

ABB Export Bank sells residential mortgage transactions for US\$ 55 million

Part of ongoing sale of Structured Finance business operations

Zurich, Switzerland, October 11 – ABB said today that it has signed an agreement to sell the residential mortgage transactions of ABB Export Bank to the Swiss bank, Zürcher Kantonalbank, for US\$ 55 million as part of its ongoing strategy to reduce net debt and focus on power and automation technologies.

The deal is scheduled for completion on October 31, 2002.

“This divestment helps us reduce net debt and simplify our operational and reporting structure,” said Peter Voser, ABB’s chief financial officer. “Zürcher Kantonalbank is in a good position to take over these activities and manage it to the best interest of mortgage holders going forward.”

ABB Export Bank is part of the Structured Finance business area of ABB’s Financial Services business division.

ABB announced early last month that it was selling most operations of its Structured Finance business area, also part of the Financial Services division, to GE Commercial Finance for US\$ 2.3 billion. At the time, ABB said it was in negotiations to divest some or all of the ABB Export Bank, ABB’s 35 percent equity stake in the Swedish Export Credit Corporation, and its aircraft leasing business, whose total book asset value was about US\$ 0.9 billion at the end of June 2002.

ABB (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 more than 100 countries and employs about 150,000 people.

This press release includes forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements are based on current expectations, estimates and projections about 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” or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, 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, 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. 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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