ABB and Newave Energy
Broadening our offering in Uninterruptible Power Supply (UPS)

December 12, 2011
Safe-harbor statement

This presentation contains "forward-looking statements" relating to the acquisition of Newave Energy by ABB. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the acquisition will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the acquisition will be realized. Forward-looking statements in the presentation should be evaluated together with the many uncertainties that affect ABB's business, particularly those identified in the cautionary factors discussion in ABB's Annual Report on Form 20-F for the year ended December 31, 2010. ABB undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

This presentation is neither an offer to purchase nor a solicitation of an offer to sell securities.
We are aiming at a leading position in power control and quality. A deal with a clear strategic logic.
UPS: An attractive business for ABB

- Power control and quality is a key business for ABB
- UPS is a $6-7 billion market and a white spot in our power quality offering
- With Newave, ABB can provide a complete offering of AC and DC solutions for datacenters
- Newave’s focus is medium/high power range (>10kVA), the most attractive segment
  - 50% of overall UPS market
  - Yearly growth rate of 6-10% in this segment
  - Possibility to differentiate with proven quality and reliability
  - Service intensity
  - Potential for packaged solutions
Combination logic: value creation through complementary offering and market access

- Combination of two strong, complementary companies
  - Value creating growth based on innovation, high quality and technology leadership
- Enhanced value proposition
  - Best-in-class UPS offering in terms of performance, energy efficiency and service levels
- ABB’s global reach and depth
  - Platform to accelerate Newave’s growth
- High service opportunity
  - Build on ABB’s global reach and service network
- Complements existing scope
  - UPS a good fit with electrification and automation
- Clear integration path
  - Newave to be UPS center of excellence, strong cultural fit, excellent development opportunities for employees, management continuity
- Attractive IRR
  - Significant value creation from growth and revenue synergies after initial period of enhanced R&D spending

A great deal for customers, shareholders and employees
## Transaction highlights

| **Consideration** | CHF 56 per Newave share (36% premium to most recent 60-day average)  
CHF 170 million equity value<sup>1</sup>, CHF 152 million enterprise value<sup>2</sup> |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Financial Impact</strong></td>
<td>No material short-term impact on ABB earnings, longer-term earnings enhancing</td>
</tr>
</tbody>
</table>
| **Structure** | All cash tender offer for 100% of outstanding Newave shares  
ABB signed Share Purchase Agreements for approx. 45% of outstanding Newave shares with three major shareholders prior to announcement |
| **Financing** | ABB intends to finance the acquisition from existing cash on balance sheet |
| **Other Terms** | Friendly transaction will be recommended by Newave’s independent Board committee  
Subject to regulatory approvals and other customary conditions |
| **Timing** | Closing expected in H1 2012 |

<sup>1</sup> Diluted equity value  
<sup>2</sup> Assuming net cash of CHF 18m as per Q2 2011
Offer conditions and timeline

Main conditions
- Tendering of at least 66 2/3% of total issued Newave shares
- Antitrust approval
- Material adverse change clause

Indicative public offer timetable
- Publication of offer prospectus: 15 December 2011
- Start of offer period: 3 January 2012
- End of offer period: 30 January 2012
- Start of additional acceptance period: 6 February 2012
- End of additional acceptance period: 17 February 2012
- Closing / settlement: 27 February 2012
- Delisting: to follow

Chart 7
Newave is a premium player in European UPS industry
A technology leader with a high innovation reputation
Newave
Key facts and figures

- Established 1993
- 209 employees as of end of June 2011
- CHF 81 million revenue 2010
- EBITDA margin 16.6% 2010
- Head office: Quartino, Switzerland
- Subsidiaries in Germany, Austria, Spain, Finland, Netherlands, Italy, India, China and Brazil
- Stock listed at the SIX since 2007
- Sales break down (1\textsuperscript{st} half 2011):

**By region**
- CH: 16%
- Western Europe: 62%
- Eastern Europe: 5%
- RoW: 17%

**By offering**
- Products: 85%
- Service: 15%

Chart 9
Uninterruptible Power Supply (UPS): An overview

- UPS used to protect electronic applications from fluctuations or interruptions in their input power supply
- Back-up power up to several hours in case of power cut
- Range of applications from PCs to telecoms, banks, internet service providers and up to large manufacturing companies and public/infrastructure (e.g. hospitals, airports)

Mission-critical applications

UPS systems ensure continued power supply to protect mission-critical applications

Chart 10
Newave, a highly innovative European UPS player
Serving the fast-growing medium/high power range market

- Technology leader with a recognized brand
- Pioneering advanced UPS technologies: modularity, transformer-less
- Focusing on three phase medium power modular UPS
- Key player in Europe, recognized as a premium supplier
- Higher global growth opportunities with the right partner
- High potential in industrial segment accessible through ABB’s existing sales channels
- Profitable and growing business
- Young, loyal and motivated workforce
- Cultural fit with ABB
Products and markets are complementary
Together, we create value for our customers, employees and shareholders
A good fit with Discrete Automation & Motion strategy
Enhanced customer offering in power control & quality

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discrete automation</td>
<td>Products and integrated automation solutions, incl. PLC, robots, drives and motors for discrete automation in industry, and infrastructure</td>
</tr>
<tr>
<td>Industrial motion</td>
<td>Movement and control in industrial applications. Motors, drives and generators for industry, utilities, infrastructure and transport</td>
</tr>
<tr>
<td>Renewables</td>
<td>Generators, converters and application packages for renewable power generation</td>
</tr>
<tr>
<td>Power control and quality</td>
<td>Control of power supply and ensuring power quality for industrial &amp; infrastructure applications (e.g., datacenters)</td>
</tr>
<tr>
<td>Transport</td>
<td>Fast charging of electric vehicles, components for traction and traction infrastructure</td>
</tr>
</tbody>
</table>

Targeted M&A activities

- New Zealand company providing power quality solutions to industry (2008)
- Swiss company providing UPS solutions for critical power supply (2011/12)

Chart 13
Complementary companies forming a strong player in power control and quality

**Fill UPS portfolio gap**

ABB strong in industrial, infrastructure and utility power control & quality products (excitation systems, rectifiers and advanced power electronics)

Newave adds a wide UPS offering to ABB’s portfolio

**Complete offering for IT services / datacenters**

Newave: Strong UPS offering
ABB: Leading LV and MV products, power quality offering
Wide datacenter electrification offering

**Global roll-out of Newave’s UPS**

ABB has strong worldwide presence, a strong global brand, and a high performing manufacturing network

Chart 14
Two major applications with good growth
Driven by need for high quality and stable power

- Proliferation of internet applications
- Business IT, e.g., real-time supply chain management
- Electronic medical records
- Regulations, e.g. long-term storage of financial information and e-mails
- Growth of industrial and infrastructure base in emerging markets
- Increasing automation
- Trend towards electricity as energy source
Combination of the two companies strengthens ABB’s global approach for datacenters

- ABB’s approach for datacenters is to provide alternating current (AC) and direct current (DC) systems, automation and services to build reliable and efficient solutions that meet diverse end user needs

- ABB focus on areas of differentiation
  - Power systems (on-site off grid power generation, connection to utility, smart grid competence)
  - Services (engineering, remote monitoring and diagnostics, after sale service, datacenter infrastructure management)
  - Direct current offering (lower total cost of ownership, higher efficiency, reduced footprint)

- Thanks to Newave’s UPS products and services, ABB will have a complete offer for AC and DC datacenters, reinforcing strategic differentiation

Chart 16
## Synergy focus on growth

### Growth

- Acceleration of global growth of Newave’s UPS business
  - ABB’s global presence
  - ABB’s industrial & infrastructure customer access
  - Use in ABB’s power and automation projects
- Sales of ABB products through Newave’s sales channels to IT services market
- Growth in service through Newave’s installed base and ABB’s global reach

### Costs

- Joint sourcing
- Merged back-office platforms for international offices

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**Incremental growth for both companies**

**Continuation of core processes and customer interface**

Chart 17
Newave and ABB: An attractive combination

- Entering an attractive business via a high-quality company
- Highly complementary products, closely related markets
  - Customer demand converging across power & automation
- Significant growth synergies for both companies
  - Gives Newave access to ABB’s global platform, including service and industry access
  - Gives ABB a more comprehensive power & automation offering for key high-growth sectors
- Newave to become a center of excellence for UPS systems, with additional development opportunities for Newave employees

Compelling combination building on technology, global reach and service
Evaluation of our business and the offer
Analysis by the Board of Directors (1)

Newave’s profile today

- **STRONG MARKET POSITION IN EUROPE**
  Approx. 5-7% market share in Europe
  Limited access to customers outside of Europe

- **TECHNOLOGY LEADERSHIP**
  Three-phase UPS systems in mid and high power range
  > 90% of all UPS systems sold are three-phase products (FY 2010)

- **RESEARCH & DEVELOPMENT**
  Innovation-driven company
  Dynamic product strategy and comprehensive product portfolio

- **PROFITABLE OPERATIONS** *
  EBITDA and EBIT margins 16.6% and 13.4%, respectively
  Strong balance sheet with total assets MCHF 93 and equity ratio of 81%

* Note: Financial information refers to FY 2010
### Analysis by the Board of Directors

**Focused product portfolio**

<table>
<thead>
<tr>
<th>Power range</th>
<th>Micro range</th>
<th>1-5 kVA</th>
<th>Mid range 7.5-20 kVA</th>
<th>High range 20-100 kVA</th>
<th>120-500 kVA</th>
<th>&gt; 500 kVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topology</td>
<td>Standby or line-interactive</td>
<td>Online or line-interactive</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Power conversion</td>
<td>Transformer-less</td>
<td>Transformer-based or -less</td>
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<td></td>
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<tr>
<td>Phase configuration</td>
<td>Single-phase</td>
<td>Single-phase</td>
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<tr>
<td>Application criticality</td>
<td>Low</td>
<td>Growing critical</td>
<td></td>
<td></td>
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<tr>
<td>Architecture</td>
<td>Stand-alone</td>
<td>Stand-alone or growing modular</td>
<td></td>
<td></td>
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<tr>
<td>Customers</td>
<td>SOHO (Small Office Home Office)</td>
<td>Small Server Rooms</td>
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</tbody>
</table>

Newave's mainly addressed kVA markets

- **Online**
- Transformer-based or transformer-less
- Single-phase or three-phase
- Three-phase
- Critical or mission-critical
- Stand-alone or growing modular
- Datacenters, Hospitals, Industry, Military, Rail & Infrastructure, etc.
Analysis by the Board of Directors

Strong customer relationships

Newave is preferred supplier to many blue chip companies
The challenges ahead

**MARKET ENVIRONMENT AND OPPORTUNITIES**
Fragmented market with three “Tier 1” providers and many small participants
Market consolidation taking place currently
Mid and high power UPS market shows attractive growth rates (6-10% p.a.*)
Key growth markets outside of Europe (e.g. China, India, North and South America)

**MAJOR CHALLENGES FOR NEWAVE (on a stand-alone basis)**
Currently only limited access to customers in key growth markets outside of Europe
Substantial investments into internal and external distribution networks
Fully capturing today’s market opportunities would mean an aggressive acquisition policy
Large scale acquisitions also include substantial financial and managerial risks
Current management structure would have to be strengthened on several levels

* Source: IMS Research
Industrial logic of the transaction

Both companies complement each other in an optimal way

Immediate global reach to UPS customers

Increased financial power to drive profitable growth in the UPS market

Synergetic use of Newave’s product platform

Reduced financial and management risks

The Board of Directors and the Executive Board of Newave regard ABB as the ideal partner for the future development of the company.
Opinion regarding the offer

- BOARD OF DIRECTORS FORMED INDEPENDENT COMMITTEE TO ASSESS OFFER
  Rudolf Kägi, Vice Chairman of the Board of Directors
  Mauro Saladini, Member of the Board of Directors

- FAIRNESS OPINION
  Bank Sarasin will confirm that the offer price of CHF 56 per share is fair from a financial point of view

- OPINION OF THE INDEPENDENT COMMITTEE
  Committee is convinced of the industrial logic of the transaction
  It regards the planned transaction as positive for Newave and its shareholders
  It will recommend acceptance of the public tender offer to Newave’s shareholders, as soon as the offer is publicly launched
Power and productivity for a better world™

ABB

newave