

ABB Ltd Interim Consolidated Income Statements (unaudited)

	Year ended		Three months ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
<i>(\$ in millions, except per share data in \$)</i>				
Sales of products	35,282	32,979	9,549	9,251
Sales of services	6,566	6,357	1,824	1,770
Total revenues	41,848	39,336	11,373	11,021
Cost of products	(25,728)	(23,838)	(7,287)	(6,948)
Cost of services	(4,128)	(4,120)	(1,144)	(1,150)
Total cost of sales	(29,856)	(27,958)	(8,431)	(8,098)
Gross profit	11,992	11,378	2,942	2,923
Selling, general and administrative expenses	(6,094)	(5,756)	(1,670)	(1,576)
Non-order related research and development expenses	(1,470)	(1,464)	(415)	(390)
Other income (expense), net	(41)	(100)	(34)	(94)
Income from operations	4,387	4,058	823	863
Interest and dividend income	69	73	19	18
Interest and other finance expense	(390)	(293)	(91)	(55)
Income from continuing operations before taxes	4,066	3,838	751	826
Provision for taxes	(1,122)	(1,030)	(178)	(202)
Income from continuing operations, net of tax	2,944	2,808	573	624
Income (loss) from discontinued operations, net of tax	(37)	4	(22)	-
Net income	2,907	2,812	551	624
Net income attributable to noncontrolling interests	(120)	(108)	(26)	(20)
Net income attributable to ABB	2,787	2,704	525	604
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,824	2,700	547	604
Net income	2,787	2,704	525	604
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.18	0.24	0.26
Net income	1.21	1.18	0.23	0.26
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.23	1.18	0.24	0.26
Net income	1.21	1.18	0.23	0.26
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,297	2,293	2,299	2,295
Diluted earnings per share attributable to ABB shareholders	2,305	2,295	2,308	2,298

See Notes to the Interim Consolidated Financial Information

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

<i>(\$ in millions)</i>	Year ended		Three months ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Total comprehensive income, net of tax	3,413	2,687	1,037	246
Total comprehensive income attributable to noncontrolling interests, net of tax	(115)	(98)	(31)	(10)
Total comprehensive income attributable to ABB shareholders, net of tax	3,298	2,589	1,006	236

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Dec. 31, 2013	Dec. 31, 2012
Cash and equivalents	6,021	6,875
Marketable securities and short-term investments	464	1,606
Receivables, net	12,146	11,575
Inventories, net	6,004	6,182
Prepaid expenses	252	311
Deferred taxes	832	869
Other current assets	706	584
Total current assets	26,425	28,002
Property, plant and equipment, net	6,254	5,947
Goodwill	10,670	10,226
Other intangible assets, net	3,297	3,501
Prepaid pension and other employee benefits	93	71
Investments in equity-accounted companies	197	213
Deferred taxes	370	334
Other non-current assets	758	776
Total assets	48,064	49,070
Accounts payable, trade	5,112	4,992
Billings in excess of sales	1,714	2,035
Short-term debt and current maturities of long-term debt	453	2,537
Advances from customers	1,726	1,937
Deferred taxes	259	270
Provisions for warranties	1,362	1,291
Other provisions	1,807	1,575
Other current liabilities	4,242	4,337
Total current liabilities	16,675	18,974
Long-term debt	7,570	7,534
Pension and other employee benefits	1,639	2,290
Deferred taxes	1,265	1,260
Other non-current liabilities	1,707	1,566
Total liabilities	28,856	31,624
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at December 31, 2013 and 2012)	1,750	1,691
Retained earnings	19,186	18,066
Accumulated other comprehensive loss	(2,012)	(2,523)
Treasury stock, at cost (14,093,960 and 18,793,989 shares at December 31, 2013 and 2012, respectively)	(246)	(328)
Total ABB stockholders' equity	18,678	16,906
Noncontrolling interests	530	540
Total stockholders' equity	19,208	17,446
Total liabilities and stockholders' equity	48,064	49,070

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, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Operating activities:				
Net income	2,907	2,812	551	624
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	1,318	1,182	352	341
Pension and other employee benefits	6	(13)	17	43
Deferred taxes	(137)	64	(126)	41
Net gain from sale of property, plant and equipment	(18)	(26)	2	(14)
Other	95	171	35	66
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(571)	(310)	475	78
Inventories, net	324	61	633	527
Trade payables	(43)	(57)	(29)	269
Billings in excess of sales	(168)	152	(46)	95
Provisions, net	199	(109)	248	182
Advances from customers	(145)	181	(38)	149
Other assets and liabilities, net	(114)	(329)	18	37
Net cash provided by operating activities	3,653	3,779	2,092	2,438
Investing activities:				
Purchases of marketable securities (available-for-sale)	(526)	(2,288)	(102)	(859)
Purchases of short-term investments	(30)	(67)	(21)	(37)
Purchases of property, plant and equipment and intangible assets	(1,106)	(1,293)	(414)	(455)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(914)	(3,694)	(31)	(8)
Proceeds from sales of marketable securities (available-for-sale)	1,367	1,655	5	-
Proceeds from maturity of marketable securities (available-for-sale)	118	-	4	-
Proceeds from short-term investments	47	27	6	-
Proceeds from sales of property, plant and equipment	80	40	9	19
Proceeds from sales of businesses and equity-accounted companies (net of cash disposed)	62	16	51	7
Other investing activities	185	29	148	25
Net cash used in investing activities	(717)	(5,575)	(345)	(1,308)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(697)	570	(140)	467
Increase in debt	492	5,986	50	707
Repayment of debt	(1,893)	(1,104)	(70)	(201)
Delivery of shares	74	90	71	43
Dividends paid	(1,667)	(1,626)	-	-
Acquisition of noncontrolling interests	(13)	(9)	(8)	(6)
Dividends paid to noncontrolling shareholders	(149)	(121)	(16)	-
Other financing activities	(3)	(24)	33	(8)
Net cash provided by (used in) financing activities	(3,856)	3,762	(80)	1,002
Effects of exchange rate changes on cash and equivalents	66	90	58	60
Net change in cash and equivalents - continuing operations	(854)	2,056	1,725	2,192
Cash and equivalents, beginning of period	6,875	4,819	4,296	4,683
Cash and equivalents, end of period	6,021	6,875	6,021	6,875
Supplementary disclosure of cash flow information:				
Interest paid	287	189	108	98
Taxes paid	1,278	1,211	394	296

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 adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) 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		2,704							2,704	108	2,812
Foreign currency translation adjustments (net of tax of \$6)			388				388		388	(5)	383
Effect of change in fair value of available-for-sale securities (net of tax of \$2)				4			4		4		4
Unrecognized income (expense) related to pensions and other postretirement plans (net of tax of \$(216))					(532)		(532)		(532)	(5)	(537)
Change in derivatives qualifying as cash flow hedges (net of tax of \$7)						25	25		25		25
Total comprehensive income									2,589	98	2,687
Changes in noncontrolling interests									-	6	6
Dividends paid to noncontrolling shareholders									-	(123)	(123)
Dividends paid		(1,626)							(1,626)		(1,626)
Share-based payment arrangements	60								60		60
Delivery of shares	(6)							96	90		90
Call options	10								10		10
Replacement options issued in connection with acquisition	5								5		5
Other	1								1		1
Balance at December 31, 2012	1,691	18,066	(580)	24	(2,004)	37	(2,523)	(328)	16,906	540	17,446

(\$ 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 adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) of cash flow hedge derivatives					Total accumulated other comprehensive loss
Balance at January 1, 2013	1,691	18,066	(580)	24	(2,004)	37	(2,523)	(328)	16,906	540	17,446
Comprehensive income:											
Net income		2,787							2,787	120	2,907
Foreign currency translation adjustments (net of tax of \$(8))			149				149		149	(8)	141
Effect of change in fair value of available-for-sale securities (net of tax of \$(1))				(17)			(17)		(17)		(17)
Unrecognized income (expense) related to pensions and other postretirement plans (net of tax of \$171)					394		394		394	3	397
Change in derivatives qualifying as cash flow hedges (net of tax of \$(6))						(15)	(15)		(15)		(15)
Total comprehensive income									3,298	115	3,413
Changes in noncontrolling interests		(17)							(17)	25	8
Dividends paid to noncontrolling shareholders									-	(150)	(150)
Dividends paid		(1,667)							(1,667)		(1,667)
Share-based payment arrangements	71								71		71
Delivery of shares	(8)							82	74		74
Call options	13								13		13
Replacement options issued in connection with acquisition	2								2		2
Other	(2)								(2)		(2)
Balance at December 31, 2013	1,750	19,186	(431)	7	(1,610)	22	(2,012)	(246)	18,678	530	19,208

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