IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
ABB LUMMUS GLOBAL, INC.,	)	**Case No. 06-10401 (MFW)**
	)	
Debtor.	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2016

The Honorable Dean M. Trafelet, Ret., Trustee of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust (the "Trust"), created pursuant to ABB Lummus Global Inc.'s Plan of Reorganization, as Modified Through June 8, 2006 (the "Plan"), submits this Annual Report, Financial Statements and Results of Operations of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust for Fiscal Year Ended December 31, 2016.

I. General

ABB Lummus Global Inc. filed a voluntary petition for relief under Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code") on April 21, 2006. The hearing on confirmation of the Plan was held before the United States Bankruptcy Court for the District of Delaware (the "Court") on June 21, 2006. The Court entered the Order (A) Approving Disclosure Statement and Solicitation Procedures, (B) Confirming and Recommending Affirmance by the U.S. District Court of Debtor's Plan of Reorganization as Modified Through June 8, 2006 and (C) Setting Bar Dates to File Certain Claims in Paragraphs 51, 52, 53 and 74 on June 29, 2006. On July 19, 2006, the United States District Court for the District of Delaware entered its Order Affirming Confirmation Order and Issuing Injunctions.

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The Effective Date of the Plan occurred on August 31, 2006.

Pursuant to the Plan, Steven Kazan, Russell W. Budd, and Perry Weitz are the members of the Trust Advisory Committee ("TAC") and Richard B. Schiro is the Future Claimants' Representative ("FCR").

The Final Decree was entered and the bankruptcy case was closed on January 18, 2007. The Order of Final Decree provides that the Court retains jurisdiction with respect to all issues related to the Trust and directs that the Clerk of the Court shall not refuse to accept for filing any pleading or report submitted by the Trust on the grounds that the case has been closed.

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust Agreement ("Trust Agreement") and the ABB Lummus Global Inc. 524(g) Trust Bylaws (the "Bylaws") require the Trustee to meet with the TAC and the FCR at least two times each calendar year, at regular or special meetings. The Trust held regular meetings during 2016 on February 24, 2016, May 18, 2016, September 21, 2016, and November 16, 2016. At many of these meetings, several persons attended by telephone, as authorized by the Bylaws and encouraged by the Trustee.

Pursuant to the Bylaws, the principal office of the Trust is located at 1105 Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899.

In 2016, the Trust entered and/or continued services agreements with Stutzman, Bromberg, Esserman & Plifka, a Professional Corporation (general counsel); ARPC (accountant and administrator); Ankura Consulting Group LLC (accountant and administrator);[1] Verus Claims Services LLC (claims processing facility and claims

[1] In 2016 ARPC became part of Ankura Consulting Group, LLC ("Ankura"). As of May 1, 2016, Ankura became the Trust's accountant and administrator.

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administrator); Cray, Kaiser Ltd. (auditor); Northern Trust Company (financial consultant and money manager); and AON Risk Services Central, Inc. (insurance agent). The Trust retained local counsel as needed.

The Trust maintained liability insurance coverage for the Trustee, the members of the TAC and the FCR.

II. Asbestos PI Claims

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust Distribution Procedures (as amended, the "TDP"), the Revised and Restated Procedures for Reviewing and Liquidating Lummus Asbestos PI Trust Claims, Lummus Claim Forms, an electronic filing agreement, the Lummus Release and other claims-related forms and instructions are available at www.ABBLummusTrust.org.

A. Payment Percentage, Maximum Annual Payment and Claims Payment Ratio

The Trust applied the Payment Percentage of 10% to claims paid in the year ended December 31, 2016.

In accordance with TDP Sections 2.3 and 4.2, the Trustee, with the consent of the TAC and the FCR, increased the Payment Percentage from 10% to 14.7%, beginning with claims scheduled for payment in November 2016.[2] In accordance with TDP Section 2.3, the Trustee is making supplemental payments to claimants who were previously paid

[2] Claims scheduled for payment in November 2016 were approved and paid in January 2017. Claims paid in 2017 will be reported in the Trust's annual report for the period ending December 31, 2017.

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at the Payment Percentage of 10% to increase their recovery to the 14.7% Payment Percentage level.[3]

After increasing the Payment Percentage to 14.7%, the Maximum Annual Payment for the remainder of 2016 was set at $767,922. The Maximum Annual Payment for 2016, which was not utilized to pay claims in 2016, will carryover and be applied to the payment of claims in 2017.

The Claims Payment Ratios remain at 80% for Category A Claims and 20% for Category B Claims. Category A Claims refer to claims involving severe asbestosis and malignancies (Disease Levels IV – VIII) as well as allocated Disease Level I claims. Category B Claims refer to claims involving non-malignant Asbestosis or Pleural Disease (Disease Levels II and III) as well as allocated Disease Level I claims. A claim for Other Asbestos Disease (Disease Level I – Cash Discount Payment) is allocated to either Category A or B based on the highest disease level established by the medical evidence submitted for the claim.

From 2015, the Trust carried $2,130,886 into 2016 for payment on Category A Claims and $837,518 for payment on Category B Claims, with payment as follows:

Category A Claims

Paid in 2016 (net of refunds) = $ 472,325

Category B Claims

Paid in 2016 (net of refunds) = $ 81,800

A total of 239 liquidated Category A Claims and 341 liquidated Category B Claims remained in the FIFO Payment Queue as of December 31, 2016.

[3] On January 4, 2017, the Trustee approved supplemental payments for claimants paid at the Payment Percentage of 10% for the 4.7% increase for a total of $2,723,598. The payments were made to claimants in the FIFO Payment Queue as of November 22, 2016.

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B. Claims Statistics for the Fiscal Year Ending December 31, 2016

The Trust received 8,304 claims in 2016 (234 Lummus Feedwater Heater Claims and 8,070 Lummus Design and Construction Claims, as those terms are defined in the TDP). The Trust liquidated and paid 882 claims in 2016, totaling $554,125 after application of the Payment Percentage. Below is further detail with respect to the claims received and paid by the Trust in 2016.

Total claims received in 2016:

Total Category A Claims received in 2016 =		1,536
Category A Claims submitted for Expedited Review	1,056	
Category A Claims submitted for Individual Review	480	
Total Category B Claims received in 2016 =		6,768
Category B Claims submitted for Expedited Review	6,724	
Category B Claims submitted for Individual Review	44	
Total claims received in 2016 =		8,304

Total claims paid in 2016:

Total Category A Claims paid in 2016 =		411
Category A Claims paid pursuant to Expedited Review	207	
Category A Claims paid pursuant to Individual Review	204	
Total Category B Claims paid in 2016 =		471
Category B Claims paid pursuant to Expedited Review	463	
Category B Claims paid pursuant to Individual Review	8	
Total claims paid in 2016 =		882

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Since inception of the Trust, the Trust has not approved 64,442 claims, including rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims. The number of claims in the FIFO Processing Queue (as that term is defined in the TDP) on December 31, 2016, totaled 703, of which 54 are Category A Claims and 649 are Category B Claims.

III. Compensation and Expenses of Trustee

Under Section 5.5 (c) of the Trust Agreement, the Trust reports to the Court the amount of compensation and expenses paid to the Trustee. During the fiscal year ending December 31, 2016, the Trustee was paid a total of $88,899 for compensation and expenses incurred.

The Delaware Trustee received compensation in the amount of $2,500 during the fiscal year ending December 31, 2016. The Delaware Trustee had no reimbursable out-of-pocket costs and expenses during the fiscal year ending December 31, 2016.

IV. Financial Statements

A copy of the Trust's audited financial statements for the fiscal year ending December 31, 2016 is attached as Exhibit "A." The attached financial statements include a supplemental schedule (Schedule A-1) detailing the Trust's operating and claims processing expenses for the years ended December 31, 2016 and 2015.

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V. Certification

The Trustee has performed pursuant to and in compliance with the Plan, the Trust Agreement, the Bylaws, the TDP, the Lummus Confirmation Order and the other Plan Documents and Court orders pertaining to the operation of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust during the Fiscal Year ended December 31, 2016.

TRUSTEE:

/s/ Dean M. Trafelet
DEAN M. TRAFELET

Dated: April 24, 2017

HOGAN♦McDANIEL

By: *Daniel K. Hogan*
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ATTORNEYS FOR THE ABB LUMMUS GLOBAL, INC. 524(g) ASBESTOS PI TRUST

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EXHIBIT A

ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST

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Notes to the Special-Purpose Financial Statements

Supplementary Information

Independent Auditors' Report on Supplemental Schedules

Schedule A-1 - Supplemental Schedule of Operating and Claims Processing Expenses

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CRAY, KAISER LTD.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS TO BUSINESS

Independent Auditors' Report

To the Trustee of the
ABB Lummus Global Inc. 524(g) Asbestos PI Trust

Introductory Paragraph

We have audited the accompanying special-purpose statements of assets, liabilities and net assets available for the payment of claims of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust (the "Trust"), a Trust created under the laws the state of Delaware, as of December 31, 2016 and 2015 and the related special-purpose statements of changes in net assets available for the payments of claims and special-purpose statements of cash flows available for the payment of claims for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with Section 524(g) of the United States Bankruptcy Code. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Emphasis of Matter - Special-Purpose Financial Statement Presentation

As described in Note 2, the accompanying special-purpose financial statements have been prepared for the purpose of complying with the Trust Agreement dated August 30, 2006, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to communicate the amount of net assets presently available for current and future claims.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trust as December 31, 2016 and 2015, and the results of its changes in net assets and cash flows available for the payment of claims for the years then ended on the special-purpose basis of accounting described in Note 2.

Other Matter

This report is intended solely for the information and use of the Trustee, beneficiaries of the Trust and the United States Bankruptcy Court for the District of Delaware and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

CRAY, KAISER LTD.
Certified Public Accountants

Oakbrook Terrace, Illinois
March 30, 2017

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EXHIBIT A

ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES AND NETS ASSETS AVAILABLE FOR THE PAYMENT OF CLAIMS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS:		
Cash and cash equivalents	$ 370,769	$ 1,215,681
Investment Securities:		
Equity securities	$ 5,698,589	$ 5,145,415
Fixed income securities	20,493,941	20,373,117
Total Investment Securities	$ 26,192,530	$ 25,518,532
Accrued interest receivable	$ 89,448	$ 131,755
Prepaid insurance	24,837	25,398
Prepaid expenses	1,767	-0-
Due from Verus Claims Services, LLC	-0-	1,390
Total Assets	$ 26,679,351	$ 26,892,756
LIABILITIES:		
Accounts payable	$ 123,406	$ 37,103
Accrued operating expense	-0-	7,688
Total Liabilities	$ 123,406	$ 44,791
Net Assets Available For The Payment of Claims	$ 26,555,945	$ 26,847,965

The accompanying notes are an integral part of the financial statements.

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EXHIBIT B

ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
SPECIAL-PURPOSE STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR THE PAYMENT OF CLAIMS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
ADDITIONS:		
Interest and dividend income, net of amortization	$ 604,195	$ 639,627
Realized loss on investment securities	(891)	(13,335)
Unrealized gain (loss) on investment securities	317,063	(392,307)
Other income	551	-0-
Total Additions	$ 920,918	$ 233,985
DEDUCTIONS:		
Operating and claims processing expenses	$ 658,813	$ 431,031
Facility claims settlements	554,125	540,027
Total Deductions	$ 1,212,938	$ 971,058
NET DECREASE IN NET ASSETS AVAILABLE	$ (292,020)	$ (737,073)
NET ASSETS AVAILABLE FOR THE PAYMENT OF CLAIMS:		
BEGINNING OF YEAR	26,847,965	27,585,038
END OF YEAR	$ 26,555,945	$ 26,847,965

The accompanying notes are an integral part of the financial statements.

EXHIBIT C

ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS
AVAILABLE FOR THE PAYMENT OF CLAIMS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets available for the payment of claims	$ (292,020)	$ (737,073)
Changes in operating assets and liabilities:		
Realized loss on investment securities	891	13,335
Unrealized (gain) loss on investment securities	(317,063)	392,307
Decrease in accrued interest receivable	42,307	12,260
Decrease in prepaid expenses	561	609
Increase in due from Verus Claims Services, LLC	(377)	(1,390)
Increase in accounts payable	86,303	11,908
(Decrease) Increase in accrued operating expense	(7,688)	2,064
Net Cash Used In Operating Activities	$ (487,086)	$ (305,980)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchases of investment securities	$ (357,826)	$ -0-
Net proceeds received on the sale of investment securities	-0-	1,021,020
Net Cash (Used In) Provided By Investing Activities	$ (357,826)	$ 1,021,020
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (844,912)	$ 715,040
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,215,681	500,641
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 370,769	$ 1,215,681

The accompanying notes are an integral part of the financial statements.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 - DESCRIPTION OF THE TRUST

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust ("Trust") is a Delaware statutory trust created to assume all Lummus Asbestos PI Trust Claims (whether now existing or arising at any time hereafter) and to use the Lummus Asbestos PI Trust Assets to pay holders of such Lummus Asbestos PI Trust Claims in accordance with the Lummus Trust Agreement Trust Distribution Procedures ("TDP"), and in such a way that all holders of Lummus Asbestos PI Trust Claims that involve similar claims are treated in substantially the same manner and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code. The Trust was established pursuant to the Prepackaged Plan of Reorganization of ABB Lummus Global Inc. as confirmed by the United States Bankruptcy Court (the "Confirmed Plan"). The Confirmed Plan became effective on August 31, 2006 (the Effective Date or the Effective Date of the Plan of Reorganization). Capitalized terms have the meanings as defined in the Confirmed Plan.

At inception, the Trust was funded with $5,000,000 in an insurance settlement guaranty payment and $5,400,000 in cash proceeds from a promissory note dated August 31, 2006, in the principal sum of $33,000,000. On May 2, 2007, the Trust received payment of $28,711,562 from ABB Lummus Global, Inc. as final payment on the promissory note. The cash contributed on May 2, 2007 included $27,600,000 in full principal payment and $1,111,562 of interest. As of May 2, 2007, the promissory note of $33,000,000 has been paid in full.

The Trustee is responsible for supervising and administering the Lummus Asbestos PI Trust Claims resolution process. The Trust will use its funding for Trust operations and for settlement of the Lummus Asbestos PI Trust Claims as defined in the Confirmed Plan.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America. The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. These special-purpose accounting methods are as follows:

The financial statements are prepared using the accrual basis of accounting.

Funding received from ABB Lummus Global, Inc. has been recorded directly to net claimants' equity. These funds do not represent income of the Trust. Settlement offers for asbestos personal injury claims are reported as deductions in net claimants' equity and do not represent expenses of the Trust. Under accounting principles generally accepted in the United States of America, funds available for the payment of claims would be recorded as a liability and personal injury claims paid are reported as reductions to net claimants' liability.

Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed as they are incurred. These costs include acquisition costs of computer hardware, software, software development, office furniture and leasehold improvements.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The liability for unpaid claims reflected in the statements of net claimants' equity represents settled but unpaid claims and outstanding settlement offers. Lummus Asbestos PI Trust Claims' liability is recorded once a settlement offer has been made to the claimant and accepted by the claimant by submission to the Trust of an executed release. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates. The most significant estimates with regard to these financial statements relate to unpaid claims.

Cash and Cash Equivalents

The Trust considers cash on hand and all highly liquid debt instruments purchased with a maturity of one month or less to be cash equivalents.

The Trust places its cash with a high quality credit institution. At times, such cash may be in excess of the Federal Depository Insurance Corporation insurance limit. The Trust routinely assesses the financial strength of its banking institution and, as a consequence, believes that its cash credit risk exposure is limited. At December 31, 2016 and 2015, the Trust maintained a bank account which held funds in excess of FDIC-insured limits.

Investment Securities

Investments securities stated at market value are based on quoted market prices at the date of the financial statements with the changes in unrealized gain and losses recorded in the current period. Investment income is recognized when earned. Gains and losses on sales are determined by specific identification.

The Trust classifies its marketable equity securities as available-for-sale. The investment securities are considered to be available-for-sale securities, as they are used to satisfy claims, and are reported at market. All interest and dividend income, as well as net realized gains/losses, are included in investment income on the statement of net assets available for the payment of claims. Realized gains and unrealized gains and losses are recorded as separate components on the statement of net assets available for the payment of claims.

Realized gains/losses are recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized holdings gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the accompanying statement of changes in net assets available for the payment of claims.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Expenses and Accounts Payable

Accrued expenses and accounts payable consist of legal accruals, as well as outstanding bills associated with managing the Trust.

Operating and Administrative Expenses

Operating and administrative expenses of the Trust are paid from net assets available for the payment of claims.

Date of Management's Review

For the current reporting period, subsequent events were evaluated through March 30, 2017 which represent the date the financial statement was available to be issued.

NOTE 3 - INVESTMENT SECURITIES

Available-for-sale investment securities at December 31, 2016 consist of:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
Equity Securities	$ 4,614,256	$ 1,084,333	$ -0-	$ 5,698,589
Fixed Income Securities	20,305,391	331,192	(142,642)	20,493,941
	$ 24,919,647	$ 1,415,525	$ (142,642)	$ 26,192,530

Available-for-sale investment securities at December 31, 2015 consist of:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
Equity Securities	$ 4,578,243	$ 567,172	$ -0-	$ 5,145,415
Fixed Income Securities	19,984,469	459,125	(70,477)	20,373,117
	$ 24,562,712	$ 1,026,297	$ (70,477)	$ 25,518,532

Accrued interest receivable at December 31, 2016 and 2015 was $89,448 and $131,755, respectively.

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NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 - INVESTMENT SECURITIES (Continued)

Scheduled maturities of investment securities classified as available-for-sale at December 31, 2016 were as follows:

Due In:	
Current Bond Fund	7,637,081
2017	2,537,260
2018	2,612,435
2019	2,150,834
2020	2,629,032
2021	983,660
Thereafter	2,033,070
	$ 20,583,372

NOTE 4 - INCOME TAXES

According to the Internal Revenue Code, the Trust is classified as a Qualified Settlement Fund and is therefore subject to federal income taxes based on modified gross income, as defined by the Income Tax topic of the Financial Accounting Standards Board Accounting Standards Codification. In the opinion of management, the Trust is not subject to state income taxes and therefore, the financial statements do not include any provision or liability for state income taxes.

The Trust has adopted generally accepted accounting principles related to uncertain tax positions and has evaluated the tax positions taken for all open tax years. Currently, the 2013, 2014, 2015, and 2016 tax years are open and subject to examination by the Internal Revenue Service and the United States Bankruptcy Court for the District of Delaware; however, the Trust is not currently under audit nor has the Trust been contacted by any of these agencies.

The net operating loss (NOL) carryforward for the year ended December 31, 2015 was $252,148 and for the year ended December 31, 2014 was $79,449. The federal tax rate for the Trust is was 39.6% for the years ended December 31, 2016 and 2015. The estimated deferred tax asset is $271,638 and $121,158 at December 31, 2016 and 2015, respectively. The utilization of the net operating loss is dependent on having net taxable income in the future. The net operating loss may be carried forward for twenty years.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 - INCOME TAXES (Continued)

The estimated deferred tax asset includes the following computation for the years ended December 31:

	2016	2015
Net estimated deferred tax asset, beginning of year	$ (121,158)	$ (29,517)
Adjusted estimated deferred tax asset	$ (121,158)	$ (29,517)
Net estimated loss	$ (380,000)	$ (231,419)
Federal Tax Rate	39.6%	39.6%
Current year tax asset	$ (150,480)	$ (91,641)
Cumulative net asset, end of year	$ (271,638)	$ (121,158)
Net reserve for cumulative net tax benefit	271,638	121,158
Net deferred tax asset	$ -0-	$ -0-

The Trust has recorded a reserve for the estimated tax benefit of $271,638 and $121,518 for the years ended December 31, 2016 and 2015, respectively, as it is uncertain the Trust will have taxable income in the future to be offset. The Trust will utilize $-0- of the deferred tax asset for the year ended December 31, 2016 and utilized $-0- of the deferred tax asset for the year ended December 31, 2015.

NOTE 5 - CONTINGENT LIABILITIES

The Trust estimates the amount of potential exposure it may have with respect to claims, assessments and litigation as defined by the Contingencies Topic of the Financial Accounting Standards Board Accounting Standards Codification. All Lummus Asbestos PI Trust Claims as defined in the Confirmed Plan have been assumed by this Trust. If any other legal proceedings occur, it is not always possible to predict the outcome, as they are subject to many uncertainties. Additionally, it is not always possible for management to make a meaningful estimate of the potential loss or range of loss associated with such litigation.

NOTE 6 - LIABILITY FOR ASBESTOS CLAIMS

The Trust applied Payment Percentage of 10% for the years ended December 31, 2016 and 2015 and paid claims of $554,125 and $540,027, respectively.

On September 21, 2016, the Trustee with the consent of the Trust Advisory Committee and the Future Claimants' Representative approved an increase in the applied Payment Percent from 10% to 14.70%.

On January 4, 2017, the Trustee approved supplemental payments for claimants paid at the Payment Percentage of 10% for the 4.7% increase for a total of $2,723,598. The payments were made to claimants in the FIFO payment Queue as of November 22, 2016.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 7 - TRUSTEES' LIABILITY INSURANCE

Directors and officers' insurance was purchased from RLI Insurance Specialty Company for $26,250 per year, during the year ended December 31, 2016 and $27,150 per year, during the year ended December 31, 2015. The policy term is from December 7, 2016 through December 7, 2017. Insurance expense amounted to $27,111 and $27,758 for the years ended December 31, 2016 and 2015, respectively.

NOTE 8 - TRUSTEE EXPENSES

Fees and expenses of the Trustee for the year ended December 31 2016 and 2015 were $88,899 and $64,013, respectively.

NOTE 9 - FAIR VALUE MEASUREMENTS

The Broad Transactions topic of the Financial Accounting Standards Board Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data or correlation by other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

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ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

Equity Securities: Valued at the net asset value ('NAV') of shares held by the Trust at year end.

Fixed Income Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value at December 31, 2016 and December 31, 2015, respectively:

	Assets at Fair Value at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Equity Securities	$ 5,698,589	$ -0-	$ -0-	$ 5,698,589
Fixed Income Securities	20,493,941	-0-	-0-	20,493,941
Total Assets at Fair Value	$ 26,192,530	$ -0-	$ -0-	$ 26,192,530

	Assets at Fair Value at December 31, 2015			
	Level 1	Level 2	Level 3	Total
Equity Securities	$ 5,145,415	$ -0-	$ -0-	$ 5,145,415
Fixed Income Securities	20,373,117	-0-	-0-	20,373,117
Total Assets at Fair Value	$ 25,518,532	$ -0-	$ -0-	$ 25,518,532

NOTE 10 - CHANGES IN FINANCIAL STATEMENT PRESENTATION

Certain statements presented in the audited financial statement at and for the year ended December 31, 2015 have been reclassified for financial statement presentation purposes to be consistent with the presentation at and for the year ended December 31, 2016. There is no income or loss effect resulting from these reclassifications and the changes have been made for comparability purposes only.

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SUPPLEMENTARY INFORMATION

CRAY, KAISER LTD.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS TO BUSINESS

Independent Auditors' Report on Supplementary Information

To the Trustee of the
ABB Lummus Global Inc. 524(g) Asbestos PI Trust

The report on our audit of the special-purpose financial statements of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust as of December 31, 2016 and 2015 appears on the Independent Auditors' Report. Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole in accordance with the basis of accounting described in Note 2 to such financial statements. The schedule of operating and claims processing expenses is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

This report is intended solely for the information and use of the Trustee, beneficiaries of the Trust and the United States Bankruptcy Court for the District of Delaware and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

CRAY, KAISER LTD.
Certified Public Accountants

Oakbrook Terrace, IL
March 30, 2017

1901 S Meyers Road, Suite 230 | Oak Brook Terrace, IL 60181 | 630-953-4900 : P | 630-953-4905 : F | www.craykaiser.com

ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST **SCHEDULE A-1**
SUPPLEMENTAL SCHEDULE OF OPERATING AND
CLAIMS PROCESSING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
TRUST FEES AND EXPENSES:		
Audit fees	$ 27,119	$ 25,796
Insurance expense	27,111	27,758
Rent	750	750
Investment advisory fees	40,787	47,785
Administrator - Ankura Consulting Group, LLC	173,378	152,958
Wilmington Trust fees	2,500	2,500
Legal fees:		
The Hogan Law Firm - Delaware counsel to the Trust	3,810	3,678
Stutzman, Bromberg, Esserman & Plifka - General counsel to the Trust	53,410	46,997
Total Legal Fees	$ 57,220	$ 50,675
Total Trust Fees and Expenses	$ 328,865	$ 308,222
TRUSTEE FEES AND EXPENSES:		
Hon. Dean Trafelet, Ret.	$ 88,899	$ 64,013
TRUST ADVISORY COMMITTEE ("TAC") FEES:		
Kazan, McClain, Abrams, Lyons, Greenwood & Harley	$ 594	$ 450
Frank/Gecker LLP	12,543	7,632
Caplin & Drysdale	3,990	-0-
Total Trust Advisory Committee ("TAC") Fees	$ 17,127	$ 8,082
FUTURE CLAIMANTS' REPRESENTATIVE ("FCR") FEES:		
Hamilton, Rabinovitz, & Associates, Inc.	$ 17,960	$ -0-
Law Offices of Richard B. Schiro	2,039	675
Porter & Hedges LLP	1,422	1,356
Total Future Claimants' Representative ("FCR") Fees	$ 21,421	$ 2,031
CLAIMS PROCESSING EXPENSES:		
Verus Claims Services, LLC	$ 202,501	$ 48,683
TOTAL OPERATING AND CLAIMS PROCESSING EXPENSES	$ 658,813	$ 431,031

See Independent Auditors' Supplementary Information Report.