

ABB asbestos case to be reviewed

Company confident of addressing outstanding issues promptly

Zurich, Switzerland, December 3, 2004 – The Third Circuit Court of Appeals in the United States has ruled that ABB's Chapter 11 Plan of Reorganization for its U.S. subsidiary, Combustion Engineering (CE) will be reviewed again by the District Court.

Under the Plan of Reorganization announced in January 2003, ABB offered a \$1.2 billion trust fund for claims against CE. It consisted of the assets of CE valued at \$812 million, about 30 million ABB shares, and cash contributions totalling about \$350 million. The plan was accepted by an overwhelming majority of claimants, and approved by both the Bankruptcy and District courts.

ABB said it was considering its options and fully expects to be able to resolve the issues raised by the Appeals Court, and will move quickly to do so.

In the meantime, CE remains in Chapter 11, and it and the ABB group remain protected from asbestos litigation by the Bankruptcy Court's injunction.

The Third Circuit Court of Appeals found that it was not appropriate to include Lummus Global and Basic Ltd in the Combustion Engineering Plan. ABB said it would look promptly at other mechanisms to deal with the insignificant asbestos exposure of these two companies.

“Given the fact that both the Bankruptcy and District Courts have approved the Combustion Engineering Plan of Reorganization, we are naturally surprised and disappointed at today's decision,” said Jürgen Dormann ABB chairman and CEO. “But we remain confident that we can resolve Combustion Engineering's asbestos liability within a Plan of Reorganization compatible with the Third Circuit's decision within a relatively short time frame and without significant additional cost.”

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 103,000 people.

ABB will host a telephone conference today for financial analysts, investors and the media starting at 10:00 Central European Time (CET). Callers from the U.K. should dial +44 20 7107 0611, from the rest of Europe, dial +41 91 610 56 00, and from the U.S. +1 866 291 4166. Lines will be open 15 minutes before the start of the conference. The audio playback of the conference call will start one hour after the end of the call and be available for 96 hours. Playback numbers: +44 207 866 4300 (U.K.), +41 91 612 4330 (rest of Europe) or +1 412 317 0088 (U.S.). The code is 285, followed by the # key.

For more information please contact:

Media relations :

ABB Corporate Communications, Zürich
Thomas Schmidt
Tel: +41 43 317 65 68
Fax: +41 43 317 79 58
Media.relations@ch.abb.com

Investor Relations :

Switzerland : Tel +41 43 317 3804
Sweden : Tel +46 21 325 719
USA : Tel +1 203 750 7743
Investor.relations@ch.abb.com