ABB LTD
Form 6-K
February 19, 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 February 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 February 18, 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

Q4 results: Strong execution, resilient portfolio

- **Fast cost take-out keeps full-year EBIT margin well within target range 2-year savings program expanded to $3 billion**
- **Pace of base order decline year-on-year slows in Q4, stabilizes versus Q3 2009**
- **Q4 net income was $540 million after approx. $350 million of restructuring-related expense**
- **Record cash from operations for Q4 of $1.8 billion**
- **Proposal to increase dividend 6 percent to CHF 0.51 per share**

Zurich, Switzerland, Feb. 18, 2010 ABB reported earnings before interest and taxes (EBIT) of almost $800 million in the quarter, despite approximately $350 million in restructuring-related charges. Full-year profitability was well within the company s EBIT margin target range of 11-16 percent on a combination of rapid cost take-out and solid operational execution.

Combined with record cash from operations and double-digit order growth from emerging markets, the results show the resilience of ABB s business portfolio and geographic scope, as well as our ability to execute in a tough market environment, said Chief Executive Officer Joe Hogan.

Orders declined to $7.5 billion, equivalent to a local-currency reduction of 5 percent(1) as lower demand mainly in mature markets outweighed continued growth in emerging markets in both power infrastructure and industrial equipment. Orders stabilized compared with third-quarter 2009 levels.

Revenues for the quarter were $8.8 billion, down 12 percent in local currency but the second-highest level of revenues in a quarter. Cost savings amounted to more than $500 million in the quarter.

Net income amounted to $540 million and cash flow from operations reached a record $1.8 billion, mainly the result of lower inventories and efforts to improve customer collections.

By acting quickly and decisively, we delivered a 2009 result well within our profitability target, despite the worst recession in memory, said CEO Hogan. We are in a stronger position today than we were a year ago and have successfully positioned ourselves for growth as the economy recovers.

We re encouraged that the year-on-year rate of order decline slowed in the fourth quarter and that base orders were slightly higher than the third quarter of 2009, Hogan said. We ll continue to aggressively pursue growth in emerging markets and opportunities globally to improve industrial productivity, lower energy consumption and tackle climate change. At the same time, cost will remain a key focus. We have therefore expanded our cost savings target to $3 billion to ensure we remain within our profitability target.

2009 Q4 and full-year key figures

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	7,450	7,183	4%	-5%	30,969	38,282	-19%	-13%
Order backlog (end Dec)	*24,771*	*23,837*	*4%*	*-1%*				
Revenues	8,761	9,140	-4%	-12%	31,795	34,912	-9%	-4%
EBIT	798	459	74%		4,126	4,552	-9%	
as % of revenues	9.1%	5.0%			13.0%	13.0%		
Net income	540	213	154%		2,901	3,118	-7%	
Basic net income per share ($)	0.24	0.09			1.27	1.36		
Dividend per share (CHF)*					0.51	0.48	6%	
Cash flow from operations	1,783	1,395			4,027	3,958		
Free cash flow					3,089	2,888		
As % of net income					106%	93%		
Return on capital employed					27%	31%		

* Proposed by the Board of Directors

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

Summary of Q4 2009 results

Orders received and revenues

Fourth-quarter orders decreased 5 percent compared to the same quarter in 2008 (increased 4% in US$ terms) as continued weak demand from most of ABB s industrial markets outweighed customer investments in power transmission systems and equipment. Orders received were supported by a 61-percent increase in large orders (above $15 million) to $1.4 billion (up 79% in US$). Large orders accounted for 19 percent of total orders received, compared with 11 percent in the same period a year earlier. Base orders (below $15 million) declined by 13 percent in the quarter (down 5% in US$) following two consecutive quarters of more than 20-percent decreases. Base orders were 2 percent higher in local currencies (5 percent higher in US$) compared to the third quarter of 2009.

Regionally, orders in local currencies were higher versus the fourth quarter of 2008 in Asia and the Middle East and Africa as investments continued in power grid expansion in the emerging markets. Demand for industrial products also increased in both regions. In Europe and the Americas, continued weak demand in most of the company s end markets resulted in lower orders in both the power and automation businesses. Orders from emerging markets accounted for 51 percent of total orders received and grew 15 percent in the fourth quarter compared with an order decrease in mature economies of almost 20 percent.

Revenues declined as weaker revenues in shorter-cycle businesses offset execution of the order backlog, reflecting the weaker business environment in recent quarters. Service revenues were 2 percent lower (up 7 percent in US$) compared with the fourth quarter of 2008.

The order backlog at the end of December 2009 amounted to $24.8 billion, a local-currency decrease of 1 percent compared with the end of 2008 (up 4 percent in US$) and down 5 percent in both local currencies and U.S. dollars compared to the end of the previous quarter.

Earnings before interest and taxes

EBIT and EBIT margin increased compared with the same quarter a year earlier. EBIT in the fourth quarter of 2009 included restructuring-related costs of approximately $350 million associated with the two-year, $2-billion cost take-out program announced a year ago (costs for the full year amounted to approximately $520 million). In addition, EBIT in the fourth quarter of 2008 included approximately $870 million in provisions related to compliance investigations, a value-added tax charge and restructuring-related charges.

Excluding the impact of restructuring-related costs and the mark-to-market valuation of hedging transactions, the EBIT margin in the fourth quarter of 2009 was 13.2 percent, a decline of 1.5 percentage points compared to the EBIT margin in the same quarter in 2008 after adjustment for restructuring-related charges, the mark-to-market valuation of hedging transactions and other previously-announced provision adjustments.

This decrease primarily reflects the impacts of price erosion and lower capacity utilization.

EBIT and EBIT margin were positively impacted by cost savings amounting to more than $500 million in the quarter. In the full year, the cost take-out program generated savings in excess of $1.5 billion.

Net income

Fourth-quarter net income amounted to $540 million. The tax rate for the full year was 24 percent, mainly the result of the favorable tax impact from the adjustment of provisions in the third quarter of 2009.

Balance sheet and cash flow

Net cash at the end of the fourth quarter was $7.2 billion compared with $5.8 billion at the end of the previous quarter. Cash flow from operations amounted to a record $1.8 billion, an increase of approximately $400 million compared with the same quarter in 2008, mainly the result of improved working capital management, especially improved cash collection and lower inventories.

Increased dividend

ABB s Board of Directors proposes a dividend for 2009 of 0.51 Swiss francs per share, an increase of 0.03 Swiss francs per share, or 6 percent, compared to the prior year. The Board also proposes that the dividend takes the form of a reduction in the nominal (par) value of the shares from 1.54 Swiss francs to 1.03 Swiss francs. The proposal is subject to approval by shareholders at the company s annual general meeting on April 26, 2010. If approved, the ex-dividend and payout date in Switzerland is expected in July 2010.

ABB is not actively pursuing purchases under the 2.2-billion Swiss-franc share buyback program announced in 2008. The company has so far spent approximately 650 million Swiss francs on the program, which has not been active since September 2008. At the 2010 annual general meeting, the company intends to propose the cancellation of the shares repurchased under the program.

Cost reductions

ABB continued to execute its cost take-out program during the fourth quarter. The company has also decided to increase the savings target to ensure it can maintain its EBIT margin within its target range of 11-16 percent. The program now aims to sustainably reduce ABB s costs comprising both cost of sales as well as general and administrative expenses from 2008 levels by a total of $3 billion by the end of 2010, compared with the previously announced level of $2 billion. The savings are focused on low-cost sourcing, reduced general and administrative expenses, internal process improvements and adjustments to ABB s global manufacturing and engineering footprint.

Cost reductions for the full year 2009 were significantly ahead of plan and exceeded $1.5 billion. Approximately 50 percent of these savings were achieved by optimizing global sourcing (excluding changes in commodity prices). The remainder was achieved through reductions to general and administrative expenses, as well as global footprint and operational excellence measures.

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, including the European Commission, regarding their investigations into certain alleged anti-competitive practices in the power transformer business, the cables business and the flexible alternating current transmission systems (FACTS) business. In October 2009, the European Commission announced its decision regarding anti-competitive practices in the power transformer business and imposed a fine of approximately 34 million on ABB.

With respect to these matters, there could be adverse outcomes beyond our provisions.

Management appointments and organizational changes

In the fourth quarter ABB announced a reorganization of its automation divisions to align them more closely with customers. Under the announced changes, effective Jan. 1, 2010, the business units in the Automation Products and Robotics divisions have been regrouped into two new divisions Discrete Automation and Motion, and Low Voltage Products. The Process Automation division remains unchanged except for the addition of the instrumentation business from the Automation Products division (preliminary orders, revenues and EBIT for the new automation divisions for the full years 2007, 2008 and 2009 are available in Appendix I to this press release).

As part of the reorganization, Tom Sjökvist, previously responsible for Automation Products, now heads the new Low Voltage Products division. Ulrich Spiesshofer, previously responsible for Corporate Development on the Executive Committee, takes over the Discrete Automation and Motion division. Anders Jonsson, previously responsible for the Robotics division, remains on the Executive Committee with responsibility for continuing the implementation of ABB s current cost take-out program as well as the company s Global Footprint program. Veli-Matti Reinikkala remains head of the Process Automation division.

Outlook

ABB s fourth-quarter orders stabilized versus the third quarter of 2009. ABB has seen what it believes is a bottoming of its short cycle businesses. However, given the longer-term nature of the ABB portfolio, management s outlook for the company s businesses for 2010 and the overall economy remains uncertain.

The drivers of ABB s businesses, fueled mainly by the need to build and upgrade energy infrastructure, address climate change and the increasing importance of emerging markets in the global economy, continue to offer attractive growth opportunities.

The need for more efficient and reliable power transmission and distribution and the integration of renewable energies into existing power grids remains in all regions. As energy and commodity prices increase, and as globalization promotes more competition, industrial customers in all parts of the world require automation solutions for new capacity and to lower costs, improve quality and increase the productivity of their existing assets.

The recent global economic downturn, however, has resulted in overcapacity in some customer sectors and has reduced the amount of capital available for investment in others. It remains unclear at this time when and how quickly customer investments in these sectors will recover.

As a result of these factors, management will maintain a cautious outlook for 2010 until there is a clearer view of the overall direction of the global economy.

Therefore, in 2010 management will 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.

Update on 2007-11 targets

ABB remains confident that it can continue to achieve a Group full-year EBIT margin within its target corridor of 11-16 percent of revenues. The company also reiterates its commitment to the divisional EBIT margin targets (following the realignment of the automation divisions announced in November 2009, the respective original divisional targets have been recalculated and are presented in Appendix I to this press release).

ABB also confirms its target for free cash flow as a percentage of net income at an average 100 percent over the period 2007-11.

The ability of the company to achieve the remaining targets revenue and earnings per share growth and return on capital employed is contingent on the pace of economic recovery in 2010 and 2011.

Divisional performance Q4 2009

Power Products

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	2,667	2,615	2%	-5%	10,940	13,627	-20%	-14%
Order backlog (end Dec)	*8,226*	*7,977*	*3%*	*-2%*				
Revenues	3,109	3,208	-3%	-9%	11,239	11,890	-5%	-1%
EBIT	495	444	11%		1,969	2,100	-6%	
as % of revenues	15.9%	13.8%			17.5%	17.7%		
Cash flow from operating activities	754	578			1,977	1,575		

Orders received decreased in the fourth quarter (up 2 percent in US$) as lower demand in mature economies offset higher power infrastructure investments in emerging markets. Orders increased 3 percent in Asia (9 percent in US$) and were 24 percent higher in the Middle East and Africa (up 37 percent in US$). In Europe, orders were stable compared with the same quarter in 2008 (up 8 percent in US$) as a strong increase in eastern Europe compensated a decline in western Europe. Weakened demand from both the utility and industrial sectors in the U.S. resulted in an order decline of 25 percent for the Americas (21% in US$). The decrease in orders also reflects lower prices from weaker market conditions and pass-through of reduced commodity costs.

The division reported the second-highest level of revenues ever in the quarter, down from the record achieved in the fourth quarter a year earlier. Lower revenues from shorter-cycle businesses related to the industrial and construction sectors, such as medium-voltage equipment and distribution transformers, were partly offset by higher revenues from longer-cycle businesses, such as large power transformers.

EBIT in the quarter included restructuring-related costs of $39 million. The EBIT margin in the quarter was positively impacted by a favorable product revenue mix.

Power Systems

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	1,863	1,456	28%	16%	7,830	7,408	6%	17%
Order backlog (end Dec)	*9,675*	*7,704*	*26%*	*20%*				
Revenues	1,908	1,902	0%	-7%	6,549	6,912	-5%	1%
EBIT	66	181	-64%		388	592	-34%	
as % of revenues	3.5%	9.5%			5.9%	8.6%		
Cash flow from operating activities	242	98			333	424		

Fourth-quarter orders grew strongly and contributed to a record annual order intake for the division. The growth was largely driven by continued emerging market investment in power generation and transmission capacity as well as related grid enhancements. Large orders for substations and rail-related power infrastructure in India and the power infrastructure build-up in the Middle East accounted for a significant share of the growth. This more than offset the lower quarterly order intake in Europe and the Americas, mainly resulting from reduced investments in the industrial and power distribution sectors.

Revenues were driven mainly by the order backlog execution schedule and decreased during the quarter in local currencies. The revenue development also reflected the lower level of base orders during the year. EBIT and EBIT margin were negatively impacted by $76 million in restructuring-related charges aimed primarily at adjusting capacity in specific geographic markets.

Automation Products

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	2,061	2,094	-2%	-10%	8,453	10,872	-22%	-18%
Order backlog (end Dec)	*3,557*	*3,863*	*-8%*	*-12%*				
Revenues	2,448	2,484	-1%	-10%	8,930	10,250	-13%	-9%
EBIT	351	422	-17%		1,330	1,908	-30%	
as % of revenues	14.3%	17.0%			14.9%	18.6%		
Cash flow from operating activities	537	299			1,525	1,343		

Order growth across most businesses in China, India, the Middle East and other emerging markets, driven by increasing industrial production in those areas, was offset by lower orders in Europe and the Americas, reflecting the more uncertain economic environment in the mature economies. Base orders declined by 6 percent in local currencies but orders for low-voltage standard products grew. Orders were negatively impacted by lower prices resulting from a decrease in material costs as well as reduced demand.

Revenues declined in the quarter as execution of the order backlog in businesses such as power electronics only partly compensated lower revenues in motors, drives and low-voltage systems.

EBIT declined on lower revenues and restructuring-related costs of $66 million to adjust production capacity and optimize the manufacturing footprint in response to the changing demand environment.

Process Automation

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	1,288	1,452	-11%	-20%	6,200	8,657	-28%	-22%
Order backlog (end Dec)	*5,412*	*6,111*	*-11%*	*-17%*				
Revenues	1,908	2,088	-9%	-17%	7,347	7,815	-6%	-1%
EBIT	199	240	-17%		685	926	-26%	
as % of revenues	10.4%	11.5%			9.3%	11.8%		
Cash flow from operating activities	303	282			671	1,034		

Orders decreased in the quarter as project delays in the marine and minerals sectors offset continued growth in oil and gas and an improvement in metals. After-sales service orders in the marine and minerals industries also grew in the quarter. Total orders were down in all regions in local currencies.

Revenues were lower than the record fourth quarter a year ago as the decrease in orders that began in late 2008 especially in pulp and paper, metals, minerals and marine flowed through to revenues. Service revenues, which typically account for about a third of total revenues, were unchanged in local currencies.

EBIT reflects lower revenues and includes restructuring-related charges of $50 million. Excluding these factors, the EBIT margin was above the level in the same quarter a year earlier due to improved project execution, the increasing benefit from cost reduction efforts and stable service revenues.

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Robotics

$ millions unless otherwise indicated	Q4 09	Q4 08	Change US$	Change Local	FY 2009	FY 2008	Change US$	Change Local
Orders	201	299	-33%	-38%	758	1,658	-54%	-51%
Order backlog (end Dec)	*331*	*545*	*-39%*	*-42%*				
Revenues	231	407	-43%	-47%	970	1,642	-41%	-38%
EBIT	-188	-73			-296	9		
as % of revenues	-81.4%	-17.9%			-30.5%	0.5%		
Cash flow from operating activities	10	18			-90	49		

Robotics orders declined as the steep drop in demand from the global discrete manufacturing sector continued in the fourth quarter. Revenues decreased on a lower opening order backlog and reduced service business.

The division reported an EBIT loss mainly related to changes in its operational footprint and further capacity adjustments in mature markets. Restructuring-related costs in the quarter amounted to $109 million.

More information

The 2009 Q4 results press release and presentation slides are available 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 +44 207 107 06 11. From Sweden, the number is +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 +1 866 416 2558 (U.S./Canada). The code is 19750, followed by the # key.

A meeting for analysts and investors is scheduled to begin today at 2:00 p.m. CET (8:00 a.m. EST). Callers should dial +1 412 858 4600 (from the U.S./Canada), +44 207 107 0611 (from the U.K.), or +41 91 610 56 00 (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 24 hours. Playback numbers: +1 866 416 2558 (U.S./Canada) or +41 91 612 4330 (Europe and the rest of the world). The code is 13806, followed by the # key.

Investor calendar 2010	
Q1 2010 results	April 22, 2010
Annual General Meeting of shareholders	April 26, 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, Feb. 18, 2010

Joe Hogan, CEO

Important notice about forward-looking information

This press release includes forward-looking information and statements including the sections entitled Increased dividend, Cost reductions, Compliance, Outlook and Update on 2007-11 targets, 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 expressio 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, business risks related to the financial crisis and economic slowdown, 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 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 Q4 and full-year 2009 key figures

$ millions unless otherwise indicated		Q4 09	Q4 08	Change US$	Change Local	2009	2008	Change US$	Change Local
Orders	**Group**	**7,450**	**7,183**	***4%***	***-5%***	**30,969**	**38,282**	***-19%***	***-13%***
	Power Products	2,667	2,615	*2%*	*-5%*	10,940	13,627	*-20%*	*-14%*
	Power Systems	1,863	1,456	*28%*	*16%*	7,830	7,408	*6%*	*17%*
	Automation Products	2,061	2,094	*-2%*	*-10%*	8,453	10,872	*-22%*	*-18%*
	Process Automation	1,288	1,452	*-11%*	*-20%*	6,200	8,657	*-28%*	*-22%*
	Robotics	201	299	*-33%*	*-38%*	758	1,658	*-54%*	*-51%*
	Corporate *(consolidation)*	-630	-733	*14%*	*23%*	-3,212	-3,940	*18%*	*11%*
Revenues	**Group**	**8,761**	**9,140**	***-4%***	***-12%***	**31,795**	**34,912**	***-9%***	***-4%***
	Power Products	3,109	3,208	*-3%*	*-9%*	11,239	11,890	*-5%*	*-1%*
	Power Systems	1,908	1,902	*0%*	*-7%*	6,549	6,912	*-5%*	*1%*
	Automation Products	2,448	2,484	*-1%*	*-10%*	8,930	10,250	*-13%*	*-9%*
	Process Automation	1,908	2,088	*-9%*	*-17%*	7,347	7,815	*-6%*	*-1%*
	Robotics	231	407	*-43%*	*-47%*	970	1,642	*-41%*	*-38%*
	Corporate *(consolidation)*	-843	-949	*11%*	*20%*	-3,240	-3,597	*10%*	*4%*
EBIT	**Group**	**798**	**459**	***74%***		**4,126**	**4,552**	***-9%***	
	Power Products	495	444	*11%*		1,969	2,100	*-6%*	
	Power Systems	66	181	*-64%*		388	592	*-34%*	
	Automation Products	351	422	*-17%*		1,330	1,908	*-30%*	
	Process Automation	199	240	*-17%*		685	926	*-26%*	
	Robotics	-188	-73	*-158%*		-296	9	n.a	
	Corporate	-125	-755	*83%*		50	-983	n.a	
EBIT margin	**Group**	***9.1%***	***5.0%***			***13.0%***	***13.0%***		
	Power Products	*15.9%*	*13.8%*			*17.5%*	*17.7%*		
	Power Systems	*3.5%*	*9.5%*			*5.9%*	*8.6%*		
	Automation Products	*14.3%*	*17.0%*			*14.9%*	*18.6%*		
	Process Automation	*10.4%*	*11.5%*			*9.3%*	*11.8%*		
	Robotics	*-81.4%*	*-17.9%*			*-30.5%*	*0.5%*		

Q4 2009 orders received and revenues by region

$ millions	Orders received Q4 09	Orders received Q4 08	Change US$	Change Local	Revenues Q4 09	Revenues Q4 08	Change US$	Change Local
Europe	2,872	2,887	*-1%*	*-10%*	3,484	3,872	*-10%*	*-18%*
Americas	1,415	1,722	*-18%*	*-24%*	1,576	1,843	*-14%*	*-20%*
Asia	2,079	1,882	*10%*	*4%*	2,379	2,394	*-1%*	*-7%*
Middle East and Africa	1,084	692	*57%*	*43%*	1,322	1,031	*28%*	*19%*
Group total	**7,450**	**7,183**	***4%***	***-5%***	**8,761**	**9,140**	***-4%***	***-12%***

Full-year 2009 orders received and revenues by region

$ millions	Orders received 2009	Orders received 2008	Change US$	Change Local	Revenues 2009	Revenues 2008	Change US$	Change Local
Europe	11,983	16,633	*-28%*	*-20%*	13,093	15,815	*-17%*	*-10%*

Americas	5,996	7,235	*-17%*	*-11%*	6,049	6,428	*-6%*	*-2%*
Asia	8,197	10,242	*-20%*	*-16%*	8,684	8,967	*-3%*	*0%*
Middle East and Africa	4,793	4,172	*15%*	*22%*	3,969	3,702	*7%*	*10%*
Group total	**30,969**	**38,282**	***-19%***	***-13%***	**31,795**	**34,912**	***-9%***	***-4%***

Reconciliation of non-GAAP financial measures

(US$ million, unaudited)

EBIT margin	
Earnings before interest and taxes (EBIT)	4,126
Revenues	31,795
EBIT margin (EBIT as % of revenues)	**13.0%**
Finance net	
Interest and dividend income	121
Interest and other finance expense	(127)
Finance net	**(6)**
Free cash flow (FCF) and as a share of net income (cash conversion)	
Net cash provided by operating activities	4,027
Changes in financing receivables	(7)
Purchases of property, plant and equipment and intangible assets	(967)
Proceeds from sales of property, plant and equipment	36
Free cash flow	**3,089**
Net income	2,901
Free cash flow as a share of net income	**106%**

Free cash flow as a share of net income (also referred to as cash conversion ratio) is a financial measure that is calculated by dividing our FCF by our net income. Management believes FCF and the cash conversion ratio are measures that are helpful in analyzing the cash generated and it uses FCF as a share of net income as a performance target.

Net cash	
Short-term debt and current maturities of long-term debt	(161)
Long-term debt	(2,172)
Total debt	**(2,333)**
Cash and equivalents	7,119
Marketable securities and short-term investments	2,433
Cash and marketable securities	**9,552**
Net cash	**7,219**

Net cash is a financial measure that is calculated as cash and equivalents plus marketable securities and short-term investments, less total debt.

Gearing	
Total debt	2,333
Total stockholders equity, incl. noncontrolling interests	14,473
Gearing	**14%**

Gearing is a financial measure that is calculated as total debt divided by the sum of total debt plus total stockholders equity, including noncontrolling interests. Total debt used for the purpose of calculating net debt and gearing equals long-term debt plus short-term debt and current maturities of long-term debt. Management believes net cash and gearing are helpful in analyzing leverage and considers both measures in evaluating possible financing transactions.

Return on capital employed (ROCE)	
= EBIT x (1-tax rate) / Capital employed	
EBIT	**4,126**
Provision for taxes	1,001
Income from continuing operations before taxes	4,120
Tax rate	**24%**
Capital employed	
= fixed assets + net working capital	
Property, plant and equipment, net	4,072
Goodwill	3,026
Other intangible assets, net	443
Investments in equity method companies	49
Fixed assets	**7,590**
Receivables, net	9,451
Inventories, net	4,550
Prepaid expenses	236
Accounts payable, trade	(3,853)
Billings in excess of sales	(1,623)
Accounts payable, other	(1,326)
Advances from customers	(1,806)
Accrued expenses	(1,600)
Net working capital	**4,029**
Capital employed	**11,619**
ROCE (after tax)	**27%**

Return on capital employed (ROCE) is a financial measure defined above that management believes is useful to assess how efficiently we are using our capital. ABB has published a ROCE performance target for 2011.

Appendix I

Preliminary pro forma orders, revenues and EBIT for realigned automation divisions

Unaudited

US$, in millions

		Orders			**Revenues**			**EBIT**			**EBIT %**	
Division	**2007**	**2008**	**2009**	**2007**	**2008**	**2009**	**2007**	**2008**	**2009**	**2007**	**2008**	**2009**
Discrete Automation & Motion	6'064	7'129	4'707	5'414	6'588	5'410	836	1'066	555	15.4%	16.2%	10.3%
Low-Voltage Products	4'199	4'865	4'078	4'125	4'747	4'070	696	819	521	16.9%	17.3%	12.8%
Process Automation	8'476	9'244	6'684	6'936	8'397	7'838	707	958	643	10.2%	11.4%	8.2%

Recalculated divisional targets 2007-2011

Original targets (published Sept. 2007)

	Revenue growth(1)	EBIT margin
Power Products	10%	12-17%
Power Systems	11%	6-10%
Automation Products	8%	14-19%
Process Automation	8%	9-14%
Robotics	6%	5-10%

Recalculated original targets for realigned automation divisions

	Revenue growth(1)	EBIT margin
Discrete Automation & Motion	9%	14-19%
Low-Voltage Products	7%	13-17%
Process Automation	8%	9-13%

(1) Compound annual growth rate 2007-11, i.e., base year = 2006

ABB Ltd Interim Consolidated Income Statements (unaudited)

($ in millions, except per share data in $)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	Three months ended Dec. 31, 2009	Three months ended Dec. 31, 2008
Sales of products	26,820	29,705	7,298	7,779
Sales of services	4,975	5,207	1,463	1,361
Total revenues	**31,795**	**34,912**	**8,761**	**9,140**
Cost of products	(19,057)	(20,506)	(5,241)	(5,597)
Cost of services	(3,413)	(3,466)	(1,050)	(946)
Total cost of sales	**(22,470)**	**(23,972)**	**(6,291)**	**(6,543)**
Gross profit	**9,325**	**10,940**	**2,470**	**2,597**
Selling, general and administrative expenses	(5,528)	(5,822)	(1,556)	(1,502)
Other income (expense), net	329	(566)	(116)	(636)
Earnings before interest and taxes	**4,126**	**4,552**	**798**	**459**
Interest and dividend income	121	315	28	65
Interest and other finance expense	(127)	(349)	(31)	(210)
Income from continuing operations before taxes	**4,120**	**4,518**	**795**	**314**
Provision for taxes	(1,001)	(1,119)	(170)	(5)
Income from continuing operations, net of tax	**3,119**	**3,399**	**625**	**309**
Income (loss) from discontinued operations, net of tax	17	(21)	(9)	(20)
Net income	**3,136**	**3,378**	**616**	**289**
Net income attributable to noncontrolling interests	(235)	(260)	(76)	(76)
Net income attributable to ABB	**2,901**	**3,118**	**540**	**213**
Amounts attributable to ABB shareholders:				
Income from continuing operations, net of tax	2,884	3,142	549	234
Income (loss) from discontinued operations, net of tax	17	(24)	(9)	(21)
Net income	**2,901**	**3,118**	**540**	**213**
Basic earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.26	1.37	0.24	0.10
Income (loss) from discontinued operations, net of tax	0.01	(0.01)	0.00	(0.01)
Net income	**1.27**	**1.36**	**0.24**	**0.09**
Diluted earnings per share attributable to ABB shareholders:				
Income from continuing operations, net of tax	1.26	1.37	0.24	0.10
Income (loss) from discontinued operations, net of tax	0.01	(0.01)	0.00	(0.01)
Net income	**1.27**	**1.36**	**0.24**	**0.09**
Average number of shares (in millions) used to compute:				
Basic earnings per share attributable to ABB shareholders	2,284	2,287	2,286	2,283
Diluted earnings per share attributable to ABB shareholders	2,288	2,296	2,291	2,285

See Notes to the Interim Consolidated Financial Information

ABB Ltd Interim Consolidated Balance Sheets (unaudited)

($ in millions, except share data)	**Dec. 31, 2009**	**Dec. 31, 2008**
Cash and equivalents	7,119	6,399
Marketable securities and short-term investments	2,433	1,354
Receivables, net	9,451	9,245
Inventories, net	4,550	5,306
Prepaid expenses	236	237
Deferred taxes	900	920
Other current assets	540	776
Total current assets	**25,229**	**24,237**
Financing receivables, net	452	445
Property, plant and equipment, net	4,072	3,562
Goodwill	3,026	2,817
Other intangible assets, net	443	411
Prepaid pension and other employee benefits	112	73
Investments in equity method companies	49	68
Deferred taxes	1,052	1,120
Other non-current assets	293	278
Total assets	**34,728**	**33,011**
Accounts payable, trade	3,853	4,451
Billings in excess of sales	1,623	1,224
Accounts payable, other	1,326	1,292
Short-term debt and current maturities of long-term debt	161	354
Advances from customers	1,806	2,014
Deferred taxes	327	428
Provisions for warranties	1,280	1,105
Provisions and other current liabilities	2,603	3,467
Accrued expenses	1,600	1,569
Total current liabilities	**14,579**	**15,904**
Long-term debt	2,172	2,009
Pension and other employee benefits	1,179	1,071
Deferred taxes	328	355
Other non-current liabilities	1,997	1,902
Total liabilities	**20,255**	**21,241**
Stockholders equity:		
Capital stock and additional paid-in capital	3,943	4,841
Retained earnings	12,828	9,927
Accumulated other comprehensive loss	(2,084)	(2,710)
Treasury stock, at cost (39,901,593 shares and 40,108,014 shares at December 31, 2009 and 2008, respectively)	(897)	(900)
Total ABB stockholders equity	**13,790**	**11,158**
Noncontrolling interests	683	612
Total stockholders equity	**14,473**	**11,770**
Total liabilities and stockholders equity	**34,728**	**33,011**

See Notes to the Interim Consolidated Financial Information

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ABB Ltd Interim Consolidated Statements of Cash Flows (unaudited)

($ in millions)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	Three months ended Dec. 31, 2009	Three months ended Dec. 31, 2008
Operating activities:				
Net income	3,136	3,378	616	289
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	655	661	188	178
Pension and postretirement benefits	(28)	43	(27)	(3)
Deferred taxes	(56)	(199)	(45)	(421)
Net gain from sale of property, plant and equipment	(15)	(49)	(4)	(15)
Income (loss) from equity accounted companies	2	(15)	1	(3)
Other	(6)	233	7	169
Changes in operating assets and liabilities:				
Trade receivables, net	256	(1,266)	84	(73)
Inventories, net	1,130	(800)	732	217
Trade payables	(718)	522	(15)	121
Billings in excess of sales	295	539	239	105
Provisions, net	(241)	677	129	814
Advances from customers	(316)	130	(298)	(219)
Other assets and liabilities, net	(67)	104	176	236
Net cash provided by operating activities	**4,027**	**3,958**	**1,783**	**1,395**
Investing activities:				
Changes in financing receivables	(7)	7	(5)	8
Purchases of marketable securities (available-for-sale)	(243)	(1,081)	(184)	(694)
Purchases of marketable securities (held-to-maturity)	(918)		(119)	
Purchases of short-term investments	(3,824)	(2,512)	(1,753)	(102)
Purchases of property, plant and equipment and intangible assets	(967)	(1,171)	(343)	(435)
Acquisition of businesses (net of cash acquired)	(209)	(653)	(54)	(101)
Proceeds from sales of marketable securities (available-for-sale)	79	110	16	32
Proceeds from maturity of marketable securities (available-for-sale)	855			
Proceeds from maturity of marketable securities (held-to-maturity)	730		457	
Proceeds from short-term investments	2,253	5,305	1,805	1,109
Proceeds from sales of property, plant and equipment	36	94	13	49
Proceeds from sales of businesses and equity accounted companies (net of cash disposed)	16	46	6	
Other	(21)	(31)	(1)	
Net cash provided by (used in) investing activities	**(2,220)**	**114**	**(162)**	**(134)**
Financing activities:				
Net changes in debt with maturities of 90 days or less	(59)	(10)	(31)	(42)
Increase in debt	586	458	146	135
Repayment of debt	(705)	(786)	(182)	(145)
Issuance of shares	89	49	86	
Purchase of treasury shares		(621)		(15)
Dividends paid in the form of nominal value reduction	(1,027)	(1,060)		
Dividends paid to noncontrolling shareholders	(193)	(152)	(2)	(3)
Other	8	3	22	(60)
Net cash provided by (used in) financing activities	**(1,301)**	**(2,119)**	**39**	**(130)**

Effects of exchange rate changes on cash and equivalents	214	(230)	(43)	(79)
Adjustment for the net change in cash and equivalents in assets held for sale and in discontinued operations		26		
Net change in cash and equivalents - continuing operations	**720**	**1,749**	**1,617**	**1,052**
Cash and equivalents beginning of period	6,399	4,650	5,502	5,347
Cash and equivalents end of period	**7,119**	**6,399**	**7,119**	**6,399**
Supplementary disclosure of cash flow information:				
Interest paid	156	244	34	70
Taxes paid	1,090	1,065	261	272

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**	**Noncontrolling interests**	**Total stockhol equity**
Balance at January 1, 2008	**5,780**	**6,809**	**(906)**	**7**	**(486)**	**55**	**(1,330)**	**(302)**	**10,957**	**592**	**11**
Comprehensive income:											
Net income		3,118							3,118	260	3
Foreign currency translation adjustments			(754)				(754)		(754)	(41)	
Foreign currency translation adjustments related to divestments of businesses			6				6		6		