ZURICH, SWITZERLAND, OCTOBER 26, 2017: THIRD QUARTER HIGHLIGHTS

ABB: Continuing growth

- Total orders up 5%[1]; base orders up 6%; higher in all regions
- Services and software orders up 11%; ABB Ability™ driving momentum
- Revenues up 3%
- Operational EBITA margin[2] up to 12.9%
- Net income $571 million; operational EPS +7%[3]
- Cash flow from operating activities $954 million
- Net working capital as a percentage of revenues stable, impacted by B&R acquisition and HV cables divestiture
- B&R acquisition closed July 6; integration on track
- Leadership position in electrification to be strengthened by GE Industrial Solutions acquisition

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"We continue to build growth momentum across all regions, with total orders growing 5 percent and revenues up 3 percent in Q3, while continuing with the business model transformation in Power Grids," said ABB CEO Ulrich Spiesshofer. "The combination of a stronger market orientation and a focus on high-growth segments, such as electric vehicle charging, robotics and food and beverage, is paying off."

"The Electrification Products and Robotics and Motion divisions improved margins sequentially, and Industrial Automation and Power Grids delivered solid operational performance in the quarter," he said. "The integration of B&R is progressing well and, with the recently announced acquisition of GE Industrial Solutions, we are firming up our number 2 position globally in electrification and have a clear plan to execute our value creation ambition."

"Going forward, we will maintain our primary focus on profitable organic growth. We will continue to do our homework and take the appropriate actions to successfully complete our transition year of 2017," he added. "We are further de-risking our portfolio and continuing to shift our center of gravity to higher growth segments and enhanced competitiveness."

KEY FIGURES			CHANGE				CHANGE	
($ in millions, unless otherwise indicated)	Q3 2017	Q3 2016	US$	Comparable	9M 2017	9M 2016	US$	Comparable[1]
Orders	8,157	7,533	+8%	+5%	24,909	25,102	-1%	+1%
Revenues	8,724	8,255	+6%	+3%	25,032	24,835	+1%	+2%
Operational EBITA[2]	1,124	1,063	+6%	+3%[4]	3,109	3,134	-1%	0%[4]
as % of operational revenues	12.9%	12.8%	+0.1pts		12.5%	12.6%	-0.1pts	
Net income	571	568	+1%		1,820	1,474	+23%	
Basic EPS ($)	0.27	0.27	+1%[3]		0.85	0.68	+24%[3]	
Operational EPS[2] ($)	0.34	0.33	+4%[3]	+7%[3]	0.92	0.96	-4%[3]	-2%[3]
Cash flow from operating activities	954	1,081	-12%		1,930	2,415	-20%	

Short-term outlook

While uncertainties prevail, macroeconomic signs are trending positively in Europe and the United States, with growth expected to continue in China. The overall global market shows modest growth and is impacted by

[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 Q3 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).

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. 2017 remains a transition year for ABB.

Q3 2017 Group results

Orders

Total orders were up 5 percent (8 percent in US dollars) compared with the third quarter a year ago, reflecting solid base order development across all divisions and regions. Base orders (classified as orders below $15 million) increased 6 percent (10 percent in US dollars). Large orders were 5 percent lower (4 percent in US dollars) and represented 9 percent of total orders, compared with 11 percent a year earlier, reflecting the continued change in ABB's business model. The US dollar versus the prior-year period resulted in a flat translation impact on reported total orders of 0 percent. Changes in the business portfolio related to the acquisition of B&R and the divestiture of HV cables as well as business model changes had a net positive 3 percent impact on total reported orders.

Total services and software orders rose 11 percent (12 percent in US dollars) and were 18 percent of total orders, compared to 17 percent a year ago.

The order backlog at the end of September 2017 amounted to $23,424 million, 1 percent lower (5 percent in US dollars) compared with the end of September 2016. The book-to-bill[2] ratio in the third quarter was 0.94x, compared with 0.91x in the third quarter of 2016.

Market overview

Demand patterns in all of ABB's regions were positive in the quarter:

- Europe benefited from positive market developments in industry, transport & infrastructure and the timing of large capital investments. Total orders improved 8 percent (18 percent in US dollars), with positive contributions from the United Kingdom, France and Norway more than offsetting declines in Germany and Sweden. In the UK, a $130 million order was won to provide power transmission infrastructure for the new Hinkley Point C power plant, along with a $60 million order to reinforce the power network connecting the station to the national grid. Base orders improved 2 percent (13 percent in US dollars), with Spain, France, Norway and Turkey as the main contributors.
- The Americas was positive, driven by increased demand for automation in general and the need for energy-efficient solutions for industry and transport & infrastructure. Total orders grew 4 percent in the quarter (6 percent in US dollars), with base orders improving 3 percent (5 percent in US dollars), primarily on higher demand in the United States, Brazil and Canada. The United States grew total and base orders 3 percent (4 percent in US dollars).
- Asia, Middle East and Africa (AMEA) total orders grew 2 percent (2 percent in US dollars), driven primarily by substantial growth in UAE, South Africa and Australia, while Saudi Arabia was down. Total orders in China declined slightly, as 10 percent base order growth (12 percent in US dollars) could not make up for lower large order awards. Underlying drivers in India remained positive; however, they were offset by the effects of the new nationwide goods and services tax implementation. Base orders for AMEA increased 12 percent (11 percent in US dollars), with positive contributions from China, Australia and UAE.

Demand patterns in ABB's three major customer sectors were positive:

- Utilities continued their selective investments, adding new capacity in emerging markets, upgrading the aging power infrastructure in mature markets and integrating renewable energy globally. They are also investing in automation and control solutions to enhance the stability of the grid.
- In industry, investments in robotics and machinery automation solutions for the automotive sector and general industry remained positive. Process industries, especially oil and gas, remained subdued overall, with selective investments primarily in service and productivity improvements.
- Transport & infrastructure demand has been mixed. Demand for building automation solutions as well as solutions involving energy efficiency remained strong, while the marine sector, except for cruise ships, suffered due to the subdued container vessel and oil and gas sector. Data centers and electric vehicle charging remained a highlight in the quarter.

Revenues

Revenues increased 3 percent (6 percent in US dollars) in the third quarter and were higher in Electrification Products, Robotics and Motion and Industrial Automation, with Power Grids slightly lower year-on-year. Total services and software revenues were 2 percent higher (2 percent in US dollars) and represented 17 percent of total revenues, compared with 18 percent a year ago. A weaker US dollar versus the prior-year period resulted in a positive translation impact on reported revenues of 2 percent. Changes in the business portfolio related to the acquisition of B&R and the divestiture of HV cables as well as business model changes had a net positive 1 percent impact on reported revenues.

Operational EBITA

Operational EBITA was $1,124 million, 3 percent higher in constant currency terms (6 percent in US dollars). Operational EBITA margin was 12.9 percent, 0.1 percent higher compared with the same period a year ago. Operational EBITA margin improved in Industrial Automation and Power Grids year on year but decreased slightly in the Electrification Products and Robotics and Motion divisions, while being sequentially up compared to Q2 2017. Operational EBITA was impacted by the positive net savings effect and positive volume contribution, which more than offset commodity price increases and investments in growth and business transformation. A weaker US dollar versus the prior year period resulted in a positive translation impact; additionally, the acquisition of B&R and the divestiture of high-voltage cables had a positive operational EBITA effect.

Net income, basic and operational earnings per share

Net income increased to $571 million from $568 million, and basic earnings per share was unchanged at $0.27 compared to the same quarter a year ago. Operational EPS was $0.34, compared to $0.33 for the same quarter of 2016, an increase of 7 percent in constant currency terms.[3] Net income was aided by a positive operational contribution, partially offset by higher restructuring and restructuring-related expenses, more acquisition-related expenses and certain non-operational items, compared with the same period a year ago.

Cash flow from operating activities

Cash flow from operating activities was $954 million, compared with $1,081 million in the same quarter a year ago. It was primarily impacted by an increase in current trade receivables related to additional revenue that was billed in the quarter and the buildup of inventory to serve growth.

Q3 divisional performance

($ in millions, unless otherwise indicated)	Orders	CHANGE US$	CHANGE Compa-rable[1]	3rd party base orders	CHANGE US$	CHANGE Compa-rable[1]	Revenues	CHANGE US$	CHANGE Compa-rable[1]	Op EBITA %	CHANGE
Electrification Products	2,547	+7%	+7%	2,407	+8%	+8%	2,596	+5%	+5%	16.1%	-0.1pts
Robotics and Motion	2,032	+5%	+4%	1,858	+8%	+7%	2,201	+10%	+8%	16.1%	-0.3pts
Industrial Automation	1,654	+33%	+14%	1,443	+23%	+4%	1,804	+15%	+1%	12.6%	+0.3pts
Power Grids	2,244	-6%	-6%	1,668	+6%	+5%	2,533	0%	-2%	9.8%	+0.2pts
Corporate & other (incl. inter-division elimination)	-320			8			-410				
ABB Group	**8,157**	**+8%**	**+5%**	**7,384**	**+10%**	**+6%**	**8,724**	**+6%**	**+3%**	**12.9%**	**+0.1pts**

Electrification Products

Total orders were 7 percent higher (7 percent in US dollars), as construction and utility demand remained positive, particularly in the AMEA region. Revenues grew 5 percent in the quarter (5 percent in US dollars). Operational EBITA margin improved sequentially by 110 basis points but was slightly lower in the quarter versus a year ago, due to higher material costs, which could not be fully offset by productivity and cost savings.

Robotics and Motion

Total orders improved 4 percent (5 percent in US dollars) on continued demand for robotics and energy-efficient solutions in the automotive and general industry sectors. Demand for the process end markets was slightly positive to stable in the quarter. Third-party base orders continued to grow at 7 percent (8 percent in US dollars), while large orders were weak in the quarter. Revenues improved 8 percent (10 percent in US dollars). Operational EBITA margin improved sequentially by 120 basis points but was lower in the quarter versus a year ago, due to higher material costs, which more than offset the positive cost-out measures.

Industrial Automation

Total orders excluding B&R and currency effects grew 14 percent; third-party base orders continued to be positive at 4 percent, due to selective capital expenditure investments in mining as well as cruise and specialty vessels. Including B&R and currency effects, the total reported order growth was 33 percent, and third-party base order growth was 23 percent in US dollars. Revenues excluding B&R and currency effects grew 1 percent, reflecting the strong book and bill business within the quarter. Including B&R and currency effects, the reported revenue growth was 15 percent in US dollars. Operational EBITA margin increased to 12.6 percent, reflecting improved project execution, positive mix and solid cost and productivity savings.

Power Grids

Total orders were impacted by the delayed timing of large order awards and continued selectivity driven by change in business model. Third-party base orders grew 5 percent (6 percent in US dollars), underpinned by investments in emerging markets. The division continues to leverage and expand its ABB Ability offering with several successes around the world, supporting the digitalization of the grid and reinforcing ABB's leadership position as a partner of choice. Revenues were 2 percent lower (steady in US dollars) on timing of order backlog execution and resulting from a lower backlog due to the business model change. Operational EBITA margin increased 0.2 percentage points to 9.8 percent, reflecting improved productivity and cost savings, solid execution and shift in portfolio mix which more than offset investments for growth. The division's 'Power Up' program, driving its transformation and value creation, is underway, and the company will continue to invest in this initiative in the coming quarters.

Next Level strategy – Stage 3

ABB is executing its Next Level strategy along its three focus areas of profitable growth, relentless execution and business-led collaboration. During the quarter, ABB continued to implement its Next Level strategy by further shifting its center of gravity to higher-growth segments, strengthening its competitiveness and de-risking the portfolio.

ABB strengthened its position as the #2 industrial automation player globally by closing the acquisition of B&R on July 6. B&R is the largest independent provider of product- and software-based, open-architecture solutions for machine and factory automation worldwide, with a unique business model and sustainable long-term growth momentum. With this acquisition, ABB closed its historic gap in machine and factory automation and created a uniquely comprehensive automation portfolio for customers globally. The integration of B&R is well underway and fully on track.

On September 25, ABB announced an agreement to acquire GE Industrial Solutions (GE IS), General Electric's global electrification solutions business, for $2.6 billion. GE IS has deep customer relationships in more than 100 countries and an established installed base with strong roots in North America, ABB's biggest market. In 2016, GE IS had revenues of approximately $2.7 billion and an operational EBITA margin of approximately 6 percent. The transaction is expected to be operational EPS accretive in year one. ABB expects to realize approximately $200 million of annual cost synergies in year five, which will be key in bringing GE IS to peer performance. As part of the transaction and overall value creation, ABB and GE have agreed to establish a long-term, strategic supply relationship for GE IS products and ABB products that GE sources today. Through this purchase, ABB will strengthen its #2 position in electrification globally and expand its access to the attractive North American market. Given the GE IS transaction, ABB has decided to put its previously announced planned share buyback program on hold. The transaction is expected to close in the first half of 2018.

ABB successfully introduced ABB Ability at many customer events over the last quarters and continued to win orders through its solution-based business model for industrial digitalization. ABB showcased more than 180 solutions, across all customer segments. At ABB's Innovation & Technology Day at the North American robotics plant in Auburn Hills, Michigan, ABB showed its stakeholders the scale and quality of its digital offering as well as the size of its business in this area.

ABB's standing as a pioneer in electric vehicle infrastructure developments was advanced over the quarter. Customer demand is high for the integrated, cloud-based charging solutions powered by ABB Ability, which enable improved management of electricity, information and fund flows leading to a reduction in operating costs and increased uptime, among other benefits. On September 20, ABB announced a major order from a German energy supplier for an additional 117 fast-charging stations on German highways, adding to its initial order of 68 stations.

The company's White Collar Productivity savings program has exceeded expectations since its launch in 2015. ABB is on track to achieve the program's raised cost reduction target of $1.3 billion within the initially announced timeframe and with approximately $240 million lower combined restructuring and implementation costs than initially announced.

ABB is continuing its regular cost-savings program, leveraging operational excellence and world-class supply chain management to achieve savings equivalent to 3-5 percent of cost of sales each year.

ABB continues its Net Working Capital program to free up approximately $2 billion by the end of 2017. In the past 12 months, ABB generated cash of $260 million by reducing working capital. Actions are in place to drive the performance improvement that will be required in Q4 to achieve this target.

Short- and long-term outlook

While uncertainties prevail, macroeconomic signs are trending positively in Europe and the United States, with growth expected to continue in China. The overall global market shows modest growth and is impacted by 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. 2017 remains a transition year for ABB.

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 Q3 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). 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). 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 136,000 employees. www.abb.com

INVESTOR CALENDAR 2018

Fourth quarter and full year 2017 results	February 8, 2018
Annual General Meeting	March 29, 2018
First quarter 2018 results	April 19, 2018
Second quarter 2018 results	July 19, 2018
Third quarter 2018 results	October 25, 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, October 26, 2017
Ulrich Spiesshofer, CEO

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