

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Nine months ended		Three months ended	
	Sep. 30, 2013	Sep. 30, 2012	Sep. 30, 2013	Sep. 30, 2012
Sales of products	25'733	23'728	8'948	8'227
Sales of services	4'742	4'587	1'587	1'518
Total revenues	30'475	28'315	10'535	9'745
Cost of products	(18'441)	(16'890)	(6'369)	(5'835)
Cost of services	(2'984)	(2'970)	(992)	(987)
Total cost of sales	(21'425)	(19'860)	(7'361)	(6'822)
Gross profit	9'050	8'455	3'174	2'923
Selling, general and administrative expenses	(4'424)	(4'180)	(1'476)	(1'393)
Non-order related research and development expenses	(1'055)	(1'074)	(351)	(358)
Other income (expense), net	(7)	(6)	(23)	(26)
Income from operations	3'564	3'195	1'324	1'146
Interest and dividend income	50	55	15	17
Interest and other finance expense	(299)	(238)	(122)	(94)
Income from continuing operations before taxes	3'315	3'012	1'217	1'069
Provision for taxes	(944)	(828)	(336)	(274)
Income from continuing operations, net of tax	2'371	2'184	881	795
Income (loss) from discontinued operations, net of tax	(15)	4	(3)	(1)
Net income	2'356	2'188	878	794
Net income attributable to noncontrolling interests	(94)	(88)	(43)	(35)
Net income attributable to ABB	2'262	2'100	835	759
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2'277	2'096	838	760
Net income	2'262	2'100	835	759
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.99	0.91	0.36	0.33
Net income	0.99	0.92	0.36	0.33
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.99	0.91	0.36	0.33
Net income	0.99	0.92	0.36	0.33
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2'296	2'293	2'297	2'293
Diluted earnings per share attributable to ABB shareholders	2'303	2'295	2'305	2'295

See Notes to the Interim Consolidated Financial Information

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

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2013	Sep. 30, 2012	Sep. 30, 2013	Sep. 30, 2012
Total comprehensive income, net of tax	2'376	2'441	1'315	1'209
Total comprehensive income attributable to noncontrolling interests, net of tax	(84)	(88)	(40)	(45)
Total comprehensive income attributable to ABB shareholders, net of tax	2'292	2'353	1'275	1'164

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

(\$ in millions, except share data)	Sep. 30, 2013	Dec. 31, 2012
Cash and equivalents	4'296	6'875
Marketable securities and short-term investments	380	1'606
Receivables, net	12'632	11'575
Inventories, net	6'634	6'182
Prepaid expenses	330	311
Deferred taxes	914	869
Other current assets	734	584
Total current assets	25'920	28'002
Property, plant and equipment, net	6'050	5'947
Goodwill	10'646	10'226
Other intangible assets, net	3'432	3'501
Prepaid pension and other employee benefits	71	71
Investments in equity-accounted companies	201	213
Deferred taxes	330	334
Other non-current assets	776	776
Total assets	47'426	49'070
Accounts payable, trade	5'103	4'992
Billings in excess of sales	1'746	2'035
Short-term debt and current maturities of long-term debt	567	2'537
Advances from customers	1'770	1'937
Deferred taxes	307	270
Provisions for warranties	1'346	1'291
Other provisions	1'548	1'575
Other current liabilities	4'346	4'337
Total current liabilities	16'733	18'974
Long-term debt	7'553	7'534
Pension and other employee benefits	2'119	2'290
Deferred taxes	1'274	1'260
Other non-current liabilities	1'663	1'566
Total liabilities	29'342	31'624
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at September 30, 2013, and December 31, 2012)	1'734	1'691
Retained earnings	18'661	18'066
Accumulated other comprehensive loss	(2'493)	(2'523)
Treasury stock, at cost (17,954,291 and 18,793,989 shares at September 30, 2013, and December 31, 2012, respectively)	(313)	(328)
Total ABB stockholders' equity	17'589	16'906
Noncontrolling interests	495	540
Total stockholders' equity	18'084	17'446
Total liabilities and stockholders' equity	47'426	49'070

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, 2013	Sep. 30, 2012	Sep. 30, 2013	Sep. 30, 2012
Operating activities:				
Net income	2'356	2'188	878	794
<i>Adjustments to reconcile net income to net cash provided by operating</i>				
Depreciation and amortization	966	841	327	307
Pension and other employee benefits	(11)	(56)	11	(7)
Deferred taxes	(11)	23	36	12
Net gain from sale of property, plant and equipment	(20)	(12)	(5)	(4)
Loss (income) from equity-accounted companies, net	-	1	(7)	(4)
Other	60	104	53	56
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(1'046)	(388)	(83)	(131)
Inventories, net	(309)	(466)	43	(90)
Trade payables	(14)	(326)	36	(163)
Billings in excess of sales	(122)	57	(89)	(19)
Provisions, net	(49)	(291)	(9)	(36)
Advances from customers	(107)	32	(156)	(9)
Other assets and liabilities, net	(132)	(366)	206	62
Net cash provided by operating activities	1'561	1'341	1'241	768
Investing activities:				
Purchases of marketable securities (available-for-sale)	(424)	(1'429)	(41)	(502)
Purchases of short-term investments	(9)	(30)	(3)	(3)
Purchases of property, plant and equipment and intangible assets	(692)	(838)	(240)	(302)
<i>Acquisition of businesses (net of cash acquired) and changes in cost and equity</i>				
investments	(883)	(3'686)	(858)	(70)
Proceeds from sales of marketable securities (available-for-sale)	1'362	1'655	20	159
Proceeds from maturity of marketable securities (available-for-sale)	114	-	61	-
Proceeds from short-term investments	41	27	1	-
Other investing activities	119	34	88	37
Net cash used in investing activities	(372)	(4'267)	(972)	(681)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(557)	103	(154)	(488)
Increase in debt	442	5'279	90	429
Repayment of debt	(1'823)	(903)	(81)	(176)
Delivery of shares	3	47	1	1
Dividends paid	(1'667)	(1'626)	-	-
Acquisition of noncontrolling interests	(5)	(3)	(1)	(3)
Dividends paid to noncontrolling shareholders	(133)	(121)	(37)	(30)
Other financing activities	(36)	(16)	3	2
Net cash provided by (used in) financing activities	(3'776)	2'760	(179)	(265)
Effects of exchange rate changes on cash and equivalents	8	30	58	88
Net change in cash and equivalents - continuing operations	(2'579)	(136)	148	(90)
Cash and equivalents, beginning of period	6'875	4'819	4'148	4'773
Cash and equivalents, end of period	4'296	4'683	4'296	4'683
Supplementary disclosure of cash flow information:				
Interest paid	179	91	16	21
Taxes paid	884	915	243	216

See Notes to the Interim Consolidated Financial Information

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

(\$ in millions)	Accumulated other comprehensive loss										Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) of cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock					
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		2'100							2'100	88	2'188		
Foreign currency translation adjustments (net of tax of Effect of change in fair value of available-for-sale securities (net of tax of \$(1))			212						212		212		
Unrecognized income (expense) related to pensions and other postretirement plans (net of tax of \$(7))				2					2		2		
Change in derivatives qualifying as cash flow hedges (net of tax of \$(12))						39			39		39		
Total comprehensive income									2'353	88	2'441		
Changes in noncontrolling interests													
Dividends paid to noncontrolling shareholders										(122)	(122)		
Dividends paid		(1'626)							(1'626)		(1'626)		
Share-based payment arrangements	43								43		43		
Delivery of shares	(7)							54	47		47		
Call options	10								10		10		
Replacement options issued in connection with	5								5		5		
Other	1								1		1		
Balance at September 30, 2012	1'673	17'462	(756)	22	(1'472)	51	(2'155)	(370)	16'610	525	17'135		

(\$ in millions)	Accumulated other comprehensive loss										Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) of cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock					
Balance at January 1, 2013	1'691	18'066	(580)	24	(2'004)	37	(2'523)	(328)	16'906	540	17'446		
Comprehensive income:													
Net income		2'262							2'262	94	2'356		
Foreign currency translation adjustments (net of tax of Effect of change in fair value of available-for-sale securities (net of tax of \$1))			(12)						(12)	(11)	(23)		
Unrecognized income (expense) related to pensions and other postretirement plans (net of tax of \$(26))				(15)					(15)		(15)		
Change in derivatives qualifying as cash flow hedges (net of tax of \$2)					65		65		65	1	66		
Total comprehensive income									2'292	84	2'376		
Changes in noncontrolling interests	(9)								(9)	4	(5)		
Dividends paid to noncontrolling shareholders										(133)	(133)		
Dividends paid		(1'667)							(1'667)		(1'667)		
Share-based payment arrangements	50								50		50		
Delivery of shares	(12)							15	3		3		
Call options	13								13		13		
Replacement options issued in connection with	2								2		2		
Other	(1)								(1)		(1)		
Balance at September 30, 2013	1'734	18'661	(592)	9	(1'939)	29	(2'493)	(313)	17'589	495	18'084		

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