Press Release

ABB Group Q2 results 2008

Q2 net income up 34% on strong top-line growth

- Orders and revenues continue robust growth
- EBIT reaches $1.4 billion, EBIT margin at 16.1 percent
- Cash flow from operations more than doubled to $978 million

Zurich, Switzerland, Jul. 24, 2008 – ABB reported record orders, revenues and earnings before interest and taxes (EBIT) in the second quarter of 2008, with net income reaching $975 million. Global demand for ABB's core technologies to provide reliable electrical power and improved industrial efficiency remained robust, while ongoing operational improvements contributed to increased profitability.

EBIT reached $1.4 billion, up 42 percent from a year earlier. The EBIT margin increased to 16.1 percent from 14.4 percent in the second quarter of 2007 as ABB continued to benefit from high capacity utilization, greater sourcing of components from emerging economies and other operational improvements.

Orders increased in all divisions in a strong market and were up 31 percent (local currencies: 19 percent) to a single-quarter record of $11.3 billion. It was also the first quarter in which orders from emerging markets exceeded orders from the mature economies[1], accounting for 51 percent of total orders received.

Revenues increased by 27 percent (local currencies: 15 percent) to $9 billion. Utilities continued to invest in new and refurbished power infrastructure while industrial customers, especially in the oil and gas, marine and minerals sectors, further expanded capacity. The need for more energy efficient industrial technologies to meet the challenges of rising energy and raw materials costs also continued to drive growth.

"This was a record quarter for ABB," said Michel Demaré, ABB's Chief Executive Officer and Chief Financial Officer. "Global demand for our market-leading technologies in power infrastructure, energy efficiency and industrial productivity remained at high levels. Our strong market positions in both the emerging and mature economies continue to provide us with excellent organic growth opportunities. At the same time, we continue to improve our profitability and total return on capital through measures such as better project execution and risk management, lower cost sourcing, and footprint optimization."

2008 Q2 key figures	**Q2 08**	**Q2 07[1]**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	11,271	8,594	31%	19%
Order backlog (end June)	*29,127*	*20,264*	*44%*	*31%*
Revenues	9,025	7,092	27%	15%
EBIT	1,449	1,024	42%	
as % of revenues	16.1%	14.4%		
Net income	975	729	34%	
Basic net income per share ($)	0.43	0.32		
Cash flow from operating activities	978	396		

[1]Adjusted to reflect the reclassification of activities to discontinued operations

[1] OECD countries excluding Czech Rep., Hungary, South Korea, Mexico, Poland, Slovak Rep., and Turkey

Summary of Q2 2008 results

Orders received and revenues

Orders grew in all divisions. The Process Automation and Automation Products divisions benefited from continued investments by oil and gas, marine and minerals customers in new capacity or upgrades of their existing capacity as global demand for energy, raw materials and shipping remained at high levels. Order growth in the Power Products and Power Systems divisions was driven mainly by utility investments in power infrastructure upgrades and further regional interconnections. The Robotics division continued to benefit from increasing demand in general industry for higher process quality and production flexibility which more than offset lower demand in the automotive sector. The pricing environment remained favorable across most of ABB's markets.

Regionally, orders grew strongest in the Middle East and Africa (up 98 percent; 84 percent in local currencies) as demand continued to grow across most market sectors, especially in oil and gas. Orders increased 38 percent in the Americas (local currencies: 31 percent), including growth of 18 percent (local currencies: 16 percent) in the U.S. Orders in Asia were up 26 percent in the second quarter versus the same period in 2007 (local currencies: 18 percent), driven mainly by demand for both power and automation products in China. Orders in Europe grew at a double-digit pace in all divisions except Power Systems, where large grid interconnection orders taken in the same quarter a year ago were not matched this year. As a result, total orders in Europe were up 17 percent (local currencies: 2 percent).

The volume of large orders (more than $15 million) rose 72 percent (56 percent in local currencies) in the second quarter to $2.5 billion. Base orders (less than $15 million) were up 23 percent (12 percent in local currencies).

Execution of the order backlog combined with higher demand in the quarter contributed to strong revenue growth. Revenues increased at a double-digit rate in both U.S. dollar and local currency terms across all divisions. Price increases in previous quarters to offset higher raw material costs also supported the revenue improvement.

The order backlog at the end of June 2008 amounted to $29.1 billion, $8.9 billion higher (44 percent; 31 percent in local currencies) than at the end of the second quarter of 2007, and $2.3 billion higher than at the end of the first quarter of 2008 (up 8.6 percent; 9.1 percent in local currencies).

Earnings before interest and taxes

EBIT increased by 42 percent compared to the same quarter a year earlier, mainly the result of volume growth. The EBIT margin benefited from high capacity utilization, ongoing initiatives to remove production bottlenecks in order to generate higher revenues and earnings from the existing base of fixed costs, and greater sourcing of components from emerging economies.

Net income

In addition to the increase in EBIT, net income in the quarter reflected ABB's strong cash position and low debt levels, which resulted in a positive finance net of $41 million compared to $1 million in the same quarter of 2007. Net income in the second quarter of 2008 also included a loss in discontinued operations of $17 million due mainly to pension adjustments related to a divested business, compared to a gain of $23 million in the same period a year earlier. The tax rate in the quarter was 29 percent, compared to 25 percent in the second quarter of 2007.

Balance sheet and cash flow

Net cash at the end of the second quarter was $6 billion compared to $5.6 billion at the end of the previous quarter. The company purchased 7.5 million ABB shares during the second quarter in the amount of approximately $240 million in line with the previously announced Sfr. 2.2-billion share buy-back program. Total cash outflow in the second quarter related to the share buyback program amounted to $263 million, including withholding tax paid in respect of transactions in the first quarter.

Cash flow from operations increased by approximately $580 million compared to the second quarter of 2007, reflecting primarily the higher volume of business, as well as the effect of ongoing working capital management measures. Investments in working capital in the quarter were more than $200 million lower than in the same period in 2007. Also included in cash flow from operations was a planned payment to asbestos trusts of $25 million.

On May 8, ABB's annual general meeting approved the payment of a dividend in the form of a nominal value reduction of Sfr. 0.48 per share. ABB expects the nominal value reduction to be registered with the Zurich Commercial Register on July 25, 2008, in which case shares traded on the SWX Europe exchange will begin trading with a reduced nominal value on July 28, 2008. Thereafter, the company will affect the nominal value reduction payment.

Management appointments

ABB announced on July 17 that Joseph M. Hogan has been appointed Chief Executive Officer of the ABB Group, effective September 1, 2008. Hogan is currently CEO of GE Healthcare, the global leader in medical diagnostic technology and biosciences, and is a member of the GE Senior Executive Council.

Michel Demaré, who has held the CEO position on an ad-interim basis since February 13, 2008, will continue to serve as ABB's CFO.

Acquisitions

ABB announced on July 16 that it had agreed to acquire U.S. transformer company Kuhlman Electric Corporation from the global private equity firm The Carlyle Group. The acquisition is aimed at expanding ABB's power products portfolio in the Americas. The acquisition is subject to customary regulatory approvals. ABB expects the transaction to close in a few months.

Compliance

ABB continues to cooperate with the U.S. Department of Justice and the U.S. Securities and Exchange Commission regarding various suspect payments that have occurred across several years. ABB also continues to cooperate with various anti-trust authorities, including the European Commission, regarding certain allegedly anti-competitive practices. As previously communicated, the outcome of these matters as well as previously disclosed matters could have a material impact on the company's consolidated operating results, cash flows and financial position.

Outlook

The global market for power transmission and distribution infrastructure is expected to remain buoyant for the rest of 2008. Demand is forecast to be driven in Europe and North America by the need for equipment replacement, improved grid reliability and efficiency and further grid interconnections. In Asia and the Middle East and Africa, demand is expected to be driven by the development of new power infrastructure.

The industrial automation market is expected to remain attractive in the emerging economies, driven by high commodity prices and the need for greater energy efficiency and process quality. In the mature economies, some countries or early-cycle sectors may see a dampening of demand related to slower overall economic growth, but the outlook for raw materials processing industries remains strong.

Based on this outlook, and barring an extended recession in the global economy, the company confirms its expectations of growth rates for the full year 2008 of about 15-20 percent for the power-related activities. As a result of the very satisfactory growth recorded in the first half of the year, the company expects full-year growth in its automation activities to be clearly above 10 percent.

Divisional performance Q2 2008

Power Products	**Q2 08**	**Q2 07**[1]	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	3,592	2,707	*33%*	*21%*
Order backlog (end June)	*8,954*	*6,482*	*38%*	*26%*
Revenues	3,026	2,421	*25%*	*14%*
EBIT	586	412	*42%*	
as % of revenues	19.4%	17.0%		
Cash flow from operating activities	324	286		

[1]Adjusted to reflect the reclassification of activities to discontinued operations

Orders grew in the second quarter in all businesses, led by transformers, as utility spending to improve grid infrastructure and industrial spending to increase capacity continued. Orders were up in both eastern and western Europe, led by Spain, Germany and Russia. Orders from the Americas grew mainly on higher demand in Canada, the U.S. and Brazil. In Asia, continued strong growth in China and India was supported in the quarter by a sharp increase in orders from South Korea and Australia. Orders decreased in the Middle East and Africa, mainly the result of lower large orders in Saudi Arabia as compared to the same quarter in 2007.

Revenues grew significantly in all businesses on execution of the order backlog and price increases to offset higher raw material costs. Expenses related to the transformer consolidation program announced in 2005 amounted to $9 million in the second quarter of 2008.

EBIT and EBIT margin rose, mainly reflecting the improved cost efficiency of higher factory loadings, continuing operational improvements and a supportive pricing environment.

Power Systems	**Q2 08**	**Q2 07**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,611	2,217	*18%*	*8%*
Order backlog (end June)	*9,695*	*7,415*	*31%*	*20%*
Revenues	1,736	1,300	*34%*	*21%*
EBIT	123	109	*13%*	
as % of revenues	7.1%	8.4%		
Cash flow from operating activities	141	(4)		

Order growth in the second quarter was driven by an increase in large projects. An order related to a new power plant in Qatar contributed to strong growth in the Middle East and Africa. Orders in Asia included a high-voltage direct current power link in China and were flat compared to the same quarter in 2007. Orders were lower in Europe as a large interconnection order won the previous year in the U.K. was not matched this year. Orders grew in both North and South America.

Revenues continued to grow strongly in the quarter on the execution of the order backlog, contributing to higher EBIT. The EBIT margin decreased, mainly reflecting a lower-margin project mix compared to the same quarter a year ago, plus a provision related to personnel security on a large project.

Automation Products	**Q2 08**	**Q2 07**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,967	2,221	*34%*	*20%*
Order backlog (end June)	*4,602*	*3,136*	*47%*	*31%*
Revenues	2,751	2,147	*28%*	*15%*
EBIT	538	374	*44%*	
as % of revenues	19.6%	17.4%		
Cash flow from operating activities	341	318		

Orders continued to grow strongly during the second quarter as customers in most industrial sectors continued to invest in expanding capacity and improving the productivity of existing plants. Service markets also continued to grow.

Orders grew at a double-digit pace in all regions. Growth in Europe was led by Switzerland and Russia. China and India continued to drive growth in Asia, while growth of more than 20 percent in the U.S. supported increased orders in the Americas. Orders were also higher in the Middle East and Africa.

Higher revenues reflected the order growth during the quarter and benefited from the strong opening order backlog. Revenue growth and continued high capacity utilization led to a further increase in EBIT and EBIT margin.

Process Automation	**Q2 08**	**Q2 07**	**Change**	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	2,681	1,937	*38%*	*24%*
Order backlog (end June)	*7,730*	*4,799*	*61%*	*44%*
Revenues	2,058	1,586	*30%*	*16%*
EBIT	243	167	*46%*	
as % of revenues	11.8%	10.5%		
Cash flow from operating activities	370	107		

Orders continued to grow strongly across most customer segments in the second quarter, led by oil and gas, marine and turbocharging. Customers continued to invest in both new capacity and improved productivity. Large orders almost doubled compared to the same quarter in 2007. Order growth in Europe was driven by the marine and minerals sectors, and the minerals industry also fuelled a very strong quarter in the Americas. Orders were stable at high levels in Asia during the quarter, where demand was led by the metals and marine sectors. In the Middle East and Africa, customer investments in the oil and gas sectors again were the main drivers of higher orders.

Revenue growth in the second quarter principally reflected execution of the order backlog as well as growth in the product and service businesses. Higher revenues combined with a continued emphasis on project execution resulted in higher EBIT and EBIT margin.

Robotics	Q2 08	Q2 07	Change	
$ millions unless otherwise indicated			*US$*	*Local*
Orders	503	392	*28%*	*15%*
Order backlog (end June)	*760*	*582*	*31%*	*18%*
Revenues	417	339	*23%*	*10%*
EBIT	29	19	*53%*	
as % of revenues	7.0%	5.6%		
Cash flow from operating activities	30	9		

Orders rose in the quarter mainly on higher demand from general industry, such as packaging, consumer electronics and food processing, who increasingly need technologies to improve process quality and make production processes more flexible. Orders were higher in Europe on greater demand from the metal fabrication, solar cell manufacturing and consumer segments. In Asia, higher demand in China supported a strong increase in orders. Orders were lower in the Americas as an increase in Brazil was more than offset by a decrease in the U.S., reflecting the weaker automotive market.

Revenues increased in the second quarter and were up in all regions, mainly reflecting execution of the strengthening order backlog. Higher revenues and the higher proportion of sales to general industry contributed to the improvement in EBIT and EBIT margin.

More information

The 2008 Q2 results press release and presentation slides are available from Jul. 24, 2008, 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 20 7107 0611. From Sweden, +46 8 5069 2105, 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 72 hours: Playback numbers: +44 20 7108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 (1) 866 416 2558 (U.S./Canada). The code is 19231, followed by the # key.

A conference call for analysts and investors is scheduled to begin today at 3:00 p.m. CET (9:00 a.m. EDT). Callers should dial +1 412 858 4600 (from the U.S./Canada) or +41 91 610 56 00 (Europe and the rest of the world). Callers are requested to phone in 15 minutes before the start of the call. The audio playback of the call will start one hour after the end of the call and be available for two weeks. Playback numbers: +1 866 416 2558 (U.S./Canada) or +41 91 612 4330 (Europe and the rest of the world). The code is 16323, followed by the # key.

Investor calendar 2008	
Q3 2008 results	Oct. 23, 2008

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 more than 115,000 people.

Zurich, July 24, 2008
Michel Demaré, CEO and CFO

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled "Outlook" and "Appendix I," 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, 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, fluctuations in interest rates 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 Group Q2 results 2008

ABB 2008 second-quarter (Q2) and first-half (H1) key figures

$ millions unless otherwise indicated		Q2 08	Q2 07[1]	*Change*		H1 08	H1 07[1]	*Change*	
				US$	*Local*			*US$*	*Local*
Orders	**Group**	**11,271**	**8,594**	**31%**	**19%**	**22,214**	**17,159**	**29%**	**18%**
	Power Products	3,592	2,707	33%	21%	7,603	5,891	29%	18%
	Power Systems	2,611	2,217	18%	8%	4,659	4,014	16%	6%
	Automation Products	2,967	2,221	34%	20%	6,037	4,632	30%	17%
	Process Automation	2,681	1,937	38%	24%	5,236	3,678	42%	27%
	Robotics	503	392	28%	15%	959	770	25%	12%
	Corporate and other *(Inter-division eliminations)*	(1,083)	(880)			(2,280)	(1,826)		
Revenues	**Group**	**9,025**	**7,092**	**27%**	**15%**	**16,981**	**13,280**	**28%**	**16%**
	Power Products	3,026	2,421	25%	14%	5,648	4,454	27%	16%
	Power Systems	1,736	1,300	34%	21%	3,409	2,454	39%	26%
	Automation Products	2,751	2,147	28%	15%	5,154	4,045	27%	14%
	Process Automation	2,058	1,586	30%	16%	3,807	2,969	28%	15%
	Robotics	417	339	23%	10%	804	644	25%	13%
	Corporate and other *(Inter-division eliminations)*	(963)	(701)			(1,841)	(1,286)		
EBIT	**Group**	**1,449**	**1,024**	**42%**		**2,802**	**1,843**	**52%**	
	Power Products	586	412	42%		1,120	725	54%	
	Power Systems	123	109	13%		298	189	58%	
	Automation Products	538	374	44%		995	683	46%	
	Process Automation	243	167	46%		468	306	53%	
	Robotics	29	19	53%		54	34	59%	
	Corporate and other	(70)	(57)			(133)	(94)		
EBIT margin (%)	**Group**	**16.1%**	**14.4%**			**16.5%**	**13.9%**		
	Power Products	19.4%	17.0%			19.8%	16.3%		
	Power Systems	7.1%	8.4%			8.7%	7.7%		
	Automation Products	19.6%	17.4%			19.3%	16.9%		
	Process Automation	11.8%	10.5%			12.3%	10.3%		
	Robotics	7.0%	5.6%			6.7%	5.3%		

[1]Adjusted to reflect the reclassification of activities to discontinued operations

ABB Q2 2008 orders received and revenues by region

$ millions	**Orders received**		*Change*		**Revenues**		*Change*	
	Q2 08	**Q2 07[1]**	*US$*	*Local*	**Q2 08**	**Q2 07[1]**	*US$*	*Local*
Europe	4,792	4,080	17%	2%	4,219	3,225	31%	14%
Americas	1,887	1,367	38%	31%	1,582	1,257	26%	21%
Asia	2,840	2,261	26%	18%	2,331	1,867	25%	16%
Middle East and Africa	1,752	886	98%	84%	893	743	20%	12%
Group total	**11,271**	**8,594**	**31%**	**19%**	**9,025**	**7,092**	**27%**	**15%**

[1]Adjusted to reflect the reclassification of activities to discontinued operations

Appendix I

Reclassifications
Amounts reported for prior periods in the consolidated financial information have been reclassified to conform to the current period's presentation, primarily as a result of the application of Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, in reflecting the results from discontinued operations.

Equity securities transactions

On February 13, 2008, the Company announced a share-buyback program up to a maximum value of CHF 2.2 billion (equivalent to $2 billion at then-current exchange rates). The Company intends to complete the buyback program prior to the Annual General Meeting of Shareholders in 2010 and to propose the cancellation of the shares at that meeting. A total of 16.875 million shares were repurchased under the program up to the end of June 2008, at a total cost of CHF 500 million ($483 million, using exchange rates effective at the respective repurchase dates). The repurchased shares are included in treasury stock in the consolidated balance sheet at June 30, 2008.

Employee benefits funding

During the first six months of 2008 ABB made contributions of $110 million to its pension plans and $6 million to its other postretirement plans. The planned "Standard" contributions for full year 2008, based on current plan structures, are about $225 million to defined benefit pension plans and approximately $12 million to other postretirement benefit plans. The company expects that additional discretionary contributions will be made in the remaining part of the year.

Accounting pronouncements
In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51* (SFAS 160) and revised Statement of Financial Accounting Standards No. 141, *Business Combinations* (SFAS 141(R)). Among other things, the statements require most assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at full fair value and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. The Company will apply SFAS 141(R) to business combinations occurring after the effective date. SFAS 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date.

Local currencies
The results of operations and financial position of many of ABB's subsidiaries are recorded in the currencies of the countries in which those subsidiaries reside. The Company refers to these as "local currencies." However, ABB reports its operational and financial results in U.S. dollars. Differences in our results in local currencies as compared to U.S. dollars are caused exclusively by changes in currency exchange rates.

Appendix II
Reconciliation of non-GAAP financial measures regarding Q2 2008
($ millions, unaudited)

EBIT margin	
Earnings before interest and taxes (EBIT)	1,449
Revenues	9,025
EBIT margin (EBIT as % of revenues)	**16.1%**

Finance net	
Interest and dividend income	86
Interest and other finance expense	(45)
Finance net	**41**

Net cash	
Cash and equivalents	8,087
Marketable securities and short-term investments	513
Cash and marketable securities	**8,600**
Short-term debt and current maturities of long-term debt	(383)
Long-term debt	(2,212)
Total debt	**(2,595)**
Net cash	**6,005**

EBIT margin is calculated by dividing EBIT by total revenues. Management believes EBIT margin is a useful measure of profitability and uses it as a performance target.

Net cash is a financial measure that is calculated as the total of cash and equivalents, marketable securities and short-term investments minus our total debt.