

## **ABB reaches agreement on term sheet for amended plan to settle asbestos issue**

### *Confirmation of amended plan required by bankruptcy court*

Zurich, Switzerland, March 21, 2005 -- ABB announced today that it has reached agreement on a term sheet that will form the basis for an amended plan of reorganization for Combustion Engineering (CE) and ABB Lummus Global to resolve the asbestos claims of both companies.

The term sheet is the result of recent intensive discussions between the company and the representatives of asbestos claimants and has been agreed to by Steven Kazan, the representative of certain cancer claimants, John Cooney and the official creditors committee of CE and other leading representatives of asbestos claimants, as well as David Austern, the futures' representative of the CE asbestos trust.

"I am pleased that the cooperative efforts of the parties involved have resulted in a commonly agreed proposal for an amended plan in this short period of time," said Fred Kindle, ABB President and CEO. "This agreement is a vital step towards a final resolution of our asbestos issue."

All parties to the term sheet believe the amended plan of reorganization will fully address the issues raised in the 3rd Circuit Court of Appeals decision of last December as well as the objections raised by certain asbestos claimants to the original plan.

The term sheet requires ABB to contribute an additional fixed amount of \$232 million to the trust fund. This contribution will be derived from the sale of ABB Lummus Global assets within two years of the plan's effective date or by a direct contribution from ABB.

The parties intend to cooperate to produce an amended plan of reorganization expeditiously, with a view to prompt confirmation by the bankruptcy court.

Given the subsequent nature of this event, ABB will revise its already published financial results for 2004 to incorporate the full impact of this amended plan.

**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 1 866 416 2558 (U.S.). The code is 367, followed by the # key.

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# Press Release



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