

ABB Ltd Interim Consolidated Income Statements (unaudited)

| (\$ in millions, except per share data in \$) | Six months ended | | Three months ended | |
|---|------------------|-----------------|--------------------|----------------|
| | Jun. 30, 2011 | Jun. 30, 2010 | Jun. 30, 2011 | Jun. 30, 2010 |
| Sales of products | 15,207 | 12,062 | 8,154 | 6,309 |
| Sales of services | 2,875 | 2,445 | 1,526 | 1,264 |
| Total revenues | 18,082 | 14,507 | 9,680 | 7,573 |
| Cost of products | (10,673) | (8,486) | (5,700) | (4,428) |
| Cost of services | (1,815) | (1,625) | (959) | (835) |
| Total cost of sales | (12,488) | (10,111) | (6,659) | (5,263) |
| Gross profit | 5,594 | 4,396 | 3,021 | 2,310 |
| Selling, general and administrative expenses | (2,619) | (2,212) | (1,356) | (1,081) |
| Non-order related research and development expenses | (640) | (502) | (334) | (256) |
| Other income (expense), net | 15 | 2 | 6 | 2 |
| Earnings before interest and taxes | 2,350 | 1,684 | 1,337 | 975 |
| Interest and dividend income | 43 | 50 | 25 | 26 |
| Interest and other finance expense | (92) | (87) | (41) | (45) |
| Income from continuing operations before taxes | 2,301 | 1,647 | 1,321 | 956 |
| Provision for taxes | (679) | (486) | (395) | (285) |
| Income from continuing operations, net of tax | 1,622 | 1,161 | 926 | 671 |
| Loss from discontinued operations, net of tax | (1) | (1) | (1) | (2) |
| Net income | 1,621 | 1,160 | 925 | 669 |
| Net income attributable to noncontrolling interests | (73) | (73) | (32) | (46) |
| Net income attributable to ABB | 1,548 | 1,087 | 893 | 623 |
| Amounts attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 1,549 | 1,088 | 894 | 625 |
| Net income | 1,548 | 1,087 | 893 | 623 |
| Basic earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 0.68 | 0.48 | 0.39 | 0.27 |
| Net income | 0.68 | 0.47 | 0.39 | 0.27 |
| Diluted earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 0.68 | 0.47 | 0.39 | 0.27 |
| Net income | 0.68 | 0.47 | 0.39 | 0.27 |
| Weighted-average number of shares outstanding (in millions) used to compute: | | | | |
| Basic earnings per share attributable to ABB shareholders | 2,286 | 2,289 | 2,288 | 2,288 |
| Diluted earnings per share attributable to ABB shareholders | 2,290 | 2,294 | 2,292 | 2,293 |

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

| (\$ in millions, except share data) | Jun. 30, 2011 | Dec. 31, 2010 |
|--|---------------|---------------|
| Cash and equivalents | 4,552 | 5,897 |
| Marketable securities and short-term investments | 359 | 2,713 |
| Receivables, net | 10,984 | 9,970 |
| Inventories, net | 6,628 | 4,878 |
| Prepaid expenses | 256 | 193 |
| Deferred taxes | 1,067 | 896 |
| Other current assets | 689 | 801 |
| Total current assets | 24,535 | 25,348 |
| Property, plant and equipment, net | 5,019 | 4,356 |
| Goodwill | 6,888 | 4,085 |
| Other intangible assets, net | 2,002 | 701 |
| Prepaid pension and other employee benefits | 238 | 173 |
| Investments in equity-accounted companies | 20 | 19 |
| Deferred taxes | 283 | 846 |
| Other non-current assets | 884 | 767 |
| Total assets | 39,869 | 36,295 |
| Accounts payable, trade | 5,187 | 4,555 |
| Billings in excess of sales | 1,797 | 1,730 |
| Employee and other payables | 1,444 | 1,526 |
| Short-term debt and current maturities of long-term debt | 1,191 | 1,043 |
| Advances from customers | 1,935 | 1,764 |
| Deferred taxes | 403 | 357 |
| Provisions for warranties | 1,441 | 1,393 |
| Provisions and other current liabilities | 2,723 | 2,726 |
| Accrued expenses | 1,692 | 1,644 |
| Total current liabilities | 17,813 | 16,738 |
| Long-term debt | 2,471 | 1,139 |
| Pension and other employee benefits | 828 | 831 |
| Deferred taxes | 568 | 411 |
| Other non-current liabilities | 1,674 | 1,718 |
| Total liabilities | 23,354 | 20,837 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Capital stock and additional paid-in capital (2,314,743,264 and 2,308,782,064 issued shares at June 30, 2011, and December 31, 2010, respectively) | 1,614 | 1,454 |
| Retained earnings | 15,368 | 15,389 |
| Accumulated other comprehensive loss | (573) | (1,517) |
| Treasury stock, at cost (24,569,324 and 25,317,453 shares at June 30, 2011, and December 31, 2010, respectively) | (428) | (441) |
| Total ABB stockholders' equity | 15,981 | 14,885 |
| Noncontrolling interests | 534 | 573 |
| Total stockholders' equity | 16,515 | 15,458 |
| Total liabilities and stockholders' equity | 39,869 | 36,295 |

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, 2011 | Jun. 30, 2010 | Jun. 30, 2011 | Jun. 30, 2010 |
| Operating activities: | | | | |
| Net income | 1,621 | 1,160 | 925 | 669 |
| <i>Adjustments to reconcile net income to net cash provided by operating activities:</i> | | | | |
| Depreciation and amortization | 473 | 326 | 242 | 162 |
| Pension and other employee benefits | (66) | 30 | (59) | 8 |
| Deferred taxes | (6) | 70 | (3) | 46 |
| Net gain from sale of property, plant and equipment | (16) | (14) | (7) | (8) |
| Income from equity-accounted companies | (1) | (2) | (1) | (3) |
| Other | 47 | 36 | 27 | 22 |
| <i>Changes in operating assets and liabilities:</i> | | | | |
| Trade receivables, net | (260) | (300) | (275) | (383) |
| Inventories, net | (899) | (407) | (399) | (127) |
| Trade payables | 257 | 320 | 122 | 295 |
| Billings in excess of sales | (12) | 44 | 88 | 2 |
| Provisions, net | (265) | (127) | (87) | (34) |
| Advances from customers | 81 | (96) | 117 | (133) |
| Other assets and liabilities, net | 173 | 36 | 201 | 133 |
| Net cash provided by operating activities | 1,127 | 1,076 | 891 | 649 |
| Investing activities: | | | | |
| Purchases of marketable securities (available-for-sale) | (618) | (1,678) | (32) | (1,434) |
| Purchases of marketable securities (held-to-maturity) | - | (65) | - | (50) |
| Purchases of short-term investments | (140) | (1,576) | - | (138) |
| Purchases of property, plant and equipment and intangible assets | (343) | (280) | (204) | (132) |
| Acquisition of businesses (net of cash acquired) and changes in cost and equity investments | (3,186) | (1,154) | (84) | (1,101) |
| Proceeds from sales of marketable securities (available-for-sale) | 2,399 | 550 | 315 | 479 |
| Proceeds from maturity of marketable securities (available-for-sale) | 220 | 220 | 86 | 83 |
| Proceeds from maturity of marketable securities (held-to-maturity) | - | 240 | - | 54 |
| Proceeds from short-term investments | 525 | 2,945 | 147 | 1,302 |
| Proceeds from sales of property, plant and equipment | 15 | 24 | 9 | 10 |
| Proceeds from sales of businesses and equity-accounted companies (net of cash disposed) | 3 | 65 | 3 | 66 |
| Changes in financing and other non-current receivables, net | (75) | (20) | (66) | (13) |
| Net cash provided by (used in) investing activities | (1,200) | (729) | 174 | (874) |
| Financing activities: | | | | |
| Net changes in debt with original maturities of 90 days or less | 97 | 36 | 46 | 14 |
| Increase in debt | 1,317 | 167 | 1,280 | 86 |
| Repayment of debt | (1,339) | (267) | (40) | (203) |
| Issuance of shares | 105 | - | 105 | - |
| Transactions in treasury shares | 5 | (104) | 1 | (104) |
| Dividends paid | (1,569) | - | (1,569) | - |
| Acquisition of noncontrolling interests | (11) | - | (11) | - |
| Dividends paid to noncontrolling shareholders | (110) | (117) | (109) | (101) |
| Other | 63 | 9 | 100 | 15 |
| Net cash used in financing activities | (1,442) | (276) | (197) | (293) |
| Effects of exchange rate changes on cash and equivalents | 170 | (654) | 35 | (354) |
| Net change in cash and equivalents - continuing operations | (1,345) | (583) | 903 | (872) |
| Cash and equivalents, beginning of period | 5,897 | 7,119 | 3,649 | 7,408 |
| Cash and equivalents, end of period | 4,552 | 6,536 | 4,552 | 6,536 |
| Supplementary disclosure of cash flow information: | | | | |
| Interest paid | 65 | 46 | 32 | 24 |
| Taxes paid | 727 | 499 | 429 | 271 |

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, 2010 | 3,943 | 12,828 | (1,056) | 20 | (1,068) | 20 | (2,084) | (897) | 13,790 | 683 | 14,473 |
| Comprehensive income: | | | | | | | | | | | |
| Net income | | 1,087 | | | | | | | 1,087 | 73 | 1,160 |
| Foreign currency translation adjustments | | | (888) | | | | (888) | | (888) | (4) | (892) |
| Effect of change in fair value of available-for-sale securities, net of tax | | | | (2) | | | (2) | | (2) | | (2) |
| Unrecognized income (loss) related to pensions and other postretirement plans, net of tax | | | | | 152 | | 152 | | 152 | | 152 |
| Change in derivatives qualifying as cash flow hedges, net of tax | | | | | | (24) | (24) | | (24) | | (24) |
| Total comprehensive income | | | | | | | | | 325 | 69 | 394 |
| Changes in noncontrolling interests | 2 | | | | | | | | 2 | | 2 |
| Dividends paid to noncontrolling shareholders | | | | | | | | | -- | (174) | (174) |
| Treasury stock transactions | (12) | | | | | | | (89) | (101) | | (101) |
| Share-based payment arrangements | 34 | | | | | | | | 34 | | 34 |
| Balance at June 30, 2010 | 3,967 | 13,915 | (1,944) | 18 | (916) | (4) | (2,846) | (986) | 14,050 | 578 | 14,628 |

| (\$ 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 (loss) 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 |

See Notes to the Interim Consolidated Financial Information