

October 28, 2010

ABB Q3 2010 results

Joe Hogan, CEO
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 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 related to the financial crisis and economic slowdown, costs associated with compliance activities, the amount of revenues we are able to generate from backlog and orders received, raw materials 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.

Strong Q3 results lifted by short-cycle, cost leverage

Order growth accelerates to 18% vs 5% in Q2

- Demand for energy efficiency and renewables lifts orders
- Every automation division shows orders up >25%
- Power distribution recovers, transmission still a challenge
- Base and large orders higher
 - Large orders up 32%, incl. biggest-ever PS order for offshore wind connection (>\$700 million)
- Group revenues return to growth for 1st time in 5 quarters
- Operational EBIT¹ and EBIT margin benefited from higher volumes on improved cost base
 - Cost savings \$350 million in the quarter
 - Operational EBIT margin at 14.0%

¹ See Chart 28, Reconciliation of financial measures to US GAAP

Q3 2010 key figures

Key figures Q3 2010 vs Q3 2009

change

<i>US\$ millions unless otherwise indicated</i>	Q3 2010	Q3 2009	US\$	Local
Orders received	8,197	7,060	16%	18%
Revenues	7,903	7,910	0%	2%
Order backlog	26,593	26,159	2%	1%
Operational EBIT	1,094	1,029 ¹	6%	
as % of operational revenues	14.0%	13.0%		
Net income	774	1,034 ²		
Basic earnings per share (US\$)	0.34	0.45		
Cash from operations	1,362	1,281		

¹ Operational EBIT excluding net gain of \$430 million on previously-announced provision adjustments

² Includes a net gain of \$380 million from previously announced provision adjustments

- Operational EBIT up 6%
 - \$80 mill net gain on derivative transactions
 - \$20 mill. negative from restructuring-related costs
- Operational EBIT margin = 14.0%
- Excl. Q3 09 provision adjustments, net income up double-digits

Short-cycle revenue recovery fuels EBIT growth

Cost improvements continue to support margins

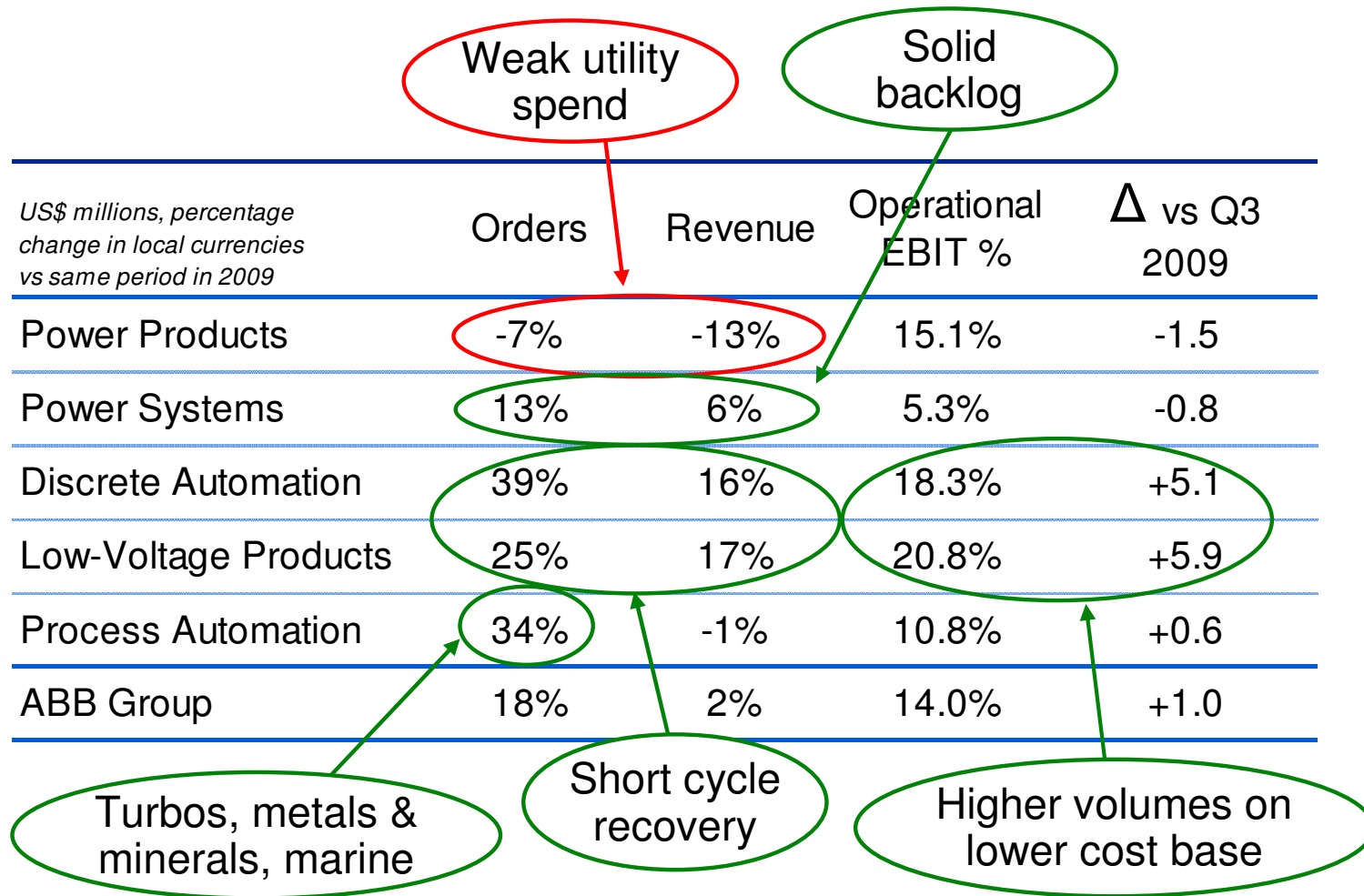
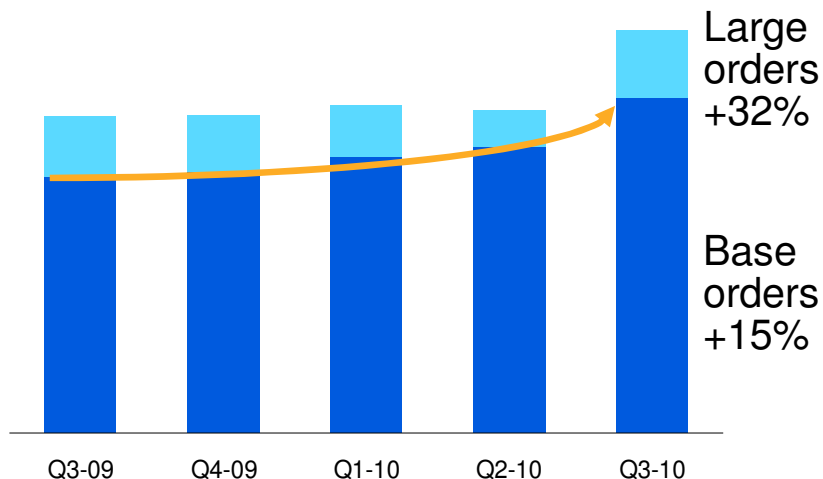


Chart 5

Accelerating sequential increase in orders

Orders Q3 2009 to Q3 2010

in local currencies



- Automation orders up 33%
- Power 7% higher on distribution and large offshore wind order – transmission still down
- Q3 service orders up 13%

Base order growth by division and region Q3 2010 vs Q3 2009

in local currencies

Power Products	-8%	Europe	+20%
Power Systems	+6%	Americas	+26%
Discrete Automation & Motion	+41%	Asia	+8%
Low Voltage Products	+25%	Middle East & Africa	-3%
Process Automation	+20%	Total	+15%

Chart 6

Growth highlights in Q3



Renewable energy

- \$700-million offshore wind order in Germany
- Solar business boosts LP and DM



Emerging markets

- Automation orders up 36%

Short cycle businesses

- LP and DM boosted by need for energy efficiency
- Medium Voltage and distribution transformers improved

Services revenues up 11%, growing faster than group



Power transmission still under pressure

Distribution recovering on industry and construction

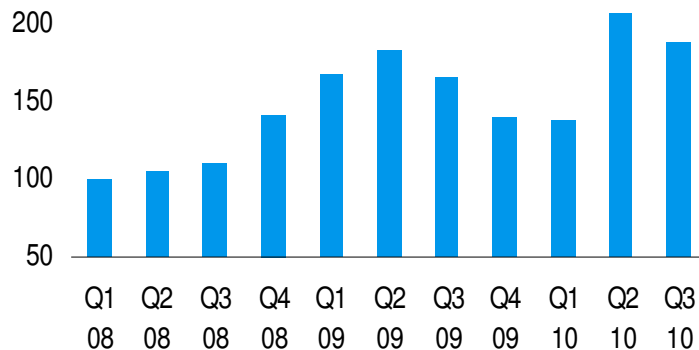


MV air-insulated switchgear
for primary power distribution

- Power distribution leads the recovery
- Medium Voltage orders up double-digits, mainly on industrial demand
- Distribution transformers up on industry and construction
- Power transformers and HV down on low transmission spend

PS tender backlog Q1 08-Q3 10

Index Q1 08 = 100



PS tender backlog
remains robust

Chart 8

Strong automation growth in most regions

Power recovering in Asia, large orders lift Europe

Order growth by region
Q3 2010 vs Q3 2009
(in local currencies)

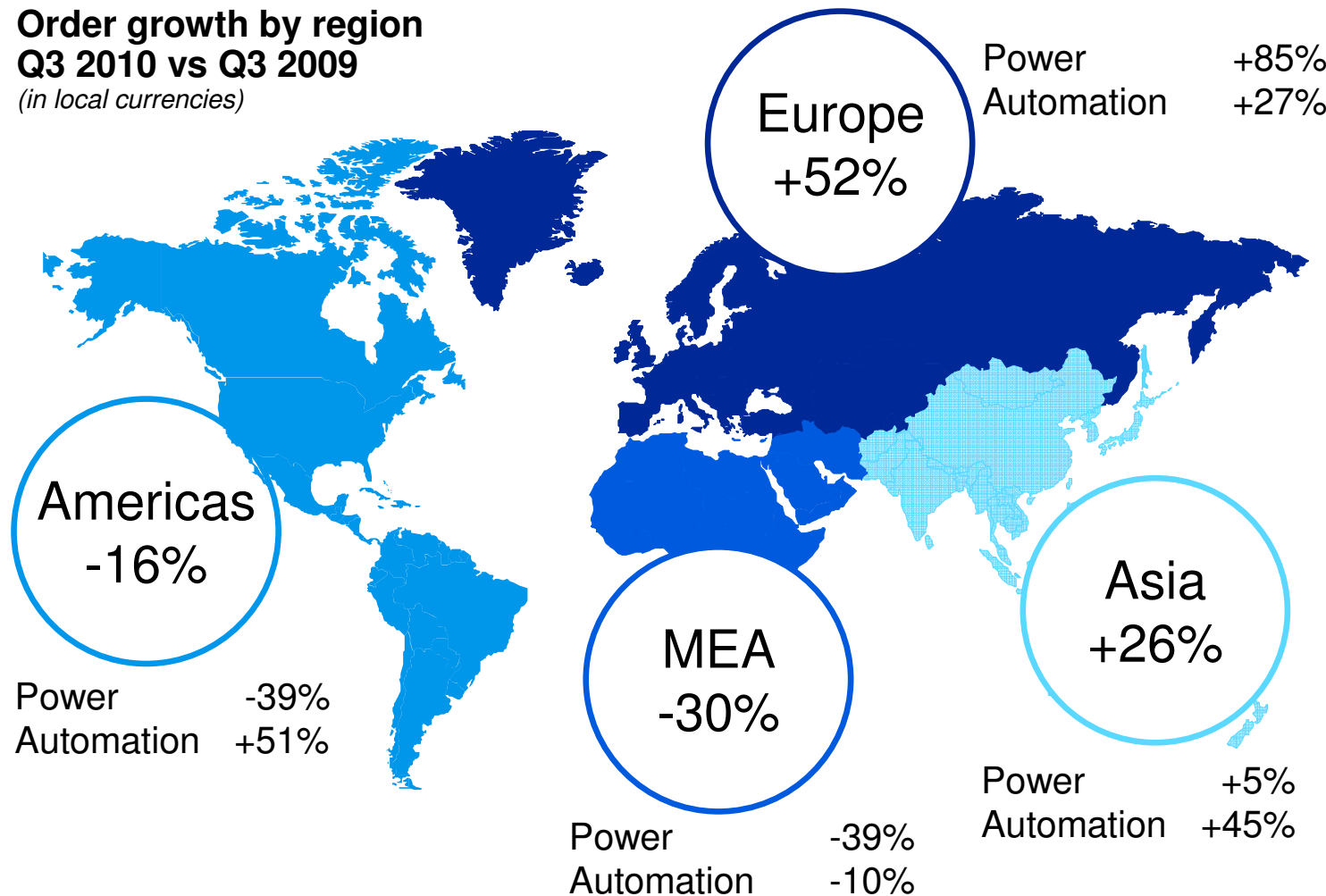


Chart 9

Power and automation performance in key markets

Order growth by selected country Q3 2010 vs Q3 2009 *(in local currencies)*

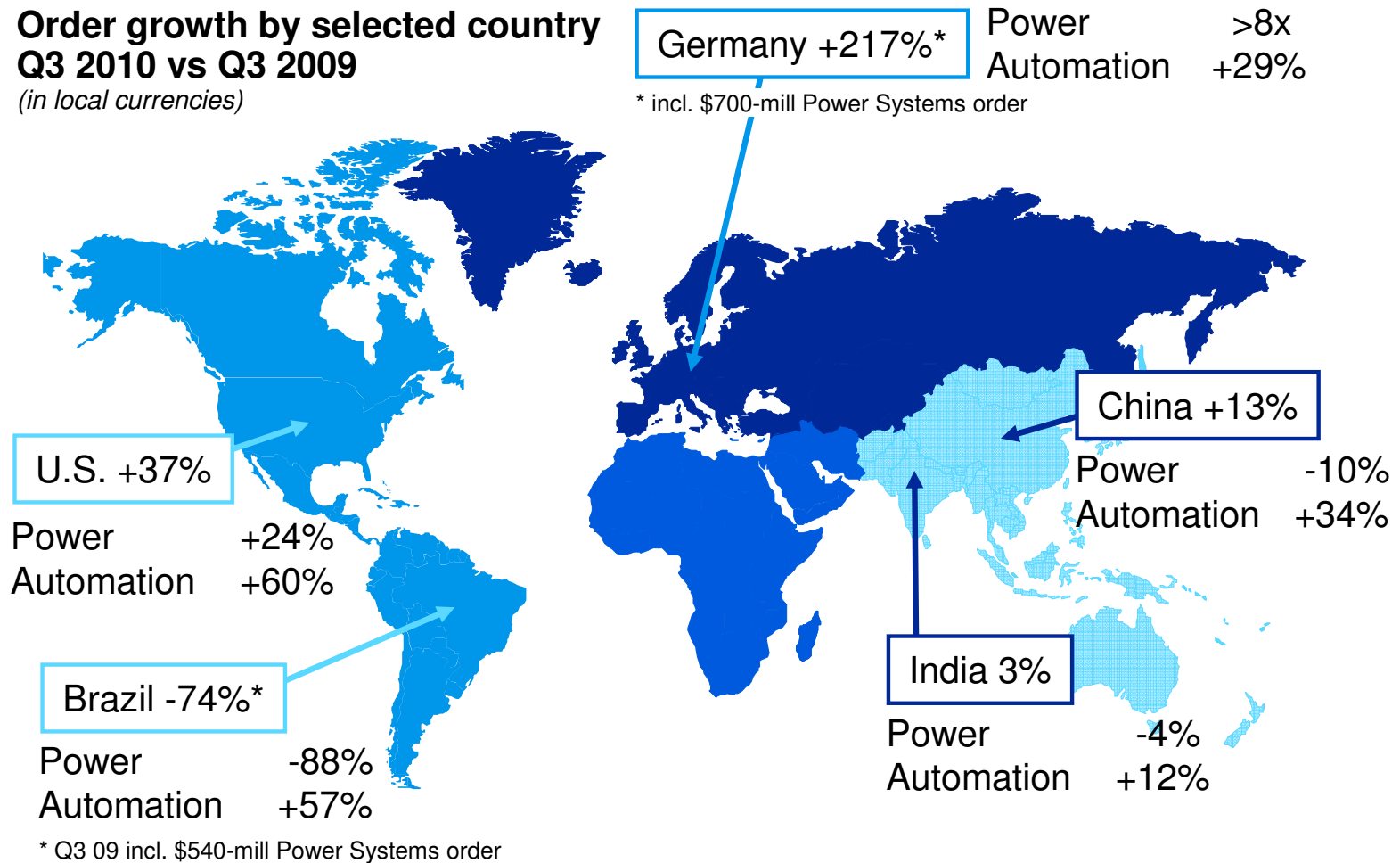


Chart 10

Update on China and India

Order growth reflects portfolio strengths

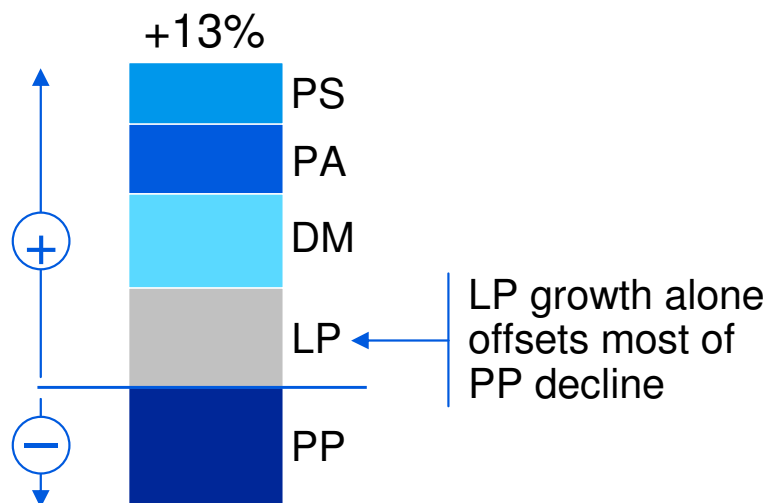
China

- Automation growth spurs Q3 recovery
- PP still under pressure but progress on mid-segment strategy

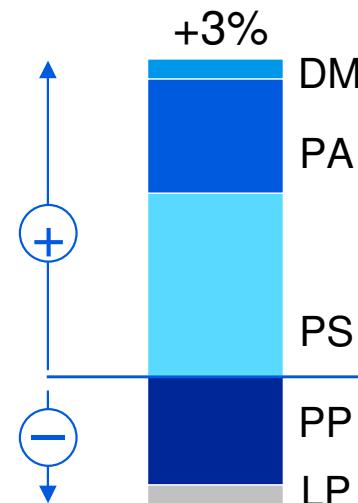
India

- Solid quarter for PS (both industry and transmission) and PA (metals)
- Ownership at 75% as of August

Change in orders by division, China
Q3 2010 vs Q3 2009



Change in orders by division, India
Q3 2010 vs Q3 2009



Holding operational EBIT margin within target band

Supported by dynamic power & automation portfolio

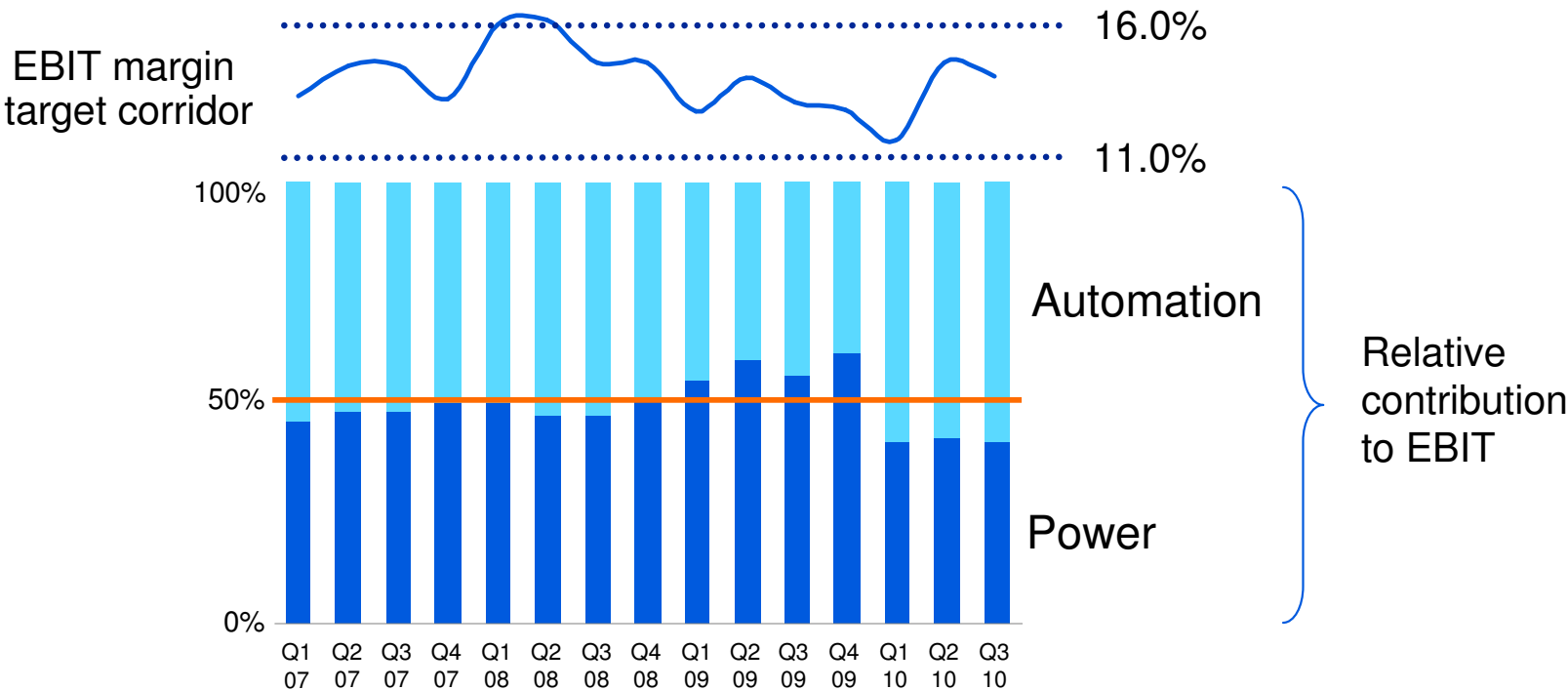


Chart 12

DM and LP enjoying strong incremental margins PP well within the range, PS remains a challenge

Operational EBIT margin Q3 2010 and YTD 2010

in percent

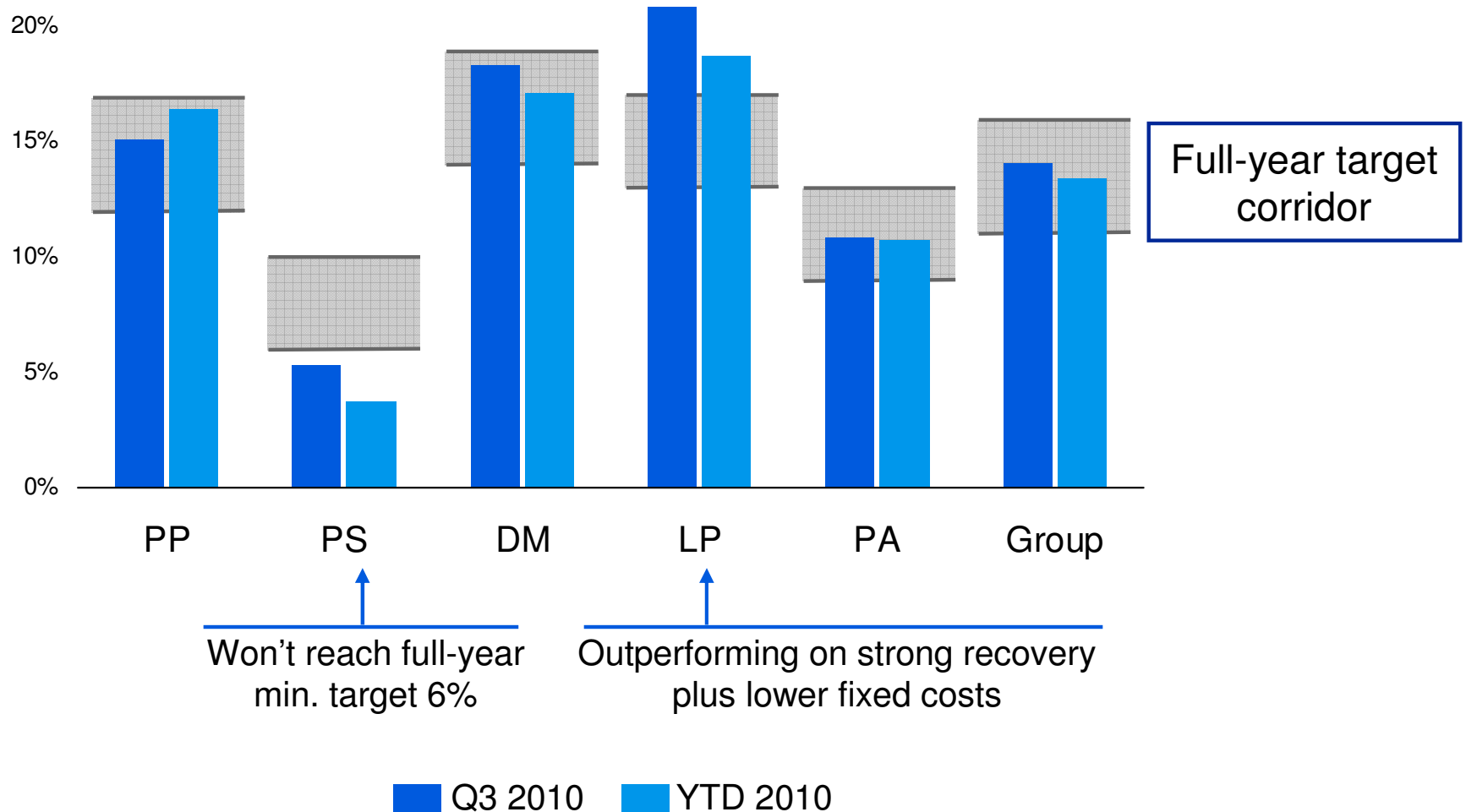
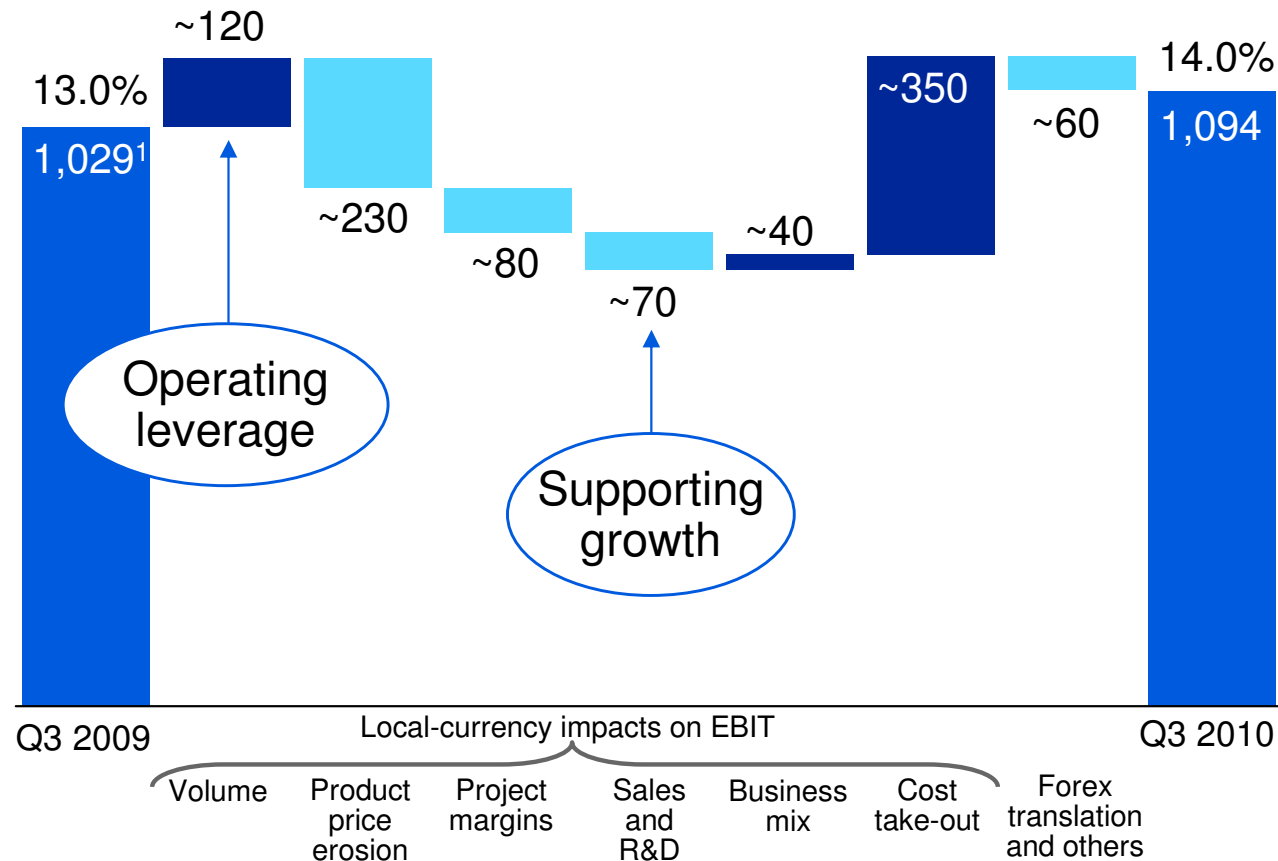


Chart 13

Cost savings and volume leverage more than offset price

Local currency analysis of change in operational EBIT



¹ Operational EBIT excl. previously-announced provision adjustments

Chart 14

Cost take-out on schedule

Some \$350 million savings in Q3 2010

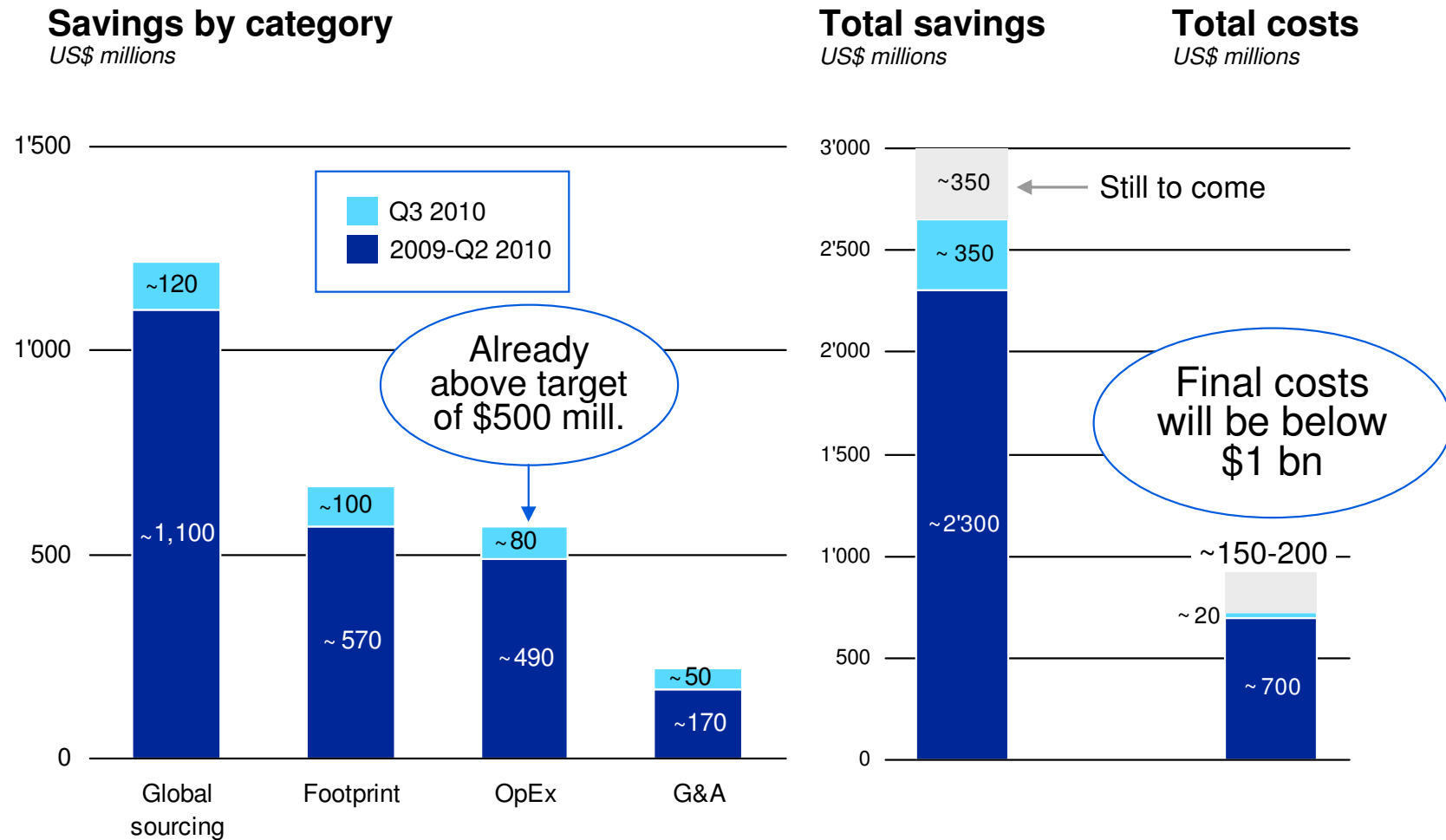
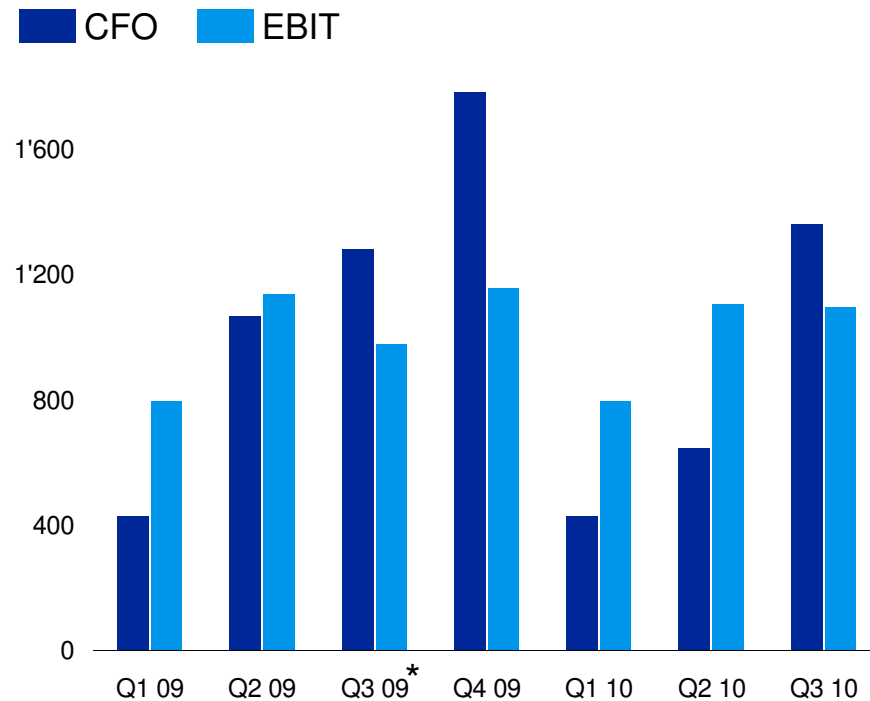


Chart 15

Cash conversion and balance sheet remain healthy

Cash from operations vs Operational EBIT

US\$ millions

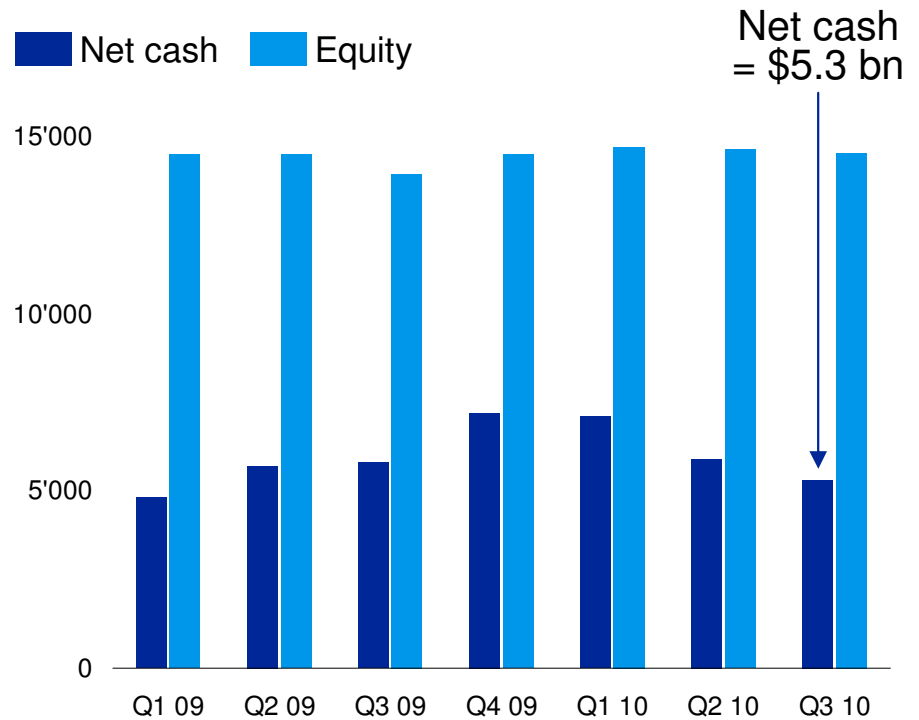


- Cash shows normal seasonality
- Divisions with higher net working capital and restructuring expenses

* Operational EBIT excl. impact of previously-announced provision adjustments

Net cash & stockholders' equity Q1 09-Q3 10

US\$ billions, end of period



- Annual dividend = \$1.1 bn
- ABB India shares = \$950 mill

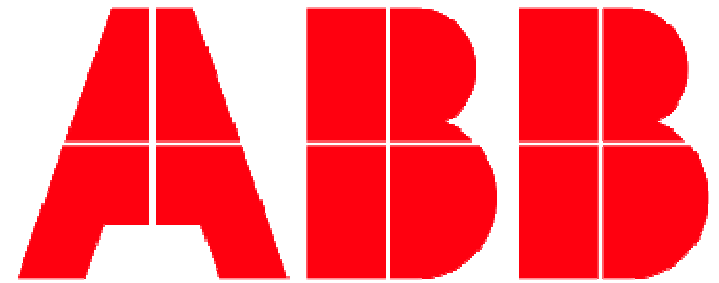
No change in market outlook

Emerging markets remain key, late-cycle unclear

- Emerging economies continue to drive global economy
- Short-cycle industries still robust, led by emerging markets and demand for energy efficiency
- Renewables, esp. wind and solar, growing quickly
- Service business continues to rebound
- Some recovery in power distribution, transmission unclear
- Two-speed recovery in industrial capex – emerging markets growing faster than mature markets

ABB well positioned to capture further growth, late-cycle portfolio to benefit in 2011 and beyond

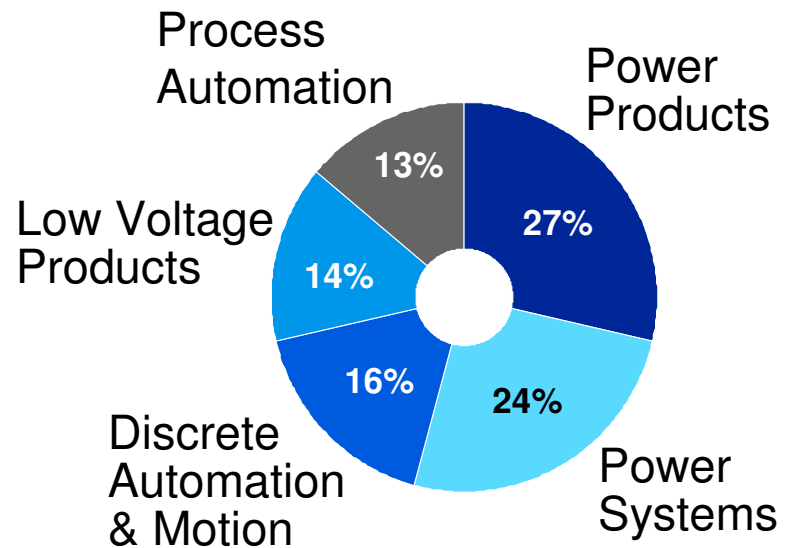
Power and productivity
for a better world™



Balanced business and geographic portfolio

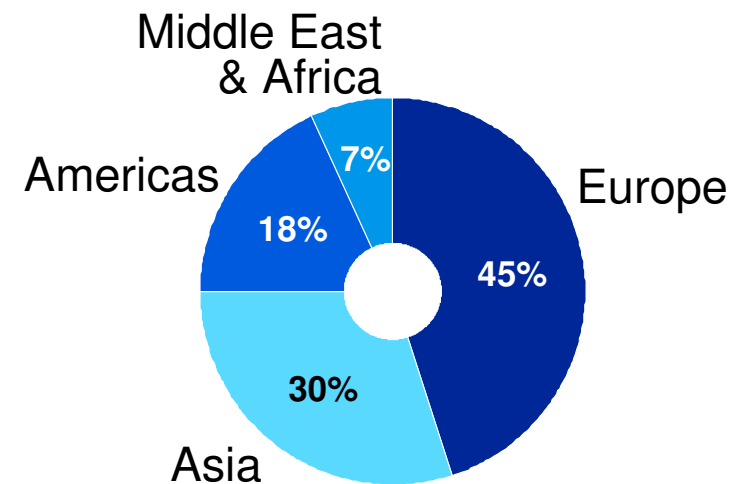
Orders by division

% of total orders Q3 2010



Orders by region

% of total orders Q3 2010



ABB's businesses by division and region

Percentage of total orders and revenues by region Q3 2010

US\$

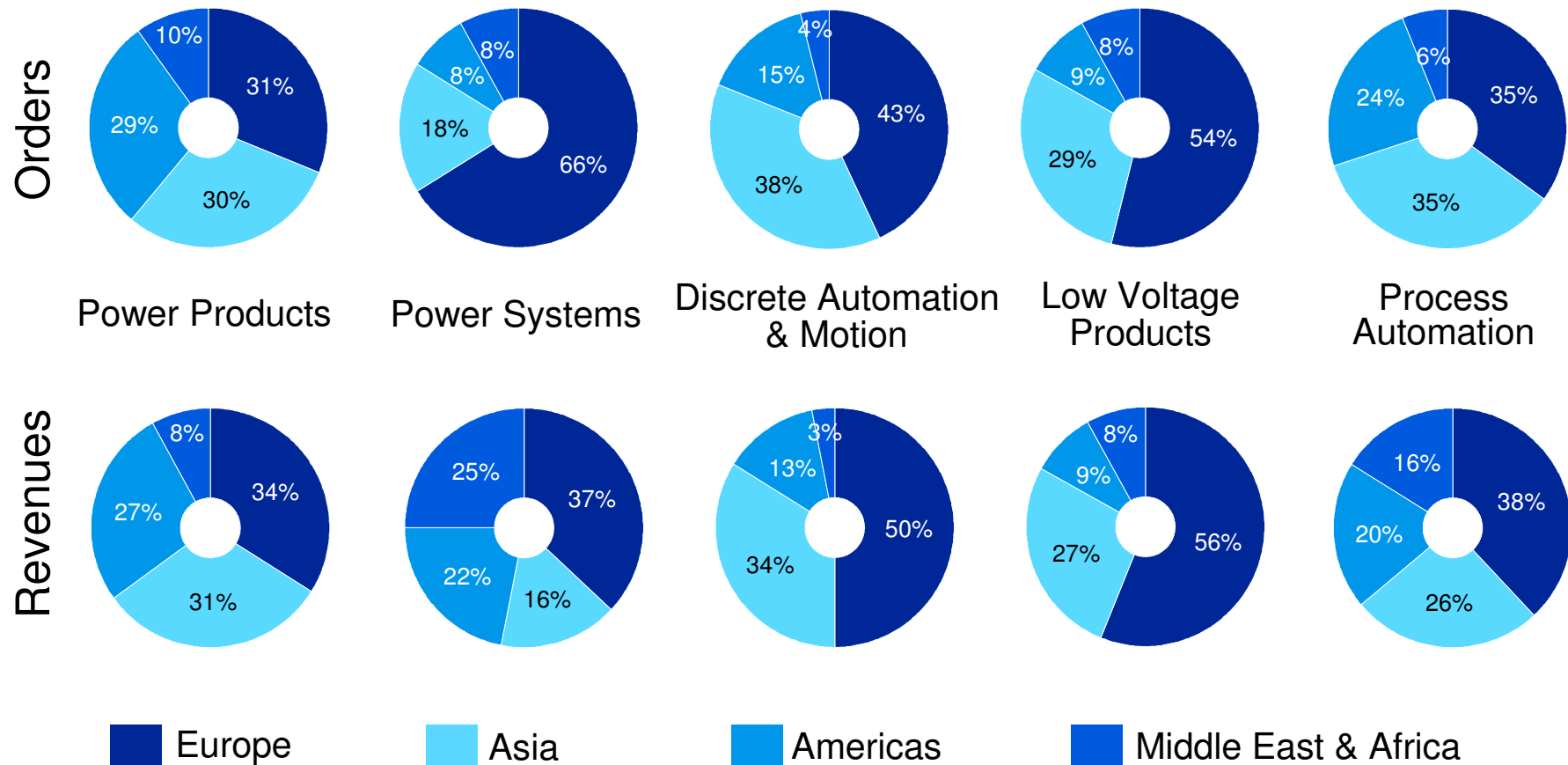


Chart 20

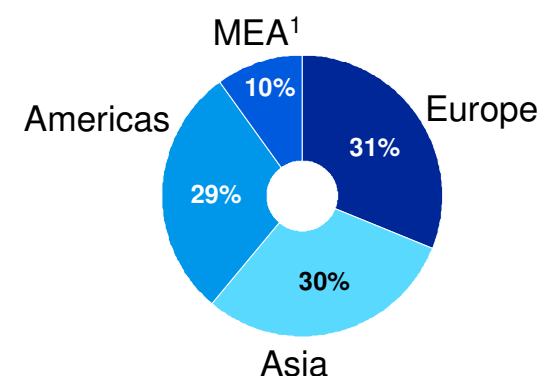
Power Products Q3 2010 summary

Key data Q3 2010

US\$ millions unless otherwise stated

	Q3 2010	Q3 2009	Change	
			US\$	Local
Orders received	2'364	2'553	7%	-7%
Order backlog (end Sep)	8'259	8'712	-5%	-6%
Revenues	2'439	2'823	-14%	-13%
EBIT	404	477	-15%	
as % of revenues	16.6%	16.9%		
Cash from operations	467	592		

Orders by region Q3 2010



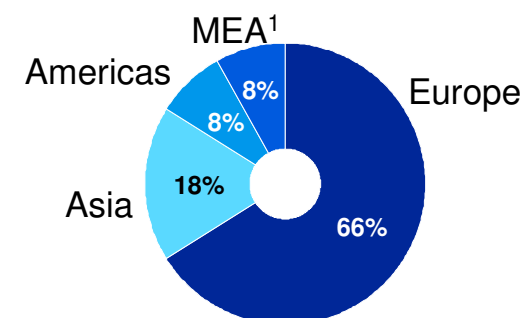
- Medium-voltage, distribution transformers up on short-cycle demand, power transformers, high-voltage lower as utility spend on power transmission remains weak
- Double-digit growth in N. Am. on power distribution recovery, up in Middle East & Africa on large orders, down in Europe and Asia
- Revenues mainly reflect lower orders in preceding quarters
- Lower volumes and price pressure resulted in lower EBIT and EBIT margin, partly offset by product mix and cost reduction

Power Systems Q3 2010 summary

Key data Q3 2010

US\$ millions unless otherwise stated	Q3 2010	Q3 2009	Change	
			US\$	Local
Orders received	2,158	1,991	8%	13%
Order backlog (end Sep)	10,446	9,770	7%	7%
Revenues	1,679	1,612	4%	6%
EBIT	102	117	-13%	
as % of revenues	6.1%	7.3%		
Cash from operations	33	11		

Orders by region Q3 2010



- Industrial demand up and project tendering remains strong but overall utility capex still at low levels
- Europe orders higher, incl. ca. \$700-mill HVDC offshore wind project – largest-ever order for PS
- Orders up in Asia, lower in MEA¹ and Americas (vs. large Brazil order in Q309)
- Revenues show execution of strong backlog and incl. ca. \$50 mill from Ventyx
- EBIT and EBIT margin lower on product mix and price -- additional charges in cables offset by provision releases related to Russia and recently-announced settlements with SEC and DoJ

Chart 22

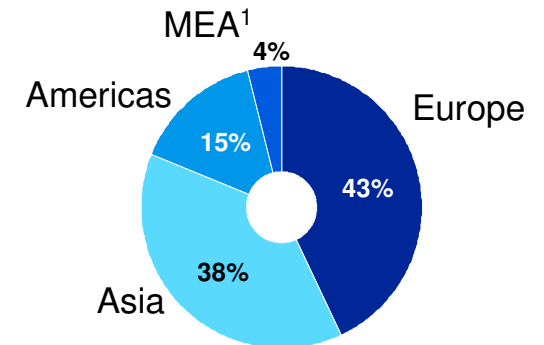
Discrete Automation and Motion Q3 2010 summary

Key data Q3 2010

US\$ millions unless otherwise stated

	Q3 2010	Q3 2009	Change	
			US\$	Local
Orders received	1,473	1,080	36%	39%
Order backlog (end Sep)	3,486	3,375	3%	2%
Revenues	1,460	1,280	14%	16%
EBIT	268	159	69%	
as % of revenues	18.4%	12.4%		
Cash from operations	156	272		

Orders by region Q3 2010



- Efficiency and productivity demand led orders up in all businesses and regions, led by Americas and Asia – incl. >30% in China
- Higher revenues show orders from previous quarter flowing into sales in LV drives, motors, robotics – power electronics, MV drives up on execution of large projects from backlog
- EBIT and EBIT margin reflect higher revenues, cost savings

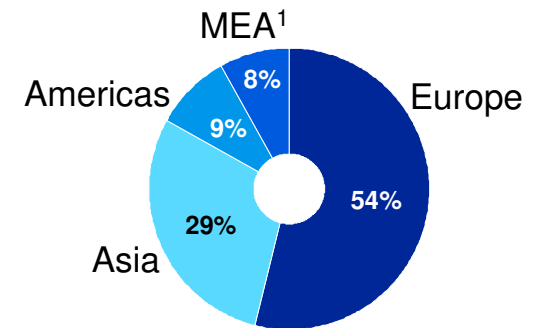
Low-Voltage Products Q3 2010 summary

Key data Q3 2010

US\$ millions unless otherwise stated

	Q3 2010	Q3 2009	Change	
			US\$	Local
Orders received	1,219	1,015	20%	25%
<i>Order backlog (end Sep)</i>	<i>970</i>	<i>817</i>	<i>19%</i>	<i>20%</i>
Revenues	1,187	1,052	13%	17%
EBIT	245	148	66%	
as % of revenues	20.6%	14.1%		
Cash from operations	240	246		

Orders by region Q3 2010



- High demand from industrial, solar, construction sectors – strong double-digit growth in Americas and Asia
- Revenues up in all product businesses, service revenues >30% higher, reflecting general industrial recovery in most regions
- EBIT and EBIT margin increased on higher revenues, cost improvements

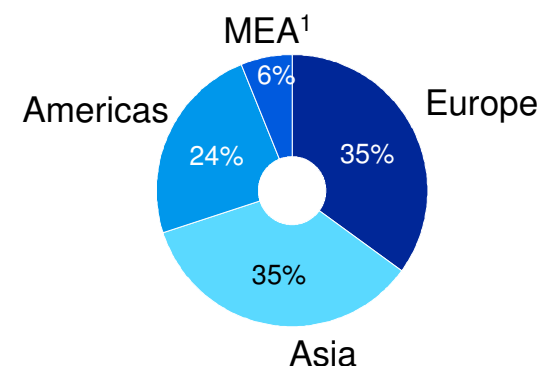
Process Automation Q3 2010 summary

Key data Q3 2010

US\$ millions unless otherwise stated

	Q3 2010	Q3 2009	Change	
			US\$	Local
Orders received	1,679	1,257	34%	34%
Order backlog (end Sep)	5,853	6,182	-5%	-5%
Revenues	1,859	1,926	-3%	-1%
EBIT	207	161	29%	
as % of revenues	11.1%	8.4%		
Cash from operations	236	268		

Orders by region Q3 2010



- Base order growth led by marine, minerals, turbocharging, pulp & paper; large orders led by minerals, marine and metals – large orders more than doubled
- Service orders increased as customers brought existing capacity back online following 2009 downturn
- Revenues: Higher service revenues offset by lower systems revenues
- Operational EBIT and EBIT margin higher on product mix and cost take-out

Below the EBIT line

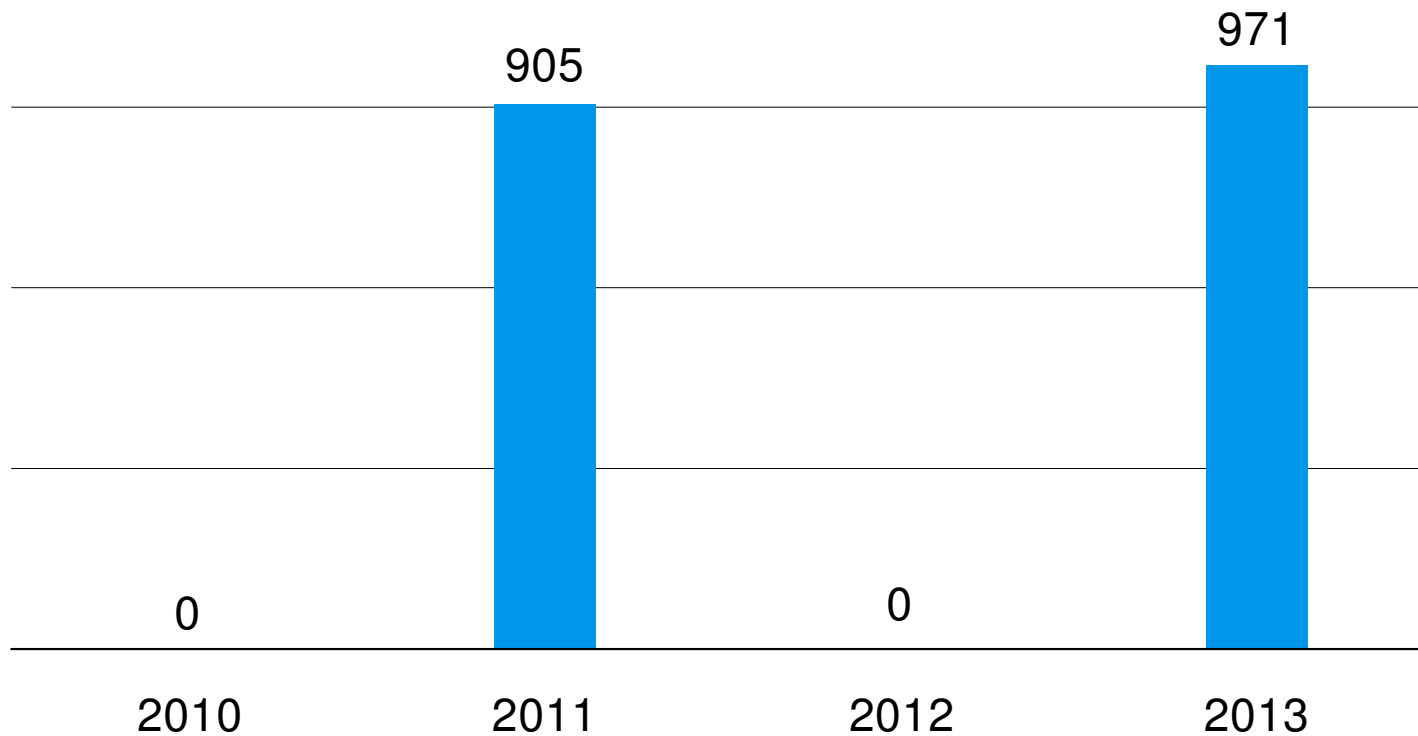
	Q3 2010	Q3 2009
Finance net	(31)	(38)
Provision for taxes	(304)	(297)
Income from continuing operations	821	1'084
Discontinued operations	(2)	4
Non-controlling interest*	(45)	(54)
Net income	774	1'034

- Net income in 2009 period includes a net gain of ca. \$380 million on previously-announced provision adjustments

* Formerly "Minority interest"

Maturity profile of debt securities

Total debt securities of approx. \$1.9 billion as of Sept 30, 2010



Based on Sept 30, 2010 FX rates

Chart 27

2011 Group targets

Original targets set in 2007

	Revenue growth ¹	EBIT margin
Power Products	10%	12-17%
Power Systems	11%	6-10%
Automation Products	8%	14-19%
Process Automation	8%	9-14%
Robotics	6%	5-10%

Recalculated targets for realigned automation divisions

	Revenue growth ¹	EBIT margin
Discrete Automation & Motion	9%	14-19%
Low-Voltage Products	7%	13-17%
Process Automation	8%	9-13%

¹ Compound annual growth rate 2007-11 (i.e., base year = 2006), excl. major acquisitions and divestments and at constant exchange rates

Reconciliation of financial measures to US GAAP

EBIT Margin (= EBIT as % of revenues)	3 months ended Sept. 30,	
	2010	2009
Earnings before interest and taxes (EBIT)	1'156	1'419
Revenues	7'903	7'910
EBIT Margin	14.6%	17.9%
<hr/>		
EBIT as per financial statements	1'156	1'419
<i>adjusted for the effects of:</i>		
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	-182	-68
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-18	12
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	118	56
Restructuring and restructuring-related expenses	20	41
Operational EBIT	1'094	1'460
<i>Adjustment for previously announced provision release in 2009</i>	<i>n.a.</i>	<i>431</i>
Adjusted Operational EBIT	1'094	1'029
Revenues as per financial statements	7'903	7'910
<i>adjusted for the effects of:</i>		
Unrealized gains and losses on derivatives	-180	-104
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-25	29
Unrealized foreign exchange movements on receivables (and related assets)	104	52
Operational Revenues	7'802	7'887
Operational EBIT Margin (= Operational EBIT as % of Operational Revenues)	14.0%	18.5%
Adjusted Operational EBIT Margin (= Adjusted Operational EBIT as % of Operational Revenues)	14.0%	13.0%

Net Cash (= Cash and equivalents plus marketable securities and short-term investments, less total debt)	Sept. 30, 2010
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Cash and equivalents	5'269
Marketable securities and short-term investments	2'353
Cash and marketable securities	7'622
Short-term debt and current maturities of long-term debt	253
Long-term debt	2'080
Total debt	2'333
Net Cash	5'289

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

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