



atel

Energy is our business

Interim Report 2006
1 January - 30 June 2006

Key Interim Financial Figures

Atel Group

	Variance in % half-year 2005–2006 (based on CHF)	Half-year 2005/1 CHF mn.	Half-year 2006/1 CHF mn.	Half-year 2005/1 EUR mn.	Half-year 2006/1 EUR mn.
Energy sales (GWh)*	31.0	46 062	60 354	46 062	60 354
Net turnover*	45.7	3 843	5 599	2 479	3 585
Energy*	54.8	3 165	4 899	2 042	3 136
Energy Services	3.5	679	703	438	450
Earnings before interest, tax, depreciation and amortisation (EBITDA)	39.1	399	555	257	355
in % of net turnover	–4.8	10.4	9.9	10.4	9.9
Group profit	63.9	219	359	141	230
in % of net turnover	12.3	5.7	6.4	5.7	6.4
Net investments**	–22.6	93	72	60	46
Shareholders' equity	23.8	2 264	2 802	1 461	1 794
in % of total assets	13.5	31.9	36.2	31.9	36.2
Employees***	4.9	8 073	8 466	8 073	8 466

* Excluding trading with standard products; see Management Report, page 9

** Excluding variance in time deposits and securities

*** Average number of full-time equivalent employees

Per share information

	Variance in % half-year 2005–2006	Half-year 2005/1 CHF	Half-year 2006/1 CHF
Nominal value	–	100	100
Share price at 30.6.	–0.6	2 170	2 158
Highest	3.6	2 195	2 275
Lowest	12.7	1 650	1 859
Net profit	62.5	72	117
Shareholders' equity (attributable to Atel shareholders)	24.4	712	886

Review of the years 2001–2006 on page 22.

Encouraging increase in turnover and earnings

Atel Group has completed the first half-year of 2006 very encouragingly and is expecting significantly better results for year-end 2006 compared to prior year.

The Group generated a consolidated turnover of CHF 5.6 billion in the first six months of 2006. This represents a growth of 46% versus prior year comparable period. This exceptional growth was facilitated mainly by an increase of the energy sales by 14.3 TWh or 31% as well as an ongoing rise of the energy prices on the European power market. All business units and market regions have contributed to this excellent growth.

Also the consolidated results of Atel Group have significantly improved. The operating profit (EBIT) rose by 49% to CHF 458 million versus prior year comparable period, the consolidated group profit by 64% to CHF 359 million. The main drivers of this successful development were the growth in sales, the overall stable costs of the own power production, the improvements of the results in the Energy Services business as well as the turn-around of Atel Energy

(former Entrade). In addition to these operational success factors financial reporting adjustments as well as revenues from the sale of participations have contributed positively to the financial development.

The encouraging development in the first half-year has strengthened the structure of the Group's balance sheet and has continued to increase the value of the company.

Subject to unpredictable events, Atel is expecting a significantly higher turnover and better results for the entire business year 2006 compared to the already successful business year 2005. However, from today's point of view, the second half-year 2006 is expected to show a decelerated dynamic.

Restructuring of the Atel Group

23 March 2006 saw final closure on the consortium deal to acquire UBS' majority interest in Motor-Columbus AG (MC). In accordance with stock market regulations, MC subsequently presented a takeover offer to all Atel shareholders who were not consortium members. The offer was amended and prolonged several times, and lasted until 14 July 2006 including the extension period. It

netted MC 16640 Atel shares in total, corresponding to 0.55% of Atel's share capital. The proffered Atel shares have since been swapped for newly issued shares in MC.

The industrial project to merge the Atel Group with the EOS Group and the Swiss activities of EDF by the end of 2007 is proceeding broadly according to plan.

Energy policy

Questions about energy independence, security of supply, and allegations of heavy-handed pricing tactics ensured a lively start to the year. While the dispute over gas supplies by Russia to the Ukraine could be quickly settled between the countries concerned, the consequences of such a gas dispute for the security of supply in Europe was top of the agenda at the March summit meeting of EU states. The EU commission intends to begin proceedings in several instances where long-term subscriber agreements work to foreclose gas and electricity markets. The EU commission likewise adopted a tougher line on access restrictions to pipeline and storage infrastructure, with May's unannounced inspections of energy companies in six EU member states. In clear-cut cases of legal

infringement, the commission is empowered to force changes of practice and impose fines.

The Federal Council has given the go-ahead for a negotiation mandate between Switzerland and the European Union to conclude a bilateral agreement on electricity matters, that will establish common basic principles and rules for cross-border electricity trading. Within Switzerland, implementation of the agreement is expected to proceed on the basis of the Federal Electricity Supply Act (StromVG) already passed by the National Council. It is currently pending in the Council of States Committees for the Environment, Spatial Planning and Energy (CESPE). Negotiations may well begin before the year is out, supported by a working group in which Atel intends to be involved as a representative of the electricity industry.

There are still widely divergent views on the organisation of an independent grid operating company. The grid providers plainly reject a CESPE proposal that envisages the grid operating company, as future owner of the ultra-high-voltage grid, also being responsible for its operation.

Concerning the demonstration of feasibility of disposal project, the Federal Council has given confirmation that spent fuel elements, vitrified high-level radioactive waste and long-lived intermediate level waste from Swiss nuclear power stations may in principle be disposed of within Switzerland. The Federal Council's decision on the conceptual part of plans for a deep geological repository is expected in summer 2007, after a final revision with the cantons. Aspects of the plan include searching for a definite site to dispose of high-level waste.

Management Report

Changes in the scope of consolidation

Compared to the same period of the previous year, the following main changes occurred in the scope of consolidation as of 30.6.2006:

Disposals	Proportion of holding	Last date of consolidation:	Segment/Business unit
KEU GmbH, Krefeld/DE	100.0%	31.12.2005	Energy Services North/East
Kalfrisa SA, Zaragoza/ES	53.1%	31.12.2005	Energy Services North/East
Mixaco AG, Heidelberg/DE	100.0%	31.12.2005	Energy Services North/East
GA-tec, Heidelberg/DE	100.0%	21.02.2006	Energy Services North/East

With the disposals, the consolidated turnover of Atel Group was reduced by CHF 120 million versus prior year comparable period.

Acquisitions	Proportion of holding	First date of consolidation:	Segment/Business unit
Elektroline a.s, Prague/CZ	100.0%	01.07.2005	Energy Services South/West
Zlin Energy Business s.r.o, Zlin/CZ	100.0%	12.12.2005	Energy North/East
Indumo AG, Buchs/CH	100.0%	01.01.2006	Energy Services South/West
Luwa Schweiz AG, Uster/CH	100.0%	31.03.2006	Energy Services South/West

With the acquisitions, the consolidated turnover of Atel Group was increased by CHF 49 million versus prior year comparable period.

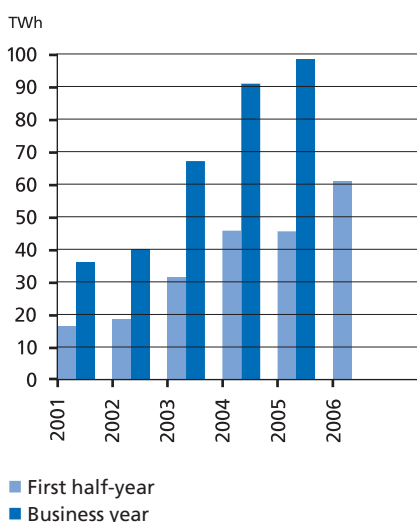
Further disclosures related to the acquisition respectively the disposal of subsidiaries are reported under explanatory note 5 on page 20.

Results Atel Group

In the first six months 2006 Atel Group generated a result which is significantly above the comparable figures of the previous year. The business was influenced by high sales volumes and higher energy prices. The consolidated turnover increased by 46% to CHF 5599 million versus prior year comparable period. In local currency and unchanged scope of consolidation the increase rate is 47%. The main drivers of this growth were again the European energy sales business and the very good performance of the central trading unit. The 2006 newly integrated companies also contributed to the group result. In a slightly better economic environment, the Energy Services segment has fulfilled its expectations in the first six months.

The consolidated operating profit (EBIT) increased by CHF 150 million or 49% to CHF 458 million. Without the foreign currency translation effects and the changes in the scope of consolidation, the increase is 41%. The sources of this success were the exceptional performance on the sales and trading side, the stable production environment and the successful turn-around of Atel Energy. Due to exceptionally dry weather, the hy-

Energy sales

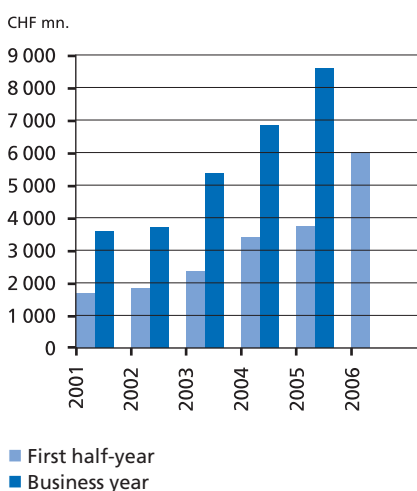


draulic power production remained below expectations, which negatively influenced group result. After finishing the adaptation of its structure, the Energy Services segment added a significantly higher contribution to the result than in previous year. The consolidated operating profit (EBIT) includes one-off revenues from financial reporting adjustments based on International Financial and Reporting Standards IFRS (effect of changes in estimates) as well as revenues from the partial sale of participations of overall some CHF 75 million.

creasing income tax rate, as a consequence of various changes in tax laws and structure adjustments, contributed to a relief.

The consolidated net profit after income tax including minorities increased to CHF 359 million, which is CHF 140 million or 64% higher than in the comparable period in the previous year. Without the foreign currency translation effects and the changes in the scope of consolidation, the increase in net profit is 58%.

Net turnover



The net financial expense improved by CHF 2 million to CHF 17 million versus prior year comparable period. Lower revenues from foreign currency translation and slightly higher financial costs were balanced by higher interest income and the positive development of the market valuation of financial investments. Compared to the growth of the operating result, the income tax expense increased only under-proportional, which is mainly due to the fact that it was possible to execute the financial reporting adjustments without any tax effect. Also, the group wide de-

For investments in operating and intangible assets, a net amount of CHF 94 million was spent (30.6.2005: CHF 75 million); thereof about CHF 50 million were invested in the expansion of production facilities as well as in the extension of infrastructure, further CHF 44 million in the replacement of operational fixed assets. In relation with the acquisition and disposal of subsidiaries CHF 41 million drained off. The net cash flow for acquisitions respectively from disposals of financial investments and securities in the reporting period was CHF 110 million (30.6.2005: CHF 40 million).

The development of the result has continued to reinforce the structure of the Group's balance sheet. The shareholders' equity increased to CHF 2802 million as of 30.6.2006 (31.12.2005: CHF 2464 million) and reaches 36% of total assets (34%).

Cash including time deposits and securities reached some CHF 1381 million as of 30.6.2006. This includes the shares of Motor-Columbus purchased from UBS – valued at market value 30.6.2006 – of around CHF 250 million as well as margining agreements (securities received from counterparts in energy trading) of around CHF 150 million. After reduction of these positions the available cash for the Group is around CHF 980 million (comparable amount as of 31.12.2005: CHF 730 million).

The long- and short-term financial liabilities increased by some CHF 230 million. The raise is mainly due to the emission of a bond on 31 January 2006 of CHF 250 million at 2.625% with duration of 12 years. On the other hand, the financial liabilities were decreased by CHF 33 million; the remaining variance is due to effects of foreign currency conversion. Net borrowings (short- and long-term financial liabilities minus avail-

able cash) reached CHF 950 million as of 30 June 2006 compared to CHF 970 million at beginning of the year. The debt ratio remained unchanged compared to 31 December 2005.

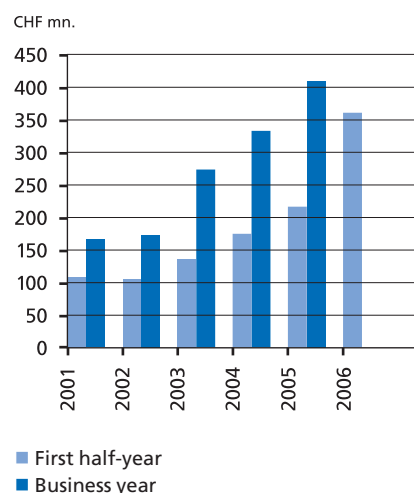
The net current assets improved as expected by around CHF 90 million. The relatively low raise compared to the recorded growth in turnover is based on the improved monitoring and management of receivables. On an overall level the other positions of the balance sheet have not changed significantly.

Energy segment

Market developments

The energy markets in Europe have developed in different ways. In Eastern Europe the ongoing liberalisation opened additional business opportunities. In Western Europe the decreasing price difference between the Swiss and the Italian market is of importance. Already at the end of 2005, this situation has encouraged temporary imports from Italy to Switzerland. Increasing capacity constraints on the northern border have led to auctions of transport capacity and as a consequence an unbundling of the Swiss electricity prices from the German market with an increasing Swiss price level.

Group profit



Prices in the European electricity markets first maintained their previous upward trend. End of April then showed a significant adjustment of the price level, due to the sharp drop in CO₂ prices. The electricity prices remained stable on a high level till the end of the first six months 2006, whereas the CO₂ prices slightly recovered. The market of CO₂-certificates has continued to gain importance and can now be considered as a liquid market.

Results overview

The Energy segment generated a turnover of CHF 4899 million in the first six months of 2006. Versus prior year comparable period this represents a significant growth of 55%. Decisive were the higher volumes recorded, partly weather related, but also price effects. The energy sales in volumes increased by 31% to 60354 GWh, whereby both trading and sales recorded very high growth rates.

The operating profit (EBIT) of the Energy segment of CHF 441 million exceeded the prior period comparable value by 53%. All business units have contributed to this improvement. This increase of result also includes financial reporting adjustments and revenues from the sale of

participations which were already mentioned in this report.

The development of the Swiss market region in the first half-year 2006 was heavily influenced by exceptional weather conditions. The sales in the electricity supply benefited from the cold weather, whereas the hydraulic production remained below average. In the meantime, the situation of the storage lakes has recovered and, given the current price and volume situation in the market, a positive development in the second half-year can be expected.

In the Italian market region the sales of the local production capacities at the IPEX electricity exchange was strengthened. However, due to a restricted access to IPEX in the first quarter, the sales volumes remained below prior year level. Nevertheless, the turnover was increased thanks to a higher price level.

In the French and German markets the client portfolio was enlarged versus prior year comparable period through successful market activities, which is reflected in an encouraging growth in turnover.

The Central/Eastern European market region used the continued rising market liberalisation and liquidity successfully to enlarge volumes and achieved a significantly increased result. The production units in Hungary and the Czech Republic again generated with their stable production a significant contribution to the turnover and result.

The successful activities of the Trading business unit with the main markets Germany, France, Italy, the Benelux region and Switzerland led again to a very good result. Well-established presence in the energy markets allowed optimising own capacities, taking advantage of opportunities in both electricity purchase and delivery, securing the supply for the market regions and concluding many additional transactions.

In addition to the traditional physical sales, Trading has executed trading businesses in the first half-year with standard products with external counterparties in the level of some 101 TWh (2005: 70 TWh) respectively CHF 6.8 billion (2005: CHF 3.8 billion). As in prior periods, income from standard products traded with third parties is recorded net under turnover, reaching CHF 20 million in the

first six months of 2006 (2005: CHF 23 million).

Energy Services segment

Market developments

Thanks to a better general economic situation, the Building Services/Technical Facilities Management (GT/GM) recorded a significant increase of orders received respectively of the order backlog. Due to overcapacities on the offer side as well as the price pressure through competitors from foreign border regions, the margin situation did not significantly improve. Also, given the risen prices for raw material, such improvement is not expected.

In the sector Energy Supply Technology (EVT) the order book is satisfactory; mainly the intensified investing activities in the construction of overhead power lines have shown an encouraging effect.

In Italy the general environment for investments is favourable, which led to successful acquisitions of interesting major projects.

In Germany, the relevant markets in Energy and Technical Facilities Management (EAT) and in Energy Supply and Communication Technol-

ogy (EKT) have developed positively in accordance with the general trend in 2006. Especially in the energy, power plant and environment technology in Germany and the markets outside Germany where the Group is present, there are currently good market opportunities. However, the prices remain under strong pressure from competition.

Results overview

The Energy Services segment increased the net turnover from CHF 679 million in prior year comparable period to CHF 703 million in the first six months of 2006. This represents a growth rate of 4%. In local currency and without changes in the scope of consolidation, the increase in net turnover is 17%. The operating result of the segment has doubled to CHF 16 million respectively increased by 61% without considering the changes in the scope of consolidation. The adaptations of the structure in the past two years have thus initiated the expected positive effect.

The Atel Installationstechnik Group (AIT) with operations in Switzerland, northern Italy and the Czech Republic increased the net turnover in the first half of 2006 by 23% to CHF 230 million versus prior year comparable period. This is mainly

based on the acquisition of Luwa in Switzerland and Elektroline in the Czech Republic. Without changes in the scope of consolidation, the growth rate of the turnover is 9%, both business units EVT and GT/GM contributing equally. Both sectors show a healthy order book as of 30.6.2006.

After finishing the strategic repositioning in the first quarter 2006, the GAH Group operating mainly in Germany and Eastern Europe could significantly increase the orders received and the orders on hand. The turnover in the first half 2006 reached EUR 303 million and is 5% below the comparable period in the previous year; without changes in the scope of consolidation the turnover growth

rate is 20%. With a stable sales growth in the first six months the business unit EAT followed last year's positive business development. An increase of the performance was achieved through a good order situation in the power plant, supply and nuclear technology business as well as the strict expansion of activities in Austria. Thanks to healthy order books in the energy supply area, the companies operating in the EKT market significantly exceeded the sales volume versus comparable prior year period. For the communication companies, the continued hesitating public ordering led to a sales development for the first six months in 2006 which is slightly lower than in the previous year.

Outlook

Based on the encouraging results of the first half-year, Atel expects for the entire business year 2006 – subject to extraordinary events – turnovers and results which will significantly exceed prior year values (consolidated turnover 2005: CHF 8580 million, consolidated profit 2005: CHF 413 million).

However, it is to consider that the first half-year of 2006 in the energy

business was influenced by seasonal effects and one-off exceptional revenues, which will not repeat in the second half-year of 2006. From today's point of view, the second half-year of 2006 is thus expected to show a continued good, but decelerated operating dynamic in the Energy segment. The Energy Services segment is expected to show a continued successful development with turnover and results above prior year values.

Olten, 31 July 2006

For the Board of Directors and Executive Board,



Dr Rainer Schaub
Chairman of the Board of Directors



Giovanni Leonardi
CEO

Principles of the consolidated interim financial statements

The consolidated interim financial statements as of 30 June 2006 are prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". The financial statements are based on the unchanged accounting and valuation principles of the Atel Group as presented in the last Annual Report. The interim financial statements are not audited.

As of 1 January 2006, the following revised Financial Reporting Standards (IFRS) respectively new interpretations (IFRIC) came into effect, which were applied by Atel:

- IAS 21: The Effects of Changes in Foreign Exchange rates (revised)
- IAS 39: Financial Instruments: Recognition and Measurement (revised)
- IFRIC 4: Determining whether an Arrangement contains a Lease (new)
- IFRIC 6: Liabilities arising from participating in a specific market – Waste Electrical and Electronic equipment (new)

The revised standards IAS 21 and IAS 39 respectively the new interpretations IFRIC 4 and IFRIC 6 did not have a significant impact on the presented interim financial statements or the prior year values. Atel continues to use the fair value option in accordance with IAS 39 for certain financial assets.

Changes in presentation

As of business year 2005, Atel began reporting "proportionate earnings of associated companies" within the operating result (formerly within "financial income/cost"). This change was decided in the 4th quarter 2005. For a better comparison the values of the first half-year 2005 were adapted in the presented interim financial statements. With the change, the total operating result respectively the operating profit (EBIT) increased by CHF 111 million in the first half-year 2006 (half-year 2005: CHF 34 million). The net profit remains unaffected by the reclassification. The statistical values and ratios of the prior years were adapted accordingly.

Effects of changes in accounting estimates

Single associated companies applying other local financial reporting standards than IFRS are consolidated in the Group accounts of Atel using valuation assumptions and estimates. In the first half-year 2006 an adaptation of the participation value was required, following an associated company newly establishing its consolidated financial statements in accordance with IFRS. As a consequence, the participation value of the company increased by CHF 48 million, which was recorded in the reporting period through the income statement as proportionate earnings of associated companies.

Consolidated Income Statement (shortened version)

CHF mn.	2005/1*	2006/1
Net turnover	3 843	5 599
Proportionate earnings of associated companies	34	111
Other operating income	48	63
Total operating result	3 925	5 773
Operating expense before depreciation and amortization	-3 526	-5 218
Earnings before interest, tax, depreciation and amortization (EBITDA)	399	555
Depreciation	-91	-97
Earnings before interest and taxes (EBIT)	308	458
Financial income/costs	-19	-17
Profit before income taxes	289	441
Income taxes	-70	-82
Net profit Atel Group	219	359
Minority interests in net profit	-4	-8
Net profit attributable to Atel shareholders	215	351
Earnings per share in CHF	72	117

* Adjusted, see explanatory notes on page 12

There are no circumstances which could lead to a dilution of earnings per share.

Consolidated Balance Sheet (shortened version)

Assets

CHF mn.	31.12.2005	30.6.2006
Tangible fixed assets	2 077	2 120
Intangible assets	490	482
Financial assets	1 400	1 409
Deferred income taxes	107	108
Fixed assets	4 074	4 119
Cash	852	872
Securities under current assets (Explanatory note 3)	37	291
Time deposits	24	218
Derivative financial instruments	423	369
Assets of disposal group classified as held for sale (Explanatory note 4)	58	–
Other current assets	1 849	1 877
Current assets	3 243	3 627
Total assets	7 317	7 746

Equity and liabilities

CHF mn.	31.12.2005	30.6.2006
Shareholders' equity attributable to Atel shareholders	2 358	2 691
Shareholders' equity attributable to minority interests	106	111
Shareholders' equity	2 464	2 802
Long-term financial liabilities	1 592	1 872
Other long-term liabilities	884	920
Long-term liabilities	2 476	2 792
Short-term financial liabilities	111	58
Derivative financial instruments	414	340
Liabilities directly associated with the assets classified as held for sale (Explanatory note 4)	60	–
Other short-term liabilities	1 792	1 754
Short-term liabilities	2 377	2 152
Total equity and liabilities	7 317	7 746

Statement of Changes in Equity

CHF mn.	Share capital	Share premium	Unrealized gains and losses from IAS 39*	Treasury shares	Translation differences	Retained earnings	Shareholders' equity attributable to Atel shareholders	Shareholders' equity attributable to minority interests	Total shareholders' equity
Shareholders' equity 31.12.2004	304	14		-46	11	1733	2016	107	2123
Change in currency translation					3		3		3
Total recorded earnings and expenses within equity					3		3		3
Profit for the period						215	215	4	219
Total profit					3	215	218	4	222
Dividend payment						-72	-72	-3	-75
Change in minority interests								-6	-6
Shareholders' equity 30.6.2005	304	14		-46	14	1876	2162	102	2264
Shareholders' equity 31.12.2005	304	14		-46	20	2066	2358	106	2464
Change in currency translation					4		4		4
Changes in fair values*			62				62		62
Total recorded earnings and expenses within equity			62		4		66		66
Profit for the period						351	351	8	359
Total profit			62		4	351	417	8	425
Dividend payment						-84	-84	-3	-87
Shareholders' equity 30.6.2006	304	14	62	-46	24	2333	2691	111	2802

* See explanatory note 3

Consolidated Cash Flow Statement (shortened version)

CHF mn.	2005/1	2006/1
Flow of funds before change in net current assets	335	353
Change in net current assets*	33	-27
Cash flow from operating activities	368	326
Investment activities in		
tangible fixed and intangible assets	-75	-94
Subsidiaries		
Acquisitions, net of cash acquired (Explanatory note 5)		-16
Disposals, net of cash disposed (Explanatory note 3)		-25
Investments in/disposals of financial assets	-18	63
Change in time deposits	144	-195
Acquisition/disposal of securities under current assets	-22	-173
Cash flow from investment activities	29	-440
Dividend payments	-75	-87
Increase in financial liabilities	12	295
Repayment of financial liabilities	-46	-78
Cash flow from financing activities	-109	130
Change resulting from currency translation	3	4
Change in cash and cash equivalents	291	20
Statement		
Cash and cash equivalents on 1.1.	590	852
Cash and cash equivalents on 30.6.	881	872
Change	291	20

* Excluding short-term financial assets respectively financial liabilities

Explanatory note 1: Foreign currency conversion

The consolidated financial statements are presented in Swiss francs. For currency conversions the following exchange rates were applied:

Unit	Conversion date 30.6.2005	Conversion date 31.12.2005	Conversion date 30.6.2006	Average 2005/1	Average 2006/1
1 USD	1.28	1.31	1.25	1.20	1.27
1 EUR	1.550	1.555	1.565	1.550	1.562
100 HUF	0.63	0.62	0.55	0.63	0.60
100 CZK	5.15	5.36	5.50	5.15	5.49
100 PLN	38.40	40.35	38.83	37.97	40.25
100 NOK	19.60	19.42	19.82	18.98	19.71

Explanatory note 2: Segment reporting (shortened version)

2005/1					Transactions between the segments and other effects	Total
CHF mn.	Energy	Energy Services	Other			
Income from energy sales / order completion	3 142	679	1		-2	3 820
Net profit of trading standard products and financial energy transactions	23					23
Total net turnover	3 165	679	1		-2	3 843
Earnings before interest and taxes (EBIT)	289	8	12		-1	308
Net investments in tangible fixed and intangible assets	63	14	-2			75
Employees*	1 159	6 914				8 073

2006/1					Transactions between the segments and other effects	Total
CHF mn.	Energy	Energy Services	Other			
Income from energy sales / order completion	4 879	703	2		-5	5 579
Net profit of trading standard products and financial energy transactions	20					20
Total net turnover	4 899	703	2		-5	5 599
Earnings before interest and taxes (EBIT)	441	16	1			458
Net investments in tangible fixed and intangible assets	70	22	2			94
Employees*	1 458	7 008				8 466

* Average number of full-time equivalent employees

Explanatory note 3: Unrealized gains and losses from IAS 39

In the course of the sale of the participation of Motor-Columbus from UBS to a consortium, Atel purchased 7.2% of the shares of Motor-Columbus in the amount of CHF 167 million. These shares were intended to be introduced to the planned merger of Motor-Columbus and Atel. The restructuring was originally planned for mid-year 2006. Due to an intervention of the Swiss Takeover Board of the Swiss Federal Banking Commission (SFBC), the restructuring was postponed by at least six months.

As a consequence of this postponement, the company is holding as of 30 June 2006 the shares of Motor-Columbus purchased in March 2006. According to the rules of International Financial Reporting Standards (IAS 39), such shares as in the presented case are to be recorded in the balance sheet as "available for sale" in the securities under current assets. Additionally, on each balance sheet date, they are to be valued at fair value (market value) and resulting valuation differences are to be recorded in shareholders' equity as unrealized gains or losses. As of 30 June 2006 the difference between acquisition cost and market value resulted in an income in favour of shareholders' equity of CHF 62 million (after tax).

Explanatory note 4: Disposal of business units

On 21 February 2006, GAH Group has sold its subsidiary GA-tec Gebäude- und Anlagentechnik with more than 600 employees. The sale of GA-tec represents the end of a concentration process in which GAH already separated from three other subsidiaries in 2005.

Explanatory note 5: Business combinations

In the first half-year 2006, the following companies were purchased in the Energy Services segment (business unit Southern/Western Europe) and integrated in the consolidated financial statements:

- On 1.1.2006, 100% of Indumo AG, Buchs/CH
- On 31.3.2006, 100% of Luwa Schweiz AG, Uster/CH

The purchase prices were allocated to the balance sheet items as follows:

CHF mn.	
Tangible fixed assets	3
Intangible assets	4
Deferred income tax assets	0
Cash	4
Other current assets	14
Short and long-term financial liabilities	-3
Other short and long-term liabilities	-10
Minority interests	0
Net assets acquired	12
Present value of net assets	12
Goodwill purchased through acquisition	8
Net cash flow from acquisition:	
Acquired cash from subsidiaries	4
Acquisition costs	-20
Net cash flow	-16

The goodwill purchased represents expected synergies through the optimal completion in the heating, ventilation and air conditioning sector at Luwa and in the industrial automation activities at Indumo.

Since the integration, the companies purchased contributed with CHF 20 million to the consolidated net turnover, the net profit was less than CHF 1 million.

Explanatory note 6: Contingent liabilities and guarantee obligations

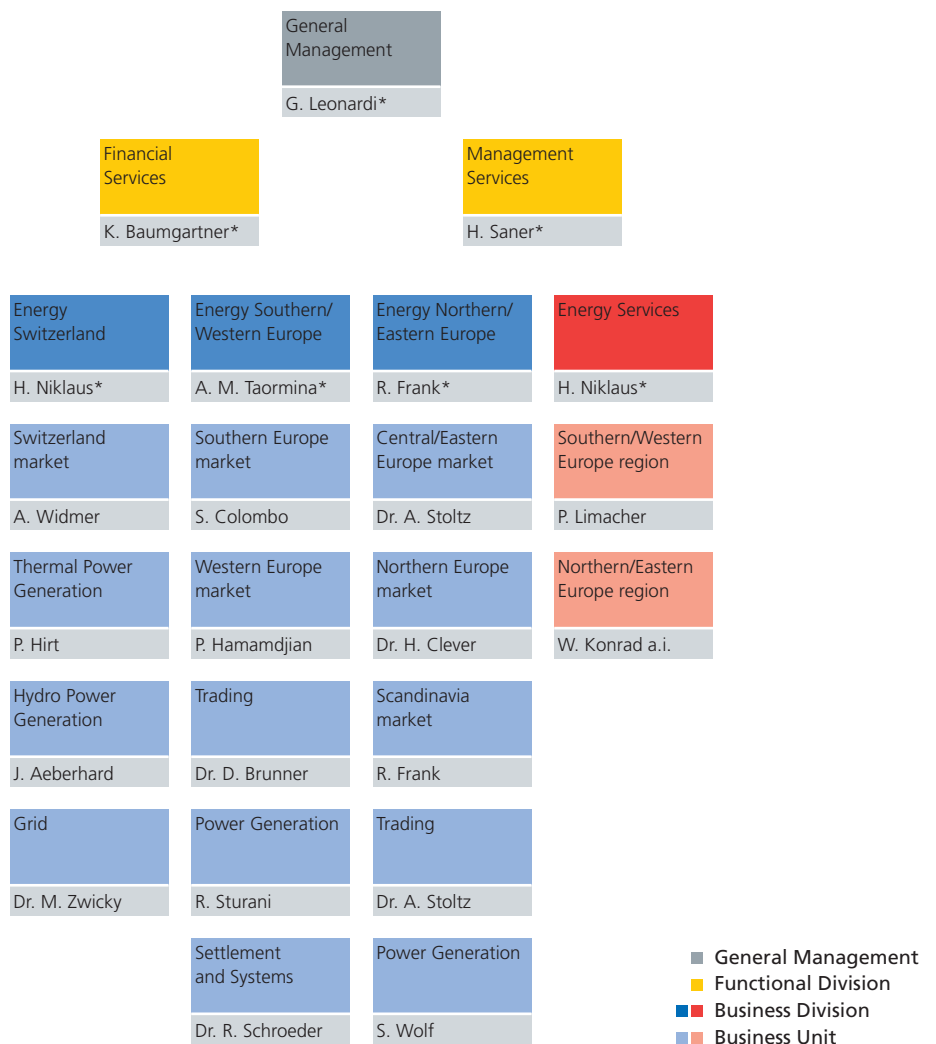
The total amount of guarantee obligations not shown in the balance sheet in favour of third parties on the balance sheet date as of 30 June 2006 has reduced to CHF 649 million (31.12.2005: CHF 776 million).

The capital contribution liabilities remained unchanged at around CHF 250 million.

Organisation

At trading companies level, the Atel Energy Group (former Entrade Group) was integrated in the Atel business units Central/Eastern Europe market and Northern Europe market as of 2006.

Pascal Hamamdjian, formerly head of French sales company Atel Energie SAS, took charge of the Western Europe market business unit on 1 January 2006. Reinhold Frank has been head of the Energy Northern/Eastern Europe business division since 1 February 2006.



* Member of the Executive Board

Date: 31 July 2006

Review of the Years 2001–2006

Atel Group

	Year 2001 CHF mn.	Year 2002 CHF mn.	Year 2003 CHF mn.	Year 2004 CHF mn.	Year 2005 CHF mn.	Half-year 2005/1 CHF mn.	Half-year 2006/1 CHF mn.
Energy sales (GWh)	36 190	40 000	68 476	90 581	98 166	46 062	60 354
Net turnover	3 620	3 700	5 285	6 867	8 580	3 843	5 599
Energy	2 095	2 263	3 839	5 452	7 020	3 165	4 899
Energy Services	1 521	1 465	1 535	1 418	1 564	679	703
Earnings before interest, tax, depreciation and amortisation (EBITDA)	552	595	677	735	737	399	555
in % of net turnover	15.2	16.1	12.8	10.7	8.6	10.4	9.9
Group profit	165	170	272	341	413	219	359
in % of net turnover	4.6	4.6	5.1	5.0	4.8	5.7	6.4
Net investments	110	455	605	92	299	93	72
Shareholders' equity	1 533	1 638	1 908	2 123	2 464	2 264	2 802
in % of total assets	33.5	32.3	30.2	34.3	33.7	31.9	36.2
Employees*	7 823	7 890	8 105	7 872	8 368	8 073	8 466

* Average number of full-time equivalent employees

Per Share Information

	Year 2001 CHF	Year 2002 CHF	Year 2003 CHF	Year 2004 CHF	Year 2005 CHF	Half-year 2005/1 CHF	Half-year 2006/1 CHF
Nominal value	100	100	100	100	100	100	100
Share price at 31.12./30.6.	850	805	980	1 650	1 895	2 170	2 158
Highest	1 000	915	980	1 660	2 270	2 195	2 275
Lowest	735	775	730	980	1 650	1 650	1 859
Net profit	52	55	83	106	135	72	117
Shareholders' equity (attributable to Atel shareholders)	484	512	597	664	777	712	886
Dividend	20	20	22	24	28	–	–

Addresses and Dates

Aare-Tessin Ltd. for Electricity

Bahnhofquai 12
CH-4601 Olten
Tel. +41 62 286 71 11
Fax +41 62 286 73 73
www.atel.ch

Atel Austria GmbH

Palais Esterhazy
Wallnerstrasse 4 /MT 37
AT-1010 Vienna
Tel. +43 1 535 30 66
Fax +43 1 535 30 66 11
www.atel-austria.at

Atel Csepeli Áramtermelő Kft.

Dohány utca 12
HU-1074 Budapest
Tel. +36 1 429 1030
Fax +36 1 268 1536
www.atel-csepel.hu

Atel CZ, s.r.o.

Husova 5
CZ-110 00 Prague 1
Tel. +420 224 401 124
Fax +420 224 401 541

Atel Česká republika, s.r.o

Ovocný trh 8
CZ-117 19 Prague 1
Tel. +420 221 720 111
Fax +420 221 720 999

Atel Energia SA

Via Laietana 45, 6a
ES-08003 Barcelona
Tel. +34 93 412 45 45
Fax +34 93 342 63 54

Atel Energia S.r.l.

Via Montalbino, 3
IT-20159 Milan
Tel. +39 02 433351-1
Fax +39 02 433351-66
www.atel-energia.it

Atel Energia Tanácsadó Kft.

Szabadság tér 7
HU-1054 Budapest
Tel. +36 1 886 34 00
Fax +36 1 886 34 01
www.atel-energia.hu

Atel Energie AG

Franz-Rennefeld-Weg 2
DE-40472 Düsseldorf
Tel. +49 211 17 18 06-0
Fax +49 211 17 18 06-90
www.atel-energie.de

Atel Energie SAS

8-10, rue Villedo
FR-75001 Paris
Tel. +33 1 53 43 84 20
Fax +33 1 53 43 84 29
www.atel-energie.fr

Atel Energija d.o.o.

Miklošičeva 26
SI-1000 Ljubljana
Tel. +386 1 439 87 50
Fax +386 1 439 10 65
www.atel-energija.si

Atel Energy GmbH

Oltnerstrasse 63
CH-5013 Niedergösgen
Tel. +41 52 620 15 40

Atel Hellas S.A.

Tatoiou str.
GR-14771 Nea Erithrea, Athens
Tel. +30 210 6204 250 – 260
Fax +30 210 8071 469

Atel Installationstechnik AG

Hohlstrasse 188
CH-8026 Zurich
Tel. +41 44 247 40 00
Fax +41 44 247 41 15
www.group-ait.com

Atel Polska Sp. z o.o.

al. Armii Ludowej 26
PL-00-609 Warsaw
Tel. +48 22 579 65 25
Fax +48 22 579 65 27
www.atel-polska.pl

Atel Trading

Bahnhofquai 12
CH-4601 Olten
Tel. +41 62 286 71 11
Fax +41 62 286 76 80
www.atel-trading.ch

ECK Generating, s.r.o.

Dubská, Teplárna
P.O. Box 201
CZ-272 01 Kladno 1
Tel. +420 312 644 853
Fax +420 312 644 850
www.eckg.cz

Energipartner AS

Christian Frederiks plass 6
NO-0154 Oslo
Tel. +47 22 81 47 00
Fax +47 22 81 47 01
www.energipartner.no

GAH Gruppe

Im Breitspiel 7
DE-69126 Heidelberg
Tel. +49 62 21 94 10
Fax +49 62 21 94 25 48
www.gah-gruppe.de

Moravské Teplárny, a.s.

tr. T. Bati 650
CZ-760 01 Zlín
Tel. +420 577 521 111
Fax +420 577 523 538
www.cinergy.cz

Contact

Investor Relations

Kurt Baumgartner
Tel. +41 62 286 71 11
Fax +41 62 286 76 67
investors@atel.ch

Corporate Communications

Martin Bahnmüller
Tel. +41 62 286 71 11
Fax +41 62 286 76 69
info@atel.ch

Dates

November 2006 Quarterly results 3/2006
February 2007 Press announcement on 2006 annual results
March 2007 Balance sheet media conference
26 April 2007 General Meeting 2007
August 2007 Interim Report 2007

Head office:

Aare-Tessin Ltd. for Electricity

Bahnhofquai 12

CH-4601 Olten

Tel. +41 62 286 71 11

Fax +41 62 286 73 73

www.atel.ch