Press Release

ABB emerges stronger from 2010 as growth accelerates on industrial demand

- Q4 growth accelerates: Orders up 18%[1], revenues 6% higher
- Energy efficiency, industrial productivity and grid reliability drive demand
- Q4 operational EBIT margin[2] of 12.3% within target range on growth and cost savings
- $1.8 billion in cash from operations close to previous year's record Q4
- Proposed dividend increase to CHF 0.60 per share shows confidence in the business
- Additional cost savings of more than $1 billion targeted for 2011

Zurich, Switzerland, Feb. 17, 2011 – ABB reported strong order growth in the fourth quarter of 2010 and higher revenues driven by strong industrial demand for energy efficiency and improved productivity as well as recovering investments into power infrastructure.

The positive trend was reflected in a 17-percent increase in base orders (less than $15 million) – higher in all divisions – as industrial customers expanded capacity and improved efficiency. Orders also increased for power distribution equipment used to deliver reliable power to industrial and commercial customers. Large orders (above $15 million) increased by 21 percent on the award of several large power transmission projects in Europe and the Middle East.

Earnings before interest and taxes (EBIT) rose 23 percent to $978 million. EBIT includes previously-announced provisions of approximately $120 million, mostly related to a large project in the Power Systems division. Restructuring-related costs in the quarter were approximately $120 million.

The operational EBIT margin was 12.3 percent in the quarter despite the project charges and continued price pressure. ABB's operational EBIT margin for the full-year and fourth-quarter 2010 was well within its target range of 11-16 percent.

The company's $3-billion cost take-out program was completed on target in the fourth quarter. ABB plans to further reduce costs in 2011 by more than $1 billion.

Net income increased 30 percent to reach $700 million, while cash from operations was near last year's record. Net cash at the end of the quarter was $6.4 billion. ABB's Board of Directors has recommended a dividend of 0.60 Swiss francs per share, up from 0.51 Swiss francs last year.

2010 Q4 and full-year key figures

$ millions unless otherwise indicated	Q4 10	Q4 09	Change		FY 2010	FY 2009	Change	
			US$	Local			US$	Local
Orders	8,752	7,450	17%	18%	32,681	30,969	6%	4%
Order backlog (end Dec)	*26,193*	*24,771*	*6%*	*4%*				
Revenues	9,179	8,761	5%	6%	31,589	31,795	-1%	-2%
EBIT	978	798	23%		3,818	4,126	-7%	
as % of revenues	10.7%	9.1%			12.1%	13.0%		
Net income	700	540	30%		2,561	2,901	-12%	
Basic net income per share ($)	0.31	0.24			1.12	1.27		
Dividend per share (CHF)*					0.60	0.51		
Cash flow from operations	1,759	1,783	-1%		4,197	4,027	4%	
Free cash flow					3,397	3,089	10%	
As % of net income					133%	106%		
Return on capital employed					21%	27%		

* 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 See Reconciliation of Non-GAAP financial measures at the end of this release

Management comments

“We are satisfied with the 2010 results as ABB is today in a stronger position than before the financial crisis,” said Chief Executive Officer Joe Hogan. “Demand from industry and utility clients for short-cycle products gained momentum, contributing to the fastest base order growth in the past two years. Revenue growth accelerated compared to the third quarter, driven by strong industrial demand for energy efficiency and higher productivity. We achieved profitability well within our target range by leveraging our lower cost base. That allowed us to benefit from the ongoing recovery in automation and to successfully counter demand and price weakness in our longer-cycle businesses.

“The proposed dividend increase shows our confidence in the business. We see plenty of growth opportunities as we head into 2011 in both the short-term industry-driven businesses as well as later in the year when we expect utility spending on power equipment to begin a recovery,” Hogan said. “Long term trends for increased energy efficiency and flexible, more reliable power infrastructure remain very strong. ABB will seize these opportunities with a leaner cost base, an enhanced product portfolio and a more customer-focused organization.”

Summary of Q4 2010 results

Orders received and revenues

Orders increased strongly in the fourth quarter compared to the year-earlier period as industrial customers continued to invest in automation solutions to increase capacity and to improve productivity and energy efficiency. In particular, orders improved in the minerals, marine, pulp and paper and oil, gas and petrochemicals sectors. Utilities and industrial customers also invested more in power distribution systems and equipment in the fourth quarter in response to higher demand for reliable power.

Order growth was also supported by the award of several large power transmission projects in Europe and the Middle East during the quarter, confirming the longer-term trend to interconnect power grids and strengthen power transmission infrastructure in both mature and emerging economies. However, utility demand for standard power transmission products remained at low levels.

Base orders increased 17 percent in the quarter and were higher in all divisions. Large orders increased by 21 percent and represented about 19 percent of total orders in the quarter, as in the year-earlier period.

Regionally, orders in local currencies were 37 percent higher in Europe compared with the same period in 2009, as both large and base orders increased. These orders included a high-voltage direct current (HVDC) link between Sweden and Lithuania across the Baltic Sea valued at approximately $580 million.

In the Americas, orders grew by 22 percent. Orders in the U.S. increased by 13 percent and were higher in all divisions except Low-Voltage Products. Power orders and customer investments in the mining sector contributed to a 58-percent order increase in South America. Orders from the Middle East and Africa were up 8 percent, mainly on increased orders from power utilities.

Orders were down 5 percent in Asia as lower power orders in China and India offset strong increases in all three automation divisions across most of the region, reflecting the high level of industrial activity.

Revenues grew in the quarter, largely the result of strong growth in the short- to mid-cycle automation businesses as recent order increases flowed through to revenues. Power Systems revenues also increased on execution of the strong order backlog. Service revenues increased 8 percent in local currencies during the quarter. For the full year 2010, service revenues represented 17 percent of total revenues compared to 16 percent in 2009.

The order backlog at the end of December 2010 amounted to $26.2 billion, corresponding to a local-currency increase of 4 percent compared to the end of 2009. Compared to the end of the third quarter of 2010, the order backlog is down 2 percent.

Earnings before interest and taxes

EBIT and EBIT margin increased compared with the same quarter a year earlier, driven in part by the favorable impact of higher revenues in the early- and mid-cycle businesses–mainly on the automation side–where fixed cost reductions are most advanced. Restructuring-related costs of approximately $120 million in the quarter were significantly below the $350 million recorded in the same quarter in 2009. EBIT in the fourth quarter of 2010 included costs of approximately $120 million in the Power Systems division, most of which are related to a cable project that was the subject of previously-announced provisions.

The operational EBIT margin in the fourth quarter of 2010, which excludes from EBIT the impact of restructuring-related costs and the mark-to-market valuation of hedging transactions, was 12.3 percent compared with 12.7 percent the same quarter in 2009, mainly the result of the additional project provision taken in Power Systems.

Cost reductions

ABB completed its previously-announced cost take-out program in the fourth quarter and fully achieved its targets. The program was intended to sustainably reduce ABB’s costs, comprising both cost of sales as well as general and administrative expenses, from 2008 levels by a total of $3 billion by the end of 2010.

Cost reductions in the fourth quarter of 2010 amounted to approximately $370 million, of which almost half were achieved by optimizing global sourcing (excluding the impact of commodity price changes) and approximately 20 percent from global footprint initiatives. The remainder was achieved through reductions to general and administrative expenses and operational excellence measures. For the full year 2010, savings amounted to approximately $1.5 billion.

Costs associated with the program in the fourth quarter of 2010 amounted to approximately $120 million, bringing the total cost of the program to approximately $840 million.

ABB intends to continue taking out costs in 2011 through supply management, footprint optimization and operational excellence measures. The level of savings is expected to exceed $1 billion and will be determined by market factors such as demand, raw material costs, capacity utilization and pricing environment in ABB’s various businesses. The cost associated with such measures is not expected to exceed a level equivalent to 0.8 percent of full-year 2011 revenues.

Acquisitions

In January 2011, ABB completed its acquisition of Baldor Electric, a North American leader in industrial motors. The transaction, which was originally announced on November 30, 2010, was valued at $4.2 billion, including approximately $1.2 billion of debt, and is an important step in ABB’s strategy to build its position in the key North American industrial automation market. The business is being integrated into the Discrete Automation and Motion division with results consolidated in ABB's financial statements from late January, 2011.

In 2010, ABB acquired U.S.-based software supplier Ventyx to provide energy management software solutions globally to utilities and industry. The business is part of the Power Systems division and its results have been consolidated into the Group since June 2010.

In addition, ABB increased its share in ABB India from 52 percent to 75 percent in 2010 at a cost of approximately $950 million.

For the fiscal year 2010, ABB spent approximately $1.3 billion on acquisitions (excluding the India transaction) aimed at positioning itself for significant future growth opportunities.

Balance sheet and cash flow

Net cash at the end of the fourth quarter was $6.4 billion compared with $5.3 billion at the end of the previous quarter. Cash flow from operations amounted to $1.8 billion, close to the record level reported in the same quarter in 2009. The good performance reflects solid working capital management, especially improved receivables collection. The contribution to cash flow from customer advances also increased significantly compared to the same quarter in 2009.

ABB paid a total of approximately $4.2 billion in January 2011 to acquire all of the outstanding shares of Baldor Electric and repay Baldor's outstanding debt.

Increased dividend

ABB's Board of Directors has proposed a dividend for 2010 of 0.60 Swiss francs per share, compared to 0.51 Swiss francs per share in the prior year. The proposal is in line with the company's dividend policy to pay a steadily rising but sustainable dividend over the cycle. The Board also proposes that the dividend is taken from the capital contribution reserve of ABB Ltd which, under recent changes to Swiss tax regulations, would not be subject to Swiss withholding tax. The company can draw on a total of approximately 6.4 billion Swiss francs under the capital contribution reserve from stockholders' equity for current and future dividend payments. The proposal is subject to approval by shareholders at the company's annual general meeting on April 29, 2011. This form of dividend would replace the nominal value reduction used in the previous three years. If approved, the ex-dividend date would be May 3, 2011 and the payout date in Switzerland would be May 6, 2011.

Outlook

For 2011, ABB expects continued demand growth in all regions for power and automation solutions that help customers build and upgrade power infrastructure and improve industrial efficiency and productivity.

Emerging markets will again be significant drivers of growth as they build up their electrical grids and expand industrial production with a major focus on improving energy efficiency and industrial process quality. An important demand driver in these countries is the development of power resources, such as hydro and wind, which are often long distances from end users and require reliable, high-efficiency power transmission technologies. Demand for commodities to fuel economic growth and the need to become more globally competitive in product quality is expected to drive demand for industrial automation solutions in the emerging markets.

Demand in mature markets is also expected to improve. Utilities are expected to continue investments in grid interconnections, the integration of renewable energies into existing grids, the replacement and refurbishment of existing grid assets, and smart grid technologies. Following two years of lower capital investment in power transmission in many regions, ABB expects an increase in utility spending on standard power transmission products, most likely beginning in the second half of the year.

Industrial customers in the mature economies are also expected to invest further in improving the productivity of their existing manufacturing assets. Increased construction activity in parts of northern Europe and the trend towards intelligent buildings is a further demand driver for ABB's automation solutions in mature markets.

At the same time, recent competitive trends are expected to continue through 2011 and beyond. Increased capacity in the power equipment sector over the past several years will continue to exert price pressure on suppliers. This pressure is expected to persist for several quarters after demand begins to recover. Emerging market players are expected to continue to expand beyond their home markets with competitive products aimed mainly at the mid-quality segment and primarily in power equipment.

Therefore, in 2011 management will focus on taking advantage of the significant growth opportunities that are emerging across its technology and geographic portfolio. ABB intends to increase its capital expenditures, again with a focus on building its position in emerging markets. Investment in sales and research and development activities will also increase to support both growth and profitability. Cost control will also remain a high priority to ensure both ABB's competitiveness in the market as well as securing profitability within the company's target ranges.

Divisional performance Q4 2010

Power Products

$ millions unless otherwise indicated	**Q4 10**	**Q4 09**	**Change**		**FY 2010**	**FY 2009**	**Change**	
			US$	Local			US$	Local
Orders	2,533	2,667	-5%	-5%	9,778	10,940	-11%	-13%
Order backlog (end Dec)	*7,930*	*8,226*	*-4%*	*-5%*				
Revenues	2,913	3,109	-6%	-6%	10,199	11,239	-9%	-11%
EBIT	453	495	-8%		1,622	1,969	-18%	
as % of revenues	15.6%	15.9%			15.9%	17.5%		
Cash flow from operating activities	658	754			1,756	1,977		

Orders for medium-voltage products and distribution transformers increased during the quarter, driven by industrial growth and a recovery in the power distribution sector, notably in North America. Orders also grew at a double-digit pace in western Europe, mainly the result of higher transformer orders. However, these increases could not compensate order declines in large power transformers and some high-voltage equipment resulting from fewer large power transmission projects, mainly in China.

Revenues decreased during the quarter compared with the high levels of the same period in the previous year, reflecting the lower level of orders received during recent quarters.

The lower EBIT in the quarter reflects the decrease in revenues. The EBIT margin remained in-line with the year-earlier period as cost-reduction measures offset the impacts of lower volumes and price levels.

Power Systems

$ millions unless otherwise indicated	Q4 10	Q4 09	Change		FY 2010	FY 2009	Change	
			US$	Local			US$	Local
Orders	2,626	1,863	41%	40%	7,896	7,830	1%	-1%
Order backlog (end Dec)	*10,929*	*9,675*	*13%*	*12%*				
Revenues	2,088	1,908	9%	10%	6,786	6,549	4%	2%
EBIT	5	66	-92%		111	388	-71%	
as % of revenues	0.2%	3.5%			1.6%	5.9%		
Cash flow from operating activities	512	242			443	333		

Strong increases in both base and large orders contributed to a record quarter for orders received in the Power Systems division and further strengthened the order backlog. Large orders increased by more than 20 percent and included a $580-million order to link the power grids of Sweden and Lithuania across the Baltic Sea, as well as a number of substation orders in the Middle East. Base orders were higher in all business units, helped by the industrial recovery and the ongoing focus on renewable energy and grid reliability. Orders grew at a double-digit pace in all regions except Asia, where orders in India declined from a high level the year before.

Revenue growth reflected mainly execution of the strong order backlog and was supported by the acquisition earlier in the year of U.S.-based energy software company Ventyx.

EBIT and EBIT margin were negatively impacted by charges of approximately $120 million, most of which are related to a cable project that was the subject of previously-announced provisions.

Discrete Automation and Motion

$ millions unless otherwise indicated	Q4 10	Q4 09	Change		FY 2010	FY 2009	Change	
			US$	Local			US$	Local
Orders	1,505	1,142	32%	34%	5,862	4,702	25%	23%
Order backlog (end Dec)	*3,350*	*3,046*	*10%*	*8%*				
Revenues	1,657	1,470	13%	14%	5,617	5,405	4%	3%
EBIT	285	43	n/a		926	557	66%	
as % of revenues	17.2%	2.9%			16.5%	10.3%		
Cash flow from operating activities	204	236			573	745		

Orders increased in the fourth quarter as industrial customers continued to invest in automation solutions to increase productivity and energy efficiency. Orders increased in all business units and were particularly strong in robotics and in the mid- to later-cycle businesses, such as power electronics, medium-voltage drives and generators. Orders for low-voltage drives also grew strongly. Regionally, orders grew at a strong double-digit pace in Europe, the Americas and Asia. Orders in China were up more than 40 percent compared to the same quarter in 2009.

The revenue increase was driven primarily by execution of the strong order backlog in the shorter-cycle businesses such as robotics, low-voltage motors and drives.

EBIT and EBIT margin increased substantially due in part to a return to profitability in robotics, which reported an EBIT loss in the same period last year, mainly due to restructuring-related costs of some $110 million. Successful operational cost reduction measures and footprint changes towards the emerging markets during the year also contributed to the improved earnings.

Low Voltage Products

$ millions unless otherwise indicated	Q4 10	Q4 09	Change		FY 2010	FY 2009	Change	
			US$	Local			US$	Local
Orders	1,142	1,027	11%	14%	4,686	4,079	15%	15%
Order backlog (end Dec)	*838*	*734*	*14%*	*14%*				
Revenues	1,254	1,109	13%	16%	4,554	4,071	12%	13%
EBIT	198	149	33%		806	519	55%	
as % of revenues	15.8%	13.4%			17.7%	12.7%		
Cash flow from operating activities	280	285			717	665		

Orders and revenues increased across all businesses as demand from general industry and construction improved in most regions. In particular, demand increased for low-voltage components used in solar power generation and critical power applications to ensure the delivery of reliable and high-quality electricity to “mission-critical” businesses such as data centers, hospitals and electronic trading rooms. Service orders grew at the same pace as total orders.

Order growth in Europe was led by increased demand in the construction and industry sectors. Order growth was strong in Asia and the Americas, while orders were slightly lower in the Middle East and Africa.

EBIT and EBIT margin reflect both higher revenues and the sustained cost savings achieved during 2010.

Process Automation

$ millions unless otherwise indicated	Q4 10	Q4 09	Change		FY 2010	FY 2009	Change	
			US$	Local			US$	Local
Orders	1,764	1,422	24%	25%	7,383	6,684	10%	7%
Order backlog (end Dec)	*5,530*	*5,523*	*0%*	*-1%*				
Revenues	2,101	2,054	2%	4%	7,432	7,839	-5%	-6%
EBIT	200	170	18%		755	643	17%	
as % of revenues	9.5%	8.3%			10.2%	8.2%		
Cash flow from operating activities	222	327			738	695		

Growth in large orders continued in the fourth quarter, especially in minerals, marine and oil, gas and petrochemicals, reflecting ongoing investments in the energy and commodity sectors. Orders for products such as turbochargers and measurement products also grew. Lifecycle services – including installation and commissioning, spare parts, retrofit and replacement and training – saw higher orders, driven by oil, gas and petrochemicals, metals, and pulp and paper.

Regionally, order growth was strong in South America – led by minerals investments in Chile and Peru – and Asia, where demand increased from the minerals sector in China and the marine sector in South Korea. Orders were also up at a double-digit pace in Europe and North America.

The revenue increase was driven by stronger product volumes and lifecycle services, as well as the ongoing execution of projects from the order backlog, especially in the oil, gas and petrochemicals and pulp and paper businesses.

Higher EBIT and EBIT margin reflect the successful implementation of cost reduction measures and the higher share of revenues from product and service sales compared to the same quarter a year earlier. Included in fourth quarter EBIT is approximately $30 million in restructuring-related costs compared to some $80 million in the same quarter of 2009.

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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 124,000 people.

Zurich, Feb. 17, 2011
Joe Hogan, CEO

More information

The 2010 Q4 results press release and presentation slides are available on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

ABB will host a press conference today starting at 10:00 a.m. Central European Time (CET). U.K. callers should dial +44 203 059 58 62. From Sweden, the number is +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: +44 207 108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 866 416 2558 (U.S./Canada). The code is 15872, followed by the # key.

A meeting for analysts and investors is scheduled to begin today at 2:00 p.m. CET (8:00 a.m. EST). Callers should dial +1 866 291 4166 (from the U.S./Canada), + 44 203 059 5862 (from the U.K.), or +41 91 610 56 00 (the rest of the world). Callers are requested to phone in 10 minutes before the start of the call. There is no PIN for the live call. The recorded session will be available as a podcast one hour after the end of the call and can be downloaded from our website. The 2010 full-year results presentation will be broadcast live via the Internet and will be archived at www.abb.com/investorrelations for one month from approximately two hours after the live Webcast.

Investor calendar 2011

Q1 2011 results	April 27, 2011
Annual General Meeting of shareholders (Zurich, Switzerland)	April 29, 2011
Annual Information Meeting (Västerås, Sweden)	May 2, 2011
Q2 2011 results	July 21, 2011
Q3 2011 results	Oct. 27, 2011

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled “Increased dividend,” “Cost reductions,” and “Outlook,” 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 related to the economic environment, costs associated with compliance activities, the amount of revenues we are able to generate from backlog and orders received, raw materials 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 Q4 and full-year 2010 key figures

$ millions unless otherwise indicated		Q4 10	Q4 09	Change		2010	2009	Change	
				US$	*Local*			*US$*	*Local*
Orders	**Group**	**8,752**	**7,450**	**17%**	**18%**	**32,681**	**30,969**	**6%**	**4%**
	Power Products	2,533	2,667	-5%	-5%	9,778	10,940	-11%	-13%
	Power Systems	2,626	1,863	41%	40%	7,896	7,830	1%	-1%
	Discrete Automation & Motion	1,505	1,142	32%	34%	5,862	4,702	25%	23%
	Low Voltage Products	1,142	1,027	11%	14%	4,686	4,079	15%	15%
	Process Automation	1,764	1,422	24%	25%	7,383	6,684	10%	7%
	Corporate *(consolidation)*	(818)	(671)			(2,924)	(3,266)		
Revenues	**Group**	**9,179**	**8,761**	**5%**	**6%**	**31,589**	**31,795**	**-1%**	**-2%**
	Power Products	2,913	3,109	-6%	-6%	10,199	11,239	-9%	-11%
	Power Systems	2,088	1,908	9%	10%	6,786	6,549	4%	2%
	Discrete Automation & Motion	1,657	1,470	13%	14%	5,617	5,405	4%	3%
	Low Voltage Products	1,254	1,109	13%	16%	4,554	4,071	12%	13%
	Process Automation	2,101	2,054	2%	4%	7,432	7,839	-5%	-6%
	Corporate *(consolidation)*	(834)	(889)			(2,999)	(3,308)		
EBIT	**Group**	**978**	**798**	**23%**		**3,818**	**4,126**	**-7%**	
	Power Products	453	495	-8%		1,622	1,969	-18%	
	Power Systems	5	66	-92%		111	388	-71%	
	Discrete Automation & Motion	285	43	n/a		926	557	66%	
	Low Voltage Products	198	149	33%		806	519	55%	
	Process Automation	200	170	18%		755	643	17%	
	Corporate	(163)	(125)			(402)	50		
EBIT margin	**Group**	**10.7%**	**9.1%**			**12.1%**	**13.0%**		
	Power Products	15.6%	15.9%			15.9%	17.5%		
	Power Systems	0.2%	3.5%			1.6%	5.9%		
	Discrete Automation & Motion	17.2%	2.9%			16.5%	10.3%		
	Low Voltage Products	15.8%	13.4%			17.7%	12.7%		
	Process Automation	9.5%	8.3%			10.2%	8.2%		

Q4 2010 orders received and revenues by region

$ millions	Orders received		Change		Revenues		Change	
	Q4 10	Q4 09	*US$*	*Local*	Q4 10	Q4 09	*US$*	*Local*
Europe	3,789	2,872	*32%*	*37%*	3,558	3,484	*2%*	*8%*
Americas	1,762	1,415	*25%*	*22%*	1,840	1,576	*17%*	*15%*
Asia	2,041	2,079	*-2%*	*-5%*	2,592	2,379	*9%*	*5%*
Middle East and Africa	1,160	1,084	*7%*	*8%*	1,189	1,322	*-10%*	*-8%*
Group total	**8,752**	**7,450**	***17%***	***18%***	**9,179**	**8,761**	***5%***	***6%***

Full-year 2010 orders received and revenues by region

$ millions	Orders received		Change		Revenues		Change	
	2010	2009	*US$*	*Local*	2010	2009	*US$*	*Local*
Europe	13,781	11,983	*15%*	*16%*	12,378	13,093	*-5%*	*-4%*
Americas	6,223	5,996	*4%*	*-1%*	6,213	6,049	*3%*	*-1%*
Asia	8,720	8,197	*6%*	*2%*	8,872	8,684	*2%*	*-2%*
Middle East and Africa	3,957	4,793	*-17%*	*-19%*	4,126	3,969	*4%*	*4%*
Group total	**32,681**	**30,969**	***6%***	***4%***	**31,589**	**31,795**	***-1%***	***-2%***

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Operational EBIT by division, Q4 and full-year 2010

	Power Products		Power Systems		Discrete Automation & Motion		Low Voltage Products		Process Automation	
Quarterly	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09	Q4 10	Q4 09
Reported EBIT	**453**	**495**	**5**	**66**	**285**	**43**	**198**	**149**	**200**	**170**
Derivative impact	0	-23	15	24	-11	-18	-4	-4	46	-5
Restructuring-related costs	23	39	23	76	10	127	29	19	29	79
Operational EBIT	**476**	**511**	**43**	**166**	**284**	**152**	**223**	**164**	**275**	**244**
Full year	FY 10	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10	FY 09
Reported EBIT	**1,622**	**1,969**	**111**	**388**	**926**	**557**	**806**	**519**	**755**	**643**
Derivative impact	4	-85	58	2	2	-29	-3	-6	46	41
Restructuring -related costs	44	77	48	90	35	154	36	67	44	114
Operational EBIT	**1,670**	**1,961**	**217**	**480**	**963**	**682**	**839**	**580**	**845**	**798**

Reconciliation of non-GAAP measures
($ in millions)

EBIT Margin	**3 months ended Dec. 31,**		**Year ended Dec. 31,**
(= EBIT as % of revenues)	**2010**	**2009**	**2010**
Earnings before interest and taxes (EBIT)	978	798	3'818
Revenues	9'179	8'761	31'589
EBIT Margin	**10.7%**	**9.1%**	**12.1%**
EBIT as per financial statements	**978**	**798**	**3'818**
adjusted for the effects of:			
Unrealized gains and losses on derivatives (FX, commodities, embedded derivatives)	26	37	3
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)	(42)	9
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	11	(27)	79
Restructuring and restructuring-related expenses	116	339	213
Operational EBIT	**1'129**	**1'105**	**4'122**
Revenues as per financial statements	**9'179**	**8'761**	**31'589**
adjusted for the effects of:			
Unrealized gains and losses on derivatives	17	6	(80)
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(21)	(56)	(28)
Unrealized foreign exchange movements on receivables (and related assets)	36	-	100
Operational Revenues	**9'211**	**8'711**	**31'581**
Operational EBIT Margin (= Operational EBIT as % of Operational Revenues)	**12.3%**	**12.7%**	**13.1%**

Net Cash *(= Cash and equivalents plus marketable securities and short-term investments, less total debt)*	Dec. 31, 2010	Sep. 30, 2010
Cash and equivalents	5'897	5'269
Marketable securities and short-term investments	2'713	2'353
Cash and marketable securities	**8'610**	**7'622**
Short-term debt and current maturities of long-term debt	1'043	253
Long-term debt	1'139	2'080
Total debt	**2'182**	**2'333**
Net Cash	**6'428**	**5'289**

Free Cash Flow *(= Net cash provided by operating activities adjusted for i) changes in financing receivables and ii) purchases of property, plant and equipment and intangible assets and iii) proceeds from sales of property, plant and equipment)*	Year ended Dec. 31, 2010	2009
Net cash provided by operating activites	**4'197**	**4'027**
adjusted for the effects of:		
Changes in financing receivables	(7)	(7)
Purchases of property, plant and equipment and intangible assets	(840)	(967)
Proceeds from sales of property, plant and equipment	47	36
Free Cash Flow	**3'397**	**3'089**
Net Income attributable to ABB	2'561	2'901
Free Cash Flow as % of Net Income	**133%**	**106%**
Free cash flow as a percentage of net income (also referred to as "cash conversion ratio") is a financial measure that management believes is helpful in analyzing the cash generated. Management uses Free cash flow as a percentage of net income as a performance target.		

Return on Capital Employed (ROCE) *(= EBIT x (1-tax rate) / Capital Employed)*	Year ended Dec. 31, 2010	2009
EBIT	**3'818**	**4'126**
Provision for taxes	(1'018)	(1'001)
Income from continuing operations before taxes	3'740	4'120
Tax rate	**27%**	**24%**
Capital employed		
(= fixed assets and net working capital)		
Property, plant and equipment, net	4'356	4'072
Goodwill	4'085	3'026
Other intangible assets, net	701	443
Investments in equity method companies	19	49
Total fixed assets	**9'161**	**7'590**
Receivables, net	9'970	9'451
Inventories, net	4'878	4'550
Prepaid expenses	193	236
Accounts payable, trade	(4'555)	(3'853)
Billings in excess of sales	(1'730)	(1'623)
Accounts payable, other	(1'526)	(1'326)
Advances from customers	(1'764)	(1'806)
Accrued expenses	(1'644)	(1'600)
Net working capital	**3'822**	**4'029**
Capital employed	**12'983**	**11'619**
ROCE (after tax)	**21%**	**27%**
Return on capital employed is a financial measure (defined above) that management believes is a useful measure to assess how efficiently we are using our capital.		