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Sale of Structured Finance business

Teleconference for analysts and
investors

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Safe Harbor Statement

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Terms of the transaction: Summary

- ABB sells assets of US\$ 3.8 billion of its Structured Finance business to GE Commercial Finance (GE CF)
- GE CF assumes liabilities of US\$ 1.2 billion
- ABB total cash proceeds about US\$ 2.3 billion
 - GE CF pays approx. US\$ 0.4 billion for equity
(about 2 % discount on underlying book value of loan and lease portfolio)
 - GE CF pays US\$ 1.9 billion to cover Structured Finance (SF) net debt
(US\$ 2.1 billion in debt less US\$ 0.2 billion cash already on SF's balance sheet)
 - Less transaction costs
- Book loss of about US\$ 125 million* (2 percent discount on book value of loan and lease portfolio, transaction costs and provisions)
- Subject to customary regulatory approvals

* To be booked in income from discontinued operations and will not affect EBIT

Asset value June 30 2002, Structured Finance

Asset value	Business/Company	Future plans
3.8 BUS\$*	Sold: Global infrastructure financing, equipment leasing and financing businesses to GE CF	
0.9 BUS\$	Not sold: Activities directly related to ABB operations	to be kept (as previously announced)
0.9 BUS\$	Not sold: Aircraft leasing portfolio, Swedish Export Credit Corporation (35% participation), Export Bank, Switzerland	to be sold (est. net debt reduction potential of about 0.25 BUS\$)
5.6 BUS\$**	Total assets Structured Finance	

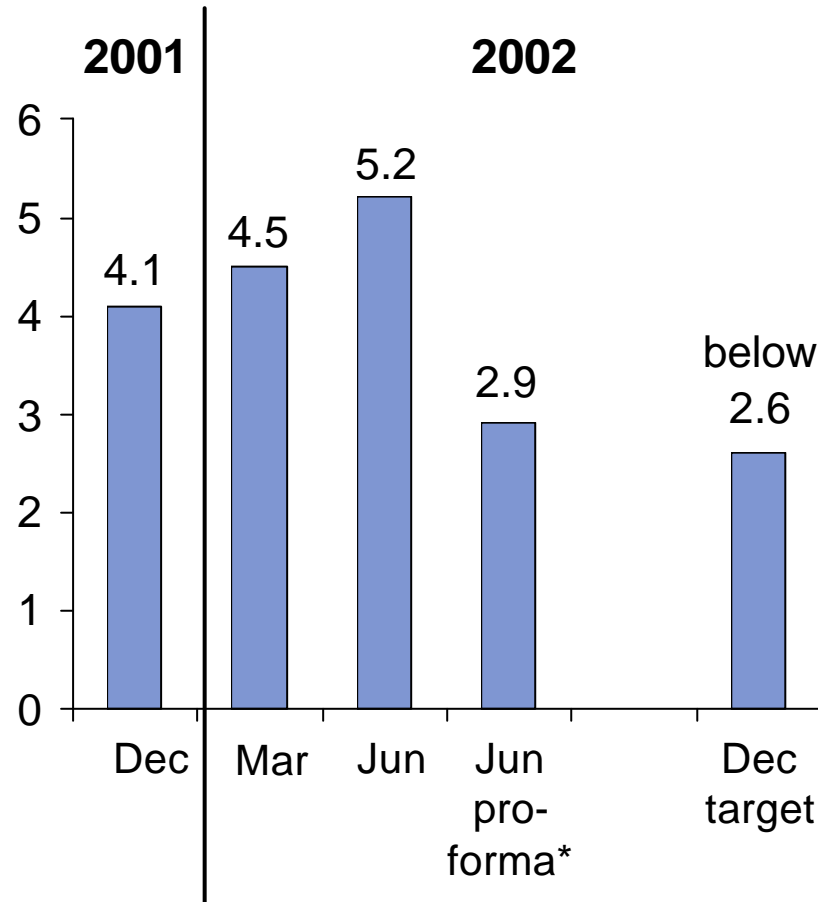
* GE CF has an option on specific contracts (about 5% of the acquired assets) to return them to ABB by the end of 2003.

** of which 4.9 is loan and lease portfolio.



Net debt development

(BUS\$)



Net debt reduction in H2 2002 through

- 2.3 BUS\$ from Structured Finance disposal
- more than 0.3 BUS\$ from cash flow and asset sales, including additional real estate sales

* Pro-forma figure corresponds to net debt adjusted for expected net debt reduction from the sale of Structured Finance. Sale is subject to customary regulatory approvals

Expected short-term debt at September 30, 2002* and sources to cover

Short-term debt at June 30, 2002	4.0
Expected short-term debt at September 30, 2002	3.7
Other short-term debt***	(0.8)
Exp. short-term debt to cover at September 30, 2002	2.9

Structured Finance sale**	2.3
H2 cash flow and asset sales	>0.3
Sources to cover:	>2.6

Further sources:

- Existing liquidity
- Working capital facilities
- Operational cash flow 2003
- Additional asset sales 2003

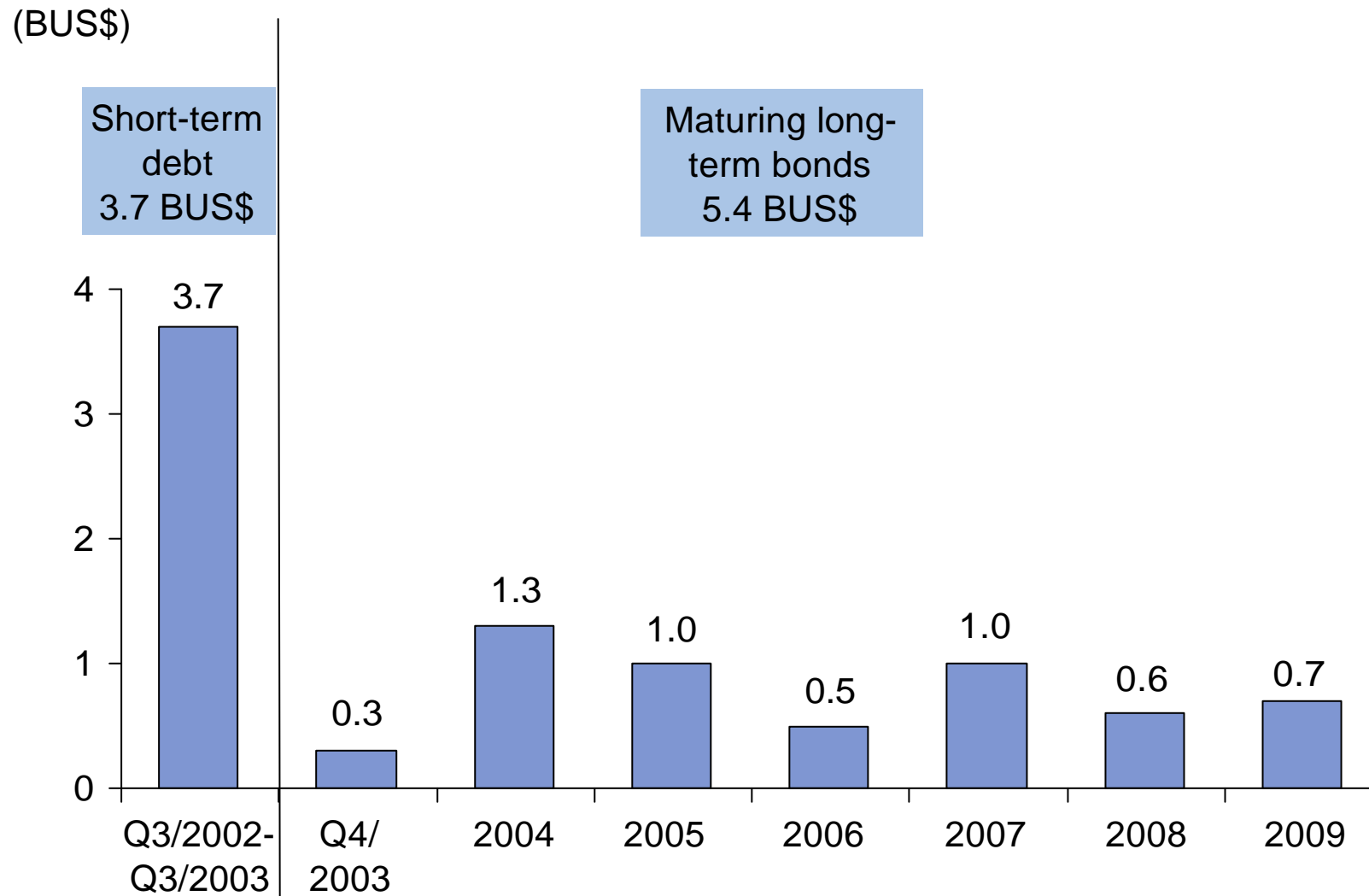
* Short-term debt defined as debt maturing within one year

** Subject to customary regulatory approvals

*** Mainly working capital facilities



Expected maturity profile of debt at September 30, 2002



Group outlook reaffirmed

	2001	2002E	2005E
Revenues	8%	flat	6%*
EBIT margin (nominal)	1.2%	4% - 5%	9% - 10%

Excluding currency effects and major acquisitions/divestments

- For 2002 we aim at reducing net debt by at least US\$ 1.5 billion
- EBIT and net cash from operations expected to be stronger in second half of 2002 than in first half

Appendix

Cash proceeds of about 2.3 BUS\$

(BUS\$)

Assets: 3.8	Debt: 2.1
	Other liabilities: 1.2
	Equity: 0.5



Purchase price for equity
approx. 0.4 BUS\$

+

Payment to cover Structured
Finance net debt
1.9 BUS\$

-

Transaction costs

=

about 2.3 BUS\$

Cash: 0.2	Debt: 2.1
Loan and lease receivables portfolio: 3.4	Other liabilities: 1.2
Other assets: 0.2	Equity: 0.5



Accounting treatment before closing of the transaction (Q3)

Balance sheet:

- All assets to be divested to GE CF will be booked in “assets held for sale”
- All liabilities to be divested to GE CF will be be booked in “liabilities held for sale”

Income statement:

- All 9 month earnings of SF business to be divested to GE CF and the book loss on the sale will be reported below the EBIT-line and below “income from continuing operations” in “income from discontinued operations.”

Accounting treatment after closing of the transaction (expected Q4)

Balance sheet:

- All assets and liabilities divested to GE CF will be removed

Income statement:

- All earnings up to disposal of SF business divested to GE CF and the final book loss from the sale will be reported below the EBIT-line and below “income from continuing operations” in “income from discontinued operations.”

All earnings of SF business divested to GE CF and the final book loss are not included in the revenues and EBIT-margin target for 2002