



## **ABB outsources information systems to IBM**

*Ten-year contract helps ABB significantly reduce costs*

Zurich and Paris, July 28, 2003 – ABB and IBM said today that they reached a ten-year agreement to outsource close to 90 percent of ABB's information systems infrastructure operations – including the transfer to IBM of more than 1,200 employees.

The agreement is valued at US\$ 1.1 billion and builds on a well-established relationship between the two companies. The contract is part of ABB's strategy to focus on its core industrial businesses and will help ABB significantly reduce costs over the period. Combined with pilot contracts signed in the fourth quarter of 2001 for approximately \$US 600 million, the full value of the relationship will approach US\$1.7 billion over ten years.

“This long-term deal allows us to significantly take down costs, while benefiting from IBM's global expertise,” said Peter Voser, ABB's chief financial officer. “It benefits both ABB and IBM,” he said.

IBM Global Services will take responsibility for the operation and support of information systems (IS) infrastructure in 14 countries in Europe and North America – representing some 90 percent of ABB's IS infrastructure. The deal includes taking over the management of servers, operating systems, corporate networks, personal computers, and help desks.

Dominique Cerutti, general manager of IBM Global Services, Europe, Middle East and Africa, said: “In today's tough economic climate, this agreement represents a strong statement by ABB that it intends to expand its position as a leader in the manufacturing industry. This is a powerful alliance of leading players which will not only transform ABB's IT infrastructure, but over time it will bring to bear the full capabilities of IBM's research, consulting, and industry knowledge to create tangible, long term, business advantage for ABB.”

In addition to the 510 ABB employees already transferred under the Sweden and India pilots, the agreement will include the transfer of approximately 780 ABB employees to IBM. In most cases, this transfer of responsibilities will take place in September 2003. A small team will stay with ABB to oversee and coordinate activities with IBM.

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 impacts. The ABB Group of companies operates in around 100 countries and employs about 135,000 people.

IBM Global Services is the world's largest information technology services and consulting provider, generating over \$36 billion in 2002. Approximately 180,000 professionals serve customers in over 160 countries, providing the entire spectrum of customers' e-business needs -- from the business transformation and industry expertise of IBM Business Consulting Services to hosting, infrastructure, technology design and training services. IBM Global Services delivers integrated, flexible and resilient processes -- across companies and through business partners -- that enable customers to maximize the opportunities of an on-demand business environment

For further information please contact:

Thomas Schmidt  
ABB Corporate Communications, Zürich  
Tel: +41 43 317 6492  
Fax: +41 43 317 7958  
[media.relations@ch.abb.com](mailto:media.relations@ch.abb.com)

Gillian Kenny  
Media Relations Manager  
IBM Business Consulting Services and IBM Global Services, EMEA  
Tel: +44 (0) 20 7202 6264  
Mobile: +44 (0) 7764 290471  
Email: [kennyg@uk.ibm.com](mailto:kennyg@uk.ibm.com)

ABB Investor Relations:  
Switzerland: Tel. +41 43 317 3804  
Sweden: Tel. +46 21 325 719  
USA: Tel. + 1 203 750 7743  
[investor.relations@ch.abb.com](mailto:investor.relations@ch.abb.com)