

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Year ended		Three months ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Sales of products	3'1875	26'291	8'848	7'628
Sales of services	6'115	5'298	1'723	1'551
Total revenues	37'990	31'589	10'571	9'179
Cost of products	(22'649)	(18'607)	(6'441)	(5'563)
Cost of services	(3'907)	(3'453)	(1'137)	(987)
Total cost of sales	(26'556)	(22'060)	(7'578)	(6'550)
Gross profit	11'434	9'529	2'993	2'629
Selling, general and administrative expenses	(5'373)	(4'615)	(1'437)	(1'297)
Non-order related research and development expenses	(1'371)	(1'082)	(399)	(320)
Other income (expense), net	(23)	(14)	(34)	(34)
Earnings before interest and taxes	4'667	3'818	1'123	978
Interest and dividend income	90	95	25	25
Interest and other finance expense	(207)	(173)	(35)	(35)
Income from continuing operations before taxes	4'550	3'740	1'113	968
Provision for taxes	(1'244)	(1'018)	(247)	(228)
Income from continuing operations, net of tax	3'306	2'722	866	740
Income from discontinued operations, net of tax	9	10	8	13
Net income	3'315	2'732	874	753
Net income attributable to noncontrolling interests	(147)	(171)	(44)	(53)
Net income attributable to ABB	3'168	2'561	830	700
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	3'159	2'551	822	687
Net income	3'168	2'561	830	700
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.38	1.12	0.36	0.30
Net income	1.38	1.12	0.36	0.31
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.38	1.11	0.36	0.30
Net income	1.38	1.12	0.36	0.31
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2'288	2'287	2'290	2'285
Diluted earnings per share attributable to ABB shareholders	2'291	2'291	2'291	2'289

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Dec. 31, 2011	Dec. 31, 2010
Cash and equivalents	4'819	5'897
Marketable securities and short-term investments	948	2'713
Receivables, net	10'773	9'970
Inventories, net	5'737	4'878
Prepaid expenses	227	193
Deferred taxes	932	896
Other current assets	351	801
Total current assets	23'787	25'348
Property, plant and equipment, net	4'922	4'356
Goodwill	7'269	4'085
Other intangible assets, net	2'253	701
Prepaid pension and other employee benefits	139	173
Investments in equity-accounted companies	156	19
Deferred taxes	318	846
Other non-current assets	804	767
Total assets	39'648	36'295
Accounts payable, trade	4'789	4'555
Billings in excess of sales	1'819	1'730
Employee and other payables	1'361	1'526
Short-term debt and current maturities of long-term debt	765	1'043
Advances from customers	1'757	1'764
Deferred taxes	305	357
Provisions for warranties	1'324	1'393
Provisions and other current liabilities	2'619	2'726
Accrued expenses	1'822	1'644
Total current liabilities	16'561	16'738
Long-term debt	3'231	1'139
Pension and other employee benefits	1'487	831
Deferred taxes	537	411
Other non-current liabilities	1'496	1'718
Total liabilities	23'312	20'837
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 and 2,308,782,064 issued shares at December 31, 2011 and 2010, respectively)	1'621	1'454
Retained earnings	16'988	15'389
Accumulated other comprehensive loss	(2'408)	(1'517)
Treasury stock, at cost (24,332,144 and 25,317,453 shares at December 31, 2011 and 2010, respectively)	(424)	(441)
Total ABB stockholders' equity	15'777	14'885
Noncontrolling interests	559	573
Total stockholders' equity	16'336	15'458
Total liabilities and stockholders' equity	39'648	36'295

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Year ended		Three months ended	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Operating activities:				
Net income	3'315	2'732	874	753
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	995	702	265	195
Pension and other employee benefits	(49)	(51)	6	(96)
Deferred taxes	(34)	151	(58)	51
Net gain from sale of property, plant and equipment	(47)	(39)	(24)	(22)
Income from equity-accounted companies	(4)	(3)	(3)	(1)
Other	111	106	28	38
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(731)	(407)	(114)	(142)
Inventories, net	(600)	(264)	613	198
Trade payables	213	678	139	172
Billings in excess of sales	150	89	97	105
Provisions, net	(391)	(69)	(51)	62
Advances from customers	47	(25)	(38)	79
Other assets and liabilities, net	637	597	(60)	367
Net cash provided by operating activities	3'612	4'197	1'674	1'759
Investing activities:				
Purchases of marketable securities (available-for-sale)	(2'809)	(3'391)	(1'910)	(846)
Purchases of marketable securities (held-to-maturity)	-	(65)	-	-
Purchases of short-term investments	(142)	(2'165)	(2)	(393)
Purchases of property, plant and equipment and intangible assets	(1'021)	(840)	(445)	(407)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(4'020)	(1'313)	(384)	(22)
Proceeds from sales of marketable securities (available-for-sale)	3'717	807	1'301	241
Proceeds from maturity of marketable securities (available-for-sale)	483	531	248	138
Proceeds from maturity of marketable securities (held-to-maturity)	-	290	-	-
Proceeds from short-term investments	529	3'276	-	205
Proceeds from sales of property, plant and equipment	57	47	34	16
Proceeds from sales of businesses and equity-accounted companies (net of cash disposed)	8	83	4	21
Changes in financing and other non-current receivables, net	(55)	(7)	6	39
Net cash used in investing activities	(3'253)	(2'747)	(1'148)	(1'008)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	450	52	(674)	(14)
Increase in debt	2'580	277	1'112	80
Repayment of debt	(2'576)	(497)	(1'005)	(170)
Issuance of shares	105	16	-	10
Transactions in treasury shares	5	(166)	-	(46)
Dividends paid	(1'569)	-	-	-
Dividends paid in the form of nominal value reduction	-	(1'112)	-	-
Acquisition of noncontrolling interests	(13)	(956)	-	(2)
Dividends paid to noncontrolling shareholders	(157)	(193)	(1)	(5)
Other	(33)	49	(32)	36
Net cash used in financing activities	(1'208)	(2'530)	(600)	(111)
Effects of exchange rate changes on cash and equivalents	(229)	(142)	(103)	(12)
Net change in cash and equivalents - continuing operations	(1'078)	(1'222)	(177)	628
Cash and equivalents, beginning of period	5'897	7'119	4'996	5'269
Cash and equivalents, end of period	4'819	5'897	4'819	5'897
Supplementary disclosure of cash flow information:				
Interest paid	165	94	62	22
Taxes paid	1'305	884	353	186

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										
	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, 2010	3'943	12'828	(1'056)	20	(1'068)	20	(2'084)	(897)	13'790	683	14'473
Comprehensive income:											
Net income		2'561							2'561	171	2'732
Foreign currency translation adjustments			349				349		349	21	370
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					148		148		148	(3)	145
Change in derivatives qualifying as cash flow hedges, net of tax						72	72		72		72
Total comprehensive income									3'128	189	3'317
Changes in noncontrolling interests	(836)								(836)	(110)	(946)
Dividends paid to noncontrolling shareholders									-	(189)	(189)
Dividends paid in the form of nominal value reduction	(1'112)								(1'112)		(1'112)
Cancellation of shares repurchased under buyback program	(619)							619	-		-
Treasury stock transactions								(228)	(228)		(228)
Share-based payment arrangements	66								66		66
Issuance of shares	13							65	78		78
Call options	(1)								(1)		(1)
Balance at December 31, 2010	1'454	15'389	(707)	18	(920)	92	(1'517)	(441)	14'885	573	15'458

(\$ in millions)	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, 2011	1'454	15'389	(707)	18	(920)	92	(1'517)	(441)	14'885	573	15'458
Comprehensive income:											
Net income		3'168							3'168	147	3'315
Foreign currency translation adjustments			(261)				(261)		(261)	(14)	(275)
Effect of change in fair value of available-for-sale securities, net of tax				2			2		2		2
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(552)		(552)		(552)	3	(549)
Change in derivatives qualifying as cash flow hedges, net of tax						(80)	(80)		(80)		(80)
Total comprehensive income									2'277	136	2'413
Changes in noncontrolling interests	(3)								(3)	7	4
Dividends paid to noncontrolling shareholders									-	(157)	(157)
Dividends paid		(1'569)							(1'569)		(1'569)
Treasury stock transactions	(12)							17	5		5
Share-based payment arrangements	67								67		67
Issuance of shares	105								105		105
Call options	(9)								(9)		(9)
Replacement options issued in connection with acquisition	19								19		19
Balance at December 31, 2011	1'621	16'988	(968)	20	(1'472)	12	(2'408)	(424)	15'777	559	16'336

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