ABB LTD
Form 6-K
April 22, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2010

Commission File Number 001-16429

ABB Ltd

(Translation of registrant s name into English)

P.O. Box 1831, Affolternstrasse 44, CH-8050, Zurich, Switzerland

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indication by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

This Form 6-K consists of the following:

1. Press release issued by ABB Ltd dated April 22, 2010.

2. Announcements regarding transactions in ABB Ltd s securities made by the directors or members of the Executive Committee.

The information provided by Item I above is deemed filed for all purposes under the Securities Exchange Act of 1934, including by reference in the Registration Statement on Form S-8 (Registration No. 333-129271).

Press Release

Short cycle orders improve, infrastructure business more challenging

- **Orders down 19%(1), but base orders indicate negative trends are reversing**
- **Revenues 11 percent lower, reflecting 2009 order declines**
- **EBIT at $709 million, down approximately $150 million**
- **Cash from operations improved by more than $500 million**

Zurich, Switzerland, April 22, 2010 ABB s orders declined 19 percent in the first quarter of 2010 as a result of lower large orders (above $15 million) compared to a record intake last year, and overall weakness in the power infrastructure business.

Orders in most of ABB s short-cycle businesses, however, were steady or higher on growing industrial demand. Base orders (below $15 million) showed the strongest increase since the beginning of the global economic crisis in the summer of 2008.

Revenues were 11 percent lower than the year-earlier period, mainly due to order declines in 2009 flowing through to sales in the first quarter.

Earnings before interest and taxes (EBIT) amounted to $709 million, resulting in an EBIT margin of 10.2 percent. The EBIT margin, excluding mainly gains and losses on derivative transactions as well as restructuring-related costs, was 11.5 percent.(2) Savings in the first quarter from the company s $3-billion cost take-out program were in excess of $300 million.

Cash inflow from operations was $427 million compared to cash used in the same quarter a year earlier of $104 million. The improvement was due primarily to continued net working capital management efforts. Net income amounted to $464 million in the quarter.

We had a challenging first quarter on the power side while seeing some encouraging signs of growth in our short-cycle businesses, mainly in the automation markets, said Joe Hogan, ABB s CEO. Thanks to the progress we ve made on our cost-out program, however, our profitability remains within the target range.

Given the improving global economy, we re cautiously optimistic that the momentum should continue to build for our short cycle businesses, especially in the emerging markets, driven by increasing industrial production. We expect to see a similar trend in our larger late-cycle business, however, only later in the year, Hogan said.

2010 Q1 key figures

			Change	
$ millions unless otherwise indicated	**Q1 10**	**Q1 09**	**US$**	**Local**
Orders	8,067	9,150	-12%	-19%
Order backlog (end March)	*25,454*	*25,017*	*2%*	*-5%*
Revenues	6,934	7,209	-4%	-11%
EBIT	709	862	-18%	
as % of revenues	10.2%	12.0%		
Net income	464	652	-29%	
Basic net income per share ($)	0.20	0.29		
Cash flow from operating activities	427	-104		

(1) Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in the results tables.

(2) Please refer to Appendix I

3

Summary of Q1 2010 results

Orders received and revenues

Especially in later cycle businesses driven by utility infrastructure projects and industrial capital expenditures, such as Power Products, Power Systems and Process Automation, customer spending remains cautious, reflecting the still uncertain business environment. Large orders decreased in the quarter by 55 percent in local currencies and accounted for 16 percent of total orders compared to 27 percent in the same period in 2009, which had a record large order intake of more than $2.5 billion.

These declines could not be compensated by demand in many of ABB s short-cycle industrial markets, such as general industry and construction, that lifted orders in Discrete Automation and Motion and Low-Voltage Products. This is partly reflected in a 5-percent local currency decrease in base orders compared to the same quarter a year earlier and a 15-percent increase versus the fourth quarter of 2009.

Regionally, orders increased in the Americas, the result of higher automation-related orders in both North and South America, and stronger power orders in South America. In Europe, power orders were down significantly compared to the first quarter of 2009, which included a $550-million order for a high-power subsea link. Automation orders were stable in Europe, as an increase in Process Automation offset reductions in Discrete Automation and Motion and Low-Voltage Products.

Orders decreased in Asia, as higher automation orders led by double-digit order increases in China across all three automation divisions could not compensate for a reduction in large power orders, driven mainly by declines in power transmission investments in China.

Service orders decreased by 4 percent in local currencies. An increase in maintenance and repair service was offset by lower full-service orders as ABB withdrew from some less profitable longer-term service agreements.

The order backlog at the end of March amounted to $25 billion, a local-currency decrease of 5 percent compared to the end of the first quarter in 2009 and a 5-percent local currency increase compared to the end of the fourth quarter of 2009.

Total revenues decreased primarily as the lower order intake from 2009 flowed through into sales in the first quarter of this year. The shortest cycle division, Low-Voltage Products, reported higher revenues as industrial and construction demand improved. Delays in the execution of some large projects and in customer acceptance of products contributed to the revenue decrease in the two power divisions. Service revenues were 3 percent lower in the quarter in local currencies compared to the first quarter of 2009.

Earnings before interest and taxes and net income

EBIT in the first quarter of 2010 was lower than in the first quarter a year earlier, primarily due to the decrease in revenues.

The EBIT margin declined compared to the same quarter in 2009 as improvements in Discrete Automation and Motion and Low-Voltage Products driven by a favorable product mix and the impact of cost savings measures taken in 2009 were more than offset by lower EBIT margins in the longer-cycle divisions as a result of price erosion, project provisions and lower capacity utilization versus the same quarter a year ago.

Included in EBIT is a net negative impact of approximately $80 million from gains and losses on derivatives and foreign exchange movements on receivables and payables. Restructuring-related costs amounted to $7 million in the quarter.

Net income for the quarter developed in line with EBIT and resulted in basic earnings per share of $0.20 compared to $0.29 in the year-earlier period.

Balance sheet and cash flow

Net cash at the end of the first quarter was $7.1 billion, basically unchanged versus the end of the previous quarter. Cash from operating activities increased, despite lower earnings, on a significant improvement in net working capital. Net working capital decreased by approximately $700 million compared to a year earlier.

Compliance

As previously announced, ABB has disclosed to the US Department of Justice and the US Securities and Exchange Commission various suspect payments. Also as previously announced, ABB has been cooperating with various antitrust authorities regarding their investigations into certain alleged anti-competitive practices. With respect to these matters, there could be adverse outcomes beyond our provisions.

Cost reductions

ABB is implementing a cost take-out plan to adjust the company s cost base to rapidly changing market conditions and protect its profitability. The program aims to sustainably reduce ABB s costs comprising both cost of sales as well as general and administrative expenses from end-2008 levels by a total of $3 billion by the end of 2010. The program focuses on optimizing global sourcing, improving internal processes and adjusting ABB s global manufacturing and engineering footprint to reduce costs, increase our competitiveness and better match shifts in customer demand.

Savings in the first quarter were in excess of $300 million, with the largest contributions coming from global footprint adjustments and global sourcing initiatives. The total cost of the program is expected to amount to approximately $1.1 billion. Costs associated with the program in the first quarter of 2010 were not material but are expected to amount to approximately $500 million for the full year.

Outlook

The growth of base orders from the fourth quarter of 2009 to the first quarter of 2010, although partly reflecting normal seasonal trends, appears to indicate that ABB has seen the bottom of its short-cycle businesses in most regions. This view is supported by recent increases in GDP and industrial production, particularly in the emerging economies, which are key growth drivers for the company s short-cycle businesses.

For ABB s late-cycle businesses, which make up the majority of the portfolio, the outlook for the remainder of 2010 remains mixed.

New and upgraded power infrastructure is needed in all regions, including renewables and smart grids. Increasing energy and commodity prices are driving demand for ABB automation solutions that lower operating costs, improve product and process quality and increase productivity. Stable or increased customer spending in pulp and paper, marine, metals and mining during the first quarter, although improving from a very low level, are further indications that some later cyclical businesses may begin to recover in 2010.

However, restrained utility spending, delays in the award of large power projects and increased competition in the power sector are expected to weigh on demand in the short term.

Therefore, in 2010 management will continue to focus both on adjusting costs and taking advantage of its global footprint, strong balance sheet and leading technologies to tap further opportunities for profitable growth.

Divisional performance Q1 2010

Power Products

			Change	
$ millions unless otherwise indicated	**Q1 10**	**Q1 09**	**US$**	**Local**
Orders	2,401	2,960	*-19%*	*-26%*
Order backlog (end March)	*8,151*	*8,178*	*0%*	*-7%*
Revenues	2,319	2,468	*-6%*	*-12%*
EBIT	348	442	*-21%*	
as % of revenues	15.0%	17.9%		
Cash flow from operating activities	247	97		

The need for new and upgraded power transmission and distribution infrastructure remains strong in most regions, but utility spending was restrained during the quarter, while demand related to industry continued at low levels.

As a result, both base and large orders declined in the quarter. Regionally, orders grew by more than 50 percent in local currency terms in Central and Eastern Europe and were higher in South America. These increases were more than offset by order declines in the mature markets. Additionally, the decrease in large orders was a main driver of lower orders in China and the Middle East. Orders were also lower in North America, although the pace of decline slowed significantly compared to the previous two quarters.

Revenues decreased as a result of lower short-cycle sales during the quarter, the impact of order declines from 2009 and delays by customers in accepting product delivery.

EBIT and EBIT margin were lower than the same period a year earlier, reflecting lower revenues, cost underabsorption and increased price pressure.

Power Systems

$ millions unless otherwise indicated	**Q1 10**	**Q1 09**	**Change**	
			US$	**Local**
Orders	1,758	2,279	*-23%*	*-30%*
Order backlog (end March)	*9,861*	*8,332*	*18%*	*10%*
Revenues	1,384	1,417	*-2%*	*-10%*
EBIT	-14	83	*n/a*	
as % of revenues	-1.0%	5.9%		
Cash flow from operating activities	-37	-150		

Orders declined compared to a record first quarter in 2009, which included two orders valued at almost $1 billion. Base orders were lower as both utility and industrial demand was weaker. Project tendering activity in power transmission continued at high levels, however, as the fundamental demand drivers remain intact new grid capacity and upgrades, regional interconnections and the integration of renewable energies.

Revenues decreased, mainly because of project delays and a lower base order intake in 2009.

In addition to lower revenues, the EBIT decline was due to the negative impact of derivative transactions, equivalent to approximately 4 percentage points of EBIT margin. Execution challenges on a small number of specific projects resulted in additional costs, offsetting the gains from cost reduction measures.

Discrete Automation & Motion

			Change	
$ millions unless otherwise indicated	**Q1 10**	**Q1 09**	**US$**	**Local**
Orders	1,408	1,285	*10%*	*2%*
Order backlog (end March)	*3,162*	*3,386*	*-7%*	*-12%*
Revenues	1,213	1,301	*-7%*	*-13%*
EBIT	168	165	*2%*	
as % of revenues	13.8%	12.7%		
Cash flow from operating activities	59	-18		

Orders increased modestly in the quarter as industrial production began to recover from low levels in some mature markets and remained robust in key emerging markets. Base orders improved in short-cycle businesses such as low-voltage motors and drives, more than offsetting a decline in large orders and orders in later-cycle businesses such as machines and power electronics. Robotics orders increased from a low level.

Regionally, orders increased the most in the Americas, led by the U.S., and in Asia, with China orders up more than 30 percent in local currencies. Orders were lower in Europe and the Middle East and Africa.

Revenues declined in the quarter, mainly reflecting the low opening order backlog in machines and robotics. However, the positive impact of cost saving measures combined with a more favorable product mix in the quarter contributed to an increase in EBIT and EBIT margin compared to the same quarter in 2009.

Low-Voltage Products

			Change	
$ millions unless otherwise indicated	**Q1 10**	**Q1 09**	**US$**	**Local**
Orders	1,106	1,020	*8%*	*2%*
Order backlog (end March)	*816*	*774*	*5%*	*1%*
Revenues	1,011	933	*8%*	*2%*
EBIT	150	127	*18%*	
as % of revenues	14.8%	13.6%		
Cash flow from operating activities	76	-18		

Orders grew on improved demand from construction and industry customers across most regions during the first quarter, led by double-digit growth in local currencies in Asia and the Middle East and Africa. China orders increased by 13 percent in local currency terms. Orders were also higher in Germany and Italy, the division s two largest European markets, but Europe orders overall declined 4 percent in local currencies. Orders in the Americas were also higher.

Revenues grew in line with orders, as most sales are booked in the same quarter in which orders are placed. EBIT and EBIT margin increased on higher revenues, a positive product mix and the impact of cost measures taken during 2009.

Process Automation

$ millions unless otherwise indicated	Q1 10	Q1 09(1)	Change US$	Change Local
Orders	2,115	2,553	*-17%*	*-24%*
Order backlog (end March)	*5,729*	*6,765*	*-15%*	*-21%*
Revenues	1,735	1,878	*-8%*	*-15%*
EBIT	159	146	*9%*	
as % of revenues	9.2%	7.8%		
Cash flow from operating activities	137	48		

(1) Q1 2009 numbers include the instrumentation business transferred to the Process Automation division as part of the previously-announced automation realignment

Demand was steady or stronger in several key end markets in the first quarter, although total orders declined in comparison with the very strong quarter of a year earlier, which included a $490-million order from Algeria. Base orders returned to the high levels of a year ago and have grown at a double-digit pace in local currencies since the middle of 2009.

Orders from the oil, gas and petrochemicals sector declined in the quarter, reflecting the non-recurrence of the large Algerian order in the first quarter of the previous year. Marine orders increased from a very low level, mainly in oil-related segments and in Europe and Asia. Pulp and paper orders also grew, driven by demand for drives and electrification projects. Metals and minerals orders were steady, supported by an increase in metals orders in Asia. Service orders were mixed, with strong growth in oil and gas and turbocharging service offset by measures to reduce ABB s exposure to a number of less profitable full-service orders.

Revenues declined on the decrease in orders in recent quarters. However, EBIT and EBIT margin improved, reflecting a larger proportion of service and product sales in revenues as well as benefits from the cost take-out program.

More information

The 2010 Q1 results press release is available from April 22, 2010, on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations, where a presentation for investors will also be published.

ABB will host a media conference call 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 96 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 15614, followed by the # key.

A conference call for analysts and investors is scheduled to begin today at 3:00 p.m. CET (2:00 p.m. in the UK, 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 24 hours commencing one hour after the conference call. Playback numbers: +1 866 416 2558 (U.S./Canada) or +41 91 612 4330 (Europe and the rest of the world). The code is 15754, followed by the # key.

Investor calendar 2010	
Annual General Meeting of shareholders, Zurich	April 26, 2010
Annual information meeting for shareholders, Västerås	April 27, 2010
Q2 2010 results	July 22, 2010
Q3 2010 results	Oct. 28, 2010

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 about 117,000 people.

Zurich, April 22, 2010

Joe Hogan, CEO

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled Compliance, Cost reductions, Outlook, 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 w 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, business risks associated with the weakened global economy and political conditions, costs associated with compliance activities, raw materials availability and prices, market acceptance of new products and services, changes in governmental regulations 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 first-quarter (Q1) 2010 key figures

$ millions unless otherwise indicated		Q1 10	Q1 09	Change US$	Change Local
Orders	**Group**	**8 067**	**9 150**	**-12%**	**-19%**
	Power Products	2 401	2 960	-19%	-26%
	Power Systems	1 758	2 279	-23%	-30%
	Discrete Automation & Motion	1 408	1 285	10%	2%
	Low-Voltage Products	1 106	1 020	8%	2%
	Process Automation	2 115	2 553	-17%	-24%
	Corporate and other *(Inter-division eliminations)*	-721	-947	24%	30%
Revenues	**Group**	**6 934**	**7 209**	**-4%**	**-11%**
	Power Products	2 319	2 468	-6%	-12%
	Power Systems	1 384	1 417	-2%	-10%
	Discrete Automation & Motion	1 213	1 301	-7%	-13%
	Low-Voltage Products	1 011	933	8%	2%
	Process Automation	1 735	1 878	-8%	-15%
	Corporate and other *(Inter-division eliminations)*	-728	-788	8%	15%
EBIT	**Group**	**709**	**862**	**-18%**	
	Power Products	348	442	-21%	
	Power Systems	-14	83	n.a.	
	Discrete Automation & Motion	168	165	2%	
	Low-Voltage Products	150	127	18%	
	Process Automation	159	146	9%	
	Corporate and other	-102	-101	-1%	
EBIT margin (%)	**Group**	**10.2%**	**12.0%**		
	Power Products	15.0%	17.9%		
	Power Systems	-1.0%	5.9%		
	Discrete Automation & Motion	13.8%	12.7%		
	Low-Voltage Products	14.8%	13.6%		
	Process Automation	9.2%	7.8%		

ABB Q1 2010 orders received and revenues by region

$ millions	Orders received Q1 10	Orders received Q1 09	Change US$	Change Local	Revenues Q1 10	Revenues Q1 09	Change US$	Change Local
Europe	3,433	3,662	-6%	-14%	2,775	3,002	-8%	-15%
Americas	1,497	1,355	10%	2%	1,314	1,493	-12%	-17%
Asia	2,101	2,221	-5%	-13%	1,910	1,897	1%	-6%
Middle East and Africa	1,036	1,912	-46%	-49%	935	817	14%	7%
Group total	**8,067**	**9,150**	**-12%**	**-19%**	**6,934**	**7,209**	**-4%**	**-11%**

Appendix I

Reconciliation of non-GAAP financial measures

($ millions, unaudited)

EBIT margin	**Q1 2010**
= EBIT as % of revenues	
Earnings before interest and taxes (EBIT)	709
Revenues	6,934
EBIT margin	**10.2%**
Net cash	
= Cash and equivalents plus marketable securities and short-term investments, less total debt	
Short-term debt and current maturities of long-term debt	(205)
Long-term debt	(2,061)
Total debt	**(2,266)**
Cash and equivalents	7,408
Marketable securities and short-term investments	2,005
Cash and marketable securities	**9,413**
Net cash	**7,147**
Adjustments to EBIT margin	
EBIT	709
adjusted for the effects of	
Unrealized gains (losses) on derivatives (FX, commodities, embedded derivatives)	69
Realized gains (losses) on derivatives where the underlying hedged transaction has not yet been realized	17
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(4)
Restructuring and restructuring-related expenses	7
EBIT after adjustments	798
Revenues	6,934
As % of revenues	11.5%

11

ABB Ltd Interim Consolidated Income Statements (unaudited)

($ in millions, except per share data in $)	Three months ended Mar. 31, 2010	Mar. 31, 2009
Sales of products	5,753	6,116
Sales of services	1,181	1,093
Total revenues	**6,934**	**7,209**
Cost of products	(4,058)	(4,343)
Cost of services	(790)	(747)
Total cost of sales	**(4,848)**	**(5,090)**
Gross profit	**2,086**	**2,119**
Selling, general and administrative expenses	(1,377)	(1,277)
Other income (expense), net		20
Earnings before interest and taxes	**709**	**862**
Interest and dividend income	24	38
Interest and other finance expense	(42)	22
Income from continuing operations before taxes	**691**	**922**
Provision for taxes	(201)	(240)
Income from continuing operations, net of tax	**490**	**682**
Income from discontinued operations, net of tax	1	11
Net income	**491**	**693**
Net income attributable to noncontrolling interests	(27)	(41)
Net income attributable to ABB	**464**	**652**
Amounts attributable to ABB shareholders:		
Income from continuing operations, net of tax	463	641
Income from discontinued operations, net of tax	1	11
Net income	**464**	**652**
Basic earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.20	0.28
Income from discontinued operations, net of tax		0.01
Net income	**0.20**	**0.29**
Diluted earnings per share attributable to ABB shareholders:		
Income from continuing operations, net of tax	0.20	0.28
Income from discontinued operations, net of tax		0.01
Net income	**0.20**	**0.29**
Average number of shares (in millions) used to compute:		
Basic earnings per share attributable to ABB shareholders	2,290	2,283
Diluted earnings per share attributable to ABB shareholders	2,295	2,285

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

($ in millions, except share data)	Mar. 31, 2010	Dec. 31, 2009
Cash and equivalents	7,408	7,119
Marketable securities and short-term investments	2,005	2,433
Receivables, net	9,211	9,451
Inventories, net	4,689	4,550
Prepaid expenses	288	236
Deferred taxes	852	900
Other current assets	568	540
Total current assets	**25,021**	**25,229**
Financing receivables, net	446	452
Property, plant and equipment, net	3,956	4,072
Goodwill	3,002	3,026
Other intangible assets, net	414	443
Prepaid pension and other employee benefits	109	112
Investments in equity method companies	51	49
Deferred taxes	1,031	1,052
Other non-current assets	298	293
Total assets	**34,328**	**34,728**
Accounts payable, trade	3,772	3,853
Billings in excess of sales	1,632	1,623
Accounts payable, other	1,307	1,326
Short-term debt and current maturities of long-term debt	205	161
Advances from customers	1,807	1,806
Deferred taxes	316	327
Provisions for warranties	1,228	1,280
Provisions and other current liabilities	2,440	2,603
Accrued expenses	1,434	1,600
Total current liabilities	**14,141**	**14,579**
Long-term debt	2,061	2,172
Pension and other employee benefits	1,147	1,179
Deferred taxes	303	328
Other non-current liabilities	1,978	1,997
Total liabilities	**19,630**	**20,255**
Commitments and contingencies		
Stockholders equity:		
Capital stock and additional paid-in capital (2,329,324,797 issued shares at March 31, 2010 and December 31, 2009)	3,951	3,943
Retained earnings	13,292	12,828
Accumulated other comprehensive loss	(2,359)	(2,084)
Treasury stock, at cost (39,173,474 shares at March 31, 2010 and 39,901,593 shares at December 31, 2009)	(885)	(897)
Total ABB stockholders equity	**13,999**	**13,790**
Noncontrolling interests	699	683
Total stockholders equity	**14,698**	**14,473**
Total liabilities and stockholders equity	**34,328**	**34,728**

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

($ in millions)	Three months ended Mar. 31, 2010	Mar. 31, 2009
Operating activities:		
Net income	491	693
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	169	148
Pension and postretirement benefits	22	(12)
Deferred taxes	24	6
Net gain from sale of property, plant and equipment	(6)	(5)
Loss from equity accounted companies	1	1
Other	9	(78)
Changes in operating assets and liabilities:		
Trade receivables, net	83	(70)
Inventories, net	(280)	(232)
Trade payables	25	(375)
Billings in excess of sales	42	55
Provisions, net	(93)	(21)
Advances from customers	37	(24)
Other assets and liabilities, net	(97)	(190)
Net cash provided by (used in) operating activities	**427**	**(104)**
Investing activities:		
Changes in financing receivables	(7)	2
Purchases of marketable securities (available-for-sale)	(244)	(20)
Purchases of marketable securities (held-to-maturity)	(15)	(222)
Purchases of short-term investments	(1,438)	
Purchases of property, plant and equipment and intangible assets	(148)	(185)
Acquisition of businesses (net of cash acquired)	(53)	(48)
Proceeds from sales of marketable securities (available-for-sale)	71	21
Proceeds from maturity of marketable securities (available-for-sale)	137	855
Proceeds from maturity of marketable securities (held-to-maturity)	186	
Proceeds from short-term investments	1,643	92
Proceeds from sales of property, plant and equipment	14	8
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	(1)	
Net cash provided by investing activities	**145**	**503**
Financing activities:		
Net changes in debt with maturities of 90 days or less	22	21
Increase in debt	81	211
Repayment of debt	(64)	(221)
Dividends paid to noncontrolling shareholders	(16)	(14)
Other	(6)	(13)
Net cash provided by (used in) financing activities	**17**	**(16)**
Effects of exchange rate changes on cash and equivalents	(300)	(232)
Net change in cash and equivalents - continuing operations	**289**	**151**
Cash and equivalents beginning of period	7,119	6,399
Cash and equivalents end of period	**7,408**	**6,550**
Supplementary disclosure of cash flow information:		
Interest paid	22	45

Taxes paid	228	255

See Notes to the Interim Consolidated Financial Information

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

			Accumulated other comprehensive loss							
($ in millions)	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	Treasury stock	Total ABB stockholders equity	Noncontrollin interests
Balance at January 1, 2009	**4,841**	**9,927**	**(1,654)**	**83**	**(978)**	**(161)**	**(2,710)**	**(900)**	**11,158**	**61**
Comprehensive income:										
Net income		652							652	4
Foreign currency translation adjustments			(439)				(439)		(439)	(1
Effect of change in fair value of available-for-sale securities, net of tax				(85)			(85)		(85)	
Unrecognized income related to pensions and other postretirement plans, net of tax					27		27		27	
Change in derivatives qualifying as cash flow hedges, net of tax						18	18		18	
Total comprehensive income									**173**	3
Dividends paid to noncontrolling shareholders										(1
Share-based payment arrangements	17								17	
Balance at March 31, 2009	**4,858**	**10,579**	**(2,093)**	**(2)**	**(951)**	**(143)**	**(3,189)**	**(900)**	**11,348**	**62**

			Accumulated other comprehensive loss							
($ in millions)	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	Treasury stock	Total ABB stockholders equity	Noncontrollin interests
Balance at January 1, 2010	**3,943**	**12,828**	**(1,056)**	**20**	**(1,068)**	**20**	**(2,084)**	**(897)**	**13,790**	**68**
Comprehensive income:										
Net income		464							464	2
Foreign currency translation adjustments			(362)				(362)		(362)	
Effect of change in fair value of available-for-sale securities, net of				(9)			(9)		(9)	

tax										
Unrecognized income related to pensions and other postretirement plans, net of tax					78		78		78	
Change in derivatives qualifying as cash flow hedges, net of tax						18	18		18	
Total comprehensive income									**189**	3
Changes in noncontrolling interests	2								2	
Dividends paid to noncontrolling shareholders										(1
Treasury stock transactions	(12)							12		
Share-based payment arrangements	18								18	
Balance at March 31, 2010	**3,951**	**13,292**	**(1,418)**	**11**	**(990)**	**38**	**(2,359)**	**(885)**	**13,999**	**69**

See Notes to the Interim Consolidated Financial Information

15

Notes to the Interim Consolidated Financial Information (unaudited)

Note 1. The Company and basis of presentation

ABB Ltd and its subsidiaries (collectively, the Company) together form a leading global company specializing in power and automation technologies that improve the performance of utility and industry customers, while lowering environmental impact. The Company works with customers to engineer and install networks, facilities and plants with particular emphasis on enhancing efficiency, reliability and productivity for customers who generate, convert, transmit, distribute and consume energy.

The Company s Interim Consolidated Financial Information is prepared in accordance with United States of America generally accepted accounting principles (U.S. GAAP) for interim financial reporting. As such, the Interim Consolidated Financial Information does not include all the information and notes required under U.S. GAAP for annual consolidated financial statements. Therefore, such financial information should be read in conjunction with the Company s audited financial statements for the year ended December 31, 2009.

The preparation of financial information in conformity with U.S. GAAP requires management to make assumptions and estimates that directly affect the amounts reported in the Interim Consolidated Financial Information. The accounting estimates that require the Company s most significant, difficult and subjective judgments include:

- assumptions and projections, principally related to future material, labor and project-related overhead costs, used in determining the percentage-of-completion on projects,
- estimates of loss contingencies associated with litigation or threatened litigation and other claims and inquires, environmental damages, product warranties, regulatory and other proceedings,
- assumptions used in the calculation of pension and postretirement benefits and the fair value of pension plan assets,
- recognition and measurement of current and deferred income tax assets and liabilities (including the measurement of uncertain tax positions),
- growth rates, discount rates and other assumptions used in the Company s annual goodwill impairment test,
- assumptions used in determining inventory obsolescence and net realizable value,

- growth rates, discount rates and other assumptions used to determine impairment of long-lived assets, and
- assessment of the allowance for doubtful accounts.

The actual results and outcomes may differ from the Company s estimates and assumptions.

In the opinion of management, the Interim Consolidated Financial Information contains all necessary adjustments to present fairly the financial position, results of operations and cash flows for the reported interim periods.

The Interim Consolidated Financial Information is presented in United States dollars ($) unless otherwise stated. Certain amounts reported for prior periods in the Interim Consolidated Financial Information have been reclassified to conform to the current year s presentation.

Note 2. Recent accounting pronouncements

Applicable in current period

Fair value measurements

As of January 1, 2010, the Company adopted an accounting standard update that requires additional disclosure for fair value measurements. The update requires that significant transfers in and out of fair value Level 1 (observable quoted prices) and Level 2 (observable inputs other than Level 1 inputs) be disclosed together with a description of the reasons for the transfers. Adoption of this update did not result in additional disclosure for the three-month period ended March 31, 2010, as there were no significant transfers between Level 1 and Level 2.

Notes to the Interim Consolidated Financial Information (unaudited)

Applicable for future periods

Fair value measurements

In January 2010, an accounting standard update was issued that requires additional disclosure for fair value measurements. The update requires disclosure, on a gross basis, about purchases, sales, issuances, and settlements of level 3 (significant unobservable inputs) instruments when reconciling the fair value measurements. This disclosure requirement is effective for the Company for periods beginning January 1, 2011. The Company does not believe that this new disclosure requirement will have a material impact on its consolidated financial statements.

Revenue recognition with multiple deliverable arrangements

In October 2009, an accounting standard update on revenue recognition with multiple deliverable arrangements was issued which amends the criteria for allocating consideration in multiple-deliverable revenue arrangements. It establishes a hierarchy of selling prices to determine the selling price of each specific deliverable that includes vendor-specific objective evidence (if available), third-party evidence (if vendor-specific evidence is not available), or estimated selling price if neither of the first two are available. This update also:

- eliminates the residual method for allocating revenue between the elements of an arrangement and requires that arrangement consideration be allocated at the inception of the arrangement, and

- expands the disclosure requirements regarding a vendor s multiple-deliverable revenue arrangements.

This update is effective for arrangements entered into by the Company or materially modified on or after January 1, 2011. The Company is currently evaluating the impact of this update.

Revenue arrangements that include software elements

In October 2009, an accounting standard update for the accounting of certain revenue arrangements that include software elements was issued. This update amends the existing guidance on revenue arrangements that contain both hardware and software elements. This update modifies the existing rules to exclude from the software revenue guidance (i) non-software components of tangible products and (ii) software components of tangible products that are sold, licensed, or leased with tangible products when the software components and non-software components of the tangible product function together to deliver the tangible product s essential functionality. Undelivered elements in the arrangement related to the non-software components also are excluded from this guidance. This update is effective for arrangements entered into by the Company or materially modified on or after January 1, 2011. The Company is currently evaluating the impact of this update.

Notes to the Interim Consolidated Financial Information (unaudited)

Note 3. Cash and equivalents and marketable securities and short-term investments

At March 31, 2010, and December 31, 2009, cash and equivalents and marketable securities and short-term investments consisted of the following:

	March 31, 2010					
($ in millions)	**Cost basis**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	**Cash and equivalents**	**Marketable securities and short-term investments**
Cash	1,249			1,249	1,249	
Time deposits	6,475			6,475	5,052	1,423
Securities held-to-maturity:						
Corporate commercial papers	155			155	100	55
Other						
Debt securities available-for-sale:						
U.S. government obligations	120	4	(1)	123		123
European government obligations	369		(1)	368	350	18
Other government obligations	4		(1)	3		3
Corporate	996	6		1,002	657	345
Equity securities available-for-sale	33	5		38		38
Total	**9,401**	**15**	**(3)**	**9,413**	**7,408**	**2,005**

	December 31, 2009					
($ in millions)	**Cost basis**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	**Cash and equivalents**	**Marketable securities and short-term investments**
Cash	1,381			1,381	1,381	
Time deposits	6,170			6,170	4,474	1,696
Securities held-to-maturity:						
Corporate commercial papers	413			413	223	190
Other	43			43		43
Debt securities available-for-sale:						
U.S. government obligations	110	4	(1)	113		113
European government obligations	737		(2)	735	717	18
Other government obligations	4		(1)	3		3
Corporate	603	5		608	324	284
Equity securities available-for-sale	71	15		86		86
Total	**9,532**	**24**	**(4)**	**9,552**	**7,119**	**2,433**

Note 4. Financial instruments

The Company is exposed to certain currency, commodity, interest rate and equity risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures.

Currency risk

Due to the global nature of its operations, many of the Company s subsidiaries are exposed to currency risk in their operating activities from entering into transactions in currencies other than their functional currency. To manage such currency risks, the Company s policies require its subsidiaries to hedge their foreign currency exposures from binding sales and purchase contracts denominated in foreign currencies, as well as at least fifty percent of the anticipated foreign currency denominated sales volume of standard

Notes to the Interim Consolidated Financial Information (unaudited)

products and related foreign currency denominated purchases over the next twelve months. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) of contracted and forecasted sales and purchases denominated in foreign currencies.

Commodity risk

Various commodity products are used in the Company s manufacturing activities. Consequently it is exposed to volatility in future cash flows arising from changes in commodity prices. To manage such commodity price risk, the Company s policies require that its subsidiaries hedge commodity price risk exposures from binding purchase contracts, as well as at least fifty percent of the anticipated commodity purchases over the next twelve months. Swap contracts on various commodities (primarily copper) are used to manage the associated price risks.

Interest rate risk

The Company has issued bonds at fixed rates and in currencies other than the issuing entity s functional currency. Interest rate swaps and cross-currency swaps are used to manage the interest rate and foreign currency risk associated with such debt. In addition, from time to time, the Company uses instruments such as interest rate swaps, bond futures or forward rate agreements to manage interest rate risk arising from the Company s balance sheet structure but does not designate such instruments as hedges.

Equity risk

The Company is exposed to fluctuations in the fair value of its warrant appreciation rights (WARs) issued under its management incentive plan. A WAR gives its holder the right to receive cash equal to the market price of an equivalent listed warrant on the date of exercise. To eliminate such risk, the Company has purchased cash-settled call options which entitle the Company to receive amounts equivalent to its obligations under the outstanding WARs.

In general, while the Company s primary objective in its use of derivatives is to minimize exposures arising from its business, certain derivatives are designated and qualify for hedge accounting treatment while others either are not designated or do not qualify for hedge accounting.

Volume of derivative activity

The gross notional amounts of outstanding derivatives (whether designated as hedges or not) were as follows:

Foreign exchange and interest rate derivatives:

Type of derivative	**Total notional amount**	
($ in millions)	**March 31, 2010**	**December 31, 2009**

Foreign exchange contracts	13,007	14,446
Embedded foreign exchange derivatives	3,355	3,951
Interest rate contracts	2,557	2,860

Derivative commodity contracts:

		Total notional amount	
Type of derivative	**Unit**	**March 31, 2010**	**December 31, 2009**
Copper swaps	metric tonnes	22,275	22,002
Aluminum swaps	metric tonnes	3,464	2,193
Nickel swaps	metric tonnes	16	24
Electricity futures	megawatt hours	1,454,348	1,330,978
Crude oil swaps	barrels	139,580	154,632

Equity derivatives:

At March 31, 2010 and December 31, 2009, the Company held 57 million and 64 million cash-settled call options on ABB Ltd shares with a total fair value of $66 million and $64 million respectively.

Notes to the Interim Consolidated Financial Information (unaudited)

Cash flow hedges

As noted above, the Company mainly uses forward foreign exchange contracts to manage the foreign exchange risk of its operations, commodity swaps to manage its commodity risks and cash-settled call options to hedge its WAR liabilities. Where such instruments are designated and qualify as cash flow hedges, the effective portion of the changes in their fair value is recorded in Accumulated other comprehensive loss and subsequently reclassified into earnings in the same line item and in the same period as the underlying hedged transaction affects earnings. Any ineffectiveness in the hedge relationship, or hedge component excluded from the assessment of effectiveness, is recognized in earnings during the current period.

At March 31, 2010 and December 31, 2009, Accumulated other comprehensive loss included $38 million and $20 million, respectively, of unrealized gains, net of tax, on derivatives designated as cash flow hedges. Of the amount at March 31, 2010, net gains of $18 million are expected to be reclassified to earnings in the following twelve months. At March 31, 2010, the longest maturity of a derivative classified as a cash flow hedge was 71 months.

During the three months ended March 31, 2010 and 2009, no amounts were reclassified into earnings as a result of the discontinuance of cash flow hedge accounting, and net of tax gains of $0 million and $1 million, respectively, were included in earnings due to ineffectiveness in cash flow hedge relationships.

The pre-tax effects of derivative instruments, designated and qualifying as cash flow hedges, on Accumulated other comprehensive loss and the Consolidated Income Statements were as follows:

Three months ended March 31, 2010					
Type of derivative designated as a cash flow hedge	**Gains recognized in OCI(1) on derivatives (effective portion)**	**Gains (losses) reclassified from OCI(1) into income (effective portion)**		**Gains recognized in income (ineffective portion and amount excluded from effectiveness testing)**	
	($ in millions)	**Location**	**($ in millions)**	**Location**	**($ in millions)**
Foreign exchange contracts	28	Total revenues	15	Total revenues	
		Total cost of sales	(1)	Total cost of sales	
Commodity contracts	4	Total cost of sales	1	Total cost of sales	
Cash-settled call options	5	Selling, general and administrative expenses	(1)	Selling, general and administrative expenses	
Total	**37**		**14**		

Three months ended March 31, 2009					
Type of derivative designated as a cash flow hedge	**Gains (losses) recognized in OCI(1) on derivatives (effective portion)**	**Gains (losses) reclassified from OCI(1) into income (effective portion)**		**Gains recognized in income (ineffective portion and amount excluded from effectiveness testing)**	
	($ in millions)	**Location**	**($ in millions)**	**Location**	**($ in millions)**
Foreign exchange contracts	(51)	Total revenues	(28)	Total revenues	2

		Total cost of sales		Total cost of sales	
Commodity contracts	12	Total cost of sales	(12)	Total cost of sales	
Cash-settled call options	(5)	Selling, general and administrative expenses	(7)	Selling, general and administrative expenses	
Total	**(44)**		**(47)**		**2**

(1) OCI represents Accumulated other comprehensive loss .

The amount of derivative gains (losses), net of tax, reclassified from Accumulated other comprehensive loss to earnings during the three months ended March 31, 2010 and 2009, was $11 million and $(35) million, respectively.

Fair value hedges

To reduce its interest rate and foreign currency exposures arising primarily from its debt issuance activities, the Company uses interest rate and cross-currency swaps. Where such instruments are designated as fair value hedges, the changes in fair value of these instruments, as well as the changes in fair value of the risk component of the underlying debt being hedged, are recorded as offsetting gains and losses in Interest and other finance expense . Hedge ineffectiveness in the three months ended March 31, 2010 and 2009, was not significant.

Notes to the Interim Consolidated Financial Information (unaudited)

The effect of derivative instruments, designated and qualifying as fair value hedges, on the Consolidated Income Statements was as follows:

Type of derivative designated as a fair value hedge	Three months ended March 31, 2010 Gains recognized in income on derivatives designated as fair value hedges		Losses recognized in income on hedged item	
	Location	($ in millions)	Location	($ in millions)
Interest rate contracts	Interest and other finance expense	11	Interest and other finance expense	(11)
Cross-currency swaps	Interest and other finance expense		Interest and other finance expense	
Total		**11**		**(11)**

Type of derivative designated as a fair value hedge	Three months ended March 31, 2009 Gains (losses) recognized in income on derivatives designated as fair value hedges		Gains (losses) recognized in income on hedged item	
	Location	($ in millions)	Location	($ in millions)
Interest rate contracts	Interest and other finance expense	45	Interest and other finance expense	(45)
Cross-currency swaps	Interest and other finance expense	(1)	Interest and other finance expense	1
Total		**44**		**(44)**

Derivatives not designated in hedge relationships

Derivative instruments that are not designated as hedges or do not qualify as either cash flow or fair value hedges are economic hedges used for risk management purposes. Gains and losses from changes in the fair values of such derivatives are recognized in the same line in the income statement as the economically hedged transaction.

Furthermore, under certain circumstances, the Company is required to split and account separately for foreign currency derivatives that are embedded within certain binding sales or purchase contracts denominated in a currency other than the functional currency of the subsidiary and the counterparty. The gains (losses) recognized in the Consolidated Income Statements on such derivatives are included in the table below:

($ in millions) Type of derivative not designated as a hedge	Location	Gains (losses) recognized in income Three months ended March 31, 2010	2009
Foreign exchange contracts:	Total revenues	94	(9)
	Total cost of sales	(95)	(79)
	Interest and other finance expense	83	24
Embedded foreign exchange contracts:	Total revenues	(94)	(51)
	Total cost of sales	9	(8)

Commodity contracts:	Total cost of sales	6	28
Cross-currency swaps:	Interest and other finance expense		(3)
Total		**3**	**(98)**

Notes to the Interim Consolidated Financial Information (unaudited)

The fair values of derivatives included in the Consolidated Balance Sheets were as follows:

	March 31, 2010			
	Derivative assets		Derivative liabilities	
($ in millions)	Current in Other current assets	Non-current in Other non-current assets	Current in Provisions and other current liabilities	Non-current in Other non-current liabilities
Derivatives designated as hedging instruments:				
Foreign exchange contracts	48	51	22	11
Commodity contracts	7			
Interest rate contracts		85		
Cash-settled call options	36	27		
Total	**91**	**163**	**22**	**11**
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	256	37	124	32
Commodity contracts	27	1	5	