ABB FY and Q4 Presentation
Driving solid results in challenging times
Important notices

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 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.

This presentation contains 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 "Reports and Presentations" – “Quarterly Financial Releases” on our website at www.abb.com/investorrelations
Welcome on behalf of the ABB Executive Committee

Ulrich Spiesshofer  
CEO

Bernhard Jucker  
Power Products

Claudio Facchin  
Power Systems

Pekka Tiitinen  
Discrete Automation and Motion

Tarak Mehta  
Low Voltage Products

Veli-Matti Reinikkala  
Process Automation

Eric Elzvik  
CFO

Jean-Christophe Deslarzes  
Human Resources

Diane de Saint Victor  
General Counsel

Frank Duggan  
Global Markets

Greg Scheu  
Business Integration and North America
## Agenda: Investor and Analyst meeting

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<td>Ulrich Spiesshofer, Eric Elzvik</td>
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<td>Ulrich Spiesshofer</td>
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<tr>
<td>Focus areas</td>
<td>Ulrich Spiesshofer</td>
</tr>
<tr>
<td>Focus areas in action: profitable growth in Low Voltage Products</td>
<td>Tarak Mehta</td>
</tr>
<tr>
<td>Focus areas in action: business-led collaboration in services and integration</td>
<td>Greg Scheu</td>
</tr>
<tr>
<td>Summary</td>
<td>Ulrich Spiesshofer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
</tr>
</tbody>
</table>
Full year 2013 summary
ABB delivered a solid 2013 performance in a challenging market
Record revenues, higher earnings, free cash flow and dividend

**Profitable Growth**
- Revenues up 7%\(^1\) (5% organic\(^2\)) to a record level of $42 billion
- Early cycle business trending positively as we head into 2014, lower order backlog to weigh on revenues
- Four of five divisions performed well
- Operational EBITDA up 9%

**Business-led collaboration**
- Integration of acquisitions on track, delivering synergies
- Service orders continued to outperform rest of business
- Successful collaboration in key markets and accounts

**Relentless execution**
- Steady cost savings ~ $1.2 bn
- Automation with higher operational EBITDA margin
- Power Products continues to lead the sector in profitability
- Power Systems actions under way to generate more consistent returns
- Free cash flow at $2.6 bn—94% conversion vs net income

Attractive returns to shareholders via 5\(^{th}\) consecutive dividend increase\(^3\)
ABB’s vision: Power and productivity for a better world

Strong external endorsement

Recognition for ABB’s efforts in energy efficiency and renewable energy technologies

Underlines our relentless drive for innovation to create new offerings and value for our customers

Reflects ABB’s pioneering heritage in technology innovation

Strengthens our reputation in the Gulf region and in key market segments
Order intake reflects challenging market
Automation growth helped mitigate lower large orders

2013 order growth by region
Change in local currencies

<table>
<thead>
<tr>
<th>Region</th>
<th>Automation</th>
<th>Power</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas¹</td>
<td>+4%</td>
<td>-18%</td>
<td>-5%</td>
</tr>
<tr>
<td>US</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>-7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>-37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>0%</td>
<td>-9%</td>
<td>-3%</td>
</tr>
<tr>
<td>Germany</td>
<td>+7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-8%</td>
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<td></td>
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<tr>
<td>Norway</td>
<td>-12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>-7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>+7%</td>
<td>-9%</td>
<td>+1%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td>+7%</td>
</tr>
<tr>
<td>India</td>
<td>-11%</td>
<td></td>
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<tr>
<td>South Korea</td>
<td>+2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>-15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>+1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEA²</td>
<td>-9%</td>
<td>-7%</td>
<td>-7%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>-14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>+35%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Excl. Thomas & Betts in H1
2012 and H1 2013 : Americas total is -11% Americas automation is -7%, total US -8%, total Canada -16%  
² Middle East and Africa
Divisional highlights 2013

Discrete Automation and Motion

- Strong year for robotics globally
- Power-One acquisition to build #2 solar inverter position
- Rapid order growth in EV fast charging business

Low Voltage Products

- Strong growth in NAM via T&B synergies
- Breakthrough Emax power manager
- ELBI wiring accessories, Newron building automation software acquisitions

Process Automation

- No. 1 position in global DCS market confirmed
- $260-mill 9-year offshore O&G service order
- Los Gatos analytical instruments acquisition

Power Products

- Higher revenues and strong cash flow
- Good growth in service business
- Continued market and technology leadership with new product launches

Power Systems

- Key project successes, despite offshore wind setbacks
- New leadership to drive strategic repositioning
- Technology position in HVDC strengthened

All-time high in cash from operations
Record revenues and operational EBITDA
Highest-ever operational EBITDA and margin
Maintained sector-leading profitability
Project management improvements under way
## Key figures by division full year 2013

<table>
<thead>
<tr>
<th>US$ millions</th>
<th>Orders</th>
<th>△ 1</th>
<th>Revenues</th>
<th>△ 1</th>
<th>Operational EBITDA</th>
<th>△</th>
<th>Operational EBITDA %</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discrete Automation and Motion</strong></td>
<td>9,771</td>
<td>+2%</td>
<td>9,915</td>
<td>+5%</td>
<td>1,783</td>
<td>+3%</td>
<td>18.0%</td>
<td>-0.4 pts</td>
</tr>
<tr>
<td><strong>Low Voltage Products (organic)²</strong></td>
<td>7,696</td>
<td>+14% (+1%)</td>
<td>7,729</td>
<td>+16% (+2%)</td>
<td>1,468</td>
<td>+20%</td>
<td>19.0%</td>
<td>+0.6 pts</td>
</tr>
<tr>
<td><strong>Process Automation</strong></td>
<td>8,000</td>
<td>-8%</td>
<td>8,497</td>
<td>+5%</td>
<td>1,096</td>
<td>+9%</td>
<td>12.9%</td>
<td>+0.6 pts</td>
</tr>
<tr>
<td><strong>Power Products</strong></td>
<td>10,459</td>
<td>-5%</td>
<td>11,032</td>
<td>+3%</td>
<td>1,637</td>
<td>+3%</td>
<td>14.8%</td>
<td>0 pts</td>
</tr>
<tr>
<td><strong>Power Systems</strong></td>
<td>5,949</td>
<td>-25%</td>
<td>8,375</td>
<td>+8%</td>
<td>419</td>
<td>+44%</td>
<td>5.0%</td>
<td>+1.3 pts</td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td>(2,979)</td>
<td></td>
<td>(3,700)</td>
<td></td>
<td>(328)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ABB Group (organic)²</strong></td>
<td>38,896</td>
<td>-3% (-5%)</td>
<td>41,848</td>
<td>+7% (+5%)</td>
<td>6,075</td>
<td>+9%</td>
<td>14.5%</td>
<td>+0.3 pts</td>
</tr>
</tbody>
</table>

1 Change in local currencies
2 ex. Thomas & Betts in H1 2012 and H1 2013
Actions under way to return PS to higher, more consistent returns
New leadership driving the realignment

- Fix current project issues:
  - Significantly increased experienced and qualified resources
  - Leverage local and global technical and functional expertise (internal and external)
  - Benefit from learnings and focus on proven and repeatable technology and project design
- Continue to improve quality of orders portfolio:
  - Drive market penetration in key sectors with balanced risk reward profile
  - Pricing models that better reflect technical and commercial risk profile
  - Revise commercial terms to rebalance technical and cash risks (e.g., timing of milestones, contract duration)
  - Continue selectivity on large projects with new technology
  - New risk mitigation models (e.g., alliances, insurance)
Service momentum is key building block for profitable growth

Increasing share of recurring revenues

Service order share\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>15%</th>
<th>16%</th>
<th>17%</th>
<th>18%</th>
<th>19%</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
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<tr>
<td>2011</td>
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<tr>
<td>2012</td>
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<tr>
<td>2013</td>
<td></td>
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</tr>
</tbody>
</table>

Drivers of service growth:

- Grow installed base
- Increase penetration of installed base
- Expand services product portfolio
- Broaden geographic coverage, strengthen local capabilities
- Invest in service workforce
- Focus on execution: Implement “how-to-win” initiatives
- Use common tools and processes

\(^1\) excl. Baldor and Thomas & Betts

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ABB continues to save 3-5% of COS per year
Steady momentum going forward

Share of 2013 cost savings by division

- Power Products: 32%
- Power Systems: 25%
- Discrete Automation and Motion: 18%
- Low Voltage Products: 7%
- Process Automation: 18%

~$1.2 bn

Operational excellence

Examples

- Lean/Six Sigma throughout operations
- Design-to-cost
- Design for reliability
- 5,000 concrete projects running

Share of 2013 cost savings by type

- Power Products: 36%
- Power Systems: 64%

~$1.2 bn

Global supply chain optimization

Examples

- Best-cost sourcing
- Joint sales and operations planning
- Collaboration and consolidation
- Increased focus on indirects

Proactive cost saving measures to secure sustainable profitability
Integration update on ABB’s two largest transactions
Solid “say-do”

**Baldor**
North American leader in electrical motors

- 3-year CROI target exceeded
- Accelerated global growth
- Cost synergies ahead of plan
- Further automation of motor manufacturing (improved lead times, service)
- Expanded penetration of ABB LV drives into US market
- Divested gensets business

**Thomas & Betts**
Major player in North American low-voltage market

- T&B operational EBITDA on plan
- Integration well under way, with retention of all key management
- T&B management leading North American LP business with combined sales force
- Focused launch of T&B products for Europe and Asia markets
Portfolio expansion through strategic acquisitions
2013 deals drive expansion, improve access to attractive markets

Power-One
Global No. 2 in most attractive element of the solar PV value chain

Newron
Software for growing building automation market

ELBI Elektrik
Expands low-voltage business in Turkey and eastern Europe

Los Gatos
Strengthens offering in measurement products

Dynamotive
Expands service offering for drives and motors
## Strengthened competitive position

<table>
<thead>
<tr>
<th><strong>Innovation</strong></th>
<th><strong>Geographic scope</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Steady flow of product innovations across the divisions</td>
<td>Further progress in localizing production in key markets</td>
</tr>
<tr>
<td>Higher R&amp;D investments through the cycle</td>
<td>Increased share of capex in emerging markets—positioned for megatrends</td>
</tr>
<tr>
<td>R&amp;D investment 2013 &gt; $1.5 billion</td>
<td>Enhanced penetration of MINT (Mexico, Indonesia, Nigeria and Turkey)</td>
</tr>
<tr>
<td>MIT names ABB among Top 50 innovators</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Customer focus</strong></th>
<th><strong>People focus</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Score continues to improve</td>
<td>ABB named Germany’s Top Employer in our industry</td>
</tr>
<tr>
<td>Industry Sector Initiatives accelerated</td>
<td>High retention on attractive employee value proposition</td>
</tr>
</tbody>
</table>

**Smooth leadership transitions**
Resilient shareholder returns through the cycle
Improved portfolio balance and business execution

Better balance
Share of orders by region
Percent of total orders

2010
- Europe: 43%
- Americas: 27%
- Asia: 19%
- MEA: 11%

2013
- Europe: 34%
- Americas: 29%
- Asia: 27%
- MEA: 10%

Share of orders by cycle exposure
Percent of total orders, approximate

2010
- Early: 25%
- Mid: 30%
- Late: 45%

2013
- Early: 35%
- Mid: 35%
- Late: 30%

Better execution
Cost savings
US$ billions

2011
- 1.1
2012
- 1.1
2013
- 1.2

Free cash flow
US$ millions

2011
- 2'593
2012
- 2'555
2013
- 2'632

Better returns
Operational EBITDA vs global GDP growth
US$ millions, real growth in %

2010
- 4,824
2011
- 6'014
2012
- 5'555
2013
- 6'075

Global GDP
- 4.3%
- 3.1%
- 2.6%
- 2.5%

Dividend
CHF per share

2010
- 0.60
2011
- 0.65
2012
- 0.68
2013
- 0.70

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Q4 2013 Summary
Q4 early-cycle orders continue positive trend
Steady revenue growth supported by backlog and service sales

- Base orders up 4%\(^1\), positive early-cycle trend continues, large orders still weak
- Revenues steady to higher in all divisions
- Op EBITDA higher in all divisions—Power Systems adversely impacted Group margin

- Service orders up 15%, service revenues up 4%
- $350 mill cost savings via global supply chain and operational excellence
- Strong divisional cash flows on NWC measures

\(\text{Base vs large orders Q4 2012-Q4 2013} \)
US$ millions, % change vs year-earlier period in local currencies

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Base orders excl. T&amp;B for Q412-Q213</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 12</td>
<td>-9%</td>
</tr>
<tr>
<td>Q1 13</td>
<td>+4%</td>
</tr>
<tr>
<td>Q2 13</td>
<td>-45%</td>
</tr>
<tr>
<td>Q3 13</td>
<td>-43%</td>
</tr>
<tr>
<td>Q4 13</td>
<td>-36%</td>
</tr>
</tbody>
</table>

\(^1\) Change in local currencies
Solid base order growth offset by lower large orders in Americas. Australia and South Korea supported Asia growth.

Q4 2013 order growth by region
Change in local currencies

Europe
- Automation 0%
- Power -23%
- Total -9%
- Germany +29%
- United Kingdom -12%
- Sweden -23%
- Italy +2%

MEA*
- Automation +6%
- Power +12%
- Total +9%
- Saudi Arabia +22%
- UAE +111%
- Kuwait >10x

Americas
- Automation -5%
- Power -18%
- Total -10%
- US -5%
- Canada -6%
- Brazil -36%

Asia
- Automation +13%
- Power -9%
- Total +5%
- China -6%
- India +7%
- South Korea +55%
- Australia +58%

* Middle East and Africa
Key figures ABB and by division fourth quarter 2013

<table>
<thead>
<tr>
<th>US$ millions unless otherwise stated</th>
<th>Orders</th>
<th>△ ¹</th>
<th>Revenues</th>
<th>△ ¹</th>
<th>Operational EBITDA</th>
<th>△</th>
<th>Operational EBITDA %</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrete Automation and Motion</td>
<td>2'484</td>
<td>+10%</td>
<td>2'687</td>
<td>+8%</td>
<td>463</td>
<td>+6%</td>
<td>17.2%</td>
<td>-0.3 pts</td>
</tr>
<tr>
<td>Low Voltage Products</td>
<td>1'844</td>
<td>-2%</td>
<td>2'022</td>
<td>+2%</td>
<td>386</td>
<td>+4%</td>
<td>19.1%</td>
<td>+0.3 pts</td>
</tr>
<tr>
<td>Process Automation</td>
<td>2'024</td>
<td>-7%</td>
<td>2'261</td>
<td>+3%</td>
<td>296</td>
<td>+14%</td>
<td>13.1%</td>
<td>+1.5 pts</td>
</tr>
<tr>
<td>Power Products</td>
<td>2'554</td>
<td>-6%</td>
<td>3'070</td>
<td>+1%</td>
<td>467</td>
<td>+1%</td>
<td>15.2%</td>
<td>+0.1 pts</td>
</tr>
<tr>
<td>Power Systems</td>
<td>1'789</td>
<td>-23%</td>
<td>2'300</td>
<td>+4%</td>
<td>(50)</td>
<td>+9%</td>
<td>-2.2%</td>
<td>+0.2 pts</td>
</tr>
<tr>
<td>Corporate</td>
<td>(692)</td>
<td></td>
<td>(967)</td>
<td></td>
<td>(144)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABB Group</td>
<td>10'003</td>
<td>-4%</td>
<td>11'373</td>
<td>+4%</td>
<td>1'418</td>
<td>+3%</td>
<td>12.5%</td>
<td>0 pts</td>
</tr>
</tbody>
</table>

¹ Change in local currencies
Net savings and volume effects drive higher operational EBITDA
Increased profit despite PS charges

Factors affecting operational EBITDA Q4 2013 vs Q4 2012

<table>
<thead>
<tr>
<th>Factor</th>
<th>Q4 2012 (US$ millions)</th>
<th>Q4 2013 (US$ millions)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net volume</td>
<td>1'373</td>
<td>1'418</td>
<td>+45</td>
</tr>
<tr>
<td>Positive volume impact</td>
<td></td>
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<tr>
<td>out-weights higher sales</td>
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<tr>
<td>and R&amp;D expenses</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Mix</td>
<td>-31</td>
<td>-75</td>
<td>-44</td>
</tr>
<tr>
<td>Mainly PS and LP</td>
<td></td>
<td></td>
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<tr>
<td>Power Systems</td>
<td>-13</td>
<td></td>
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<td>Project delays,</td>
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<tr>
<td>operational</td>
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<td></td>
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<tr>
<td>measures</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G&amp;A, forex, other</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>project costs and provisions</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Op EBITDA Q4 2012: 12.5% op EBITDA margin
Op EBITDA Q4 2013: 12.5% op EBITDA margin

Cost savings:
~$350 mill less price pressure effects

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Balanced footprint provides a natural hedge
Small FX translation effects in 2013

<table>
<thead>
<tr>
<th>Country</th>
<th>FY 2013</th>
<th>Q4 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden (SEK)</td>
<td>+3.8%</td>
<td>+2.1%</td>
</tr>
<tr>
<td>Switzerland (CHF)</td>
<td>+1.0%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Eurozone (EUR)</td>
<td>+3.2%</td>
<td>+4.7%</td>
</tr>
<tr>
<td>China (CNY)</td>
<td>+2.5%</td>
<td>+2.5%</td>
</tr>
<tr>
<td>India (INR)</td>
<td>-9.6%</td>
<td>-14.5%</td>
</tr>
<tr>
<td>Russia (RUB)</td>
<td>-2.6%</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Brazil (BRL)</td>
<td>-10.5%</td>
<td>-10.6%</td>
</tr>
<tr>
<td>South Africa (ZAR)</td>
<td>-17.5%</td>
<td>-16.9%</td>
</tr>
<tr>
<td>Turkey (TRY)</td>
<td>-5.9%</td>
<td>-12.9%</td>
</tr>
</tbody>
</table>

Aggregate translation impact on revenues for FY 2013 and Q4 13 was -1%

Source: Bloomberg
Divisions maintain Q4 cash flows at previous year’s high levels
NWC management improvements remain a key priority

- Divisional cash flows steady, despite weak Power Systems performance
- Change in Q4 2013 corporate cash flow reflects higher tax payments, and changes in derivative settlements
- FY 2013 divisional cash improved by ~$150 million
- Driving improvements to NWC management remains a high priority
  - Integrating NWC into operational excellence
- Higher free cash flow due mainly to lower capital expenditure ($1.1bn vs $1.3bn in 2012)

1 Cash from operating activities
Operational EBITDA to net income reconciliation

US$ millions

Q4 2013
Operational EBITDA 1,418

-352 D&A
+4 Derivative impact
-158 Restructuring-related
-89 Acquisition-related & non-operational items
-72 Finance net
-178 Income Taxes
-22 Discontinued operations
-26 Non-controlling int.

Q4 2013
Net income 525
## Operational EPS analysis

<table>
<thead>
<tr>
<th></th>
<th>Q4 13</th>
<th>Q4 12</th>
<th>FY 13</th>
<th>FY 12</th>
<th>Δ²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$ millions, except per share data in US$</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (attributable to ABB)</td>
<td>525</td>
<td>0.23</td>
<td>604</td>
<td>0.26</td>
<td>-13%</td>
</tr>
<tr>
<td></td>
<td>121</td>
<td></td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>restructuring and restructuring-related expenses¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related expenses and certain non-operational items¹</td>
<td>68</td>
<td>60</td>
<td>131</td>
<td>146</td>
<td></td>
</tr>
<tr>
<td>FX/commodity timing differences in Income from operations¹</td>
<td>-3</td>
<td>-26</td>
<td>-46</td>
<td>-47</td>
<td></td>
</tr>
<tr>
<td>Amortization rel. to acquisitions¹</td>
<td>79</td>
<td>81</td>
<td>282</td>
<td>263</td>
<td></td>
</tr>
<tr>
<td><strong>Operational net income</strong></td>
<td>790</td>
<td>0.34</td>
<td>813</td>
<td>0.35</td>
<td>-3%</td>
</tr>
<tr>
<td></td>
<td>3,336</td>
<td>1.45</td>
<td>3,198</td>
<td>1.39</td>
<td>4%</td>
</tr>
</tbody>
</table>

¹ Net of tax at Group-effective tax rate
² Calculated on basic earnings per share before rounding
Business underpinned by strong balance sheet
Excellent cash generation potential

A solid cash generator
Free cash flow
US$ billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.9</td>
</tr>
<tr>
<td>2009</td>
<td>3.1</td>
</tr>
<tr>
<td>2010</td>
<td>3.4</td>
</tr>
<tr>
<td>2011</td>
<td>2.6</td>
</tr>
<tr>
<td>2012</td>
<td>2.6</td>
</tr>
<tr>
<td>2013</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Efficient balance sheet
Cash and marketable securities and net cash/debt
US$ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash and marketable securities</th>
<th>Net cash/debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7,753</td>
<td>5,443</td>
</tr>
<tr>
<td>2009</td>
<td>9,552</td>
<td>-1,538</td>
</tr>
<tr>
<td>2010</td>
<td>8,610</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>8,481</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>6,485</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>5,767</td>
<td></td>
</tr>
</tbody>
</table>

Long-term debt at attractive rates
Bond maturity profile
US$ millions, amounts due at maturity

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF</th>
<th>EUR</th>
<th>USD</th>
<th>AUD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>562</td>
<td>2.9</td>
<td>3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>2009</td>
<td>393</td>
<td>3.4</td>
<td>3.6</td>
<td>2.6</td>
</tr>
<tr>
<td>2010</td>
<td>393</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Strong and flexible balance sheet
Total stockholders’ equity
US$ billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total stockholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11.8</td>
</tr>
<tr>
<td>2009</td>
<td>14.5</td>
</tr>
<tr>
<td>2010</td>
<td>15.5</td>
</tr>
<tr>
<td>2011</td>
<td>16.3</td>
</tr>
<tr>
<td>2012</td>
<td>17.4</td>
</tr>
<tr>
<td>2013</td>
<td>19.2</td>
</tr>
</tbody>
</table>
Priorities for capital allocation

1. Organic growth for highest return on investment
2. Steadily rising sustainable dividend
3. Value-creating acquisitions
4. Returning additional cash to shareholders
Board of Directors proposes 5th dividend increase in a row
CHF 0.70 per share for a 3% yield

- Increase in line with net income
- Payment from capital contribution reserve retains Swiss tax benefits
- Subject to AGM approval; dividend payment early May

Consistent and reliable cash generation for our shareholders

---

1 Based on ABB share price at year-end 2013
Summary: A solid year – great collaboration
Heading into 2014 in good shape

### Profitable Growth
- Positive early-cycle trend, while large order delays continued
- Lower order backlog to weigh on 2014 revenues
- Good growth in service business
- Record full-year revenues, higher operational EBITDA

### Relentless Execution
- ~$1.2 billion cost savings
- Power Products continues to deliver sector-leading profitability
- Rigorous improvements under way in Power Systems
- EPS increased 3% for the year, strong cash performance, more to come in 2014
- Balance sheet provides great flexibility to support profitable growth
Outlook and targets
Development of world economies
2011-15 plan assumptions: GDP forecasts vs actuals

- Global economic growth slower than originally assumed, widest gap in 2013
- Actual 2013 industrial capex growth almost 50% below original expectations
- ABB market growth currently 40% below assumptions

**World GDP growth assumptions from Nov. 2011**
Real yoy GDP growth %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4.3</td>
<td>3.3</td>
<td>3.8</td>
</tr>
<tr>
<td>2011</td>
<td>3</td>
<td>3</td>
<td>2.6</td>
</tr>
<tr>
<td>2012</td>
<td>2.9</td>
<td>2.9</td>
<td>2.6</td>
</tr>
<tr>
<td>2013</td>
<td>2.4</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>2014</td>
<td>3.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2015</td>
<td>3.8</td>
<td>4.2</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Source: Global Insight

Approx. $1 trillion impact
## Performance against 2011-2015 targets

### Group perspective

<table>
<thead>
<tr>
<th>Group Targets</th>
<th>Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic(^1) revenue growth (CAGR(^2))</td>
<td>5.5-8.5(^3)%</td>
<td>5.3% Like-for-like comparison</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slower economic recovery</td>
</tr>
<tr>
<td>Op EBITDA margin corridor</td>
<td>13-19%</td>
<td>14.5% 2011: 15.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2012: 14.2%</td>
</tr>
<tr>
<td>EPS(^4) growth (CAGR(^1))</td>
<td>10-15%</td>
<td>3% Operational EPS: 6% CAGR</td>
</tr>
<tr>
<td>Free cash flow conversion</td>
<td>Annual</td>
<td>90% 2011: 82%</td>
</tr>
<tr>
<td></td>
<td>avg. &gt;90%</td>
<td>2012: 94%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2013: 94%</td>
</tr>
<tr>
<td>Cash return on invested capital</td>
<td>&gt;20% by 2015</td>
<td>11.6%(^5)</td>
</tr>
</tbody>
</table>

\(^1\) Organic excludes all acquisitions greater than $50 million revenues closed after 2011 as well as Baldor, Ventyx and Mincom

\(^2\) CAGR = Compound annual growth rate, base year 2010.

\(^3\) If Baldor, Ventyx and Mincom are included then CAGR is 7-10%.

\(^4\) Basic EPS

\(^5\) Estimated to account for Power One annualized cash flow
Performance against 2011-2015 targets
Divisional perspective

<table>
<thead>
<tr>
<th></th>
<th>Organic(^1) revenue growth (\text{CAGR})^(^2)</th>
<th>Operational EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target</td>
<td>Status</td>
</tr>
<tr>
<td>Discrete Automation and Motion</td>
<td>7-10(^3)</td>
<td>11%</td>
</tr>
<tr>
<td>Low Voltage Products</td>
<td>8-11(^4)</td>
<td>5%</td>
</tr>
<tr>
<td>Process Automation</td>
<td>6-9(^5)</td>
<td>5%</td>
</tr>
<tr>
<td>Power Products</td>
<td>5-7(^6)</td>
<td>2%</td>
</tr>
<tr>
<td>Power Systems</td>
<td>6-10(^7)</td>
<td>7%</td>
</tr>
<tr>
<td>ABB</td>
<td>5.5-8.5(^8)</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

\(^1\) Organic excludes all acquisitions greater than $50 million revenues closed after 2011 as well as Baldor, Ventyx and Mincom
\(^2\) CAGR = Compound annual growth rate, base year 2010.
\(^3\) If Baldor is included 12-15\% CAGR
\(^4\) If Ventyx and Mincom are included then CAGR is 7-10\% CAGR
\(^5\) If Baldor, Ventyx and Mincom are included 7-10\% CAGR

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February 13, 2014 | Slide 34
Market outlook

Long-term outlook positive

- Increasing need for efficient, reliable electricity transmission and distribution
- Growing automation demand, focus on productivity, efficiency, quality, safety
- ABB well positioned to tap these opportunities

Short-term outlook mixed

- Macroeconomic indicators show some positive early-cycle signs: US shows growing strength, Europe bottoming
- Near-term market uncertainty, e.g., quantitative easing, emerging markets and China growth, strength of economic recovery in key markets
2011-15 plan: Revenue trend
2013/14 changes the expected growth trajectory

- Slower macroeconomic development
- Lower end-2013 order backlog
- Delays in large project awards
- Power Systems reset and selectivity

*Drive growth through PIE*¹ approach
*Back to growth trajectory in 2015*

¹ Penetration, Innovation and Expansion
Our expectations moving forward

<table>
<thead>
<tr>
<th>Group 2011-2015 Targets</th>
<th>Expectation</th>
</tr>
</thead>
</table>
| Organic\(^1\) revenue growth (CAGR\(^2\))            | 5.5-8.5\(^3\)  
2014 a challenging year; continue growth trajectory in 2015, CAGR\(^2\) 4-5% over current planning cycle due to slower economic recovery and PS |
| Op EBITDA margin corridor                             | 13-19%  
Continue to deliver within the range Power Systems to move towards target corridor |
| EPS\(^4\) growth (CAGR\(^2\))                        | 10-15%  
Drive towards 10% CAGR\(^2\) |
| Free cash flow conversion                            | Annual avg. >90%  
Sustain within the target range |
| Cash return on invested capital                      | >20% by 2015  
Aim for mid-teens CROI by 2015 |

\(^1\) Organic excludes all acquisitions greater than $50 million revenues closed after 2011 as well as Baldor, Ventyx and Mincom

\(^2\) CAGR = Compound annual growth rate, base year 2010.

\(^3\) If Baldor, Ventyx and Mincom are included then CAGR is 7-10%  

\(^4\) Basic EPS
Focus areas
ABB – in simple terms

What (offering)
Power
Automation

For whom (customers)
Utilities
Industry
Transportation & Infrastructure

Where (geographies)
Globally
Three focus areas define the way forward
A systematic and robust approach for value creation

- Profitable growth
- Business-led collaboration
- Relentless execution

Accelerated growth momentum, continued profit focus

Today

Tomorrow

Focus on EPS and CROI
The way forward
Driving for the next level of organic and inorganic growth through PIE

Profitable growth

Penetration
Selling more of our existing offering to accessible customers

Business-led collaboration

Innovation
New offerings/value propositions – focused resource allocation

Relentless execution

Expansion
Expansion into new segments
Rigorous navigation check as basis for priority setting and resource allocation
Systematic assessment of current position and segment opportunity

- Transparency on key strategic segments
- Prioritization on penetration, expansion and innovation
- Ambition to be #1 or #2 in selected segments
- Solid base for collaboration
- Basis for portfolio pruning
Significant opportunities for profitable growth

Examples

**What (offering)**
- Localization of Power Products offering
- Service coverage
- Industry-specific packages
- Industrial power
- European power grid
- Synergies from US acquisitions

**For whom (customers)**
- Power electronics
- DC technology
- Sub-sea
- Segment specific software
- Solar applications for remote areas
- Microgrids for islands
- Robot applications for new industries
- New channel partners
- Power infrastructure in Africa
- South East Asia

**Where (geographies)**
- EV charging
- Home automation
- Robot applications for new industries
- New channel partners
- Power infrastructure in Africa
- South East Asia
Significant opportunities for profitable growth

Examples

<table>
<thead>
<tr>
<th>Penetration</th>
<th>Innovation</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Localization of Power Products offering</td>
<td>Power electronics</td>
<td>EV charging</td>
</tr>
<tr>
<td>Industry-specific packages</td>
<td>DC technology</td>
<td>Home automation</td>
</tr>
<tr>
<td>Industrial power</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For whom (customers)

<table>
<thead>
<tr>
<th>Penetration</th>
<th>Innovation</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>European power grid</td>
<td>Sub-sea</td>
<td>Robot applications for new industries</td>
</tr>
<tr>
<td>Synergies from US acquisitions</td>
<td>Segment specific software</td>
<td>New channel partners</td>
</tr>
</tbody>
</table>

Where (geographies)

<table>
<thead>
<tr>
<th>Penetration</th>
<th>Innovation</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solar applications for remote areas</td>
<td>Power infrastructure in Africa</td>
</tr>
<tr>
<td></td>
<td>Microgrids for islands</td>
<td>South East Asia</td>
</tr>
</tbody>
</table>
Localization to better penetrate regional markets
New factories for switchgear and transformers in emerging markets

- ~7600 sqm
- Export base for south Asia and Middle East

- ~7800 sqm
- In-country, for-country design

For latest product generation
State of the art manufacturing and testing facilities
To meet local needs and serve as export
Significant opportunities for profitable growth
Examples

**What (offering)**
- Localization of Power Products offering
- Service coverage
- Industry-specific packages
- Industrial power
- European power grid
- Synergies from US acquisitions
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**For whom (customers)**
- EV charging
- Home automation
- Robot applications for new industries
- New channel partners

**Where (geographies)**
- European power grid
- Synergies from US acquisitions
- Power infrastructure in Africa
- South East Asia
Bringing advantages of DC electricity to marine customers

Vessel electrification

**DC technology**

- Up to 20% efficiency improvement
- DC grid for on-board electrical power distribution
- Reduces electrical equipment footprint and weight by up to 30%
Significant opportunities for profitable growth

Examples

**What** (offering)
- Localization of Power Products offering
- Service coverage
- Power electronics
- DC technology
- EV charging
- Robot applications for new industries
- New channel partners

**For whom** (customers)
- Industry-specific packages
- Industrial power
- Sub-sea
- Segment specific software
- Robot applications for new industries
- New channel partners

**Where** (geographies)
- European power grid
- Synergies from US acquisitions
- Solar applications for remote areas
- Microgrids for islands
- Power infrastructure in Africa
- South East Asia
Enabling electro-mobility
Electric vehicle fast charging in highly urbanized Netherlands

- More than 200 electric vehicle fast-charging stations
- EV fast charger within 50 kms of all 17 million inhabitants
- Capable of charging electric vehicles in 15-30 minutes
- Solar-powered to reduce load on the grid
- Cloud-connected payment, remote management and maintenance
Significant opportunities for profitable growth

Examples

- **Penetration**
  - Localization of Power Products offering
  - Service coverage

- **Innovation**
  - Power electronics
  - DC technology

- **Expansion**
  - EV charging
  - Home automation

**What** (offering)
- Industry-specific packages
- Industrial power
- Sub-sea

**For whom** (customers)
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- Power infrastructure in Africa
- South East Asia
ABB and Statoil: enabling subsea factories of the future
Developing deep-water subsea power and control technologies

- 5-yr $100-million joint industry project with Statoil
- Power and control for large-scale subsea pumping and gas compression
- Power transmission up to 100 MW over a distance of 600 km and depths up to 3000 m
- Statoil expects capex savings of $500 million
- Higher recovery rates, lower costs for deep-water production
- Business-led collaboration among four divisions and corporate research

Image courtesy of Aker Solutions
Significant opportunities for profitable growth

Examples

**Penetration**
- Localization of Power Products offering
- Service coverage

**Innovation**
- Power electronics
- DC technology
- Sub-sea
- Segment specific software

**Expansion**
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**What** (offering)
- Industry-specific packages
- Industrial power

**For whom** (customers)
- European power grid
- Synergies from US acquisitions

**Where** (geographies)
Combined inverters and drives for solar-powered pumps in emerging markets

Solar applications for remote areas

- Strong off-grid solution for farmers
- Built-in tracking to follow the Sun for full pump flow
- Solution includes ABB LV components such as relays, terminal blocks and contactors
- Installed base of over 500 pumps
Significant opportunities for profitable growth

Examples

**Penetration**
- Localization of Power Products offering
- Service coverage

**Innovation**
- Power electronics
- DC technology
- Sub-sea
- Segment specific software

**Expansion**
- EV charging
- Home automation
- Robot applications for new industries
- New channel partners
- Power infrastructure in Africa

**What**
- Offering

**For whom**
- Customers

**Where**
- Geographies

- Industry-specific packages
- Industrial power
- European power grid
- Synergies from US acquisitions
- Solar applications for remote areas
- Microgrids for islands
- European power grid
- Synergies from US acquisitions
Powering Africa’s biggest copper mine in Zambia
Substations to improve reliability and quality of power supply

$32-million contract to provide reliable power supply to Kalumbila mine
Enhances transmission capacity and improves quality of power supply
Automated substation for remote monitoring
Business-led collaboration: Creating value for our customers and ABB

Examples

Profitable growth

Business-led collaboration

Relentless execution

Creating value across our businesses

Packaged solutions
- Integrated product offering
- New customer value propositions
- Simpler buying experience
- Cross selling
- Integrated marketing

Account management
- Increased customer satisfaction
- Stronger relationships
- Bringing full value of ABB to accounts
- Cross selling

Shared platforms
- Joint logistics & transport management
- Increasing usage of shared services
- Shared campuses between different units where economically viable

Clearly assigned business responsibilities
Business-led collaboration: Creating value for our customers and ABB

Examples

Creating value across our businesses

Packaged solutions
- Integrated product offering
- New customer value propositions
- Simpler buying experience
- Cross selling
- Strengthened marketing

Account management
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Shared platforms
- Joint logistics & transport management
- Increasing usage of shared services
- Shared campuses between different units where economically viable

Profitable growth

Business-led collaboration

Relentless execution
Translating business-led collaboration into business
$200-million order for integrated offering in Swedish high-speed train
Business-led collaboration: Creating value for our customers and ABB

Examples

Creating value across our businesses

Profitable growth

Business-led collaboration

Relentless execution

Packaged solutions
- Integrated product offering
- New customer value propositions
- Simpler buying experience
- Cross selling
- Strengthened marketing

Account management
- Increased customer satisfaction
- Stronger relationships
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- Cross selling

Shared platforms
- Joint logistics & transport management
- Increasing usage of shared services
- Shared campuses between different units where economically viable
Growing in industrial power – Pepsi bottling plant
Power quality solution yields significant energy savings

- Automatically adjusts power consumption depending on load
- Reduces electricity bills by 5-10% annually
- Pays for itself in less than two years
Business-led collaboration: Creating value for our customers and ABB

Examples

Creating value across our businesses

Packaged solutions
- Integrated product offering
- New customer value propositions
- Simpler buying experience
- Cross selling
- Integrated marketing

Account management
- Increased customer satisfaction
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Shared platforms
- Joint logistics & transport management
- Increasing usage of shared services
- Shared campuses between different units where economically viable

Profitable growth
Business-led collaboration
Relentless execution
ABB Longmeadows integrated business park
Production, logistics, engineering and headquarters

- ~$55-million investment near Johannesburg to support growth in southern Africa
- Integrated head office, manufacturing, assembly, logistics and project and administration office block
- More than 1,000 employees
Relentless execution
Successful track record on cost savings

Operational excellence
- Lean/Six Sigma throughout operations
- Design-to-cost
- Design for reliability
- 5,000 concrete projects running

Supply chain management
- Best-cost sourcing
- Joint sales and operations planning
- Collaboration and consolidation
- Increased focus on indirects

Cost savings 2011-2013
% of cost of sales (COS)

- **Sourcing**
  - 2011: 2.3%
  - 2012: 2.1%
  - 2013: 2.7%

- **OPEX**
  - 2011: 1.8%
  - 2012: 2.0%
  - 2013: 1.3%

Targeted cost savings range
- 3%
- 5%

Cost savings
- 2011: $1.1 bn
- 2012: $1.1 bn
- 2013: $1.2 bn
Relentless execution
Further levers we activate to achieve the next level

- Group-wide initiative to improve G&A efficiency
- Sales force and engineering effectiveness
- New tools to increase productive time and reduce waste

- Inventory optimization and net working capital reduction
- Integrated business planning
- Further enhance cash culture

- Proven approach
- Systematic best practice sharing and learning from experience
- Dedicated engagement of top management with deep integration expertise
White collar productivity: ABB Robot Care
Designed for fast sales success on the shop floor

- Tablet platform for speed, portability and interactivity in sales process, even in areas of poor network coverage
- Customizable service agreements based on standardized menu
- Simple workflow to let sales team focus on customer
  - Understand needs and translate to service offer
  - e-mail quotation sent within minutes
- Over 30 countries using Robot Care; in 2013 ABB used for > 5,000 quotes
Three focus areas – systematic value creation for our shareholders

- Profitable growth
  ▪ Navigation check completed

- Business-led collaboration
  ▪ Systematic and robust approach implemented
  ▪ Focused activities defined and started

- Relentless execution
  ▪ Performance management established

Global team mobilized and ready to deliver
Focus areas in action:
Profitable growth in low voltage products
Low Voltage Products
Delivering profitable growth

Revenues:
- $4.6 bn to $7.7 bn

Operational EBITDA:
- 8% to 9%

By Region:
- Middle East/Africa: 39%
- Americas: 57%
- Asia: 26%
- Europe: 9%

Op. EBITDA:
- $0.9 bn to $1.5 bn
## Market penetration
A systematic and robust approach

### Geography

<table>
<thead>
<tr>
<th>Europe</th>
<th>Asia</th>
<th>The Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>End users</td>
<td></td>
<td></td>
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<tr>
<td>OEMs</td>
<td></td>
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<tr>
<td>Panel builders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

60 product lines – 15 markets via channels served through distribution
Market penetration
A systematic and robust approach

<table>
<thead>
<tr>
<th>End users</th>
<th>OEMs</th>
<th>Panel builders</th>
<th>Distributors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td>1</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>7</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>The Americas</strong></td>
<td>15</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

470 projects in place, prioritized based on profitable/sustainable growth
Market penetration

Product focus

Germany & US

Emax 2 circuit breaker

Steelcity e-fab kit

Welcome 8 door entry

Smissline socket system

Installers

China

Critical power

Product development to meet specific market needs
Market penetration
Solution focus: Solar

Solar: Commercial offering sold through OEMs
Market penetration
Distributors

Strengthen position
- ABB products in NAM
- T&B products via ABB channels

Emerging markets
- + 400 sales
- 10 focus countries
- 30 product lines
- Invest in demand creation

Generating demand to be fulfilled via distribution
Market penetration
Summary for LP division

- Poised for accelerated organic growth
- A clear action plan in place to drive penetration in
  - Products
  - Solutions
  - Distributors
Focus areas in action: Business-led collaboration in services and integration
## Business-led collaboration

### Spirit

1. Bring full value of ABB offering to address customers’ needs
2. “One ABB” as customer experience
3. Working naturally together as part of our enhanced DNA

### Objectives

4. Increase share of wallet and ABB’s value proposition to our customers
5. Simplify cross-business unit customer interface
6. Senior management leading the way with expanded roles
7. Accelerate profitable growth

### Cornerstones

8. Each collaboration opportunity under lead responsibility of one business leader
9. Corporate service functions (SCM, OPEX, Integration, HR, etc.) support with liberating rigor
10. Simplified, standardized collaboration processes
Business-led collaboration impacts many areas
Focus today on service and integration
Service: Growth actions

- Drive installed base
- Increasing market penetration
  - From 25% of installed base today to 40%

- Expanding the service product portfolio
  - Industrializing and globally leveraging 400+ service products
  - Developing new service products (R&D), expanding existing offerings

- Broadening geographic coverage and strengthening local capabilities
  - Identifying and closing geographic White Spots
  - Setting up new service centers (e.g. China, India, Australia)
  - Leveraging our strengths in application know-how

- Continuing to invest in service workforce – sales and field engineers

- Focusing on execution: implementing “how to win” initiatives
  - Driving service excellence standards reinforced for consistent performance
  - Across 5 divisions and +100 countries

- Common tools and processes
Service: Implementation of “how-to-win” initiatives
## Acquisition integration to drive value creation

| Align                      | Acquired business with ABB business portfolio, starting at due diligence  
|                           | Clear roles, metrics and accountabilities  
| Retain                    | Key management  
|                           | Best practices – “best of both worlds”  
|                           | Cultural attributes  
| Support                   | Acquired business team  
|                           | “Better together” approach with integration teams  
| Enhance                   | Package complementary offerings for more customer value  
|                           | Drive cost synergies (SCM, overhead/G&A, best practices)  
| Grow                      | Build on each other for additional growth (regions, sectors)  
|                           | Expand market reach (sales, channels, product management)  
| Implement                 | Concrete actions and clear targets  
|                           | Rigorous follow-up and EC-level tracking  

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February 13, 2014 | Slide 80
Summary
Looking forward – what you can expect

**Today**
- Year end and Q4 results
- Expectations towards 2011/2015 targets
- Three focus areas “in action”

**September Capital Markets Day: Comprehensive strategic perspective**
- “Next level” strategy
  - For our customers
  - For our businesses
- Key levers for our three focus areas
  - Profitable growth
  - Business-led collaboration
  - Relentless execution
- New long-term targets to drive EPS and CROI
## Summary

### Today
- Solid 2013 performance despite a challenging market and PS setback
- Record revenues and higher operational EBITDA
- $1.2 billion cost savings
- Increased free cash flow
- Higher dividend for 5th year in a row
- Smooth leadership transition

### Looking forward
- Early-cycle businesses trending positively as we head into an uncertain 2014
- Lower large orders in 2013 will weigh on 2014 revenues
- Balance sheet provides great flexibility to support profitable growth
- Systematic and robust approach in place to create shareholder value

### Priorities this year
- Profitable organic growth (penetration, innovation, expansion)
- Business-led collaboration (packaged solutions, cross-selling, service)
- Relentless execution (cost, cash, PS realignment, integration)
Power and productivity for a better world™
Balanced business and geographic portfolio

Orders by division Q4 2013

Orders by region Q4 2013
Orders and revenues by region and division Q4 2013

Regional share of total orders and revenues by division

Orders
- Discrete Automation & Motion
  - Europe: 3%
  - Americas: 33%
  - Asia: 25%
  - Middle East & Africa: 39%
- Low Voltage Products
  - Europe: 10%
  - Americas: 42%
  - Asia: 18%
  - Middle East & Africa: 30%
- Process Automation
  - Europe: 18%
  - Americas: 33%
  - Asia: 19%
  - Middle East & Africa: 34%
- Power Products
  - Europe: 29%
  - Americas: 23%
  - Asia: 30%
  - Middle East & Africa: 29%
- Power Systems
  - Europe: 26%
  - Americas: 28%
  - Asia: 27%
  - Middle East & Africa: 32%

Revenues
- Discrete Automation & Motion
  - Europe: 2%
  - Americas: 27%
  - Asia: 40%
  - Middle East & Africa: 31%
- Low Voltage Products
  - Europe: 7%
  - Americas: 23%
  - Asia: 39%
  - Middle East & Africa: 31%
- Process Automation
  - Europe: 9%
  - Americas: 32%
  - Asia: 35%
  - Middle East & Africa: 24%
- Power Products
  - Europe: 11%
  - Americas: 30%
  - Asia: 33%
  - Middle East & Africa: 26%
- Power Systems
  - Europe: 21%
  - Americas: 19%
  - Asia: 21%
  - Middle East & Africa: 25%
## Order backlog by division

<table>
<thead>
<tr>
<th>Order backlog (end December)</th>
<th>Q4 2013</th>
<th>Q4 2012</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrete Automation and Motion</td>
<td>4,351</td>
<td>4,426</td>
<td>-2%</td>
</tr>
<tr>
<td>Low Voltage Products</td>
<td>1,057</td>
<td>1,117</td>
<td>-5%</td>
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<tr>
<td>Process Automation</td>
<td>5,772</td>
<td>6,416</td>
<td>-10%</td>
</tr>
<tr>
<td>Power Products</td>
<td>7,946</td>
<td>8,493</td>
<td>-6%</td>
</tr>
<tr>
<td>Power Systems</td>
<td>9,435</td>
<td>12,107</td>
<td>-22%</td>
</tr>
<tr>
<td>Consolidation and Other (incl. Inter-division eliminations)</td>
<td>-2,515</td>
<td>-3,261</td>
<td></td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td><strong>26,046</strong></td>
<td><strong>29,298</strong></td>
<td><strong>-11%</strong></td>
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For more information, call ABB Investor Relations
Or visit our website at www.abb.com/investorcenter

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