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Creating and Capitalising on Change. The View from BNFL

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1. BRITISH NUCLEAR INDUSTRY IS UNDERGOING A PERIOD OF UNPRECEDENTED CHANGE

- 2003 GOVERNMENT REVIEW LED TO REFOCUSING OF BNFL ON DECOMMISSIONING, REMEDIATION AND CLEAN UP.
- APRIL 1, 2005: BNFL TRANSFERRED U.K. ASSETS TO NUCLEAR DECOMMISSIONING AUTHORITY: BNFL TRANSITION FROM SITE OWNER TO CONTRACTOR.
- DECOMMISSIONING AND CLEAN-UP MARKET TO BE OPENED UP TO COMPETITION IN DUE COURSE
- EXISTING FLEET OF NUCLEAR POWER STATIONS COMING TO THE END OF THEIR OPERATING LIVES: ON CURRENT SCHEDULE ALL BAR ONE WILL BE SHUT DOWN BY 2023: SOME OF THE FLEET ALREADY BEING DECOMMISSIONED.

2. BNFL HAS RESPONDED TO THIS CHALLENGE.

- BNFL HAS RESTRUCTURED: REDUCED THE SIZE AND, TO AN EXTENT, THE SCOPE AND ROLE OF THE CORPORATE CENTRE: ESTABLISHED THREE BUSINESSES - WESTINGHOUSE, BRITISH NUCLEAR GROUP, NEXIA SOLUTIONS.
- WESTINGHOUSE: MATURE BUSINESS WITH STRONG CUSTOMER FOCUS; INCREASINGLY GLOBAL IN ITS OPERATIONS; STRONG BUSINESS FRANCHISES - FUEL, REACTOR SERVICES AND REACTOR TECHNOLOGY; PURSUING MAJOR NEW BUILD OPPORTUNITIES.

- BRITISH NUCLEAR GROUP: ESTABLISHED TO PARTICULARLY FOCUS ON DECOMMISSIONING, REMEDIATION AND CLEAN-UP; ITS PRIMARY CUSTOMER FOCUS IS THE NUCLEAR DECOMMISSIONING AUTHORITY; EVOLVING ITS ORGANISATION AND BUSINESS STRUCTURE TO MEET THE NEEDS OF THE NUCLEAR DECOMMISSIONING AUTHORITY; DRIVING THE CHANGE NECESSARY TO TRANSITION THE CULTURE TO ONE OF A CONTRACTOR; INTRODUCED NEW PEOPLE TO STRENGTHEN COMMERCIAL DISCIPLINES WHILST NOT LOSING FOCUS ON ALL KEY ASPECTS OF OPERATIONAL PERFORMANCE.
- NEXIA SOLUTIONS: CREATED TO STRENGTHEN THE CUSTOMER AND COMMERCIAL FOCUS OF OUR RESEARCH AND TECHNOLOGY ORGANISATION; DEDICATED TO NOT LOSING THE UK'S CAPABILITY FOR KEEPING THE NUCLEAR OPTION OPEN.

3. PROGRESS TO DATE HAS BEEN IMPRESSIVE.

- BNFL CORPORATE CENTRE HAS BEEN STREAMLINED AND REFOCUSSED.
- NEW BUSINESS STRUCTURE IS OPERATING WELL.
- CUSTOMER AND COMMERCIAL FOCUS IS ENABLING MAJOR PROGRESS TO BE ACHIEVED
- IN A PERIOD OF MAJOR CHANGE, STRONG ENVIRONMENT, SAFETY AND SECURITY PERFORMANCE IS BEING ACHIEVED
- FINANCIAL YEAR 2004/05 WAS AN OUTSTANDING OPERATIONAL YEAR - THORP EXCEPTED.
- UNDERLYING FINANCIALS ARE STRENGTHENING.

4. FURTHER OPPORTUNITIES ARE ARISING IN THE U.K.

- DORMANT U.K. ENERGY DEBATE RECENTLY RE-IGNITED.
- U.K. SET TO BECOME NET ENERGY IMPORTER.
- CONSIDERABLE PUBLIC CONCERN OVER GREENHOUSE GASES AND THEIR LINK TO CLIMATE CHANGE.
- GOVERNMENT COMMITMENT TO KYOTO PROTOCOL
- ENERGY POLICY AND THE IMPORTANCE OF REPLACEMENT NUCLEAR BUILD ONCE AGAIN ON THE U.K. AGENDA

5. WE MUST HELP TO MAKE THE WORLDWIDE CASE FOR NUCLEAR.

- CASE FOR NUCLEAR STILL BEDEVILLED BY IGNORANCE AND PREJUDICE.
- TIDE NOW BEGINNING TO RUN IN OUR DIRECTION
- INCUMBENT ON THE WORLD NUCLEAR INDUSTRY TO "SIEZE THE OPPORTUNITY OF A GENERATION"
- CASE FOR NUCLEAR MUST BE MUCH MORE CLEARLY AND LOUDLY MADE

6. THE CASE FOR NUCLEAR AS BNFL SEES IT.

- BURGEONING WORLDWIDE ENERGY REQUIREMENTS
- MAJOR REPLENISHMENT AND GREENHOUSE GAS ISSUES WITH FOSSIL FUELS
- SECURITY OF SUPPLY ISSUES
- RENEWABLES STILL IN DEVELOPMENT
- MIXED ENERGY PORTFOLIO THE SOLUTION
- PUBLIC REASSURANCE REQUIRED ON: DECOMMISSIONING COSTS; ROUTES FOR WASTE DISPOSAL; SAFETY AND SECURITY.

7. IN SUMMARY, THE VIEW FROM BNFL

- BNFL IS RESTRUCTURED AND IN THE PURSUIT OF BUSINESS SUCCESS
- THE BUSINESSES OF BNFL ARE CUSTOMER FOCUSED AND STRENGTHENING, WHERE NECESSARY, THEIR COMMERCIAL DISCIPLINES.
- BRITISH NUCLEAR GROUP IS DEDICATED TO DISCHARGING ITS REMIT TO THE NUCLEAR DECOMMISSIONING AUTHORITY: SAFE, COST-EFFECTIVE NUCLEAR CLEAN-UP.
- THE NUCLEAR INDUSTRY NEEDS NEW BUILD; SO DOES THE WORLD.
- THE INDUSTRY HAS THE FUTURE IN ITS OWN HANDS AND MUST ENSURE IT MAKES THE MOST OF THE OPPORTUNITY.