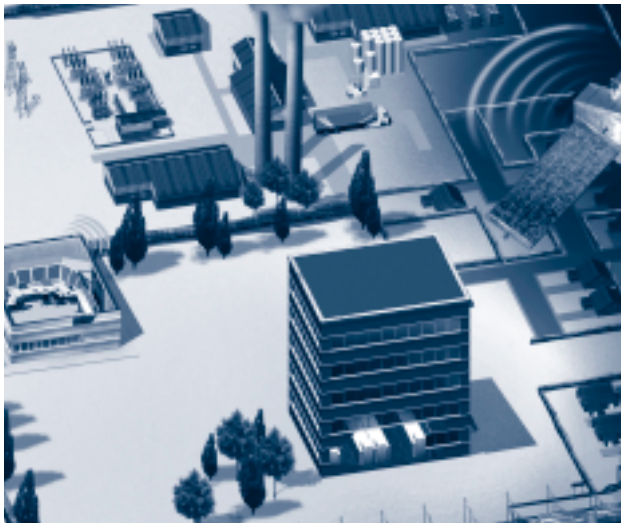


ABB Annual Report 2004
Financial summary



Improving power supply
Increasing industrial productivity



ABB at a glance

Streamlining operations to strengthen business

ABB Group

The ABB Group further streamlined its business operations in 2004 to drive operational excellence and cost competitiveness, to make it simpler to do business with ABB and to better serve our customers.

The Power Technologies division announced organizational changes, which took effect on January 1, 2005. Similar streamlining measures announced by the Automation Technologies division during 2003 took effect at the start of 2004. The Power Technologies division has reduced its five business areas to two, grouping them around power technology products and power technology systems. In this section, we report under the 2004 structure.

From the start of 2004, the Automation Technologies division concentrated its operations in three rather than six business areas: automation products, process automation, and manufacturing automation.

The two core divisions serve many of the same industries and businesses with their products and systems. They include electric, gas and water utilities, automotive, chemical and pharmaceutical, metals, minerals and mining, power generation, cement, commercial and industrial buildings, pulp and paper, oil and gas, refining, railways, petrochemicals, marine and turbocharging, telecommunications and data communication.

Power Technologies

The Power Technologies division serves electric, gas and water utilities, as well as industrial and commercial customers, and channel partners with a broad range of products, systems and services for power transmission, distribution and power plant automation.

Business areas

- Transformers
- Medium-Voltage Products
- High-Voltage Products
- Power Systems
- Utility Automation

Automation Technologies

The Automation Technologies division blends a comprehensive portfolio of standard and customer-tailored products, solutions and services for increased productivity and energy efficiency among industrial, utility and building industry customers.

Business areas

- Automation Products
- Process Automation
- Manufacturing Automation

Other activities

Non-core activities

- Oil, Gas and Petrochemicals (Downstream)
- Equity Ventures
- Building Systems
- New Ventures

Corporate

- Headquarters/stewardship
- Research and Development

Consolidated Financial Statements

Consolidated Income Statements

Year ended December 31 (in millions, except per share data)	2004	2003	2002
Revenues	\$ 20,721	\$ 20,427	\$ 19,472
Cost of sales	(15,757)	(15,928)	(15,098)
Gross profit	4,964	4,499	4,374
Selling, general and administrative expenses	(3,786)	(3,917)	(4,050)
Amortization expense	(45)	(31)	(45)
Other income (expense), net	(49)	(194)	(80)
Earnings before interest and taxes	1,084	357	199
Interest and dividend income	164	152	194
Interest and other finance expense	(387)	(569)	(327)
Income (loss) from continuing operations before taxes and minority interest	861	(60)	66
Provision for taxes	(311)	(245)	(81)
Minority interest	(102)	(66)	(111)
Income (loss) from continuing operations	448	(371)	(126)
Loss from discontinued operations, net of tax	(483)	(408)	(693)
Net loss	\$ (35)	\$ (779)	\$ (819)
Basic earnings (loss) per share:			
Income (loss) from continuing operations	\$ 0.22	\$ (0.30)	\$ (0.11)
Net loss	\$ (0.02)	\$ (0.64)	\$ (0.74)
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	\$ 0.22	\$ (0.30)	\$ (0.27)
Net loss	\$ (0.02)	\$ (0.64)	\$ (0.86)

See accompanying Notes to the Consolidated Financial Statements, available in the ABB Financial review 2004.

Consolidated Financial Statements

Consolidated Balance Sheets

at December 31 (in millions, except share data)	2004	2003
Cash and equivalents	\$ 3,676	\$ 4,783
Marketable securities and short-term investments	524	473
Receivables, net	6,330	6,049
Inventories, net	2,977	2,671
Prepaid expenses and other	1,688	1,794
Assets held for sale and in discontinued operations	155	4,981
Total current assets	15,350	20,751
Financing receivables, non-current	1,233	1,372
Property, plant and equipment, net	2,981	2,858
Goodwill	2,602	2,528
Other intangible assets, net	493	601
Prepaid pension and other employee benefits	549	564
Investments and other	1,469	1,727
Total assets	\$ 24,677	\$ 30,401
Accounts payable, trade	\$ 4,272	\$ 4,034
Accounts payable, other	1,437	1,395
Short-term borrowings and current maturities of long-term borrowings	633	1,644
Accrued liabilities and other	6,436	5,957
Liabilities held for sale and in discontinued operations	290	3,990
Total current liabilities	13,068	17,020
Long-term borrowings	4,901	6,290
Pension and other employee benefits	1,551	1,790
Deferred taxes	953	1,022
Other liabilities	1,083	1,077
Total liabilities	21,556	27,199
Minority interest	297	285
Stockholders' equity:		
Capital stock and additional paid-in capital	3,083	3,067
Retained earnings	1,725	1,760
Accumulated other comprehensive loss	(1,846)	(1,772)
Less: Treasury stock, at cost (11,611,529 shares at December 31, 2004 and 2003)	(138)	(138)
Total stockholders' equity	2,824	2,917
Total liabilities and stockholders' equity	\$ 24,677	\$ 30,401

See accompanying Notes to the Consolidated Financial Statements, available in the ABB Financial review 2004.

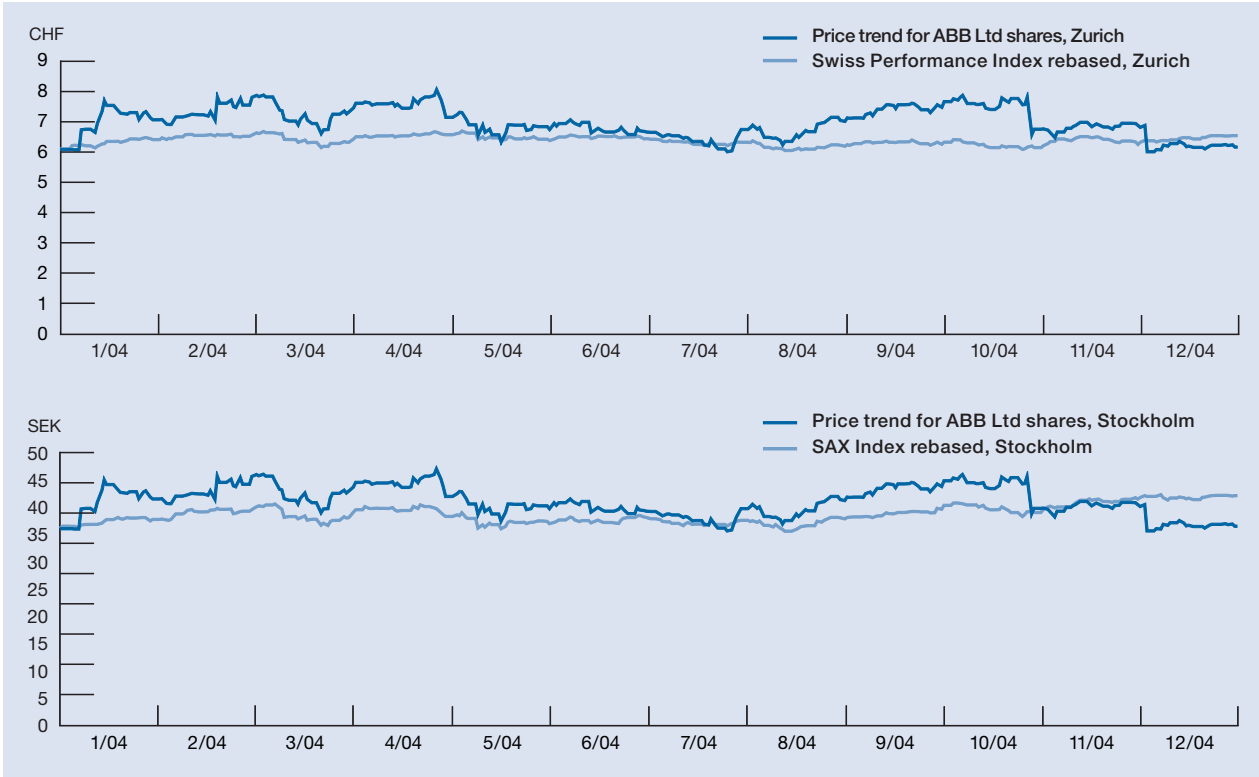
Consolidated Financial Statements

Consolidated Statements of Cash Flows

Year ended December 31 (in millions)	2004	2003	2002
Operating activities:			
Net loss	\$ (35)	\$ (779)	\$ (819)
<i>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</i>			
Depreciation and amortization	633	585	611
Provisions	92	(728)	(132)
Pension and postretirement benefits	55	21	37
Deferred taxes	3	47	(123)
Net gain from sale of property, plant and equipment	(36)	(26)	(23)
Loss on sale of discontinued operations	63	38	194
Other	167	411	(164)
Changes in operating assets and liabilities:			
Marketable securities (trading)	43	13	498
Trade receivables	(160)	85	627
Inventories	(74)	238	369
Trade payables	(63)	(381)	79
Other assets and liabilities, net	274	303	(1,154)
Net cash provided by (used in) operating activities	962	(173)	-
Investing activities:			
Changes in financing receivables	176	390	264
Purchases of marketable securities and short-term investments (other than trading)	(2,877)	(2,781)	(4,377)
Purchases of property, plant and equipment	(543)	(547)	(602)
Acquisitions of businesses (net of cash acquired)	(24)	(55)	(144)
Proceeds from sales of marketable securities and short-term investments (other than trading)	2,317	3,049	4,525
Proceeds from sales of property, plant and equipment	123	155	476
Proceeds from sales of businesses (net of cash disposed)	1,182	543	2,509
Net cash provided by investing activities	354	754	2,651
Financing activities:			
Net changes in borrowings with maturities of 90 days or less	(104)	(99)	(1,677)
Increases in borrowings	265	1,976	9,069
Repayment of borrowings	(2,913)	(2,893)	(10,188)
Treasury and capital stock transactions	(36)	2,675	-
Other	(17)	(56)	3
Net cash provided by (used in) financing activities	(2,805)	1,603	(2,793)
Effects of exchange rate changes on cash and equivalents	74	150	141
Adjustment for the net change in cash and equivalents in assets held for sale and in discontinued operations	308	(80)	60
Net change in cash and equivalents – continuing operations	(1,107)	2,254	59
Cash and equivalents beginning of year	4,783	2,529	2,470
Cash and equivalents end of year	\$ 3,676	\$ 4,783	\$ 2,529
Interest paid	\$ 382	\$ 438	\$ 482
Taxes paid	\$ 379	\$ 238	\$ 298

See accompanying Notes to the Consolidated Financial Statements, available in the ABB Financial review 2004.

ABB Ltd Shareholder information



Stock Exchange listings

Ticker symbols for ABB Ltd

SWX Swiss Exchange (virt-x)	ABBN
Stockholmsbörsen	ABB
Frankfurt Stock Exchange	ABJ
London Stock Exchange	ANN
New York Stock Exchange (NYSE)	ABB

Ticker symbols for ABB Ltd at Bloomberg

SWX Swiss Exchange (virt-x)	ABBN VX
Stockholmsbörsen	ABB SS
Frankfurt Stock Exchange	ABJ GR
London Stock Exchange	ANN LN
New York Stock Exchange (NYSE)	ABB US

Ticker symbols for ABB Ltd at Reuters

SWX Swiss Exchange (virt-x)	ABBN.VX
Stockholmsbörsen	ABB.ST
Frankfurt Stock Exchange	ABBN.F
London Stock Exchange	ABBNq.L
New York Stock Exchange (NYSE)	ABB.N

Credit rating for ABB Ltd as of December 31, 2004

Standard & Poor's

Long-term Corporate Credit Rating:	BB+
Long-term Senior Unsecured debt:	BB-
Short-term Corporate Credit Rating:	B
Stable Outlook	

Moody's

Long-term Senior Implied Rating:	Ba2
Long-term Senior Unsecured Rating:	Ba2
Short-term Debt rating:	Not Prime
Stable Outlook	

The credit rating is subject to revision at any time.
For the latest credit ratings please see Moody's and Standard & Poor's web pages.

Bondholder information

Outstanding public bonds as of February 28, 2005.

Issuer	Original issued principal amount	Coupon	Due	Bloomberg ticker	Reuters ticker
ABB International Finance Ltd	JPY 50 billion	0.5%	2005	ABB 0.5 09/20/05	CH013519668=
ABB International Finance Ltd	USD 968 million Convertible	4.625%	2007	ABB 4.625 05/16/07	CH014749721=
ABB International Finance Ltd	EUR 500 million	9.5%*	2008	ABB 9.5 01/15/08	CH014855653=
ABB International Finance Ltd	GBP 200 million	10%*	2009	ABB 10 05/29/09	CH014855661=
ABB Ltd	CHF 500 million	3.75%	2009	ABB 3.75 09/30/09	CH896367=S
ABB International Finance Ltd	CHF 1,000 million Convertible	3.5%	2010	ABB 3.5 09/10/10	CH1653740=S
ABB International Finance Ltd	EUR 650 million	6.5%	2011	ABB 6.5 11/30/11	CH018119617=

* Excl. step-up

Share data

Per-share data

	2004	2003
Dividend (CHF)	n.a. ⁽¹⁾	n.a.
Par value (CHF)	2.50	2.50
Vote per share	1	1
Weighted average number of shares outstanding (in millions)	2,028	1,220 ⁽²⁾
Diluted weighted average number of shares outstanding (in millions)	2,029	1,220

⁽¹⁾ It will be proposed to the Annual General Meeting that no dividend be paid for 2004.
⁽²⁾ Following the rights issue completed in December 2003, there were 2,028,404,505 shares outstanding at December 31, 2003.

Key ratios

(US\$)	2004	2003
Basic (loss) per share	(0.02)	(0.64)
Diluted (loss) per share ⁽¹⁾	(0.02)	(0.64)
Stockholders' equity per share ⁽²⁾	1.39	1.44
Operating cash flow per share ⁽¹⁾	0.47	n.a.
Dividend pay-out-ratio (%)	n.a.	n.a.
Direct yield (%)	n.a.	n.a.
Market-to-book (%)	403.7	350.7
Basic P / E ratio	n.a.	n.a.
Diluted P / E ratio	n.a.	n.a.

⁽¹⁾ Calculation based on diluted weighted average number of shares outstanding
⁽²⁾ Calculation based on the number of shares outstanding at December 31

ABB Ltd Annual General Meeting

The 2005 Annual General Meeting of ABB Ltd will be held at 10:00 a.m. on Thursday, May 12, 2005 at the Messe Zurich hall in Zurich-Oerlikon, Switzerland. Shareholders entered in the share register, with the right to vote, by May 2, 2005, are entitled to participate in the General Meeting.

For shareholders in Sweden an Information Meeting will be held in Västerås, Sweden, on May 13, 2005 at 10:00 a.m.

ABB shareholders' calendar 2005

Three month results 2005	April 28
ABB Ltd Annual General Meeting, Zurich	May 12
ABB Ltd Information Meeting, Västerås	May 13
Six month results 2005	July 28
Nine month results 2005	October 27

The ABB Annual Report 2004 consists of an Operational review, a Financial review and a Sustainability review.

For an additional copy of this or any of the other reviews, please use the contact information on the back of this document or download copies from www.abb.com.

The Operational review and a financial summary (contained in the Operational review) are published in English, German, Swedish and French. The Financial review is published in English and German. The Sustainability review is published in English. For all documents in the Annual Report series, only the English-language version is the binding version.

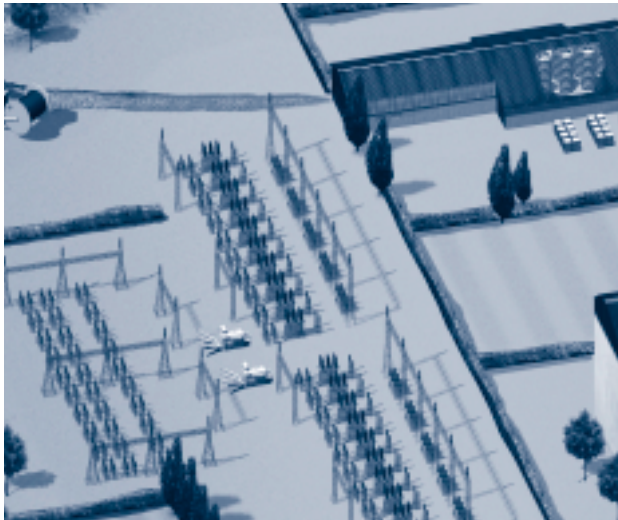
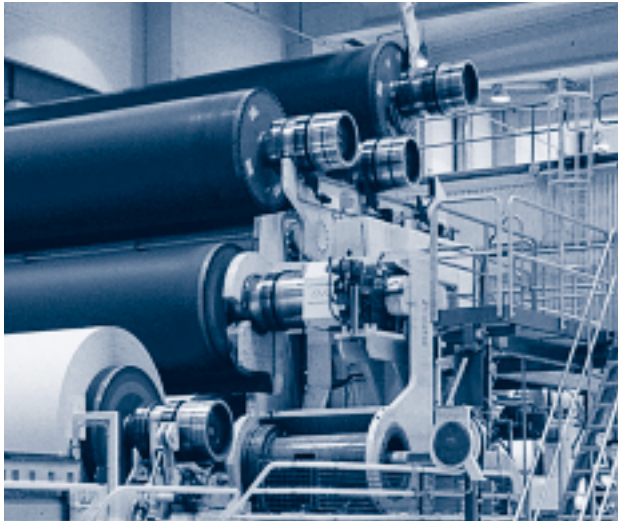
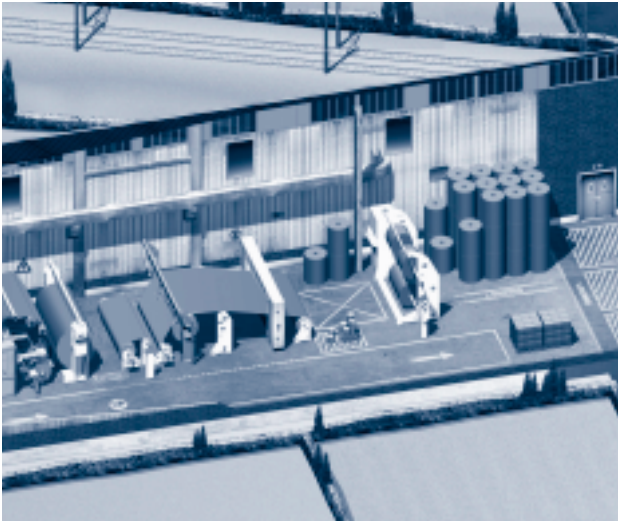


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