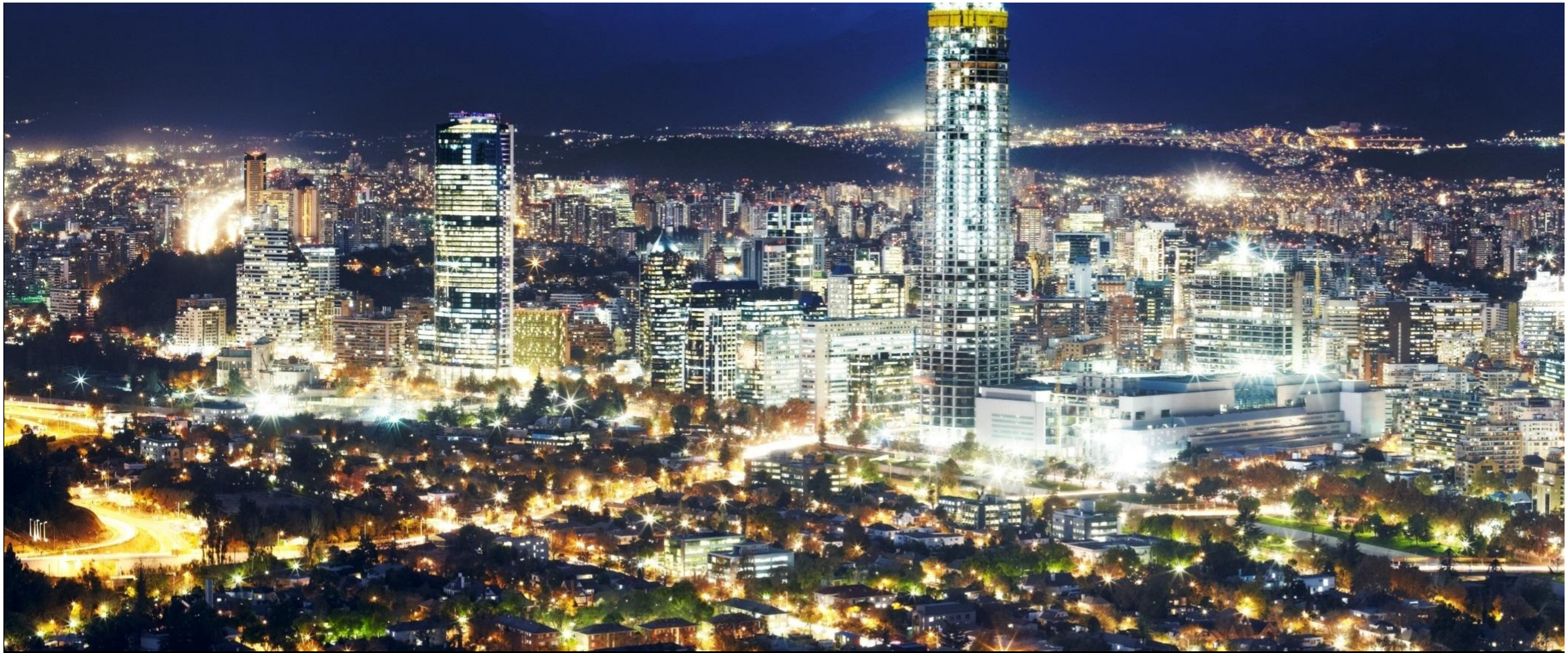


April 24, 2013

# ABB Q1 2013 results

Joe Hogan, CEO
Eric Elzvik, CFO

Power and productivity
for a better world™

# Safe-harbor statement

This presentation includes 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.

There are numerous 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 presentation 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 with the volatile global economic environment and political conditions
- 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
- 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.

# Q1 2013: Revenue growth, improved profitability
## More balanced business and regional scope

| | |
|---|---|
| Growth | ▪ Steady orders, higher revenues despite weak macro environment<br>▪ Order growth in mining, marine, robotics and China<br>▪ Revenues higher on execution of strong order backlog<br>▪ Emerging market orders up 10% |

| | |
|---|---|
| Execution | ▪ Higher operational EBITDA and operational EBITDA margin[1]<br>▪ T&B integration and synergies on track<br>▪ Solid execution on cost: savings of ~$260 million in the quarter<br>▪ Power-One transaction positions ABB to tap key solar growth opportunity |

| | |
|---|---|
| Cash | ▪ Typical Q1 weakness from net working capital build-up |

[1] See definitions in Appendix

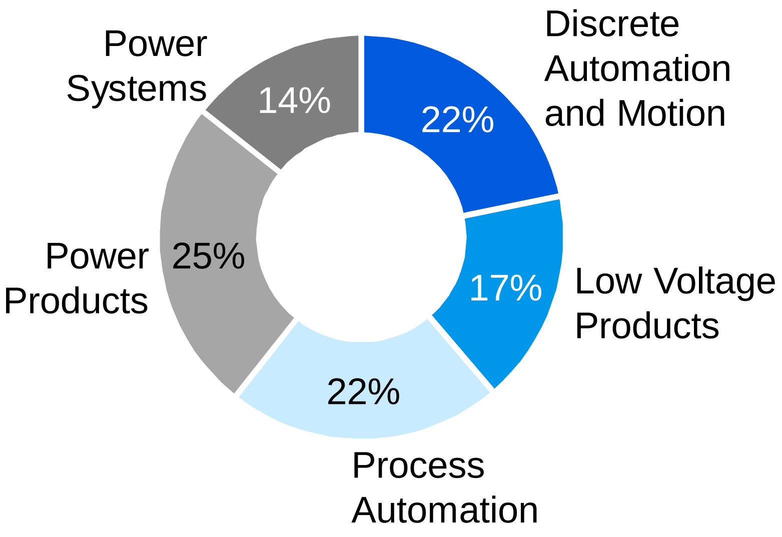
# Key figures for Q1 2013

| **Q1 2013 performance**<br>*US$ millions unless otherwise indicated* | **Q1 2013** | **Q1 2012** | *Change vs Q1 2012 US$* | *Change vs Q1 2012 local currencies* |
|---|---|---|---|---|
| Orders | 10'492 | 10'368 | *1%* | +2%<br>*(organic[1]: -4%)* |
| Order backlog (end Mar.) | *29'614* | *29'910* | *-1%* | +2% |
| Revenues | 9'715 | 8'907 | *9%* | +10%<br>*(organic: +3%)* |
| Operational EBITDA | 1'458 | 1'228 | *19%* | |
| Operational EBITDA margin | 15.0% | 13.9% | | |
| Net income | 664 | 685 | *-3%* | |
| Basic net income per share | 0.29 | 0.30 | | |
| Cash flow from operating activities | (223) | (22) | n.a. | |

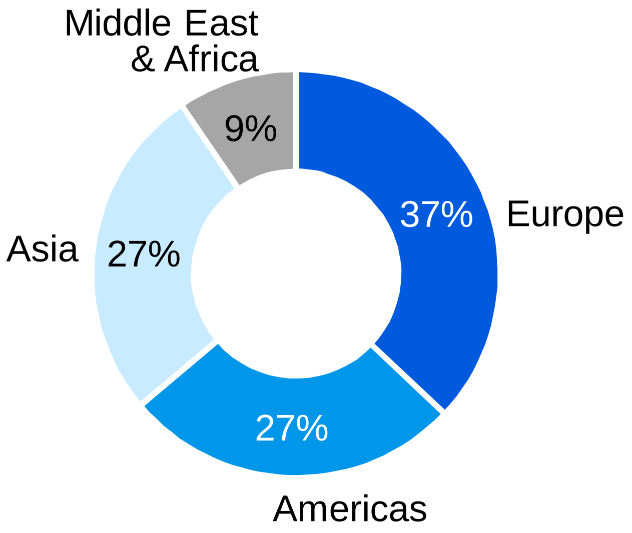
[1] Excluding Thomas & Betts

# Balanced business and geographic portfolio

**Orders by division Q1 2013**
*Non-consolidated*

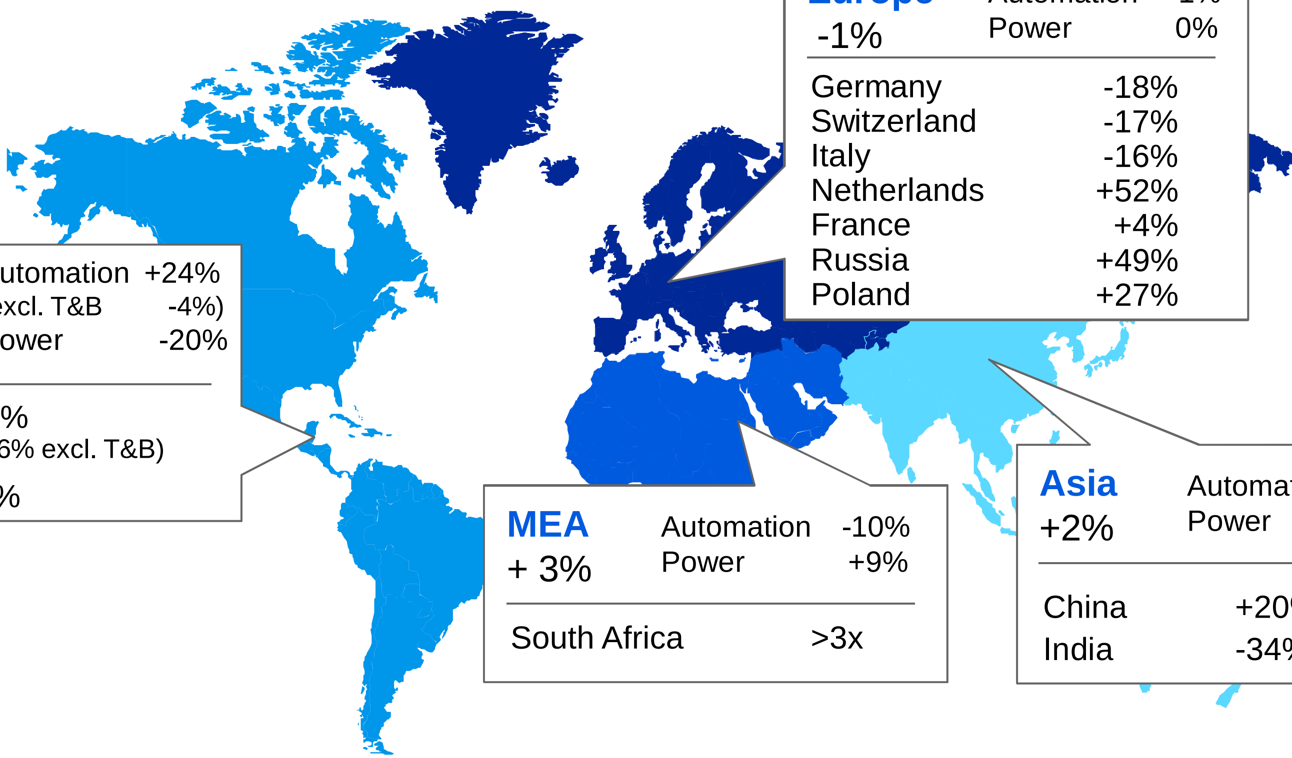



**Orders by region Q1 2013**



# Modest growth across geographies in Q1 2013
## Resilient performance in most regions

**Order growth in selected countries, Q1 13 vs Q1 12**
*(in local currencies)*



**Europe**
-1%

| | |
|---|---|
| Automation | -1% |
| Power | 0% |

| | |
|---|---|
| Germany | -18% |
| Switzerland | -17% |
| Italy | -16% |
| Netherlands | +52% |
| France | +4% |
| Russia | +49% |
| Poland | +27% |

**Americas**
+ 5%
(excl. T&B -12%)

| | |
|---|---|
| Automation | +24% |
| (excl. T&B | -4%) |
| Power | -20% |

| | |
|---|---|
| US | +6%<br>(-16% excl. T&B) |
| Brazil | -5% |

**MEA**
+ 3%

| | |
|---|---|
| Automation | -10% |
| Power | +9% |

| | |
|---|---|
| South Africa | >3x |

**Asia**
+2%

| | |
|---|---|
| Automation | +6% |
| Power | -3% |

| | |
|---|---|
| China | +20% |
| India | -34% |

# Key orders won in the quarter
## Significant wins in service, HVDC and oil & gas

- $260-mill. offshore oil & gas platform service (Norway)
- $150 mill. in technology for highest-capacity UHVDC link (China)
- $110-mill. HVDC link between Lithuania and Poland
- Electrification of offshore oil & gas processing (Australia)
- Large mine hoist system in Russia
- High-efficiency power plant control system for Enel (Italy)
- Dry-type transformers for world's highest airport (China)

# Q1 2013 divisional growth overview
## Order backlog provides a buffer vs softer early cycle

| *US$ millions unless otherwise indicated* | **Orders** | Change in local currencies | **Revenues** | Change in local currencies |
|---|---|---|---|---|
| Discrete Automation and Motion | 2'485 | *-7%* | 2'327 | *4%* |
| Low Voltage Products<br>*(organic)* | 1'934<br>*1'342* | *47%*<br>*1%* | 1'777<br>*1'185* | *51%*<br>*0%* |
| Process Automation | 2'500 | *-1%* | 1'978 | *1%* |
| Power Products | 2'859 | *-8%* | 2'489 | *0%* |
| Power Systems | 1'637 | *-15%* | 2'051 | *15%* |

- DM: Revenues reflect execution of strong order backlog, esp. in robotics; service revenues up 5%
- LP: Steady (organic) as early-cycle demand remained near year-earlier lows
- PA: Higher mining and marine orders offset weakness in other sectors; higher marine and service revenues
- PP: Order selectivity in a challenging market; higher share of distribution and industry-related sales
- PS: Timing and selectivity impacts orders; revenues up across all businesses

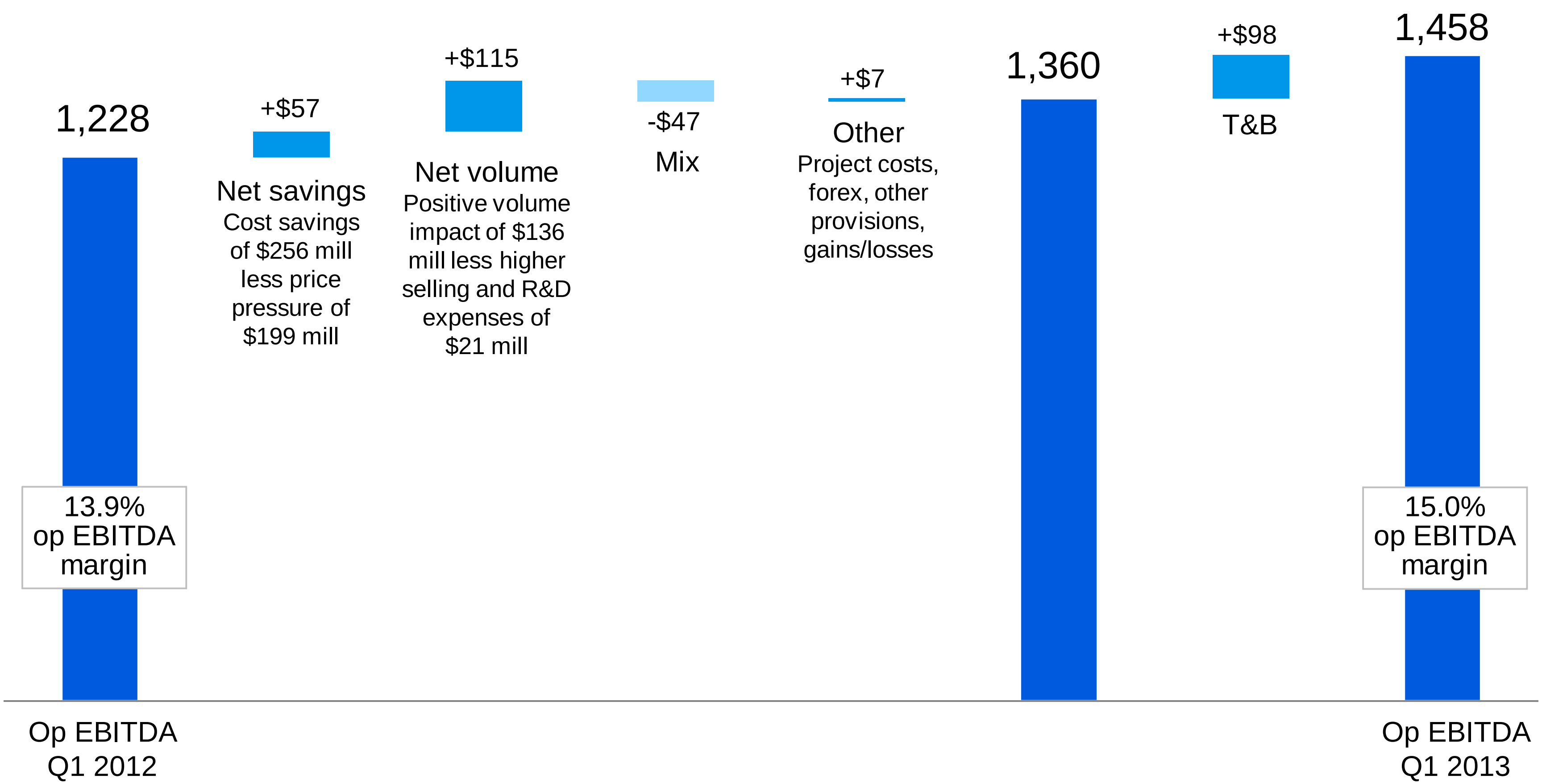
# Q1 2013 divisional earnings and cash overview
## Higher margins in 4 out of 5 divisions

| *US$ millions unless otherwise indicated* | **Op EBITDA** | Change in US$ | **Op EBITDA margin** | Change in percentage points |
|---|---|---|---|---|
| Discrete Automation and Motion | 416 | *0%* | 17.8% | *-0.8* |
| Low Voltage Products<br>*(organic)* | 320<br>*222* | *62%* | 18.0%<br>*18.7%* | +*1.4*<br>*+2.1* |
| Process Automation | 259 | *7%* | 13.1% | +*0.7* |
| Power Products | 372 | *2%* | 14.9% | +*0.4* |
| Power Systems | 169 | *44%* | 8.3% | +*1.7* |

- DM: Higher revenues, less favorable mix, and R&D and selling costs up vs same quarter in 2012
- LP: Margin up organically on improved cost control and better capacity utilization
- PA: Improved project execution and higher full-service service margins
- PP: Favorable business mix, price pressure mostly offset by cost savings
- PS: Better project execution and project mix executed out of the backlog; margin up in all businesses

# Operational EBITDA: Upside from cost and volume
## T&B contributes almost $100 million

**Factors affecting operational EBITDA Q1 2013 vs Q1 2012**
*US$ millions*



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# Operational EPS analysis

| | Q1 2013 | | Q1 2012 | | Change[1] |
|---|---|---|---|---|---|
| US$ in millions, except per share data in US$ | US$ | EPS | US$ | EPS | |
| **Net income** | **664** | **0.29** | **685** | **0.30** | **-3%** |
| Restructuring-related costs[2] | 14 | 0.01 | 12 | 0.01 | |
| FX/commodity timing differences on EBIT[2] | 44 | 0.02 | -50 | (0.02) | |
| Acquisition-related expense and certain non-operational items[2] | 3 | 0.00 | -13 | (0.01) | |
| **Operational net income** | **725** | **0.32** | **634** | **0.28** | **+14%** |
| Amortization related to acquisitions[2] | 67 | 0.02 | 47 | 0.02 | |
| **Operational net income, before amortization** | **792** | **0.34** | **681** | **0.30** | **+16%** |

[1] Calculated on EPS before rounding; [2] Net of tax at Group tax rate

Change in reported Basic EPS reflects negative impacts from forex and acquisition-related costs and amortization

# Thomas & Betts update: A strong start
## Integration on track

- Q1 stand-alone vs. year-earlier period
  - Stable revenues
  - Contributed ~$590 mill in revenues, ~$100 mill in op EBITDA
  - Q1 operational EBITDA margin 16.6% vs 18.1%[1] in Q1 2012
- Integration on track
  - Integration costs and cost synergies in line with plan
  - Regional revenue synergy plans being implemented
- EPS accretive

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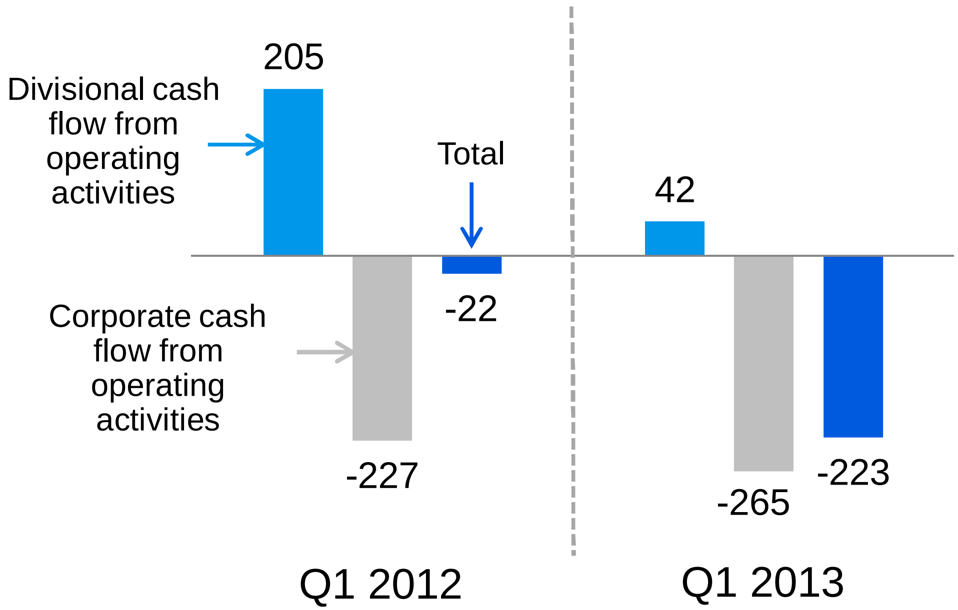
- Special items
  - PPA amortization[2]: Q1 = $29 mill<br>FY 13 = ~$120 mill
  - No further significant acquisition-related costs expected

[1] Estimated operational EBITDA margin based on ABB definition
[2] Acquisition-related amortization

# Weaker cash generation
## Normal recovery expected over remainder of the year

**Cash from operating activities**
**Q1 13 vs Q1 12**
*US$ millions*




- Main divisional impacts:
  - Timing of project payments
  - Lower customer advances
  - PS reset cash impacts
- Net working capital at 16.4% of revenues—continued focus in 2013

# Technology and innovation
## A world leader in power electronics

### Power electronics

New 1000 kW central solar inverter
for enhanced grid stability

### DC power systems

Onboard DC grid for Norwegian
offshore supply vessel

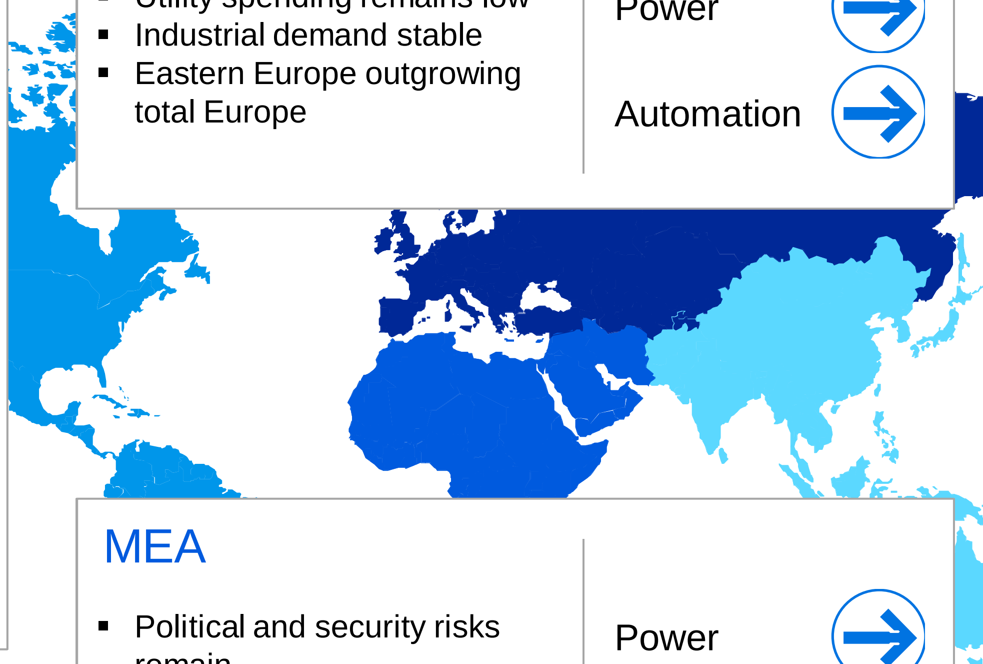
### Low-voltage breaker

1st LV breaker with integrated energy management: Potential to reduce EU $CO_2$ emissions by 4 mill tons a year

### Gearless conveyors

Gearless conveyor drive system for world's largest underground copper mine in Chile

# Demand outlook heading into 2013
## Short term unclear, long term remains supportive



### Americas

- Continued uncertainty from fiscal debate
- Industrial demand softer but still positive
- Grid upgrades continue
- Power distribution spending subject to macro recovery

Power

Automation

### Europe

- Utility spending remains low
- Industrial demand stable
- Eastern Europe outgrowing total Europe

Power

Automation

### Asia

- Continues to outgrow world GDP >2x
- Soft landing in China, H2 demand environ-ment expected to improve
- Short-term uncertainties in India

Power

Automation

### MEA

- Political and security risks remain
- Economic diversification to continue

Power

Automation

# Outlook for the remainder of 2013
## No clear trend changes visible heading into Q2 13

| | |
|---|---|
| Growth | ▪ Long-term growth drivers intact: Industrial productivity, power efficiency<br>▪ Market uncertainty likely to remain high in near term<br>▪ Short-term driven by GDP, government policies |
| Execution | ▪ Sustain annual Power Products op EBITDA margins in the 14.5-15% range<br>▪ Cost savings and productivity improvements ~3-5% of cost of sales<br>▪ Leverage stronger automation portfolio across markets and regions<br>▪ Execute order backlog on time and at right quality<br>▪ Implement PS reset and improve project and risk management<br>▪ Further focus on growing service revenues faster than total revenues<br>▪ Drive measures to improve customer satisfaction<br>▪ Expect to close Power-One transaction in H2 2013 |
| Cash and capital allocation | ▪ Secure cash return on investment in both organic and inorganic growth<br>▪ Debt maturities and dividend<br>▪ Continue our dividend policy: Sustainable and steadily rising over time |

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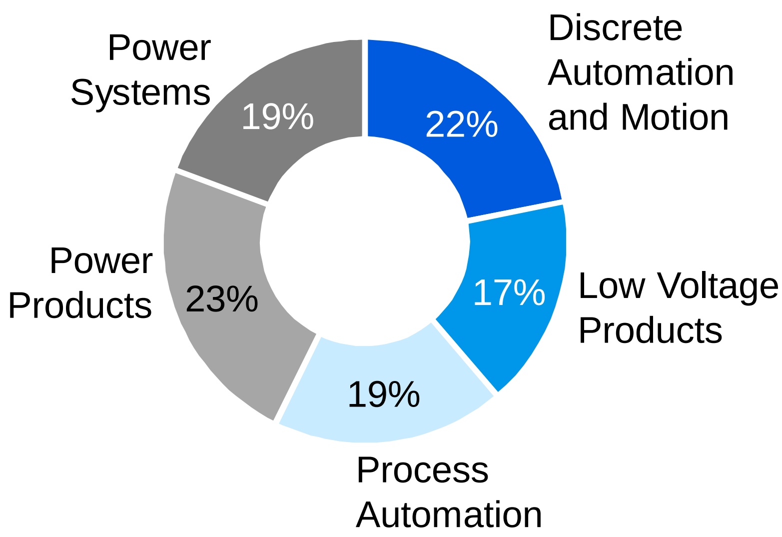
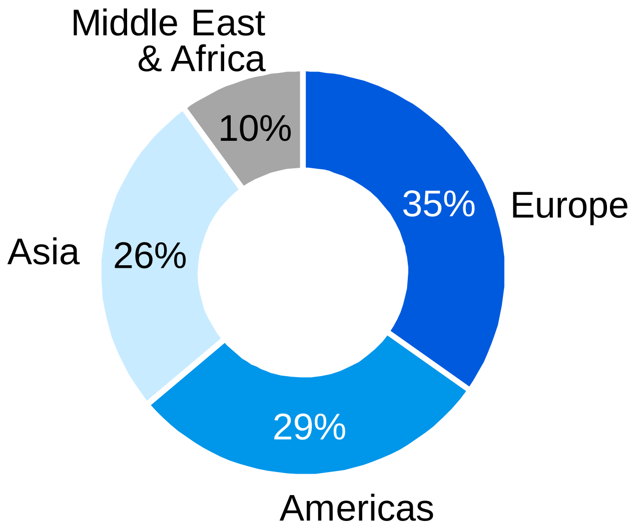
# Balanced business and geographic portfolio

**Revenues by division Q1 2013**
*Non-consolidated*

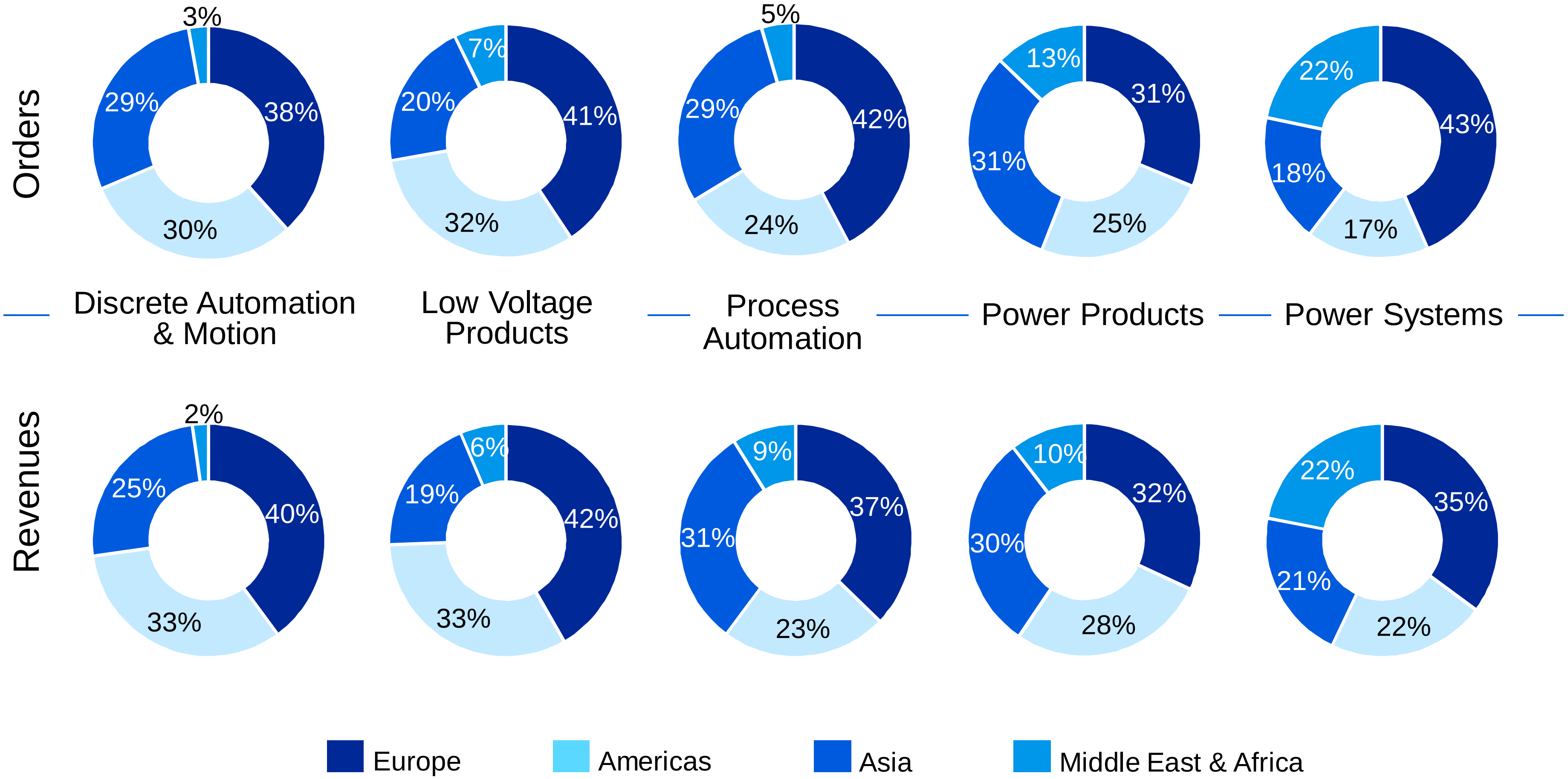



**Revenues by region Q1 2013**



# Orders and revenues by region and division Q1 2013

**Regional share of total orders and revenues by division**
*US$*

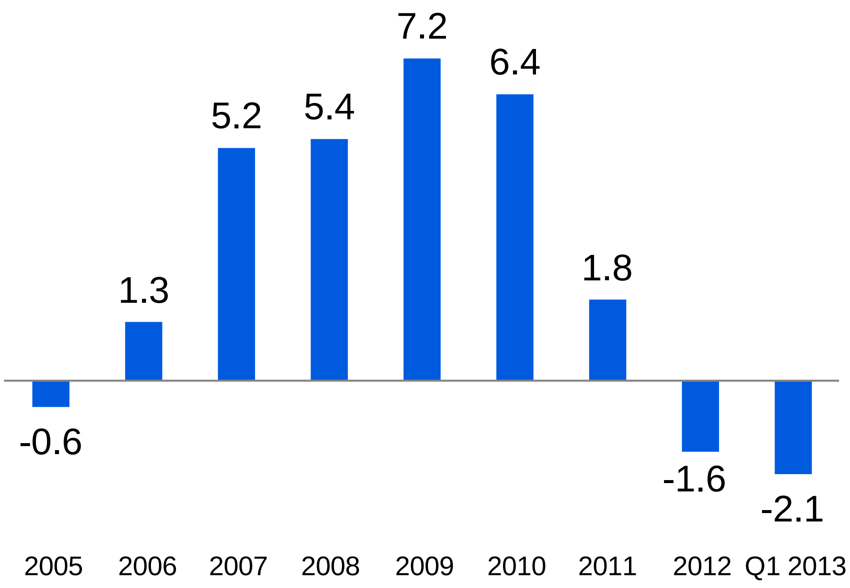


# Order backlog by division

| **Order backlog (end March)** *US$ millions* | **Q1 2013** | **Q1 2012** | **Change %** | |
|---|---|---|---|---|
| | | | *US$* | *Local currencies* |
| Discrete Automation and Motion | 4'467 | 4'675 | *-4%* | *-2%* |
| Low Voltage Products | 1'246 | 1'049 | *19%* | *22%* |
| Process Automation | 6'784 | 6'483 | *5%* | *8%* |
| Power Products | 8'831 | 8'859 | *0%* | *2%* |
| Power Systems | 11'511 | 12'115 | *-5%* | *-2%* |
| Consolidation and Other | -3'225 | -3'271 | *1%* | *-2%* |
| **Total Group** | **29'614** | **29'910** | ***-1%*** | ***2%*** |

# Solid investment grade balance sheet
## Strong support for organic and inorganic growth

**Net cash (debt) position 2005-Q1 2013**
*US$ billions*




- Total debt at $9.1 bn
- Net debt/EBITDA at 0.4x

**Uses of cash in 2013**
- Annual dividend >$1.5 bn
- ~$900 mill bond repayment in June
- Capex ~$1.1 bn
- Further selected M&A opportunities

# Reconciliation of Operational EBITDA by Division Q1 2013 vs Q1 2012

| | ABB | | Discrete Automation & Motion | | Low Voltage Products | | Process Automation | | Power Products | | Power Systems | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 13 | Q1 12 | Q1 13 | Q1 12 | Q1 13 | Q1 12 | Q1 13 | Q1 12 | Q1 13 | Q1 12 | Q1 13 | Q1 12 |
| **Operational revenues** | **9'721** | **8'844** | **2'331** | **2'240** | **1'779** | **1'186** | **1'983** | **1'960** | **2'503** | **2'497** | **2'032** | **1'780** |
| FX/commodity timing differences on Revenues | (6) | 63 | (4) | 2 | (2) | 6 | (5) | 10 | (14) | 16 | 19 | 27 |
| **Revenues (as per Financial Statements)** | **9'715** | **8'907** | **2'327** | **2'242** | **1'777** | **1'192** | **1'978** | **1'970** | **2'489** | **2'513** | **2'051** | **1'807** |
| | | | | | | | | | | | | |
| **Operational EBITDA** | **1'458** | **1'228** | **416** | **417** | **320** | **197** | **259** | **243** | **372** | **363** | **169** | **117** |
| Depreciation | (205) | (166) | (34) | (33) | (47) | (26) | (16) | (16) | (51) | (42) | (20) | (16) |
| Amortization | (116) | (87) | (30) | (28) | (32) | (2) | (4) | (4) | (7) | (10) | (25) | (25) |
| *including total acquisition-related amortization of* | *(93)* | *(66)* | *(26)* | *(27)* | *(30)* | *(1)* | *(3)* | *(3)* | *(5)* | *(8)* | *(23)* | *(22)* |
| Acquisition-related expense and certain non-operational items | (4) | 19 | (2) | (4) | (2) | (3) | - | - | - | - | - | - |
| FX/commodity timing differences on EBIT | (62) | 71 | (12) | 3 | (3) | 14 | (12) | 11 | (24) | 25 | (14) | 14 |
| Restructuring-related costs | (19) | (17) | (1) | (1) | (4) | - | (3) | - | (7) | (13) | (5) | (2) |
| **EBIT (as per Financial Statements)** | **1'052** | **1'048** | **337** | **354** | **232** | **180** | **224** | **234** | **283** | **323** | **105** | **88** |
| | | | | | | | | | | | | |
| **Operational EBITDA margin (%)** | **15.0%** | **13.9%** | **17.8%** | **18.6%** | **18.0%** | **16.6%** | **13.1%** | **12.4%** | **14.9%** | **14.5%** | **8.3%** | **6.6%** |

# Reconciliation of non-GAAP measures 1
## ($ in millions)

| **Net Working Capital as a percentage of Revenues**<br>*= Net Working Capital / Adjusted Revenues for the trailing 12 months* | **Mar. 31, 2013** |
|---|---|
| Receivables, net | 11,941 |
| Inventories, net | 6,267 |
| Prepaid expenses | 322 |
| Accounts payable, trade | (4,705) |
| Billings in excess of sales | (1,920) |
| Employee and other payables | (1,372) |
| Advances from customers | (2,002) |
| Accrued expenses | (1,878) |
| **Net Working Capital** | **6,653** |
| *Revenues for the three months ended:* | |
| March 31, 2013 / 2012 | 9,715 |
| December 31, 2012 / 2011 | 11,021 |
| September 30, 2012 / 2011 | 9,745 |
| June 30, 2012 / 2011 | 9,663 |
| Adjustment to annualize revenues of certain acquisitions(1) | 308 |
| **Adjusted Revenues for the trailing 12 months** | **40,452** |
| **Net Working Capital as a percentage of Revenues** | **16.4%** |

(1) Thomas & Betts



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# Reconciliation of non-GAAP measures 2
## ($ in millions)

| **Net (Debt), Net Cash**<br>*= Cash and equivalents plus Marketable securities and short-term investments, less Total debt* | **Mar. 31, 2013** |
|---|---|
| Cash and equivalents | 5,455 |
| Marketable securities and short-term investments | 1,591 |
| **Cash and Marketable securities** | **7,046** |
| Short-term debt and current maturities of long-term debt | 1,683 |
| Long-term debt | 7,430 |
| **Total debt** | **9,113** |
| **Net (Debt), Net Cash** | **(2,067)** |

| **Net Debt to EBITDA**<br>*= Net Debt / EBITDA for the trailing 12 months* | **Mar. 31, 2013** |
|---|---|
| **Net Debt (as defined above)** | **(2,067)** |
| *Earnings before interest and taxes for the three months ended:* | |
| March 31, 2013 | 1,052 |
| December 31, 2012 | 863 |
| September 30, 2012 | 1,146 |
| June 30, 2012 | 1,001 |
| *Depreciation and amortization for the three months ended:* | |
| March 31, 2013 | 321 |
| December 31, 2012 | 341 |
| September 30, 2012 | 307 |
| June 30, 2012 | 281 |
| **Total EBITDA for the trailing 12 months** | **5,312** |
| **Net Debt to EBITDA** | **0.4** |

# Appendix: Definitions 1

- **Acquisition-related amortization:** amortization expense on intangibles arising on acquisitions and the cost of sales impact from fair valuing inventory in an acquisition.
- **FX/commodity timing differences on EBIT**: the sum of i) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).
- **Operational EBITDA**: Earnings before interest and taxes (EBIT) excluding depreciation and amortization, adjusted for i) unrealized gains and losses on derivatives (FX, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), iv) restructuring and restructuring-related expenses, and v) acquisition-related expenses and certain non-operational items.
- **Operational EBITDA margin**: Operational EBITDA as a percentage of Operational revenues.
- **Operational revenues**: Revenues adjusted for i) unrealized gains and losses on derivatives, ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and iii) unrealized foreign exchange movements on receivables (and related assets).

# Appendix: Definitions 2

- **Operational net income**: Net income adjusted for the net-of-tax impact (using the Group's effective tax rate) of i) unrealized gains and losses on derivatives (FX, commodities, embedded derivatives), ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), iv) restructuring and restructuring-related expenses, and v) acquisition-related expenses and certain non-operational items.
- **Operational EPS**: Operational net income before amortization per share.
- **Operational net income, before amortization**: Operational net income adjusted for the net-of-tax impact (using the Group's effective tax rate) of Acquisition-related amortization.

# For more information, call ABB Investor Relations
## Or visit our website at www.abb.com/investorrelations

| Name | Telephone | E-mail |
|---|---|---|
| Alanna Abrahamson<br>Head of Investor Relations (Zurich) | +41 43 317 3804 | alanna.abrahamson@ch.abb.com |
| John Fox | +41 43 317 3812 | john.fox@ch.abb.com |
| Binit Sanghvi | +41 43 317 3832 | binit.sanghvi@ch.abb.com |
| Tatyana Dubina | +41 43 317 3816 | tatyana.dubina@ch.abb.com |
| Annatina Tunkelo | +41 43 317 3820 | annatina.tunkelo@ch.abb.com |
| Ruth Jaeger | +41 43 317 3808 | ruth.jaeger@ch.abb.com |