# Press Release

# ABB shows resilient Q3 performance

- **Orders up 12%[1] (6% organic[2]); 11% revenue growth (4% organic)**
- **Operational EBITDA[3] margin increases to 16.7% from 16.3% in Q3 2010**
- **Cost savings in the quarter at approximately $270 million**
- **Order backlog rises 8% versus the same quarter in 2010**

Zurich, Switzerland, Oct, 27 2011 – ABB reported a 24-percent increase in operational EBITDA in the third quarter on double-digit revenue growth compared with the third quarter of last year.

In addition to higher revenues, the increase reflects successful cost reductions that continued to more than offset price pressure. The recent Baldor acquisition also made a significant contribution to both revenues and earnings.

Customer investments to increase operational efficiency translated into higher orders for products such as electrical motors and robots, while capacity expansion and the need for service drove higher orders in the oil and gas sector. The need to strengthen power distribution networks, driven in part by industrial growth in emerging markets, as well as the integration of renewable energy supplies into power grids, lifted orders in the power businesses.

“This was a solid quarter where we continued to execute well,” said Joe Hogan, ABB’s CEO. “Our cost savings efforts again more than offset price pressure in power and we continued to build the order backlog, which will support growth in the coming quarters. Growth in our early-cycle businesses slowed this quarter, partly on comparisons to the very strong rates we saw a year ago as well as weaker demand in some industry sectors.

“Looking ahead, uncertainty around global growth makes it difficult to forecast. Based on recent developments and in line with slowing economic growth, however, we expect order growth in most of our early-cycle businesses to remain near current levels until confidence in the macroeconomic outlook improves. Meanwhile, the longer-term outlook remains positive. The world needs to get more from its power and industrial resources while reducing environmental impacts. ABB is in a great position, with our leading technology, broad global presence and strong balance sheet, to help our customers meet that challenge.”

| **2011 Q3 key figures** | **Q3 11** | **Q3 10** | **Change** | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 9'826 | 8'197 | *20%* | *12%* |
| *Order backlog (end Sep)* | *28'492* | *26'593* | *7%* | *8%* |
| Revenues | 9'337 | 7'903 | *18%* | *11%* |
| EBIT | 1'194 | 1'156 | *3%* | |
| as % of revenues | 12.8% | 14.6% | | |
| Operational EBITDA[3] | 1'580 | 1'274 | *24%* | |
| as % of operational revenues[3] | 16.7% | 16.3% | | |
| Net income | 790 | 774 | *2%* | |
| Basic net income per share ($) | 0.34 | 0.34 | *0%* | |
| Cash flow from operating activities | 811 | 1'362 | | |

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

## Summary of Q3 2011 results

### Orders received and revenues

Demand for ABB products that boost energy efficiency, industrial productivity and power reliability continued to grow in the third quarter, resulting in higher orders received in all divisions compared to the same quarter in 2010.

The Discrete Automation and Motion division recorded the strongest growth, up more than 50 percent in local currencies on strong orders from U.S.-based Baldor—acquired in the first quarter of 2011—and double-digit growth in the robotics and power electronics businesses. On an organic basis (excluding Baldor), orders in Discrete Automation and Motion increased 15 percent. For the ABB Group, organic order growth amounted to 6 percent.

Orders were slightly higher in Low Voltage Products, mainly on increased demand for low-voltage systems to improve electrical efficiency in industry. The pace of order growth in Low Voltage Products and in Discrete Automation and Motion excluding Baldor slowed versus the very strong third quarter in 2010 and was also below the growth rates in the second quarter of 2011. This trend partly reflects the more challenging year-over-year comparison as well as weaker demand for some standard industrial products. The Process Automation division saw orders up 5 percent, mainly on continuing favorable demand from the oil and gas industry.

Orders rose 6 percent in Power Products and were stable to higher in all businesses. Continuing investments in renewable energy sources fuelled an 9-percent order increase in the Power Systems division. In August, ABB won its largest-ever power transmission order, worth around $1 billion, to supply a power link connecting offshore North Sea wind farms to the German mainland grid.

Orders grew most in the Americas, mainly reflecting the acquisition of Baldor, but were also up double-digits on an organic basis. Orders were flat in Europe as increases in eastern Europe and Germany were offset by slowing markets in southern Europe, Switzerland and Sweden. In Asia, growth was led by double-digit increases in India, while orders in China fell 5 percent.

Base orders (below $15 million) increased 11 percent (3 percent organic) and were up in all divisions except Power Systems, where they were flat. Base orders in Power Products increased for the fourth consecutive quarter. Large orders (above $15 million) increased 17 percent in the quarter and represented 22 percent of total orders, up from 20 percent in the year-earlier period. Service orders increased 12 percent.

The order backlog at the end of September reached $28.5 billion, a local-currency increase of 8 percent compared with the end of the third quarter in 2010, and 1 percent higher than at the end of the second quarter in 2011.

Revenues continued growing and were higher in all divisions except Process Automation, where they were flat. The return to revenue growth reported by Power Products in the second quarter of 2011 was sustained in the third quarter. Excluding the Baldor acquisition, Group revenues rose by 4 percent. Service revenues grew 10 percent and represented 16 percent of the Group’s total revenues.

### Earnings and net income

EBIT in the third quarter of 2011 amounted to $1.2 billion, a 3-percent increase compared to the same quarter a year earlier. The mark-to-market treatment of derivative transactions reduced EBIT by approximately $100 million in the quarter, compared to a positive impact of $83 million in the third quarter 2010.

As part of the company's previously-announced $1-billion cost savings initiative for 2011, savings of approximately $270 million were achieved in the quarter, of which about 60 percent were derived from optimized sourcing. For the first nine months of 2011, savings amounted to approximately $750 million. Costs associated with the program in the third quarter were approximately $30 million, bringing the total cost for the first nine months of the year to approximately $55 million.

Operational EBITDA in the third quarter of 2011 amounted to $1.6 billion, an increase of 24 percent over the year-earlier period. The increase in operational EBITDA and operational EBITDA margin compared to the year-earlier period mainly reflects the contribution of more than $500 million of revenues and approximately $110 million of operational EBITDA from the Baldor acquisition, as well as the return to profitability in the cables business. Improved profitability in the Power Products division along with strong earnings in the robotics business further supported the operational EBITDA margin, which increased in all divisions compared to the second quarter of 2011.

Net income for the quarter grew in line with EBIT and was 2 percent higher at $790 million. Basic earnings per share amounted to $0.34, the same as in the year-earlier period.

### Balance sheet and cash flow

Net cash at the end of the third quarter was approximately $1 billion, compared with $1.2 billion at the end of the previous quarter.

Short-term debt and cash increased through the issue of approximately $1 billion of commercial paper in the third quarter.

ABB launched two Swiss franc-denominated bonds during the third quarter, one of CHF500 million with a 1.25-percent coupon maturing in 2016 and the second of CHF350 million with a 2.25-percent coupon maturing in 2021. As the bond issues were settled in October, they had no impact on the third-quarter consolidated balance sheet or statements of cash flows.

An increase in net working capital, mainly higher receivables and inventories, contributed to the decline in cash from operating activities compared to the same quarter of 2010.

### Acquisitions

During the third quarter, ABB completed the previously-announced acquisitions of Brisbane, Australia-based software company Mincom—a provider of enterprise asset management software and services—as well as Sweden-based pulp and paper systems and equipment supplier Lorentzen & Wettre. The acquisitions had no material impact on ABB's third-quarter results or financial position. The acquisition of Switzerland-based specialty transformer manufacturer Trasfor Group was completed in October 2011.

## Outlook

Macroeconomic concerns, particularly around public debt and the availability of capital in Europe, continue to weigh on the global business environment. This uncertain environment makes short-term forecasting more challenging.

Over the long term, ABB sees no change to the positive outlook in its major end markets. Utility spending on power transmission to integrate renewable energy into existing grids and interconnect power grids continues to gain momentum. High oil prices are expected to further increase the need for energy-efficient power and automation technologies. While commodity prices have fallen recently, growing demand from the emerging markets is expected to drive them higher over the long term. ABB expects that trend to drive customer capital expenditure, as well as spending on efficiency and productivity improvements, including service.

Emerging markets will remain the principal drivers of growth and demand in the mature economies across all of ABB's portfolio is also expected to continue to grow.

The near-term view is mixed. Based on recent developments and in line with slowing economic growth, demand is softening in some early-cycle sectors such as construction and general industry, while industrial demand for robotics solutions remains robust. Early-cycle sales typically account for about 20 percent of ABB's revenues. Demand has also weakened for products used in renewable power generation. ABB's mid- to later-cycle markets depend more on customer capital spending than short-term GDP growth. Current uncertainty around the economic outlook over the next several months may prolong this investment cycle.

Against this background, management expects order growth in most of its early-cycle businesses to remain near current levels until confidence in the macroeconomic outlook improves. The focus on flexibility and steady productivity improvements will remain a key priority. At the same time, ABB will continue to tap profitable growth opportunities, both organic and inorganic, based on its leading technology, broad global presence and strong balance sheet.

## Divisional performance Q3 2011

| **Power Products** | **Q3 11** | **Q3 10** | **Change** | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 2'660 | 2'364 | *13%* | *6%* |
| *Order backlog (end Sep)* | *8'431* | *8'259* | *2%* | *3%* |
| Revenues | 2'676 | 2'439 | *10%* | *3%* |
| EBIT | 356 | 406 | *-12%* | |
| as % of revenues | 13.3% | 16.6% | | |
| Operational EBITDA[1] | 464 | 411 | *13%* | |
| as % of operational revenues | 17.2% | 17.0% | | |
| Cash flow from operating activities | 229 | 467 | | |

[1] Earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges and the mark-to-market treatment of hedging transactions and unrealized foreign exchange movements on receivables/payables—see reconciliation of non-GAAP measures in Appendix I

The orders increase in the quarter was driven primarily by continued strength in the industrial and power distribution sectors. Demand for later-cycle transmission products is still to recover.

Regionally, orders increased in the Americas, mainly as a result of large orders in Canada and steady demand in the U.S. Orders in Europe and Asia also grew.

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Revenue growth in the quarter was spread across all businesses, largely reflecting increases in the power distribution-related business. Service revenues grew faster than total revenues.

Operational EBITDA margin increased slightly on higher volumes, business mix and cost savings that offset lower prices on power transmission orders being executed from the backlog.

| **Power Systems** | **Q3 11** | **Q3 10** | **Change** | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 2'557 | 2'158 | *18%* | *9%* |
| *Order backlog (end Sep)* | *11'199* | *10'446* | *7%* | *9%* |
| Revenues | 1'831 | 1'679 | *9%* | *2%* |
| EBIT | 104 | 101 | *3%* | |
| as % of revenues | 5.7% | 6.0% | | |
| Operational EBITDA[1] | 184 | 114 | *61%* | |
| as % of operational revenues | 9.7% | 7.0% | | |
| Cash flow from operating activities | (81) | 33 | | |

[1] Earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges and the mark-to-market treatment of hedging transactions and unrealized foreign exchange movements on receivables/payables—see reconciliation of non-GAAP measures in Appendix I

Orders increased in the quarter as customers continued to invest in grid upgrades and the integration of renewable energy sources. Demand for power solutions to support industrial growth also contributed to the order growth, along with the focus on power distribution networks. Large orders increased by more than 15 percent in local currencies, reflecting the largest-ever power transmission order for a $1-billion offshore wind power connection in Germany.

Orders grew significantly in the Americas, led by large orders in Canada and the U.S. and higher base orders in Brazil. Growth in large orders also drove an increase in the Middle East and Africa, while orders in Asia rose, mainly driven by India. Orders in Europe were lower, resulting from a decrease in base orders.

Revenues grew in the quarter but at a slower pace than in recent periods, primarily due to the timing of order execution out of the backlog. The order backlog amounted to more than $11 billion at the end of the quarter.

Operational EBITDA increased significantly, mainly the result of higher revenues and the return to profitability in the cables business.

| **Discrete Automation and Motion** | **Q3 11** | **Q3 10** | **Change** | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 2'377 | 1'473 | *61%* | *51%* |
| *Order backlog (end Sep)* | *4'373* | *3'486* | *25%* | *25%* |
| Revenues | 2'313 | 1'460 | *58%* | *49%* |
| EBIT | 382 | 270 | *41%* | |
| as % of revenues | 16.5% | 18.5% | | |
| Operational EBITDA[1] | 456 | 286 | *59%* | |
| as % of operational revenues | 19.6% | 19.7% | | |
| Cash flow from operating activities | 269 | 156 | | |

[1] Earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges, the mark-to-market treatment of hedging transactions along with unrealized foreign exchange movements on receivables/payables and non-recurring charges related to the Baldor acquisition—see reconciliation of non-GAAP measures in Appendix I

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The strong order growth in the quarter reflected continued demand for energy efficient automation solutions across all regions. The acquisition of Baldor in the first quarter of 2011 also contributed significantly to the growth. Excluding Baldor, orders rose 15 percent in local currencies.

Orders grew at a double-digit pace in Europe, Asia and the Americas, led primarily by improving demand for robotics in the automotive and general industry sectors, as well as for power electronics and medium-voltage drives in industries such as mining and oil and gas. The overall pace of order growth was more moderate compared to recent quarters as demand for products driven by early-cycle industries was flat versus the same period in 2010.

The pace of revenue growth reflected mainly the execution of the strong order backlog, which continued to increase.

Operational EBITDA increased significantly on the impact of higher revenues and the contribution from Baldor. The operational EBITDA margin remained steady compared to the third quarter of 2010 on a combination of further margin improvements in robotics and solid execution.

| **Low Voltage Products** | **Q3 11** | **Q3 10** | **Change** | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 1'334 | 1'219 | 9% | 2% |
| *Order backlog (end Sep)* | *1'048* | *970* | *8%* | *9%* |
| Revenues | 1'364 | 1'187 | 15% | 7% |
| EBIT | 226 | 241 | -6% | |
| as % of revenues | 16.6% | 20.3% | | |
| Operational EBITDA[1] | 273 | 268 | 2% | |
| as % of operational revenues | 19.9% | 22.7% | | |
| Cash flow from operating activities | 155 | 240 | | |

[1] Earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges and the mark-to-market treatment of hedging transactions and unrealized foreign exchange movements on receivables/payables—see reconciliation of non-GAAP measures in Appendix I

Order growth slowed in the third quarter on a combination of more difficult comparisons with the strong growth recorded in 2010, slowing demand in most early-cycle industries, and ongoing cutbacks in renewable investments compared to the same quarter a year ago. Growth rates reached high single digits in Asia and the Americas, were flat in the Middle East and Africa and slightly lower in Europe.

Revenues grew faster than orders, reflecting the execution of the strong order backlog in low-voltage systems along with the slower pace of product order growth.

Higher raw material costs and investments in sales as well as research and development were the main drivers of a lower operational EBITDA margin compared to the third quarter of 2010. The shift in revenue mix towards a higher share of low-voltage system revenues also contributed to the decline. The operational EBITDA margin increased versus the second quarter of 2011 as price increases announced earlier in the year began to have a positive impact.

| Process Automation | Q3 11 | Q3 10 | Change | |
|---|---|---|---|---|
| *$ millions unless otherwise indicated* | | | *US$* | *Local* |
| Orders | 1'899 | 1'679 | *13%* | *5%* |
| *Order backlog (end Sep)* | *6'334* | *5'853* | *8%* | *9%* |
| Revenues | 1'988 | 1'859 | *7%* | *-1%* |
| EBIT | 246 | 214 | *15%* | |
| as % of revenues | 12.4% | 11.5% | | |
| Operational EBITDA[1] | 261 | 224 | *17%* | |
| as % of operational revenues | 13.0% | 12.2% | | |
| Cash flow from operating activities | 189 | 236 | | |

[1] Earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges and the mark-to-market treatment of hedging transactions and unrealized foreign exchange movements on receivables/payables—see reconciliation of non-GAAP measures in Appendix I

Order growth in the quarter was driven primarily by capital spending in the oil and gas and related marine sectors. Lifecycle service orders grew at a double-digit pace, driven by demand from the oil and gas, minerals, pulp and paper and marine sectors. Product orders—led by measurement products—grew faster than total orders.

Regionally, orders in Europe and the Americas were higher, mainly on demand from the oil and gas sector. Asia orders were lower as growth in the marine sector in South Korea was more than offset by lower orders in China and India compared to the strong third quarter in 2010.

Revenues were flat in the quarter compared to last year, as lower sales in the marine business were compensated by higher revenues in metals and pulp and paper.

Operational EBITDA and operational EBITDA margin increased, mainly reflecting a higher share of product and service revenues out of total revenues, and a lower share of system revenues, compared to the same quarter a year ago.

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## More information

The 2011 Q3 results press release is available from Oct. 27, 2011, 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 third-quarter 2011 results will be available at 07:00 am today at www.youtube.com/abb.

ABB will host a media conference call starting at 10:00 a.m. Central European Time (CET). U.K. callers should dial +44 203 059 58 62. From Sweden, +46 8 5051 00 31, 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 17471, followed by the # key. The recorded session will also be available as a podcast one hour after the end of the conference call and can be downloaded from www.abb.com/news.

A conference call for analysts and investors is scheduled to begin today at 3:00 p.m. CET (2:00 p.m. in the UK, 9:00 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 2011-2012 | |
|---|---|
| ABB Capital Markets Day | November 4, 2011 |
| Fourth-quarter and full-year 2011 results | February 16, 2012 |
| Annual Report 2011 | 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 130,000 people.

Zurich, October 27, 2011
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.

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**ABB Q3 and 9 months (9M) 2011 key figures**

| *$ millions unless otherwise indicated* | | Q3 11 | Q3 10 | Change | | 9M 11 | 9M 10 | Change | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | *US$* | *Local* | | | *US$* | *Local* |
| **Orders** | **Group** | **9'826** | **8'197** | ***20%*** | ***12%*** | **30'050** | **23'929** | ***26%*** | ***18%*** |
| | Power Products | 2'660 | 2'364 | *13%* | *6%* | 8'330 | 7'245 | *15%* | *8%* |
| | Power Systems | 2'557 | 2'158 | *18%* | *9%* | 6'148 | 5'270 | *17%* | *8%* |
| | Discrete Automation & Motion | 2'377 | 1'473 | *61%* | *51%* | 7'336 | 4'357 | *68%* | *59%* |
| | Low Voltage Products | 1'334 | 1'219 | *9%* | *2%* | 4'160 | 3'544 | *17%* | *11%* |
| | Process Automation | 1'899 | 1'679 | *13%* | *5%* | 6'845 | 5'619 | *22%* | *14%* |
| | Corporate and other *(inter-division eliminations)* | (1'001) | (696) | | | (2'769) | (2'106) | | |
| **Revenues** | **Group** | **9'337** | **7'903** | ***18%*** | ***11%*** | **27'419** | **22'410** | ***22%*** | ***15%*** |
| | Power Products | 2'676 | 2'439 | *10%* | *3%* | 7'786 | 7'286 | *7%* | *0%* |
| | Power Systems | 1'831 | 1'679 | *9%* | *2%* | 5'689 | 4'698 | *21%* | *13%* |
| | Discrete Automation & Motion | 2'313 | 1'460 | *58%* | *49%* | 6'441 | 3'960 | *63%* | *54%* |
| | Low Voltage Products | 1'364 | 1'187 | *15%* | *7%* | 3'956 | 3'300 | *20%* | *13%* |
| | Process Automation | 1'988 | 1'859 | *7%* | *-1%* | 5'983 | 5'331 | *12%* | *4%* |
| | Corporate and other *(inter-division eliminations)* | (835) | (721) | | | (2'436) | (2'165) | | |
| **EBIT** | **Group** | **1'194** | **1'156** | ***3%*** | | **3'544** | **2'840** | ***25%*** | |
| | Power Products | 356 | 406 | *-12%* | | 1'123 | 1'182 | *-5%* | |
| | Power Systems | 104 | 101 | *3%* | | 403 | 111 | *263%* | |
| | Discrete Automation & Motion | 382 | 270 | *41%* | | 956 | 631 | *52%* | |
| | Low Voltage Products | 226 | 241 | *-6%* | | 695 | 588 | *18%* | |
| | Process Automation | 246 | 214 | *15%* | | 720 | 561 | *28%* | |
| | Corporate and other *(inter-division eliminations)* | (120) | (76) | | | (353) | (233) | | |
| **EBIT %** | **Group** | **12.8%** | **14.6%** | | | **12.9%** | **12.7%** | | |
| | Power Products | 13.3% | 16.6% | | | 14.4% | 16.2% | | |
| | Power Systems | 5.7% | 6.0% | | | 7.1% | 2.4% | | |
| | Discrete Automation & Motion | 16.5% | 18.5% | | | 14.8% | 15.9% | | |
| | Low Voltage Products | 16.6% | 20.3% | | | 17.6% | 17.8% | | |
| | Process Automation | 12.4% | 11.5% | | | 12.0% | 10.5% | | |
| **Operational EBITDA*** | **Group** | **1'580** | **1'274** | ***24%*** | | **4'446** | **3'500** | ***27%*** | |
| | Power Products | 464 | 411 | *13%* | | 1'322 | 1'334 | *-1%* | |
| | Power Systems | 184 | 114 | *61%* | | 505 | 235 | *115%* | |
| | Discrete Automation & Motion | 456 | 286 | *59%* | | 1'253 | 725 | *73%* | |
| | Low Voltage Products | 273 | 268 | *2%* | | 803 | 674 | *19%* | |
| | Process Automation | 261 | 224 | *17%* | | 756 | 632 | *20%* | |
| **Operational EBITDA %** | **Group** | **16.7%** | **16.3%** | | | **16.2%** | **15.6%** | | |
| | Power Products | 17.2% | 17.0% | | | 17.0% | 18.3% | | |
| | Power Systems | 9.7% | 7.0% | | | 8.8% | 5.0% | | |
| | Discrete Automation & Motion | 19.6% | 19.7% | | | 19.4% | 18.3% | | |
| | Low Voltage Products | 19.9% | 22.7% | | | 20.3% | 20.4% | | |
| | Process Automation | 13.0% | 12.2% | | | 12.6% | 11.9% | | |

* Operational EBITDA represents earnings before interest and taxes, and depreciation and amortization, adjusted for restructuring-related charges, the mark-to-market treatment of hedging transactions along with unrealized foreign exchange movements on receivables/payables, and non-recurring charges related to the Baldor acquisition—see reconciliation of non-GAAP measures in Appendix I.

### Q3 2011 orders received and revenues by region

| *$ millions* | Orders received | | *Change* | | Revenues | | *Change* | |
|---|---|---|---|---|---|---|---|---|
| | **Q3 11** | **Q3 10** | *US$* | *Local* | **Q3 11** | **Q3 10** | *US$* | *Local* |
| Europe | 4'140 | 3'693 | 12% | 2% | 3'602 | 3'173 | 14% | 3% |
| Americas | 2'299 | 1'502 | 53% | 49% | 2'236 | 1'578 | 42% | 38% |
| Asia | 2'777 | 2'413 | 15% | 8% | 2'588 | 2'195 | 18% | 10% |
| Middle East and Africa | 610 | 589 | 4% | 0% | 911 | 957 | -5% | -9% |
| **Group total** | **9'826** | **8'197** | ***20%*** | ***12%*** | **9'337** | **7'903** | ***18%*** | ***11%*** |

### Nine months 2011 orders received and revenues by region

| *$ millions* | Orders received | | *Change* | | Revenues | | *Change* | |
|---|---|---|---|---|---|---|---|---|
| | **9M 11** | **9M 10** | *US$* | *Local* | **9M 11** | **9M 10** | *US$* | *Local* |
| Europe | 11'720 | 9'992 | *17%* | *8%* | 10'672 | 8'820 | *21%* | *11%* |
| Americas | 7'027 | 4'461 | *58%* | *53%* | 6'472 | 4'373 | *48%* | *44%* |
| Asia | 8'776 | 6'679 | *31%* | *23%* | 7'280 | 6'280 | *16%* | *9%* |
| Middle East and Africa | 2'527 | 2'797 | *-10%* | *-13%* | 2'995 | 2'937 | *2%* | *-2%* |
| **Group total** | **30'050** | **23'929** | ***26%*** | ***18%*** | **27'419** | **22'410** | ***22%*** | ***15%*** |

## Operational EBIT and operational EBITDA by division Q3 2011 vs Q3 2010

**Operational EBIT and Operational EBITDA Q3 2011 vs Q3 2010**

| | ABB | | Power | | Power | | Discrete | | Low Voltage | | Process | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Q3 11** | **Q3 10** | **Q3 11** | **Q3 10** | **Q3 11** | **Q3 10** | **Q3 11** | **Q3 10** | **Q3 11** | **Q3 10** | **Q3 11** | **Q3 10** |
| **Revenues (as per Financial Statements)** | **9'337** | **7'903** | **2'676** | **2'439** | **1'831** | **1'679** | **2'313** | **1'460** | **1'364** | **1'187** | **1'988** | **1'859** |
| FX/commodity timing differences on Revenues | 152 | -101 | 28 | -22 | 68 | -41 | 17 | -6 | 11 | -4 | 25 | -28 |
| **Operational revenues** | **9'489** | **7'802** | **2'704** | **2'417** | **1'899** | **1'638** | **2'330** | **1'454** | **1'375** | **1'183** | **2'013** | **1'831** |
| | | | | | | | | | | | | |
| **EBIT (as per Financial Statements)** | **1'194** | **1'156** | **356** | **406** | **104** | **101** | **382** | **270** | **226** | **241** | **246** | **214** |
| FX/commodity timing differences on EBIT | 104 | -83 | 31 | -40 | 32 | -18 | 17 | -6 | 20 | -3 | -8 | -15 |
| Restructuring-related costs | 29 | 20 | 27 | 3 | 6 | 4 | -3 | 3 | -2 | 4 | 1 | 5 |
| Charges (non-recurring) related to Baldor | -6 | 0 | 0 | 0 | 0 | 0 | -6 | 0 | 0 | 0 | 0 | 0 |
| **Operational EBIT** | **1'321** | **1'093** | **414** | **369** | **142** | **87** | **390** | **267** | **244** | **242** | **239** | **204** |
| **Operational EBIT margin** | **13.9%** | **14.0%** | **15.3%** | **15.3%** | **7.5%** | **5.3%** | **16.7%** | **18.4%** | **17.7%** | **20.5%** | **11.9%** | **11.1%** |
| Depreciation (reversal of) | 167 | 138 | 43 | 37 | 16 | 12 | 34 | 17 | 26 | 24 | 17 | 14 |
| Amortization (reversal of) | 90 | 43 | 7 | 5 | 26 | 15 | 30 | 2 | 3 | 2 | 5 | 6 |
| Backlog amortization related to Baldor | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| **Operational EBITDA** | **1'580** | **1'274** | **464** | **411** | **184** | **114** | **456** | **286** | **273** | **268** | **261** | **224** |
| **Operational EBITDA margin** | **16.7%** | **16.3%** | **17.2%** | **17.0%** | **9.7%** | **7.0%** | **19.6%** | **19.7%** | **19.9%** | **22.7%** | **13.0%** | **12.2%** |

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

| **EBIT Margin** *(= EBIT as % of revenues)* | **Three months ended Sep. 30, 2011** | **2010** |
|---|---|---|
| Earnings before interest and taxes (EBIT) | 1'194 | 1'156 |
| Revenues | 9'337 | 7'903 |
| **EBIT Margin** | **12.8%** | **14.6%** |
| | | |
| **EBIT as per financial statements** | **1'194** | **1'156** |
| *reversal of:* | | |
| Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives) | 170 | (183) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | 9 | (18) |
| Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities) | (75) | 118 |
| Restructuring and restructuring-related expenses | 29 | 20 |
| Charges related to Baldor (1) | (6) | - |
| **Operational EBIT** | **1'321** | **1'093** |
| *reversal of:* | | |
| Depreciation | 167 | 138 |
| Amortization | 90 | 43 |
| Backlog amortization related to significant acquisitions | 2 | - |
| **Operational EBITDA** | **1'580** | **1'274** |
| | | |
| **Revenues as per financial statements** | **9'337** | **7'903** |
| *reversal of:* | | |
| Unrealized gains and losses on derivatives | 211 | (180) |
| Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized | 20 | (25) |
| Unrealized foreign exchange movements on receivables (and related assets) | (79) | 104 |
| **Operational Revenues** | **9'489** | **7'802** |
| | | |
| **Operational EBITDA Margin** (= Operational EBITDA as % of Operational Revenues) | **16.7%** | **16.3%** |

(1) includes $2 million backlog amortization related to Baldor in the 3 months ended September 30, 2011

| **Net Cash** *(= Cash and equivalents plus marketable securities and short-term investments, less total debt)* | **Sep. 30, 2011** | **Dec. 31, 2010** |
|---|---|---|
| Cash and equivalents | 4'996 | 5'897 |
| Marketable securities and short-term investments | 598 | 2'713 |
| **Cash and marketable securities** | **5'594** | **8'610** |
| Short-term debt and current maturities of long-term debt | 2'238 | 1'043 |
| Long-term debt | 2'380 | 1'139 |
| **Total debt** | **4'618** | **2'182** |
| **Net Cash** | **976** | **6'428** |

| **Net Working Capital** | **Sep. 30, 2011** | **Dec. 31, 2010** |
|---|---|---|
| Receivables, net | 10'831 | 9'970 |
| Inventories, net | 6'492 | 4'878 |
| Prepaid expenses | 262 | 193 |
| Accounts payable, trade | (4'772) | (4'555) |
| Billings in excess of sales | (1'748) | (1'730) |
| Employee and other payables | (1'322) | (1'526) |
| Advances from customers | (1'821) | (1'764) |
| Accrued expenses | (1'756) | (1'644) |
| **Net Working Capital** | **6'166** | **3'822** |