

ABB divests railway project business for US\$ 38 million

Company says strategic move supports focus on core businesses

Zurich, Switzerland, December 21, 2001 – ABB said today that it is selling its railway electrification project business (overhead contact line) to Balfour Beatty Plc for US\$ 38 million as part of its strategy to focus on its core areas of power and automation technologies for utilities and industry. The business unit is expected to report revenues of some US\$ 90 million in 2001.

“We are sharpening our focus on markets where we can be the clear leader,” said ABB president and CEO Jörgen Centerman. “We feel Balfour Beatty is in a better position to grow and sustain this business.”

The sale is subject to customary regulatory review. Under the terms of the contract, Balfour Beatty will purchase ABB’s capability for design, engineering, assembly, installation, service and sale of complete overhead contact lines. The business has operations in Italy and the United Kingdom and sales offices in the Netherlands and Norway and it employs 350 people.

Richard Siudek, executive vice president and head of ABB’s Utilities division, said the divestiture is a good move for ABB. “ABB’s strategy is simple: offer more value for our customers while building a leaner organization,” said Siudek. “This divestiture will improve our ability to focus our value creation efforts on core utility customers.”

ABB said it will continue to do business with Balfour Beatty as supplier for products, services and packages.

ABB (www.abb.com) is a global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. ABB has 160,000 employees in more than 100 countries.

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