

Regulatory Story

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AEA Technology plc ("AEA" or "the Group")

AGM statement

Dr Paul Golby, chairman of AEA, a leading climate change consultancy, will make the following comments at the Group's AGM later today:

"AEA continues to make very good progress in the US and, whilst there is some uncertainty in the UK market, overall I am pleased to report that the Group continues to trade in line with management's expectations.

"We have made a successful acquisition in PPC, completed in August 2008. As a result the enlarged Group has been able to win work in the US using AEA's UK expertise. Our largest win to date is the Save Energy Now contract, worth US\$45.7 million, awarded by the Department of Energy ("DOE").

"We believe that the market for our skills and services in the US remains very strong and during the year we expect to be bidding more than \$400m of new opportunities. In the pursuit of this market we are expecting to build the Group's order book further which will, in time, feed through to revenue and profit growth for our shareholders. In the short-term our bid costs will be higher as we continue to invest in building our platform in the US.

"Whilst we anticipate there will be some pressure on US Federal Government's budgets, we still believe that our core government customers, the Department of Energy ("DOE") and, in the future, the Environmental Protection Agency ("EPA") will be well placed. Increasingly we believe that these agencies will redirect their resources towards greater energy efficiency, improved sustainability and building a low carbon future, areas where AEA has world leading experience and expertise.

"Our success in the US has protected the Group from the full effects of the expected slow-down in the European market. In anticipation of tough market conditions management acted earlier in the year to reduce costs, looking in particular at property and headcount. Despite these actions the performance in Europe will be down year-on-year and we, like many businesses, await the outcome of the current review of UK government spending in October. The management team will continue to ensure that the business is in the right shape for the prevailing economic circumstances as well as being well placed to benefit when recovery does begin in Europe.

"Moving back to look at the Group as a whole, taking the US and Europe together, we continue to benefit from a strong forward order book of \$300m. These are signed contracts where the related

revenue is likely to be spread over a number of years plus a conservative estimate of future revenue under framework agreements.

"Importantly we have continued to focus on cash collection. I am pleased to report that this continues to improve and as a result net debt is also in line with management's expectations.

"The Group remains focused on delivering value to its shareholders. In Europe visibility is limited pending the October spending review and the period of stagnation that may follow it as government departments restructure. Management has already taken action to put the business in a stronger position in anticipation of these short term trends and believes that the group is well placed to benefit from the recovery it expects in 2011. The Board believes that AEA has very strong prospects in the US going forward."

Ends

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The latest financial information on AEA is available on the internet at **www.aeat.com**

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