

**Hubertus von Grünberg**  
**ABB Chairman of the Board**  
**ABB Annual General Meeting**  
**May 5, 2009**

**Check against delivery**  
**The German original is binding.**  
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Honored Shareholders,  
Ladies and Gentlemen

This is the second time that I have had the occasion to report to you on ABB. Since we last met our operating environment has undergone a seismic shift. Last year we were all delighted by lush fields and vigorous growth and the question we were most likely to ask was whether we would have enough teams and machines available to cover the harvest. This year our worries are more likely to center around the question of whether we'll still be able to keep our teams busy enough throughout the entire year.

Nevertheless, there's no reason to succumb to pessimism or bemoan our plight. Your ABB, Ladies and Gentlemen, is operating in the right business areas and entering this bout of stormy weather both healthy and strong.

Our sound balance sheet and sufficient net cash position will allow us to adjust to a wide variety of different challenges. The past doesn't always help us tackle the present – and that's the case here. In many respects, the past fiscal year was a record year. This holds true with regard to our earnings before interest and taxes as well as our 20 percent increase in sales just to name a few. Order intake reached 38 billion dollars. And because our teams' harvests around the world were so successful in 2008, we were able to get the year off to a strong start with a large order backlog of nearly 24 billion dollars. Of this, more than 60 percent will be converted into sales this year and will generate work in our factories. I extend a warm thank-you to the entire management team at ABB and to each and every one of ABB's 120,000 employees for this great achievement!

8,000 employees who joined us during the past year will be hearing these words of thanks for the first time today. One of them is ABB's new Chief Executive Officer, Joe Hogan. Last summer, my colleagues on the Board of Directors and I decided unanimously that he is the right man to take ABB up to the next level of success. Joe Hogan held management positions at General Electric for over 20 years, most recently heading up their medical technology division with great success. His wealth of experience also includes a few years in the automation business and in Europe.

Ladies and Gentlemen, it's obvious that a businessman of his caliber is not prepared to take a large financial loss when changing jobs. We therefore offered him a package which will tie him to ABB for the long term and which also makes up for financial entitlements – like pensions - he would be losing by leaving General Electric after 23 years. Actually, this so-called sign-on bonus is not really a bonus at all since its payout focuses on remaining

successful rather than simply showing up for work. It mainly consists of shares which will not be allocated immediately, but in two installments after a period of three and then five years. These shares were valued when he took up his post in September 2008. Their actual future value will depend on the stock's price performance and could differ considerably from the amount we indicated in our annual report. Joe Hogan's actual salary for his first four months here was CHF 633,000 and he was paid a bonus based on the company's 2008 results. His salary, including the potential bonus, is very much in the middle of the range for CEOs of comparable companies in Europe.

My colleagues on the Board of Directors and I followed the public discussion about the compensation package with great interest and also understanding. Large sums stand for a high level of responsibility and must be explained more precisely. I hope that I have been able to help you gain a better understanding of this matter. And I'd like to state once more for the record: At ABB, nothing is handed out without a service being rendered in return.

And speaking of service, we should also think back to services already rendered. I would like to take this opportunity to thank Michel Demaré who as interim CEO for most of 2008 helped to lead ABB to record results in 2008!

Yet along with all of these positive developments at ABB, there were also some negative highlights which I must mention at this point. In December 2008 we set aside larger provisions to cover fines which could be imposed in connection with investigations by US and European authorities relating to suspect payments and alleged anti-competitive practices. We had already announced the investigations themselves at an earlier point in time. Depending on outcome to these proceedings, the provisions set aside might not suffice.

I would like to reaffirm to you that if that any unethical conduct is discovered at ABB, no mercy will be shown. Any good deeds from the past will not be taken into account. I'm extremely glad that Joe Hogan has already gained extensive experience in the battle against this kind of misconduct and that his stance on the matter is absolutely clear.

Despite the shadow this cast, 2008 was an extremely successful business year for ABB and we would like you, too, Ladies and Gentlemen, to share in this success. During our years of crisis in 2002 and 2003, you stuck with us through thick and thin and remained loyal to ABB. As a result, the Board of Directors would like to propose a dividend again this year of CHF 0.48 per share despite the economic storms brewing on the horizon.

2009 started off under a very different star. The rapid decline in global demand is unprecedented. In light of the fact that entire sectors are in a tailspin, ABB has held its ground quite well so far. Order intake in local currencies "only" fell by 3 percent during the first quarter and sales in local currencies even experienced a 3 percent increase. At USD 4.8 billion, our net cash position remain high.

The question you're asking yourselves right now – and justifiably so – is whether ABB won't end up being hit even harder by the crisis in the months to come. I know that this answer is not satisfactory, but unfortunately the outlook for the remainder of 2009 remains unclear. We therefore began taking steps last December to boost our competitiveness regardless of how markets develop. These include a cost-cutting program which has been stepped up to a volume of two billion dollars. In a few minutes Joe Hogan will explain in more detail how we not only plan to guide ABB out of the current downswing but strengthen its operations, in the process.

The fact that we are sticking to our medium-term financial targets for 2011 demonstrates that, all things considered, our confidence remains strong.

Ladies and Gentlemen, ABB is operating in the right business areas and is benefiting from long-term trends:

Both the thirst for energy and the battle against climate change will ensure that we don't run out of work.

Energy consumption alone is expected to double by the year 2030. Emerging countries will have to expand their energy grids massively over the next few years. Industrial nations, on the other hand, are facing a comprehensive modernization of their grids. This development goes hand in hand with the numerous economic stimulus programs announced in the past few months. China alone intends to extend its electricity grid by 26,000 kilometers and has budgeted around USD 130 billion for the undertaking. Around USD 19 billion are earmarked for modernization measures in the US. There and here, increasing amounts of money are being invested in the generation of electricity from renewable energy sources.

ABB is making an important contribution toward ensuring that renewable sources of energy can be used as effectively as possible. Intelligent controls, for example, ensure that solar panels in the larger solar parks follow the sun to ensure maximum exploitation of the sun's light. The world's fastest robot is built by ABB and is used for wafer and solar cell manufacturing.

Energy sources are frequently far removed from the places where electricity is actually consumed in industrial plants and households. We laid the world's longest underwater power cable to allow clean hydropower from Norway to be used in central Europe. At present we are working in the North Sea to connect the largest off-shore wind park to the mainland. For the wind energy sector, in particular, we can offer a wide range of products, systems and services for the purpose of converting wind to electrical energy and then feeding it into the grid over long distances yet with very few losses.

However our concern isn't just focused on the flow of electricity on its way to electrical outlets but also on the question of whether the energy is put to productive use once it gets there. Energy efficiency will remain a hot topic for many years to come because as soon as the economy starts taking off again, even just a little bit, raw material prices will also rise. Today we are preparing the industry for the upswing ahead. Our technologies effectively help increase energy efficiency and cut carbon dioxide emissions – whether in a paper factory or a nickel mine. Particularly in an age of tightened budgets, it's easy to argue that an increase in plant efficiency always leads to a reduction in costs.

When we talk about energy efficiency, however, we're not only addressing our industrial customers. ABB produces a broad range of intelligent low-voltage products for private residential construction. There, too, great savings potential can be found. Improved temperature control can cut energy consumption by up to 30 percent, modern lighting control systems by up to 50 percent. Just ask your electrician!

Ladies and Gentlemen, dear Shareholders, as you see, ABB offers the answers to pressing future issues which do not diminish in importance even during this crisis. In the past we have done our homework so that we can look forward with confidence. And luckily, many of those employees who mastered the "home-grown" crisis in 2002 and 2003 are still with us today.

Experiences such as these engender mental fortitude and also serve as a source of inspiration to me since I joined the company at a later point in time.

Please rest assured that I, together with my fellow Board members and the members of ABB's Group Management, will do everything in my power to keep your company, ABB, on the path to success.

My colleagues and I would like to ask you for your trust and your support in these efforts. ABB has great substance and we want to continue to enhance it. Together.

Thank you for your attention.