

ABB expands its power semiconductor business amid rising demand

Power switching devices improve control and efficient use of electricity

Zurich, Switzerland, March 29, 2010 – ABB, the leading power and automation technology group, has agreed to acquire the semiconductor business of Polovodiče a.s. in the Czech Republic. The additional production capacity for high-power semiconductors will help ABB to cope with the expected rising demand fueled by growth in renewable energy and efforts to improve energy efficiency.

Polovodiče a.s. has been making power semiconductors since the mid-1950s and had revenues in the low double-digit millions of US-Dollar, mostly from its power semiconductor activities. Together with the semiconductor assets about 200 employees with strong technical capabilities will join ABB. The parties agreed not to disclose the value of the transaction, which is subject to customary regulatory approvals.

Power semiconductors are switching devices that control the flow of electrical power and convert electricity into the wave form and frequency needed. They are at the heart of many leading ABB technologies such as high-voltage direct current (HVDC) transmission systems, variable speed drives and to connect renewable energy sources such as wind and solar to the electricity grid.

“Power semiconductors are central to the development of smarter electricity networks in which greater use of renewable energy is combined with better control of power flows for more reliability and efficiency,” said Peter Leupp, head of ABB’s Power Systems division. “The business of Polovodiče will strengthen our market position as one of the leading producers of power semiconductors.”

ABB is already investing \$150 million over three years to expand its semiconductor plant in Lenzburg, Switzerland. The acquisition will improve economies of scale at each facility and will increase flexibility of production and delivery.

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.

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