

ABB finalizes agreement to sell part of Oil, Gas and Petrochemicals division for US\$ 925 million

Zurich, Switzerland, January 16, 2004 – ABB, the leading power and automation technology group, said today it has finalized the agreement to sell the upstream part of its Oil, Gas and Petrochemicals division to a newly incorporated company formed by a private equity investors' consortium of Candover Partners Ltd, 3i and JPMorgan Partners. ABB expects to record a small capital gain on the initial sale price of US\$ 925 million.

The agreement also includes a potential deferred consideration of an additional amount of up to US\$ 50 million.

“This divestment agreement marks a further, decisive step to increase the focus on our core businesses and to finalize our divestment program,” said Peter Voser, ABB's chief financial officer.

A preliminary agreement on the deal was announced in late October 2003. The divestment is subject to the customary regulatory approvals and closing conditions, as well as the satisfactory completion and disposition of compliance matters under review. The closing is expected mid-year 2004.

ABB is selling its United States-based Vetco Gray unit and its ABB Offshore Systems business, headquartered in Norway. These upstream businesses are active in more than 30 countries and employ some 7,500 people, mainly in Brazil, Canada, Norway, Singapore, the United Kingdom and the U.S., with total revenues in 2002 of US\$ 1.7 billion.

Not included in the sale is ABB Lummus Global, which is mainly a downstream business. ABB said it is continuing negotiations with several parties to sell Lummus Global, and expects to complete the sale in 2004.

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

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