Hubertus von Grünberg Chairman of the Board ABB Annual General Meeting May 8, 2008

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Honored shareholders, Ladies and Gentlemen,

A year ago, my predecessor Jürgen Dormann introduced me here as the one to succeed him in the position of chairman of ABB's Board of Directors. You then welcomed me very cordially, and for that I was very grateful. It felt good to know in whose revered footsteps I was to tread; to know what the name Jürgen Dormann means and what he has done for your company, ABB. You welcomed me even though I was a newcomer to ABB's business fields.

Here I am again, one year later, and I know that many of you are disappointed and concerned about the sudden departure of Fred Kindle, one of the most successful CEOs in the history of ABB. The reason for his departure was: "irreconcilable differences regarding the management of the company" between the entire board of directors and the CEO. At the same time, ABB announced record results for the 2007 financial year.

Ladies and gentlemen, I am sure you asked yourself: How can we reconcile this? And rightly so. Why does a CEO with such a successful track record, one who was even nominated "Entrepreneur of the year" for 2007 by one of the Swiss newspapers, have to go? This is exactly the same question that my colleagues and I on the board of directors have been asked over and over ever since.

I must ask you to accept that I will not be adding much today to the reasons already given regarding the departure of Fred Kindle.

The truth of the matter is that the Board and Fred Kindle agreed that it was the right moment for a change at the top of the Group. It is the Board's duty to ensure that its decisions are made in the best interest of the shareholders. And it was what the ABB Board of Directors did under my leadership.

Ladies and gentlemen,

Our markets are booming

This requires the dedication and focus of everyone: the Board, the Executive Committee and our 112,000 motivated employees need to excel every single day, so that we can seize the market opportunities and to cope with the challenges.

Ladies and gentlemen

ABB had another record year last year, as I already mentioned earlier. Michel Demaré will give you more detailed numbers in his presentation. ABB grew twenty percent last year, and earnings were also up substantially. My thanks go to the entire management team of ABB and all 112,000 employees who contributed to this outstanding result.

In 2008 too, we are right on track, as shown by the quarterly results presented at the end of April - a new record. As you can see, to date, ABB remains largely unaffected by the global financial crisis. Our power technology business continues to experience very robust growth that is largely independent of economic cycles. In principle, the same applies to our automation business, since our customers need these products and services even more when markets are less favorable, to improve their productivity and cut their costs. Again, I thank the entire ABB team; and above all, our CFO Michel Demaré, who took on the additional responsibility and workload of the position of interim CEO, without hesitation. Mr. Demaré is doing an outstanding job.

Of course, such a double workload is no long-term solution. But we all agree that in our search for a new CEO, we will take the time necessary to find the best candidate for ABB. I would like to emphasize that here quality has priority over speed. But ABB is in the fortunate position of having an outstanding management team and the departure of the number one person did not lead to a vacuum at the top. Our search for a suitable candidate is therefore directed both internally and externally.

Ladies and gentlemen, when I was nominated to this position by my esteemed board colleagues last year, they gave me a clear mandate: "Mr. von Grünberg, we want you to take ABB to the next stage of development."

ABB's journey has taken it from the brink of disaster to stable development with excellent growth. This was Jürgen Dormann's and Fred Kindle's great achievement. I consider the task of building on this sound foundation and taking the company to the next level to be a challenge, but together with the members of the Group's executive committee, I believe we can achieve our aims.

Let me briefly summarize what I see as the five highest medium- and long-term priorities for our business.

First: We must recognize our opportunities. ABB currently has a truly unique position and unique expertise, in addition to a global presence in the industries that will impact the most important aspects of our collective future: energy efficiency, and therefore climate protection.

Here we are not talking about a short-term trend, but an extremely rapidly growing market that presents our company with enormous opportunities. We are therefore talking about an obligation to you, our shareholders, to tap this huge potential.

Second: We must fully utilize every opportunity for profitable, organic growth. This means that we must focus on our traditional fields of expertise to further enhance our sales and profits. We must support, sponsor and encourage our divisions. Today our organic or internally generated growth rate alone is twice that of the global economy. Extending this trend requires us to track market changes with extreme diligence, in addition to monitoring the company's internal processes.

Last September, we presented a strategy that outlines how we plan to extend this profitable growth. My role and that of my board colleagues will be to participate in discussions and to act as sparring partners for the ABB executive committee, in addition to keeping an eye out for

potential risks. In view of the ongoing discussions about ABB's acquisition policies, I would like to make another thing very clear: The most profitable growth will come from the company's own activities. Currently, our best opportunity to make a return is to invest in ABB itself!

Furthermore, any purchases we make must fit into our core business. And here there are huge opportunities that we so far mentioned only in passing:

- o For example, the entire renewable energies sector. Today, we are one of the most important suppliers of components for wind turbines, and there is certainly potential for further expansion in this sector. We want to become a true partner to manufacturers of alternative energy generation systems.
- O Example number two: We want to expand in the sectors with accelerating demand in which we are already active: the water industry for instance.
- O And a third example is our service business: We want to continue to build and professionalize the customer relationships we have today. This will help improve the levels of trust in these relationships and allow us to work even more closely with our customers, while at the same time addressing their needs and concerns in a timely manner.

Over and above that, we must also ensure we have the necessary internal resources to cope with the projects we undertake, which leads me to the third priority: We must be able to respond positively to the question of whether we have enough qualified employees to support our growth, drive it forward and expand it through acquisitions.

As a global enterprise, we must be able to find and retain the best, most discriminating and most motivated employees wherever they are. In a time of booming markets in which not only we, but also all of our competitors, have difficulty finding adequately qualified staff, it becomes increasingly important to differentiate ourselves from others and to make crystal clear the benefits of a career at ABB - to underline how ABB's position and value proposition differ from those of its competitors.

This brings me to my fourth priority: the topic of research and development. In 2007, ABB's spending on research and development increased by almost nine percent. Over fifty percent of our R&D projects currently focus on improving our customers' energy efficiency even more. We work closely with customers, suppliers and universities around the world. But we must also continue to ensure that the technologies we create are superior and capable of meeting the challenges of today and tomorrow.

Proper business conduct concludes my list. The principle of zero tolerance against any break of compliance rules remains a top priority. The principle is for us paramount and we will not allow any beding of the rules. ABB will continue to take greatest efforts to enforce our compliance standards. Today, we have established an excellent compliance organization and processes for training and monitoring the adherence to our high standards.

Als letztem Punkt auf meiner Liste komme ich zu der Art und Weise, wie wir unsere Geschäfte machen: Das Prinzip der Nulltoleranz gegenüber Regelverstössen bleibt oberste Priorität. Dieses Prinzip ist für uns kategorisch und wir dulden keine Abweichungen. ABB wird daher unverändert grösste Anstrengungen unternehmen, um unsere hohen Compliance-Standards umzusetzen. Wir verfügen heute über ausgezeichnete Systeme und Prozesse bei der Schulung und der Überwachung dieser Standards. Und unsere Systeme greifen: im letzten Jahr haben wir aufgrund von möglichen Compliance-Bedenken auf Aufträge im Bereich von mehreren hundert Millionen US Dollar verzichtet.

Ladies and gentlemen, dear shareholders: rest assured that I will do everything I can, together with my board colleagues and the members of the executive committee of ABB, to live up to your expectations in executing this major task. On behalf of my colleagues and myself, I ask for your trust and support. I am convinced that by focusing on continuously improving our energy efficient products and solutions, ABB is on the right track. This strategy will enable us to take advantage of major opportunities. This is the best way to profit from the pivotal trends in energy and climate protection, both now and in the future, both as a company and as shareholders of this corporation, but also personally, as human beings who are concerned about the future of the generations to come.

Thank you for your attention.