

Zurich, February 18, 2010

ABB Q4 and full-year 2009 results

Joe Hogan, CEO

Michel Demaré, CFO and head of Global Markets

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 global economic conditions, 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, 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.

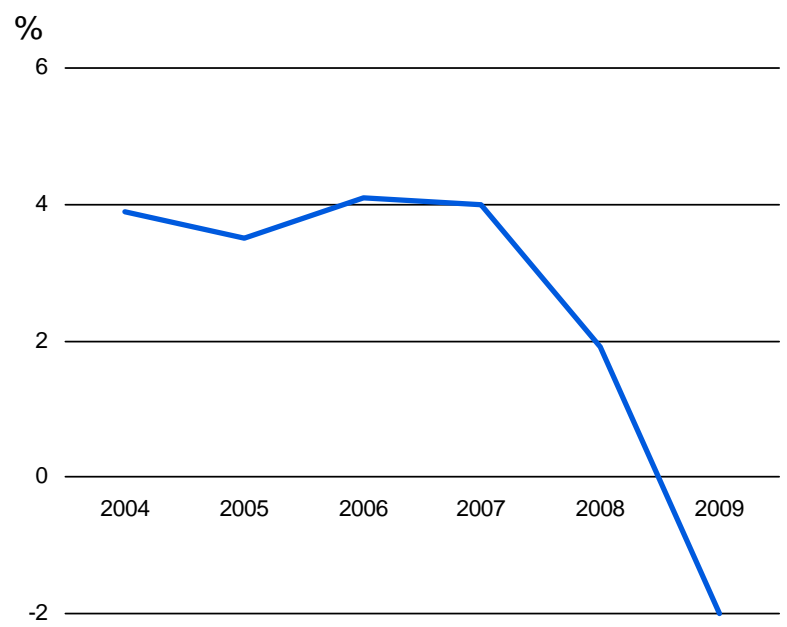
Agenda

- Summary of results
- Financial review
- Sustaining strong profitability 2009-2010
- Positioned for growth
- Summary and outlook
- Q&A

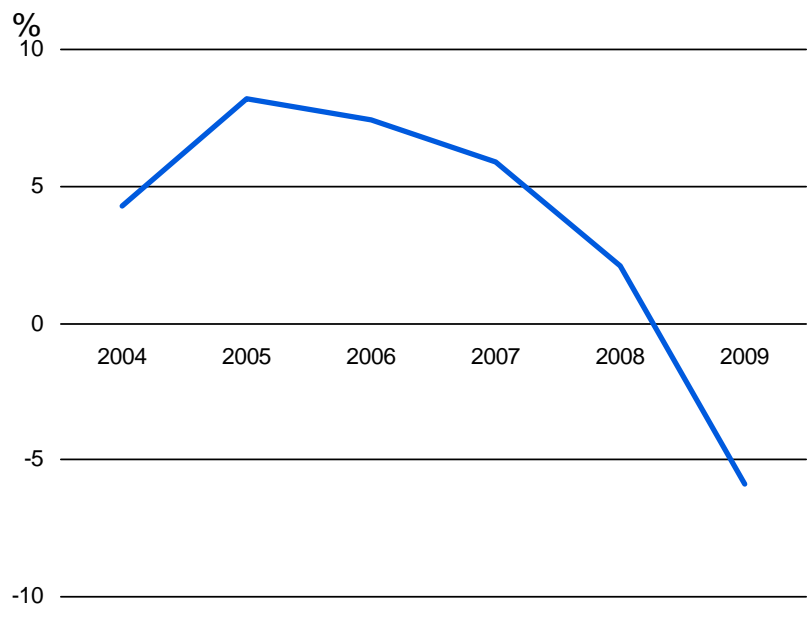
What the world looked like in 2009

The worst downturn in decades

Annual world real GDP growth 2004-09
In percent



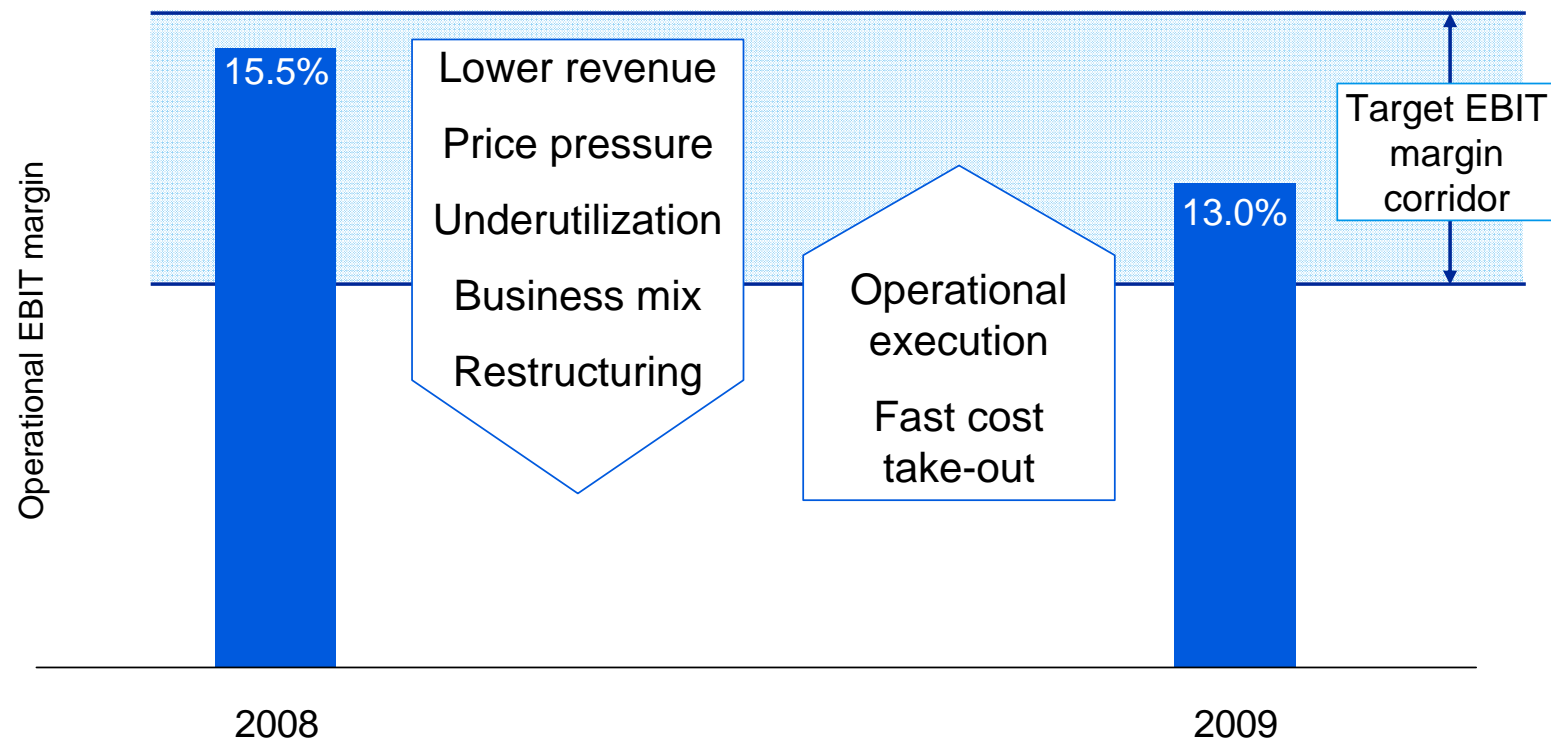
Annual industrial capex growth, 2004-09
In percent



Source: Global Insight



ABB took fast and decisive steps to meet the challenge
Strong execution kept us well within the EBIT margin target range



EBIT margins exclude reported provision adjustments and restructuring-related charges

Top-line resilience in the portfolio and global footprint

Strong power demand and emerging markets buffer the global downturn

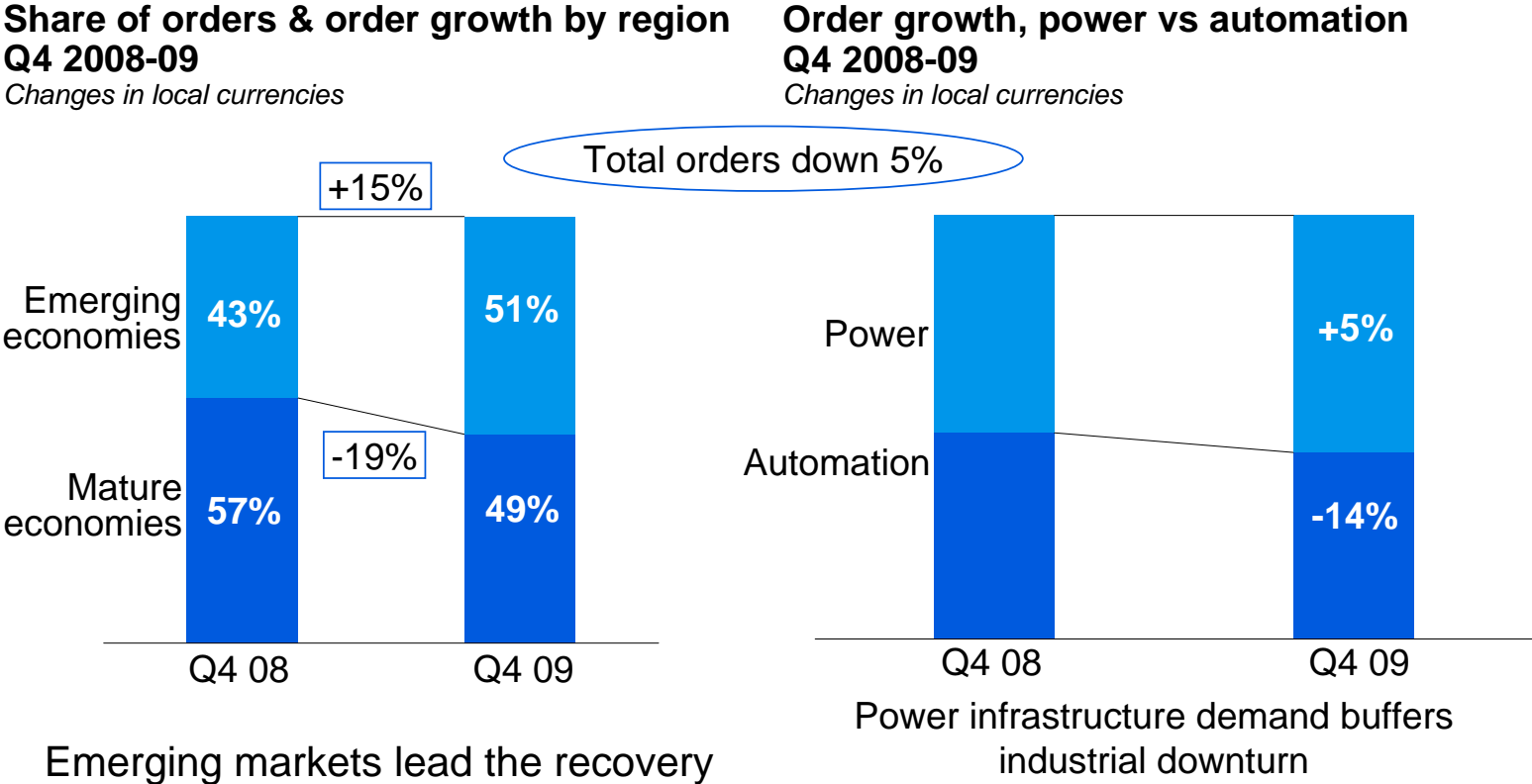
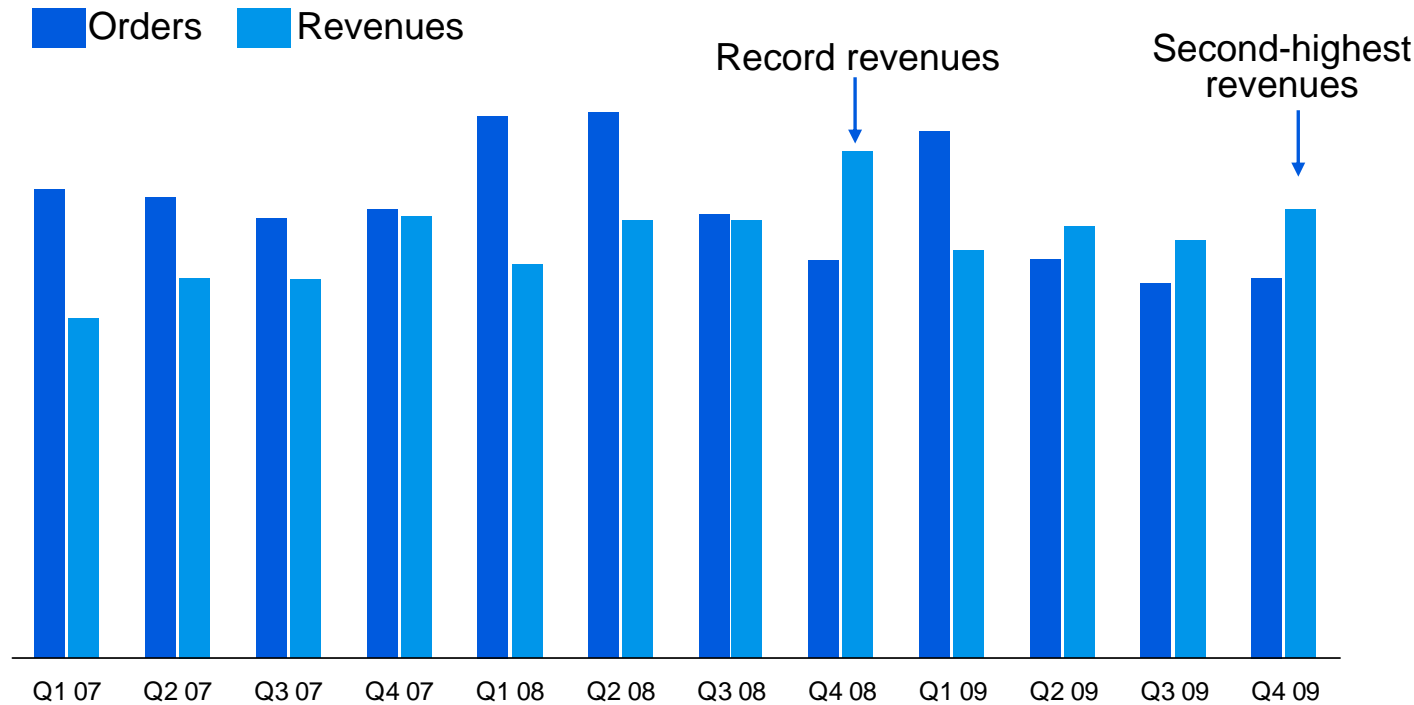


ABB turns in near-record revenues in Q4 2009

50% of Q4 group revenue decline was in Robotics

Orders and revenues Q1 2007 to Q4 2009

In local currencies



Emerging market update: Leading the recovery

Investing in power and industrial infrastructure



Q4 2009 order development in selected emerging markets

In percent, local currencies

	Order growth	Drivers
China	2%	Industrial recovery, power equipment investments
India	72%	Power infrastructure, industrial equipment
Russia	81%	Power infrastructure
UAE	>100%	Growth across all sectors
Saudi Arabia	52%	Power infrastructure, oil & gas
Brazil	-27%	Power infrastructure offset by industrial downturn

Emerging markets lead recovery, mature markets remain sluggish

Q4 2009 orders by region
% change in local currencies

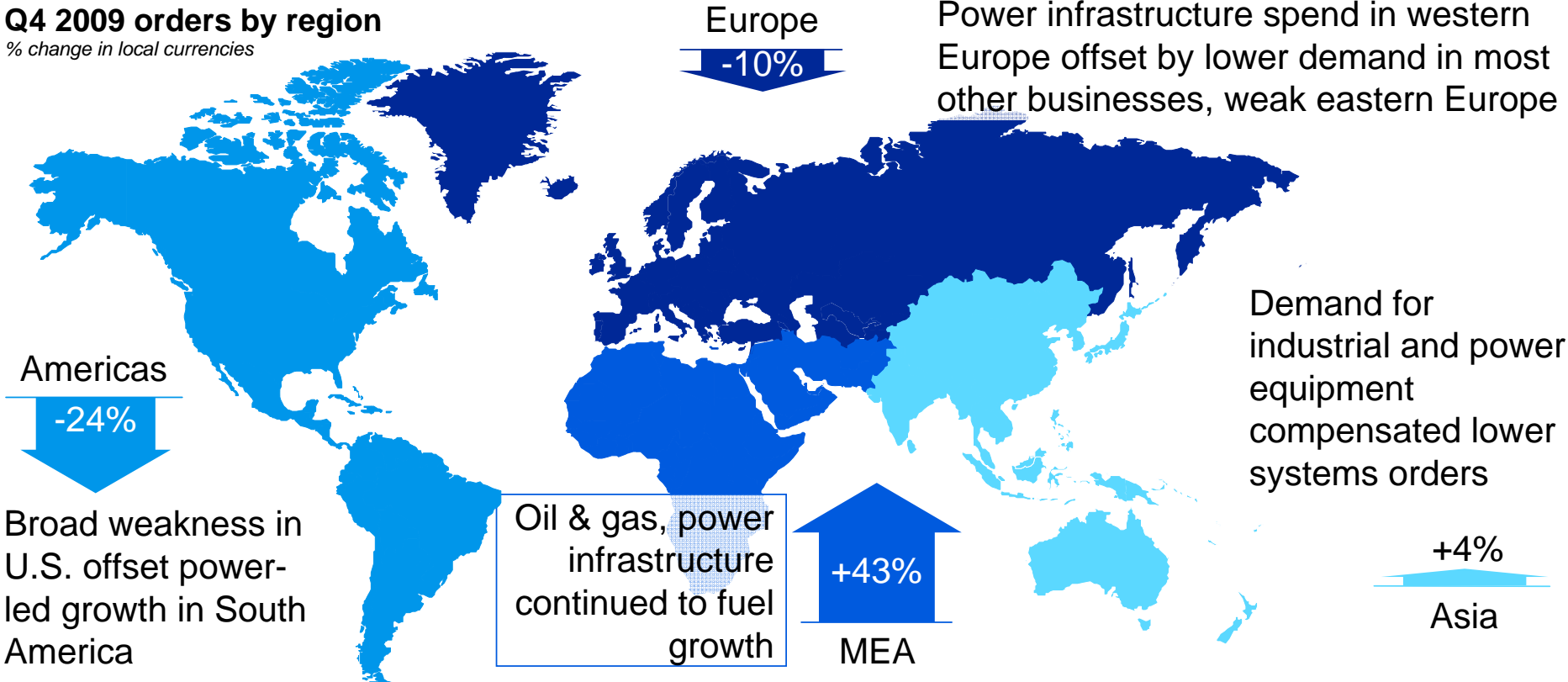
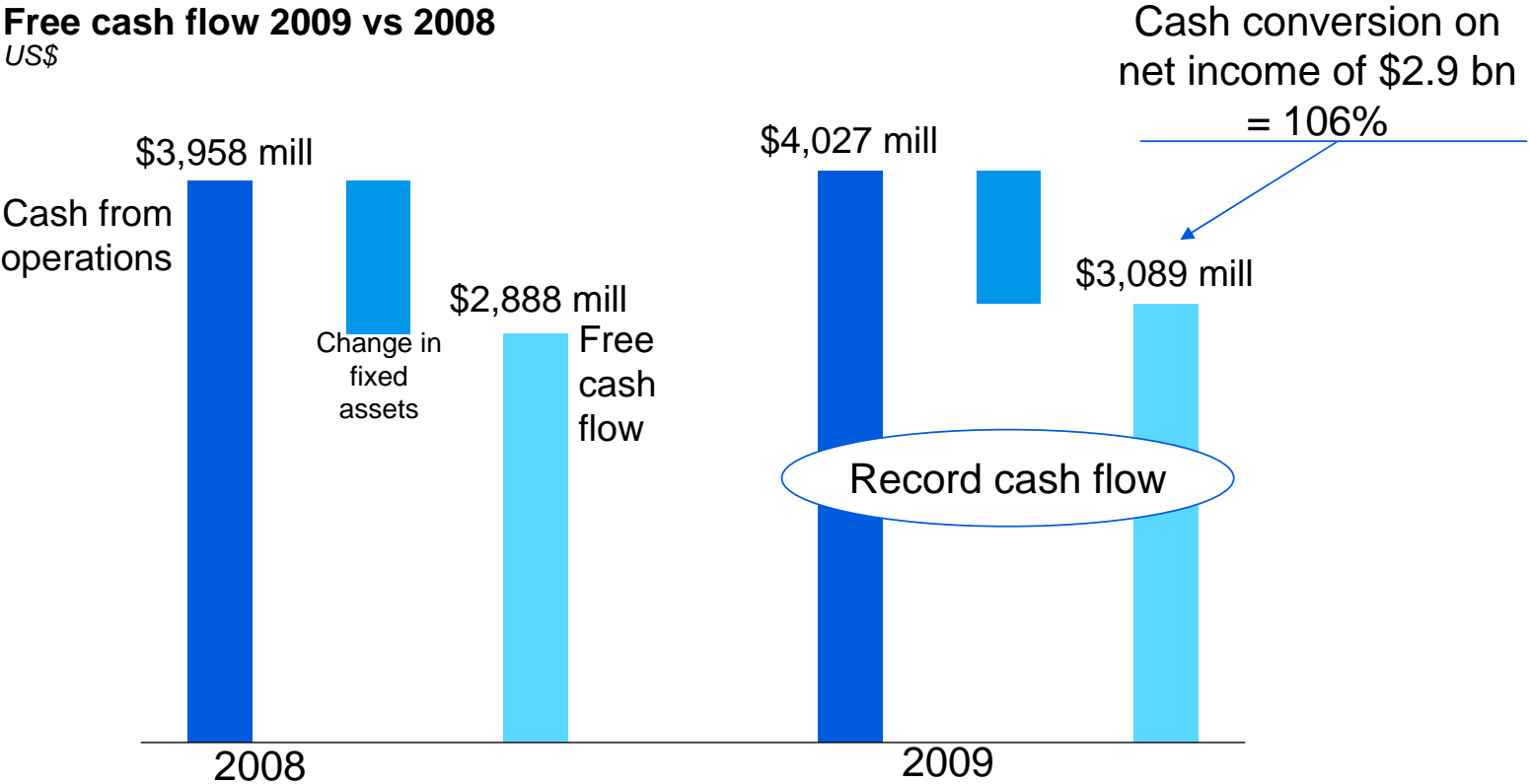


ABB generated a record of more than \$3 billion in free cash flow

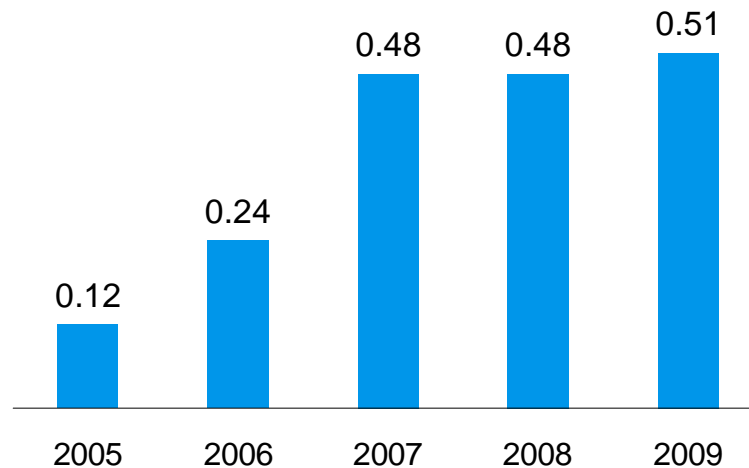
Focused portfolio creating substantial cash returns



Increased dividend for 2009: CHF 0.51 per share, up 6% vs 2008

Nominal value reduction provides tax advantage for shareholders

Dividend payout 2005-2008
CHF per share



- Dividend increase demonstrates confidence in ABB's business outlook and financial strength
- 2009 dividend proposed as a nominal value reduction – payment date in Switzerland expected in July
- Tax benefits for all shareholders – not subject to 35% Swiss withholding tax
- Requires AGM approval

Dividend policy

A steadily rising, sustainable annual dividend throughout the business cycle

Update on 2007-11 targets: Confident on EBIT margins and cash flow

Remaining targets contingent on 2010 market development

In ABB's hands

EBIT margin	11-16% corridor 2007-11
Cash conversion ¹	Annual avg. 2007-11 100%

Recovery-dependent

Revenue growth (CAGR) ²	8-11% 2007-11
EPS growth (CAGR) ²	15-20%
Return on capital employed ³	> 30% in 2011

Strong track record of operational execution

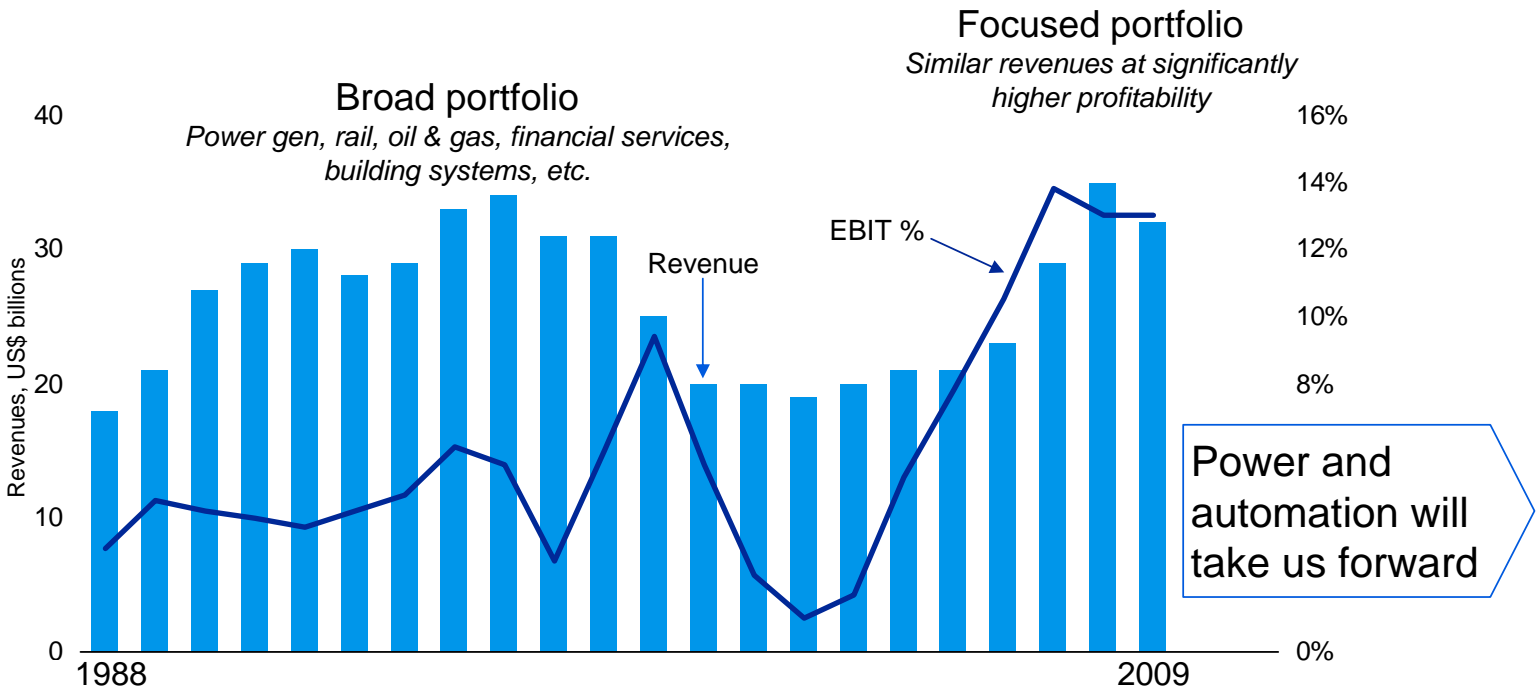
¹ Free cash flow as % of net income

² Compound annual growth rate 2007-11 (i.e., base year = 2006), excl. major acquisitions and divestments and at constant exchange rates

³ After tax

Tight focus on power and automation has proven to be the right strategy
Convergence in demand will only increase attractiveness of the portfolio

Revenue and EBIT margin development, 1988-2009



Agenda

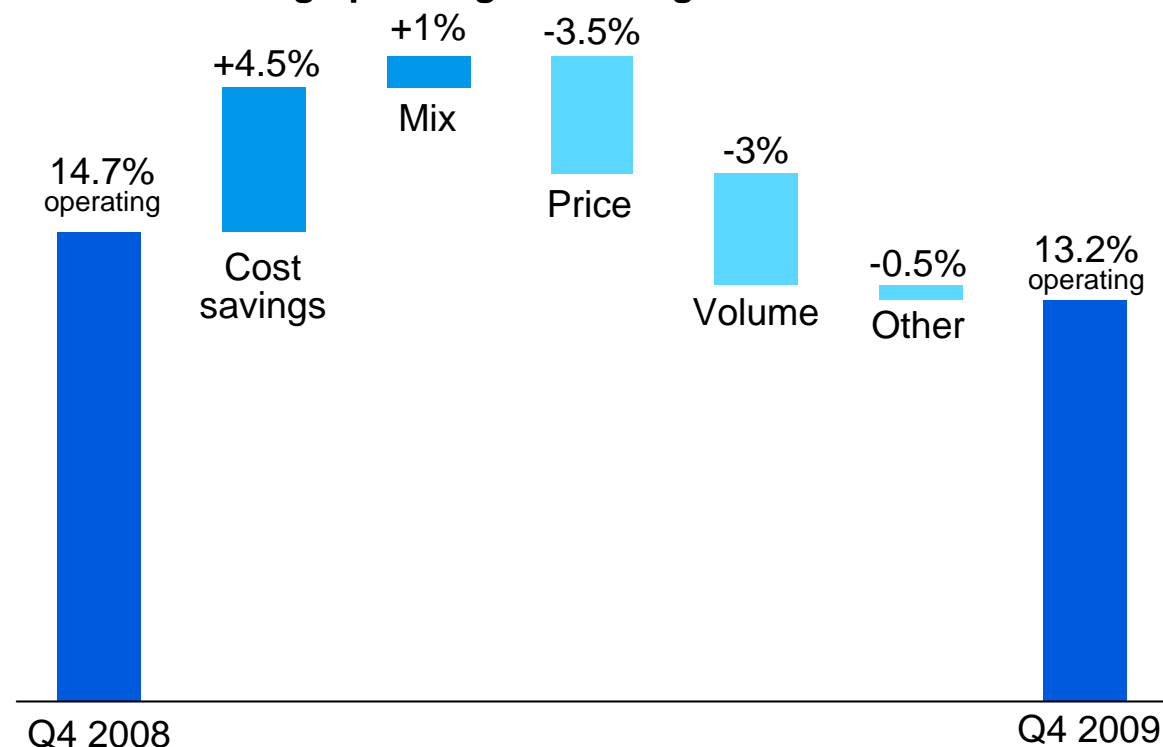
- Summary of full-year and Q4 2008 results
- **Financial review**
- Sustaining strong profitability 2009-2010
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Michel Demaré

CFO and head of Global Markets

Q4 cost savings partly offset price and volume effects

Factors affecting operating EBIT margin* Q4 2009 vs Q4 2008

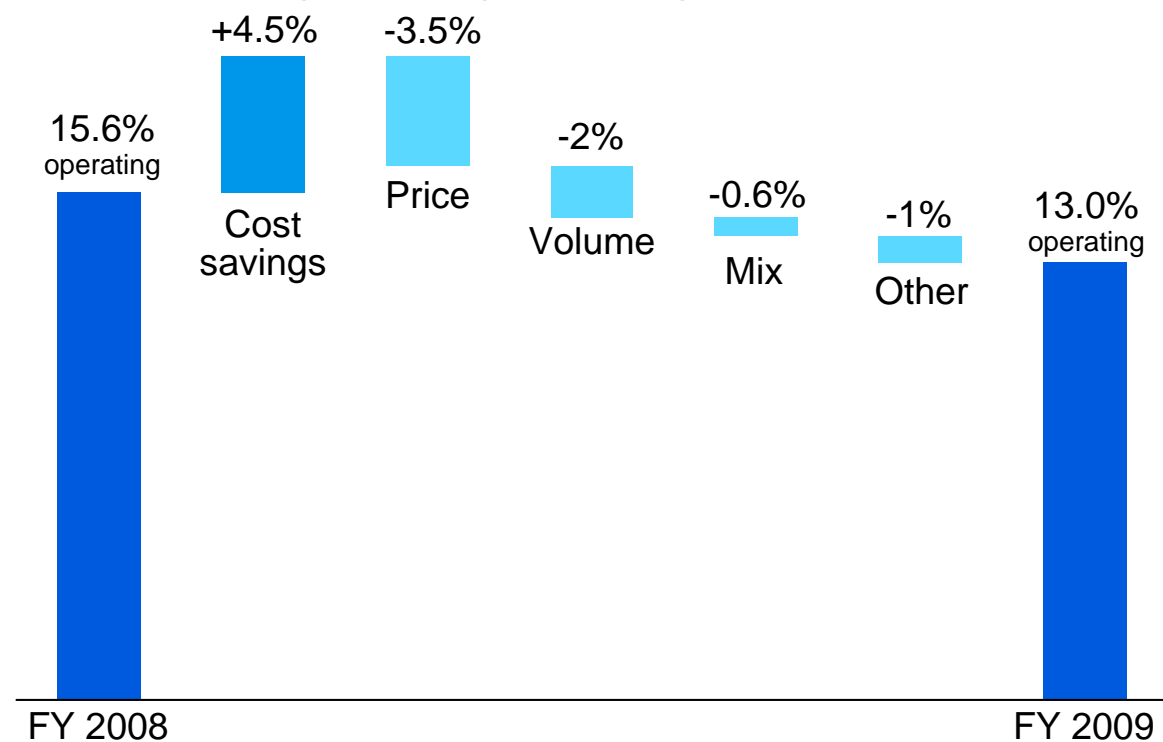


- Successful cost take-out
- Favorable mix in product divisions
- Price pressure unchanged vs Q3
- Cost under-absorption to decline as footprint efforts take hold

* Reported EBIT margin adjusted for restructuring-related expenses, mark-to-market valuation of hedging transactions and adjustments to compliance-related and other provisions

Full-year 2009 EBIT margin bridge

Factors affecting operating EBIT margin* FY 2009 vs FY 2008



- Price pressure accelerated in H2, but more than offset by cost take-out
- Cost under-absorption and mix effect mainly in product divisions

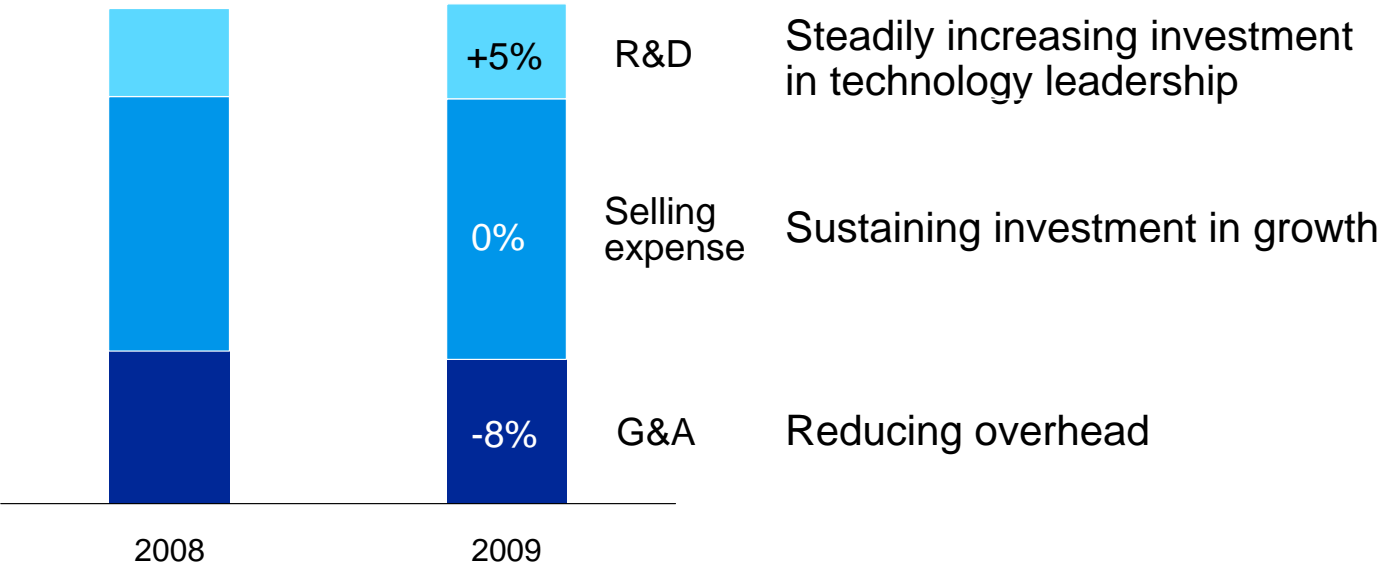
* Reported EBIT margin adjusted for restructuring-related expenses, mark-to-market valuation of hedging transactions and adjustments to compliance-related and other provisions

Investment in growth through the downturn

Supporting sales and R&D while taking out costs

Year-on-year growth in R&D, selling expense and G&A expense, 2008-09

Percent change, in local currencies and excl. acquisitions and restructuring



Capital expenditure in 2009

Investing into future competitiveness



- Semiconductor plant in Lenzburg, Switzerland to open in Spring 2010
- Key technology for HVDC, renewable integration and energy efficient products
- \$150 million over three years (2008-2010)

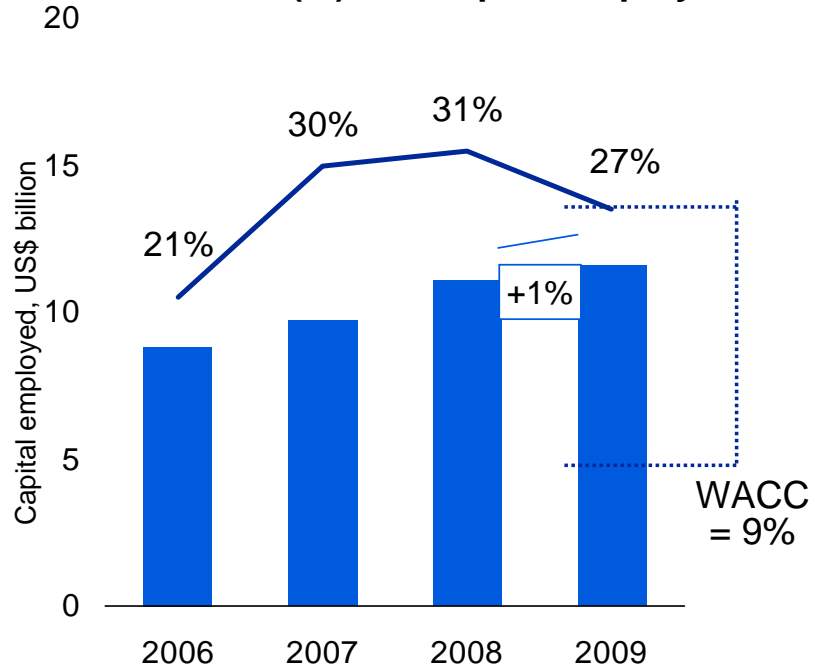


- High-voltage components in Bac Ninh, Vietnam
- \$36 million for new factory
- Local power infrastructure
- Opened late 2009

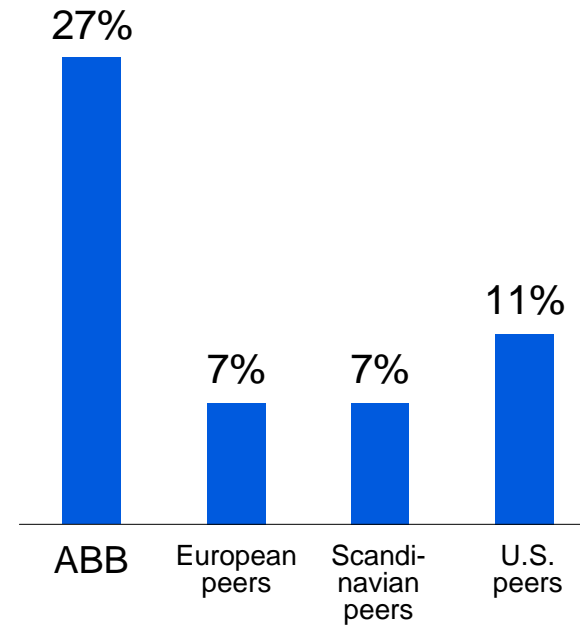
Return on capital lower but still showing high value creation

Capital employed well under control

ROCE after tax (%) and capital employed



2009 ROCE, ABB vs peer averages



* Calculations based on publicly available information using ABB definition

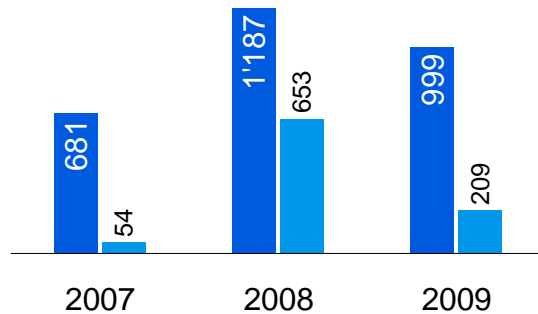
Priorities for uses of cash

Organic and inorganic growth

Capex and acquisitions 2007-2009

US\$ millions

■ Capex
■ M&A

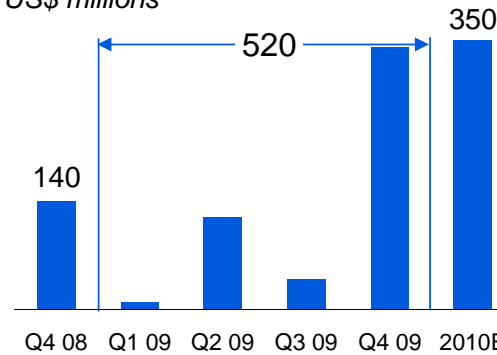


- Emerging market presence
 - Close portfolio gaps

Restructuring for long-term competitiveness

Restructuring-related charges Q4 2008-Q4 2009

US\$ millions

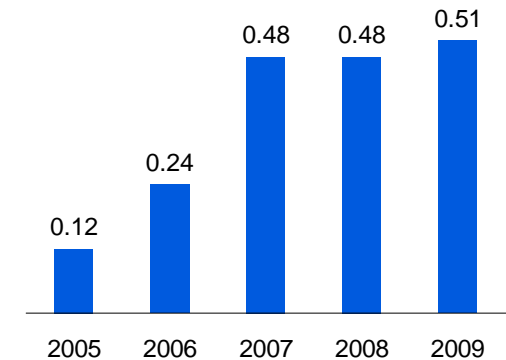


- Additional \$1 bn savings led by footprint and global sourcing

Return to shareholders

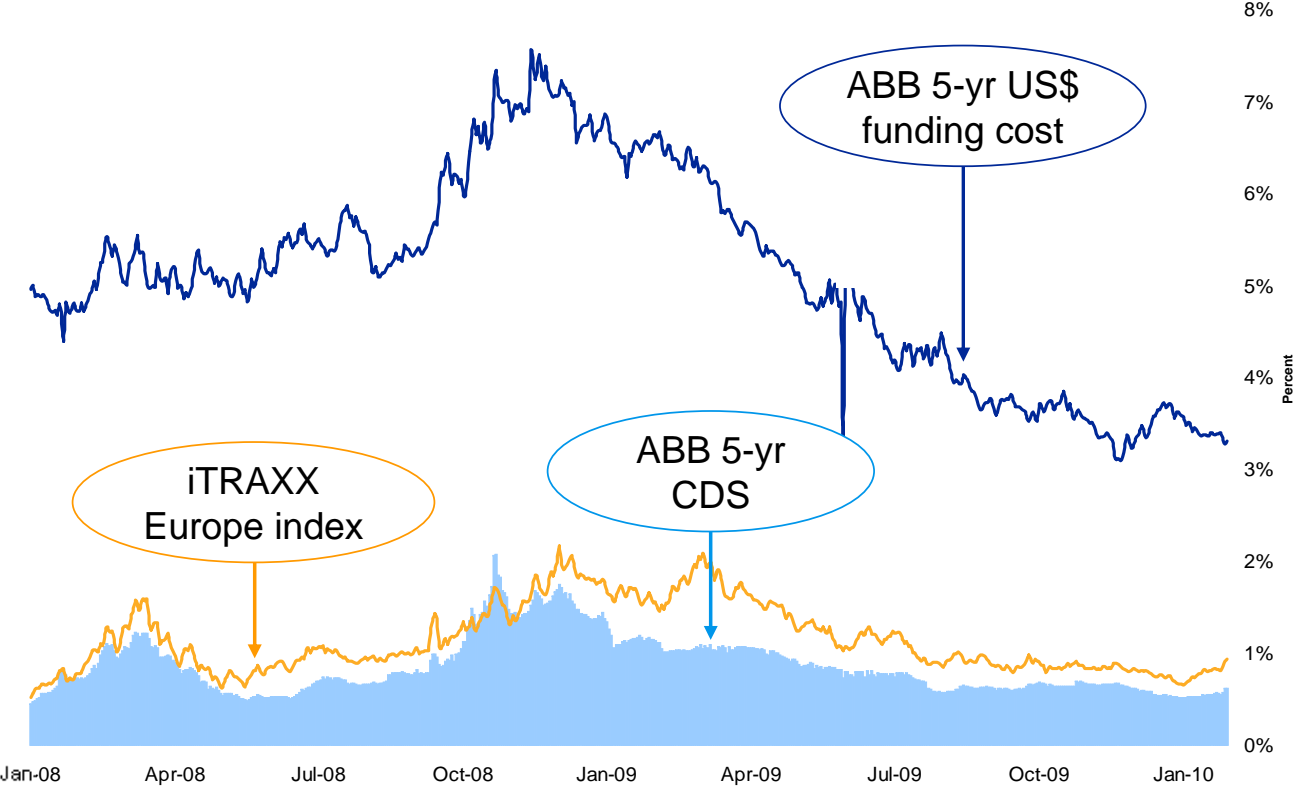
Dividend development 2005-2009

CHF per share



- 2009 dividend up 6% vs 2008

Optimal financing capabilities: Strong cash position, lower funding costs
Favorable CDS spreads through the crisis



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Entering 2010 in a stronger position and confident for the future

ABB proves the strength of its business portfolio and geographic scope

- 2009 revenues near 2008 record, order backlog of \$25 billion to start 2010
- Large orders and emerging market strength partly offset steep OECD downturn
- Pace of order decline slowed in Q4, base orders slightly higher vs Q3
- Fast cost take-out and price discipline keep operational EBIT margin on target
- Cash flow from operations at record \$4 billion
- Organization better aligned with markets to support growth opportunities
- Dividend up 6% at CHF 0.51 a share from CHF 0.48 in 2009
- Additional \$1 bn cost take-out initiated for 2010

An additional \$1 bn in savings in 2010, to a total of \$3 bn

Sourcing and footprint efforts to generate further gains

	Savings Q4	Savings 2009	Original target 2010	New target 2010	Change
Adjust global footprint	~\$150 mill.	~\$300 mill.	~\$300 mill.	~\$700 mill.	+\$400 mill.
Optimize global sourcing (excl. commodity decreases)	~\$200 mill.	~\$800 mill.	~\$1 bn	~\$1.5 bn	+\$500 mill.
Operational excellence	~\$100 mill.	~\$300 mill.	~\$400 mill.	~\$500 mill.	+\$100 mill.
Lower G&A expenses	~\$20 mill.	~\$100 mill.	~\$300 mill.	~\$330 mill.	+\$30 mill.
TOTAL	>\$500 mill.	>\$1.5 bn	~\$2 bn	~\$3 bn	~\$1 bn
Program costs	~\$340 mill.	~\$520 mill.	~\$1 bn	~\$1.1 bn	+\$100 mill.

Footprint savings target to more than double in expanded program

Hundreds of operational excellence programs under way ABB is accelerating these programs across the board



MV drives & power electronics, Switzerland

- Simplified and accelerated production process to meet increasing demand
- Results: Cut inventory 82%, increased units/empl. 2x, reduced costs by ~\$2 mill

Dead tank breakers, U.S.

- Improved production flow, reduced lead times, lowered inventory on weaker demand
- Results: \$10 mill decrease in total inventory, reduced cost by ~\$2 mill



Low-voltage drives, China

- Shorten production time, reduce inventory to meet fast-growing demand
- Results: Delivery time cut from 15 days to 5 days, reduced cost by ~\$1 mill

Power transformers, Colombia

- Shorten lead time to secure on-time delivery as production rises
- Results: Delivery time cut from 15 days to 5 days, reduced cost by ~\$1 mill

Optimizing supply at both the global and local levels

Streamlined ERP systems are a key enabler



Pipe, pumps, valves and fittings

- Global sourcing for best prices across high-cost/low-cost countries
- Savings: ~\$5 mill

Engineering and erection services, installation material

- Sourcing from low cost countries
- Savings: ~\$10 mill



Cluster Project Tunisia

- Co-location of key suppliers at manufacturing site
- Lower costs and inventories, higher quality, faster deliveries
- Savings: ~\$5 mill

Contracted Services

- Rollout of global tools allowed contract renegotiations with all major suppliers
- Savings: ~\$20 mill

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- Margin protection 2009-2010
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Two major changes to spur growth in 2010 and beyond

Climate change and energy efficiency will remain key growth drivers



- Realigned automation businesses to better meet customer needs in discrete automation and low-voltage products
- Marketing & customer solutions to focus on incubating new ideas and bring the power of One ABB to customers

Brice Koch

Head of Marketing and Customer Solutions

Targeting new growth beyond the cycle

Marketing and Customer Solutions

Use ABB's product and geographic scope to expand our position in markets driven by climate change and emerging markets



Address key growth sectors including rail, wind, water and smart grids



Deliver comprehensive energy-efficiency and productivity solutions



Further build ABB's service business



Drive innovation to support customer needs and market development

Unified market approach: One ABB from products to system solutions

Targeting large, promising infrastructure markets: with ABB's full scope

Market size* and ABB orders 2009

Wind



- \$6 bn global market
- ABB orders: \$750 mill

Rail



- \$14 bn global market
- ABB orders: >\$1.2 bn

Water



- \$4.5-7.5 bn global market
- ABB orders: >\$900 mill

ABB's capabilities

- Converging around automation & power to generate electricity, link to grids, and adapt to new grid requirements

- Converging around automation & power for efficient locomotives and reliable power for rail infrastructure and systems

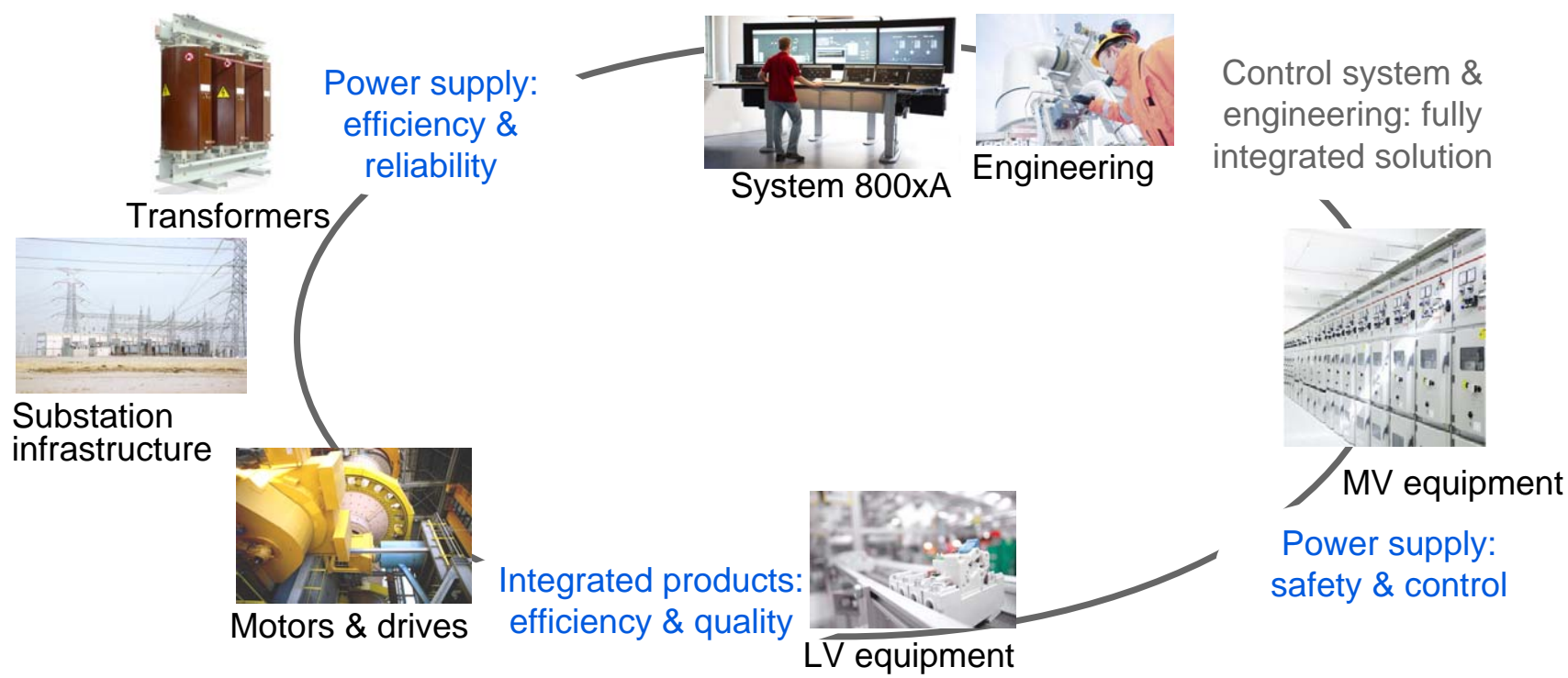
- Converging around automation & power for efficient and reliable water management systems

Market
converging
across ABB's
portfolio

* ABB-relevant markets

Converging needs for productivity & efficiency matches ABB portfolio

Example: \$62-million order for Vale iron ore pellet plant, Oman

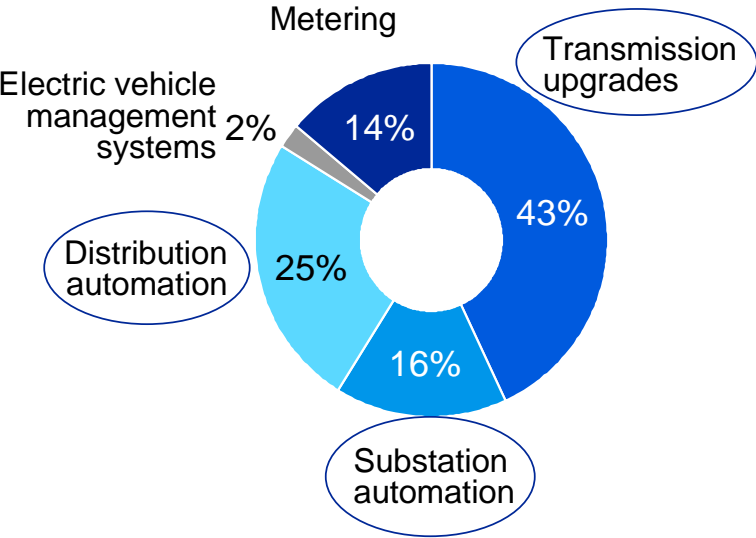


Fewer interfaces to manage, coordinated delivery, optimized system performance

Increasing spend planned for smart grid-related infrastructure

ABB is a leader in key market segments

Share of grid investment by type, 2010-2020* Sample pilot projects



Germany – Minimum Emission Region pilot project to connect distributed generation, storage, consumer spending

Stockholm port project to achieve neutral carbon footprint by 2030 via energy efficiency, alternate generation, storage, electric vehicles

Source: Pike Research.
* based on cumulative expenditures of \$200 bn by 2020, includes HVDC, FACTS and other power transmission investment

Focus on reliability and efficiency: Key for electric vehicles, distributed generation, electricity storage



Ulrich Spiesshofer

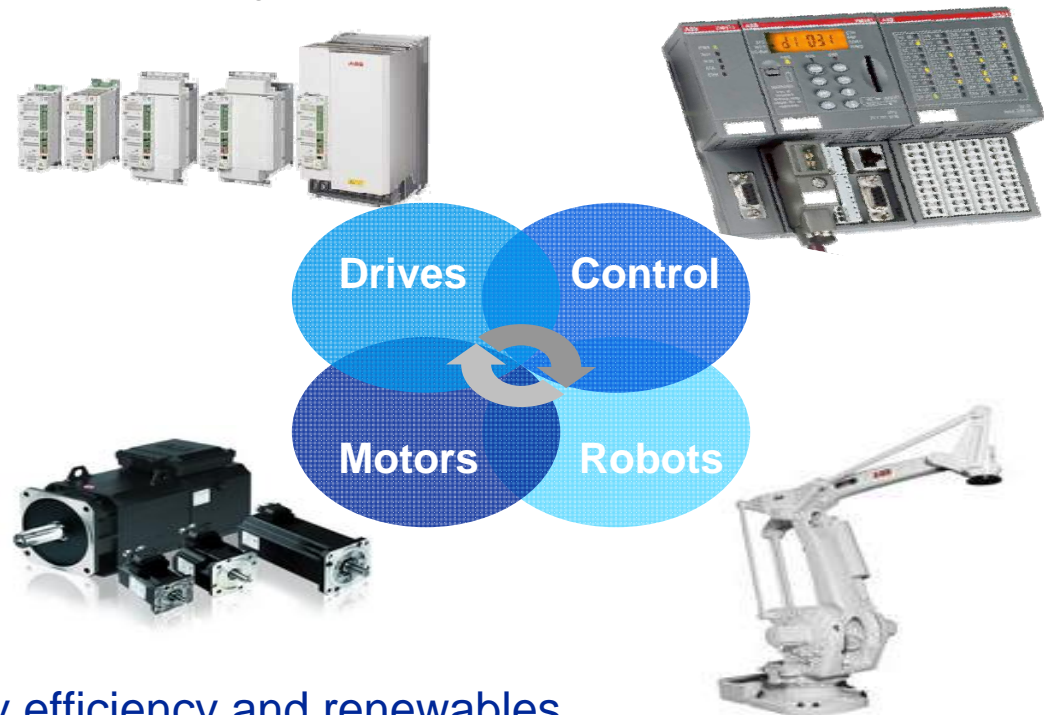
Head of Discrete Automation and Motion division

A unique new player in discrete automation

And a driver for significant growth

- Address the large discrete automation sector with a unique offering
 - Robotics
 - Programmable Logic Controllers
 - Drives
 - Motors
- Packaged control and motion offering
 - e.g. energy efficient drive-motor packages
- Enable faster growth in tailored services
- Simpler structure, more transparent
- Sharper business focus, more aligned with market

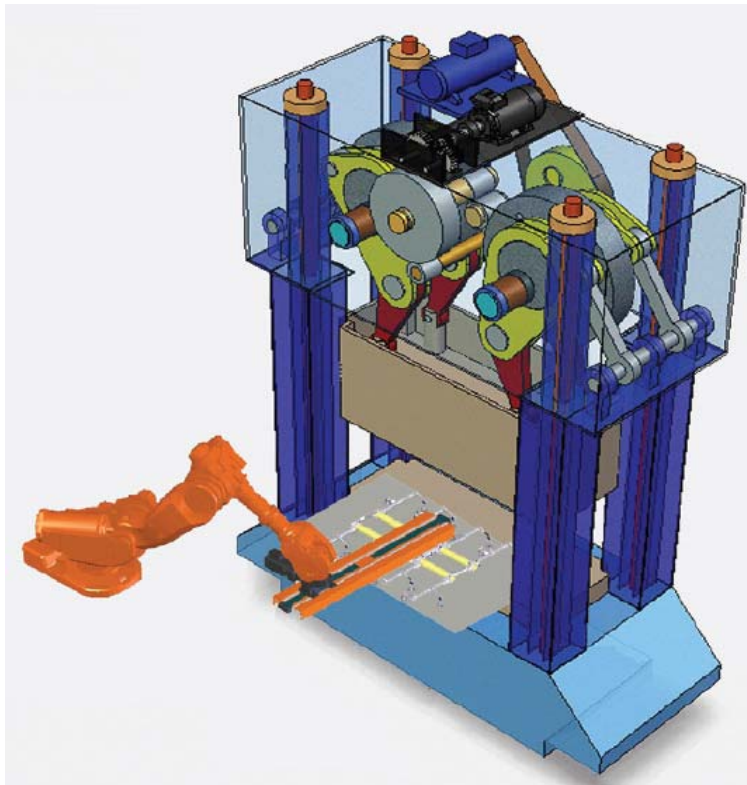
- All from a single supplier:



Focus on industrial productivity, energy efficiency and renewables

Solutions for increased productivity

Example: Automotive press lines – synchronized modules



- ABB robotics reduced press loading and unloading cycle times by 50%
- Combination of robotics with ABB's Dynamic Drive Chain technology offers additional 10-30% productivity increase
- Servo press kit based on proven ABB products: e.g. ACS800 variable speed drive and the IRC5 robot controller

ABB's
discrete
automation
solution set

Total system design is key to optimal energy efficiency

Example: Energy audits plus high-efficiency motor-drive packages



Solution to cut energy at Swiss cement plant

- 5 ABB drives coupled to supply unit in DC busbar arrangement, braking power from conveyors captured by energy recovery unit
- Energy savings: 520 MWh/yr, CO2 down 260 t/yr



Energy audit at U.K. plastic film maker

- Compressor upgrade with ABB AC drives cut energy bill by 37%, transducer installed to monitor system pressure
- Energy savings: 200 MWh/yr, CO2 down 90 t/yr



Energy savings at a Finnish fertilizer plant

- Upgrade of 5 process fans with ABB AC motors and drives, replace motors and mechanical flow control systems
- Energy savings: 400 MWh/yr, CO2 down 2,800 t/yr



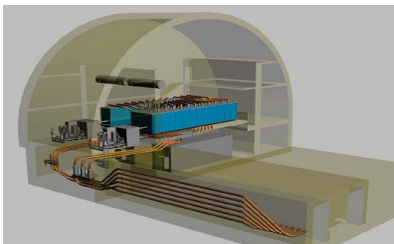
Energy savings for European high-speed rail operator

- Replace high-power traction converters
- Energy savings: 15% less electricity consumed

ABB's ability to address energy efficiency

Innovative solutions to meet the climate change challenge

Offering for wind, solar and water



- A leading provider of wind power generators for a wide range of turbine types
- Strong footprint with factories in India, China and Europe
- Combination with other ABB products offer unique electrification packages
- 6MW solar plant with sun trackers in Spain
- ABB delivers tracker solution with control panels and distribution enclosures, incl. PLCs, drives, control system and control gear devices
- ABB delivers world's largest variable-speed drive (100 MW) for a Swiss hydro plant
- Pump storage installation upgrade

A strong play in the sustainable energy market

Building from a strong base: Significant product, service and geographic opportunities

Today's challenges

- Increasing demand for optimized packages
- Communication and connectivity of products is key
- Global reach and customer partnerships prerequisite for future success
- Life cycle support a key differentiator

A strong base

- Strong market presence in all key product lines
- Leading technology position
- Worldwide "local presence" supported by a geographically well balanced production footprint
- A large installed base
- Global service capabilities

Future growth opportunities

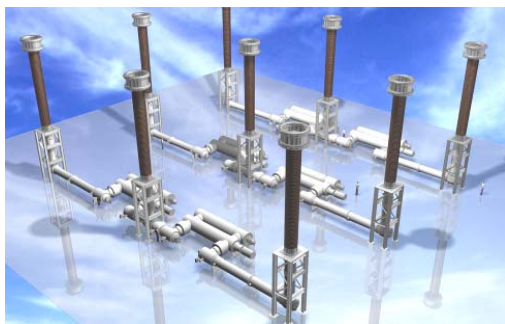
- Bundled solutions across the full ABB portfolio
- Market channel for product
- Penetrate high-growth/regional markets
- Leverage technology strength for high-growth applications
- Advanced services to cover the installed base

Joe Hogan

CEO

ABB's technology advantage will remain a key growth driver

Key power technologies to address climate change challenge



1100 kV Ultra High-Voltage AC GIS

Key to China's planned 1100-kV high-efficiency AC transmission network



Next-generation HVDC Light

Lowers total lifecycle losses, higher power rating (for lower cost per megawatt transmitted)



Environmentally-friendly transformers

High-efficiency amorphous core technology, fire-resistant biodegradable liquid insulation

2009 R&D* spend up 5% reflects confidence in the future

Innovations in power to meet changing customer demands

Example: Special transformers launched in 2009



- First 800 kV HVDC transformer
- World's highest-voltage link: 2,000 km HVDC transmission corridor from Xiangjiaba hydro plant to Shanghai
- 48 transformers needed for 2 converter stations



- Ultra low-noise transformer to meet new noise regulations in New York City
- 20–25 decibels below conventional noise specifications
- Delivered to ConEd in New York

Technologies for growing energy demand with lower emissions

Delivering renewable power, reliably and efficiently



Xiangjiaba – Shanghai

- World's longest and highest-capacity power link
- Ultrahigh-voltage DC technology
- 6,400 MW of hydropower
- Clean energy for 31 million people











BorWin 1

- World's most remote wind farm, in German North Sea
- 400 MW capacity
- High-voltage DC converter stations
- 200 km of subsea and underground cables

New products in 2009 aimed at key growth markets

Rail, water, solar, energy efficiency, discrete manufacturing

 <p>BORDLINE® CC1500 High-power propulsion converter for locomotives</p>	 <p>Low-voltage AC drives for water & wastewater applications</p>	 <p>Solar inverters for power plants, industrial & commercial buildings</p>	 <p>Shore Power Converter VSP5 Power converter to connect large marine vessels to shore-based power supply</p>
 <p>IRC5 compact robot controller Compact, portable, easy to commission</p>	 <p>ACS850-04 industrial drives Built-in energy saving calculator (for up to 45 kW)</p>	 <p>New-generation compact robot, 3 kg payload, 180 mm² footprint</p>	 <p>Timax PV disconnectors For photovoltaic installations up to 1100 V DC and 1600 A rated current</p>

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Summary of 2009

- A strong 2009 despite market turmoil
- Solid emerging market growth
- Profitability well within target corridor
- Fast and significant cost savings achieved
- Cash generation shows quality of earnings and ability to execute

A strong year for ABB

Beyond the cycle: Opportunities and uncertainties

What has changed since September 2009?

	Opportunities	Uncertainties
Market	<ul style="list-style-type: none"> ▪ Focused investment in energy ▪ Climate change consensus & actions ▪ Emerging market rebound ▪ Power & automation converge 	<ul style="list-style-type: none"> ▪ Amplitude & timing of macro rebound ▪ Increasing protectionism
ABB	<ul style="list-style-type: none"> ▪ Strong position in renewables ▪ Industry-leading balance sheet ▪ Extend emerging market reach ▪ Lead technology ▪ Geographic balance 	<ul style="list-style-type: none"> ▪ Execution of fiscal stimulus and climate policies ▪ Competitor pricing ▪ Developed market rebound
ABB well-positioned for 2010 and beyond		

Outlook for 2010 and beyond

- Market outlook for 2010 remains mixed
- \$25-billion opening backlog supportive of revenues
- Resilient demand expected to continue in power transmission, oil & gas
- Emerging markets will continue to be primary growth engine
- Short-cycle demand may have bottomed
- Remain cautious on industrial capex
- We confirm our 2011 EBIT margin target range
- Longer-term market outlook remains positive
- Macro trends related to climate change, energy efficiency continue
- Organizational realignments open new opportunities for profitable growth

**Power and productivity
for a better world™**

