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ZURICH, SWITZERLAND, JULY 2, 2018

# ABB completes acquisition of GE Industrial Solutions

- Strengthens ABB's #2 global position in electrification
- Expands access to attractive North American market
- Operational EPS<sup>1</sup> accretive in year one
- Expected annual cost synergies of approximately \$200 million in year five confirmed

ABB announced it has completed its acquisition of GE Industrial Solutions (GEIS), GE's global electrification solutions business on June 30, 2018. The transaction was announced on September 25, 2017, and is expected to be accretive to operational EPS in the first year.

The \$2.6 billion transaction offers substantial value creation potential within ABB, including growth opportunities to be leveraged from coupling ABB's digital offering, ABB Ability™, with the extensive GEIS installed base. ABB expects to realize approximately \$200 million of annual cost synergies in year five, which will be key in bringing GEIS to peer performance.

"We are very pleased to welcome GE Industrial Solutions to ABB," said ABB CEO Ulrich Spiesshofer. "The combination reinforces ABB's position as a worldwide leader in electrification and accelerates our growth and competitiveness in key markets, particularly North America. As one of Thomas Edison's original businesses, GEIS is the cradle of electrification – a legacy that we will preserve and build on, now that GEIS is part of ABB."

GEIS will be integrated into ABB's Electrification Products (EP) division, led by EP President Tarak Mehta, as a new business unit called Electrification Products Industrial Solutions (EPIS). Stephanie Mains, who was previously the President and CEO of the GE Industrial Solutions business, will lead the new business unit as Managing Director. As part of the transaction, ABB has established a long-term strategic supply relationship with GE to supply them with products and solutions from across the ABB portfolio. Included in the acquisition is a long-term right to use the GE brand.

"The product portfolios of GE Industrial Solutions and ABB are highly complementary. Together we will have a comprehensive combined portfolio, as well as an expanded global footprint, sales force and distribution network," said Tarak Mehta. "We are committed to servicing the GEIS installed base and will now be able to provide a more technologically advanced and digitally connected offering to our customers around the world. Together we will strengthen ABB's #2 position in electrification globally and expand our access to the attractive North American market."

**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 a history of innovation spanning more than 130 years, ABB today is writing the future of industrial digitalization with two clear value propositions: bringing electricity from any power plant to any plug and automating industries from natural resources to finished products. As title partner of Formula E, the fully electric international FIA motorsport class, ABB is pushing the

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<sup>1</sup> Operational EPS is a non-GAAP measure of performance; a definition of this measure can be found in ABB's annual report.

boundaries of e-mobility to contribute to a sustainable future. ABB operates in more than 100 countries with about 135,000 employees. [www.abb.com](http://www.abb.com)

**Important notice about forward-looking information:** This press release contains "forward-looking statements" relating to the acquisition of GE Industrial Solutions by ABB. Such forward-looking statements can be identified by words such as plans, intends, expects, commits and other similar terms. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Forward-looking statements in the press release should be evaluated together with the many uncertainties that affect ABB's business, particularly those identified in the cautionary factors discussion in ABB's Annual Report on Form 20-F for the year ended December 31, 2017. ABB undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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