

“If It’s Not One Thing, It’s Another”

- Overcoming Adversity in Conversion -

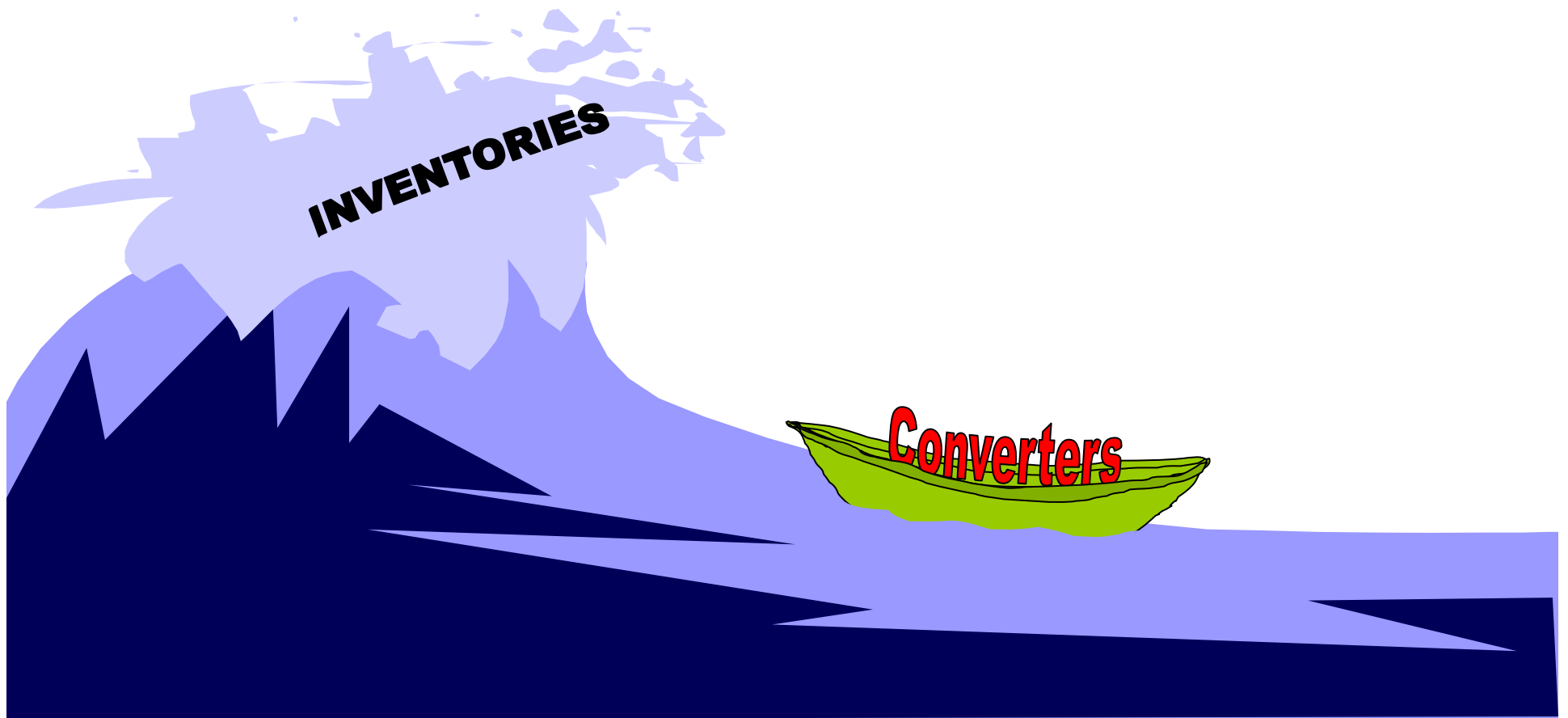
**Presented by
James J. Graham
President & CEO, ConverDyn**

**World Nuclear Association 2004 Annual Symposium
8-10 September 2004**

“One Thing ...”

INVENTORIES

Converters





**USEC Privatization
Russian HEU
INVENTORIES**



Converters

“And Another ...”

“The Flight of Enrichment”



North American UF₆ to Europe Creates New Challenges:

- **Scheduling**
- **Transportation**
- **Cylinder Thermal Protection**

“And Another ...”

Security Concerns Grow Worldwide:

- **Government Requirements**
- **Ports**
- **Carriers**

**“And, Finally, Another
...”**

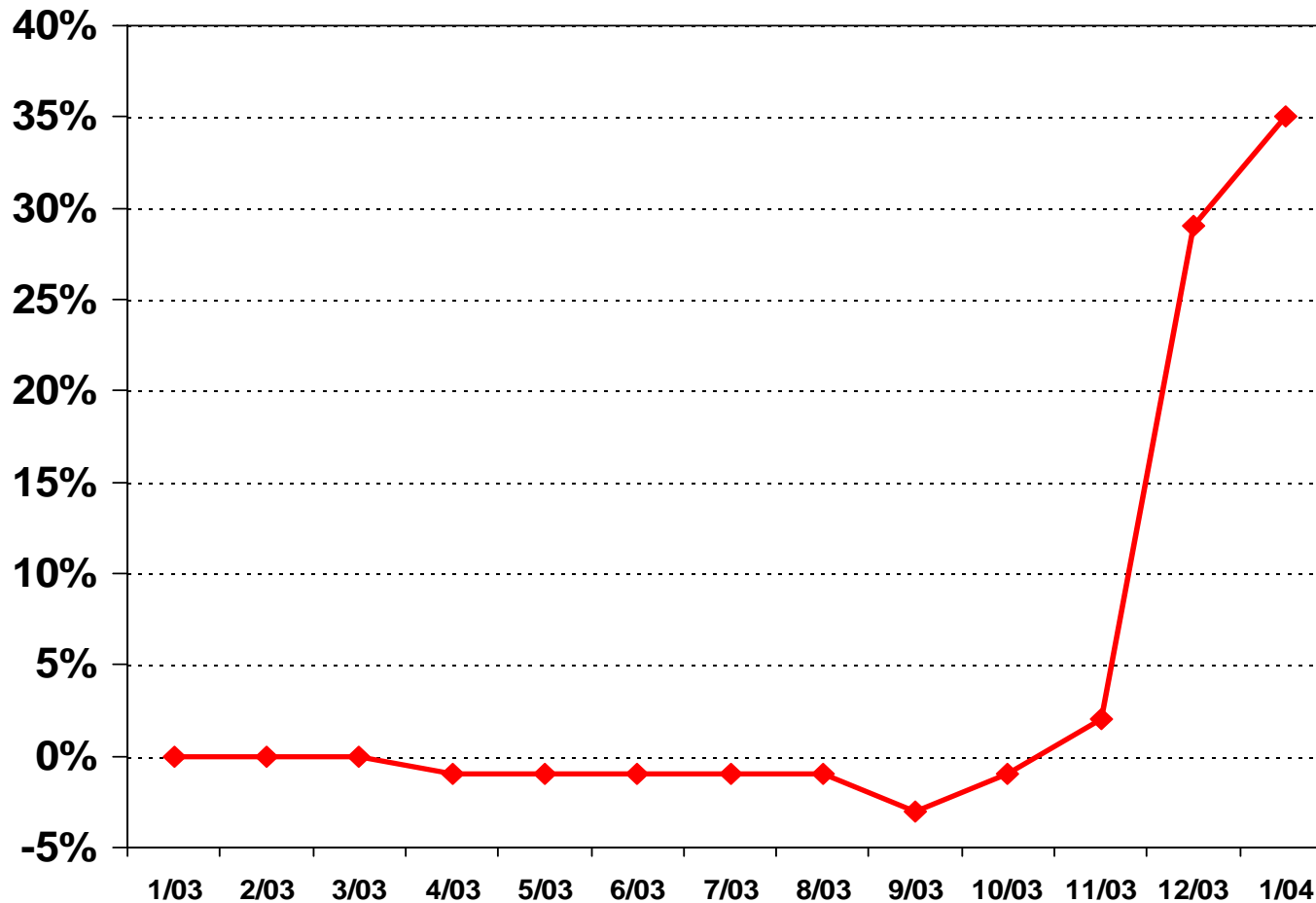
Early Signs of Distress:
July and September 2003
incidents

Event: December 22, 2003

⇒ **Estimate of a maximum 22
kg U as UF₆ released
throughout the event**

Market Reaction to Supply Disruptions

North American Spot Market Percent Change (from January 2003)



Phased Restart Program Included:

- **overhauling policies, procedures, training**
- **establishing a “management of change” for process changes**
- **ensuring mechanical integrity**
- **installing and upgrading engineering controls**
- **strengthening the Corrective Action Program**
- **strengthening and clarifying the emergency response plan and community communication**

Corporate Commitment

+ Change + Patience



Successful 2004 Restart

Ore preparation

March 27

Green salt

April 14

Fluorination-distillation

April 17

First cylinder fill

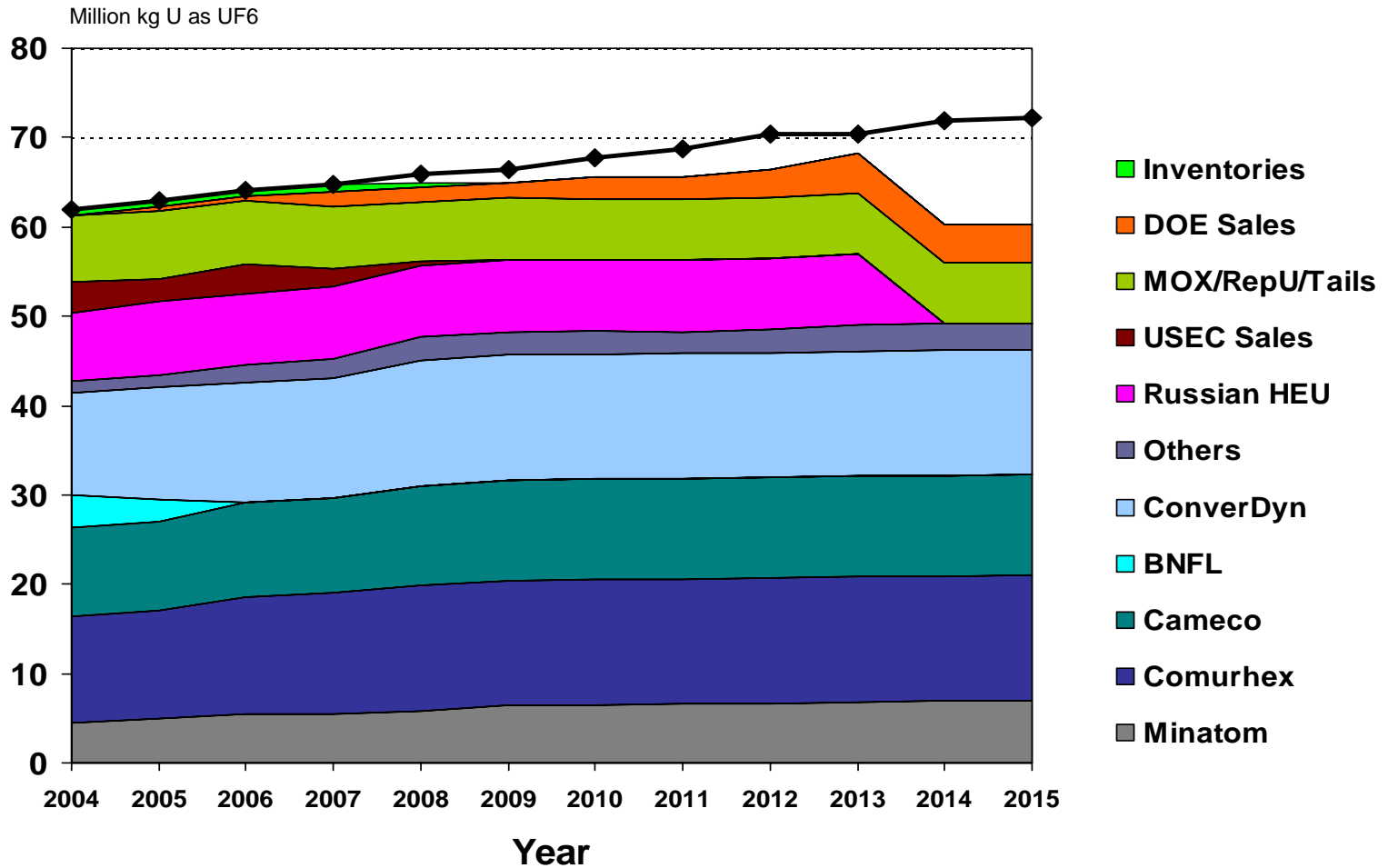
April 24

Second fluorination train

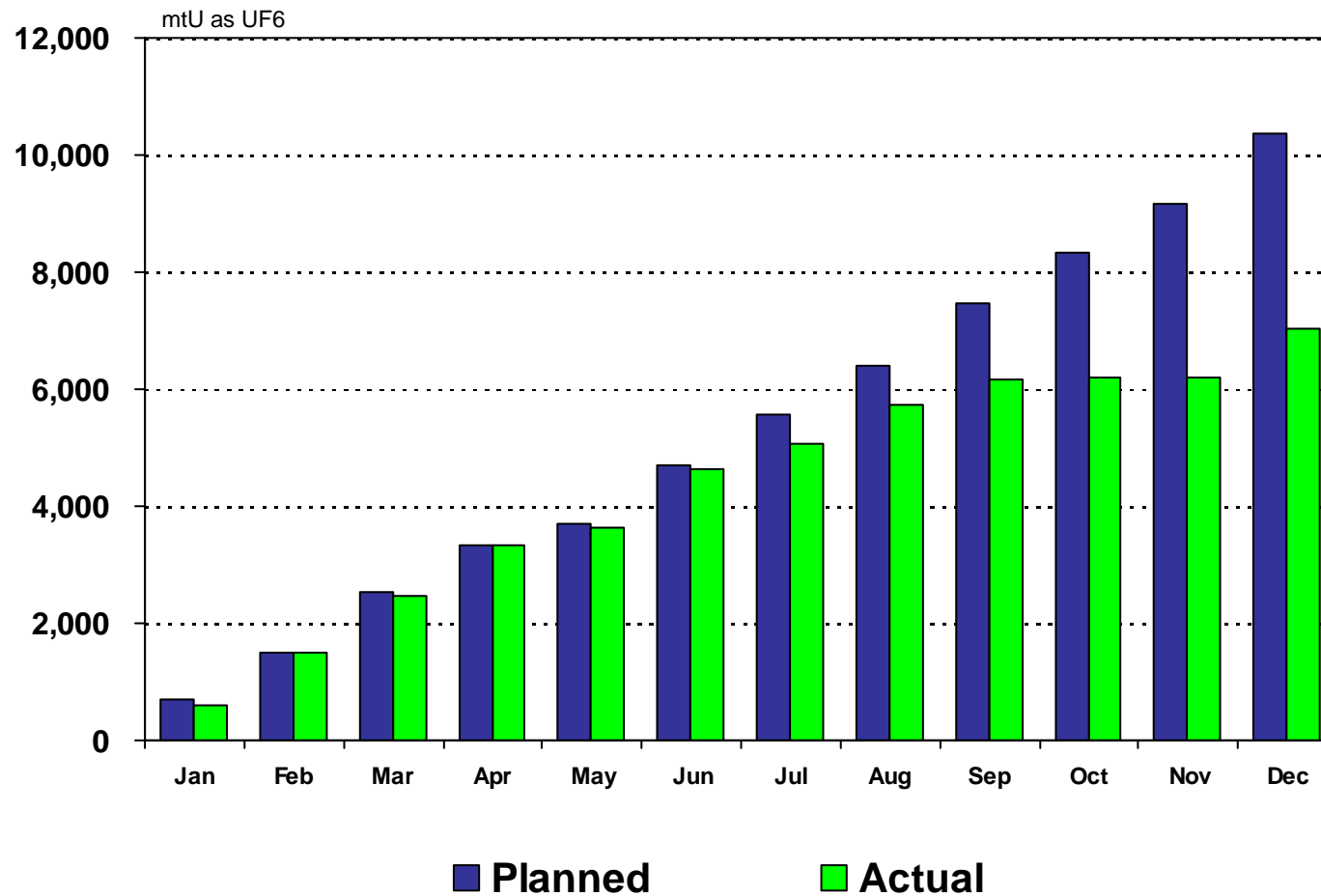
July 27

Conversion Supply/Demand Before MTW Shutdown

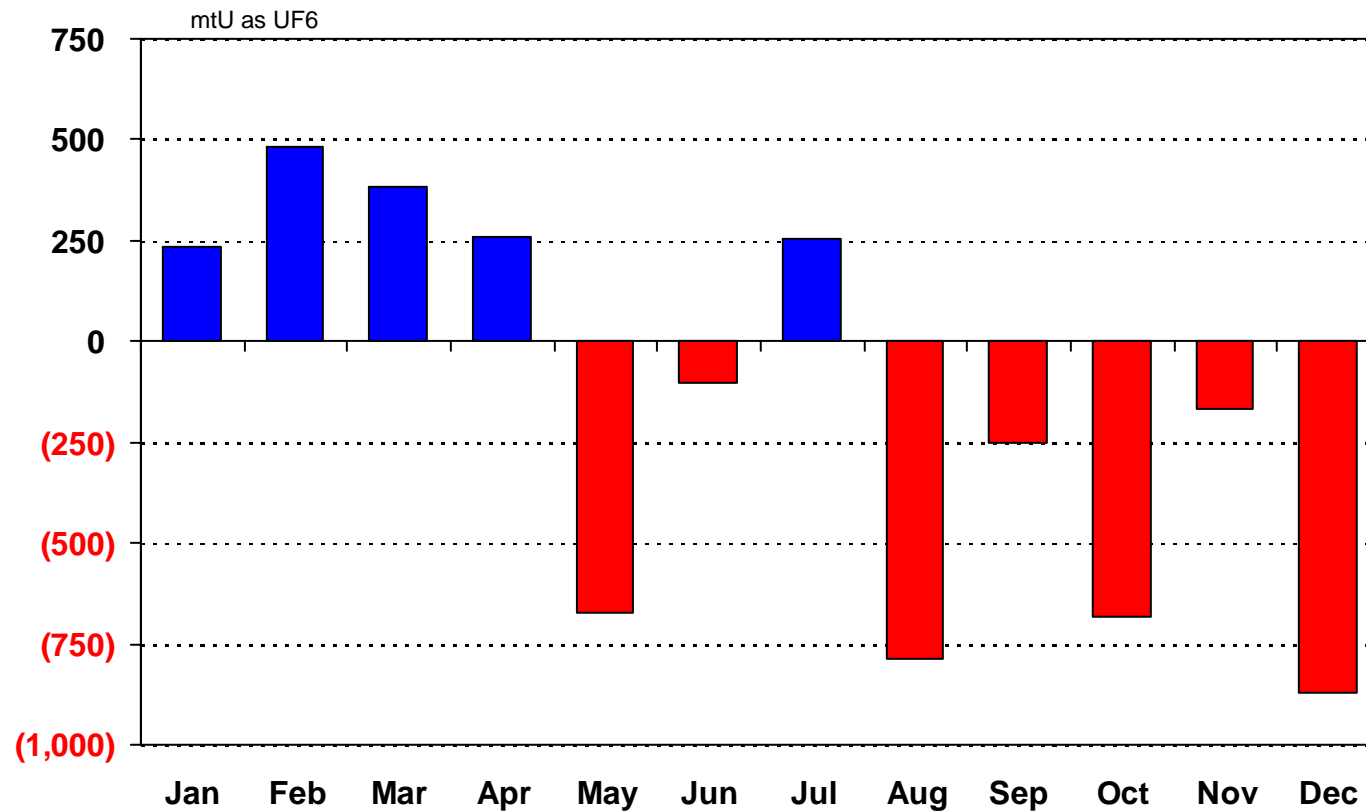
Assumptions: Major Western primary converters at sustainable capacity
(90% of nameplate or other) after 2007



MTW 2003 Production - Planned & Actual -

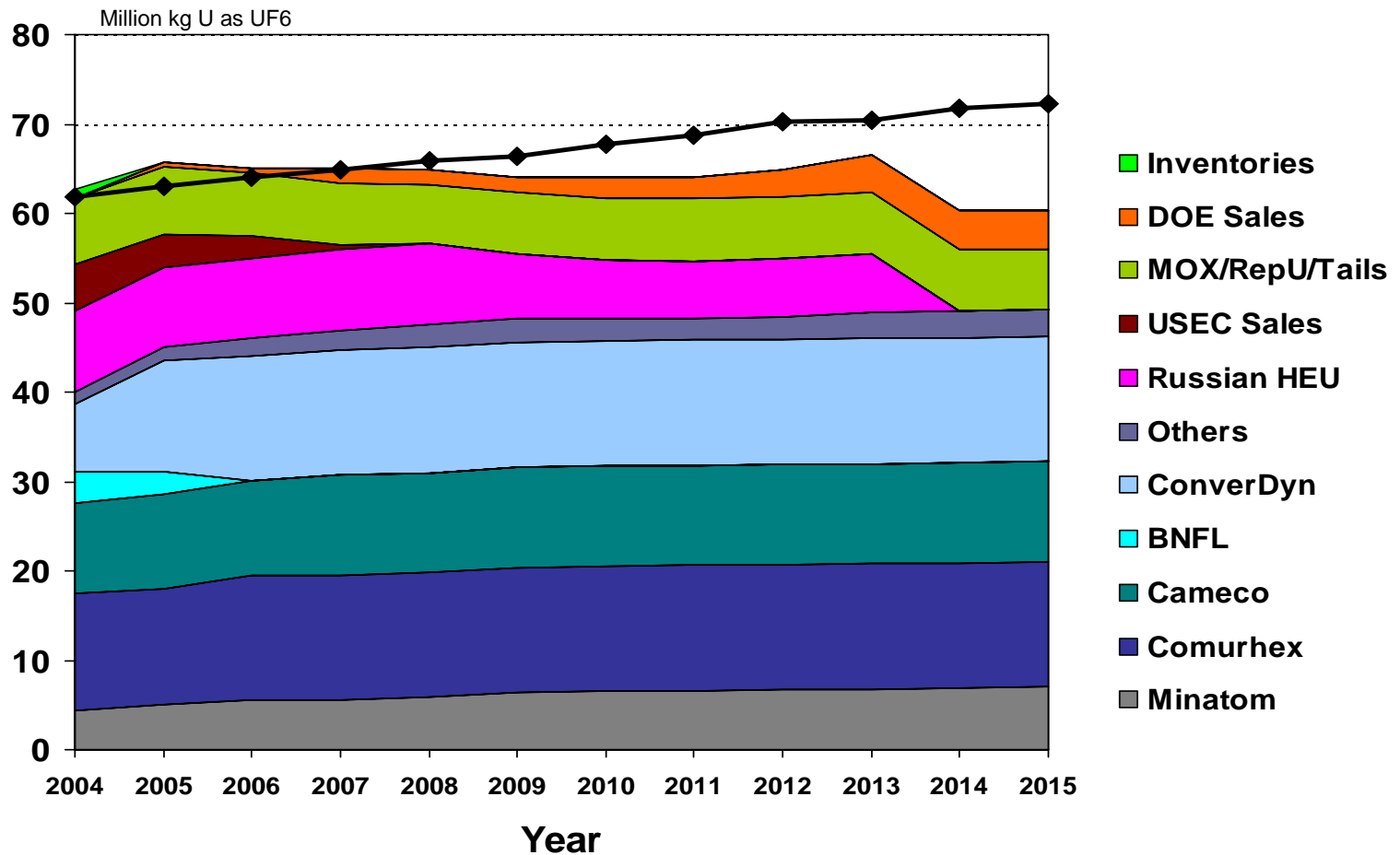


MTW 2003 Inventory Fluctuations



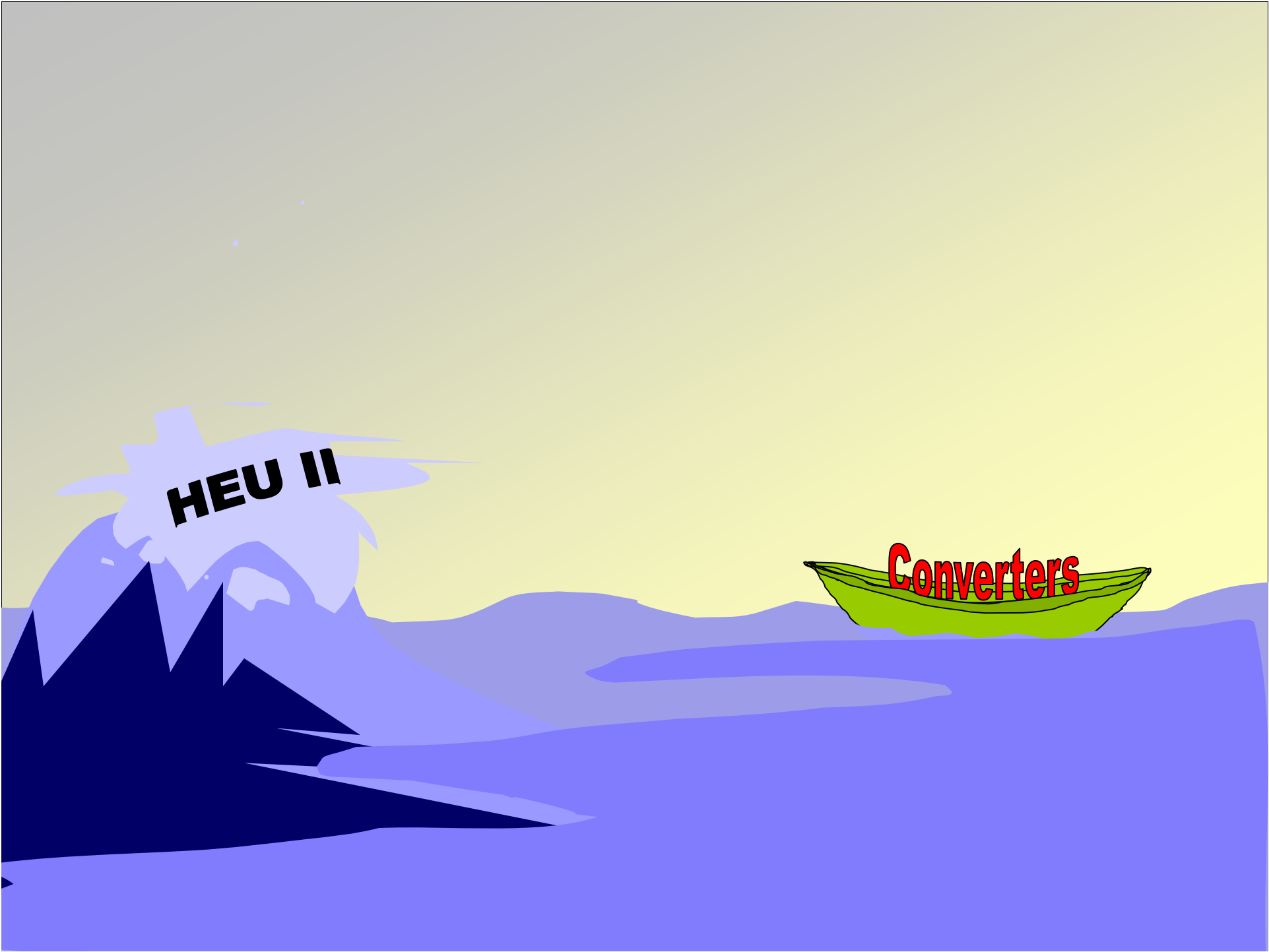
Conversion Supply/Demand After MTW Restart

Assumptions: Major Western primary converters at sustainable capacity
(90% of nameplate or other) after 2006



**Will the future for converters
be all smooth sailing?**





HEU II

Converters



**U.S. HEU
HEU II**

Converters



Enrichment Tails
U.S. HEU
HEU II

Converters

“A bend in the road is not the end of the road unless you fail to make the turn.”

- Author Unknown

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