Supplemental financial information
March 31, 2014

ABB presents the following financial measures to supplement its Interim Consolidated Financial Information (unaudited) which is prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). These supplemental financial measures are, or may be, considered non-GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission (SEC).

While ABB's management believes that the non-GAAP financial measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Interim Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for three months ended March 31, 2014.

Like-for-like Growth Rates

The like-for-like growth rates of revenues and orders are calculated by adjusting reported revenues and orders, in both the current and comparable periods, for the effects of currency translation and portfolio changes. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported revenues and orders of such business are excluded from both periods when computing the like-for-like growth rate. In addition, certain other adjustments, which affect the business portfolio but do not qualify as a divestment, are treated in a similar manner to a divestment. We do not adjust for portfolio changes where the business acquired or divested has annual revenues of less than $50 million per year.

Operational EBITDA margin

Definition

Operational EBITDA
Operational EBITDA represents Income from operations excluding depreciation and amortization, restructuring and restructuring-related expenses, and acquisition-related expenses and certain non-operational items, as well as foreign exchange/commodity timing differences in income from operations consisting of: (i) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

Operational revenues
Operational revenues are total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets).

Operational EBITDA margin
Operational EBITDA margin is Operational EBITDA as a percentage of Operational revenues.

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Reconciliation

($ in millions, except Operational EBITDA margin in %)	Three months ended March 31, 2014 Discrete Automation and Motion	Low Voltage Products	Process Automation	Power Products	Power Systems	Corporate and Other and Intersegment elimination	Consolidated
Total revenues	**2,381**	**1,882**	**1,943**	**2,391**	**1,608**	**(734)**	**9,471**
Foreign exchange/commodity timing differences in total revenues:							
Unrealized gains and losses on derivatives	(1)	1	(7)	(7)	35	(1)	**20**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-	-	-	(1)	(10)	-	**(11)**
Unrealized foreign exchange movements on receivables (and related assets)	(5)	-	3	4	(6)	-	**(4)**
Operational revenues	**2,375**	**1,883**	**1,939**	**2,387**	**1,627**	**(735)**	**9,476**
Income from operations	**326**	**256**	**219**	**272**	**(102)**	**(116)**	**855**
Depreciation and amortization	77	77	23	55	47	54	**333**
Restructuring and restructuring-related expenses	1	8	20	8	8	2	**47**
Acquisition-related expenses and certain non-operational items	(3)	4	1	5	1	3	**11**
Foreign exchange/commodity timing differences in income from operations:							
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	1	1	1	16	38	(2)	**55**
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(1)	-	-	(2)	(14)	-	**(17)**
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(6)	-	-	-	(7)	-	**(13)**
Operational EBITDA	**395**	**346**	**264**	**354**	**(29)**	**(59)**	**1,271**
Operational EBITDA margin (%)	**16.6%**	**18.4%**	**13.6%**	**14.8%**	**(1.8)%**	**-**	**13.4%**

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($ in millions, except Operational EBITDA margin in %)	Discrete Automation and Motion	Low Voltage Products	Process Automation	Power Products	Power Systems	Corporate and Other and Intersegment elimination	Consolidated
	Three months ended March 31, 2013						
Total revenues	**2,327**	**1,777**	**1,978**	**2,489**	**2,051**	**(907)**	**9,715**
Foreign exchange/commodity timing differences in total revenues:							
Unrealized gains and losses on derivatives	4	8	4	15	(14)	-	17
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-	-	-	1	2	-	3
Unrealized foreign exchange movements on receivables (and related assets)	-	(6)	1	(2)	(7)	-	(14)
Operational revenues	**2,331**	**1,779**	**1,983**	**2,503**	**2,032**	**(907)**	**9,721**
Income from operations	**337**	**232**	**224**	**283**	**105**	**(129)**	**1,052**
Depreciation and amortization	64	79	20	58	45	55	321
Restructuring and restructuring-related expenses	1	4	3	7	5	(1)	19
Acquisition-related expenses and certain non-operational items	2	2	-	-	-	-	4
Foreign exchange/commodity timing differences in income from operations:							
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	16	12	13	30	19	(1)	89
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1	-	-	2	5	-	8
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(5)	(9)	(1)	(8)	(10)	(2)	(35)
Operational EBITDA	**416**	**320**	**259**	**372**	**169**	**(78)**	**1,458**
Operational EBITDA margin (%)	**17.8%**	**18.0%**	**13.1%**	**14.9%**	**8.3%**	**-**	**15.0%**

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Operational EPS

Definition

Operational net income
Operational net income is calculated as Net income attributable to ABB adjusted for the net-of-tax impact (using the Group's effective tax rate) of:

i) restructuring and restructuring-related expenses,
ii) acquisition-related expenses and certain non-operational items,
iii) foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities), and
iv) amortization related to acquisitions.

Amortization related to acquisitions
Amortization expense on intangibles arising upon acquisitions.

Operational EPS
Operational EPS is calculated as Operational net income divided by the weighted-average number of shares used in determining basic earnings per share.

Reconciliation

	Three months ended			
	March 31, 2014		March 31, 2013	
($ in millions, except per share data in $)		**EPS(1)**		**EPS(1)**
Net income (attributable to ABB)	**544**	**0.24**	**664**	**0.29**
Restructuring and restructuring-related expenses(2)	34	0.01	14	0.01
Acquisition-related expenses and certain non-operational items(2)	8	0.00	3	0.00
FX/commodity timing differences in income from operations(2)	18	0.01	44	0.02
Amortization related to acquisitions(2)	72	0.03	67	0.03
Operational net income	**676**	**0.29**	**792**	**0.34**

(1) EPS amounts are computed separately, therefore the sum of the per share amounts shown may not equal to the total.
(2) Net of tax at Group effective tax rate.

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Net debt

Definition

Net debt
Net debt is defined as Total debt less Cash and marketable securities.

Total debt
Total debt is the sum of Short-term debt and current maturities of long-term debt, and Long-term debt.

Cash and marketable securities
Cash and marketable securities is the sum of Cash and equivalents, and Marketable securities and short-term investments.

Reconciliation

($ in millions)	March 31, 2014	December 31, 2013
Short-term debt and current maturities of long-term debt	1,435	453
Long-term debt	7,612	7,570
Total debt	**9,047**	**8,023**
Cash and equivalents	6,402	6,021
Marketable securities and short-term investments	865	464
Cash and marketable securities	**7,267**	**6,485**
Net debt	**1,780**	**1,538**

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Net debt to EBITDA

Definition

Net debt to EBITDA is calculated as Net debt divided by Income from operations adjusted to exclude depreciation and amortization for the trailing twelve months.

Reconciliation

($ in millions)	**March 31, 2014**	**December 31, 2013**
Net debt (as defined above)	**1,780**	**1,538**
EBITDA		
Income from operations for the three months ended:		
March 31, 2014	855	-
December 31, 2013	823	823
September 30, 2013	1,324	1,324
June 30, 2013	1,188	1,188
March 31, 2013	-	1,052
Depreciation and amortization for the three months ended:		
March 31, 2014	333	-
December 31, 2013	352	352
September 30, 2013	327	327
June 30, 2013	318	318
March 31, 2013	-	321
Total EBITDA for the trailing twelve months	**5,520**	**5,705**
Net debt to EBITDA	**0.3**	**0.3**

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Net working capital as a percentage of revenues

Definition

Net working capital
Net working capital is the sum of (i) receivables, net, (ii) inventories, net, and (iii) prepaid expenses; less (iv) accounts payable, trade, (v) billings in excess of sales, (vi) advances from customers, and (vii) other current liabilities (excluding primarily: (a) income taxes payable, (b) current derivative liabilities, and (c) pension and other employee benefits).

Adjusted revenues for the trailing twelve months
Adjusted revenues for the trailing twelve months includes total revenues recorded by ABB in the twelve months preceding the relevant balance sheet date adjusted to estimate the impact of annualizing revenues of certain acquisitions which were completed in the same trailing twelve month period.

Net working capital as a percentage of revenues
Net working capital as a percentage of revenues is calculated as Net working capital divided by Adjusted revenues for the trailing twelve months.

Reconciliation

	March 31,	
($ in millions)	**2014**	**2013**
Net working capital:		
Receivables, net	12,215	11,941
Inventories, net	6,201	6,267
Prepaid expenses	305	322
Accounts payable, trade	(4,872)	(4,705)
Billings in excess of sales	(1,539)	(1,902)
Advances from customers	(1,780)	(2,002)
Other current liabilities[(1)]	(3,307)	(3,257)
Net working capital	**7,223**	**6,664**
Total revenues for the three months ended:		
March 31, 2014 / 2013	9,471	9,715
December 31, 2013 / 2012	11,373	11,021
September 30, 2013 / 2012	10,535	9,745
June 30, 2013 / 2012	10,225	9,663
Adjustment to annualize revenues of certain acquisitions[(2)]	204	308
Adjusted revenues for the trailing twelve months	**41,808**	**40,452**
Net working capital as a percentage of revenues	**17%**	**16%**

(1) Amounts exclude $710 million and $844 million at March 31, 2014 and 2013, respectively, related primarily to (a) income taxes payable, (b) current derivative liabilities, and (c) pension and other employee benefits.
(2) Power-One, acquired in July 2013; Thomas & Betts, acquired in May 2012.

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Finance net

Definition

Finance net is calculated as Interest and dividend income less Interest and other finance expense.

Reconciliation

($ in millions)	**Three months ended March 31,**	
	2014	**2013**
Interest and dividend income	17	18
Interest and other finance expense	(84)	(97)
Finance net	**(67)**	**(79)**

Book-to-bill ratio

Definition

Book-to-bill ratio is calculated as Orders received divided by Total revenues.

Reconciliation

	Three months ended March 31,	
($ in millions)	**2014**	**2013**
Orders received	10,358	10,492
Total revenues	9,471	9,715
Book-to-bill ratio	**1.09**	**1.08**