

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Three months ended	
	Mar. 31, 2012	Mar. 31, 2011
Sales of products	7,423	7,053
Sales of services	1,484	1,349
Total revenues	8,907	8,402
Cost of products	(5,263)	(4,973)
Cost of services	(954)	(856)
Total cost of sales	(6,217)	(5,829)
Gross profit	2,690	2,573
Selling, general and administrative expenses	(1,322)	(1,263)
Non-order related research and development expenses	(346)	(306)
Other income (expense), net	26	9
Earnings before interest and taxes	1,048	1,013
Interest and dividend income	19	18
Interest and other finance expense	(57)	(51)
Income before taxes	1,010	980
Provision for taxes	(298)	(284)
Net income	712	696
Net income attributable to noncontrolling interests	(27)	(41)
Net income attributable to ABB	685	655
Amounts attributable to ABB shareholders:		
Net income	685	655
Basic earnings per share attributable to ABB shareholders:		
Net income	0.30	0.29
Diluted earnings per share attributable to ABB shareholders:		
Net income	0.30	0.29
Weighted-average number of shares outstanding (in millions) used to compute:		
Basic earnings per share attributable to ABB shareholders	2,292	2,284
Diluted earnings per share attributable to ABB shareholders	2,294	2,289

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Three months ended	
	Mar. 31, 2012	Mar. 31, 2011
Total comprehensive income, net of tax	1,142	1,125
Total comprehensive income attributable to noncontrolling interests, net of tax	(35)	(44)
Total comprehensive income attributable to ABB shareholders, net of tax	1,107	1,081

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Mar. 31, 2012	Dec. 31, 2011
Cash and equivalents	5,751	4,819
Marketable securities and short-term investments	1,837	948
Receivables, net	11,157	10,773
Inventories, net	6,356	5,737
Prepaid expenses	288	227
Deferred taxes	951	932
Other current assets	420	351
Total current assets	26,760	23,787
Property, plant and equipment, net	5,121	4,922
Goodwill	7,424	7,269
Other intangible assets, net	2,247	2,253
Prepaid pension and other employee benefits	147	139
Investments in equity-accounted companies	254	156
Deferred taxes	296	318
Other non-current assets	759	804
Total assets	43,008	39,648
Accounts payable, trade	4,738	4,789
Billings in excess of sales	1,999	1,819
Employee and other payables	1,430	1,361
Short-term debt and current maturities of long-term debt	812	765
Advances from customers	1,905	1,757
Deferred taxes	318	305
Provisions for warranties	1,342	1,324
Provisions and other current liabilities	2,276	2,619
Accrued expenses	1,722	1,822
Total current liabilities	16,542	16,561
Long-term debt	5,364	3,231
Pension and other employee benefits	1,492	1,487
Deferred taxes	586	537
Other non-current liabilities	1,500	1,496
Total liabilities	25,484	23,312
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at March 31, 2012, and December 31, 2011)	1,631	1,621
Retained earnings	17,673	16,988
Accumulated other comprehensive loss	(1,986)	(2,408)
Treasury stock, at cost (21,417,432 and 24,332,144 shares at March 31, 2012, and December 31, 2011, respectively)	(373)	(424)
Total ABB stockholders' equity	16,945	15,777
Noncontrolling interests	579	559
Total stockholders' equity	17,524	16,336
Total liabilities and stockholders' equity	43,008	39,648

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Three months ended	
	Mar. 31, 2012	Mar. 31, 2011
Operating activities:		
Net income	712	696
<i>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</i>		
Depreciation and amortization	253	231
Pension and other employee benefits	(17)	(7)
Deferred taxes	39	(3)
Net gain from sale of property, plant and equipment	(3)	(9)
Loss from equity-accounted companies	4	-
Other	25	20
<i>Changes in operating assets and liabilities:</i>		
Trade receivables, net	(74)	15
Inventories, net	(388)	(500)
Trade payables	(184)	135
Billings in excess of sales	120	(100)
Provisions, net	(157)	(178)
Advances from customers	101	(36)
Other assets and liabilities, net	(453)	(28)
Net cash provided by (used in) operating activities	(22)	236
Investing activities:		
Purchases of marketable securities (available-for-sale)	(876)	(586)
Purchases of short-term investments	(25)	(140)
Purchases of property, plant and equipment and intangible assets	(236)	(139)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(196)	(3,102)
Proceeds from sales of marketable securities (available-for-sale)	21	2,084
Proceeds from maturity of marketable securities (available-for-sale)	-	134
Proceeds from short-term investments	2	378
Proceeds from sales of property, plant and equipment	5	6
Proceeds from sales of businesses and equity-accounted companies (net of cash disposed)	3	-
Changes in financing and other non-current receivables, net	(19)	(9)
Net cash used in investing activities	(1,321)	(1,374)
Financing activities:		
Net changes in debt with original maturities of 90 days or less	91	51
Increase in debt	2,172	37
Repayment of debt	(185)	(1,299)
Transactions in treasury shares	46	4
Dividends paid to noncontrolling shareholders	(8)	(1)
Other	15	(37)
Net cash provided by (used in) financing activities	2,131	(1,245)
Effects of exchange rate changes on cash and equivalents	144	135
Net change in cash and equivalents - continuing operations	932	(2,248)
Cash and equivalents, beginning of period	4,819	5,897
Cash and equivalents, end of period	5,751	3,649
Supplementary disclosure of cash flow information:		
Interest paid	24	33
Taxes paid	341	298

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 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		655							655	41	696
Foreign currency translation adjustments			450				450		450	3	453
Effect of change in fair value of available-for-sale securities, net of tax				(8)			(8)		(8)		(8)
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(31)		(31)		(31)		(31)
Change in derivatives qualifying as cash flow hedges, net of tax						15	15		15		15
Total comprehensive income									1,081	44	1,125
Changes in noncontrolling interests									-	(5)	(5)
Dividends paid to noncontrolling shareholders									-	(3)	(3)
Treasury stock transactions	(4)							8	4		4
Share-based payment arrangements	15								15		15
Balance at March 31, 2011	1,465	16,044	(257)	10	(951)	107	(1,091)	(433)	15,985	609	16,594

(\$ 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 securities	Pension and other postretirement plan adjustments	Unrealized gain (loss) of cash flow hedge derivatives	Total accumulated other comprehensive loss				
Balance at January 1, 2012	1,621	16,988	(968)	20	(1,472)	12	(2,408)	(424)	15,777	559	16,336
Comprehensive income:											
Net income		685							685	27	712
Foreign currency translation adjustments			433				433		433	8	441
Effect of change in fair value of available-for-sale securities, net of tax				(1)			(1)		(1)		(1)
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(35)		(35)		(35)		(35)
Change in derivatives qualifying as cash flow hedges, net of tax						25	25		25		25
Total comprehensive income									1,107	35	1,142
Changes in noncontrolling interests									-	3	3
Dividends paid to noncontrolling shareholders									-	(18)	(18)
Treasury stock transactions	(5)							51	46		46
Share-based payment arrangements	13								13		13
Other	2								2		2
Balance at March 31, 2012	1,631	17,673	(535)	19	(1,507)	37	(1,986)	(373)	16,945	579	17,524

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