

Claudio Facchin, Head of Power Systems, ABB Ltd., Capital Markets Day, September 9, 2015

Next Level Stage 2

New Power Grids division: Power & Automation for the grid

Important notices

Presentations given during the Capital Markets Day 2015 include 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.

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- 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,
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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.

The presentations also contain non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental financial information” under “Capital Markets Day 2015” on our website at <http://new.abb.com/investorrelations/>

Power Systems division

Status: “step change” program

Next Level Strategy – what we said

Return business to profitability

Strengthen leadership

Complete offshore wind

Exit solar EPC¹

Complement business model with new partnerships

Grow base business

De-risk business model, improved risk management

What we did – Stage 1

Three consecutive quarters of positive Operational EBITA

Project operations and engineering hubs established

Dolwin 1: handed over; Dolwin 2: installed offshore converter station

Completed

Hitachi HVDC Joint Venture for Japan; Samsung microgrid partnership

Steady base order development in automation and service

New orders reflect shift in business model

Strong foundation in place for Next Level Stage 2

Shifting the Center of Gravity – divisional realignment

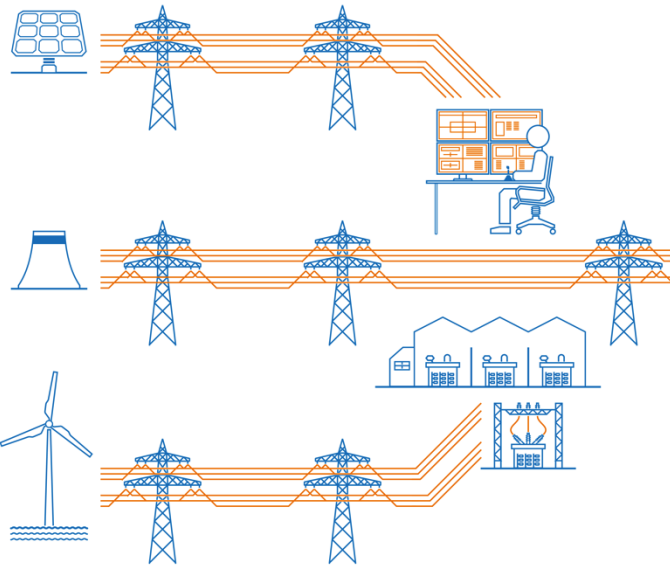
New Power Grids division

Power & Automation

Utilities

Industry

Transport & Infrastructure



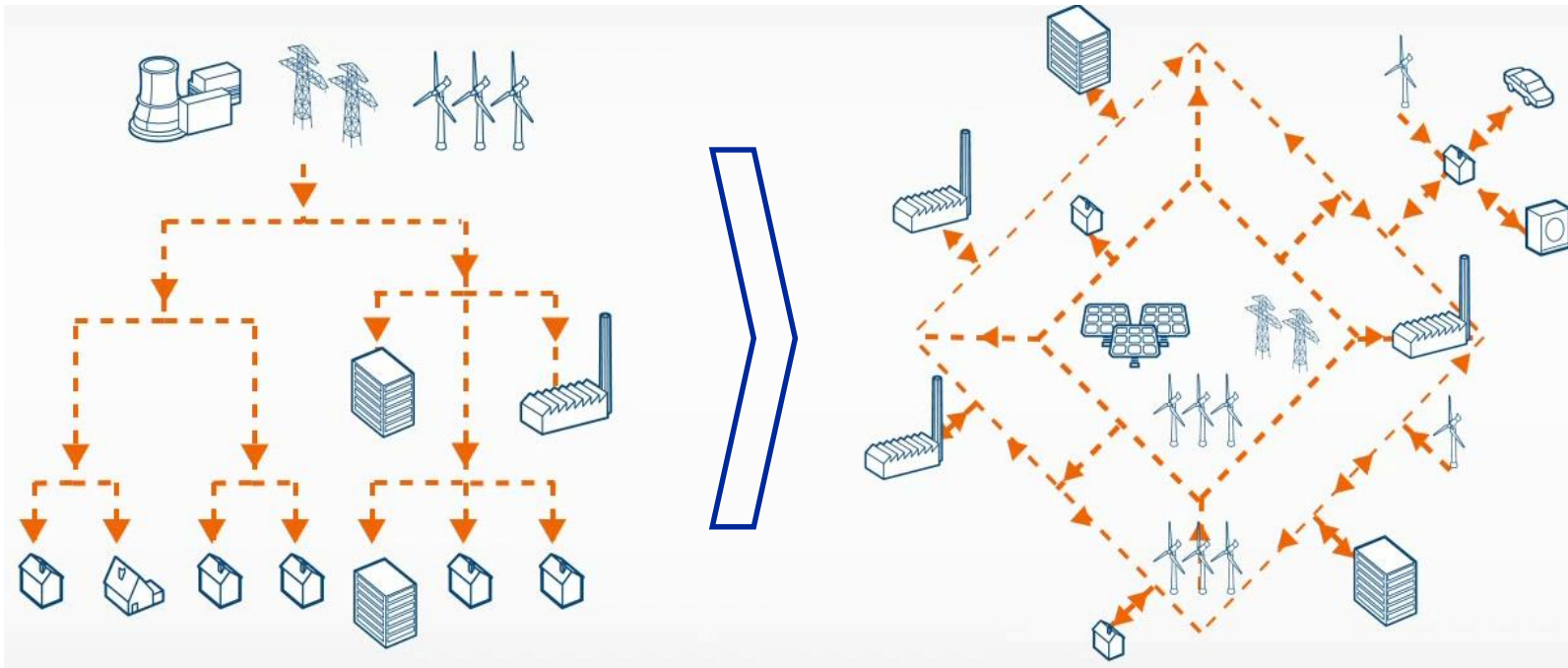
Power Grids (new)

- #1 T&D offering
- Market and technology leader
- Global reach
- Largest installed base
- Complete offering

Power & Automation “for the grid”

Power Grids division

Grid complexity is increasing – new developments are accelerating the change



Implications

Multi-directional power flows

Need for power quality

Greener grids

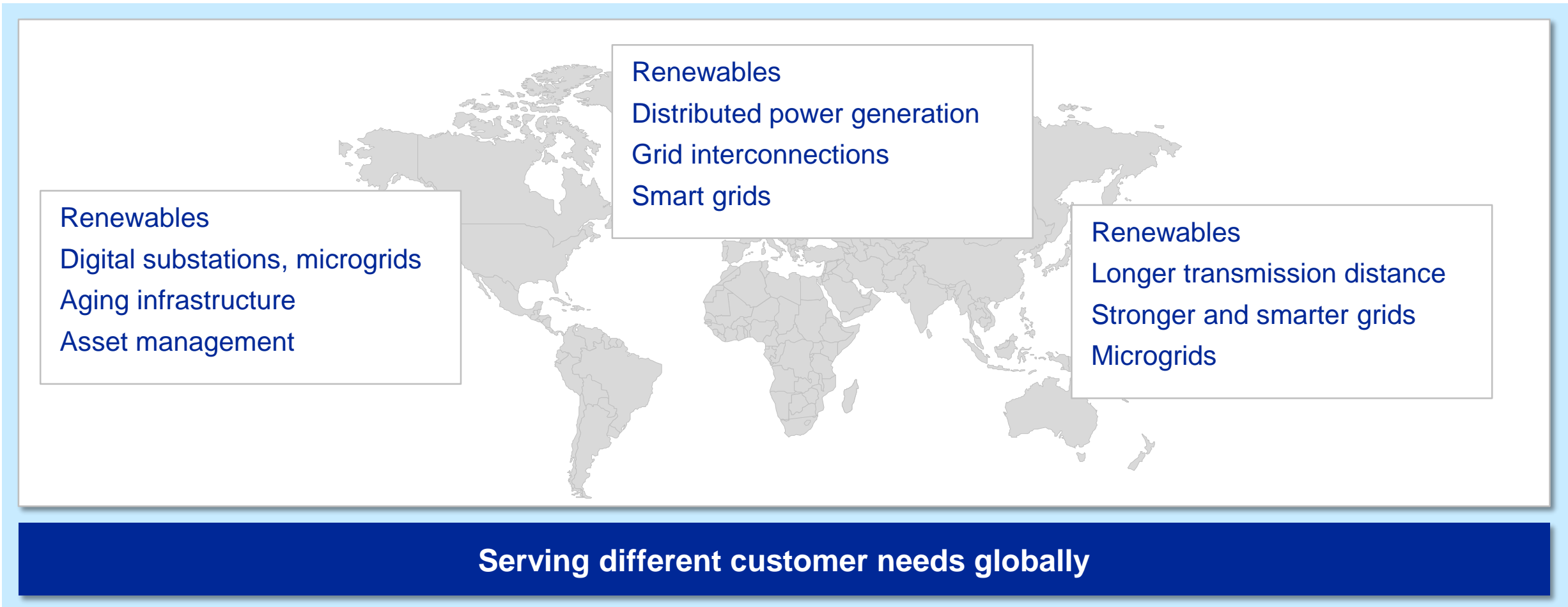
Interconnections

Asset management

New private investors

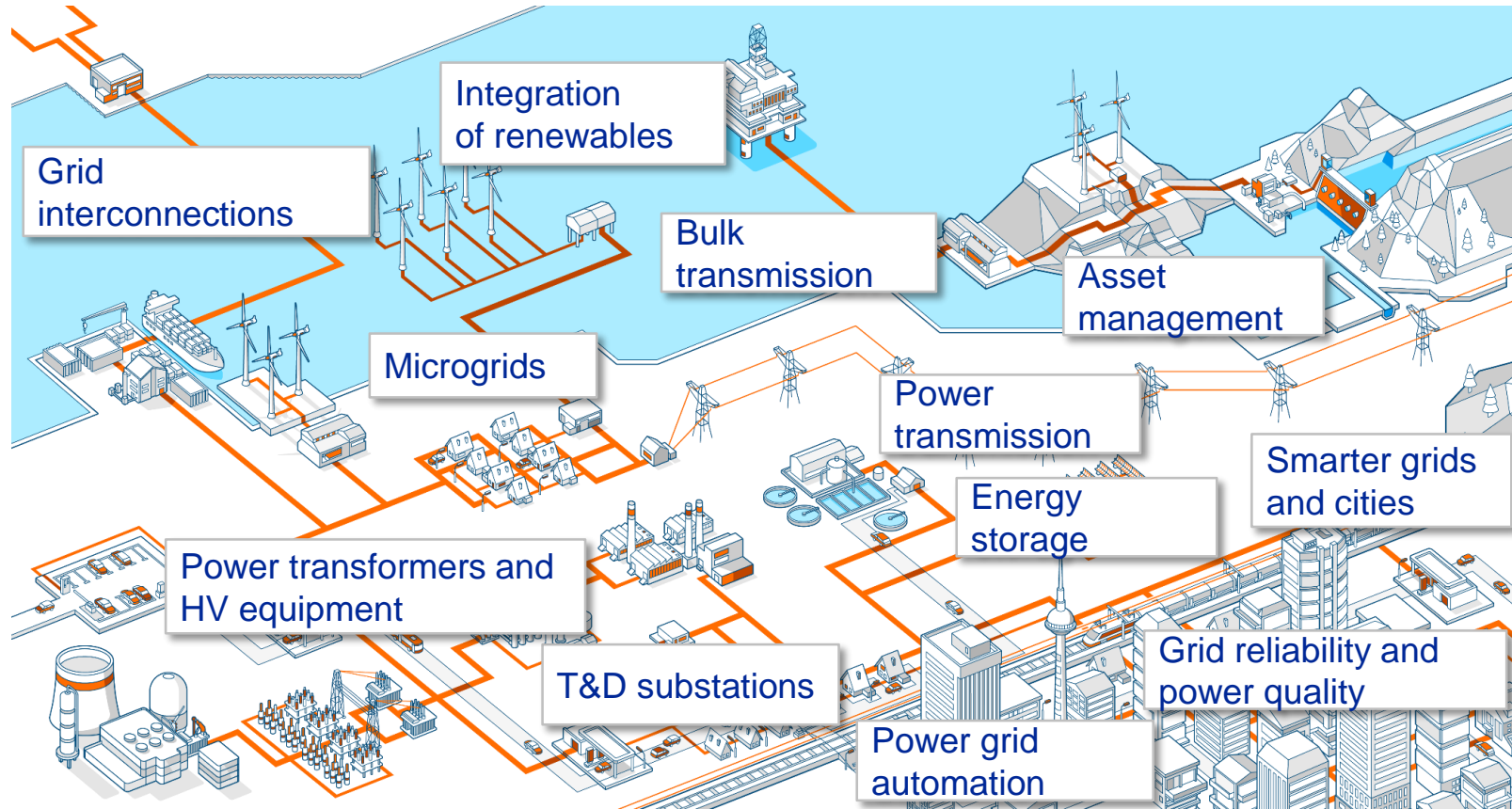
Power Grids division

Global demand drivers



Power Grids division

Deliver value to our customers



Power Grids division

Solutions for a changing grid

Products & components



Traction transformer



Power transformer



HV¹ Gas Insulated Switchgear



HV¹ Air Insulated Switchgear

Systems & integration



HVDC²



Substations



Grid automation

Services & software



Consulting and service



IT/OT integration and asset management

Broadest offering for Power & Automation for the grid

Power Grids division

Technology leadership for the digital grid

Eco-efficient GIS¹



Ultra High
Voltage
1,200 kV AC²
1,100 kV DC³



525 kV extruded
HVDC cable



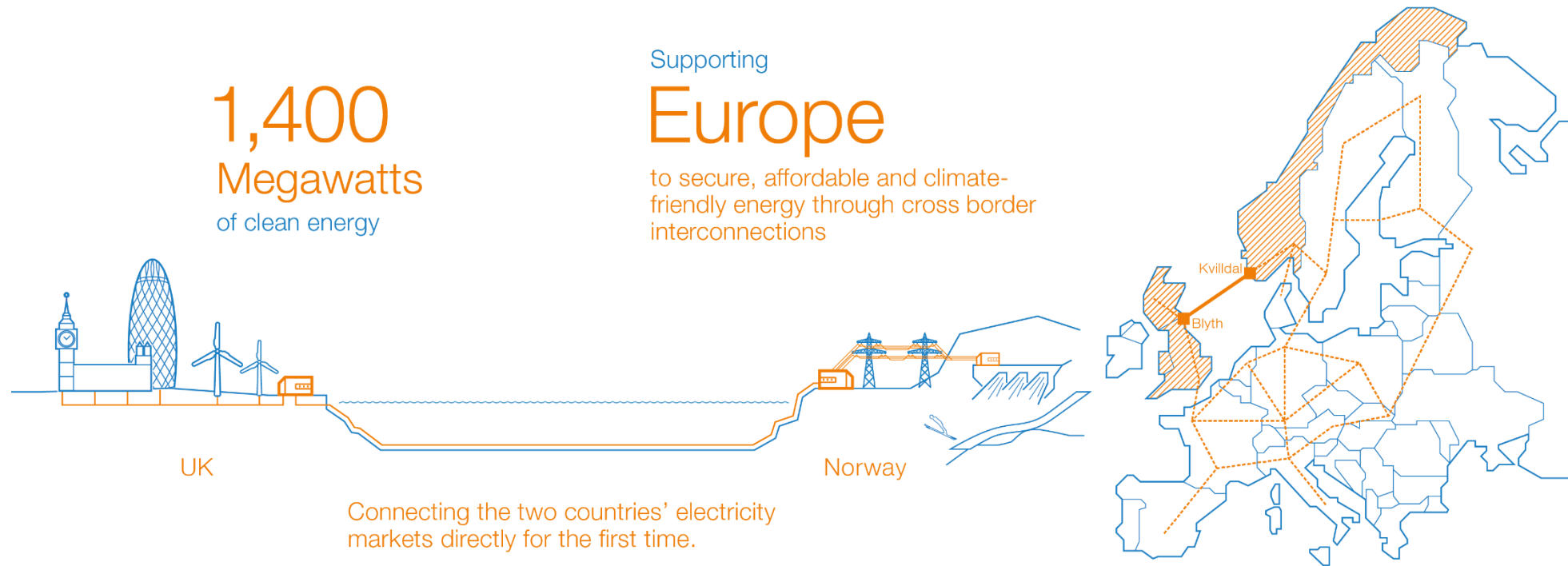
Grid automation
(digital substation)



Bringing Power & Automation solutions together

Shifting the Center of Gravity – driving organic growth

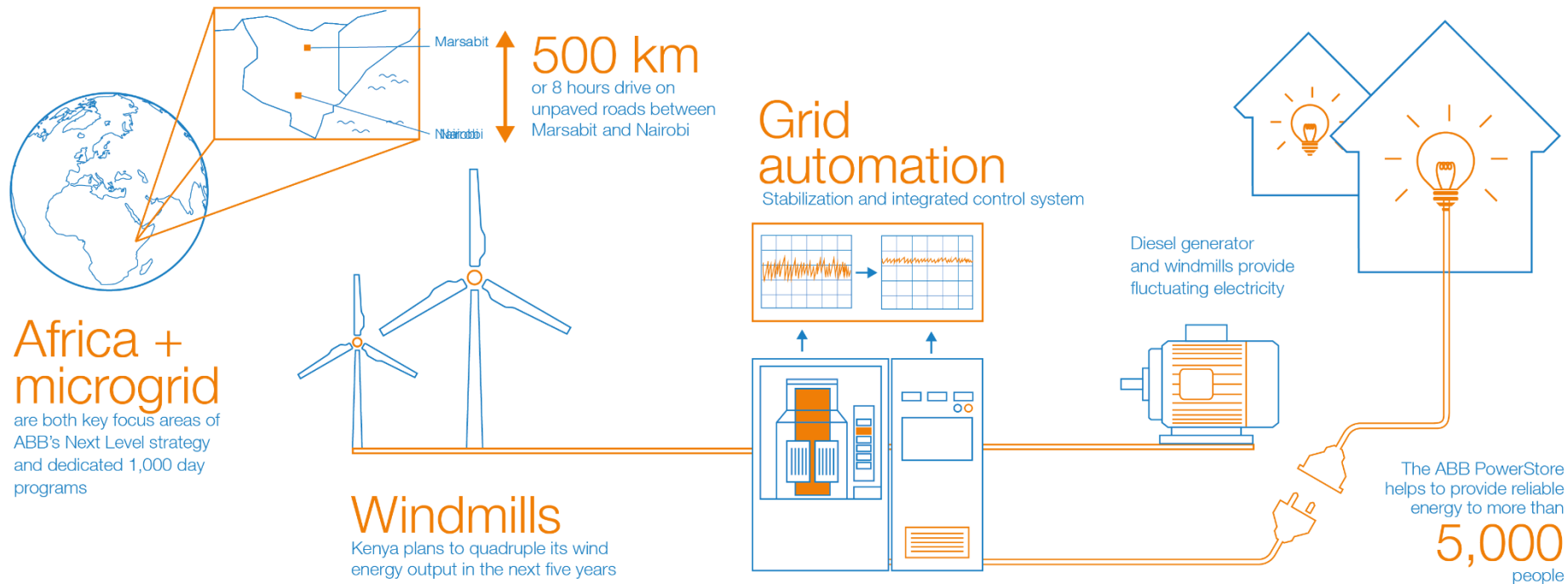
Addressing customer requirements with grid interconnection solutions



Helping our customers securing stable, efficient electricity supply

Shifting the Center of Gravity – driving organic growth

High-growth opportunities: 1'000 day programs Microgrids and Africa



Leverage system integration capability – help integrate renewables

Shifting the Center of Gravity – driving organic growth

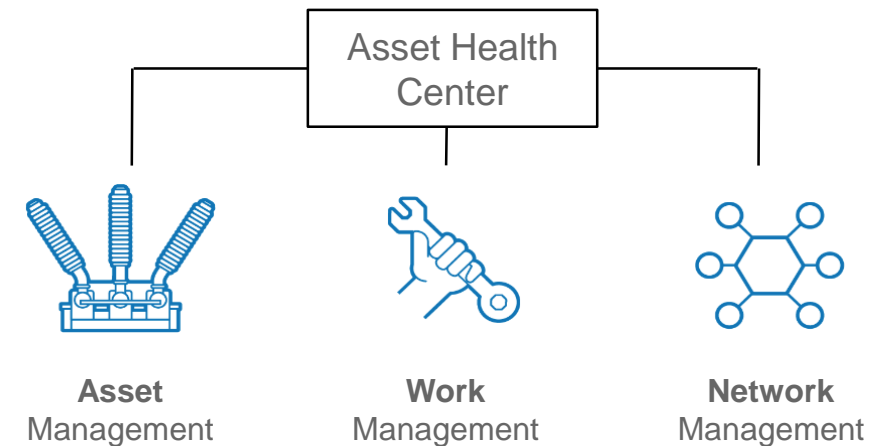
A leader in utility asset management solutions

1 in transmission and distribution
Leverage largest installed base

Creating value for our customers

- Increasing uptime
- Reducing maintenance cost
- Extending lifecycle
- Ensuring reliability

Asset Performance Management



Enhancing our growth and return profile by combining unique knowledge with largest installed base

Power Grids division

Accelerating transformation and drive organic growth momentum – summary

“Big shift” in power grids provides significant profitable growth opportunities

Ease of doing business for customers – one team for products, systems and services

Significant service opportunity to leverage an unmatched installed base

Cost synergies in leveraging SCM, engineering and R&D (simplification and productivity)

Well positioned for profitable growth

Power and productivity
for a better world™

