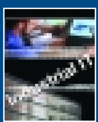
ABB Update

ABB Group information

Second quarter 2002

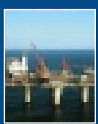
Q2 results at a glance

- Q2 order intake 10 percent and revenues 8 percent above Q1 in local currencies
- First-half EBIT US$ 368 million after US$ 185 million in restructuring costs, asset writedowns and charges
- Net income US$ 101 million, compared to US$ 266 million in first half 2001
- Financial restructuring and cost reduction program progressing as planned
- Full-year targets confirmed: EBIT margin of 4 to 5 percent and flat revenues



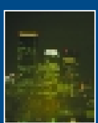
10,000 Industrial IT products

A new landmark in certifying products is passed *page 17*



Major contracts in Norway

ABB wins a series of orders from Statoil *page 18*

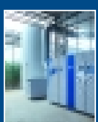


Boosting California's power supply

Strengthening electricity supplies in the state *page 19*

Sustainability report launched

A new way of reporting ABB's sustainability efforts *page 20*



Mini power plants generate profits

How ABB's microturbines are cutting costs for companies and consumers *page 21*

ABB's Q2 orders up – recovery continues

Four divisions increase earnings over Q1

US$ in millions, except per share data

	Jan – June 2002	*Jan–June 2001*	*Change*	*Change in LC (local currencies)*	*Change LC Q2 vs. Q1*
Orders	11,867	12,648	-6%	-6%	10%
Revenues	10,930	11,099	-2%	-1%	8%
Earnings before interest and taxes (EBIT)	368	626	-41%	-41%	-48%
Income from continuing operations	101	329	-69%		
Income (loss) from extraordinary items and accounting changes	0	-63			
Net income	101	266	-62%		
Earnings per share (US$)					
Income from continuing operations, basic and diluted	0.09	0.29			
Net income, basic and diluted:	0.09	0.23			
EBITDA	659	1,010	-35%		
Net cash provided by operating activities	20	79			

Zurich, Switzerland, July 24, 2002 – ABB said today orders grew 10 percent and revenues 8 percent in the second quarter, compared to Q1, 2002. ABB took US$ 185 million in restructuring costs, asset write-downs and charges in the first half to further improve the company's fundamentals and confirmed its full-year target of a 4 to 5 percent EBIT margin.

First-half orders were US$ 11.9 billion, down 6 percent from US$ 12.6 billion in the first half of 2001. Three divisions increased first-half orders: Power Technology Products (8 percent), Automation Technology Products (3 percent) and Oil, Gas and Petrochemicals (6 percent).

"The early-cycle orders recovery we saw in the first quarter has continued in the second quarter, and four divisions increased their earnings," said Jörgen Centerman, ABB president and CEO. "The positive order and revenues trend, and the expected benefits from restructuring, make us confident that we will reach our 2002 revenue and margin targets, while we continue to take measures to improve the company's fundamentals. We expect a stronger second half."

Orders from large customers grew by 16 percent in the first half, in line with ABB's focus on its core utility and industry customer base.

ABB Q2 results

In local currencies, divisional EBIT in the second quarter increased 42 percent in Industries, 41 percent in Automation Technology Products, 35 percent in Power Technology Products and 6 percent in Utilities. In Oil, Gas and Petrochemicals, EBIT declined 33 percent due to project margin write-downs.

First-half EBIT was US$ 368 million after US$ 185 million in restructuring costs, asset write-downs and charges. Costs related to the restructuring program were US$ 106 million. Asset write-downs and charges in New Ventures were US$ 9 million, and US$ 21 million in Building Systems. In Oil, Gas and Petrochemicals, US$ 49 million were taken in project margin write-downs. The half-year EBIT margin was 3.4 percent.

First-half net income was US$ 101 million (H1 2001: US$ 266 million), with a loss of US$ 13 million in the second quarter due to the charges taken. Net cash from operations amounted to US$ 20 million in the first half 2002 (H1 2001: US$ 79 million).

The restructuring program announced last July is progressing as planned. In the first half, US$ 106 million in costs were taken for the program, putting total restructuring costs to date at US$ 337 million. Excluding acquisitions and divestments, a total of 10,900 jobs have been reduced since July 2001, with 1,600 jobs cut in the second quarter, partially through natural attrition.

As of June 30, ABB employed 149,924 people compared to 156,865 at year-end 2001.

Net debt increased from US$ 4.1 billion to US$ 5.2 billion in the first half, but ABB reiterated its commitment to reducing net debt by at least US$ 1.5 billion in 2002. The net debt reduction will be achieved through improved cash earnings, asset sales and continuing portfolio management. ABB sold its Swedish real estate property portfolio in Q2 for US$ 300 million. The announced divestment of the Structured Finance business is expected to take place in the third quarter.

In regard to asbestos claims pending against Combustion Engineering, a U.S. subsidiary, ABB said that about 20,300 claims were settled in the first half of 2002, more than 40 percent without payment. Combustion Engineering is continuing its efforts to settle valid claims and dispute claims that appear baseless. At half-year, 102,700 claims were pending, compared to 93,500 at year-end 2001. Around 29,500 new claims were filed in the first half of 2002, compared to 29,300 in the second half of 2001. Settlement costs prior to insurance reimbursement were US$ 107 million (US$ 69 million in the second half of 2001).

Organizational and management changes

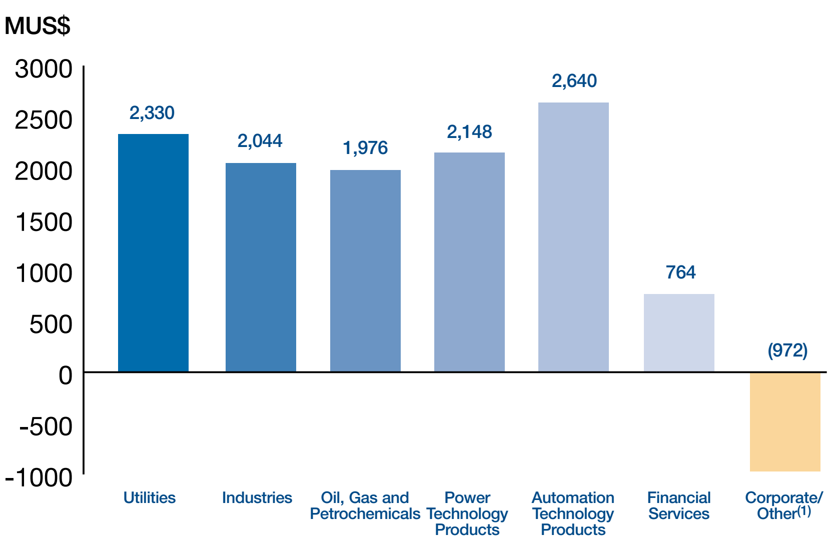
Gorm Gundersen, head of the Oil, Gas and Petrochemicals division and a member of the ABB Group executive committee, is leaving the company. The manager of the Upstream business area, Erik Fougner, assumes Gundersen's duties on an interim basis, in addition to his business area manager role.

Key figures in detail

Orders in the first half decreased by 6 percent in both local currencies and nominal terms compared to the first half of 2001.

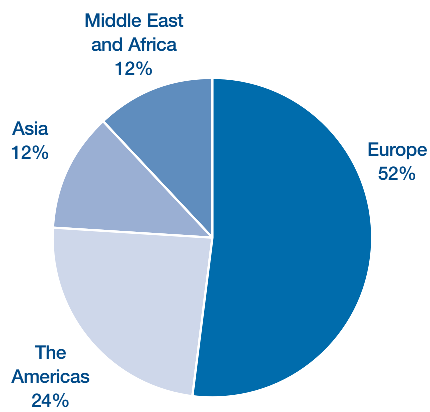
Base orders (orders below US$ 15 million), representing 82 percent of first-half orders, declined by 11 percent in both local and nominal currencies compared to the same period last year. First-half large orders increased 25 percent in both local and nominal currencies, mainly due to large projects awarded to the Oil, Gas and Petro-chemicals division in the second quarter.

2002 Revenues by division (January - June)



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

2002 Revenues by region (January - June)



First-half Group revenues were flat in local and nominal currencies, at US$ 10,930 million.

The order backlog increased by 14 percent to US$ 15,338 million, or 6 percent in local currencies since year-end, reflecting increased order intake in the second quarter.

EBIT margin in the first half of 2002 was 3.4 percent (5.6 percent in the first half of 2001). Lower margins were recorded in Utilities due to a weaker market environment and cost overruns, and in Automation Technology Products, reflecting restructuring costs and lower margins in Q1, 2002. Project margin write-downs and execution of low-margin projects led to a significant margin drop in Oil, Gas and Petrochemicals.

Corporate/Other amounted to US$ -367 million compared with US$ -202 million last year, mainly the result of asset write-downs in participations by New Ventures, asset write-downs and restructuring charges in the Building Systems business area, and development costs in Group Processes that are now expensed rather than capitalized.

Other income in the first half was US$ -3 million (H1 2001: US$ 81 million) comprising:

- Restructuring charges of US$ -106 million(H1 2001: US$ -20 million)
- Capital gains of US$ 69 million (H1 2001: US$ -4 million)
- Write-down of assets US$ -40 million (H1 2001: US$ -2 million)
- Income from equity accounted companies, licenses and other of US$ 74 million (H1 2001: US$ 107 million)

Net financial expenses were US$ 155 million in the first half of 2002 compared to US$ 129 million in the same period last year, reflecting lower interest and dividend income.

Net income was US$ 101 million in the first half, compared to US$ 266 million in the same period last year.

Cash flow, balance sheet and liquidity

In the first half, net cash from operating activities was US$ 20 million compared to US$ 79 million last year. Cash from the sale of marketable securities was US$ 462 million, while there was a US$ 952 million outflow for other assets and liabilities.

The latter is mainly a result of large project execution, as customer advances were consumed and sales in excess of invoicing (value-added work performed but not yet billed) built up during the period. Increased non-trade receivables also contributed to the movement in other assets and liabilities.

As a result of continued working capital discipline, trade receivables, inventories and trade payables contributed US$ 89 million to the operational cash flow.

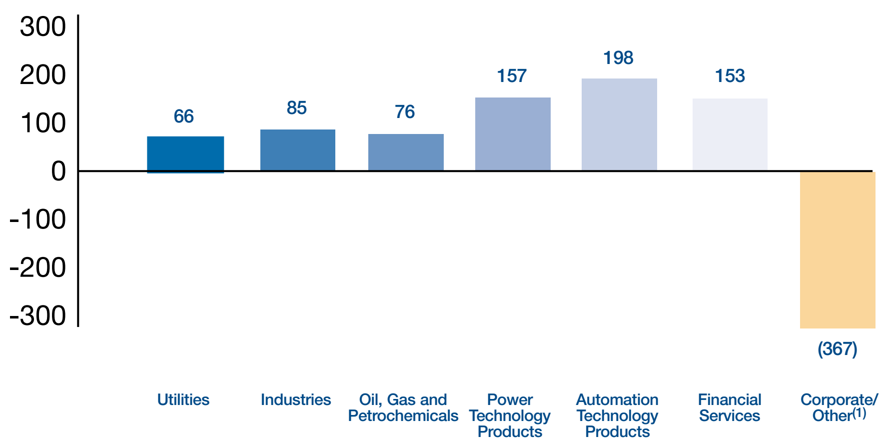
Cash and marketable securities totaled US$ 4,608 million at June 30, 2002. Net debt (defined as short-, medium- and long-term debt less cash and marketable securities) increased to US$ 5,235 million from US$ 4,077 million at the end of 2001. About 40 percent of the increase came from unrealized non-cash currency movements, which were offset by balance sheet positions not included in the net debt definition. The balance came from debt assumed in connection with the acquisition of a financing receivables portfolio, and to finance operational investments.

Long-term debt as a percentage of total debt was 60 percent compared to 51 percent at year-end, in line with ABB's 2002 target of two-thirds long-term and one-third short-term debt.

In May, ABB issued a US$ 968 million convertible bond and a straight bond consisting of 500 million euro and 200 million pound sterling.

EBIT 2002 by division (January - June)

MUS$



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

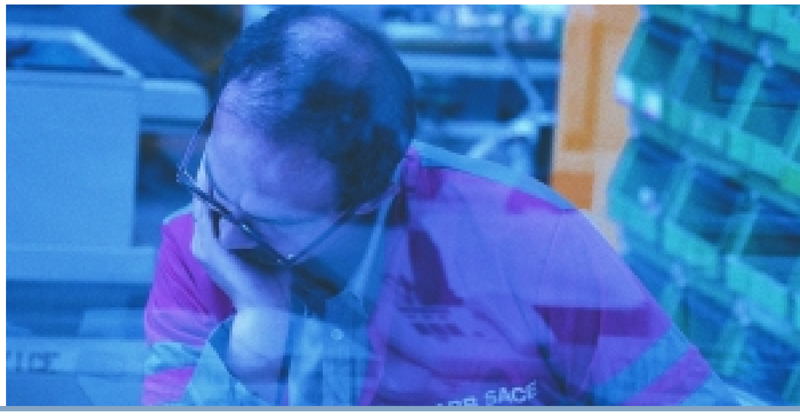


ABB Q2 results

Outlook 1

The outlook remains unchanged. For 2002, revenues are expected to be flat in comparison with 2001. EBIT margin for the full year 2002 is expected to be in the range of 4 to 5 percent. EBIT and net cash from operations are expected to be stronger in the second half of 2002 than in the first half.

ABB's target is to grow revenues on average by 6 percent annually in the period 2001-2005. EBIT margin is expected to reach 9 to 10 percent by 2005.

1 Assumes no major currency effects and excludes major acquisitions and divestments.

Technology

Industrial IT is ABB's patented concept for linking products and services together with the information needed to run, service, and maintain them. Open standard software allows production line operators or energy systems managers to effectively access the information needed to make operational decisions.

The number of ABB products certified to its Industrial IT standards passed the 10,000 mark in the second quarter of 2002. ABB is on track to certify all relevant products and product lines – a total of 40,000 – by the end of 2002.

ABB opened a research and development center in Singapore to concentrate on software development and Industrial IT. ABB opened a similar center in India earlier this year, as part of its strategy to make its research and development capability even more global. A further technology center is scheduled to open in China in 2003.

Sustainability

ABB launched its annual Sustainability Report in June, using for the first time the internationally approved "triple-bottom-line" approach to present its economic, environmental and social achievements.

Among the successes detailed in the report: the environmental management standard ISO 14001 has been implemented in 98 percent of ABB's 550 manufacturing and service sites worldwide. Environmental Product Declarations, detailing the eco-efficiency of ABB products and services, are helping customers benchmark their environmental performance against competition.

ABB said it is well ahead of its target, set in 1999, to reduce greenhouse gas emissions from its own activities by a rate of one percent per year over five years.

Division reviews

The divisions Power Technology Products and Automation Technology Products serve their customers through external channel partners and ABB's end-user divisions. As part of ABB's customer-centric strategy, more customers are being served directly by channel partners such as wholesalers, systems integrators and distributors. Orders, revenues and earnings associated with these customers are accordingly no longer reflected in the end-user divisions.

As a result, in the end-user divisions, orders and revenues from these "pull-through" products are decreasing correspondingly. Unless otherwise stated, there is no material impact on the EBIT of the end-user divisions. Overall, there is no impact on the Group's consolidated results, since the pullthrough effects are offset by reduced internal eliminations (currently presented in the line item Corporate/Other). There is no impact on the product divisions, since for them it remains a sale to the same customer whether products are sold via external channel partners or internal end-user divisions.

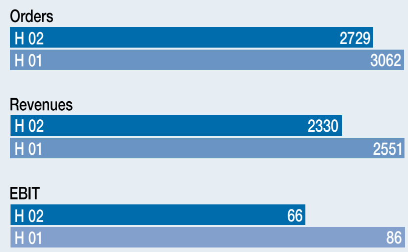
All figures reflect the first six months' activity and, except for EBIT margins, comments refer to local currency figures.

EBIT excluding capital gains is shown only if the aggregate of such gains for the division is material (in any case, if capital gains represent more than 10 percent of divisional EBIT).

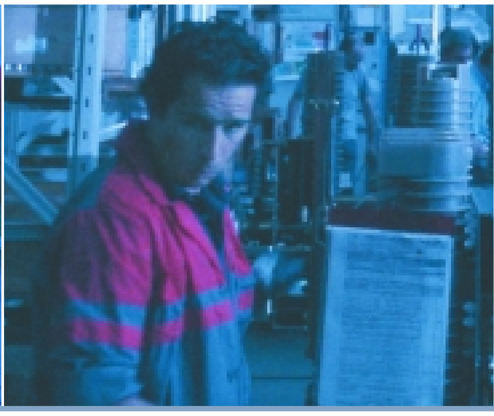
Utilities

Europe and Asia remained flat, except for good growth in China. The business climate in the Middle East and Africa continued to be positive. In the U.S., substantially reduced investments in new power generation plants led to lower demand for plant control systems, but investments remained strong for upgrading existing transmission capacity and grid interconnections.

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Orders	2,729	3,062	- 11%	- 10%	-15%
Revenues	2,330	2,551	- 9%	- 8%	+14%
EBIT	66	86	- 23%	- 22%	+6%
EBIT margin	2.8%	3.4%			



Highlights of the quarter included large transmission orders in the U.S. and Mexico. The strategy to grow business with water utilities was reinforced by a key order for the Changi Water Reclamation plant, part of the deep tunnel sewage system in Singapore, a major infrastructure project designed to meet the island state's needs



through the 21st century. ABB will supply the instrumentation, control and electrical distribution system for the plant.

First-half orders and revenues decreased, mainly because Power Technology Products is serving more customers via channel partners. Excluding products sold on behalf of Power Technology Products division, orders were 5 percent lower but revenues were up 5 percent.

EBIT was 22 percent lower (9 percent lower, excluding the pull-through effect), reflecting lower revenues, restructuring and cost overruns in legacy projects. The EBIT margin for the underlying operational performance (excluding restructuring, capital gains and non-recurring amortization) decreased from 3.7 percent to 3 percent.

For the second quarter, good order growth was recorded for Utility Automation and Utility Partner, offset by Power Systems. The increase in revenues led to EBIT growth of 6 percent in the quarter.

Industries

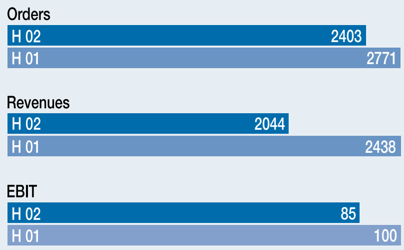
In April, ABB merged its Process Industries and Manufacturing and Consumer Industries divisions to form the Industries division, consisting of the following business areas: Automotive Industries; Manufacturing, Electronics and Consumer Industries; Marine and Turbocharging; Paper, Printing, Metals and Minerals; and Petroleum, Chemicals and Life Sciences.

Growth in Asia, the Middle East and Africa was strong, driven largely by spending in petroleum and mining. There were few signs of an overall economic upturn in Europe and the Americas. Demand for manufactured goods remained weak worldwide.

Highlights of the quarter included signing long-term Industrial IT partnership agreements with liquid packaging supplier Tetra Pak, marine supplier Kongsberg Simrad and pharmaceutical group Aventis.

Half-year orders decreased 13 percent as more customers were served by channel partners. Excluding ABB product sales now handled via channel partners orders decreased by 4 percent. Revenues excluding pull-through effects decreased by 6 percent.

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Orders	2,403	2,771	-13%	-13%	-2%
Revenues	2,044	2,438	-16%	-16%	+12%
EBIT	85	100	-15%	-16%	+42%
EBIT margin	4.2%	4.1%			



EBIT decreased 16 percent mainly due to a drop in revenues in Paper, Printing, Metals and Minerals and Automotive Industries. EBIT margin increased slightly to 4.2 percent. Under the restructuring program, the workforce (excluding acquisitions and divestitures) was reduced by 11 percent, compared to the same period 2001.

The EBIT margin for the underlying operational performance (excluding restructuring, capital gains and non-recurring amortization) decreased from 4.9 percent to 4.5 percent.

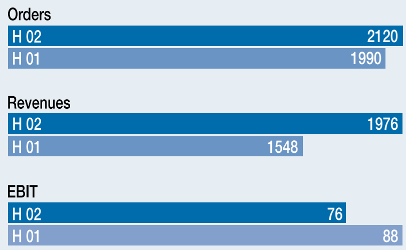
Overall, demand in the second quarter increased in Paper, Printing, Metals and Minerals, and Petroleum, Chemical and Life Sciences. Productivity improvements supported EBIT growth of 42 percent in the second quarter.

Oil, Gas and Petrochemicals

Investment levels for onshore and offshore oil and gas projects remained stable. In the markets for refineries and petrochemicals, low levels of activity continued into the second quarter of 2002.

The performance in the first half was affected by project margin write-downs in two legacy fixedprice contracts. ABB has set up tools and measures to reduce the risk profile in the project portfolio, including more selective criteria in the bidding process. ABB is also focusing on projects with higher engineering content, with a higher proportion of reimbursable rather than fixed-price contracts.

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Orders	2,120	1,990	+7%	+6%	+134%
Revenues	1,976	1,548	+ 28%	+ 26%	0
EBIT	76	88	- 14%	- 15%	-33%
EBIT margin	3.8%	5.7%			



An example of this is the US$ 987 million Sakhalin I contract with Exxon Mobil to build an oil and gas processing plant in the Russian Far East, received in the second quarter.

Orders increased 6 percent, exceeding last year's high order intake.

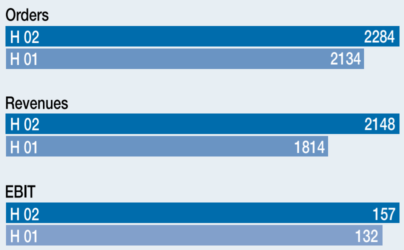
First half revenues increased 26 percent overall, mainly as a result of Upstream's high order backlog. Downstream revenues also increased, but more modestly given its lower backlog.

EBIT decreased 15 percent compared to

first half 2001, and EBIT margin decreased to 3.8 percent. The lower EBIT margin in the first half mainly reflects execution of low-margin fixed-price contracts and project margin write-downs of US$ 49 million. The EBIT margin for the underlying operational performance (excluding restructuring, capital gains and non-recurring amortization) decreased from 6.7 percent to 3.8 percent.

Power Technology Products

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Orders	2,284	2,134	+7%	+8%	-2%
Revenues	2,148	1,814	+18%	+19%	+13%
EBIT	157	132	+19%	+19%	+35%
EBIT margin	7.3%	7.3%			



Asian markets, in particular China, continued to show strong demand. Europe remained mixed while investments for Power Technology Products in North America decreased. Latin America, the Middle East and Africa continued to show good momentum.

One of the quarter's highlights was the delivery of the first Industrial IT-enabled power transformers equipped with a new type of electrical control system, which optimizes the efficiency of transformers and the grid through key control, monitoring and diagnostic functions.

Orders increased by 8 percent compared to the same period in 2001, mainly due to strong growth in the Asian markets, particular in China. Order growth was fueled by Power Transformers, while Medium- and High-Voltage Technology showed modest growth. Distribution Transformers was flat due to a market decline in the U.S.

Revenues were up 19 percent for the first half of 2002. The substantial top line growth was achieved despite a 10 percent reduction (excluding acquisitions and divestitures) in the division's workforce since June 2001, indicating good progress on productivity programs.

Despite significantly higher restructuring charges, EBIT increased by 19 percent and the EBIT margin remained at 7.3 percent. The EBIT for the underlying operational performance (excluding restructuring, capital gains and non-recurring amortization) increased by 31 percent, with an EBIT margin improvement from 7.9 percent to 8.8 percent.

Order intake in the second quarter reflected the continued high activity level in base business. The increase in EBIT over Q1 of 35 percent was due to ongoing productivity improvements.

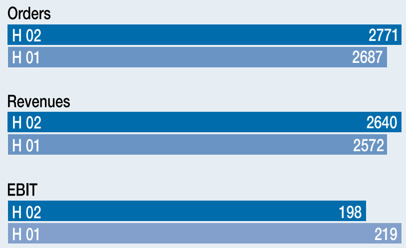
Automation Technology Products

Europe was mixed with some markets showing increased activity. U.S. markets remained slow, while Asia, particularly China, continued to grow. Demand for most automation products increased during the second quarter.

Highlights of the quarter included large converter orders for Drives and Power Electronics for Stadler Rail in Switzerland and for an aluminum smelter for Dubai. An innovation breakthrough was the introduction and market launch of a new wireless sensor and fieldbus plug.

Orders were up 3 percent in the first half-year, mainly reflecting higher demand in Robotics and a slight increase in Low-Voltage Products. Order intake for Drives and Power Electronics was flat while all other business areas showed a lower order intake.

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Orders	2,771	2,687	+3%	+ 3%	+5%
Revenues	2,640	2,572	+3%	+3%	+11%
EBIT	198	219	- 10%	- 9%	+41%
EBIT margin	7.5%	8.5%			



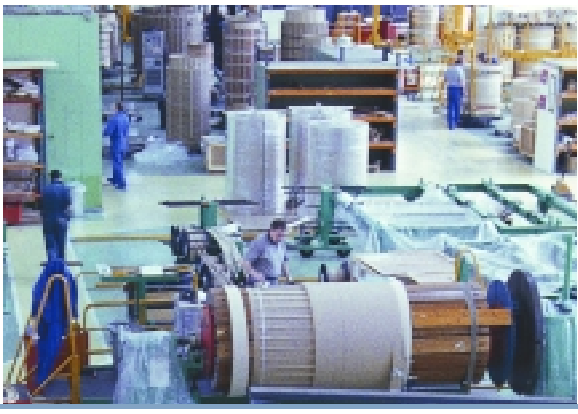
Revenues grew 3 percent driven by higher volume in the Robotics business area.

The EBIT margin for the underlying operational performance (excluding restructuring, capital gains and non-recurring amortization) for the first half decreased from 9.6 percent to 8.5 percent, mainly reflecting adverse business conditions in Q1.

For the second quarter, orders increased by 5 percent – largely driven by strong growth in Drives and Power Electronics, Low-Voltage Products and Robotics. The second quarter increase of EBIT by 41 percent is mainly the result of higher revenues and productivity improvements from the cost reduction program.

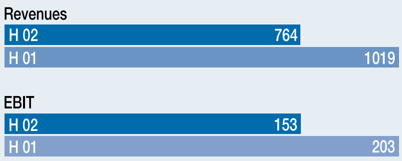
Financial Services

During the second quarter, interest rates remained low while the dollar weakened further against major currencies. High-quality insurance companies continued to benefit from higher insurance premiums while investment results were impacted by adverse development in capital markets.



As expected, revenues for Financial Services decreased by 25 percent primarily due to the run-off in Scandinavian Re. Treasury Centers ceased proprietary trading in June and will now focus primarily on treasury services for companies within the ABB Group.

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001	Change	Change in local currencies	Change LC Q2 vs Q1
Revenues	764	1,019	- 25%	- 25%	+24%
EBIT	153	203	- 25%	- 25%	-19%



EBIT decreased by 25 percent in line with the decrease in revenues. Restructuring charges of US$ 19 million were booked in the second quarter in connection with the refocus of Treasury Centers. Structured Finance reported higher earnings while other business areas showed lower results.

Corporate/Other

US$ in millions, except where indicated	Jan - June 2002	Jan - June 2001
EBIT	- 367	- 202
Other Activities	- 84	+ 24
Group Processes	- 51	- 2
Corporate R & D	- 40	- 39
Real estate	+14	+ 30
Elimination of AFS interest income	- 85	- 59
Other Corporate	-176	-156
Capital Gains	+ 69	+13
Restructuring	- 14	- 13

Other activities, which mainly comprises New Ventures, Air Handling and Building Systems, reported increased costs at US$ 84 million in the first half of 2002. This was a result of a combined US$ 30 million in asset write-downs in New Ventures, Air Handling and Building Systems, reported increased costs at US$ 84 million in the first half of 2002. This was a result of a combined US$ 30 million in asset write-downs in New Ventures and Building Systems, as well as the impact of adverse market conditions on operations for both businesses.

Group Processes also reported increased costs at US$ 51 million, due to higher amortization from development costs capitalized in previous years coupled with the ongoing expense of current costs. In addition, the costs for common group processes and infrastructure – IT, shared services, ebusiness, etc. – are now reported at the Group rather than at the divisional level.

Capital gains were US$ 69 million for the first half, mainly reflecting the capital gain from the sale of the Air Handling business area in the first quarter.

Reporting dates

The remaining quarterly reporting date in 2002 for ABB Ltd is scheduled for October 24. Reporting dates in 2003 are February 12 (annual results), April 29 (Q1), July 29 (Q2), and October 28 (Q3). The annual general meeting will be held on Friday, May 16 with an information meeting for shareholders in Sweden on Monday, May 19.

ABB (www.abb.com) is a global leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impacts. The ABB Group of companies operates in more than 100 countries and employs about 150,000 people.

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, 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. 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.

ABB Ltd Summary Consolidated Income Statements

	January – June 2002	January – June 2001	April – June 2002	April – June 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 (Unaudited)	At December 31, 2001 (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	January – June 2001
	(unaudited) (in millions)	
Operating activities		
Income from continuing operations	**$101**	$329
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
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 earning 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 gain 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)		**$ 2,224**

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 divi-

sions – 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 January – June		Revenues 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) January – June		Depreciation and amortization 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) January – June		Revenues 1) 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 contri butions 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 bal ances 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 invest ment in its Financial Services division is accounted for under the equity method of accounting.

	ABB Ltd Consolidated		*ABB Group 1)*		*Financial Services*	
US$ in milions	*Jun 30, 2002*	*Dec 31, 2001*	*Jun 30, 2002*	*Dec 31, 2001*	*Jun 30, 2002*	*Dec 31, 2001*
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.

Appendix A - Historical Divisional Data for Industries division and Corporate/Other [1] and Restructuring charges and related asset-writedowns per division (unaudited)

Industries	**Q2/2002**	**Q1/2002**	**FY 2001**	**Q4/2001**	**Q3/2001**	**Q2/2001**	**Q1/2001**
Orders	1,222	1,181	4,865	1,071	1,023	1,196	1,575
Revenues	1,098	946	5,060	1,428	1,194	1,206	1,232
EBIT	51	34	154	22	32	44	56
Depreciation & amortization	-12	-12	-94	-25	-23	-23	-23
Non-recurring goodwill amortization (SFAS 142)	0	0	-41	-11	-10	-10	-10
Restructuring & related asset write-downs	-2	-6	-38	-36	-2	0	0
Capital gain[2]	0	0	0	0	0	0	0
Capital expenditure	7	2	35	17	9	4	5
Employees	22,584	23,191	23,392	23,392	24,224	24,107	24,576

Corporate/Other							
Orders	-675	-529	-2,449	-441	-993	-562	-453
Revenues	-579	-393	-1,893	-484	-566	-416	-427
EBIT	-268	-99	-672	-312	-158	-139	-63
Depreciation & amortization	35	40	177	51	46	44	36
Non-recurring goodwill amortization (SFAS 142)	0	0	-24	-11	-5	-3	-5
Restructuring & related asset write-downs	-11	-4	-63	-51	1	-9	-4
Capital gain[2]	11	59	31	15	3	12	1
Capital expenditure	44	64	272	126	20	67	59
Employees	30,245	30,310	35,648	35,648	37,663	38,219	38,417

[1] Includes adjustments to eliminate inter-division transactions
[2] Aggregated capital gains on divisional level are shown only if they are material, in any case if they are above 10% of divisional EBIT

Restructuring charges and related asset-writedowns per division	**6M/2002**	**Q2/2002**	**Q1/2002**
Utilities	5	3	2
Industries	8	2	6
Oil, Gas and Petrochemicals	0	0	0
Power Technology Products	32	1	31
Automation Technology Products	27	15	12
Financial Services	19	19	0
Corporate / Other	15	11	4
Total	**106**	**51**	**55**

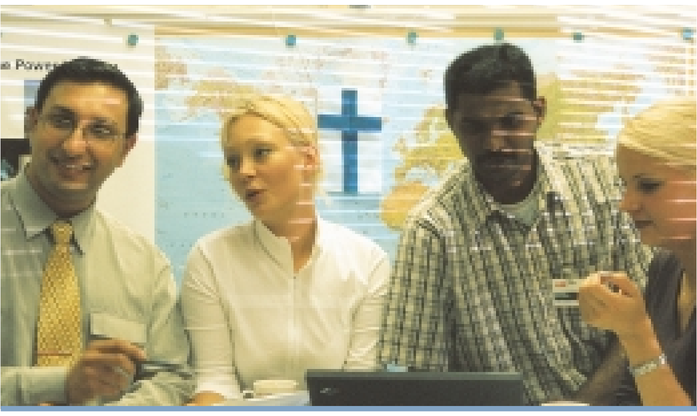


ABB certifies 10,000 products to new standard

A total of 10,000 products have now been certified to ABB's new industrial information technology standard, taking the company one step closer to its year-end goal of certifying all 40,000 relevant ABB products and product groups.

"Bringing all our power and automation products and services into a single information framework is key to helping make our customers more competitive," said Jörgen Centerman, president and CEO. "At the same time, it allows us to sharpen our portfolio, improve the integration of our products and services into solutions, and to strengthen the ABB brand."

Industrial IT is ABB's patented concept for linking products and services together with the information needed to run, service, and maintain them. Open standard software allows production line operators or energy systems managers to immediately access the information needed to make crucial decisions.

ABB had "Industrial IT Enabled" some 900 products at year-end 2001 and 3,000 products in February 2002.

Each Industrial IT Enabled product offers uniform electronic tools for documentation, configuration and connectivity. The tools are bundled in a piece of software called an "Aspect Object." When this software is copied and pasted into a customer's power or automation system, a virtual version of the real product is enabled for use. Basically, this means an operator of an electrical grid, power plant or factory can click on the virtual product and get instructions, remote control and diagnostics, maintenance records and other asset management information.

Industrial IT enabled™

ABB's 10,000th certified product, the Control IT Remote (Input/Output) System S900, manages signals between plant control systems, sensors and actuators. It can now be installed near plant devices to reduce wiring costs, and ensure quick access to all the aforementioned information. To date, more than 100 large customers have purchased ABB's Industrial IT products and services.

Industrial IT certification is mandatory for all ABB products. A number of third-party products have also been certified in cooperation with the company.

ABB sells real estate in Sweden for US$ 300 million

ABB announced in June that it has sold its property portfolio in Sweden to London & Regional Properties Ltd. (LRP) for US$ 300 million.

"The real estate sales contribute to reducing our net debt. This is a core element in our financial strategy announced earlier this year. The strategy aims at strengthening the balance sheet and increasing our financial flexibility," said Peter Voser, chief financial officer.

ABB has announced it intends to reduce net debt by at least US$ 1.5 billion this year through a combination of cash earnings, asset sales and portfolio management, including the divestment of its Structured Finance business area, which is set for the third quarter of 2002.

Under the deal, ABB has sold offices, and industrial and warehousing assets, totalling about 1.1 million square meters in 35 municipalities. The properties are located mainly in Västerås (475,000 square meters) and Ludvika (190,000 square meters).

ABB has signed long-term lease agreements with LRP, and will continue to rent 75 percent of the premises that are being sold through leasing contracts ranging from 1.5 to 15 years. LRP is a London-based, privately owned real-estate company.

New Industrial IT center opened in Singapore

ABB has inaugurated a new industrial information technology (IT) center in Singapore to grow its industrial information technology portfolio and better serve its growing customer base in Asia.

"The facility is equipped with some of the best ABB has to offer, both in terms of people and technology," said Sim Boon Kiat, Group Representative in Singapore. "This center is positioned to deliver quality and innovative Industrial IT solutions in a more efficient, faster and competitive way, helping our customers in their endeavours to create more shareholder value."

ABB's first research and development project at the new S$ 15 million IT center will focus on developing software that detects water leakage. The center is ABB's second in Asia. One opened in India earlier this year and another is slated to open in China in 2003.

ABB in Singapore, with revenues of some S$ 470 million in 2001, employs 1,200 and is involved in all of the company's core businesses: utilities; industries; oil, gas and petrochemicals; automation and power technology products. There is a small treasury center operation that is curtailing activities in line with the ABB Group decision to stop proprietary trading.

Worldwide contracts

Norway

ABB wins contracts worth US$ 560 million with Statoil

Contracts, signed in May and June with Statoil, the Norwegian oil company, are worth US$ 560 million.

In May, ABB signed a US$ 330 million contract with Statoil for maintenance and modification of six offshore oil and gas platforms in the North Sea, as well as the onshore Kollsnes processing plant.

The five-year platform contract is for Troll A, four Sleipner platforms and Veslefrikk. The terms also include Huldra and Kvitebjørn platforms in the initial stages of the agreement.

The contract has options for three two-year extensions and covers project management, engineering, procurement, fabrication and installation work. Implementation starts immediately, and is expected to be in full operation from the third quarter of 2002.

For the past seven years, ABB has held the maintenance and modification contract for the Troll and Sleipner offshore fields, as well as the Kollsnes plant on Norway's west coast.

In June, ABB announced it had won other contracts worth US$ 230 million with Statoil. ABB will receive US$ 70 million to supply an offshore power transmission system, and US$ 160 million to design, build and install a compression module for the Troll A gas platform.

Speaking about the June contracts, Gorm Gundersen, executive vice president and head of the Oil, Gas and Petrochemicals division, said: "Our customers are increasingly interested in environmentally friendly technologies. This package, which combines the world's first offshore HVDC system with a new compression module, meets that demand while reducing costs and increasing efficiency."

The contracts are part of Statoil's long-term program to expand compression capacity on the Troll A gas platform. ABB's HVDC Light™ power transmission system will eliminate emissions from the platform and at the connected onshore plant.

Installing the new compression module is necessary to maintain the gas export pressure and the daily processing capacity on Troll A. The compression module will boost current daily processing capacity on Troll A from 85 million cubic meters to more than 100 million cubic meters. Additional compressors are required in future phases when the wellhead pressure decreases further.

According to the terms of the contract, the work includes engineering, procurement, construction and installation offshore of a 4000-ton module. The work starts immediately and will be completed in October 2005, when the offshore installation period ends.

Mexico

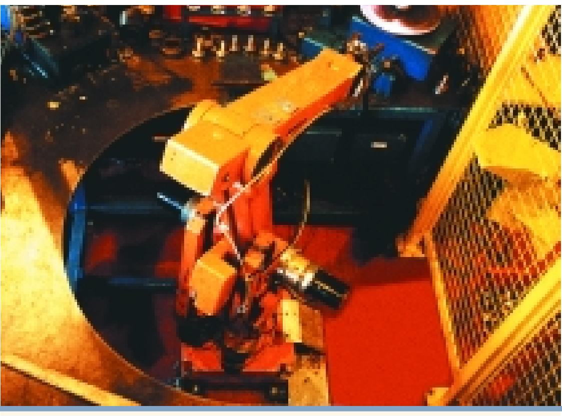
Strengthening a nation's electricity supply

ABB has won a US$ 115 million contract from Mexico's national power company, Comision Federal de Electricidad (CFE), to build a 242-kilometer high-voltage power transmission system to strengthen the connection between the country's largest hydroelectric plant at Manuel Moreno and the national power grid.

It is the fourth large transmission project ABB has been awarded in Mexico since the end of 2000. "ABB's strong local presence and broad range of capabilities in power transmission systems enable us to provide CFE with the right solution delivered both rapidly and cost effectively," said Richard Siudek, executive vice president and head of the Utilities division.

Working with Mexico-based consortium partner Techint, ABB will construct the first 242 kilometers of overhead transmission line between Manuel Moreno and the Juile substation, including advanced fiber optic links and integrated control systems, and will build a new substation at Cerro Del Oro. The new transmission system is scheduled to start operations at the end of 2003.

The contract is part of an overall US$ 269 million plan by CFE to develop Mexico's electrical infrastructure to meet the country's steadily increasing energy needs. The plan involves building around 600 kilometers of 400-kilovolt overhead transmission line to improve the link between the 1,500-megawatt hydroelectric plant at Manuel Moreno, in the southeastern state of Chiapas, and Tecali, close to the city of Puebla, in the more heavily populated and industrialized central region.



Yugoslavia

ABB cleans up war damage for the U.N.

ABB is helping clean-up operations at a plant, located at Kraguievac some 150 kilometers southeast of Belgrade, which was bombed by NATO during the campaign in Serbia in 1999.

The bombs damaged several buildings, including a paint shop in which two transformers containing PCB oils were housed. The highly toxic oil spilled out into two sediment basins beneath the paint shop, contaminating the concrete floor and 176 tons of paint sludge in the basins.

ABB will remove the PCB-contaminated concrete floor – an area of 200 square meters – and package the material in hermetically sealed drums. This, and the other PCB waste on the site, will then be packed into special containers and transported to disposal facilities in Germany and Switzerland. The two transformers will also be transported to Germany for cleaning.

ABB has many years experience of this type of clean-up operation. In Germany alone, ABB has been entrusted with the disposal of around 50 percent of the PCBs in old transformers and other equipment. ABB pursues a total approach to the problem, providing not only expert advice and the disposal of the hazardous waste, but the financing, installation and maintenance of replacement transformers as well.

PCBs are highly toxic and highly mobile in air and water. Their production was banned in many countries in the late 1970s and early 1980s. Prior to this, they were widely used in many industrial processes and products all over the world. Handling them can cause eczema and chloracne, and can reduce fertility. PCBs are also believed to cause cancer.

United States

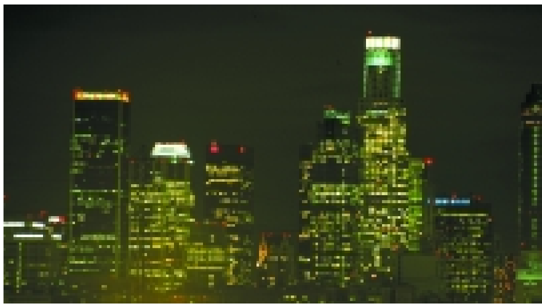
ABB signs US$ 93 million contract to boost California power connection

ABB said on July 3 it has won a US$ 93 million order to refurbish a high-voltage direct current (HVDC) transmission system which will increase the reliability of electricity supply in California.

Under the terms of the contract awarded by the Los Angeles Department of Water and Power, ABB will design, manufacture and install a 3,100-megawatt system to overhaul the current installation located at Sylmar near Los Angeles. ABB will deliver new converter transformers, HVDC thyristor valves and control and protection equipment.

"In recent years, investments in transmission systems have not kept pace with investments in power generation," said Richard Siudek, executive vice president and head of ABB's Utilities division. "Refurbishing this vital power corridor will improve electricity transfer capability and reliability."

The current system, one of two major electricity interconnections linking southern California to the northwestern United States, is now reaching the end of its operational life, and was damaged by an earthquake in 1994. The system is critical for the reliable transmission of power from hydro power plants in Oregon to the Los Angeles area.



The installation is to be completed in 30 months and will combine new, state-of-the-art seismic-resistant transmission materials with existing equipment.

India

Power and automation "firsts" for cement plant

ABB has supplied a complete power and automation solution and achieved several "firsts" in a new showcase cement plant for Chettinad Cement Corporation (CCCL) of India.

The plant, located in Tamil Nadu state in southern India, opened in Spring 2002 and has a production capacity of 1.1 million tons a year.

The solution includes power equipment (switchgear, breakers, transformers, motors, drives, and electrical parts), instrumentation and automation. It provides extensive data on power quality and operating conditions, and enables CCCL to monitor and optimize the power system and production process throughout the plant.

This is the first time that such a comprehensive power and automation solution has been installed in India.

The installation includes a Profibus communication protocol which provides high-speed data communication, reduces field wiring and seamlessly integrates the 423 devices in the field bus network. The network is the largest in the Asia-Pacific region, and the first of its kind to be installed in a cement plant in Asia.

ABB's medium-voltage ACS 1000 drives, which have revolutionized drive control and achieve an efficiency rate of more than 98 percent, are also included. ACS 1000 drives ensure substantial energy savings of 3-4 percent compared to conventional drives.

ABB commissioned the plant in the record time of 19 months, two months ahead of schedule.

Sustainability

ABB launches annual sustainability report

ABB issued its annual Sustainability Report in June, using for the first time the "triple-bottom-line" approach to present its economic, environmental and social achievements.

"Sustainability is at the heart of our business. With our power and automation technology products and solutions, we help our customers use less energy, cut their consumption of raw materials and reduce waste," said president and CEO Jörgen Centerman. "Sustainability helps improve our competitiveness."

ABB is aiming to raise its sustainability performance in four ways: by improving its economic achievements, extending its Environmental Management Systems, implementing its new social policy, and supporting electrification projects to promote economic development.

The environmental management standard ISO 14001 has now been implemented in 98 percent of ABB's 550 manufacturing and service sites worldwide. Environmental Product Declarations, detailing the eco-efficiency of ABB products and services, help customers benchmark their environmental performance against competition.

ABB said it is well ahead of its target, set in 1999, to reduce greenhouse gas emissions from its own activities by a rate of one percent per year over five years.

In 2001, ABB launched its social policy, conducting 45 stakeholder dialogue sessions in 34 countries to test it and seek ways to implement it and measure its performance.

ABB also launched an "Access to Electricity" program in 2001, which aims to provide sustainable electricity supplies to people in remote areas.

During 2002, new group-wide guidelines for occupational health and safety will be implemented at all ABB sites. The guidelines include a "zero-target" policy for serious and fatal incidents, as well as improved reporting procedures.

ABB has continued to score well in sustainability indexes. It topped its industry group in the Dow Jones Sustainability Index for the third consecutive year in 2001, and is rated by the Tata Electrical Research Institute among the top five corporate environmental performers in India. ABB also led the General Industrial category of the Business in the Environment Index for the second year running.

The "triple bottom line" framework used in the Sustainability Report has been guided by the Global Reporting Initiative, an organization funded by, among others, the United Nations and the U.S. Environmental Protection Agency.

Motorformer – saving electricity and cutting costs

A number of innovations have led to the introduction of the world's first high-voltage motor, called the Motorformer, which makes significant savings in terms of electricity losses and reduces operating costs over its working life.

Instead of conventional stator windings, it uses high-voltage cables insulated with crosslinked polyethylene, making it possible to increase the voltage in the windings so that power can be taken directly from a high-voltage grid. Motorformer can be designed for voltages of up to 150 kV.

Conventional motors cannot be connected directly to these voltages. Instead, the voltage must be stepped down by transformers.

The Motorformer eliminates the need for transformers, medium-voltage switchgear and other ancillary components normally used with large electric motors. This reduces system losses – often by as much as 25 percent.

There are other advantages to the Motorformer. Fewer components mean that costs of servicing, maintenance and spare pats are reduced. It also takes less space than conventional motors. In addition, most of the materials in the Motorformer can be easily recycled.

Helping earthquake victims in India

After a devastating earthquake in the northwest Indian state of Gujarat in 2001, ABB skills and personnel helped to ease some of the suffering.

ABB was one of the first companies to respond to a local electricity board's appeal for aid in restoring power supplies in the badly-hit region of Kutch. Working with local engineers, ABB personnel had electricity supplies restored five days earlier than had been anticipated.

ABB engineers were deployed throughout the region. Among other company contributions: a doctor was assigned to the area, shelters and building materials were donated, and every ABB employee in India donated a day's wages to the earthquake relief fund.

Customer success stories

Charting new territory: Configuring high-voltage switchgear online

ENMAX Power Corporation of Canada and Hydro Aluminium of Norway are the first two companies to use and benefit from ABB's new online configurator for high-voltage switchgear. The configurator enabled both companies to win valuable time in planning for and obtaining the optimum solution for their power technology projects.

The product, known as Compact Configurator, enables customers to configure complete high-voltage switchgear solutions online and in real time according to pre-defined specifications or completely from scratch. The configurator can also calculate other essential data such as the floor area required for a substation and its performance in comparison to that of a traditional plant.

Compact switchgear modules

ENMAX Power Corporation chose ABB's high-voltage switching module, Compact, for a new substation that was needed to meet the increasing demand for energy in the Calgary area. During the plant's opening ceremony in August 2001, Sneh Seetal, spokesperson for ENMAX, described Compact as follows: "ENMAX Power is the first municipal utility in Canada to use this more efficient, state-of-the-art switchgear technology at one of its substations."

At about the same time, Hydro Aluminium placed a repeat order for 24 Compact switchgear modules for its new aluminium plant at Sunndalsøra in Norway. The modules will secure the power supply for the production facilities at what is now the largest aluminium plant in Europe. Hydro Aluminium decided to furnish a complete switching station of 132 kilovolt (kV) with Compact in February 2001. It took only five months before the modules were energized.

Speed and flexibility – the decisive factors

Speed was a key factor in planning and executing both projects. Josef A. Dürr, head of ABB's High-Voltage Technology business area, describes the advantages of Compact Configurator: "With this type of interactive configuration, we can draft alternate versions for each project in the blink of an eye. Together with our customers, we develop the optimum solution for their needs. Flexibility and speed were the decisive factors for ENMAX and Norsk Hydro."

Peter Smits, head of the Power Technology Products division, is convinced that the way of doing business in the power market is about to change, and that online tools such as Compact Configurator will set the pace: "We will see a drastic shortening of the business process-from months to weeks and from weeks to days," he says.

Mini power plants generate profits

A new ABB-developed microturbine now makes it cost-effective for many companies to generate their own electricity.

ABB's T100 Microturbine produces power and hot water in the 100 kilowatt power range at an overall efficiency of over 80 percent - 40 percent better than the European average.

Developed by ABB in conjunction with Volvo, the T100 is also the world's most environmentally friendly energy generator.

Recently five Swiss companies (four utilities and a fresh produce farm) signed agreements with ABB for the operation of their own mini power plants. With the T100 they will have a reliable and affordable source of power and hot water available around the clock.

ABB is installing, financing and operating the microturbines, allowing the customers to concentrate on their core business.

The T100 is ideal for power generation in hospitals, hotels, hothouses, factories and a range of commercial buildings. For many companies and organizations, the ability to generate power using the T100 holds a number of advantages, including significant cost savings.

ABB to improve efficiency for BHP Billiton

BHP Billiton has outsourced to ABB the management and operation of three key operations at its Port Kembla steel-making facility near Sydney, Australia.

In terms of the long-term contract ABB is providing machining, fabrication and heat-treatment services to BHP Billiton's Flat Products division, maintaining and upgrading the workshops and employing some 90 people.

ABB has committed itself to achieving specific efficiency improvements for BHP Billiton, while the customer has guaranteed minimum workloads for the first four years of the contract.

Mark Southey, head of ABB Australia's Asset Management and Services division, describes the deal as a new milestone in ABB's relationship with BHP Billiton which, he points out, is already more than 40 years old. Two years ago ABB played a leading role in the U$ 250-million upgrade of BHP Billiton's Port Kembla copper smelter.

"By outsourcing non-strategic operations such as this, BHP Billiton can focus on its core activities of steel-making while taking advantage of ABB's experience in successfully managing operations of this type," says Southey.

ABB Ltd Shareholder information

ABB Ltd

Per-share data	***Q2 Jan-June, 2002***	***Q2 Jan-June, 2001***
Basic net income per share (US$)	0.09	0.23
Diluted net income per share (US$)	0.09	0.23
Weighted average shares outstanding	1,113,000,000	1,151,000,000
Dilutive potential shares	--	6,000,000
Diluted weighted average shares outstanding	1,113,000,000	1,157,000,000
Share price: (Source: Bloomberg, closing prices end of June)		
Swiss Exchange (CHF)	13.25	27.2
Stockholm Stock Exchange (SEK)	81.5	160
Frankfurt Stock Exchange (EURO)	9	17.5

The global ISIN code for the ABB share until this day is: CH 001 222 171 6.

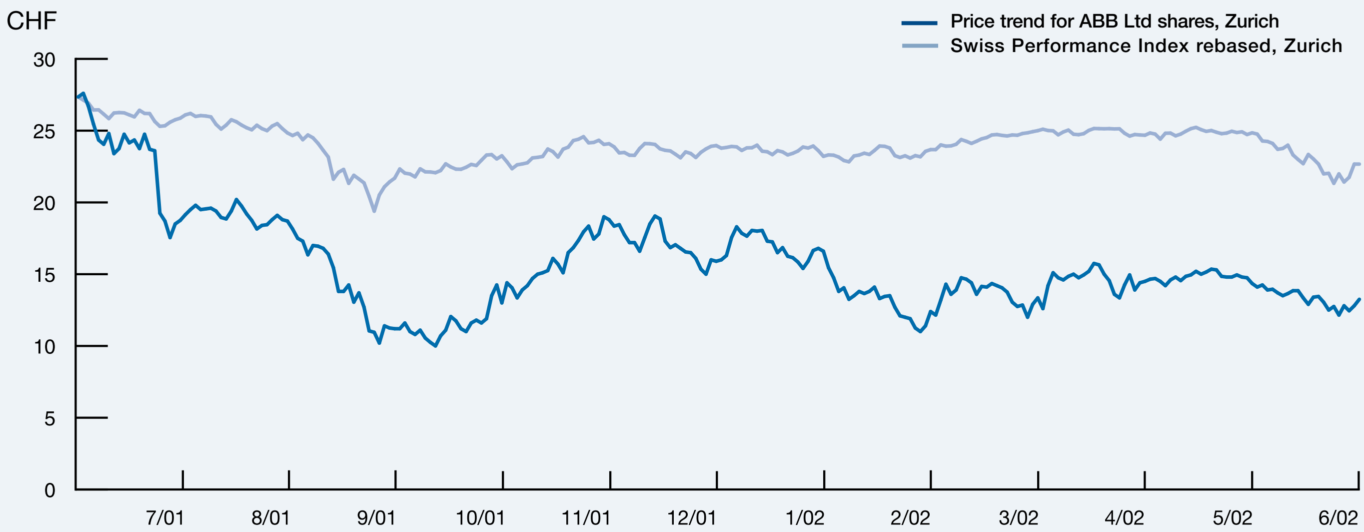
ABB Ltd Historical Figures

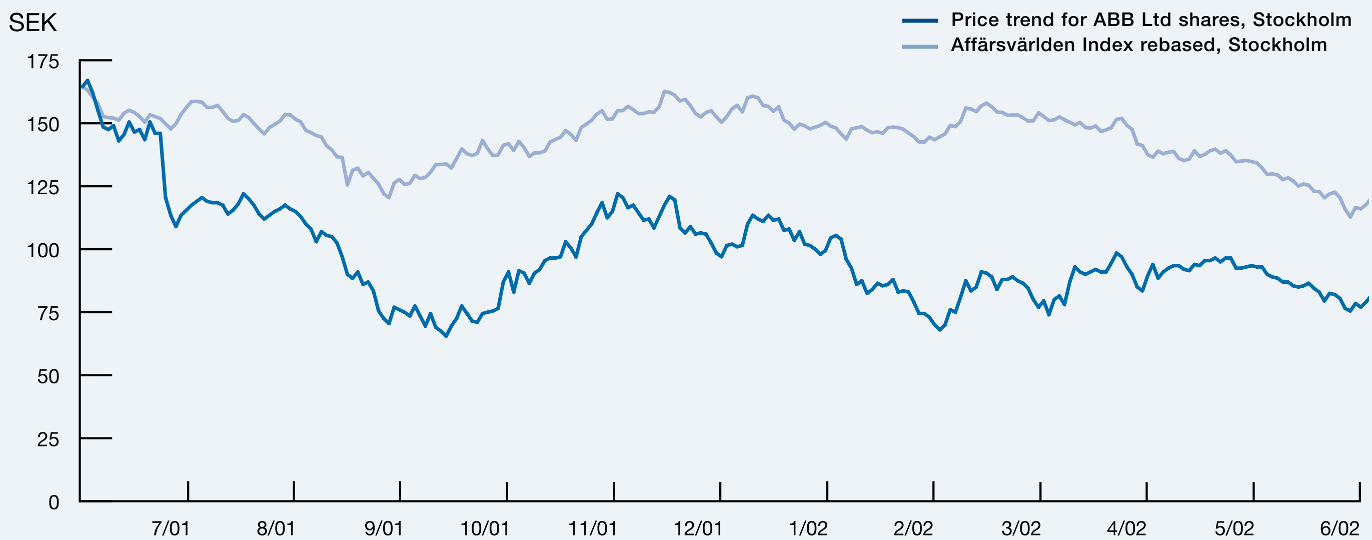
Per-share data(1)	***2001***	***2000***	***1999***
Dividend (CHF)	n.a.(2)	0.75	0.75
Par value (CHF)	2.50	2.50	2.50
Vote per share	1	1	1
Weighted average shares outstanding (in millions)	1,132	1,180	1,184
Dilutive effect of management incentive plan (in millions)	3	5	3
Diluted weighted average shares outstanding (in millions)	1,135	1,185	1,187

(1) 2001, 2000 and 1999 figures restated for the 4 for 1 share-split on May 7, 2001.
(2) In order to strengthen the balance sheet, no dividend was paid for 2001.

Key ratios(1) ***(US$)***	***2001***	***2000***	***1999***
EBITDA per share*	0.94	1.87	1.61
Basic earnings (loss) per share	(0.61)	1.22	1.15
Diluted earnings (loss) per share*	(0.61)	1.22	1.15
Stockholders' equity per share*	3.17	3.98	3.36
Cash flow per share*	1.87	0.86	1.33
Dividend pay-out-ratio (%)	n.a.	37	40
Direct yield (%)	n.a.	1.7	1.5
Market-to-book (%)	525.6	611.1	854.3
Basic P / E ratio	n.a.	21.6	26.5
Diluted P / E ratio	n.a.	21.6	26.5

* Calculation based on diluted weighted average shares outstanding
(1) 2001 and 2000 figures restated for the 4 for 1 share-split on May 7, 2001.





Stock Exchange Listings

Source Bloomberg and Affärsvärlden

Ticker symbol for ABB Ltd	
SWX Swiss Exchange (virt-x)	ABBN
Stockholmsbörsen	ABB
Frankfurt Stock Exchange	ABA
London Stock Exchange	ABBN
New York Stock Exchange	ABB

Ticker symbol for ABB Ltd at Bloomberg	
SWX Swiss Exchange (virt-x)	ABBN VX
Stockholmsbörsen	ABB SS
Frankfurt Stock Exchange	ABJ GR
London Stock Exchange	ABBN VX
New York Stock Exchange	ABB US

Ticker symbol for ABB Ltd at Reuters	
SWX Swiss Exchange (virt-x)	ABBZn.VX
Stockholmsbörsen	ABB.ST
Frankfurt Stock Exchange	ABBn.F
London Stock Exchange	ABBZn.VX
New York Stock Exchange (NYSE)	ABB.N

About ABB

ABB (www.abb.com) is a global leader in power and automation technologies that enable utility and industry customers to improve performance whilelowering environ-mental impacts. The ABB Group of companies operates in more than 100 countries and employs about 150,000 people worldwide.

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