

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Nine months ended		Three months ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Sales of products	23,027	18,663	7,820	6,601
Sales of services	4,392	3,747	1,517	1,302
Total revenues	27,419	22,410	9,337	7,903
Cost of products	(16,208)	(13,044)	(5,535)	(4,558)
Cost of services	(2,770)	(2,466)	(955)	(841)
Total cost of sales	(18,978)	(15,510)	(6,490)	(5,399)
Gross profit	8,441	6,900	2,847	2,504
Selling, general and administrative expenses	(3,936)	(3,318)	(1,317)	(1,106)
Non-order related research and development expenses	(972)	(762)	(332)	(260)
Other income (expense), net	11	20	(4)	18
Earnings before interest and taxes	3,544	2,840	1,194	1,156
Interest and dividend income	65	70	22	20
Interest and other finance expense	(172)	(138)	(80)	(51)
Income from continuing operations before taxes	3,437	2,772	1,136	1,125
Provision for taxes	(997)	(790)	(318)	(304)
Income from continuing operations, net of tax	2,440	1,982	818	821
Income (loss) from discontinued operations, net of tax	1	(3)	2	(2)
Net income	2,441	1,979	820	819
Net income attributable to noncontrolling interests	(103)	(118)	(30)	(45)
Net income attributable to ABB	2,338	1,861	790	774
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,337	1,864	788	776
Net income	2,338	1,861	790	774
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.02	0.82	0.34	0.34
Net income	1.02	0.81	0.34	0.34
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.02	0.81	0.34	0.34
Net income	1.02	0.81	0.34	0.34
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,287	2,287	2,290	2,284
Diluted earnings per share attributable to ABB shareholders	2,290	2,292	2,291	2,288

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Sep. 30, 2011	Dec. 31, 2010
Cash and equivalents	4,996	5,897
Marketable securities and short-term investments	598	2,713
Receivables, net	10,831	9,970
Inventories, net	6,492	4,878
Prepaid expenses	262	193
Deferred taxes	1,052	896
Other current assets	439	801
Total current assets	24,670	25,348
Property, plant and equipment, net	4,757	4,356
Goodwill	7,270	4,085
Other intangible assets, net	2,224	701
Prepaid pension and other employee benefits	232	173
Investments in equity-accounted companies	19	19
Deferred taxes	259	846
Other non-current assets	821	767
Total assets	40,252	36,295
Accounts payable, trade	4,772	4,555
Billings in excess of sales	1,748	1,730
Employee and other payables	1,322	1,526
Short-term debt and current maturities of long-term debt	2,238	1,043
Advances from customers	1,821	1,764
Deferred taxes	420	357
Provisions for warranties	1,346	1,393
Provisions and other current liabilities	2,940	2,726
Accrued expenses	1,756	1,644
Total current liabilities	18,363	16,738
Long-term debt	2,380	1,139
Pension and other employee benefits	802	831
Deferred taxes	720	411
Other non-current liabilities	1,636	1,718
Total liabilities	23,901	20,837
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 and 2,308,782,064 issued shares at September 30, 2011, and December 31, 2010, respectively)	1,607	1,454
Retained earnings	16,158	15,389
Accumulated other comprehensive loss	(1,507)	(1,517)
Treasury stock, at cost (24,425,568 and 25,317,453 shares at September 30, 2011, and December 31, 2010, respectively)	(426)	(441)
Total ABB stockholders' equity	15,832	14,885
Noncontrolling interests	519	573
Total stockholders' equity	16,351	15,458
Total liabilities and stockholders' equity	40,252	36,295

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010
Operating activities:				
Net income	2,441	1,979	820	819
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	730	507	257	181
Pension and other employee benefits	(55)	45	11	15
Deferred taxes	24	100	30	30
Net gain from sale of property, plant and equipment	(23)	(17)	(7)	(3)
Income from equity-accounted companies	(1)	(2)	-	-
Other	83	68	36	32
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(617)	(265)	(357)	35
Inventories, net	(1,213)	(462)	(314)	(55)
Trade payables	74	506	(183)	186
Billings in excess of sales	53	(16)	65	(60)
Provisions, net	(340)	(131)	(75)	(4)
Advances from customers	85	(104)	4	(8)
Other assets and liabilities, net	697	230	524	194
Net cash provided by operating activities	1,938	2,438	811	1,362
Investing activities:				
Purchases of marketable securities (available-for-sale)	(899)	(2,545)	(281)	(867)
Purchases of marketable securities (held-to-maturity)	-	(65)	-	-
Purchases of short-term investments	(140)	(1,772)	-	(196)
Purchases of property, plant and equipment and intangible assets	(576)	(433)	(233)	(153)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(3,636)	(1,291)	(450)	(137)
Proceeds from sales of marketable securities (available-for-sale)	2,416	566	17	16
Proceeds from maturity of marketable securities (available-for-sale)	235	393	15	173
Proceeds from maturity of marketable securities (held-to-maturity)	-	290	-	50
Proceeds from short-term investments	529	3,071	4	126
Proceeds from sales of property, plant and equipment	23	31	8	7
Proceeds from sales of businesses and equity-accounted companies (net of cash disposed)	4	62	1	(3)
Changes in financing and other non-current receivables, net	(61)	(46)	14	(26)
Net cash used in investing activities	(2,105)	(1,739)	(905)	(1,010)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	1,124	66	1,027	30
Increase in debt	1,468	197	151	30
Repayment of debt	(1,571)	(327)	(232)	(60)
Issuance of shares	105	6	-	6
Transactions in treasury shares	5	(120)	-	(16)
Dividends paid	(1,569)	-	-	-
Dividends paid in the form of nominal value reduction	-	(1,112)	-	(1,112)
Acquisition of noncontrolling interests	(13)	(954)	(2)	(954)
Dividends paid to noncontrolling shareholders	(156)	(188)	(46)	(71)
Other	(1)	13	(64)	4
Net cash provided by (used in) financing activities	(608)	(2,419)	834	(2,143)
Effects of exchange rate changes on cash and equivalents	(126)	(130)	(296)	524
Net change in cash and equivalents - continuing operations	(901)	(1,850)	444	(1,267)
Cash and equivalents, beginning of period	5,897	7,119	4,552	6,536
Cash and equivalents, end of period	4,996	5,269	4,996	5,269
Supplementary disclosure of cash flow information:				
Interest paid	103	72	38	26
Taxes paid	952	698	225	199

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Changes in Stockholders' Equity (unaudited)

(\$ in millions)	Capital stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive loss					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
			Foreign currency translation adjustment	Unrealized gain (loss) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gain (loss) of cash flow hedge derivatives	Total accumulated other comprehensive loss				
Balance at January 1, 2010	3,943	12,828	(1,056)	20	(1,068)	20	(2,084)	(897)	13,790	683	14,473
Comprehensive income:											
Net income		1,861							1,861	118	1,979
Foreign currency translation adjustments			226				226		226	13	239
Effect of change in fair value of available-for-sale securities, net of tax				5			5		5		5
Unrecognized income related to pensions and other postretirement plans, net of tax					74		74		74		74
Change in derivatives qualifying as cash flow hedges, net of tax						73	73		73		73
Total comprehensive income									2,239	131	2,370
Changes in noncontrolling interests	(834)								(834)	(104)	(938)
Dividends paid to noncontrolling shareholders									-	(189)	(189)
Dividends paid in the form of nominal value reduction	(1,112)								(1,112)		(1,112)
Cancellation of shares repurchased under buyback program	(619)							619	-		-
Treasury stock transactions	(12)							(108)	(120)		(120)
Share-based payment arrangements	56								56		56
Call options	(1)								(1)		(1)
Balance at September 30, 2010	1,421	14,689	(830)	25	(994)	93	(1,706)	(386)	14,018	521	14,539

(\$ in millions)	Capital stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive loss					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
			Foreign currency translation adjustment	Unrealized gain (loss) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gain (loss) of cash flow hedge derivatives	Total accumulated other comprehensive loss				
Balance at January 1, 2011	1,454	15,389	(707)	18	(920)	92	(1,517)	(441)	14,885	573	15,458
Comprehensive income:											
Net income		2,338							2,338	103	2,441
Foreign currency translation adjustments			91				91		91	(4)	87
Effect of change in fair value of available-for-sale securities, net of tax				(4)			(4)		(4)		(4)
Unrecognized income related to pensions and other postretirement plans, net of tax					31		31		31	1	32
Change in derivatives qualifying as cash flow hedges, net of tax						(108)	(108)		(108)		(108)
Total comprehensive income									2,348	100	2,448
Changes in noncontrolling interests	(5)								(5)	2	(3)
Dividends paid to noncontrolling shareholders									-	(156)	(156)
Dividends paid		(1,569)							(1,569)		(1,569)
Treasury stock transactions	(10)							15	5		5
Share-based payment arrangements	52								52		52
Issuance of shares	105								105		105
Call options	(8)								(8)		(8)
Replacement options issued in connection with acquisition	19								19		19
Balance at September 30, 2011	1,607	16,158	(616)	14	(889)	(16)	(1,507)	(426)	15,832	519	16,351

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