

ABB Ltd Interim Consolidated Income Statements (unaudited)

	Nine months ended		Three months ended	
(\$ in millions, except per share data in \$)	Sep. 30, 2010	Sep. 30, 2009	Sep. 30, 2010	Sep. 30, 2009
Sales of products	18,663	19,522	6,601	6,713
Sales of services	3,747	3,512	1,302	1,197
Total revenues	22,410	23,034	7,903	7,910
Cost of products	(13,044)	(13,816)	(4,558)	(4,803)
Cost of services	(2,466)	(2,363)	(841)	(800)
Total cost of sales	(15,510)	(16,179)	(5,399)	(5,603)
Gross profit	6,900	6,855	2,504	2,307
Selling, general and administrative expenses	(4,080)	(3,972)	(1,366)	(1,333)
Other income (expense), net	20	445	18	445
Earnings before interest and taxes	2,840	3,328	1,156	1,419
Interest and dividend income	70	93	20	25
Interest and other finance expense	(138)	(96)	(51)	(63)
Income from continuing operations before taxes	2,772	3,325	1,125	1,381
Provision for taxes	(790)	(831)	(304)	(297)
Income from continuing operations, net of tax	1,982	2,494	821	1,084
Income (loss) from discontinued operations, net of tax	(3)	26	(2)	4
Net income	1,979	2,520	819	1,088
Net income attributable to noncontrolling interests	(118)	(159)	(45)	(54)
Net income attributable to ABB	1,861	2,361	774	1,034
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	1,864	2,335	776	1,030
Income (loss) from discontinued operations, net of tax	(3)	26	(2)	4
Net income	1,861	2,361	774	1,034
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.82	1.02	0.34	0.45
Income (loss) from discontinued operations, net of tax	(0.01)	0.01	-	-
Net income	0.81	1.03	0.34	0.45
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.81	1.02	0.34	0.45
Income (loss) from discontinued operations, net of tax	-	0.01	-	-
Net income	0.81	1.03	0.34	0.45
Average number of shares (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,287	2,283	2,284	2,283
Diluted earnings per share attributable to ABB shareholders	2,292	2,286	2,288	2,289

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

(\$ in millions, except share data)	Sep. 30, 2010	Dec. 31, 2009
Cash and equivalents	5,269	7,119
Marketable securities and short-term investments	2,353	2,433
Receivables, net	9,806	9,451
Inventories, net	5,109	4,550
Prepaid expenses	250	236
Deferred taxes	804	900
Other current assets	740	540
Total current assets	24,331	25,229
Financing receivables, net	457	452
Property, plant and equipment, net	4,092	4,072
Goodwill	4,124	3,026
Other intangible assets, net	737	443
Prepaid pension and other employee benefits	118	112
Investments in equity method companies	32	49
Deferred taxes	1,046	1,052
Other non-current assets	362	293
Total assets	35,299	34,728
Accounts payable, trade	4,394	3,853
Billings in excess of sales	1,627	1,623
Accounts payable, other	1,382	1,326
Short-term debt and current maturities of long-term debt	253	161
Advances from customers	1,698	1,806
Deferred taxes	346	327
Provisions for warranties	1,284	1,280
Provisions and other current liabilities	2,514	2,603
Accrued expenses	1,572	1,600
Total current liabilities	15,070	14,579
Long-term debt	2,080	2,172
Pension and other employee benefits	1,163	1,179
Deferred taxes	490	328
Other non-current liabilities	1,957	1,997
Total liabilities	20,760	20,255
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,307,491,247 issued shares at September 30, 2010 and 2,329,324,797 issued shares at December 31, 2009)	1,421	3,943
Retained earnings	14,689	12,828
Accumulated other comprehensive loss	(1,706)	(2,084)
Treasury stock, at cost (23,564,509 shares at September 30, 2010 and 39,901,593 shares at December 31, 2009)	(386)	(897)
Total ABB stockholders' equity	14,018	13,790
Noncontrolling interests	521	683
Total stockholders' equity	14,539	14,473
Total liabilities and stockholders' equity	35,299	34,728

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

	Nine months ended		Three months ended	
(\$ in millions)	Sep. 30, 2010	Sep. 30, 2009	Sep. 30, 2010	Sep. 30, 2009
Operating activities:				
Net income	1,979	2,520	819	1,088
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	522	467	186	169
Pension and postretirement benefits	45	(1)	15	(10)
Deferred taxes	100	(11)	30	(10)
Net gain from sale of property, plant and equipment	(17)	(11)	(3)	(2)
Income (loss) from equity accounted companies	(2)	1	-	1
Other	53	(13)	27	16
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(265)	172	35	137
Inventories, net	(462)	398	(55)	413
Trade payables	506	(703)	186	(198)
Billings in excess of sales	(16)	56	(60)	(14)
Provisions, net	(131)	(370)	(4)	(433)
Advances from customers	(104)	(18)	(8)	15
Other assets and liabilities, net	230	(243)	194	109
Net cash provided by operating activities	2,438	2,244	1,362	1,281
Investing activities:				
Changes in financing receivables	(46)	(2)	(26)	-
Purchases of marketable securities (available-for-sale)	(2,545)	(59)	(867)	(17)
Purchases of marketable securities (held-to-maturity)	(65)	(799)	-	(238)
Purchases of short-term investments	(1,772)	(2,071)	(196)	(1,720)
Purchases of property, plant and equipment and intangible assets	(433)	(624)	(153)	(215)
Acquisition of businesses (net of cash acquired) and increases in interests	(2,245)	(155)	(1,091)	(100)
Proceeds from sales of marketable securities (available-for-sale)	566	63	16	21
Proceeds from maturity of marketable securities (available-for-sale)	393	855	173	-
Proceeds from maturity of marketable securities (held-to-maturity)	290	273	50	273
Proceeds from short-term investments	3,071	448	126	356
Proceeds from sales of property, plant and equipment	31	23	7	5
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	62	10	(3)	3
Other	-	(20)	-	-
Net cash used in investing activities	(2,693)	(2,058)	(1,964)	(1,632)
Financing activities:				
Net changes in debt with maturities of 90 days or less	66	(28)	30	(34)
Increase in debt	197	440	30	123
Repayment of debt	(327)	(523)	(60)	(174)
Issuance of shares	6	3	6	3
Purchase of treasury shares	(120)	-	(16)	-
Dividends paid in the form of nominal value reduction	(1,112)	(1,027)	(1,112)	(1,027)
Dividends paid to noncontrolling shareholders	(188)	(191)	(71)	(85)
Other	13	(14)	4	20
Net cash used in financing activities	(1,465)	(1,340)	(1,189)	(1,174)
Effects of exchange rate changes on cash and equivalents	(130)	257	524	205
Net change in cash and equivalents - continuing operations	(1,850)	(897)	(1,267)	(1,320)
Cash and equivalents beginning of period	7,119	6,399	6,536	6,822
Cash and equivalents end of period	5,269	5,502	5,269	5,502
Supplementary disclosure of cash flow information:				
Interest paid	72	122	26	37
Taxes paid	698	829	199	275

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, 2009	4,841	9,927	(1,654)	83	(978)	(161)	(2,710)	(900)	11,158	612	11,770
Comprehensive income:											
Net income		2,361							2,361	159	2,520
Foreign currency translation adjustments			672				672		672	6	678
Effect of change in fair value of available-for-sale securities, net of tax				(62)			(62)		(62)		(62)
Unrecognized income (loss) related to pensions and other postretirement plans, net of tax					(24)		(24)		(24)	(3)	(27)
Change in derivatives qualifying as cash flow hedges, net of tax						170	170		170		170
Total comprehensive income									3,117	162	3,279
Changes in noncontrolling interests									-	17	17
Dividends paid to noncontrolling shareholders									-	(193)	(193)
Dividends paid in the form of nominal value reduction	(1,024)								(1,024)		(1,024)
Treasury stock transactions	(3)							3	-		-
Share-based payment arrangements	54								54		54
Issuance of shares	3								3		3
Call options	22								22		22
Balance at September 30, 2009	3,893	12,288	(982)	21	(1,002)	9	(1,954)	(897)	13,330	598	13,928

(\$ 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 (loss) 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

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