ZURICH, SWITZERLAND, APRIL 20, 2017: FIRST-QUARTER HIGHLIGHTS

ABB continues its transformation

Delivers higher revenues[1], base orders and net income

- Revenues up 3 percent[1]
- Base order growth of 2 percent
- Total orders reflects lower large contract awards; book to bill ratio[2] 1.07x
- Operational EBITA margin[2] 12.1%; solid operating leverage considering 60 bps positive insurance reserve adjustment in 2016
- Net income $724 million versus $500 million; operational EPS +1%[3]
- Cash flow from operating activities $509 million reflects delay of incentive payments caused by the South Korea case
- Active portfolio management: high-voltage cables divestment closed, B&R acquisition announced April 4
- Commercial launch of ABB Ability™

"ABB delivered its second consecutive quarter of revenue growth. Underlying operational performance improved considering last year's communicated correction of insurance reserves," said ABB CEO Ulrich Spiesshofer. "We are seeing the first signals of market stabilization in some process industries, as well as some growth signals in early-cycle businesses. Power Grids' order pattern for the quarter reflects a Chinese HVDC project, which was awarded in Q1 2016. Overall, underlying demand in China remains positive."

"We commercially launched ABB Ability, our industry-leading digital offering and are really pleased with the very positive customer response," he said. "With the completed sale of the cables business and the recently announced acquisition of B&R, an innovation leader in machine and factory automation, we continue our active portfolio management, as we further de-risk the portfolio and continue to shift ABB's center of gravity to higher growth segments and strengthened competitiveness."

Key figures

			CHANGE	
$ in millions, unless otherwise indicated	Q1 2017	Q1 2016	US $	Comparable[1]
Orders	8,403	9,253	-9%	-3%
Revenues	7,854	7,903	-1%	+3%
Operational EBITA[2]	943	951	-1%	+2%[4]
as % of operational revenues	12.1%	12.1%	0%	
Net Income	724	500	+45%	
Basic EPS ($)	0.34	0.23	+48%[3]	
Operational EPS[2] ($)	0.28	0.28	0%[3]	+1%[3]
Cash flow from operating activities	509	252	+102%	

Short-term outlook

Macroeconomic and geopolitical developments are signaling a mixed picture with continued uncertainty. Some macroeconomic signs in the US remain positive and growth in China is expected to continue. The overall global market remains impacted by modest growth and increased uncertainties, e.g., Brexit in Europe and geopolitical tensions in various parts of the world. Oil prices and foreign exchange translation effects are expected to continue to influence the company's results. With this and the ongoing transformation of ABB, 2017 is expected to be a transitional year.

[1] Growth rates for orders, base orders, revenues and order backlog are on a comparable basis (local currency adjusted for acquisitions and divestitures). US$ growth rates are presented in Key Figures table

[2] For a reconciliation of non-GAAP measures, see "Supplemental Reconciliations and Definitions" in the attached Q1 2017 Financial Information

[3] EPS growth rates are computed using unrounded amounts. Comparable operational earnings per share is in constant currency (2014 exchange rates and not adjusted for changes in the business portfolio)

[4] Constant currency (not adjusted for portfolio changes)

Q1 2017 Group results

Orders

Orders decreased 3 percent (9 percent in US dollars) compared with the first quarter a year ago, driven primarily by lower large order awards. Large orders ($15 million and above) were 34 percent lower (50 percent in US dollars) due to fewer large order awards in Industrial Automation and Power Grids. Large orders represented 10 percent of total orders compared with 17 percent in the same quarter a year ago. Large orders in the quarter included a $280 million high-voltage direct current systems order to link the power networks of France and the UK. Base orders (below $15 million) were 2 percent higher (1 percent lower in US dollars), improving in Electrification Products, Robotics and Motion and Industrial Automation. Total service and software orders increased 7 percent (5 percent in US dollars) compared with the first quarter of 2016 and represented 24 percent of total orders compared to 21 percent for the same period a year ago.

The order backlog at the end of March 2017 amounted to $23 billion, 2 percent lower (11 percent in US dollars) compared with the end of the first quarter of 2016. The book-to-bill[2] ratio in the first quarter was 1.07x compared with 1.17x in the first quarter of 2016.

Market overview

Demand patterns in ABB's three regions:

- Demand in Europe was positive on moderate overall growth and timing of large capital investments. Total orders improved 2 percent (12 percent lower in US dollars) while base orders improved 7 percent (3 percent in US dollars). Base order demand was positive in Germany, Sweden, Spain and Finland while weak in Norway and Switzerland.
- Demand in the Americas was positive, driven by increased demand for automation and energy efficiency. Total orders increased 4 percent in the quarter (5 percent in US dollars) on large order awards. The United States grew 5 percent in total orders (5 percent in US dollars) and 3 percent in base orders (3 percent in US dollars). Base orders improved 1 percent (2 percent US dollars) as increases in the United States and Mexico were almost offset by declines in Canada and Brazil.
- Demand in Asia, Middle East and Africa (AMEA) was mixed. Total orders for the region decreased 12 percent (16 percent in US dollars). Orders in China reflect a strong first quarter 2016 comparable, as large and smaller HVDC orders were not repeated. Underlying demand in China for industrial automation, energy efficiency and reliable and efficient power solutions remains positive. India orders reflect continued investment in industrial automation and reliable power solutions. Base orders for the region decreased 2 percent (6 percent in US dollars) as positive order development in India, South Korea and the UAE, could not offset declines in China and Saudi Arabia.

Demand patterns in ABB's three major customer sectors:

- Utilities continued their investment activities to upgrade the aging power infrastructure and to integrate renewable energy in the grid.
- In industry, investments in robotics solutions and light industries such as automotive, food and beverage remained positive while demand from the process industries, specifically oil and gas remain subdued.
- Transport & infrastructure demand has been mixed. Demand for building automation solutions as well as solutions involving energy efficiency for rail transport remained strong while the marine sector, except for cruise ships, suffered from a sharp decline due to the subdued oil and gas sector.

Revenues

Revenues increased 3 percent (1 percent lower in US dollars) in the first quarter with revenues higher in Electrification Products, Robotics and Motion and Power Grids. Total services and software revenues was 1 percent higher (1 percent lower in US dollars) and represented 18 percent of total revenues unchanged compared with a year ago.

Operational EBITA

Operational EBITA was $943 million, 2 percent higher in constant currencies (1 percent lower in US dollars). Operational EBITA margin was 12.1 percent, unchanged compared with the same quarter a year ago. Operational EBITA included margin improvements in Electrification Products, Industrial Automation and Power Grids and a margin decrease in

Robotics and Motion. In addition, the comparable operational EBITA in 2016 was 60 bps higher due to the cumulative elimination of certain intercompany insurance reserves of $50 million in 2016.

Net income, Basic and Operational earnings per share

Net income increased to $724 million from $500 million and basic earnings per share was $0.34 compared with $0.23 for the same quarter of 2016. This increase includes the impacts of the capital gain from divestment of the high voltage cable business and other charges recorded to adjust liabilities for retained obligations of this business. In addition, acquisition-related expenses and certain non-operational items negatively impacted net income while foreign exchange and commodity timing differences had a positive impact. The lower effective tax rate reflects the impacts from the cable divestment.

Operational EPS was $0.28 compared to $0.28 for the same quarter of 2016, an increase of 1 percent in constant currency[2].

Cash flow from operating activities

Cash flow from operating activities was $509 million compared to $252 million in 2016 due to the change in timing of incentive payments in 2017 to the second quarter in 2017 due to impacts of the South Korea case.

South Korea

ABB announced on February 22, 2017 that it had uncovered a sophisticated criminal scheme involving significant embezzlement and misappropriation of funds in its South Korean subsidiary. The company immediately launched a thorough investigation, involving internal and external parties, which is progressing well. ABB is working with the local police on the investigation as well as with Interpol. The company has checked and reconfirmed the balances of its global bank accounts and can confirm that this situation is limited to South Korea. ABB has a zero-tolerance approach to unethical behavior and maintains the highest standards regarding integrity and ethical business practices. ABB has started implementing disciplinary consequences and will continue to do so as appropriate.

Q1 divisional performance

($ in millions, unless otherwise indicated)	Orders	CHANGE US$	CHANGE Comparable[1]	Revenues	CHANGE US$	CHANGE Comparable[1]	Operational EBITA %	CHANGE
Electrification Products	2,528	+1%	+4%	2,293	0%	+3%	14.1%	+0.6pts
Robotics and Motion	2,177	+4%	+7%	1,926	+3%	+5%	14.3%	-1.0pts
Industrial Automation	1,682	-8%	-6%	1,549	-7%	-5%	13.3%	+1.3pts
Power Grids	2,379	-20%	-17%	2,405	-2%	+4%	10.3%	+2.8pts
Corporate & other (incl. inter-division elimination)	-363			-319				
ABB Group	**8,403**	**-9%**	**-3%**	**7,854**	**-1%**	**+3%**	**12.1%**	**0 pts**

Electrification Products
Total orders increased reflecting improved market demand in the United States, China and Germany. Revenues grew 3 percent in the quarter (steady in US dollars), and operational EBITA margin improved due to volume, mix, productivity and cost savings.

Robotics and Motion
Total orders grew 7 percent (4 percent in US dollars), with third-party base orders increasing 13 percent (10 percent in US dollars) on continued strong demand patterns in robotics and light industry. Revenues improved 5 percent (3 percent in US dollars). Operational EBITA margin was impacted by unfavorable mix and low capacity utilization in the quarter. Demand pattern and increasing backlog will ease this situation over time.

Industrial Automation
Total orders reflect lower large orders related to specialty vessels. The improvement in the underlying demand for products, services and software was seen in the positive base order development in the quarter. Revenues declined 5 percent (7 percent in US dollars) on lower revenue coming from the order backlog. Operational EBITA margin increased 130 basis points to 13.3 percent due to positive mix and successfully implemented cost reduction and productivity measures.

Power Grids
Total orders were lower than the same quarter a year ago, primarily due to the timing of large contract awards. The positive base order development in many markets could not offset soft demand in the Middle East and a tough comparable in China last year. Revenues were 4 percent higher (2 percent lower in US dollars) due to steady execution of a healthy order backlog. Operational EBITA margin was 10.3 percent, driven by higher revenues, improved productivity, solid project execution and continued cost savings.

Next Level strategy – Stage 3

ABB continued implementation of its Next Level strategy during the quarter by further shifting its center of gravity to higher growth segments, strengthening its competitiveness and de-risking the portfolio.

ABB announced the acquisition of B&R, an innovation leader in machine and factory automation on April 4, 2017. This acquisition will close ABB's historic gap in machine and factory automation and will create a uniquely comprehensive automation portfolio for customers globally. B&R is a proven innovation leader in Programmable Logic Controllers (PLC), Industrial PCs (IPC) and servo motion-based machine and factory automation and will strengthen ABB's number 2 position in industrial automation. The transaction is expected to close in summer 2017.

ABB commercially launched ABB Ability offering more than 180 solutions across all customer segments which combines ABB's portfolio of digital solutions and services, cementing the group's leading position in the Fourth Industrial Revolution and supporting the competitiveness of ABB's four entrepreneurial divisions.

In addition, ABB successfully completed the divestment of its high-voltage cables and cable accessories businesses to NKT Cables.

Outlook

Macroeconomic and geopolitical developments are signaling a mixed picture with continued uncertainty. Some macroeconomic signs remain positive in the United States and growth in China is expected to continue. The overall global market remains impacted by modest growth and increased uncertainties, e.g., Brexit in Europe and geopolitical tensions in various parts of the world. Oil prices and foreign exchange translation effects are expected to continue to influence the company's results. With this and the ongoing transformation of ABB, 2017 is expected to be a transitional year.

The attractive long-term demand outlook in ABB's three major customer sectors – utilities, industry and transport & infrastructure – is driven by the Energy and Fourth Industrial Revolutions.

ABB is well-positioned to tap into these opportunities for long-term profitable growth with its strong market presence, broad geographic and business scope, technology leadership and financial strength.

More information

The Q1 2017 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

ABB will host a press conference today starting at 10:00 a.m. Central European Time (CET) (9:00 a.m. BST, 4:00 a.m. EDT). The event will be accessible by conference call. Callers from the UK should dial +44 203 059 58 62. From Sweden, the number to dial is +46 85 051 00 31, and from the rest of Europe, +41 58 310 50 00. Callers from the US and Canada should dial +1 866 291 41 66 (toll free) or +1 631 570 56 13 (long-distance charges apply). Lines will be open 10-15 minutes before the start of the call.

A conference call and webcast for analysts and investors is scheduled to begin today at 2:00 p.m. CET (1:00 p.m. BST, 8:00 a.m. EDT). Callers from the UK should dial +44 203 059 58 62. From Sweden, the number to dial is +46 85 051 00 31, and from the rest of Europe, +41 58 310 50 00. Callers from the US and Canada should dial +1 866 291 41 66 (toll free) or +1 631 570 56 13 (long-distance charges apply). Callers are requested to phone in 10 minutes before the start of the call. The call will also be accessible on the ABB website and a recorded session will be available as a podcast one hour after the end of the conference call and can be downloaded from our website www.abb.com/investorrelations.

ABB (ABBN: SIX Swiss Ex) is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. Continuing more than a 125-year history of innovation, ABB today is writing the future of industrial digitalization and driving the Energy and Fourth Industrial Revolutions. ABB operates in more than 100 countries with about 132,000 employees. www.abb.com

INVESTOR CALENDAR 2017

Second quarter 2017 results	July 20, 2017
Third quarter 2017 results	October 26, 2017
Fourth quarter 2017 results	February 8, 2018

Important notice about forward-looking information

This press release includes forward-looking information and statements as well as other statements concerning the outlook for our business, including those in the sections of this release titled "Short-term outlook", "Outlook", and "Next Level strategy – Stage 3". 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," "is likely", "intends" 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 volatile global economic environment and political conditions, costs associated with compliance activities, 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.

Zurich, April 20, 2017
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