

Press Release



Operational EBIT and operational EBITDA by division Q2 2011 vs Q2 2010

	ABB		Power Products		Power Systems		Discrete Automation & Motion		Low Voltage Products		Process Automation	
	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10
Revenues (as per Financial Statements)	9'680	7'573	2'783	2'528	2'025	1'635	2'248	1'287	1'397	1'102	2'095	1'737
Derivative impact	(37)	26	(28)	12	(14)	1	(8)	-	(1)	2	14	11
Operational revenues	9'643	7'599	2'755	2'540	2'011	1'636	2'240	1'287	1'396	1'104	2'109	1'748
EBIT (as per Financial Statements)	1'337	975	417	421	194	17	349	200	234	205	223	189
Derivative impact	(58)	57	(14)	34	(42)	8	(4)	6	-	3	3	9
Restructuring-related costs	27	70	1	18	10	18	12	19	3	2	2	12
Charges (non-recurring) related to significant acquisitions <i>including non-recurring amortization</i>	1 2						1 2					
Operational EBIT	1'307	1'102	404	473	162	43	358	225	237	210	228	210
Operational EBIT margin	13.6%	14.5%	14.7%	18.6%	8.1%	2.6%	16.0%	17.5%	17.0%	19.0%	10.8%	12.0%
Depreciation	167	129	43	36	14	10	31	16	29	24	15	13
Amortization	75	33	7	6	13	6	32	2	2	2	6	5
Amortization (non-recurring) related to significant acquisitions	(2)						(2)					
Operational EBITDA	1'547	1'264	454	515	189	59	419	243	268	236	249	228
Operational EBITDA margin	16.0%	16.6%	16.5%	20.3%	9.4%	3.6%	18.7%	18.9%	19.2%	21.4%	11.8%	13.0%

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Appendix I Reconciliation of non-GAAP measures (\$ millions, unaudited)

	Three months ended June 30,	
	2011	2010
EBIT Margin (= EBIT as % of revenues)		
Earnings before interest and taxes (EBIT)	1'337	975
Revenues	9'680	7'573
EBIT Margin	13.8%	12.9%
EBIT as per financial statements	1'337	975
<i>reversal of:</i>		
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	(32)	91
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	7	12
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(33)	(46)
Restructuring and restructuring-related expenses	27	70
Charges related to significant acquisitions ⁽¹⁾	1	-
Operational EBIT	1'307	1'102
<i>reversal of:</i>		
Depreciation	167	129
Amortization	75	33
Backlog amortization related to significant acquisitions	(2)	-
Operational EBITDA	1'547	1'264
Revenues as per financial statements	9'680	7'573
<i>reversal of:</i>		
Unrealized gains and losses on derivatives	1	74
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(6)	1
Unrealized foreign exchange movements on receivables (and related assets)	(32)	(49)
Operational Revenues	9'643	7'599
Operational EBITDA Margin (= Operational EBITDA as % of Operational Revenues)	16.0%	16.6%
(1) includes \$2 million backlog amortization related to acquisitions in the 3 months ended June 30, 2011		

	June 30,	Dec. 31,
	2011	2010
Net Cash (= Cash and equivalents plus marketable securities and short-term investments, less total debt)		
Cash and equivalents	4'552	5'897
Marketable securities and short-term investments	359	2'713
Cash and marketable securities	4'911	8'610
Short-term debt and current maturities of long-term debt	1'191	1'043
Long-term debt	2'471	1'139
Total debt	3'662	2'182
Net Cash	1'249	6'428

	June 30,	Dec. 31,
	2011	2010
Net Working Capital		
Receivables, net	10'984	9'970
Inventories, net	6'628	4'878
Prepaid expenses	256	193
Accounts payable, trade	(5'187)	(4'555)
Billings in excess of sales	(1'797)	(1'730)
Employee and other payables	(1'444)	(1'526)
Advances from customers	(1'935)	(1'764)
Accrued expenses	(1'692)	(1'644)
Net Working Capital	5'813	3'822