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**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**8 June 2010**

**Recommended Cash Offer**

**for**

**Chloride Group PLC**

**by**

**ABB Ltd**

**(to be implemented by way of a Scheme of Arrangement under Part 26 of the Companies Act 2006)**

**Summary**

- The boards of directors of ABB Ltd (“**ABB**”) and Chloride Group PLC (“**Chloride**”) are pleased to announce that they have reached agreement on the terms of a recommended cash offer, to be made by a wholly-owned subsidiary undertaking of ABB, for the entire issued and to be issued share capital of Chloride.
- Under the terms of the Acquisition, Scheme Shareholders will receive 325 pence in cash for each Chloride Share. It is intended that the Acquisition will be implemented by way of a court-sanctioned Scheme of Arrangement under Part 26 of the 2006 Act (the “**Scheme**”).
- The Acquisition values Chloride’s entire issued and to be issued share capital at approximately £864 million.
- In addition, Chloride Shareholders will be entitled to receive the final dividend of 3.3 pence per Chloride Share in respect of the financial year ended 31 March 2010, proposed by the Chloride directors in Chloride’s preliminary statement of annual results announced on 24 May 2010 and subject to approval at Chloride’s 2010 annual general meeting.
- Accordingly, the total value per Chloride Share, taking into account the offer price and dividend, is 328.3 pence.
- The offer price of 325 pence per Chloride Share represents a premium of approximately 55.5 per cent., based on the Closing Price of 209 pence per Chloride Share on 23 April 2010, being the last business day before Chloride entered into an offer period, as defined by the City Code.
- If completed, the Acquisition would allow ABB and Chloride to deliver an enhanced value proposition to their customers through the combination of Chloride’s UPS and ABB’s electrification and automation offerings. ABB also expects that its global reach and depth will provide Chloride with a platform to further accelerate the growth of its business.
- The directors of Chloride, who have been so advised by Citi and Investec, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Citi and Investec have taken into account the commercial assessments of the directors of Chloride.
- The directors of Chloride intend to recommend unanimously that Chloride Shareholders vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General

Meeting, as those directors that hold Chloride Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of Chloride Shares and those of their family members (representing approximately 0.152 per cent. of the existing issued share capital of Chloride).

- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the forms of proxy, will be posted to Chloride Shareholders and (for information purposes only) participants in the Chloride Share Schemes as soon as practicable (and, in any event, not later than 5 July 2010, unless otherwise agreed with the Panel). The Acquisition is conditional on, among other things, the sanction of the Scheme by the Court and the approval by a majority in number of Scheme Shareholders voting at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares that are eligible to vote and voted.
- Subject to the satisfaction of the Conditions, it is expected that the Scheme will become effective during Q4 2010.

Commenting on the Acquisition, Joe Hogan, Chief Executive Officer of ABB, said:

*"The combination of Chloride's strong position in the fast-growing medium- to high-power UPS business with ABB's global reach and complementary power and automation offering provides significant growth opportunities for both businesses. The transaction is in line with our strategy to acquire companies especially in areas where demand for power and automation solutions is converging."*

Commenting on the Acquisition, Norman Broadhurst, Chairman of Chloride, said:

*"Over many years, Chloride has been built into a really high quality business and it has delivered excellent returns to shareholders. It is now a very strong player in its chosen markets and has excellent long-term prospects. However, we believe that ABB's offer of 325 pence per Chloride share recognises these strengths and the Board of Chloride has accordingly decided to recommend it to Chloride's shareholders."*

Tim Cobbold, Chief Executive of Chloride, said:

*"ABB's offer is focussed on driving growth and will generate opportunities to accelerate the development of Chloride's business, particularly in emerging markets around the world. ABB's support for Chloride will enable Chloride to continue to innovate in both solutions and service for the long-term benefit of our customers and will provide new opportunities for our employees."*

Credit Suisse is acting as exclusive financial adviser to ABB. Citi and Investec are acting as joint financial advisers and corporate brokers to Chloride.

**This summary should be read in conjunction with the full text of the following Announcement (including the Appendices). The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and Conditions to be set out in the Scheme Document. Appendix II to this Announcement contains the bases and sources of certain information contained in this Announcement. Appendix III provides details of the irrevocable undertakings received by ABB. Appendix IV contains definitions of certain terms used in this summary and the Announcement.**

In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published on the following websites: [www.abb.com](http://www.abb.com) and [www.chloridepower.com](http://www.chloridepower.com).

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**Further Information**

*This announcement is not intended to and does not constitute or form part of an offer or invitation to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of the securities in any jurisdiction in contravention of applicable law. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information in the Scheme Document or any document by which the Acquisition is made. Chloride will prepare the Scheme Document to be distributed to Chloride Shareholders. Chloride and ABB urge Chloride Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition. Chloride Shareholders may obtain a free copy of the Scheme Document, when it becomes available, from either Chloride's registered office or Citi or Investec.*

*Whether or not certain Chloride Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes Effective, those Chloride Shares will be cancelled pursuant to the Scheme in return for the payment of 325 pence in cash per Chloride Share.*

*Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ABB and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than ABB for providing the protections afforded to clients of Credit Suisse or for providing advice in connection with the Acquisition or any matter referred to herein.*

*Citi, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to clients of Citi or for providing advice in connection with the Acquisition or any matter referred to herein.*

*Investec, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to clients of Investec or for providing advice in connection with the Acquisition or any matter referred to herein.*

### **Overseas Jurisdictions**

*The availability of the Acquisition to Chloride Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The release, publication or distribution of this announcement in jurisdictions other than in the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom.*

*The Acquisition will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.*

### **Notice to US investors**

*US Holders should note that the Acquisition relates to the shares of a UK company, is subject to UK disclosure requirements (which are different from those of the United States) and is proposed to be made by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the United States tender offer rules. Financial information included in this announcement has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of United States companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If ABB exercises its right to implement the Acquisition by way of a Takeover Offer, the Takeover Offer will be made in compliance with applicable United States laws and regulations.*

*The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the cancellation of its Chloride Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Chloride Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US Holders to enforce their rights and claims arising out of United States federal securities laws, since ABB is located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Holders may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, ABB or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Chloride Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/pricesnews/home.htm>.*

### **Forward-Looking Statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by ABB and Chloride contain statements that are or may be deemed to be "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. These statements are prospective in nature and are not based on historical facts, but rather on the current expectations of the management of ABB and Chloride about future events and are naturally subject to uncertainty and changes in circumstances which could cause actual events to differ materially from the future events expected or implied by the forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Acquisition on Chloride, ABB, the expected timing and scope of the Acquisition, synergies, other strategic options and all other statements in this announcement other than historical facts. Forward-looking statements may (but will not always) include, without limitation, statements typically containing words such as "targets", "plans", "aims", "intends", "expects", "anticipates", "believes", "estimates", "will", "may", "budget", "forecasts" and "should" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of ABB or Chloride. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Acquisition, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers' strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Investors should not place undue reliance on any forward-looking statements and neither ABB nor Chloride, nor any of their respective advisors, associates, directors or officers undertakes any obligation to update publicly, express by disclaimer or revise forward-*

looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required or provides any representation, assurance or guarantee that the occurrence of events expressed or implied in any forward-looking statement in this announcement will actually occur.

### **Dealing Disclosure Requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

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**8 June 2010**

**Recommended Cash Offer**

**for**

**Chloride Group PLC**

**by**

**ABB Ltd**

**(to be implemented by way of a Scheme of Arrangement under Part 26 of the Companies Act 2006)**

**1. Introduction**

The boards of directors of ABB and Chloride are pleased to announce that they have reached agreement on the terms of a recommended cash offer, to be made by a wholly-owned subsidiary undertaking of ABB, for the entire issued and to be issued share capital of Chloride.

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act.

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

<b>for each Chloride Share</b>	<b>325 pence in cash</b>
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The Acquisition values Chloride's entire issued and to be issued share capital at approximately £864 million.

In addition, Chloride Shareholders will be entitled to receive the final dividend of 3.3 pence per Chloride Share in respect of the financial year ended 31 March 2010 proposed by the Chloride directors in Chloride's preliminary statement of annual results announced on 24 May 2010 and subject to approval at Chloride's 2010 annual general meeting.

Accordingly, the total value per Chloride Share, taking into account the offer price and dividend, is 328.3 pence.

The offer price of 325 pence per Chloride Share represents a premium of approximately 55.5 per cent., based on the Closing Price of 209 pence per Chloride Share on 23 April 2010, being the last business day before Chloride entered into an offer period, as defined by the City Code.

**3. Recommendation**

The directors of Chloride, who have been so advised by Citi and Investec, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Citi and Investec have taken into account the commercial assessments of the directors of Chloride.

The directors of Chloride intend to recommend unanimously that Chloride Shareholders vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General

Meeting, as those directors that hold Chloride Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of Chloride Shares and those of their family members (representing approximately 0.152 per cent. of the existing issued share capital of Chloride).

#### **4. Background to and reasons for the Acquisition**

ABB's broad strategic vision, as one of the world's leading engineering companies, is to help its customers to use electrical power efficiently, to increase industrial productivity and to lower environmental impact in a sustainable way.

Chloride is a strong company in the area of uninterruptible power supply (UPS) systems with solutions for a wide range of applications, including data centres and energy and infrastructure applications. ABB is a leading, global provider of power and automation solutions, including a broad offering of electrification products and solutions. The acquisition of Chloride by ABB would represent a combination of two complementary players at a time when the digitisation and speed of modern economies is increasing demand in a variety of industries for solutions to secure the continuity of operations.

Both companies believe that the combination of these complementary strengths would benefit both ABB's and Chloride's customers and employees.

The combination is expected to deliver value-creating growth driven by three major factors:

- The combination of Chloride's UPS systems with ABB's electrification and automation offering will provide customers with a more complete solution to ensure power availability in a world that relies increasingly on a constant power supply. An enhanced solution for the critical electrical path in data centres, for example, could be created by combining Chloride's key technology with ABB's low- and medium-voltage switchgear, distribution transformers, protection relays and other products.
- ABB also expects that, through its strong global presence, it will help to accelerate growth of Chloride's business by providing access to new customers.
- In addition, ABB sees opportunities to improve the combined cost base through the sharing of best practices and business integration, including sourcing and procurement integration.

ABB plans to build on Chloride's strengths in UPS solutions to establish a leading presence in a field where it is not active today. ABB plans to position Chloride as the global centre for UPS within the ABB group.

ABB believes that both companies share a common set of deeply rooted core values and that there is a good cultural fit between the two organisations with a common focus on innovation, service, quality differentiation and people. ABB therefore believes that Chloride will continue to prosper as part of the broader ABB group.

#### **5. Information on Chloride**

Chloride is an international supplier providing secure power solutions for the business continuity of customers around the world. Chloride's solutions and services protect critical business systems and processes from the damaging effects of poor quality electrical power and power interruptions prevalent in most world economies, both in developed and developing countries.

Chloride's Shares are listed on the London Stock Exchange's main market.

#### **6. Financial information relating to Chloride**

For the year ended 31 March 2010, Chloride reported revenues of £336.0 million, gross profit of £143.5 million, profit before taxation of £29.9 million and net assets as at 31 March 2010 of £132.5 million.

## **7. Information on ABB**

ABB ([www.abb.com](http://www.abb.com)) is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 117,000 people. ABB was created in 1988, following the merger of Asea (Sweden) and Brown, Boveri & Cie (Switzerland).

ABB (on a consolidated basis) had Revenues and EBIT for the year ended 31 December 2009 of \$31.8 billion and \$4.1 billion, respectively. ABB is listed in Zurich, Stockholm and New York.

## **8. Management and employees**

ABB holds Chloride's management team in high regard and would expect them to have roles in the enlarged group.

ABB has given assurances to the directors of Chloride that, following the Scheme becoming Effective, the existing employment rights, including pension rights, of the management and employees of Chloride will be fully safeguarded.

## **9. Chloride Share Schemes**

The Acquisition will affect share options and incentive awards granted under the Chloride Share Schemes issued by Chloride. Participants in the Chloride Share Schemes will be contacted regarding the effect of the Acquisition on their rights under these schemes and appropriate proposals will be made to such participants in due course.

## **10. Irrevocable undertakings**

ABB has received irrevocable undertakings from all of the directors of Chloride who hold shares in respect of their entire beneficial holdings of Chloride Shares and those of their family members (amounting to, in aggregate, 400,007 Chloride Shares, representing approximately 0.152 per cent. of the existing issued share capital of Chloride):

- to vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting; and
- if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by ABB.

The irrevocable undertakings shall each lapse, *inter alia*, if:

- ABB announces that it does not intend to proceed with the Scheme or make the Takeover Offer (as applicable) and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.5 of the City Code at the same time; or
- the Scheme or Takeover Offer lapses or is withdrawn and no new, revised or replacement Scheme or Takeover Offer has been announced, in accordance with Rule 2.5 of the City Code, in its place or is announced, in accordance with Rule 2.5 of the City Code, at the same time.

Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

## **11. Financing the Acquisition**

ABB will finance the Acquisition from its existing cash resources.

As required by the City Code, Credit Suisse, financial adviser to ABB, confirms that it is satisfied that sufficient financial resources are available to ABB to enable it to satisfy in full the cash consideration payable under the Acquisition.

## 12. Structure of the Acquisition

It is intended that the Acquisition will be made by a wholly-owned subsidiary undertaking of ABB and implemented by way of a court-sanctioned scheme of arrangement between Chloride and the Scheme Shareholders under Part 26 of the 2006 Act. The procedure involves, *inter alia*, an application by Chloride to the Court to sanction the Scheme and to confirm the cancellation of all the Scheme Shares, in consideration for which the Scheme Shareholders will receive cash on the basis set out in paragraph 2 above. The cancellation of the Scheme Shares and the subsequent issue of new Chloride Shares to ABB provided for in the Scheme will result in Chloride becoming a wholly-owned subsidiary of ABB.

The implementation of the Scheme will be subject to the Conditions and certain further terms referred to in Appendix I to this announcement, and to be set out in the Scheme Document. To become effective, the Scheme will require, amongst other things, the following events to occur on or before 8 December 2010 or such later date as ABB and Chloride agree:

- the Scheme being approved by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment thereof) representing three-quarters or more in value of the Scheme Shares voted;
- the special resolution in connection with and required to implement the Scheme (including appropriate amendments to the articles of association of Chloride) being duly passed by Chloride Shareholders representing not less than 75 per cent. of the votes cast at the General Meeting (or at any adjournment thereof); and
- the Court sanctioning the Scheme (with or without modification, on terms agreed by ABB and Chloride) and confirming the associated Capital Reduction and an office copy of the Court Orders and the Statement of Capital being delivered to the Registrar of Companies.

Upon the Scheme becoming effective:

- it will be binding on all Scheme Shareholders, irrespective of whether they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and
- share certificates in respect of the Chloride Shares will cease to be valid and entitlements to Chloride Shares held within the CREST system will be cancelled.

If the Scheme does not become effective on or before 8 December 2010, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document containing details of the Scheme and notices of the Court Meeting and the General Meeting, together with the forms of proxy, will be posted to Chloride Shareholders, and, for information only, to participants in the Chloride Share Schemes, within 28 days of this announcement, unless otherwise agreed with the Panel. It is expected that the Court Meeting and the General Meeting to approve the Acquisition will be held on or around 16 July 2010. Subject to approval of the Chloride Shareholders and the satisfaction or waiver of the other Conditions, it is expected that the Scheme will become effective in Q4 2010.

ABB may elect, with the Panel's consent if required, to implement the Acquisition by way of a Takeover Offer. In this event, that Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments.

The directors of Chloride have confirmed that, in the event that the Acquisition is implemented by way of a Takeover Offer, they will recommend, on a unanimous and unqualified basis, that Chloride Shareholders accept the Acquisition. They have also irrevocably undertaken to accept any Takeover Offer made by ABB in respect of their entire beneficial holdings of Chloride Shares and those of their family members (representing approximately 0.152 per cent. of Chloride's existing issued share capital).

### **13. Expected timetable**

The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting together with the forms of proxy, will be posted to Chloride Shareholders and (for information purposes only) to participants in the Chloride Shares Schemes as soon as practicable (and, in any event, not later than 5 July 2010 unless otherwise agreed with the Panel). The Acquisition is conditional on, among other things, the sanction of the Scheme by the Court and approval by a majority in number of Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Chloride Shares that are eligible to vote and voted.

Subject to the satisfaction of the Conditions, it is expected that the Scheme will become effective during Q4 2010.

### **14. Implementation Agreement**

Chloride and ABB have entered into the Implementation Agreement which provides, inter alia, for the implementation of the Scheme and related matters in accordance with an agreed indicative timetable. It contains certain assurances and confirmations between the parties, including provisions to implement the Scheme on a timely basis and undertakings regarding the conduct of the Chloride Group prior to the Effective Date and deal protection measures for the benefit of ABB.

#### *Termination*

The Implementation Agreement terminates in certain circumstances, including:

- if the Scheme lapses or terminates, unless ABB has elected prior to such time or elects within five Business Days following such time, to implement the Acquisition by way of the Takeover Offer;
- if ABB elects to implement the Acquisition by way of the Takeover Offer, the Takeover Offer is withdrawn by ABB (with the consent of the Panel if required) or lapses;
- upon service of a written notice by Chloride on ABB if, to comply with their fiduciary duties (based on appropriate external financial and legal advice), the recommendation of the directors of Chloride contained in the Rule 2.5 Announcement is withdrawn, qualified or modified adversely at any time prior to the Court Hearings;
- if the Effective Date has not occurred by 8 December 2010; and
- by notice from either ABB or Chloride in certain other defined circumstances.

#### *Break Fee*

The Implementation Agreement includes a break fee of £8.54 million (equal to approximately one per cent. of Chloride's market capitalisation, based on the value of the Acquisition), which would be payable in certain circumstances including:

- (a) the board of Chloride (or any committee thereof) withdraws, qualifies or adversely modifies the terms of its recommendation of the Acquisition and/or its publicly stated intention to make such recommendation and/or recommends a Competing Proposal; or
- (b) a Competing Proposal is announced (whether or not on a pre-conditional basis and whether pursuant to Rule 2.4 of the Takeover Code, Rule 2.5 of the Takeover Code or otherwise) before the Acquisition has lapsed or (with the consent of the Panel) been withdrawn, and that Competing Proposal or any other Competing Proposal that is announced (whether or not on a pre-conditional basis and whether pursuant to Rule 2.4 of the Takeover Code, Rule 2.5 of the Takeover Code or otherwise) during the same offer period (as such term is defined in the Takeover Code) as the first Competing

Proposal subsequently becomes effective, becomes or is declared unconditional in all respects or is otherwise completed; or

- (c) if the Acquisition is proceeding by way of the Scheme, (i) the Scheme is not sanctioned by the Scheme Shareholders at the Court Meeting or any of the resolutions to be proposed at the General Meeting which are in connection with satisfaction of the Conditions or required to be passed in order for the Conditions to be satisfied, and which are set out in the notice of that meeting, are not approved at the General Meeting; or (ii) the Court Meeting and/or the General Meeting is adjourned without the prior written consent of ABB (unless such adjournment is a Permitted Adjournment).

If the break fee becomes payable pursuant to paragraphs (a) or (c) above, Chloride shall pay the break fee by not later than five Business Day after the date on which the Acquisition lapses or (with the consent of the Panel) is withdrawn.

If the break fee becomes payable pursuant to paragraph (b) above Chloride shall pay the break fee by not later than five Business Day after the date on which the relevant Competing Proposal becomes effective, becomes or is declared unconditional in all respects or is otherwise completed.

#### *Non-solicitation Undertakings*

Chloride has also agreed that it (together with Chloride Connected Persons) will not solicit, initiate or (save where necessary to ensure compliance with the fiduciary duties of the directors of Chloride or to ensure compliance with the City Code) enter into or participate in any discussions or negotiations or otherwise communication with any person in relation to any Competing Proposal or a Major Transaction. In addition, Chloride shall notify ABB if it or any Chloride Connected Person receives any approach in relation to a possible Competing Proposal or possible Major Transaction or any request for information under Rule 20.2 of the City Code. Chloride has also agreed that it (together with Chloride Connected Persons) will not, except as necessary to comply (based on appropriate external financial and legal advice) with the fiduciary duties of the directors of Chloride, disclose information to any third party in connection with a possible Competing Proposal or possible Major Transaction other than pursuant to Rule 20.2 of the City Code.

#### *Matching Rights*

In addition, Chloride has agreed that, without prejudice to the terms of the break fee referred to above, that:

- if it considers, or if the directors of Chloride determine, that any Competing Proposal constitutes a Superior Proposal, it shall confirm to ABB in writing (a **Superior Proposal Notice**) forthwith that such Competing Proposal constitutes a Superior Proposal and, unless such details are already in the public domain by virtue of a third party or Chloride announcing such details, provide the material details of such Competing Proposal that led the directors of Chloride to determine that it constitutes a Superior Proposal (in particular the offer price and material conditions of the Superior Proposal); and
- it and the directors of Chloride shall not recommend, or agree to recommend, any Competing Proposal, withdraw, qualify or adversely modify the recommendation of the Acquisition, withdraw the Scheme, adjourn either of the Meetings (other than a Permitted Adjournment) or agree to pay a Competing Break Fee unless it has served a Superior Proposal Notice on ABB in accordance with the terms of the Implementation Agreement and thereafter ABB:
  - notifies Chloride that it is not willing to make an offer or proposal which would provide equal or superior financial value to Chloride's Shareholders in comparison to the Superior Proposal (the **Revised Acquisition**);

- o does not, within 48 hours of receiving the Superior Proposal Notice, notify Chloride that it is willing to make a Revised Acquisition; or
- o having notified Chloride within 48 hours of receiving the Superior Proposal Notice that it is willing to make a Revised Acquisition, fails, within 96 hours of receiving the Superior Proposal Notice, to announce its firm intention to make the Revised Acquisition pursuant to Rule 2.5 of the City Code.

If ABB notifies Chloride that it is willing to make a Revised Acquisition within 48 hours of receiving the Superior Proposal Notice and then, within 96 hours of receiving the Superior Proposal Notice, announces its firm intention to make the Revised Acquisition pursuant to Rule 2.5 of the Takeover Code, the directors of Chloride shall make a unanimous and unqualified recommendation of the Revised Acquisition to the Chloride Shareholders and ABB shall be entitled to refer to such recommendation in any such announcement and the directors of Chloride shall not recommend the Superior Proposal nor agree to pay a break fee in relation to the Superior Proposal.

#### **15. Disclosure of interests in Chloride**

Except for the irrevocable undertakings referred to in paragraph 10 above, as at 7 June 2010 (the latest practicable date prior to the date of this announcement), neither ABB, nor any of the directors of ABB or any member of the ABB Group, nor, so far as the directors of ABB are aware, any person acting in concert with ABB for the purposes of the Acquisition has any interest in, right to subscribe for, or has borrowed or lent any Chloride Shares or securities convertible or exchangeable into Chloride Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or right to subscribe for or purchase the same or hold any options (including traded options) in respect of or has any right to acquire any Chloride Shares or derivatives reference to Chloride Shares (“Chloride Securities”), nor does any such person have any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in relation to Chloride Securities.

For these purposes, “arrangement” includes any indemnity or option arrangement or any agreement or understanding, formal or informal, of whatever nature, relating to Chloride Securities which may be an inducement to deal or refrain from dealing in such securities. In the interests of secrecy prior to this announcement, ABB has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with them for the purposes of the Scheme. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any material disclosure in respect of such parties will be included in the Scheme Document.

#### **16. De-listing, cancellation of trading and re-registration**

It is intended that dealings in Chloride Shares will be suspended at 5.00 p.m. London time on the Business Day prior to the Effective Date. It is intended that ABB will procure that Chloride applies to the London Stock Exchange to cancel the admission to trading of the Chloride Shares on the London Stock Exchange's main market for listed securities and to the UK Listing Authority to cancel the listing of the Chloride Shares on the Official List, subject to applicable rules and requirements of the London Stock Exchange, such cancellations to take effect on or shortly after the Effective Date. On the Effective Date, Chloride will become a wholly-owned subsidiary of ABB and share certificates in respect of Chloride Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to Chloride Shares held within the CREST system will be cancelled. It is also intended that Chloride will, as soon as

possible after the Effective Date, be re-registered as a private limited company as part of the Scheme.

#### **17. Overseas shareholders**

The availability of the Acquisition or the distribution of this Announcement to Chloride Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Chloride Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Chloride Shareholders are advised to read carefully the Scheme Document and related forms of proxy once these have been dispatched.

#### **18. Chloride issued share capital**

In accordance with Rule 2.10 of the Code, Chloride confirms that it has 263,147,793 Chloride Shares in issue (of which 5,736,328 are held in the Chloride Employee Benefit Trust). The International Securities Identification Number for Chloride Shares is GB0001952075.

#### **19. General**

The Acquisition will comply with, and the Scheme will be subject to, the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and the City Code.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales and the Conditions and further terms set out in Appendix I to this announcement and to the full terms and Conditions to be set out in the Scheme Document.

Appendix II to this Announcement contains the bases and sources of certain information contained in this Announcement. Appendix III provides details of the irrevocable undertakings received by ABB. Appendix IV contains definitions of certain terms used in the summary and in this Announcement.

In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published on the following websites: [www.abb.com](http://www.abb.com) and [www.chloridepower.com](http://www.chloridepower.com).

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## **Further Information**

*This announcement is not intended to and does not constitute or form part of an offer or invitation to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of the securities in any jurisdiction in contravention of applicable law. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information in the Scheme Document or any document by which the Acquisition is made. Chloride will prepare the Scheme Document to be distributed to Chloride Shareholders. Chloride and ABB urge Chloride Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition. Chloride Shareholders may obtain a free copy of the Scheme Document, when it becomes available, from Chloride's registered office or Citi or Investec.*

*Whether or not certain Chloride Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes Effective those Chloride Shares will be cancelled pursuant to the Scheme in return for the payment of 325 pence in cash per Chloride Share.*

*Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ABB and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than ABB for providing the protections afforded to clients of Credit Suisse or for providing advice in connection with the Acquisition or any matter referred to herein.*

*Citi, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to clients of Citi or for providing advice in connection with the Acquisition or any matter referred to herein.*

*Investec, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to clients of Investec or for providing advice in connection with the Acquisition or any matter referred to herein.*

## **Overseas Jurisdictions**

*The availability of the Acquisition to Chloride Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The release, publication or distribution of this announcement in jurisdictions other than in the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the City Code and the information disclosed may not be the same as that which would have been disclosed*

*if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom.*

*The Acquisition will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.*

### **Notice to US investors**

*US Holders should note that the Acquisition relates to the shares of a UK company, is subject to UK disclosure requirements (which are different from those of the United States) and is proposed to be made by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the United States tender offer rules. Financial information included in this announcement has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of United States companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If ABB exercises its right to implement the Acquisition by way of a Takeover Offer, the Takeover Offer will be made in compliance with applicable United States laws and regulations.*

*The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the cancellation of its Chloride Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Chloride Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US Holders to enforce their rights and claims arising out of United States federal securities laws, since ABB is located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Holders may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, ABB or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Chloride Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/pricesnews/home.htm>.*

### **Forward-Looking Statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by ABB and Chloride contain statements that are or may be deemed to be "forward-looking statements", including for the*

*purposes of the US Private Securities Litigation Reform Act of 1995. These statements are prospective in nature and are not based on historical facts, but rather on the current expectations of the management of ABB and Chloride about future events and are naturally subject to uncertainty and changes in circumstances which could cause actual events to differ materially from the future events expected or implied by the forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Acquisition on Chloride, ABB, the expected timing and scope of the Acquisition, synergies, other strategic options and all other statements in this announcement other than historical facts. Forward-looking statements may (but will not always) include, without limitation, statements typically containing words such as “targets”, “plans”, “aims”, “intends”, “expects”, “anticipates”, “believes”, “estimates”, “will”, “may”, “budget”, “forecasts” and “should” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of ABB or Chloride. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Acquisition, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers’ strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Investors should not place undue reliance on any forward-looking statements and neither ABB nor Chloride, nor any of their respective advisors, associates, directors or officers undertakes any obligation to update publicly, express by disclaimer or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required or provides any representation, assurance or guarantee that the occurrence of events expressed or implied in any forward-looking statement in this announcement will actually occur.*

### **Dealing Disclosure Requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

## APPENDIX I

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### A. Conditions of the Acquisition

1. The Acquisition will, if it is implemented by way of the Scheme, be conditional upon the Scheme becoming unconditional and becoming effective, subject to the City Code, by not later than 8 December 2010 or such later date (if any) as ABB and Chloride may, with the consent of the Panel, agree and (if required) the Court may approve.
2. The Scheme will be conditional upon:
  - a) the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment thereof, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders;
  - b) the special resolution(s) in connection with and required to implement the Scheme, set out in the notice of the General Meeting, being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and
  - c) the sanction of the Scheme and the confirmation of the Capital Reduction by the Court (in each case with or without modification, on terms agreed by ABB and Chloride) and an office copy of the Court Orders and Statement of Capital being delivered to the Registrar of Companies.
3. In addition, Chloride and ABB have agreed that, subject as stated in Part B below, the Scheme will be conditional upon the following matters and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied or waived:
  - a) the European Commission indicating or being deemed to have indicated, in terms reasonably satisfactory to ABB, that it does not intend to initiate proceedings under Article 6(1)(c) of Council Regulation (EC) No. 139/2004, or to make a referral to any competent authority in the EEA under Article 9(1) of such Regulation, in either case with respect to the Scheme or any matter arising therefrom provided that in the event of a reference to one or more such competent authorities in the EEA under Article 9(1) is made, all clearances from each such competent authority having been received in terms reasonably satisfactory to ABB;
  - b) to the extent applicable, all filings having been made and all or any applicable waiting periods (including any extensions thereof) under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976 and the regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the proposed acquisition of Chloride by ABB, or any matters arising from that proposed acquisition;
  - c) other than in respect of the Conditions at 3(a) and 3(b), all notifications and filings which are necessary or are reasonably considered appropriate by ABB and material in the context of the Acquisition having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in all material respects in each case in connection with the Scheme or the Acquisition, or the acquisition or proposed acquisition of any shares or other securities in, or

control or management of, Chloride or any other member of the Wider Chloride Group by any member of the Wider ABB Group or the carrying on by any member of the Wider Chloride Group of its business in the ordinary course as at the date hereof;

- d) all material Authorisations in any jurisdiction which are necessary for, or in respect of or required for the implementation of, the Scheme or the Acquisition, or any acquisition of or any proposed acquisition of any shares in, or control or management of, Chloride or any other member of the Wider Chloride Group by ABB or any member of the Wider ABB Group having been obtained in terms and in a form satisfactory to ABB acting reasonably from any Third Parties or from any relevant persons or bodies with whom any member of the Wider Chloride Group has entered into material contractual arrangements and all such Authorisations remaining in full force and effect and no such Third Party or relevant person or body having given notice of its intention to revoke, suspend, restrict, modify (in each case, to an extent which is material) or not to renew the same in connection with the Scheme or Acquisition;
- e) all material Authorisations which ABB reasonably considers necessary to carry on the business of any member of the Wider Chloride Group remaining in full force and effect and there being no intimation of any intention to revoke, suspend, restrict, modify (in each case, to an extent which is material) or not to renew the same;
- f) no Third Party having intervened and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to:
  - (i) make the Scheme or the Acquisition or, in each case, its implementation illegal, prohibited, void or unenforceable under the laws of any jurisdiction; or
  - (ii) make the proposed acquisition of any shares in, or control or management of, the Wider Chloride Group by ABB or any member of the Wider ABB Group illegal, void or unenforceable in any jurisdiction; or
  - (iii) otherwise directly or indirectly prevent, prohibit or otherwise restrict, restrain, delay or interfere in the implementation of or impose additional conditions or obligations with respect to or otherwise impede, challenge, interfere with or require amendment to the Scheme or the Acquisition or any acquisition or proposed acquisition of Chloride Shares or the acquisition of control or management of Chloride or the Wider Chloride Group by ABB or any member of the Wider ABB Group, in each such case to an extent which is material in the context of the Acquisition; or
  - (iv) require, prevent or materially delay the divestiture or materially alter the terms for any proposed divestiture by any member of the Wider ABB Group of any Chloride Shares or other securities in Chloride of all or any material part of their respective businesses, assets or property, or impose any material limitation on the ability of any member of the Wider ABB Group or the Wider Chloride Group to conduct any of their respective businesses or own or dispose of any of their respective assets or property or any material part thereof; or
  - (v) materially limit or delay, or impose any material limitation on the ability of any member of the Wider ABB Group or any member of the Wider Chloride Group to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities or the equivalent in any member of the Wider Chloride Group or

to exercise management control over any member of the Wider Chloride Group or any member of the Wider ABB Group; or

- (vi) except pursuant to sections 974 to 991 of the 2006 Act require any member of the Wider ABB Group or of the Wider Chloride Group to offer to acquire any shares or other securities (or the equivalent) in any member of the Wider Chloride Group or any member of the Wider ABB Group owned by any third party or to sell or offer to sell any shares or other securities (or their equivalent) or any interest in any of the assets owned by any member of the Wider ABB Group or the Wider Chloride Group, in each such case to an extent which is material in the context of the Acquisition; or
- (vii) impose any material limitation on the ability of any member of the Wider ABB Group or the Wider Chloride Group to conduct or integrate or coordinate its business, or any material part of it, with the businesses or any material part of the businesses of any other member of the Wider ABB Group or of the Wider Chloride Group; or
- (viii) result in any member of the Wider ABB Group or the Wider Chloride Group ceasing to be able to carry on business under any name under which it presently does so or ceasing to be able to use in its business any name, trademark or other intellectual property right which it as present uses in each case on the same basis and terms as at present apply to an extent which is material in the context of the Wider ABB Group taken as a whole or the Wider Chloride Group taken as a whole; or
- (ix) otherwise materially and adversely affect any or all of the businesses, assets, profits, financial or trading position of any member of the Wider ABB Group or the Wider Chloride Group in each case to the extent that it is material in the context of the Wider ABB Group or the Wider Chloride Group taken as a whole,

and all applicable waiting and other time periods during which any Third Party could announce or notify any decision to take, institute, or implement any such action, proceedings, suit, investigation, reference or enquiry, or otherwise intervene under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated;

- g) since the Accounting Date and except as Disclosed, there being no provision of any agreement, arrangement, licence, permit, franchise or other instrument to which any member of the Wider Chloride Group is a party, or by or to which any such member, or any part of its assets, may be bound, entitled or subject, or any circumstance which would or might, in each case as a consequence of the Scheme or the Acquisition or of the acquisition or proposed acquisition of all or any part of the issued share capital or other securities in, or control or management of, Chloride or any other member of the Wider Chloride Group by any member of the Wider ABB Group or otherwise would or might reasonably be expected to result in, to an extent which is material in the context of the Wider Chloride Group taken as a whole:
  - (i) any assets or interests of any member of the Wider Chloride Group being or falling to be disposed of or charged in any way or ceasing to be available to any member of the Wider Chloride Group or any right arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to any member of the Wider Chloride Group otherwise than in the ordinary course of business; or

- (ii) any moneys borrowed by or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Chloride Group being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or the ability of such member of the Wider Chloride Group to borrow monies or incur any borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or
- (iii) any such agreement, arrangement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Chloride Group thereunder being, or being capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder; or
- (iv) the rights, liabilities, obligations, interests or business of any member of the Wider Chloride Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (v) the financial or trading position or prospects or value of any member of the Wider Chloride Group being prejudiced or adversely affected; or
- (vi) the creation of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Chloride Group or any such security (whenever created, arising or having arisen) becoming enforceable or being enforced; or
- (vii) any member of the Wider Chloride Group ceasing to be able to carry on business under any name under which or on the terms on which it currently does so or any person presently not able to carry on business under any name under which any member of the Wider Chloride Group currently does becoming able to do so; or
- (viii) the creation of actual or contingent liabilities by any member of the Wider Chloride Group; or
- (ix) the ability of any member of the Wider ABB Group to carry on any business or activity being adversely affected in any material respect,

and no event having occurred which, under any provision of any such agreement, arrangement, licence, permit, franchise or other instrument could result in any of the events or circumstances as are referred to paragraphs (i) to (ix) (inclusive) of this Condition 3(g) arising to an extent which is material in the context of the Wider Chloride Group taken as a whole;

- (h) since the Accounting Date, and except as Disclosed, no member of the Wider Chloride Group having:
  - (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than (i) as between Chloride and wholly-owned subsidiaries of Chloride or between such wholly-owned subsidiaries and (ii) any shares issued upon the exercise of options granted under the Chloride Share Schemes); or

- (ii) redeemed, purchased, repaid or reduced or proposed the redemption, purchase, repayment or reduction of any part of its share capital or made or proposed the making of any other change to its share capital (other than pursuant to the implementation of the Scheme or the Acquisition); or
- (iii) made or authorised any change in its loan capital; or
- (iv) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise, other than the final dividend of 3.3 pence per Chloride Share in respect of the financial year ended 31 March 2010, proposed by the Chloride directors in Chloride's preliminary statement of annual results announced on 24 May 2010 and subject to approval at Chloride's 2010 annual general meeting; or
- (v) (other than as a transaction between Chloride or a wholly-owned subsidiary of Chloride or between such wholly-owned subsidiaries) merged with or demerged from, or acquired, any body corporate, partnership or business or authorised or proposed or announced any intention to propose the same; or
- (vi) other than any acquisition or disposal in the ordinary course of business, acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any mortgage, charge or other security interest (which in any case is material in the context of the Wider Chloride Group taken as a whole); or
- (vii) issued or authorised or proposed the issue of, or made any changes to, any debentures or incurred or, save in the ordinary course of business, increased any borrowings, indebtedness or liability (actual or contingent) of any aggregate amount which is material in the context of the Wider Chloride Group taken as a whole; or
- (viii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or could involve an obligation of such nature or magnitude or which is or could be restrictive to the existing business of any member of the Wider Chloride Group or which is other than in the ordinary course of business and which in any case is material in the context of the Wider Chloride Group taken as a whole; or
- (ix) other than in relation to the implementation of the Scheme or Acquisition, entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Chloride Group otherwise than in the ordinary course of business and which in any case is material in the context of the Chloride Group taken as a whole; or
- (x) waived or compromised any claim which is material in the context of the Chloride Group taken as a whole; or

- (xi) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract with any of the directors or senior executives of Chloride or (to the extent it is material in the context of the Wider Chloride Group taken as a whole) any of the directors or senior executives of any other member of the Chloride Group; or
- (xii) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (xiv) other than as required by the implementation of the Scheme or the Acquisition, made any alteration to its memorandum or articles of association, or other incorporation documents which is material in the context of the Acquisition; or
- (xv) made or agreed or consented to:
  - (A) any material change:
    - (1) to the terms of the trust deeds constituting the pension schemes established for its directors, employees or their dependants; or
    - (2) the benefits which accrue or to the pensions which are payable thereunder; or
    - (3) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
    - (4) the basis upon which the liabilities (including pensions) or such pension schemes are funded or made,

in each case, which has an effect that is material in the context of the Wider Chloride Group taken as a whole; or
  - (B) any change to the trustees of such pension schemes, including the appointment of a trust corporation;
- (xvi) other than as required by the implementation of the Scheme or the Acquisition, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Chloride Group which, in each case, is material in the context of the Wider Chloride Group taken as a whole; or
- (xvii) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 3(h);

- (i) since the Accounting Date, and except as Disclosed:
  - (i) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, any member of the Wider Chloride Group or to which any member of the Wider Chloride Group is or may become a party (whether as claimant, defendant or otherwise) which is material in the context of the Wider Chloride Group taken as a whole; or
  - (ii) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits of any member of the Wider Chloride Group which is material in the context of the Wider Chloride Group taken as a whole; or
  - (iii) no enquiry or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Chloride Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Chloride Group which in any such case is material in the context of the Wider Chloride Group taken as a whole; or
  - (iv) no member of the Wider Chloride Group having conducted its business in breach of any applicable laws and regulations in any material respect which in any case is material in the context of the Wider Chloride Group taken as a whole; or
  - (v) no contingent or other liability of any member of the Wider Chloride Group having arisen or become apparent or increased which is material in the context of the Wider Chloride Group taken as a whole; or
  - (vi) no steps having been taken which are likely to result in the withdrawal (without replacement), cancellation or termination of any licence, permit, authorisation or consent held by any member of the Wider Chloride Group which is material in the context of the Wider Chloride Group taken as a whole;
- (j) ABB not having discovered other than to the extent otherwise Disclosed:
  - (i) that any financial or business or other information concerning the Wider Chloride Group that has been Disclosed is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading to an extent which in any case is material in the context of the Wider Chloride Group taken as a whole; or
  - (ii) that any member of the Wider Chloride Group is subject to any liability (actual or contingent) which is not disclosed in Chloride's annual report and accounts for the financial year ended 31 March 2009 and which in any case is material in the context of the Wider Chloride Group taken as a whole;
- (k) ABB not having discovered, other than to the extent otherwise Disclosed:
  - (i) that any past or present member of the Wider Chloride Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health

and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Chloride Group which in any case is material in the context of the Wider Chloride Group taken as a whole;

- (ii) that there is, or is reasonably likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Chloride Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Chloride Group taken as a whole; or
  - (iii) that circumstances exist whereby a person or class of persons would be reasonably likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Chloride Group which in any case is material in the context of the Wider Chloride Group taken as a whole; and
- (l) ABB not having discovered, other than to the extent otherwise Disclosed:
- (i) that any member of the Wider Chloride Group is a party to (or concerned in) any agreement, arrangement, concerted practice or course of conduct which: (i) falls within Article 101 and/or Article 102 of the Treaty on the Functioning of the European Union; or (ii) falls within Article 53 and/or Article 54 of the Agreement on the European Economic Area; or (iii) falls within the prohibitions contained in Chapter I or Chapter II of the Competition Act 1998; or (iv) otherwise infringes the competition legislation or practice of any jurisdiction; or
  - (ii) that any member of the Wider Chloride Group has received any process, notice or other communication (formal or informal) by or on behalf of any Third Party having jurisdiction in competition matters in relation to: (i) any agreement, arrangement, concerted practice or course of conduct to which any member of the Wider Chloride Group is, or is alleged to be, a party; or (ii) any action, conduct, practice or behaviour of any member of the Wider Chloride Group; or (iii) any other discharge of that Third Party's regulatory functions, other than any such process, notice or other communication received from any such Third Party in connection with an application, a notification or any other form of submission seeking merger clearance under applicable laws in any relevant jurisdiction,

in each such case where such discovery is material in the context of the Acquisition.

## **B. Certain further terms of the Acquisition**

Conditions 3(a) to 3(l) (inclusive) must each be fulfilled, determined by ABB to be or to remain satisfied or (if capable of waiver) be waived by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse.

Notwithstanding the paragraph above and subject to the requirements of the Panel, ABB reserves the right in its sole discretion to waive all or any of Conditions 3(a) to 3(l) (inclusive), in whole or in part and to proceed with the Scheme Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions 3(a) to 3(l) inclusive.

ABB shall be under no obligation to waive (if capable of waiver) or to determine to be satisfied, or to treat as fulfilled, any of the Conditions 3(a) to 3(l) (inclusive) by a date earlier than that date specified in Condition 1 for the fulfilment thereof notwithstanding that some of the other Conditions 3(a) to 3(l) (inclusive) may at some earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

ABB reserves the right to elect to implement the Acquisition by way of a Takeover Offer (as defined in section 974 of the 2006 Act), subject to the Panel's consent and in accordance with the terms of the Implementation Agreement. In such event, such Takeover Offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 75 per cent. (or such percentage (being more than 50 per cent.) as ABB may decide (in each case, subject to the Panel's consent)) of the shares to which such Takeover Offer relates, so far as applicable, as those which would apply to the Scheme.

If the Panel requires ABB to make an offer or offers for any Chloride Shares under the provisions of Rule 9 of the City Code, ABB may make such alterations to the Conditions, including Condition 1, as are necessary to comply with the provisions of that Rule.

The Acquisition will be on the terms and will be subject to, inter alia, the conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the City Code.

The Acquisition will lapse and the Scheme will not proceed (unless the Panel otherwise consents) if the European Commission either (i) initiates proceedings under Article 6(1)(c) of the Regulation or (ii) makes a referral to the OFT under Article 9(1) of the Regulation and there is then a reference to the Competition Commission, in each case before the date of the Court Meeting.

Save to the extent cancelled pursuant to the Scheme, the Chloride Shares will be acquired by ABB fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the date of this announcement other than the proposed final dividend of 3.3 pence per Chloride Share in respect of the financial year ended 31 March 2010, proposed by the Chloride directors in Chloride's preliminary statement of annual results announced on 24 May 2010 and subject to approval at Chloride's 2010 annual general meeting.

The Acquisition and the Scheme and any forms of proxy will be governed by English law and will be subject to the jurisdiction of the English courts. The City Code applies to the Acquisition.

The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

Each of Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX II**

### **BASES AND SOURCES AND OTHER INFORMATION**

The value attributed to the entire issued and to be issued share capital of Chloride is based upon the aggregate of (i) that number of Chloride Shares in issue as at close of business on 2 June 2010, being 263,147,793; and (ii) an additional 2,652,299 Chloride Shares (net of 5,736,328 shares held in the Chloride Employee Benefit Trust and expected to be used to satisfy the exercise of share options) issuable on the exercise of share options as at 2 June 2010.

The financial information relating to Chloride has been extracted or provided (without material adjustment) from Chloride's preliminary statement of annual results.

The financial information relating to ABB has been extracted or provided (without material adjustment) from the audited consolidated financial statements of ABB for the year ended 31 December 2009.

All prices for Chloride Shares have been derived from the Daily Official List and represent the Closing Price on the relevant date.

## APPENDIX III

### DETAILS OF IRREVOCABLE UNDERTAKINGS

The following directors of Chloride have given irrevocable undertakings (i) to vote in favour of the Scheme and the resolutions to be proposed at the Court Meeting and the General Meeting; and (ii) if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by ABB:

<b>Name</b>	<b>Number of Chloride Shares<sup>1</sup></b>	<b>Per cent. of Chloride's Issued Share Capital</b>
Norman Broadhurst	12,000	0.005
Tim Cobbold	35,452	0.013
Neil Warner	274,555	0.104
Eric Tracey	10,000	0.004
Gary Bullard	65,000	0.025
John Hughes	0	0.000
Paul Lester	3,000	0.001
<b>Total</b>	<b>400,007</b>	<b>0.152</b>

<sup>1</sup> This number includes the number of Chloride Shares held by family members of the relevant director to which the irrevocable also relates.

## APPENDIX IV

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

<b>2006 Act</b>	the Companies Act 2006 (as amended or replaced)
<b>ABB</b>	ABB Ltd and/or, if the context so requires, its wholly owned subsidiary undertaking which will make the Acquisition
<b>ABB Group</b>	ABB and its subsidiary undertakings
<b>Accounting Date</b>	31 March 2010
<b>Acquisition</b>	the direct or indirect acquisition of the entire issued and to be issued share capital of Chloride (other than Chloride Shares already held by ABB, if any) to be implemented by way of (i) the Scheme or (ii) a Takeover Offer as the case may be
<b>Announcement</b>	this announcement
<b>Authorisations</b>	approvals, authorisations, orders, grants, determinations, recognitions, confirmations, consents, licences, clearances, waivers, certificates and permissions
<b>Business Day</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>Capital Reduction</b>	the proposed reduction of the share capital of Chloride in connection with the Scheme under Chapter 10 of Part 17 of the 2006 Act
<b>Chloride</b>	Chloride Group PLC
<b>Chloride Connected Person</b>	in relation to Chloride, each member of Chloride's Group and each of their respective directors, officers, employees, consultants, agents and advisers
<b>Chloride Employee Benefit Trust</b>	means the Chloride Group Employee Benefit Trust dated 24 June 1997 and made between Chloride Group PLC and Mourant & Co Trustees Limited
<b>Chloride Group</b>	Chloride and its subsidiary undertakings
<b>Chloride Share Schemes</b>	means each of the following share schemes operated by the Chloride Group being the Chloride Group plc 1994 Share Option Scheme, the Chloride Group plc 1996 Share Option Scheme, the Chloride Group 1997 Savings Related Share Option Scheme, the Chloride Group plc Executive Share Option Scheme 2001, the Chloride Group plc Performance Share Plan, the Chloride Group plc Savings Related Share Option Scheme 2007 and the Chloride Group plc Deferred Share Bonus Plan
<b>Chloride Shareholders</b>	registered holders of Chloride Shares from time to time
<b>Chloride Shares</b>	ordinary shares of 25 pence each in the capital of Chloride

<b><i>Citi</i></b>	Citigroup Global Markets Limited
<b><i>City Code or Code</i></b>	the City Code on Takeovers and Mergers
<b><i>Closing Price</i></b>	the closing middle market price of a Chloride Share as derived from the Daily Official List
<b><i>Competing Break Fee</i></b>	a break fee, inducement fee or similar fee in relation to any Competing Proposal
<b><i>Competing Proposal</i></b>	any offer, scheme of arrangement, merger or business combination, or similar transaction which is announced or entered into by a third party which is not acting in concert (as defined in the Takeover Code) with ABB, including any revisions thereof, and the purpose of which is to enable that third party (or any other person) to acquire, directly or indirectly all or a significant proportion (being 30 per cent. or more when aggregated with the shares already held by the third party and anybody acting in concert (as defined in the Takeover Code) with that third party) of the share capital of Chloride, or all or a significant proportion (being 30 per cent. or more) of its undertaking, assets or business, or any other arrangement or transaction or series of the same which is inconsistent with the implementation of the Acquisition, or, if relevant, the exercise of ABB's rights to buy out any minority shareholders of Chloride under section 979 of the 2006 Act
<b><i>Conditions</i></b>	the conditions to and terms of the Acquisition, as set out in Appendix I of this announcement and to be set out in the Scheme Document
<b><i>Court</i></b>	the High Court of Justice in England and Wales
<b><i>Court Hearings</i></b>	the hearings by the Court to (i) sanction the Scheme under Part 26 of the 2006 Act and (ii) to confirm the Capital Reduction
<b><i>Court Meeting</i></b>	the meeting or meetings of Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the 2006 Act to approve the Scheme (with or without amendment) including any adjournment or postponement of any such meeting
<b><i>Court Orders</i></b>	the orders of the Court sanctioning the Scheme under Section 899 of the 2006 Act and confirming the Capital Reduction
<b><i>Credit Suisse</i></b>	Credit Suisse Securities (Europe) Limited
<b><i>Daily Official List</i></b>	the daily official list of the London Stock Exchange
<b><i>Disclosed</i></b>	publicly announced by Chloride prior to the date of the Announcement (by delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to the date of this announcement to ABB by or on behalf of Chloride in the course of negotiations
<b><i>Effective</i></b>	(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer,

	such offer having been declared or become unconditional in all respects in accordance with the requirements of the City Code
<b>Effective Date</b>	the date on which the Scheme becomes Effective
<b>General Meeting</b>	the general meeting of Chloride Shareholders (or any adjournment thereof) to be convened to consider and, if thought fit, pass the resolutions required to implement the Capital Reduction and certain other matters relating to the Scheme and the Acquisition
<b>Implementation Agreement</b>	the agreement containing certain obligations and commitments in relation to the implementation of the Acquisition entered into by ABB and Chloride on 8 June 2010
<b>Investec</b>	Investec Investment Banking, a division of Investec Bank plc
<b>Listing Rules</b>	the listing rules of the UK Listing Authority (as amended from time to time)
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Major Transaction</b>	any proposal by Chloride or any other member of its Group to dispose of any significant part of its business or assets or any other transaction requiring the approval of Chloride Shareholders under the Listing Rules or under Rule 21.1 of the Takeover Code
<b>Meetings</b>	the Court Meeting and the General Meeting
<b>Member State</b>	a member state of the European Union
<b>Official List</b>	the Official List of the UK Listing Authority
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Permitted Adjournment</b>	an adjournment of either or both of the Meetings which is sought by Chloride as a result of (i) a request for such adjournment made by ABB; (ii) any requirement of the Court or the Panel, (iii) events or circumstances which are beyond the reasonable control of Chloride and which prevent, prohibit or materially restrict Chloride's ability to convene, hold and transact the relevant business at each of the Meetings at the time and date specified in the Scheme Document; or (iv) any breach of the terms of the Implementation Agreement by ABB
<b>Reduction Record Time</b>	6.00 p.m. on the business day immediately before the court hearing to confirm the Reduction of Capital
<b>Registrar of Companies</b>	the Registrar of Companies for England and Wales
<b>Regulatory Information Service</b>	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies
<b>Scheme or Scheme of Arrangement</b>	the scheme of arrangement proposed to be made under Part 26 of the 2006 Act between Chloride and the Scheme Shareholders, with or subject to any modification, addition or condition approved

	or imposed by the Court and agreed to by Chloride and ABB
<b><i>Scheme Court Hearing</i></b>	the hearing of the Court to sanction the Scheme
<b><i>Scheme Document</i></b>	the document containing and setting out, inter alia, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
<b><i>Scheme Record Time</i></b>	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. London time on the Business Day prior to the Effective Date
<b><i>Scheme Shareholders</i></b>	the holders of Scheme Shares
<b><i>Scheme Shares</i></b>	Chloride Shares: (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and (iii) (if any) issued on or after the Scheme Voting Record Time and before the Reduction Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme and/or in respect of which the holders thereof shall have agreed to be bound by the Scheme, but excluding any Chloride Shares held by ABB and any other Chloride Shares which Chloride and ABB agree will not be subject to the Scheme (including but not limited to those Chloride Shares held in the Chloride Employee Benefit Trust)
<b><i>Scheme Voting Record Time</i></b>	the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined
<b><i>SEC</i></b>	the US Securities and Exchange Commission
<b><i>Statement of Capital</i></b>	the statement of capital approved by the Court and showing with respect to Chloride's share capital, as altered by the Court Order confirming the Reduction of Capital, the information required by section 649 of the 2006 Act
<b><i>Subsidiary</i></b>	has the meaning ascribed to it in Section 1159 of the 2006 Act
<b><i>Subsidiary undertaking</i></b>	has the meaning ascribed to it in Section 1162 of the 2006 Act
<b><i>Substantial Interest</i></b>	a direct or indirect interest of 10 per cent. or more of the equity share capital (as defined in the 1985 Act) in a company or undertaking or equivalent
<b><i>Superior Proposal</i></b>	a bona fide Competing Proposal which the Chloride Directors consider, acting reasonably and in good faith and after consultation with their legal and financial advisers, is able to be announced pursuant to Rule 2.5 of the Takeover Code promptly and is likely to be completed in accordance with its terms taking into account all financial, regulatory and other aspects of such proposal (including the ability of the proposing party to consummate the transactions contemplated by such proposal) and which at the time of announcement would be superior to the

Acquisition from a financial point of view for Chloride Shareholders, and which the Chloride Directors are therefore minded to recommend

<b>Takeover Offer</b>	means the acquisition of the entire issued and to be issued share capital of Chloride by ABB (or its wholly-owned subsidiary undertaking) by means of a takeover offer made pursuant to the City Code
<b>Takeover Offer Document</b>	if ABB elects to implement the Acquisition by way of a Takeover Offer instead of by way of the Scheme, the document to be despatched to (amongst others) Chloride's shareholders (and holders of any other securities in Chloride to which the Takeover Offer relates) by which the Takeover Offer will be made
<b>Third Party</b>	any central bank, ministry, government, government department, governmental, quasi-governmental (including the European Union), supranational, statutory regulatory or investigative body or authority (including any national or supranational anti-trust or merger control authority), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or professional or environmental body in any relevant jurisdiction, including for the avoidance of doubt, the Panel
<b>UK Listing Authority</b>	the Financial Services Authority acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>US Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder
<b>US or United States</b>	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
<b>Wider ABB Group</b>	ABB and the subsidiaries and subsidiary undertakings of ABB and associated undertakings (including any joint venture, partnership, firm or company) and any other undertakings in which ABB and such undertakings (aggregating their interests) have a Substantial Interest
<b>Wider Chloride Group</b>	Chloride and the subsidiaries and subsidiary undertakings of Chloride and associated undertakings (including any joint venture, partnership, firm or company) and any other undertakings in which Chloride and such undertakings (aggregating their interests) have a Substantial Interest.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement. All references to time in this announcement are to London time unless otherwise stated.