

ABB fourth-quarter results to be impacted by pre-tax provisions of about \$850 million

Zurich, Switzerland, Dec. 19, 2008 - ABB, the leading power and automation technology group, will book pre-tax provisions of approximately \$850 million in the fourth quarter of 2008.

The provisions are for potential costs related to the previously disclosed investigations by the U.S. and European authorities into suspect payments and alleged anti-competitive practices, respectively. The provisions also include an amount for the anticipated impact of a pending tax dispute, asset write downs and restructuring charges relating to the weaker business environment.

ABB's order intake for October and November 2008 reflect weakening market conditions, partly driven by the lack of affordable financing, uncertain commodity prices and deferral of customers' investment decisions. The operational performance of the Group remains broadly at the level of the first nine months of 2008. However, the volatility of major commodity prices and exchange rates in the current quarter is again expected to have a negative impact on EBIT due to the mark-to-market treatment of hedging transactions.

ABB is launching a program to reduce the current cost base by more than \$1 billion by addressing and accelerating operational excellence, sourcing, footprint and productivity measures. More details about this program and its potential restructuring costs will be announced when full-year earnings are reported on Feb. 12, 2009.

“Given the uncertainty surrounding the global economy, we must be sensible and prudent from an early stage and ensure that ABB's cost base is in line with weaker market conditions,” said Joe Hogan, Chief Executive Officer of ABB.

“Although the economic environment is currently quite challenging, ABB remains in a very solid financial position, with a strong order backlog and, over the long term, fundamentally sound demand for infrastructure investment and measures to improve energy efficiency,” he added.

ABB remains confident that it will meet its previously communicated 2008 growth targets of 15-20 percent in power and in excess of 10 percent in automation (local currency revenues).

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 120,000 people.



Important notice about forward-looking information

This press release contains forward-looking information and statements including statements about our targets. 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. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans” 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 press release and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others, costs associated with compliance activities, the amount of revenues we are able to generate from backlog and orders received, raw materials prices, market acceptance of new products and services, changes in governmental regulations, fluctuations in interest rates and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd’s filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. 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.

For more information please contact

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