

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Six months ended		Three months ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Sales of products	15'501	15'207	8'078	8'154
Sales of services	3'069	2'875	1'585	1'526
Total revenues	18'570	18'082	9'663	9'680
Cost of products	(11'055)	(10'673)	(5'792)	(5'700)
Cost of services	(1'983)	(1'815)	(1'029)	(959)
Total cost of sales	(13'038)	(12'488)	(6'821)	(6'659)
Gross profit	5'532	5'594	2'842	3'021
Selling, general and administrative expenses	(2'787)	(2'619)	(1'465)	(1'356)
Non-order related research and development expenses	(716)	(640)	(370)	(334)
Other income (expense), net	20	15	(6)	6
Earnings before interest and taxes	2'049	2'350	1'001	1'337
Interest and dividend income	38	43	19	25
Interest and other finance expense	(144)	(92)	(87)	(41)
Income from continuing operations before taxes	1'943	2'301	933	1'321
Provision for taxes	(554)	(679)	(256)	(395)
Income from continuing operations, net of tax	1'389	1'622	677	926
Income (loss) from discontinued operations, net of tax	5	(1)	5	(1)
Net income	1'394	1'621	682	925
Net income attributable to noncontrolling interests	(53)	(73)	(26)	(32)
Net income attributable to ABB	1'341	1'548	656	893
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	1'336	1'549	651	894
Net income	1'341	1'548	656	893
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.58	0.68	0.28	0.39
Net income	0.58	0.68	0.29	0.39
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.58	0.68	0.28	0.39
Net income	0.58	0.68	0.29	0.39
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2'293	2'286	2'293	2'288
Diluted earnings per share attributable to ABB shareholders	2'294	2'290	2'294	2'292

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Six months ended		Three months ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Total comprehensive income, net of tax	1'232	2'573	90	1'448
Total comprehensive income attributable to noncontrolling interests, net of tax	(43)	(81)	(8)	(37)
Total comprehensive income attributable to ABB shareholders, net of tax	1'189	2'492	82	1'411

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Jun. 30, 2012	Dec. 31, 2011
Cash and equivalents	4'773	4'819
Marketable securities and short-term investments	375	948
Receivables, net	11'245	10'773
Inventories, net	6'363	5'737
Prepaid expenses	302	227
Deferred taxes	887	932
Other current assets	409	351
Total current assets	24'354	23'787
Property, plant and equipment, net	5'407	4'922
Goodwill	10'498	7'269
Other intangible assets, net	3'689	2'253
Prepaid pension and other employee benefits	172	139
Investments in equity-accounted companies	279	156
Deferred taxes	235	318
Other non-current assets	709	804
Total assets	45'343	39'648
Accounts payable, trade	4'750	4'789
Billings in excess of sales	1'878	1'819
Employee and other payables	1'365	1'361
Short-term debt and current maturities of long-term debt	2'217	765
Advances from customers	1'764	1'757
Deferred taxes	254	305
Provisions for warranties	1'255	1'324
Provisions and other current liabilities	2'376	2'619
Accrued expenses	1'802	1'822
Total current liabilities	17'661	16'561
Long-term debt	6'977	3'231
Pension and other employee benefits	1'612	1'487
Deferred taxes	1'697	537
Other non-current liabilities	1'483	1'496
Total liabilities	29'430	23'312
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at June 30, 2012 and December 31, 2011)	1'659	1'621
Retained earnings	16'703	16'988
Accumulated other comprehensive loss	(2'560)	(2'408)
Treasury stock, at cost (21,360,243 and 24,332,144 shares at June 30, 2012 and December 31, 2011, respectively)	(372)	(424)
Total ABB stockholders' equity	15'430	15'777
Noncontrolling interests	483	559
Total stockholders' equity	15'913	16'336
Total liabilities and stockholders' equity	45'343	39'648

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, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Operating activities				
Net income	1'394	1'621	682	925
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	534	473	281	242
Pension and other employee benefits	(49)	(66)	(32)	(59)
Deferred taxes	11	(6)	(28)	(3)
Net gain from sale of property, plant and equipment	(8)	(16)	(5)	(7)
Loss (income) from equity-accounted companies	5	(1)	1	(1)
Other	48	47	23	27
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(257)	(260)	(183)	(275)
Inventories, net	(376)	(899)	12	(399)
Trade payables	(163)	257	21	122
Billings in excess of sales	76	(12)	(44)	88
Provisions, net	(255)	(265)	(98)	(87)
Advances from customers	41	81	(60)	117
Other assets and liabilities, net	(428)	173	25	201
Net cash provided by operating activities	573	1'127	595	891
Investing activities				
Purchases of marketable securities (available-for-sale)	(927)	(618)	(51)	(32)
Purchases of short-term investments	(27)	(140)	(2)	-
Purchases of property, plant and equipment and intangible assets	(536)	(343)	(300)	(204)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(3'616)	(3'186)	(3'420)	(84)
Proceeds from sales of marketable securities (available-for-sale)	1'496	2'399	1'475	315
Proceeds from maturity of marketable securities (available-for-sale)	-	220	-	86
Proceeds from short-term investments	27	525	25	147
Proceeds from sales of property, plant and equipment	13	15	8	9
Proceeds from sales of businesses and equity-accounted companies (net of cash disposed)	5	3	2	3
Changes in financing and other non-current receivables, net	(35)	(75)	(16)	(66)
Net cash provided by (used in) investing activities	(3'600)	(1'200)	(2'279)	174
Financing activities				
Net changes in debt with original maturities of 90 days or less	591	97	500	46
Increase in debt	4'850	1'317	2'678	1'280
Repayment of debt	(727)	(1'339)	(542)	(40)
Issuance of shares	-	105	-	105
Transactions in treasury shares	46	5	-	1
Dividends paid	(1'626)	(1'569)	(1'626)	(1'569)
Acquisition of noncontrolling interests	-	(11)	-	(11)
Dividends paid to noncontrolling shareholders	(91)	(110)	(83)	(109)
Other	(4)	63	(19)	100
Net cash provided by (used in) financing activities	3'039	(1'442)	908	(197)
Effects of exchange rate changes on cash and equivalents	(58)	170	(202)	35
Net change in cash and equivalents - continuing operations	(46)	(1'345)	(978)	903
Cash and equivalents, beginning of period	4'819	5'897	5'751	3'649
Cash and equivalents, end of period	4'773	4'552	4'773	4'552
Supplementary disclosure of cash flow information				
Interest paid	70	65	46	32
Taxes paid	699	727	358	429

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							Treasury stock	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 available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gain (loss) of cash flow hedge derivatives	Total accumulated other comprehensive loss				
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		1'548							1'548	73	1'621
Foreign currency translation adjustments			996				996		996	8	1'004
Effect of change in fair value of available-for-sale securities, net of tax				(7)			(7)		(7)		(7)
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(18)		(18)		(18)		(18)
Change in derivatives qualifying as cash flow hedges, net of tax						(27)	(27)		(27)		(27)
Total comprehensive income									2'492	81	2'573
Changes in noncontrolling interests	(3)								(3)	2	(1)
Dividends paid to noncontrolling shareholders									-	(122)	(122)
Dividends paid		(1'569)							(1'569)		(1'569)
Treasury stock transactions	(8)							13	5		5
Share-based payment arrangements	37								37		37
Issuance of shares	105								105		105
Call options	10								10		10
Replacement options issued in connection with acquisition	19								19		19
Balance at June 30, 2011	1'614	15'368	289	11	(938)	65	(573)	(428)	15'981	534	16'515

(\$ in millions)	Accumulated other comprehensive loss							Treasury stock	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 available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gain (loss) of cash flow hedge derivatives	Total accumulated other comprehensive loss				
Balance at January 1, 2012	1'621	16'988	(968)	20	(1'472)	12	(2'408)	(424)	15'777	559	16'336
Comprehensive income:											
Net income		1'341							1'341	53	1'394
Foreign currency translation adjustments			(181)				(181)		(181)	(10)	(191)
Effect of change in fair value of available-for-sale securities, net of tax				(1)			(1)		(1)		(1)
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					33		33		33		33
Change in derivatives qualifying as cash flow hedges, net of tax						(3)	(3)		(3)		(3)
Total comprehensive income									1'189	43	1'232
Changes in noncontrolling interests									-	2	2
Dividends paid to noncontrolling shareholders									-	(121)	(121)
Dividends paid		(1'626)							(1'626)		(1'626)
Treasury stock transactions	(6)							52	46		46
Share-based payment arrangements	28								28		28
Call options	10								10		10
Replacement options issued in connection with acquisition	5								5		5
Other	1								1		1
Balance at June 30, 2012	1'659	16'703	(1'149)	19	(1'439)	9	(2'560)	(372)	15'430	483	15'913

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