

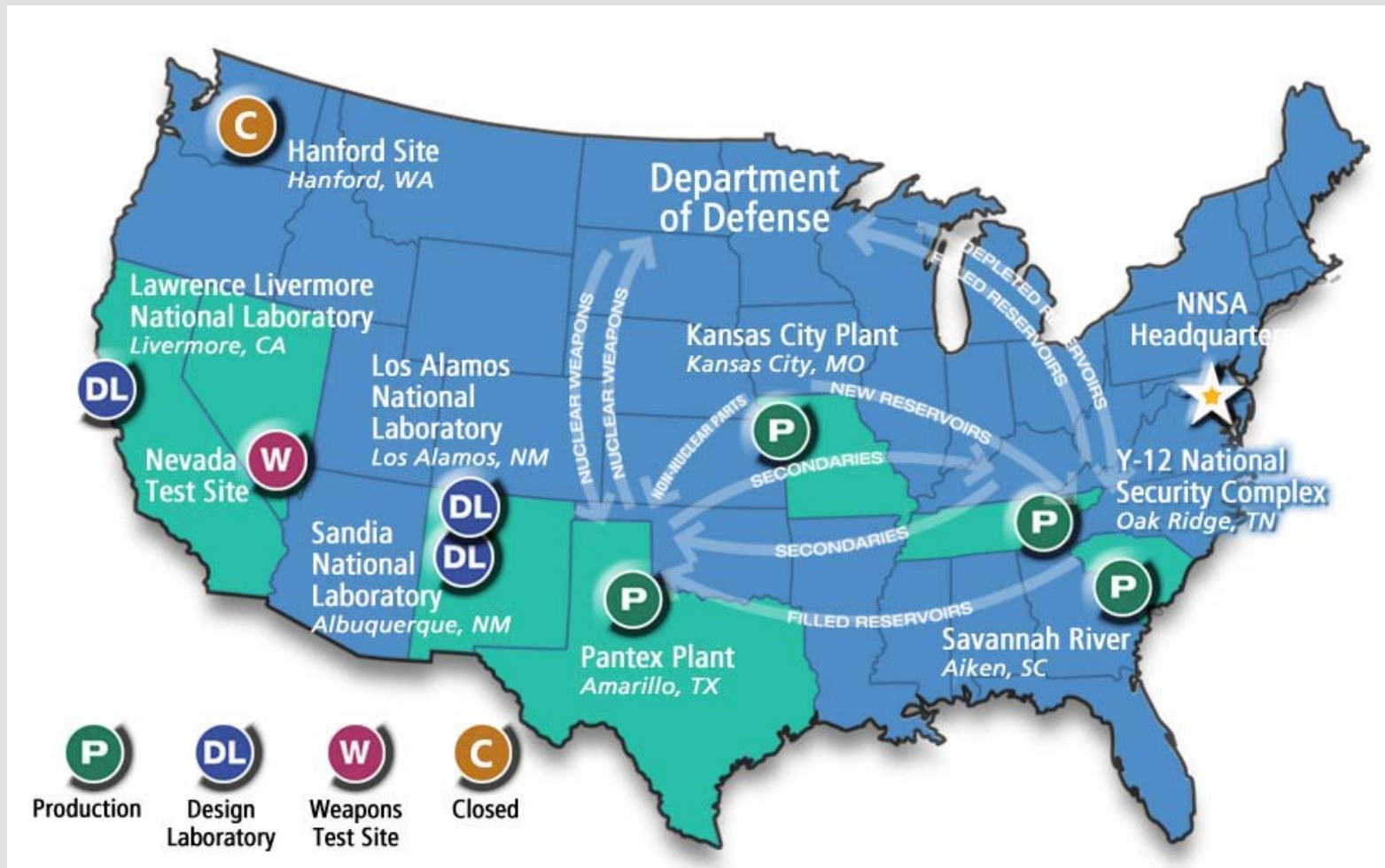
Protecting America's Future

Y-12 National Security Complex



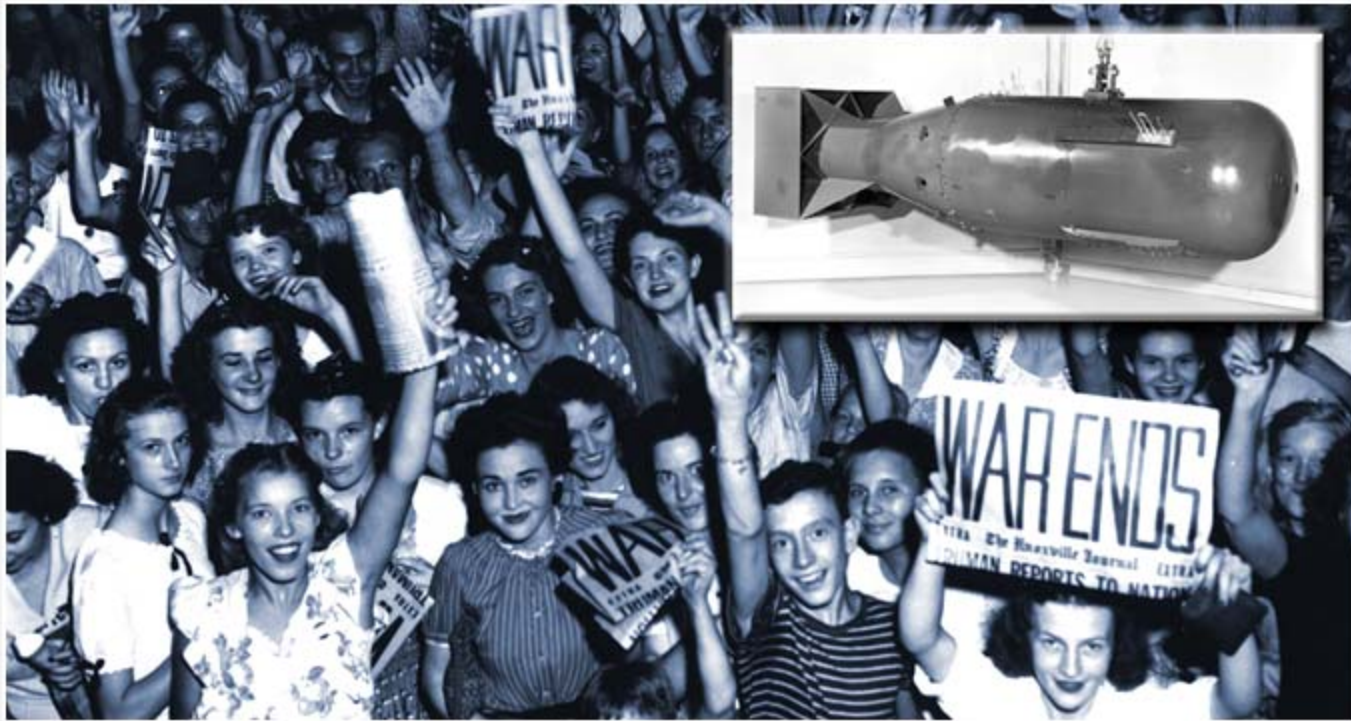
Nuclear Weapons Complex

- Four production facilities and three design labs



Y-12's Legacy

Y-12's pivotal role in the Manhattan Project provided the enriched uranium for "Little Boy" to help America and her allies stop a war that had taken 63 million lives worldwide



Y-12's Missions

- Producing, refurbishing and dismantling nuclear weapons components
- Safeguarding special nuclear materials
- Preventing the proliferation of weapons of mass destruction
- Providing the U.S. Navy with safe, militarily effective nuclear propulsion systems
- Providing support of other national security needs and customers as required



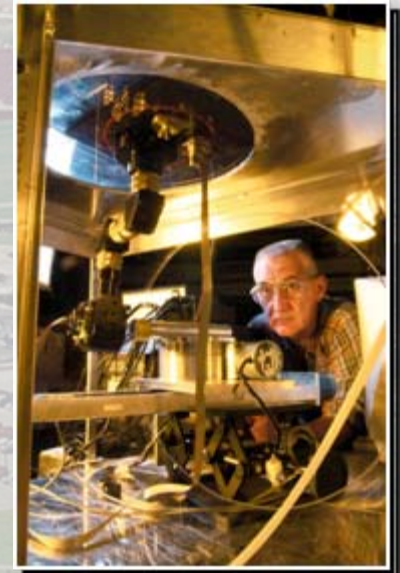


Y-12 is Essential to National Security

- Y-12 is unique in U.S. nuclear weapons complex
- Serves as the *only* source of secondaries, cases, and other weapons components and special nuclear material for the U.S. Navy
- Leader in materials science and precision manufacturing
- Main U.S. storage facility for enriched uranium

Y-12 Demographics

- More than 7,000 people work at Y-12 each day:
 - 4,614 B&W Y-12 employees
 - 86 NNSA employees
 - 531 Wackenhut Services
 - 2,552 subcontractors
- 1,462 bargaining unit employees
- Number of employees with degrees
 - 1,240 (BS), 541 (MS), 73 (PhD)
- Top 10 TN employer
- Top 4 TN manufacturing employer
- \$508 million in wages
- \$406 million spent on goods and services
- \$10.3 million in taxes



Statewide Economic Impact

- With some 4,700 employees in 26 counties, Y-12 employees have a \$4 billion indirect impact on the East Tennessee economy
- Total personal income generated in the state by Y-12 related activities was \$1.9 billion
- Y-12's employment of more than 7,000 people generates an additional 27,890 jobs in the state
- Y-12 payroll and non-payroll spending resulted in a \$1.6 billion increase in the state's gross domestic product
- More than \$1.5 million has been contributed in the last two years by Y-12 to local charities and education

Transforming the Site

Jack Case Center



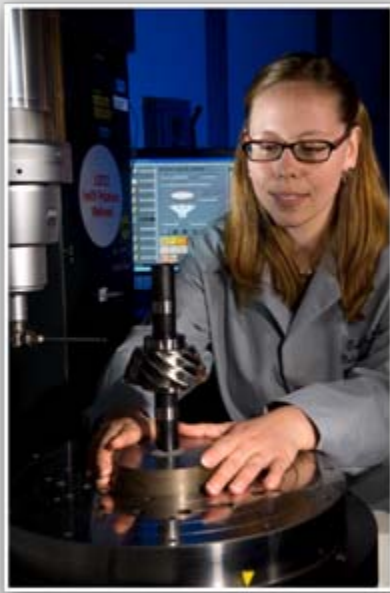
New Hope Center



- These buildings could save nearly \$100 million in reduced operating, maintenance and renovation costs
- Other possible projects include emergency command center/fire station, material handling and maintenance, and plant lab and development

Business Transformation

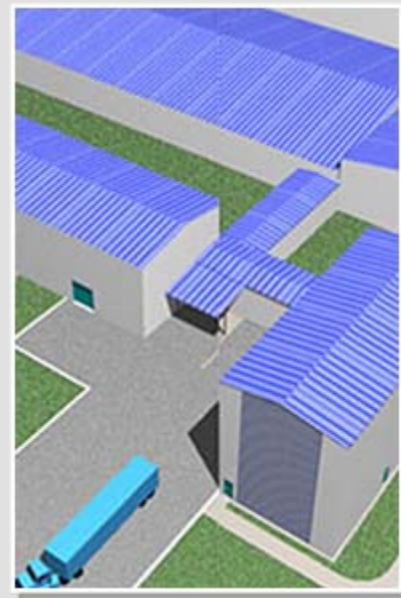
- Y-12 is taking inventory of itself in order to transform into a more business-oriented facility
- Expanded collaboration and cooperative ventures
- Increased complementary work in energy, Homeland Security and related national security areas



Capabilities



Expertise



Facilities

HEUMF Project



2004

May 2004
Earthwork
construction

2005

2005
Facility
construction
begins

2006

Early 2006
Facility
construction
halted

**July 1-
Sept. 30,
2006**
35 wall
pours

2007

Late 2006
Installation of
electrical and
mechanical

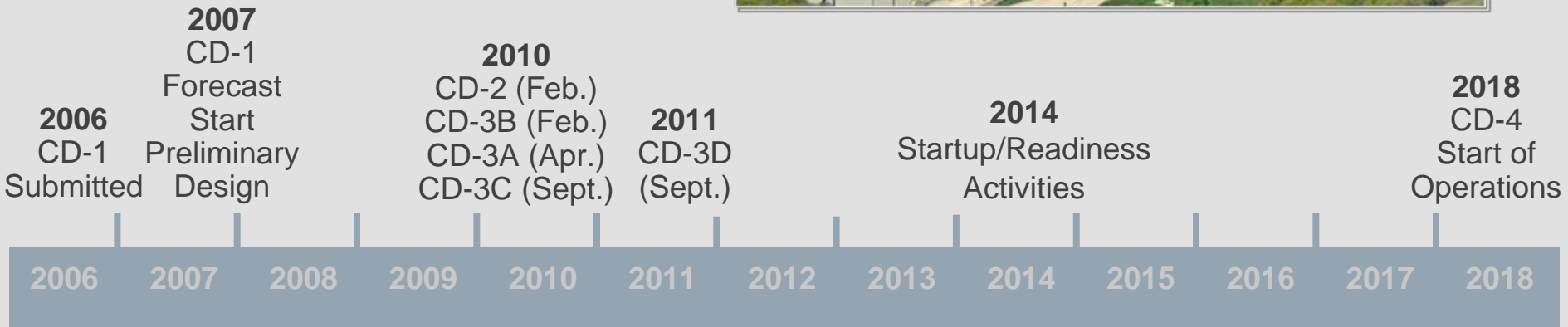
2008

2008
Facility
completion

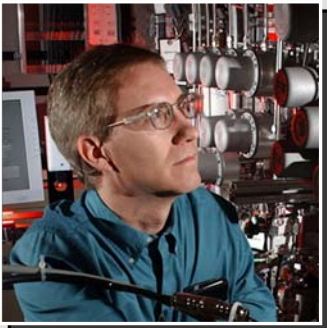
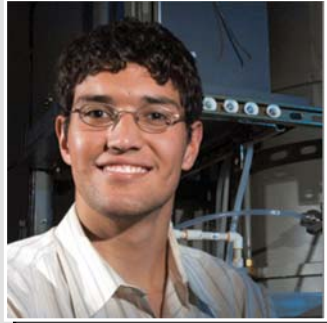
2010

2010
CD-4
start of
operations

Uranium Processing Facility



Faces for the Future



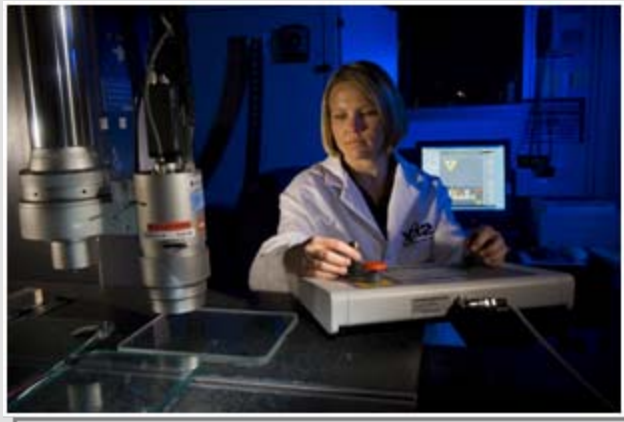
Preserving unique skills and knowledge are critical for a strong Y-12 work force





Y-12's Vision

Internationally recognized as the Uranium Center of Excellence, the Y-12 National Security Complex consistently provides responsive, innovative and cost-effective national security solutions to meet the needs of the United States and its allies





Bear Creek Valley Transformation



Future