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Item 8.01 Other Events.

USEC Inc. (the "Company") previously reported that it was in arbitration with its former president and chief executive officer, William H. Timbers, whose employment at the Company was terminated for cause in December 2004. In his demand for arbitration, Mr. Timbers disputed cause and sought damages in excess of \$36 million, including severance and other benefits of "at least \$21 million," more than \$15 million in restricted stock and stock options that had vested prior to his termination, and other unspecified compensatory and punitive damages. On February 1, 2006, the Company entered into a settlement agreement with Mr. Timbers pursuant to which it agreed to pay Mr. Timbers a cash settlement of \$14.5 million in full settlement of his claims. The Company also agreed to cancel an outstanding loan to Mr. Timbers from the Company in the amount of approximately \$0.3 million as part of the settlement. Under the settlement agreement, the parties granted each other a mutual release of all claims.

In connection with the settlement, and after taking into account amounts previously accrued, the Company recorded a charge of \$7.6 million in the fourth quarter of 2005. This charge will reduce net income in the fourth quarter, on an after-tax basis, by approximately \$4.7 million, which will lower the Company's previous guidance for 2005. The Company expects to release its fourth quarter and year ended 2005 results in late February.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USEC Inc.

February 3, 2006

By: */s/ Ellen C. Wolf*

*Name: Ellen C. Wolf
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)*