

16 September 2014

# Repurchase of own shares on ordinary trading line and second trading line on SIX Swiss Exchange Ltd



**ABB Ltd**  
Zurich

On the occasion of its Capital Markets Day on 9 September 2014, ABB Ltd, Affolternstrasse 44, 8050 Zurich ("ABB") announced a two-part share repurchase program with a maximum total value of USD 4 billion. Around three-quarters of this amount is to be repurchased via a second trading line on SIX Swiss Exchange Ltd to reduce share capital, with the remaining quarter repurchased via the ordinary trading line on SIX Swiss Exchange Ltd for ABB's employee participation plans. The repurchase program will terminate on 30 September 2016 at the latest.

The execution of the share repurchase program depends on market conditions and on strategic decisions by ABB. The Board of Directors intends to propose to future Annual General Meetings capital reductions through the cancellation of the registered shares repurchased on the second trading line. The next Annual General Meeting will be held on 30 April 2015.

For illustrative purposes only, the repurchase volume of maximum USD 4 billion, based on the closing price of ABB's registered shares on 12 September 2014 and a USD/CHF exchange rate of 0.94, corresponds to up to 175.9 registered shares or up to 7.6 % of the share capital and voting rights of ABB.

In accordance with the exemption provided in section 6.1 of the Circular no. 1 of the Swiss Takeover Board dated 27 June 2013, the share repurchase program is exempted from the provisions on public takeover offers and therefore, in relation to both the ordinary trading line and the secondary trading line, refers to a maximum of 231,474,326 registered shares, equivalent to a maximum of 10 % of the share capital currently registered in the commercial register, which amounts to CHF 2,384,185,561.92, divided into 2,314,743,264 registered shares, each with a nominal value of CHF 1.03.

## GENERAL INFORMATION ON THE SHARE REPURCHASE ON THE ORDINARY TRADING LINE AND SECOND TRADING LINE

### DURATION OF THE SHARE REPURCHASE PROGRAM

The share repurchase program will start on 16 September 2014 and will end on 30 September 2016 at the latest.

ABB is not obliged at any time to repurchase its own registered shares; it will act as a buyer depending on market conditions.

The share repurchase program will take place exclusively on SIX Swiss Exchange Ltd. Thus, neither ABB registered shares listed on the NASDAQ OMX Stockholm nor ABB ADSs listed on the New York Stock Exchange will be affected by the share repurchase program.

### MAXIMUM DAILY REPURCHASE VOLUME

ABB will publish the maximum daily repurchase volume in accordance with Art. 55b(1)(c) of the Swiss Stock Exchange Ordinance (SESTO) on its website at the following address: <http://new.abb.com/investorrelations/share-information>. The maximum repurchase volume applies to repurchases on both the ordinary trading line and the second trading line.

### DISCLOSURE OF REPURCHASE TRANSACTIONS

ABB will provide regular updates on the status of the share repurchase program on its website: <http://new.abb.com/investorrelations/share-information>.

#### OWN SHARES

**Number of registered shares**  
23,752,469

**Capital share and voting rights**  
1.03 %

#### SHAREHOLDERS HOLDING MORE THAN 3 % OF THE VOTING RIGHTS

Investor AB, Stockholm, Sweden<sup>(2)</sup>

**Number of registered shares**  
186,580,142

**Capital share and voting rights<sup>(1)</sup>**  
8.06 %

BlackRock, Inc., New York, USA (indirect)<sup>(3)</sup>

69,702,100

3.01 %

<sup>(1)</sup> Calculation basis: share capital currently registered in the commercial register

<sup>(2)</sup> As of 31 December 2013

<sup>(3)</sup> As at 25 July 2011. In addition, BlackRock, Inc. held purchase positions (CFD) in the amount of 311,259 registered shares and sales positions (CFD) in the amount of 76,004 registered shares.

ABB has no knowledge of the intentions of these shareholders regarding a potential sale of their registered shares in the context of the share repurchase program.

#### NON-PUBLIC INFORMATION

ABB confirms that it does not currently have any non-public information that is of relevance to the share price pursuant to the ad-hoc publicity regulations of the SIX Swiss Exchange Ltd and that must be published.

## INFORMATION ON SHARE REPURCHASE ON THE SECOND TRADING LINE

### TRADING ON THE SECOND TRADING LINE ON SIX SWISS EXCHANGE LTD

In order to repurchase shares for cancellation purposes, a second trading line for ABB registered shares has been established on SIX Swiss Exchange Ltd. Only ABB may purchase shares on this second trading line (via the bank mandated to execute the share repurchase program), thereby acquiring its own shares for the purpose of a subsequent capital reduction.

Ordinary trading in ABB registered shares under securities number 1 222 171 will not be affected by this second trading line and will continue as usual on the ordinary trading line. An ABB shareholder wanting to sell shares therefore has the choice to either sell ABB registered shares on the ordinary trading line or to sell them to ABB for the purpose of subsequent capital reduction on the second trading line. ABB is at no time obliged to buy registered shares offered on the second trading line but will act as a buyer depending on market conditions.

Sales of shares on the second trading line will attract Swiss federal withholding tax at a rate of 35 % on the difference between the repurchase price of ABB registered shares and their nominal value. This will be deducted from the repurchase price ("net price").

#### REPURCHASE PRICE

The repurchase prices, or prices of ABB registered shares traded on the second line respectively, are based on the prices of ABB registered shares on the ordinary trading line.

#### PAYMENT OF NET PRICE AND DELIVERY OF SECURITIES

Transactions on the second trading line represent regular stock market transactions. Payment of the net price (repurchase price less withholding tax on the difference between the repurchase price of the shares and their nominal value) and delivery of the shares thus occur, as customary, on the third trading day after the transaction date (as of 6 October 2014: on the second trading day after the transaction date).

#### DUTY TO TRADE ON THE EXCHANGE TAXES AND DUTIES

In accordance with the rules of SIX Swiss Exchange Ltd, over-the-counter transactions are not permitted for share repurchases on secondary trading line.

With respect to withholding tax as well as direct tax, the repurchase of own shares for the purpose of capital reduction is treated as a partial liquidation of the company engaged in the repurchase. The implications for shareholders selling their shares on the second trading line are outlined below:

##### 1. Withholding tax

Swiss federal withholding tax amounts to 35 % of the difference between the repurchase price of the shares and their nominal value. The company engaged in the repurchase, or the bank mandated respectively, will deduct the tax from the repurchase price for payment to the Federal Tax Administration.

Shareholders domiciled in Switzerland are entitled to a reimbursement of the withholding tax provided they are beneficial owners of the shares at the time they are surrendered and they do not avoid taxes (art. 21 of the Withholding Tax Law). Shareholders domiciled outside Switzerland may reclaim the tax in accordance with any applicable double taxation agreements.

##### 2. Direct taxes

The following applies to the levying of direct federal income tax. Cantonal and municipal taxation procedures are, as a rule, the same as for federal tax.

##### a. Shares held as private assets:

For shares repurchased by the company, the difference between the repurchase price and the nominal value of the shares constitutes taxable income (nominal value principle).

##### b. Shares held as corporate assets:

For shares repurchased by the company, the difference between the repurchase price and the book value of the shares constitutes taxable profits (book value principle).

Shareholders domiciled outside Switzerland will be taxed according to the applicable laws of the respective country.

##### 3. Fees and duties

The repurchase of own shares for the purpose of capital reduction does not attract stamp duty. However, the SIX Swiss Exchange Ltd fee will apply.

#### NOTE

**This notice does not constitute an issue prospectus as defined in articles 652a and 1156 of the Swiss Code of Obligations.**

**This offer is not made in the United States of America and to US persons and may be accepted only by Non-US persons and outside the United States. Offering materials with respect to this offer may not be distributed in or sent to the United States and may not be used for the purpose of solicitation of an offer to purchase or sell any securities in the United States.**

#### BANK MANDATED

#### CREDIT SUISSE AG

Credit Suisse AG will, on behalf of ABB, be the sole stock exchange member to offer bid prices for ABB registered shares on the second trading line and in the context of the repurchase program on the ordinary trading line.

**ABB LTD**  
Registered shares with a nominal value of CHF 1.03 each  
  
Registered shares with a nominal value of CHF 1.03 each (share repurchase, second trading line)

#### Securities No.

1 222 171

#### ISIN

CH 001 222171 6

#### Ticker symbol

ABBN

25 330 112

CH 025 330112 8

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