

ABB Ltd Interim Consolidated Income Statements (unaudited)

(\$ in millions, except per share data in \$)	Year ended		Three months ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Sales of products	26,291	26,820	7,628	7,298
Sales of services	5,298	4,975	1,551	1,463
Total revenues	31,589	31,795	9,179	8,761
Cost of products	(18,607)	(19,057)	(5,563)	(5,241)
Cost of services	(3,453)	(3,413)	(987)	(1,050)
Total cost of sales	(22,060)	(22,470)	(6,550)	(6,291)
Gross profit	9,529	9,325	2,629	2,470
Selling, general and administrative expenses	(4,615)	(4,491)	(1,297)	(1,242)
Non-order related research and development expenses	(1,082)	(1,037)	(320)	(314)
Other income (expense), net	(14)	329	(34)	(116)
Earnings before interest and taxes	3,818	4,126	978	798
Interest and dividend income	95	121	25	28
Interest and other finance expense	(173)	(127)	(35)	(31)
Income from continuing operations before taxes	3,740	4,120	968	795
Provision for taxes	(1,018)	(1,001)	(228)	(170)
Income from continuing operations, net of tax	2,722	3,119	740	625
Income (loss) from discontinued operations, net of tax	10	17	13	(9)
Net income	2,732	3,136	753	616
Net income attributable to noncontrolling interests	(171)	(235)	(53)	(76)
Net income attributable to ABB	2,561	2,901	700	540
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,551	2,884	687	549
Net income	2,561	2,901	700	540
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.12	1.26	0.30	0.24
Net income	1.12	1.27	0.31	0.24
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.11	1.26	0.30	0.24
Net income	1.12	1.27	0.31	0.24
Weighted-average number of shares outstanding (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,287	2,284	2,285	2,286
Diluted earnings per share attributable to ABB shareholders	2,291	2,288	2,289	2,291

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

(\$ in millions, except share data)	Dec. 31, 2010	Dec. 31, 2009
Cash and equivalents	5,897	7,119
Marketable securities and short-term investments	2,713	2,433
Receivables, net	9,970	9,451
Inventories, net	4,878	4,550
Prepaid expenses	193	236
Deferred taxes	896	900
Other current assets	801	540
Total current assets	25,348	25,229
Financing receivables, net	420	452
Property, plant and equipment, net	4,356	4,072
Goodwill	4,085	3,026
Other intangible assets, net	701	443
Prepaid pension and other employee benefits	173	112
Investments in equity method companies	19	49
Deferred taxes	846	1,052
Other non-current assets	347	293
Total assets	36,295	34,728
Accounts payable, trade	4,555	3,853
Billings in excess of sales	1,730	1,623
Accounts payable, other	1,526	1,326
Short-term debt and current maturities of long-term debt	1,043	161
Advances from customers	1,764	1,806
Deferred taxes	357	327
Provisions for warranties	1,393	1,280
Provisions and other current liabilities	2,726	2,603
Accrued expenses	1,644	1,600
Total current liabilities	16,738	14,579
Long-term debt	1,139	2,172
Pension and other employee benefits	831	1,179
Deferred taxes	411	328
Other non-current liabilities	1,718	1,997
Total liabilities	20,837	20,255
Commitments and contingencies		
Stockholders' equity:		
Capital stock and additional paid-in capital (2,308,782,064 and 2,329,324,797 issued shares at December 31, 2010 and 2009, respectively)	1,454	3,943
Retained earnings	15,389	12,828
Accumulated other comprehensive loss	(1,517)	(2,084)
Treasury stock, at cost (25,317,453 and 39,901,593 shares at December 31, 2010 and 2009, respectively)	(441)	(897)
Total ABB stockholders' equity	14,885	13,790
Noncontrolling interests	573	683
Total stockholders' equity	15,458	14,473
Total liabilities and stockholders' equity	36,295	34,728

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

	Year ended		Three months ended	
(\$ in millions)	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Operating activities:				
Net income	2,732	3,136	753	616
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization	702	655	195	188
Pension and other employee benefits	(51)	(28)	(96)	(27)
Deferred taxes	151	(56)	51	(45)
Net gain from sale of property, plant and equipment	(39)	(15)	(22)	(4)
Loss (income) from equity accounted companies	(3)	2	(1)	1
Other	106	(6)	38	7
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(407)	256	(142)	84
Inventories, net	(264)	1,130	198	732
Trade payables	678	(718)	172	(15)
Billings in excess of sales	89	295	105	239
Provisions, net	(69)	(241)	62	129
Advances from customers	(25)	(316)	79	(298)
Other assets and liabilities, net	597	(67)	367	176
Net cash provided by operating activities	4,197	4,027	1,759	1,783
Investing activities:				
Changes in financing receivables, net	(7)	(7)	39	(5)
Purchases of marketable securities (available-for-sale)	(3,391)	(243)	(846)	(184)
Purchases of marketable securities (held-to-maturity)	(65)	(918)	-	(119)
Purchases of short-term investments	(2,165)	(3,824)	(393)	(1,753)
Purchases of property, plant and equipment and intangible assets	(840)	(967)	(407)	(343)
Acquisition of businesses (net of cash acquired) and changes in cost and equity investments	(1,313)	(161)	(22)	(6)
Proceeds from sales of marketable securities (available-for-sale)	807	79	241	16
Proceeds from maturity of marketable securities (available-for-sale)	531	855	138	-
Proceeds from maturity of marketable securities (held-to-maturity)	290	730	-	457
Proceeds from short-term investments	3,276	2,253	205	1,805
Proceeds from sales of property, plant and equipment	47	36	16	13
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	83	16	21	6
Other	-	(21)	-	(1)
Net cash used in investing activities	(2,747)	(2,172)	(1,008)	(114)
Financing activities:				
Net changes in debt with maturities of 90 days or less	52	(59)	(14)	(31)
Increase in debt	277	586	80	146
Repayment of debt	(497)	(705)	(170)	(182)
Issuance of shares	16	89	10	86
Transactions in treasury shares	(166)	-	(46)	-
Dividends paid in the form of nominal value reduction	(1,112)	(1,027)	-	-
Acquisition of noncontrolling interests	(956)	(48)	(2)	(48)
Dividends paid to noncontrolling shareholders	(193)	(193)	(5)	(2)
Other	49	8	36	22
Net cash used in financing activities	(2,530)	(1,349)	(111)	(9)
Effects of exchange rate changes on cash and equivalents	(142)	214	(12)	(43)
Net change in cash and equivalents - continuing operations	(1,222)	720	628	1,617
Cash and equivalents beginning of period	7,119	6,399	5,269	5,502
Cash and equivalents end of period	5,897	7,119	5,897	7,119
Supplementary disclosure of cash flow information:				
Interest paid	94	156	22	34
Taxes paid	884	1,090	186	261

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Changes in Stockholders' Equity (unaudited)

(\$ in millions)	Capital stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive loss					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
			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, 2009	4,841	9,927	(1,654)	83	(978)	(161)	(2,710)	(900)	11,158	612	11,770
Comprehensive income:											
Net income		2,901							2,901	235	3,136
Foreign currency translation adjustments			598				598		598	12	610
Effect of change in fair value of available-for-sale securities, net of tax				(63)			(63)		(63)		(63)
Unrecognized income (loss) related to pensions and other postretirement plans, net of tax					(90)		(90)		(90)	(2)	(92)
Change in derivatives qualifying as cash flow hedges, net of tax						181	181		181		181
Total comprehensive income									3,527	245	3,772
Changes in noncontrolling interests	(49)								(49)	20	(29)
Dividends paid to noncontrolling shareholders									-	(194)	(194)
Dividends paid in the form of nominal value reduction	(1,024)								(1,024)		(1,024)
Share-based payment arrangements	66								66		66
Issuance of shares	87							3	90		90
Call options	22								22		22
Balance at December 31, 2009	3,943	12,828	(1,056)	20	(1,068)	20	(2,084)	(897)	13,790	683	14,473

(\$ in millions)	Capital stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive loss					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
			Foreign currency translation adjustment	Unrealized gain (loss) on 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		2,561							2,561	171	2,732
Foreign currency translation adjustments			349				349		349	21	370
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					148		148		148	(3)	145
Change in derivatives qualifying as cash flow hedges, net of tax						72	72		72		72
Total comprehensive income									3,128	189	3,317
Changes in noncontrolling interests	(836)								(836)	(110)	(946)
Dividends paid to noncontrolling shareholders									-	(189)	(189)
Dividends paid in the form of nominal value reduction	(1,112)								(1,112)		(1,112)
Cancellation of shares repurchased under buyback program	(619)							619	-		-
Treasury stock transactions								(228)	(228)		(228)
Share-based payment arrangements	66								66		66
Issuance of shares	13							65	78		78
Call options	(1)								(1)		(1)
Balance at December 31, 2010	1,454	15,389	(707)	18	(920)	92	(1,517)	(441)	14,885	573	15,458

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