

ABB nominates two new board members

Seeks AGM approval to change articles for authorized and contingent capital

Zurich, Switzerland, April 14, 2003 - ABB said today it has nominated two new board members for election at its annual general meeting (AGM) on May 16, 2003, and will seek shareholder approval to amend its articles of incorporation to allow the reinstatement of authorized share capital and an extension in its contingent share capital in order to secure greater financial flexibility.

The two proposed new board members are Louis R. Hughes, 54, a U.S. citizen, who is a retired executive vice president of General Motors Corporation, and Michael Treschow, 59, chairman of Ericsson, a Swedish citizen.

The current board members – Roger Agnelli, Jürgen Dormann, Hans Ulrich Märki, Michel de Rosen, Bernd W. Voss and Jacob Wallenberg – stand for re-election.

The board intends to re-elect Dormann as its chairman, and to appoint Wallenberg as its lead director. The lead director has a coordinating board role in companies, like ABB, where the chairman of the board is also the chief executive.

The AGM will be asked to approval to amend the articles of incorporation to allow the creation of CHF 250 million in authorized share capital by issuing up to 100 million shares. The capital would replace CHF 100 million of authorized share capital that expired in June 2001.

ABB said a portion of the proposed authorized share capital would be used to fulfill its obligation to transfer some 30 million ABB shares to the Asbestos Personal Injury Trust, under the pre-packaged plan of reorganization of its U.S. subsidiary, Combustion Engineering. The remaining shares may be issued as deemed appropriate by the board of directors.

In addition, the board will propose at the AGM to change the article of incorporation to allow an increase in ABB's contingent share capital from CHF 200 million to CHF 750 million – enabling the issue of 300 million ABB shares – and to extend the potential use of the contingent share capital for new financial instruments, if needed. ABB's board of directors said it believes this is a prudent measure to ensure flexibility in obtaining funding beyond current sources.

The company said that it may use up to 80 million shares for ABB employee share ownership plans and up to ten million shares for warrant rights granted to ABB shareholders. Up to 210 million shares may be used in conversion rights or warrants related bonds or other financial instruments, should that be necessary, ABB said.

Details of the proposals are included in the invitation to the AGM that will be sent to shareholders tomorrow.



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 139,000 people.

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