

ABB highlights mid-term growth opportunities at Capital Markets Day

Zurich, Switzerland, September 10, 2010 – ABB, the leading power and automation technology group, today highlighted the significant growth opportunities it sees in the modernization of the world's power grids, its expansion into the discrete automation sector, and the convergence of power and automation demand across its business portfolio.

"ABB today has a highly dynamic and balanced automation and power technology portfolio and geographic market balance," said ABB's CEO Joe Hogan at the company's annual capital markets day in Zurich, Switzerland. "The power of our portfolio helped us during the economic crisis and will help us grow as our markets recover."

Hogan said over the past 12 months, ABB has improved operationally and become more market focused by realigning its automation business and introducing a dedicated marketing and technology function for high growth opportunities. The company has also made new investments in production facilities and research and development.

"We are today in a great position to benefit from the most important market trends in the industry, such as energy efficiency, industrial productivity, changing power requirements and the continuing strength of emerging economies," Hogan said.

CFO Michel Demaré provided a brief update on the current business environment, saying that demand trends seen in the second quarter remain unchanged. "Our short-cycle businesses continue their robust recovery, but the long-cycle infrastructure business still faces headwinds," Demaré said. "The company's cost savings program remains on track to deliver \$3 billion in cost reductions by the end of 2010." Although the third quarter EBIT margin is traditionally weaker than Q2 due to a different business mix, ABB expects its Q3 2010 revenues in local currencies and EBIT margin adjusted for derivative transactions and restructuring-related costs to be higher than in the same quarter in 2009.

In the medium term, political action to reduce global CO₂ emissions will continue to drive demand for renewable energies. However, the need to integrate energy sources such as wind and solar power into existing electricity grids is also creating significant business and technology challenges for its power customers. Peter Leupp, head of ABB's Power Systems division, described how the company can address these issues through its combined expertise in the areas of alternating and direct current power transmission, grid IT solutions and, increasingly, power storage.

ABB also outlined the strategy to grow its Discrete Automation and Motion division, which was created at the beginning of 2010 as part of the realignment of its automation businesses to better tap future growth opportunities. Divisional head Ulrich Spiesshofer explained the company's aims to increase its share in a market of more than \$100 billion growing 5-10 percent a year.

In addition, the company described how it is meeting growing demand for both power and automation solutions in infrastructure markets with good long-term growth potential, such as renewable energies, rail and water, smart grids and data centers. By targeting these sectors with integrated solutions that include both power and automation technologies, ABB intends to play a leading role in these markets over the long-term, said Brice Koch, head of ABB's Customer and Market Solutions team.

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 117,000 people.

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Press Release



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