

# Press Release



## ABB Q1 net income \$199 million

- Core division orders up 16 percent, revenues 15 percent higher
- Group EBIT up 58 percent to \$391 million, EBIT margin up to 7.7 percent
- Automation Technologies EBIT margin increases to 10.9 percent, Power Technologies EBIT margin slips to 7.6 percent
- Corporate cost development shows encouraging progress

### 2005 Q1 key figures (unaudited)

(US\$ in millions)		Q1 05	Q1 04 <sup>1</sup>	Change <sup>3</sup>
<b>Orders</b>	<b>Group</b>	<b>6,261</b>	<b>5,777</b>	<b>8%</b>
	Power Technologies	2,698	2,349	15%
	Automation Technologies	3,524	2,995	18%
<b>Revenues</b>	<b>Group</b>	<b>5,088</b>	<b>4,528</b>	<b>12%</b>
	Power Technologies	2,148	1,831	17%
	Automation Technologies	2,817	2,498	13%
<b>EBIT<sup>2</sup></b>	<b>Group</b>	<b>391</b>	<b>247</b>	<b>58%</b>
	Power Technologies	163	146	12%
	Automation Technologies	307	216	42%
	Non-core activities	9	0	na
	Corporate	(88)	(115)	
<b>EBIT margin</b>	<b>Group</b>	<b>7.7%</b>	<b>5.5%</b>	
	Power Technologies	7.6%	8.0%	
	Automation Technologies	10.9%	8.6%	
<b>Loss from discontinued operations</b>		<b>(16)</b>	<b>(88)</b>	
<b>Net income</b>		<b>199</b>	<b>1</b>	
<b>Basic net income per share</b>		<b>0.10</b>	<b>0.00</b>	

<sup>1</sup> Adjusted to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations, and of other activities to Discontinued operations in 2004. <sup>2</sup> Earnings before interest and taxes. <sup>3</sup> In U.S. dollars.

Zurich, Switzerland, April 28, 2005 – ABB today reported a strong performance in the first quarter of 2005, with higher orders and revenues and a 58-percent increase in group earnings before interest and taxes (EBIT) compared to the same period last year.

The group EBIT margin rose to 7.7 percent from 5.5 percent in the year-earlier period. As a result of the higher EBIT and smaller losses from discontinued operations, net income increased to \$199 million from a break-even result in the first quarter of 2004.

“We have made a strong start into 2005,” said Fred Kindle, ABB’s President and CEO. “Favorable market developments along with our ongoing focus on execution, improving operating efficiency and cutting corporate costs, have boosted our overall profitability.”

“We remain committed to achieving our group EBIT margin target of 7.7 percent this year, despite the margin slippage in Power Technologies and the increased costs we expect later in the year for productivity improvements and our preparations for the Sarbanes-Oxley Act.”

The EBIT gain was led by a strong performance in the Automation Technologies division, and was further supported by lower Corporate costs and improved performance from ABB’s oil and gas operations in Non-core activities. While the Power Technologies division also reported higher EBIT, continuing increases in raw material costs, along with other operational challenges, weakened the division’s EBIT margin compared to the same quarter in 2004. As a result of the ongoing volatility in the business, the 10-percent EBIT margin target for the Power Technologies division for 2005 can no longer be reaffirmed.

Cash flow from operations declined in the first quarter, partly the result of the traditional seasonal pattern of higher working capital needs in the two divisions early in the year, as well as cash outflows from Non-core activities. As a result, net debt increased in the first quarter by approximately \$180 million, although gross debt and gearing showed improvements compared to the end of the previous quarter.

## Summary of first quarter results

Group **orders received** in the first quarter of 2005 grew 8 percent to \$6,261 million (up 3 percent in local currencies). For the two divisions combined, orders received increased 16 percent (local currencies: 11 percent) to \$6,222 million.

Orders grew in most customer segments, including the power utilities, oil and gas, minerals and mining, and chemicals sectors. Regionally<sup>1</sup>, growth was strongest in the Americas, with orders up 35 percent to \$1,159 million, and in the Middle East and Africa, where orders rose 65 percent to \$584 million. Double-digit order growth in North America in the first quarter reflected the continuing improvement in demand for power transmission equipment, as well as ongoing growth in most of ABB's industrial customer segments. In South America, orders increased from low levels. In the Middle East, increased demand for power infrastructure and overall strong industrial development helped lift orders during the quarter.

Asian orders grew 12 percent (local currencies: 8 percent) in the quarter to \$1,411 million. A doubling of orders in India to approximately \$300 million more than offset an order reduction in China of about 20 percent to approximately \$500 million. Growth in India took place across most customer segments. In particular, the Power Technologies division won two large transformer orders during the first quarter. Orders in China were lower than in the first quarter of 2004, when orders were up more than 50 percent. Higher base orders in China in the quarter were more than offset by fewer large orders.

Orders in Europe were 6 percent lower at \$3,107 million (local currencies: down 12 percent) in the first quarter compared to the same quarter in 2004, as decreased orders from Power Technologies offset an increase in Automation Technologies.

Base orders (less than \$15 million) for the group increased by 11 percent (local currencies: 5 percent) in the first quarter and accounted for 88 percent of total orders received, compared to 87 percent of total orders in the first quarter of 2004. Large orders (more than \$15 million) were higher in the divisions than the same quarter in 2004, but decreased by 6 percent (local currencies: 11 percent) for the group, reflecting the lower large order intake in the first quarter of 2005 from the oil, gas and petrochemicals business, which is part of Non-core activities.

The order backlog for the group, including Non-core activities, at the end of the first quarter of 2005 was \$13,006 million, up 6 percent compared to the end of the fourth quarter of 2004 (local currencies: up 10 percent). The combined order backlog for the two divisions amounted to \$11,990 million at the end of March 2005, up 7 percent (local currencies: 11 percent) compared to the end of December, 2004.

Group **revenues** in the first quarter amounted to \$5,088 million, an increase of 12 percent (local currencies: 6 percent). For the two divisions combined, revenues were up 15 percent (local currencies: 9 percent).

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<sup>1</sup> ABB's regional reporting structure comprises four regions: Europe, Asia, the Middle East and Africa, and the Americas.

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Revenues were higher in all regions in the first quarter, with the largest increases in Asia – up 21 percent to \$1,080 million – and the Middle East and Africa – 22 percent higher at \$527 million. Within Asia, both China and India reported double-digit revenue growth in U.S. dollars and local currencies. Revenues were 9 percent higher in Europe (local currencies: 2 percent) at \$2,593 million, led by eastern Europe. Revenues increased 6 percent in the Americas (local currencies: 3 percent) to \$888 million, with growth in both North and South America.

Group **EBIT** was \$391 million in the first quarter of 2005, up 58 percent compared to the same period in 2004. The biggest contributor to the improvement was a \$91-million increase in EBIT from the Automation Technologies division.

Group EBIT includes Other income (expense), net, of \$52 million, compared to a loss of \$2 million in the year-earlier period. Of the \$52 million in this year's first quarter, \$20 million was capital gains, of which approximately \$17 million was on the sale of real estate. Income from equity accounted companies, licensing income and miscellaneous amounted to \$39 million compared to \$21 million in the year-earlier period. Most of the remaining difference in Other income (expense), net, reflects higher restructuring costs in the first quarter of 2004 associated with the Step Change productivity improvement program that was essentially completed at the end of the second quarter of 2004.

The **group EBIT margin** in the quarter rose to 7.7 percent compared to 5.5 percent in the same quarter of 2004. The EBIT margin in Automation Technologies increased to 10.9 percent from 8.6 percent, while the EBIT margin in the Power Technologies division decreased to 7.6 percent from 8.0 percent in the year-earlier period.

**Finance net**<sup>2</sup> was a net expense of \$41 million in the first quarter compared to a net expense of \$79 million in the first quarter of 2004. Finance net benefited from lower net interest expense in the quarter compared to the same period last year, from financial profits and from the non-recurrence of an expense related to dollar-denominated convertible bonds (“bifurcation”) following a change to the terms of the bonds in 2004 that eliminated the need for any further bifurcation. The bifurcation in the first quarter of 2004 resulted in an expense of \$35 million, comprising \$23 million on the mark-to-market of the equity option embedded in the bonds and \$12 million in amortization expense for the discount on the bonds. In the first quarter of 2005, there was no bifurcation expense but an amortization expense of \$7 million.

**Tax expense** amounted to \$115 million (effective tax rate of approximately 33 percent) in the first quarter of 2005 compared to \$65 million (effective tax rate of approximately 39 percent) in the first quarter of 2004. The reduction in the tax rate is mainly due to higher earnings in countries with lower tax rates or usage of accumulated tax losses.

The net loss in **Discontinued operations** amounted to \$16 million, compared to a net loss of \$88 million in the first quarter of 2004. The loss in the first quarter of 2005 included an \$18-million expense on the mark-to-market treatment of the approximately 30 million ABB shares reserved to cover part of the company's asbestos liabilities. The loss in the first quarter of 2004 included \$30 million related to the sale of the reinsurance business. (For more details on Discontinued operations, please refer to page 9 of this press release).

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<sup>2</sup> Finance net is the difference between interest and dividend income and interest and other finance expense.

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ABB's **net income** for the first quarter amounted to \$199 million, compared to net income of \$1 million for the same period in 2004.

## Balance sheet

Cash and marketable securities at the end of March 2005 amounted to \$3.7 billion (excluding Discontinued operations), down from \$4.2 billion at the end of December 2004. The reduction reflects primarily cash used in operating activities in the first quarter (\$235 million), purchases of property, plant and equipment (\$79 million) and cash outflows relating to the repayment of maturing debt (\$179 million).

At the end of March 2005, total debt (defined as total short and long-term borrowings) amounted to \$5.2 billion, compared to \$5.5 billion at December 31, 2004. Included in ABB's total debt is approximately \$200 million in bonds due for repayment in the third quarter of 2005.

Gearing, defined as total debt divided by total debt plus stockholders' equity (including minority interest), was 61 percent at the end of March 2005, compared to 64 percent at the end of the previous quarter.

Net debt (cash and marketable securities less total debt) was \$1.5 billion, up from \$1.3 billion at the end of the fourth quarter of 2004. The increase in net debt in the first quarter of 2005 reflects cash used in operating activities.

Stockholders' equity at March 31, 2005, was \$2,994 million compared to \$2,824 million at the end of December 2004.

## Cash flow from operating activities\*

*(unaudited)*

\$ in millions	Q1 2005	Q1 2004	Change
Power Technologies	(73)	(57)	(16)
Automation Technologies	67	97	(30)
Non-core activities	(124)	7	(131)
Corporate	(105)	(175)	70
<b>Net cash used in operating activities</b>	<b>(235)</b>	<b>(128)</b>	<b>(107)</b>

\* Includes cash flows from items classified as Discontinued operations.

Net cash used in operations for the group in the first quarter of 2005 was \$235 million, an increase of \$107 million compared to the first quarter of 2004.

The two divisions reported cash used in the quarter of \$6 million, compared to cash generated of \$40 million for the same period in 2004. The biggest factor in the cash reduction was the faster increase in net working capital in the first quarter of 2005 resulting from strong growth in orders and revenues, compared to the same quarter in 2004. In particular, inventories were higher and advance payments from customers decreased. However, net working capital as a percentage of revenues decreased in the two divisions in the first quarter of 2005 compared to the same quarter in 2004.

Non-core activities reported cash used of \$124 million in the quarter compared to positive cash flow of \$7 million in the first quarter of 2004. Non-core cash flow in the first quarter of 2005 was affected by cash payouts of \$16 million related to provisions taken in the fourth quarter of 2004, a cash payment of \$21 million related to the settlement of the sale of the upstream oil and gas business, and cash used of \$45 million in the oil, gas and petrochemicals

business. Last year's cash flow from operating activities was positively impacted by a special dividend of approximately \$60 million from the Jorf Lasfar power plant investment in Morocco and \$40 million in positive cash flow from the reinsurance business that has since been divested.

Cash used by Corporate decreased by \$70 million in the quarter compared to the same period in 2004. The improvement is mainly due to a \$20-million reduction in asbestos payments compared to the year-earlier period and approximately \$30 million of positive cash flow related to the settlement of derivatives transactions in the group treasury operations.

## **Employees**

As of March 31, 2005, ABB employed approximately 102,000 people, about the same as at the end of the fourth quarter of 2004. Compared to the year-earlier period, ABB employed 11,000 fewer people, mainly the result of divestitures.

## **Asbestos**

On March 21, 2005, ABB announced that it had reached agreement on certain "settlement points" that would form the basis for an amended plan of reorganization for its U.S. subsidiaries, Combustion Engineering (CE) and ABB Lummus Global Inc., to resolve the asbestos claims of both companies. The agreement for modifying the CE Plan is intended to bring it into conformity with the U.S. Third Circuit Court of Appeals decision of December 2, 2004.

The 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 Inc. This additional amount, as well as some related adjustments, was accounted for in the full-year 2004 results published on April 22 of this year in the company's annual report.

In a status conference on April 5, 2005, a U.S. bankruptcy court instructed ABB to submit the documentation relating to the modified CE plan and the ABB Lummus Global plan to the court within approximately 60 days. ABB and various other interested parties are now working to prepare these submissions to the court.

## **Group outlook**

When reporting its fourth-quarter and full-year 2004 results on February 17, 2005, ABB adjusted its 2005 group EBIT margin target to 7.7 percent from 8.0 percent to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations. The company maintained its other growth and profitability targets.

From 2002 through to the end of 2005, ABB expects compound average annual revenue growth of 4 percent in local currencies. The Power Technologies division expects compound average annual revenue growth of 5.3 percent in local currencies. The Automation Technologies division expects compound average annual revenue growth of 3.3 percent in local currencies.

The 2005 EBIT margin target for the Automation Technologies division remains unchanged at 10.7 percent. While the Power Technologies division has made substantial operational improvements in recent months, ongoing volatility in the business has made the achievement of its 10-percent EBIT margin target for 2005 unlikely. Therefore, the 10-percent EBIT margin target can no longer be reaffirmed.

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The company reaffirms the group EBIT margin target of 7.7 percent for 2005.

The company continues to reduce its financial obligations, including its securitization programs. The focus will be on taking actions that create the most economic value for the company rather than achieving particular ratios.

Revenue and margin targets exclude major acquisitions, divestitures and business closures.

## Release of new targets

ABB plans to publish in early September, 2005, new financial performance targets covering the period from 2006 to 2009.

## Divisional performance Q1 2005

### Power Technologies

(unaudited)

\$ in millions (except where indicated)	Q1 2005	Q1 2004 <sup>1</sup>	Change
Orders	2,698	2,349	15%
Revenues	2,148	1,831	17%
EBIT	163	146	12%
EBIT margin	7.6%	8.0%	

<sup>1</sup> Adjusted to reflect the move of activities to Discontinued operations in 2004.

As of January 1, 2005, the Power Technologies division comprises two business areas. The Power Technology Products business area incorporates ABB's manufacturing network for power technologies, such as switchgear, breakers, transformers and cables. The Power Technology Systems business area offers systems for power transmission and distribution grids, and for power plants.

Orders received in the Power Technologies division rose 15 percent to \$2,698 million in the first quarter of 2005 (local currencies: up 10 percent).

Orders increased in the Power Technology Products business area in both U.S. dollars and local currencies, as demand from power utilities continued to improve in all regions. The strongest growth was in the Middle East and Africa, and Asia. The biggest increase in Asia was in India, where orders more than doubled compared to the year-earlier period. The increase in India more than offset a decrease in China. Orders increased in the Americas – both North and South – led by the U.S. Orders were higher in Europe in both U.S. dollars and local currencies as demand continued to improve in most customer segments.

Orders received in the Power Technology Systems business area were flat in U.S. dollars and lower in local currencies compared to the first quarter of 2004, as higher large system orders offset lower base orders. Orders grew strongly in the Middle East and Africa in the first quarter, but were lower in most other regions. Orders in Asia were lower as a decrease in China more than offset strong growth in India that included about \$80 million in orders for large transformers. In the Americas, orders were down, as a small increase (flat in local currencies) in system orders in South America could not make up for a decrease in North America. Orders in Europe were down as the result of lower large orders in eastern Europe.

The order backlog at the end of the first quarter of 2005 amounted to \$7,066 million, an increase of 4 percent (local currencies: 7 percent) compared to the end of the previous quarter.

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Revenues in the quarter were \$2,148 million, 17 percent higher than the year-earlier period (local currencies: up 12 percent). The increase reflects continued growth in product sales and revenues from a number of large orders won in 2004. Revenues grew at a double-digit pace in the products business in both U.S. dollars and local currencies. Revenues were also higher in both U.S. dollars and local currencies in the systems business.

Regionally, revenue growth was strongest in Asia (driven by China) and the Middle East and Africa. Revenues were unchanged in North America as increased product sales, especially in the medium-voltage area, were offset by lower system revenues. In South America, revenues grew at a double-digit pace in both U.S. dollars and local currencies from a low base. Revenues were higher in Europe in U.S. dollars but flat in local currencies.

First-quarter earnings before interest and taxes (EBIT) increased by 12 percent to \$163 million compared to the year-earlier period, reflecting both the strong revenue improvement and lower restructuring costs. EBIT was higher in Power Technology Systems and flat in Power Technology Products, as lower EBIT in the transformers business offset improvements in the medium-voltage and high-voltage businesses. Despite ongoing price increases, hedging activities and low-cost sourcing initiatives, the continuing increases in raw material costs, especially for oil and electrical steel, reduced EBIT in the transformer business by approximately \$15 million in the quarter compared to the first quarter in 2004.

The EBIT margin in the quarter was 7.6 percent compared to 8.0 percent in the first quarter of 2004. The negative impact of higher raw material costs, along with some other operational challenges, more than offset the reduction in restructuring costs in the division compared to the year-earlier period and the improved EBIT margin in the systems business that resulted from improved capacity utilization and lower costs.

Cash used by operations for the division amounted to \$73 million, compared to cash used of \$57 million in the same quarter in 2004. Higher working capital requirements resulting from growing revenues were the main contributors to the reduction in cash flow.

## Automation Technologies

*(unaudited)*

\$ in millions (except where indicated)	Q1 2005	Q1 2004 <sup>1</sup>	Change
Orders	3,524	2,995	18%
Revenues	2,817	2,498	13%
EBIT	307	216	42%
EBIT margin	10.9%	8.6%	

<sup>1</sup> Adjusted to reflect the move of activities to Discontinued operations in 2004.

The Automation Technologies division reported an 18-percent increase in orders in the first quarter of 2005 to \$3,524 million compared to the same quarter last year (local currencies: up 11 percent). Orders were higher in all business areas in both U.S. dollars and local currencies. Base orders grew and large orders increased substantially.

The strongest order growth was seen in the Process Automation and Manufacturing Automation business areas, mainly reflecting continued overall strong demand from the oil, gas and petrochemicals, metals and mining, and chemicals sectors, as well as orders resulting from the frame agreement signed in 2004 to supply robotics products and systems to DaimlerChrysler in the U.S. The Manufacturing Automation business area also saw a double-digit increase in orders during the quarter from non-automotive customers, such as packaging

and electronics manufacturing companies. Demand in the Automation Products business area continued to improve, with order growth from industrial customers more than offsetting lower orders in the building and construction sector.

Customer spending in pulp and paper has reached a bottom and ABB's order intake has stabilized at relatively low levels, while orders from the marine-related turbocharging market remained strong, driven by new shipbuilding.

Regionally, order growth was strongest in the Americas – both North and South America – and the Middle East and Africa in the first quarter. Order growth in Asia was more modest than in the same period in 2004, when orders in both India and China increased by more than 50 percent. In the first quarter of this year, orders in India grew strongly in the Automation Products and Process Automation business areas, with particular growth in the chemicals sector. In China, orders in Process Automation were lower than the high levels in the same period a year before, mainly in the minerals sector. This more than offset higher Automation Products orders in China. Orders in Europe were higher in U.S. dollars and local currencies, with moderate growth in western Europe and strong growth in eastern Europe.

The order backlog at the end of the first quarter amounted to \$4,924 million, an increase of 15 percent (local currencies: 19 percent) compared to the end of the previous quarter.

Revenues rose 13 percent (local currencies: 7 percent) to \$2,817 million compared to the first quarter of 2004. Revenues were higher in all business areas in both U.S. dollars and local currencies, with the strongest growth in Automation Products. The Manufacturing Automation business area benefited from strong product sales during the quarter, in both the U.S. and Europe, and revenues from a number of large orders taken in late 2004.

Regionally, the strongest revenue growth was seen in Asia, with both China and India showing improvements in the quarter across all business areas in both U.S. dollars and local currencies. Revenues were also up strongly in the Americas, led by North America. In Europe, revenues were higher in U.S. dollars and flat in local currencies. Revenue growth was strong in eastern Europe but lower in western Europe in local currencies.

Earnings before interest and taxes (EBIT) grew 42 percent to \$307 million compared to the same quarter in 2004. All business areas reported higher EBIT reflecting higher revenues, ongoing productivity improvements, and lower restructuring costs. As a result, the EBIT margin increased to 10.9 percent from 8.6 percent in the first quarter of last year. It was the tenth consecutive quarter of higher EBIT and revenues for Automation Technologies.

Cash flow from operations for the division amounted to \$67 million, down from \$97 million in the first quarter of 2004, primarily the result of higher working capital needs across all business areas resulting from strong revenue growth.

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## Non-core activities

(unaudited)

EBIT (\$ in millions)	Q1 2005	Q1 2004 <sup>1</sup>
Oil, gas and petrochemicals	9	1
Building Systems	(19)	(17)
Equity Ventures	23	22
Other non-core activities <sup>2</sup>	(4)	(6)
<b>Total</b>	<b>9</b>	<b>0</b>

<sup>1</sup> Adjusted to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations, and of other activities to Discontinued operations in 2004. <sup>2</sup> Comprises mainly remaining Structured Finance and New Ventures activities.

EBIT from Non-core activities amounted to \$9 million in the first quarter, compared to a zero result in the first quarter of 2004. EBIT in the oil, gas and petrochemicals business rose in the first quarter compared to the low levels seen in the same quarter a year ago, reflecting a strong increase in revenues, operational improvements undertaken in the business over the past two years and the change in strategy to lower-risk reimbursable contracts rather than large scope fixed-price contracts.

The loss in Building Systems in the first quarter of 2005 is the result of weak market conditions and further restructuring costs in Germany, as well as costs related to winding down the business in other countries.

## Corporate

(unaudited)

EBIT (\$ in millions)	Q1 2005	Q1 2004 <sup>1</sup>
Headquarters/stewardship	(79)	(99)
Research and development	(23)	(21)
Other <sup>2</sup>	14	5
<b>Total</b>	<b>(88)</b>	<b>(115)</b>

<sup>1</sup> Adjusted to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations, and of other activities to Discontinued operations in 2004. <sup>2</sup> Includes consolidation effects, real estate and treasury services.

Lower corporate costs in the first quarter of 2005 reflect the ongoing efforts to cut headquarters spending as well as capital gains of \$17 million realized on the sale of real estate, reported in the line "Other," above. In addition, the program to prepare ABB for the Sarbanes-Oxley Act will have an increased impact on Corporate costs in the coming quarters.

## Discontinued operations (not included in EBIT)

(unaudited)

\$ in millions	Q1 2005	Q1 2004 <sup>1</sup>
Asbestos	(19)	(27)
Power lines	(3)	(9)
Other <sup>2</sup>	6	(52)
<b>Net loss</b>	<b>(16)</b>	<b>(88)</b>

<sup>1</sup> Adjusted to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations, and of other activities to Discontinued operations in 2004. <sup>2</sup> Comprises the divested reinsurance, upstream oil and gas, metering and wind energy businesses.

The net loss from Discontinued operations amounted to \$16 million in the first quarter compared to \$88 million in the same quarter last year. The asbestos result is primarily due to an \$18-million expense on the mark-to-market treatment of the approximately 30 million ABB shares reserved to cover part of the company's asbestos liabilities, compared to an expense of \$24 million reported in the first quarter of 2004. Also contributing to the improvement were the non-recurrence of the \$30-million loss in the reinsurance business and lower expenses associated with the upstream oil and gas business, both of which were divested during 2004.

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## Appendix

ABB Group Q1 results 2005

### ABB key figures Q1 2005

\$ in millions		Q1 2005	Q1 2004 <sup>1</sup>	% change	
				US\$	Local
<b>Orders</b>	<b>Group</b>	<b>6,261</b>	<b>5,777</b>	<b>8%</b>	<b>3%</b>
	Power Technologies	2,698	2,349	15%	10%
	Automation Technologies	3,524	2,995	18%	11%
	Non-core activities	267	619	(57%)	(60%)
	Corporate	(228)	(186)	--	--
<b>Revenues</b>	<b>Group</b>	<b>5,088</b>	<b>4,528</b>	<b>12%</b>	<b>6%</b>
	Power Technologies	2,148	1,831	17%	12%
	Automation Technologies	2,817	2,498	13%	7%
	Non-core activities	337	387	(13%)	(21%)
	Corporate	(214)	(188)	--	--
<b>EBIT<sup>2</sup></b>	<b>Group</b>	<b>391</b>	<b>247</b>	<b>58%</b>	
	Power Technologies	163	146	12%	
	Automation Technologies	307	216	42%	
	Non-core activities	9	0	--	
	Corporate	(88)	(115)	--	
<b>EBIT margin</b>	<b>Group</b>	<b>7.7%</b>	<b>5.5%</b>		
	Power Technologies	7.6%	8.0%		
	Automation Technologies	10.9%	8.6%		
	Non-core activities	--	--		
	Corporate	--	--		
<b>Net income</b>		<b>199</b>	<b>1</b>		

<sup>1</sup> Adjusted to reflect the reclassification of the oil, gas and petrochemicals business to continuing operations, and of other activities to Discontinued operations in 2004. <sup>2</sup> Earnings before interest and taxes. See Summary Financial Information for more information.

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## More information

The 2005 Q1 results press release and presentation slides are available from April 28, 2005 on the ABB News Center at [www.abb.com/news](http://www.abb.com/news) and on the Investor Relations homepage at [www.abb.com/investorrelations](http://www.abb.com/investorrelations).

ABB will host a telephone conference for journalists today starting at 1000 Central European Time (CET). Callers from the UK should dial +44 20 7107 0611. From Sweden, dial +46 8 5069 2105, and from the rest of Europe, please dial +41 91 610 56 00. 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 72 hours: Playback numbers: +44 207 108 6233 (U.K.), +41 91 612 4330 (rest of Europe) or +1 866 416 2558 (U.S.). The code is 950, followed by the # key.

A conference call for analysts and investors is scheduled to begin at 1500 CET. Callers should dial +1 412 858 4600 (from the U.S.) or +41 91 610 56 00 (Europe and the rest of the world). Callers are requested to phone in ten minutes before the start of the conference call. 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: +1 412 317 0088 (U.S.) or +41 91 612 4330 (Europe and the rest of the world). The code is 533 followed by the # key.

Further reporting dates for quarterly results in 2005 are July 28 and October 28 (changed from October 27, as originally announced).

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 impact. The ABB Group of companies operates in around 100 countries and employs about 102,000 people.

Zurich, April 28, 2005  
Fred Kindle, CEO

## Important notice about forward-looking information

This press release includes forward-looking information and statements including statements concerning the outlook, debt reduction and revenue and margin targets for our businesses and statements about the future process and expense of resolving asbestos liability. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, the economic conditions of the regions and industries that are major markets for ABB Ltd and ABB Ltd's lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects," "believes," "estimates," "targets" or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release. The important factors that could cause such differences include, among others, ABB's ability to dispose of certain of our non-core businesses on terms and conditions acceptable to it, ABB's ability to further reduce its indebtedness, the terms and conditions on which asbestos claims can be resolved, the amount of revenues we are able to generate from backlog and orders received, trends in raw materials prices, economic and market conditions in the geographic areas and industries that are major markets for ABB's businesses, market acceptance of new products and services, changes in governmental regulations and costs associated with compliance activities, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in ABB's filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

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