Press Release

ABB reports solid fourth quarter performance, 2011 net income up 24%

- **Orders rise 17%[1] (10% organic[2]), revenues up 16% (10% organic)**
- **Full-year orders hit $40 bn for first time, record revenues of $38 billion**
- **Q4 operational EBITDA[3] up 18%, net income 19% higher**
- **$1.7 bn cash from operations in the fourth quarter**
- **Board of Directors proposes dividend of CHF 0.65 for full year, up 8% versus 2010**

Zurich, Switzerland, Feb. 16, 2012 – ABB reported an increase in profitability in the fourth quarter of 2011 on a combination of strong revenue growth and cost savings. For 2011, the company reached $40 billion in orders for the first time ever and reported record revenues of $38 billion.

Operational EBITDA, the measure of profitability tracked by management, rose 18 percent from the fourth quarter a year earlier, to $1.6 billion, on a 16-percent increase in revenues (10 percent organic). The operational profit margin on this basis rose to 14.8 percent from 14.4 percent, due in large part to cost reductions of approximately $330 million and better project execution.

Cash from operations in the quarter amounted to approximately $1.7 billion, close to the record $1.8 billion generated in the same quarter of the last two years.

Orders rose 17 percent (10 percent organic), helped by increasing demand for low-loss power transmission systems in both mature and emerging markets. Demand from industrial customers for high-efficiency equipment used to reduce operating costs and increase product quality also grew.

“We continued to execute well in the fourth quarter, especially on our cost savings and project execution, allowing us to report record revenues and solid earnings in a volatile market environment,” said ABB Chief Executive Officer Joe Hogan. “We saw good demand for energy efficiency solutions in industry and for grid expansions and refurbishment, and we expect that to continue.

“At the same time, an unfavorable business mix and ongoing price pressure out of the order backlog will likely weigh on profit margins in the first quarter, but we are more optimistic about the rest of the year and will continue to aggressively pursue growth while retaining our uncompromising approach to cost control.”

2011 Q4 and full-year key figures

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	10'160	8'752	*16%*	*17%*	40'210	32'681	*23%*	*18%*
Order backlog (end Dec)	*27'508*	*26'193*	*5%*	*9%*				
Revenues	10'571	9'179	*15%*	*16%*	37'990	31'589	*20%*	*15%*
EBIT	1'123	978	*15%*		4'667	3'818	*22%*	
as % of revenues	10.6%	10.7%			12.3%	12.1%		
Operational EBITDA	1'568	1'324	*18%*		6'014	4'824	*25%*	
as % of operational revenues	14.8%	14.4%			15.8%	15.3%		
Net income	830	700	*19%*		3'168	2'561	*24%*	
Basic net income per share ($)	0.36	0.31			1.38	1.12		
Dividend per share (CHF)*					0.65	0.60	*8%*	
Cash flow from operating activities	1'674	1'759	*-5%*		3'612	4'197	*-14%*	
Free cash flow					2'593	3'397		
as % of net income					82%	133%		
Cash return on invested capital					14%	21%		

* Proposed by the Board of Directors

[1] Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in the results tables.
[2] Organic changes exclude the acquisition of Baldor.
[3] See reconciliation of non-GAAP measures in Appendix 1.

Summary of Q4 2011 results

Orders received and revenues

Demand for ABB products and solutions continued to grow as industrial and utility customers focused on energy efficiency, industrial productivity and power reliability. In particular, orders improved in the oil, gas and petrochemicals and power utility sectors. Orders increased in the fourth quarter compared to the year earlier due to a significant jump in large orders (above $15 million), including a $900-million Ultra High Voltage Direct Current (UHVDC) power transmission order in India and a $160-million underground HVDC link in Sweden. Large orders increased by 38 percent and represented 23 percent of the total orders in the quarter, compared to about 20 percent in the year-earlier period. Base orders (below $15 million) increased 12 percent (4 percent organic). This was approximately the same growth rate as in the third quarter of 2011.

The Discrete Automation and Motion division reported the largest growth in orders, up 49 percent in local currencies, thanks in large part to continued robust demand for high-efficiency electrical motors from Baldor. On an organic basis, orders in Discrete Automation and Motion grew 11 percent. Orders were 6 percent higher in the Low Voltage Products division, mainly on increased demand for low-voltage systems to improve electrical efficiency in industry. The Process Automation division saw orders up 7 percent as commodity prices continued to drive customer investment in new capacity and services to improve the productivity of existing assets, especially in the oil and gas sector.

The Power Systems division had a very strong quarter in orders and revenues, confirming longer term trends to interconnect power grids and strengthen power transmission infrastructure in both mature and emerging markets. Power Products orders increased across all businesses, mainly the result of demand from the power distribution and industrial sectors.

Regionally, orders rose by 61 percent in Asia on the large power order in India and strong order increases in Australia and Singapore, as well as a 6-percent increase in China. In the Americas, orders grew by 41 percent (11 percent organic), with higher demand in both automation and power. Orders declined 8 percent in Europe, reflecting both slower economic growth and a more challenging comparison with the same quarter a year earlier, when ABB was awarded a $580-million HVDC power transmission order. Orders in the Middle East and Africa were down 18 percent on fewer large orders compared to the same period in 2010.

For the Group, service orders grew by 11 percent in the quarter and were 15 percent higher for the full year.

The order backlog at the end of December reached $27.5 billion, a local-currency increase of 9 percent compared with the end of the fourth quarter in 2010, and 2 percent lower than at the end of the third quarter in 2011.

Revenues continued to grow and were higher in all divisions, supported in large part by execution of the order backlog. Organic revenue growth was 10 percent. Service revenues grew by 12 percent and represented 16 percent of the Group's total revenues in the fourth quarter. For the full year, service revenues increased 10 percent and represented 16 percent of total revenues.

Earnings and net income

EBIT in the fourth quarter of 2011 amounted to $1.1 billion, a 15-percent increase compared to the same quarter a year earlier.

Operational EBITDA in the fourth quarter of 2011 amounted to $1.6 billion, an increase of 18 percent over the year-earlier period. The increase in operational EBITDA and operational EBITDA margin mainly reflects the contribution of $525 million of revenues and $97 million of operational EBITDA from the Baldor acquisition, and the non-recurrence of some $120 million in project-related charges in the Power Systems division compared to the same quarter in 2010. Profitability was negatively impacted by continued price pressure in the power divisions—as lower margin orders were executed from the backlog—unfavorable business and product mix and continued investment in sales and research and development.

Net income for the quarter grew 19 percent to $830 million. Basic earnings per share amounted to $0.36.

As part of the company's $1-billion cost savings initiative for 2011, savings of approximately $330 million were achieved in the quarter, of which about 50 percent were derived from optimized sourcing. For 2011, total cost savings amounted to $1.1 billion. Costs associated with the program in the fourth quarter were approximately $100 million, bringing the total cost for the full year to approximately $160 million.

As the company said at its Capital Markets Day in November, ABB intends to continue its cost savings initiatives in 2012 and aims to further reduce costs by approximately $1 billion, again primarily through global sourcing and operational excellence measures.

Acquisitions

ABB continued to execute on its strategy to fill key gaps in its product portfolio, geographic coverage and end-market exposure with bolt-on acquisitions. During the fourth quarter, ABB completed the acquisition of Trasfor, a Switzerland-based specialty transformer manufacturer. In December, the company also announced an offer to acquire Switzerland-based Newave Energy International, a manufacturer of uninterrupted power supplies, for a total consideration of approximately $170 million. The deal is expected to be completed in the first quarter of 2012.

ABB made a number of other acquisitions in 2011, the largest of which was U.S.-based industrial motor manufacturer Baldor Electric, completed in January and valued at $4.2 billion, including debt repayment. Since being consolidated into ABB's financial results as of the end of January 2011, Baldor has contributed approximately $2 billion in revenues and approximately $390 million of operational EBITDA.

Other acquisitions during the year included Envitech, a Canadian supplier of electrical products for urban transit systems; Powercorp, an Australian renewable power automation company; Lorentzen & Wettre, a Swedish manufacturer of control solutions for the pulp and paper industry; Epyon, a Netherlands-based supplier of electrical vehicle charging solutions; and Mincom, a supplier of enterprise asset management software to the mining and other industries, based in Australia.

ABB announced in January 2012 an agreed offer to acquire U.S. low-voltage equipment manufacturer Thomas & Betts for a total cash consideration of $3.9 billion. The transaction, to be fully funded by cash and debt, is expected to be closed in the second quarter of 2012, pending approval of the deal by Thomas & Betts shareholders and customary regulatory approvals.

Balance sheet and cash flow

Total debt amounted to $4.0 billion compared to $2.2 billion at the end of 2010 and $4.6 billion at the end of the third quarter of 2011.

Net cash at the end of the fourth quarter was $1.8 billion compared with $1 billion at the end of the previous quarter. Cash flow from operations amounted to $1.7 billion, close to the record levels reported in the same quarter in 2010 and 2009. The good performance reflects solid working capital management, mainly reduced inventories and improved receivables collection, partly offset by higher tax payments.

At its Capital Markets Day in November 2011, ABB introduced a new measure of return on investment as part of its 2011-2015 financial targets, replacing return on capital employed (ROCE) with cash return on invested capital (CROI). The target is to achieve a CROI above 20 percent by 2015. At the end of 2011, the first year of the five-year target period, CROI was 14 percent, down from 21 percent in 2010 as a result of the $4-billion acquisition of Baldor Electric completed in the first quarter of 2011.

ABB returned to the bond market in 2011 with the aim of extending the maturity profile of its long-term debt and securing long-term funding at attractive rates. The company issued two US-dollar denominated bonds in June, totaling $1,250 million—maturing in 2016 and 2021—followed in October by two Swiss franc-denominated bonds totaling CHF 850 million, also maturing in 2016 and 2021. In January 2012, ABB Ltd issued a further CHF 350-million bond, maturing in 2018. In addition, ABB redeemed on maturity a €650-million bond in November, 2011.

Dividend

ABB's Board of Directors has proposed a dividend for 2011 of 0.65 Swiss francs per share, compared to 0.60 Swiss francs per share in the prior year. The proposal is in line with the company's dividend policy to pay a steadily rising, sustainable dividend over time. As it did in 2011, the Board proposes that the dividend be paid from ABB Ltd's capital contribution reserve, a form of payment that would be exempt from Swiss withholding tax. If approved by shareholders at the company's annual general meeting on April 26, 2012, the ex-dividend date would be April 30, 2012, for shares traded on the SIX and OMX Nasdaq exchanges and May 1, 2012, for American Depositary Shares traded on the New York Stock Exchange. The respective dividend payout dates would be May 4, 2012, in Switzerland, May 8, 2012 in Sweden, and May 11, 2012 in the United States.

Management changes

In February 2011, ABB announced that Frank Duggan was appointed to the ABB Executive Committee (EC) as Head of Global Markets, effective March 1, 2011. In December 2011, ABB announced the appointment of Brice Koch, the EC member responsible for Marketing and Customer Solutions, as the Head of the Power Systems division, effective March 1, 2012. He succeeds Peter Leupp, who is retiring. At the same time, Greg Scheu, the head of the Discrete Automation and Motion division in North America, was appointed to the EC to succeed Koch as Head of Marketing and Customer Solutions, effective July 1, 2012.

Outlook

The long-term outlook for ABB remains positive, with utilities continuing to invest in grid upgrades and industries spending more on automation solutions to increase energy efficiency and productivity.

Macroeconomic volatility makes short-term forecasts more challenging. There are signs of recovery in the North American economy and China appears to be returning to a focus on growth, while uncertainty around government budget deficits in Europe remains high.

From the perspective of ABB's short-term business development, management expects low single-digit growth in most of its early-cycle businesses until confidence in the macroeconomic outlook improves. Price pressure is expected to continue in parts of the power business, in line with the company's previous guidance. The unfavorable business mix seen in most divisions in the fourth quarter of 2011 is expected to continue into the first quarter of 2012, weighing on margins. This trend is not expected to continue over the rest of the year. Management will continue to drive further improvements in cost and productivity going forward.

At the same time, the company's strong order backlog and continued customer investments in areas such as power distribution and oil and gas, as well as its exposure to fast-growing emerging markets, are expected to provide ample opportunities for profitable growth in 2012 and the company will continue to expand sales forces and accelerate product development in order to capture these opportunities.

Divisional performance

Power Products

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	2,738	2,533	*8%*	*8%*	11,068	9,778	*13%*	*8%*
Order backlog (end Dec)	*8,029*	*7,930*	*1%*	*4%*				
Revenues	3,083	2,913	*6%*	*6%*	10,869	10,199	*7%*	*2%*
EBIT	353	454	*-22%*		1,476	1,636	*-10%*	
as % of revenues	11.4%	15.6%			13.6%	16.0%		
Operational EBITDA[1]	460	527	*-13%*		1,782	1,861	*-4%*	
as % of operational revenues	14.8%	18.0%			16.3%	18.2%		
Cash flow from operating activities	548	658	-17%		1,095	1,756	-38%	

[1] See reconciliation of non-GAAP measures in Appendix 1

Orders increased across all businesses during the quarter, driven primarily by demand from the power distribution and industrial sectors. Market uncertainty persists and a recovery in the transmission sector depends on an overall improvement in economic conditions and utilities becoming more active on capital investment.

Regionally, orders were higher in the Americas and Asia, mainly due to a growth in base orders, and declined in Europe as a result of delayed investments.

Revenues grew in all businesses with service revenues growing faster than total revenues.

The lower operational EBITDA and EBITDA margin in the quarter was due mainly to the execution of lower margin order backlog, reflecting the weaker pricing environment seen in 2010 and 2011. Margins were also affected by a less favorable product mix. Savings from ongoing sourcing, operational improvements and footprint initiatives partially compensated this impact.

Power Systems

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	3,130	2,626	*19%*	*21%*	9,278	7,896	*18%*	*12%*
Order backlog (end Dec)	*11,570*	*10,929*	*6%*	*11%*				
Revenues	2,412	2,088	*16%*	*17%*	8,101	6,786	*19%*	*14%*
EBIT	145	3	*n.a.*		548	114	*381%*	
as % of revenues	6.0%	0.1%			6.8%	1.7%		
Operational EBITDA[1]	238	69	*245%*		743	304	*144%*	
as % of operational revenues	9.9%	3.3%			9.1%	4.5%		
Cash flow from operating activities	306	512	-40%		288	443	-35%	

[1] See reconciliation of non-GAAP measures in Appendix 1

Strong order growth in the quarter was driven mainly by an increase in large orders, including an Ultra High Voltage Direct Current (UHVDC) transmission system order in India and a cable system order in Sweden with a combined value of more than $1 billion.

Orders increased in Asia and the Americas on utility investments in grid upgrades. Orders were lower in Europe where market uncertainty impacted the timing of utility capital investments.

Revenue growth reflected the execution of the strong order backlog, which reached a record level at the end of the year.

Most of the increase in operational EBITDA and operational EBITDA margin in the fourth quarter reflects a favorable comparison to the same period in 2010, when significant project-related charges were incurred in the cables business. In addition, operational EBITDA in the fourth quarter of 2011 was positively impacted by successful claims management.

Discrete Automation and Motion

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	2,230	1,505	*48%*	*49%*	9,566	5,862	*63%*	*57%*
Order backlog (end Dec)	*4,120*	*3,350*	*23%*	*26%*				
Revenues	2,365	1,657	*43%*	*44%*	8,806	5,617	*57%*	*51%*
EBIT	338	280	*21%*		1,294	911	*42%*	
as % of revenues	14.3%	16.9%			14.7%	16.2%		
Operational EBITDA[1]	411	301	*37%*		1,664	1,026	*62%*	
as % of operational revenues	17.4%	18.2%			18.9%	18.3%		
Cash flow from operating activities	410	204	101%		1,086	573	90%	

[1] See reconciliation of non-GAAP measures in Appendix 1

Orders grew in the quarter for all businesses, although at a slower rate than in the previous three quarters. Organic order growth amounted to 11 percent in local currencies. Demand for energy-efficient industrial products and solutions remained strong, especially in emerging markets, reflecting the positive economic development. Baldor continued its strong growth in North America as demand for high-efficiency motors continued. Orders continued to grow in Europe at a single-digit pace.

Revenue growth in the quarter mainly reflects execution of the strong order backlog.

Operational EBITDA increased on higher revenues and the contribution from Baldor. Operational EBITDA margin declined compared to fourth quarter 2010 due to an unfavorable product and business mix along with increasing investments in business development, sales, and R&D.

Low Voltage Products

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	1,204	1,142	*5%*	*6%*	5,364	4,686	*14%*	*9%*
Order backlog (end Dec)	*887*	*838*	*6%*	*9%*				
Revenues	1,348	1,254	*7%*	*7%*	5,304	4,554	*16%*	*11%*
EBIT	209	200	*5%*		904	788	*15%*	
as % of revenues	15.5%	15.9%			17.0%	17.3%		
Operational EBITDA[1]	256	252	*2%*		1,059	926	*14%*	
as % of operational revenues	19.0%	20.1%			19.9%	20.3%		
Cash flow from operating activities	312	280	11%		548	717	-24%	

[1] See reconciliation of non-GAAP measures in Appendix 1

Orders continued to grow in the fourth quarter but at a pace that reflects generally weaker early-cycle demand in most markets. Growth was strongest for engineered solutions, such as large electrical panels used in a variety of industrial applications, while growth was more modest for products like breakers and switches. Regionally, orders were up in the main European and Asian markets, and were also higher in the Americas. Orders declined in the Middle East and Africa. Service orders grew at a faster pace than total orders.

Revenues grew faster than orders on execution of the strong order backlog in low-voltage systems.

Higher revenues drove the increase in operational EBITDA, supported by price increases implemented successfully earlier in the year to offset rising raw material costs. The higher share of systems revenues during the quarter resulted in a decline in operational EBITDA margin.

Process Automation

	Q4 11	Q4 10	Change		FY 2011	FY 2010	Change	
$ millions unless otherwise indicated			*US$*	*Local*			*US$*	*Local*
Orders	1,881	1,764	*7%*	*7%*	8,726	7,383	*18%*	*12%*
Order backlog (end Dec)	*5,771*	*5,530*	*4%*	*8%*				
Revenues	2,317	2,101	*10%*	*10%*	8,300	7,432	*12%*	*6%*
EBIT	243	198	*23%*		963	759	*27%*	
as % of revenues	10.5%	9.4%			11.6%	10.2%		
Operational EBITDA[1]	272	293	*-7%*		1,028	925	*11%*	
as % of operational revenues	11.8%	13.8%			12.4%	12.5%		
Cash flow from operating activities	416	222	87%		904	738	22%	

[1] See reconciliation of non-GAAP measures in Appendix 1

Order growth in the quarter was primarily driven by capital spending in the oil and gas sector. Base orders contributed to the majority of the growth, fueled by strong orders in measurement products, while large orders were flat.

Regionally, Europe recorded strong growth driven by oil and gas investment in an offshore gas platform in Norway. Orders also grew in the Americas, led by Brazil and the U.S. Orders remained steady in Asia.

The revenue increase was driven by the execution of the strong order backlog in the oil and gas, minerals and pulp and paper businesses as well as turbocharging and measurement products.

The lower operational EBITDA and EBITDA margin reflects a higher share of lower margin systems orders executed out of the backlog, higher research and development costs related to growth initiatives, and the impact of the strong Swiss franc on the turbocharging business.

More information

The 2011 Q4 results press release is available from Feb. 16, 2012, on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations, where a presentation for investors will also be published.

A video from Chief Executive Officer Joe Hogan on ABB's fourth-quarter 2011 results will be available at 06:30 am today at www.youtube.com/abb.

ABB will host a press conference and call starting at 10:00 a.m. Central European Time (CET). U.K. callers should dial +44 203 059 5862. From Sweden, +46 8 5051 0031, and from the rest of Europe, +41 91 610 5600. Lines will be open 15 minutes before the conference starts. Playback of the call will start 1 hour after the call ends and will be available for 24 hours: Playback numbers: +44 207 108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 866 416 2558 (U.S./Canada). The code is 19950, followed by the # key. The recorded session will also be available as a podcast 1 hour after the end of the call and can be downloaded from www.abb.com/news.

A conference call for analysts and investors is scheduled to begin today at 2:00 p.m. CET (1:00 p.m. in the UK, 8:00 a.m. EDT). Callers should dial +1 866 291 4166 from the U.S./Canada (toll-free), +44 203 059 5862 from the U.K., or +41 91 610 56 00 from the rest of the world. Callers are requested to phone in 15 minutes before the start of the call. The recorded session will be available as a podcast one hour after the end of the conference call and can be downloaded from our website. You will find the link to access the podcast at www.abb.com.

Investor calendar 2012	
Annual Report 2011 publication	March 15, 2012
First-quarter 2012 results	April 25, 2012
Annual General Meeting Zurich, Switzerland	April 26, 2012
Annual Information Meeting Västerås, Sweden	April 27, 2012
Second-quarter 2012 results	July 26, 2012
Third-quarter 2012 results	October 25, 2012

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 135,000 people.

Zurich, February 16, 2012
Joe Hogan, CEO

Important notice about forward-looking information

This press release includes forward-looking information and statements 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 associated with the volatile global economic environment and political conditions, costs associated with compliance activities, raw materials availability and 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.

Press Release

ABB Q4 and full-year 2011 key figures

$ millions unless otherwise indicated		**Q4 11**	**Q4 10**	*Change*		**2011**	**2010**	*Change*	
				US$	*Local*			*US$*	*Local*
Orders	**Group**	**10'160**	**8'752**	***16%***	***17%***	**40'210**	**32'681**	***23%***	***18%***
	Power Products	2'738	2'533	*8%*	*8%*	11'068	9'778	*13%*	*8%*
	Power Systems	3'130	2'626	*19%*	*21%*	9'278	7'896	*18%*	*12%*
	Discrete Automation & Motion	2'230	1'505	*48%*	*49%*	9'566	5'862	*63%*	*57%*
	Low Voltage Products	1'204	1'142	*5%*	*6%*	5'364	4'686	*14%*	*9%*
	Process Automation	1'881	1'764	*7%*	*7%*	8'726	7'383	*18%*	*12%*
	Corporate and other *(inter-division eliminations)*	(1'023)	(818)			(3'792)	(2'924)		
Revenues	**Group**	**10'571**	**9'179**	***15%***	***16%***	**37'990**	**31'589**	***20%***	***15%***
	Power Products	3'083	2'913	*6%*	*6%*	10'869	10'199	*7%*	*2%*
	Power Systems	2'412	2'088	*16%*	*17%*	8'101	6'786	*19%*	*14%*
	Discrete Automation & Motion	2'365	1'657	*43%*	*44%*	8'806	5'617	*57%*	*51%*
	Low Voltage Products	1'348	1'254	*7%*	*7%*	5'304	4'554	*16%*	*11%*
	Process Automation	2'317	2'101	*10%*	*10%*	8'300	7'432	*12%*	*6%*
	Corporate and other *(inter-division eliminations)*	(954)	(834)			(3'390)	(2'999)		
EBIT	**Group**	**1'123**	**978**	***15%***		**4'667**	**3'818**	***22%***	
	Power Products	353	454	*-22%*		1'476	1'636	*-10%*	
	Power Systems	145	3	*n.a.*		548	114	*381%*	
	Discrete Automation & Motion	338	280	*21%*		1'294	911	*42%*	
	Low Voltage Products	209	200	*5%*		904	788	*15%*	
	Process Automation	243	198	*23%*		963	759	*27%*	
	Corporate and other *(inter-division eliminations)*	(165)	(157)			(518)	(390)		
EBIT %	**Group**	**10.6%**	**10.7%**			**12.3%**	**12.1%**		
	Power Products	11.4%	15.6%			13.6%	16.0%		
	Power Systems	6.0%	0.1%			6.8%	1.7%		
	Discrete Automation & Motion	14.3%	16.9%			14.7%	16.2%		
	Low Voltage Products	15.5%	15.9%			17.0%	17.3%		
	Process Automation	10.5%	9.4%			11.6%	10.2%		
Operational EBITDA*	**Group**	**1'568**	**1'324**	***18%***		**6'014**	**4'824**	***25%***	
	Power Products	460	527	*-13%*		1'782	1'861	*-4%*	
	Power Systems	238	69	*245%*		743	304	*144%*	
	Discrete Automation & Motion	411	301	*37%*		1'664	1'026	*62%*	
	Low Voltage Products	256	252	*2%*		1'059	926	*14%*	
	Process Automation	272	293	*-7%*		1'028	925	*11%*	
Operational EBITDA %	**Group**	**14.8%**	**14.4%**			**15.8%**	**15.3%**		
	Power Products	14.8%	18.0%			16.3%	18.2%		
	Power Systems	9.9%	3.3%			9.1%	4.5%		
	Discrete Automation & Motion	17.4%	18.2%			18.9%	18.3%		
	Low Voltage Products	19.0%	20.1%			19.9%	20.3%		
	Process Automation	11.8%	13.8%			12.4%	12.5%		

* See reconciliation of non-GAAP measures in Appendix 1 and in Note 14 to the Interim Consolidated Financial Information (unaudited)

Q4 2011 orders received and revenues by region

$ millions	**Orders received**		*Change*		**Revenues**		*Change*	
	Q4 11	**Q4 10**	*US$*	*Local*	**Q4 11**	**Q4 10**	*US$*	*Local*
Europe	3'482	3'789	-8%	-8%	3'985	3'558	*12%*	*12%*
Americas	2'439	1'762	38%	41%	2'571	1'840	*40%*	*42%*
Asia	3'327	2'041	63%	61%	2'856	2'592	*10%*	*9%*
Middle East and Africa	912	1'160	-21%	-18%	1'159	1'189	*-3%*	*-1%*
Group total	**10'160**	**8'752**	***16%***	***17%***	**10'571**	**9'179**	***15%***	***16%***

Full-year 2011 orders received and revenues by region

$ millions	**Orders received**		*Change*		**Revenues**		*Change*	
	2011	**2010**	*US$*	*Local*	**2011**	**2010**	*US$*	*Local*
Europe	15'202	13'781	10%	4%	14'657	12'378	*18%*	*11%*
Americas	9'466	6'223	52%	50%	9'043	6'213	*46%*	*43%*
Asia	12'103	8'720	39%	32%	10'136	8'872	*14%*	*9%*
Middle East and Africa	3'439	3'957	-13%	-15%	4'154	4'126	*1%*	*-2%*
Group total	**40'210**	**32'681**	***23%***	***18%***	**37'990**	**31'589**	***20%***	***15%***

Operational EBIT and Operational EBITDA Q4 2011 vs Q4 2010

Operational EBIT and Operational EBITDA Q4 2011 vs Q4 2010

	ABB		Power Products		Power Systems		Discrete Automation & Motion		Low Voltage Products		Process Automation	
	Q4 11	**Q4 10**	**Q4 11**	**Q4 10**	**Q4 11**	**Q4 10**	**Q4 11**	**Q4 10**	**Q4 11**	**Q4 10**	**Q4 11**	**Q4 10**
Revenues (as per Financial Statements)	**10,571**	**9,179**	**3,083**	**2,913**	**2,412**	**2,088**	**2,365**	**1,657**	**1,348**	**1,254**	**2,317**	**2,101**
FX/commodity timing differences in Revenues	(2)	32	19	10	(12)	5	1	(6)	2	(1)	(9)	24
Operational revenues	**10,569**	**9,211**	**3,102**	**2,923**	**2,400**	**2,093**	**2,366**	**1,651**	**1,350**	**1,253**	**2,308**	**2,125**
EBIT (as per Financial Statements)	**1,123**	**978**	**353**	**454**	**145**	**3**	**338**	**280**	**209**	**200**	**243**	**198**
FX/commodity timing differences in EBIT	53	35	10	0	15	15	8	(11)	(1)	(4)	2	46
Restructuring-related costs	107	116	44	23	33	23	1	10	19	29	7	29
Acquisition-related expenses and certain non-recurring items	20	0	0	0	0	0	3	0	0	0	0	0
Operational EBIT	**1,303**	**1,129**	**407**	**477**	**193**	**41**	**350**	**279**	**227**	**225**	**252**	**273**
Operational EBIT margin	**12.3%**	**12.3%**	**13.1%**	**16.3%**	**8.0%**	**2.0%**	**14.8%**	**16.9%**	**16.8%**	**18.0%**	**10.9%**	**12.8%**
Depreciation (reversal of)	174	145	43	43	21	12	32	19	27	26	15	15
Amortization (reversal of)	91	50	10	7	24	16	29	3	2	1	5	5
Operational EBITDA	**1,568**	**1,324**	**460**	**527**	**238**	**69**	**411**	**301**	**256**	**252**	**272**	**293**
Operational EBITDA margin	**14.8%**	**14.4%**	**14.8%**	**18.0%**	**9.9%**	**3.3%**	**17.4%**	**18.2%**	**19.0%**	**20.1%**	**11.8%**	**13.8%**

Appendix I
Reconciliation of non-GAAP measures
(US$ millions)

EBIT Margin *(= EBIT as % of revenues)*	Three months ended Dec. 31, 2011	Three months ended Dec. 31, 2010	Year ended Dec. 31, 2011	Year ended Dec. 31, 2010
Earnings before interest and taxes (EBIT)	1'123	978	4'667	3'818
Revenues	10'571	9'179	37'990	31'589
EBIT Margin	**10.6%**	**10.7%**	**12.3%**	**12.1%**
EBIT as per financial statements	**1'123**	**978**	**4'667**	**3'818**
reversal of:				
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	44	26	158	3
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	21	(2)	32	9
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(12)	11	(109)	79
Restructuring and restructuring-related expenses	107	116	164	213
Acquisition-related expenses and certain non-recurring items	20	-	122 [1]	-
Operational EBIT	**1'303**	**1'129**	**5'034**	**4'122**
reversal of:				
Depreciation	174	145	660	545
Amortization	91	50	335	157
Backlog amortization related to significant acquisitions			(15)	
Operational EBITDA	**1'568**	**1'324**	**6'014**	**4'824**
Revenues as per financial statements	**10'571**	**9'179**	**37'990**	**31'589**
reversal of:				
Unrealized gains and losses on derivatives	(34)	17	188	(80)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	28	(21)	33	(28)
Unrealized foreign exchange movements on receivables (and related assets)	4	36	(123)	100
Operational Revenues	**10'569**	**9'211**	**38'088**	**31'581**
Operational EBITDA Margin (= Operational EBITDA as % of Operational Revenues)	**14.8%**	**14.4%**	**15.8%**	**15.3%**

[1] includes $15 million backlog amortization related to Baldor

Net Cash *(= Cash and equivalents plus marketable securities and short-term investments, less total debt)*	Year ended Dec. 31, 2011	Year ended Dec. 31, 2010
Cash and equivalents	4'819	5'897
Marketable securities and short-term investments	948	2'713
Cash and marketable securities	**5'767**	**8'610**
Short-term debt and current maturities of long-term debt	765	1'043
Long-term debt	3'231	1'139
Total debt	**3'996**	**2'182**
Net Cash	**1'771**	**6'428**

Cash Return on Capital Invested (CROI)	Year ended Dec. 31,	
CROI = (Net cash provided by operating activities + Interest Paid) / Capital Invested	**2011**	**2010**
Net cash provided by operating activities	**3'612**	**4'197**
Interest paid	165	94
Adjustment to annualize Baldor's net cash provided by operating activities	27	-
Adjusted Cash Return	**3'804**	**4'291**
Capital Invested		
Capital Invested = Fixed Assets + Net Working Capital + Accumulated Depreciation and Amortization		
Property, plant and equipment, net	4'922	4'356
Goodwill	7'269	4'085
Other intangible assets, net	2'253	701
Investments in equity-accounted companies	156	19
Total Fixed Assets	**14'600**	**9'161**
Receivables, net	10'773	9'970
Inventories, net	5'737	4'878
Prepaid expenses	227	193
Accounts payable, trade	(4'789)	(4'555)
Billings in excess of sales	(1'819)	(1'730)
Employee and other payables	(1'361)	(1'526)
Advances from customers	(1'757)	(1'764)
Accrued expenses	(1'822)	(1'644)
Net Working Capital	**5'189**	**3'822**
Accumulated depreciation of property plant and equipment	6'121	5'902
Accumulated amortization of intangible assets including goodwill [1]	1'900	1'689
Accumulated Depreciation and Amortization	**8'021**	**7'591**
Capital Invested	**27'810**	**20'574**
CROI	**14%**	**21%**

[1] Includes accumulated goodwill amortization up to Dec. 31, 2001. Thereafter goodwill is not amortized (under U.S. GAAP) but subject to annual testing for impairment.