

## **ABB closes sale of upstream Oil, Gas and Petrochemicals business for \$925 million**

### *Key step achieved in ABB's divestment program*

Zurich, Switzerland, July 12, 2004 – ABB, the leading power and automation technology group, said today it closed the sale of the upstream part of its Oil, Gas and Petrochemicals division to a consortium of private equity investors made up of Candover Partners Ltd, 3i and JPMorgan Partners.

ABB said that the initial sale price was \$925 million, and the sale agreement also includes a potential deferred consideration of up to \$50 million, based on 2004 EBITDA.

“Closing this sale is a decisive step in our efforts to increase focus on our core business activities and finalize our divestment program,” said Peter Voser, ABB’s chief financial officer.

A preliminary sales agreement announced in October 2003 was subject to regulatory approvals and completion of a compliance review. These conditions have now been fulfilled, ABB said.

The divestment involves ABB’s U.S.-based Vetco Gray unit, and its ABB Offshore Systems business headquartered in Norway. These upstream businesses are active in more than 30 countries, employ some 8,700 people and had total revenues of \$1.7 billion in 2003. Not included in the sale is ABB Lummus Global, which is mainly a downstream business.

Cash proceeds from the sale were \$800 million, which is the sale price adjusted for unfunded pension liabilities (\$85 million) and changes in net working capital. The amount will be recorded under investing activities in Q3. In preparation for the closing of the transaction during Q2, ABB Group’s cash from operating activities has been negatively affected by the cancellation of a securitization program of approximately \$100 million. Cash from investment activities has been negatively affected by the buyback of a lease program worth approximately \$45 million.

ABB ([www.abb.com](http://www.abb.com)) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 113,000 people.

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