Sellafield Ltd is owned by Nuclear Management Partners and operates on behalf of the Nuclear Decommissioning Authority
Who We Are…

Nuclear Management Partners is the *only company in the world* with experience and expertise in each of Sellafield’s core functions:

- **Reprocessing**
- **Spent Fuel Management**
- **Decommissioning**
- **Waste Management**

- Largest and safest DOE-EM contractor
- Leader in high-level waste remediation
- Leading engineering, construction and technical services firm

- Leading UK nuclear engineering and project management company
- More than 40 years involvement in West Cumbria and Sellafield

- World leading civil nuclear fuel cycle operations
- Involved in each phase of the nuclear fuel cycle
We are turning the Corner…

<table>
<thead>
<tr>
<th>Project Delivery</th>
<th>November 2008</th>
<th>Today …turning the corner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>•Projects behind schedule and/or over budget</td>
<td>•Key projects on schedule and within budget</td>
</tr>
<tr>
<td></td>
<td>•Slow progress in high hazard reduction</td>
<td>•High hazard projects beginning to hit milestones</td>
</tr>
<tr>
<td>Value for Money</td>
<td>•Low Productivity</td>
<td>•$365m cost savings for 2011/12 alone</td>
</tr>
<tr>
<td></td>
<td>•Inconsistent emphasis on cost saving and efficiency</td>
<td>•Productivity Improvements realised in SMP, THORP</td>
</tr>
<tr>
<td>Asset Care</td>
<td>•Performance unreliable</td>
<td>•Implemented systemised steps to re-establish Plant Performance</td>
</tr>
<tr>
<td>Culture</td>
<td>•Process culture focussed on paperwork instead of performance</td>
<td>•Moving towards a Performance Culture</td>
</tr>
<tr>
<td>Safety</td>
<td>•Unacceptable LTA rate</td>
<td>•Demonstrated we can deliver sustained LTA free periods</td>
</tr>
<tr>
<td></td>
<td>•Poor Environmental record</td>
<td>•Improved Environmental Performance</td>
</tr>
</tbody>
</table>
We are focussing on Achieving Key Milestones…

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Capenhurst demolition completed</td>
<td>5,000th container of HLW vitrified</td>
<td>Highly active waste shipped to Japan</td>
</tr>
<tr>
<td>6,000th tonne of fuel sheared at Thorp</td>
<td>Completion of MOX fuel assemblies</td>
<td>Highly active waste shipped to Netherlands</td>
</tr>
<tr>
<td>Historic radwaste cleaned up</td>
<td>Calder Hall asbestos removed</td>
<td>Skips removed from Pile Fuel Storage Pond</td>
</tr>
<tr>
<td></td>
<td>SPRS finished ahead of schedule</td>
<td>Liquid waste transferred from aging silo</td>
</tr>
<tr>
<td></td>
<td>Purge unit installed in historic pond</td>
<td>PCM retrieved ahead of schedule</td>
</tr>
</tbody>
</table>

- NMP assumes contract
- Nuclear Management Partners
- We are focussing on Achieving Key Milestones…
We have made the high hazard programmes our top priority

The Highly Active Liquor and four Legacy Pond & Silo Programmes represent . . .

More than 90% of the nuclear hazard potential on the Sellafield Site

22% of all site programs

35% of the total site costs during next 4 years

77% of the major project costs during next 4 years

….which is why we are accelerating
...and we are making Progress...

<table>
<thead>
<tr>
<th>Pile Fuel Storage Pond</th>
<th>Pile Fuel Cladding Silo</th>
<th>Magnox Swarf Storage Silo</th>
<th>First Generation Magnox Storage Pond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removed 16 skips from the pond</td>
<td>Preparatory work and foundations complete for construction of Retrieval Facility</td>
<td>Removal of around 30,000 Ci of liquor activity from the facility</td>
<td>Isolation and removal of Redundant Effluent and Sludge Pipes</td>
</tr>
<tr>
<td>Construction of Buffer Sludge Store complete</td>
<td>Passive Off-Gas System installed and operational</td>
<td>Universal Mixing Vessel Rig installed and operational</td>
<td>First ILW waste removed from the Sludge Settling Tanks</td>
</tr>
</tbody>
</table>

186m$^3$ of activity bearing liquor removed – risk reduction
We are vitrifying and returning high level waste…

- Minimising Highly Active Liquor stocks by Vitrification
- First return of High Active solid waste from the UK to overseas customers
We are striving to deliver Construction Projects on time and to schedule... both of these projects were in distress in November 2008...

Sellafield Product Residues Store

- World-class storage facility for fissile nuclear material
- Construction completed ahead of schedule and under budget
- Improving security and reducing proliferation risks
- Active commissioning phase underway

Evaporator D

- Highly Active Liquor Evaporator
- Will support reprocessing, cleanup, and hazard-reduction missions
- Largest nuclear construction project in the UK
- On schedule to deliver project
We have dramatically improved Sellafield Mixed Oxide Fuel Manufacturing Performance...

- Significant performance improvements since November 2008
  - Highest throughput
  - Most ever pellets per shift, per month, per year
  - Most ever rods per shift, per month, per year
  - Most ever Fuel Assemblies per year
- Delivered 16 mixed oxide fuel assemblies ahead of schedule
- Significant investment by Japanese Utilities to build a New Rod Line

$75m Saving

Significant production improvement
We are building a High Performance Culture…

Workers Safety

Focus on Paperwork

Nuclear Safety

What is it? It can’t happen here

Processes

Focus

Narrow Skills Inflexible

Insular

Workforce

Reliability and Performance

Low Reliability and Performance

Process Culture

Safety

Sustained LTA free periods

Peer to Peer programme launched with over 25,000 observations in 9 months

Nuclear Safety Leadership

Other Key Change Results

Enable Success:
65% reduction in admin documents; procedure development cycle time cut 79%

Develop and Appraise Workforce:
Performance Management Actions

Maintain High Standard of Performance:
World Association of Nuclear Operators (WANO) Reviews

Blend Strengths:
Reachback brings world-class practices, tools to organisation and removes barriers

Performance Culture

Focus on correcting at-risk behaviour

Nuclear Safety is the No. 1 Priority

Results

Mobile and Flexible

Learn from Others

High Reliability and Performance

Nuclear Safety is the No. 1 Priority

High Reliability and Performance

Nuclear Safety Leadership

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Many Challenges lie ahead…

- Realising efficiencies and providing greater value for money
- Workforce transitions
  - Agile workforce — Mobility
  - Culture change — Learning Organisation
  - Disciplined operations — Nuclear Safety
- Advancing high hazard reduction
- Asset management improvements
- Sellafield MOX Plant upgrades
...but we have a long term plan...

Years 4&5 – Long Term Sustainability
  • Output based performance
  • Ready for potential new missions

Years 2&3 – Visibly Deliver Value
  • High Hazard Reduction
    • Optimise assets
    • Continue efficiencies

Year 1 – Enable Accelerated Delivery
  • Strengthen the base
  • Create bias for change
  • Drive efficiencies

Disciplined Professionalism

...aligned with our Customer

Performance Plans 2011
and we have the Proper Focus

Deliver with Confidence

Deliver Safely

Deliver Hazard and Risk Reduction

Deliver Value for Money and Efficient Operation