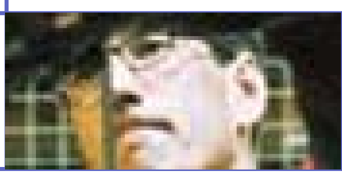
ABB Transformer Consolidation 2005-2008

June 30, 2005

Fred Kindle
President and CEO



Key points

- ABB adapts to overcapacity and higher costs to lift profitability of key business
- $240 million, four-year program includes some $120 million in charges in 2005; most in second quarter 2005
- Approximately 1,300 jobs affected
- Company revises 2005 Power Technologies division and Group margin targets
- Group net income for Q2 2005 expected to be significantly lower than Q1 2005

Overcapacity and rising costs

- Market characterized by overcapacity and consolidation pressures
  - Deregulation
  - Low market entry barriers, some exit barriers
  - Production shifts to emerging markets
  - Difficult pricing environment
- Unprecedented surge in raw material costs since 2004 has increased pressure to consolidate
- Total industry profit very low, not generating necessary returns

Summary of transformer consolidation program

- Four-year plan (2005 to 2008)
- $240 million total restructuring cost
  - Ca. $120 million in 2005; most in the second quarter of 2005
  - Cash effect in 2005 around $80 million
- Ca.1,300 jobs affected (10% of total transformer workforce)
- Focus on streamlining production
  - Small number of plant closures expected
  - Further capacity reductions in existing plans
  - Some plants to be sold
  - Further specialization of remaining factory network
- Continue to shift production to high-growth, low-cost markets
- Lift EBIT* margin by 5 percentage points by 2009

* Earnings before interest and taxes

Focus on productivity and efficiency

- Take out production overlaps
- Further regionalize or globalize production
- Better match revenue stream to factory size
- Increase low-cost sourcing and manufacturing
- Continue expansion in fastest-growing markets

Leverage our leading market position through increased specialization of production footprint and strong focus on operational excellence

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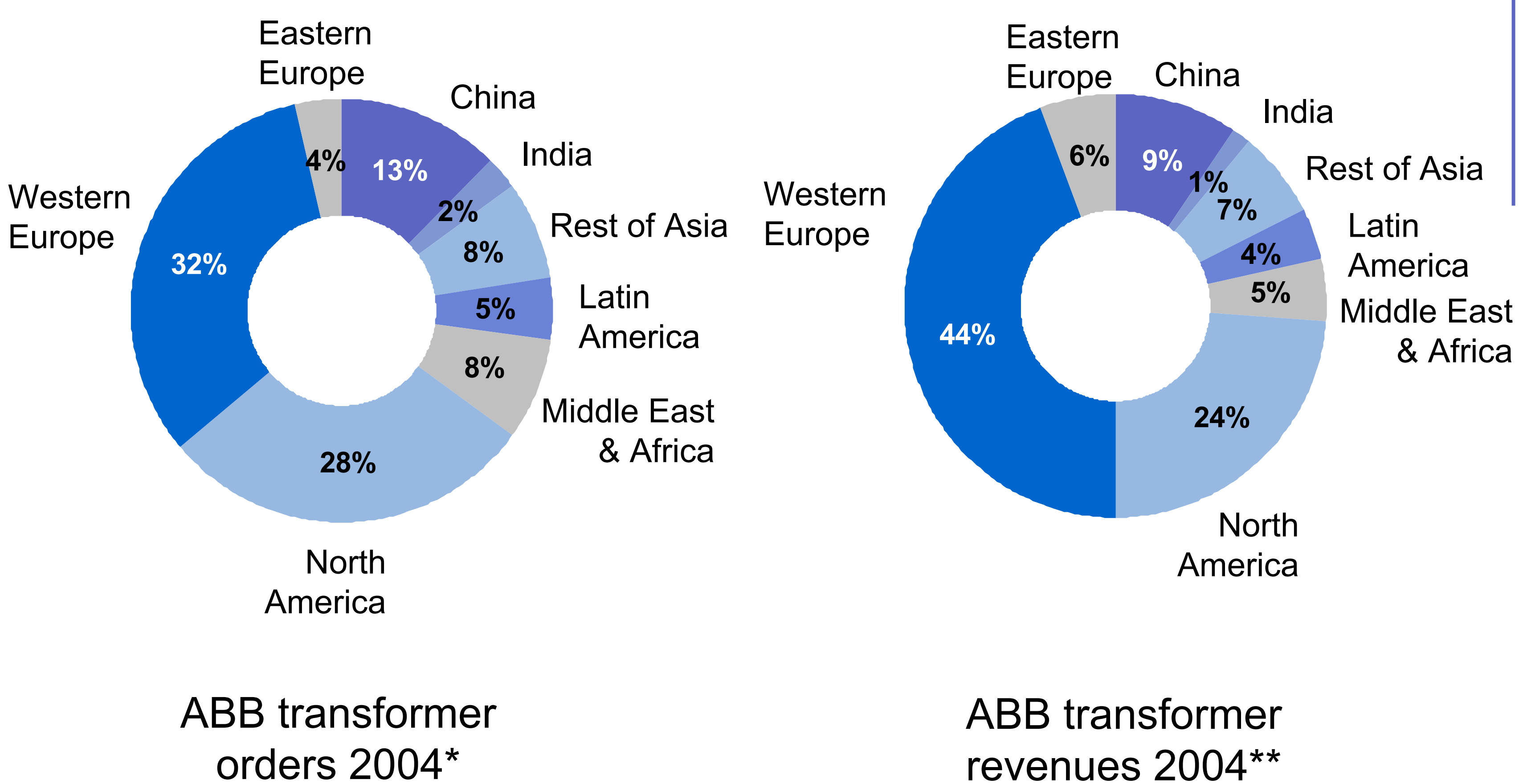
Overview of ABB's transformer business

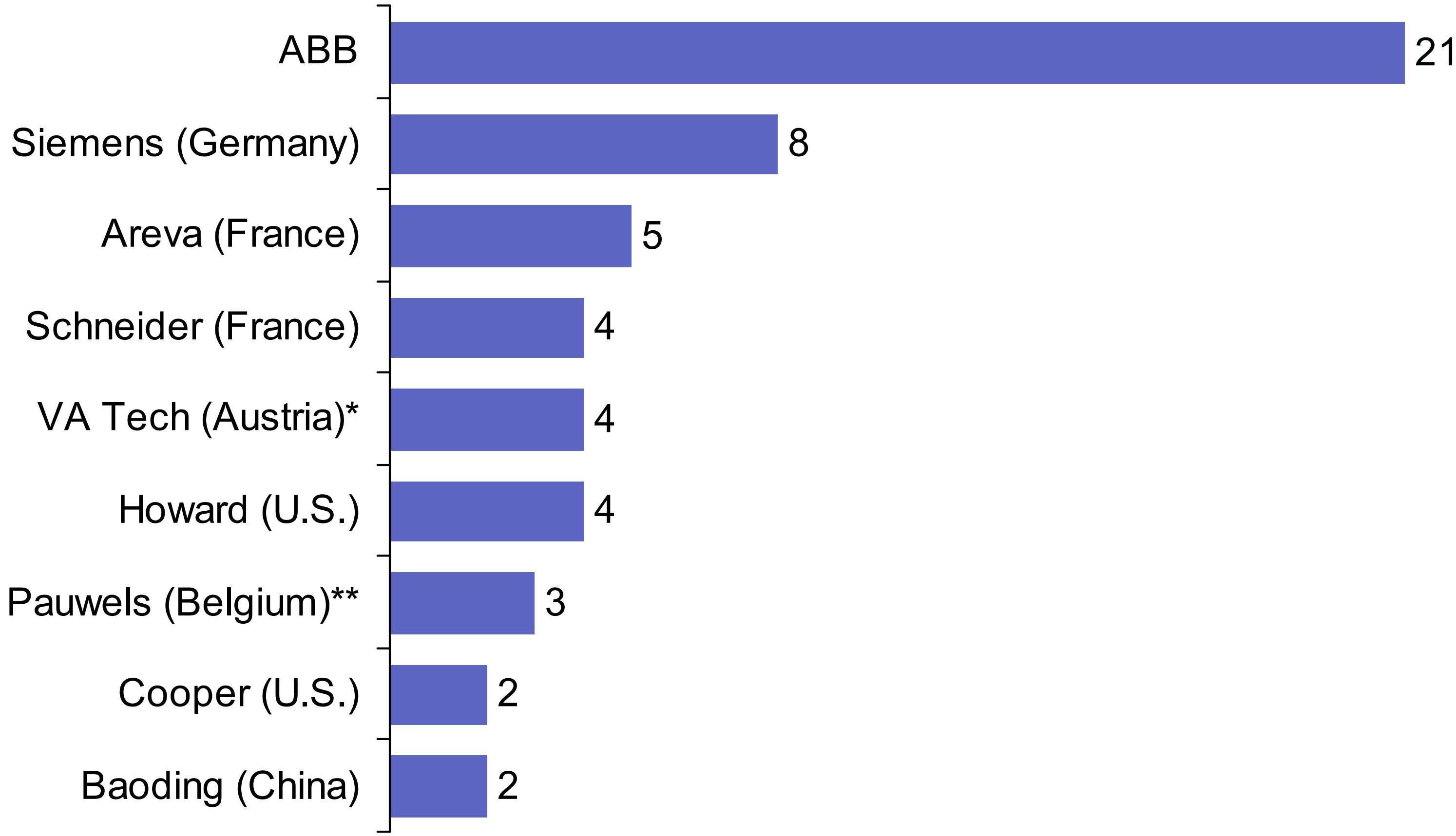
- 57 plants in 28 countries, 13,500 employees



* by destination
** by production area

ABB with clear market leading position

Share of global transformer market (percent)



World market size = $12 bn

* Recently acquired by Siemens ** recently acquired by Crompton Greaves
Source: Goulden Reports, internal estimates

Financial summary

	2004	2005	2006 / 2008	2009
EBIT Margin	<4%	improvement of 5%		>8%
Restructuring Charge[1]		~120	~120	
Cash effective[1]		80	80	
Non-cash effective[1]		40	40	

[1] in $ million

Revised 2005 targets

	Revised target	Previous target
PT EBIT* margin	6.8 – 7.3%	not given**
AT EBIT margin	10.7%	10.7%
Non-core activities EBIT	break even	break even
Corporate costs[1]	(450)	(450)
Group EBIT margin	6.6 – 7.1%	7.7%

[1] in $ million

* Earnings before interest and taxes
** Original target of 10% dropped April 2005 following Q1 2005 results

Summary

- Action required now to deal with overcapacity, significant cost increases and market shifts
- Four-year plan will cost around $240 million, of which some $120 million taken in 2005; most in second quarter 2005
- Profitability in transformers business will increase by 5 EBIT percentage points
- ABB to further strengthen market-leading position, expansion in high-growth countries
- Some 1,300 jobs affected, small number of plant closures, plant divestitures expected
- 2005 EBIT margin targets revised for PT and Group
- Q2 2005 results additionally burdened by some losses in discontinued operations, non-asbestos litigation charges and mark-to-market valuation of asbestos shares

Safe-harbor statement

This presentation includes forward-looking information and statements including statements concerning the outlook and revenue and margin targets for our businesses and statements. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including 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," "targets" or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation. The important factors that could cause such differences include, among others, ABB's ability to dispose of certain of our non-core businesses on terms and conditions acceptable to it, ABB's ability to further reduce its indebtedness, the terms and conditions on which asbestos claims can be resolved, the amount of revenues we are able to generate from backlog and orders received, trends in raw materials prices, 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 and costs associated with compliance activities, 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, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its targets and the expectations reflected in any such forward-looking statements are based upon reasonable assumptions, it can give no assurance that those targets and expectations will be achieved.

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