

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Nine months ended		Three months ended	
	Sep. 30, 2014	Sep. 30, 2013	Sep. 30, 2014	Sep. 30, 2013
Sales of products	24,734	25,733	8,255	8,948
Sales of services	4,750	4,742	1,568	1,587
Total revenues	29,484	30,475	9,823	10,535
Cost of products	(18,149)	(18,441)	(6,090)	(6,369)
Cost of services	(2,961)	(2,984)	(971)	(992)
Total cost of sales	(21,110)	(21,425)	(7,061)	(7,361)
Gross profit	8,374	9,050	2,762	3,174
Selling, general and administrative expenses	(4,570)	(4,424)	(1,488)	(1,476)
Non-order related research and development expenses	(1,112)	(1,055)	(357)	(351)
Other income (expense), net	437	(7)	305	(23)
Income from operations	3,129	3,564	1,222	1,324
Interest and dividend income	57	50	19	15
Interest and other finance expense	(255)	(299)	(83)	(122)
Income from continuing operations before taxes	2,931	3,315	1,158	1,217
Provision for taxes	(938)	(944)	(397)	(336)
Income from continuing operations, net of tax	1,993	2,371	761	881
Income (loss) from discontinued operations, net of tax	10	(15)	12	(3)
Net income	2,003	2,356	773	878
Net income attributable to noncontrolling interests	(89)	(94)	(39)	(43)
Net income attributable to ABB	1,914	2,262	734	835
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	1,904	2,277	722	838
Net income	1,914	2,262	734	835
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.83	0.99	0.32	0.36
Net income	0.83	0.99	0.32	0.36
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	0.83	0.99	0.31	0.36
Net income	0.83	0.98	0.32	0.36
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,295	2,296	2,290	2,297
Diluted earnings per share attributable to ABB shareholders	2,302	2,303	2,296	2,305

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2014	Sep. 30, 2013	Sep. 30, 2014	Sep. 30, 2013
Total comprehensive income, net of tax	966	2,376	(180)	1,315
Total comprehensive income attributable to noncontrolling interests, net of tax	(79)	(84)	(33)	(40)
Total comprehensive income attributable to ABB shareholders, net of tax	887	2,292	(213)	1,275

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

<i>(\$ in millions, except share data)</i>	Sep. 30, 2014	Dec. 31, 2013
Cash and equivalents	4,633	6,021
Marketable securities and short-term investments	1,583	464
Receivables, net	11,788	12,146
Inventories, net	5,961	6,004
Prepaid expenses	307	252
Deferred taxes	912	832
Other current assets	630	706
Total current assets	25,814	26,425
Property, plant and equipment, net	5,652	6,254
Goodwill	10,147	10,670
Other intangible assets, net	2,822	3,297
Prepaid pension and other employee benefits	100	93
Investments in equity-accounted companies	171	197
Deferred taxes	399	370
Other non-current assets	673	758
Total assets	45,778	48,064
Accounts payable, trade	4,820	5,112
Billings in excess of sales	1,560	1,714
Short-term debt and current maturities of long-term debt	462	453
Advances from customers	1,628	1,726
Deferred taxes	332	259
Provisions for warranties	1,200	1,362
Other provisions	1,666	1,807
Other current liabilities	4,715	4,242
Total current liabilities	16,383	16,675
Long-term debt	7,408	7,570
Pension and other employee benefits	1,463	1,639
Deferred taxes	1,253	1,265
Other non-current liabilities	1,617	1,707
Total liabilities	28,124	28,856
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at September 30, 2014, and December 31, 2013)	1,795	1,750
Retained earnings	19,259	19,186
Accumulated other comprehensive loss	(3,039)	(2,012)
Treasury stock, at cost (39,130,191 and 14,093,960 shares at September 30, 2014, and December 31, 2013, respectively)	(838)	(246)
Total ABB stockholders' equity	17,177	18,678
Noncontrolling interests	477	530
Total stockholders' equity	17,654	19,208
Total liabilities and stockholders' equity	45,778	48,064

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

(\$ in millions)	Nine months ended		Three months ended	
	Sep. 30, 2014	Sep. 30, 2013	Sep. 30, 2014	Sep. 30, 2013
Operating activities:				
Net income	2,003	2,356	773	878
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	988	966	322	327
Pension and other employee benefits	(5)	(11)	17	11
Deferred taxes	34	(11)	50	36
Net loss (gain) from sale of property, plant and equipment	(15)	(20)	(1)	(5)
Net loss (gain) from sale of businesses	(445)	5	(315)	5
Other	67	55	25	41
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(411)	(1,046)	(206)	(83)
Inventories, net	(512)	(309)	(151)	43
Trade payables	144	(14)	95	36
Accrued liabilities	52	59	200	216
Billings in excess of sales	(67)	(122)	124	(89)
Provisions, net	(174)	(49)	23	(9)
Advances from customers	(23)	(107)	(7)	(156)
Income taxes payable and receivable	172	37	140	68
Other assets and liabilities, net	204	(228)	80	(78)
Net cash provided by operating activities	2,012	1,561	1,169	1,241
Investing activities:				
Purchases of marketable securities (available-for-sale)	(836)	(424)	(409)	(41)
Purchases of short-term investments	(1,033)	(9)	(590)	(3)
Purchases of property, plant and equipment and intangible assets	(642)	(692)	(222)	(240)
Acquisition of businesses (net of cash acquired) and increases in cost and equity-accounted companies	(23)	(883)	(6)	(858)
Proceeds from sales of marketable securities (available-for-sale)	87	1,362	62	20
Proceeds from maturity of marketable securities (available-for-sale)	235	114	99	61
Proceeds from short-term investments	327	41	139	1
Proceeds from sales of businesses (net of cash disposed) and cost and equity-accounted companies	991	11	588	10
Other investing activities	32	108	(42)	78
Net cash used in investing activities	(862)	(372)	(381)	(972)
Financing activities:				
Net changes in debt with original maturities of 90 days or less	(9)	(557)	(747)	(154)
Increase in debt	131	442	96	90
Repayment of debt	(51)	(1,823)	(32)	(81)
Delivery of shares	26	3	-	1
Purchases of treasury stock	(461)	-	(179)	-
Dividends paid	(1,841)	(1,667)	-	-
Dividends paid to noncontrolling shareholders	(126)	(133)	(33)	(37)
Other financing activities	(27)	(41)	(7)	2
Net cash used in financing activities	(2,358)	(3,776)	(902)	(179)
Effects of exchange rate changes on cash and equivalents	(180)	8	(202)	58
Net change in cash and equivalents - continuing operations	(1,388)	(2,579)	(316)	148
Cash and equivalents, beginning of period	6,021	6,875	4,949	4,148
Cash and equivalents, end of period	4,633	4,296	4,633	4,296
Supplementary disclosure of cash flow information:				
Interest paid	175	179	25	16
Taxes paid	746	884	223	243

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										Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) of cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock					
Balance at January 1, 2013	1,691	18,066	(580)	24	(2,004)	37	(2,523)	(328)	16,906	540	17,446		
Comprehensive income:													
Net income		2,262							2,262	94	2,356		
Foreign currency translation adjustments (net of tax of \$1)			(12)				(12)		(12)	(11)	(23)		
Effect of change in fair value of available-for-sale securities (net of tax of \$(1))				(15)			(15)		(15)		(15)		
Unrecognized income related to pensions and other postretirement plans (net of tax of \$26)					65		65		65	1	66		
Change in derivatives qualifying as cash flow hedges (net of tax of \$(2))							(8)	(8)	(8)		(8)		
Total comprehensive income									2,292	84	2,376		
Changes in noncontrolling interests		(9)							(9)	4	(5)		
Dividends paid to noncontrolling shareholders									-	(133)	(133)		
Dividends paid		(1,667)							(1,667)		(1,667)		
Share-based payment arrangements	50								50		50		
Delivery of shares	(12)							15	3		3		
Call options	13								13		13		
Replacement options issued in connection with acquisition	2								2		2		
Other	(1)								(1)		(1)		
Balance at September 30, 2013	1,734	18,661	(592)	9	(1,939)	29	(2,493)	(313)	17,589	495	18,084		

(\$ in millions)	Accumulated other comprehensive loss										Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains (losses) on available-for-sale securities	Pension and other postretirement plan adjustments	Unrealized gains (losses) of cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock					
Balance at January 1, 2014	1,750	19,186	(431)	7	(1,610)	22	(2,012)	(246)	18,678	530	19,208		
Comprehensive income:													
Net income		1,914							1,914	89	2,003		
Foreign currency translation adjustments (net of tax of \$(7))			(1,110)				(1,110)		(1,110)	(10)	(1,120)		
Effect of change in fair value of available-for-sale securities (net of tax of \$(5))				(12)			(12)		(12)		(12)		
Unrecognized income related to pensions and other postretirement plans (net of tax of \$52)					142		142		142		142		
Change in derivatives qualifying as cash flow hedges (net of tax of \$(13))							(47)	(47)	(47)		(47)		
Total comprehensive income									887	79	966		
Dividends paid to noncontrolling shareholders									-	(132)	(132)		
Dividends paid		(1,841)							(1,841)		(1,841)		
Share-based payment arrangements	56								56		56		
Purchases of treasury stock								(634)	(634)		(634)		
Delivery of shares	(16)							42	26		26		
Call options	5								5		5		
Balance at September 30, 2014	1,795	19,259	(1,541)	(5)	(1,468)	(25)	(3,039)	(838)	17,177	477	17,654		

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