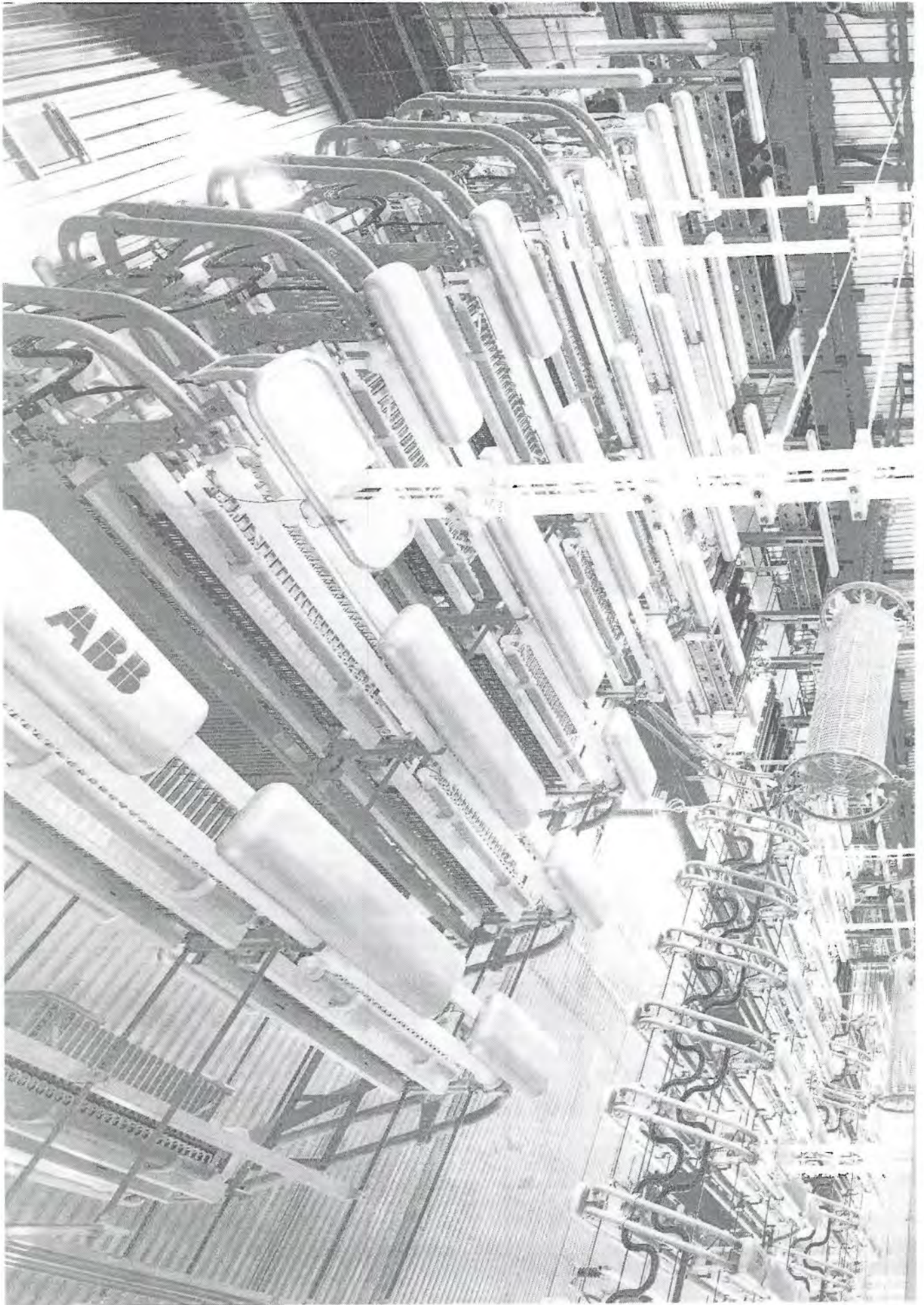




Innovative, responsive, entrepreneurial
The ABB Group Annual Report 2011



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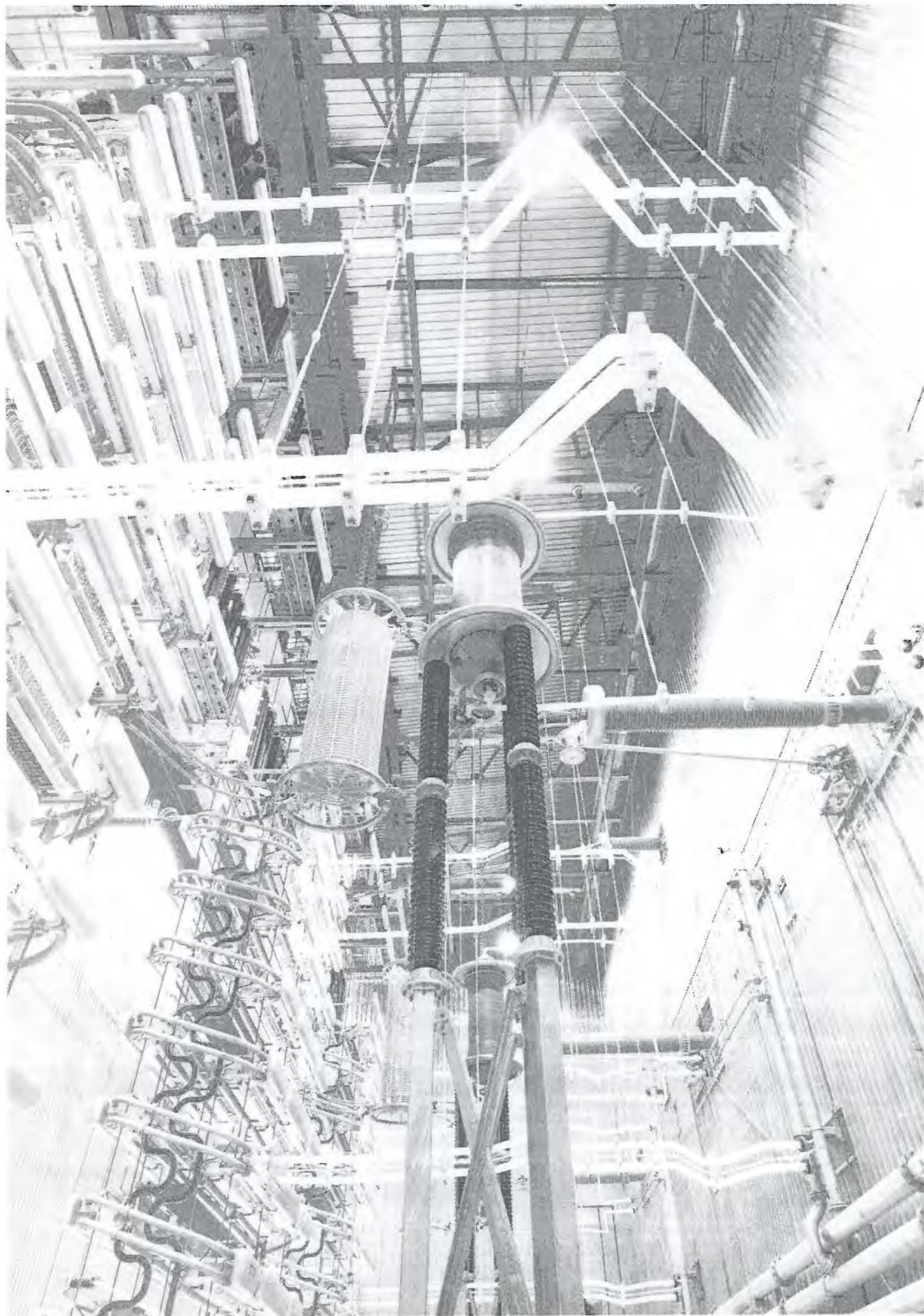
This is ABB

ABB is one of the world's leading power and automation technology companies.

Our portfolio ranges from light switches to robots, and from huge electrical transformers to control systems that manage entire power networks and factories.

We provide solutions for secure, energy-efficient generation, transmission and distribution of electricity, and for increasing productivity in industrial, commercial and utility operations.

We help our customers meet their challenges with minimal environmental impact. That's why ABB stands for "Power and productivity for a better world."



Dear shareholders,



2011 was another very successful year for ABB. We achieved strong revenue growth, and our order intake rose to a record \$40 billion.

We managed this growth while keeping costs firmly under control, so that we were also able to strengthen our profitability. Operational EBITDA⁽¹⁾ – the measure of profitability that we track – rose by \$1.2 billion last year, and our profit margin on this basis also increased.

Our financial results are an indication of the underlying successful direction of ABB and, in order to further advance ABB's growth and performance, we unveiled a new strategy last year for the 2011–15 period. We'd like to take the opportunity in this letter to put the financial results into the broader context of where ABB is heading.

"Our financial results are an indication of the underlying successful direction of ABB"

Externally focused

The world is going through a period of unprecedented change. Growing populations and rising living standards are increasing demand for resources, the trading of goods and transportation. About 60 million people are migrating into cities every year, increasing demand for urban transport solutions and for clean forms of energy such as electricity.

Our world is also going digital, requiring huge capacity for data storage; the amount of data created from the origins of history until 2003 is now generated every 48 hours, and by 2020 this volume of information will likely be produced every 60 minutes. Related to these changes are efforts to reduce society's environmental impact by using resources more efficiently.

These trends all add up to a tremendous need for technology and innovation, which has always been one of ABB's strengths.

In 2011, we were particularly proud to win an order for an innovative power transmission link in northern India that will deliver enough electricity for 90 million people. On a smaller

For an explanation of Operational EBITDA, see "Note 22 Operating segment and geographic data" to the Consolidated Financial Statements

scale, in Estonia, we are developing the world's first nationwide network of fast-charging stations for electric vehicles.

ABB also launched some highly innovative products in 2011, including offerings for energy efficient data centers and ships using DC technology, and a new high-efficiency motor design that won a prestigious automation award in Germany last December.

To ensure that we continue to meet our customers' technology requirements in today's rapidly changing environment, we are committed to increasing our investment in R&D over the next few years. R&D spending rose by more than 20 percent in 2011 to reach 3.6 percent of revenue, and we are targeting 4 percent by 2015.

In this world of unprecedented change, however, our customers need more than technology. One of our most effective tools for keeping abreast of their needs is a straightforward survey that asks customers whether they would recommend ABB to a colleague and why. We know from the feedback that we are receiving that responsiveness is just as important to customers as the quality of our technology.

"We are committed to increasing our investment in R&D over the next few years"

As technology cycles shorten and competition intensifies, our customers need to move fast and need us to keep up. We have therefore combined the survey, known as Net Promoter Score (NPS), with a process to identify causes of dissatisfaction and to address complaints rapidly. However, this is only partly about executing a process and more about developing the right culture and attitude.

The same is true of our approach to service. One of the benefits of service is that it gives us a unique opportunity to become more proactive in our response to customers: by being closer to their day-to-day activities we can develop a better understanding of the way our solutions can meet their needs. We still see a very significant opportunity to develop our service business, which had 15 percent order growth and accounted for 16 percent of ABB's revenue in 2011.

Driving entrepreneurship in ABB

At the same time as we improve our responsiveness to customers, we are also making a bigger effort to expand into markets in which we are underrepresented. We are the technology leaders in many of our businesses, and are convinced that we can apply best practices from our established markets to succeed in new ones.

This also requires a change of mindset. It means learning to be a challenger, to be nimbler and more experimental in order to discover the best inroads into new markets.

"It is time to focus more management attention on our presence in significant mature markets"

Over the last decade, much of ABB's growth has come from emerging economies, and particularly from China. While we expect China to continue to be a growth engine for ABB, it is time to focus more management attention on our presence in significant mature markets.

In recent years we have substantially improved our position in North America. In this strategic planning period, Europe will become increasingly important. Despite its current economic challenges, the European Union's economy is one of the world's largest and we still have room to grow in most of the region's big economies, especially France, Germany and the UK.

We also see tremendous potential for ABB in the emerging markets of South-East Asia, Latin America and Africa. Of the \$1.1 billion in cost savings achieved in 2011, a part was

reinvested in sales to help us grow in new markets. Since organic growth provides the best return on investment, this is always our preferred way to grow the business.

Where we think that organic growth would take too long, however, we are looking for acquisitions to close strategic gaps in our portfolio. We analyze acquisitions along three vectors: whether they fill geographic gaps, like our North American acquisitions; end market gaps, like the acquisition of Newave Energy in Switzerland, which boosts our exposure to the growing data center market; or product gaps, such as the acquisition of Epyon to increase our offering for the electric vehicle fast-charging market, and Trasfor in the specialty transformers space.

Baldor, the US maker of motors and mechanical power transmission products acquired in January 2011, was our biggest acquisition for many years and has already made a significant contribution to ABB's results. Its unique business model has made Baldor a market leader in North America and an asset we are keen to preserve and learn from.

Mincom, based in Australia, was also acquired in 2011 and is now being combined with Ventyx to give us a leading position in enterprise asset management software. Ventyx and Mincom bring experience in running a software business that ABB had little prospect of obtaining on its own, and which will help develop our network management business and provide ABB with a stronger offering to address the development of smart grid opportunities.

And in January 2012, we announced an offer to acquire Thomas & Betts, a US manufacturer of low-voltage equipment. This would significantly expand our access to the world's largest automation market and T&B's access to the rest of the world.

"Our aim is to look for technology or business model disruptions to position ABB for leadership"

So, whether organically or through acquisitions, our aim is to look for technology or business model disruptions to position ABB for leadership.

The keys to sustainable success, however, will be to meet local product requirements, to be competitive locally from a cost and performance standpoint, and to be quick to bring our products to the market. To achieve this, we need strong local product managers and a product development organization that is highly responsive to the needs of different markets.

An important outcome of this effort is that it will diversify our global presence and ensure that none of our global businesses is too dependent on any one region.

Aiming to be best in class in all we do

Both of the goals we have highlighted in this letter – becoming more externally focused and more entrepreneurial in addressing new market opportunities – have in common the need to be fast, efficient and innovative. This is why one of our chief priorities is to continue developing world class operations.

Our supply chain management has delivered tremendous savings over the past three years, which has made a significant contribution to keeping ABB in remarkable financial health. This is reflected in the confirmation of ABB's investment grade rating by ratings agencies after the announcement of the T&B transaction. Our profit margins are among the highest and our balance sheet is among the strongest in our sector, which gives us the flexibility to pursue growth opportunities as they arise.

We are proud of the further improvement in our health and safety performance in 2011, since running a safe business is one critical aspect of running an excellent business. The progress in this area is a great example of what can be achieved in a culture of continuous improvement.

Some areas of our operations require more attention. The way in which we hire, retain and develop people is one of these. Another is the way in which we gather and process customer requirements, which needs to become more local, and meet customer expectations in terms of delivery times and quality.

However, the goal of excellence applies across the company to all we do, and we are already achieving or approaching world class at several other levels.

Over the years, for example, we have put in place one of the most comprehensive and rigorous programs worldwide to embed integrity into our culture. We believe that honesty and fairness on our part are essential to developing the relationships we strive for with our customers, based on trust and respect. Our employees know that they must walk away from business that cannot be done with integrity and that we will support them. We do not tolerate deviations from this integrity standard.

"One of our chief priorities is to continue developing world class operations"

The value of our global crisis management training was highlighted in 2011. It helped us to react in a timely manner to the Fukushima disaster in Japan and ensure the safety of employees, as well as business continuity. Crisis training and expertise also contributed to the safety of employees and contractors during the revolutions in North Africa.

Further work was also undertaken to embed core sustainability criteria in key business decision-making processes, including the review of proposed projects, supply chain, and mergers and acquisitions.

Ready for the future

Behind the headline figures of our financial results, ABB therefore made significant progress in 2011 toward becoming an even more responsive and entrepreneurial business with a strong track record of technical innovation and of driving growth while controlling costs.

Confidence in the strength of the business and the balance sheet are behind the Board's proposal to raise the dividend by 8 percent this year. The short-term economic outlook remains unclear, but the longer term perspective is positive given the big trends that play to our strengths in the fields of power and automation.

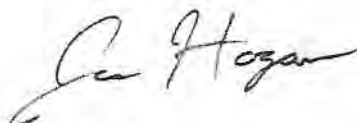
Although electricity has been in use for more than a century – and ABB has been in the business since 1883 – it is still transforming lives. In fact, it is becoming increasingly relevant, as a way to use renewable energy, to power the exchange and storage of information, to automate our factories, and to provide a cleaner alternative in transportation.

For us, one of the greatest thrills of working at ABB is to experience such a variety of projects that push technology to new heights to help make the world a better place.

March 15, 2012



Hubertus von Grünberg
Chairman, ABB Ltd



Joe Hogan
CEO, ABB Ltd

Highlights

Record orders – above \$40 billion for the first time ever – and revenues at \$38 billion

Net income up 24 percent to more than \$3 billion; Board proposes 8 percent increase in dividend to 0.65 Swiss francs per share

Costs reduced by a further \$1.1 billion more than offset weaker markets while funding additional investment in sales as well as research and development

Baldor acquisition contributed almost \$400 million to operational EBITDA

ABB's balance sheet remains one of the strongest in the sector

New strategy and financial targets for 2011–2015 unveiled in November to tap profitable growth from major trends such as urbanization, population growth, digitization and electrification

Total ABB Group (Billion USD unless otherwise indicated)	2011	2010
Orders	40,210	32,681
Revenues	37,990	31,589
Earnings before interest and taxes (EBIT)	4,667	3,818
as % of revenues	12.3%	12.1%
Operational EBITDA ¹	6,014	4,824
as % of operational revenues	15.8%	15.3%
Net income (attributable to ABB)	3,168	2,561
Basic earnings per share (\$)	1.38	1.12
Dividend per share in CHF (proposed for 2011)	0.65	0.60
Cash flow from operating activities	3,612	4,197
Free cash flow	2,593	3,397
as % of net income	82%	133%
Cash return on invested capital ²	14%	21%
Number of employees	133,600	116,500

¹ Please refer to page 148 for a definition of operational EBITDA, free cash flow and cash return on invested capital.

Share of divisional revenue 2011

- Power Products, 26%
- Power Systems, 20%
- Discrete Automation and Motion, 21%
- Low Voltage Products, 13%
- Process Automation, 20%



Share of divisional operational EBITDA 2011

- Power Products, 28%
- Power Systems, 12%
- Discrete Automation and Motion, 27%
- Low Voltage Products, 17%
- Process Automation, 16%



Employees 2011

- Power Products, 26%
- Power Systems, 15%
- Discrete Automation and Motion, 21%
- Low Voltage Products, 16%
- Process Automation, 21%
- Corporate and other, 1%



Orders 2011 by region

- Europe, 38%
- Americas, 23%
- Asia, 30%
- Middle East and Africa, 9%

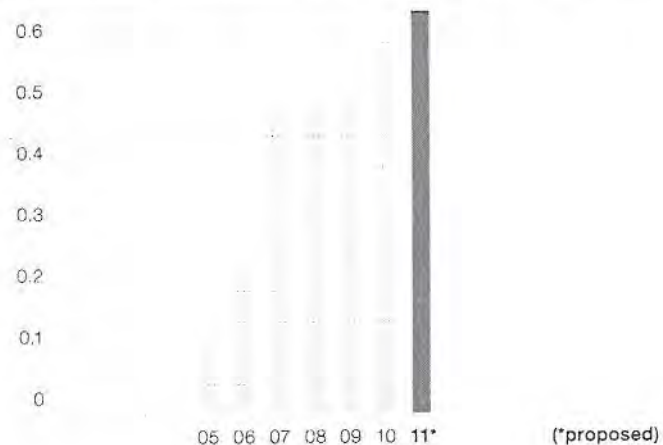


Emerging vs mature market orders 2011

- Emerging markets, 47%
- Mature markets, 53%



Dividend payout in respect of 2005–2011 (CHF per share)



As of December 31, 2011

ABB Group Executive Committee

From left to right

Frank Duggan Head of Global Markets

Tarak Mehta Head of Low Voltage Products division

Diane de Saint Victor General Counsel and Head of Legal and Integrity

Bernhard Jucker Head of Power Products division

Michel Demaré CFO

Veli-Matti Reinikkala Head of Process Automation division

Joe Hogan CEO

Gary Steel Head of Human Resources

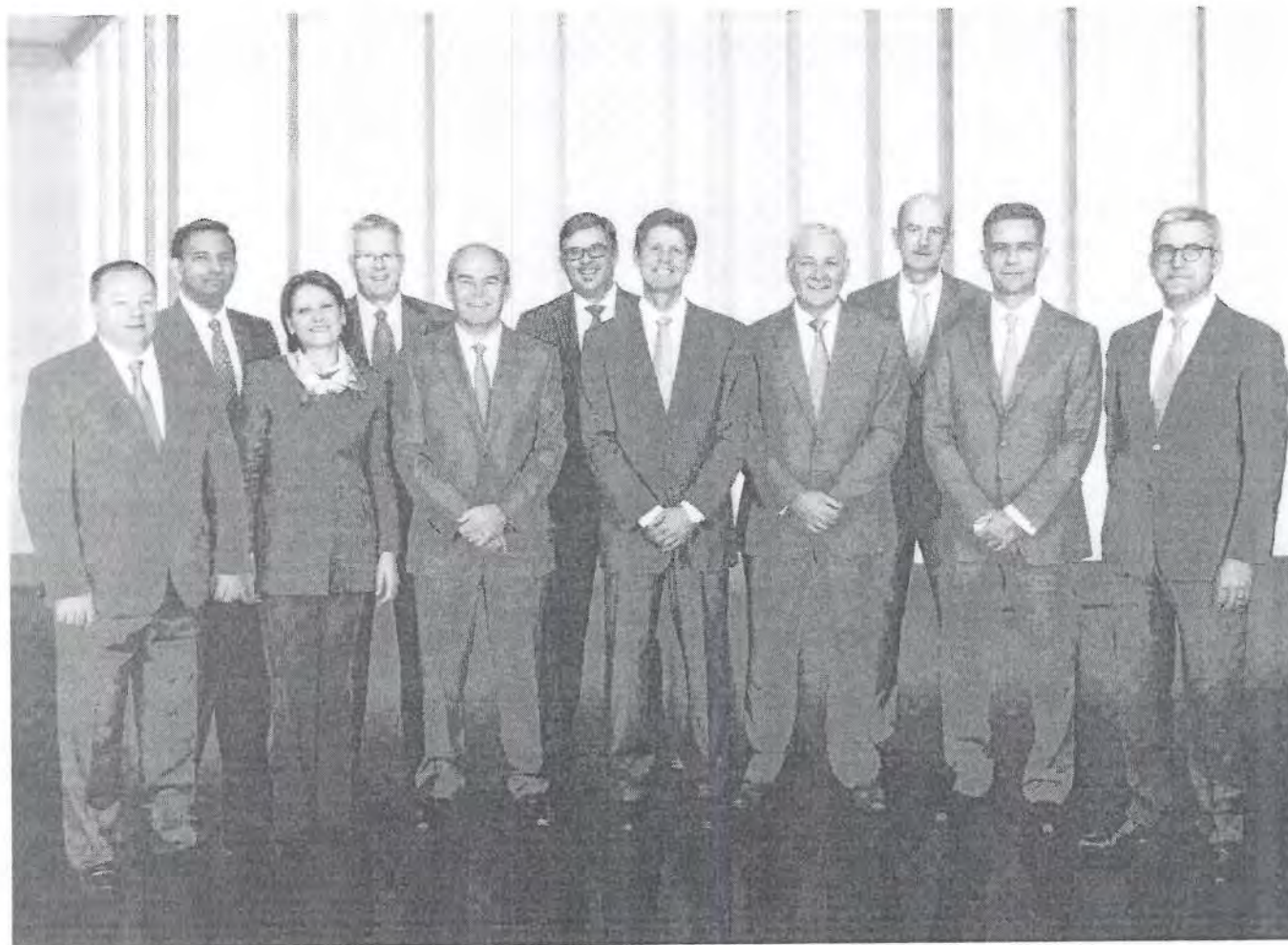
Peter Leupp Head of Power Systems division

Brice Koch Head of Marketing and Customer Solutions

Ulrich Spiesshofer Head of Discrete Automation and Motion division

Brice Koch was appointed Head of Power Systems with effect from March 1, 2012, to replace Peter Leupp, who is retiring from the Executive Committee.

Greg Scheu, manager of the Discrete Automation and Motion division in North America and Integration Manager for the Baldor acquisition, was appointed to the Executive Committee as Head of Marketing and Customer Solutions as of May 1, 2012.



Regional and country managers

North America Enrique Santacana
 Colombia Daniel Assandri
 Mexico Daniel Galicia
 United States including
 Alaska and Hawaii Enrique Santacana

South America Sergio Gomes
 Argentina Christian Newton
 Aruba Ramon Monras
 Barbados Guillermo Rodriguez
 Bolivia Christian Newton
 Brazil Sergio Gomes
 Chile Jose Paiva
 Colombia Ramon Monras
 Ecuador Ramon Monras
 El Salvador Guillermo Rodriguez
 Guatemala Guillermo Rodriguez
 Panama Guillermo Rodriguez
 Peru Enrique D. Rohde
 Uruguay Christian Newton
 Venezuela Ramon Monras

Mediterranean Barbara Frei
 Algeria Khaled Torbey
 Croatia Darko Eisenhuth
 France Pierre St-Arnaud
 Greece Apostolos Petropoulos
 Israel Ronen Aharon
 Italy Barbara Frei
 Morocco Rejean Appleby
 Portugal Miguel Pernes
 Serbia Aleksandar Cosic
 Spain Carlos Marcos
 Tunisia Rejean Appleby
 Turkey Burhan Gundem

Northern Europe Trevor Gregory
 Denmark Claus Madsen
 Finland Bo Henriksson
 Germany Tauno Heinola
 France Damien Petticrew
 Kazakhstan Altay Toyganbaev
 Latvia Bo Henriksson
 Lithuania Bo Henriksson
 Norway Steffen Waal
 Russian Federation Anatoly Popov
 Sweden Johan Soderstrom
 United Kingdom Trevor Gregory

Central Europe Peter Terwiesch
 Austria Franz Chalupecky
 Belgium Alfons Goos
 Bulgaria Peter Simon
 Czech Republic Hannu Kasi
 Germany Peter Terwiesch
 Hungary Tanja Vainio
 Luxembourg Alfons Goos
 Netherlands Alfons Goos
 Poland Mirosław Gryszka
 Romania Peter Simon
 Slovakia Marcel van der Hoek
 Slovenia Franz Chalupecky
 Switzerland Jasmin Staiblin
 Ukraine Dmytro Zhdanov

India, Middle East and Africa Frank Duggan
 Angola José Coelho
 Bahrain Mahmoud Shaban
 Bangladesh Joy-Rajarshi Banerjee
 Botswana Gift Nkwe
 Congo Thryphon Mungono
 Côte d'Ivoire Magloire Elogne
 Cameroon Pierre Njigui
 Egypt Naji Jreijiri
 Ethiopia Nikola Stojanovic
 Gambia Pierre Njigui
 Ghana Magloire Elogne
 India Bazmi Husain
 Jordan Maroun Zakhour
 Kenya Jose daMatta
 Kuwait Richard Ledger
 Lebanon Maroun Zakhour
 Mauritius Ajay Vij
 Namibia Hagen Seiler
 Nigeria Adedayo Olowoniyi
 Oman Saeed Fahim
 Pakistan Arfeen Khalid
 Qatar Juha Alopaeus
 Saudi Arabia Mahmoud Shaban
 Senegal Issa Guisse
 South Africa Carlos Pone
 Tanzania Michael Otonya
 Uganda Norah Kipwola
 United Arab Emirates Giuseppe di Marco
 Zambia Russell Harawa
 Zimbabwe Charles Shamu

North Asia Claudio Facchin
 China Claudio Facchin
 Japan Tony Zeitoun
 Korea Yun-Sok Han
 Taiwan Kayee Ding

South Asia Haider Rashid
 Australia Axel Kuhr
 Indonesia Hendrik Weller
 Malaysia Cumhur Gigin
 New Caledonia Axel Kuhr
 New Zealand Grant Gillard
 Papua New Guinea Axel Kuhr
 Philippines Nitin Desai
 Singapore Haider Rashid
 Thailand Chaiyot Piyawannarat
 Vietnam Jian Peng Fu

(Interim – until March 31, 2012)



Corporate governance report

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	14	Principles
15		Group structure and shareholders
	17	Capital structure
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1. Principles

1.1 General principles

ABB is committed to the highest international standards of corporate governance, and supports the general principles as set forth in the Swiss Code of Best Practice for Corporate Governance, as well as those of the capital markets where its shares are listed and traded.

In addition to the provisions of the Swiss Code of Obligations, ABB's key principles and rules on corporate governance are laid down in ABB's Articles of Incorporation, the ABB Ltd Board Regulations and Corporate Governance Guidelines (which include the regulations of ABB's board committees and the ABB Ltd Related Party Transaction Policy), and the ABB Code of Conduct and the Addendum to the ABB Code of Conduct for members of the Board of Directors and the Executive Committee. It is the duty of ABB's Board of Directors (the Board) to review and amend or propose amendments to those documents from time to time to reflect the most recent developments and practices, as well as to ensure compliance with applicable laws and regulations.

This section of the Annual Report is based on the Directive on Information Relating to Corporate Governance published by the SIX Swiss Exchange. Where an item listed in the directive is not addressed in this report, it is either inapplicable to or immaterial for ABB.

According to the New York Stock Exchange's corporate governance standards (the Standards), ABB is required to disclose significant ways in which its corporate governance practices differ from the Standards. ABB has reviewed the Standards and concluded that its corporate governance practices are generally consistent with the Standards, with the following significant exceptions:

- Swiss law requires that the external auditors be elected by the shareholders at the Annual General Meeting rather than by the Finance and Audit Committee or the Board of Directors.
- The Standards require that all equity compensation plans and material revisions thereto be approved by the shareholders. Consistent with Swiss law such matters are decided by our Board. However, the shareholders decide about the creation of new share capital that can be used in connection with equity compensation plans.

1.2 Duties of directors and officers

The directors and officers of a Swiss corporation are bound, as specified in the Swiss Code of Obligations, to perform their duties with all due care, to safeguard the interests of the corporation in good faith and to extend equal treatment to shareholders in like circumstances.

The Swiss Code of Obligations does not specify what standard of due care is required of the directors of a corporate board. However, it is generally held by Swiss legal scholars and jurisprudence that the directors must have the requisite capability and skill to fulfill their function, and must devote the necessary time to the discharge of their duties. Moreover, the directors must exercise all due care that a prudent and diligent director would have taken in like circumstances. Finally, the directors are required to take actions in the best interests of the corporation and may not take any actions that may be harmful to the corporation.

Exercise of powers

Directors, as well as other persons authorized to act on behalf of a Swiss corporation, may perform all legal acts on behalf of the corporation which the business purpose, as set forth in the articles of incorporation of the corporation, may entail. Pursuant to court practice, such directors and officers can take any action that is not explicitly excluded by the business purpose of the corporation. In so doing, however, the directors and officers must still pursue the duty of due care and the duty of loyalty described above and must extend equal treatment to the corporation's shareholders in like circumstances. ABB's Articles of Incorporation do not contain provisions concerning a director's power, in the absence of an independent quorum, to vote on the compensation to themselves or any members of their body.

Conflicts of interest

Swiss law does not have a general provision on conflicts of interest and our Articles of Incorporation do not limit our directors' power to vote on a proposal, arrangement or contract in which the director or officer is materially interested. However, the Swiss Code of Obligations requires directors and officers to safeguard the interests of the corporation and, in this connection, imposes a duty of care and loyalty on directors and officers. This rule is generally understood and so recommended by the Swiss Code of Best Practice for Corporate Governance as disqualifying directors and officers from participating in decisions, other than in the shareholders' meeting, that directly affect them.

Confidentiality

Confidential information obtained by directors and officers of a Swiss corporation acting in such capacity must be kept confidential during and after their term of office.

Sanctions

If directors and officers transact business on behalf of the corporation with bona fide third parties in violation of their statutory duties, the transaction is nevertheless valid, as long as it is not explicitly excluded by the corporation's business purpose as set forth in its articles of incorporation. Directors and officers acting in violation of their statutory duties – whether transacting business with bona fide third parties or performing any other acts on behalf of the company – may, however, become liable to the corporation, its shareholders and its creditors for damages. The liability is joint and several, but the courts may apportion the liability among the directors and officers in accordance with their degree of culpability.

In addition, Swiss law contains a provision under which payments made to a shareholder or a director or any person(s) associated therewith, other than at arm's length, must be repaid to the company if the shareholder or director or any person associated therewith was acting in bad faith.

If the board of directors has lawfully delegated the power to carry out day-to-day management to a different corporate body, eg. the executive committee, it is not liable for the acts of the members of that different corporate body. Instead, the directors can be held liable only for their failure to properly select, instruct and supervise the members of that different corporate body.

2. Group structure and shareholders

2.1 Group structure

ABB Ltd, Switzerland, is the ultimate parent company of the ABB Group, which principally comprises 332 consolidated operating and holding subsidiaries worldwide. ABB Ltd's shares are listed on the SIX Swiss Exchange, the NASDAQ OMX Stockholm Exchange and the New York Stock Exchange (where its shares are traded in the form of American depositary shares (ADS) – each ADS representing one registered ABB share). On December 31, 2011, ABB Ltd had a market capitalization of CHF 40.5 billion.

The only consolidated subsidiary in the ABB Group with listed shares is ABB Limited, Bangalore, India, which is listed on the Bombay Stock Exchange and the National Stock Exchange of India. On December 31, 2011, ABB Ltd, Switzerland, directly or indirectly owned 75 percent of ABB Limited, Bangalore, India, which at that time had a market capitalization of INR 124 billion.

Stock exchange listings

Stock exchange	Security	Ticker symbol	Security number	ISIN code
SIX Swiss Exchange	ABB Ltd, Zurich, share	ABBN	1222171	CH0012221716
NASDAQ OMX Stockholm Exchange	ABB Ltd, Zurich, share	ABB	–	CH0012221716
New York Stock Exchange	ABB Ltd, Zurich, ADS	ABB	000375204	US0003752047
Bombay Stock Exchange	ABB Limited, Bangalore, share	ABB	500002	INE117A01022
National Stock Exchange of India	ABB Limited, Bangalore, share	ABBEO	–	INE117A01022

All data as of December 31, 2011.

The following table sets forth, as of December 31, 2011, the name, country of incorporation, ownership interest and share capital of the significant direct and indirect subsidiaries of ABB Ltd, Switzerland:

ABB Ltd's significant subsidiaries				
Company name/location	Country	ABB interest %	Share capital in thousands	Currency
ABB S.A., Buenos Aires	Argentina	100.00	56,772	ARS
ABB Australia Pty Limited, Sydney	Australia	100.00	122,436	AUD
ABB AG, Vienna	Austria	100.00	15,000	EUR
ABB N.V., Zaventem	Belgium	100.00	13,290	EUR
ABB Ltda., Osasco	Brazil	100.00	94,396	BRL
ABB Bulgaria EOOD, Sofia	Bulgaria	100.00	3,010	BGN
ABB Inc., St. Laurent, Quebec	Canada	100.00	317,706	CAD
ABB (China) Ltd., Beijing	China	100.00	269,000	USD
Asea Brown Boveri Ltda., Bogotá	Colombia	99.99	486,440	COP
ABB Ltd., Zagreb	Croatia	100.00	2,730	HRK
ABB s.r.o., Prague	Czech Republic	100.00	400,000	CZK
ABB A/S, Skovlunde	Denmark	100.00	100,000	DKK
ABB Ecuador S.A., Quito	Ecuador	96.87	325	USD
Asea Brown Boveri S.A.E., Cairo	Egypt	100.00	16,000	USD
ABB AS, Jür	Estonia	100.00	1,663	EUR
ABB Oy, Helsinki	Finland	100.00	10,003	EUR
ABB S.A., Les Ulis	France	100.00	38,921	EUR
ABB AG, Mannheim	Germany	100.00	167,500	EUR
ABB Automation GmbH, Mannheim	Germany	100.00	15,000	EUR
ABB Automation Products GmbH, Ladenburg	Germany	100.00	10,620	EUR
ABB Beteiligungs- und Verwaltungsges. mbH, Mannheim	Germany	100.00	120,000	DEM
ABB Stoß Kontakt GmbH, Heidelberg	Germany	100.00	7,500	EUR
Busch-Jaeger Elektro GmbH, Mannheim/Lüdenscheid	Germany	100.00	1,535	EUR
Asea Brown Boveri S.A., Metamorphosis Attica	Greece	100.00	1,721	EUR
ABB (Hong Kong) Ltd., Hong Kong	Hong Kong	100.00	20,000	HKD
ABB Engineering Trading and Service Ltd., Budapest	Hungary	100.00	444,090	HUF
ABB Limited, Bangalore	India	75.00	423,817	INR
ABB Ltd., Dublin	Ireland	100.00	635	EUR
ABB Technologies Ltd., Tirat Carmel	Israel	99.99	420	ILS
ABB S.p.A., Milan	Italy	100.00	107,000	EUR
ABB K.K., Tokyo	Japan	100.00	1,000,000	JPY
ABB Ltd., Seoul	Korea, Republic of	100.00	18,670,000	KRW
ABB Holdings Sdn. Bhd., Subang Jaya	Malaysia	100.00	4,490	MYR
Asea Brown Boveri S.A. de C.V., San Luis Potosí S.L.P.	Mexico	100.00	667,686	MXN
ABB BV, Rotterdam	Netherlands	100.00	9,200	EUR
ABB Finance B.V., Amsterdam	Netherlands	100.00	20	EUR
ABB Holdings BV, Amsterdam	Netherlands	100.00	119	EUR
ABB Investments B.V., Amsterdam	Netherlands	100.00	100	EUR
ABB Limited, Auckland	New Zealand	100.00	34,000	NZD
ABB Holding AS, Billingstad	Norway	100.00	240,000	NOK
ABB S.A., Lima	Peru	97.18	29,416	PEN
ABB Inc., Paranaque, Metro Manila	Philippines	100.00	123,180	PHP
ABB Sp. z o.o., Warsaw	Poland	99.89	260,644	PLN
ABB (Asea Brown Boveri) S.A., Páco de Arcos	Portugal	100.00	4,117	EUR
Asea Brown Boveri Ltd., Moscow	Russian Federation	100.00	941	RUB

ABB Ltd's significant subsidiaries, continued

Company name/location	Country	ABB interest %	Share capital in thousands	Currency
ABB Contracting Company Ltd., Riyadh	Saudi Arabia	65.00	40,000	SAR
ABB Holdings Pte. Ltd., Singapore	Singapore	100.00	32,797	SGD
ABB Holdings (Pty) Ltd., Longmeadow	South Africa	80.00	4,050	ZAR
Asea Brown Boveri S.A., Madrid	Spain	100.00	33,318	EUR
ABB AB, Västerås	Sweden	100.00	400,000	SEK
ABB Norden Holding AB, Västerås	Sweden	100.00	2,344,783	SEK
ABB Asea Brown Boveri Ltd, Zurich	Switzerland	100.00	2,768,000	CHF
ABB Schweiz AG, Baden	Switzerland	100.00	55,000	CHF
ABB Technology AG, Zurich	Switzerland	100.00	100	CHF
ABB LIMITED, Bangkok	Thailand	100.00	1,034,000	THB
ABB Elektrik Sanayi A.S., Istanbul	Turkey	99.95	13,410	TRY
ABB Ltd., Kiev	Ukraine	100.00	65,400	UAH
ABB Industries (L.L.C.), Dubai	UAE	49.00	5,000	AED
ABB Holdings Limited, Warrington	United Kingdom	100.00	203,014	GBP
ABB Limited, Warrington	United Kingdom	100.00	60,000	GBP
ABB Holdings Inc., Cary, NC	United States	100.00	2	USD
ABB Inc., Cary, NC	United States	100.00	+	USD
Badger Electric Company, Fort Smith, AR	United States	100.00	5,651	USD
Kuhman Electric Corporation, Crystal Springs, MS	United States	100.00	0	USD

ABB's operational group structure is described in the "Financial review" section of this Annual Report under "Operating and financial review and prospects – Organizational structure".

3.2 Significant shareholders

Investor AB, Sweden, held 179,030,142 ABB shares as of December 31, 2011. This holding represented approximately 7.7 percent of ABB's total share capital and voting rights as registered in the Commercial Register on that date. The number of shares held by Investor AB does not include shares held by Mr. Jacob Wallenberg, the chairman of Investor AB, in his individual capacity.

BlackRock Inc., New York, US, announced that as per July 25, 2011, it held together with its direct and indirect subsidiaries 69,702,100 ABB shares. This amount corresponded to 3.0 percent of ABB's total share capital and voting rights as registered in the Commercial Register on December 31, 2011. For a full review of the disclosure report pursuant to which BlackRock reported its ABB shareholdings, please refer to the search facility of the SIX Swiss Exchange Disclosure Office at www.six-swiss-exchange.com/disclosure/press-releases/shareholders_en.html?fromID=16992171 (accessed: 08/01/2012).

To the best of ABB's knowledge, no other shareholder held 3 percent or more of ABB's total share capital and voting rights as registered in the Commercial Register on December 31, 2011.

Under ABB's Articles of Incorporation, each registered share represents one vote. Significant shareholders do not have different voting rights.

To our knowledge, we are not directly or indirectly owned or controlled by any government or by any other corporation or person.

3. Capital structure

3.1 Ordinary share capital

On December 31, 2011, ABB's ordinary share capital (including treasury shares) as registered with the Commercial Register amounted to CHF 2,384,185,561.92, divided into 2,314,743,264 fully paid registered shares with a par value of CHF 1.03 per share.

3.2 Changes to the share capital

In 2011, ABB issued shares out of its contingent capital in connection with ABB's Management Incentive Plan (MIP). For further details about the MIP see section 7.3 of this Corporate governance report. The resulting share capital of CHF 2,384,185,561.92, divided into 2,314,743,264 fully paid registered shares, was reflected in ABB's Articles of Incorporation dated December 5, 2011.

In 2010, ABB issued shares out of its contingent capital in connection with the MIP. The resulting share capital of CHF 2,378,045,525.92, divided into 2,308,782,064 fully paid registered shares, was reflected in ABB's Articles of Incorporation dated December 20, 2010.

In 2010, ABB paid its dividend relating to the year 2009 by way of nominal value reduction in the par value of its shares from CHF 1.54 to CHF 1.03. Corresponding adjustments were made to the par value of ABB's contingent and authorized shares. Furthermore, ABB cancelled 22,675,000 shares that had been repurchased under its share buy back program. The resulting share capital of CHF 2,375,849,290.91, divided into 2,306,649,797 fully paid registered shares, was reflected in ABB's Articles of Incorporation dated April 26, 2010.

In 2009, ABB issued shares out of its contingent capital in connection with ABB's Employee Share Acquisition Plan (ESAP) and the MIP. For further details about the ESAP see section 7.2 in this Corporate governance report. The resulting share capital of CHF 3,587,160,187.38, divided into 2,329,324,797 fully paid registered shares, was reflected in ABB's Articles of Incorporation dated December 14, 2009.

In 2009, ABB paid its dividend relating to the year 2008 by way of nominal value reduction in the par value of its shares from CHF 2.02 to CHF 1.54. Corresponding adjustments were made to the par value of ABB's contingent and authorized shares. The resulting share capital of CHF 3,577,100,965.90, divided into 2,322,792,835 fully paid registered shares, was reflected in ABB's Articles of Incorporation dated May 5, 2009.

Except as described in this section, there were no changes to ABB's share capital during 2011, 2010, and 2009.

3.3 Contingent share capital

As at December 31, 2011, ABB's share capital may be increased by an amount not to exceed CHF 206,000,000 through the issuance of up to 200,000,000 fully paid registered shares with a par value of CHF 1.03 per share through the exercise of conversion rights and/or warrants granted in connection with the issuance on national or international capital markets of newly or already issued bonds or other financial market instruments.

As at December 31, 2011, ABB's share capital may be increased by an amount not to exceed CHF 10,300,000 through the issuance of up to 10,000,000 fully paid registered shares with a par value of CHF 1.03 per share through the exercise of warrant rights granted to its shareholders. The Board may grant warrant rights not taken up by shareholders for other purposes in the interest of ABB.

The pre-emptive rights of the shareholders are excluded in connection with the issuance of convertible or warrant-bearing bonds or other financial market instruments or the grant of warrant rights. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for new shares. The conditions of the conversion rights and/or warrants will be determined by the Board.

The acquisition of shares through the exercise of warrants and each subsequent transfer of the shares will be subject to the restrictions of ABB's Articles of Incorporation (see section 4.2 in this Corporate governance report).

In connection with the issuance of convertible or warrant bearing bonds or other financial market instruments, the Board is authorized to restrict or deny the advance subscription rights of shareholders if such bonds or other financial market instruments are for the purpose of financing or refinancing the acquisition of an enterprise, parts of an enterprise, participations, or new investments, or an issuance on national or international capital markets. If the Board denies advance subscription rights, the convertible or warrant-bearing bonds or other financial market instruments will be issued at the relevant market conditions and the new shares will be issued pursuant to the relevant market conditions taking into account the share price and/or other comparable instruments having a market price. Conversion rights may be exercised during a maximum ten-year period, and warrants may be exercised during a maximum seven-year period, in each case from the date of the respective issuance. The advance subscription rights of the shareholders may be granted indirectly.

In addition as at December 31, 2011, ABB's share capital may be increased by an amount not to exceed CHF 96,859,964 through the issuance of up to 94,038,800 fully paid shares with a par value of CHF 1.03 per share to employees. The pre-emptive and advance subscription rights of

ABB's shareholders are excluded. The shares or rights to subscribe for shares will be issued to employees pursuant to one or more regulations to be issued by the Board, taking into account performance, functions, level of responsibility and profitability criteria. ABB may issue shares or subscription rights to employees at a price lower than that quoted on a stock exchange. The acquisition of shares within the context of employee share ownership and each subsequent transfer of the shares will be subject to the restrictions of ABB's Articles of Incorporation (see section 4.2 of this Corporate governance report).

3.4 Authorized share capital

As at December 31, 2011, ABB's share capital may be increased by an amount not to exceed CHF 206,000,000 through the issuance of up to 200,000,000 fully paid shares with a par value of CHF 1.03 per share out of authorized share capital. The authorized share capital is valid until April 29, 2013. The Board is authorized to determine the date of issue of new shares, the issue price, the type of payment, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party with a subsequent offer of these shares to the shareholders. The Board may permit pre-emptive rights that have not been exercised by shareholders to expire or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised at market conditions or use them for other purposes in the interest of the company. Furthermore, the Board is authorized to restrict or deny the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are used (1) for the acquisition of an enterprise, parts of an enterprise, or participations, or for new investments, or in case of a share placement, for the financing or refinancing of such transactions; or (2) for the purpose of broadening the shareholder constituency in connection with a listing of shares on domestic or foreign stock exchanges.

3.5 Convertible bonds and warrants

ABB does not have any bonds outstanding that are convertible into ABB shares. For information about warrants on shares issued by ABB, please refer to Note 19 to ABB's consolidated financial statements contained in the "Financial review" part of this Annual Report.

4. Shareholders' participation

4.1 Shareholders' voting rights

ABB has one class of shares and each registered share carries one vote at the General Meeting. Voting rights may be exercised only after a shareholder has been registered in the share register of ABB as a shareholder with the right to vote, or with Euroclear Sweden AB (formerly VPC), which maintains a subregister of the share register of ABB.

A shareholder may be represented at the Annual General Meeting by another shareholder with the right to vote, its legal representative, a corporate body (*Organvertreter*), an independent proxy (*unabhängiger Stimmrechtsvertreter*) or a depository (*Depotvertreter*). All shares held by one shareholder may be represented by one representative only.

For practical reasons, shareholders must be registered in the share register no later than six business days before the General Meeting in order to be entitled to vote. Except for the cases described under section 4.2 of this Corporate governance report, there are no voting rights restrictions limiting ABB's shareholders' rights.

4.2 Limitations on transferability of shares and nominee registration

ABB may decline a registration with voting rights if a shareholder does not declare that it has acquired the shares in its own name and for its own account. If the shareholder refuses to make such declaration, it will be registered as a shareholder without voting rights.

A person failing to expressly declare in its registration application that it holds the shares for its own account (a nominee), will be entered in the share register with voting rights, provided that such nominee has entered into an agreement with the Board concerning its status, and further provided that the nominee is subject to recognized bank or financial market supervision. In special cases, the Board may grant exemptions. There were no exemptions granted in 2011.

The limitation on the transferability of shares may be removed by an amendment of ABB's Articles of Incorporation by a shareholders' resolution requiring two-thirds of the votes represented at the meeting.

4.3 Shareholders' dividend rights

ABB Ltd may pay out a dividend only if it has been proposed by a shareholder or the Board and approved at a general meeting of shareholders, and the auditors confirm that the dividend conforms to statutory law and ABB's Articles of Incorporation. Dividends are usually due and payable in Swiss francs and the ex-date for dividends is usually two trading days after the approving shareholders' resolution.

ABB has established, for tax purposes, a dividend access facility for its shareholders who are residents of Sweden. If such shareholders have registered their shares with Euroclear Sweden AB (formerly VPC), then they may elect to receive the dividend in Swedish kronor from ABB Norden Holding AB without deduction of Swiss withholding tax. For further information on the dividend access facility, please refer to ABB's Articles of Incorporation, a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

4.4 General meeting

Shareholders' resolutions at general meetings are approved with an absolute majority of the votes represented at the meeting, except for those matters described in article 704 of the Swiss Code of Obligations and for resolutions with respect to restrictions on the exercise of the right to vote and the removal of such restrictions, which all require the approval of two-thirds of the votes represented at the meeting.

As at December 31, 2011, shareholders representing shares of a par value totalling at least CHF 412,000 may request items to be included in the agenda of a general meeting. Any such request must be made in writing at least 40 days prior to the date of the general meeting and specify the items and the motions of such shareholder(s).

ABB's Articles of Incorporation do not contain provisions on the convocation of the general meeting of shareholders that differ from the applicable legal provisions.

5. Board of Directors

5.1 Responsibilities and organization

The Board defines the ultimate direction of the business of ABB and issues the necessary instructions. It determines the organization of the ABB Group and appoints, removes and supervises the persons entrusted with the management and representation of ABB.

The internal organizational structure and the definition of the areas of responsibility of the Board, as well as the information and control instruments vis-à-vis the Group Executive Committee, are set forth in the ABB Ltd Board Regulations and Corporate Governance Guidelines, a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

The Board meets as frequently as needed but at least four times per annual Board term. Board meetings are convened by the chairman or upon request by a director or the chief executive officer (CEO). Written documentation covering the various items of the agenda for each Board meeting is sent out in advance to each Board member in order to allow each member time to study the covered matters prior to the meetings. Decisions made at the Board meetings are recorded in written minutes of the meetings. The CEO shall regularly, and whenever extraordinary circumstances so require, report to the Board about ABB's overall business and affairs. Further, Board members are entitled to information concerning ABB's business and affairs. Additional details are set forth in the ABB Ltd Board Regulations & Corporate Governance Guidelines, which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

5.2 Term and members

The members of the Board are elected individually at the annual general meeting of the shareholders for a term of one year; re-election is possible. Our Articles of Incorporation, a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter, do not provide for the retirement of directors based on their age. However, an age limit for members of the Board is set forth in the ABB Ltd Board Regulations and Corporate Governance Guidelines (although waivers are possible and subject to Board discretion), a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

As at December 31, 2011, the members of the Board (Board term April 2011 to April 2012) were:

Hubertus von Grünberg has been a member and chairman of ABB's Board of Directors since May 3, 2007. He is a member of the supervisory boards of Allianz Versicherungs AG and Deutsche Telekom AG (both Germany). He is a member of the board of directors of Schindler Holding AG (Switzerland). Von Grünberg was born in 1942 and is a German citizen.

Roger Agnelli has been a member of ABB's Board of Directors since March 12, 2002. He was previously the president and chief executive officer of Vale S.A. (Brazil). Agnelli was born in 1959 and is a Brazilian citizen.

Louis R. Hughes has been a member of ABB's Board of Directors since May 16, 2003. He is the chairman of In Zero Systems (formerly GBS Laboratories LLC) (US). He is also a member of the boards of directors of Akzo Nobel (The Netherlands) and Alcatel Lucent (France). Hughes was born in 1949 and is a US citizen.

Hans Ulrich Märki has been a member of ABB's Board of Directors since March 12, 2002. He is the retired chairman of IBM Europe, Middle East and Africa (France), and a member of the board of directors of Mettler-Toledo International (U.S.) and Swiss Re and Menuhin Festival Gstaad AG (both Switzerland). He is also a member of the foundation board of Schulthess Klinik, Zurich (Switzerland), and the board of trustees of the Hermitage Museum, St. Petersburg (Russia). Märki was born in 1946 and is a Swiss citizen.

Michel de Rosen has been a member of ABB's Board of Directors since March 12, 2002. He is the chief executive officer and member of the board of directors of Eutelsat Communications (France). De Rosen was born in 1951 and is a French citizen.

Michael Treschow has been a member of ABB's Board of Directors since May 16, 2003. He is the chairman of the boards of directors of Unilever NV (The Netherlands), and Unilever PLC (UK). He is also a member of the board of directors of the Knut and Alice Wallenberg Foundation (Sweden). Treschow was born in 1943 and is a Swedish citizen.

Jacob Wallenberg has been a member of ABB's Board of Directors since June 26, 1999. From March 1999 to June 1999, he served as a member of the board of directors of ABB Asea Brown Boveri Ltd, the former parent company of the ABB Group. He is the chairman of the board of directors of Investor AB (Sweden). He is vice chairman of Telefonaktiebolaget L M Ericsson AB, SEB Skandinaviska Enskilda Banken, Atlas Copco AB and SAS AB (all Sweden). He is also a member of the boards of directors of the Knut and Alice Wallenberg Foundation and the Stockholm School of Economics (both Sweden), and The Coca-Cola Company (US). Wallenberg was born in 1956 and is a Swedish citizen.

Ying Yeh has been a member of ABB's Board of Directors since April 29, 2011. She is a member of the board of directors of Intercontinental Hotels Group (UK), AB Volvo AB (Sweden) and Samsonite International S.A. (Luxembourg). Yeh was born in 1948 and is a Chinese citizen.

As of December 31, 2011, all Board members were non-executive and independent directors (see also section 5.3 of this Corporate governance report), and none of ABB's Board members held any official functions or political posts. Further information on ABB's Board members can be found by clicking on the ABB Board of Directors CV link, which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

5.3 Business relationships

This section describes important business relationships between ABB and its Board members, or companies and organizations represented by them. This determination has been made based on ABB Ltd's Related Party Transaction Policy. This policy is contained in the ABB Ltd Board Regulations and Corporate Governance Guidelines, a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/investorcenter.

Vale S.A. and its subsidiaries (Vale) and ABB have entered into a framework agreement establishing general terms and conditions for the supply of products, systems and services among their respective group subsidiaries. ABB supplies Vale primarily with process automation products for mineral systems. The total revenues recorded by ABB in 2011 relating to its contracts with Vale were approximately \$200 million. Roger Agnelli was previously president and CEO of Vale.

Atlas Copco AB (Atlas Copco) is an important customer of ABB. ABB supplies Atlas Copco primarily with drives and motors through its Discrete Automation and Motion division. The total revenues recorded by ABB relating to business with Atlas Copco were approximately \$50 million in 2011. Jacob Wallenberg is vice chairman of Atlas Copco.

ABB has an unsecured syndicated \$2-billion revolving credit facility. As of December 31, 2011, SEB Skandinaviska Enskilda Banken AB (publ) (SEB) has committed to \$71 million out of the \$2-billion total. Jacob Wallenberg is vice chairman of SEB.

After comparing the share of revenues generated from ABB's business with Vale and Atlas Copco, and after reviewing the banking commitments of SEB, the Board has determined that ABB's business relationships with those

companies do not constitute material business relationships and that all members of the Board are considered to be independent directors. This determination was made in accordance with ABB Ltd's Related Party Transaction Policy which was prepared based on the Swiss Code of Best Practice for Corporate Governance and the independence criteria set forth in the corporate governance rules of the New York Stock Exchange.

In addition, ABB maintains important banking relationships with UBS AG (UBS), including one UBS affiliate that as of December 31, 2011, committed to lend \$71 million out of the \$2-billion total commitment under the above-referenced revolving credit facility. Michel Demaré, the CFO of ABB, is also vice chairman of the board of directors of UBS. ABB has also retained Ortec Finance B.V. (Ortec) to provide pension modelling services. Michel Demaré's spouse is an employee and the chairman of the board of directors of Ortec's Swiss subsidiary. The Board has determined that ABB's business relationships with UBS and Ortec are not material to ABB or UBS or Ortec or unusual in their nature or conditions.

Finally, in February 2012, ABB entered into a \$4 billion term credit agreement to provide bridge financing for the planned acquisition of Thomas & Betts Corporation (see "Note 12 Debt" to our Consolidated Financial Statements). In March 2012, the credit agreement was syndicated so that 16 banks, including SEB and UBS, had each committed to lend ABB \$250 million as of the completion of the primary syndication. The Board has determined that these additional commitments of SEB and UBS when considered together with ABB's other relationships to those banks are not material to ABB, SEB or UBS and that Jacob Wallenberg remains an independent director of ABB.

5.4 Board committees

From among its members, the Board has appointed two Board committees: the Governance, Nomination and Compensation Committee (GNCC) and the Finance, Audit and Compliance Committee (FACC). The duties and objectives of the Board committees are set forth in the ABB Ltd Board Regulations and Corporate Governance Guidelines, a copy of which can be found in the section "Corporate governance – Further information on corporate governance" at www.abb.com/corporategovernance. These committees assist the Board in its tasks and report regularly to the Board. The members of the Board committees are required to be independent.

5.4.1 Governance, Nomination and Compensation Committee

The GNCC is responsible for (1) overseeing corporate governance practices within ABB, (2) nominating candidates for the Board, the role of CEO and other positions on the Group Executive Committee, and (3) succession planning, employment and compensation matters relating to the Board and the Group Executive Committee. The GNCC is also responsible for maintaining an orientation program for new Board members and an ongoing education program for existing Board members.

The GNCC must comprise three or more independent directors. The chairman of the Board and, upon invitation by the committee's chairman, the CEO or other members of the Group Executive Committee may participate in the committee meetings, provided that any potential conflict of interest is avoided and confidentiality of the discussions is maintained.

As at December 31, 2011, the members of the GNCC were:
Hans Ulrich Märki (chairman)
Michel de Rosen
Michael Treschow
Ying Yeh

Roger Agnelli was a member of the GNCC up to the Annual General Meeting (AGM) in April 2011. Michael Treschow and Ying Yeh were elected to the GNCC subsequent to the AGM in April 2011.

5.4.2 Finance, Audit and Compliance Committee

The FACC is responsible for overseeing (1) the integrity of ABB's financial statements, (2) ABB's compliance with legal, tax and regulatory requirements, (3) the independent auditors' qualifications and independence, (4) the performance of ABB's internal audit function and external auditors, and (5) ABB's capital structure, funding requirements, and financial risk policies.

The FACC must comprise three or more independent directors who have a thorough understanding of finance and accounting. The chairman of the Board and, upon invitation by the committee's chairman, the CEO or other members of the Group Executive Committee may participate in the committee meetings, provided that any potential conflict of interest is avoided and confidentiality of the discussions is maintained. In addition, the Chief Integrity Officer, the Head of Internal Audit and the external auditors participate in the meetings as appropriate. As required by the US Securities and Exchange Commission (SEC), at least one member of the

FACC has to be an audit committee financial expert. The Board has determined that each member of the FACC is an audit committee financial expert.

As at December 31, 2011, the members of the FACC were:

Louis R. Hughes (chairman)

Roger Agnelli

Jacob Wallenberg

Bernd W. Voss was a member and the chairman of the FACC up to the AGM in April 2011. Roger Agnelli was elected to the FACC subsequent to the AGM in April 2011.

5.5 Meetings and attendance

The Board and its committees have regularly scheduled meetings throughout the year. Those meetings are supplemented by additional meetings (either in person or by conference call), as necessary.

The table below shows the number of meetings held during 2011 by the Board and its committees, their average duration, as well as the attendance of the individual Board members. In addition, members of the Board and the Group Executive Committee participated in a two-day strategic retreat.

Meetings and attendance	Board		GNCC	FACC
	Regular	Additional		
Average duration (hours)	6.6	1	3	3.2
Number of meetings	6	3	5	6
Meetings attended:				
Hubertus von Grünberg	5	3	–	–
Roger Agnelli ¹⁾	6	3	2	3
Louis R. Hughes	6	3	–	6
Hans Ulrich Märki	6	3	5	–
Michel de Rosen	6	3	5	–
Michael Treschow ²⁾	6	3	3	–
Bernd W. Voss ³⁾	2	2	–	3
Jacob Wallenberg	6	3	–	6
Ying-Yen ⁴⁾	4	2	3	–

¹⁾ Roger Agnelli was a member of the GNCC until the 2011 AGM. He subsequently joined the FACC.

²⁾ Michael Treschow joined the GNCC following the 2011 AGM.

³⁾ Bernd W. Voss retired from the Board and the FACC at the 2011 AGM.

⁴⁾ Ying-Yen joined the GNCC following her election to the Board at the 2011 AGM.

5.6 Board Compensation and Shareholdings

Information about Board compensation and shareholdings can be found in sections titled "Components of compensation to Board of Directors," "Board of Directors compensation in 2011," and "ABB shareholdings of members of the Board and the Executive Committee" of the Remuneration Report contained in this Annual Report.

5.7 Secretary to the Board

Diane de Saint Victor is the secretary to the Board.

6. Group Executive Committee

6.1 Responsibilities and organization

The Board has delegated the executive management of ABB to the CEO and the other members of the Group Executive Committee. The CEO and under his direction the other members of the Group Executive Committee are responsible for ABB's overall business and affairs and day-to-day management.

The CEO reports to the Board regularly, and whenever extraordinary circumstances so require, on the course of ABB's business and financial performance and on all organizational and personnel matters, transactions and other issues relevant to the Group.

Each member of the Group Executive Committee is appointed and discharged by the Board.

6.2 Members of the Group Executive Committee

As at December 31, 2011, the members of the Group Executive Committee were:

Joe Hogan joined ABB's Group Executive Committee as Chief Executive Officer in September 2008. Before joining ABB, Hogan was the CEO and President of General Electric's GE Healthcare unit from 2000 to 2008. From 1985 to 2000, Hogan held various positions at General Electric. Hogan was born in 1957 and is a US citizen.

Michel Demaré joined ABB's Group Executive Committee as Chief Financial Officer in January 2005. From October 2008 to March 2011 he was also Head of Global Markets.

From February 2008 to August 2008 he was appointed interim CEO in addition to his duties as CFO. He is also vice chairman of the board of directors of UBS AG and a board member of IMD Foundation (all Switzerland). From 2002 until 2004 Demaré was vice president and chief financial officer of Baxter Europe. From 1984 until 2002, he held various positions within Dow Chemical (US). Demaré was born in 1956 and is a Belgian citizen.

Gary Steel joined ABB's Group Executive Committee as Head of Human Resources in January 2003. Steel is a member of the board of directors of Harman International Industries Inc. (US) and a director of Aquamarine Power (UK). In 2002, he was the human resources director, group finance at Royal Dutch Shell (Netherlands). Between 1976 and 2002, he held several human resources and employee relations positions at Royal Dutch Shell. Steel was born in 1952 and is a British citizen.

Diane de Saint Victor joined ABB's Group Executive Committee as General Counsel in January 2007. From 2004 to 2006, she was general counsel of European Aeronautic Defence and Space, EADS (France/Germany). From 2003 to 2004, she was general counsel of SCA Hygiene Products (Germany). From 1993 to 2003, she held various legal positions with Honeywell International (France/Belgium). From 1988 to 1993, she held various legal positions with General Electric (US). De Saint Victor was born in 1955 and is a French citizen.

Brice Koch was appointed Executive Committee member responsible for Marketing and Customer Solutions in January 2010. From 2007 to 2009, he was the Manager of ABB in China and of ABB's North Asia Region. Between 1994 and 2006, he held several management positions with ABB. He is also member of the board of directors of Rector S.A. (France). Koch was born in 1964 and is a French citizen.

Frank Duggan was appointed Executive Committee member responsible for Global Markets in March 2011. Since 2008, he is also ABB's region manager for India, Middle East and Africa. From 2008 to 2011 he was ABB's country manager for the United Arab Emirates. From 2004 to 2007 he was head of ABB's Group Account Management and ABB's country manager for Ireland. Between 1986 and 2004 he held several management positions with ABB. Duggan was born in 1959 and is an Irish citizen.

Bernhard Jucker was appointed Executive Committee member responsible for the Power Products division in January 2006. From 2003 to 2005, he was ABB's country manager for Germany. From 1980 to 2003 he held various positions in ABB. Jucker was born in 1954 and is a Swiss citizen.

Peter Leupp was appointed Executive Committee member responsible for the Power Systems division in January 2007. From 2005 to 2006, he was ABB's regional manager for North Asia and from 2001 to 2006, he was ABB's country manager for China. From 1989 to 2001, he held various positions in ABB. He is also a member of the board of directors of Gurit Holding AG (Switzerland). Leupp was born in 1951 and is a Swiss citizen.

Ulrich Spiesshofer was appointed Executive Committee member responsible for the Discrete Automation and Motion division in January 2010. He joined ABB in November 2005 as Executive Committee member responsible for Corporate Development. From 2002 until he joined ABB, he was senior partner, global head of operations practice at Roland Berger AG (Switzerland). Prior to 2002, he held various positions with A.T. Kearney Ltd. and its affiliates. Spiesshofer was born in 1964 and is a German citizen.

Tarak Mehta was appointed Executive Committee member responsible for the Low Voltage Products division in October 2010. From 2007 to 2010, he was head of the Transformers business. Between 1998 and 2006, he held several management positions with ABB. Mehta was born in 1966 and is a US citizen.

Veli-Matti Reinikkala was appointed Executive Committee member responsible for the Process Automation division in January 2006. He is a member of the board of directors of UPM-Kymmene (Finland). In 2005, he was the head of the Process Automation business area. From 1993 to 2005, he held several positions with ABB. Reinikkala was born in 1957 and is a Finnish citizen.

In addition, as of March 1, 2012, Peter Leupp has decided to retire from the Executive Committee of ABB and Brice Koch will succeed him as head of the Power Systems division. During March and April 2012, the Marketing and Customer Solutions team will report to CEO Joe Hogan. As of May 1, 2012, **Greg Scheu**, head of ABB's Discrete Automation and Motion division in North America, has been appointed Executive Committee Member responsible for Marketing and Customer Solutions. Scheu, a former executive at Rockwell International, joined ABB in 2001 and is also currently responsible for the integration of Baldor Electric Co., which ABB acquired in January 2011. Scheu was born in 1961 and is a US citizen.

Further information about the members of the Group Executive Committee can be found by clicking on the Group Executive Committee CV link in the section "Corporate governance – Further information on corporate governance" at www.abb.com/infocenter

6.3 Executive Committee Compensation and Shareholdings

Information about Executive Committee compensation and shareholdings can be found in sections titled "Components of executive compensation," "Executive Committee compensation in 2011," "Compensation to former members of the Board and the Executive Committee," and "ABB shareholdings of members of the Board and the Executive Committee" of the Remuneration report contained in this Annual Report.

6.4 Management contracts

There are no management contracts between ABB and companies or natural persons not belonging to the ABB Group.

7. Employee participation programs

7.1 Incentive plans linked to ABB shares

In order to align its employees' interests with the business goals and financial results of the company, ABB operates a number of incentive plans, linked to ABB's shares, which are summarized below (for a more detailed description of each incentive plan, please refer to Note 18 to ABB's consolidated financial statements contained in the Financial review section of this Annual Report).

7.2 Employee Share Acquisition Plan

The ESAP is an employee stock option plan with a savings feature. Employees save over a 12-month period, by way of monthly salary deductions. The maximum monthly savings amount is the lower of 10 percent of gross monthly salary or the local currency equivalent of CHF 750. At the end of the savings period, employees choose whether to exercise their stock options to buy ABB shares (ADS in the case of employees in the US) at the exercise price set at the grant date, or have their savings returned with interest. The savings are accumulated in a bank account held by a third-party trustee on behalf of the participants and earn interest.

The maximum number of shares that each employee can purchase has been determined based on the exercise price and the aggregate savings for the 12-month period, increased by 10 percent to allow for currency fluctuations. If, at the ex-

ercise date, the balance of savings plus interest exceeds the maximum amount of cash employees must pay to fully exercise their stock options, the excess funds will be returned to the employees. If the balance of savings and interest is insufficient to permit employees to fully exercise their stock options, the employees have the choice, but not the obligation, to make an additional payment so that they may fully exercise their stock options.

If employees cease to be employed by ABB, the accumulated savings as of the date of cessation of employment will be returned to the employees and their right to exercise their stock options will be forfeited. Employees can withdraw from the ESAP at any time during the savings period and will be entitled to a refund of their accumulated savings.

The exercise price per share and ADS of CHF 15.98 and USD 18.10, respectively, for the 2011 grant, was determined using the closing price of the ABB share on the SIX Swiss Exchange and ADS on the New York Stock Exchange on the grant date.

7.3 Management Incentive Plan

ABB maintains a MIP under which it offers stock options and cash-settled warrant appreciation rights (WARs) (and through the launch in 2009 also offered stock warrants) to key employees for no consideration.

The warrants and options granted under the MIP allow participants to purchase shares of ABB at predetermined prices. Participants may sell the warrants and options rather than exercise the right to purchase shares. Equivalent warrants are listed by a third-party bank on the SIX Swiss Exchange, which facilitates pricing and transferability of warrants granted under the MIP. The options entitle the holder to request that a third-party bank purchase such options at the market price of equivalent warrants listed by the third-party bank in connection with that MIP launch. If the participant elects to sell the warrants or options, the instruments will then be held by a third party and, consequently, ABB's obligation to deliver shares will be to this third party. Each WAR gives the participant the right to receive, in cash, the market price of the equivalent listed warrant on the date of exercise of the WAR. The WARs are non-transferable.

Participants may exercise or sell warrants and options and exercise WARs after the vesting period, which is three years from the date of grant. Vesting restrictions can be waived in certain circumstances, such as death or disability. All warrants, options and WARs expire six years from the date of grant.