

## **ABB CEO Fred Kindle leaves company**

### *ABB pre-announces record 2007 results, doubling of dividend and share buyback*

Zurich, Switzerland, Feb. 13, 2008 – ABB Chief Executive Officer Fred Kindle is leaving the company due to irreconcilable differences about how to lead the company. The Board of Directors named Chief Financial Officer Michel Demaré as interim CEO.

Fred Kindle joined the company in September 2004 and took over as President and CEO in January 2005. He oversaw a period of strong organic growth and a return to profitability at ABB.

The Board fully supports the strategic targets announced in September 2007 and is confident in the Executive Committee's ability to drive the strategy forward. The Board will immediately begin the search for a successor.

“The Board is very thankful to Fred Kindle for driving the company to the extraordinary level of performance it achieved over the last three years,” Chairman Hubertus von Grünberg said. “He successfully streamlined and strengthened the company's operations around the world. Under his leadership, ABB today is a leading company in respect of growth, profitability and business ethics.”

Von Grünberg and Demaré will today host a telephone conference for the media, financial analysts and investors starting at 10 a.m. CET. The dial-in numbers are +41 91 610 5600 (Europe and rest of the world), +44 20 7107 0611 (U.K.), and +46 8 5069 2105 (Sweden). Participants should call in 10-15 minutes before the briefing starts.

In addition, ABB pre-announced full-year and fourth-quarter 2007 results.

Fourth-quarter orders received were \$8.9 billion (full-year 2007: \$34.3 billion). Fourth-quarter revenues amounted to \$8.7 billion (full-year 2007: \$29.2 billion). Earnings before interest and taxes (EBIT) in the quarter reached \$1.1 billion (full-year 2007: \$4 billion) and the EBIT margin increased to 13.1 percent from 11.1 percent a year earlier (full-year 2007: 13.8 percent).

Net income in the fourth quarter amounted to \$1.8 billion. Included in net income is a gain on the sale of ABB Lummus Global of \$530 million and a positive impact of \$475 million from the recognition of deferred tax assets. Full-year 2007 net income amounted to \$3.8 billion compared with \$1.4 billion in 2006.

The ABB Board of Directors will propose a dividend of 0.48 Swiss francs per share to the annual general meeting on May 8, 2008. The dividend will be in the form of a nominal value reduction.

In addition, the company has decided to start a share buyback program up to a maximum value of



2.2 billion francs, equivalent at current exchange rates to approximately \$2 billion. The share buyback is designed to allow shareholders to benefit from ABB's improved profitability and strong cash generation, while maintaining sufficient financial flexibility for the company's growth ambitions.

ABB will report its complete 2007 results and hold media and analyst briefings tomorrow, Thursday, Feb. 14, as scheduled.

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 more than 110,000 people.

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