

ABB sells reinsurance business for US\$ 425 million

Continues to sharpen focus on core power and automation businesses

Zurich, Switzerland, December 9, 2003 – ABB, the leading power and automation technology group, said today it has agreed to sell its reinsurance business (Sirius) to White Mountains, the Bermuda-based insurance holding company, for a cash price of 3,220 million Swedish Kronor (about US\$ 425 million at December 1 exchange rate).

“The divestment is part of our strategy to focus on our core business of power and automation technologies, and to sell non-core assets when we can create maximum value for the company,” said Peter Voser, ABB’s chief financial officer. “With its size and geographic scope, we think White Mountains is the right partner to further develop our very successful reinsurance business.”

ABB said the divestment represents a complete exit from the reinsurance business. The transaction is expected to be completed in the second quarter of 2004, and is subject to customary regulatory approvals. ABB’s reinsurance business was part of ABB’s former Financial Services division, most of which has been divested over the past year.

The Sirius business employs around 200 people at the Sweden-based Sirius International, Sirius America and Scandinavian Re. At the end of September 2003, the business reported revenues of US\$ 572 million and earnings before interest and taxes (EBIT) of US\$ 99 million.

ABB will report a book loss on the sale of approximately US\$ 150 million. The loss comprises a discount on the net asset value of the business (about US\$ 45 million) goodwill write-offs (approximately US\$ 75 million), and transaction costs (about US\$ 25 million). The total loss will be booked in discontinued operations, and the operational results of the reinsurance business will be restated from Non-core activities to discontinued operations for the fourth quarter and 2003 full-year results.

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

For more information please contact:

Media Relations:

ABB Corporate Communications, Zurich

Thomas Schmidt, Wolfram Eberhardt

Tel: +41 43 317 6568

Fax: +41 43 317 7958

media.relations@ch.abb.com

Investor Relations:

Switzerland: Tel. +41 43 317 3804

Sweden: Tel. +46 21 325 719

USA: Tel. +1 203 750 7743

investor.relations@ch.abb.com