

ABB Ltd Consolidated Income Statements

<i>\$ millions, except per share data (unaudited)</i>	Nine Months Ended		Three Months Ended	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Sales of products	21,926	17,432	7,499	6,135
Sales of services	3,846	3,038	1,292	1,055
Total revenues	25,772	20,470	8,791	7,190
Cost of products	(14,909)	(12,100)	(5,241)	(4,263)
Cost of services	(2,520)	(2,025)	(844)	(705)
Total cost of sales	(17,429)	(14,125)	(6,085)	(4,968)
Gross profit	8,343	6,345	2,706	2,222
Selling, general and administrative expenses	(4,320)	(3,529)	(1,432)	(1,201)
Other income (expense), net	70	62	17	14
Earnings before interest and taxes	4,093	2,878	1,291	1,035
Interest and dividend income	250	183	75	92
Interest and other finance expense	(139)	(224)	(62)	(108)
Income from continuing operations before taxes and minority interest	4,204	2,837	1,304	1,019
Provision for taxes	(1,114)	(708)	(331)	(226)
Minority interest	(184)	(157)	(52)	(58)
Income from continuing operations	2,906	1,972	921	735
Income (loss) from discontinued operations, net of tax	(1)	32	6	3
Net income	2,905	2,004	927	738
Basic earnings per share				
Income from continuing operations	1.27	0.88	0.40	0.32
Income (loss) from discontinued operations, net of tax	-	0.01	0.01	-
Net income	1.27	0.89	0.41	0.32
Weighted average basic shares (in millions)	2,289	2,246	2,285	2,279
Diluted earnings per share				
Income from continuing operations	1.26	0.86	0.40	0.32
Income (loss) from discontinued operations, net of tax	-	0.01	-	-
Net income	1.26	0.87	0.40	0.32
Weighted average dilutive shares (in millions)	2,301	2,306	2,294	2,307

ABB Ltd Consolidated Balance Sheets

<i>\$ millions, except share data (unaudited)</i>	Sept. 30, 2008	Dec. 31, 2007
Cash and equivalents	5,347	4,650
Marketable securities and short-term investments	1,842	3,460
Receivables, net	9,528	8,582
Inventories, net	5,754	4,863
Prepaid expenses	272	307
Deferred taxes	841	783
Other current assets	487	368
Assets held for sale and in discontinued operations	-	132
Total current assets	24,071	23,145
Financing receivables, net	454	487
Property, plant and equipment, net	3,485	3,246
Goodwill	2,768	2,421
Other intangible assets, net	434	270
Prepaid pension and other employee benefits	363	380
Investments in equity method companies	69	63
Deferred taxes	733	862
Other non-current assets	146	127
Total assets	32,523	31,001
Accounts payable, trade	4,447	4,167
Billings in excess of sales	1,200	829
Accounts payable, other	1,326	1,289
Short-term debt and current maturities of long-term debt	374	536
Advances from customers	2,334	2,045
Deferred taxes	465	371
Provisions and other	3,559	3,342
Accrued expenses	1,644	1,737
Asbestos obligations	29	101
Liabilities held for sale and in discontinued operations	-	62
Total current liabilities	15,378	14,479
Long-term debt	1,989	2,138
Pension and other employee benefits	646	631
Deferred taxes	517	407
Other liabilities	1,716	1,797
Total liabilities	20,246	19,452
Minority interest	553	592
Stockholders' equity:		
Capital stock and additional paid-in capital	4,678	5,634
Retained earnings	9,860	6,955
Accumulated other comprehensive loss	(1,913)	(1,330)
Less: Treasury stock, at cost (40,167,675 and 18,725,475 shares at September 30, 2008 and December 31, 2007)	(901)	(302)
Total stockholders' equity	11,724	10,957
Total liabilities and stockholders' equity	32,523	31,001

ABB Ltd Consolidated Statements of Cash Flows

<i>\$ millions (unaudited)</i>	Nine Months Ended		Three Months Ended	
	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007
Operating activities				
Net income	2,905	2,004	927	738
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	483	435	166	149
Provisions, net	(137)	(196)	(39)	(47)
Pension and postretirement benefits	46	(18)	1	(6)
Deferred taxes	222	57	49	(9)
Net gain from sale of property, plant and equipment	(34)	(24)	(6)	(5)
Income from equity accounted companies	(12)	(50)	(4)	(11)
Minority interest	184	158	52	58
Other	64	108	25	11
Changes in operating assets and liabilities:				
Trade receivables	(1,193)	(1,037)	(311)	(201)
Inventories	(1,017)	(809)	(454)	(222)
Trade payables	401	422	51	114
Billings in excess of sales	434	131	176	63
Advances from customers	349	348	192	63
Other assets and liabilities, net	(132)	56	296	191
Net cash provided by operating activities	2,563	1,585	1,121	886
Investing activities				
Changes in financing receivables	(1)	57	3	42
Purchases of marketable securities (other than trading) and short-term investments	(2,830)	(7,272)	(1,450)	(3,012)
Purchases of property, plant and equipment and intangible assets	(736)	(468)	(263)	(184)
Acquisition of businesses (net of cash acquired)	(552)	(44)	(525)	(1)
Proceeds from sales of marketable securities (other than trading) and short-term investments	4,276	6,683	25	2,379
Proceeds from sales of property, plant and equipment	45	44	6	15
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	46	352	23	15
Net cash provided by (used in) investing activities	248	(648)	(2,181)	(746)
Financing activities				
Net changes in debt with maturities of 90 days or less	32	(4)	(59)	(5)
Increase in debt	323	146	146	53
Repayment of debt	(641)	(167)	(157)	(83)
Issuance of shares	49	153	49	-
Purchase of treasury shares	(606)	(199)	(161)	-
Dividends paid	(1,060)	(449)	(1,060)	-
Dividends paid to minority shareholders	(149)	(118)	(46)	(18)
Other	63	(28)	32	10
Net cash used in financing activities	(1,989)	(666)	(1,256)	(43)
Effects of exchange rate changes on cash and equivalents	(151)	199	(424)	144
Adjustment for the net change in cash and equivalents in assets held for sale and in discontinued operations	26	(15)	-	(4)
Net change in cash and equivalents - continuing operations	697	455	(2,740)	237
Cash and equivalents beginning of period	4,650	4,198	8,087	4,416
Cash and equivalents end of period	5,347	4,653	5,347	4,653
Supplementary disclosure of cash flow information				
Interest paid	175	176	63	72
Taxes paid	793	628	236	227
Carrying value of debt and accrued interest converted into capital stock	-	843	-	173

	Accumulated other comprehensive loss							Treasury stock	Total stockholders' equity
	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		
<i>\$ millions (unaudited)</i>									
Balance at January 1, 2007	4,514	3,647	(1,462)	(2)	(629)	74	(2,019)	(104)	6,038
Comprehensive income:									
Net income	--	2,004	--	--	--	--	--	--	2,004
Foreign currency translation adjustments	--	--	412	--	--	--	412	--	412
Effect of change in fair value of available-for-sale securities, net of tax	--	--	--	7	--	--	7	--	7
Unrecognized income related to pensions and other postretirement plans, net of tax	--	--	--	--	(6)	--	(6)	--	(6)
Change in derivatives qualifying as cash flow hedges, net of tax	--	--	--	--	--	26	26	--	26
Total comprehensive income	--	--	--	--	--	--	--	--	2,443
Treasury share transactions	(1)	--	--	--	--	--	--	(198)	(199)
Dividends paid	--	(449)	--	--	--	--	--	--	(449)
Conversion of convertible bonds	830	--	--	--	--	--	--	--	830
Issuance of shares	153	--	--	--	--	--	--	--	153
Share-based payment arrangements	21	--	--	--	--	--	--	--	21
Call options	6	--	--	--	--	--	--	--	6
Balance at September 30, 2007	5,523	5,202	(1,050)	5	(635)	100	(1,580)	(302)	8,843

	Accumulated other comprehensive loss							Treasury stock	Total stockholders' equity
	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		
<i>\$ millions (unaudited)</i>									
Balance at January 1, 2008	5,634	6,955	(906)	7	(486)	55	(1,330)	(302)	10,957
Comprehensive income:									
Net income	--	2,905	--	--	--	--	--	--	2,905
Foreign currency translation adjustments	--	--	(461)	--	--	--	(461)	--	(461)
Foreign currency translation adjustments related to sold businesses	--	--	6	--	--	--	6	--	6
Effect of change in fair value of available-for-sale securities, net of tax	--	--	--	(29)	--	--	(29)	--	(29)
Unrecognized income (loss) related to pensions and other postretirement plans, net of tax	--	--	--	--	11	--	11	--	11
Change in derivatives qualifying as cash flow hedges, net of tax	--	--	--	--	--	(110)	(110)	--	(110)
Total comprehensive income	--	--	--	--	--	--	--	--	2,322
Treasury share transactions	(20)	--	--	--	--	--	--	20	--
Dividends paid in the form of nominal value reduction	(1,060)	--	--	--	--	--	--	--	(1,060)
Shares repurchased under buyback program	--	--	--	--	--	--	--	(619)	(619)
Issuance of shares	49	--	--	--	--	--	--	--	49
Share-based payment arrangements	45	--	--	--	--	--	--	--	45
Call options	30	--	--	--	--	--	--	--	30
Balance at September 30, 2008	4,678	9,860	(1,361)	(22)	(475)	(55)	(1,913)	(901)	11,724