

ABB LTD
Form 6-K
February 06, 2015

**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 2015

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

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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

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 February 5, 2015.
2. Announcements regarding transactions in ABB Ltd's Securities made by the directors or the 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.

Press Release

ABB Robust orders growth, dividend increase

Full-year summary

- ABB delivers 10%(1) order growth to \$41.5 bn on focused growth initiatives
- Base orders up 5%(1), large orders up 50%(1), positive book-to-bill at 1.04x(3)
- Power Systems (PS) and lower opening order backlog impacted revenues of \$39.8 bn
- PS at breakeven operational EBITDA(2), comparable operational EBITDA margins in other divisions steady
- 6th consecutive year of +\$1 bn in cost savings
- Net income at \$2.6 bn, operational EPS(3) \$1.28, basic EPS \$1.13
- Free cash flow(3) up 9%, conversion rate(3) up to 110%; cash return on investment(3) 12.7%, up 110 basis pts
- Portfolio pruning generated more than \$1 bn in pre-tax proceeds
- Board proposes 6th consecutive dividend increase to CHF 0.72 per share
- Next Level strategy well under way to accelerate sustainable value creation

Q4 summary

- 6th consecutive quarter of base order growth(1), total orders steady at \$9.4 bn
- Solid progress on PS turnaround, 2.4% operational EBITDA margin(3)
- Net income up to \$680 mn, operational EPS(3) \$0.34, basic EPS \$0.30
- Cash from operations reflects more balanced cash generation over the year
- Partnership with Hitachi on HVDC technology for Japan

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- Foundation for Next Level in place: Market-focused organization implemented, top 1,000 positions filled, performance-based compensation model finalized
- Peter Voser proposed as new Chairman of the Board

2014 was a demanding year where we had to overcome the challenges of Power Systems and a low order backlog, said CEO Ulrich Spiesshofer. We delivered on our ambition to achieve full-year profitability in Power Systems and took decisive actions to drive organic growth, cost-out and cash generation.

Our solid progress on the Next Level strategy puts us in a strong position to manage the global uncertainties heading into 2015. Our proposal to increase the dividend for the sixth consecutive year demonstrates our commitment to long-term sustainable value creation.

2014 Q4 and full-year key figures

\$ millions unless otherwise indicated	Q4 14	Q4 13	US\$	Local	Like-for- like(3)	FY 14	FY 13	US\$	Local	Like-for- like(3)
Orders	9 365	10 003	-6%	-1%	1%	41 515	38 896	7%	9%	10%
Order backlog (end Dec.)	24 900	26 046	-4%	5%						
Revenues	10 346	11 373	-9%	-3%	-1%	39 830	41 848	-5%	-2%	-2%
Operational EBITDA	1 380	1 418	-3%			5 400	6 075	-11%		
as % of operational revenues(3)	13.3%	12.5%				13.5%	14.5%			
Net income	680	525	30%			2 594	2 787	-7%		
Basic earnings per share (\$)	0.30	0.23				1.13	1.21			
Cash flow from op. activities	1 833	2 092	-12%			3 845	3 653	5%		
Free cash flow(3)						2 857	2 632	9%		
as % of net income						110%	94%			
Cash return on investment (CROI)(3)						12.7%	11.6%			

Full-year 2014 results

ABB continued to drive its organic growth initiatives in 2014 and delivered 9-percent order growth⁽⁴⁾ (10 percent like-for-like). Orders were steady to higher in all regions and divisions despite a challenging market environment. Large orders (above \$15 million) grew 50 percent. Base orders were 4 percent higher (5 percent like-for-like) and grew in each quarter of the year. The order backlog grew 5 percent and the book-to-bill ratio improved to 1.04x from 0.93x compared to the end of 2013.

Through our organic growth initiatives and continued focused investments in innovation and sales, we grew orders faster than the market in a highly volatile environment, said CEO Ulrich Spiesshofer. This resulted in a stronger order backlog heading into 2015. Our customer satisfaction score NPS again went up, to 44, reflecting that our customers appreciate the many efforts we take in improving customer service every day.

Revenues and operational EBITDA were lower due to the lower opening order backlog and project-related charges in Power Systems, but strong business execution resulted in higher full-year operating cash flow generation. Successful implementation of the step change program to reposition the Power Systems division for a return to long-term consistent growth and profitability resulted in a full-year break-even operational EBITDA for the division. The operational EBITDA margin in the Discrete Automation and Motion division was impacted by the dilutive effect of the Power-One acquisition completed in the second half of 2013. Excluding that effect, the comparable operational EBITDA margin was slightly higher.

We delivered on our ambition to achieve a break even result for Power Systems for the full year, Spiesshofer continued. The other divisions all generated steady comparable margins. We improved cash generation, and for the 6th consecutive year took out more than \$1 billion in costs which shows that our relentless execution focus is really paying off.

Net income was \$2.6 billion and basic earnings per share was \$1.13. Successful measures to improve net working capital management contributed to higher cash from operations and free cash flow conversion⁽³⁾ and supported an increased cash return on investment (CROI)⁽³⁾ of 12.7 percent.

In 2014, the company returned more than \$2.8 billion in cash to shareholders through share repurchases and the annual dividend. For 2014, the Board has proposed a dividend increase to 0.72 Swiss francs compared to 0.70 Swiss francs for the previous year. The proposal is subject to approval by shareholders at the company's annual general meeting on April 30, 2015.

Q4 2014 results

ABB's order pattern in its three major customer sectors remained largely unchanged in the quarter. Utilities continued to be cautious in capital expenditures in response to regulatory uncertainties in Europe and lower electricity consumption related to GDP growth in most other regions. However, they continued to make selective investments in power transmission to link grids and to integrate renewable power sources.

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Demand from industrial customers varied widely by sector and region. Overall, industrial demand for both power and automation solutions to improve the productivity and efficiency of existing assets remained steady. Demand in the upstream oil and gas sector remained strong and the potential impact of lower oil prices was not visible in the quarterly results. Demand in the mining sector remained at low levels. The strong automation growth trajectory seen in the automotive sector in recent years continued in 2014, driven by a combination of

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new model introductions, innovations in robot technologies and regional expansion. The ongoing need to improve the efficiency of rail and marine transportation benefited both the power and automation businesses in the quarter, while construction markets were mixed.

Total orders received in the quarter were stable (up 1 percent on a like-for-like basis). The appreciation of the US dollar in Q4 2014 versus the prior year period resulted in a negative translation impact on orders of 5 percent and on revenues of 6 percent.

Base orders increased for the sixth consecutive quarter and were up 2 percent (4 percent like-for-like), supported by growth initiatives across many businesses, products and geographies. Base orders grew in the two power divisions, reflecting both positive demand from industry customers as well as initiatives in Power Systems to drive growth in base orders that are lower risk and have higher ABB value-added. Base order growth compensated the timing effect of lower large orders, which represented 11 percent of total orders received in the quarter, compared to 14 percent in the same quarter in 2013.

Service orders represented 18 percent of total orders.

Revenues declined 3 percent (down 1 percent like-for-like) in the fourth quarter. Higher like-for-like revenues in the company's short-cycle businesses, especially in Low Voltage Products, were not sufficient to offset revenue decreases in the power divisions, where opening order backlogs were lower. Service revenues increased 6 percent (7 percent like-for-like) and reached 17 percent of total revenues, up from 16 percent in the same quarter a year earlier.

The order backlog at the end of December amounted to \$25 billion, an increase of 5 percent in local currencies compared to the end of the same quarter in 2013.

Orders received and revenues by region

\$ millions unless otherwise indicated	Orders received			Change			Revenues			Change		
	Q4 14	Q4 13	US\$	Local	Like-for-like	5%	Q4 14	Q4 13	US\$	Local	Like-for-like	
Europe	3 110	3 300	-6%	4%	5%	3 434	3 903	-12%	-2%	-1%		
The Americas	2 694	3 024	-11%	-8%	-4%	2 952	3 223	-8%	-4%	1%		
Asia	2 587	2 523	3%	6%	7%	2 919	3 067	-5%	-1%	0%		
Middle East and Africa	974	1 156	-16%	-11%	-11%	1 041	1 180	-12%	-8%	-8%		
Group total	9 365	10 003	-6%	-1%	1%	10 346	11 373	-9%	-3%	-1%		

Base orders were higher in all regions on a like-for-like basis in the fourth quarter, with timing-related decreases in large orders accounting for the order reduction in the Americas and the Middle East and Africa.

Growth in Europe was led by Sweden and Finland, driven mainly by orders in the rail and marine transportation sectors. Orders were also higher in France, Italy and Switzerland, while Germany was stable and eastern Europe was lower.

Orders were lower in the Americas, mainly reflecting a timing-related decline in large orders in the power businesses in the US and Canada compared with the same period the year before. Base orders increased in the region.

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The large markets of China and India recorded higher orders in the fourth quarter, leading to a 6-percent increase in Asia (7 percent like-for-like). Orders also grew strongly in Japan.

Orders decreased in the Middle East and Africa, mainly the result of lower large orders in the oil and gas sector.

Starting in the first quarter of 2015, ABB will begin reporting regional growth in three regions: Europe, the Americas, and Asia, the Middle East and Africa.

Orders received and revenues by division

\$ millions unless otherwise indicated	Orders received					Revenues				
	Q4 2014	Q4 2013	Change		Like- for- like	Q4 2014	Q4 2013	Change		Like- for- like
		US\$	Local					US\$	Local	
Discrete Automation and Motion	2 379	2 484	-4%	1%	1%	2 583	2 687	-4%	1%	1%
Low Voltage Products	1 722	1 844	-7%	0%	5%	1 793	2 022	-11%	-5%	2%
Process Automation	1 907	2 024	-6%	2%	1%	2 094	2 261	-7%	0%	1%
Power Products	2 548	2 554	0%	5%		2 825	3 070	-8%	-2%	
Power Systems	1 437	1 789	-20%	-14%		1 965	2 300	-15%	-9%	
Corporate and other (incl. inter-division eliminations)	(628)	(692)				(914)	(967)			
ABB Group	9 365	10 003	-6%	-1%	1%	10 346	11 373	-9%	-3%	-1%

Discrete Automation and Motion: Orders and revenues were steady in a mixed environment. Growth initiatives to sell packaged industrial services and solutions supported growth in the robotics and drives businesses in the quarter. Orders increased in Europe and were lower in Asia and the Americas. Higher service revenues compensated lower revenues in longer cycle businesses with lower opening order backlogs.

Low Voltage Products: Like-for-like orders increased in all businesses and were strongest in the Middle East and Africa and higher in the Americas, supported by successful initiatives to increase the sale of ABB products in the US through the Thomas & Betts distribution system. Order growth was steady in Europe and Asia. Like-for-like revenues were also higher.

Process Automation: Orders were steady at high levels in the quarter, with both large and base orders near the same levels as in the same period in 2013. The upstream oil and gas and marine sectors were stronger than mining and metals. Orders grew in the Americas and Europe and were steady in Asia. Orders declined in the Middle East and Africa as a large order taken in the same period in 2013 was not repeated. Revenues were also stable, as higher service revenues offset the lower opening order backlog in the systems business.

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Power Products: Both large and base orders increased in most regions, supported by industrial demand as well as selective power transmission investments. Orders grew in all regions except Europe, driven by growth in emerging markets. The revenue decline in the quarter largely resulted from the lower opening order backlog.

Power Systems: An increase in base orders, reflecting in large part ongoing initiatives to reposition the business and focus on high value-added projects, was more than offset by a lower intake of large orders due to the

timing of awards compared to the same quarter a year earlier. Revenues were lower than the previous year, impacted by the lower opening order backlog.

Earnings overview

Operational EBITDA

Lower revenues and a negative translation effect from the appreciation of the US dollar resulted in a 3-percent decline in operational EBITDA to \$1.4 billion in the fourth quarter. The operational EBITDA margin increased. This was partly due to a positive operational EBITDA in the Power Systems division, which reported a loss in the same period in 2013 on charges related to operational performance. Cost savings of approximately \$350 million and further productivity improvements more than offset price pressures in the quarter.

In line with the updated financial targets in the company's Next Level strategy, ABB will change to reporting operational EBITA(3) instead of operational EBITDA with its first quarter 2015 results.

Net income

Net income for the quarter increased to \$680 million and included after-tax gains from the sale of businesses and charges for foreign exchange and commodity timing differences. Basic earnings per share amounted to \$0.30 in the fourth quarter compared to \$0.23 in the same quarter a year earlier.

Balance sheet and cash flow

Total debt at the end of the fourth quarter amounted to around \$7.7 billion, compared with \$8 billion at the end of 2013. Net debt(3) at the end of the fourth quarter decreased to \$923 million from \$1.5 billion at the end of 2013 reflecting the strong cash flow from operations in 2014.

ABB reported cash from operations of \$1.8 billion in the fourth quarter, a timing-related decrease of 12 percent compared with the same quarter in 2013. The decline is mainly the result of ongoing measures to better balance cash flows over the full year and reduce the historical trend of very high cash flows in the fourth quarter.

Earnings and cash flows by division

\$ millions unless otherwise indicated	Operational EBITDA			Operational EBITDA margin		Cash flows from operating activities		Change US\$
	Q4 2014	Q4 2013	Change US\$	Q4 2014	Q4 2013	Q4 2014	Q4 2013	
Discrete Automation and Motion	444	463	-4%	17.2%	17.2%	487	459	6%
Low Voltage Products	355	386	-8%	19.8%	19.1%	443	458	-3%
Process Automation	278	296	-6%	13.2%	13.1%	386	313	23%
Power Products	410	467	-12%	14.5%	15.2%	518	802	-35%
Power Systems	49	(50)	n/a	2.4%	-2.2%	203	250	-19%
Corporate and other (incl. inter-division eliminations)	(156)	(144)				(204)	(190)	
ABB Group	1 380	1 418	-3%	13.3%	12.5%	1 833	2 092	-12%

Discrete Automation and Motion: The operational EBITDA margin was steady, as cost and productivity measures offset weaker margins in the Power-One solar inverter business compared to the same quarter a year earlier.

Low Voltage Products: The improved operational EBITDA margin reflects a combination of positive product mix as well as continued success to reduce cost and increase productivity.

Process Automation: The operational EBITDA margin remained steady compared to the same quarter a year earlier.

Power Products: Operational EBITDA and margin decreased compared with a high level a year ago, reflecting lower revenues, mix effects and increased investments in sales compared with the same quarter in 2013.

Power Systems: Operational EBITDA and margin improved as charges related to project delays and operational issues decreased significantly compared to the year-earlier period as a result of the success of ongoing measures to de-risk the business and focus on higher value-added projects.

Dividend and share buyback

ABB's Board of Directors has proposed to increase the dividend for 2014 by 0.02 Swiss francs to 0.72 Swiss francs per share, compared with 0.70 Swiss francs per share in the prior year. The proposal is in line with the company's dividend policy to pay a steadily rising, sustainable dividend over time.

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If approved by shareholders at the company's annual general meeting on April 30, 2015, the Board proposes that the dividend be paid in a tax efficient way in two tranches: one of 0.55 Swiss francs from ABB Ltd's capital contribution reserve in May 2015 and the other of 0.17 Swiss francs from a reduction in the nominal (par) value of the ABB share from 1.03 Swiss francs to 0.86 Swiss francs in July, 2015. Both forms of payment would be exempt from Swiss withholding tax.

For the dividend paid from ABB's capital contribution reserve, the ex-dividend date would be May 4, 2015 for American Depositary Shares traded on the New York Stock Exchange in the US, and May 5, 2015 for shares traded on the SIX Swiss Exchange and on the NASDAQ OMX exchange in Sweden. The payout dates would be May 7, 2015, for shares traded on the SIX Swiss Exchange, May 11 for shares traded on the NASDAQ OMX exchange in Sweden, and May 14 for American Depositary Shares traded on the New York Stock Exchange in the US.

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For the dividend from the nominal value reduction, the ex-dividend and payout dates in Switzerland are expected in July 2015, in line with Swiss regulatory processes. Further information will be made available on ABB's website in due course.

ABB announced a \$4-billion share buyback program in September 2014. During the fourth quarter, ABB purchased approximately 17 million shares under the program with a buyback value of approximately \$380 million. Since the program was announced, the company has purchased a total of approximately 33 million shares with a buyback value of approximately \$730 million.

Divestitures and portfolio pruning

In the fourth quarter, ABB completed the divestiture of its Full Service business for an undisclosed amount. The divestment, which was announced in August 2014, is in line with ABB's commitment to continuous portfolio optimization. In 2014, ABB raised more than \$1 billion in pre-tax proceeds from divesting businesses that have no substantial synergies with the rest of the portfolio. Divestitures and other portfolio pruning activities in 2014 and 2013 reduced 2014 revenues by approximately \$500 million compared with 2013.

Board changes

As announced in December, ABB Chairman Hubertus von Grünberg and Board member Michael Treschow have decided not to stand for re-election to the Board of Directors at the next annual general meeting.

Furthermore, the Board unanimously nominated Peter Voser to succeed von Grünberg as Chairman. Peter Voser was CEO of Royal Dutch Shell, one of the world's largest companies, from 2009 until the end of 2013. From 2002 to 2004, Voser was CFO of ABB and a key leader behind the successful turnaround and repositioning of the company for long-term profitable growth. Voser also brings a wealth of experience as a Board member of publicly listed companies such as Roche, UBS and Aegon.

As previously announced, ABB's Board of Directors has unanimously proposed David Constable as a new Board member. Constable is the President and CEO of Sasol Limited, a leading international integrated energy and chemicals company.

Shareholders will vote on both proposals at the company's next annual general meeting on April 30, 2015.

Next Level strategy

In September, ABB announced its Next Level strategy and financial targets for the 2015-2020 period aimed at accelerating sustainable value creation from its leading power and automation portfolio. The strategy builds on the three focus areas of profitable growth, relentless execution and business-led collaboration.

The focus of profitable growth is to shift the company's center of gravity towards greater competitiveness, higher organic growth and lower risk. ABB intends to drive organic growth through the PIE concept (penetration, innovation, expansion), further increase competitiveness in areas such as technology, service and software, and reduce intrinsic business risks by, for example, aligning business models more closely with ABB's core competencies. Organic growth will be complemented by incremental strategic acquisitions and partnerships. The recently-announced partnership with Hitachi is an example of partnership-based expansion into new segments.

ABB has been successful in relentlessly executing its programs to reduce costs and improve customer service. The company intends to broaden those efforts by developing a leading operating model across ABB, starting with the areas of white-collar productivity, net working capital management, and quality. For 2015, the completion of the Power Systems step change program will remain a high priority. Major Group-wide change

management will be implemented through 1,000-day programs that drive and coordinate change across all businesses and regions. The strategic objectives and targets have been explicitly linked to a new performance management and compensation model.

The main objectives of business-led collaboration are to increase focus on the company's markets and customers and to simplify how the organization works together. To achieve this, ABB has streamlined its regional organization—reducing the number of regions from eight to three—with regional management on the Executive Committee to bring ABB closer to the market. At the same time, roles and responsibilities have been clarified—including giving global business lines undiluted responsibility for their businesses—and processes put in place to strengthen cross-business collaboration.

The base for successful implementation of the strategy has already been laid. The Next Level strategic direction and targets are defined, broken down to individual businesses and widely communicated and accepted. The new organization structure is in place, including the 1,000-day program office and the appointment of the top 1,000 leaders.

The Next Level strategy includes the following financial targets: ABB expects to grow operational earnings per share (EPS) at a 10-15 percent compound annual growth rate (CAGR) and deliver attractive cash return on investment (CROI) in the mid-teens over the period 2015-2020. It targets to grow revenues on a like-for-like basis on average 4-7 percent per year over six years, faster than forecasted GDP and market growth. Over the same time period, ABB plans to steadily increase its profitability, measured in operational EBITA, within a bandwidth of 11-16 percent while targeting an average free cash flow conversion rate above 90 percent. The new financial targets took effect on January 1, 2015. The margin target for Power Systems will be in effect as of January 1, 2016, after concluding the step change program.

Outlook

The long-term demand outlook in ABB's three major customer sectors—utilities, industry, and transport and infrastructure—remains clearly positive. Key drivers are the big shift in the electricity value chain, industrial productivity improvements and Industry 4.0, as well as rapid urbanization and the need for energy efficiency in transport and infrastructure.

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, macroeconomic and geopolitical developments are signaling a mixed picture with increased uncertainty. Some macroeconomic signs in the US remain positive and growth in China is expected to continue. At the same time, the market remains impacted by slow growth in Europe and geopolitical tensions in various parts of the world.

Oil prices and foreign exchange effects

Current oil prices will influence customer operating and capital expenditures along the oil and gas value chain, and influence spending by many other ABB customer segments and government spending in different ways. Government spending on energy subsidies may be reallocated to

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other infrastructure development and certain customer segments will benefit from lower energy costs. However, the current oil price will have a dampening effect on the oil and gas value chain, mainly in the upstream sector.

Currency volatility has increased over the last 12 months, including the weakening of the Euro against the US dollar and Swiss franc. Changes in foreign exchange rates have two effects on ABB's financial results,

translational and structural. Translational impacts result from converting local-currency financial information from ABB companies around the world into US dollars at average exchange rates for the purpose of reporting results in US dollars. In the fourth quarter of 2014, the appreciation of the US dollar versus the same period in 2013 had a negative translation impact on orders of 5 percent and on revenues of 6 percent. If the exchange rate stays at current (February 2015) levels, ABB expects a negative translation effect to continue into 2015.

Structural effects are related to the export of products and services from one currency zone into another. ABB's well-balanced local operations (including sourcing) in all key markets mean these structural effects have a limited impact. Further, its policy to actively hedge all significant foreign exchange exposures means these effects are largely mitigated in the short to medium term.

More information

The 2014 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 and conference starting at 9:30 a.m. Central European Time (CET).

A conference call for analysts and investors is scheduled to begin today at 2:00 p.m. CET (1:00 p.m. GMT, 8:00 a.m. EST). 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 2015

First-quarter 2015 results	April 29, 2015
Annual General Meeting (Zurich, Switzerland)	April 30, 2015
Annual Information Meeting (Västerås, Sweden)	May 4, 2015
Second-quarter 2015 results	July 23, 2015
Third-quarter 2015 results	October 21, 2015

ABB (www.abb.com) is a leader in power and automation technologies that enable utility, industry, and transport and infrastructure customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in roughly 100 countries and employs about 140,000 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, including those in the Next Level strategy, Outlook and Oil prices and foreign exchange effects sections of this release. 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, is likely 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, February 5, 2015

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Key figures											
\$ millions unless otherwise indicated		Q4 14	Q4 13	US\$	Change			Change			
Orders	ABB Group	9 365	10 003	-6%	Local	Like-for-like (3)	FY 14	FY 13	US\$	Local	Like-for-like (3)
	Discrete										
	Automation and Motion	2 379	2 484	-4%	1%		1% 10 559	9 771	8%	10%	8%
	Low Voltage Products	1 722	1 844	-7%	0%		5% 7 550	7 696	-2%	0%	3%
	Process										
	Automation	1 907	2 024	-6%	2%		1% 8 577	8 000	7%	10%	13%
	Power Products	2 548	2 554	0%	5%		10 764	10 459	3%	5%	
	Power Systems	1 437	1 789	-20%	-14%		6 871	5 949	15%	20%	
	Corporate and other (incl. inter-division eliminations)	(628)	(692)				(2 806)	(2 979)			
Revenues	ABB Group	10 346	11 373	-9%	-3%		-1% 39 830	41 848	-5%	-2%	-2%
	Discrete										
	Automation and Motion	2 583	2 687	-4%	1%		1% 10 142	9 915	2%	4%	2%
	Low Voltage Products	1 793	2 022	-11%	-5%		2% 7 532	7 729	-3%	0%	3%
	Process										
	Automation	2 094	2 261	-7%	0%		1% 7 948	8 497	-6%	-4%	-1%
	Power Products	2 825	3 070	-8%	-2%		10 333	11 032	-6%	-4%	
	Power Systems	1 965	2 300	-15%	-9%		7 020	8 375	-16%	-13%	
	Corporate and other (incl. inter-division eliminations)	(914)	(967)				(3 145)	(3 700)			
Operational EBITDA	ABB Group	1 380	1 418	-3%			5 400	6 075	-11%		
	Discrete										
	Automation and Motion	444	463	-4%			1 760	1 783	-1%		
	Low Voltage Products	355	386	-8%			1 429	1 468	-3%		
	Process										
	Automation	278	296	-6%			1 029	1 096	-6%		
	Power Products	410	467	-12%			1 519	1 637	-7%		
	Power Systems	49	(50)	n/a			5	419	-99%		
	Corporate and other (incl. inter-division eliminations)	(156)	(144)				(342)	(328)			
Operational EBITDA %	ABB Group	13.3%	12.5%				13.5%	14.5%			
(3)	Discrete										
	Automation and Motion	17.2%	17.2%				17.4%	18.0%			
	Low Voltage Products	19.8%	19.1%				18.9%	19.0%			
	Process										
	Automation	13.2%	13.1%				12.9%	12.9%			
	Power Products	14.5%	15.2%				14.7%	14.8%			
	Power Systems	2.4%	-2.2%				0.1%	5.0%			
Income from operations	ABB Group	1 049	823	27%			4 178	4 387	-5%		
	Discrete										
	Automation and Motion	357	357	0%			1 422	1 458	-2%		
	Low Voltage Products	267	283	-6%			1 475	1 092	35%		
	Power Systems	353	263	34%			1 003	990	1%		

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	Process Automation						
	Power Products	330	356	-7%	1 204	1 331	-10%
	Power Systems	(47)	(169)	72%	(360)	171	n/a
	Corporate and other (<i>incl. inter-division eliminations</i>)	(211)	(267)		(566)	(655)	
Income from operations							
%	ABB Group	10.1%	7.2%		10.5%	10.5%	
	Discrete Automation and Motion	13.8%	13.3%		14.0%	14.7%	
	Low Voltage Products	14.9%	14.0%		19.6%	14.1%	
	Process Automation	16.9%	11.6%		12.6%	11.7%	
	Power Products	11.7%	11.6%		11.7%	12.1%	
	Power Systems	-2.4%	-7.3%		-5.1%	2.0%	

Operational EBITDA

\$ millions unless otherwise indicated	ABB		Discrete Automation and Motion		Low Voltage Products		Process Automation		Power Products		Power Systems	
	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13	Q4 14	Q4 13
Revenues	10 346	11 373	2 583	2 687	1 793	2 022	2 094	2 261	2 825	3 070	1 965	2 300
FX/commodity timing differences on Revenues	66	13	3	(2)	3	(1)	16	5	5	12	38	(1)
Operational revenues	10 412	11 386	2 586	2 685	1 796	2 021	2 110	2 266	2 830	3 082	2 003	2 299
Income from operations	1 049	823	357	357	267	283	353	263	330	356	(47)	(169)
Depreciation	211	227	39	42	46	50	16	17	49	53	20	23
Amortization	106	125	36	39	28	32	5	5	4	7	19	25
<i>including total acquisition-related amortization of</i>	90	104	34	36	26	30	6	3	3	5	16	22
Restructuring and restructuring-related expenses	93	158	11	12	16	14	17	17	16	28	29	85
Gains and losses on sale of businesses, acquisition-related expenses and certain non-operational items	(122)	89		14	(12)	7	(122)	(8)	6	9	2	3
FX/commodity timing differences in income from operations	43	(4)	1	(1)	10		9	2	5	14	26	(17)
Operational EBITDA	1 380	1 418	444	463	355	386	278	296	410	467	49	(50)
Operational EBITDA margin (%)	13.3%	12.5%	17.2%	17.2%	19.8%	19.1%	13.2%	13.1%	14.5%	15.2%	2.4%	-2.2%

Orders received and revenues by region

\$ millions unless otherwise indicated	Orders received			Change			Revenues			Change		
	FY 14	FY 13	US\$	Local	Like-for-like (3)	FY 14	FY 13	US\$	Local	Like-for-like (3)		
Europe	14 246	13 334	7%	9%	10%	13 674	14 385	-5%	-3%	-2%		
The Americas	11 957	11 365	5%	9%	9%	11 482	12 115	-5%	-2%	-1%		
Asia	11 215	10 331	9%	11%	11%	10 874	11 230	-3%	-1%	-1%		
Middle East and Africa	4 097	3 866	6%	9%	8%	3 800	4 118	-8%	-6%	-6%		
Group total	41 515	38 896	7%	9%	10%	39 830	41 848	-5%	-2%	-2%		

Endnotes

(1) Change on a like-for-like basis. See the Supplemental Financial Information attachment to the press release.

(2) See reconciliation of operational EBITDA to Income from continuing operations before taxes in Note 14 to the Interim Consolidated Financial Statements (unaudited).

(3) For non-GAAP measures, see the Supplemental Financial Information attachment to the press release.

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

Supplemental financial information

December 31, 2014

ABB presents the following financial measures to supplement its Interim Consolidated Financial Information (unaudited) which is prepared in accordance with United States generally accepted accounting principles (U.S. GAAP). These supplemental financial measures are, or may be, considered non-GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission (SEC).

While ABB's management believes that the non-GAAP financial measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP. Therefore these measures should not be viewed in isolation but considered together with the Interim Consolidated Financial Information (unaudited) prepared in accordance with U.S. GAAP as of and for the year and three months ended December 31, 2014.

Like-for-like Growth Rates

The like-for-like growth rates of revenues and orders are calculated by adjusting reported revenues and orders, in both the current and comparable periods, for the effects of currency translation and portfolio changes. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported revenues and orders of such business are adjusted to exclude the revenues and orders of any corresponding quarters which are not comparable when computing the like-for-like growth rate. In addition, certain other adjustments, which affect the business portfolio but do not qualify as a divestment, are treated in a similar manner to a divestment. We do not adjust for portfolio changes where the business acquired or divested has annual revenues of less than \$50 million.

Operational EBITDA margin

Definition

Operational EBITDA margin

Operational EBITDA margin is Operational EBITDA as a percentage of Operational revenues.

Operational EBITDA

Operational EBITDA represents Income from operations excluding depreciation and amortization, restructuring and restructuring-related expenses, gains and losses from sale of businesses, acquisition-related expenses and certain non-operational items, as well as foreign exchange/commodity timing differences in income from operations consisting of: (i) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

Operational revenues

Operational revenues are total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets).

Reconciliation

(\$ in millions, unless otherwise indicated)	Year ended December 31, 2014						Consolidated
	Discrete Automation and Motion	Low Voltage Products	Process Automation	Power Products	Power Systems	Corporate and Other and Intersegment elimination	
Total revenues	10,142	7,532	7,948	10,333	7,020	(3,145)	39,830
<i>Foreign exchange/commodity timing differences in total revenues:</i>							
Unrealized gains and losses on derivatives	10	19	9	33	168		239
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)		12	4	48	1	63
Unrealized foreign exchange movements on receivables (and related assets)	(13)	(5)	(11)	(13)	(47)		(89)
Operational revenues	10,137	7,546	7,958	10,357	7,189	(3,144)	40,043
Income (loss) from operations	1,422	1,475	1,003	1,204	(360)	(566)	4,178
Depreciation and amortization	309	301	88	217	175	215	1,305
Restructuring and restructuring-related expenses	25	45	43	51	63	8	235
Gains and losses from sale of businesses, acquisition-related expenses and certain non-operational items		(407)	(113)	16	12	10	(482)
<i>Foreign exchange/commodity timing differences in income from operations:</i>							
Unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives)	16	13	17	46	137	(6)	223
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	(2)		9	7	28		42
Unrealized foreign exchange movements on receivables/payables (and related assets/liabilities)	(10)	2	(18)	(22)	(50)	(3)	(101)
Operational EBITDA	1,760	1,429	1,029	1,519	5	(342)	5,400
Operational EBITDA margin (%)	17.4%	18.9%	12.9%	14.7%	0.1%		13.5%

(\$ in millions, unless otherwise indicated)	Year ended December 31, 2013					Corporate and Other and Intersegment elimination	Consolidated
	Discrete Automation and Motion	Low Voltage Products	Process Automation	Power Products	Power Systems		
Total revenues	9,915	7,729	8,497	11,032	8,375	(3,700)	41,848
<i>Foreign exchange/commodity timing differences in total revenues:</i>							
Unrealized gains and losses on derivatives	(9)	5	14	6	(1)		15
Realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized	1		7	7	(10)		5
Unrealized foreign exchange movements on receivables (and related assets)	(2)	(4)	(5)	(9)	5		(15)
Operational r							