

## **ABB concludes compliance review of upstream Oil, Gas and Petrochemicals business**

### *Major condition for sale of upstream business fulfilled*

Zurich, Switzerland, July 7, 2004 – ABB, the leading power and automation technology group, said today it had concluded a compliance review of its upstream Oil, Gas and Petrochemicals division, fulfilling a major closing condition for the sale of the upstream business to a consortium of private equity investors made up of Candover Partners Ltd, 3i and JPMorgan Partners.

ABB and two of its subsidiaries – ABB Vetco Gray Inc. and ABB Vetco Gray (UK) Ltd. – today resolved proceedings with the Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DoJ) that arose from ABB's voluntary disclosure of certain improper payments by former employees of the two subsidiaries.

ABB has undertaken an extensive compliance review of its upstream business jointly with the consortium, and in full cooperation with the DoJ and the SEC. As part of the agreement with the U.S. authorities, both ABB and the upstream business will adopt enhanced compliance procedures intended to detect and prevent future violation of laws related to improper payments.

ABB announced a preliminary sales agreement with the Candover group in late October 2003, subject to regulatory approvals, as well as the satisfactory completion and disposition of the compliance matters. The compliance closing condition has now been fulfilled, ABB said.

The sale concerns ABB's U.S.-based Vetco Gray unit and its ABB Offshore Systems business headquartered in Norway. The upstream businesses, active in more than 30 countries, in 2003 had total revenues of US\$ 1.7 billion.

Not included in the sale is ABB Lummus Global, which is mainly a downstream business.

ABB Vetco Gray Inc. in the USA and ABB Vetco Gray Ltd. in the UK have pleaded guilty to violation of the Foreign Corrupt Practices Act (FCPA) and paid an aggregate fine totaling US\$ 10.5 million. In addition, ABB Ltd agreed with the SEC to resolve civil charges relating to the FCPA, including the payment of US\$ 5.9 million in allegedly unlawful profits.

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.



*For more information please contact:*

**Media Relations:**  
**ABB Corporate Communications, Zurich**  
Thomas Schmidt , Wolfram Eberhardt  
Tel: +41 43 317 6568  
Fax: +41 43 317 6494  
[media.relations@ch.abb.com](mailto:media.relations@ch.abb.com)

**Investor Relations:**  
Switzerland: Tel. +41 43 317 3804  
Sweden: Tel. +46 21 325 719  
USA: Tel. +1 203 750 7743  
[investor.relations@ch.abb.com](mailto:investor.relations@ch.abb.com)