

NEW PATH FORWARD FOR NUCLEAR FUEL SERVICES

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David B. Amerine, President

Nuclear Fuel Services, Inc.

APPROACH TO RESTART

- Slow, Sequential Startup
 - Fuel Manufacturing Facility (FMF), then
 Blended Low Enriched Uranium Prep Facility (BPF) areas
 - Within each facility, one area at a time
 - Not production driven
- Restart Oversight and Additional Support
 - Senior Engineering Watch
 - Management on shift oversight
 - Engineering and Safety support
- Integrated, Resource-Loaded Schedule

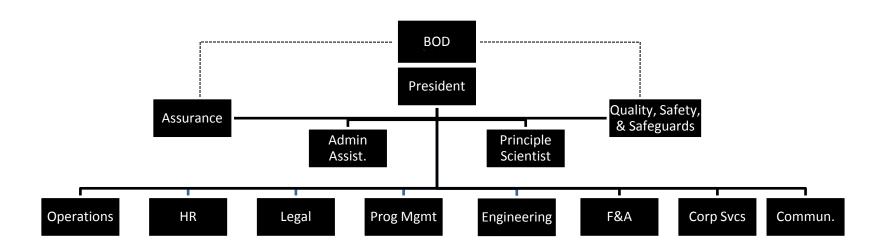
What's Different?

- Workplace priorities: Safety, Quality, Schedule, Cost
- Safety conscious work environment
- Conduct of business attributes
- Schedule ownership and accountability
- First-line manager empowerment
- Work control focus
- Participative management / Employee inclusion
- Metrics using INPO format and color rollup
- Continuous improvement is our imperative

THE LONG VIEW MUST TRUMP ALL

Organizational Structure Nuclear Fuel Services, Inc.

a subsidiary of the Babcock & Wilcox Company



PERFORMANCE

- Metrics/surveys show positive trend
- Upper management presence in field
- Commitments kept on track by use of metrics and assessments
- Corrective action program robust and improving
- NRC-observed force-on-force triennial exercise huge success
- FMF operation indicates intellectual acceptance of new paradigms are being reflected in actual operation
- Lessons learned from FMF being folded into Blended Low Enriched Uranium Preparation Facility (BPF) startup

LEARNING ORGANIZATION FOCUSED ON CONTINUOUS IMPROVEMENT