



CONTACT: Scott M. Schechter
Chief Financial Officer
(203) 425-9830

FOR IMMEDIATE RELEASE

Tracy H. Krumme
Director, Investor Relations
(203) 425-9830

**FUEL-TECH N.V. REPORTS FOURTH QUARTER AND YEAR-END RESULTS;
Y/Y REVENUE INCREASES 85%**

Stamford, CT, February 27, 2003 -- Fuel-Tech N.V., (Nasdaq: FTEK), a world leader in air pollution control technology, process optimization and advanced engineering solutions for energy systems, today reported results for the fourth quarter and year ended December 31, 2002.

For the quarter, net sales increased 103% to \$11.4 million, compared to \$5.6 million in the fourth quarter of 2001. Net income for the quarter was \$1.3 million or \$0.06 per diluted share, compared to a loss of \$406,000, or \$(0.02) per diluted share, in the same quarter a year ago.

Net sales for the year were \$32.6 million, compared with \$17.7 million for 2001. Net income for the full year was \$3.1 million, or \$0.14 per diluted share, compared with a loss of \$1.6 million, or \$(0.09) per diluted share in 2001.

“We are very pleased with our results for the quarter and full year, particularly in light of present market conditions, both in the electric utility sector and in the economy in general,” commented Steven C. Argabright, President and Chief Operating Officer. “Despite the weak demand for power and the financial difficulties that many utilities are experiencing, we were still able to book projects on the air pollution control side of our business totaling in excess of \$24 million in 2002, while growing revenues by 85% and realizing over \$3.0 million in net profits.”

Mr. Argabright continued, “All three of our businesses made significant progress in 2002. Revenues from our air pollution control business increased 145% this year, as the May 31, 2004 deadline for the EPA’s State Implementation Plan (SIP) Call nears. We expect revenues in this business to continue to grow through 2005 and 2006, beyond the deadline for the SIP Call, as in some cases utilities are delaying large capital expenditures as well as looking at low-capital solutions and the purchase of NOx allowances to meet their NOx compliance needs. We see this as an opportunity, for the first time, to sell our NOxOUT® systems on a Return on Investment basis due to

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the high price of NOx allowances. I expect to report back to you throughout 2003 on our success with this approach.”

“During the year, several factors caused our FUEL CHEM[®] business to fall short of expectations. First, the high price of oil coupled with political uncertainties in the Middle East caused many of our oil-fired accounts to switch fuels to natural gas. Second, the quality of coal burned at one of our large coal-fired accounts improved, temporarily alleviating the need for our process. Finally, many utilities that are experiencing financial difficulties have not allocated resources for new technology implementation. Although these factors, which we feel are temporary, had a negative impact on FUEL CHEM revenues in 2002, we have made significant progress in our discussions with coal-fired utilities and expect significant new business beginning in the first half of 2003. We are also in late-stage discussions with major coal suppliers on joint marketing opportunities, and we see important synergies resulting from such alliances. Finally, we have stepped up our marketing efforts overseas, and received our first large order from China. In addition to the Far East, we see attractive markets in Western Europe and Mexico, and intend to penetrate these markets in 2003.”

Mr. Argabright concluded, “We have made a great deal of progress with our ACUITIV[™] visualization software product, commercially introduced in 2002, and believe we are now well positioned to capitalize on market opportunities in 2003. We recently released an upgraded version of the software which makes it compatible with Microsoft Windows 2000[®], in addition to the UNIX and LINUX operating systems. This greatly increases our available market, and we expect order flow to gradually accelerate in 2003 and beyond.”

Outlook

The weak economy and the financial constraints on the electric utility industry are expected to continue for most, if not all, of 2003.

In order to produce year-over-year growth in earnings, the Company is taking aggressive steps to expand its markets, reinforce its sales force and reduce costs in other areas wherever possible.

Conference Call

As a reminder, Fuel-Tech N.V will be hosting a telephone conference call at 10:00 AM EST on Thursday, February 27th, 2003, to discuss further its fourth quarter and year-end results. This conference will simultaneously be broadcast over the Internet at www.fueltechnv.com and can be accessed under the subheading of “Investors” on the homepage.

About Fuel-Tech N.V.

Fuel-Tech N.V. is a leading technology company engaged in the worldwide development, commercialization and application of state-of-the-art proprietary technologies for air pollution control, process optimization, and advanced engineering services. The Company's NOx reduction processes, which include the NOxOUT[®], NOxOUT CASCADE[®], NOxOUT ULTRA[®], Fuel Lean Gas Reburn (FLGR[™]), Rich Reagent Injection (RRI) and NOxOUT SCR[®] technologies, have established Fuel-Tech N.V. as a leader in post combustion NOx control systems, which are installed on over 300 units worldwide.

New technologies that have grown out of the core NOx reduction business form the basis of the FUEL CHEM[®] and ACUITIV[™] businesses. FUEL CHEM technology centers around the unique application of chemicals to improve the performance of combustion units while the Company's ACUITIV business includes high-end visualization software that was developed as part of Fuel Tech's sophisticated Computational Fluid Dynamics (CFD) modeling techniques utilized to predict the behavior of industrial processes. The Company's FUEL CHEM products are being applied to over 80 combustion units burning a variety of fuels. For more information, visit Fuel-Tech N.V.'s web site at www.fueltechnv.com.

This press release may contain statements of a forward-looking nature regarding future events. These statements are only predictions and actual events may differ materially. Please refer to documents that Fuel Tech files from time to time with the Securities and Exchange Commission for a discussion of certain factors that could cause actual results to differ materially from those contained in the forward-looking statements.

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(Tables to Follow)

FUEL-TECH N.V.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands of U.S. dollars, except share data)

	Three Months Ended December 31		Twelve Months Ended December 31	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Net sales	\$11,352	\$ 5,582	\$32,627	\$17,672
Costs and expenses:				
Cost of sales	7,057	3,070	18,232	8,996
Selling, general and administrative	2,507	2,503	10,232	8,708
Research and development	<u>414</u>	<u>314</u>	<u>1,455</u>	<u>1,165</u>
Operating income (loss)	1,374	(305)	2,708	(1,197)
(Loss) income from equity interest in affiliates	-	(75)	196	(342)
Interest expense	(22)	(51)	(136)	(245)
Other (expense) income, net	<u>(115)</u>	<u>(89)</u>	<u>139</u>	<u>37</u>
Income (loss) before taxes	1,237	(520)	2,907	(1,747)
Income tax benefit	<u>100</u>	<u>114</u>	<u>150</u>	<u>114</u>
Net income (loss)	<u>\$ 1,337</u>	<u>\$ (406)</u>	<u>\$ 3,057</u>	<u>\$(1,633)</u>
Net income (loss) per common share:				
Basic	<u>\$.07</u>	<u>\$ (.02)</u>	<u>\$.16</u>	<u>\$ (.09)</u>
Diluted	<u>\$.06</u>	<u>\$ (.02)</u>	<u>\$.14</u>	<u>\$ (.09)</u>
Average number of common shares outstanding:				
Basic	<u>19,503,000</u>	<u>18,778,000</u>	<u>19,350,000</u>	<u>18,592,000</u>
Diluted	<u>21,870,000</u>	<u>18,778,000</u>	<u>22,437,000</u>	<u>18,592,000</u>

FUEL-TECH N.V.
CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. Dollars, except share data)

	December 31, <u>2002</u>	December 31, <u>2001</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,939	\$ 9,338
Accounts receivable, net of allowances for doubtful accounts of \$107 and \$162, respectively	8,849	5,368
Inventories	420	274
Prepaid expenses and other current assets	<u>744</u>	<u>583</u>
Total current assets	20,952	15,563
Equipment, net of accumulated depreciation of \$5,118 and \$4,222, respectively	2,123	1,756
Goodwill, net of accumulated amortization of \$924	2,119	2,126
Other assets	<u>675</u>	<u>883</u>
Total assets	<u>\$ 25,869</u>	<u>\$ 20,328</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of note payable	\$ --	\$ 2,700
Accounts payable	5,065	1,978
Accrued liabilities:		
Employee compensation	802	513
Deferred revenue	--	319
Other accrued liabilities	<u>1,138</u>	<u>1,192</u>
Total current liabilities	7,005	6,702
Note payable	1,800	--
Other liabilities	<u>259</u>	<u>491</u>
Total liabilities	9,064	7,193
Stockholders' equity:		
Common stock, par value \$0.01 per share, authorized 40,000,000 shares, 19,613,817 and 18,984,097 shares issued, respectively	196	190
Additional paid-in capital	90,315	87,720
Accumulated deficit	(73,150)	(76,207)
Accumulated other comprehensive loss	10	(68)
Treasury stock	(1,098)	(1,098)
Nil coupon perpetual loan notes	<u>532</u>	<u>2,598</u>
Total stockholders' equity	16,805	13,135
Total liabilities and stockholders' equity	<u>\$ 25,869</u>	<u>\$ 20,328</u>