

***Summary Financial Information
Six Months Ended June 2002***

of

***ABB Ltd
and Consolidated Subsidiaries***

ABB Ltd
Summary Consolidated Income Statements

	January – June		April – June	
	2002	2001	2002	2001
	(Unaudited)			
	(in millions, except per share data)			
Revenues	\$ 10,930	\$ 11,099	\$ 5,781	\$ 5,719
Cost of sales	(8,335)	(8,330)	(4,428)	(4,348)
Gross profit.....	2,595	2,769	1,353	1,371
Selling, general and administrative expenses	(2,202)	(2,108)	(1,195)	(1,054)
Amortization expense	(22)	(116)	(10)	(58)
Other income (expense), net	(3)	81	(21)	33
Earnings before interest and taxes.....	368	626	127	292
Interest and dividend income	186	284	84	142
Interest and other finance expense	(341)	(413)	(190)	(233)
Income from continuing operations before taxes and minority interest	213	497	21	201
Provision for taxes.....	(64)	(146)	(7)	(59)
Minority interest.....	(48)	(22)	(27)	(14)
Income (loss) from continuing operations	101	329	(13)	128
Cumulative effect of change in accounting principles (SFAS 133), net of tax	--	(63)	--	--
Net income (loss)	\$ 101	\$ 266	\$ (13)	\$ 128
Weighted average number of shares outstanding	1,113	1,151	1,113	1,130
Dilutive potential shares.....	--	6	--	6
Diluted weighted average number of shares outstanding	1,113	1,157	1,113	1,136
Basic earnings (loss) per share:				
Income (loss) from continuing operations	\$ 0.09	\$ 0.29	\$ (0.01)	\$ 0.11
Net income (loss)	\$ 0.09	\$ 0.23	\$ (0.01)	\$ 0.11
Diluted earnings (loss) per share:				
Income (loss) from continuing operations	\$ 0.09	\$ 0.29	\$ (0.01)	\$ 0.11
Net income (loss)	\$ 0.09	\$ 0.23	\$ (0.01)	\$ 0.11

ABB Ltd
Summary Consolidated Balance Sheets

	At June 30, 2002	At December 31, 2001
	(Unaudited)	(Audited)
	(in millions)	
Cash and equivalents.....	\$ 2,383	\$ 2,767
Marketable securities	2,225	2,946
Receivables, net.....	9,322	8,368
Inventories, net.....	3,509	3,075
Prepaid expenses and other	2,528	2,358
Total current assets.....	19,967	19,514
Financing receivables, non-current.....	4,629	4,263
Property, plant and equipment, net	3,097	3,003
Goodwill.....	2,811	2,657
Other intangible assets, net	657	642
Investments and other	2,410	2,265
Total assets.....	\$ 33,571	\$ 32,344
Accounts payable, trade	\$ 4,396	\$ 3,991
Accounts payable, other.....	2,770	2,710
Short-term borrowings and current maturities of long-term borrowings	3,982	4,747
Accrued liabilities and other	7,835	7,587
Total current liabilities	18,983	19,035
Long-term borrowings	5,861	5,043
Pension and other related benefits.....	1,893	1,688
Deferred taxes	1,431	1,360
Other liabilities.....	2,961	2,989
Total liabilities	31,129	30,115
Minority interest.....	218	215
Capital stock and additional paid-in capital (1,280,009,432 shares authorized, 1,200,009,432 shares issued)	2,027	2,028
Retained earnings	3,536	3,435
Accumulated other comprehensive loss.....	(1,589)	(1,699)
Treasury stock, at cost (86,875,616 shares)	(1,750)	(1,750)
Total stockholders' equity	2,224	2,014
Total liabilities and stockholders' equity	\$ 33,571	\$ 32,344

ABB Ltd
Summary Consolidated Statements of Cash Flows

	January – June	
	2002	2001
	(Unaudited) (in millions)	
Operating activities		
Income from continuing operations	\$ 101	\$ 329
<i>Adjustments to reconcile income from continuing operations to net cash provided by operating activities:</i>		
Depreciation and amortization	291	384
Restructuring provisions	(4)	(28)
Pension and other related benefits.....	29	11
Deferred taxes	(28)	41
Net gain from sale of property, plant and equipment.....	(10)	(6)
Other.....	42	22
Changes in operating assets and liabilities		
Marketable securities (trading).....	462	64
Trade receivables.....	213	(177)
Inventories	(202)	(531)
Trade payables.....	78	265
Other assets and liabilities, net	(952)	(295)
Net cash provided by operating activities.....	\$ 20	\$ 79
Investing activities		
Changes in financing receivables.....	(80)	(939)
Purchases of marketable securities (other than trading)	(1,544)	(1,628)
Purchases of property, plant and equipment	(297)	(364)
Acquisitions of businesses (net of cash acquired)	(64)	(504)
Proceeds from sales of marketable securities (other than trading)	1,839	1,823
Proceeds from sales of property, plant and equipment	343	54
Proceeds from sales of businesses (net of cash disposed)	229	32
Net cash provided by (used in) investing activities	\$ 426	\$ (1,526)
Financing activities		
Changes in borrowings	(747)	3,969
Treasury and capital stock transactions.....	--	(1,247)
Dividends paid	--	(502)
Other.....	(50)	(44)
Net cash provided by (used in) financing activities.....	\$ (797)	\$ 2,176
Net cash used in discontinued operations	(116)	(94)
Effects of exchange rate changes on cash and equivalents.....	83	(77)
Net change in cash and equivalents.....	(384)	558
Cash and equivalents (beginning of year).....	2,767	1,397
Cash and equivalents (end of period).....	\$ 2,383	\$ 1,955
Interest paid	\$ 276	\$ 364
Taxes paid	\$ 140	\$ 239

ABB Ltd notes to summary consolidated financial statements (unaudited)

(US\$ in millions, except per share amounts)

Note 1 Developments in the six months ended June 30, 2002:

- Annual general meeting
At the Company's annual general meeting held on March 12, 2002, the Company's shareholders approved the resolution to not pay a dividend in 2002. In addition, shareholders approved the resolution to not effect a capital reduction of 24 million shares purchased during the first half of 2001, as a result of changed market conditions.

- Restructuring program
In July 2001, the Company announced a restructuring program anticipated to extend over 18 months. This restructuring program was initiated in an effort to simplify product lines, reduce multiple location activities and perform other downsizing in response to consolidation of major customers in certain industries.

As of June 30, 2002, the Company recognized charges of \$82 million relating to workforce reductions and \$18 million relating to lease terminations and other exit costs associated with the restructuring program. These costs are included in other income (expense), net. Based on analysis, Management's estimate has been revised resulting in a \$11 million reduction in the amounts accrued for lease terminations and other exit costs. This revision is recognized as a component of other income (expense), net. Termination benefits of \$75 million were paid in the first half of 2002 to approximately 2,300 employees and \$20 million was paid to cover costs associated with lease terminations and other exit costs. Workforce reductions include production, managerial and administrative employees. At June 30, 2002, accrued liabilities included \$86 million for termination benefits and \$38 million for lease terminations and other exit costs.

As a result of the Company's restructuring, certain assets have been identified as impaired or will no longer be used in continuing operations. The Company recorded \$17 million to write down these assets to net realizable value. These costs are included in other income (expense), net.

- Borrowings
The Company's total borrowings outstanding at December 31, 2001, amounted to \$9,790 million, of which \$3,297 million was in the form of commercial paper with an average interest rate of 2.7%. In March 2002, the Company drew down \$2,845 million, at an interest rate of 4.7%, from a \$3 billion committed bank facility established in December 2001, using a portion of these proceeds to reduce its outstanding commercial paper borrowings to \$1,760 million at March 31, 2002. In the second quarter of 2002, primarily as a result of amounts maturing, the outstanding commercial paper borrowings were further reduced to \$349 million at June 30, 2002.

In May 2002, the Company issued \$968 million aggregate principal amount of convertible unsubordinated bonds due 2007. The bonds pay interest semi-annually in arrears at a fixed annual rate of 4.625% and are convertible into the Company's shares.

Also in May 2002, the Company issued bonds due 2009 with an aggregate principal amount of 200 million pound sterling, or approximately \$292 million, which pay interest semi-annually in arrears at 10% per annum. In addition, the Company also issued in May 2002, bonds due 2008 with an aggregate principal amount of 500 million euro, or approximately \$466 million, which pay interest annually in arrears at 9.5% per annum.

Pursuant to the terms of the Company's amended revolving credit facility, the issuance of the convertible bonds, the euro-denominated bonds and the sterling-denominated bonds reduced the amount available under the \$3 billion committed bank facility to \$1,315 million at June 30, 2002. As a result, the Company utilized a portion of the proceeds from these bond offerings to reduce the borrowings under the credit facility to \$1,315 million at June 30, 2002.

- Earnings per share
The potential common shares from the convertible bonds, as well as the warrants and options outstanding in connection with the Company's management incentive plan, were excluded from the computation of diluted earnings per share in the 2002 periods presented, as their inclusion would have been antidilutive. In the 2001 periods presented, only those warrants and options that were considered dilutive have been included in the computation of diluted earnings per share.

- Commitments and contingencies

Asbestos related claims

A subsidiary of the Company has followed a practice of maintaining a reserve to cover its estimated settlement costs for asbestos claims and an asset representing estimated insurance reimbursement. The reserve represents an estimate of the costs associated with asbestos claims, including defense costs, based upon historical claims trends, available industry information and incidence rates of new claims. At December 31, 2001, the subsidiary had reserved approximately \$940 million, for asbestos-related claims. The subsidiary also recorded receivables of approximately \$150 million at December 31, 2001, for probable insurance recoveries. Allowances against the insurance receivables are established at such time as it becomes likely that insurance recoveries are not probable. New claims filed during the first half of 2002 were approximately 29,500, compared to 29,300 in the second half of 2001. Approximately 20,300 claims were settled during the first half of 2002, more than 40% of which were without payment. The total number of pending claims was approximately 102,700 at the end of June 2002, compared to 93,500 at year-end 2001. Settlement costs prior to insurance reimbursement were approximately \$107 million, compared to approximately \$69 million in the second half of 2001.

Note 2 Significant Accounting Policies

The summary consolidated financial information is prepared on the basis of United States (U.S.) Generally Accepted Accounting Principles (USGAAP) and is presented in U.S. dollars (\$) unless otherwise stated. Data for orders and number of employees are shown for purposes of presenting additional information and are not a required disclosure under USGAAP.

Par value of capital stock is denominated in Swiss francs (CHF). The summary financial information as of June 30, 2002, should be read in conjunction with the December 31, 2001, financial statements contained in the Company's Annual Report and the Form 20-F.

New accounting standards

In 2001, the Company accounted for the adoption of Statement of Financial Accounting Standards No. 133 (SFAS 133), *Accounting for Derivative Instruments and Hedging Activities*, as amended, as a change in accounting principle. Based on the Company's derivative positions at January 1, 2001, the Company recognized the cumulative effect of the accounting change as a loss of \$63 million, net of tax, in the consolidated income statement and a reduction of \$41 million, net of tax, in accumulated other comprehensive income (loss).

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, *Business Combinations*, and Statement of Financial Accounting Standards No. 142 (SFAS 142), *Goodwill and Other Intangible Assets*, which modify the accounting for business combinations, goodwill and identifiable intangible assets. All business combinations initiated after June 30, 2001, must be accounted for by the purchase method. Goodwill from acquisitions completed after that date will not be amortized, but will be charged to operations when specified tests indicate that the goodwill is impaired, that is, when the goodwill's fair value is lower than its carrying value. Certain intangible assets will be recognized separately from goodwill, and will be amortized over their useful lives. During 2002, all goodwill must be tested for impairment as of January 1, 2002, and a transition adjustment must be recognized for any impairment found. The Company has completed this test in the second quarter of 2002 and has determined that no impairment of goodwill existed at January 1, 2002. All goodwill amortization also ceased at that date. The Company recognized goodwill amortization expense of \$90 million and \$44 million in the six months and three months ended June 30, 2001, respectively. Accordingly, income from continuing operations and net income would have been \$419 million (\$0.36 per share) and \$356 million (\$0.31 per share), respectively, in the six months ended June 30, 2001, and \$172 million (\$0.15 per share) and \$172 million (\$0.15 per share), respectively, in the three months ended June 30, 2001, if the Company had not recognized amortization expense for goodwill that is no longer being amortized in accordance with SFAS 142.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 (SFAS 144), *Accounting for the Impairment or Disposal of Long-Lived Assets*. This Statement supersedes Statement of Financial Accounting Standards No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-lived Assets to Be Disposed Of*, while retaining many of its requirements regarding impairment loss recognition and measurement. In addition, the new Statement requires the use of one accounting model for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. The Company adopted this statement on January 1, 2002. In the first half of 2002 no sale transactions were affected by SFAS 144, although the Company expects to present more disposals as discontinued operations in the future.

In April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 145, *Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections*, which rescinds previous requirements to reflect all gains and losses from debt extinguishment as extraordinary. The Company has elected to adopt the new standard effective April 1, 2002, and, as a result, the gains from extinguishment of debt of \$6 million, net of tax, recorded as extraordinary items in the first quarter of 2002 have been reclassified and included in income from continuing operations.

Note 3 Summary of Consolidated Stockholders' Equity

Stockholders' equity at January 1, 2002.....		\$	2,014
Comprehensive income:			
Net income	101		
Foreign currency translation adjustments.....	21		
Unrealized loss on available-for-sale securities, net of tax.....	(35)		
Derivatives qualifying as hedges (SFAS 133), net of tax.....	124		
Total comprehensive income.....			211
Other.....			(1)
Stockholders' equity at June 30, 2002 (unaudited).....		\$	<u>2,224</u>

Note 4 Segment and Geographic Data

During 2001, the Company realigned its worldwide enterprise around customer groups, replacing its former business segments with four end-user divisions, two channel partner divisions, and a financial services division. The four end-user divisions – Utilities, Process Industries, Manufacturing and Consumer Industries, and Oil, Gas and Petrochemicals – serve end-user customers with products, systems and services. The two channel partner divisions – Power Technology Products and Automation Technology Products – serve external channel partners such as wholesalers, distributors, original equipment manufacturers and system integrators directly and end-user customers indirectly through the end-user divisions. The Financial Services division provides services and project support for the Company as well as for external customers.

In April 2002, the Company announced its intention to divest the Building Systems business area, previously part of the Manufacturing and Consumer Industries division, in line with Company's strategy to focus on power and automation technologies for utility and industry customers. In addition, the Company has merged its Process Industries division and its Manufacturing and Consumer Industries division to form a new Industries division, consisting of the following business areas: Automotive Industries; Manufacturing; Electronics and Consumer Industries; Marine and Turbocharging; Paper, Printing, Metals and Minerals; and Petroleum, Chemicals and Life Sciences. Segment data are presented below to reflect this change and prior period data have been restated accordingly.

- The Utilities division serves electric, gas and water utilities - whether state-owned or private, global or local, operating in liberalized or regulated markets - with a portfolio of products, services and systems. The division's principal customers are generators of power, owners and operators of power transmission systems, energy traders and local distribution companies.
- The Industries division serves the automotive, cement, chemical, distribution, electronics, food and beverage, life sciences, marine, metals, mining, paper, petroleum, printing and telecommunications industries with application-specific power and automation technology.
- The Oil, Gas and Petrochemicals division supplies a comprehensive range of products, systems and services to the global oil, gas and petrochemicals industries, from the development of onshore and offshore exploration technologies to the design and supply of production facilities, refineries and petrochemicals plants.
- The Power Technology Products division covers the entire spectrum of technology for power transmission and power distribution including transformers, switchgear, breakers, capacitors and cables as well as other products, platforms and technologies for high- and medium-voltage applications. Power technology products are used in industrial, commercial and utility applications. They are sold through the Company's end user divisions as well as through external channel partners, such as distributors, contractors and original equipment manufacturers and system integrators.
- The Automation Technology Products division provides products, software and services for the automation and optimisation of industrial and commercial processes. Key technologies include measurement and control, instrumentation, process analysis, drives and motors, power electronics, robots, and low-voltage products, all

geared toward one common industrial IT architecture for real-time automation and information solutions throughout a business. These technologies are sold to customers through the end-user divisions as well as through external channel partners such as wholesalers, distributors, original equipment manufacturers and system integrators.

- The Financial Services division supports the Company's business and customers with financial solutions in structured finance, leasing, project development and ownership, financial consulting, insurance and treasury activities.

In April 2002, the Company announced its intention to divest the Structured Finance business, expected to take place in the third quarter of 2002.

The Company evaluates performance of its divisions based on earnings before interest and taxes (EBIT), which excludes interest and dividend income, interest expense, provision for taxes, minority interest, and income from discontinued operations, net of tax. In accordance with Statement of Financial Accounting Standards No. 131, *Disclosures about Segments of an Enterprise and Related Information*, the Company presents division revenues, depreciation and amortization, and EBIT, all of which have been restated to reflect the changes to the Company's internal structure, including the effect of increased inter-division transactions. Accordingly, division revenues and EBIT are presented as if certain historical third-party sales by subsidiaries in the product divisions had been routed through other divisions as they would have been under the new customer-centric structure. Management has restated historical division financial information in this way to allow analysis of trends in division revenues and margins on a basis consistent with the Company's new internal structure and transaction flow.

Segment data

	Orders received		Revenues	
	January – June		January – June	
	2002	2001	2002	2001
Utilities.....	\$ 2,729	\$ 3,062	\$ 2,330	\$ 2,551
Industries.....	2,403	2,771	2,044	2,438
Oil, Gas and Petrochemicals.....	2,120	1,990	1,976	1,548
Power Technology Products.....	2,284	2,134	2,148	1,814
Automation Technology Products	2,771	2,687	2,640	2,572
Financial Services.....	764	1,019	764	1,019
Corporate/ Other ⁽¹⁾	(1,204)	(1,015)	(972)	(843)
Total.....	\$ 11,867	\$ 12,648	\$ 10,930	\$ 11,099

	EBIT (operating income)		Depreciation and amortization	
	January – June		January – June	
	2002	2001	2002	2001
Utilities.....	\$ 66	\$ 86	\$ 25	\$ 36
Industries.....	85	100	24	46
Oil, Gas and Petrochemicals.....	76	88	19	37
Power Technology Products.....	157	132	57	58
Automation Technology Products	198	219	83	115
Financial Services.....	153	203	8	12
Corporate/Other ⁽¹⁾	(367)	(202)	75	80
Total.....	\$ 368	\$ 626	\$ 291	\$ 384

	Number of employees	
	June 30, 2002	December 31, 2001
Utilities.....	15,941	15,745
Industries.....	22,584	23,392
Oil, Gas and Petrochemicals.....	13,604	13,471
Power Technology Products.....	27,508	27,555
Automation Technology Products.....	38,815	39,834
Financial Services.....	1,227	1,220
Corporate/Other.....	30,245	35,648
Total.....	149,924	156,865

⁽¹⁾ Includes adjustments to eliminate inter-division transactions.

Geographic Information

	Orders received ¹⁾		Revenues ¹⁾	
	January – June		January – June	
	2002	2001	2002	2001
Europe.....	\$ 5,959	\$ 6,595	\$ 5,705	\$ 6,068
The Americas.....	3,621	3,223	2,511	2,879
Asia.....	1,258	1,293	1,360	1,192
Middle East and Africa.....	1,029	1,537	1,354	960
Total.....	\$ 11,867	\$ 12,648	\$ 10,930	\$ 11,099

¹⁾ Orders received and revenues have been reflected in the regions based on the location of the customer.

Note 5 Summary balance sheets of ABB Ltd Consolidated, ABB Group and Financial Services (unaudited)

In the balance sheet data appearing on this page, "ABB Ltd Consolidated" means the accounts of ABB Ltd and all its subsidiaries presented in a summarized form on the basis of USGAAP, with all significant intercompany balances eliminated in consolidation. The balance sheet data for "Financial Services" and "ABB Group" is reported on the same basis as management uses to evaluate segment performance which includes the following adjustments:

- "Financial Services" represents the accounts of all subsidiaries in the Company's Financial Services division, with net intercompany balances and certain capital contributions received from other subsidiaries of the Company presented on a one-line basis.
- "ABB Group" represents the accounts of ABB Ltd and all its subsidiaries other than those in the Company's Financial Services division, with net intercompany balances and the Company's investment in its Financial Services division presented on a one-line basis. For the purposes of this presentation, the Company's investment in its Financial Services division is accounted for under the equity method of accounting.

	ABB Ltd Consolidated		ABB Group ¹⁾		Financial Services	
	Jun 30, 2002	Dec 31, 2001	Jun 30, 2002	Dec 31, 2001	Jun 30, 2002	Dec 31, 2001
<i>US \$ in millions</i>						
Cash and equivalents and marketable securities	\$ 4,608	\$ 5,713	\$ 1,444	\$ 1,667	\$ 3,164	\$ 4,046
Receivables, net	9,322	8,368	6,428	5,810	2,894	2,558
Inventories, net	3,509	3,075	3,508	3,074	1	1
Prepaid expenses and other.....	2,528	2,358	1,275	1,169	1,253	1,189
Total current assets	19,967	19,514	12,655	11,720	7,312	7,794
Financing receivables, non-current.....	4,629	4,263	280	452	4,349	3,811
Property, plant and equipment, net	3,097	3,003	3,001	2,938	96	65
Goodwill	2,811	2,657	2,733	2,586	78	71
Other intangible assets, net	657	642	647	631	10	11
Investments and other.....	2,410	2,265	1,680	1,601	730	664
Net intercompany balances.....	-	-	473	-	1,187	2,106
Total assets	\$ 33,571	\$ 32,344	\$ 21,469	\$ 19,928	\$ 13,762	\$ 14,522
Accounts payable, trade.....	\$ 4,396	\$ 3,991	\$ 4,323	\$ 3,956	\$ 73	\$ 35
Accounts payable, other.....	2,770	2,710	1,650	1,641	1,120	1,069
Short-term borrowings ²⁾	3,982	4,747	1,909	240	2,073	4,507
Accrued liabilities and other.....	7,835	7,587	4,335	4,285	3,500	3,302
Total current liabilities	18,983	19,035	12,217	10,122	6,766	8,913
Long-term borrowings.....	5,861	5,043	1,923	2,020	3,938	3,023
Pension and other related benefits	1,893	1,688	1,885	1,681	8	7
Deferred taxes.....	1,431	1,360	553	575	878	785
Other liabilities	2,961	2,989	2,449	2,529	512	460
Net intercompany balances.....	-	-	-	773	-	-
Total liabilities	31,129	30,115	19,027	17,700	12,102	13,188
Minority interest	218	215	218	214	-	1
Total stockholders' equity	2,224	2,014	2,224	2,014	1,660	1,333
Total liabilities and stockholders' equity	\$ 33,571	\$ 32,344	\$ 21,469	\$ 19,928	\$ 13,762	\$ 14,522

¹⁾ ABB Industrial operations/holdings with equity accounting of participation in Financial Services

²⁾ Includes current maturities of long-term borrowings

Certain amounts have been reclassified to conform to the Company's current year presentation.