

ABB Ltd Consolidated Income Statements (unaudited)

<i>(in millions of \$, except per share data in \$)</i>	Six months ended		Three months ended	
	Jun. 30, 2009	Jun. 30, 2008	Jun. 30, 2009	Jun. 30, 2008
Sales of products	12,809	14,427	6,693	7,679
Sales of services	2,315	2,554	1,222	1,346
Total revenues	15,124	16,981	7,915	9,025
Cost of products	(9,013)	(9,668)	(4,670)	(5,198)
Cost of services	(1,563)	(1,676)	(816)	(875)
Total cost of sales	(10,576)	(11,344)	(5,486)	(6,073)
Gross profit	4,548	5,637	2,429	2,952
Selling, general and administrative expenses	(2,639)	(2,888)	(1,362)	(1,526)
Other income (expense), net	-	53	(20)	23
Earnings before interest and taxes	1,909	2,802	1,047	1,449
Interest and dividend income	68	175	30	86
Interest and other finance expense	(33)	(77)	(55)	(45)
Income from continuing operations before taxes	1,944	2,900	1,022	1,490
Provision for taxes	(534)	(783)	(294)	(430)
Income from continuing operations, net of tax	1,410	2,117	728	1,060
Income (loss) from discontinued operations, net of tax	22	(7)	11	(17)
Net income	1,432	2,110	739	1,043
Net income attributable to noncontrolling interests	(105)	(132)	(64)	(68)
Net income attributable to ABB	1,327	1,978	675	975
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	1,305	1,987	664	991
Income (loss) from discontinued operations, net of tax	22	(9)	11	(16)
Net income	1,327	1,978	675	975
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.57	0.87	0.29	0.43
Income (loss) from discontinued operations, net of tax	0.01	(0.01)	0.01	0.00
Net income	0.58	0.86	0.30	0.43
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.57	0.86	0.29	0.43
Income (loss) from discontinued operations, net of tax	0.01	0.00	0.01	(0.01)
Net income	0.58	0.86	0.30	0.42
Average number of shares (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,283	2,291	2,283	2,286
Diluted earnings per share attributable to ABB shareholders	2,285	2,304	2,286	2,300

ABB Ltd Consolidated Balance Sheets (unaudited)

<i>(in millions of \$, except share data)</i>	Jun. 30, 2009	Dec. 31, 2008
Cash and equivalents	6,822	6,399
Marketable securities and short-term investments	1,316	1,407
Receivables, net	9,468	9,245
Inventories, net	5,482	5,306
Prepaid expenses	249	237
Deferred taxes	942	1,020
Other current assets	474	733
Total current assets	24,753	24,347
Financing receivables, net	447	445
Property, plant and equipment, net	3,718	3,562
Goodwill	2,944	2,817
Other intangible assets, net	424	411
Prepaid pension and other employee benefits	99	73
Investments in equity method companies	49	68
Deferred taxes	1,168	1,190
Other non-current assets	257	268
Total assets	33,859	33,181
Accounts payable, trade	3,997	4,451
Billings in excess of sales	1,345	1,224
Accounts payable, other	1,292	1,292
Short-term debt and current maturities of long-term debt	331	354
Advances from customers	2,016	2,014
Deferred taxes	476	528
Provisions for warranties	1,094	1,105
Provisions and other	3,126	3,467
Accrued expenses	1,485	1,569
Total current liabilities	15,162	16,004
Long-term debt	2,063	2,009
Pension and other employee benefits	1,121	1,071
Deferred taxes	383	425
Other liabilities	1,849	1,902
Total liabilities	20,578	21,411
Stockholders' equity:		
Capital stock and additional paid-in capital	4,895	4,841
Retained earnings	11,254	9,927
Accumulated other comprehensive loss	(2,513)	(2,710)
Treasury stock, at cost (39,938,859 shares at June 30, 2009, and 40,108,014 shares at December 31, 2008)	(897)	(900)
Total ABB stockholders' equity	12,739	11,158
Noncontrolling interests	542	612
Total stockholders' equity	13,281	11,770
Total liabilities and stockholders' equity	33,859	33,181

ABB Ltd Consolidated Statements of Cash Flows (unaudited)

<i>(in millions of \$)</i>	Six months ended		Three months ended	
	Jun. 30, 2009	Jun. 30, 2008	Jun. 30, 2009	Jun. 30, 2008
Operating activities:				
Net income	1,432	2,110	739	1,043
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	298	317	150	167
Pension and postretirement benefits	9	45	21	48
Deferred taxes	(1)	173	(7)	53
Net gain from sale of property, plant and equipment	(9)	(28)	(4)	(11)
Income from equity accounted companies	--	(8)	(1)	(4)
Other	(29)	39	49	27
<i>Changes in operating assets and liabilities:</i>				
Trade receivables	35	(882)	105	(455)
Inventories	(15)	(563)	217	(282)
Trade payables	(505)	350	(130)	321
Billings in excess of sales	70	258	15	162
Provisions, net	63	(98)	84	(116)
Advances from customers	(33)	157	(9)	76
Other assets and liabilities, net	(352)	(428)	(162)	(51)
Net cash provided by operating activities	963	1,442	1,067	978
Investing activities:				
Changes in financing receivables	(2)	(3)	(4)	(1)
Purchases of marketable securities (available-for-sale)	(62)	(120)	(42)	(63)
Purchases of marketable securities (held-to-maturity)	(561)	--	(339)	--
Purchases of short-term investments	(351)	(1,260)	(351)	--
Purchases of property, plant and equipment and intangible assets	(409)	(473)	(224)	(269)
Acquisition of businesses (net of cash acquired)	(55)	(28)	(7)	(28)
Proceeds from sales of marketable securities (available-for-sale)	42	55	21	35
Proceeds from maturity of marketable securities (available-for-sale)	855	--	--	--
Proceeds from short-term investments	92	4,196	--	1,306
Proceeds from sales of property, plant and equipment	18	39	10	16
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	7	23	7	(1)
Net cash provided by (used in) investing activities	(426)	2,429	(929)	995
Financing activities:				
Net changes in debt with maturities of 90 days or less	6	91	(15)	77
Increase in debt	317	177	106	52
Repayment of debt	(349)	(484)	(128)	(165)
Purchase of treasury shares	--	(445)	--	(263)
Dividends paid to noncontrolling shareholders	(106)	(103)	(92)	(102)
Other	(34)	31	(21)	21
Net cash used in financing activities	(166)	(733)	(150)	(380)
Effects of exchange rate changes on cash and equivalents	52	273	284	(3)
Adjustment for the net change in cash and equivalents in assets held for sale and in discontinued operations	--	26	--	--
Net change in cash and equivalents - continuing operations	423	3,437	272	1,590
Cash and equivalents beginning of period	6,399	4,650	6,550	6,497
Cash and equivalents end of period	6,822	8,087	6,822	8,087
Supplementary disclosure of cash flow information:				
Interest paid	85	112	40	56
Taxes paid	554	557	299	307

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

(in millions of \$)	Accumulated other comprehensive loss										
	Capital stock and additional paid-in capital	Retained earnings	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	Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
Balance at January 1, 2008	5,780	6,809	(906)	7	(486)	55	(1,330)	(302)	10,957	592	11,549
Comprehensive income:											
Net income		1,978							1,978	132	2,110
Foreign currency translation adjustments			254				254		254	(11)	243
Foreign currency translation adjustments related to divestments of businesses			6				6		6		6
Effect of change in fair value of available-for-sale securities, net of tax				(12)			(12)		(12)		(12)
Unrecognized loss related to pensions and other postretirement plans, net of tax					(24)		(24)		(24)		(24)
Change in derivatives qualifying as cash flow hedges, net of tax						(17)	(17)		(17)		(17)
Total comprehensive income									2,185	121	2,306
Dividends paid to noncontrolling shareholders										(138)	(138)
Changes in noncontrolling interests										(37)	(37)
Treasury stock transactions	(20)							20			
Shares repurchased under buyback program								(483)	(483)		(483)
Share-based payment arrangements	28								28		28
Call options	31								31		31
Balance at June 30, 2008	5,819	8,787	(646)	(5)	(510)	38	(1,123)	(765)	12,718	538	13,256

(in millions of \$)	Accumulated other comprehensive loss										
	Capital stock and additional paid-in capital	Retained earnings	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	Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
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 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
Dividends paid to noncontrolling shareholders										(147)	(147)
Changes in noncontrolling interests										(21)	(21)
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