

## ABB reports four divisions on track, "Step change" program in Power Systems

- Orders stable on a like-for-like<sup>1</sup> basis, early-cycle trends remain positive
- Operational EBITDA<sup>2</sup> steady, excluding Power Systems (PS)
- Strongly improved cash from operations
- "Step change" program launched in PS to deepen business transformation

Zurich, Switzerland, April 29, 2014 – ABB today reported stable top line results for the first quarter of 2014 as the company benefited from its broad presence in early-cycle industrial sectors and its well-balanced geographic scope.

Orders<sup>3</sup> of \$10.4 billion were steady near last year's level despite continued slow large order intake from utilities and late-cycle industries. Revenues amounted to \$9.5 billion, with automation revenues increasing and power revenues declining, the latter reflecting the lower opening order backlog in power compared to the same quarter in 2013.

Operational EBITDA margins<sup>1</sup> were higher in Low Voltage Products and Process Automation and steady in Power Products and Discrete Automation and Motion, excluding the expected dilutive impact of the Power-One acquisition. Group operational EBITDA and margin were adversely impacted by weak operational performance in Power Systems and charges related mainly to large engineering, procurement and construction (EPC) projects in offshore wind and solar power generation, resulting in a loss in PS in the quarter. Cash from operations improved in the quarter despite the deterioration in Power Systems.

"We remain on track in four divisions who combined to deliver higher early-cycle orders, steady earnings and stronger cash flow in the first quarter," said ABB Chief Executive Officer Ulrich Spiesshofer. "Strong order growth and cash generation in Discrete Automation and Motion and solid revenue execution in Low Voltage Products were highlights in the quarter. Power Products maintained its solid profitability, and operational EBITDA margin in Process Automation was at record levels.

"With the divestiture of Thomas & Betts HVAC business, and the Power-One Power Solutions business we announced yesterday, we are making good progress in our portfolio pruning efforts.

"We are disappointed with the continued poor performance in Power Systems and are rigorously executing actions that go well beyond the previously-announced strategic realignment," Spiesshofer said. "After a thorough review, the new leadership has initiated a 'step change' program and already taken a number of corrective decisions. These include the discontinuation of bidding for solar EPC projects and further management changes. The transformation of PS will take longer than originally expected, but we remain confident that the outcome will be a strong and competitive business.

"Looking ahead, our ambitions in 2014 are to continue the solid performance in four of our five divisions and drive the turnaround in PS." he said. "At the same time, our leadership team is making good progress on our longer-term strategic plan and we look forward to presenting it at our capital markets day in September."

| 2014 Q1 key figures                           | Q1 14  | Q1 13  | Change      |              |                                  |
|-----------------------------------------------|--------|--------|-------------|--------------|----------------------------------|
| <i>\$ millions unless otherwise indicated</i> |        |        | <i>US\$</i> | <i>Local</i> | <i>Like-for-like<sup>1</sup></i> |
| Orders                                        | 10,358 | 10,492 | -1%         | 1%           | 1%                               |
| Order backlog (end March)                     | 26,924 | 29,614 | -9%         | -9%          |                                  |
| Revenues                                      | 9,471  | 9,715  | -3%         | -1%          | -2%                              |
| Income from operations                        | 855    | 1,052  | -19%        |              |                                  |
| as % of revenues                              | 9.0%   | 10.8%  |             |              |                                  |
| Operational EBITDA                            | 1,271  | 1,458  | -13%        |              |                                  |
| as % of operational revenues                  | 13.4%  | 15.0%  |             |              |                                  |
| Net income                                    | 544    | 664    | -18%        |              |                                  |
| Basic net income per share (\$)               | 0.24   | 0.29   |             |              |                                  |
| Cash from operating activities                | (45)   | (223)  | n/a         |              |                                  |

## Summary of Q1 results

### Growth overview

The global macroeconomic environment was generally more positive through the first quarter of 2014 compared with the same quarter in 2013. This was reflected in higher demand mainly among earlier-cycle general industry customers. Customers in some late-cycle industries, such as mining, remained cautious in their spending in the face of continued overcapacity. Utilities made further selective power transmission investments but demand in Europe remained low, largely the result of ongoing uncertainties related to energy policy, especially in the area of renewable power.

Total orders received were steady in the quarter (steady on a like-for-like basis). Base orders (below \$15 million) were up 3 percent (up 3 percent like-for-like) on growth in most of ABB's early-cycle product businesses, mainly in the Discrete Automation and Motion and Low Voltage Products divisions. This was offset by a 12-percent decrease in large orders (above \$15 million), mainly in the Process Automation and Power Products businesses due to continued postponements of customer capital investments in grid infrastructure and greenfield industrial development projects.

Large orders represented 12 percent of total orders received in the quarter, compared to 14 percent in the same quarter in 2013.

Service orders decreased 6 percent (up 4 percent like-for-like) due to the exit from a large full-service contract in Finland. Service orders represented 18 percent of total orders, down from 19 percent versus the year-earlier quarter (increased to 18 percent from 17 percent on a like-for-like basis).

Revenues were down 1 percent in the first quarter (down 2 percent like-for-like) on a lower opening order backlog compared to the first quarter a year earlier and execution issues in the Power Systems division. Service revenues represented 16 percent of total revenues, unchanged compared to the same quarter a year earlier (increased to 16 percent from 15 percent on a like-for-like basis).

The order backlog at the end of March amounted to \$26.9 billion, a decline of 9 percent compared with the end of the first quarter of 2013, but up 4 percent versus the end of 2013.

### Orders received and revenues by region

| \$ millions            | Orders received |        |      | Change |               |  | Revenues |       | Change |       |               |
|------------------------|-----------------|--------|------|--------|---------------|--|----------|-------|--------|-------|---------------|
|                        | Q1 14           | Q1 13  | US\$ | Local  | Like-for-like |  | Q1 14    | Q1 13 | US\$   | Local | Like-for-like |
| Europe                 | 3,864           | 3,884  | -1%  | -2%    | 2%            |  | 3,354    | 3,377 | -1%    | -2%   | -2%           |
| The Americas           | 2,763           | 2,798  | -1%  | 4%     | 1%            |  | 2,732    | 2,824 | -3%    | 1%    | -1%           |
| Asia                   | 2,731           | 2,815  | -3%  | -1%    | -2%           |  | 2,448    | 2,544 | -4%    | --    | -2%           |
| Middle East and Africa | 1,000           | 995    | 1%   | 4%     | 3%            |  | 937      | 970   | -3%    | -2%   | -3%           |
| ABB Group              | 10,358          | 10,492 | -1%  | 1%     | 1%            |  | 9,471    | 9,715 | -3%    | -1%   | -2%           |

Orders were down in Europe. On a like for like basis, orders were up 2 percent as an increase in automation orders in both early-cycle industrial sectors and in rail transportation more than offset the decline in power orders, as utility spending remained subdued.

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The order development in the Americas reflects a double-digit increase in power orders and overall solid order growth in the US and Canada that offset large order declines in Brazil.

In Asia, strong order growth in both power and automation in India, along with higher base orders in China could not offset lower large orders in China compared to the same quarter in 2013.

Orders increased in the Middle East and Africa on strong double-digit growth in Saudi Arabia, Algeria, the UAE and Egypt.

## 2014 Q1 orders received and revenues by division

| \$ millions unless<br>otherwise indicated                              | Orders received |               |            |                   |                   | Revenues     |              |            |                   |                   |
|------------------------------------------------------------------------|-----------------|---------------|------------|-------------------|-------------------|--------------|--------------|------------|-------------------|-------------------|
|                                                                        | Q1<br>2014      | Q1<br>2013    | Change     |                   |                   | Q1<br>2014   | Q1<br>2013   | Change     |                   |                   |
|                                                                        |                 |               | US\$       | Local<br>currency | Like-<br>for-like |              |              | US\$       | Local<br>currency | Like-<br>for-like |
| <b>Discrete<br/>Automation and<br/>Motion</b>                          | 2'816           | 2'485         | 13%        | 14%               | 9%                | 2'381        | 2'327        | 2%         | 3%                | -2%               |
| <b>Low Voltage<br/>Products</b>                                        | 1'975           | 1'934         | 2%         | 3%                |                   | 1'882        | 1'777        | 6%         | 7%                |                   |
| <b>Process<br/>Automation</b>                                          | 2'004           | 2'500         | -20%       | -17%              | -11%              | 1'943        | 1'978        | -2%        | 1%                | 4%                |
| <b>Power Products</b>                                                  | 2'725           | 2'859         | -5%        | -3%               |                   | 2'391        | 2'489        | -4%        | -2%               |                   |
| <b>Power Systems</b>                                                   | 1'490           | 1'637         | -9%        | -6%               |                   | 1'608        | 2'051        | -22%       | -19%              |                   |
| <b>Corporate and other<br/>(incl. inter-division<br/>eliminations)</b> | (652)           | (923)         |            |                   |                   | (734)        | (907)        |            |                   |                   |
| <b>ABB Group</b>                                                       | <b>10'358</b>   | <b>10'492</b> | <b>-1%</b> | <b>1%</b>         | <b>1%</b>         | <b>9'471</b> | <b>9'715</b> | <b>-3%</b> | <b>-1%</b>        | <b>-2%</b>        |

**Discrete Automation and Motion:** Early-cycle businesses serving general industry and discrete manufacturing continued to grow in the quarter, compensating lower demand for products used in later-cycle process industries. Orders also benefited from a large rail order in Sweden and from organic growth initiatives across the portfolio, especially in service. On a like-for-like basis, higher revenues from early-cycle products were more than offset by the impact of a lower opening order backlog in large motors and medium-voltage drives compared to the same quarter in 2013. Service revenues increased at a double-digit pace.

**Low Voltage Products:** The increase in orders reflects the generally positive business environment in early-cycle industrial and building sectors in most regions, as well as measures to increase the penetration in a number of key markets. Revenues grew in all regions in the quarter and benefited from the execution of system orders out of the backlog.

**Process Automation:** A double-digit increase in oil and gas orders and higher demand for measurement products and turbocharging in the quarter were more than offset by a strong decline in mining orders compared to the high level seen in the first quarter a year ago. Revenues on a like-for-like basis were higher on the execution of the strong order backlog in oil and gas and marine.

**Power Products:** Industrial and power distribution orders increased in comparison with the first quarter of 2013, while large transmission orders were lower, as utilities remained cautious and selective on investments. The revenue decline mainly reflects the lower opening order backlog.

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**Power Systems:** Large orders were at the same level as last year. Utilities remain cautious in their power transmission investments and ABB's selectivity focus on margin and pull-through continues. Revenues were lower than the previous year impacted by the lower opening order backlog and the execution delays in selected projects.

## **Earnings overview**

### **Operational EBITDA**

Operational EBITDA in the first quarter of 2014 amounted to \$1.3 billion, 13 percent below the year-earlier period, primarily the result of the weak operational performance in Power Systems and charges related mainly to EPC projects in offshore wind and solar power generation (see next section). The operational EBITDA margin was steady to higher in all other divisions (excluding the dilutive impact of the Power-One acquisition in the Discrete Automation and Motion division). Lower revenues in the quarter also contributed to the decline.

Cost savings and further productivity improvements more than compensated pricing pressures and negative cost absorption impacts that resulted from the decline in revenues.

### **Power Systems Step Change**

As a result of a comprehensive review carried out over the past three months by the new divisional leadership, ABB has launched a "step change" program that goes beyond previously-announced initiatives to return the Power Systems division to long-term growth and profitability. Among the actions being taken by the recently-appointed management team are a stop to bidding on new turnkey EPC solar power generation contracts; a reassessment of the business model for offshore wind power connections; further management changes; more rigorous execution of process changes in areas such as risk management and project execution; and the engagement of experienced external resources to accelerate the transformation of the business.

Along with ABB's other four divisions, Power Systems is developing updated financial targets to be presented at the company's capital markets day in September of this year.

### **Net income**

Net income for the quarter amounted to \$544 million and included approximately \$333 million of depreciation and amortization, of which approximately \$100 million of amortization was related to acquisitions. Restructuring-related charges amounted to \$47 million.

Basic earnings per share amounted to \$0.24 in the first quarter compared to \$0.29 in the same quarter a year earlier.

## 2014 Q1 earnings and cash flows by division

\$ millions unless  
otherwise indicated

|                                                                | Operational EBITDA |              |             | Operational EBITDA margin |              | Cash flows from operating activities |              |             |
|----------------------------------------------------------------|--------------------|--------------|-------------|---------------------------|--------------|--------------------------------------|--------------|-------------|
|                                                                | Q1 2014            | Q1 2013      | Change US\$ | Q1 2014                   | Q1 2013      | Q1 2014                              | Q1 2013      | Change US\$ |
| <b>Discrete Automation and Motion</b>                          | 395                | 416          | -5%         | 16.6%                     | 17.8%        | 294                                  | 179          | 64%         |
| <b>Low Voltage Products</b>                                    | 346                | 320          | 8%          | 18.4%                     | 18.0%        | (27)                                 | 3            | n/a         |
| <b>Process Automation</b>                                      | 264                | 259          | 2%          | 13.6%                     | 13.1%        | 95                                   | 14           | 579%        |
| <b>Power Products</b>                                          | 354                | 372          | -5%         | 14.8%                     | 14.9%        | 59                                   | 34           | 74%         |
| <b>Power Systems</b>                                           | (29)               | 169          | n/a         | -1.8%                     | 8.3%         | (303)                                | (188)        | n/a         |
| <b>Corporate and other (incl. inter-division eliminations)</b> | (59)               | (78)         |             |                           |              | (163)                                | (265)        |             |
| <b>ABB Group</b>                                               | <b>1,271</b>       | <b>1,458</b> | <b>-13%</b> | <b>13.4%</b>              | <b>15.0%</b> | <b>(45)</b>                          | <b>(223)</b> | <b>n/a</b>  |

**Discrete Automation and Motion:** The operational EBITDA and margin reflect the effect from the acquisition last year of solar inverter manufacturer Power-One. Excluding that impact, the division's operational EBITDA margin was the same as a year earlier.

**Low Voltage Products:** Operational EBITDA and margin increased on higher revenues and improved project execution in the low-voltage systems business. The division increased profitability despite higher spending to drive sales growth as well as greater investments in research and development.

**Process Automation:** The improvement in operational EBITDA and margins primarily reflects solid project execution out of the order backlog as well as continued strict cost control.

**Power Products:** The operational EBITDA margin was steady as a result of continued cost savings and solid execution.

**Power Systems:** The operational EBITDA loss largely reflects the impact of project-related charges, mainly in offshore wind. Lower revenues also affected earnings.

## Balance sheet and cash flow

Total debt at the end of the first quarter amounted to \$9 billion, approximately \$1 billion higher than at the end of 2013, reflecting increased short-term borrowing. Net debt<sup>1</sup> at the end of the first quarter increased to \$1.8 billion compared with \$1.5 billion at the end of 2013.

ABB reported a cash outflow from operations of \$45 million in the first quarter versus a cash outflow of \$223 million in the first quarter a year earlier. Cash flow from the divisions improved by approximately \$80 million as the result of successful net working capital management efforts, especially in receivables and inventory management. Corporate cash flows improved by approximately \$100 million compared to the year-earlier period, mainly reflecting cash outflows in 2013 for pensions and the timing of cash flows related to derivative settlements and the company's corporate real estate portfolio. Net working capital as a share of revenues<sup>1</sup> amounted to 17 percent compared to 16 percent at the end of the first quarter of 2013.

## Divestitures

In line with its strategy to continuously optimize the portfolio and to focus on driving profitable growth in our core automation and power businesses, ABB announced in March an agreement to divest Thomas & Betts' heating, ventilation and air conditioning (HVAC) business for \$260 million in an all-cash transaction. Yesterday, ABB announced an agreement to sell the Power Solutions business of Power-One for \$117 million. Both transactions are expected to close in the second quarter of 2014, subject to regulatory clearances.

## Outlook

The long-term demand outlook for our businesses remains clearly positive. The need for efficient and reliable electricity transmission and distribution will continue to increase, driven by factors such as: accelerating urbanization in emerging markets; actions to address global warming; the rapidly increasing power needs from digitization; and the refurbishment of aging power grids. At the same time, demand for industrial automation solutions will grow as customers strive to improve productivity, efficiency, product quality, and safety. ABB is well positioned to tap these opportunities for long-term profitable growth with its strong market presence, broad geographic and business scope, technology leadership and financial strength.

In the short term, there are positive early-cycle macroeconomic signs, such as strengthening growth in the US and the more encouraging growth in many parts of Europe. However, there are also some uncertainties related to the speed and strength of economic development in the emerging markets, especially China.

In this market environment, ABB's management team aims to systematically drive profitable organic growth through increased market penetration, generating more revenues from our pipeline of new product innovations, and expanding into new attractive market segments. In addition, management intends to accelerate business-led collaboration, such as further developing the service business, driving the successful integration of acquired businesses and increasing ABB's productivity by focusing internal support activities on the needs of customers. A third priority is relentless execution, especially in the areas of cost savings, cash flow generation and returning the Power Systems division to higher and more consistent returns.

# Press Release



## More information

The 2014 Q1 results press release and presentation slides are available 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 press conference and conference call today in Zurich, Switzerland, starting at 10:00 a.m. Central European Time (CET). The event will be accessible by conference call. U.K. callers should dial +44 203 059 58 62. From Sweden, the number is +46 85 051 00 31, and from the rest of Europe, +41 58 310 50 00. Callers from the US and Canada should +1 866 291 41 66 (toll-free) or +1 631 570 56 13 (local tariff). 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 24 hours: Playback numbers: +44 207 108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 631 982 4566 (U.S./Canada). The code is 12909, 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 +1 866 291 41 66 from the US/Canada (toll-free), +1 631 570 5613 (US/Canada local tariff), +44 203 059 58 62 from the U.K., +46 8 5051 00 31 from Sweden or +41 58 310 50 00 from the rest of the world. Callers are requested to phone in 10 minutes before the start of the call. The recorded session will be available as a podcast one hour after the end of the conference call and can be downloaded from our website.

## Investor calendar 2014

|                                            |                   |
|--------------------------------------------|-------------------|
| Annual General Meeting Zurich, Switzerland | April 30, 2014    |
| Second-quarter 2014 results                | July 23, 2014     |
| Capital Markets Day                        | September 9, 2014 |
| Third-quarter 2014 results                 | October 22, 2014  |

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 150,000 people.

## Important notice about forward-looking information

This press release includes forward-looking information and statements 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, business risks associated with the volatile global economic environment 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.

Zurich, April 29, 2014  
Ulrich Spiesshofer, CEO

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## Key figures

| \$ millions unless otherwise indicated |                                                            | Q1 14         | Q1 13         | Change      |            |
|----------------------------------------|------------------------------------------------------------|---------------|---------------|-------------|------------|
|                                        |                                                            |               |               | US\$        | Local      |
| <b>Orders</b>                          | <b>ABB Group</b>                                           | <b>10'358</b> | <b>10'492</b> | <b>-1%</b>  | <b>1%</b>  |
|                                        | Discrete Automation and Motion                             | 2'816         | 2'485         | 13%         | 14%        |
|                                        | Low Voltage Products                                       | 1'975         | 1'934         | 2%          | 3%         |
|                                        | Process Automation                                         | 2'004         | 2'500         | -20%        | -17%       |
|                                        | Power Products                                             | 2'725         | 2'859         | -5%         | -3%        |
|                                        | Power Systems                                              | 1'490         | 1'637         | -9%         | -6%        |
|                                        | Corporate and other<br>(incl. inter-division eliminations) | (652)         | (923)         |             |            |
| <b>Revenues</b>                        | <b>ABB Group</b>                                           | <b>9'471</b>  | <b>9'715</b>  | <b>-3%</b>  | <b>-1%</b> |
|                                        | Discrete Automation and Motion                             | 2'381         | 2'327         | 2%          | 3%         |
|                                        | Low Voltage Products                                       | 1'882         | 1'777         | 6%          | 7%         |
|                                        | Process Automation                                         | 1'943         | 1'978         | -2%         | 1%         |
|                                        | Power Products                                             | 2'391         | 2'489         | -4%         | -2%        |
|                                        | Power Systems                                              | 1'608         | 2'051         | -22%        | -19%       |
|                                        | Corporate and other<br>(incl. inter-division eliminations) | (734)         | (907)         |             |            |
| <b>Income from operations</b>          | <b>ABB Group</b>                                           | <b>855</b>    | <b>1'052</b>  | <b>-19%</b> |            |
|                                        | Discrete Automation and Motion                             | 326           | 337           | -3%         |            |
|                                        | Low Voltage Products                                       | 256           | 232           | 10%         |            |
|                                        | Process Automation                                         | 219           | 224           | -2%         |            |
|                                        | Power Products                                             | 272           | 283           | -4%         |            |
|                                        | Power Systems                                              | (102)         | 105           | n/a         |            |
|                                        | Corporate and other<br>(incl. inter-division eliminations) | (116)         | (129)         |             |            |
| <b>Income from operations %</b>        | <b>ABB Group</b>                                           | <b>9.0%</b>   | <b>10.8%</b>  |             |            |
|                                        | Discrete Automation and Motion                             | 13.7%         | 14.5%         |             |            |
|                                        | Low Voltage Products                                       | 13.6%         | 13.1%         |             |            |
|                                        | Process Automation                                         | 11.3%         | 11.3%         |             |            |
|                                        | Power Products                                             | 11.4%         | 11.4%         |             |            |
|                                        | Power Systems                                              | -6.3%         | 5.1%          |             |            |
| <b>Operational EBITDA</b>              | <b>ABB Group</b>                                           | <b>1'271</b>  | <b>1'458</b>  | <b>-13%</b> |            |
|                                        | Discrete Automation and Motion                             | 395           | 416           | -5%         |            |
|                                        | Low Voltage Products                                       | 346           | 320           | 8%          |            |
|                                        | Process Automation                                         | 264           | 259           | 2%          |            |
|                                        | Power Products                                             | 354           | 372           | -5%         |            |
|                                        | Power Systems                                              | (29)          | 169           | n/a         |            |
|                                        | Corporate and other<br>(incl. inter-division eliminations) | (59)          | (78)          |             |            |
| <b>Operational EBITDA %</b>            | <b>ABB Group</b>                                           | <b>13.4%</b>  | <b>15.0%</b>  |             |            |
|                                        | Discrete Automation and Motion                             | 16.6%         | 17.8%         |             |            |
|                                        | Low Voltage Products                                       | 18.4%         | 18.0%         |             |            |
|                                        | Process Automation                                         | 13.6%         | 13.1%         |             |            |
|                                        | Power Products                                             | 14.8%         | 14.9%         |             |            |
|                                        | Power Systems                                              | -1.8%         | 8.3%          |             |            |

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| Operational EBITDA (excluding Corporate and Other and Intersegment elimination) |            |           |                                |           |                      |           |                    |          |                |          |               |           |
|---------------------------------------------------------------------------------|------------|-----------|--------------------------------|-----------|----------------------|-----------|--------------------|----------|----------------|----------|---------------|-----------|
|                                                                                 | ABB        |           | Discrete Automation and Motion |           | Low Voltage Products |           | Process Automation |          | Power Products |          | Power Systems |           |
| <i>\$ millions unless otherwise indicated</i>                                   | Q1 14      | Q1 13     | Q1 14                          | Q1 13     | Q1 14                | Q1 13     | Q1 14              | Q1 13    | Q1 14          | Q1 13    | Q1 14         | Q1 13     |
| Revenues                                                                        | 9'471      | 9'715     | 2'381                          | 2'327     | 1'882                | 1'777     | 1'943              | 1'978    | 2'391          | 2'489    | 1'608         | 2'051     |
| FX/commodity timing differences on Revenues                                     | 5          | 6         | (6)                            | 4         | 1                    | 2         | (4)                | 5        | (4)            | 14       | 19            | (19)      |
| Operational revenues                                                            | 9'476      | 9'721     | 2'375                          | 2'331     | 1'883                | 1'779     | 1'939              | 1'983    | 2'387          | 2'503    | 1'627         | 2'032     |
| Income from operations                                                          | 855        | 1'052     | 326                            | 337       | 256                  | 232       | 219                | 224      | 272            | 283      | (102)         | 105       |
| Depreciation                                                                    | 213        | 205       | 40                             | 34        | 46                   | 47        | 17                 | 16       | 48             | 51       | 22            | 20        |
| Amortization                                                                    | 120        | 116       | 37                             | 30        | 31                   | 32        | 6                  | 4        | 7              | 7        | 25            | 25        |
| <i>Including total acquisition-related amortization of</i>                      | <i>101</i> | <i>93</i> | <i>34</i>                      | <i>26</i> | <i>30</i>            | <i>30</i> | <i>4</i>           | <i>3</i> | <i>5</i>       | <i>5</i> | <i>22</i>     | <i>23</i> |
| Restructuring and restructuring-related expenses                                | 47         | 19        | 1                              | 1         | 8                    | 4         | 20                 | 3        | 8              | 7        | 8             | 5         |
| Acquisition-related expenses and certain non-operational items                  | 11         | 4         | (3)                            | 2         | 4                    | 2         | 1                  | -        | 5              | -        | 1             | -         |
| FX/commodity timing differences in income from operations                       | 25         | 62        | (6)                            | 12        | 1                    | 3         | 1                  | 12       | 14             | 24       | 17            | 14        |
| Operational EBITDA                                                              | 1'271      | 1'458     | 395                            | 416       | 346                  | 320       | 264                | 259      | 354            | 372      | (29)          | 169       |
| Operational EBITDA margin (%)                                                   | 13.4%      | 15.0%     | 16.6%                          | 17.8%     | 18.4%                | 18.0%     | 13.6%              | 13.1%    | 14.8%          | 14.9%    | -1.8%         | 8.3%      |

<sup>1</sup> For non-GAAP measures, see the "Supplemental Financial Information" attachment to the press release.

<sup>2</sup> See Reconciliation of operational EBITDA to Income from continuing operations before taxes in Note 11 to the Interim Consolidated Financial Information (unaudited).

<sup>3</sup> Management discussion of orders and revenues focuses on local currency changes. U.S. dollar changes are reported in results tables.