

ABB publishes 2004 annual report

As previously announced, results revised following agreement on asbestos term sheet

Zurich, Switzerland, April 22, 2005 -- ABB today published its 2004 annual report, revising its previously announced full-year and fourth-quarter results to reflect the accounting impact of its recent agreement on a term sheet intended to resolve the asbestos claims of two U.S. subsidiaries, Combustion Engineering (CE) and ABB Lummus Global.

As announced on March 21 of this year, the term sheet agreement requires ABB to contribute an additional amount of approximately \$232 million to pay present and future asbestos claimants of CE and ABB Lummus Global. Under U.S. Generally Accepted Accounting Principles (US GAAP), ABB is required to account for this event in its 2004 full-year and fourth-quarter results.

As a result, and including some other related adjustments, ABB is now reporting a net loss for the full year 2004 of \$35 million, compared to the net income of \$201 million reported on February 17, 2005. For the fourth quarter of 2004, ABB is now reporting a net loss of \$223 million compared to the net income of \$13 million previously reported.

The additional provision was recorded on the income statement in the line "Loss from discontinued operations, net of tax." In the balance sheet, the additional provision was recorded in the line "Accrued liabilities and other." The change has no impact on any other line items in the income statement or balance sheet and does not impact net debt. Total cash flow from operations was also not impacted by the additional provision.

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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