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FOR IMMEDIATE RELEASE

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**FUEL-TECH N.V. REPORTS FOURTH QUARTER AND
YEAR-END RESULTS**

STAMFORD, Conn.- February 26, 2004 -- Fuel-Tech N.V., (Nasdaq: FTEK), a world leader in advanced engineering solutions for the optimization of combustion systems for utility and industrial customers, today reported results for the fourth quarter and year ended December 31, 2003.

For the quarter, net sales were \$7.6 million, compared to \$11.4 million in the fourth quarter of 2002. The net loss for the quarter was \$280,000 or (\$0.01) per diluted share, compared to net income of \$1.3 million or \$0.06 per diluted share, in the same quarter a year ago.

Net sales for the year were \$35.7 million, up 10% from \$32.6 million in 2002. Net income for the full year was \$1.1 million, or \$0.05 per diluted share, compared with \$3.1 million, or \$0.14 per diluted share in 2002.

Steven C. Argabright, President and Chief Operating Officer, commented, “The shortfall in net income was due primarily to margin erosion on air pollution control projects, as turnkey projects represented a greater percentage of the product mix versus the prior year. These turnkey projects, which include the installation scope, have higher contract values but lower gross margins than contracts that include just our traditional scope. Contributing to the reduction in earnings were higher SG&A costs, which were up 23% in the fourth quarter vs. last year, and up 14% in the twelve-month period vs. last year. This increase was primarily attributable to the addition of sales and marketing resources for the FUEL CHEM[®] business and to revenue-related selling expenses. We believe that our FUEL CHEM infrastructure is now in place to support future growth opportunities.”

Mr. Argabright continued, “During the year, we saw significant growth from our FUEL CHEM business, as revenues were up 43% in the fourth quarter from last year and up 45% year over year. This was attributable to our increased penetration of the Western coal-fired utility market, as well as an increase in our more traditional oil-fired business.

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Mr. Argabright continued, “We continue to be extremely excited about the growth opportunities in our FUEL CHEM[®] business. We have identified several large utilities that we believe are important in achieving critical mass, both due to the leadership positions these utilities enjoy, as well as the revenue opportunities available to provide our TIFI technology to multiple units within their facilities. We are very pleased that within the last two months, we have announced demonstrations at two of these major utilities. These two demonstrations will be on the largest boilers that we have worked on to date. Successful demonstrations at these major utilities should lead to increased penetration of our technology, both within these utilities and at new customers. We expect additional orders for demonstrations in the near future and look forward to strong revenue growth from this business. As we have stated before, we expect 2004 year-over-year growth in the FUEL CHEM business of approximately 75%.”

Mr. Argabright concluded, “Air pollution control revenues for the year were at the same level as the prior year, while revenues for the fourth quarter were down 50% from the previous year. This shortfall in the fourth quarter is due primarily to the reasons we have identified in the past, which include: recent rulings and uncertainty regarding New Source Review, financial issues and constraints at utility companies, mild summer and winter weather that lead to lower power generation and lower emissions, and lower NOx allowance pricing in 2004 which provides utilities with a short-term alternative for meeting SIP Call requirements. It is important to note that these revenues are not going away, but are merely being postponed. As we have stated before, we expect the air pollution control business to pick up significantly in the second half of this year and be strong in 2005 and 2006.”

Conference Call

As a reminder, Fuel-Tech N.V. will be hosting a telephone conference call at 10:00 AM EST on Thursday, February 26th, 2004, 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 providing proprietary advanced engineering solutions for the optimization of combustion systems for utility and industrial customers. The Company’s NOx reduction processes, which include the NOxOUT[®], NOxOUT CASCADE[®], NOxOUT ULTRA[®], 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 NO_x 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 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 BALANCE SHEETS
(in thousands of U.S. Dollars, except share data)

	December 31 2003	December 31 2002
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,812	\$ 10,939
Accounts receivable, net of allowances for doubtful accounts of \$401 and \$107, respectively	6,095	8,849
Inventories	312	420
Prepaid expenses and other current assets	795	744
Total current assets	15,014	20,952
Equipment, net of accumulated depreciation of \$6,165 and \$5,118, respectively	2,127	2,123
Goodwill, net of accumulated amortization of \$924	2,119	2,119
Other intangible assets	1,274	-
Other assets	1,064	675
Total assets	\$ 21,598	\$ 25,869
Liabilities and Shareholders' equity		
Current liabilities:		
Accounts payable	\$ 2,244	\$ 5,065
Accrued liabilities:		
Employee compensation	797	802
Other accrued liabilities	947	1,138
Total current liabilities	3,988	7,005
Note payable	-	1,800
Other liabilities	299	259
Total liabilities	4,287	9,064
Shareholders' equity:		
Common stock, \$.01 par value, 40,000,000 shares authorized, 19,621,503 and 19,613,817 shares issued, respectively	196	196
Additional paid-in capital	89,698	90,315
Accumulated deficit	(72,030)	(73,150)
Accumulated other comprehensive income	48	10
Treasury stock	(1,133)	(1,098)
Nil coupon perpetual loan notes	532	532
Total shareholders' equity	17,311	16,805
Total liabilities and shareholders' equity	\$ 21,598	\$ 25,869

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>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Net sales	\$ 7,554	\$11,352	\$35,736	\$32,627
Costs and expenses:				
Cost of sales	4,377	7,057	21,789	18,232
Selling, general and administrative	3,094	2,507	11,659	10,232
Research and development	<u>367</u>	<u>414</u>	<u>1,287</u>	<u>1,455</u>
Operating (loss) income	(284)	1,374	1,001	2,708
Income from equity interest in affiliates	-	-	-	196
Interest expense	-	(22)	(25)	(136)
Other income (expense), net	<u>4</u>	<u>(115)</u>	<u>144</u>	<u>139</u>
(Loss) income before taxes	(280)	1,237	1,120	2,907
Income tax benefit	<u>-</u>	<u>100</u>	<u>-</u>	<u>150</u>
Net (loss) income	<u>\$ (280)</u>	<u>\$ 1,337</u>	<u>\$ 1,120</u>	<u>\$ 3,057</u>
Net (loss) income per common share:				
Basic	<u>\$ (.01)</u>	<u>\$.07</u>	<u>\$.06</u>	<u>\$.16</u>
Diluted	<u>\$ (.01)</u>	<u>\$.06</u>	<u>\$.05</u>	<u>\$.14</u>
Average number of common shares outstanding:				
Basic	<u>19,686,000</u>	<u>19,503,000</u>	<u>19,637,000</u>	<u>19,350,000</u>
Diluted	<u>19,686,000</u>	<u>21,870,000</u>	<u>22,412,000</u>	<u>22,437,000</u>