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Steering through challenging times 2015 Q3 and nine months results

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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, and 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," "outlook" or similar expressions.

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- raw materials availability and prices
- market acceptance of new products and services
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This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the 'Supplemental reconciliations and definitions' section of "Financial Information" under "Financial results & presentations" – "Quarterly results & annual reports" on our website at www.abb.com/investorrelations

Q3 2015 – Steering through challenging markets Delivering along our three focus areas

Profitable Growth

Orders and revenues¹ impacted by the adverse market conditions

Book-to-bill positive 1.03x in the quarter and 1.07x YTD

Growth initiatives and large utility orders mitigating market headwinds

Relentless Execution Group op. EBITA margin up 50 basis points to 12.5%

Power Systems "step change" delivers 520 bps improvement of op EBITA vs a loss in 2014

Continued cost out and productivity measures safeguard profitability

1'000-day programs: white collar productivity and working capital well under way

Business-Led Collaboration

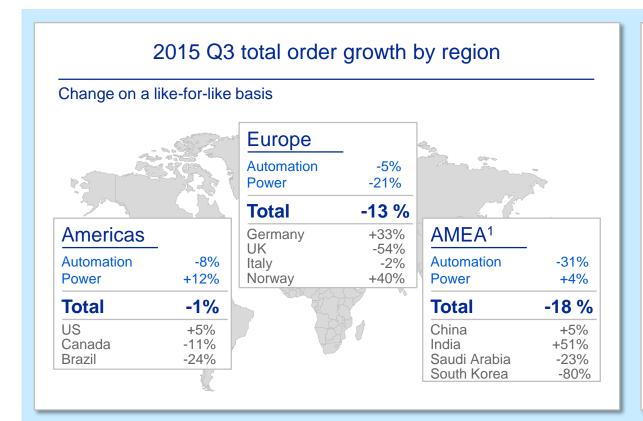
Realigned divisions and streamlined organization to commence January 2016 Common platform Salesforce.com rolled out and operational in 14 countries Group account management focused; pilots prove success

Margin accretion in difficult markets; stepping up measures to safeguard profitability

Q3 and nine months 2015 Key figures

	Q3 15	Q3 14	Change	9M 15	9M 14	Change
\$ mn unless otherwise indicated						
Orders	8,767	11,225	-12% ¹	28,167	32,150	0%1
Order backlog (end Sept.)	25,371	27,005	+4%1			
Revenues	8,519	9,823	-2% ¹	26,239	29,484	+1%1
Operational EBITA	1,081	1,189	-1% ¹	3,088	3,322	+4%1
as % of operational revenues	12.5%	12.0%	+0.5 pts	11.8%	11.2%	+0.6 pts
Net income	577	734	-21%	1,729	1,914	-10%
Basic earnings per share (\$)	0.26	0.32	-19%²	0.77	0.83	-7 %²
Operational earnings per share (\$) (constant currency basis)	0.35	0.35	+2% ^{2, 3}	0.99	0.94	+5% ^{2, 3}
Cash from operations	1,173	1,169	0%	1,824	2,012	-9%

Orders in key markets Continued hard weather sailing



2015 Q3 base order growth²

Change on a like-for-like basis

Canada	-11%
China	-15%
Finland	+20%
Germany	+1%
India	+50%
Italy	-2%
Norway	+4%
Saudi Arabia	-10%
Sweden	+1%
UK	+10%
US	-5%

PIE³ approach and global footprint drive growth opportunities



Market conditions Trends into 2016

Global end-markets

Oil & Gas



Upstream O&G

Offshore drilling investment

Onshore unconventional upstream



Feed stock related investment

Reallocation of oil subsidies

Utilities



Structural change

Distribution Investment



HVDC interconnections

Emerging markets and renewables integration

Power grid automation

Countries

USA



Upstream O&G

Mining



Transmission

Automotive

Food & Beverage

Residential construction

China



Process industry

Construction

Customer Confidence

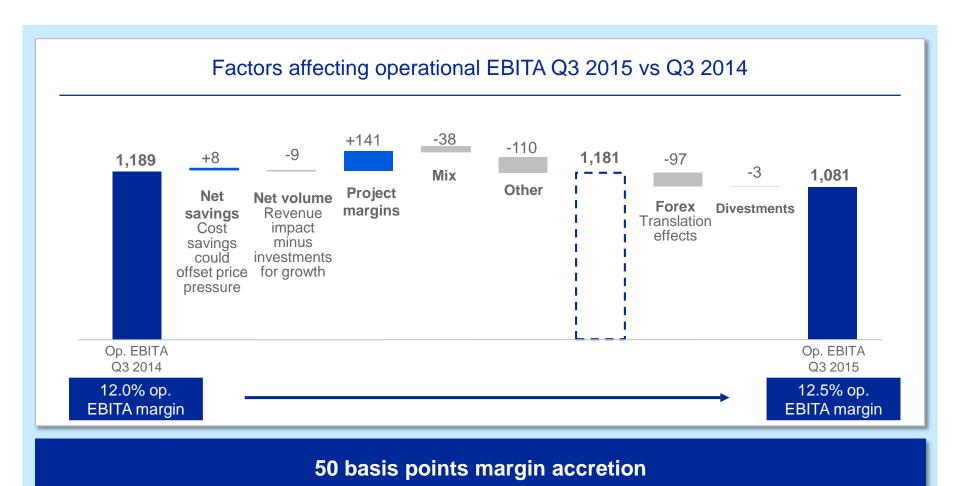


UHVDC / power grid

Automation

Service

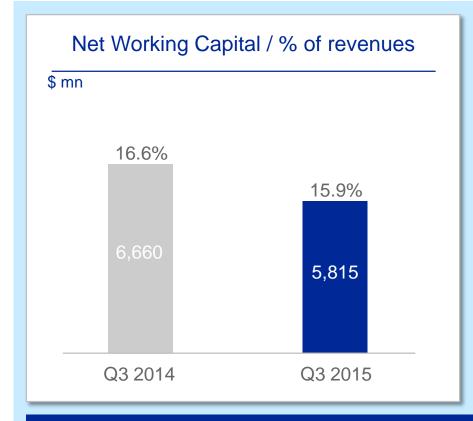
Operational EBITA bridge Driving Relentless Execution



Q3 2015 performance by division Key figures quarter on quarter

\$ mn unless otherwise stated	Orders	 Like-for-like	Revenues	 Like-for-like	Operational EBITA%	\triangle	Cash from operations	\triangle
Discrete Automation and Motion	2,241	-9%	2,220	-7%	14.8%	-1.7pts	420	+3%
Low Voltage Products	1,645	0%	1,637	-3%	18.1%	+1.8pts	333	+8%
Process Automation	1,372	-39%	1,461	-8%	10.5%	-1.2pts	188	-27%
Power Products	2,446	0%	2,332	+6%	12.5%	-0.1pts	228	-30%
Power Systems	1,692	-11%	1,481	+3%	4.6%	+5.2pts	108	n.a.
Corporate & consolidation	-629		-612				-104	-
ABB Group	8,767	-12%	8,519	-2%	12.5%	+0.5pts	1,173	0%

Improved cash management Free cash flow conversion 116%



Working Capital program priorities

- Reduce value chain complexity

 Improve inventory management from product design to manufacturing through logistics
- Integrate project management
 Reduce unbilled receivables in large projects
 - Increase speed and flexibility for better customer service
 - Lead time reduction and greater on-time delivery percentage

Working Capital 1,000-day program plan and priorities in place

ABB – Next Level Stage 2

Accelerating transformation

Presented September 9th, 2015

Profitable Growth

Shifting the Center of Gravity

- Divisional realignment along markets
- Accelerating organic growth

Ready for inorganic moves

Value from partnerships

Relentless Execution

2 Stage Advancing leading operating model

\$1 bn White-Collar Productivity 1,000-day program

\$2 bn Working Capital 1,000-day program

Living the new performance culture

Business-Led Collaboration

Further simplifying our organization

Driving collaboration in regions and countries

Continuing leadership development

Profitable Growth Shifting the Center of Gravity

Presented September 9th, 2014

Strengthening competitiveness **Profitable** Growth Solution offering Software-led Services differentiation **Future** Customer value **Technological** proposition leadership 2 Stage Relentless Execution Economic cycle High-growth imbalance segments **Starting point** Penetration. Global imbalance Innovation **Business-**Intrinsic business risk Expansion Led Collaboration Lowering risk Driving organic growth

Profitable Growth Shifting the Center of Gravity – Q3 actions

Example

Profitable Growth

Relentless Execution eggs

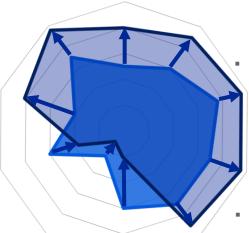
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Business-Led Collaboration

Strengthening competitiveness

IEC motor line launch in China and India

- Industry leading marine routing software for Maersk
- Fast charging robot for public buses; first project with Volvo



 World's first eco-efficient switchgear solution in operation in Switzerland

Digital mining control tower in South America

- Market focused divisional realignment
- Hitachi joint venture in operation

Lowering risk

- 2 GW of solar capacity in India installed
- Micro-grids wins in Africa
- Food & Beverage double digit growth

Driving organic growth

Profitable Growth

Driving organic growth momentum – PIE

Example

Profitable Growth

Relentless Execution

Business-Led Collaboration **Penetration**

Renewable power generation in India

2GW of installed solar inverters capacity

50% of all installed capacity



Stage

2

Innovation

Marine routing software for Maersk ships Equip 140 ships to optimize routes, boost safety and protect cargo by forecasting adverse factors



Expansion

Micro-grids in Kenya

Supply power to remote communities (5,000 people)

Flywheel & renewable micro-grid solution



Profitable Growth

2

Stage

High growth segments e-mobility

Example

Profitable Growth

Relentless Execution

Business-Led Collaboration

Fast charging robot for public buses

Fast charging solution for electric buses Enables 24/7 operation of bus Charge time of 4 – 6 minutes First project with Volvo in Luxembourg



EV charging services platform







Microsoft

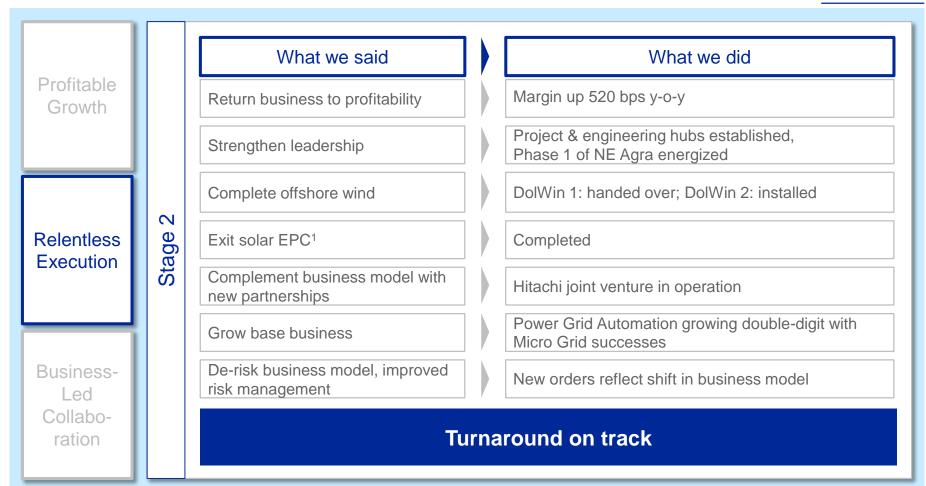
Cloud-based services provide stability, scalability & advanced mgmt. features

Machine learning & predictive analytic capabilities lead to value added services



Relentless Execution Power Systems delivering on "step change" program

Example



Relentless Execution

2

Stage

Accelerating cost reduction and productivity programs

Example

Profitable Growth

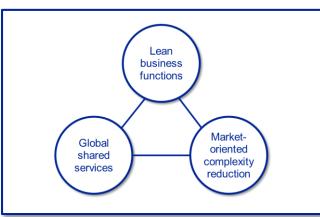
Relentless Execution

Business-Led Collaboration Regular cost savings (3-5% of cost of sales p.a.)



- Step-up in cost savings
- Further productivity enhancement

White Collar Productivity (\$1 bn structural cost savings program by 2017²)



- Consultation process started
- Headquarter changes announced
- De-layering in implementation
- Pilots underway for lean-business functions

Business-Led Collaboration Simplifying and market focused organization

Example

Profitable Growth

Relentless Execution 2

Stage

Business-Led Collaboration

Organization

Divisional Realignment

From 5 to 4 divisions
Organization and

streamlined divisional structure ready

First 3 layers of mgmt. appointed



Processes & tools

Salesforce.com

Operational in 14 countries

More customer facing time

Easier collaboration and coordination



Go-to-market

Group Account Management

Focused approach

Increase share of customer wallet

Pilots prove success



Q3 summary and outlook

Q3 results

Orders impacted by adverse market conditions

Book to bill positive at 1.03x; 1.07x year to date

Revenues -2% on short cycle volumes

Operational EBITA margin up 50 basis points

Power Systems delivers 520 bps improvement

Operational EPS +2% (constant currency)

Financials impacted by currency translation

Stage 2 Next Level strategy launched

Outlook

Hard-weather sailing: Mixed short-term picture, uncertainty remains

Modest growth in Europe and the US; slower growth in China

Oil price & forex translation effects to continue

Long-term demand outlook remains positive – growth drivers in place for utilities, industry, transportation & infrastructure

Margin accretion delivered; stepping up measures to safeguard profitability

Power and productivity for a better world™



Key figures Q3 2015

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\$ mn unless otherwise indicated			\$	Local currency	Like-for-like
Orders	8,767	11,225	-22%	-12%	-12%
Order backlog (end September)	25,371	27,005	-6%	+4%	+4%
Revenues	8,519	9,823	-13%	-3%	-2%
Operational EBITA	1,081	1,189	-9%	-1%	-1%
as % of operational revenues	12.5%	12.0%	0.5 pts		
Income from operations	882	1,222	-28%		
as % of revenues	10.4%	12.4%	-2.0pts		
Net income	577	734	-21%		
Basic earnings per share (\$)	0.26	0.32	-19% ¹		
Cash from operating activities	1,173	1,169	0%		

Key figures first 9 months 2015

	9M 15	9M 14		Change	
\$ mn unless otherwise indicated			\$	Local currency	Like-for-like
Orders	28,167	32,150	-12%	-2%	0%
Order backlog (end September)	25,371	27,005	-6%	+4%	+4%
Revenues	26,239	29,484	-11%	-1%	+1%
Operational EBITA	3,088	3,322	-7%	+2%	+4%
as % of operational revenues	11.8%	11.2%	+0.6pts		
Income from operations	2,702	3,129	-14%		
as % of revenues	10.3%	10.6%	-0.3pts		
Net income	1,729	1,914	-10%		
Basic earnings per share (\$)	0.77	0.83	-7% ¹		
Cash from operating activities	1,824	2,012	-9%		

Relentless Execution White Collar Productivity detailed financials

Presented September 9th, 2014

Profitable Growth		\$ mn unless otherwise stated1	Run-rate at the end 2017	2015	2016	2017
Crowtii		Savings				
		Gross savings	~1'000	~25	~400	~800
Relentless Execution	Stage 2	\$ mn unless otherwise stated1	Total	2015	2016	2017
Exocution	S S	Cost				
	Į I	Restructuring and related expenses	~850-900	~300-600	~150-300	~50-250
Business- Led Collabo-		Program implementation costs ¹	~350	~75	~200	~75
ration		Cash out ²		~250-300	~500-700	~300-400

Order backlog by division

	Q3 2015	Q3 2014	Cha	nge %
Order backlog (end September) \$ mn			\$	Like-for-like
Discrete Automation and Motion	4,601	4,741	-3%	+5%
Low Voltage Products	961	994	-3%	+9%
Process Automation	5,404	6,230	-13%	0%
Power Products	7,974	8,297	-4%	+5%
Power Systems	8,676	9,128	-5%	+6%
Consolidation and Other (incl. Inter-division eliminations)	(2,245)	(2,385)		
Total Group	25,371	27,005	-6%	+4%

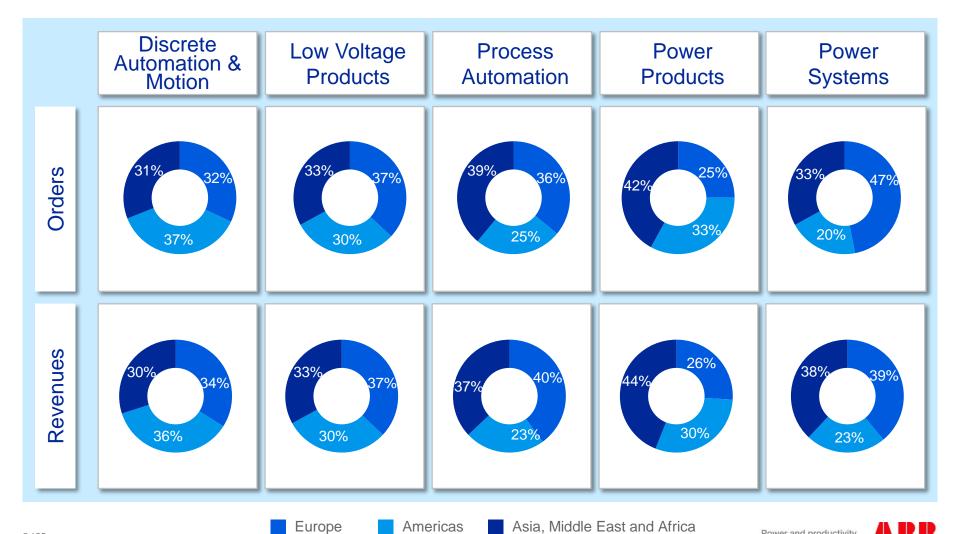
Operational EPS analysis

	Q 3 :	2015	Q3 :	2014	
mn \$ except per share data in \$		EPS ¹		EPS ¹	2
Net income (attributable to ABB)	577	0.26	734	0.32	-19%
Restructuring and restructuring- related expenses ³	32	0.01	40	0.02	
Gains and losses on sale of businesses, acquisition- related expenses and certain non-operational items ⁴	5	0.00	(103)	(0.04)	
FX/commodity timing differences in income from operations ³	51	0.02	56	0.02	
Acquisition–related amortization ³	54	0.02	68	0.03	
Operational net income	719	0.32	795	0.35	-7%
Operational EPS (constant currency)		0.35		0.35	+2%

¹EPS amounts are computed separately, therefore the sum of the per share amounts may not equal to the total; ²Calculated on basic earnings per share before rounding; ³Net of tax at the Adjusted Group effective tax rate; ⁴Net of tax at the Adjusted Group effective tax rate, except for gains and losses on sale of businesses which are net of the actual provision for taxes



Regional share of total orders and revenues by division Q3 2015



Discrete Automation & Motion Q3 2015







Total orders declined due to lower demand for standard products and services used in the process industries in key markets such as the US and China. Continued investments in automation for general industries continue to drive growth in robotics.

Revenues reflect the lower short cycle business which could not be compensated by executing the strong order backlog. The operational EBITA margin decreased mainly as a result of lower volumes in the quarter and a lower share of standard product revenues. Focused capacity adjustments and restructuring are being further ramped up and are underway.

Low Voltage Products Q3 2015



Revenues

\$ mn, y-o-y change like-for-like

-3%

Lgg't

Q3 13

Q3 14

Q3 15



Orders were steady despite the difficult market environment. Europe's positive order development offset declines in AMEA and the Americas. In particular, product orders were softer in China, the US and Canada.

Revenues were impacted by the timing of execution of the systems order backlog. The higher operational EBITA margin reflects targeted productivity measures, increased cost savings and the strong focus on execution.

Process Automation Q3 2015



Revenues \$ mn, y-o-y change like-for-like -8% 2,128 1,899 1,461 Q3 13 Q3 14 Q3 15



The significant decline in orders mainly results from the comparison to the very high large orders booked in Q3 2014 and lower spending in the oil and gas sector.

Subdued short-cycle orders in the first nine months of 2015 translated into lower revenues. Operational EBITA and margin declined due to weaker revenues and an unfavorable mix. Capacity adjustments are underway.

Power Products Q3 2015



Revenues

\$ mn, y-o-y change like-for-like

+6%

282,7

Q3 13

Q3 14

Q3 15



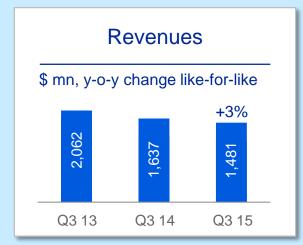
Total orders for the quarter were steady as increased orders for power transmission projects in the US and China offset weaker demand for base orders from the industry sectors.

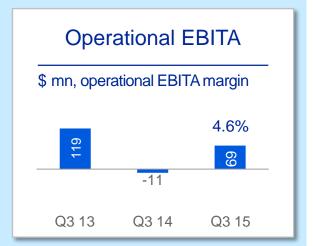
Revenues increased during the quarter, mainly due to the successful execution of a strong order backlog.

The operational EBITA margin was steady as higher revenues offset unfavorable mix effects and ramp-up costs associated with new production facilities in key markets.

Power Systems Q3 2015







Orders during the quarter were lower than the third quarter of 2014 largely due to the timing of large orders, challenging macro-economic conditions and project selectivity.

Revenue growth was mainly driven by steady execution of a strong order backlog.

Operational EBITA and the related margin increased mainly as a result of ongoing 'step change' measures and continued cost savings to return the division to higher and more consistent profitability

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