About the Corporation

QUICK FACTS:

- **Deploying the American Centrifuge, USEC's next generation uranium enrichment technology**
- **U.S. executive agent for the Megatons to Megawatts program, recycling nuclear warheads into electricity**
- **2008 revenues of $1.6 billion**
- **Began operation as a private-sector corporation July 28, 1998**
- **Listed on the New York Stock Exchange under the symbol "USU"**
- **More than 2,900 employees work at our five U.S. locations.**
- **Headquartered in Bethesda, MD**

USEC Inc., a global energy company, is a leading supplier of enriched uranium fuel for commercial nuclear power plants.

Through its subsidiary, the United States Enrichment Corporation, USEC operates the only uranium enrichment facility in the United States: a gaseous diffusion plant in Paducah, Kentucky. Production of enriched uranium is a key step in producing nuclear fuel used by nuclear power plants worldwide to generate electricity.

American Centrifuge is USEC's next-generation uranium enrichment technology. It is based on U.S. centrifuge technology, a proven, workable technology developed by the U.S. Department of Energy (DOE) from 1960 through the mid-1980s. USEC's facility in Piketon, Ohio, is hosting the Company's American Centrifuge Demonstration Facility and is ultimately expected to house the American Centrifuge Plant. USEC is operating the Demonstration Facility for the purposes of demonstrating and evaluating the Company's enhancements to U.S. centrifuge technology and centrifuge performance in a cascade configuration. The Lead Cascade test program began operating in the Demonstration Facility in August 2007. USEC employees in Oak Ridge, Tennessee, are involved in the design, development, manufacturing and testing of centrifuge machines.

USEC is the U.S. government's executive agent for the Megatons to Megawatts program, a 20-year, $8 billion, commercially funded nuclear nonproliferation initiative of the U.S. and Russian governments. This unique program is recycling 500 metric tons of weapons-grade uranium taken from dismantled Russian nuclear warheads (the equivalent of 20,000 warheads) into low enriched uranium used by USEC's customers to generate electricity.

USEC's subsidiary NAC International is a leading provider of transportation and storage systems for used nuclear fuel and energy consulting services. NAC is headquartered outside Atlanta, GA, with offices in the United Kingdom, Russia and Japan.

Uranium enrichment for commercial nuclear reactors began in the 1960s, when the U.S. government shifted some of its enrichment capacity from military to civilian use. In the early 1990s, USEC was created as a government corporation in order to restructure the government's uranium enrichment operation and prepare it for sale to the private sector. USEC's privatization was completed on July 28, 1998.

As an investor-owned company, USEC continues a 30-year tradition of reliability: all customer shipments have been made on time and within specification.

6903 Rockledge Drive, Bethesda, MD 20817-1818
Telephone (301) 564-3391 Fax (301) 564-3211 Web Site http://www.usec.com

About the Board of Directors

USEC Inc. is governed by a 10-member Board of Directors.

USEC Directors

- **James R. Mellor**
  Chairman
- **Michael H. Armacost**
- **Joyce F. Brown**
- **Joseph T. Doyle**
- **H. William Habermeyer**
- **John R. Hall**
- **William J. Madia**
- **W. Henson Moore**
- **Joseph F. Paquette, Jr.**
- **John K. Welch**

James R. Mellor, chairman of the board of directors, retired in 1997 as chairman and CEO of General Dynamics Corporation, a position he held since 1994. Prior to assuming that position, Mr. Mellor was president and CEO from 1993 to 1994 and was previously president and COO of General Dynamics. Mr. Mellor served as interim president and CEO of USEC from December 2004 to October 2005. He also serves on the board of trustees of the Scripps Research Institute and the board of directors of IDT Corporation.

Michael H. Armacost is a Walter H. Shorenstein distinguished fellow and visiting professor in the Asia/Pacific Research Center at Stanford University. Mr. Armacost served as president and a trustee of The Brookings Institution from 1995 to 2002. He served as undersecretary of state for political affairs from 1984 to 1989, as U.S. ambassador to Japan from 1989 to 1993 and as U.S. ambassador to the Philippines from 1982 to 1984. He also serves on the board of directors of AFLAC Inc.

Joyce F. Brown is president of the Fashion Institute of Technology of the State University of New York, a position she has held since 1998. From 1994 to 1997, Dr. Brown was a professor of clinical psychology at the City University of New York, where she previously held several vice chancellor positions. From 1993 to 1994, she served as the deputy mayor for public and community affairs in the Office of the Mayor of the City of New York. Dr. Brown also serves on the board of directors of Polo Ralph Lauren Corporation.

Joseph T. Doyle is a consultant and a director of several for-profit companies and not-for-profit organizations. From July 2002 through March 2003, he served as senior vice president and chief financial officer of Foster Wheeler, Inc. Prior to joining Foster Wheeler, Mr. Doyle was executive vice president and chief financial officer of U.S. Office Products from 1998 through 2001, chief financial officer of Westinghouse Electric Company's Industrial Group from 1996 through 1998 and chief financial officer of Allison Engine Company (now Rolls Royce Allison) from 1994 to 1996.

H. William Habermeyer retired in 2006 as president and CEO of Progress Energy Florida, a subsidiary of Progress Energy Inc. Mr. Habermeyer joined Progress Energy's predecessor Carolina Power & Light in 1993 and served as vice president of nuclear services and environmental support, vice president of nuclear engineering and vice president of the western region of North Carolina before assuming the role of president and CEO of Progress Energy Florida in 2000. Prior to that, Mr. Habermeyer had a 28-year career in the U.S. Navy, retiring as a rear admiral. He also serves on the boards of directors of Raymond James Financial, Inc. and Southern Company.

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Board of Directors

(continued)

John R. Hall retired in 1997 as chairman of the board of directors of Ashland, Inc., a position he held since 1981. Mr. Hall also was CEO of Ashland, Inc. from 1981 to 1996. He was chairman of the board of directors of Arch Coal, Inc. from 1997 to 1998 and a director until 1999.

William J. Madia is a vice president at Stanford University for oversight of the SLAC National Accelerator Laboratory, a U.S. Department of Energy national science lab. Dr. Madia retired in 2007 as executive vice president of laboratory operations of the Battelle Memorial Institute, where he oversaw the management or co-management of six DOE national laboratories. Dr. Madia served in that position since 1999. In addition, he was president and CEO of UT-Battelle, LLC, he managed Battelle's global environment business, served as president of Battelle Technology International, director of Battelle's Columbus Laboratories and corporate vice president and general manager of Battelle's Project Management Division.

W. Henson Moore was president and CEO of the American Forest & Paper Association from 1995 to 2006. He was also president of the International Council of Forest Product Associations from 2002 to 2004. Mr. Moore was previously deputy secretary of energy from 1989 to 1992 and in 1992 became deputy chief of staff for President George Bush. From 1975 to 1987, he represented the Sixth Congressional District of Louisiana in the U.S. House of Representatives. Mr. Moore also serves on the board of directors of Domtar Corporation.

Joseph F. Paquette, Jr. retired in 1997 as chairman and CEO of PECO Energy Company, a position he held since 1988. Before that, Mr. Paquette held positions with Consumers Power Company as president and as senior vice president and chief financial officer, and with Philadelphia Electric Company as chief financial officer. He also serves on the board of directors of CMS Energy Corp.

John K. Welch has been president and CEO of USEC Inc. since October 2005. Prior to joining USEC, he served as a consultant to several government and corporate entities. He executive vice president and group executive, Marine Systems at General Dynamics from March 2002 to March 2003 and senior vice president and group executive, Marine Systems from January 2000 to March 2002. Prior to that, Mr. Welch held several executive positions over a ten-year period at General Dynamics' Electric Boat Corporation, including president from 1995 to 2000. Mr. Welch currently serves on the boards of Battelle Memorial Institute, the U.S. Naval Academy Foundation and Precision Custom Components Inc.

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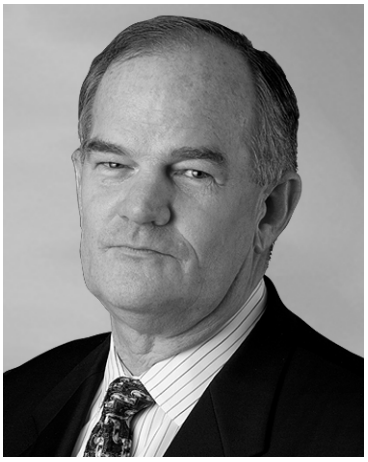
Biography:
John K. Welch

President and
Chief Executive Officer



John K. Welch is president and chief executive officer of USEC Inc. Mr. Welch joined USEC in October 2005. He also serves on the Company's board of directors.

Mr. Welch previously served as executive vice president of the Marine Systems Group at General Dynamics where he oversaw all operational aspects of four business units, including Electric Boat and Bath Iron Works. Prior to that, he held several executive positions over a 10-year period at Electric Boat, including five years as president. He most recently served as a consultant to several government and corporate entities in the areas of technology development and commercialization, program management, business process reengineering and strategic planning.

Mr. Welch began his career as a submarine officer in the U.S. Navy. He went on to hold management positions with Advanced Technology, Inc. and General Physics Corporation before joining General Dynamics in 1989.

Mr. Welch currently serves on the boards of Battelle Memorial Institute, the U.S. Naval Academy Foundation, the Nuclear Energy Institute (NEI), the American Council on Global Nuclear Competitiveness and the World Nuclear Association.

Mr. Welch is the 2008 recipient of the Distinguished Civilian Award from the Naval Submarine League for his work on the *Virginia*-class submarine program while he was an executive at General Dynamics.

Mr. Welch received a master's in business administration from Loyola College in Maryland, a master of science in aeronautical engineering from the Naval Postgraduate School in California, and a bachelor of science in aerospace engineering from the U.S. Naval Academy. He is a registered professional engineer in the state of Maryland.

USEC Inc. (NYSE: USU), a global energy company, is a leading supplier of enriched uranium fuel for commercial nuclear power plants.

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About USEC's Production Facilities

QUICK FACTS:

- **Paducah, Kentucky, plant is nation's only uranium enrichment facility**
- **At Paducah plant, uranium is enriched from less than 1% U-235 to 4% - 5% U-235 for use as fuel in nuclear power plants to produce electricity**
- **In 1993, USEC took over management of Paducah and Piketon gaseous diffusion plants from the U.S. government**
- **Regulated by the U.S. Nuclear Regulatory Commission**

USEC Inc., through its subsidiary, the United States Enrichment Corporation, operates the only uranium enrichment facility in the United States: a gaseous diffusion plant in Paducah, Kentucky. Uranium enrichment is a key step in the production of nuclear fuel, used by nuclear power plants around the world to generate electricity.

At the Paducah plant, natural uranium is enriched from less than 1% of the fissionable isotope U-235 to 4%-5% U-235, which is the level required for nuclear power plants to produce electricity. The enriched uranium is then sampled, transferred to customer cylinders and prepared for shipping to fuel fabricators for ultimate delivery to power plant operators.

In 1993, USEC took over management of the Paducah plant and its sister plant in Piketon, Ohio, from the U.S. government. Both plants are regulated by the U.S. Nuclear Regulatory Commission.

Paducah, Kentucky. The Paducah plant began production of enriched uranium in 1952 and operated almost exclusively for national defense purposes until the 1960s, when the government shifted some of its enrichment capacity from military to civilian use. The plant has a fenced area of about 750 acres, 74 of which contain process buildings under roof that include nearly 1,800 enrichment stages. The plant has a design capacity of approximately 11 million separative work units (SWU) per year. SWU is the standard industry term for measuring uranium enrichment.

Piketon, Ohio. The Portsmouth Gaseous Diffusion Plant in Piketon began enrichment operations in 1954. In the 1960s, some capacity was shifted from military to civilian use. In May 2001, USEC ended enrichment operations in Piketon. Today, Piketon employees support USEC's operational and administrative functions, and perform contract work for DOE. Piketon is hosting the Company's American Centrifuge Demonstration Facility and is ultimately expected to be the site of the commercial American Centrifuge Plant.

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Uranium Enrichment: How It's Done

Commercial Nuclear Fuel Cycle

1. Mining

Uranium ore is mined from the earth.

2. Milling

Uranium ore is processed to produce a form of uranium known as "yellowcake."

3. Conversion

Yellowcake is converted to uranium hexafluoride.

4. Enrichment

This step increases the concentration of the isotope U-235 from its naturally occurring level of 0.7% to higher levels required for nuclear reactors – about 4%-5%.

5. Fabrication

Enriched uranium is converted into uranium dioxide, formed into solid cylindrical pellets, sealed in metal fuel rods and bundled into fuel assemblies.

6. Power Production

Fuel assemblies are loaded into nuclear reactors where the U-235 fissions, producing heat and steam used to generate electricity.

Uranium enrichment is a critical step in transforming natural uranium into nuclear fuel to produce electricity. Uranium is a naturally occurring element containing U-235 and U-238 isotopes. Only the U-235 isotope is fissionable. Enrichment is the process of increasing the concentration of U-235 and decreasing that of U-238.

Natural uranium contains about 0.7% U-235. But the fuel assemblies that power a commercial nuclear reactor at an electric utility generally need uranium with a 4% to 5% concentration of U-235. To produce this fuel, USEC increases, or enriches, the concentration of U-235 in natural uranium hexafluoride (UF6) to the appropriate level and sells the fuel to its utility customers.

Uranium enrichment is sold as separative work units (SWU), which represent the level of effort required to increase the concentration of U-235 in natural uranium. Higher levels of U-235 require more SWU.

Commercial uranium enrichment currently employs one of two technologies: gaseous diffusion or gas centrifuge. Both use UF6 as the chemical form of uranium for processing, in part because UF6 readily becomes a gas when heated. Both rely on the mass differences between U-235 and U-238 to achieve separation, either through a semiporous membrane (diffusion) or by spinning at high speed (centrifuge). At its Paducah, Kentucky, plant, USEC uses the gaseous diffusion method for enriching uranium. USEC is deploying gas centrifuge technology to replace these operations.

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Uranium Enrichment Market

QUICK FACTS:

- **Nuclear energy generates approximately 15% of the world's electric power**
- **30 nations rely on nuclear energy to supply a portion of their electricity**
- **The U.S. government began enriching uranium in the 1940s**
- **The commercial nuclear industry began in the 1960s**
- **USEC is a leading supplier of enriched uranium fuel for commercial nuclear power plants**

Uranium enrichment is a multi-billion dollar international industry that represents a vital step in the production of fuel for commercial nuclear power plants.

Nuclear energy accounts for approximately 15 percent of the world's electric power production. There are 436 operating nuclear power reactors worldwide, most of which use enriched uranium for fuel, 104 of which generate approximately 20 percent of America's electrical power. Operating nuclear power reactors have a generating capacity of more than 370,000 megawatts of electric power.

Thirty nations rely on nuclear energy for a portion of their electricity supply. Sixteen countries derive at least a quarter of their electricity from nuclear power and France gets more than three-quarters. In Belgium, Lithuania, Sweden, Slovakia, Slovenia, Armenia and Ukraine, nuclear provides at least 40 percent of the electricity.

There are signs of growing momentum toward a renaissance in the nuclear power industry worldwide: 52 reactors are under construction in 14 countries, China and India have aggressive plans to build new nuclear generating capacity, and new plants are being constructed in Finland and Japan. In the United States, more than a dozen utilities are taking preliminary steps towards building the country's first new nuclear reactors in 30 years. These utilities, alone or in partnerships, have announced tentative plans to potentially build new reactors at various sites across the country.

The U.S. government began to enrich uranium in the 1940s. The government's gaseous diffusion plants in Paducah, Kentucky, and Piketon, Ohio, began operating in the 1950s to supply enriched uranium for U.S. nuclear weapons and later for nuclear-powered submarines. In the 1960s, all phases of the nuclear fuel cycle in the United States—except uranium enrichment—became privately owned, thus marking the beginning of the commercial nuclear power industry.

In July 1998, the privatization of USEC Inc. was completed. Today, USEC is a leading supplier of enriched uranium fuel for commercial nuclear power plants.

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American Centrifuge Program

Fueling the Future

- **The American Centrifuge Plant is expected to play a major role in supporting America's energy security and national security interests**
- **Provides a long-term, reliable and secure fuel source for the world's nuclear power plants**
- **USEC anticipates the American Centrifuge will be the world's most advanced uranium enrichment machine**

USEC is deploying the American Centrifuge technology, a gas centrifuge uranium enrichment technology, in the American Centrifuge Plant being built in Piketon, Ohio. This technology was initially developed by DOE during the 1960s, 70s and 80s. USEC has modified and improved this technology through the use of modern materials, advanced computer-aided design, digital controls and state-of-the-art manufacturing processes.

Demonstration and manufacturing activities are underway at several facilities located in Oak Ridge, Tennessee. USEC initiated testing of centrifuge components in 2003 and began testing individual prototype machines in highly specialized test equipment in January 2005.

USEC has been conducting a Lead Cascade integrated testing program at the Piketon, Ohio, plant since August 2007. The test program involves the integrated testing of multiple prototype machines in a cascade configuration and has demonstrated the ability to generate product assays in a range usable by nuclear power plants. The prototype centrifuges involved in the Lead Cascade integrated test program have operated for more than 275,000 total machine hours.

USEC's production centrifuge machine design is the AC100. USEC is now working to deploy a test cascade of AC100 series machines in Piketon. This cascade will be in a commercial plant configuration and operate under commercial plant conditions. This cascade is intended to provide additional data on equipment operation and reliability and identify opportunities to further optimize the centrifuge and cascade design.

The NRC issued the Construction and Operating License for the American Centrifuge Plant in April 2007 and USEC began construction on the American Centrifuge Plant in May 2007. The baseline deployment schedule for the plant included beginning initial commercial operations in 2010 and reaching an annual production capacity at the ACP of 3.8 million SWU per year at the end of 2012. However, this schedule will be delayed. USEC's ability to meet this schedule was dependent on USEC obtaining a commitment for a loan guarantee from DOE is the timeframe needed. In light of the absence of that commitment and USEC's demobilization of portions of the project, USEC is not in a position to update this schedule at this time.

The successful construction and operation of the American Centrifuge Plant is dependent upon a number of factors, including the availability and timing of financing, performance of the American Centrifuge technology, overall cost and schedule, and the achievement of milestones under the 2002 DOE-USEC Agreement.

Find out more at www.americancentrifuge.com

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Megatons to Megawatts™

Recycling Nuclear Warheads into Electricity

QUICK FACTS:

- **20-year, $8 billion, commercially funded program to recycle the equivalent of 20,000 Russian nuclear warheads into low enriched uranium for use in fabricating nuclear fuel**
- **USEC subsidiary is U.S. executive agent; TENEX serves for Russia**
- **The first shipment of uranium derived from Russian warheads arrived in the United States in June 1995**
- **Milestone of 15,000 warheads eliminated was achieved in September 2009**
- **Implementation of the agreement is ahead of the original schedule**
- **About 10 percent of the United States' electricity is generated using this uranium**

USEC Inc.'s subsidiary, United States Enrichment Corporation, is the U.S. government's executive agent responsible for implementing the historic 1993 government-to-government agreement between the United States and the Russian Federation. The agreement calls for Russia to convert 500 metric tons of highly enriched uranium (HEU) taken from dismantled nuclear warheads into low enriched uranium (LEU) to be used by commercial nuclear power plants to generate electricity.

To implement the agreement, in 1994 USEC's federal predecessor entered into a 20-year commercial contract with Techsnabexport (TENEX), executive agent for Russia. Over a period of 20 years, 500 metric tons of HEU is being diluted in Russia to about 15,000 metric tons of LEU, which cannot be used for weapons. This LEU is then shipped to USEC facilities in Paducah, Kentucky. Under terms of the contract, United States Enrichment Corporation purchases the enrichment portion of the blended-down material. USEC's electric utility customers use the uranium in fabricating fuel for their commercial nuclear power plants. About 10 percent of the country's electricity is generated using this LEU. The program is operated at no cost to taxpayers.

The total cost of the enrichment portion of the contract is about $8 billion. As required by the 1996 USEC Privatization Act, USEC's subsidiary transfers the natural uranium component of the LEU (worth about $4 billion) to TENEX for Russian disposition. The first shipment of LEU derived from Russian weapons-grade HEU arrived in the United States in June 1995.

In June 2002, the U.S. and Russian governments approved implementation of a contract amendment for the remaining 12 years of the program. The amendment introduced new, market-based pricing terms that went into effect in January 2003. These pricing terms were modified in 2009 for the years 2010 through 2013 in order to enhance the stability of future pricing for both parties.

As of September 23, 2009, material equivalent to 15,000 nuclear warheads had been downblended into LEU—enough to power the entire country for more than a year.

Find out more at www.megatonstomegawatts.com

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NAC INTERNATIONAL

About NAC International

QUICK FACTS:

- **Provides nuclear utilities with essential used fuel transportation and storage technologies**
- **Received approval for advanced MAGNASTOR™ used fuel storage system in February 2009**
- **Has the largest commercial fleet of used fuel transportation casks in the United States**
- **Serves as leading nuclear fuel cycle consultant**
- **Wholly owned subsidiary of USEC Inc.**

NAC is a leading provider of transportation and storage systems for used nuclear fuel and offers a wide range of nuclear and energy consulting services. NAC is headquartered in Norcross, Georgia.

Used Fuel Solutions: NAC provides nuclear utilities with essential used fuel management systems, such as the NAC-MPC, NAC-UMS and NAC-STC transportation and storage technologies. NAC has the largest commercial fleet of used fuel transportation casks in the United States. In February 2009, the Company received approval from the U.S. Nuclear Regulatory Commission for its new MAGNASTOR™ system, which is offers market-leading fuel capacity and operational features.

Used Fuel Transportation: NAC has provided a significant share of all U.S. used fuel transportation over the past 15 years, including shipments under the U.S. Department of Energy's nonproliferation program to return foreign research reactor fuel to the United States.

Fuel Cycle Consulting: Led by a team of internationally recognized fuel cycle experts, NAC has served as the industry's leading nuclear fuel cycle consultant for over 30 years. It offers a wide range of services including market research and analysis, price forecasts and nuclear fuel design review and performance assessment.

Established in 1968, NAC International is a wholly owned subsidiary of USEC Inc. USEC purchased NAC from Pinnacle West Capital Corp. in November 2004.

Find out more at www.nacintl.com

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