Press Release

ABB Group Q2 results 2004

ABB results continue to improve in Q2

EBIT more than doubles, net income at $86 million

- Improved demand in most markets
- Solid increases in core division orders, revenues, EBIT
- Step change productivity improvement program substantially completed

2004 Q2 key figures

(US$ in millions)		Q2 04[1]	Q2 03[1,2]	Change
Orders	**Group**	**5,529**	**4,727**	**17%**
	Power Technologies	2,734	1,928	42%
	Automation Technologies	2,892	2,418	20%
Revenues	**Group**	**4,913**	**4,843**	**1%**
	Power Technologies	2,282	1,933	18%
	Automation Technologies	2,700	2,404	12%
EBIT[3]	**Group**	**288**	**140**	**106%**
	Power Technologies	168	155	8%
	Automation Technologies	260	191	36%
	Non-core activities	(9)	(61)	
	Corporate	(131)	(145)	
EBIT margin	**Group**	**5.9%**	**2.9%**	
	Power Technologies	7.4%	8.0%	
	Automation Technologies	9.6%	7.9%	
Loss from discontinued operations		**(41)**	**(71)**	
Net income (loss)		**86**	**(55)**	
Basic net income (loss) per share		**0.04**	**(0.05)**	

[1] Figures for the Group and for Power Technologies will be restated this year to correct a previously disclosed overstatement of earnings. For more information, refer to Note 2 – Earnings overstatement in an Italian subsidiary, in the Notes to the summary consolidated financial statements attached to this press release.
[2] Includes reclassification of activities to Discontinued operations in 2003. [3] Earnings before interest and taxes.

Zurich, Switzerland, July 29, 2004 – ABB, the leading power and automation technology group, reported that orders, revenues and earnings before interest and taxes (EBIT) continued to improve in the second quarter of 2004, reflecting improved demand in most markets.

Higher earnings in the Power Technologies and Automation Technologies divisions, together with lower losses from Non-core activities and Discontinued operations, contributed to a net income of $86 million in the quarter compared to a loss of $55 million in the 2003 period.

"The results underline our successful turnaround," said Jürgen Dormann, ABB chairman and CEO. "Most of the businesses in our core divisions continue to outperform the market. With a solid track record of achievement, we remain on course to achieve our 2005 targets."

Cash flow from operations was lower in the quarter, primarily due to costs associated with the divestiture of the upstream oil and gas business – completed in mid-July – and lower cash flow from operations in the Power Technologies division, due to an increase in working capital.

The company's 18-month Step change productivity improvement program was substantially concluded as planned at the end of June, yielding total cost savings of more than $900 million on an annualized basis.

Summary of second quarter results

Group orders received in the second quarter of 2004 grew 17 percent to $5,529 million compared to the same quarter in 2003 (12 percent higher in local currencies). Orders in the core divisions were up a combined 29 percent (24 percent in local currencies) to $5,626 million, with Power Technologies orders 42 percent higher (36 percent in local currencies) at $2,734 million and Automation Technologies orders growing 20 percent to $2,892 million (up 14 percent in local currencies) compared to the same period last year. Orders received were sharply lower in Non-core activities, reflecting the divestment of most of the Building Systems businesses since the second quarter of last year.

The order improvement in the core divisions was fueled by the ongoing recovery in most of ABB's markets. Second-quarter orders from Asia more than doubled in both U.S. dollar and local currency terms compared to the same period in 2003, continuing the strong growth trend seen in the region in the past several quarters. Asian demand, led by China and India, was driven by investment in power infrastructure and steady growth in most industrial sectors.

Combined core division orders grew at a double-digit pace in the Americas, led by the United States. Orders for both core divisions also grew in western Europe; in eastern Europe they were higher for Automation Technologies and lower for Power Technologies. Orders were lower in the Middle East and Africa compared to the same period in 2003, when the company won a number of large orders.

Base orders (less than $15 million) in the core divisions were up 23 percent (17 percent in local currencies), led by an increase of more than 50 percent in Asia. Base orders were 23 percent higher in the Power Technologies division (19 percent in local currencies) and 22 percent higher in the Automation Technologies division (16 percent in local currencies).

Large orders (more than $15 million) in the Power Technologies division were up sharply in both U.S. dollar and local currency terms as the result of a $390-million order for a high-voltage power link in China. Large orders in the Automation Technologies division were lower in the quarter. Large orders in the core divisions amounted to 13 percent of total core division orders in the second quarter, compared to 8 percent in the same quarter in 2003.

The **order backlog** for the Group at the end of the second quarter was $11,236 million, up 5 percent compared to the first quarter of 2004 (6 percent higher in local currencies). The combined order backlog for the core divisions rose 6 percent to $11,285 million at the end of June 2004 compared to $10,655 million at the end of the first quarter of 2004 (up 7 percent in local currencies). The order backlog year-on-year in Power Technologies was up 11 percent (7 percent in local currencies), and was 15 percent higher in Automation Technologies (10 percent in local currencies).

Revenues in the core divisions grew strongly in the quarter, up a combined 15 percent – 18 percent for the Power Technologies division (13 percent in local currencies) and 12 percent in Automation Technologies (6 percent in local currencies) compared to the same quarter in 2003. The revenue improvement reflects the strong growth in base orders seen since the fourth quarter of 2003.

Group revenues in the second quarter grew only 1 percent (down 4 percent in local currencies) to $4,913 million, reflecting the drop in Non-core revenues caused by the divestment of most of the Building Systems businesses since the second quarter of 2003. Those businesses reported revenues of $104 million in the second quarter of 2004 compared to $608 million in the same period in 2003.

Group EBIT in the second quarter more than doubled to $288 million from $140 million in the same quarter in 2003. The improvement was driven by a 24-percent increase in core division EBIT – led by 36-percent growth in the Automation Technologies division – and a $52-million reduction in losses from Non-core activities.

The **Group EBIT margin** in the quarter was 5.9 percent compared to 2.9 percent in the same quarter of 2003.

ABB's Step change **productivity improvement** program, intended to increase the competitiveness of ABB's core businesses, reduce overhead costs and streamline operations by approximately $900 million on an annual basis by 2005, yielded savings of $252 million in the second quarter of 2004 on restructuring costs of $20 million. The program was substantially complete at the end of June 2004, as originally planned. In total, the Step change program achieved cost savings on an annualized basis of $917 million.

Employees in ABB numbered approximately 113,000 on June 30, 2004, the same as at the end of the first quarter of 2004. A reduction in the number of employees in Europe and the Americas was offset primarily by an increase in Asia. With the completion of the sale of ABB's upstream oil and gas business in July 2004, which employed about 8,000 people, the number of employees has been further reduced to 105,000.

Finance net[1] was negative $45 million compared to negative $86 million in the second quarter of 2003. The difference primarily reflects the non-recurrence of the $40-million loss on the sale of ABB's shares in the China National Petroleum Corporation (Sinopec) in the second quarter of 2003.

Included in the line Interest and other finance expense was an expense of $3 million (compared to $12 million for the same quarter in 2003) related to the $968 million worth of convertible bonds issued in 2002, comprising the mark-to-market of the equity option embedded in these bonds, and amortization of the discount on the bonds. The mark-to-market resulted in a gain of $7 million in the second quarter up to May 28, 2004, which was more than offset by an amortization expense of $10 million.

The mark-to-market treatment of the equity option was eliminated following a meeting of bondholders on May 28, 2004, who agreed to a change in the terms of the bonds allowing them to be converted into American Depositary Shares instead of ordinary shares denominated in Swiss francs. In the future, the amortization of the discount on the bonds will be between $7 million and $9 million per quarter until the bond matures in May 2007.

The net loss in **Discontinued operations** amounted to $41 million, compared to a net loss of $71 million in the second quarter of 2003. The result includes a payment to U.S. authorities of approximately $6 million related to a compliance review of ABB's upstream oil and gas

[1] Finance net is the difference between interest and dividend income and interest and other finance expense.

business, which was sold on July 12, 2004. (For more details on Discontinued operations, please refer to page 9).

ABB's **net income** for the second quarter amounted to $86 million, compared to a net loss of $55 million for the same period in 2003.

Balance sheet

Cash and marketable securities at the end of June 2004 amounted to $3.4 billion (excluding Discontinued operations), down from $3.8 billion at the end of March 2004 and $5.1 billion at the end of December 2003. The reduction results primarily from the repayment of debt as a result of bonds maturing and the buy-back of bonds.

At the end of June 2004, total debt (defined as total short and long-term borrowings) amounted to $6.1 billion, compared to $6.7 billion at March 31, 2004, and $7.9 billion at the end of December 2003. Included in ABB's total debt is approximately $765 million in bonds due for repayment during the remainder of 2004 and the first half of 2005. Gearing, defined as total debt divided by total debt plus shareholders' equity (including minority interest) amounted to 65 percent at the end of June compared to 67 percent at the end of March 2004.

Stockholders' equity at June 30, 2004, was $3,028 million compared to $3,013 million at the end of March 2004.

Cash flow from operating activities

$ in millions	Q2 2004[1]	Q2 2003[1]	Change
Power Technologies	11	243	(232)
Automation Technologies	225	143	82
Non-core activities	22	(125)	147
Corporate	(211)	(195)	(16)
Oil, Gas and Petrochemicals businesses	(183)	(91)	(92)
Total net cash used in operating activities	**(136)**	**(25)**	**(111)**

[1] Figures for the Group and for Power Technologies will be restated this year to correct a previously disclosed overstatement of earnings. For more information, refer to Note 2 – Earnings overstatement in an Italian subsidiary, in the Notes to the summary consolidated financial statements attached to this press release.

Net cash used in operations for the group in the second quarter of 2004 was $136 million compared to $25 million in the second quarter of 2003.

Cash flow from operations in the Power Technologies division amounted to $11 million in the second quarter, compared to $243 million in the same quarter of 2003. The difference mainly reflects an increase in working capital resulting from lower customer advances in the systems business and higher trade receivables. In the Automation Technologies division, cash flow from operations increased by $82 million, reflecting both higher earnings and reduced working capital.

Cash flow from operations in Non-core activities amounted to $22 million, reflecting in part lower restructuring cash payments in the remaining Building Systems and New Ventures businesses.

Cash outflow from Corporate amounted to $211 million in the quarter and included cash payments to the Settlement Trust for ABB's U.S. subsidiary Combustion Engineering of $26 million ($51 million in the same quarter of 2003). Total asbestos cash outflows, including fees and insurance collections, amounted to $27 million in the second quarter, compared to $51 million in the same period last year.

Cash outflow from the oil, gas and petrochemicals business increased by $92 million due to the cancellation of an approximately $100-million securitization program in preparation for the divestiture of the upstream business, which was completed in July 2004.

Divestments
ABB closed the sale of its reinsurance business in mid-April 2004, as previously announced, receiving gross cash proceeds of approximately $415 million, including $12 million received in July 2004. In addition, ABB sold a business in Sweden, formerly part of the Automation Technologies division, for $11 million, as well as investments in two U.S. technology businesses for $6 million, reporting a total gain on the divestments of $7 million in Other income (expense), net.

The sale of ABB's upstream oil and gas business, first announced in October 2003, was completed on July 12, 2004. Net cash proceeds from the sale were approximately $800 million, received in July 2004.

Asbestos
ABB is awaiting the results of a hearing held on June 3, 2004, before the U.S. 3rd Circuit Court of Appeals to review a pre-packaged Chapter 11 protection plan that was filed in 2003 by a U.S. subsidiary of ABB, Combustion Engineering. The plan has already been approved by both a federal bankruptcy court and a U.S. district court and ABB remains confident that the Circuit Court will also approve the plan.

Management change
ABB announced on June 24 that Peter Voser, chief financial officer, will leave the company effective October 2004 to become chief financial officer of the Royal Dutch/Shell group of companies. An external search for a successor was launched by the Board of Directors and an announcement is planned in the coming months.

Group outlook
The company confirms its 2005 targets for revenue, EBIT, total debt and gearing (total debt divided by total debt plus stockholders' equity, including minority interest).

From 2002 to 2005, ABB expects compound average annual revenue growth of 4 percent in local currencies. The Power Technologies division expects compound average annual revenue growth of 5.3 percent in local currencies. The Automation Technologies division expects compound average annual revenue growth of 3.3 percent in local currencies.

For 2005, the Group's target EBIT margin remains 8 percent in U.S. dollars. The 2005 EBIT margin targets in U.S. dollars for the Power Technologies and Automation Technologies divisions remain at 10 percent and 10.7 percent respectively.

The company intends to reduce total debt to about $4 billion and gearing to approximately 50 percent by 2005.

Revenue and margin targets exclude major acquisitions, divestitures and business closures.

Divisional performance Q2 2004

Power Technologies

$ in millions (except where indicated)	Q2 2004[1]	Q2 2003[1, 2]	Change
Orders	2,734	1,928	42%
Revenues	2,282	1,933	18%
EBIT	168	155	8%
EBIT margin	7.4%	8.0%	
Restructuring costs (included in EBIT)	-19	-18	

[1] Figures for the Group and for Power Technologies will be restated this year to correct a previously disclosed overstatement of earnings. For more information, refer to Note 2 – Earnings overstatement in an Italian subsidiary, in the Notes to the summary consolidated financial statements attached to this press release.
[2] Adjusted to reflect the reclassification of activities to Discontinued operations in 2003 and of substation automation activities from the Automation Technologies division, effective January 1, 2004.

Orders received in the Power Technologies division rose 42 percent to $2,734 million in the second quarter of 2004 (up 36 percent in local currencies). Orders grew in all business areas, reflecting the recovery in power infrastructure investments in most regions, including higher demand from utilities for grid interconnections, as well as higher demand from industrial customers and original equipment manufacturers (OEMs). Base orders continued the strong growth trend seen in the first quarter of the year.

Orders from Asia grew strongly and more than doubled in China and India in both U.S. dollars and local currencies in the quarter compared to the same period in 2003. Orders included the $390-million order for the Three Gorges high-voltage power link.

Western Europe showed double-digit order growth in both U.S. dollar and local currency terms on higher base orders. Orders decreased in eastern Europe compared to the high levels of the year-earlier period. Demand from North America began to show signs of recovery and included a $17-million order for high-voltage gas-insulated switchgear in the U.S. In Latin America, orders also increased by more than 10 percent in both U.S. dollars and local currencies. Orders in the Middle East and Africa remained strong, despite a small decrease in the quarter compared to the very high levels seen in same period in 2003.

Revenues in the quarter were 18 percent higher at $2,282 million (up 13 percent in local currencies), as the high level of product orders taken since the end of 2003 impacted top-line growth. Revenues grew at a double-digit pace in both U.S. dollar and local currency terms in all business areas except Power Systems, where revenues decreased due to the low level of large project execution in the quarter.

Revenues increased at a double-digit pace in all regions in both nominal and local currency terms in the quarter compared to the same period in 2003, except in North America, where they were slightly lower. The strongest improvement was seen in Asia, both eastern and western Europe, and the Middle East and Africa.

Second-quarter EBIT grew to $168 million, primarily reflecting the higher revenues and continued productivity-related margin improvements in most product businesses. The EBIT margin amounted to 7.4 percent, while the EBIT margin before restructuring reached 8.2 percent. The margin growth in the product businesses was more than offset by lower project revenues and the resulting low capacity utilization in parts of the systems business. This impact is expected to decrease over the rest of the year.

Cash flow from operations for the division amounted to $11 million in the second quarter, compared to $243 million in the same quarter of 2003. The difference mainly reflects an increase in working capital resulting from lower customer advances in the systems business and higher trade receivables. Net working capital as a percentage of revenues was slightly lower in the quarter compared to the second quarter of 2003.

Overstatement of earnings: As reported in June 2004, an internal inquiry uncovered an EBIT overstatement of approximately $70 million from the first quarter of 1998 through the first quarter of 2004 by the medium-voltage business in Italy. The consolidated financial statements and the results for Power Technologies presented in this press release have not yet been restated for the overstatement of earnings. ABB intends to restate its consolidated financial statements in 2004.

Automation Technologies

$ in millions (except where indicated)	**Q2 2004**	**Q2 2003**[1]	**Change**
Orders	2,892	2,418	20%
Revenues	2,700	2,404	12%
EBIT	260	191	36%
EBIT margin	9.6%	7.9%	
Restructuring costs (included in EBIT)	-16	-25	

[1] Adjusted to reflect the move of substation automation activities to the Power Technologies division, effective January 1, 2004

The Automation Technologies division reported orders of $2,892 million in the second quarter of 2004, a 20-percent increase compared to the same quarter last year (up 14 percent in local currencies). The improvement was driven by higher base orders in all business areas and across most customer segments.

Orders grew at a double-digit pace in both U.S. dollar and local currency terms in all regions except the Middle East and Africa, where orders were lower. China and India again led growth in Asia, with good demand seen in the pulp and paper, minerals and marine sectors. North American orders were higher than in the same quarter in 2003, rising for the third consecutive quarter. Orders also improved in western Europe, which showed signs of an economic recovery in several sectors. Order growth continued in eastern Europe and Latin America.

Base orders grew strongly in the quarter in both U.S. dollar and local currency terms, contributing to strong order growth in the Automation Products and Process Automation business areas. ABB's Industrial IT process control system 800xA continued to be well received in the market. Orders were also higher in Manufacturing Automation due to a large order in North America.

Revenues and EBIT grew for the seventh consecutive quarter. Revenues rose to $2,700 million, up 12 percent (6 percent in local currencies) compared to the second quarter of last year. Revenues in local currencies were higher in the Automation Products business area and flat in Process Automation and Manufacturing Automation.

Revenues in China were up by close to 50 percent and almost doubled in India in the quarter in both U.S. dollars and local currencies, leading to another strong revenue improvement in Asia. Revenues were higher in western Europe in both nominal and local currencies and grew at a double-digit pace in eastern Europe in both U.S. dollars and local currencies compared to the same period in 2003. Revenues were unchanged in Latin America and lower in North America.

EBIT rose 36 percent to $260 million compared to the same quarter in 2003. The improvement lifted the EBIT margin to 9.6 percent from 7.9 percent. The main contributors were ongoing productivity improvements, increased revenues from higher-margin products, and lower restructuring costs. The EBIT margin before restructuring increased to 10.2 percent in the second quarter of 2004 from 9.0 percent in the same period last year.

Cash flow from operations for the division continued the improvement established at the end of 2003, rising to $225 million, up $82 million compared to the second quarter of 2003. Higher earnings and a further reduction in working capital across all business areas contributed to the improvement.

Non-core activities

EBIT ($ in millions)	Q2 2004	Q2 2003[1]
Equity Ventures	16	47
Remaining Structured Finance	2	(54)
Building Systems	(18)	(46)
New Ventures	(7)	(6)
Other non-core activities	(2)	(2)
Total	**(9)**	**(61)**
Restructuring costs (included in EBIT)	(5)	(33)

[1] Adjusted to reflect the reclassification of activities to Discontinued operations in 2003

Non-core activities reported a negative EBIT of $9 million in the second quarter compared to a loss of $61 million in the same period of 2003. The decrease in Equity Ventures reflects the divestment of two investments in Australia during the second quarter of 2003 that resulted in a $28-million capital gain. The improvement in the Remaining Structured Finance earnings resulted from the non-recurrence of the $87-million loss on the sale of ABB's 35-percent stake in the Swedish Export Credit Corporation in June 2003.

The lower negative EBIT in Building Systems reflects the divestment of most of those businesses in 2003 and early 2004. Most of the loss is the result of costs related to the winding down of the small U.S. unit. The largest part of the business still to be divested is in Germany, which reported a small operational loss in the second quarter.

Corporate

EBIT ($ in millions)	Q2 2004	Q2 2003[1]
Headquarters/stewardship	(109)	(106)
Research and development	(23)	(23)
Other[2]	1	(16)
Total	**(131)**	**(145)**
Restructuring costs (included in EBIT)	0	(6)

[1] Adjusted to reflect the reclassification of activities to Discontinued operations in 2003
[2] Includes consolidation effects, real estate and Treasury Services

Headquarters and stewardship costs remained steady compared to the year-earlier period. The line Other includes capital gains of about $15 million from the sale of real estate in the second quarter of this year.

Other income (expense), net

Included in the group's second-quarter EBIT is a net expense of $3 million ($95 million in the same quarter in 2003) comprising restructuring costs, capital gains and losses, asset write-downs, and income from licenses and equity-accounted companies.

- Restructuring charges in the second quarter were $40 million ($82 million in the second quarter of 2003), including $20 million from the Step change productivity improvement program
- Asset write-downs in the quarter were $15 million ($2 million in the 2003 quarter), primarily related to a property in Switzerland
- Net capital gains were $30 million (compared to capital losses of $69 million in the same period in 2003), including a gain of $15 million on the sale of land and buildings in Switzerland and $7 million on the sale of businesses in Sweden and the U.S.
- Income from equity-accounted companies decreased to $14 million from $50 million in the second quarter of 2003, reflecting the divestment of the 35-percent stake in the Swedish Export Credit Corporation in June of last year. License income in the second quarter remained steady at $8 million

Discontinued operations

Net income (loss) ($ in millions)	Q2 2004	Q2 2003[1]
Reinsurance	(7)	19
Asbestos	9	(36)
Oil, Gas and Petrochemicals business	(23)	(46)
Other	(20)	(8)
Total net loss	**(41)**	**(71)**

[1] Adjusted to reflect the reclassification of activities to Discontinued operations in 2003

Costs relating to the settlement on the sale of ABB's reinsurance business, completed on April 16, 2004, resulted in a $7-million loss in the second quarter. The asbestos result is primarily due to a $12-million gain on the mark-to-market treatment of the approximately 30 million ABB shares reserved to cover part of the company's asbestos liabilities, compared to an expense of $30 million reported in the second quarter of 2003.

Oil, Gas and Petrochemicals

($ in millions)	Q2 2004	Q2 2003	Change
Orders	611	845	-28%
Revenues	802	1,056	-24%
Net loss	(23)	(46)	

Orders were 28 percent lower in the Oil, Gas and Petrochemicals business (29 percent lower in local currencies) in the second quarter of 2004 compared to the same period in 2003. Downstream orders in the quarter were lower as the result of more selective bidding, with a shift to lower-risk reimbursable contracts rather than large scope fixed-price contracts. Orders in the upstream business increased compared to the year-earlier period.

Revenues fell 24 percent (26 percent in local currencies). Higher revenues in the upstream business were offset by a decrease in the downstream business compared to the same quarter in 2003, when revenues were lifted by a large project in Russia. Lower revenues on the downstream side also reflect the continued shift in bidding strategy.

The net loss from the businesses in the quarter amounted to $23 million ($46 million loss in the second quarter of 2003). The downstream business reported a small net income (compared to a net loss in the same quarter of 2003) following a break-even result in the first quarter of 2004. The gain was more than offset, however, by a loss in the upstream business primarily related to costs associated with its sale (including costs of $22 million in the second quarter associated with the compliance review). The sale of the upstream business was closed in July 2004.

Appendix

ABB key figures second quarter 2004

$ in millions		Q2 2004[1]	Q2 2003[1,2]	% change Nominal	% change Local
Orders	**Group**	**5,529**	**4,727**	**17%**	**12%**
	Power Technologies	2,734	1,928	42%	36%
	Automation Technologies	2,892	2,418	20%	14%
	Non-core activities	92	664		
	Corporate	(189)	(283)		
Revenues	**Group**	**4,913**	**4,843**	**1%**	**-4%**
	Power Technologies	2,282	1,933	18%	13%
	Automation Technologies	2,700	2,404	12%	6%
	Non-core activities	127	799		
	Corporate	(196)	(293)		
EBIT*	Group	**288**	**140**	**106%**	
	Power Technologies	168	155	8%	
	Automation Technologies	260	191	36%	
	Non-core activities	(9)	(61)		
	Corporate	(131)	(145)		
EBIT margin	**Group**	**5.9%**	**2.9%**		
	Power Technologies	7.4%	8.0%		
	Automation Technologies	9.6%	7.9%		
	Non-core activities				
	Corporate				
Net income (loss)		**86**	**(55)**		

ABB key figures six months 2004

		Six months 2004[1]	Six months 2003[1, 2]	% change Nominal	% change Local
Orders	**Group**	**10,908**	**9,656**	**13%**	**4%**
	Power Technologies	5,122	3,974	29%	21%
	Automation Technologies	5,898	4,850	22%	13%
	Non-core activities	258	1,501		
	Corporate	(370)	(669)		
Revenues	**Group**	**9,269**	**9,160**	**1%**	**-6%**
	Power Technologies	4,134	3,700	12%	5%
	Automation Technologies	5,207	4,584	14%	5%
	Non-core activities	311	1,544		
	Corporate	(383)	(668)		
EBIT*	Group	**521**	**235**	**122%**	
	Power Technologies	307	291	5%	
	Automation Technologies	473	346	37%	
	Non-core activities	(11)	(116)		
	Corporate	(248)	(286)		
EBIT margin	**Group**	**5.6%**	**2.6%**		
	Power Technologies	7.4%	7.9%		
	Automation Technologies	9.1%	7.5%		
	Non-core activities				
	Corporate				
Net income (loss)		**90**	**(100)**		

[1] Figures for the Group and for Power Technologies will be restated this year to correct a previously disclosed overstatement of earnings. For more information, refer to Note 2 – Earnings overstatement in an Italian subsidiary, in the Notes to the summary consolidated financial statements attached to this press release. [2] Includes reclassification of activities to Discontinued operations in 2003; * Earnings before interest and taxes. See Summary Financial Information for more information.

More information

The 2004 Q2 results press release and presentation slides are available from July 29, 2004 on the ABB News Center at www.abb.com/news and on the Investor Relations homepage at www.abb.com/investorrelations.

ABB will host a telephone conference for journalists today starting at 10:00 Central European Time (CET). Callers from the U.K. should dial +44 20 7107 0611. From Sweden, dial +46 8 5069 2105, and from the rest of Europe, dial +41 91 610 56 00. Lines will be open 15 minutes before the start of the conference. The audio playback of the conference call will start one hour after the end of the call and be available for 72 hours. Playback numbers: +44 207 866 4300 (U.K.), +41 91 612 4330 (rest of Europe) or +1 412 317 0088 (U.S.). The code is 299, followed by the # key.

A conference call for analysts and investors is scheduled to begin at 14:30 CET. Callers should dial +41 91 610 56 00 (Europe and the rest of the world), +1 412 858 4600 (from the U.S.). Callers are requested to phone in 10 minutes before the start of the conference call. The audio playback of the conference call will start one hour after the end of the call and be available for 72 hours. Playback numbers: +1 412 317 0088 (U.S.) or +41 91 612 4330 (Europe and the rest of the world). The code is 304 followed by the # key.

The remaining reporting date for quarterly results in 2004 is October 28. In 2005, the reporting dates for quarterly reports are as follows:

February 16	Q4 and full year 2004 results
April 28	Q1 2005 results
July 28	Q2 2005 results
October 27	Q3 2005 results

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 105,000 people.

Zurich, July 29, 2004
Jürgen Dormann, chairman and CEO

This press release 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, 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 as planned, the resolution of asbestos claims on terms and conditions satisfactory to ABB, 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, 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 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:

Media Relations
Thomas Schmidt, Wolfram Eberhardt
Tel: +41 43 317 6568
Fax: +41 43 317 7958
media.relations@ch.abb.com

Investor Relations
Switzerland: Tel. +41 43 317 3804
Sweden: Tel. +46 21 325 719
USA: Tel. +1 203 750 7743
investor.relations@ch.abb.com

ABB Ltd
Affolternstrasse 54
CH-8050 Zurich, Switzerland