



Frank Duggan and Chunyuan Gu, Capital Markets Day, London, September 9, 2014

ABB – Next Level

Profitable growth – together

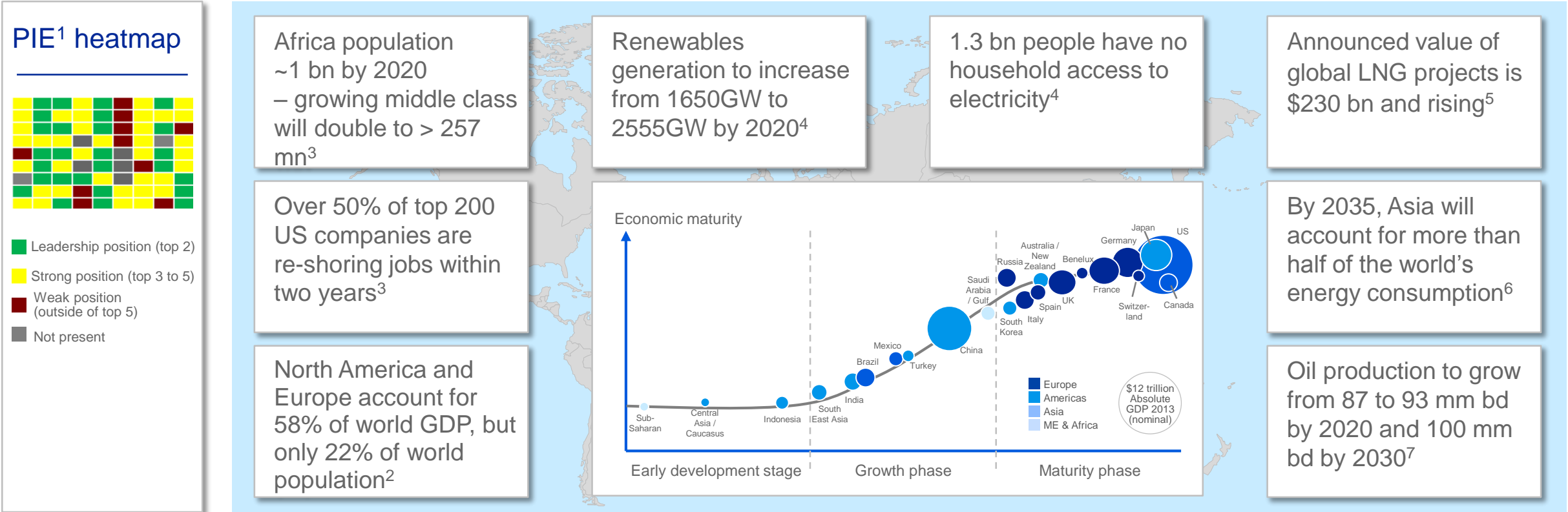
Agenda

Profitable growth – oil & gas

Profitable growth – China

Market perspective

Opportunities in mature and emerging markets



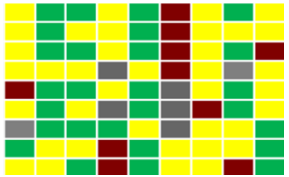
PIE to drive organic growth momentum



Global energy challenges make oil & gas a high-growth opportunity

ABB has the technology and can execute anywhere

PIE heatmap



- Green Leadership position (top 2)
- Yellow Strong position (top 3 to 5)
- Red Weak position (outside of top 5)
- Grey Not present



ExxonMobil
Point Thomson, Alaska
One of the most challenging oil & gas fields in the world



BASF Elyria, USA
One of the shortest construction schedules to ensure speed to market



Sadara petrochemical complex, Saudi Arabia
One of the largest control systems in the world, 150,000 I/O points



QGC, Australia
World's first project to produce gas from coal seams and convert to LNG

Ability to execute complex industrial projects across the globe

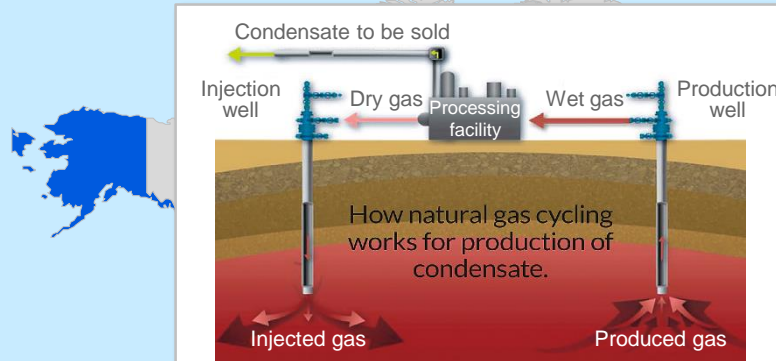
Integrated power & automation solution

ExxonMobil – Point Thomson gas cycling

PIE heatmap



- Leadership position (top 2)
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- Not present



Critical infrastructure project
ExxonMobil moving on commitment to
the State of Alaska

Logistics challenge
Access by ice road and air in
temperatures as low as -66F



Reliability: ABB products & solutions have a track record for operation in remote and harsh locations



Integration: ABB integrated automation & electrical system reduces cost, complexity, and execution time

Scope: ABB is full-scope supplier for power & automation solution-plant control system, instrumentation, low- and medium-voltage switchgear, relays, transformers, motors, and machines

Order value: >\$25 mn

Integrating power & automation solutions reduces customer risk

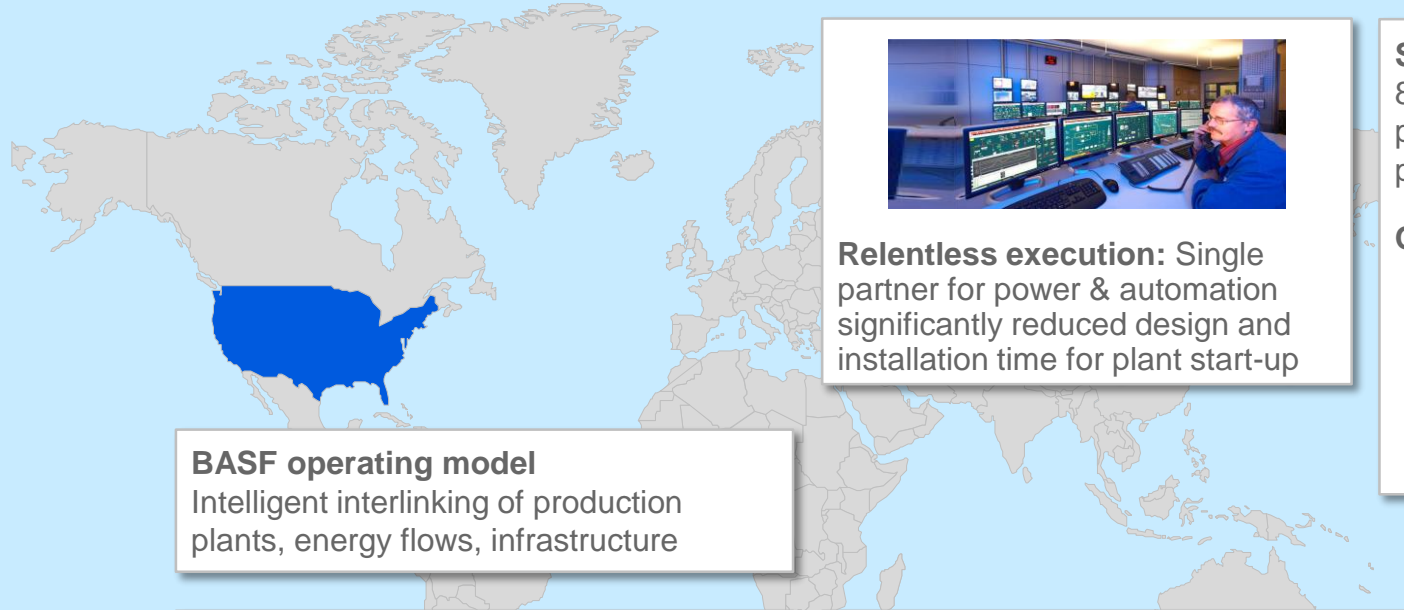
Well positioned in power & automation

BASF – Elyria state-of-the-art cathode materials plant

PIE heatmap



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BASF operating model

Intelligent interlinking of production plants, energy flows, infrastructure

Cost effectiveness

Integrated technology easier to operate, and service for max ROI



Relentless execution: Single partner for power & automation significantly reduced design and installation time for plant start-up

Scope: Plant control system 800xA, instrumentation, simulation, plant electrification, and smart plant power grid control

Order value: ~\$15 mn



Energy efficiency: Monitoring the entire value chain, from the energy supply and distribution to the individual energy consumers

Single partner for power & automation reduces lead times

Well positioned in power & automation

Saudi Arabia – Sadara petrochemical complex

PIE heatmap



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Expansion: Successful execution will position ABB in downstream chemical park



Penetration: Highly visible automation project across Middle East region

Service partner
Long-term local life-cycle support

Saudization
Creating value and people development in kingdom

Scope: 150,000 I/O points, analyzers, instrumentation, transformers, drives, motors, and T&B products

Long term service agreement

Seamless: Partner who can act local with global capability coordinated across 6 ABB global execution centers

Order value: >\$500 mn



Capability to act as power & automation partner from concept through long lifecycle

Well positioned in power & automation

Australia – QGC

PIE heatmap



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Largest LNG exporter
By 2017 Australia forecast to become world's largest



Collaboration: One ABB approach across three continents built on established relations with end-user

Major market proximity
Australia providing cleaner energy for Asia

Execution risk
Shortage of skilled resources and high costs

Scope: First stage 2000 production wells expanding to 6000 wells by 2030

Full ABB portfolio: Control, safety, electrification, and telecommunication system for 2,000 remote wells including 50 remote pre-fabricated sub-stations and a 6 year service contract

Order value: >\$300 mn



Teaming across geographies to build on our established credibility with customers

Well positioned in power & automation

Increasing customer trends for integrated control and electrification

PIE heatmap



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Integrated power & automation solutions provides shorter lead times, and simplified execution



Integrated control & automation solutions provides increased plant safety control, and optimized energy usage



Integrated power & automation solutions provide the same benefits for all industry sectors

Profitable growth exists in all markets and conditions

Agenda

Profitable growth – oil & gas

Profitable growth – China

ABB China – a success story

In China for more than 100 years and steadily growing



Truly a local company

- Over 80% of sales from locally-made products, solutions, and service
- Total patents filed grew 12% YoY
- Over 2'000 R&D professionals

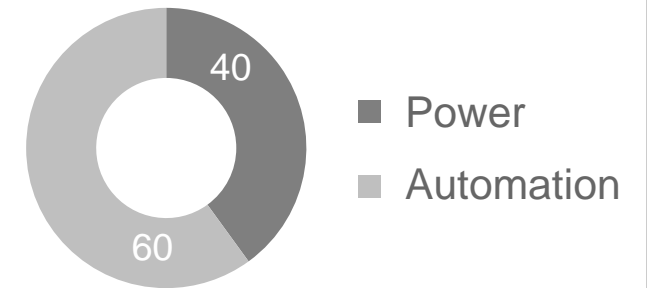
Expanded footprint

- ~19'000 people in 109 locations
- Accumulated investment ~\$1.8 bn

Revenues 2013: \$5.4 bn

Portfolio balance 2013

Approximate share in %

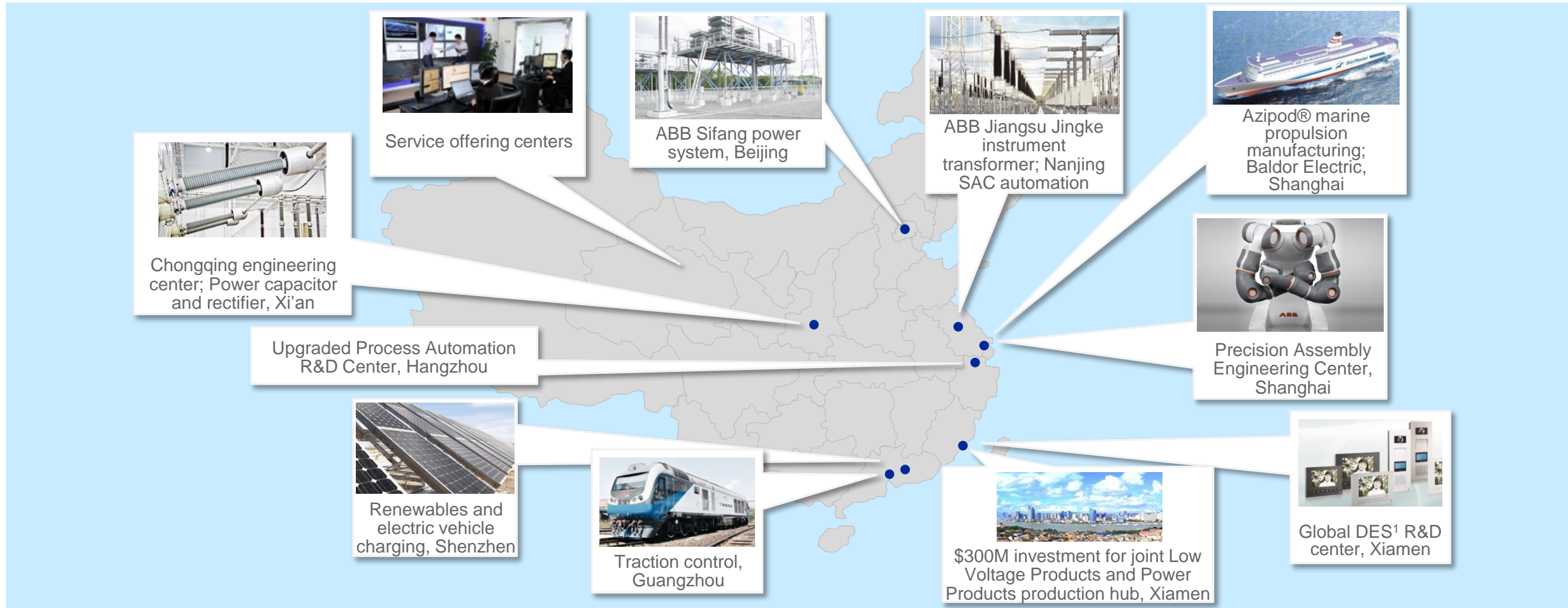


Solid base order growth in H1 14

Good momentum in China

Expansion locally along the whole value chain in the past three years

Locally designed, supplied, manufactured and delivered



Contributing to China's long-term sustainable growth

Well positioned to support efficiency and productivity goals

Key goals of China's 12th 5-year plan



Industrial upgrading

\$370 bn

Smart grid investment

-16%

Reduction of energy used / GDP unit

-17%

Reduction of CO₂ emissions / GDP unit

-11.4%

Proportion of non-fossil in all primary energies

Energy efficiency

Industrial productivity and upgrading

Smarter and more reliable grid

Lower impact on environment

Sustainable technologies and innovation



Our solutions address the goals in China's 5-year plan

Capitalize on our investments and grow further

Robust profitable growth approach using PIE

Future growth opportunities

Growing customer demand for higher productivity, quality, and efficiency

Grid reliability and renewables integration

Service large installed base

Industrial upgrading

Expand to faster growing Tier 3/4 cities

Support Chinese companies going global

Growing e-commerce coverage

Penetration

Tap existing sales force in 109 cities and channel partners in 500 additional cities

Support installed base with >200 service centers

Single interface for diversified customer requirements

Innovation

R&D for environmentally sustainable offering

Collaborate with universities to engage talent

New collaborative robots for 3C¹

Expansion

Grow west into new cities

Accelerate e-commerce

Partner with Chinese companies expanding globally

Strong base of local talent “Best Enterprise for Employment” in the industry²

Supporting China's drive west

Target 100+ cities in the next three years

Heatmaps identified regions with high-growth opportunities

Enhancing sales footprint

Closer to customers to respond faster; establishing application, and engineering centers

Further grow our service business

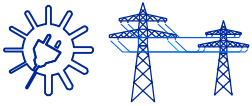
Expand business in >600 cities through e-commerce platform



Driving PIE in all customer segments

Recent success stories

Utilities



Participated in 19 of China's 24 HVDC projects
Xiluodu-Zhexi, world's record DC line by capacity (8,000 MW), length >1,670 km

Remote grid service for faster response
Energy storage solution for Zhangbei national wind combined solar and transmission project

Industry



Pioneering electronic assembly (3C) manufacturing automation
New collaborative robot to be launched
Integrated power & automation solution for Xinjiang NX Aluminum

Transport & Infrastructure



Wireless i-home solutions
Intelligent building control for Four Seasons Hotel
Azipod and control system for offshore platform

Partner to serve e-mobility market
Denza – electric vehicle charger

We are well positioned for the next level of growth in China

Power and productivity
for a better world™

