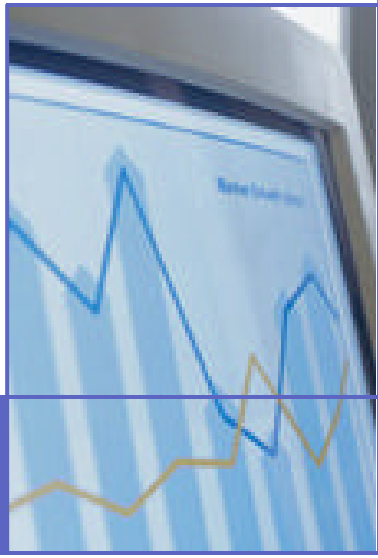
First half 2002

July 24th, 2002

Jörgen Centerman
President and CEO



Safe Harbor Statement

This presentation 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, and fluctuation in currency exchange rates. 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.

Outline

- Financial and operational overview
- Financial report
- Outlook

Financial highlights first half 2002

- Order intake down 6 percent in H1*
  - 10 percent up Q2 vs.Q1
- Orders up 16 percent from 200 largest customers in H1
- Revenues flat in H1*
  - 8 percent up Q2 vs. Q1
- EBIT US$ 368 million in H1 after restructuring costs, asset write-downs and charges of US$ 185 million
  - Four out of five divisions increased earnings in Q2 vs Q1
- Net income US$ 101 million in H1
  - Loss US$ 13 million in Q2
- Positive operational cash flow in H1

* in local currencies

Restructuring costs, write-downs and charges

EBIT impact of US$185 million in H1

- Restructuring costs US$ 106 million
- Market driven write-downs and charges

  New Ventures US$ 9 million

  - No new project investments in 2002
  - Portfolio review

  Building Systems US$ 21 million

  - Divestment planned
- Project margin write-downs and execution of low-margin projects

  Oil, Gas and Petrochemicals US$ 49 million

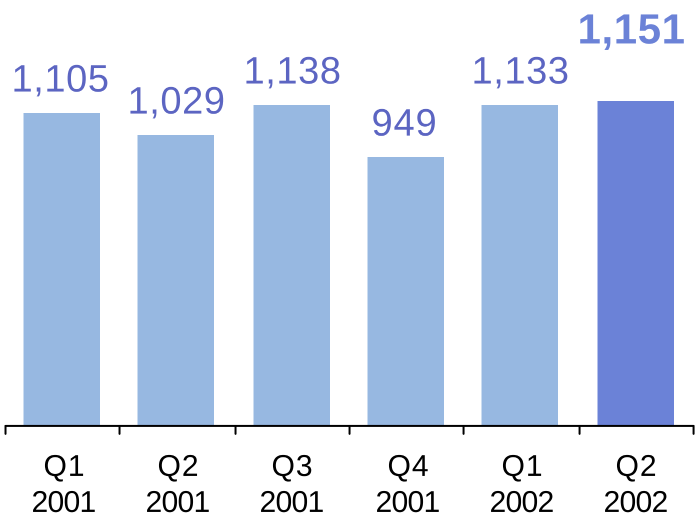
  Tools and measures to improve performance

  - More selective bidding process
  - Focus on projects with higher engineering content
  - Aim at higher proportion of reimbursable rather than fixed-price contracts

Continued early-cycle recovery in two divisions

Orders MUS$

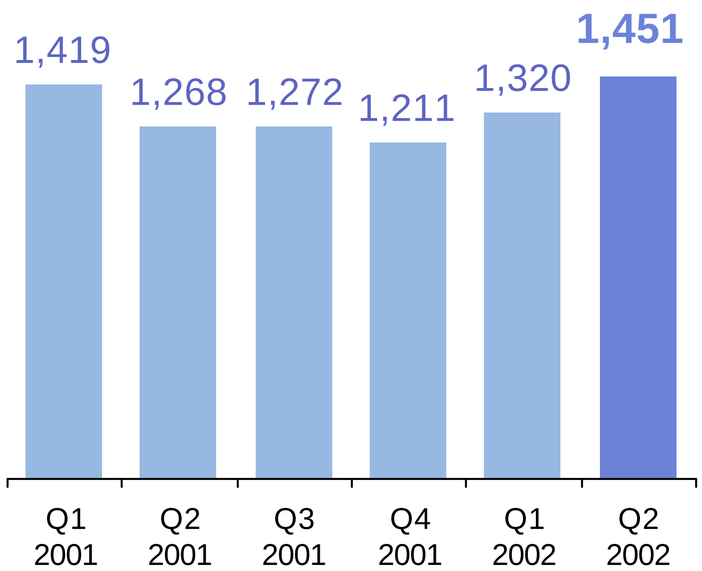
Power Technology Products



Q2 versus Q1

- Up 2% in US$
- Down 2% in local currencies

Automation Technology Products



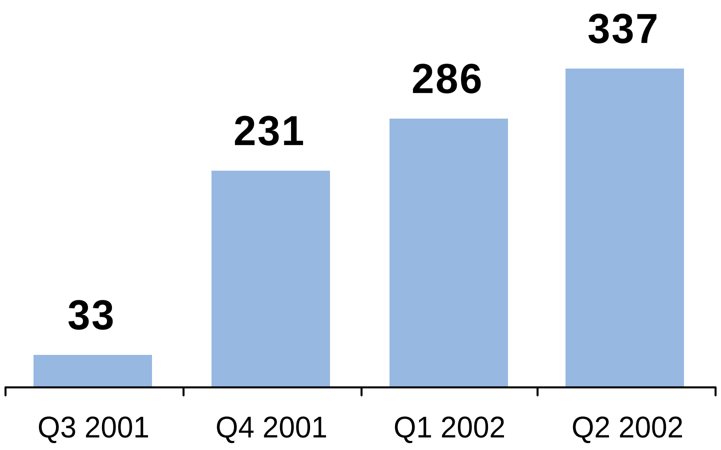
Q2 versus Q1

- Up 10% in US$
- Up 5% in local currencies

Cost reduction program progressing as planned

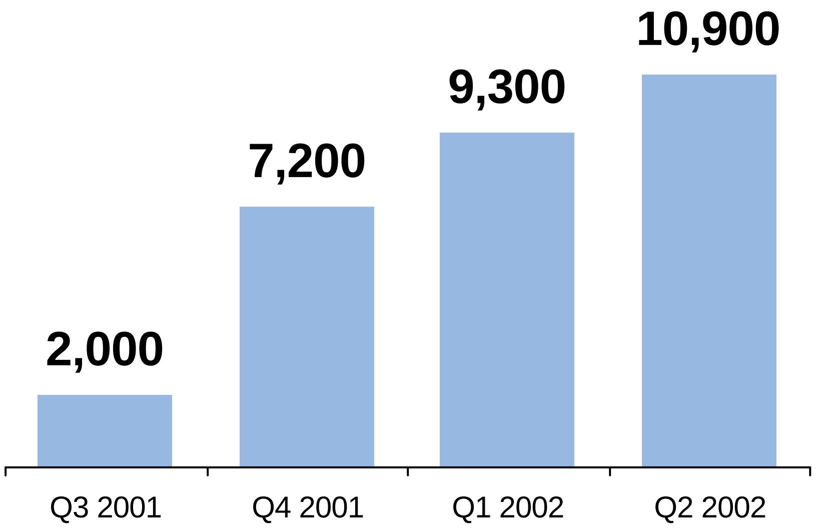
US$ 500 million cost reduction program expected to be completed 2002

Cumulative restructuring costs*, MUS$



* Total estimated to US$ 500 million

Cumulative job reduction*



* Excluding acquisitions and divestments

Higher impact from cost savings expected from second half

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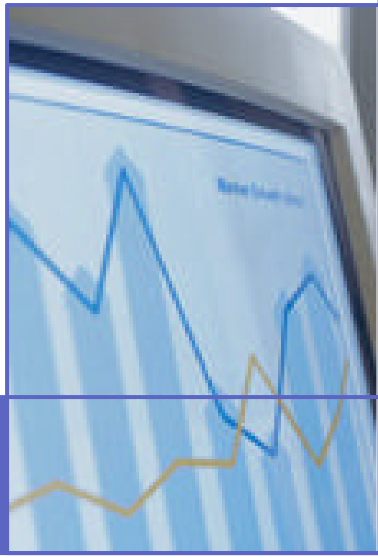
Peter Voser
Chief Financial Officer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Key figures

(MUS$)

	First half 2002	First half 2001
Orders	11,867	12,648
Revenues	10,930	11,099
EBIT	368	626
Income from continuing operations	213	497
Income from extraordinary items and accounting changes (before taxes & minority interest)	0	(63)
Net income	101	266
Net cash from operations	20	79

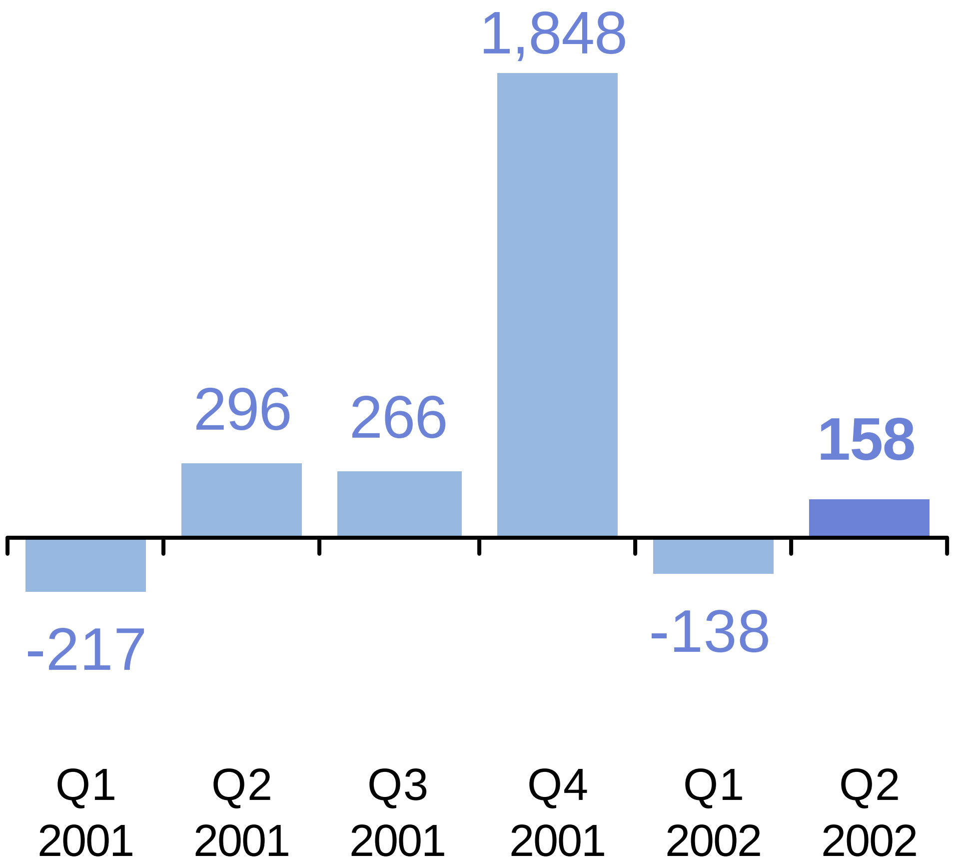
Asbestos – Update

	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Q2 2002
New claims	13,200	12,200	14,300	15,000	14,300	15,200
Settled claims	8,800	6,100	6,600	6,700	13,300*	7,000*
Pending claims	71,400	77,500	85,200	93,500	94,500	102,700
Cash paid pre-insurance (MUS$)	37.4	29.0	36.1	33.2	51.5	55.2

* Over 40% settled without payment for H1

Net cash flow from operations

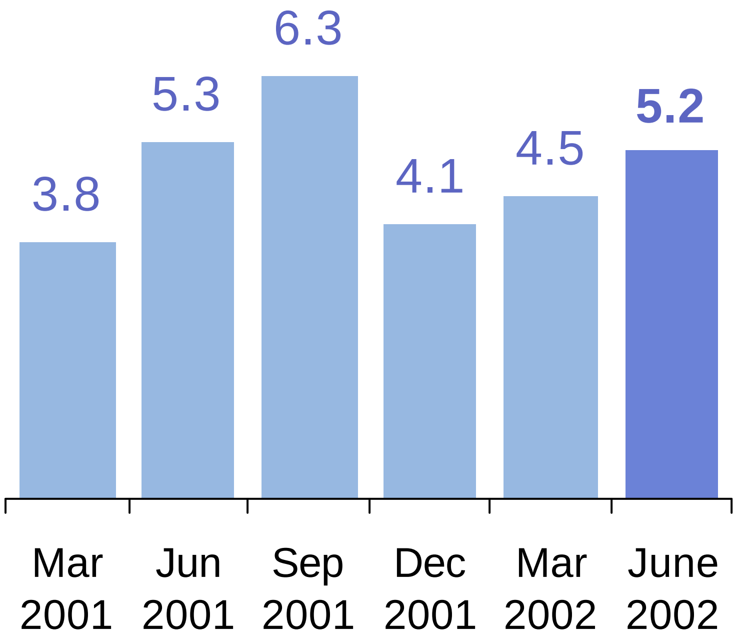
(MUS$)



- Cash from marketable securities partly offset other assets/ liabilities outflow
- Large project execution consumed customer advances and added to work performed but not yet billed
- Continued working capital discipline

Net debt H1

(BUS$)



- 40% of net debt increase from non cash currency movements (offset by other balance sheet positions)
- 60% from debt assumption (financing receivables portfolio) and operational investments

Operational cash flow expected to be stronger in 2nd half

Aim to reduce net debt by at least US$ 1.5 billion 2002

Balance Sheet priorities

- Convertible and straight bond issues placed
- Lowering the proportion of short term debt to long-term debt
  - Close to year-end target debt structure 1/3 short-term, 2/3 long-term
- Reduce net debt by at least US$ 1.5 billion by year-end
  - Cash effective earnings
  - Asset sales of real estate
  - Structured Finance divestment expected for Q3

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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

*Annual average growth rate 2001 - 2005

Summary

- Continued positive signs in early cycle product divisions
- Cost reduction program progressing as planned
- Financial restructuring progressing as planned
- Full year revenue and margin targets reaffirmed

ABB

Question and answers

Q&A