

For your business and technology editors

ABB reports irregularities at US software unit

Zurich, Switzerland, April 19, 2005 – ABB said today it has made a voluntary disclosure to the U.S. Department of Justice (DoJ) and the Securities and Exchange Commission (SEC) of certain suspect payments amounting to some \$560,000 made by employees of ABB network management, a specialized US-based subsidiary.

The suspect payments became apparent during an internal investigation following the dismissal of two managers from the company in mid-2004. The payments were made to intermediaries in Latin America and in the Middle East in connection with the company's business, which is control software for utility customers.

Fred Kindle, President and CEO of ABB, commenting on the disclosure said: "We have a zero tolerance policy on compliance and business ethics issues, take action quickly and report fully to underline our commitment to transparency and proper business conduct. Our enhanced compliance procedures helped us identify and address this issue."

Based in Sugarland, Texas, the company was acquired in January 1999, and employs about 150 people.

As is common practice in such cases, ABB will continue its investigation and compliance review of this business. ABB intends to cooperate fully with the DoJ and SEC review of this matter.

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 102,000 people.

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