

ABB Ltd Interim Consolidated Income Statements (unaudited)

| (\$ in millions, except per share data in \$) | Nine months ended | | Three months ended | |
|---|-------------------|-----------------|--------------------|----------------|
| | Sep. 30, 2012 | Sep. 30, 2011 | Sep. 30, 2012 | Sep. 30, 2011 |
| Sales of products | 23'728 | 23'027 | 8'227 | 7'820 |
| Sales of services | 4'587 | 4'392 | 1'518 | 1'517 |
| Total revenues | 28'315 | 27'419 | 9'745 | 9'337 |
| Cost of products | (16'890) | (16'208) | (5'835) | (5'535) |
| Cost of services | (2'970) | (2'770) | (987) | (955) |
| Total cost of sales | (19'860) | (18'978) | (6'822) | (6'490) |
| Gross profit | 8'455 | 8'441 | 2'923 | 2'847 |
| Selling, general and administrative expenses | (4'180) | (3'936) | (1'393) | (1'317) |
| Non-order related research and development expenses | (1'074) | (972) | (358) | (332) |
| Other income (expense), net | (6) | 11 | (26) | (4) |
| Earnings before interest and taxes | 3'195 | 3'544 | 1'146 | 1'194 |
| Interest and dividend income | 55 | 65 | 17 | 22 |
| Interest and other finance expense | (238) | (172) | (94) | (80) |
| Income from continuing operations before taxes | 3'012 | 3'437 | 1'069 | 1'136 |
| Provision for taxes | (828) | (997) | (274) | (318) |
| Income from continuing operations, net of tax | 2'184 | 2'440 | 795 | 818 |
| Income (loss) from discontinued operations, net of tax | 4 | 1 | (1) | 2 |
| Net income | 2'188 | 2'441 | 794 | 820 |
| Net income attributable to noncontrolling interests | (88) | (103) | (35) | (30) |
| Net income attributable to ABB | 2'100 | 2'338 | 759 | 790 |
| Amounts attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 2'096 | 2'337 | 760 | 788 |
| Net income | 2'100 | 2'338 | 759 | 790 |
| Basic earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 0.91 | 1.02 | 0.33 | 0.34 |
| Net income | 0.92 | 1.02 | 0.33 | 0.34 |
| Diluted earnings per share attributable to ABB shareholders: | | | | |
| Income from continuing operations, net of tax | 0.91 | 1.02 | 0.33 | 0.34 |
| Net income | 0.92 | 1.02 | 0.33 | 0.34 |
| Weighted-average number of shares outstanding (in millions) used to compute: | | | | |
| Basic earnings per share attributable to ABB shareholders | 2'293 | 2'287 | 2'293 | 2'290 |
| Diluted earnings per share attributable to ABB shareholders | 2'295 | 2'290 | 2'295 | 2'291 |

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, 2012 | Sep. 30, 2011 | Sep. 30, 2012 | Sep. 30, 2011 |
| Total comprehensive income, net of tax | 2'441 | 2'448 | 1'209 | (125) |
| Total comprehensive income attributable to noncontrolling interests, net of tax | (88) | (100) | (45) | (19) |
| Total comprehensive income attributable to ABB shareholders, net of tax | 2'353 | 2'348 | 1'164 | (144) |

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

| (\$ in millions, except share data) | Sep. 30, 2012 | Dec. 31, 2011 |
|---|---------------|---------------|
| Cash and equivalents | 4'683 | 4'819 |
| Marketable securities and short-term investments | 742 | 948 |
| Receivables, net | 11'626 | 10'773 |
| Inventories, net | 6'659 | 5'737 |
| Prepaid expenses | 322 | 227 |
| Deferred taxes | 960 | 932 |
| Other current assets | 622 | 351 |
| Total current assets | 25'614 | 23'787 |
| Property, plant and equipment, net | 5'658 | 4'922 |
| Goodwill | 10'600 | 7'269 |
| Other intangible assets, net | 3'614 | 2'253 |
| Prepaid pension and other employee benefits | 182 | 139 |
| Investments in equity-accounted companies | 275 | 156 |
| Deferred taxes | 230 | 318 |
| Other non-current assets | 770 | 804 |
| Total assets | 46'943 | 39'648 |
| Accounts payable, trade | 4'697 | 4'789 |
| Billings in excess of sales | 1'924 | 1'819 |
| Employee and other payables | 1'391 | 1'361 |
| Short-term debt and current maturities of long-term debt | 2'023 | 765 |
| Advances from customers | 1'795 | 1'757 |
| Deferred taxes | 220 | 305 |
| Provisions for warranties | 1'262 | 1'324 |
| Provisions and other current liabilities | 2'372 | 2'619 |
| Accrued expenses | 2'098 | 1'822 |
| Total current liabilities | 17'782 | 16'561 |
| Long-term debt | 7'055 | 3'231 |
| Pension and other employee benefits | 1'632 | 1'487 |
| Deferred taxes | 1'842 | 537 |
| Other non-current liabilities | 1'497 | 1'496 |
| Total liabilities | 29'808 | 23'312 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Capital stock and additional paid-in capital (2,314,743,264 issued shares at September 30, 2012, and December 31, 2011) | 1'673 | 1'621 |
| Retained earnings | 17'462 | 16'988 |
| Accumulated other comprehensive loss | (2'155) | (2'408) |
| Treasury stock, at cost (21,260,194 and 24,332,144 shares at September 30, 2012, and December 31, 2011, respectively) | (370) | (424) |
| Total ABB stockholders' equity | 16'610 | 15'777 |
| Noncontrolling interests | 525 | 559 |
| Total stockholders' equity | 17'135 | 16'336 |
| Total liabilities and stockholders' equity | 46'943 | 39'648 |

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, 2012 | Sep. 30, 2011 | Sep. 30, 2012 | Sep. 30, 2011 |
| Operating activities: | | | | |
| Net income | 2'188 | 2'441 | 794 | 820 |
| <i>Adjustments to reconcile net income to net cash provided by operating activities:</i> | | | | |
| Depreciation and amortization | 841 | 730 | 307 | 257 |
| Pension and other employee benefits | (56) | (55) | (7) | 11 |
| Deferred taxes | 23 | 24 | 12 | 30 |
| Net gain from sale of property, plant and equipment | (12) | (23) | (4) | (7) |
| Loss (income) from equity-accounted companies | 1 | (1) | (4) | - |
| Other | 104 | 83 | 56 | 36 |
| <i>Changes in operating assets and liabilities:</i> | | | | |
| Trade receivables, net | (388) | (617) | (131) | (357) |
| Inventories, net | (466) | (1'213) | (90) | (314) |
| Trade payables | (326) | 74 | (163) | (183) |
| Billings in excess of sales | 57 | 53 | (19) | 65 |
| Provisions, net | (291) | (340) | (36) | (75) |
| Advances from customers | 32 | 85 | (9) | 4 |
| Other assets and liabilities, net | (366) | 697 | 62 | 524 |
| Net cash provided by operating activities | 1'341 | 1'938 | 768 | 811 |
| Investing activities: | | | | |
| Purchases of marketable securities (available-for-sale) | (1'429) | (899) | (502) | (281) |
| Purchases of short-term investments | (30) | (140) | (3) | - |
| Purchases of property, plant and equipment and intangible assets | (838) | (576) | (302) | (233) |
| Acquisition of businesses (net of cash acquired) and changes in cost and equity investments | (3'686) | (3'636) | (70) | (450) |
| Proceeds from sales of marketable securities (available-for-sale) | 1'655 | 2'416 | 159 | 17 |
| Proceeds from maturity of marketable securities (available-for-sale) | - | 235 | - | 15 |
| Proceeds from short-term investments | 27 | 529 | - | 4 |
| Proceeds from sales of property, plant and equipment | 21 | 23 | 8 | 8 |
| Proceeds from sales of businesses and equity-accounted companies (net of cash disposed) | 9 | 4 | 4 | 1 |
| Changes in financing and other non-current receivables, net | 4 | (61) | 25 | 14 |
| Net cash used in investing activities | (4'267) | (2'105) | (681) | (905) |
| Financing activities: | | | | |
| Net changes in debt with original maturities of 90 days or less | 103 | 1'124 | (488) | 1'027 |
| Increase in debt | 5'279 | 1'468 | 429 | 151 |
| Repayment of debt | (903) | (1'571) | (176) | (232) |
| Issuance of shares | - | 105 | - | - |
| Transactions in treasury shares | 47 | 5 | 1 | - |
| Dividends paid | (1'626) | (1'569) | - | - |
| Acquisition of noncontrolling interests | (3) | (13) | (3) | (2) |
| Dividends paid to noncontrolling shareholders | (121) | (156) | (30) | (46) |
| Other | (16) | (1) | 2 | (64) |
| Net cash provided by (used in) financing activities | 2'760 | (608) | (265) | 834 |
| Effects of exchange rate changes on cash and equivalents | 30 | (126) | 88 | (296) |
| Net change in cash and equivalents - continuing operations | (136) | (901) | (90) | 444 |
| Cash and equivalents, beginning of period | 4'819 | 5'897 | 4'773 | 4'552 |
| Cash and equivalents, end of period | 4'683 | 4'996 | 4'683 | 4'996 |
| Supplementary disclosure of cash flow information: | | | | |
| Interest paid | 91 | 103 | 21 | 38 |
| Taxes paid | 915 | 952 | 216 | 225 |

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 | | | | |
| Balance at January 1, 2011 | 1'454 | 15'389 | (707) | 18 | (920) | 92 | (1'517) | (441) | 14'885 | 573 | 15'458 |
| Comprehensive income: | | | | | | | | | | | |
| Net income | | 2'338 | | | | | | | 2'338 | 103 | 2'441 |
| Foreign currency translation adjustments | | | 91 | | | | 91 | | 91 | (4) | 87 |
| 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 | | | | | 31 | | 31 | | 31 | 1 | 32 |
| Change in derivatives qualifying as cash flow hedges, net of tax | | | | | | (108) | (108) | | (108) | | (108) |
| Total comprehensive income | | | | | | | | | 2'348 | 100 | 2'448 |
| Changes in noncontrolling interests | (5) | | | | | | | | (5) | 2 | (3) |
| Dividends paid to noncontrolling shareholders | | | | | | | | | - | (156) | (156) |
| Dividends paid | | (1'569) | | | | | | | (1'569) | | (1'569) |
| Treasury stock transactions | (10) | | | | | | | 15 | 5 | | 5 |
| Share-based payment arrangements | 52 | | | | | | | | 52 | | 52 |
| Issuance of shares | 105 | | | | | | | | 105 | | 105 |
| Call options | (8) | | | | | | | | (8) | | (8) |
| Replacement options issued in connection with acquisition | 19 | | | | | | | | 19 | | 19 |
| Balance at September 30, 2011 | 1'607 | 16'158 | (616) | 14 | (889) | (16) | (1'507) | (426) | 15'832 | 519 | 16'351 |

| (\$ 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 | | | | |
| Balance at January 1, 2012 | 1'621 | 16'988 | (968) | 20 | (1'472) | 12 | (2'408) | (424) | 15'777 | 559 | 16'336 |
| Comprehensive income: | | | | | | | | | | | |
| Net income | | 2'100 | | | | | | | 2'100 | 88 | 2'188 |
| Foreign currency translation adjustments | | | 212 | | | | 212 | | 212 | | 212 |
| 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 | | | | | - | | - | | - | | - |
| Change in derivatives qualifying as cash flow hedges, net of tax | | | | | | 39 | 39 | | 39 | | 39 |
| Total comprehensive income | | | | | | | | | 2'353 | 88 | 2'441 |
| Changes in noncontrolling interests | | | | | | | | | - | | - |
| Dividends paid to noncontrolling shareholders | | | | | | | | | - | (122) | (122) |
| Dividends paid | | (1'626) | | | | | | | (1'626) | | (1'626) |
| Treasury stock transactions | (7) | | | | | | | 54 | 47 | | 47 |
| Share-based payment arrangements | 43 | | | | | | | | 43 | | 43 |
| Call options | 10 | | | | | | | | 10 | | 10 |
| Replacement options issued in connection with acquisition | 5 | | | | | | | | 5 | | 5 |
| Other | 1 | | | | | | | | 1 | | 1 |
| Balance at September 30, 2012 | 1'673 | 17'462 | (756) | 22 | (1'472) | 51 | (2'155) | (370) | 16'610 | 525 | 17'135 |

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