

**08 June 2006**

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**AEA Technology plc**

**Audited Preliminary Results 31 March 2006**

We have today issued the following announcement of our audited preliminary results for the period up to 31st March, 2006.

**Highlights**

- Adjusted operating profits up to £4.4 million (2005: loss £7.3 million)
- Strong performance by AEA Environment – adjusted operating profits increased to £11.1 million (2005: £7.8 million)
- Non-core assets sold for £40.0 million
- A substantial reduction in net debt to £29.3 million (2005: £59.0 million) as a result of non-core asset sale combined with a successful Placing and Open Offer of new equity raising £30.2 million
- Major restructuring of main pension scheme achieved
- Costs reduced across the Group through staff reductions and a refocusing of the business. The total annualised saving amounts to over £23.0 million
- Rail restructuring successfully completed

**Dr Bernard Bulkin, Chairman of AEA Technology said,**

*'We have made significant progress in transforming AEA in the last year. The clear strategy that we set out at the start of this recovery process has been vigorously pursued and has resulted in an improved performance from the streamlined business. Looking forward, we expect to see a further period of positive change, focusing more intensely on the creation of value for our shareholders.'*

**Andrew McCree, Chief Executive of AEA Technology commented,**

*'The financial strength of the business is much improved. Costs and debt levels have been substantially reduced. The cash performance is much better, whilst the pension deficit has also been cut significantly.'*

*'The priority now is to improve further the focus of the Group and thereby enable a more effective execution of organic growth going forward. Financial discipline will continue to be paramount as the Group builds on the lessons of the past and shifts from recovery to growth.'*

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