Aare-Tessin Ltd. for Electricity
Bahnhofquai 12, CH-4601 Olten

Chairman of the Board of Directors
Phone +41 62 286 71 11
Fax +41 62 286 73 73
Internet www.atel.eu

To the
Shareholders of
Aare-Tessin Ltd. for Electricity, Olten

Olten, 12 November 2007

Exchange offer from Atel Holding AG for your Atel shares

Dear Shareholder

Next year Atel is to be combined with EOS, thereby further strengthening our position as a leading Swiss energy company geared towards Europe. As a preparatory move, Atel and its parent company, Motor-Columbus Ltd (MC), are simplifying their structures. In line with this, we are submitting an exchange offer to you, under the terms of which you can exchange your Atel shares for shares in Atel Holding Ltd (as MC was renamed last week).

The Board of Directors of Atel recommend that you accept this offer and exchange your shares. We are convinced that the proposed exchange offer transaction is in the interests of Atel's further development. The exchange offer will add value for Atel, all employees, and you as a shareholder.

- If you accept the offer you will remain an Atel shareholder, but at the level of the parent company, Atel Holding Ltd.
- The exchange offer is fair, and has been confirmed as such by independent experts. You will therefore not lose any money.

What to do if you accept the exchange offer:

> If your Atel shares are held in custody by a bank, the bank in question will contact you. You can then follow your bank's instructions for exchanging the shares.

> If your shares are in private safekeeping, a Declaration of Acceptance and Assignment is enclosed. This form must be completed and signed, and sent along with the relevant non-annulled share certificate(s).

Many thanks in advance for your cooperation. Detailed information is available in the enclosed information sheet as well as in the media.

Kind regards,

Dr. Rainer Schaub
Chairman of the Board

Aare-Tessin Ltd. for Electricity
Bahnhofquai 12, CH-4601 Olten

Information on the swap offer for your Atel shares

Background

The reason behind the swap offer from Atel Holding (formerly Motor-Columbus) is the merger of Atel with EOS of Lausanne and possibly also the Swiss assets of EDF: a move which was initiated more than two years ago. In this context Atel shareholders are being offered the opportunity to exchange their Atel shares for shares in Atel Holding. The Atel Board of Directors recommends that you accept this offer.

Objective: Simplified structures

The aim is to simplify structures between Atel and its parent company, Motor-Columbus AG (MC). In accordance with a decision by the Extraordinary General Meeting held on 7 November, MC was renamed Atel Holding Ltd. We will therefore refer in future to Atel Holding. The change of name from "Motor-Columbus" to "Atel Holding" is consistent with the overall concept of creating the leading energy group in Western Switzerland, and prepares the way for a cohesive market presence.

A cohesive market presence provides the basis for creating a leading energy group.

The move to simplify structures necessitates two main changes. Firstly, shareholders of Atel Holding (formerly Motor-Columbus) and Atel must be placed on an equal footing in order to create a clear, simple holding structure: All shareholders own a stake in Atel Holding, which in turn owns 100 percent of Aare-Tessin Ltd. for Electricity (Atel). In addition, Atel and Atel Holding Ltd will no longer be separately listed on the stock exchange. Separate listing is costly and not very practical, since for some time now Atel Holding has been virtually exclusively responsible for managing the stake in Atel.

The swap offer will place all shareholders on an equal footing within Atel Holding.

Basis for further development

This restructuring of Atel Holding and Atel provides the basis on which our companies can further develop. The aim over the medium term is to merge this group with the operating activities and assets of EOS Holding – and possibly also the Swiss assets of the EDF Group. This will allow Atel Holding to expand its position as a leading energy company in Western Switzerland with European reach and of European dimensions. The Board of Directors views these changes as a milestone towards the long-term success of today's Atel Group, which adds value for all stakeholders.

A milestone for the long-term success of the Atel Group.

The three major shareholder groups of Atel Holding (EDF, EOS Holding and the consortium of Swiss minority shareholders) support this objective and, at the Extraordinary General Meeting of Atel Holding held on 7 November 2007, voted in favour of the adjustments necessitated by these changes. They are also prepared to exchange their shares under the terms of the swap offer.

The three major shareholder groups support the swap offer.

Swap offer – what does it mean for shareholders?

The swap offer from Atel Holding is directly aimed at all Atel shares. Specifically, Atel Holding is offering to exchange each share in Aare-Tessin Ltd. for Electricity at a par value of CHF 100, for 8.025 registered shares in Atel Holding Ltd at a par value of CHF 20 each. This ratio corresponds almost exactly to the value of both shares based on stock market prices – but with a slight advantage for Atel shareholders. Moreover, the swap ratio corresponds exactly to the swap offer made at the end of March 2006.

Board of Directors recommendation: Swap shares

The Atel Board of Directors has examined this swap offer in detail, and recommends that shareholders accept it and exchange their shares.

This recommendation is based on two considerations: The Board of Directors fully supports the industrial concept of creating from the current Atel Group the leading energy company in Western Switzerland with European reach and of European dimensions. Reorganising Atel Holding and Atel to create a simple holding structure is an important step in this direction. In addition, it is important for Atel Holding to have full control over the Atel subsidiary. This will initially be achieved through the swap offer, by bringing Atel shareholders up to the same level as Atel Holding. The next step towards gaining 100 percent control is an annulment procedure under the terms of the Federal Act on Stock Exchanges and Securities Trading, or a squeeze-out merger under the terms of the Federal Law on Mergers.

Restructuring to create a simple holding structure is an important success factor.

Current status

Most major shareholders have pledged to tender their shares for the purposes of this swap offer, thereby ensuring that at least 27.4 percent of Atel shares will be exchanged. Together with the Atel shares which Atel Holding already holds, Atel Holding will in any case hold more than 90 percent of Atel shares on completion of the swap offer. What the AEM shareholder in Milan intends to do with its share of approximately 6 percent remains to be seen. According to Italian media reports, AEM also plans to accept the offer.

Since least 27.4 percent of Atel shareholders are certain to exchange their shares, Atel Holding will in any case hold more than 90 percent of Atel shares.

What happens if you decide not to swap?
The Board of Directors and shareholders who hold more than 90 percent of the shares have decided in favour of Atel Holding taking over full control of Atel. The law provides for two options in this context:
- Under the terms of Article 33 of the Federal Law on Stock Exchanges and Securities Trading, if at least 98 percent of shares are offered, an annulment procedure can be carried out. Owners of shares not submitted for offer are automatically compensated according to the defined terms of the swap offer, even if they have not submitted their shares.
- Under the terms of the Federal Law on Mergers, if less than 98 percent of shares are offered, a squeeze-out merger may be carried out whereby Atel is merged in a subsidiary of Atel Holding. The remaining Atel minority shareholders would not receive shares in the merged company, but by way of compensation would also receive shares in Atel Holding.

Both procedures will enable Atel Holding to gain 100 percent control over Atel.

Atel Holding will gain full control over Atel whatever the case.

Independent experts confirm the fairness of the offer
From a legal standpoint, the Board of Directors faces a potential conflict of interests. Experts from PricewaterhouseCoopers AG (PWC) were therefore commissioned to conduct an independent evaluation – a so-called fairness opinion – of the swap ratio. PWC examined the appropriateness and fairness of the value of the shares being exchanged, and came to the conclusion that the swap ratio offered by Atel holding (8.025 registered shares in Atel Holding in return for one registered share in Atel, with cash compensation for surplus fractions) is fair and appropriate.

A fair and appropriate offer that also safeguards your interests as a minority shareholder.

Summary

In conclusion, the Board of Directors firmly believes that

- The proposed transaction involving a swap offer is in the interests of Atel's further development and hence also in the interests of shareholders,
- Ultimately this will create added value for Atel, employees as well as shareholders and partners,
- The offer is fair, as confirmed by independent experts.

Accordingly, the Board of Directors recommend that you accept the swap offer and submit your shares for exchange.

Dr. Rainer Schaub

For the Board of Directors of
Aare-Tessin Ltd. for Electricity, Olten

How it works: What to do if you want to exchange your Atel shares for shares in the new Atel Holding.

1. Prospectus

The prospectus and all other publications related to the offer will be published as follows: Neue Zürcher Zeitung, L'Agéfi. Also posted on Telekurs, Bloomberg and Reuters.

The prospectus (in extended form as a listing and issue prospectus) can be requested free of charge in German and French from UBS AG, Zurich, Tel. +41 (0)44 239 47 03, Fax +41 (0)44 239 21 11 or e-mail to swiss-prospectus@ubs.com. It is also available for downloading at www.atel-holding.com.
Further information is available at www.atel.eu and www.atel-holding.com.

2. Information | Registration

Custody account holders:
Atel shareholders will receive written information on the offer from their custodian bank within the next few days. Shareholders wishing to accept the offer are requested to follow the instructions of their custodian bank.

Privately held shares:
For shareholders who keep their registered shares at home or in a bank safe, a Declaration of Acceptance and Assignment is enclosed.
This form must be completed and signed, and sent along with the relevant non-annulled share certificate(s) to the Atel share register (ShareCommService AG, Europastrasse 29, 8152 Glattbrugg), for receipt no later than 16:00 CET on 7 December 2007 or 28 December 2007 respectively.

3. Acceptance and exchange agents

UBS AG, with ShareCommService AG the acceptance agent for persons who keep their shares at home or in a bank safe.

4. Cost regulation and taxes

Atel registered shares held in custody by banks in Switzerland will be exchanged free of charge or taxes during the offer period and additional acceptance period. Any stock exchange turnover commission charged by the SWX Swiss Exchange (including supplementary Federal Banking Commission fee) will be borne by Atel Holding.
In accordance with a preliminary ruling by the Federal Tax Administration on 31 October 2007, no stamp duty is payable.

Additional important information

Tax aspects

All shareholders or beneficial owners are expressly recommended to consult their own tax consultant with regard to the Swiss and, if applicable, foreign tax implications of exchanging shares under the terms of this offer, or of any subsequent annulment of securities pursuant to Art. 33 of the Federal Act on Stock Exchanges and Securities Trading or squeeze-out merger (with particular reference to the problems related to commercial securities trading and indirect partial liquidation).

Within the scope of the offer

Income tax and capital gains tax

In general, under the terms of the preliminary ruling by the Federal Tax Administration on 31 October 2007 (concerning direct federal tax), the following tax implications apply to shareholders submitting shares for offer with exclusive tax liability in Switzerland:

- For shareholders who hold shares as private property and wish to exchange them, the transaction is in principle tax-neutral. According to the general principles governing Swiss income tax, par value increases and cash compensation for surplus fractions under the terms of this offer are classified as tax-free proceeds from the disposal of securities.

- For shareholders who hold their shares as business property and wish to exchange them, cash compensation received for surplus fractions under this offer is regarded as taxable income according to the general principles governing Swiss income tax and capital gains tax. Hidden reserves, however, are not taxed when participation rights are exchanged for the purposes of restructuring, provided the tax liability continues in Switzerland and the values applicable to date for income tax and capital gains tax are assumed.

Withholding tax

Under the terms of the preliminary ruling by the Federal Tax Administration on 31 October 2007, the submission of shares for exchange under this offer is not subject to withholding tax.