July 21, 2011

ABB Q2 2011 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 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 associated with the with the volatile global economic environment and political conditions, costs associated with compliance activities, raw materials availability and 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.

Revenue momentum sustained, strong net income
Acquisitions show solid top and bottom line contribution

- Orders up 18% (10% organic) to $9.9 bn
- China continues growth, India and Brazil up almost 40%
- Revenues higher in all divisions, up 17% (9% organic) for Group
- $1.5 bn operational EBITDA, up 22%
- Acquisitions add ~$600 mill in sales, ~$115 mill in op. EBITDA
- Cost reductions of ~$270 million
- 16.0% op. EBITDA margin – lower vs Q2 2010 on tough comps
- Net income 43% higher
- Strong cash flow – up 37 percent – and positive net cash
- ~$1.3 billion in new long-term debt, Moody's upgrade to A2

Key figures for Q2 2011

Key figures Q2 2011 vs Q2 2010

US$ millions unless otherwise indicated	Q2 2011	Q2 2010	change *US$*	change *Local* [1]
Orders received	9,867	7,665	*29%*	*18%*
Revenues	9,680	7,573	*28%*	*17%*
Order backlog (end June)	29,983	24,437	*23%*	*9%*
EBIT	1,337	975	*37%*	
as % of revenues	13.8%	12.9%		
Operational EBITDA[2]	1,547	1,264	*22%*	
as % of op. revenues[2]	16.0%	16.6%		
Net income	893	623	*43%*	
Basic earnings per share *(US$)*	0.39	0.27	*44%*	
Cash from operations	891	649		

- Restructuring-related costs ~$30 million in the quarter
- Derivative impacts at + ~60 million

[1] Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are shown in the tables. On an organic basis (excl. the acquisitions of Ventyx and Baldor Electric), orders and revenues rose 10% and 9%, respectively.

[2] See reconciliation of non-GAAP measures at the end of this presentation.

Top line momentum continues to build
Margins challenged, helped by cost savings

percentage change in local currencies vs same period in 2010, except operational EBITDA - percentage change in US$	Orders	Revenue	Op. EBITDA	Op. EBITDA margin	Δ vs Q210 *(percentage points)*
Power Products	+4%	+1%	-12%	16.5%	-3.8
Power Systems	+11%	+12%	+220%	9.4%	+5.8
Discrete Automation	+63%	+61%	+72%	18.7%	-0.2
Low-Voltage Products	+6%	+16%	+14%	19.2%	-2.2
Process Automation	+15%	+9%	+9%	11.8%	-1.2
ABB Group	+18%	+17%	+22%	16.0%	-0.6

Positive momentum continues

Up ~25% excl Baldor

Comps, weak renewables

Tough comps, transmission pricing

Strong project execution

Input costs, systems mix

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A strong performance in almost all areas
Intra-divisional mix behind the margin negatives

+

- PP: Further revenue improvement, back into positive territory
- PP: Op. EBIT margin near full-year guidance of ~15%
- PS: Strong project execution, highest operating margin in 2 years
- Baldor: Outstanding growth and profitability
- Service orders up 19%
- Strong cash flow despite higher NWC to support growth

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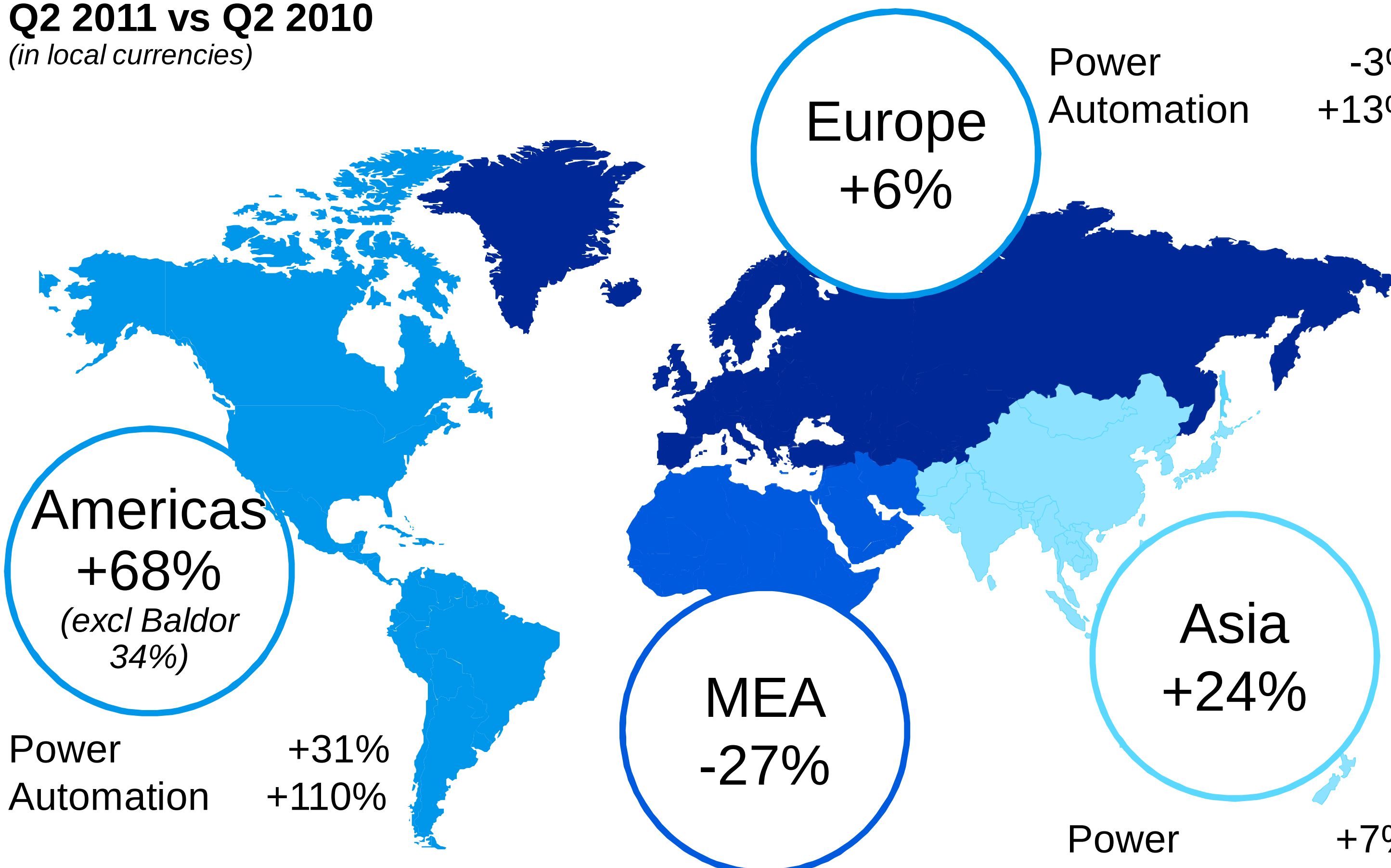
- LP: Slower order growth vs strong Q2 10, weaker renewables, China pre-buying in Q1
- LP: Margins reflect higher systems revenues and silver costs
- PP: Tough year-on-year comps for PP margin
- PP: Transmission pricing in backlog still a challenge
- PA: Project mix in systems business pressures margins

Asia and Americas led the Q2 order growth

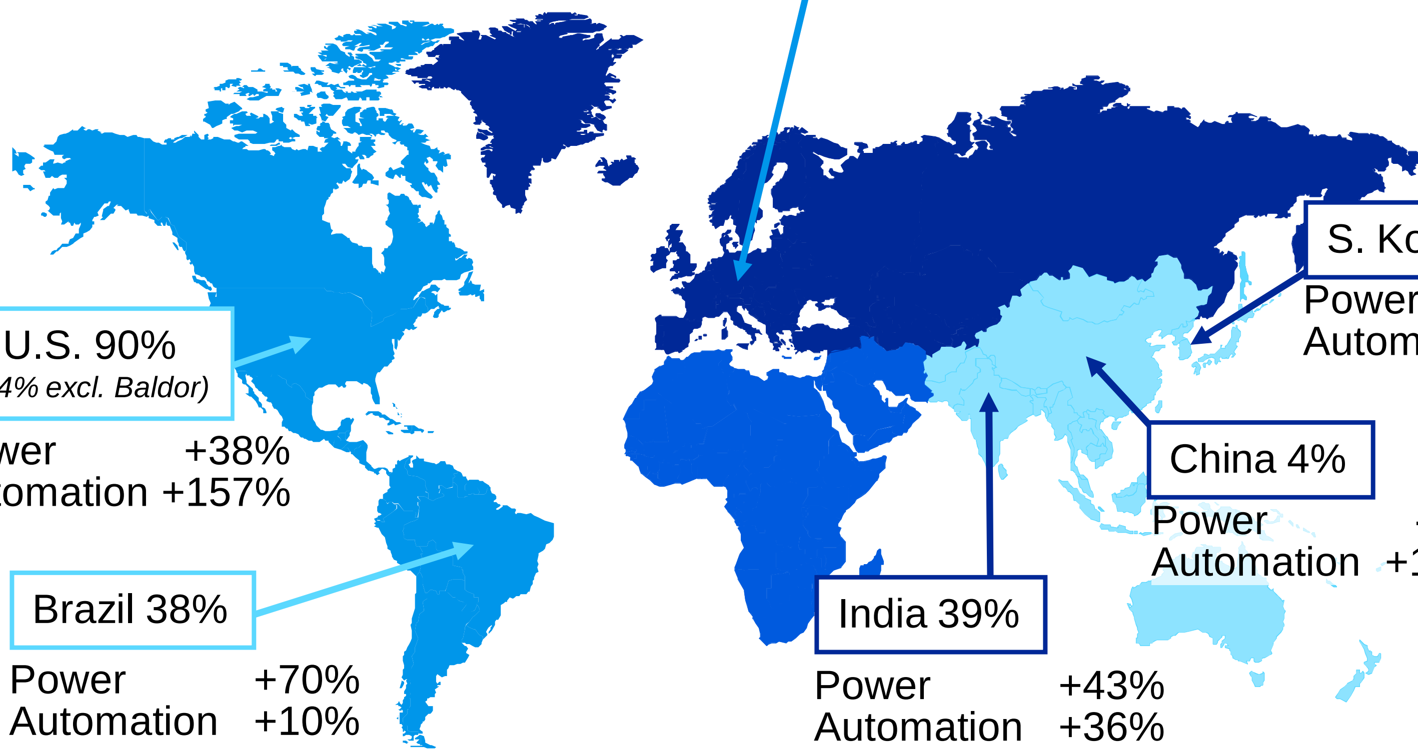
Order growth by region
Q2 2011 vs Q2 2010
(in local currencies)



Europe	Power	-3%
	Automation	+13%
Americas	Power	+31%
	Automation	+110%
MEA	Power	-12%
	Automation	-44%
Asia	Power	+7%
	Automation	+37%

Automation continues to outperform
Power recovery mainly in distribution

Order growth by selected country
Q2 2011 vs Q2 2010
(in local currencies)



BRIC country orders up 17%

Power update Q2 2011
Distribution increasing, transmission still slow



Upside

- Tendering activity in Power Systems at new record levels
- Further growth in distribution solutions for utilities and industry
- Service orders up ~20% in Q2
- Demand for components
- Accelerated shift to renewables following events in Japan
- Demand for specialty transformers (e.g., subsea, rail)

Risks

- Macro concerns (China inflation, U.S. and European debt)
- Cautious capex spend in transmission
- Limited public financing
- Emerging competitors
- Price pressure

Key actions to tap opportunities, mitigate risks

- Speed up localized R&D and product design
- Push exports from low-cost footprint
- No let-up on cost take-out
- Further drive service growth

Automation update Q2 2011
Early cycle comps a challenge, mid-cycle improving

Upside

- Energy efficiency regulations
- New high-efficiency and mid-segment product launches
- Growth in robotics, LV drives
- Increased demand in O&G, marine, metals and P&P
- ABB price increases in most segments

Risks

- Early cycle showing first signs of moderation?
- Greenfield industrial capex has yet to fully recover
- Speed of implementing price increases
- Tougher comps over the rest of 2011

Key actions to tap opportunities, mitigate risks

- Push further price increases
- Accelerate R&D investments
- Target key growth sectors (mining, oil & gas)
- Tap installed base for service growth

Baldor update: Solid execution, synergies on track
>$100 million contribution to operational EBITDA

- Q2 2011 stand-alone vs year-earlier period:
  - 19% revenue growth
  - Operational EBITDA up ~25%[1]
  - Operational EBITDA margin at 20%, up from 2010[2]
- Synergy update:
  - Good progress in cross-selling NEMA/IEC motors and drives
  - Upside from mechanical power transmission orders outside U.S.
  - Sourcing and other cost savings in line with plan
- Integration on track
- Management retention successful
- No major acquisition-related charges in Q2
- Annual amortization expected at ~$110 million per year to 2017

[1] Indicative; [2] Operating profit margin based on Baldor historical definition at 17.3% in Q2 2011 vs 14.6% in Q2 2010

ABB continues its M&A strategy to fill critical gaps

Disciplined approach

- All transactions in line with stated acquisition strategy
- Balancing integration challenges across divisions and geography

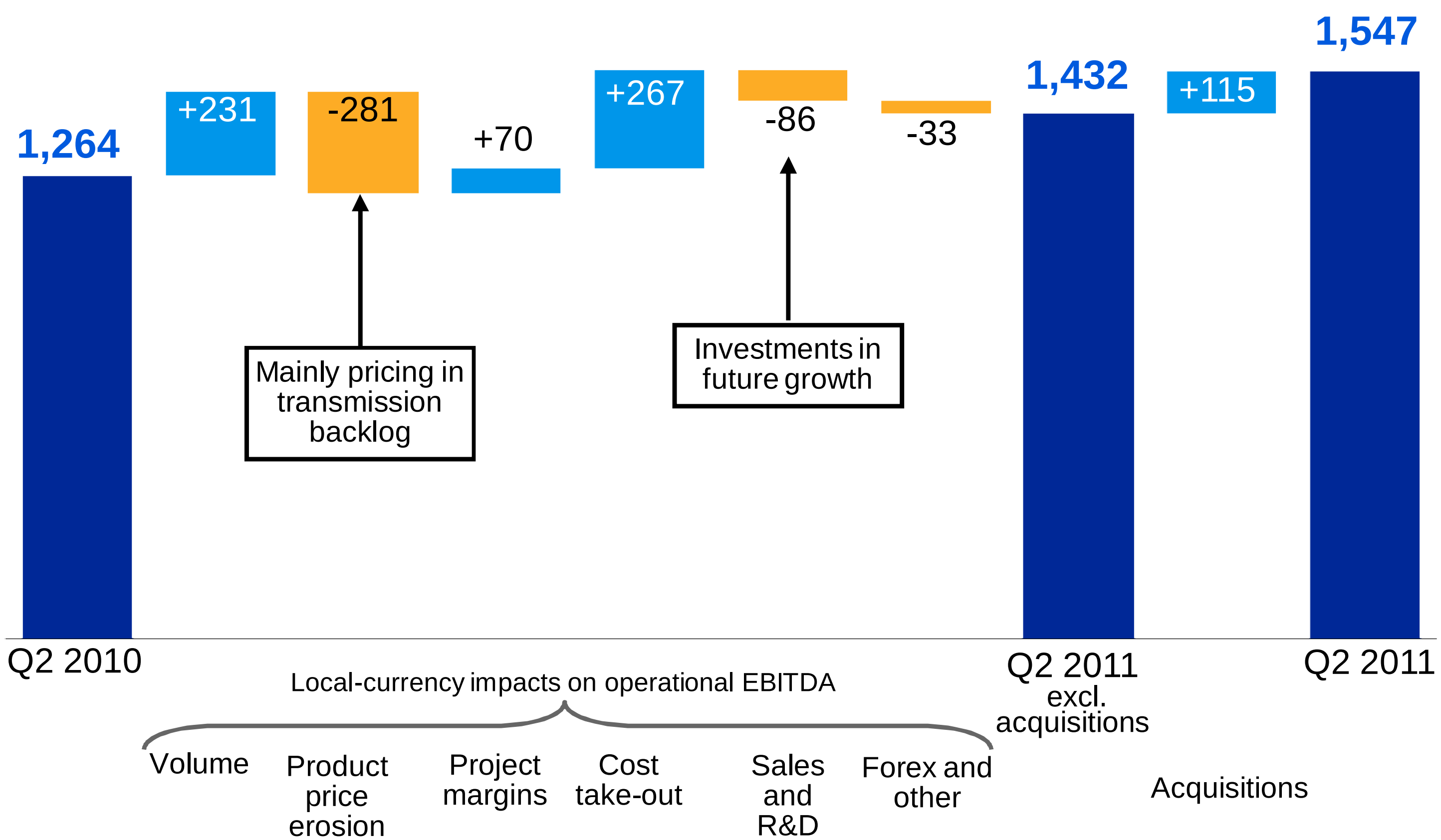
Financial criteria

- Cash returns at or above WACC within 3 years
- NPV positive (DCF at WACC + internal hurdles)
- Conservative net debt/EBITDA and gearing ratios – maintain single A credit rating

Critical gap	Ventyx	Baldor	Mincom	Epyon	Lorentzen & Wettre	Trasfor
Geographic	✓	✓	✓		✓	
Product/ service/ solution	✓	✓	✓	✓	✓	✓
Industry/ market	✓	✓	✓	✓	✓	✓

Solid volumes, savings and acquisitions contribution
Price erosion in transmission backlog still impacting

Local currency analysis of change in operational EBITDA



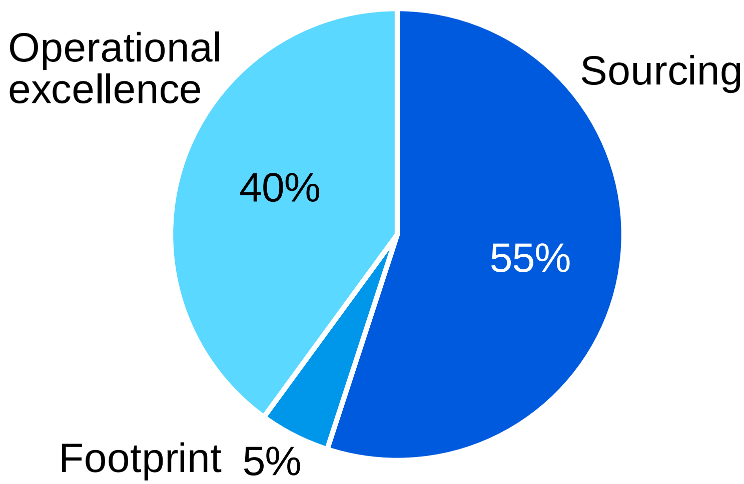
Operational EBITDA margin	Q2 2010	Q2 2011 excl. acquisitions	Q2 2011
	16.6%	**15.8%**	**16.0%**

Chart 13

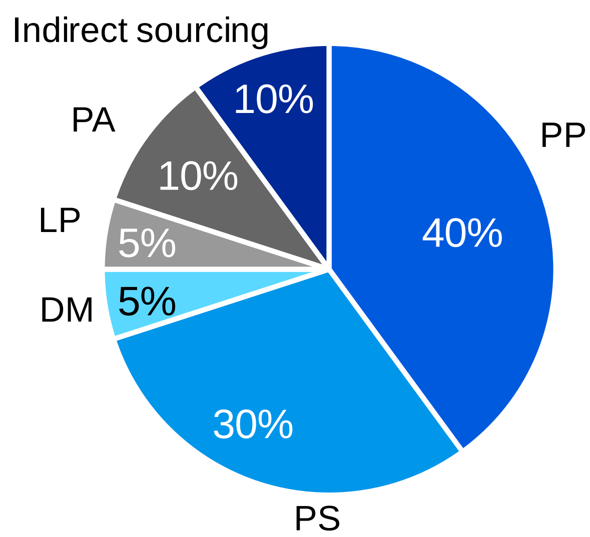
Cost savings update Q2 2011

- $1 billion of cost savings targeted for 2011
- Q2 savings = ~$270 million (~$480 million achieved YTD)
- Secured greater savings in operational excellence and sourcing vs Q1 2011

Approximate share of savings by category Q2 2011

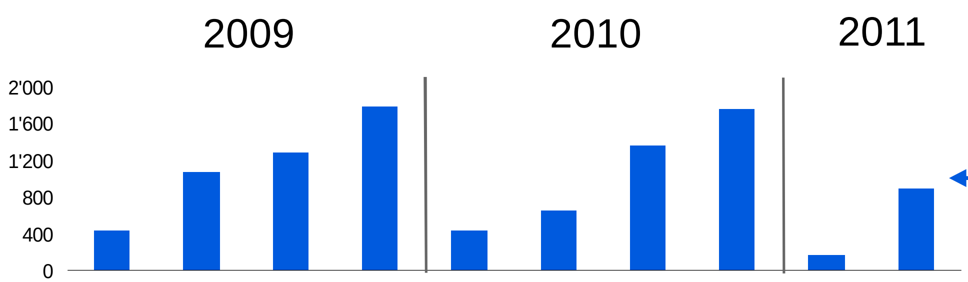


Approximate share of savings by division Q2 2011



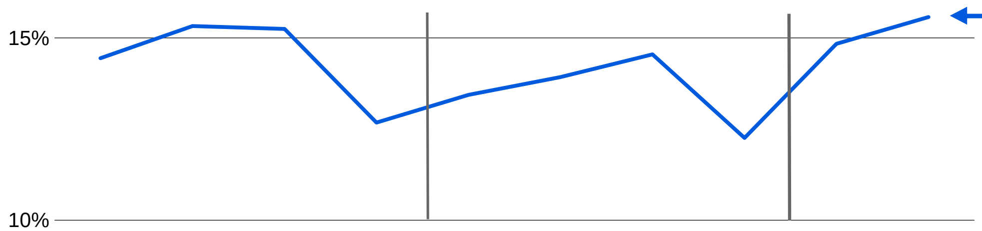
Strong cash recovery in Q2 …
… despite NWC increase to support growth

Cash from operations Q1 2009-Q2 2011
US$ millions



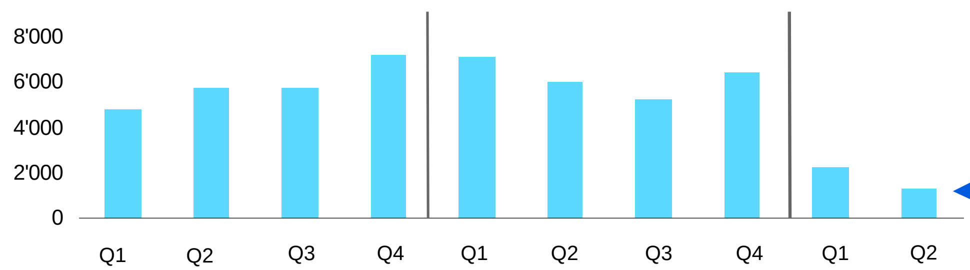
Solid cash performance …

Net working capital as % revs* Q1 2009-Q2 2011



… despite inventory build-up

Net cash position Q1 2009-Q2 2011



$1.2 bn net cash after $1.6 bn dividend payment

* Excl Baldor

Summary and outlook
Solid momentum to continue

- Revenue momentum continues to build, growth in all divisions
- Solid improvement in earnings and net income
- Pricing in backlog, business mix pressured margins
- Cost savings program delivering to expectations
- Good cash development despite need for higher working capital

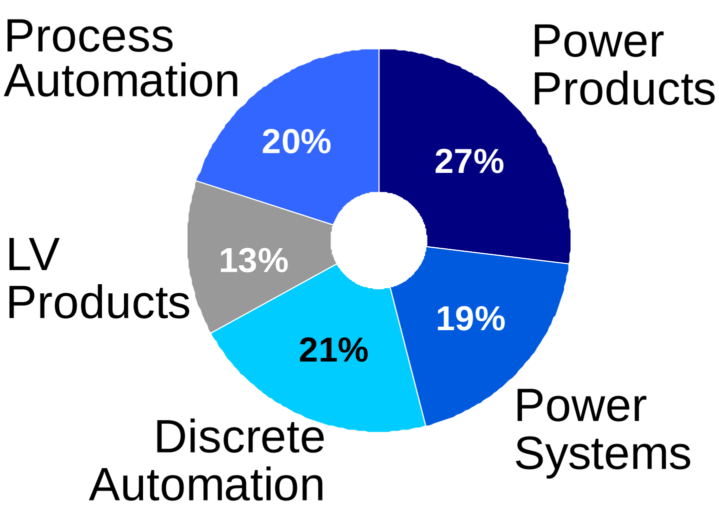
Outlook for remainder of 2011

- Macroeconomic concerns increasing but no change to outlook
- Continued demand for energy efficiency solutions in industry
- Power demand stabilizing overall, helped by power distribution
- Price in power backlog will continue to challenge, but transmission demand recovery seen for in H2 2011

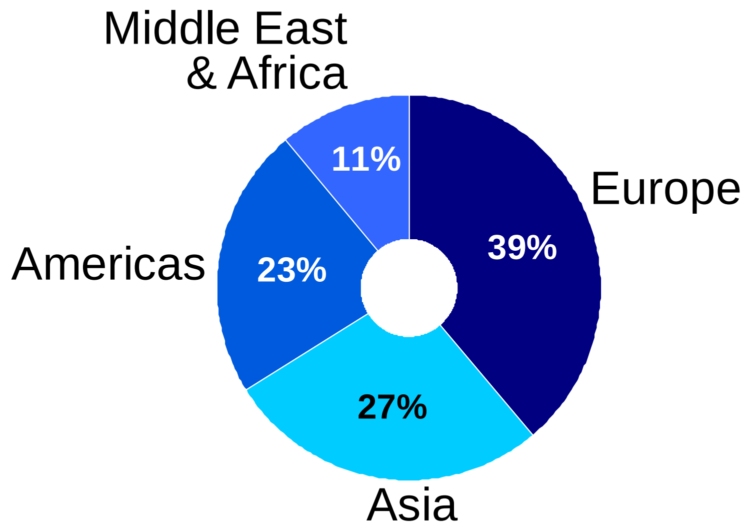
Power and productivity
for a better world™

Balanced business and geographic portfolio

Orders by division
% of total orders Q2 2011 (non-consolidated)

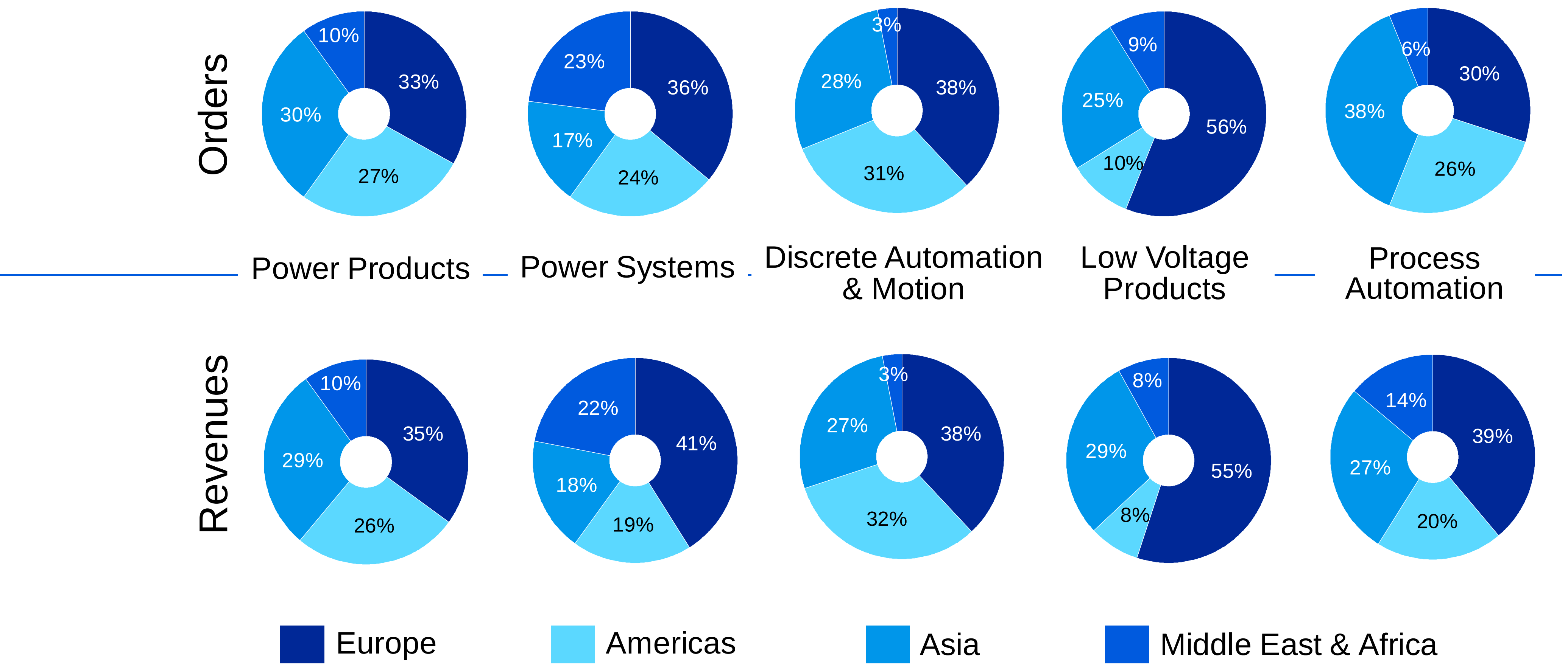


Orders by region
% of total orders Q2 2011



ABB's businesses by division and region

Percentage of total orders and revenues by region (US$)



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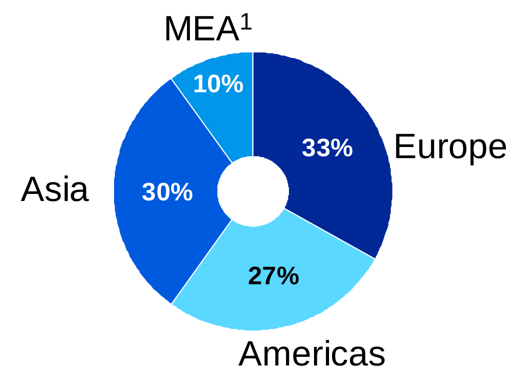
Power Products
Q2 2011 summary

Key data Q2 2011

US$ millions unless otherwise stated	Q2 2011	Q2 2010	Change US$	Change Local
Orders received	2,810	2,480	*13%*	*4%*
Order backlog *(end June)*	*8,955*	*7,796*	*15%*	*3%*
Revenues	2,783	2,528	*10%*	*1%*
EBIT	417	421	*-1%*	
as % of revenues	15.0%	16.7%		
Operational EBITDA	454	515	*-12%*	
as % of op. revenues	16.5%	20.3%		
Cash from operations	158	384		

Orders by region Q2 2011



- Orders driven primarily by utilities & industry for power distribution; power transmission investments have yet to pick up
- Revenues stable as growth in power distribution and service compensated lower levels in power transmission
- Operational EBITDA lower vs very high levels of Q2 10 on price pressure in transmission backlog

[1] Middle East and Africa

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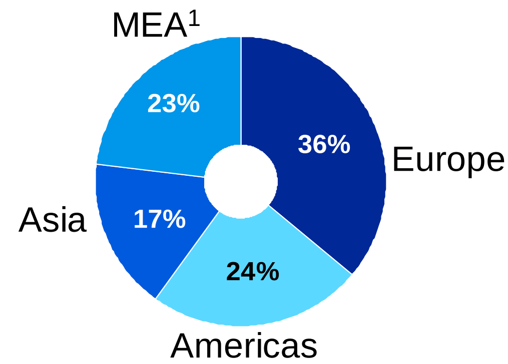
Power Systems
Q2 2011 summary

Key data Q2 2011

US$ millions unless otherwise stated

	Q2 2011	Q2 2010	Change US$	Change Local
Orders received	1,654	1,354	*22%*	*11%*
Order backlog *(end June)*	*11,310*	*9,128*	*24%*	*9%*
Revenues	2,025	1,635	*24%*	*12%*
EBIT	194	17	*N/A*	
as % of revenues	9.6%	1.0%		
Operational EBITDA	189	59	*220%*	
as % of op. revenues	9.4%	3.6%		
Cash from operations	112	-65		

Orders by region Q2 2011



- Orders driven by power capacity to support industrial growth, related investments in power generation, substations, distribution solutions; base orders up double digits, higher in all businesses
- Revenues reflect execution of strong order backlog, base order growth in recent quarters; order and tender backlogs remained at high levels
- Operational EBITDA and operational EBITDA margin improved on a combination of higher revenues and return to profitability in cables

[1] Middle East and Africa

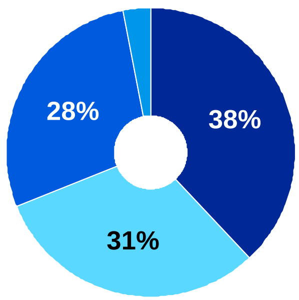
Discrete Automation and Motion
Q2 2011 summary

Key data Q2 2011

US$ millions unless otherwise stated

	Q2 2011	Q2 2010	Change US$	Change Local
Orders received	2,615	1,476	*77%*	*63%*
Order backlog (end June)	*4,595*	*3,223*	*43%*	*25%*
Revenues	2,248	1,287	*75%*	*61%*
EBIT	349	200	*75%*	
as % of revenues	15.5%	15.5%		
Operational EBITDA	419	243	*72%*	
as % of op. revenues	18.7%	18.9%		
Cash from operations	303	154		

Orders by region Q2 2011



- Orders up in all businesses, led by robotics and motors and generators; excl. Baldor, orders up 25%
- Revenues increased at a similar pace to orders on solid execution of the strong order backlog
- Higher operational EBITDA on revenue growth, operational EBITDA margin roughly unchanged vs Q2 2010

[1] Middle East and Africa

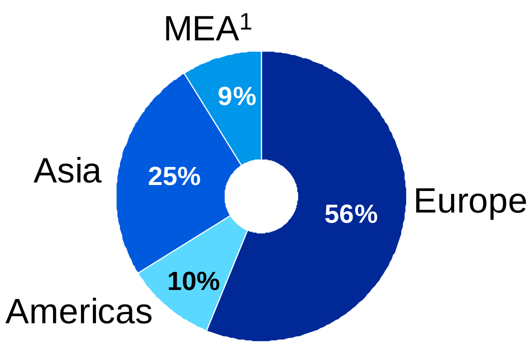
Low-Voltage Products
Q2 2011 summary

Key data Q2 2011

US$ millions unless otherwise stated

	Q2 2011	Q2 2010	Change US$	Change Local
Orders received	1,417	1,219	*16%*	*6%*
Order backlog (end June)	*1,141*	*879*	*30%*	*18%*
Revenues	1,397	1,102	*27%*	*16%*
EBIT	234	205	*14%*	
as % of revenues	16.8%	18.6%		
Operational EBITDA	268	236	*14%*	
as % of op. revenues	19.2%	21.4%		
Cash from operations	67	121		

Orders by region Q2 2011



- Orders driven primarily by demand for low-voltage systems; growth slower than in recent quarters on tougher comps, weaker demand from renewable energy sector
- Revenues up in all businesses
- Lower operational EBITDA margin reflects silver price increases that could not immediately be offset by higher prices, and higher share of total revenues from lower-margin systems

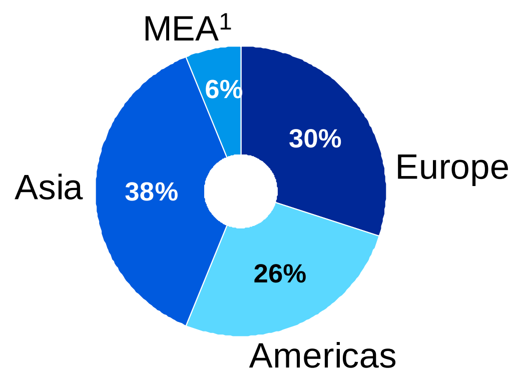
[1] Middle East and Africa

Process Automation
Q2 2011 summary

Key data Q2 2011

US$ millions unless otherwise stated	Q2 2011	Q2 2010	Change US$	Change Local
Orders received	2,340	1,825	28%	15%
Order backlog (end June)	*6,829*	*5,585*	*22%*	*7%*
Revenues	2,095	1,737	21%	9%
EBIT	223	189	18%	
as % of revenues	10.6%	10.9%		
Operational EBITDA	249	228	9%	
as % of op. revenues	11.8%	13.0%		
Cash from operations	222	143		

Orders by region Q2 2011



- Order growth driven by marine, oil & gas, pulp & paper, metals, turbochargers; lower in minerals vs high Q2 2010 levels; Lifecycle service orders up more than 20%
- The revenue increase reflects execution of the stronger order backlog and recent service growth
- Operational EBITDA up on higher revenues, operational EBITDA margin lower on revenue mix within systems business

[1] Middle East and Africa

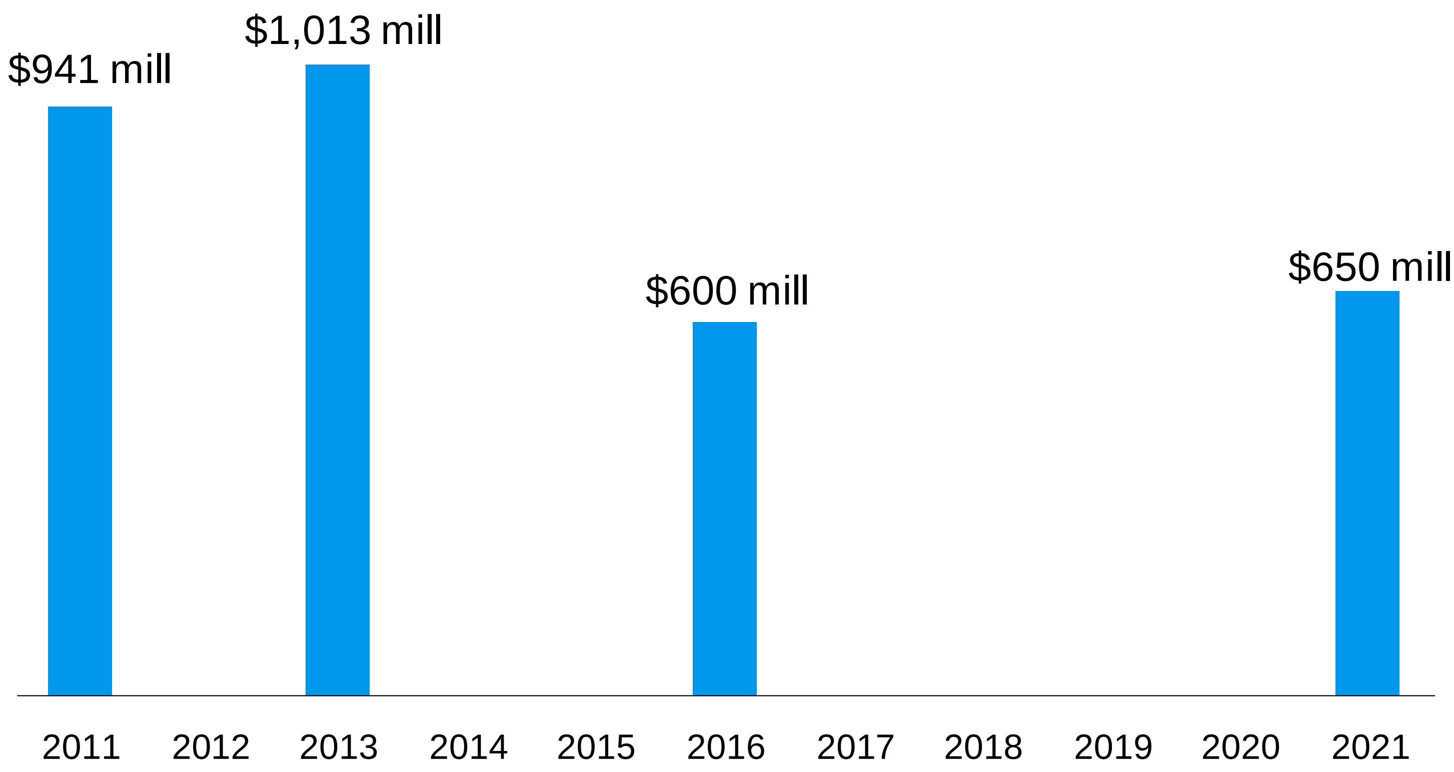
Below the EBIT line

	Q2 2011	Q2 2010
EBIT	1,337	975
Finance net	(16)	(19)
Provision for taxes	(395)	(285)
Income from continuing operations	926	671
Discontinued operations	(1)	(2)
Non-controlling interests	(32)	(46)
Net income	**893**	**623**

- Tax rate steady vs Q2 2010 at ~29 percent

Maturity profile of debt securities

Total debt securities of approx. $3.2 billion as of June 30, 2011



Based on June 30, 2011 FX rates

Summary of operational EBIT and EBITDA by division

Operational EBIT and Operational EBITDA Q2 2011 vs Q2 2010

	ABB		Power Products		Power Systems		Discrete Automation & Motion		Low Voltage Products		Process Automation	
	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10
Revenues (as per Financial Statements)	**9'680**	**7'573**	**2'783**	**2'528**	**2'025**	**1'635**	**2'248**	**1'287**	**1'397**	**1'102**	**2'095**	**1'737**
Derivative impact	(37)	26	(28)	12	(14)	1	(8)	-	(1)	2	14	11
Operational revenues	**9'643**	**7'599**	**2'755**	**2'540**	**2'011**	**1'636**	**2'240**	**1'287**	**1'396**	**1'104**	**2'109**	**1'748**
EBIT (as per Financial Statements)	**1'337**	**975**	**417**	**421**	**194**	**17**	**349**	**200**	**234**	**205**	**223**	**189**
Derivative impact	(58)	57	(14)	34	(42)	8	(4)	6	-	3	3	9
Restructuring-related costs	27	70	1	18	10	18	12	19	3	2	2	12
Charges (non-recurring) related to significant acquisitions	1						1					
including non-recurring amortization	*2*						*2*					
Operational EBIT	**1'307**	**1'102**	**404**	**473**	**162**	**43**	**358**	**225**	**237**	**210**	**228**	**210**
Operational EBIT margin	**13.6%**	**14.5%**	**14.7%**	**18.6%**	**8.1%**	**2.6%**	**16.0%**	**17.5%**	**17.0%**	**19.0%**	**10.8%**	**12.0%**
Depreciation	167	129	43	36	14	10	31	16	29	24	15	13
Amortization	75	33	7	6	13	6	32	2	2	2	6	5
Amortization (non-recurring) related to significant acquisitions	(2)						(2)					
Operational EBITDA	**1'547**	**1'264**	**454**	**515**	**189**	**59**	**419**	**243**	**268**	**236**	**249**	**228**
Operational EBITDA margin	**16.0%**	**16.6%**	**16.5%**	**20.3%**	**9.4%**	**3.6%**	**18.7%**	**18.9%**	**19.2%**	**21.4%**	**11.8%**	**13.0%**

Summary of Q2 and half-year 2011 results

Key data Q2 and half year 2011 vs 2010

US$ millions unless otherwise stated	Q2 2011	Q2 2010	Change US$	Change Local	H1 2011	H1 2010	Change US$	Change Local
Orders received	9,867	7,665	29%	18%	20,224	15,732	29%	21%
Order backlog (end June)	29,983	24,437	23%	9%	29,983	24,437	23%	9%
Revenues	9,680	7,573	28%	17%	18,082	14,507	25%	17%
EBIT	1,337	975	37%		2,350	1,684	40%	
as % of revenues	13.8%	12.9%			13.0%	11.6%		
Operational EBIT	1,307	1,102	19%		2,410	1,900	27%	
as % of revenues	13.6%	14.5%						
Operational EBITDA	1,547	1,264	22%		2,866	2,226	29%	
as % of revenues	16.0%	16.6%						
Cash from operations	891	649	37%		1,127	1,076	5%	

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Reconciliation on non-GAAP measures

Reconciliation of non-GAAP measures
($ in millions)

EBIT Margin *(= EBIT as % of revenues)*	Three months ended June 30, 2011	2010
Earnings before interest and taxes (EBIT)	1'337	975
Revenues	9'680	7'573
EBIT Margin	**13.8%**	**12.9%**
EBIT as per financial statements	**1'337**	**975**
reversal of:		
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	(32)	91
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	7	12
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(33)	(46)
Restructuring and restructuring-related expenses	27	70
Charges related to significant acquisitions [(1)]	1	-
Operational EBIT	**1'307**	**1'102**
reversal of:		
Depreciation	167	129
Amortization	75	33
Backlog amortization related to significant acquisitions	(2)	-
Operational EBITDA	**1'547**	**1'264**
Revenues as per financial statements	**9'680**	**7'573**
reversal of:		
Unrealized gains and losses on derivatives	1	74
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(6)	1
Unrealized foreign exchange movements on receivables (and related assets)	(32)	(49)
Operational Revenues	**9'643**	**7'599**
Operational EBITDA Margin (= Operational EBITDA as % of Operational Revenues)	**16.0%**	**16.6%**

(1) includes $2 million backlog amortization related to acquisitions in the 3 months ended June 30, 2011

Net Cash *(= Cash and equivalents plus marketable securities and short-term investments, less total debt)*	June 30, 2011	Dec. 31, 2010
Cash and equivalents	4'552	5'897
Marketable securities and short-term investments	359	2'713
Cash and marketable securities	**4'911**	**8'610**
Short-term debt and current maturities of long-term debt	1'191	1'043
Long-term debt	2'471	1'139
Total debt	**3'662**	**2'182**
Net Cash	**1'249**	**6'428**

Net Working Capital	June 30, 2011	Dec. 31, 2010
Receivables, net	10'984	9'970
Inventories, net	6'628	4'878
Prepaid expenses	256	193
Accounts payable, trade	(5'187)	(4'555)
Billings in excess of sales	(1'797)	(1'730)
Employee and other payables	(1'444)	(1'526)
Advances from customers	(1'935)	(1'764)
Accrued expenses	(1'692)	(1'644)
Net Working Capital	**5'813**	**3'822**

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

	Telephone	e-mail
Johanna Henttonen, Head of Investor Relations (Zurich)	+41 43 317 3808	johanna.henttonen@ch.abb.com
John Fox (Zurich)	+41 43 317 3812	john.fox@ch.abb.com
Karen Himmelsbach (Zurich)	+41 43 317 3832	karen.himmelsbach@ch.abb.com
Astrid Bodmer, Assistant (Zurich)	+41 43 317 3808	astrid.bodmer@ch.abb.com
John Chironna (Norwalk, CT)	+1 203 750 7743	john.g.chironna@us.abb.com
Alanna Abrahamson (Cary, NC)	+1 919 856 3827	alanna.abrahamson@us.abb.com