

ABB wins US\$ 22 million contract to build IT platform for Korea Power Exchange

New IT system will operate Korea's competitive wholesale power market

Zurich, Switzerland, March 20, 2002 – ABB, the global power and automation technology company, said today it has won a US\$ 22 million contract from the Korea Power Exchange to provide the IT systems and software infrastructure to operate South Korea's deregulated energy market.

ABB won the project as part of an international consortium with local company Korea Electric Power Data Network, and will supply the systems and software for market participants to submit bids, receive awards and interact with the central exchange. The IT system also executes the mathematical models used to determine market prices, create power generation schedules and ensure the security of the electricity supply for the entire country.

Noting that several developing countries in Southeast Asia have begun energy market restructuring, Richard Siudek, executive vice-president and head of ABB Utilities division, said: "We are very excited to be able to play a role in that process. This important project will set the standard for deregulated power markets for the whole of Southeast Asia, and will help the South Korean energy market to meet the demands of a robust economy, as well as provide for future growth."

ABB sub-contractor OM Technology Energy Systems will provide the financial settlement systems. Korea Electric Power Data Network will provide part of the system hardware and local implementation and support, while its subcontractor Samsung SDS will supply more of the hardware and the metering systems. The total value of the project is more than US\$ 37 million (KW 50 billion).

The IT systems are planned for delivery in July of 2002. The deregulated power market in South Korea is scheduled to open on January 1, 2003.

"ABB won a decisive victory in our technology assessment," said Korea Power Exchange executive director, Kim Young Chang. "Their system can optimize both energy markets and ancillary services simultaneously. They also have substantial experience, having delivered the IT systems that serve the energy markets of the large economies in the U.S. and Canada. That was also an important factor in our decision."



The Korean energy market is similar in size to California and growing rapidly, with 48,000 megawatts of generation and a 2000 peak demand of 41,000 megawatts. Over the last decade, generation capacity has more than doubled while demand has increased by an average of ten per cent per year.

ABB is a global leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. ABB has 155,000 employees in more than 100 countries.

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