

## ABB Ltd Consolidated Income Statements

Three Months Ended

<i>\$ in millions, except per share data (unaudited)</i>	Mar. 31, 2008	Mar. 31, 2007 <sup>1)</sup>
Sales of products	6'748	5'258
Sales of services	1'208	930
<b>Total revenues</b>	<b>7'956</b>	<b>6'188</b>
Cost of products	(4'470)	(3'659)
Cost of services	(801)	(614)
<b>Total cost of sales</b>	<b>(5'271)</b>	<b>(4'273)</b>
<b>Gross profit</b>	<b>2'685</b>	<b>1'915</b>
Selling, general & administrative expenses	(1'362)	(1'138)
Other income (expense), net	30	42
<b>Earnings before interest and taxes</b>	<b>1'353</b>	<b>819</b>
Interest and dividend income	89	50
Interest and other finance expense	(32)	(76)
<b>Income from continuing operations before taxes and minority interest</b>	<b>1'410</b>	<b>793</b>
Provision for taxes	(353)	(223)
Minority interest	(64)	(39)
<b>Income from continuing operations</b>	<b>993</b>	<b>531</b>
Income from discontinued operations, net of tax	10	6
<b>Net income</b>	<b>1'003</b>	<b>537</b>
<b>Basic earnings per share</b>		
Income from continuing operations	0.43	0.24
Income from discontinued operations, net of tax	0.01	0.01
Net income	0.44	0.25
Weighted average basic shares (in millions)	2'295	2'190
<b>Diluted earnings per share</b>		
Income from continuing operations	0.43	0.23
Income from discontinued operations, net of tax	-	0.01
Net income	0.43	0.24
Weighted average dilutive shares (in millions)	2'308	2'304

<sup>1)</sup> Adjusted to reflect the reclassification of activities to discontinued operations

## ABB Ltd Consolidated Balance Sheets

<i>\$ in millions, except share data (unaudited)</i>	Mar. 31, 2008	Dec. 31, 2007
Cash and equivalents	6'497	4'650
Marketable securities & short-term investments	1'865	3'460
Receivables, net	9'423	8'582
Inventories, net	5'543	4'863
Prepaid expenses	330	307
Deferred taxes	836	783
Other current assets	733	368
Assets held for sale and in discontinued operations	-	132
<b>Total current assets</b>	<b>25'227</b>	<b>23'145</b>
Financing receivables	490	487
Property, plant and equipment, net	3'527	3'246
Goodwill	2'503	2'421
Other intangible assets, net	273	270
Prepaid pension and other employee benefits	397	380
Investments in equity method companies	68	63
Deferred taxes	826	862
Other non-current assets	182	127
<b>Total assets</b>	<b>33'493</b>	<b>31'001</b>
Accounts payable, trade	4'425	4'167
Billings in excess of sales	954	829
Accounts payable, other	1'535	1'289
Short-term debt and current maturities of long-term debt	383	536
Advances from customers	2'215	2'045
Deferred taxes	484	371
Provisions and other	3'903	3'342
Accrued expenses	1'726	1'737
Asbestos obligations	77	101
Liabilities held for sale and in discontinued operations	-	62
<b>Total current liabilities</b>	<b>15'702</b>	<b>14'479</b>
Long-term debt	2'338	2'138
Pension and other employee benefits	659	631
Deferred taxes	471	407
Other liabilities	1'720	1'797
<b>Total liabilities</b>	<b>20'890</b>	<b>19'452</b>
Minority interest	610	592
Stockholders' equity:		
Capital stock and additional paid-in capital	5'641	5'634
Retained earnings	7'958	6'954
Accumulated other comprehensive loss	(1'070)	(1'330)
Less: Treasury stock, at cost (27,548,166 and 18,725,475 shares at March 31, 2008 and December 31, 2007)	(536)	(301)
<b>Total stockholders' equity</b>	<b>11'993</b>	<b>10'957</b>
<b>Total liabilities and stockholders' equity</b>	<b>33'493</b>	<b>31'001</b>

**ABB Ltd Consolidated Statements of Cash Flows**

**Three Months Ended**

<i>\$ in millions (unaudited)</i>	<b>Mar. 31, 2008</b>	<b>Mar. 31, 2007</b>
<b>Operating activities</b>		
Net income	\$ 1'003	\$ 537
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	150	147
Provisions	18	(5)
Pension and postretirement benefits	(3)	(7)
Deferred taxes	120	41
Net gain from sale of property, plant and equipment	(17)	(13)
Income from equity accounted companies	(4)	(29)
Minority interest	64	40
Other	12	49
<i>Changes in operating assets and liabilities:</i>		
Trade receivables	(427)	(153)
Inventories	(281)	(469)
Trade payables	29	122
Billings in excess of sales	96	22
Advances from customers	81	112
Other assets and liabilities, net	(377)	(91)
<b>Net cash provided by operating activities</b>	<b>464</b>	<b>303</b>
<b>Investing activities</b>		
Changes in financing receivables	(2)	3
Purchases of marketable securities (other than trading) and short-term investments	(1'317)	(2'037)
Purchases of property, plant and equipment and intangible assets	(204)	(124)
Acquisition of businesses (net of cash acquired)	-	(26)
Proceeds from sales of marketable securities (other than trading) and short-term investments	2'910	1'898
Proceeds from sales of property, plant and equipment	23	19
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	24	112
<b>Net cash provided by (used in) investing activities</b>	<b>1'434</b>	<b>(155)</b>
<b>Financing activities</b>		
Net changes in debt with maturities of 90 days or less	14	25
Increase in debt	125	49
Repayment of debt	(319)	(26)
Purchase of treasury shares	(182)	-
Dividends paid to minority shareholders	(1)	(5)
Other	10	(29)
<b>Net cash provided by (used in) financing activities</b>	<b>(353)</b>	<b>14</b>
Effects of exchange rate changes on cash and equivalents	276	2
Adjustment for the net change in cash and equivalents in assets held for sale and in discontinued operations	26	1
<b>Net change in cash and equivalents - continuing operations</b>	<b>1'847</b>	<b>165</b>
Cash and equivalents beginning of period	4'650	4'198
<b>Cash and equivalents end of period</b>	<b>6'497</b>	<b>4'363</b>
<b>Supplementary disclosure of cash flow information</b>		
Interest paid	56	59
Taxes paid	250	158
Carrying value of debt and accrued interest converted into capital stock	-	660

**ABB Ltd Consolidated Statements of Changes in Stockholders' Equity**

	Accumulated other comprehensive loss								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 post retirement plan adjustments	Unrealized gain (loss) on cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock	
<i>\$ in millions (unaudited)</i>									
<b>Balance at January 1, 2007</b>	\$ 4'514	\$ 3'647	\$ (1'462)	\$ (2)	\$ (629)	\$ 74	\$ (2'019)	\$ (104)	\$ 6'038
Comprehensive income:									
Net income	--	537	--	--	--	--	--	--	537
Foreign currency translation adjustments	--	--	38	--	--	--	38	--	38
Effect of change in fair value of available-for-sale securities, net of tax	--	--	--	2	--	--	2	--	2
unrecognized income related to pensions and other postretirement plans, net of tax	--	--	--	--	(3)	--	(3)	--	(3)
Change in derivatives qualifying as cash flow hedges, net of tax	--	--	--	--	--	(40)	(40)	--	(40)
Total comprehensive income									534
Treasury share transactions	(1)	--	--	--	--	--	--	1	--
Conversion of convertible bonds	654	--	--	--	--	--	--	--	654
Share-based payment arrangements	5	--	--	--	--	--	--	--	5
<b>Balance at March 31, 2007</b>	\$ 5'172	\$ 4'184	\$ (1'424)	--	\$ (632)	\$ 34	\$ (2'022)	\$ (103)	\$ 7'231

	Accumulated other comprehensive loss								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 post retirement plan adjustments	Unrealized gain (loss) on cash flow hedge derivatives	Total accumulated other comprehensive loss	Treasury stock	
<i>\$ in millions (unaudited)</i>									
<b>Balance at January 1, 2008</b>	\$ 5'634	\$ 6'955	\$ (906)	\$ 7	\$ (486)	\$ 55	\$ (1'330)	\$ (302)	\$ 10'957
Comprehensive income:									
Net income	--	1'003	--	--	--	--	--	--	1'003
Foreign currency translation adjustments	--	--	220	--	--	--	220	--	220
Foreign currency translation adjustments related to sold businesses	--	--	6	--	--	--	6	--	6
Effect of change in fair value of available-for-sale securities, net of tax	--	--	--	(4)	--	--	(4)	--	(4)
Unrecognized income related to pensions and other post retirement plans, net of tax	--	--	--	--	(8)	--	(8)	--	(8)
Change in derivatives qualifying as cash flow hedges, net of tax	--	--	--	--	--	46	46	--	46
Total comprehensive income									1'263
Treasury share transactions	(8)	--	--	--	--	--	--	8	--
Shares repurchased under buyback program	--	--	--	--	--	--	--	(242)	(242)
Share-based payment arrangements	15	--	--	--	--	--	--	--	15
<b>Balance at March 31, 2008</b>	\$ 5'641	\$ 7'958	\$ (680)	\$ 3	\$ (494)	\$ 101	\$ (1'070)	\$ (536)	\$ 11'993