

**ABB Ltd Interim Consolidated Income Statements (unaudited)**

(\$ in millions, except per share data in \$)	Year ended		Three months ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Sales of products	32'979	31'875	9'251	8'848
Sales of services	6'357	6'115	1'770	1'723
<b>Total revenues</b>	<b>39'336</b>	<b>37'990</b>	<b>11'021</b>	<b>10'571</b>
Cost of products	(23'838)	(22'649)	(6'948)	(6'441)
Cost of services	(4'120)	(3'907)	(1'150)	(1'137)
<b>Total cost of sales</b>	<b>(27'958)</b>	<b>(26'556)</b>	<b>(8'098)</b>	<b>(7'578)</b>
<b>Gross profit</b>	<b>11'378</b>	<b>11'434</b>	<b>2'923</b>	<b>2'993</b>
Selling, general and administrative expenses	(5'756)	(5'373)	(1'576)	(1'437)
Non-order related research and development expenses	(1'464)	(1'371)	(390)	(399)
Other income (expense), net	(100)	(23)	(94)	(34)
<b>Earnings before interest and taxes</b>	<b>4'058</b>	<b>4'667</b>	<b>863</b>	<b>1'123</b>
Interest and dividend income	73	90	18	25
Interest and other finance expense	(293)	(207)	(55)	(35)
<b>Income from continuing operations before taxes</b>	<b>3'838</b>	<b>4'550</b>	<b>826</b>	<b>1'113</b>
Provision for taxes	(1'030)	(1'244)	(202)	(247)
<b>Income from continuing operations, net of tax</b>	<b>2'808</b>	<b>3'306</b>	<b>624</b>	<b>866</b>
Income from discontinued operations, net of tax	4	9	-	8
<b>Net income</b>	<b>2'812</b>	<b>3'315</b>	<b>624</b>	<b>874</b>
Net income attributable to noncontrolling interests	(108)	(147)	(20)	(44)
<b>Net income attributable to ABB</b>	<b>2'704</b>	<b>3'168</b>	<b>604</b>	<b>830</b>
<b>Amounts attributable to ABB shareholders:</b>				
Income from continuing operations, net of tax	2'700	3'159	604	822
Net income	2'704	3'168	604	830
<b>Basic earnings per share attributable to ABB shareholders:</b>				
Income from continuing operations, net of tax	1.18	1.38	0.26	0.36
Net income	1.18	1.38	0.26	0.36
<b>Diluted earnings per share attributable to ABB shareholders:</b>				
Income from continuing operations, net of tax	1.18	1.38	0.26	0.36
Net income	1.18	1.38	0.26	0.36
<b>Weighted-average number of shares outstanding (in millions) used to compute:</b>				
Basic earnings per share attributable to ABB shareholders	2'293	2'288	2'295	2'290
Diluted earnings per share attributable to ABB shareholders	2'295	2'291	2'298	2'291

See Notes to the Interim Consolidated Financial Information

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

(\$ in millions)	Year ended		Three months ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
<b>Total comprehensive income, net of tax</b>	<b>2'687</b>	<b>2'413</b>	<b>246</b>	<b>(35)</b>
Total comprehensive income attributable to noncontrolling interests, net of tax	(98)	(136)	(10)	(36)
<b>Total comprehensive income attributable to ABB shareholders, net of tax</b>	<b>2'589</b>	<b>2'277</b>	<b>236</b>	<b>(71)</b>

See Notes to the Interim Consolidated Financial Information

**ABB Ltd Interim Consolidated Balance Sheets (unaudited)**

<i>(\$ in millions, except share data)</i>	Dec. 31, 2012	Dec. 31, 2011
Cash and equivalents	6'875	4'819
Marketable securities and short-term investments	1'606	948
Receivables, net	11'575	10'773
Inventories, net	6'182	5'737
Prepaid expenses	311	227
Deferred taxes	869	932
Other current assets	584	351
<b>Total current assets</b>	<b>28'002</b>	<b>23'787</b>
Property, plant and equipment, net	5'947	4'922
Goodwill	10'226	7'269
Other intangible assets, net	3'501	2'253
Prepaid pension and other employee benefits	71	139
Investments in equity-accounted companies	213	156
Deferred taxes	334	318
Other non-current assets	776	804
<b>Total assets</b>	<b>49'070</b>	<b>39'648</b>
Accounts payable, trade	4'992	4'789
Billings in excess of sales	2'035	1'819
Employee and other payables	1'449	1'361
Short-term debt and current maturities of long-term debt	2'537	765
Advances from customers	1'937	1'757
Deferred taxes	270	305
Provisions for warranties	1'291	1'324
Provisions and other current liabilities	2'367	2'619
Accrued expenses	2'096	1'822
<b>Total current liabilities</b>	<b>18'974</b>	<b>16'561</b>
Long-term debt	7'534	3'231
Pension and other employee benefits	2'290	1'487
Deferred taxes	1'260	537
Other non-current liabilities	1'566	1'496
<b>Total liabilities</b>	<b>31'624</b>	<b>23'312</b>
Commitments and contingencies		
<b>Stockholders' equity:</b>		
Capital stock and additional paid-in capital (2,314,743,264 issued shares at December 31, 2012 and 2011)	1'691	1'621
Retained earnings	18'066	16'988
Accumulated other comprehensive loss	(2'523)	(2'408)
Treasury stock, at cost (18,793,989 and 24,332,144 shares at December 31, 2012 and 2011, respectively)	(328)	(424)
<b>Total ABB stockholders' equity</b>	<b>16'906</b>	<b>15'777</b>
Noncontrolling interests	540	559
<b>Total stockholders' equity</b>	<b>17'446</b>	<b>16'336</b>
<b>Total liabilities and stockholders' equity</b>	<b>49'070</b>	<b>39'648</b>

See Notes to the Interim Consolidated Financial Information

**ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)**

(\$ in millions)	Year ended		Three months ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
<b>Operating activities:</b>				
Net income	2 812	3 315	624	874
<i>Adjustments to reconcile net income to net cash provided by operating</i>				
Depreciation and amortization	1 182	995	341	265
Pension and other employee benefits	(13)	(49)	43	6
Deferred taxes	64	(34)	41	(58)
Net gain from sale of property, plant and equipment	(26)	(47)	(14)	(24)
Loss (income) from equity-accounted companies, net	(1)	(4)	(2)	(3)
Other	172	111	68	28
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, net	(310)	(731)	78	(114)
Inventories, net	61	(600)	527	613
Trade payables	(57)	213	269	139
Billings in excess of sales	152	150	95	97
Provisions, net	(109)	(391)	182	(51)
Advances from customers	181	47	149	(38)
Other assets and liabilities, net	(329)	637	37	(60)
<b>Net cash provided by operating activities</b>	<b>3 779</b>	<b>3 612</b>	<b>2 438</b>	<b>1 674</b>
<b>Investing activities:</b>				
Purchases of marketable securities (available-for-sale)	(2 288)	(2 809)	(859)	(1 910)
Purchases of short-term investments	(67)	(142)	(37)	(2)
Purchases of property, plant and equipment and intangible assets	(1 293)	(1 021)	(455)	(445)
<i>Acquisition of businesses (net of cash acquired) and changes in cost and equity</i>				
investments	(3 694)	(4 020)	(8)	(384)
Proceeds from sales of marketable securities (available-for-sale)	1 655	3 717	-	1 301
Proceeds from maturity of marketable securities (available-for-sale)	-	483	-	248
Proceeds from short-term investments	27	529	-	-
Other investing activities	85	10	51	44
<b>Net cash used in investing activities</b>	<b>(5 575)</b>	<b>(3 253)</b>	<b>(1 308)</b>	<b>(1 148)</b>
<b>Financing activities:</b>				
Net changes in debt with original maturities of 90 days or less	570	450	467	(674)
Increase in debt	5 986	2 580	707	1 112
Repayment of debt	(1 104)	(2 576)	(201)	(1 005)
Delivery of shares	90	110	43	-
Dividends paid	(1 626)	(1 569)	-	-
Acquisition of noncontrolling interests	(9)	(13)	(6)	-
Dividends paid to noncontrolling shareholders	(121)	(157)	-	(1)
Other financing activities	(24)	(33)	(8)	(32)
<b>Net cash provided by (used in) financing activities</b>	<b>3 762</b>	<b>(1 208)</b>	<b>1 002</b>	<b>(600)</b>
Effects of exchange rate changes on cash and equivalents	90	(229)	60	(103)
<b>Net change in cash and equivalents - continuing operations</b>	<b>2 056</b>	<b>(1 078)</b>	<b>2 192</b>	<b>(177)</b>
Cash and equivalents, beginning of period	4 819	5 897	4 683	4 996
<b>Cash and equivalents, end of period</b>	<b>6 875</b>	<b>4 819</b>	<b>6 875</b>	<b>4 819</b>
<b>Supplementary disclosure of cash flow information:</b>				
Interest paid	189	165	98	62
Taxes paid	1 211	1 305	296	353

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					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	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				
<b>Balance at January 1, 2011</b>	<b>1'454</b>	<b>15'389</b>	<b>(707)</b>	<b>18</b>	<b>(920)</b>	<b>92</b>	<b>(1'517)</b>	<b>(441)</b>	<b>14'885</b>	<b>573</b>	<b>15'458</b>
Comprehensive income:											
Net income		3'168							3'168	147	3'315
Foreign currency translation adjustments			(261)				(261)		(261)	(14)	(275)
Effect of change in fair value of available-for-sale securities, net of tax				2			2		2		2
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(552)		(552)		(552)	3	(549)
Change in derivatives qualifying as cash flow hedges, net of tax						(80)	(80)		(80)		(80)
<b>Total comprehensive income</b>									<b>2'277</b>	<b>136</b>	<b>2'413</b>
Changes in noncontrolling interests		(3)							(3)	7	4
Dividends paid to noncontrolling shareholders									-	(157)	(157)
Dividends paid		(1'569)							(1'569)		(1'569)
Share-based payment arrangements	67								67		67
Delivery of shares	93							17	110		110
Call options	(9)								(9)		(9)
Replacement options issued in connection with acquisition	19								19		19
<b>Balance at December 31, 2011</b>	<b>1'621</b>	<b>16'988</b>	<b>(968)</b>	<b>20</b>	<b>(1'472)</b>	<b>12</b>	<b>(2'408)</b>	<b>(424)</b>	<b>15'777</b>	<b>559</b>	<b>16'336</b>

(\$ in millions)			Accumulated other comprehensive loss					Treasury stock	Total ABB stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Capital stock and additional paid-in capital	Retained earnings	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				
<b>Balance at January 1, 2012</b>	<b>1'621</b>	<b>16'988</b>	<b>(968)</b>	<b>20</b>	<b>(1'472)</b>	<b>12</b>	<b>(2'408)</b>	<b>(424)</b>	<b>15'777</b>	<b>559</b>	<b>16'336</b>
Comprehensive income:											
Net income		2'704							2'704	108	2'812
Foreign currency translation adjustments			388				388		388	(5)	383
Effect of change in fair value of available-for-sale securities, net of tax				4			4		4		4
Unrecognized income (expense) related to pensions and other postretirement plans, net of tax					(532)		(532)		(532)	(5)	(537)
Change in derivatives qualifying as cash flow hedges, net of tax						25	25		25		25
<b>Total comprehensive income</b>									<b>2'589</b>	<b>98</b>	<b>2'687</b>
Changes in noncontrolling interests									-	6	6
Dividends paid to noncontrolling shareholders									-	(123)	(123)
Dividends paid		(1'626)							(1'626)		(1'626)
Share-based payment arrangements	60								60		60
Delivery of shares	(6)							96	90		90
Call options	10								10		10
Replacement options issued in connection with acquisition	5								5		5
Other	1								1		1
<b>Balance at December 31, 2012</b>	<b>1'691</b>	<b>18'066</b>	<b>(580)</b>	<b>24</b>	<b>(2'004)</b>	<b>37</b>	<b>(2'523)</b>	<b>(328)</b>	<b>16'906</b>	<b>540</b>	<b>17'446</b>

See Notes to the Interim Consolidated Financial Information