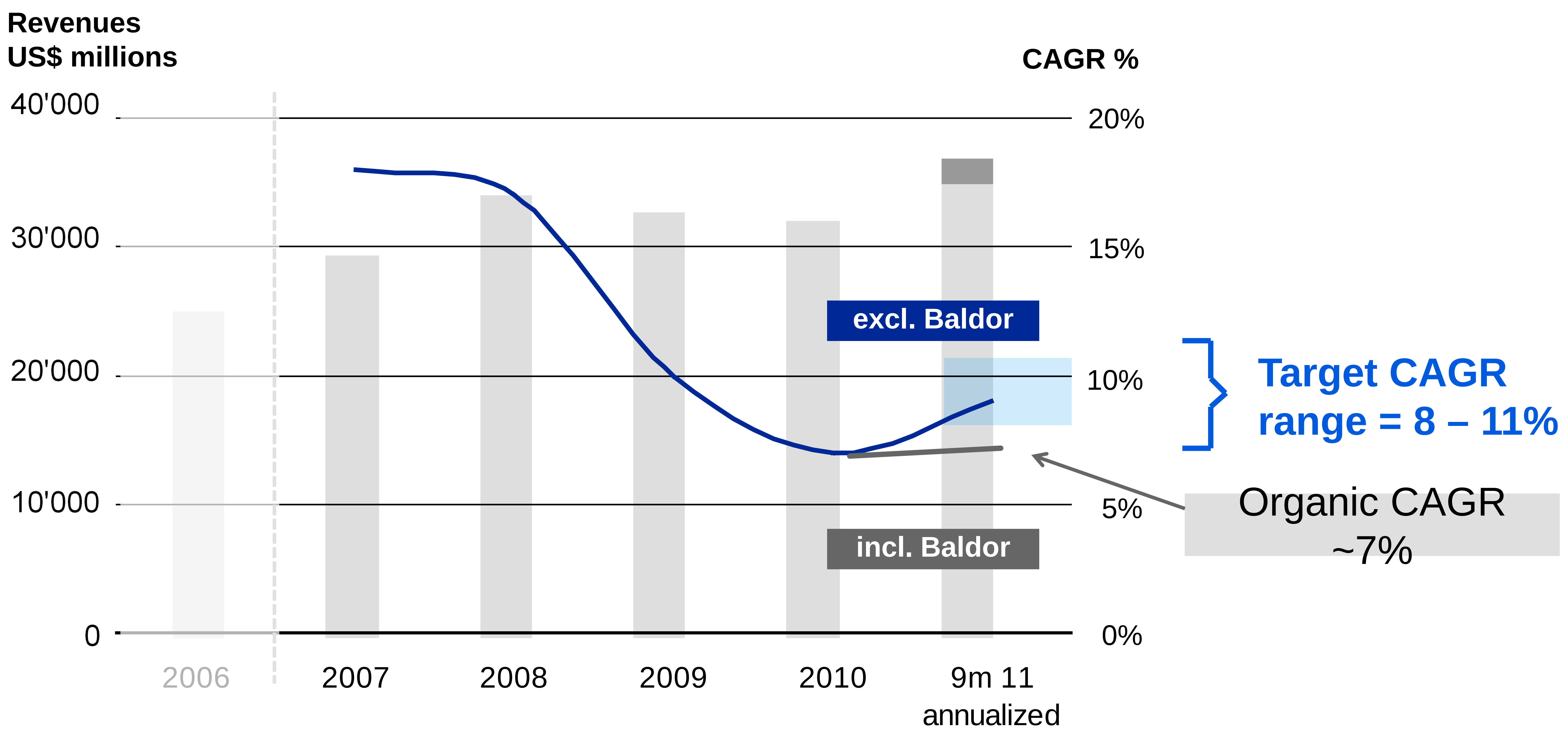
November 4, 2011

Capital Markets Day

Michel Demaré, CFO

Performance against our 2007 – 2011 targets
Revenues: Close despite historic downturn

Revenues and revenue CAGR 2007 – 2011[1]
% change year-on-year in local currencies excl. Baldor



[1] 2011 annualized using 9-months to Sept 2011

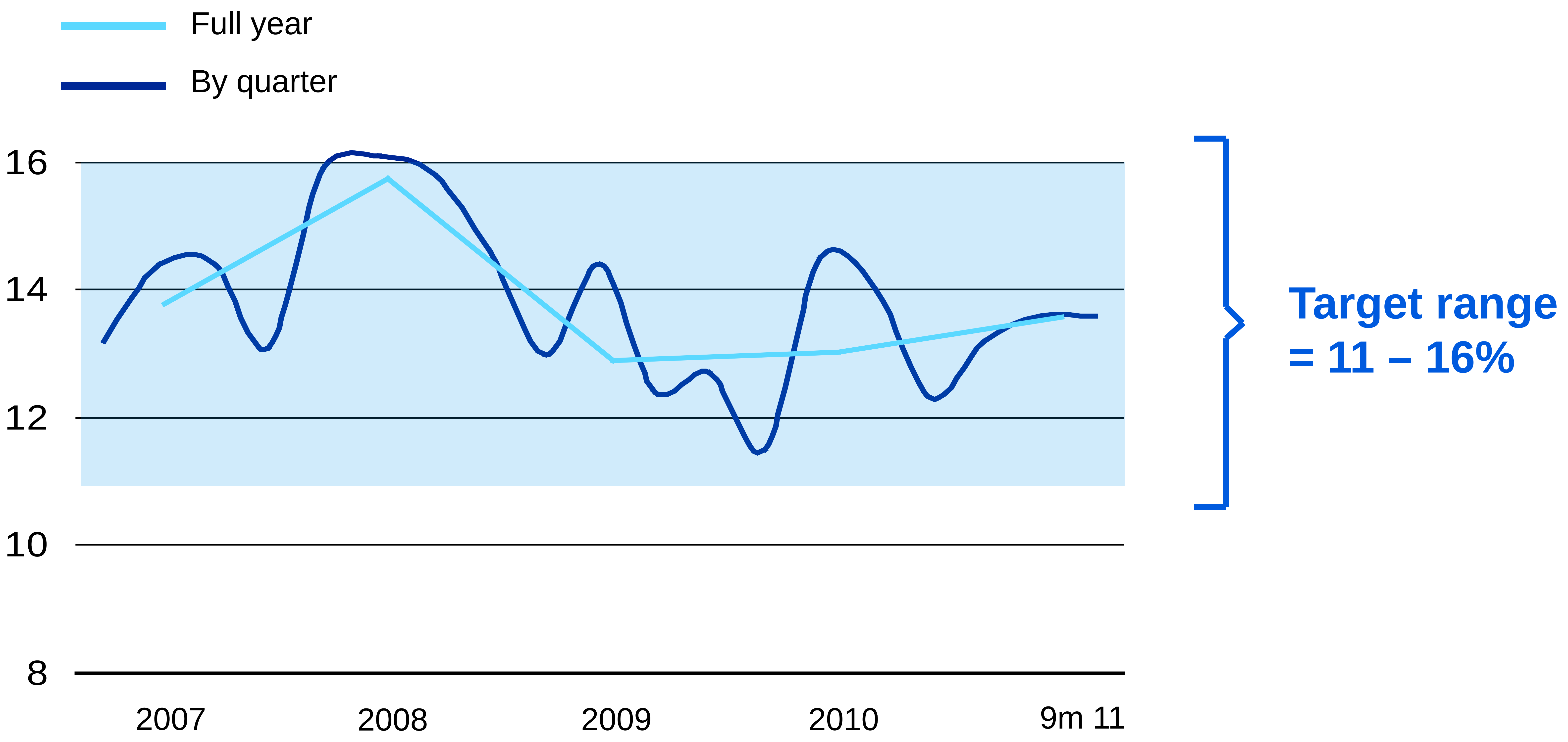
ABB

Performance against our 2007 – 2011 targets

EBIT margin: Within or above the range every quarter over the cycle

EBIT margin[1] full year and by quarter 2007 – 9 months 2011

% revenues

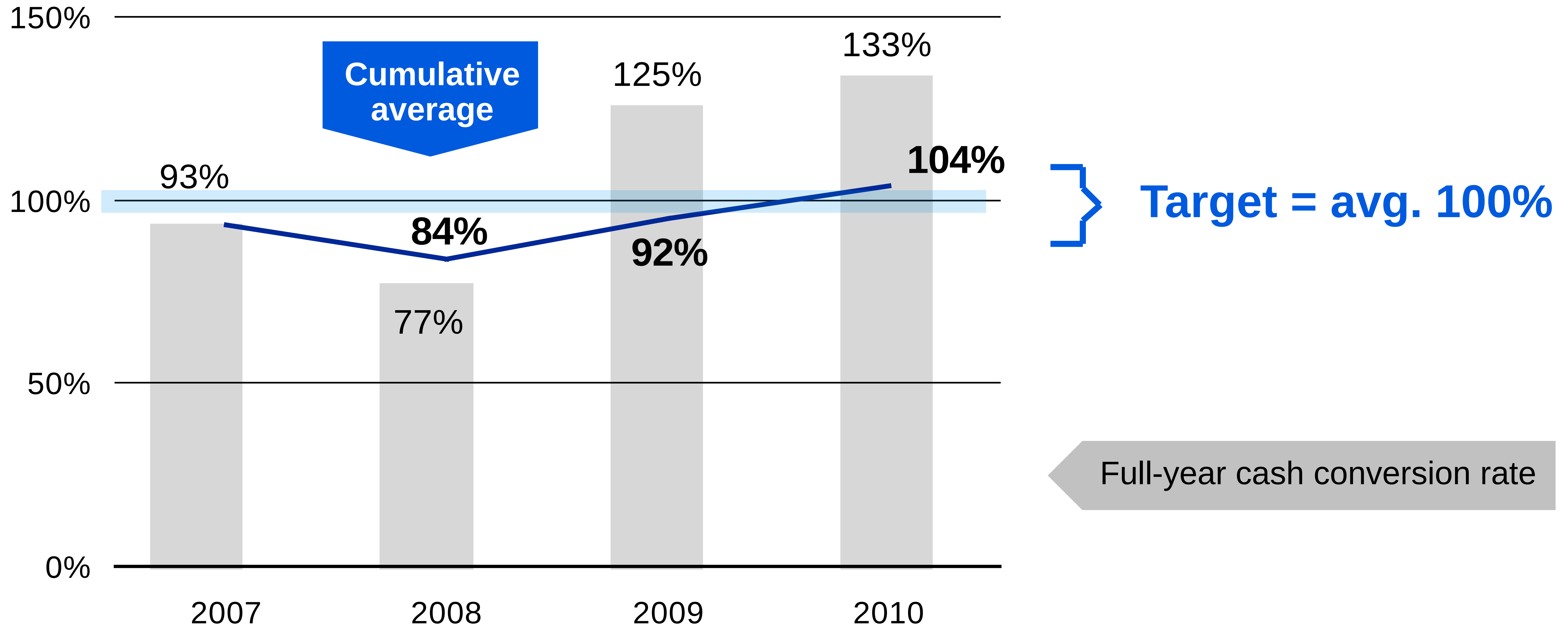


- Reliable earnings delivery
- High-margin business units maintained solid performance
- Fast and effective cost take-out
- Successful crisis management

1 2007-08 EBIT adj. for transformer restructuring; 2008-10 adj. for cost take-out restructuring program; 2008-09 adjusted for compliance and other provisions; 2009-11 = operational EBIT -- See Appendix for definitions of non-GAAP measures

Performance against our 2007 – 2011 targets
Cash flow conversion: Excellent quality of earnings

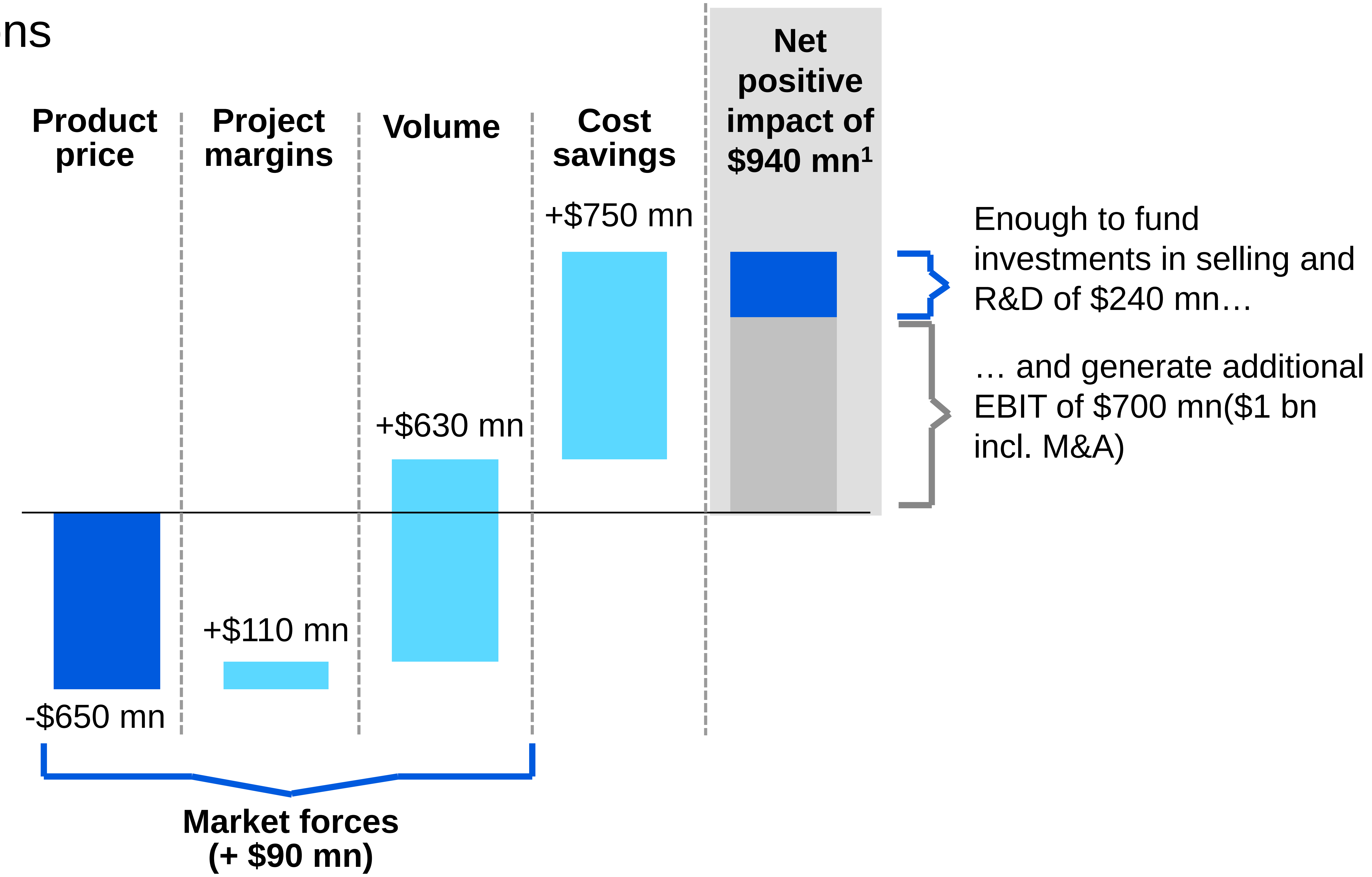
Cash conversion and cumulative average 2007 – 2010
FCF as % net income[1]



1 2007 excl. gain on sale of ABB Lummus and on valuation allowance on DTA on net income; 2008 and 2009 excl. impact of compliance provisions on net income

Current environment: We are prepared
Growth AND cost is now part of ABB's DNA

EBITDA impacts 9-months 2011
US$ millions



1 Incl. forex, mix and commodity impacts

~$1 bn cost savings expected in 2012

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Overview of new targets 2011 – 2015

Group targets – Organic[1]

		Potential M&A impact
Revenue growth (CAGR[2])	**7 – 10%**	+3 – 4 percentage points
Operational EBITDA margin corridor	**13 – 19%**	In line with corridor
EPS growth (CAGR)	**10 – 15%**	+3 percentage points
Free cash flow conversion	**Annual average >90%**	Same conversion rate
Cash flow return on invested capital	**>20% by 2015**	Depends on acquisition timing, steady over the long term

1 incl acquisitions closed as of end-Oct. 2011; 2 Compound annual growth rate, base year 2010

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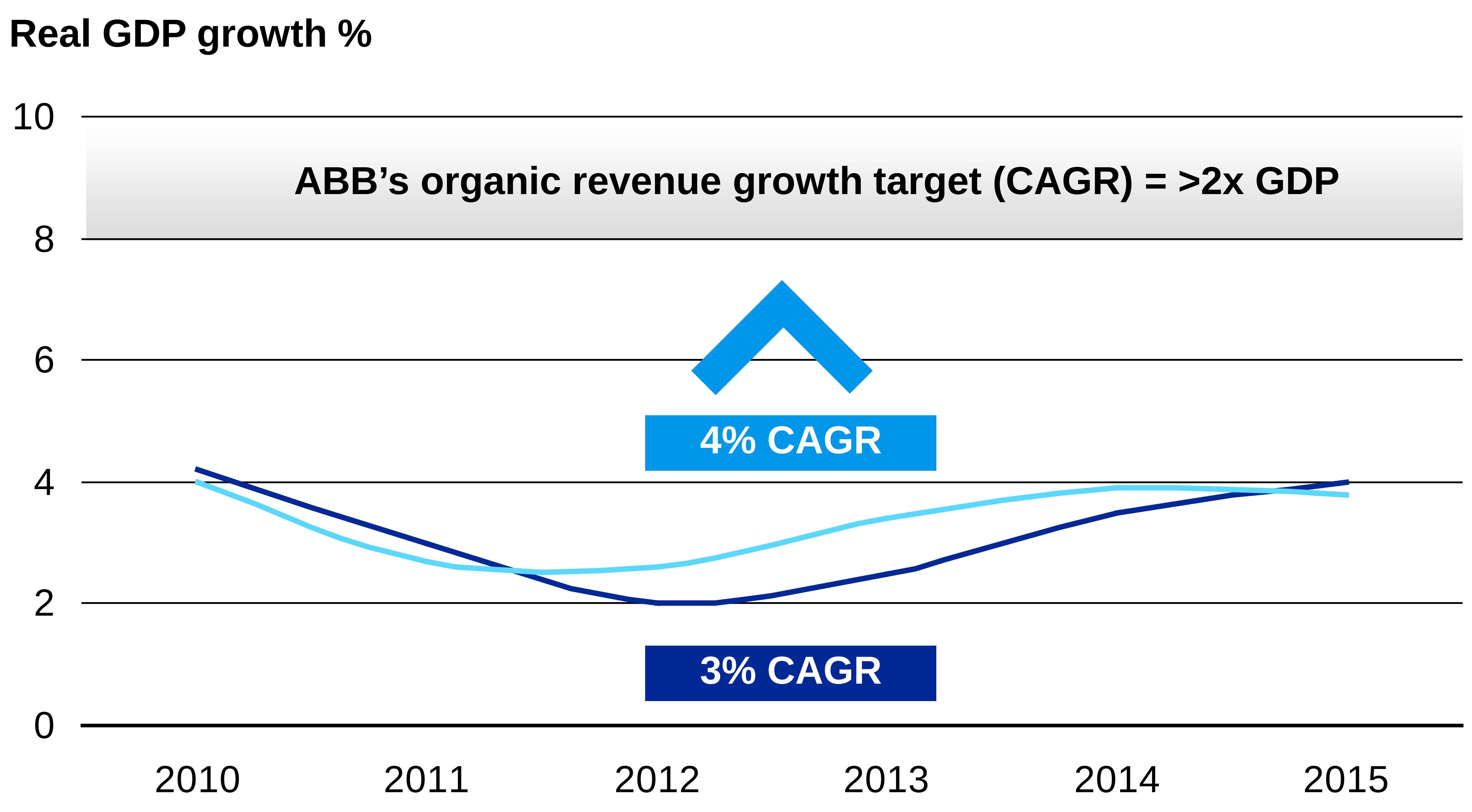
2011 – 2015 plan assumptions
We expect to outgrow global GDP by more than 2x

- Assumptions based on a slowdown in next 18 months, not a deep recession
- World GDP to grow 3 – 4%[1] p.a., emerging market (EM) growth >2x developed markets
- Global industrial capex to grow 5 – 6% p.a., EM capex share growing to 65% from <60%
- ABB's markets assumed to grow 6% CAGR over the period

World GDP growth assumptions[2]



1 Compound annual growth rate, base year 2010; 2 Source: Global Insight

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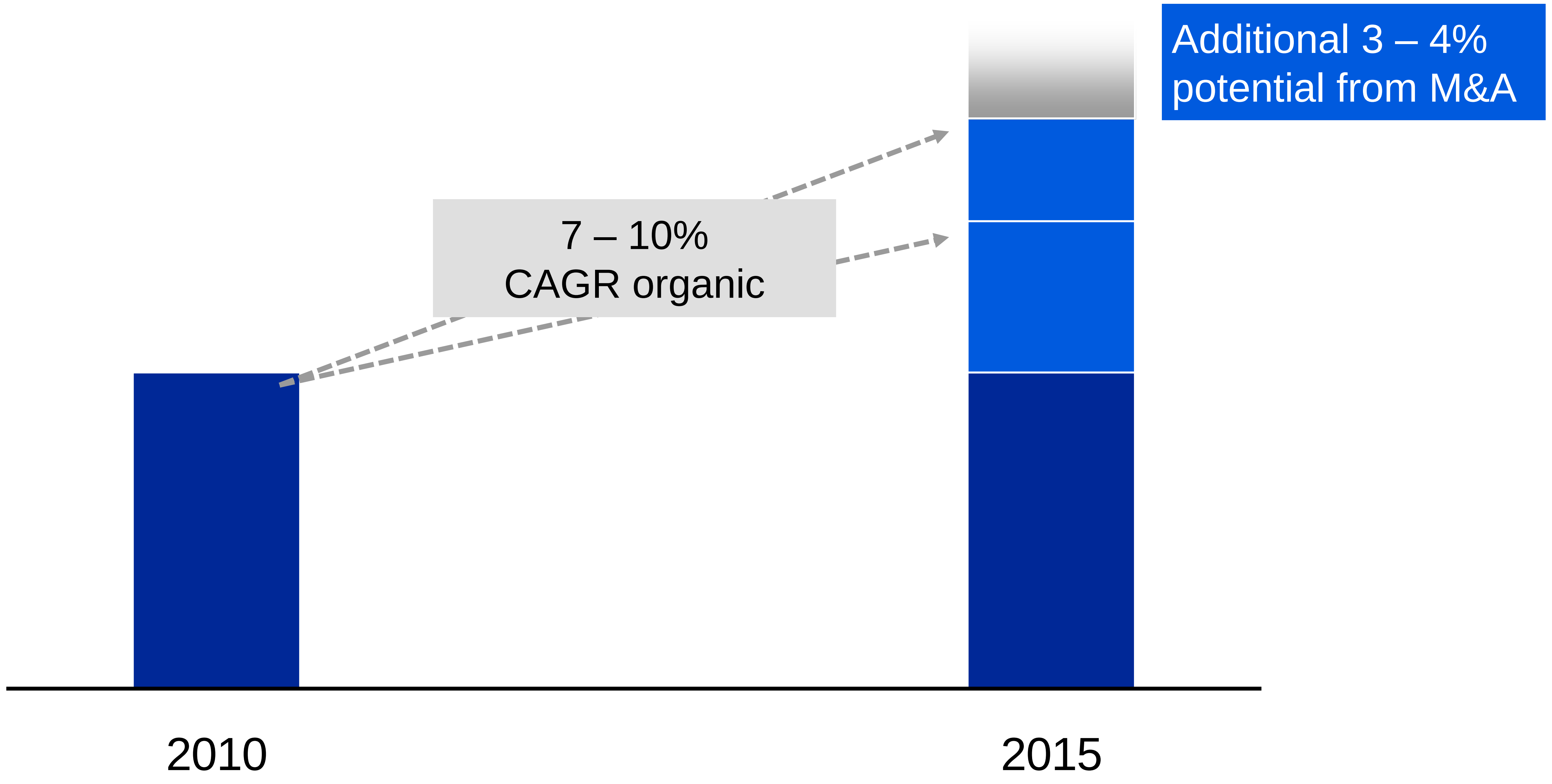
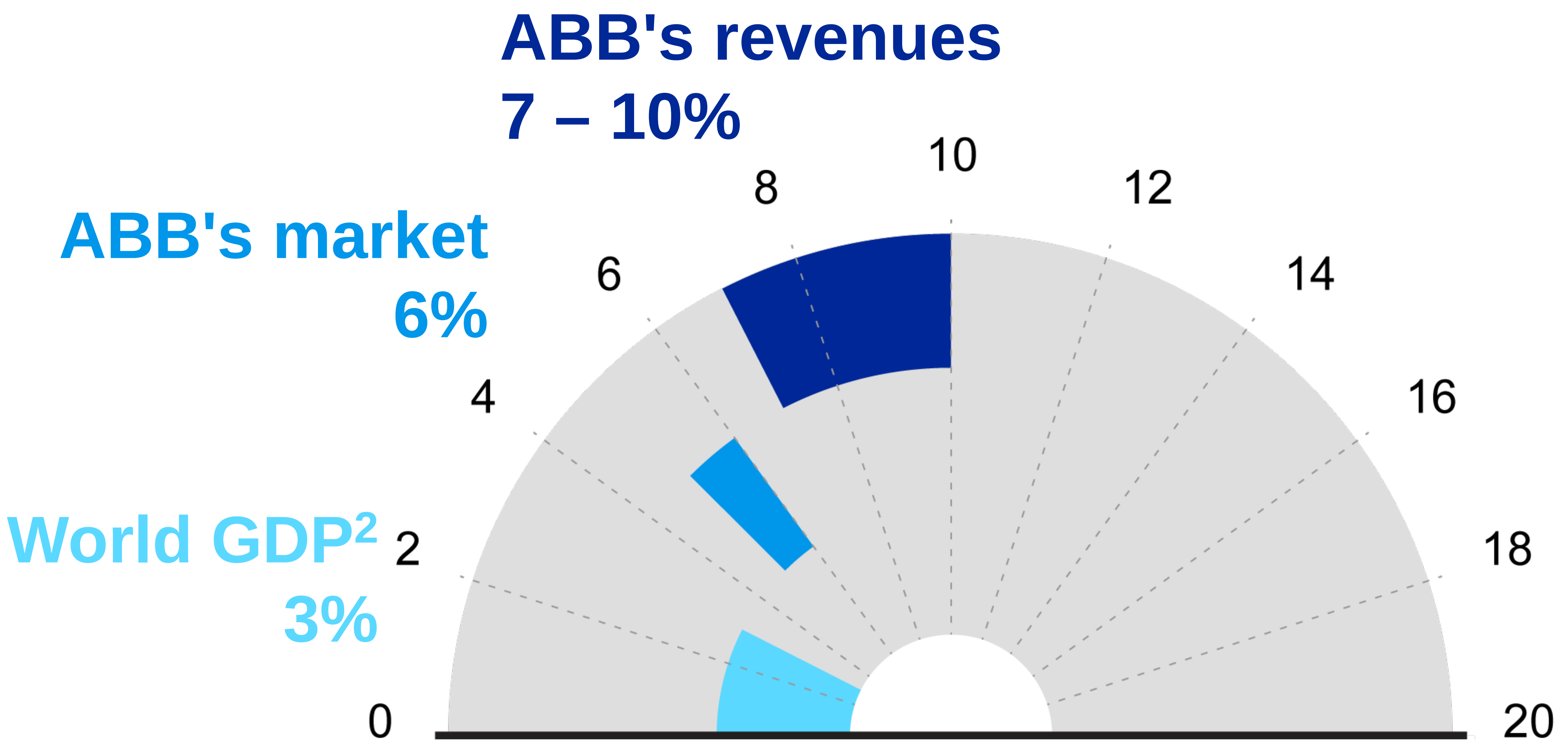
Group Target
Organic revenue growth 7% to 10% a year CAGR

Revenue growth CAGR[1] 2011 – 2015
Base year = 2010



- Baldor, Ventyx and Mincom account for ~1.5% of 7 – 10% organic growth – they're in the portfolio today
- "Pure" organic growth is 5.5% to 8.5% CAGR

Base scenario



- Emerging market strategy: "In country, for country"
- Mature economies focus: gain shares in local markets
- Further focus on energy efficiency, grids, renewables
- Service and software growth in high teens, to reach >20% total sales

1 Compound annual growth rate, base year 2010

2 Source: Global Insight

Group Target

Operational EBITDA margin corridor 13% to 19%

Drivers

Supportive

- Growth in service and software expected to lift Group margins from current levels
- Value-based pricing, packaged solutions
- Cost savings to protect gross margins – primarily sourcing, operational excellence and footprint
- Steady G&A to absorb more volume

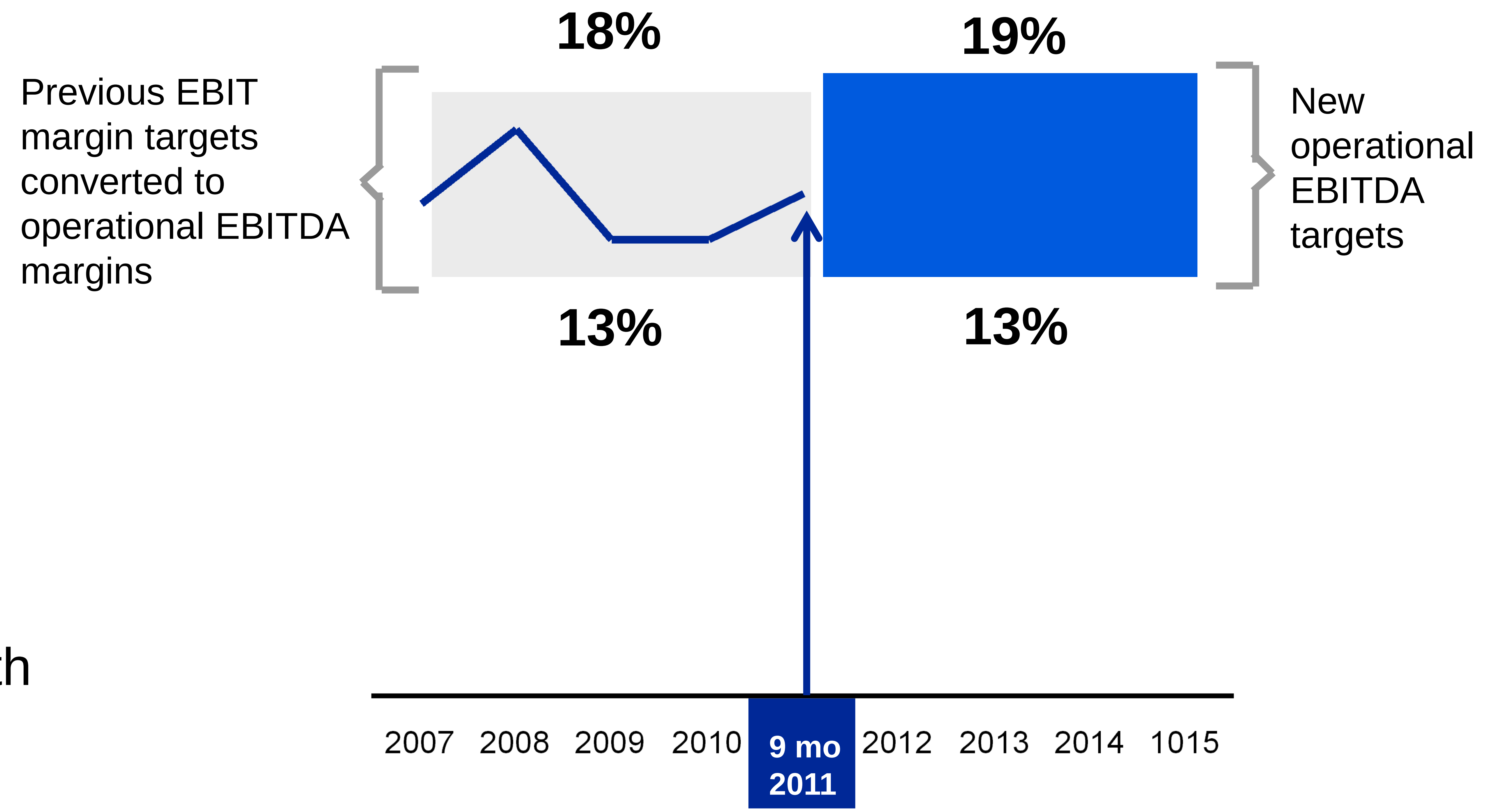
Dilutive

- Continuous price pressure – emerging competitors, overcapacity in some segments
- Investments into R&D and selling to accelerate top line growth

Potential M&A initiatives expected to deliver EBITDA margins within the target range

Operational EBITDA margins[1] and targets 2005 – 2015

% operational revenues

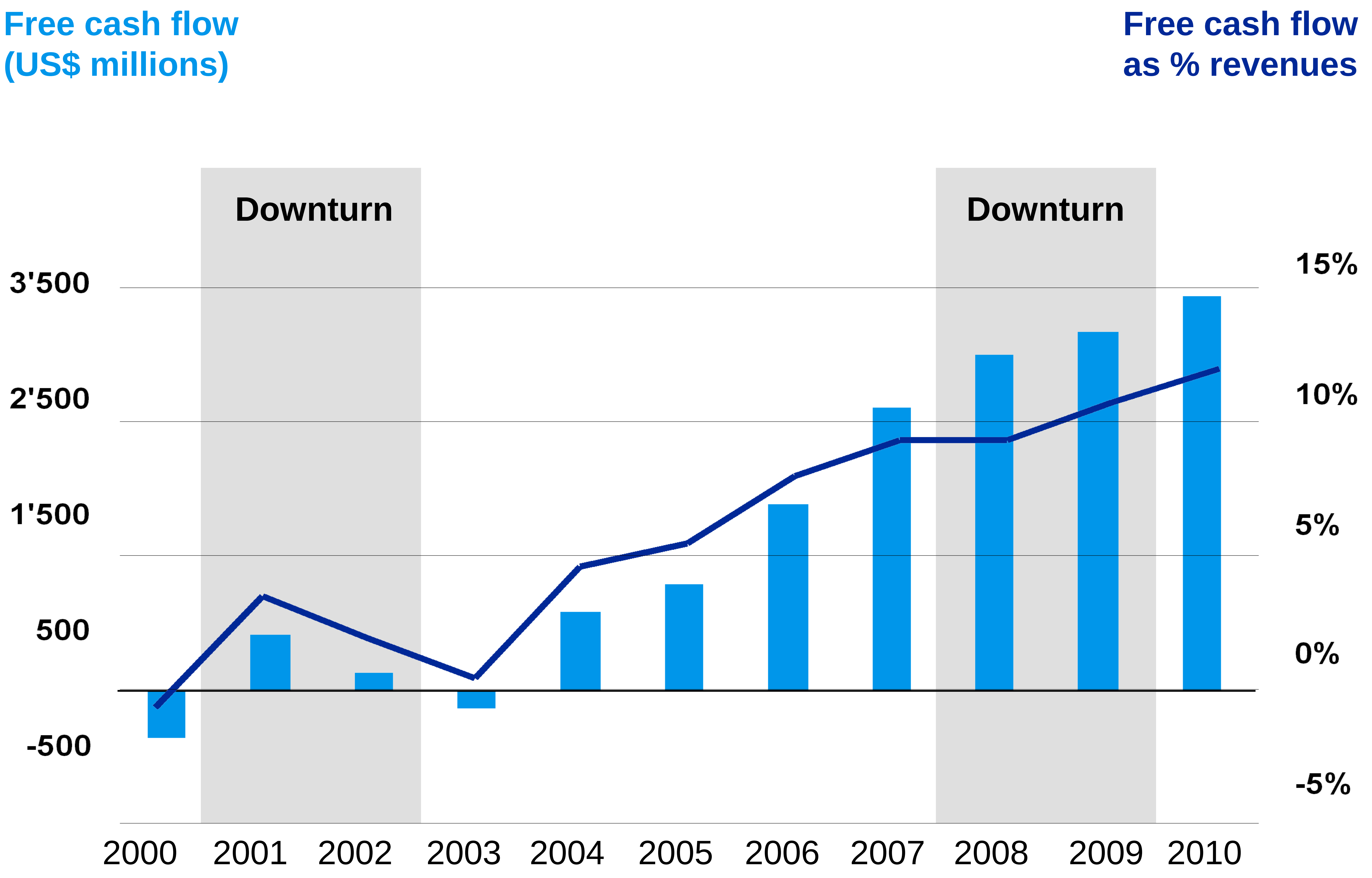


1 See Appendix for reconciliation of non-GAAP measures

Group target
Average Net Income conversion to Free Cash Flow >90%

- Ambition to stay at the top of the league for cash generation
- Capital expenditure expected to continue above depreciation
- Higher capex partly offset by net working capital discipline (11 – 14% of revenues over the cycle)
- Target average conversion >90% across the plan period (also including potential M&A)

Free cash flow and as % revenues 2000 – 2010



Conservative financial strategy
Solid single A rating remains our standard

- Net debt/EBITDA ratio ~1.5x, gearing <40%
- Debt maturities repaid out of free cash flow
- Customer financing without loading ABB balance sheet
- Centralized financial risk management and execution
- Strict hedging policy – forex, interest rates, commodities
- Acquisition financing always in line with balance sheet targets
- Steadily rising, sustainable annual dividend policy
- Additional distributions (special dividend, share buyback) only if/when M&A doesn’t require full availability of cash

Investment priorities

1. Organic growth, R&D, and capex
2. Value-creating acquisitions
3. Paying annual dividend in line with policy
4. Returning additional cash to shareholders

M&A investment criteria

1. Cash return >WACC within 3 years
2. IRR > WACC + specific hurdles
3. Financing designed to retain investment grade

Summary: Combining ambition with execution focus

- New targets combine ambition with solid execution plan
- Current uncertainty may slow near-term growth …
- … but we expect market to return to full potential in 2013
- Management focus is on the balance between growth AND cost
- Updated metrics: Shift focus to cash instead of accounting earnings
- Financial strategy maintains M&A discipline, conservative balance sheet
- Proven record of agility and discipline

Ready for growth, prepared to be resilient

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November 4, 2011

Summary

Joe Hogan, CEO

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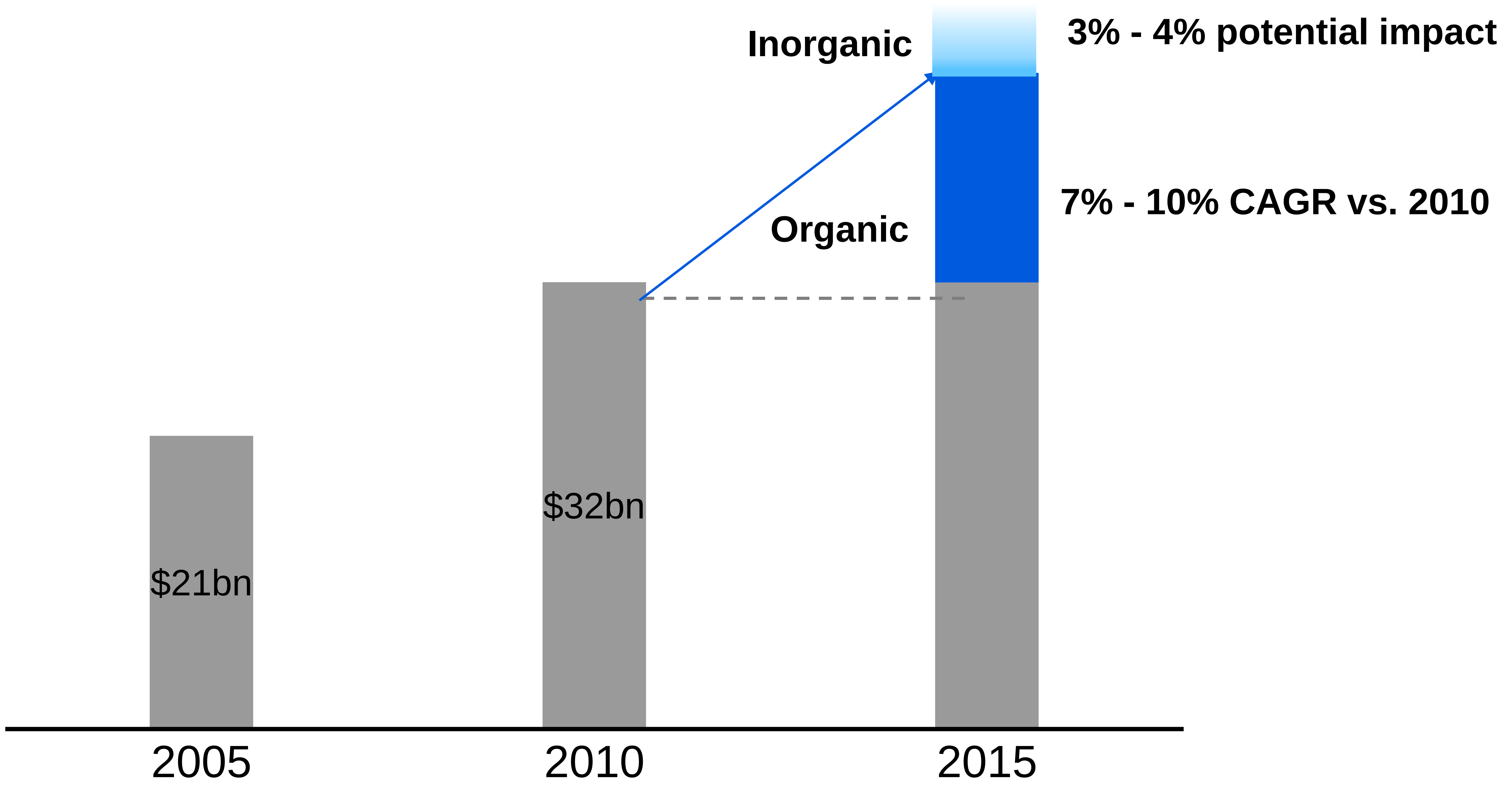
ABB expects to outpace world economy
Revenue growth at twice the pace of global GDP through 2015



Macro growth drivers:
- Emerging markets
- Climate change investment
- Service & software expansion
- Infrastructure spend emerging & developed

Key growth areas
- Grid expansion and reliability
- Emerging market growth in power and automation
- Service and software growth entitlement
- DC technology market expansion
- Automation business expansion
- Energy efficiency
- Renewables

2015 Strategy Summary

Long term growth

Find and exploit disruptive opportunities in relevant markets

Disciplined M&A across products, markets and geographies

Aggressively expand core business to secure next level of growth

Capitalize on mega trends: anticipate, participate and lead in key mega trends

Execution

Drive competitiveness and stay relevant in our current markets

- Continue to drive cost and quality competitiveness
- Invest in technology leadership
- Efficient use of assets: cash, people, IP & brand
- People development and Investment

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