

ABB LTD  
Form 6-K  
July 27, 2007

**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 July 2007

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  Form 40-F

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):

**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):

**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  No

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

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This Form 6-K consists of the following:

1. Press release issued by ABB Ltd dated July 26, 2007.
2. Announcements regarding transactions in ABB Ltd's securities made by the directors or members of the Executive Committee.

The information provided by Item 1 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).

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## Press Release

### Q2 net income doubles to \$729 million

- Continued strong global demand for power and automation technologies
- Orders up 26%, revenues up 27%, higher in all regions
- Growth and strong business execution produce 14.4% EBIT margin on EBIT of \$1 billion

Zurich, Switzerland, July 26, 2007 ABB today reported a strong increase in orders, revenues, earnings before interest and taxes (EBIT) and net income for the second quarter of 2007 as the result of continuing robust demand in all regions and businesses and further improvements in business execution.

EBIT in the quarter rose to \$1 billion on a 27-percent increase in revenues (21 percent in local currencies), leading to an EBIT margin of 14.4 percent compared to 11.4 percent in the same quarter of 2006. Net income doubled to \$729 million while cash flow from operating activities increased to \$396 million.

Our second quarter was marked by continued strong growth with outstanding operating margins, said Fred Kindle, ABB President and CEO. As a market and technology leader, ABB continues to benefit from increased global investments in energy efficiency as well as power and industrial infrastructure. Our profitability benefited from the combination of market strength and our ongoing focus on business execution.

| 2007 Q2 key figures                           | key figures | Q2 07  | Q2 06(1) | Change |       |
|---|-------------|--------|----------|--------|-------|
| <i>\$ millions unless otherwise indicated</i> |             |        |          | US\$   | Local |
| Orders  |             | 8,666  | 6,868    | 26     | % 20  |
| Order backlog (end June)                      |             | 20,435 | 14,703   | 39     | % 33  |
| Revenues                                      |             | 7,143  | 5,641    | 27     | % 21  |
| EBIT  |             | 1,030  | 645      | 60     | %     |
| as % of revenues                              |             | 14.4   | 11.4     |        |       |
| Net income                                    |             | 729    | 367      | 99     | %     |
| as % of revenues                              |             | 10.2   | 6.5      |        |       |
| Basic net income per share (\$)               |             | 0.32   | 0.17     |        |       |
| Cash flow from operating activities           |             | 396    | 338      |        |       |

(1) Adjusted to reflect the reclassification of activities to discontinued operations

### Summary of results

Orders received continued to grow strongly in the second quarter as the result of very high demand across all of ABB's markets, particularly in the power sector.

Regional grid interconnections in Europe to make more efficient use of existing power generation capacity, along with power infrastructure expansion in the Middle East, continued to be the key growth drivers for the power divisions in the second quarter. As a result, the volume of large orders (more than \$15 million) almost doubled to about \$1.4 billion compared to the same quarter in 2006.

In the automation divisions, steady growth in industrial demand continued, especially in the metals and minerals sector, where high commodity prices are driving customer investments in both new capacity and to make existing assets more productive. High oil prices continue to fuel investments in more energy-efficient industrial processes across most sectors. Order growth rates in the automation divisions have slowed modestly, as expected, but remain at attractive levels.

Revenues in the second quarter grew by more than 20 percent over the year-earlier period on a combination of higher product sales in the second quarter as well as increasing revenues from large orders booked in earlier quarters. As a result of the continued high level of order intake in the second quarter, the order backlog continued to expand and amounted to more than \$20 billion at the end of June 2007.

Higher EBIT and EBIT margins were reported across all divisions on a combination of higher revenues, strong project execution, increased production and engineering in low cost countries and other operational improvements.

The increase in net income resulted mainly from higher EBIT and a lower tax rate. Also contributing to the higher net income was an improvement in net finance expense resulting from lower debt levels as well as the non-recurrence of \$60 million in costs related to the induced conversion of ABB's \$968-million convertible bonds and the exchange offer for certain other bonds, completed in the second quarter of 2006.

Cash flow from operating activities improved compared to the second quarter of 2006 despite increased investments in working capital to support growth. Cash flow from financing activities included dividend payments to shareholders during the second quarter of approximately \$450 million.

ABB's financial position remained strong in the second quarter, with net cash of \$2.4 billion at the end of the period, approximately the same as at the end of the previous quarter. Gearing at the end of June, 2007 was 25 percent compared to 26 percent at the end of the first quarter (please refer to Appendix II on page 11 for more information). Following the conversion during the first half of 2007 of approximately 80 percent of ABB's CHF 1-billion convertible bonds maturing in 2010, the company has decided to exercise its right to call the remainder of the bonds, with a face value of approximately CHF 200 million, effective September 10, 2007.

ABB employed approximately 111,000 people at the end of the second quarter of 2007, an increase of about 2,000 compared to the end of the first quarter of this year.

#### **Management appointments**

ABB announced the appointment of Ravi Uppal, regional manager of South Asia and country manager for India, to the ABB Group Executive Committee as president of Global Markets, effective July 1, 2007. He replaces Dinesh Paliwal who left ABB at the end of June. In his new role, Uppal will be responsible for all ABB regions and countries as well as the Group Account Management function.

#### **Compliance**

On July 13, 2007, ABB disclosed to the U.S. Department of Justice and the U.S. Securities and Exchange Commission suspect payments made by employees of company subsidiaries in Asia, South America and Europe, in particular Italy. These suspect payments were discovered as a result of ABB's internal audit and compliance program. The payments may be in violation of the Foreign Companies Practices Act or other applicable laws. If ABB is found to have violated any of these laws, the company could be liable for penalties and other costs and the violations could otherwise negatively impact its business. ABB is cooperating on these issues with the relevant authorities and is continuing its internal investigations and compliance reviews.

**Divisional performance Q2 2007****Power Products division**

| <b>2007 Q2 key figures</b>                    | <b>Q2 07</b> | <b>Q2 06(1)</b> | <b>Change</b> |   |              |   |
|---|--------------|-----------------|---------------|---|--------------|---|
| <i>\$ millions unless otherwise indicated</i> |              |                 | <i>US\$</i>   |   | <i>Local</i> |   |
| Orders  | 2,780        | 2,411           | 15            | % | 11           | % |
| Order backlog (end June)                      | 6,654        | 4,931           | 35            | % | 29           | % |
| Revenues                                      | 2,472        | 1,821           | 36            | % | 30           | % |
| EBIT  | 418          | 245             | 71            | % |              |   |
| as % of revenues                              | 16.9         | % 13.5          | %             |   |              |   |
| Cash flow from operating activities           | 286          | 160             |               |   |              |   |

(1) Adjusted to reflect the reclassification of activities to discontinued operations

Orders grew in the second quarter in all businesses and regions. Investments by utility customers in North America and Europe to strengthen and refurbish grid infrastructure fuelled strong growth, especially in the transformers business. In Asia and the Middle East, orders rose as customers continued to invest in new infrastructure to support economic growth.

Revenues were up in all businesses compared to the same quarter in 2006 on higher volumes and prices, resulting in a sharp increase in EBIT. The strong EBIT margin mainly reflects high levels of factory loading, productivity improvements, and effective supply management measures to control material costs and availability.

**Power Systems division**

| <b>2007 Q2 key figures</b>                    | <b>Q2 07</b> | <b>Q2 06</b> | <b>Change</b> |   |              |   |
|---|--------------|--------------|---------------|---|--------------|---|
| <i>\$ millions unless otherwise indicated</i> |              |              | <i>US\$</i>   |   | <i>Local</i> |   |
| Orders  | 2,217        | 1,388        | 60            | % | 50           | % |
| Order backlog (end June)                      | 7,415        | 4,900        | 51            | % | 44           | % |
| Revenues                                      | 1,300        | 1,031        | 26            | % | 20           | % |
| EBIT  | 109          | 62           | 76            | % |              |   |
| as % of revenues                              | 8.4          | % 6.0        | %             |   |              |   |
| Cash flow from operating activities           | (4           | ) 31         |               |   |              |   |

The sharp increase in orders received in the second quarter was primarily the result of large orders in the quarter more than doubling compared to the same quarter in 2006. Large orders won in the quarter included a subsea interconnection between the United Kingdom and the Netherlands aimed at increasing the efficiency of the European power grid, as well as large substation orders in the Middle East to support economic development in Abu Dhabi. Base orders (less than \$15 million) also increased strongly, up 27 percent (20 percent in local currencies), reflecting the continuing favorable market situation in all businesses and regions.

Revenues increased across all businesses versus the same quarter in 2006 on execution of the strong order backlog. EBIT and EBIT margin increased significantly due to higher revenues, improved capacity utilization and ongoing benefits from improved project selection and execution.

Cash flow from operating activities decreased compared to the same quarter in 2006, reflecting the working capital requirements of large projects being executed.

**Automation Products division**

| <b>2007 Q2 key figures</b>                    | <b>Q2 07</b> | <b>Q2 06</b> | <b>Change</b> |   |              |   |
|---|--------------|--------------|---------------|---|--------------|---|
| <i>\$ millions unless otherwise indicated</i> |              |              | <i>US\$</i>   |   | <i>Local</i> |   |
| Orders  | 2,221        | 1,957        | 13            | % | 8            | % |
| Order backlog (end June)                      | 3,136        | 2,218        | 41            | % | 35           | % |
| Revenues                                      | 2,147        | 1,684        | 27            | % | 21           | % |
| EBIT  | 374          | 262          | 43            | % |              |   |
| as % of revenues                              | 17.4         | % 15.6       | %             |   |              |   |
| Cash flow from operating activities           | 318          | 222          |               |   |              |   |

Markets continued to develop favorably in the second quarter of 2007. Order growth for standard products remained strong while engineered products and system order growth was flat compared to the very high levels seen in the same period a year ago. Geographically, the strongest growth was in China, South America, Eastern Europe and the Middle East.

Revenues increased compared to the same quarter in 2006 due to higher volumes and price increases covering higher raw materials costs. Revenue growth and high levels of capacity utilization were the primary drivers of a 43-percent increase in EBIT and a higher EBIT margin versus the second quarter of 2006.

**Process Automation division**

| <b>2007 Q2 key figures</b>                    | <b>Q2 07</b> | <b>Q2 06</b> | <b>Change</b> |   |              |   |
|---|--------------|--------------|---------------|---|--------------|---|
| <i>\$ millions unless otherwise indicated</i> |              |              | <i>US\$</i>   |   | <i>Local</i> |   |
| Orders  | 1,937        | 1,682        | 15            | % | 10           | % |
| Order backlog (end June)                      | 4,799        | 3,611        | 33            | % | 27           | % |
| Revenues                                      | 1,586        | 1,300        | 22            | % | 16           | % |
| EBIT  | 167          | 120          | 39            | % |              |   |
| as % of revenues                              | 10.5         | % 9.2        | %             |   |              |   |
| Cash flow from operating activities           | 107          | 178          |               |   |              |   |

Demand for automation solutions, reflected in both base and large orders, continued strong in all sectors. High commodity prices drove investments to expand capacity in the metals and minerals business. Other industrial customers continued to invest in greater energy efficiency in the face of high oil prices. Orders were higher in all regions except Europe, where a number of large marine orders won in the second quarter of 2006 were not repeated this year.

Revenues in the quarter grew significantly, reflecting the execution of the high level of orders taken in recent quarters. Revenues were higher in all parts of the business. EBIT and EBIT margin were up on higher revenues combined with continuing operational improvements and tighter execution of large projects.

Cash flow from operations decreased from a year ago, reflecting the working capital required to execute the large number of systems orders taken during 2006.

**Robotics division**

| 2007 Q2 key figures                           | Q2 07 | Q2 06 | Change      |              |
|---|-------|-------|-------------|--------------|
| <i>\$ millions unless otherwise indicated</i> |       |       | <i>US\$</i> | <i>Local</i> |
| Orders  | 392   | 268   | 46 %        | 40 %         |
| Order backlog (end June)                      | 582   | 460   | 27 %        | 22 %         |
| Revenues                                      | 339   | 332   | 2 %         | (2) %        |
| EBIT  | 19    | 7     | n/a         |              |
| as % of revenues                              | 5.6   | % 2.1 | %           |              |
| Cash flow from operating activities           | 9     | 43    |             |              |

Orders increased significantly in the second quarter compared to the low levels of the year-earlier period. Orders were higher from both general industry, such as packaging, consumer electronics and food, and the automotive industry. Orders were higher in all regions, led by Europe.

Revenues in local currencies were lower than in the same quarter of 2006 as the result of the low order levels in most of 2006. EBIT and EBIT margin improved reflecting the successful efforts to improve cost efficiency and project execution, as well as the non-recurrence of costs taken in the same quarter last year associated with a large project.

Cash flow from operating activities declined in the quarter as inventories were built up to meet the needs of higher orders received in the previous two quarters.

**Non-core activities and Corporate**

Non-core activities in the second quarter generated EBIT of \$8 million. A final gain of approximately \$40 million on the completion of the previously-announced sale of two Equity Ventures investments in April, 2007, was offset by the write-down of another investment, in line with the company's strategy to divest its non-core activities.

**Outlook for the remainder of 2007**

The business environment for ABB during the rest of 2007 is expected to remain in line with the positive market situation seen in 2006 and the first half of this year.

Demand for power transmission and distribution infrastructure is expected to continue on a high level in all regions. Equipment replacement and improved network efficiency and reliability are forecast to be the drivers of higher demand in Europe and North America.

Automation-related industrial investments are expected to continue at a high level in most sectors, although below the levels seen in 2006. Overall, automation-related demand growth is expected to be strongest in Asia and the Americas in 2007, with more modest growth in Europe.

In addition, ABB is well-positioned to benefit from increasing investments by customers to mitigate climate change with energy-efficient products and systems.

Order growth is expected to continue on a high level but to moderate somewhat over the remainder of 2007, compared to the extraordinarily high order growth rates experienced in 2006 and the first half of 2007.



**More information**

The 2007 Q2 results press release and presentation slides are available from July 26, 2007 on the ABB News Center at [www.abb.com/news](http://www.abb.com/news) and on the Investor Relations homepage at [www.abb.com/investorrelations](http://www.abb.com/investorrelations).

ABB will host a media call 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; from the U.S. and Canada +1 (1) 866 291 4166; 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 314, 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 (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 10 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 208, followed by the # key.

**Investor calendar 2007**

|                  |                   |
|------------------|-------------------|
| ABB Strategy Day | September 5, 2007 |
| Q3 2007 results  | October 25, 2007  |

ABB ([www.abb.com](http://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 111,000 people.

Zurich, July 26, 2007  
Fred Kindle, CEO

**Important notice about forward-looking information**

This press release includes forward-looking information and statements including the section entitled Outlook for the remainder of 2007, 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, 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 and costs associated with compliance activities, interest rates, fluctuations in 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 second quarter (Q2) and first half (H1) 2007 key figures

|                 |                              | Q2 07        | Q2 06(1)     | Change<br>US\$ | %        | Local     | H1 07           | H1 06(1)      | Change<br>US\$ | %        | Local     | %        |
|-----------------|------------------------------|--------------|--------------|----------------|----------|-----------|-----------------|---------------|----------------|----------|-----------|----------|
| <b>Orders</b>   | <b>Group</b>                 | <b>8,666</b> | <b>6,868</b> | <b>26</b>      | <b>%</b> | <b>20</b> | <b>% 17,305</b> | <b>13,727</b> | <b>26</b>      | <b>%</b> | <b>20</b> | <b>%</b> |
|                 | Power Products               | 2,780        | 2,411        | 15             | %        | 11        | % 6,037         | 4,721         | 28             | %        | 23        | %        |
|                 | Power Systems                | 2,217        | 1,388        | 60             | %        | 50        | % 4,014         | 2,694         | 49             | %        | 40        | %        |
|                 | Automation Products          | 2,221        | 1,957        | 13             | %        | 8         | % 4,632         | 3,901         | 19             | %        | 12        | %        |
|                 | Process Automation           | 1,937        | 1,682        | 15             | %        | 10        | % 3,678         | 3,341         | 10             | %        | 5         | %        |
|                 | Robotics                     | 392          | 268          | 46             | %        | 40        | % 770           | 594           | 30             | %        | 23        | %        |
|                 | Non-core activities          | 95           | 91           | 4              | %        | -2        | % 196           | 184           | 7              | %        | 0         | %        |
|                 | Corporate<br>(consolidation) | -976         | -929         | -5             | %        | 1         | % -2,022        | -1,708        | -18            | %        | -11       | %        |
| <b>Revenues</b> | <b>Group</b>                 | <b>7,143</b> | <b>5,641</b> | <b>27</b>      | <b>%</b> | <b>21</b> | <b>% 13,358</b> | <b>10,780</b> | <b>24</b>      | <b>%</b> | <b>18</b> | <b>%</b> |
|                 | Power Products               | 2,472        | 1,821        | 36             | %        | 30        | % 4,532         | 3,284         | 38             | %        | 32        | %        |
|                 | Power Systems                | 1,300        | 1,031        | 26             | %        | 20        | % 2,454         | 2,043         | 20             | %        | 14        | %        |
|                 | Automation Products          | 2,147        | 1,684        | 27             | %        | 21        | % 4,045         | 3,214         | 26             | %        | 19        | %        |
|                 | Process Automation           | 1,586        | 1,300        | 22             | %        | 16        | % 2,969         | 2,535         | 17             | %        | 11        | %        |
|                 | Robotics                     | 339          | 332          | 2              | %        | -2        | % 644           | 665           | -3             | %        | -8        | %        |