October 25, 2012

ABB Q3 2012 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, 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.

There are numerous 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 presentation 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 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.
Q3 2012: Improved portfolio and geographic balance
A steady result in an uncertain market

- Base orders\(^1\) steady in a mixed economic environment
- China “moving sideways,” North America up double digits, southern Europe\(^2\) slightly positive
- Op EBITDA margin\(^3\) steady vs Q2 2012, down vs strong Q3 2011
- Power Products op EBITDA margin steady for 4\(^{th}\) consecutive quarter
- Project margin declines in Power Systems
- Solid divisional cash from operations, cash conversion at Group level improving vs Q2 2012
- Thomas & Betts contributed ~$120 mill to operational EBITDA, ~$90 mill cash from operations
- Maintained a sector-leading balance sheet
- Currency translation reduced reported revenues by ~$570 mill, op EBITDA by ~$100 mill
- Operational EPS (before amortization) flat in local currencies\(^4\)

\(^1\) Orders below $15 million: 0% change in local currencies and excl. Thomas & Betts; \(^2\) Portugal, Italy, Greece and Spain; \(^3\) See definitions in Appendix; \(^4\) See Chart 21

Chart 3
<table>
<thead>
<tr>
<th>Q3 2012 performance</th>
<th>Q3 2012</th>
<th>Q3 2011</th>
<th>Change vs Q3 2011 US$</th>
<th>Change vs Q3 2011 local currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>9,295</td>
<td>9,826</td>
<td>-5%</td>
<td>0% (organic&lt;sup&gt;1&lt;/sup&gt;: -6%)</td>
</tr>
<tr>
<td>Order backlog (end Sept.)</td>
<td>29,175</td>
<td>28,492</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Revenues</td>
<td>9,745</td>
<td>9,337</td>
<td>4%</td>
<td>10% (organic: 4%)</td>
</tr>
<tr>
<td>Operational EBITDA</td>
<td>1,483</td>
<td>1,580</td>
<td>-6% (organic: -14%)</td>
<td></td>
</tr>
<tr>
<td>Operational EBITDA %</td>
<td>15.3%</td>
<td>16.7%</td>
<td>-1.4% points</td>
<td></td>
</tr>
<tr>
<td>Net income attributable to ABB</td>
<td>759</td>
<td>790</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Cash from operations</td>
<td>768</td>
<td>811</td>
<td>-5%</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Excluding Thomas & Betts
Our geographic scope provides a natural hedge Capturing growth opportunities where they arise

Order growth by region Q3 2012 vs Q3 2011
(in local currencies)

**Americas**
- Power: +20%
- Automation: +52% (excl. T&B)
- excl. T&B: +16%

**Europe**
- Power: -51%
- Automation: +4%

**MEA**
- Power: +103%
- Automation: +22%

**Asia**
- Power: -18%
- Automation: -10%

1 Excl. the ~$1-bn offshore wind order in Q3 2011 from the year-on-year comparison, Europe orders grew 3%
Americas with another strong quarter
Large projects a key factor in Germany, India and MEA

Order growth by selected country Q3 2012 vs Q3 2011
(in local currencies)

- US +41% (+13% excl. T&B)
- Canada +42% (+10% excl. T&B)
- Italy +3%
- Southern Europe +2%
- Saudi Arabia ~5x
- Brazil +47%
- UK +73%
- Germany -64%
- Turkey >2x
- S. Korea -52%
- China flat
- Sweden +6%

1 Germany -6% excl. offshore wind order; 2 Portugal, Italy, Greece and Spain

Chart 6
Q3 divisional overview: Power
PP margins stable, PS affected by project margins

<table>
<thead>
<tr>
<th>Power Products</th>
<th>Orders(^1) (\Delta\ vs\ Q3\ 11)</th>
<th>Revenues(^1) (\Delta\ vs\ Q3\ 11)</th>
<th>Op EBITDA (\Delta\ vs\ Q3\ 11)</th>
<th>Op EBITDA margin</th>
<th>Margin (\Delta) vs Q3 11 (percentage pts)</th>
<th>Margin (\Delta) vs Q2 12 (percentage pts)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-6%</td>
<td>+0%</td>
<td>-19%</td>
<td>14.8%</td>
<td>-2.4</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

- Orders lower, mainly timing of project awards and utility distribution activity
- Orders pricing pressure easing slightly, stable on revenues
- Revenues reflect order execution timing
- Op EBITDA margin sequentially stable as cost savings continue

Power Systems

|                | -27%                            | +11%                           | -41%                          | 5.9%            | -3.8                            | -0.3                            |

- Large orders down ($1 bn order in Q3 2011), base orders slightly higher
- Revenues up on order backlog execution
- Project margin slippages and mix impact on op EBITDA margin
- Division unlikely to meet 7-11% op EBITDA margin target in 2012

\(^1\) percentage change in local currencies vs same period in 2011
Successes and challenges in Power Q3 2012

Quarterly successes
- Power Systems orders up ~25% excl. offshore wind comparison
- Continued sequential stability in Power Products op EBITDA margin
- Cost initiatives continue to generate significant savings
- Order growth in China, US, Middle East and Africa
- Power Systems tender backlog still growing
- Service growth maintained in line with strategic targets

Challenges and action plans
- Offshore wind project execution delays
- Address project underperformance in PS
- Addressing price pressure: Cost savings, order selectivity, in-country for-country
- Utility distribution demand linked to macro development
- Service: Leverage technology, software, industry know-how, large installed base
Power Systems

Actions to return to target margins in 2013

Pressure on project margins

- DolWin1 offshore wind project
  - Platform sail-away postponed, permits not available
  - Platform substructure ("jacket") sailed out and installed
  - Additional cost overruns of ~$20 mill booked this quarter
  - Complex framework of regulatory, commercial responsibilities
- Specific project issues in Saudi Arabia, India

Actions under way

- Selective management and organizational realignment
- Intensified project execution and operational excellence focus
- Greater project selectivity and price quality improvement
- Cost base optimization

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October 25, 2012
Chart 9
# Q3 divisional overview: Automation

Resilient performance supported by Thomas & Betts

<table>
<thead>
<tr>
<th>Orders¹ Δ vs Q3 11</th>
<th>Revenues¹ Δ vs Q3 11</th>
<th>Op EBITDA Δ vs Q3 11</th>
<th>Op EBITDA margin</th>
<th>Margin Δ vs Q3 11 (percentage pts)</th>
<th>Margin Δ vs Q2 12 (percentage pts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrete Automation &amp; Motion</td>
<td>+1%</td>
<td>+5%</td>
<td>-4%</td>
<td>18.9%</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

- Lower industry and renewables orders offset by utilities, traction and auto
- Solid order backlog execution to lift revenues
- Op EBITDA and margin lower on product mix, higher selling and R&D costs

| Low Voltage Products | +45% (1%)² | +44% (-2%) | +34% (19.8%) | 19.5% | -0.4 | +1.6 (2.1%) |

- Strong contribution from Thomas & Betts
- Business excl. Thomas & Betts with solid margins
- Europe resilient despite economic uncertainty, China orders higher
- Successful cost savings are key support to op EBITDA margins

| Process Automation | -3% | +3% | -11% | 12.3% | -0.7 | -0.8 |

- Lower large orders in the quarter, mainly from oil & gas, but solid order backlog
- Progress in lifecycle services, continued streamlining of full service portfolio
- Lower op EBITDA margin reflects higher share of systems revenues in the quarter

¹ percentage change in local currencies vs same period in 2011, ² Excluding Thomas & Betts

Chart 10
Successes and challenges in Automation Q3 2012

**Quarterly successes**
- Resilient demand (flat organic order growth) despite mixed market
- LP cost savings drove margin improvement vs Q2 2012
- Some price improvements in LP
- Thomas & Betts integration and synergies on target
- New products in LV switchgear, motors & drives, robots, control software

**Challenges and action plans**
- Uncertain market outlook: Continued focus on cost
- Constant monitoring of investments in growth to secure returns
- Continue to drive Thomas & Betts synergies
- Further optimize product/system mix (e.g., measurement products in PA)
Thomas & Betts update: A strong start
Integration on track

- Q3 stand-alone vs. year-earlier period
  - 4% revenue growth
  - Q3 operational EBITDA margin 19% vs 17%¹ in Q3 2011
  - Contributed ~$620 mill in revenues, ~$120 mill in op EBITDA and ~$90 mill in cash from operations

- Integration on track
  - Integration costs in line with plan
  - Regional synergy plans being implemented

- Acquisition already accretive to EPS (excl. one-time charges)

- Special items
  - Q3 PPA amortization² of $51 mill; $116 mill for full year 2012; ~$120 mill for full year 2013
  - No further material acquisition-related costs expected

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¹ Estimated operational EBITDA margin based on ABB definition
² Acquisition-related amortization and inventory step-up
Operational EBITDA bridge – Q3 12 vs Q3 11

Factors affecting operational EBITDA Q3 2012

Approximations

<table>
<thead>
<tr>
<th>Product price</th>
<th>Volume</th>
<th>Project margins</th>
<th>Cost savings</th>
<th>Sales and R&amp;D</th>
<th>Business Mix</th>
<th>Other(^1)</th>
<th>T&amp;B</th>
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</thead>
<tbody>
<tr>
<td>-$256 mill</td>
<td>+$165 mill</td>
<td>-$98 mill</td>
<td>+$280 mill</td>
<td>-$120 mill</td>
<td>-$53 mill</td>
<td>+$118 mill</td>
<td></td>
</tr>
</tbody>
</table>

Price pressure in power unchanged vs Q2 2012

Project execution (mainly in PS), difficult comparison vs Q3 2011

Incl. ~$100 million forex translation impact

Net negative impact of $97 mill

\(^1\) Other includes FX translation effect, changes in G&A expenses and commodity price impacts
Cost savings update Q3 2012
Driving continuous and sustainable cost savings

Approx. share of savings by type

- Operational Excellence: 50%
- Direct sourcing: 35%
- Indirect sourcing: 10%
- Global footprint: 5%

~$280 million

Approx. share of savings by business

- Automation: 40%
- Power: 60%
- ~$280 million

- ~$820 million year to date, set to exceed $1 bn for full year 2012
- Increasing number of operational excellence and productivity programs
- Indirect sourcing initiatives paying off
- Sourcing from low-cost countries, product redesign remain large opportunities

Chart 14
Improved cash flow from divisions
Strengthening US dollar affected total cash flow

- Divisional cash flow up ~$160 mill vs Q3 2011
- Group cash flow reflects lower cash from hedging corporate exposures on strengthening USD
- Continued focus to improve NWC management: Full-year guidance on NWC as % of revenues at higher end of 11-14% range

Chart 15

1 Cash from operating activities
Outlook for remainder of 2012 and beginning of 2013

Short-term view
- Macro indicators in most markets remain mixed, limited visibility
- Short-cycle business growth is being challenged

Q3 provided reasons for cautious optimism
- Resilient demand in key markets, well-balanced portfolio
- Sustainability of op EBITDA margins in Power Products
- Price environment in power remains stable
- No slowing in pace of cost savings
- Service orders continued to grow faster than ABB total
- Strong balance sheet provides stability in turbulent markets

Management focus ahead
- Speed and flexibility on cost and growth in changing macro environment
- Drive Thomas & Betts synergies
- Further project improvements in Power Systems

ABB in a strong position to execute successfully in an uncertain world
Power and productivity for a better world™
Balanced business and geographic portfolio

Orders by division
% of total orders Q3 2012 (non-consolidated)

- Process Automation: 17%
- LV Products: 18%
- Discrete Automation and Motion: 23%
- Power Systems: 18%
- Power Products: 24%

Orders by region
% of total orders Q3 2012

- Europe: 33%
- Americas: 31%
- Asia: 25%
- Middle East & Africa: 11%
Orders and revenues by region and division Q3 2012

Regional share of total orders and revenues by division

Orders

- Power Products
  - Europe: 11%
  - Americas: 30%
  - Asia: 31%
  - Middle East & Africa: 28%

- Power Systems
  - Europe: 30%
  - Americas: 18%
  - Asia: 23%
  - Middle East & Africa: 29%

- Discrete Automation & Motion
  - Europe: 27%
  - Americas: 37%
  - Asia: 33%
  - Middle East & Africa: 24%

- Low Voltage Products
  - Europe: 24%
  - Americas: 34%
  - Asia: 37%
  - Middle East & Africa: 37%

- Process Automation
  - Europe: 3%
  - Americas: 23%
  - Asia: 37%
  - Middle East & Africa: 34%

Revenues

- Power Products
  - Europe: 34%
  - Americas: 31%
  - Asia: 27%
  - Middle East & Africa: 8%

- Power Systems
  - Europe: 19%
  - Americas: 19%
  - Asia: 45%
  - Middle East & Africa: 17%

- Discrete Automation & Motion
  - Europe: 27%
  - Americas: 35%
  - Asia: 35%
  - Middle East & Africa: 3%

- Low Voltage Products
  - Europe: 23%
  - Americas: 37%
  - Asia: 37%
  - Middle East & Africa: 6%

- Process Automation
  - Europe: 10%
  - Americas: 31%
  - Asia: 37%
  - Middle East & Africa: 22%

Chart 19
Reconciliation of Operational EBITDA by Division
Q3 2012 vs Q3 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 12</td>
<td>Q3 11</td>
<td>Q3 12</td>
<td>Q3 11</td>
<td>Q3 12</td>
<td>Q3 11</td>
</tr>
<tr>
<td>Operational revenues</td>
<td>9'675</td>
<td>9'489</td>
<td>2'525</td>
<td>2'704</td>
<td>1'847</td>
<td>1'899</td>
</tr>
<tr>
<td>FX/commodity timing differences on Revenues</td>
<td>70</td>
<td>(152)</td>
<td>1</td>
<td>(28)</td>
<td>54</td>
<td>(68)</td>
</tr>
<tr>
<td>Revenues (as per Financial Statements)</td>
<td>9'745</td>
<td>9'337</td>
<td>2'526</td>
<td>2'676</td>
<td>1'901</td>
<td>1'831</td>
</tr>
<tr>
<td>Operational EBITDA</td>
<td>1'483</td>
<td>1'580</td>
<td>374</td>
<td>464</td>
<td>109</td>
<td>184</td>
</tr>
<tr>
<td>Amortization</td>
<td>(124)</td>
<td>(90)</td>
<td>(9)</td>
<td>(7)</td>
<td>(26)</td>
<td>(26)</td>
</tr>
<tr>
<td>including total acquisition-related amortization of</td>
<td>104</td>
<td>62</td>
<td>7</td>
<td>5</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Acquisition-related expenses and certain non-operational items</td>
<td>(49)</td>
<td>4</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX/commodity timing differences on EBIT</td>
<td>40</td>
<td>(104)</td>
<td>10</td>
<td>(31)</td>
<td>7</td>
<td>(32)</td>
</tr>
<tr>
<td>Restructuring-related costs</td>
<td>(21)</td>
<td>(29)</td>
<td>(8)</td>
<td>(27)</td>
<td>1</td>
<td>(6)</td>
</tr>
<tr>
<td>EBIT (as per Financial Statements)</td>
<td>1'146</td>
<td>1'194</td>
<td>324</td>
<td>356</td>
<td>72</td>
<td>104</td>
</tr>
<tr>
<td>Operational EBITDA margin (%)</td>
<td>15.3%</td>
<td>16.7%</td>
<td>14.8%</td>
<td>17.2%</td>
<td>5.9%</td>
<td>9.7%</td>
</tr>
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</table>
# Operational EPS analysis

<table>
<thead>
<tr>
<th></th>
<th>Q3 11</th>
<th>Q3 12</th>
<th>Change$^1$</th>
<th>US$</th>
<th>Local</th>
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</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring-related costs$^2$</td>
<td>21</td>
<td>0.01</td>
<td>16</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>FX/commodity timing differences on EBIT$^2$</td>
<td>75</td>
<td>0.04</td>
<td>-30</td>
<td>-0.01</td>
<td></td>
</tr>
<tr>
<td>Acquisition-related expenses and certain non-operational items$^2$</td>
<td>-3</td>
<td>0.00</td>
<td>36</td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td><strong>Operational net income</strong></td>
<td>883</td>
<td>0.39</td>
<td>781</td>
<td>0.34</td>
<td>-12%</td>
</tr>
<tr>
<td>Amortization rel. to acquisitions$^2$</td>
<td>45</td>
<td>0.02</td>
<td>77</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td><strong>Operational net income, before amortization</strong></td>
<td>928</td>
<td>0.41</td>
<td>858</td>
<td>0.37</td>
<td>-8%</td>
</tr>
</tbody>
</table>

1. Calculated on EPS before rounding; 2. Net of tax at Group tax rate

US$ in millions, except per share data in US$
Major forex movements

USD change Q3 2012 vs. Q3 2011

Source: Bloomberg

Chart 22
Reconciliation of non-GAAP measures ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(= Cash and equivalents plus marketable securities and short-term investments, less total debt)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>4'683</td>
<td>4'819</td>
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<tr>
<td>Marketable securities and short-term investments</td>
<td>742</td>
<td>948</td>
</tr>
<tr>
<td><strong>Cash and marketable securities</strong></td>
<td><strong>5'425</strong></td>
<td><strong>5'767</strong></td>
</tr>
<tr>
<td>Short-term debt and current maturities of long-term debt</td>
<td>2'023</td>
<td>765</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>7'055</td>
<td>3'231</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td><strong>9'078</strong></td>
<td><strong>3'996</strong></td>
</tr>
<tr>
<td><strong>Net cash (Net debt)</strong></td>
<td><strong>(3'653)</strong></td>
<td><strong>1'771</strong></td>
</tr>
</tbody>
</table>
Appendix: Definitions 1

- **Acquisition-related amortization**: amortization expense on intangibles arising on acquisitions and the cost of sales impact from fair valuing inventory in an acquisition.

- **FX/commodity timing differences on EBIT**: the sum of i) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

- **Net working capital (NWC)**: the sum of i) receivables, net, ii) inventories, net, and iii) prepaid expenses; less iv) accounts payable, trade, v) billings in excess of sales, vi) employee and other payables, vii) advances from customers, and viii) accrued expenses.

- **Operational EBITDA**: Earnings before interest and taxes (EBIT) excluding depreciation and amortization, adjusted for i) unrealized gains and losses on derivatives (FX, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), iv) restructuring and restructuring-related expenses, and v) acquisition-related expenses and certain non-operational items.

- **Operational EBITDA margin**: Operational EBITDA as a percentage of Operational revenues.

- **Operational revenues**: Revenues adjusted for i) unrealized gains and losses on derivatives, ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and iii) unrealized foreign exchange movements on receivables (and related assets).
Appendix: Definitions 2

- **Operational net income**: Net income adjusted for the net-of-tax impact (using the Group’s effective tax rate) of i) unrealized gains and losses on derivatives (FX, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), iv) restructuring and restructuring-related expenses, and v) acquisition-related expenses and certain non-operational items.

- **Operational EPS**: Operational net income per share

- **Operational net income, before amortization**: Operational net income adjusted for the net-of-tax impact (using the Group’s effective tax rate) of amortization related to acquisitions

- **Operational EPS, before amortization**: Operational net income before amortization per share
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<thead>
<tr>
<th>Name</th>
<th>Telephone</th>
<th>e-mail</th>
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<tr>
<td>John Fox,</td>
<td>+41 43 317 3812</td>
<td><a href="mailto:john.fox@ch.abb.com">john.fox@ch.abb.com</a></td>
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