

Reclassifications

Downstream oil, gas and petrochemicals reclassified to continuing operations Parts of power lines business reclassified to discontinued operations

ABB will reclassify its downstream oil, gas and petrochemicals business from discontinued operations into continuing operations, and reclassify part of its power lines business from the Power Technologies division into discontinued operations when it reports its full-year 2004 results on February 17.

The reclassifications, including restatements of prior years, are required under U.S. generally accepted accounting principles (US GAAP) and follow developments in the fourth quarter of 2004.

The reclassification of its downstream business – ABB Lummus Global – follows a U.S. court ruling in December, 2004. That ruling will have the effect of excluding asbestos claims related to ABB Lummus Global from a channeling injunction under a bankruptcy plan designed to resolve the asbestos liabilities of several ABB subsidiaries.

As a result, the planned divestment of ABB Lummus Global will be delayed while ABB pursues other options to resolve ABB Lummus Global's asbestos liabilities. Because of this delay, the business no longer qualifies as a discontinued operation under US GAAP.

ABB reclassified both its upstream and downstream oil, gas and petrochemicals businesses into discontinued operations in 2002, when the company announced its intention to sell the businesses. ABB completed the sale of the upstream business in the middle of 2004.

As a result of the reclassification, the revenues and corresponding earnings before interest and taxes (EBIT) from ABB Lummus Global will be included in the group's operational results. Previously, the unit's revenues and EBIT were excluded from operational results and only its net income or loss was reported in results from discontinued operations.

For the first nine months of 2004, ABB Lummus Global had revenues of approximately \$795 million and EBIT of about \$8 million, compared to revenues of \$1.5 billion and an EBIT loss of \$239 million for the same period in 2003. For the full year 2003, ABB Lummus Global had revenues of approximately \$1.9 billion and an EBIT loss of about \$290 million. For the third quarter of 2004, ABB Lummus Global reported revenues of \$249 million, an EBIT loss of \$10 million, and a net loss of \$12 million (all figures unaudited).

(Unaudited revenue and EBIT figures for ABB Lummus Global for the full years 2002 and 2003, the fourth quarter of 2003 and for each of the first three quarters of 2004 are included at the end of this notification.)

ABB Lummus Global serves the oil and gas, refining and petrochemicals industries. It comprises mainly an engineering, procurement and construction (EPC) business for both onshore and offshore activities, as well as a technology business.

In addition, ABB said it is reclassifying most of its power lines business – part of the Power Technologies division – to discontinued operations. The businesses being reclassified are in Brazil, which was closed in the fourth quarter of 2004, and Nigeria, whose sale was completed in January 2005. Also reclassified are the business in Italy, whose sale is near completion and in Germany, where the divestment is under way. ABB said it expects to report a loss on the divestments in the fourth quarter 2004 results.

For the first nine months of 2004, the power lines businesses that are being reclassified to discontinued operations had revenues of \$84 million, compared to \$145 million in the same period in 2003 and approximately \$190 million for the full year 2003. The power lines businesses remaining in continuing operations had revenues in the first nine months of 2004 of about \$20 million, compared to \$55 million in the same period in 2003 and \$66 million for the full year 2003 (all figures unaudited).

February 4, 2005

Appendix

Summary financial data for ABB Lummus Global 2002-Q3 2004
(unaudited)

<i>\$ in millions</i>	Q3 2004	Q2 2004	Q1 2004	Q4 2003	FY 2003	FY 2002
Revenues	249	345	199	336	1,876	2,314
EBIT	-10	14	4	-57	-296	-142

This notification includes forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements are based on our current expectations, estimates and projections and are generally identifiable by statements containing words such as "expects", "believes" and "estimates" or similar expressions. Historical results of operations for any period for ABB, ABB Lummus Global and each of the other business units discussed herein are not necessarily indicative of results of operations for any future period, including for the quarter and year ended December 31, 2004. The financial information relating to ABB Lummus Global and other business units referred to herein is unaudited. ABB expects to report its results of operations as of and for the year ended December 31, 2004 on February 17, 2005.

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