Press Release

Short cycle orders improve, infrastructure business more challenging

- **Orders down 19%[1], but base orders indicate negative trends are reversing**
- **Revenues 11 percent lower, reflecting 2009 order declines**
- **EBIT at $709 million, down approximately $150 million**
- **Cash from operations improved by more than $500 million**

Zurich, Switzerland, April 22, 2010 – ABB's orders declined 19 percent in the first quarter of 2010 as a result of lower large orders (above $15 million) compared to a record intake last year, and overall weakness in the power infrastructure business.

Orders in most of ABB's short-cycle businesses, however, were steady or higher on growing industrial demand. Base orders (below $15 million) showed the strongest increase since the beginning of the global economic crisis in the summer of 2008.

Revenues were 11 percent lower than the year-earlier period, mainly due to order declines in 2009 flowing through to sales in the first quarter.

Earnings before interest and taxes (EBIT) amounted to $709 million, resulting in an EBIT margin of 10.2 percent. The EBIT margin, excluding mainly gains and losses on derivative transactions as well as restructuring-related costs, was 11.5 percent.[2] Savings in the first quarter from the company's $3-billion cost take-out program were in excess of $300 million.

Cash inflow from operations was $427 million compared to cash used in the same quarter a year earlier of $104 million. The improvement was due primarily to continued net working capital management efforts. Net income amounted to $464 million in the quarter.

"We had a challenging first quarter on the power side while seeing some encouraging signs of growth in our short-cycle businesses, mainly in the automation markets," said Joe Hogan, ABB's CEO. "Thanks to the progress we've made on our cost-out program, however, our profitability remains within the target range.

"Given the improving global economy, we're cautiously optimistic that the momentum should continue to build for our short cycle businesses, especially in the emerging markets, driven by increasing industrial production. We expect to see a similar trend in our larger late-cycle business, however, only later in the year," Hogan said.

2010 Q1 key figures	**Q1 10**	**Q1 09**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	8,067	9,150	-12%	-19%
Order backlog (end March)	*25,454*	*25,017*	*2%*	*-5%*
Revenues	6,934	7,209	-4%	-11%
EBIT	709	862	-18%	
as % of revenues	10.2%	12.0%		
Net income	464	652	-29%	
Basic net income per share ($)	0.20	0.29		
Cash flow from operating activities	427	-104		

[1] Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in the results tables.

[2] Please refer to Appendix I

Summary of Q1 2010 results

Orders received and revenues

Especially in later cycle businesses driven by utility infrastructure projects and industrial capital expenditures, such as Power Products, Power Systems and Process Automation, customer spending remains cautious, reflecting the still uncertain business environment. Large orders decreased in the quarter by 55 percent in local currencies and accounted for 16 percent of total orders compared to 27 percent in the same period in 2009, which had a record large order intake of more than $2.5 billion.

These declines could not be compensated by demand in many of ABB's short-cycle industrial markets, such as general industry and construction, that lifted orders in Discrete Automation and Motion and Low-Voltage Products. This is partly reflected in a 5-percent local currency decrease in base orders compared to the same quarter a year earlier and a 15-percent increase versus the fourth quarter of 2009.

Regionally, orders increased in the Americas, the result of higher automation-related orders in both North and South America, and stronger power orders in South America. In Europe, power orders were down significantly compared to the first quarter of 2009, which included a $550-million order for a high-power subsea link. Automation orders were stable in Europe, as an increase in Process Automation offset reductions in Discrete Automation and Motion and Low-Voltage Products.

Orders decreased in Asia, as higher automation orders – led by double-digit order increases in China across all three automation divisions – could not compensate for a reduction in large power orders, driven mainly by declines in power transmission investments in China.

Service orders decreased by 4 percent in local currencies. An increase in maintenance and repair service was offset by lower full-service orders as ABB withdrew from some less profitable longer-term service agreements.

The order backlog at the end of March amounted to $25 billion, a local-currency decrease of 5 percent compared to the end of the first quarter in 2009 and a 5-percent local currency increase compared to the end of the fourth quarter of 2009.

Total revenues decreased primarily as the lower order intake from 2009 flowed through into sales in the first quarter of this year. The shortest cycle division, Low-Voltage Products, reported higher revenues as industrial and construction demand improved. Delays in the execution of some large projects and in customer acceptance of products contributed to the revenue decrease in the two power divisions. Service revenues were 3 percent lower in the quarter in local currencies compared to the first quarter of 2009.

Earnings before interest and taxes and net income

EBIT in the first quarter of 2010 was lower than in the first quarter a year earlier, primarily due to the decrease in revenues.

The EBIT margin declined compared to the same quarter in 2009 as improvements in Discrete Automation and Motion and Low-Voltage Products – driven by a favorable product mix and the impact of cost savings measures taken in 2009 – were more than offset by lower EBIT margins in the longer-cycle divisions as a result of price erosion, project provisions and lower capacity utilization versus the same quarter a year ago.

Included in EBIT is a net negative impact of approximately $80 million from gains and losses on derivatives and foreign exchange movements on receivables and payables. Restructuring-related costs amounted to $7 million in the quarter.

Net income for the quarter developed in line with EBIT and resulted in basic earnings per share of $0.20 compared to $0.29 in the year-earlier period.

Balance sheet and cash flow

Net cash at the end of the first quarter was $7.1 billion, basically unchanged versus the end of the previous quarter. Cash from operating activities increased, despite lower earnings, on a significant improvement in net working capital. Net working capital decreased by approximately $700 million compared to a year earlier.

Compliance

As previously announced, ABB has disclosed to the US Department of Justice and the US Securities and Exchange Commission various suspect payments. Also as previously announced, ABB has been cooperating with various antitrust authorities regarding their investigations into certain alleged anti-competitive practices. With respect to these matters, there could be adverse outcomes beyond our provisions.

Cost reductions

ABB is implementing a cost take-out plan to adjust the company's cost base to rapidly changing market conditions and protect its profitability. The program aims to sustainably reduce ABB's costs – comprising both cost of sales as well as general and administrative expenses – from end-2008 levels by a total of $3 billion by the end of 2010. The program focuses on optimizing global sourcing, improving internal processes and adjusting ABB's global manufacturing and engineering footprint to reduce costs, increase our competitiveness and better match shifts in customer demand.

Savings in the first quarter were in excess of $300 million, with the largest contributions coming from global footprint adjustments and global sourcing initiatives. The total cost of the program is expected to amount to approximately $1.1 billion. Costs associated with the program in the first quarter of 2010 were not material but are expected to amount to approximately $500 million for the full year.

Outlook

The growth of base orders from the fourth quarter of 2009 to the first quarter of 2010, although partly reflecting normal seasonal trends, appears to indicate that ABB has seen the bottom of its short-cycle businesses in most regions. This view is supported by recent increases in GDP and industrial production, particularly in the emerging economies, which are key growth drivers for the company's short-cycle businesses.

For ABB's late-cycle businesses, which make up the majority of the portfolio, the outlook for the remainder of 2010 remains mixed.

New and upgraded power infrastructure is needed in all regions, including renewables and smart grids. Increasing energy and commodity prices are driving demand for ABB automation solutions that lower operating costs, improve product and process quality and increase productivity. Stable or increased customer spending in pulp and paper, marine, metals and mining during the first quarter, although improving from a very low level, are further indications that some later cyclical businesses may begin to recover in 2010.

However, restrained utility spending, delays in the award of large power projects and increased competition in the power sector are expected to weigh on demand in the short term.

Therefore, in 2010 management will continue to focus both on adjusting costs and taking advantage of its global footprint, strong balance sheet and leading technologies to tap further opportunities for profitable growth.

Divisional performance Q1 2010

Power Products	**Q1 10**	**Q1 09**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,401	2,960	-19%	-26%
Order backlog (end March)	*8,151*	*8,178*	*0%*	*-7%*
Revenues	2,319	2,468	-6%	-12%
EBIT	348	442	-21%	
as % of revenues	15.0%	17.9%		
Cash flow from operating activities	247	97		

The need for new and upgraded power transmission and distribution infrastructure remains strong in most regions, but utility spending was restrained during the quarter, while demand related to industry continued at low levels.

As a result, both base and large orders declined in the quarter. Regionally, orders grew by more than 50 percent in local currency terms in Central and Eastern Europe and were higher in South America. These increases were more than offset by order declines in the mature markets. Additionally, the decrease in large orders was a main driver of lower orders in China and the Middle East. Orders were also lower in North America, although the pace of decline slowed significantly compared to the previous two quarters.

Revenues decreased as a result of lower short-cycle sales during the quarter, the impact of order declines from 2009 and delays by customers in accepting product delivery.

EBIT and EBIT margin were lower than the same period a year earlier, reflecting lower revenues, cost underabsorption and increased price pressure.

Power Systems	**Q1 10**	**Q1 09**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,758	2,279	-23%	-30%
Order backlog (end March)	*9,861*	*8,332*	*18%*	*10%*
Revenues	1,384	1,417	-2%	-10%
EBIT	-14	83	n/a	
as % of revenues	-1.0%	5.9%		
Cash flow from operating activities	-37	-150		

Orders declined compared to a record first quarter in 2009, which included two orders valued at almost $1 billion. Base orders were lower as both utility and industrial demand was weaker. Project tendering activity in power transmission continued at high levels, however, as the fundamental demand drivers remain intact – new grid capacity and upgrades, regional interconnections and the integration of renewable energies.

Revenues decreased, mainly because of project delays and a lower base order intake in 2009.

In addition to lower revenues, the EBIT decline was due to the negative impact of derivative transactions, equivalent to approximately 4 percentage points of EBIT margin. Execution challenges on a small number of specific projects resulted in additional costs, offsetting the gains from cost reduction measures.

Discrete Automation & Motion	**Q1 10**	**Q1 09**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,408	1,285	*10%*	*2%*
Order backlog (end March)	*3,162*	*3,386*	*-7%*	*-12%*
Revenues	1,213	1,301	*-7%*	*-13%*
EBIT	168	165	*2%*	
as % of revenues	13.8%	12.7%		
Cash flow from operating activities	59	-18		

Orders increased modestly in the quarter as industrial production began to recover from low levels in some mature markets and remained robust in key emerging markets. Base orders improved in short-cycle businesses such as low-voltage motors and drives, more than offsetting a decline in large orders and orders in later-cycle businesses such as machines and power electronics. Robotics orders increased from a low level.

Regionally, orders increased the most in the Americas, led by the U.S., and in Asia, with China orders up more than 30 percent in local currencies. Orders were lower in Europe and the Middle East and Africa.

Revenues declined in the quarter, mainly reflecting the low opening order backlog in machines and robotics. However, the positive impact of cost saving measures combined with a more favorable product mix in the quarter contributed to an increase in EBIT and EBIT margin compared to the same quarter in 2009.

Low-Voltage Products	**Q1 10**	**Q1 09**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,106	1,020	*8%*	*2%*
Order backlog (end March)	*816*	*774*	*5%*	*1%*
Revenues	1,011	933	*8%*	*2%*
EBIT	150	127	*18%*	
as % of revenues	14.8%	13.6%		
Cash flow from operating activities	76	-18		

Orders grew on improved demand from construction and industry customers across most regions during the first quarter, led by double-digit growth in local currencies in Asia and the Middle East and Africa. China orders increased by 13 percent in local currency terms. Orders were also higher in Germany and Italy, the division's two largest European markets, but Europe orders overall declined 4 percent in local currencies. Orders in the Americas were also higher.

Revenues grew in line with orders, as most sales are booked in the same quarter in which orders are placed. EBIT and EBIT margin increased on higher revenues, a positive product mix and the impact of cost measures taken during 2009.

Process Automation	Q1 10	Q1 09[1]	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,115	2,553	*-17%*	*-24%*
Order backlog (end March)	*5,729*	*6,765*	*-15%*	*-21%*
Revenues	1,735	1,878	*-8%*	*-15%*
EBIT	159	146	*9%*	
as % of revenues	9.2%	7.8%		
Cash flow from operating activities	137	48		

[1] Q1 2009 numbers include the instrumentation business transferred to the Process Automation division as part of the previously-announced automation realignment

Demand was steady or stronger in several key end markets in the first quarter, although total orders declined in comparison with the very strong quarter of a year earlier, which included a $490-million order from Algeria. Base orders returned to the high levels of a year ago and have grown at a double-digit pace in local currencies since the middle of 2009.

Orders from the oil, gas and petrochemicals sector declined in the quarter, reflecting the non-recurrence of the large Algerian order in the first quarter of the previous year. Marine orders increased from a very low level, mainly in oil-related segments and in Europe and Asia. Pulp and paper orders also grew, driven by demand for drives and electrification projects. Metals and minerals orders were steady, supported by an increase in metals orders in Asia. Service orders were mixed, with strong growth in oil and gas and turbocharging service offset by measures to reduce ABB's exposure to a number of less profitable full-service orders.

Revenues declined on the decrease in orders in recent quarters. However, EBIT and EBIT margin improved, reflecting a larger proportion of service and product sales in revenues as well as benefits from the cost take-out program.

More information

The 2010 Q1 results press release is available from April 22, 2010, on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations, where a presentation for investors will also be published.

ABB will host a media conference call starting at 10:00 a.m. Central European Time (CET). U.K. callers should dial +44 20 7107 0611. From Sweden, +46 8 5069 2105, and from the rest of Europe, +41 91 610 56 00. Lines will be open 15 minutes before the start of the conference. Audio playback of the call will start one hour after the call ends and will be available for 96 hours: Playback numbers: +44 20 7108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 (1) 866 416 2558 (U.S./Canada). The code is 15614, followed by the # key.

A conference call for analysts and investors is scheduled to begin today at 3:00 p.m. CET (2:00 p.m. in the UK, 9:00 a.m. EDT). Callers should dial +1 412 858 4600 (from the U.S./Canada) or +41 91 610 56 00 (Europe and the rest of the world). Callers are requested to phone in 15 minutes before the start of the call. The audio playback of the call will start one hour after the end of the call and be available for 24 hours. Playback numbers: +1 866 416 2558 (U.S./Canada) or +41 91 612 4330 (Europe and the rest of the world). The code is 15754, followed by the # key.

Investor calendar 2010	
Annual General Meeting of shareholders, Zurich	April 26, 2010
Annual information meeting for shareholders, Västerås	April 27, 2010
Q2 2010 results	July 22, 2010
Q3 2010 results	Oct. 28, 2010

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

Zurich, April 22, 2010
Joe Hogan, CEO

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled “Compliance,” “Cost reductions,” “Outlook, as well as other statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, business risks associated with the weakened global economy and political conditions, costs associated with compliance activities, raw materials availability and prices, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

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Press Release

ABB first-quarter (Q1) 2010 key figures

$ millions unless otherwise indicated		Q1 10	Q1 09	Change	
				US$	Local
Orders	**Group**	**8'067**	**9'150**	**-12%**	**-19%**
	Power Products	2'401	2'960	-19%	-26%
	Power Systems	1'758	2'279	-23%	-30%
	Discrete Automation & Motion	1'408	1'285	10%	2%
	Low-Voltage Products	1'106	1'020	8%	2%
	Process Automation	2'115	2'553	-17%	-24%
	Corporate and other *(Inter-division eliminations)*	-721	-947	24%	30%
Revenues	**Group**	**6'934**	**7'209**	**-4%**	**-11%**
	Power Products	2'319	2'468	-6%	-12%
	Power Systems	1'384	1'417	-2%	-10%
	Discrete Automation & Motion	1'213	1'301	-7%	-13%
	Low-Voltage Products	1'011	933	8%	2%
	Process Automation	1'735	1'878	-8%	-15%
	Corporate and other *(Inter-division eliminations)*	-728	-788	8%	15%
EBIT	**Group**	**709**	**862**	**-18%**	
	Power Products	348	442	-21%	
	Power Systems	-14	83	n.a.	
	Discrete Automation & Motion	168	165	2%	
	Low-Voltage Products	150	127	18%	
	Process Automation	159	146	9%	
	Corporate and other	-102	-101	-1%	
EBIT margin (%)	**Group**	**10.2%**	**12.0%**		
	Power Products	15.0%	17.9%		
	Power Systems	-1.0%	5.9%		
	Discrete Automation & Motion	13.8%	12.7%		
	Low-Voltage Products	14.8%	13.6%		
	Process Automation	9.2%	7.8%		

ABB Q1 2010 orders received and revenues by region

$ millions	**Orders received**		*Change*		**Revenues**		*Change*	
	Q1 10	**Q1 09**	*US$*	*Local*	**Q1 10**	**Q1 09**	*US$*	*Local*
Europe	3,433	3,662	-6%	-14%	2,775	3,002	-8%	-15%
Americas	1,497	1,355	10%	2%	1,314	1,493	-12%	-17%
Asia	2,101	2,221	-5%	-13%	1,910	1,897	1%	-6%
Middle East and Africa	1,036	1,912	-46%	-49%	935	817	14%	7%
Group total	**8,067**	**9,150**	**-12%**	**-19%**	**6,934**	**7,209**	**-4%**	**-11%**

Appendix I
Reconciliation of non-GAAP financial measures
($ millions, unaudited)

EBIT margin	**Q1 2010**
= EBIT as % of revenues	
Earnings before interest and taxes (EBIT)	709
Revenues	6,934
EBIT margin	**10.2%**

Net cash	
= Cash and equivalents plus marketable securities and short-term investments, less total debt	
Short-term debt and current maturities of long-term debt	(205)
Long-term debt	(2,061)
Total debt	**(2,266)**
Cash and equivalents	7,408
Marketable securities and short-term investments	2,005
Cash and marketable securities	**9,413**
Net cash	**7,147**

Adjustments to EBIT margin	
EBIT	709
adjusted for the effects of	
Unrealized gains (losses) on derivatives (FX, commodities, embedded derivatives)	69
Realized gains (losses) on derivatives where the underlying hedged transaction has not yet been realized	17
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(4)
Restructuring and restructuring-related expenses	7
EBIT after adjustments	798
Revenues	6,934
As % of revenues	11.5%