

ABB Ltd Interim Consolidated Income Statements (unaudited)

	Six months ended		Three months ended	
	Jun. 30, 2010	Jun. 30, 2009	Jun. 30, 2010	Jun. 30, 2009
<i>(\$ in millions, except per share data in \$)</i>				
Sales of products	12,062	12,809	6,309	6,693
Sales of services	2,445	2,315	1,264	1,222
Total revenues	14,507	15,124	7,573	7,915
Cost of products	(8,486)	(9,013)	(4,428)	(4,670)
Cost of services	(1,625)	(1,563)	(835)	(816)
Total cost of sales	(10,111)	(10,576)	(5,263)	(5,486)
Gross profit	4,396	4,548	2,310	2,429
Selling, general and administrative expenses	(2,714)	(2,639)	(1,337)	(1,362)
Other income (expense), net	2	-	2	(20)
Earnings before interest and taxes	1,684	1,909	975	1,047
Interest and dividend income	50	68	26	30
Interest and other finance expense	(87)	(33)	(45)	(55)
Income from continuing operations before taxes	1,647	1,944	956	1,022
Provision for taxes	(486)	(534)	(285)	(294)
Income from continuing operations, net of tax	1,161	1,410	671	728
Income (loss) from discontinued operations, net of tax	(1)	22	(2)	11
Net income	1,160	1,432	669	739
Net income attributable to noncontrolling interests	(73)	(105)	(46)	(64)
Net income attributable to ABB	1,087	1,327	623	675
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	1,088	1,305	625	664
Income (loss) from discontinued operations, net of tax	(1)	22	(2)	11
Net income	1,087	1,327	623	675
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.48	0.57	0.27	0.29
Income (loss) from discontinued operations, net of tax	(0.01)	0.01	-	0.01
Net income	0.47	0.58	0.27	0.30
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.47	0.57	0.27	0.29
Income (loss) from discontinued operations, net of tax	-	0.01	-	0.01
Net income	0.47	0.58	0.27	0.30
Average number of shares (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,289	2,283	2,288	2,283
Diluted earnings per share attributable to ABB shareholders	2,294	2,285	2,293	2,286

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Jun. 30, 2010	Dec. 31, 2009
Cash and equivalents	6,536	7,119
Marketable securities and short-term investments	1,478	2,433
Receivables, net	9,265	9,451
Inventories, net	4,551	4,550
Prepaid expenses	209	236
Deferred taxes	829	900
Other current assets	648	540
Total current assets	23,516	25,229
Financing receivables, net	421	452
Property, plant and equipment, net	3,766	4,072
Goodwill	3,940	3,026
Other intangible assets, net	699	443
Prepaid pension and other employee benefits	105	112
Investments in equity method companies	31	49
Deferred taxes	1,028	1,052
Other non-current assets	272	293
Total assets	33,778	34,728
Accounts payable, trade	3,891	3,853
Billings in excess of sales	1,565	1,623
Accounts payable, other	1,252	1,326
Short-term debt and current maturities of long-term debt	237	161
Advances from customers	1,604	1,806
Deferred taxes	306	327
Provisions for warranties	1,157	1,280
Provisions and other current liabilities	2,428	2,603
Accrued expenses	1,395	1,600
Total current liabilities	13,835	14,579
Long-term debt	1,887	2,172
Pension and other employee benefits	1,088	1,179
Deferred taxes	447	328
Other non-current liabilities	1,893	1,997
Total liabilities	19,150	20,255
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,329,324,797 issued shares at June 30, 2010 and December 31, 2009)	3,967	3,943
Retained earnings	13,915	12,828
Accumulated other comprehensive loss	(2,846)	(2,084)
Treasury stock, at cost (45,239,509 shares at June 30, 2010 and 39,901,593 shares at December 31, 2009)	(986)	(897)
Total ABB stockholders' equity	14,050	13,790
Noncontrolling interests	578	683
Total stockholders' equity	14,628	14,473
Total liabilities and stockholders' equity	33,778	34,728

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Six months ended		Three months ended	
	Jun. 30, 2010	Jun. 30, 2009	Jun. 30, 2010	Jun. 30, 2009
Operating activities:				
Net income	1,160	1,432	669	739
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	336	298	167	150
Pension and postretirement benefits	30	9	8	21
Deferred taxes	70	(1)	46	(7)
Net gain from sale of property, plant and equipment	(14)	(9)	(8)	(4)
Income from equity accounted companies	(2)	-	(3)	(1)
Other	26	(29)	17	49
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(300)	35	(383)	105
Inventories, net	(407)	(15)	(127)	217
Trade payables	320	(505)	295	(130)
Billings in excess of sales	44	70	2	15
Provisions, net	(127)	63	(34)	84
Advances from customers	(96)	(33)	(133)	(9)
Other assets and liabilities, net	36	(352)	133	(162)
Net cash provided by operating activities	1,076	963	649	1,067
Investing activities:				
Changes in financing receivables	(20)	(2)	(13)	(4)
Purchases of marketable securities (available-for-sale)	(1,678)	(62)	(1,434)	(42)
Purchases of marketable securities (held-to-maturity)	(65)	(561)	(50)	(339)
Purchases of short-term investments	(1,576)	(351)	(138)	(351)
Purchases of property, plant and equipment and intangible assets	(280)	(409)	(132)	(224)
Acquisition of businesses (net of cash acquired)	(1,154)	(55)	(1,101)	(7)
Proceeds from sales of marketable securities (available-for-sale)	550	42	479	21
Proceeds from maturity of marketable securities (available-for-sale)	220	855	83	-
Proceeds from maturity of marketable securities (held-to-maturity)	240	-	54	-
Proceeds from short-term investments	2,945	92	1,302	-
Proceeds from sales of property, plant and equipment	24	18	10	10
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	65	7	66	7
Net cash used in investing activities	(729)	(426)	(874)	(929)
Financing activities:				
Net changes in debt with maturities of 90 days or less	36	6	14	(15)
Increase in debt	167	317	86	106
Repayment of debt	(267)	(349)	(203)	(128)
Purchase of treasury shares	(104)	-	(104)	-
Dividends paid to noncontrolling shareholders	(117)	(106)	(101)	(92)
Other	9	(34)	15	(21)
Net cash used in financing activities	(276)	(166)	(293)	(150)
Effects of exchange rate changes on cash and equivalents	(654)	52	(354)	284
Net change in cash and equivalents - continuing operations	(583)	423	(872)	272
Cash and equivalents beginning of period	7,119	6,399	7,408	6,550
Cash and equivalents end of period	6,536	6,822	6,536	6,822
Supplementary disclosure of cash flow information:				
Interest paid	46	85	24	40
Taxes paid	499	554	271	299

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 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	Treasury stock					
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		1,327							1,327	105	1,432		
Foreign currency translation adjustments			221				221		221	(8)	213		
Effect of change in fair value of available-for-sale securities, net of tax				(75)			(75)		(75)		(75)		
Unrecognized income (loss) related to pensions and other postretirement plans, net of tax					(25)		(25)		(25)	1	(24)		
Change in derivatives qualifying as cash flow hedges, net of tax						76	76		76		76		
Total comprehensive income									1,524	98	1,622		
Changes in noncontrolling interests									-	(21)	(21)		
Dividends paid to noncontrolling shareholders									-	(147)	(147)		
Treasury stock transactions	(3)							3	-		-		
Share-based payment arrangements	35								35		35		
Call options	22								22		22		
Balance at June 30, 2009	4,895	11,254	(1,433)	8	(1,003)	(85)	(2,513)	(897)	12,739	542	13,281		

(\$ 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 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	Treasury stock					
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		1,087							1,087	73	1,160		
Foreign currency translation adjustments			(888)				(888)		(888)	(4)	(892)		
Effect of change in fair value of available-for-sale securities, net of tax				(2)			(2)		(2)		(2)		
Unrecognized income related to pensions and other postretirement plans, net of tax					152		152		152		152		
Change in derivatives qualifying as cash flow hedges, net of tax						(24)	(24)		(24)		(24)		
Total comprehensive income									325	69	394		
Changes in noncontrolling interests	2								2		2		
Dividends paid to noncontrolling shareholders									-	(174)	(174)		
Treasury stock transactions	(12)							(89)	(101)		(101)		
Share-based payment arrangements	34								34		34		
Balance at June 30, 2010	3,967	13,915	(1,944)	18	(916)	(4)	(2,846)	(986)	14,050	578	14,628		

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