



AUSTRIAN ENERGY
& ENVIRONMENT

a company of A-TEC INDUSTRIES AG

PRESS RELEASE

Acquisition of ALSTOM's Industrial Boilers and Plants division makes Austrian Energy & Environment number 3 in Europe

- Acquisition of significant parts of Industrial Boilers and Plants division
- Locations in Germany, Czech Republic and Australia taken over
- Optimal addition for AE&E and Von Roll Inova
- AE&E Group operational in Australia for first time

Raaba/Graz, 24 October 2005. Austrian Energy & Environment AG, the international manufacturer of systems for energy generation and environmental technology headquartered in Graz, has signed agreements under which it will acquire significant parts of the Industrial Boilers and Plants division (IBP) of ALSTOM, a world leader in the energy and transport sector. The division acquired by AE&E reported turnover of some EUR 400 million in 2004 and currently employs 450 people at locations in Germany (Cologne, Nuremberg), the Czech Republic (Brno) and Australia (Sydney). Including this EUR 400 Mio. the annual turnover of AE&E would raise to EUR 850 million, making AE&E the number three plant manufacturer in Europe in the energy and environment sector. The closing of this transaction is still subject to approval by the Cartel Commission, which is expected to be obtained at the beginning of December 2005. No details of the purchase price have been disclosed.

Today, just five days after parent company A-TEC Industries had issued a EUR 100 million bond for further expansion of the group, Austrian Energy & Environment, the group's largest subsidiary, has taken an important step towards the expansion and internationalisation of the company. In signing these contracts for the acquisition of significant parts of the Industrial Boilers and Plants division (IBP) belonging to the "Energy & Environment Systems Group" of the international ALSTOM Group, Mirko Kovats, Christian Schmidt and Ronny Pecik won through in the face of international competition. With their sustained management concept for around 450 employees at factories in Germany (Cologne, Nuremberg), the Czech Republic (Brno) and Australia (Sydney), AE&E convinced the management board of the ALSTOM Group, which had put the division up for sale as a result of a directive from the EU authorities in Brussels.

In the year 2003/2004, the Industrial Boilers and Plants (IBP) division reported a turnover of around EUR 400 million with its 450 employees. For many decades now, the group's subsidiaries have been some of the world's technological leaders: in Germany in the field of waste incineration and industrial boilers, and in the Czech Republic and Australia in the field of boilers and power stations for industrial customers. Christian Schmidt, CEO of Austrian Energy & Environment explains: *"Both Austrian Energy & Environment and ALSTOM have an exceptionally high international brand awareness and an excellent reputation. The operations at the locations in Germany lead the field in the area of waste incineration, optimally complementing the product portfolio of our Swiss subsidiary Von Roll, whilst the locations in Australia and the Czech Republic are perfect partners for AE&E in Graz."*

Strategic concentration and worldwide market presence

This major acquisition will significantly strengthen Austrian Energy & Environment in a competitive market, rounding out its range of products and services and further enhancing its competence in the field of plant engineering. Not only are both companies technologically an ideal match for one another, there is also only very little overlap in the products they offer and the markets they serve. The companies' different geographical market priorities also optimally complement one another.

AE&E to have Australian subsidiary from November

Industrial Boilers and Plants (IBP) Asia Pacific headquartered in Sydney, is a long-established and leading business area of the ALSTOM Group in Australia. With an average annual turnover of around EUR 120 million, IBP mainly constructs industrial boilers as components and complete plants, mainly for the international sugar, mining, paper and cellulose industries, but also for local communities.

Austrian Energy & Environment's combination of excellent technological competence and internationally acknowledged expertise in boiler construction with IBP in Sydney will significantly enhance the company's position in a highly competitive world market. However, above all it will enable the company to market its fluidised bed, waste incineration, flue gas and flue gas scrubbing technology in the rapidly expanding markets of Asia and Oceania.

AE&E to continue to chart successful course

Not just on the strength of this major new acquisition, Christian Schmidt, CEO of Austrian Energy & Environment, projects an exceptionally positive perspective for the future of the company: *"Today's acquisition of this internationally established business in the field of waste incineration and industrial boilers will not only enable us to further enhance our competence in these areas, but also position the company even better than before on international markets as an all-round supplier of plants with a high degree of value-added and a broad spectrum of processes. We plan to achieve a total turnover of some EUR 850 million in the year 2006,"* continued Schmidt. *"Thanks to major international orders that we have managed to secure in recent months, we are confident that our turnover will break the billion euro barrier in 2007."*

A-TEC Industries increases group turnover to EUR 1.7 billion in 2006

"As announced last week when we presented our corporate bond, A-TEC Industries will continue its dynamic expansion next year by means of organic and external growth. We should increase the number of our employees to 10,000 and our group turnover to around EUR 1.7 billion merely as a result of our acquisition of Alstom's IPB division and the planned incorporation of Lindeteves Jacoberg in ATB Austria Antriebstechnik next year," Mirko Kovats, CEO of A-TEC Industries, underlines the international industrial group's potential for further growth.

Austrian Energy & Environment

The Austrian Energy & Environment AG Group is a leading supplier of energy generation and environmental technology to the European and international markets, which is specialised in the production of steam generators, flue gas cleaning and biomass incineration plants. The Group, which also includes the Swiss company, Von Roll Inova, the Spanish, Babcock Power España, and two companies in India, employs a workforce of around 1,700 in Graz and Vienna (Austria), Zurich (Switzerland), Frankfurt (Germany), Paris (France), Norcross (USA), Bilbao and Madrid (Spain), Shanghai (China), Chennai (India) and Slavonski Brod (Croatia), and is owned by A-TEC Industries AG.

A-TEC Industries

A-TEC INDUSTRIES AG is a privately owned, international industrial group based in Vienna, which is a successful, global player in the fields of drive technology, plant building, mechanical engineering and metals. The Group currently employs a workforce of some 7,200 in Austria, Germany, Switzerland, France, the USA, Spain, Italy, Croatia, the Czech Republic, Slovakia, the UK, Serbia and Montenegro, China and India. In 2004, the four companies within the A-TEC industries Group had total sales of around EUR 1 billion.

Further information is available on the Internet under www.aee.co.at and www.a-tecindustries.at

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