Press Release

Q3 order growth accelerates, revenues recover

- **Orders up 18%[1] on industrial recovery and large power order**
- **Revenues positive after five quarters of decline**
- **Operational EBIT margin[2] up to 14.0% as cost take-out delivers further benefits**

Zurich, Switzerland, Oct. 28, 2010 – ABB's order growth accelerated and revenues rose in the third quarter on a combination of continued growth in demand from industrial customers and an increase in large power orders.

Orders rose 18 percent and revenues 2 percent in local currencies, including an 11-percent increase in service revenues. Earnings before interest and taxes (EBIT) amounted to $1.2 billion. The third quarter operational EBIT margin, which excludes net gains on derivative transactions and restructuring-related costs, was 14.0 percent. The operational EBIT margin the year-earlier period, excluding a net positive provision adjustment of approximately $430 million, was 13.0 percent.

Net income in the third quarter 2010 reached $774 million while cash from operations amounted to $1.4 billion.

"We continued to take full advantage of the global industrial recovery in the third quarter with excellent order growth, slightly higher revenues and, thanks to our cost take-out program, strong earnings as well," said Joe Hogan, ABB's Chief Executive Officer. "Our shorter-cycle automation businesses turned in a particularly positive performance on both the top and bottom line as they grew revenues on a much more competitive cost base."

ABB's two-year program to cut costs by strengthening its presence in emerging markets, improving productivity and streamlining procurement and administration yielded approximately $350 million of savings in the quarter.

ABB won a major order in the quarter to connect an offshore wind farm to the German grid and experienced strong demand from a wide range of industries, including minerals and metals, discrete manufacturing and solar power. Growth in these areas more than offset continued weak utility investments in power transmission equipment in most regions.

"Demand from our industrial customers grew significantly in the quarter, especially in the emerging markets, as they increased capacity and invested in solutions to increase energy efficiency and productivity," Hogan said. "Utility spending in power transmission equipment remains muted, a trend that we expect to continue into next year. Still, we see plenty of opportunities for growth, especially in areas like renewable energy and industrial efficiency, and in the fast-growing emerging economies."

2010 Q3 key figures

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	8,197	7,060	16%	18%
Order backlog (end Sep)	*26,593*	*26,159*	*2%*	*1%*
Revenues	7,903	7,910	0%	2%
EBIT	1,156	1,419	-19%	
as % of revenues	14.6%	17.9%		
Net income	774	1,034[3]		
Basic net income per share ($)	0.34	0.45		
Cash flow from operating activities	1,362	1,281		

[1] Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in the results tables.
[2] See Reconciliation of Non-GAAP financial measures on page 10
[3] Includes a net gain of $380 million from previously announced provision adjustments

Summary of Q3 2010 results

Orders received and revenues

Orders increased strongly in the third quarter compared to the year-earlier period, reaching the highest levels since the first quarter of 2009. The main growth driver was higher demand from industrial customers for equipment, services and solutions to increase capacity and to improve productivity and energy efficiency. Demand increased across a broad range of industries, including metals and minerals, marine, pulp and paper, discrete manufacturing and renewable energies. Oil and gas orders remained steady at high levels. Utility spending for power transmission equipment remained weak, however, on uncertainty surrounding the strength and duration of economic growth.

Base orders (below $15 million) increased 15 percent in the quarter while large orders (above $15 million) increased by 32 percent in local currencies when compared to the same quarter in 2009. Large orders represented 20 percent of total orders in the quarter compared with 18 percent in the same quarter a year earlier.

Regionally, orders in local currencies were more than 50 percent higher in Europe compared with the same period in 2009, as both large and base orders increased. Included in Europe orders received in the quarter is an order valued at approximately $700 million to link an offshore wind farm to the German grid.

Orders were up 26 percent in Asia, primarily on higher base orders. Growth was led by Power Systems, followed by Process Automation and Discrete Automation and Motion. Orders in China were 13 percent higher in the quarter and were up at a strong double-digit pace in all divisions except Power Products, where orders declined.

In the Americas, orders decreased by 16 percent as a $540-million power order won in Brazil last year was not repeated. Orders in North America increased by 21 percent, led by higher base orders and including a 37-percent increase in the U.S. Orders from the Middle East and Africa were down on a lower level of large orders compared to the same period in 2009.

Revenues grew in the quarter, mainly the result of strong growth in the short-cycle automation businesses as recent orders flowed through to revenues. Revenues in the longer-cycle businesses were flat to lower, reflecting the decline in orders received during 2009 and the beginning of 2010. Service revenues increased 11 percent.

The order backlog at the end of September 2010 amounted to $26.6 billion, corresponding to a local-currency increase of 7 percent compared to the end of 2009. Compared to the end of the second quarter of 2010, the order backlog is up 2 percent in local currencies.

Earnings before interest and taxes

Included in third-quarter 2010 EBIT are restructuring-related costs of approximately $20 million and a net gain of $82 million on derivative transactions. The operational EBIT margin in the quarter, which excludes these effects, was 14.0 percent. For the purposes of comparison, the operational EBIT margin in the same quarter in 2009, excluding the net gain from previously-announced provision adjustments, was 13.0 percent.

EBIT and EBIT margin were positively impacted by cost savings in sourcing, general and administrative expenses, as well as footprint adjustments and operational excellence initiatives, amounting to approximately $350 million in the quarter.

Net income

Third-quarter net income amounted to $774 million compared to approximately $1 billion in the same quarter a year ago. The previous year's net income included a positive net impact of $380 million from provision adjustments.

Balance sheet and cash flow

Net cash at the end of the third quarter was $5.3 billion compared to $5.9 billion at the end of the previous quarter. Cash flow from operations amounted to $1.4 billion while cash used in financing activities included a dividend payment of $1.1 billion in the form of a nominal value reduction, in July 2010, as approved by shareholders at the Annual General Meeting in April.

In August, ABB completed its previously-announced acquisition of shares in ABB Limited, its publicly-listed subsidiary in India, bringing its ownership stake in the company from approximately 52 percent to 75 percent. The cost of the acquisition amounted to approximately $950 million, including transaction costs.

Management changes

ABB announced in August the appointment of Tarak Mehta to ABB's Executive Committee as head of the Low Voltage Products division, effective October 1, 2010. Mehta, previously the head of ABB's global transformer business, replaced Tom Sjökvist, who retired at the end of September after 38 years with the company.

Compliance

As previously announced, on September 29, 2010, ABB reached settlements with United States Department of Justice (DoJ) and the United States Securities and Exchange Commission (SEC) regarding their investigations of various suspect payments. In connection with these settlements, ABB agreed to make payments to the DoJ and SEC totaling $58.3 million, ABB Inc. pled guilty to one count of conspiracy to violate the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act and one count of violating those provisions, ABB Ltd entered into a deferred prosecution agreement and ABB Ltd settled civil charges brought by the SEC. These settlements resolved these investigations. The payments related to the resolution of these matters will have no additional impact on ABB's EBIT and net income.

Cost reductions

ABB continued to execute its previously-announced cost take-out program during the third quarter. The program aims to sustainably reduce ABB's costs – comprising both cost of sales as well as general and administrative expenses – from 2008 levels by a total of $3 billion by the end of 2010.

Cost reductions in the third quarter of 2010 amounted to approximately $350 million, of which some 35 percent was achieved by optimizing global sourcing (excluding the impact of commodity price changes) and 25 percent from global footprint initiatives. The remainder was achieved through reductions to general and administrative expenses and operational excellence measures.

The total cost of the program is now expected to be below $1 billion. Costs associated with the program in the third quarter of 2010 amounted to $20 million, bringing the total cost so far in 2010 to approximately $100 million and to $720 million since the beginning of the program. ABB expects further costs in the fourth quarter approaching $200 million.

Outlook

Industrial customers are spending more on automation and power equipment and solutions to increase the energy efficiency and productivity of their existing assets. Assuming a continuation of the current economic recovery in most regions, the company is confident that its short- and mid-cycle businesses will continue to support both top and bottom line growth over the remainder of the year and into the beginning of 2011.

For ABB's late-cycle businesses, which make up the majority of the portfolio and which are driven by customer capital expenditure, the outlook for the remainder of 2010 remains mixed.

Upgrades and expansions of existing power infrastructure are needed in all regions, including renewables and smart grids. This is reflected in a near-record level of tendering activity in the Power Systems business. At the same time, lower electricity consumption in some regions has slowed the pace of power project awards in the short term. Furthermore, increased competition in the power sector continues to weigh on orders.

On the industrial side, most customer spending remains focused on equipment upgrades, replacement and service in existing capacity rather than major capital expenditures for new capacity.

The company believes it is well positioned to benefit from a sustained economic recovery. Growth initiatives are under way in selected businesses and countries, mainly in emerging markets. Significant fixed costs have been eliminated since the end of 2008, increasing incremental margins as demand returns. Spending on research and development has remained steady through the downturn in order to secure the company's technological leadership, and this will continue.

Therefore, in the remainder of 2010 and into 2011, management will continue to focus both on adjusting costs and taking advantage of its global footprint, strong balance sheet and leading technologies to tap further opportunities for profitable growth.

Divisional performance Q3 2010

Power Products

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,364	2,553	*-7%*	*-7%*
Order backlog (end Sep)	*8,259*	*8,712*	*-5%*	*-6%*
Revenues	2,439	2,823	*-14%*	*-13%*
EBIT	404	477	*-15%*	
as % of revenues	16.6%	16.9%		
Cash flow from operating activities	467	592		

Increased orders for medium-voltage products and distribution transformers, driven mainly by higher power distribution and industrial demand, could not fully compensate a decline in orders for power transformers and high-voltage products, reflecting continued weak utility investments in power transmission projects.

Regionally, orders were slightly higher in the Americas as double-digit growth in North America, where the power distribution business showed continued signs of recovery from a low level, offset lower orders in South America. Orders were higher in the Middle East and Africa, helped by some large orders, but were down in Europe and Asia.

Revenues decreased during the quarter, mainly as a result of lower order intake in preceding quarters.

EBIT and EBIT margin followed the revenue trend lower, reflecting decreased volumes and pricing pressure on orders taken in previous quarters. These effects were partly mitigated by a favorable product mix and cost reduction measures.

Power Systems

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,158	1,991	*8%*	*13%*
Order backlog (end Sep)	*10,446*	*9,770*	*7%*	*7%*
Revenues	1,679	1,612	*4%*	*6%*
EBIT	102	117	*-13%*	
as % of revenues	6.1%	7.3%		
Cash flow from operating activities	33	11		

Both base and large orders increased in the quarter. Industrial markets continued to show signs of improved demand and large project tendering activity remained strong. However, utility investments in power transmission continue at low levels, largely reflecting the late-cycle nature of this business.

Regionally, orders were higher in Europe, helped by an approximately $700-million HVDC offshore wind power order, the largest order ever booked by the division. Orders also increased in Asia – mainly Australia, China and India – but were down in the Middle East and Africa. Orders were also lower in the Americas compared to the same quarter in 2009 when the division won a large order in Brazil.

Revenues increased on execution of a strong order backlog. The improvement also reflects a contribution of approximately $50 million from the recent acquisition of Ventyx.

EBIT and EBIT margin were lower due to the less favorable product mix and lower prices on orders taken in previous quarters that are now flowing into revenues. Additional charges in the cable business were offset by a release of provisions related to the business in Russia and to the recently-announced settlements with the SEC and DoJ.

Discrete Automation and Motion

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,473	1,080	*36%*	*39%*
Order backlog (end Sep)	*3,486*	*3,375*	*3%*	*2%*
Revenues	1,460	1,280	*14%*	*16%*
EBIT	268	159	*69%*	
as % of revenues	18.4%	12.4%		
Cash flow from operating activities	156	272		

Global demand for solutions to improve industrial efficiency and productivity grew in the third quarter, leading to a strong increase in orders received. Orders were higher in all businesses, reflecting improved demand across all end markets. Orders also grew at a double-digit pace in every region, led by the Americas and Asia – where growth in China exceeded 30 percent.

Revenues increased as orders taken in the previous quarter began to flow through to sales in low-voltage drives, motors and robotics. Power electronics and medium-voltage drives also showed robust revenue growth on the execution of large projects from the order backlog.

EBIT and EBIT margin in the quarter rose strongly, reflecting both higher revenues and recent cost savings, especially in low-voltage drives, motors and robotics. Included in EBIT is a net gain of approximately $10 million from the break fee related to the withdrawn bid to acquire Chloride Group PLC.

Low Voltage Products

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,219	1,015	*20%*	*25%*
Order backlog (end Sep)	*970*	*817*	*19%*	*20%*
Revenues	1,187	1,052	*13%*	*17%*
EBIT	245	148	*66%*	
as % of revenues	20.6%	14.1%		
Cash flow from operating activities	240	245		

Orders increased significantly in the quarter on higher demand from industrial customers, the solar energy market and construction-related sectors, especially in the emerging markets. All business units recorded double-digit order growth in the quarter. Orders were also higher in all regions, led by strong double-digit growth in the Americas and Asia.

Revenues increased strongly and were higher in all product businesses. Service revenues increased by more than 20 percent in the quarter, reflecting the general industrial recovery in most regions.

EBIT and EBIT margin were up in the quarter on higher revenues and as the result of cost improvements implemented since the beginning of 2009, especially in Control Products, Breakers & Switches and Wiring Accessories.

Process Automation

	Q3 10	Q3 09	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	1,679	1,257	*34%*	*34%*
Order backlog (end Sep)	*5,853*	*6,182*	*-5%*	*-5%*
Revenues	1,859	1,926	*-3%*	*-1%*
EBIT	207	161	*29%*	
as % of revenues	11.1%	8.4%		
Cash flow from operating activities	236	268		

Orders grew significantly in the third quarter despite continued uncertainty in the market regarding the strength of the industrial recovery. Both base and large orders improved. Base order growth was led by the marine, minerals, turbocharging and pulp and paper businesses, while large orders were driven by minerals, marine and metals. Large orders more than doubled compared with the same period a year earlier. Oil and gas orders remained steady at high levels.

Regionally, order growth was up more than 50 percent in Asia on strong growth in minerals and marine. Minerals also drove growth in the Americas as higher commodity prices fuelled customer spending to expand capacity. Orders grew in Europe but were lower in the Middle East and Africa.

Revenues were flat in the quarter, as higher service revenues were offset by lower systems revenues.

Despite the flat revenue development, EBIT and EBIT margin increased on a combination of a net gain from derivative transactions, a higher share of revenues from products and services compared to the third quarter of 2009 and the impact of cost take-out measures executed over the past six quarters.

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More information

The 2010 Q3 results press release and presentation slides are available from October 28, 2010, on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

ABB will host a media conference call starting at 10:00 a.m. Central European Time (CET). U.K. callers should dial +44 20 7107 5862. From Sweden, +46 8 5069 2105, and from the rest of Europe, +41 91 610 56 00. Lines will be open 15 minutes before the start of the conference. Audio playback of the call will start one hour after the call ends and will be available for 24 hours: Playback numbers: +44 20 7108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 866 416 2558 (U.S./Canada). The code is 10041, followed by the # key. The conference will also be available as a podcast on the web sites mentioned above.

A conference call for analysts and investors is scheduled to begin today at 2:30 p.m. CET (8:30 a.m. EDT). Callers should dial +1 866 291 4166 (from the U.S./Canada) or +41 91 610 5600 (Europe and the rest of the world). Callers are requested to phone in 15 minutes before the start of the call. The audio playback of the call will start one hour after the end of the call and be available for 24 hours. Playback numbers: +1 866 416 2558 (U.S./Canada) or +41 91 612 4330 (Europe and the rest of the world). The code is 17888, followed by the # key. The conference will also be available as a podcast on the web sites mentioned above.

Investor calendar 2011	
Q4 2010 results	Feb. 17, 2011
Q1 2011 results	April 28, 2011
Annual General Meeting of shareholders	April 29, 2011
Q2 2011 results	July 21, 2011
Q3 2011 results	Oct. 27, 2011

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 117,000 people.

Zurich, Oct. 28, 2010

Joe Hogan, CEO

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled “Cost reductions” and “Outlook,” as well as other statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans” or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, business risks related to the financial crisis and economic slowdown, costs associated with compliance activities, the amount of revenues we are able to generate from backlog and orders received, raw materials prices, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

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ABB Q3 and nine-months (9M) 2010 key figures

$ millions unless otherwise indicated		Q3 10	Q3 09	*Change*		9M 10	9M 09	*Change*	
				US$	*Local*			*US$*	*Local*
Orders	**Group**	**8,197**	**7,060**	***16%***	***18%***	**23,929**	**23,519**	***2%***	***-1%***
	Power Products	2,364	2,553	*-7%*	*-7%*	7,245	8,273	*-12%*	*-15%*
	Power Systems	2,158	1,991	*8%*	*13%*	5,270	5,967	*-12%*	*-13%*
	Discrete Automation & Motion	1,473	1,080	*36%*	*39%*	4,357	3,560	*22%*	*20%*
	Low Voltage Products	1,219	1,015	*20%*	*25%*	3,544	3,052	*16%*	*16%*
	Process Automation	1,679	1,257	*34%*	*34%*	5,619	5,262	*7%*	*3%*
	Corporate *(consolidation)*	(696)	(836)			(2,106)	(2,595)		
Revenues	**Group**	**7,903**	**7,910**	***0%***	***2%***	**22,410**	**23,034**	***-3%***	***-4%***
	Power Products	2,439	2,823	*-14%*	*-13%*	7,286	8,130	*-10%*	*-12%*
	Power Systems	1,679	1,612	*4%*	*6%*	4,698	4,641	*1%*	*-1%*
	Discrete Automation & Motion	1,460	1,280	*14%*	*16%*	3,960	3,935	*1%*	*-1%*
	Low Voltage Products	1,187	1,052	*13%*	*17%*	3,300	2,962	*11%*	*11%*
	Process Automation	1,859	1,926	*-3%*	*-1%*	5,331	5,785	*-8%*	*-10%*
	Corporate *(consolidation)*	(721)	(783)			(2,165)	(2,419)		
EBIT	**Group**	**1,156**	**1,419**	***-19%***		**2,840**	**3,328**	***-15%***	
	Power Products	404	477	*-15%*		1,169	1,474	*-21%*	
	Power Systems	102	117	*-13%*		106	322	*-67%*	
	Discrete Automation & Motion	268	159	*69%*		641	514	*25%*	
	Low Voltage Products	245	148	*66%*		608	370	*64%*	
	Process Automation	207	161	*29%*		555	473	*17%*	
	Corporate	(70)	357	*n.a.*		(239)	175	*n.a.*	
EBIT margin	**Group**	**14.6%**	**17.9%**			**12.7%**	**14.4%**		
	Power Products	16.6%	16.9%			16.0%	18.1%		
	Power Systems	6.1%	7.3%			2.3%	6.9%		
	Discrete Automation & Motion	18.4%	12.4%			16.2%	13.1%		
	Low Voltage Products	20.6%	14.1%			18.4%	12.5%		
	Process Automation	11.1%	8.4%			10.4%	8.2%		

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Q3 2010 orders received and revenues by region

$ millions	Orders received		Change		Revenues		Change	
	Q3 10	Q3 09	US$	Local	Q3 10	Q3 09	US$	Local
Europe	3,693	2,624	41%	52%	3,173	3,371	-6%	0%
Americas	1,502	1,723	-13%	-16%	1,578	1,495	6%	3%
Asia	2,413	1,864	29%	26%	2,195	2,177	1%	-2%
Middle East and Africa	589	849	-31%	-30%	957	867	10%	14%
Group total	**8,197**	**7,060**	**16%**	**18%**	**7,903**	**7,910**	**0%**	**2%**

Nine months 2010 orders received and revenues by region

$ millions	Orders received		Change		Revenues		Change	
	9M 10	9M 09	US$	Local	9M 10	9M 09	US$	Local
Europe	9,992	9,111	10%	10%	8,820	9,609	-8%	-7%
Americas	4,461	4,581	-3%	-7%	4,373	4,473	-2%	-6%
Asia	6,679	6,118	9%	4%	6,280	6,305	0%	-5%
Middle East and Africa	2,797	3,709	-25%	-26%	2,937	2,647	11%	10%
Group total	**23,929**	**23,519**	**2%**	**-1%**	**22,410**	**23,034**	**-3%**	**-4%**

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Reconciliation of non-GAAP financial measures regarding Q3 2010

($ millions, unaudited)

EBIT Margin	**3 months ended Sept. 30,**	
(= EBIT as % of revenues)	**2010**	**2009**
Earnings before interest and taxes (EBIT)	1'156	1'419
Revenues	7'903	7'910
EBIT Margin	**14.6%**	**17.9%**
EBIT as per financial statements	**1'156**	**1'419**
adjusted for the effects of:		
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	-182	-68
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-18	12
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	118	56
Restructuring and restructuring-related expenses	20	41
Operational EBIT	**1'094**	**1'460**
Adjustment for previously announced provision release in 2009	*n.a.*	*431*
Adjusted Operational EBIT	1'094	1'029
Revenues as per financial statements	**7'903**	**7'910**
adjusted for the effects of:		
Unrealized gains and losses on derivatives	-180	-104
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	-25	29
Unrealized foreign exchange movements on receivables (and related assets)	104	52
Operational Revenues	**7'802**	**7'887**
Operational EBIT Margin (= Operational EBIT as % of Operational Revenues)	**14.0%**	**18.5%**
Adjusted Operational EBIT Margin (= Adjusted Operational EBIT as % of Operational Revenues)	14.0%	13.0%

Net Cash	**Sept. 30, 2010**
(= Cash and equivalents plus marketable securities and short-term investments, less total debt)	
Cash and equivalents	5'269
Marketable securities and short-term investments	2'353
Cash and marketable securities	**7'622**
Short-term debt and current maturities of long-term debt	253
Long-term debt	2'080
Total debt	**2'333**
Net Cash	**5'289**

Management believes EBIT margin and operational EBIT margin are useful measures of profitability and uses them as performance targets.