

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL QUARTER ENDED DECEMBER 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14287

USEC INC.

(Exact name of registrant as specified in its charter)

DELAWARE	52-2107911
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification No.)

2 DEMOCRACY CENTER,	
6903 ROCKLEDGE DRIVE, BETHESDA MD	20817
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (301) 564-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

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As of January 31, 2000, there were 90,541,000 shares of Common Stock, par value \$.10 per share, issued and outstanding.

USEC INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED DECEMBER 31, 1999

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This Quarterly Report on Form 10-Q includes certain forward-looking information (within the meaning of the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainty, including certain assumptions regarding the future performance of USEC. Actual results and trends may differ materially depending upon a variety of factors, including, without limitation, market demand for USEC's services, pricing trends in the uranium and enrichment markets, deliveries and costs under the Russian contract, the availability and cost of electric power, USEC's ability to successfully execute its internal performance plans, the refueling cycles of USEC's customers and the impact of any government regulation. Further, customer commitments under their contracts are based on customers' estimates of their future requirements.

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USEC INC.
CONSOLIDATED BALANCE SHEETS
(MILLIONS, EXCEPT SHARE AND PER SHARE DATA)

	(UNAUDITED)	
	DECEMBER 31, 1999	JUNE 30, 1999
	-----	-----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20.9	\$ 86.6
Accounts receivable - trade	358.7	373.8
Inventories:		
Separative Work Units	707.2	648.8
Uranium	200.1	160.1
Uranium provided by customers	54.0	101.7
Materials and supplies	22.0	22.8
	-----	-----
Total Inventories	983.3	933.4
Payments for future deliveries under Russian contract	-	50.0
Other	34.2	29.3
	-----	-----

Total Current Assets	1,397.1	1,473.1
Property, Plant and Equipment, net	192.9	166.6
Other Assets		
Deferred income taxes	67.4	49.5
Deferred costs for depleted uranium	39.6	43.7
Prepaid pension costs	52.6	52.9
Inventories	494.4	574.4
	-----	-----
Total Other Assets	654.0	720.5
	-----	-----
Total Assets	\$ 2,244.0	\$ 2,360.2
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	\$ 198.3	\$ 50.0
Accounts payable and accrued liabilities	157.0	264.2
Federal and state income taxes	84.3	40.9
Payables under Russian contract	-	73.0
Uranium owed to customers	54.0	101.7
	-----	-----
Total Current Liabilities	493.6	529.8
Long-Term Debt	500.0	500.0
Other Liabilities		
Advances from customers	17.9	19.2
Depleted uranium disposition	35.4	24.8
Postretirement health and life benefit obligations	97.8	93.0
Other liabilities	55.1	58.0
	-----	-----
Total Other Liabilities	206.2	195.0
Stockholders' Equity		
Preferred stock, par value \$1.00 per share, 25,000,000 shares authorized, none issued	-	-
Common stock, par value \$.10 per share, 250,000,000 shares authorized, 100,320,000 shares and 100,318,000 shares issued	10.0	10.0
Excess of capital over par value	1,071.7	1,072.0
Retained earnings	68.6	71.9
Treasury stock, 9,779,000 shares and 1,142,000 shares	(102.3)	(14.8)
Deferred compensation	(3.8)	(3.7)
	-----	-----
Total Stockholders' Equity	1,044.2	1,135.4
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 2,244.0	\$ 2,360.2
	=====	=====

See notes to consolidated financial statements.

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USEC INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DECEMBER 31,		DECEMBER 31,	
	1999	1998	1999	1998
	-----	-----	-----	-----
Revenue				
Separative Work Units	\$ 431.8	\$ 413.8	\$ 637.0	\$ 721.5
Uranium	15.8	8.6	41.5	8.8
	-----	-----	-----	-----
	447.6	422.4	678.5	730.3

Cost of sales	377.4	330.7	563.8	579.3
	-----	-----	-----	-----
Gross profit	70.2	91.7	114.7	151.0
Project development costs	2.6	27.2	4.0	58.8
Selling, general and administrative	11.2	9.3	23.4	17.2
	-----	-----	-----	-----
Operating income	56.4	55.2	87.3	75.0
Interest expense	9.8	8.8	18.3	15.3
Other (income) expense, net	(2.9)	(2.0)	(5.7)	(3.6)
	-----	-----	-----	-----
Income before income taxes	49.5	48.4	74.7	63.3
Provision (benefit) for income taxes ...	16.9	16.3	26.0	(31.9)
	-----	-----	-----	-----
Net income	\$ 32.6	\$ 32.1	\$ 48.7	\$ 95.2
	=====	=====	=====	=====
Net income per share - basic and diluted	\$.36	\$.32	\$.52	\$.95
Dividends per share	\$.275	\$.275	\$.55	\$.275
Average number of shares outstanding ...	90.6	100.0	94.2	100.0

See notes to consolidated financial statements.

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USEC INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(MILLIONS)

	SIX MONTHS ENDED DECEMBER 31,	
	1999	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 48.7	\$ 95.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	(17.9)	(54.5)
Depreciation and amortization	9.0	9.4
Depleted uranium disposition	14.7	14.4
Suspension of development of AVLIS technology	(32.5)	-
Changes in operating assets and liabilities:		
Accounts receivable - (increase) decrease	15.1	(72.9)
Inventories - (increase) decrease	(17.6)	31.4
Payables under Russian contract, net	(23.0)	23.9
Federal and state income taxes - increase	43.4	17.7
Accounts payable and other liabilities - (decrease)	(72.6)	(32.2)
Other	(4.4)	(2.6)
	-----	-----
Net Cash Provided by (Used in) Operating Activities	(37.1)	29.8
	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES		
Capital expenditures	(35.3)	(16.8)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to stockholders	(52.0)	(27.5)

The number of shares of common stock outstanding amounted to 90.5 million at December 31, 1999, a decline of 8.7 million shares from 99.2 million shares at June 30, 1999. In the six months ended December 31, 1999, 8.8 million shares were repurchased at a cost of \$89.6 million. At December 31, 1999, a total of 9.6 million shares had been repurchased under a program approved by the Board in June 1999 to repurchase up to 10.0 million shares of common stock over a two year period.

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USEC INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. POWER COMMITMENTS

Under the terms of the plant lease, USEC purchases a significant portion of its electric power at amounts based on actual costs incurred under the Department of Energy ("DOE") power contracts with Ohio Valley Electric Corporation ("OVEC") and Electric Energy, Inc. that extend through December 2005. USEC has the right to have DOE terminate the power contracts with notice ranging from three to five years. USEC is responsible for DOE's guarantee of OVEC's short-term borrowings and senior secured notes that amounted to \$22.1 million and \$51.9 million, respectively, at December 31, 1999.

4. SUBSEQUENT EVENTS

On February 3, 2000, the Board of Directors reduced by half the dividend paid on common stock, declaring a quarterly dividend of \$.1375 per share payable March 15, 2000, to shareholders of record on February 25, 2000. In a related action, the Board of Directors approved an expansion of the common stock repurchase program and authorized buying up to an additional 20 million shares by June 2001.

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USEC INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes and management's discussion and analysis of financial condition and results of operations included in the Annual Report on Form 10-K for the fiscal year ended June 30, 1999.

RESULTS OF OPERATIONS - THREE AND SIX MONTHS ENDED DECEMBER 31, 1999 AND 1998

Revenue

Revenue from the sale of SWU amounted to \$431.8 million in the three months ended December 31, 1999, an increase of \$18.0 million (or 4%) over the \$413.8 million in the corresponding period of fiscal 1999. In the six months ended December 31, 1999, revenue was \$637.0 million, a reduction of \$84.5 million (or 12%) from the \$721.5 million in the fiscal 1999 period.

Changes in revenue in the fiscal 2000 periods resulted from a reduction in average prices for separative work units ("SWU") billed to customers, changes in timing of customer nuclear reactor refueling orders, and lower SWU commitment levels of two domestic and a foreign customer. Average SWU prices billed to customers declined 9% and 5% in the three and six months ended December 31, 1999, respectively, compared with the fiscal 1999 periods.

The volume of SWU sold increased 14% in the three months ended December 31, 1999, but declined 7% in the six months ended December 31, 1999, compared with the corresponding periods of fiscal 1999. Revenue and operating results can fluctuate significantly from quarter-to-quarter, and in some cases, year-to-year. Customer requirements are determined by refueling schedules for nuclear reactors, which generally range from 12 to 18 months (or in some cases up to 24 months), and are in turn affected by, among other things, the seasonal nature of electricity demand, reactor maintenance, and reactors beginning or terminating operations.

Revenue in the three months ended December 31, 1999, includes sales of \$42.8 million to customers in Japan to replace SWU stranded at the Tokai-mura uranium processing facility in Japan. Operations at the facility were suspended in September 1999 following an incident involving highly enriched uranium for an experimental reactor. Nuclear fuel services sold by USEC were not involved in the incident. Additional sales to Japanese customers affected by the incident are expected during the remainder of fiscal 2000. As SWU is retrieved from the facility and used by the Japanese customers in fiscal years 2001 and 2002, USEC's sales to such customers may be reduced.

USEC's financial performance over time can be significantly affected by changes in the market price for SWU. As older customer contracts with higher prices expire, USEC's backlog is becoming more heavily weighted with newer contracts with shorter terms and lower prices. In light of this, USEC expects that its backlog will decline over time unless new SWU commitments are added at sufficient levels to offset the impact of shorter term contracts, expiring commitments and lower prices.

Revenue from sales of uranium, primarily uranium hexafluoride, amounted to \$15.8 million and \$41.5 million in the three and six months ended December 31, 1999, compared with \$8.6 million and \$8.8

million in the corresponding periods in fiscal 1999. The level of uranium sales is consistent with USEC's long-range plans developed at the time of privatization. Although uranium prices have declined in the six months ended December 31, 1999, compared with the corresponding period in fiscal 1999, sales of uranium from inventory are expected to continue to generate cash flow.

The percentage of revenue from domestic and international customers follows:

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	1999	1998	1999	1998
Domestic	62%	54%	56%	56%
Asia	35	41	39	34
Europe and other	3	5	5	10
	---	---	---	---
	100%	100%	100%	100%
	===	===	===	===

Revenue from domestic customers declined \$29.3 million (or 7%), revenue from customers in Asia increased \$16.4 million (or 7%), and revenue from customers in Europe and other areas declined \$38.9 million (or 54%) in the six months ended December 31, 1999, compared with the corresponding period of fiscal 1999. The changes in the geographic mix of revenue resulted primarily from replacement SWU sales to Japan, the timing of customers' orders, and the growth in sales of uranium.

Cost of Sales

Cost of sales is based on the quantity of SWU sold during the period and is dependent upon production costs at the plants and purchase costs primarily under the Russian contract. Production costs consist principally of electric power, labor and benefits, depleted uranium disposition costs, materials, and maintenance and repairs. Under the monthly moving average inventory cost method, an increase or decrease in production or purchase costs will have an effect on cost of sales over current and future periods.

Cost of sales amounted to \$377.4 million in the three months ended December 31, 1999, an increase of \$46.7 million (or 14%) compared with \$330.7 million in the corresponding period in fiscal 1999. Cost of sales in the six months ended December 31, 1999, was \$563.8 million, a decline of \$15.5 million (or 3%) from the \$579.3 million in the corresponding period of fiscal 1999. The increase in cost of sales for the three months ended December 31, 1999, reflects the 14% increase in the volume of SWU sold and higher sales of uranium. Cost of sales continues to be adversely affected by increased purchases of SWU under the Russian contract and lower production at the plants. As a percentage of revenue, cost of sales amounted to 83% in the first six months of fiscal 2000, compared with 79% in the corresponding period of fiscal 1999.

USEC purchases a significant portion of its electric power based on long-term contracts with dedicated power generating facilities. Firm power costs vary depending on operating and capital costs incurred at the power generating facilities. Non-firm power costs vary seasonally with rates being higher during winter and summer as a function of the extremity of the weather. USEC's power costs are typically higher in the summer months as almost all of the power supplied to the Paducah plant in the summer months is purchased at market-based rates because it is non-firm power. In the summers of 1999 and 1998, production at the Paducah plant was reduced to mitigate the high cost of non-firm power.

Electric power costs amounted to \$177.4 million in the first six months of fiscal 2000 (representing

52% of production costs) compared with \$199.0 million (representing 55% of production costs) in the corresponding period of fiscal 1999, a reduction of \$21.6 million (or 11%). Power supplied to and purchased for the Portsmouth plant in the six months ended December 31, 1999, was lower than in the corresponding period in fiscal 1999. USEC negotiated and implemented changes to its power supply agreements to limit exposure to high-cost, non-firm power prices at the Paducah plant, to monetize excess power available in the summer of 1999 under the contract to the Portsmouth plant, and to have the ability to move blocks of

power in the summer of 1999 from the Portsmouth plant to the Paducah plant. USEC and one of its major suppliers are in negotiations for a similar supply agreement modification to be in place for the summer of the year 2000. In the six months ended December 31, 1998, persistent hot weather, high electricity demand in the Midwest and power generation shortages had contributed to record high power costs at the Paducah plant.

Costs for labor included in production costs declined 7% compared with the first six months of fiscal 1999. The average number of employees at the plants declined 9% in the first six months of fiscal 2000 compared with the corresponding period in fiscal 1999. In fiscal 1998, USEC had recorded a special charge of \$12.8 million for costs related to severance benefits to be paid to plant workers in connection with workforce reductions, of which \$11.8 million had been paid with respect to 470 workers as of December 31, 1999.

During fiscal 1999 and most of the six months ended December 31, 1999, SWU unit production costs at the Portsmouth plant were adversely affected by low production facility capability due to sub-optimal gaseous diffusion production equipment availability. A significant improvement in equipment availability was achieved in the three months ended December 31, 1999.

Pursuant to the agreement with the U.S. Treasury, USEC has committed to continue operation of the two plants until at least January 2005, subject to limited exceptions, including:

- events beyond the reasonable control of USEC, such as natural disasters;
- a decrease in annual worldwide demand to less than 28 million SWU;
- a decline in the average price for all SWU under USEC's long-term firm contracts to less than \$80 per SWU (in 1998 dollars);
- a decline in the operating margin to below 10% in a consecutive twelve-month period;
- a decline in the interest coverage ratio to below 2.5x in a consecutive twelve-month period; or
- if the long-term corporate credit rating of USEC is, or is reasonably expected in the next twelve months to be, downgraded below an investment grade rating.

On February 4, 2000, Standard & Poor's revised its credit rating of USEC's long-term debt to below investment grade.

USEC is the Executive Agent of the U.S. Government under a government-to-government agreement to purchase the SWU component of enriched uranium recovered from dismantled nuclear weapons from the former Soviet Union for use in commercial electricity production. Cost of sales has been, and will continue to be, adversely affected by amounts paid to purchase SWU under the Russian contract. In addition, since the volume of Russian SWU purchases has increased, USEC has operated the plants at significantly lower production levels resulting in higher unit production costs. Global market prices for SWU have declined below the price being paid for SWU under the Russian contract. Based on preliminary discussions with the U.S. and Russian governments, USEC expects that prices for SWU purchased under the Russian contract will be aligned with market prices beginning in calendar year 2002.

SWU purchased from the Russian Federation represented 45% of the combined produced and purchased supply mix in the six months ended December 31, 1999, compared with 35% in the corresponding period in fiscal 1999. USEC has ordered 5.5 million SWU for delivery under the Russian

contract in calendar year 2000 and expects to order and purchase 5.5 million SWU in calendar 2001.

Gross Profit

Gross profit amounted to \$114.7 million in the first six months of fiscal

2000, a reduction of \$36.3 million (or 24%) from \$151.0 million in the corresponding period in fiscal 1999. Gross margin was 17% compared with 21% in the first six months of fiscal 1999. The reduction reflects the 5% decline in average SWU prices billed to customers.

Project Development Costs

Project development costs amounted to \$4.0 million in the first six months of fiscal 2000 compared with \$58.8 million in the corresponding period in fiscal 1999. Costs incurred in the fiscal 1999 period were primarily for AVLIS. In June 1999, further development of the AVLIS enrichment technology was suspended, resulting in a special charge of \$34.7 million against income in fiscal 1999 for contract termination, shutdown activities and employee benefit arrangements, of which \$33.0 million had been paid as of December 31, 1999.

USEC is evaluating the availability and economics of centrifuge technology and a potential new advanced enrichment technology called "SILEX". Project development costs are expected to be \$18.0 million in fiscal 2000, including costs for SILEX.

Selling, General and Administrative

Selling, general and administrative expense amounted to \$23.4 million in the six months ended December 31, 1999, an increase of \$6.2 million (36%) from \$17.2 million in the corresponding period in fiscal 1999. The increase reflects costs for executive compensation plans, including amortization of the cost of restricted stock grants, and additional corporate staff following the initial public offering in July 1998.

Operating Income

Operating income amounted to \$87.3 million in the first six months of fiscal 2000, an increase of \$12.3 million (or 16%), compared with \$75.0 million in the corresponding period in fiscal 1999. The increase reflects the reduction of \$54.8 million in project development costs following the suspension of AVLIS development in June 1999, partially offset by a lower gross profit.

Interest Expense

Interest expense amounted to \$18.3 million in the six months ended December 31, 1999, an increase of \$3.0 million (20%) from \$15.3 million in the first six months of fiscal 1999. Total long-term and short-term debt outstanding averaged \$567.8 million in the six months ended December 31, 1999 compared with \$480.1 million in the corresponding period in fiscal 1999, an increase of 18%. Prior to July 28, 1998, the date of the initial public offering, USEC had no debt.

As a result of the revised credit rating of USEC's long-term debt to below investment grade on February 4, 2000, USEC anticipates that costs of borrowing under its bank credit facilities will increase.

Provision for Income Taxes

The effective income tax rate was 34.8% in the six months ended December 31, 1999.

USEC became subject to federal, state and local income taxes July 28, 1998, the date of the initial public offering, and the provision for income taxes in the six months ended December 31, 1998 includes a special income tax benefit of \$54.5 million (\$.54 per share) for deferred income tax benefits that arose from the transition to taxable status. Excluding the special tax benefit, the provision for income taxes amounted to \$22.6 million in the six months ended December 31, 1998.

Net Income

Net income amounted to \$48.7 million (or \$.52 per share) in the first six months of fiscal 2000 compared with \$40.7 million (or \$.41 per share), excluding a special tax credit in the corresponding period in fiscal 1999. The increase

reflects lower project development costs following the suspension of AVLIS development in June 1999, partly offset by lower gross profit. Net income was \$95.2 million (or \$.95 per share) in the six months ended December 31, 1998.

The average number shares of common stock outstanding was 94.2 million in the six months ended December 31, 1999, a decline of 5.8 million shares from 100.0 million shares in the corresponding period of fiscal 1999. The reduction reflects the repurchase of shares under a repurchase program authorized in June 1999. At December 31, 1999, there were 90.5 million shares issued and outstanding.

Fiscal 2000 and 2001 Outlook

Based on the results of the first half of fiscal 2000, USEC continues to expect net income of \$110.0 million to \$115.0 million in fiscal 2000, excluding a special charge relating to workforce reductions.

Looking ahead to fiscal 2001 and beyond, USEC expects that its financial condition and results of operations will continue to be adversely affected by unfavorable global market conditions for the sale of enriched uranium and the legal constraints placed on USEC's ability to reduce costs in response to these changed market conditions.

Global overcapacity for uranium enrichment, aggressive competitor pricing, unfavorable currency exchange rate movements and the liquidation by customers and countries of their SWU inventories has maintained significant downward pressure on market prices for enrichment services. With new contracts being signed at substantially lower prices, USEC's average price billed to customers has declined, and is expected to continue to decline, reducing future revenue. Also, the ongoing liquidation of worldwide SWU inventories by customers and countries is reducing the open demand for enrichment services and will negatively affect USEC sales volumes in fiscal 2001.

In the face of this declining market, USEC has recognized that it must reduce its operating costs to remain profitable. USEC's cost structure will continue to be adversely impacted by the substantial volume of Russian enriched uranium USEC must purchase at above-market prices and the resulting lower production volumes and associated higher unit production costs. In addition, notwithstanding the success of USEC's efforts to reduce its exposure to high-priced, non-firm power, the overall cost of power has been rising. Because electricity constitutes more than half of USEC's production costs, rising power prices have a significant negative impact on production costs.

USEC has been constrained in responding to these market conditions by its privatization agreement with the U.S. Treasury Department. This agreement restricts the actions that USEC can take to reduce

operating costs. Within those constraints, however, USEC has and will continue to concentrate on cost reductions. For example, USEC is in discussions with one of its major power suppliers to conclude a new, one-year power supply agreement for the summer of 2000 with benefits similar to one signed last year that provided \$30 million in pre-tax savings.

During calendar year 2000, USEC expects to purchase 5.5 million SWU from Russia, which is almost half of expected sales. To balance production with expected SWU purchases from Russia, USEC will decrease production and expects to operate its two production plants at about one-quarter of their nameplate capacity in fiscal 2001. This will force USEC to implement a reduction in the workforce in July 2000 when one of the government restrictions ends. USEC expects to reduce the number of production employees by about 850, or 20 percent of the workforce. The reductions will be divided approximately equally between the two production plants. This will result in approximately \$39.0 million in annual production cost savings. A special charge will be taken in fiscal 2000 to reflect the one-time cost associated with employee severance expense. In addition, USEC will reduce its headquarters costs.

Negotiations are now underway to develop the framework for a market-based pricing mechanism for the purchase of Russian SWU. USEC hopes to conclude these

negotiations this year, with implementation of market-based pricing in January 2002.

Based on a review of operations, USEC expects fiscal year 2001 net income will be between \$35 million and \$45 million. These amounts depend upon USEC achieving additional one-year power supply agreements for summer power with benefits similar to the one signed last year. It also assumes the reduction in labor costs resulting from the planned July 2000 workforce reduction at the production plants.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Cash Flows

Net cash flows from operating activities amounted to an outflow of \$37.1 million in the six months ended December 31, 1999, compared with an inflow of \$29.8 million in the corresponding period of fiscal 1999. The outflow in the fiscal 2000 period reflects an acceleration of \$96.6 million paid in December 1999 for SWU purchased under the Russian contract. Standard payment terms would have resulted in payments in January and February 2000. The fiscal 2000 period also reflects payments of \$32.5 million relating to suspension of development of the AVLIS technology, and the first semiannual payment of \$16.7 million in July 1999 for interest on senior notes issued in January 1999.

Capital expenditures amounted to \$35.3 million in the six months ended December 31, 1999, compared with \$16.8 million in the corresponding period in fiscal 1999. Capital expenditures include costs for seismic upgrades at the Paducah plant, required by the NRC Compliance Plan, to reduce the risk of release of radioactive and hazardous material in the event of an earthquake. During fiscal 2000, USEC expects its capital expenditures will approximate \$71.0 million, including costs for seismic upgrades and costs to upgrade the Paducah plant's capability to produce enriched uranium up to 5.5% U235.

In June 1999, the Board of Directors approved a share repurchase program of up to 10.0 million shares of common stock over a two year period. In the six months ended December 31, 1999, 8.8 million shares were repurchased at a cost of \$89.6 million. At December 31, 1999, a total of 9.6 million shares had been repurchased since the inception of the program.

Dividends paid to stockholders amounted to \$52.0 million in the first six months of fiscal 2000 compared with \$27.5 million in the fiscal 1999 period. There was no dividend payment in the first quarter of fiscal 1999 as USEC began quarterly dividend payments in December 1999.

On February 3, 2000, the Board of Directors reduced by half the dividend paid on common stock, declaring a quarterly dividend of \$.1375 per share payable March 15, 2000, to shareholders of record on February 25, 2000. In a related action, the Board of Directors approved an expansion of the common stock repurchase program and authorized buying up to an additional 20 million shares by June 2001.

Capital Structure and Financial Resources

In January 1999, USEC issued \$350.0 million of 6.625% senior notes due January 2006 and \$150.0 million of 6.750% senior notes due January 2009. The senior notes are unsecured obligations and rank on a parity with all other unsecured and unsubordinated indebtedness of USEC Inc.

In November 1999, USEC increased its available lines of credit by \$100.0 million under a new credit facility with rates and covenants similar to an existing credit facility. Commitments available under bank credit facilities amounted to \$400.0 million at December 31, 1999, as follows: \$100.0 million under a revolving credit facility expiring May 2000, \$150.0 million under a revolving credit facility convertible in July 2000 into a one-year term loan, and \$150.0 million under a revolving credit facility expiring July 2003. Short-term borrowings amounted to \$198.3 million at December 31, 1999, with a weighted average interest rate of 6.64%.

Net working capital amounted to \$903.5 million, including net inventories of

\$929.3 million, at December 31, 1999, compared with \$943.3 million, including net inventories of \$831.7 million, at June 30, 1999. The total debt-to-capitalization ratio was 40% at December 31, 1999, compared with 33% at June 30, 1999, reflecting the increase in short-term borrowings at December 31, 1999.

USEC expects that its cash, internally generated funds from operating activities, and available financing sources under the bank credit facilities will be sufficient to meet its obligations as they become due, to fund operating requirements of the plants, purchases of SWU under the Russian contract, capital expenditures, interest expense, quarterly dividends, and repurchases of shares of common stock.

CHANGING PRICES AND INFLATION

The plants require substantial amounts of electric power to enrich uranium. Information with respect to electric power prices and costs is included above.

A majority of USEC's long-term requirements contracts with customers generally provide for prices that are subject to adjustment for inflation.

IMPACT OF YEAR 2000

As a result of software modification and computer systems upgrades by USEC and its vendors, USEC experienced no problems related to the year 2000. Costs for software modifications and systems upgrades to resolve year 2000 issues aggregated \$12.2 million through December 31, 1999.

USEC INC.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 1999, the balance sheet carrying amounts for cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate fair value because of the short-term nature of the instruments.

As a result of variable interest rates, the fair value of short-term debt approximates its carrying value. The fair value of long-term debt is calculated based on a spread over U.S. Treasury securities with similar maturities. The repayment schedule of short-term debt based on maturity dates available under the bank credit facilities, the scheduled maturity dates of long-term debt, the balance sheet carrying amounts at December 31, 1999, and related fair values follow (millions):

MATURITY DATES

	DUE WITHIN ONE YEAR -----	JANUARY 2006 ----	JANUARY 2009 ----	BALANCE SHEET CARRYING AMOUNT -----	FAIR VALUE -----
Short-term debt.....	\$198.3			\$198.3	\$198.3
Long-term debt:					
6.625% senior notes.....		\$350.0		350.0	315.0
6.750% senior notes.....			\$150.0	150.0	129.5
				-----	-----
				\$698.3	\$642.8
				=====	=====

USEC INC.

PART II. OTHER INFORMATION

LEGAL PROCEEDINGS

None

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

USEC held its annual meeting of shareholders on November 3, 1999. As of the September 10, 1999 record date, there were 97.5 million shares of common stock outstanding and entitled to vote. 94.1% of those shares were represented at the annual meeting.

A board of seven directors (listed below) was elected at the annual meeting. Each director holds office until the next annual meeting. There was no solicitation in opposition to the nominees proposed in the proxy statement, and there were no abstentions or broker non-votes.

	FOR ---	WITHHELD -----
James R. Mellor, Chairman	91,388,673	358,275
Joyce F. Brown	91,361,564	385,384
Frank V. Cahouet*	91,396,379	350,569
John R. Hall	84,312,224	7,434,724
Dan T. Moore, III	91,410,985	335,963
William H. Timbers, Jr.	91,418,801	328,147
William H. White	91,412,653	334,295

* Frank V. Cahouet retired from the Board of Directors effective January 15, 2000.

The appointment of Arthur Andersen LLP as independent auditors for fiscal 2000 was ratified with 91,417,774 votes for (99.8% of votes cast) and 136,239 against (.2% of votes cast). There were 192,935 abstentions and no broker non-votes.

EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

EXHIBIT NO. -----	DESCRIPTION -----
10.41	USEC Inc. 401(k) Restoration Plan, effective January 1, 2000.
10.42	Revolving Loan Agreement, dated November 15, 1999, among Bank of America, N.A., First Union National Bank, and USEC Inc.
27	Financial Data Schedule.

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended December 31, 1999.

SIGNATURE

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

USEC INC.

February 7, 2000

By /s/ Henry Z Shelton, Jr.

HENRY Z SHELTON, JR.
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

USEC INC.
EXHIBIT INDEX

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27	Financial Data Schedule.

Exhibit 10.41

USEC Inc. 401(k) Restoration Plan

- 10.41a USEC Inc. 401(k) Restoration Plan Basic Plan Document
- 10.41b Amendment to the Basic Plan Document
- 10.41c Second Amendment to the Basic Plan Document
- 10.41d USEC Inc. 401(k) Restoration Plan Adoption Agreement
- 10.41e Amendment to the Adoption Agreement
- 10.41f Second Amendment to the Adoption Agreement

EXHIBIT 10.41a

THE CORPORATE PLAN FOR RETIREMENT SELECT PLAN

BASIC PLAN DOCUMENT

IMPORTANT NOTE

THIS DOCUMENT IS NOT AN IRS APPROVED PROTOTYPE PLAN. AN ADOPTING EMPLOYER MAY NOT RELY SOLELY ON THIS PLAN TO ENSURE THAT THE PLAN IS "UNFUNDED AND MAINTAINED PRIMARILY FOR THE PURPOSE OF PROVIDING DEFERRED COMPENSATION TO A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES" AND EXEMPT FROM PARTS 2 THROUGH 4 OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 WITH RESPECT TO THE EMPLOYER'S PARTICULAR SITUATION. FIDELITY MANAGEMENT TRUST COMPANY, ITS AFFILIATES AND EMPLOYEES MAY NOT PROVIDE YOU WITH LEGAL ADVICE IN CONNECTION WITH THE EXECUTION OF THIS DOCUMENT. THIS DOCUMENT SHOULD BE REVIEWED BY YOUR ATTORNEY AND/OR ACCOUNTANT PRIOR TO EXECUTION.

CPR SELECT
 BASIC PLAN DOCUMENT

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- 11.03 - Claims and Review Procedures
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PREAMBLE

IT IS THE INTENTION OF THE EMPLOYER TO ESTABLISH HEREIN AN UNFUNDED PLAN MAINTAINED SOLELY FOR THE PURPOSE OF PROVIDING DEFERRED COMPENSATION FOR A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES FOR PURPOSES OF TITLE I OF ERISA.

ARTICLE 1. ADOPTION AGREEMENT.

ARTICLE 2. DEFINITIONS.

2.01. DEFINITIONS.

(a) Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

(1) "Account" means an account established on the books of the Employer for the purpose of recording amounts credited on behalf of a Participant and any income, expenses, gains or losses included thereon.

(2) "Administrator" means the Employer adopting this Plan, or other person designated by the Employer in Section 1.01(b).

(3) "Adoption Agreement" means Article 1 under which the Employer establishes and adopts or amends the Plan and designates the optional provisions selected by the Employer. The provisions of the Adoption Agreement shall be an integral part of the Plan.

(4) "Beneficiary" means the person or persons entitled under Section 7.02 to receive benefits under the Plan upon the death of a Participant.

(5) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(6) "Compensation" shall mean for purposes of Article 4 (Contributions) wages as defined in Section 3401(a) of the Code and all other payments of compensation to an employee by the employer (in the course of the employers trade or business) for which the employer is required to furnish the employee a written statement under Section 6041(d) and 6051(a)(3) of the Code, excluding any items elected by the Employer in Section 1.04, reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits, but including amounts that are not includable in the gross income of the Participant under a salary reduction agreement by reason of the application of Sections 125, 402(a)(8), 402(h), or 403(b) of the Code. Compensation must be determined without regard to any rules under Section 3401(a) of the Code that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code).

Compensation shall generally be based on the amount that would have been actually paid to the Participant during the Plan Year but for an election under Section 4.01.

In the case of any Self-Employed Individual or an Owner-Employee Compensation shall mean the Individual's Earned Income.

(7) "Earned Income" means the net earnings of a Self-Employed Individual derived from the trade or business with respect to which the Plan is established and for which the personal services of such individual are a material income-providing factor, excluding any items not included in gross income and the deductions allocated to such items, except that for taxable years beginning after December 31, 1989 net earnings shall be determined with regard to the deduction allowed under Section 164(f) of the Code, to the extent applicable to the Employer. Net earnings shall be reduced by contributions of the Employer to any qualified plan, to the extent a deduction is allowed to the Employer for such contributions under Section 404 of the Code.

(8) "Employee" means any employee of the Employer, Self-Employed Individual or Owner-Employee.

(9) "Employer" means the employer named in Section 1.02(a) and any Related Employers designated in Section 1.02(b).

(10) "Employment Commencement Date" means the date on which the Employee first performs an Hour of Service.

(11) "ERISA" means the Employee Retirement Income Security Act of 1974, as from time to time amended.

(12) "Fidelity Fund" means any Registered Investment Company which is made available to plans utilizing the CORPORATEplan for Retirement Select Plan.

(13) "Fund Share" means the share, unit, or other evidence of ownership in a Fidelity Fund.

(14) "Hour of Service" means, with respect to any Employee,

(A) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, for the performance of duties for the Employer or a Related Employer, each such hour to be credited to the Employee for the computation period in which the duties were performed;

(B) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer or Related Employer (including payments made or due from a trust fund or insurer to which the Employer contributes or pays premiums) on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty, or leave of absence, each such hour to be credited to the Employee for the Eligibility Computation Period in which such period of time occurs, subject to the following rules:

(i) No more than 501 Hours of Service shall be credited under this paragraph (B) on account of any single continuous period during which the Employee performs no duties;

(ii) Hours of Service shall not be credited under this paragraph (B) for a payment which solely reimburses the Employee for medically-related expenses, or which is made or due under a plan maintained solely for the purpose of complying with applicable workmen's compensation,

unemployment compensation or disability insurance laws;
and

(iii) If the period during which the Employee performs no duties falls within two or more computation periods and if the payment made on account of such period is not calculated on the basis of units of time, the Hours of Service credited with respect to such period shall be allocated between not more than the first two such computation periods on any reasonable basis consistently applied with respect to similarly situated Employees; and

(C) Each hour not counted under paragraph (A) or (B) for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to be paid by the Employer or a Related Employer, each such hour to be credited to the Employee for the computation period to which the award or agreement pertains rather than the computation period in which the award agreement or payment is made.

For purposes of determining Hours of Service, Employees of the Employer and of all Related Employers will be treated as employed by a single employer. For purposes of paragraphs (B) and (C) above, Hours of Service will be calculated in accordance with the provisions of Section 2530.200b-2(b) of the Department of Labor regulations which are incorporated herein by reference.

Solely for purposes of determining whether a break in service for participation purposes has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the hours of service which would otherwise been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 hours of service per day of such absence. For purposes of this paragraph, an absence from work for maternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of a birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The hours of service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a break in service in that period, or (2) in all other cases, in the following computation period.

(15) "Normal Retirement Age" means the normal retirement age specified in Section 1.06(a) of the Adoption Agreement.

(16) "Owner-Employee" means, if the Employer is a sole proprietorship, the individual who is the sole proprietor, or if the Employer is a partnership, a partner who owns more than 10 percent of either the capital interest or the profits interest of the partnership.

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(17) "Participant" means any Employee who participates in the Plan in accordance with Article 3 hereof.

(18) "Plan" means the plan established by the Employer as set forth herein as a new plan or as an amendment to an existing plan, by executing the Adoption Agreement, together with any and all amendments hereto.

(19) "Plan Year" means the 12-consecutive month period designated by the Employer in Section 1.01(d).

(20) "Registered Investment Company" means any one or more corporations, partnerships or trusts registered under the Investment Company Act of 1940 for which Fidelity Management and Research Company serves as investment advisor.

(21) "Related Employer" means any employer other than the Employer named in Section 1.02(a), if the Employer and such other employer are members of a controlled group of corporations (as defined in Section 414(b) of the Code) or an affiliated service group (as defined in Section 414(m)), or are trades or businesses (whether or not incorporated) which are under common control (as defined in Section 414(c)), or such other employer is required to be aggregated with the Employer pursuant to regulations issued under Section 414(o).

(22) "Self-Employed Individual" means an individual who has Earned Income for the taxable year from the Employer or who would have had Earned Income but for the fact that the trade or business had no net profits for the taxable year.

(23) "Trust" means the trust created by the Employer.

(24) "Trust Agreement" means the agreement between the Employer and the Trustee, as set forth in a separate agreement, under which assets are held, administered, and managed subject to the claims of the Employer's creditors in the event of the Employer's insolvency, until paid to Plan Participants and their Beneficiaries as specified in the Plan.

(25) "Trust Fund" means the property held in the Trust by the Trustee.

(26) "Trustee" means the corporation or individuals appointed by the Employer to administer the Trust in accordance with the Trust Agreement.

(27) "Years of Service for Vesting" means, with respect to any Employee, the number of whole years of his periods of service with the Employer or a Related Employer (the elapsed time method to compute vesting service), subject to any exclusions elected by the Employer in Section 1.07(b). An Employee will receive credit for the aggregate of all time period(s) commencing with the Employee's Employment Commencement Date and ending on the date a break in service begins, unless any such years are excluded by Section 1.07(b). An Employee will also receive credit for any period of severance of less than 12 consecutive months. Fractional periods of a year will be expressed in terms of days.

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In the case of a Participant who has 5 consecutive 1-year breaks in service, all years of service after such breaks in service will be disregarded for the purpose of vesting the Employer-derived account balance that accrued before such breaks, but both pre-break and post-break service will count for the purposes of vesting the Employer-derived account balance that accrues after such breaks. Both accounts will share in the earnings and losses of the fund.

In the case of a Participant who does not have 5 consecutive 1-year breaks in service, both the pre-break and post-break service will count in vesting both the pre-break and post-break employer-derived account balance.

A break in service is a period of severance of at least 12 consecutive months. Period of severance is a continuous period of time during which the Employee is not employed by the Employer. Such period begins on the date the Employee retires, quits or is discharged, or if earlier, the 12 month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a break in service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

If the Plan maintained by the Employer is the plan of a predecessor employer, an Employee's Years of Service for Vesting shall include years of service with such predecessor employer. In any case in which the Plan maintained by the Employer is not the plan maintained by a predecessor employer, service for such predecessor shall be treated as service for the Employer to the extent provided in Section 1.08.

(b) Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise.

ARTICLE 3. PARTICIPATION.

3.01. DATE OF PARTICIPATION. An eligible Employee (as set forth in Section 1.03(a)) will become a Participant in the Plan on the first Entry Date after which he becomes an eligible Employee if he has filed an election pursuant to Section 4.01. If the eligible Employee does not file an election pursuant to Section 4.01 prior to his first Entry Date, then the eligible Employee will become a Participant in the Plan as of the first day of a Plan Year for which he has filed an election.

3.02. RESUMPTION OF PARTICIPATION FOLLOWING RE EMPLOYMENT. If a Participant ceases to be an Employee and thereafter returns to the employ of the Employer he will again become a Participant as of an Entry Date following the date on which he completes an Hour of Service for the Employer following his re employment, if he is an eligible Employee as defined in Section 1.03(a), and has filed an election pursuant to Section 4.01.

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3.03. CESSATION OR RESUMPTION OF PARTICIPATION FOLLOWING A CHANGE IN STATUS. If any Participant continues in the employ of the Employer or Related Employer but ceases to be an eligible Employee as defined in Section 1.03(a), the individual shall continue to be a Participant until the entire amount of his benefit is distributed; however, the individual shall not be entitled to make Deferral Contributions or receive an allocation of Matching contributions during the period that he is not an eligible Employee. Such Participant shall continue to receive credit for service completed during the period for purposes of determining his vested interest in his Accounts. In the event that the individual subsequently again becomes an eligible Employee, the individual shall resume full participation in accordance with Section 3.01.

ARTICLE 4. CONTRIBUTIONS.

4.01. DEFERRAL CONTRIBUTIONS. Each Participant may elect to execute a salary reduction agreement with the Employer to reduce his Compensation by a specified percentage not exceeding the percentage set forth in Section 1.05(a) and equal to a whole number multiple of one (1) percent. Such agreement shall become effective on the first day of the period as set forth in the Participant's election. The election will be effective to defer Compensation relating to all services performed in a Plan Year subsequent to the filing of such an election. An election once made will remain in effect until a new election is made. A new election will be effective as of the first day of the following Plan Year and will apply only to Compensation payable with respect to services rendered after such date. Amounts credited to a Participant's account prior to the effective date of any new election will not be affected and will be paid in accordance with that prior election. The Employer shall credit an amount to the account maintained on behalf of the Participant corresponding to the amount of said reduction. Under no circumstances may a salary reduction agreement be adopted retroactively. A Participant may not revoke a salary reduction agreement for a Plan year during that year.

4.02. MATCHING CONTRIBUTIONS. If so provided by the Employer in Section 1.05(b), the Employer shall make a Matching Contribution to be credited to the account maintained on behalf of each Participant who had Deferral Contributions made on his behalf during the year and who meets the requirement, if any, of Section 1.05(b) (3). The amount of the Matching Contribution shall be determined in accordance with Section 1.05(b).

4.03. TIME OF MAKING EMPLOYER CONTRIBUTIONS. The Employer will from time to time

make a transfer of assets to the Trustee for each Plan Year. The Employer shall provide the Trustee with information on the amount to be credited to the separate account of each Participant maintained under the Trust.

ARTICLE 5. PARTICIPANTS' ACCOUNTS.

5.01. INDIVIDUAL ACCOUNTS. The Administrator will establish and maintain an Account for each Participant which will reflect Matching and Deferral Contributions credited to the Account on behalf of the Participant and earnings, expenses, gains and losses credited thereto, and deemed investments made with amounts in the Participant's Account. The Administrator will establish and maintain such other accounts and records as it decides in its discretion to be reasonably required or appropriate in order to discharge its duties under the Plan. Participants will be furnished statements of their Account values at least once each Plan Year.

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ARTICLE 6. INVESTMENT OF CONTRIBUTIONS.

6.01. MANNER OF INVESTMENT. All amounts credited to the Accounts of Participants shall be treated as though invested and reinvested only in eligible investments selected by the Employer in Section 1.11(b).

6.02. INVESTMENT DECISIONS. Investments in which the Accounts of Participants shall be treated as invested and reinvested shall be directed by the Employer or by each Participant, or both, in accordance with the Employer's election in Section 1.11(a).

(a) All dividends, interest, gains and distributions of any nature earned in respect of Fund Shares in which the Account is treated as investing shall be credited to the Account as though reinvested in additional shares of that Fidelity Fund.

(b) Expenses attributable to the acquisition of investments shall be charged to the Account of the Participant for which such investment is made.

ARTICLE 7. RIGHT TO BENEFITS.

7.01. NORMAL OR EARLY RETIREMENT. If provided by the Employer in Section 1.07(d), each Participant who attains his Normal Retirement Age or Early Retirement Age will have a nonforfeitable interest in his Account in accordance with the vesting schedule elected in Section 1.07. If a Participant retires on or after attainment of Normal or Early Retirement Age, such retirement is referred to as a normal retirement. On or after his normal retirement, the balance of the Participant's Account, plus any amounts thereafter credited to his Account, subject to the provisions of Section 7.06, will be distributed to him in accordance with Article 8.

If provided by the Employer in Section 1.06, a Participant who separates from service before satisfying the age requirements for early retirement, but has satisfied the service requirement will be entitled to the distribution of his Account, subject to the provisions of Section 7.06, in accordance with Article 8, upon satisfaction of such age requirement.

7.02. DEATH. If a Participant dies before the distribution of his Account has commenced, or before such distribution has been completed, his Account shall become vested in accordance with the vesting schedule elected in Section 1.07 and his designated Beneficiary or Beneficiaries will be entitled to receive the balance or remaining balance of his Account, plus any amounts thereafter credited to his Account, subject to the provisions of Section 7.06. Distribution to the Beneficiary or Beneficiaries will be made in accordance with Article 8.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries by giving notice to the Administrator on a form designated by the Administrator. If more than one person is designated as the Beneficiary, their respective interests shall be as indicated on the designation form.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's Account, such amount will be paid to his surviving spouse or, if none, to his estate (such spouse or estate shall be deemed to be the Beneficiary for purposes of the Plan). If a Beneficiary dies after benefits to such Beneficiary have commenced, but before they have been completed, and, in the opinion of the Administrator, no person has been designated to receive such remaining benefits, then such benefits shall be paid to the deceased Beneficiary's estate.

7.03. OTHER TERMINATION OF EMPLOYMENT. If provided by the Employer in Section 1.06, if a Participant terminates his employment for any reason other than death or normal retirement, he will be entitled to a termination benefit equal to (i) the vested percentage(s) of the value of the Matching Contributions to his Account, as adjusted for income, expense, gain, or loss, such percentage(s) determined in accordance with the vesting schedule(s) selected by the Employer in Section 1.07, and (ii) the value of the Deferral Contributions to his Account as adjusted for income, expense, gain or loss. The amount payable under this Section 7.03 will be subject to the provisions of Section 7.06 and will be distributed in accordance with Article 8.

7.04. SEPARATE ACCOUNT. If a distribution from a Participant's Account has been made to him at a time when he has a nonforfeitable right to less than 100 percent of his Account, the vesting schedule in Section 1.07 will thereafter apply only to amounts in his Account attributable to Matching Contributions allocated after such distribution. The balance of his Account immediately after such distribution will be transferred to a separate account which will be maintained for the purpose of determining his interest therein according to the following provisions.

At any relevant time prior to a forfeiture of any portion thereof under Section 7.05, a Participant's nonforfeitable interest in his Account held in a separate account described in the preceding paragraph will be equal to $P(AB + (RxD)) - (RxD)$, where P is the nonforfeitable percentage at the relevant time determined under Section 7.05; AB is the account balance of the separate account at the relevant time; D is the amount of the distribution; and R is the ratio of the account balance at the relevant time to the account balance after distribution. Following a forfeiture of any portion of such separate account under Section 7.05 below, any balance in the Participant's separate account will remain fully vested and nonforfeitable.

7.05. FORFEITURES. If a Participant terminates his employment, any portion of his Account (including any amounts credited after his termination of employment) not payable to him under Section 7.03 will be forfeited by him. For purposes of this paragraph, if the value of a Participant's vested account balance is zero, the Participant shall be deemed to have received a distribution of his vested interest immediately following termination of employment. Such forfeitures will be applied to reduce the contributions of the Employer under the Plan (or administrative expenses of the Plan).

7.06. ADJUSTMENT FOR INVESTMENT EXPERIENCE. If any distribution under this Article 7 is not made in a single payment, the amount remaining in the Account after the distribution will be subject to adjustment until distributed to reflect the income and gain or loss on the investments in which such amount is treated as invested and any expenses properly charged under the Plan and Trust to such amounts.

7.07. HARDSHIP WITHDRAWALS. Subject to the provisions of Article 8, a Participant shall not be permitted to withdraw his Account (and earnings thereon) prior to retirement or termination of employment, except if permitted

under Section 1.09, a Participant may apply to the Administrator to withdraw some or all of his Account if such withdrawal is made on account of a hardship as determined by the Employer.

ARTICLE 8. DISTRIBUTION OF BENEFITS PAYABLE AFTER TERMINATION OF SERVICE.

8.01. DISTRIBUTION OF BENEFITS TO PARTICIPANTS AND BENEFICIARIES.

(a) Distributions under the Plan to a Participant or to the Beneficiary of the Participant shall be made in a lump sum in cash or, if elected by the Employer in Section 1.10 and specified in the Participant's deferral election, under a systematic withdrawal plan (installment(s))not exceeding 10 years upon retirement, death or other termination of employment.

(b) Distributions under a systematic withdrawal plan must be made in substantially equal annual, or more frequent, installments, in cash, over a period certain which does not extend 10 years. The period certain specified in a Participant's first deferral election specifying distribution under a systematic withdrawal plan shall apply to all subsequent elections of distributions under a systematic withdrawal plan made by the Participant.

8.02. DETERMINATION OF METHOD OF DISTRIBUTION. The Participant will determine the method of distribution of benefits to himself and the method of distribution to his Beneficiary. Such determination will be made at the time the Participant makes a deferral election. If the Participant does not determine the method of distribution to him or his Beneficiary, the method shall be a lump sum.

8.03. NOTICE TO TRUSTEE. The Administrator will notify the Trustee in writing whenever any Participant or Beneficiary is entitled to receive benefits under the Plan. The Administrator's notice shall indicate the form, amount and frequency of benefits that such Participant or Beneficiary shall receive.

8.04. TIME OF DISTRIBUTION. In no event will distribution to a Participant be made later than the date specified by the Participant in his salary reduction agreement.

ARTICLE 9. AMENDMENT AND TERMINATION.

9.01 AMENDMENT BY EMPLOYER. The Employer reserves the authority to amend the Plan by filing with the Trustee an amended Adoption Agreement, executed by the Employer only, on which said Employer has indicated a change or changes in provisions previously elected by it. Such changes are to be effective on the effective date of such amended Adoption Agreement. Any such change notwithstanding, no Participant's Account shall be reduced by such change below the amount to which the Participant would have been entitled if he had voluntarily left the employ of the Employer immediately prior to the date of the change. The Employer may from time to time make any amendment to the Plan that may be necessary to satisfy the Code or ERISA. The Employer's board of directors or other individual specified in the resolution adopting this Plan shall act on behalf of the Employer for purposes of this Section 9.01.

9.02 RETROACTIVE AMENDMENTS. An amendment made by the Employer in accordance with Section 9.01 may be made effective on a date prior to the first day of the Plan Year in which it is adopted if such amendment is necessary or appropriate to enable the Plan and Trust to satisfy the applicable requirements of the Code or ERISA or to conform the Plan to any change in federal law or to any regulations or ruling thereunder. Any retroactive amendment by the Employer shall be subject to the provisions of Section 9.01.

9.03. TERMINATION. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, said Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan or terminate the

Plan at any time by written notice delivered to the Trustee without any liability hereunder for any such discontinuance or termination.

9.04. DISTRIBUTION UPON TERMINATION OF THE PLAN. Upon termination of the Plan, no further Deferral Contributions or Matching Contributions shall be made under the Plan, but Accounts of Participants maintained under the Plan at the time of termination shall continue to be governed by the terms of the Plan until paid out in accordance with the terms of the Plan.

ARTICLE 10. MISCELLANEOUS.

10.01. COMMUNICATION TO PARTICIPANTS. The Plan will be communicated to all Participants by the Employer promptly after the Plan is adopted.

10.02. LIMITATION OF RIGHTS. Neither the establishment of the Plan and the Trust, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the Employer, Administrator or Trustee, except as provided herein; and in no event will the terms of employment or service of any Participant be modified or in any way affected hereby.

10.03. NONALIENABILITY OF BENEFITS. The benefits provided hereunder will not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, either voluntarily or involuntarily, and any attempt to cause such benefits to be so subjected will not be recognized, except to such extent as may be required by law.

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10.04. FACILITY OF PAYMENT. In the event the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Trustee to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments shall be complete acquittance therefore, and any such payment to the extent thereof, shall discharge the liability of the Trust for the payment of benefits hereunder to such recipient.

10.05. INFORMATION BETWEEN EMPLOYER AND TRUSTEE. The Employer agrees to furnish the Trustee, and the Trustee agrees to furnish the Employer with such information relating to the Plan and Trust as may be required by the other in order to carry out their respective duties hereunder, including without limitation information required under the Code or ERISA and any regulations issued or forms adopted thereunder.

10.06. NOTICES. Any notice or other communication in connection with this Plan shall be deemed delivered in writing if addressed as provided below and if either actually delivered at said address or, in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified:

(a) If to the Employer or Administrator, to it at the address set forth in the Adoption Agreement, to the attention of the person specified to receive notice in the Adoption Agreement;

(b) If to the Trustee, to it at the address set forth in the Trust Agreement;

or, in each case at such other address as the addressee shall have specified by written notice delivered in accordance with the foregoing to the addressor's then effective notice address.

10.07. GOVERNING LAW. The Plan and the accompanying Adoption Agreement will be construed, administered and enforced according to ERISA, and to the extent not preempted thereby, the laws of the Commonwealth of Massachusetts.

ARTICLE 11. PLAN ADMINISTRATION.

11.01. POWERS AND RESPONSIBILITIES OF THE ADMINISTRATOR. The Administrator has the full power and the full responsibility to administer the Plan in all of its details, subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

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- (d) To administer the claims and review procedures specified in Section 11.03;
- (e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid;
- (g) To authorize the payment of benefits;
- (h) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;
- (i) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;
- (j) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan;

11.02. NONDISCRIMINATORY EXERCISE OF AUTHORITY. Whenever, in the administration of the Plan, any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.

11.03. CLAIMS AND REVIEW PROCEDURES.

- (a) Claims Procedure. If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Administrator (or within 180 days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial 90-day period). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.
- (b) Review Procedure. Within 60 days after the date on which a person receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner

calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Administrator (or within 120 days, if special circumstances require an extension of time for processing the request, such as an

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election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period). If the decision on review is not made within such period, the claim will be considered denied.

11.04. COSTS OF ADMINISTRATION. Unless some or all costs and expenses are paid by the Employer, all reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator and the Trustee in administering the Plan and Trust will be paid first from the forfeitures (if any) resulting under Section 7.05, then from the remaining Trust Fund. All such costs and expenses paid from the Trust Fund will, unless allocable to the Accounts of particular Participants, be charged against the Accounts of all Participants on a prorata basis or in such other reasonable manner as may be directed by the Employer.

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EXHIBIT 10.41b

THE CORPORATEPLAN FOR RETIREMENT SELECT PLAN

AMENDMENT TO BASIC PLAN DOCUMENT

This Amendment to the Basic Plan Document of the USEC Inc. CORPORATEplan for Retirement Select Plan (the "Plan") is to effect certain modifications to the Plan as provided hereunder:

1. Section 2.01(a) (6) is hereby amended to read in its entirety:

(6) "Compensation" shall mean wages as defined in Section 3401(a) of the Code and all other payments of compensation to an Employee by the Employer (in the course of the employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Section 6041(d) and 6051(a)(3) of the code, excluding reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses and welfare benefits, but including (A) amounts deferred by an Employee under the terms of this Plan, the Qualified Plan and any other nonqualified deferred compensation plans maintained by the Employer, and (B) amounts included in an Employee's taxable income upon the lapse of restrictions on shares of restricted common stock of the Employer awarded under the USEC, Inc. Annual Incentive Program and governed by the USEC, Inc. 1999 Equity Incentive Plan.

2. Section 2.01(a) is hereby amended to add the following definitions:

(28) "Disabled/Disability" shall have the same meaning as "Disabled" and "Disability" as provided in the Employer's Long-Term Disability Plan.

(29) "Qualified Plan" shall mean U.S. Enrichment Corporation's 401(k) plan as in effect on the date of the adoption of this Plan and as amended from time to time, titled The USEC Inc. Plan.

3 Section 4.03 shall be amended to read in its entirety:

4.03. Time of Making Employer Contributions. The Employer shall make a transfer of assets to the Trustee on each pay period in accordance with Section 1.05(b). The Employer shall provide the Trustee with information on the amount

to be credited to the separate account of each Participant maintained under the Trust.

4 Section 7.02 shall be amended to read in its entirety:

7.02. Death or Disability. If a Participant dies or is Disabled before the distribution of his Account has commenced, or before such distribution has been completed, his Account shall become fully vested in accordance with the vesting schedule elected in Section 1.07 and, in the event of Participant's death, his designated Beneficiary or Beneficiaries, or, in the event of Participant's Disability, the Participant,

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will be entitled to receive the balance or remaining balance of his Account, plus any amounts thereafter credited to his Account, subject to the provisions of Section 7.06. Distribution to the Disabled Participant or to the Beneficiary or Beneficiaries will be made in accordance with Article 8.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries by giving notice to the Administrator on a form designated by the Administrator. If more than one person is designated as the Beneficiary, their respective interests shall be as indicated on the designation form.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's Account, such amount will be paid to his surviving spouse or, if none, to his estate (such spouse or estate shall be deemed to be the Beneficiary for purposes of the Plan). If a Beneficiary dies after benefits to such Beneficiary have commenced, but before they have been completed, and, in the opinion of the Administrator, no person has been designated to receive such remaining benefits, then such benefits shall be paid to the deceased Beneficiary's estate.

5. Section 7.07 shall be amended to include the following:

For purposes of this Plan, a hardship shall mean an unanticipated emergency caused by an event beyond the control of the Participant that would result in sever financial hardship to the Participant resulting from (i) a sudden and unexpected illness or accident of the Participant or a dependent of the Participant, (ii) a loss of the Participant's property due to casualty, or (iii) such other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Employer.

6. Section 11.03 shall be amended to read in its entirety:

11.03. Claims and Review Procedure.

(a) Claims Procedure. Benefits shall be paid in accordance with the provisions of this Plan. The Participant, or a designated recipient or any other person claiming through the Participant (hereinafter referred to as the "Claimant") shall make a written request for benefits under this Plan. This written claim shall be mailed or delivered to the Administrator. Such claim shall be reviewed by the Administrator or a delegate.

(b) Denied Claim. If the claim is denied, either wholly or partially, notice of the decision shall be mailed to the Claimant within a reasonable time period. This time period shall not exceed more than 90 days after the receipt of the claim by the Administrator.

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(c) Written Notice. The Plan Administrator shall provide such written notice to every Claimant who is denied a claim for benefits under this Plan. The notice shall set forth the following information:

(a) the specific reasons for the denial;

(b) the specific reference to pertinent plan provisions on which the denial is based;

(c) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) appropriate information and explanation of the claims procedure under this Plan to permit the Claimant to submit his claim for review.

(d) Review Procedure. The claims procedure under the Plan shall allow the Claimant a reasonable opportunity to appeal a denied claim and to get a full and fair review of that decision from the Committee.

(i) The Claimant shall exercise his right of appeal by submitting a written request for a review of the denied claim to the Administrator. This written request for review must be submitted to the Administrator within sixty (60) days after receipt by the Claimant of the written notice of denial.

(ii) The Claimant shall have the following rights under this appeal procedure:

(1) to request a review by the Committee upon written application to the Administrator;

(2) to review pertinent documents with regard to the employee benefit plan created under this Plan;

(3) the right to submit issues and comments in writing;

(4) to request an extension of time to make a written submission of issues and comments; and

(5) to request that a hearing be held to consider Claimant's appeal.

(e) COMMITTEE REVIEW. The Committee shall promptly provide the decision on the review of the denied claim:

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(i) within forty-five (45) days after the receipt of the request for review if no hearing is held; or

(ii) within ninety (90) days after the receipt of the request for review, if an extension of time is necessary in order to hold a hearing.

(1) If an extension of time is necessary in order to hold a hearing, the Committee shall give the Claimant written notice of the extension of time and of the hearing. This notice shall be given prior to any extension.

(2) The written notice of extension shall indicate that an extension of time will occur in order to hold a hearing on Claimant's appeal. The notice shall also specify the place, date and time of that hearing and the Claimant's opportunity to participate in the hearing. It may also include any other information the Claimant believes may be important or useful to the Claimant in connection with the appeal.

(f) Hearing. The decision to hold a hearing to consider the Claimant's appeal of the denied claim shall be within the sole discretion of the Committee, whether or not the Claimant requests such a hearing.

(g) Written Decision. The Committee's decision on review shall be made in writing and provided to the Claimant within the specified time periods. This written decision on review shall contain the following information:

(i) the decision(s);

(ii) the reasons for the decision(s); and

(iii) specific references to the provisions of the Plan on which the decision(s) is/are based.

All of this information shall be written in a manner calculated to be understood by the Claimant.

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this 27th day of October, 1999.

Employer USEC Inc.
By /s/ Henry Z Shelton, Jr.

Title Senior Vice President & Chief Financial Officer

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EXHIBIT 10.41c

THE CORPORATE PLAN FOR RETIREMENT SELECT PLAN

SECOND AMENDMENT TO BASIC PLAN DOCUMENT
(401(K) RESTORATION PLAN)

This Second Amendment to the Basic Plan Document of the USEC Inc. CORPORATE plan for Retirement Select Plan (401(k) Restoration Plan) (the "Plan") is to effect certain modifications to the Plan as provided hereunder:

1. Section 4.04 is hereby added to the Plan:

4.04. Discretionary Contributions. Employer may elect to contribute any amount to the Plan to any Participant's Account before the end of each Plan year. Such Discretionary Contributions shall be subject to the same terms and conditions as the Matching Contributions provided under Section 4.02 of the Plan.

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this 22nd day of December, 1999.

Employer
USEC Inc.
By /s/ Henry Z Shelton, Jr.

Title: Senior Vice President and Chief Financial Officer

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EXHIBIT 10.41d

CPR SELECT

THE CORPORATE PLAN FOR RETIREMENT SELECT PLAN

ADOPTION AGREEMENT

IMPORTANT NOTE

THIS DOCUMENT IS NOT AN IRS APPROVED PROTOTYPE PLAN. AN ADOPTING EMPLOYER MAY NOT RELY SOLELY ON THIS PLAN TO ENSURE THAT THE PLAN IS "UNFUNDED AND MAINTAINED PRIMARILY FOR THE PURPOSE OF PROVIDING DEFERRED COMPENSATION TO A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES" AND EXEMPT FROM PARTS 2 THROUGH 4 OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 WITH RESPECT TO THE EMPLOYER'S PARTICULAR SITUATION. FIDELITY MANAGEMENT TRUST COMPANY, ITS AFFILIATES AND EMPLOYEES MAY NOT PROVIDE YOU WITH LEGAL ADVICE IN CONNECTION WITH THE EXECUTION OF THIS DOCUMENT. THIS DOCUMENT SHOULD BE REVIEWED BY YOUR ATTORNEY AND/OR ACCOUNTANT PRIOR TO EXECUTION.

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ADOPTION AGREEMENT
ARTICLE 1

1.01 PLAN INFORMATION

(a) NAME OF PLAN:

This is the USEC Inc. 401(k) Restoration Plan

Plan (the "Plan").

(b) NAME OF PLAN ADMINISTRATOR, IF NOT THE EMPLOYER:

Vice President, Human Resources and Administration
Address: USEC Inc.
6903 Rockledge Drive
Bethesda, Maryland 20817
Phone Number: 301-564-3306

The Plan Administrator is the agent for service of legal process for the Plan.

(c) THREE DIGIT PLAN NUMBER: -----

(d) PLAN YEAR END (month/day): December 31

(e) PLAN STATUS (check one):

- (1) Effective Date of new Plan: January 1, 2000.
- (2) Amendment Effective Date:

The original effective date of the Plan: -----

1.02 EMPLOYER

- (a) THE EMPLOYER IS: USEC Inc.
- Address: 6903 Rockledge Drive
Bethesda, Maryland 20817
- Contact's Name: Richard Rowland
- Telephone Number: (301) 564-3328
- (1) Employer's Tax Identification Number: 52-2107911
- (2) Business form of Employer (check one):
 - (A) Corporation
 - (B) Sole proprietor or partnership
 - (C) Subchapter S Corporation
- (3) Employer's fiscal year end: June 30

(b) THE TERM "EMPLOYER" INCLUDES THE FOLLOWING RELATED EMPLOYER(S)
(as defined in Section 2.01(a)(21)):

Any subsidiary of affiliated companies that adopt
the Plan, with the "Employer's approval.

1.03 COVERAGE

- (a) ONLY THOSE EMPLOYEES LISTED IN ATTACHMENT A WILL BE ELIGIBLE
TO PARTICIPATE IN THE PLAN.
- (b) THE ENTRY DATE(S) SHALL BE (check one):
 - (1) the first day of each Plan Year.
 - (2) the first day of each Plan Year and the date
six months later.
 - (3) the first day of each Plan Year and the first
day of the fourth, seventh, and tenth months.
 - (4) the first day of each month.

1.04 COMPENSATION

FOR PURPOSES OF DETERMINING CONTRIBUTIONS UNDER THE PLAN, COMPENSATION
SHALL BE AS DEFINED IN SECTION 2.01(A)(6), BUT EXCLUDING (check the
appropriate box(es)):

- (a) Overtime Pay.

- (b) Bonuses.
- (c) Commissions.
- (d) The value of a qualified or a non-qualified stock option granted to an Employee by the Employer to the extent such value is includable in the Employee's taxable income.
- (e) No exclusions.

1.05 CONTRIBUTIONS

- (a) DEFERRAL CONTRIBUTIONS THE EMPLOYER SHALL MAKE A DEFERRAL CONTRIBUTION IN ACCORDANCE WITH SECTION 4.01 ON BEHALF OF EACH PARTICIPANT WHO HAS AN EXECUTED SALARY REDUCTION AGREEMENT IN EFFECT WITH THE EMPLOYER FOR THE PLAN YEAR (OR PORTION OF THE PLAN YEAR) IN QUESTION, NOT TO EXCEED _____ % OF COMPENSATION FOR THAT PLAN YEAR.

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(b) MATCHING CONTRIBUTIONS

- (1) THE EMPLOYER SHALL MAKE A MATCHING CONTRIBUTION ON BEHALF OF EACH PARTICIPANT IN AN AMOUNT EQUAL TO THE FOLLOWING PERCENTAGE OF A PARTICIPANT'S DEFERRAL CONTRIBUTIONS DURING THE PLAN YEAR (check one):

- (A) 50%
- (B) 100%
- (C) ____%
- (D) (Tiered Match) _____ % of the first _____ % of the Participant's Compensation contributed to the Plan, _____ % of the next _____ % of the Participant's Compensation contributed to the Plan, _____ % of the next _____ % of the Participant's Compensation contributed to the Plan.

- (E) The percentage declared for the year, if any, by a Board of Directors' resolution.

- (F) Other: With respect to amounts contributed under Section 1.05(a) above, the Employer shall make a Matching Contribution on behalf of each Participant equal to the excess, if any, of (i) over (ii) each pay period, when (i) and (ii) have the following values:

(i) The amount equal to the matching contribution the Employer would make to the Employer's Qualified Plan based on the Participant's Compensation for such pay period if the participant made a pre-tax contribution to the Employer's Qualified Plan in the amount of (1) the contributions under Section 1.05(a) above, plus (2) the actual pre-tax contributions made by the Participant to the Employer's Qualified Plan for that pay period.

(ii) The amount equal to the Employer's actual matching contribution to

the Employer's Qualified Plan for such pay period.

- (2) MATCHING CONTRIBUTION LIMITS (check the appropriate box(es)):

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- (A) Deferral Contributions in excess of _____% of the Participant's Compensation for the period in question shall not be considered for Matching Contributions.

Note: If the Employer elects a percentage limit in (A) above and requests the Trustee to account separately for matched and unmatched Deferral Contributions, the Matching Contributions allocated to each Participant must be computed, and the percentage limit applied, based upon each period.

- (B) Matching Contributions for each Participant for each Plan Year shall be limited to \$_____.

- (3) ELIGIBILITY REQUIREMENT(S) FOR MATCHING CONTRIBUTIONS

A Participant who makes Deferral Contributions during the Plan Year under Section 1.05(a) shall be entitled to Matching Contributions for that Plan Year if the Participant satisfies the following requirement(s) (Check the appropriate box(es). Options (B) and (C) may not be elected together):

- (A) Is employed by the Employer on the last day of the Plan Year.
- (B) Earns at least 500 Hours of Service during the Plan Year.
- (C) Earns at least 1,000 Hours of Service during the Plan Year.
- (D) No requirements.

NOTE: If option (A), (B) or (C) above is selected then Matching Contributions can only be MADE by the Employer AFTER the Plan Year ends. Any Matching Contribution made before Plan Year end shall not be subject to the eligibility requirements of this Section 1.05(b)(3).

1.06 DISTRIBUTION DATES

A Participant may elect to receive a distribution or commence distributions from his Account pursuant to Section 8.02 upon the following date(s) (check the appropriate box(es). If Option (c) is elected, then options (a) and (b) may not be elected):

- (a) ATTAINMENT OF NORMAL RETIREMENT AGE. NORMAL RETIREMENT AGE UNDER THE PLAN IS (check one):
 - (1) age 65.
 - (2) age ____ (specify from 55 through 64).
 - (3) later of the age ____ (can not exceed 65) or the fifth anniversary of the Participant's Commencement Date.
- (b) ATTAINMENT OF EARLY RETIREMENT AGE. EARLY RETIREMENT AGE IS THE FIRST DAY OF THE MONTH AFTER THE PARTICIPANT ATTAINS AGE ____ (SPECIFY 55 OR GREATER) AND COMPLETES _____ YEARS OF SERVICE FOR VESTING.
- (c) TERMINATION OF EMPLOYMENT WITH THE EMPLOYER.

1.07 VESTING SCHEDULE

- (a) THE PARTICIPANT'S VESTED PERCENTAGE IN MATCHING CONTRIBUTIONS ELECTED IN SECTION 1.05(b) SHALL BE BASED UPON THE SCHEDULE(S) SELECTED BELOW.
 - (1) N/A - No Matching Contributions
 - (2) 100% Vesting immediately
 - (3) 3 year cliff (see C below)
 - (4) 5 year cliff (see D below)
 - (5) 6 year graduated (see E below)
 - (6) 7 year graduated (see F below)
 - (7) G below
 - (8) Other (Attachment "B")

YEARS OF SERVICE FOR VESTING -----	VESTING SCHEDULE				
	C	D	E	F	G
0	0%	0%	0%	0%	0%__
1	0%	0%	0%	0%	0%__
2	0%	0%	20%	0%	50%__
3	100%	0%	40%	20%	75%__
4	100%	0%	60%	40%	100%__
5	100%	100%	80%	60%	100%__
6	100%	100%	100%	80%	100%
7	100%	100%	100%	100%	100%

- (b) YEARS OF SERVICE FOR VESTING SHALL EXCLUDE (check one):
 - (1) for new plans, service prior to the Effective Date as defined in Section 1.01(e)(1).
 - (2) for existing plans converting from another plan document, service prior to the original Effective

Date as defined in Section 1.01(e)(2).

(c) [] A PARTICIPANT WILL FORFEIT HIS MATCHING CONTRIBUTIONS UPON THE OCCURRENCE OF THE FOLLOWING EVENT (s):
N/A

(d) A PARTICIPANT WILL BE 100% VESTED IN HIS MATCHING CONTRIBUTIONS UPON (CHECK THE APPROPRIATE BOX(ES), IF ANY):

- (1) [] Normal Retirement Age (as defined in Section 1.06(a)).
- (2) [] Early Retirement Age (as defined in Section 1.06(b)).
- (3) X Death

1.08 PREDECESSOR EMPLOYER SERVICE

[] SERVICE FOR PURPOSES OF VESTING IN SECTION 1.07(a) SHALL INCLUDE SERVICE WITH THE FOLLOWING EMPLOYER(s):

- (a) -----
- (b) -----
- (c) -----
- (d) -----

1.09 HARDSHIP WITHDRAWALS

PARTICIPANT WITHDRAWALS FOR HARDSHIP PRIOR TO TERMINATION OF EMPLOYMENT (check one):

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(a) X WILL BE ALLOWED IN ACCORDANCE WITH SECTION 7.07, SUBJECT TO A \$ 1,000 _____ MINIMUM AMOUNT. (MUST BE AT LEAST \$1,000)

(b) [] WILL NOT BE ALLOWED.

1.10 DISTRIBUTIONS

SUBJECT TO ARTICLES 7 AND 8, DISTRIBUTIONS UNDER THE PLAN WILL BE PAID (check the appropriate box(es)):

(a) X AS A LUMP SUM.

(b) [] UNDER A SYSTEMATIC WITHDRAWAL PLAN (INSTALLMENTS) NOT TO EXCEED 10 YEARS.

1.11 INVESTMENT DECISIONS

(a) INVESTMENT DIRECTIONS

Investments in which the Accounts of Participants shall be treated as invested and reinvested shall be directed (check one):

- (1) by the Employer among the options listed in (b) below.
- (2) by each Participant among the options listed in (b) below.
- (3) by each Participant with respect to Deferral Contributions and by the Employer with respect to Employer Matching Contributions. The Employer must direct the Employer Matching Contributions among the same investment options made available for Participant directed sources listed in (b) below.

(b) PLAN INVESTMENT OPTIONS

Participant Accounts will be treated as invested among the Fidelity Funds listed below pursuant to Participant and/or Employer directions.

Fund Name -----	Fund Number -----
(1) Fidelity Money Market Portfolio	0630
(2) Fidelity Intermediate Bond Fund	0032
(3) Fidelity Asset Manager	0314
(4) Fidelity Contrafund	0022

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(5) Fidelity Diversified International Fund	0325
(6) Spartan US Equity Index Fund	0650
(7) Fidelity Equity-Income II Fund	0319
(8) Fidelity Freedom Income Fund (SM)	0369
(9) Fidelity Freedom 2000 Fund (SM)	0370
(10) Fidelity Freedom 2010 Fund (SM)	0371
(11) Fidelity Freedom 2020 Fund (SM)	0372
(12) Fidelity Freedom 2030 Fund (SM)	0373
(13) Aggressive Growth Fund	0324
(14) USEC Inc. Company Stock	TCJQ*

NOTE: An additional annual recordkeeping fee will be charged for each fund in excess of ten funds.

* To be managed by USEC Inc. or its designee.

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NOTE: The method and frequency for change of investments will be determined under the rules applicable to the selected funds. Information will be provided regarding expenses, if any, for changes in investment options.

1.12 RELIANCE ON PLAN

An adopting Employer may not rely solely on this Plan to ensure that the Plan is "unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" and exempt from Parts 2 through 4 of Title I of the Employee Retirement Income Security Act of 1974 with respect to the Employer's particular situation. This Agreement must be reviewed by your attorney and/or accountant before it is executed.

This Adoption Agreement may be used only in conjunction with the CORPORATEplan for Retirement Select Basic Plan Document.

EXECUTION PAGE
(FIDELITY'S COPY)

IN WITNESS WHEREOF, the Employer has caused this Adoption Agreement to be executed this 22nd day of October, 1999.

Employer USEC Inc.
By /s/ Henry Z Shelton, Jr.

Title Senior Vice President & Chief Financial Officer

Employer -----
By -----
Title -----

EXECUTION PAGE

IN WITNESS WHEREOF, the Employer has caused this Adoption Agreement to be executed this 22nd day of October, 1999.

Employer USEC Inc.

By /s/ Henry Z Shelton, Jr.

Title Senior Vice President & Chief Financial Officer

Employer -----

By -----

Title -----

ATTACHMENT A

PURSUANT TO SECTION 1.03(a), THE FOLLOWING ARE THE EMPLOYEES WHO ARE ELIGIBLE TO PARTICIPATE IN THE PLAN:

The executive officer group as identified by the Board of Directors, including:

- William H. Timbers, Jr., President and Chief Executive Officer
- James H. Miller, Executive Vice President
- Jeffrey E. Sterba, Executive Vice President
- Robert J. Moore, Senior Vice President and General Counsel
- Henry Z Shelton, Jr., Senior Vice President and Chief Financial Officer
- James N. Adkins, Jr., Vice President
- J. William Bennett, Vice President
- William J. Bruttaniti, Vice President and Chief Information Officer
- Gary Ellsworth, Vice President
- Richard O. Kingdon, Vice President
- Philip J. Sewell, Vice President
- Robert Van Namen, Vice President
- Charles B. Yulish, Vice President
- TBD, Vice President, Human Resources

BY /s/ Henry Z Shelton, Jr.

TITLE Senior Vice President & Chief Financial Officer

DATE October 22, 1999

NOTE: The Employer must revise Attachment A to add employees as they become eligible or delete employees who are no longer eligible.

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EXHIBIT 10.41e

CPR SELECT

THE CORPORATE PLAN FOR RETIREMENT
SELECT PLAN

AMENDMENT TO ADOPTION AGREEMENT

This Amendment to the Adoption Agreement (the "Adoption Agreement") for the USEC Inc. (the "Employer") Corporate Plan for Retirement Select Plan is to effect certain modifications to the Adoption Agreement as provided hereunder:

1. Section 1.05(a) is hereby amended to read in its entirety:

(a) Deferred Contributions. The Employer shall make a Deferral Contribution each pay period in accordance with Section 4.01 on behalf of each Participant who has an executed salary reduction agreement in effect with the Employer for the Plan Year (or portion of the Plan Year) in question, of any whole percentage from 1% to 15% of Compensation for that Plan Year, less amounts actually deferred before taxes in the applicable pay period to the Employer's Qualified Plan.

2. Section 1.07(b) is hereby amended to add an election (3), which election shall be the operative selection of the Employer for the Adoption Agreement, so that years of Service for Vesting shall exclude only:

(3) X Years of service prior to January 1, 1994.

3. Section 1.07(d) is hereby amended to add an election (4), which election shall be, in addition to election (3), one of the operation selections of the Employer for the Adoption Agreement, so that a participant will be 100% vested in his Matching Contribution upon:

- (3) Death
- (4) Disability (as defined in Section 2.01(a)(28)).

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this 22nd day of October, 1999.

Employer USEC Inc.

By /s/ Henry Z Shelton, Jr.

Title Senior Vice President & Chief Financial Officer

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THE CORPORATE PLAN FOR RETIREMENT SELECT PLAN

SECOND AMENDMENT TO ADOPTION AGREEMENT
(401(K) RESTORATION PLAN)

This Second Amendment to the Adoption Agreement of the USEC Inc. CORPORATE plan for Retirement Select Plan (401(k) Restoration Plan) (the "Plan") is to effect certain modifications to the Adoption Agreement as provided hereunder:

1. Section 1.05(a) as previously amended pursuant to the Amendment to Adoption Agreement dated January 1, 2000 is hereby superseded and amended to read in its entirety:

(a) Deferred Contributions. In accordance with Section 4.01, the Employer shall make a Deferral Contribution each pay period of any whole percentage from 1% to 15% of Compensation for that Plan Year, less amounts actually deferred before taxes in the applicable pay period to the Employer's Qualified Plan, on behalf of each Participant who (1) has an executed salary reduction agreement in effect with the Employer for the Plan Year (or portion of the Plan Year) in question, and (2) has made the maximum elective contributions permitted under the terms of the Employer's Qualified Plan.

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this 22nd day of December, 1999.

Employer

USEC Inc.

By /s/Henry Z Shelton, Jr.

Title_Senior Vice President and Chief
Financial Officer

USEC INC
SYNDICATED REVOLVING PROMISSORY NOTE

\$100,000,000

November 15, 1999
Los Angeles, California

1. FOR VALUE RECEIVED, USEC INC., a Delaware corporation ("Borrower") hereby promises to pay to the order of each of the undersigned lenders (each a "Lender" and collectively, the "Lenders") on the dates specified herein, in lawful money of the United States, the amount of its Note Commitment, or such lesser amount as shall equal the aggregate unpaid principal amount of each loan (each a "Loan," and collectively, the "Loans") made by such Lender under this revolving promissory note (this "Note," and together with the Guaranty hereafter referred to, the "Note Documents"), together with interest thereon at the times and at the rates specified in this Note. Terms not defined herein shall have the meanings assigned to them in that certain Revolving Loan Agreement dated as of July 27, 1999 (together with amendments permitted hereunder, the "Loan Agreement"), by and among Borrower, the lending institutions identified therein, Bank of America, N.A., as administrative agent, First Union National Bank, as syndication agent and Wachovia Bank, National Association, as documentation agent.

2. (a) Subject to the terms and conditions set forth herein, each Lender hereby severally agrees to make revolving Loans to Borrower under this Note in such amounts as Borrower may from time to time request in an aggregate amount not to exceed at any time outstanding the amount set forth opposite such Lender's name on Schedule 1 hereto (such Lender's "Note Commitment"). Borrower may, at its discretion, request Loans on a nonratable basis from each Lender or on a ratable basis from the Lenders; provided, however, that, after giving effect to any borrowing, the aggregate principal amount of all outstanding Loans made by any Lender shall not at any time exceed its Note Commitment and the aggregate principal amount of all outstanding Loans made by all Lenders shall not at any time exceed the combined Note Commitments. This is a revolving credit, and within the limits of each Lender's Note Commitment and subject to the other terms and conditions hereof, Borrower may reborrow amounts repaid or prepaid until the Termination Date (as defined below).

Each borrowing of Loans may be comprised of Base Rate Loans or Eurodollar Rate Loans as selected by Borrower. Each borrowing of Eurodollar Rate Loan shall be in the minimum amount of \$5,000,000 with any additional amounts in integral multiples of \$1,000,000. Each borrowing of Base Rate Loan shall be in the minimum amount of \$1,000,000 with any additional amounts in integral multiples of \$1,000,000. Not more than five Eurodollar Periods may be outstanding at any time. Each borrowing of Loans shall be made pursuant to a Request for Loan delivered to Administrative Agent substantially in the form of Exhibit A hereto which shall specify the requested (i) date of such Loan, (ii) type of Loan, (iii) amount of each Lender's Loan, and (iv) in the case of a Eurodollar Rate Loan, the Eurodollar Period for such Loan.

Unless Administrative Agent has notified, in its sole and absolute discretion, Borrower to the contrary, a Loan may be requested by telephone by a Responsible Official of Borrower, in which case Borrower shall confirm such request to Administrative Agent by promptly delivering

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a Request for Loan in person or by telecopier conforming to the preceding sentence to Administrative Agent. Neither Administrative Agent nor any Lender shall incur any liability whatsoever hereunder in acting upon any telephonic request for a Loan purportedly made by a Responsible Official of Borrower, and Borrower hereby agrees to indemnify Administrative Agent and each Lender from any loss, reasonable cost, out-of-pocket expense or liability as a result of so acting.

Borrower may request a borrowing of Base Rate Loans by delivering a

Request for Loan to Administrative Agent not later than 10:00 a.m. California time on the date of any requested Base Rate Loan, and Borrower may request a borrowing of Eurodollar Rate Loan by delivering a Request for Loan to Administrative Agent not later than 11:00 a.m. California time at least three Eurodollar Banking Days prior to any requested Eurodollar Rate Loan. Administrative Agent shall promptly notify each Lender of each Request for Loan, and each Lender shall make its Loan in immediately available funds to Administrative Agent at its office indicated on Schedule 2 hereto not later than 10:00 a.m. California time on the date specified for any Loan (which must be a Banking Day). Upon satisfaction or waiver by all Lenders of the applicable conditions set forth in Paragraph 9, such Loans shall be made available to Borrower on that date by such means as it may request in immediately available funds. Administrative Agent may assume that all conditions set forth in Paragraph 9 will be satisfied on any borrowing date unless otherwise notified by any Lender or Borrower.

(b) If, upon the expiration of any Eurodollar Period applicable to any Eurodollar Rate Loan, Borrower has failed to select a new Eurodollar Period to be applicable thereto, or if any Default or Event of Default shall then exist, Borrower shall be deemed to have elected to convert such Eurodollar Rate Loan into a Base Rate Loan effective as of the expiration date of such current Eurodollar Period. No Lender shall be obligated to make or continue any Eurodollar Rate Loan when any Default or Event of Default has occurred and is continuing.

3. (a) Upon notice to Administrative Agent, Borrower may at any time prepay any Loan, in full or in part, in the manner and in the minimum amounts and multiples thereof set forth in Section 3.1(f) of the Loan Agreement. Prepayments may be made nonratably. Any prepayment of a Loan bearing interest at the Eurodollar Rate shall be accompanied by the amount of accrued interest on the amount prepaid, together with any amounts of the type specified in Section 3.8(e) of the Loan Agreement. Borrower may at any time permanently reduce or terminate the Note Commitment upon five (5) Banking Days' notice to Administrative Agent and, in the case of a reduction to an amount not less than the outstanding principal amount of Loans. Reductions in Note Commitments may be made nonratably.

(b) The principal amount of all Loans shall be due and payable not later than the earlier of (i) May 15, 2000 and (ii) the date the Note Commitment is terminated by Borrower pursuant to Paragraph 3(a) above or by Lenders pursuant to Paragraph 11 below (the "Termination Date").

4. (a) Interest accrued on each Base Rate Loan shall be due and payable on each Quarterly Payment Date and the Termination Date. Except as otherwise provided in Paragraph 4(c) below, the unpaid principal amount of any Base Rate Loan shall bear interest at a fluctuating rate per annum equal to the Base Rate. Each change in the interest rate under this

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subparagraph due to a change in the Base Rate shall take effect simultaneously with the corresponding change in the Base Rate.

(b) Interest accrued on each Eurodollar Rate Loan which is for a term of three months or less shall be due and payable on the earlier of the last day of the related Eurodollar Period and the Termination Date. Interest accrued on each other Eurodollar Rate Loan shall be due and payable on the date which is three months after the date such Eurodollar Rate Loan was made and on the last day of the related Eurodollar Period. Except as otherwise provided in Paragraph 4(c) below, the unpaid principal amount of any Eurodollar Rate Loan shall bear interest at a rate per annum equal to the Eurodollar Rate for that Eurodollar Rate Loan plus the Applicable Eurodollar Margin.

(c) If any installment of principal or interest or any fee or cost or other amount payable under this Note to Administrative Agent or any Lender is not paid when due, it shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the sum of the Base Rate plus 2%, to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including, without limitation, interest on past due interest) shall be compounded monthly, on the last day of each calendar month, to the fullest extent permitted by applicable Laws.

(d) Sections 3.10 through and including 3.17 of the Loan Agreement shall apply hereunder.

5. (a) From the date hereof, Borrower shall pay to Administrative Agent for the account of each Lender a facility fee equal to the Applicable Facility Fee Rate during the continuance of any Applicable Pricing Level per annum times such Lender's Note Commitment in effect on each day during a fiscal quarter. The facility fee shall be payable quarterly in arrears on each Quarterly Payment Date and on the Termination Date.

(b) Borrower shall pay to Administrative Agent for the account of each Lender a utilization fee equal to .125% (12.5 basis points) per annum times the aggregate unpaid principal amount of such Lender's Loans for each day (or portion thereof) that its Loans are in excess of 33-1/3% of such Lender's Note Commitment. The utilization fee shall be payable quarterly in arrears on each Quarterly Payment Date and on the Termination Date.

6. Fees and interest hereunder shall be calculated in the same manner as provided by Section 3.10 of the Loan Agreement (Computation of Interest and Fees) and payments shall be made by Borrower to Administrative Agent and by Administrative Agent to each Lender in the same manner as provided by Section 3.12 of the Loan Agreement (Manner and Treatment of Payments). Subject to the last sentence of Paragraph 19(a), Lenders shall comply with Section 11.10 of the Loan Agreement (Sharing of Setoffs). Administrative Agent shall be entitled to the benefits of Section 2.9 of the Loan Agreement (Administrative Agent's right to Assume Funds Available for Advances) and Section 3.15 of the Loan Agreement (Administrative Agent's right to Assume Payments Will be Made).

7. Upon demand of any Lender, Borrower shall pay costs of the type set forth in Sections 3.7 and 3.8 of the Loan Agreement (subject to the terms and conditions set forth in

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Section 3), and availability of Eurodollar Rate Loans shall be subject to matters of the type set forth in Sections 3.8(c) and (d) of the Loan Agreement.

8. Administrative Agent must receive the following items (with a copy for each Lender) in form and content acceptable to Administrative Agent, before it extends any credit to Borrower under this Note:

(a) this Note, duly executed by Borrower and each Lender and, if requested by any Lender, a separate promissory note executed by Borrower in favor of such Lender;

(b) a certificate of the Secretary or an Assistant Secretary of Borrower dated the date hereof as to (i) the resolution of the Board of Directors of Borrower or its Executive Committee in connection with this Note, and (ii) the incumbency and signatures of the person authorized to execute and deliver this Note and any other instrument, document or other agreement required hereunder on the date hereof;

(c) the favorable written opinions, dated the date hereof, of the General Counsel or Assistant General Counsel of Borrower;

(d) a Certificate of the chief financial officer of Borrower certifying that the conditions specified in Sections 8.1(f) and 8.1(g) of the Loan Agreement have been satisfied as of the date hereof;

(e) the Subsidiary Note Guaranty substantially in the form of Exhibit B hereto (the "Guaranty") executed by each of the Subsidiaries required to be a party thereto (together with any future guarantors, the "Subsidiary Guarantors") guarantying all present and future obligations of every kind or nature of Borrower or any Subsidiary Guarantor at any time and from time to time owed to Administrative Agent and Lenders under any one or more of the Note Documents, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including obligations of performance as well as obligations of payment, and including interest that accrues after the commencement of any proceeding under any Debtor Relief Law by

or against Borrower or any Subsidiary or Affiliate of Borrower (the "Note Obligations"); and

(f) an upfront fee of \$37,500 to each of Bank of America, N.A. and First Union National Bank.

9. The request of Borrower for any Loan and the receipt by Borrower of the proceeds thereof shall be deemed a certification by Borrower of the matters set forth in Sections 8.2 (a), (b) and (c) of the Loan Agreement.

10. Borrower shall comply with all covenants contained in Article 5, Article 6 and Article 7 of the Loan Agreement.

11.1 The existence or occurrence of any one or more of the following events, whatever the reason therefor and under any circumstances whatsoever, shall constitute an Event of Default:

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(a) Borrower fails to pay any principal on any of the Loans, or any portion thereof, on the date when due; or

(b) Borrower fails to pay any interest on any of the Loans, or any fees under Paragraph 5 above, or any portion thereof, within five (5) Banking Days after the date when due; or fail to pay any other fee or amount payable to Administrative Agent or any Lender under this Note, or any portion thereof, within two (2) Banking Days after demand therefor; or

(c) Any representation or warranty of Borrower or any Party made hereunder or in the Loan Agreement or in any certificate or other writing delivered by Borrower pursuant to this Note, proves to have been incorrect when made or reaffirmed in any respect that is materially adverse to the interests of Administrative Agent or any Lender; or

(d) The occurrence of an Event of Default (as such term is or may hereafter be specifically defined in the Loan Agreement).

11.2 If any Event of Default occurs, Administrative Agent shall, at the request of, or may, with the consent of, all Lenders,

(i) declare the commitment of each Lender to make Loans hereunder to be terminated, whereupon such commitments shall be terminated;

(ii) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable under this Note to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower; and

(iii) exercise on behalf of itself and Lenders all rights and remedies available to it and Lenders under this Note, the Loan Agreement or applicable law;

provided, however, that upon the occurrence of any event specified in Section 9.1(j) of the Loan Agreement, the obligation of each Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Administrative Agent or any Lender without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are expressly waived by Borrower.

(c) Upon the occurrence of any Event of Default, Administrative Agent and Lenders, without notice to or demand upon Borrower, which are expressly waived by Borrower, may proceed to protect, exercise and enforce its rights and remedies hereunder against Borrower and such other rights and remedies as are provided by Law or equity.

(d) Section 9.2(d) of the Loan Agreement is incorporated herein by

reference.

12. Borrower shall pay to Administrative Agent or the requesting Lender upon demand for all reasonable costs, out-of-pocket expenses and reasonable attorneys' fees

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(including allocated costs of internal counsel) incurred by Administrative Agent and such Lender in connection with the enforcement or attempted enforcement of this Note to the extent set forth in Section 11.3 of the Loan Agreement. Borrower agrees to indemnify Administrative Agent and each Lender to the extent set forth in Section 11.11 of the Loan Agreement.

13. The loan account records maintained by each Lender shall be conclusive in the absence of manifest error as to the amount of any Loan, interest rate, interest payment dates and outstanding amount at such time, absent manifest error.

14. Each Lender may assign or sell participations in this Note to the extent assignments and participations are permitted under Sections 11.8 of the Loan Agreement. Any such assignment shall be evidenced by a Commitment Assignment and Acceptance in the form of Exhibit A to the Loan Agreement, revised mutatis mutandis for this Note, or such other form reasonably acceptable to Borrower, Administrative Agent and the assigning Lender.

15. Articles 10 and 11 of the Loan Agreement (except Sections 11.2, 11.17 and 11.21) are hereby incorporated herein by reference.

16. The notice address of each party hereto and the lending office of Administrative Agent and each Lender is set forth on Schedule 2 hereto.

17. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. No delay or omission on the part of Administrative Agent or any Lender in exercising any right hereunder shall operate as a waiver of such right. If any provision of this Note shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof.

18. Borrower shall cause any Subsidiary (other than an Inactive Subsidiary) formed or acquired after the date hereof to execute and deliver an appropriate joinder to the Guaranty.

19. (a) All articles, sections, definitions, schedules and exhibits in the Loan Agreement incorporated herein by reference or otherwise referred to herein (and referred to within such articles, sections, definitions, schedules and exhibits), together with all definitions used therein, are hereby incorporated herein by reference in this Note as though set forth in their entirety herein. Except with respect to Paragraph 11.1(d) above (which shall be deemed a cross default to the Loan Agreement as in effect), references in such incorporated terms and provisions to "Lender(s)," "Requisite Lenders," "Administrative Agent," "Borrower," "Party," "this Agreement," "Loan Documents," "Commitment(s)," "Subsidiary Guaranty," "Maturity Date," "Advance(s)," "Loan(s)," "Obligations," "Default(s)," "Event(s) of Default" "Pro Rata Share" and other terms referring to matters specific to the Loan Documents shall be deemed to refer mutatis mutandis to Lender(s) hereunder, all Lenders hereunder, Administrative Agent hereunder, Borrower hereunder, this Note, the Note Documents, the Note Commitment(s), the Guaranty, the Termination Date, the Loans hereunder, the Note Obligations, the events set forth in Paragraph 11.1 above, the Pro Rata Share hereunder and to analogous terms and provisions relating to this Note. When the term "Pro Rata Share" as incorporated herein or otherwise used

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herein refers to a funded or funding of Loans, it shall mean the ratable proportion of Loans funded or to be funded hereunder by each Lender.

(b) Unless all Lenders, as Lenders under the Loan Agreement, have affirmatively agreed or consented to any amendments to or waivers of the Loan Agreement (in which case no additional action need be taken hereunder), such amendments and waiver shall not operate to amend or waive such terms and conditions as incorporated by reference herein unless all Lenders separately agree or consent thereto herein. Incorporated terms and provisions will survive termination, restatement or cancellation of the Loan Agreement for purposes of this Note.

(c) To the extent Lenders receives documents and certificates under the Loan Agreement, such documents and certificates shall be deemed delivered hereunder.

20. No amendment, modification, supplement, extension, termination or waiver of any provision of this Note or any other Note Document, no approval or consent hereunder or thereunder, and no consent to any departure by Borrower or any Subsidiary Guarantor herefrom or therefrom shall be effective unless in writing signed by all Lenders and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

IN WITNESS WHEREOF, Borrower, Administrative Agent and each Lender have executed this Note as of the date first hereinabove written.

USEC INC.

By /s/ Henry Z Shelton, Jr.

Name Henry Z Shelton, Jr.

Title Senior Vice President and Chief Financial Officer

AGREED AND ACCEPTED:

BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

By /s/ Gina Meador

Gina Meador
Vice President

LENDERS:

BANK OF AMERICA, N.A., AS A LENDER

By /s/ Dianne J. Prust

Dianne J. Prust
Vice President

FIRST UNION NATIONAL BANK

By /s/ Kimberly P. Armstrong

Name: Kimberly P. Armstrong

Vice President

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EXHIBIT A TO SYNDICATED REVOLVING PROMISSORY NOTE

REQUEST FOR LOAN

TO: Bank of America, N.A., as Administrative Agent

DATE:

Ladies and Gentlemen:

1. This Request for Loan is executed and delivered by USEC Inc., ("Borrower") to Bank of America, N.A. ("Administrative Agent") pursuant to that certain Syndicated Revolving Promissory Note dated as of November 15, 1999 among Borrower, Lenders party thereto and Administrative Agent (as amended from time to time, the "Note"). Any terms used herein and not defined herein shall have the meanings set forth in the Note.

2. Borrower hereby request that each Lender make a Loan to it under the Note Commitment as follows:

(a) AMOUNT OF REQUESTED LOANS:

LENDER	AMOUNT OF REQUESTED LOAN	USAGE UNDER LENDER'S NOTE COMMITMENT AFTER GIVING EFFECT TO REQUESTED LOAN
Bank of America	\$ _____	\$ _____
First Union	\$ _____	\$ _____
Total	\$ _____	\$ _____

(b) DATE OF REQUESTED LOANS: _____

(c) TYPE OF REQUESTED LOANS (Check one box only):

BASE RATE

EURODOLLAR RATE FOR A EURODOLLAR PERIOD OF _____ MONTHS

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Form of Request for Loan

3. In connection with this request, Borrower represents, warrants and certifies that, as of the date of the Loans, (a) the statements set forth in Sections 8.2(a), (b) and (c) of the Loan Agreement as they apply mutatis mutandis to the Note are true and correct and (b) the requirements and conditions applicable to such Loan set forth in Paragraph 2 of the Note have been satisfied.

4. This Request for Loan is executed on _____, by a Responsible Official of Borrower. The undersigned, in such capacity, hereby certifies each and every matter contained herein to be true and correct.

USEC INC.

By _____

Name: _____

Title _____

EXHIBIT B TO SYNDICATED REVOLVING PROMISSORY NOTE

THE OBLIGATIONS OF GUARANTORS UNDER THIS SUBSIDIARY
NOTE GUARANTY ARE NOT OBLIGATIONS OF, AND ARE NOT
GUARANTIED AS TO PRINCIPAL, INTEREST OR ANY OTHER
AMOUNT BY THE UNITED STATES OF AMERICA

SUBSIDIARY NOTE GUARANTY

This SUBSIDIARY NOTE GUARANTY ("Guaranty"), dated as of November 15, 1999, is made by the undersigned, together with each other Person who may hereafter become a party hereto pursuant to Section 17 of this Guaranty (each a "Guarantor" and collectively "Guarantors"), jointly and severally in favor of Bank of America, N.A. as administrative agent ("Administrative Agent") and Lenders party to the Note hereinafter referred to, with reference to the following facts:

RECITALS

A. Pursuant to that certain Syndicated Revolving Promissory Note of even date among USEC Inc., a Delaware corporation, ("Borrower"), Lenders party thereto and Administrative Agent (said Note, as it may hereafter be amended, extended, renewed, supplemented, or otherwise modified from time to time, being the "Note;" terms not defined herein have the meanings assigned to them in the Note), Lenders are making certain credit facilities available to Borrower.

B. As a condition to the availability of Loans under the Note, Guarantors are required to enter into this Guaranty and to guaranty the Guarantied Obligations as hereinafter provided.

C. Guarantors expect to realize direct and indirect benefits as the result of the availability of the aforementioned credit facilities to Borrower, as the result of financial or business support which will be provided to the Guarantors by Borrower.

AGREEMENT

NOW, THEREFORE, in order to induce the Guarantied Parties to extend the aforementioned credit facilities, and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, Guarantors hereby represent, warrant, covenant, agree and guaranty as follows:

1. DEFINITIONS. This Guaranty is the Guaranty referred to in the Note. Terms defined in the Note and not otherwise defined in this Guaranty shall have the meanings given those terms in the Note or, if not defined in the Note, in the Loan Agreement when used herein and such definitions are incorporated herein as though set forth in full. In addition, as used herein, the following terms shall have the meanings respectively set forth after each:

"Contribution" means any payment made by a Guarantor hereunder or any recourse taken by any Guarantied Party against any collateral owned by the Guarantors which secures any Guarantied Obligation.

"Guarantied Obligations" means all Note Obligations of

Borrower at any time and from time to time owed to any Guaranteed Party under one or more of the Note Documents (but not including Note Obligations owed to any Guaranteed Party under this Guaranty), whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including obligations of performance as well as obligations of payment, and including interest that accrues after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, any Guarantor or any other Person.

"Guaranteed Parties" means Administrative Agent and Lenders (each a "Guaranteed Party").

"Guarantors" means the parties hereto as indicated on the signature pages hereof, or such additional Person as may become parties hereto pursuant to Section 17 hereof, and each of them, and any one or more of them, jointly and severally.

"Guaranty" means this Guaranty, and any extensions, modifications, renewals, restatements, reaffirmations, supplements or amendments hereof, including, without limitation, any documents or agreements by which additional Guarantors become party hereto.

2. GUARANTY OF GUARANTIED OBLIGATIONS. Guarantors hereby, jointly and severally, irrevocably, unconditionally guaranty and promise to pay and perform on demand the Guaranteed Obligations and each and every one of them, including all amendments, modifications, supplements, renewals or extensions of any of them, whether such amendments, modifications, supplements, renewals or extensions are evidenced by new or additional instruments, documents or agreements or change the rate of interest on any Guaranteed Obligation or the security therefor, or otherwise.

3. NATURE OF GUARANTY. This Guaranty is irrevocable and continuing in nature and relates to any Guaranteed Obligations now existing or hereafter arising. This Guaranty is a guaranty of prompt and punctual payment and performance and is not merely a guaranty of collection.

4. RELATIONSHIP TO OTHER AGREEMENTS. Nothing herein shall in any way modify or limit the effect of terms or conditions set forth in any other document, instrument or agreement executed by any Guarantor or in connection with the Guaranteed Obligations, but each and every term and condition hereof shall be in addition thereto. All provisions contained in the Note or any other Note Document that apply to Note Documents generally are fully applicable to this Guaranty and are incorporated herein by this reference.

5. SUBORDINATION OF INDEBTEDNESS OF BORROWER TO GUARANTORS TO THE GUARANTIED OBLIGATIONS. Each Guarantor agrees that:

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Subsidiary Note Guaranty

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(a) Any indebtedness of Borrower now or hereafter owed to any Guarantor hereby is subordinated to the Guaranteed Obligations.

(b) If any Guaranteed Party so requests, upon the occurrence and during the continuance of any Event of Default, any such indebtedness of Borrower now or hereafter owed to any Guarantor shall be collected, enforced and received by such Guarantor as trustee for the Guaranteed Parties and shall be paid over to Administrative Agent for the benefit of the Guaranteed Parties in kind on account of the Guaranteed Obligations, but without reducing or affecting in any manner the obligations of such Guarantor under the other provisions of this Guaranty.

(c) Should such Guarantor fail to collect or enforce any such indebtedness of Borrower now or hereafter owed to such Guarantor and pay the proceeds thereof to Administrative Agent for the benefit of the Guaranteed Parties in accordance with Section 5(b) hereof, each Guaranteed Party as such Guarantor's attorney-in-fact may do such acts and sign such documents in such Guarantor's name as such Guaranteed Party considers necessary or desirable to effect such collection, enforcement and/or payment.

6. STATUTES OF LIMITATIONS AND OTHER LAWS. Until the Guaranteed

Obligations shall have been paid and performed in full, all the rights, privileges, powers and remedies granted to the Guarantied Parties hereunder shall continue to exist and may be exercised by the Guarantied Parties at any time and from time to time irrespective of the fact that any of the Guarantied Obligations may have become barred by any statute of limitations. Each Guarantor expressly waives the benefit of any and all statutes of limitation, and any and all Laws providing for exemption of property from execution or for evaluation and appraisal upon foreclosure, to the maximum extent permitted by applicable Laws.

7. WAIVERS AND CONSENTS. Each Guarantor acknowledges that the obligations undertaken herein involve the guaranty of obligations of Persons other than such Guarantor and, in full recognition of that fact, consents and agrees that any Guarantied Party may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) supplement, modify, amend, extend, renew, accelerate or otherwise change the time for payment or the terms of the Guarantied Obligations or any part thereof, including any increase or decrease of the rate(s) of interest thereon; (b) supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Guarantied Obligations or any part thereof, or any of the Note Documents to which such Guarantor is not a party or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder; (c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Note Documents or the Guarantied Obligations or any part thereof; (d) accept partial payments on the Guarantied Obligations; (e) receive and hold additional security or guaranties for the Guarantied Obligations or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer and/or enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as any Guarantied Party in its sole and absolute discretion may determine; (g) release any Person from any personal liability with respect to the Guarantied Obligations or any part thereof; (h) settle, release on terms satisfactory to the Guarantied Parties or by operation of applicable Laws or otherwise liquidate or enforce any

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Subsidiary Note Guaranty

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Guarantied Obligations and any security or guaranty therefor in any manner, consent to the transfer of any security and bid and purchase at any sale; and/or (i) consent to the merger, change or any other restructuring or termination of the corporate existence of Borrower, any Guarantor or any other Person, and correspondingly restructure the Guarantied Obligations, and any such merger, change, restructuring or termination shall not affect the liability of any Guarantor or the continuing effectiveness hereof, or the enforceability hereof with respect to all or any part of the Guarantied Obligations.

Upon the occurrence and during the continuance of any Event of Default, each Guarantied Party may enforce this Guaranty independently as to each Guarantor and independently of any other remedy or security the Guarantied Parties at any time may have or hold in connection with the Guarantied Obligations. Each Guarantor expressly waives any right to require any Guarantied Party to marshal assets in favor of Borrower, and agrees that the Guarantied Parties may proceed against Borrower, or upon or against any security or remedy, before proceeding to enforce this Guaranty, in such order as they shall determine in their sole and absolute discretion. Any Guarantied Party may file a separate action or actions against Borrower and/or any Guarantor without respect to whether action is brought or prosecuted with respect to any security or against any other Person, or whether any other Person is joined in any such action or actions. Guarantors agree that the Guarantied Parties and Borrower and any Affiliates of Borrower may deal with each other in connection with the Guarantied Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Guaranty. Each Guarantied Parties' rights hereunder shall be reinstated and revived, and the enforceability of this Guaranty shall continue, with respect to any amount at any time paid on account of the Guarantied Obligations which thereafter shall be required to be restored or returned by the Guarantied Parties upon the bankruptcy, insolvency or reorganization of Borrower or any other Person, or otherwise, all as though such amount had not been paid. The rights of each

Guarantied Party created or granted herein and the enforceability of this Guaranty with respect to Guarantors at all times shall remain effective to guaranty the full amount of all the Guarantied Obligations even though the Guarantied Obligations, or any part thereof, or any security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against Borrower or any other guarantor or surety and whether or not Borrower shall have any personal liability with respect thereto. Each Guarantor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of Borrower with respect to the Guarantied Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Guarantied Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Guarantied Obligations, (c) the cessation for any cause whatsoever of the liability of Borrower (other than by reason of the full payment and performance of all Guarantied Obligations), (d) any failure of any Guarantied Party to marshal assets in favor of Borrower or any other Person, (e) except as otherwise provided in this Guaranty, any failure of any Guarantied Party to give notice of sale or other disposition of collateral securing any Guarantied Obligations to such Guarantor or any other Person or any defect in any notice that may be given in connection with any sale or disposition of any collateral, (f) except as otherwise provided in this Guaranty, any failure of any Guarantied Party to comply with applicable Laws in connection with the sale or other disposition of any collateral or other security for any Guarantied Obligation, including without limitation, any failure of any

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Subsidiary Note Guaranty

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Guarantied Party to conduct a commercially reasonable sale or other disposition of any collateral or other security for any Guarantied Obligation, (g) any act or omission of any Guarantied Party or others that directly or indirectly results in or aids the discharge or release of Borrower or the Guarantied Obligations or any security or guaranty therefor by operation of law or otherwise, (h) any Law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (i) any failure of any Guarantied Party to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person, (j) the election by any Guarantied Party, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (k) any extension of credit or the grant of any Lien under Section 364 of the United States Bankruptcy Code, (l) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (m) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person, (n) the avoidance of any Lien in favor of any Guarantied Party for any reason, (o) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any Person, including any discharge of, or bar or stay against collecting, all or any of the Guarantied Obligations (or any interest thereon) in or as a result of any such proceeding, (p) to the extent permitted, the benefits of any form of one-action rule, or (q) any action taken by any Guarantied Party that is authorized by this Section or any other provision of any Note Document. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Guarantied Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Guarantied Obligations.

8. CONDITION OF BORROWER AND ITS SUBSIDIARIES. Each Guarantor represents and warrants to each Guarantied Party that each Guarantor has established adequate means of obtaining from Borrower and its Subsidiaries, on a continuing basis, financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of Borrower and its Subsidiaries and their Properties, and each Guarantor now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of Borrower and its Subsidiaries and their Properties. Each Guarantor hereby expressly waives and relinquishes any duty on the part of any Guarantied Party (should any such duty exist) to disclose to any Guarantor any matter, fact or thing related to the businesses, operations or condition

(financial or otherwise) of Borrower or its Subsidiaries or their Properties, whether now known or hereafter known by any Guarantied Party during the life of this Guaranty. With respect to any of the Guarantied Obligations, each Guarantied Party shall be entitled to conclusively rely upon any document or certificate that is executed by a Responsible Official of Borrower as having been authorized by all necessary corporate, partnership and/or other action on the part of Borrower; provided that such Responsible Official has been designated as a Responsible Official for the purposes of the Loan Agreement or the Note in a written notice signed by a Senior Officer and delivered to Administrative Agent, which notice has not been cancelled or suspended, and all Guarantied Obligations made or created thereby shall be secured hereby.

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Subsidiary Note Guaranty

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9. LIENS ON REAL PROPERTY. In the event that all or any part of the Guarantied Obligations at any time are secured by any one or more deeds of trust or mortgages or other instruments creating or granting Liens on any interests in real Property, each Guarantor authorizes each Guarantied Party, upon the occurrence of and during the continuance of any Event of Default, at its sole option, without notice or demand and without affecting any Guarantied Obligations of any Guarantor, the enforceability of this Guaranty, or the validity or enforceability of any Liens of any Guarantied Party on any collateral securing any Guarantied Obligations, to foreclose any or all of such deeds of trust or mortgages or other instruments by judicial or nonjudicial sale, subject to the terms thereof. Each Guarantor expressly waives any defenses to the enforcement of this Guaranty or any rights of any Guarantied Party created or granted hereby or to the recovery by any Guarantied Party against Borrower, any Guarantor or any other Person liable therefor of any deficiency after a judicial or nonjudicial foreclosure or sale, even though such a foreclosure or sale may impair the subrogation rights of any Guarantor or may preclude any Guarantor from obtaining reimbursement or contribution from Borrower. Each Guarantor expressly waives any defenses or benefits that may be provided by California Code of Civil Procedure Sections 580a, 580b, 580d or 726, or comparable provisions of the Laws of any other jurisdiction, and all other suretyship defenses it otherwise might or would have under California Law or other applicable Law.

10. WAIVER OF RIGHTS OF SUBROGATION. Notwithstanding anything to the contrary elsewhere contained herein or in any other Note Document to which any Guarantor is a party, Guarantors hereby expressly waive with respect to Borrower and their successors and assigns (including any surety) and any other Person which is directly or indirectly a creditor of Borrower or any surety for Borrower, any and all rights at Law or in equity to subrogation, to reimbursement, to exoneration, to contribution (except as specifically provided in Section 11 below), to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker, and which Guarantors may have or hereafter acquire against Borrower or any other such Person in connection with or as a result of Guarantors' execution, delivery and/or performance of this Guaranty or any other Note Document to which any Guarantor is a party until payment in full of all Guarantied Obligations. Guarantors agree that they shall not have or assert any such rights against Borrower or its successors and assigns or any other Person (including any surety) which is directly or indirectly a creditor of Borrower or any surety for Borrower, either directly or as an attempted setoff to any action commenced against Guarantors by Borrower (as borrower or in any other capacity), any Guarantied Party or any other such Person until such payment in full. Guarantors hereby acknowledge and agree that this waiver is intended to benefit Borrower and each Guarantied Party and shall not limit or otherwise affect Guarantors' liability hereunder, under any other Note Document to which any Guarantor is a party, or the enforceability hereof or thereof.

11. RIGHT OF CONTRIBUTION, INDEMNITY AND ALLOCATION. In order to provide for just and equitable contribution among the Guarantors in the event any Contribution is made by a Guarantor (a "Funding Guarantor") under this Guaranty, that Funding Guarantor shall be entitled to a Contribution from certain other Guarantors for all payments, damages and expenses incurred by that Funding Guarantor in discharging any of the Obligations, in the manner and to the extent set forth in this Guaranty. The amount of any Contribution under this Guaranty shall be equal to

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the payment made pursuant to the Note, or the fair saleable value of such Funding Guarantor's portion of any collateral securing any Guaranteed Obligation against which recourse is exercised, and shall be determined as of the date on which such payment is made or recourse is exercised, as the case may be.

(a) BENEFIT AMOUNT DEFINED. For purposes of this Guaranty, the "Benefit Amount" of any Guarantor as of any date of determination shall be the net value of the benefits to such Guarantor from extensions of credit made by any Guaranteed Party to Borrower for the benefit of such Guarantor under the Note. Such benefits shall include, without limitation, benefits of funds constituting proceeds of Loans which are deposited into the account of Borrower by any Guaranteed Party which are in turn advanced or contributed by Borrower to such Guarantor, and the benefit of any assets acquired by Borrower and transferred to such Guarantor if the acquisition of such assets was financed by Borrower, in whole or in part, with the proceeds of Loans reserved by Borrower (collectively, the "Benefits").

(b) CONTRIBUTION OBLIGATION. Each Guarantor shall be liable to a Funding Guarantor in an amount equal to the greater of (A) the product of (i) a fraction, the numerator of which is (x) the Benefit Amount of such Guarantor, and the denominator of which is (y) the total amount of Obligations and (ii) the amount of Obligations paid by such Funding Guarantor and (B) 95% of the excess of the fair saleable value of the property of such Guarantor over the total liabilities of such Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities), as the case may be, determined as of the date on which the payment made by a Funding Guarantor is deemed made for purposes of this Guaranty or any recourse is exercised against any Funding Guarantor's portion of any collateral securing any Guaranteed Obligation, as the case may be (giving effect to all payments by other Funding Guarantors and to the exercise of recourse against any other Funding Guarantor's portion of any collateral securing any Guaranteed Obligation as of such date in a manner to maximize the amount of such Contributions).

(c) ALLOCATION. In the event that at any time there exists more than one Funding Guarantor with respect to any Contribution (in any such case, the "Applicable Contribution"), then payment from other Guarantors pursuant to this Guaranty shall be allocated among such Funding Guarantors in proportion to the total amount of the Contribution made for or on account of the Guarantors by each such Funding Guarantor pursuant to the Applicable Contribution. In the event that at any time any Guarantor pays an amount under this Guaranty in excess of the amount calculated pursuant to clause (A) of Section 11(b), that Guarantor shall be deemed and shall be entitled to Contribution from the other Guarantors in accordance with the provisions of this Guaranty.

(d) PRESERVATION OF RIGHTS. This Guaranty shall not limit any right which any Guarantor may have against any other Person which is not a party hereto.

(e) EQUITABLE ALLOCATION. If as a result of any reorganization, recapitalization, or other corporate change in a Guarantor, or as a result of any amendment, waiver or modification of the terms and conditions governing the Note or the Guaranteed Obligations, or for any other reason, the Contributions under this Guaranty become inequitable, the parties hereto shall promptly modify and amend this Guaranty to provide for an equitable allocation of the

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Contributions. Any of the foregoing modifications and amendments to this Guaranty shall be in writing and signed by all parties hereto.

(f) ASSET OF PARTY TO WHICH CONTRIBUTION IS OWING. The parties hereto acknowledge that the right to Contribution hereunder shall constitute an asset

in favor of the party to which such Contribution is owing.

(g) INDEMNITY. Each Guarantor agrees to indemnify and hold harmless any Funding Guarantor for the contribution Obligation of such Guarantor (as determined in accordance with Section 11(b) of this Guaranty) paid by such Funding Guarantor.

12. UNDERSTANDINGS WITH RESPECT TO WAIVERS AND CONSENTS. Each Guarantor warrants and agrees that each of the waivers and consents set forth herein are made with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Guarantor otherwise may have against Borrower, any Guaranteed Party or others, or against any collateral securing any Guaranteed Obligations and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or Law. Each Guarantor acknowledges that it has either consulted with legal counsel regarding the effect of this Guaranty and the waivers and consents set forth herein, or has made an informed decision not to do so. If this Guaranty or any of the waivers or consents herein are determined to be unenforceable under or in violation of applicable Law, this Guaranty and such waivers and consents shall be effective to the maximum extent permitted by Law.

13. REPRESENTATIONS AND WARRANTIES. Each Guarantor hereby makes each and every representation and warranty applicable to such Guarantor set forth in Article 4 of the Loan Agreement as if set forth in full herein referring mutatis mutandis to the Note Documents.

14. COSTS AND EXPENSES. Each Guarantor agrees to pay to each Guaranteed Party all reasonable costs and out-of-pocket expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by any Guaranteed Party in the enforcement or attempted enforcement of this Guaranty, whether or not an action is filed in connection therewith, and in connection with any waiver or amendment of any term or provision hereof. All advances, charges, costs and expenses, including reasonable attorneys' fees and disbursements (including the reasonably allocated cost of legal counsel employed by any Guaranteed Party), incurred or paid by any Guaranteed Party in exercising any right, privilege, power or remedy conferred by this Guaranty, or in the enforcement or attempted enforcement thereof, shall be subject hereto and shall become a part of the Guaranteed Obligations and shall be paid to each Guaranteed Party by each Guarantor, immediately upon demand, together with interest thereon at the rate(s) provided for under the Note.

15. CONSTRUCTION OF THIS GUARANTY. This Guaranty is intended to give rise to absolute and unconditional obligations on the part of each Guarantor.

16. LIABILITY. Notwithstanding anything to the contrary elsewhere contained herein or in any Note Document to which any Guarantor is a party, the aggregate liability of all Guarantors hereunder for payment and performance of the Guaranteed Obligations shall not

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Subsidiary Note Guaranty

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exceed an amount which, in the aggregate, is \$1.00 less than that amount which if so paid or performed would constitute or result in a "fraudulent transfer", "fraudulent conveyance", or terms of similar import, under applicable state or federal Law, including without limitation, Section 548 of the United States Bankruptcy Code. The liability of each Guarantor hereunder is independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Obligations, and each Guarantor's liability hereunder may be enforced regardless of the existence of any such guaranties. Any termination by or release of any guarantor in whole or in part (whether it be another Guarantor under this instrument or not) shall not affect the continuing liability of any Guarantor hereunder, and no notice of any such termination or release shall be required. The execution hereof by each Guarantor is not founded upon an expectation or understanding that there will be any other guarantor of the Guaranteed Obligations.

17. ADDITIONAL GUARANTORS. Any other Person may become an additional Guarantor under and become bound by the terms and conditions of this Guaranty by

executing and delivering to Administrative Agent an Instrument of Joinder substantially in the form attached hereto as Exhibit A, accompanied by such documentation as Administrative Agent may require to establish the due organization, valid existence and good standing of such Person, its qualification to engage in business in each material jurisdiction in which it is required to be so qualified, its authority to execute, deliver and perform this Guaranty, and the identity, authority and capacity of each Senior Officer thereof authorized to act on its behalf. Upon delivery of such Instrument of Joinder to and acceptance thereof by Administrative Agent, notice of which acceptance is hereby waived by Guarantors, each such additional Guarantor shall be as fully a party hereto as if such Guarantor were an original signatory hereof. Each Guarantor expressly agrees that its obligations hereunder and under any other Note Document shall not be affected or diminished by the addition or release of additional Guarantors hereunder, nor by any election of any Guarantied Party not to cause any Subsidiary of Borrower to become and additional Guarantor hereunder. This Guaranty shall be fully effective as to any Guarantor who is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Guarantor hereunder.

18. RELEASE OF GUARANTORS. This Guaranty and all obligations of Guarantors hereunder shall be released when all Note Obligations of each Party to any Note Document have been paid in full in cash or otherwise performed in full and when no portion of the Note Commitment remains outstanding and as otherwise set forth in the Note.

19. MISCELLANEOUS. Subject to Section 15 hereof, each of the Guarantors consents and agrees to the obligations and other terms imposed upon such Guarantor, and each of the Note Documents to which such Guarantor is party, by the terms of the Note. Without limiting the foregoing:

(a) Neither this Guaranty nor any other Note Document to which any Guarantor is party shall be amended, modified, supplemented, extended, terminated or waived (explicitly or by implication) except in such manner as may be permitted by the terms of the Note.

(b) Any Note Document to which any Guarantor is party may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

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Subsidiary Note Guaranty

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20. NOTICES. Any notice or other communication made under this Guaranty shall be in writing and shall be deemed to be properly given if done in accordance with Section 11.6 of the Loan Agreement. The notice address for each Guarantor is set forth on the signature page hereof (or the Instrument of Joinder executed by such party, if applicable).

21. COMPLETE AGREEMENT. This Guaranty, together with the other Note Documents executed by each Guarantor, comprises the complete and integrated agreement of the parties on the subject matter hereof and supersedes all prior agreements, written or oral, on the subject matter hereof.

22. WAIVER OF JURY TRIAL. EACH GUARANTOR AND each Guarantied Party EXPRESSLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS GUARANTY, THE NOTE, THE OTHER NOTE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH GUARANTOR AND each Guarantied Party AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS GUARANTY, THE NOTE AND THE OTHER NOTE DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE NOTE AND THE OTHER NOTE DOCUMENTS. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT

TO TRIAL BY JURY.

23. GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF NEW YORK.

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Subsidiary Note Guaranty

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IN WITNESS WHEREOF, each Guarantor has executed this Guaranty by its duly authorized officer as of the date first written above.

"Guarantor"

UNITED STATES ENRICHMENT
CORPORATION, A DELAWARE CORPORATION

By /s/ Henry Z Shelton, Jr.

Name Henry Z Shelton, Jr.

Title Senior Vice President and Chief Financial Officer

Notice address for Guarantor:

United States Enrichment Corporation
6903 Rockledge Drive
Bethesda, Maryland 20187
Attn: Chief Financial Officer
Telecopier: (301) 564-3211
Telephone: (301) 564-3344

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EXHIBIT A TO SUBSIDIARY NOTE GUARANTY

INSTRUMENT OF JOINDER

THIS INSTRUMENT OF JOINDER ("Joinder") is executed as of _____, by _____, a _____ ("Joining Party"), and delivered to BANK OF AMERICA, N.A. ("Administrative Agent"), pursuant to the Guaranty dated as of November 15, 1999 (the "Guaranty") made by each of the initial Guarantors party thereto (each a "Guarantor", and collectively, the "Guarantors") in favor of the Guarantied Parties. Terms used but not defined in this Joinder shall have the meanings defined for those terms in the Guaranty.

RECITALS

(a) The Guaranty was made by the Guarantors in favor of the Guarantied Parties under that certain Syndicated Revolving Promissory Note of even date herewith made in favor of Lenders by USEC Inc., a Delaware corporation, ("Borrower" (said Note, as it may hereafter be amended, extended, renewed, supplemented, or otherwise modified from time to time, being the "Note").

(b) Joining Party has become a Subsidiary of Borrower, and as such is required pursuant to Paragraph 18 of the Note to become an additional Guarantor.

(c) Joining Party expects to realize direct and indirect benefits as of a result of the availability to Borrower of the credit facilities under the Note.

NOW THEREFORE, Joining Party agrees as follows:

AGREEMENT

(1) By this Joinder, Joining Party becomes a "Guarantor" under and pursuant to Section 17 of the Guaranty. Joining Party agrees that, upon its execution hereof, it will become a Guarantor under the Guaranty with respect to all Obligations of Borrower and Guarantors heretofore or hereafter incurred under the Note Documents, and will be bound by all terms, conditions, and duties applicable to a Guarantor under the Guaranty.

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Instrument of Joinder

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(2) The effective date of this Joinder is _____
, _____ .

"Joining Party"

_____ a _____

By _____

Name _____

Title _____

ACKNOWLEDGED:

BANK OF AMERICA, N.A., AS
ADMINISTRATIVE AGENT FOR THE LENDERS

By: _____

Name: _____

Title: _____

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Instrument of Joinder

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SCHEDULE 1

NOTE COMMITMENTS
AND PRO RATA SHARES

LENDER	NOTE COMMITMENT	PRO RATA SHARE (1)
Bank of America, N.A.	\$50,000,000	50%
First Union National Bank	\$50,000,000	50%
	=====	=====
Total	\$100,0000,000	100%

 (1) Subject to last sentence of Paragraph 19(a) of the Note.

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SCHEDULE 2

NOTICE ADDRESS AND LENDING OFFICES

BORROWER

USEC INC.
 6903 Rockledge Drive
 Bethesda, Maryland 20817-1818
 Attn: Chief Financial Officer
 Telephone: 301.564.3237
 Facsimile: 301.564.3344

ADMINISTRATIVE AGENT'S OFFICE:

Requests for Extensions of Credit:

Bank of America, N.A.
 Agency Administrative Services - West
 1850 Gateway Boulevard, 5th Floor
 Mail Code CA4-706-05-09
 Concord, California 94520
 Attn:
 Telephone: 925.675.8447
 Facsimile: 925.969.2807
 Acct No.: 3750836479
 Ref: USEC Inc
 ABA No. 111000012

Other Notices:

Bank of America, N.A.
 Agency Management-Los Angeles
 555 South Flower Street, 11th Floor
 Mail Code CA9-706-11-03
 Los Angeles, California 90071
 Attn: Gina Meador
 Vice President
 Telephone: 213.228.5245
 Facsimile: 213.228.2299

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LENDERS

BANK OF AMERICA, N.A., AS A LENDER

Domestic and Offshore Lending Office:

Bank of America, N.A.
1850 Gateway Boulevard, Fifth Floor
Concord, California 94520
Mail Code C4-706-05-09
Attn: Glenis Croucher
Telephone: 925.675.8447
Facsimile: 925.969.2807

Other Notices:

Bank of America, N.A.
555 South Flower Street, 11th Floor
Mail Code CA9-706-11-07
Los Angeles, California 90071
Attn: Dianne J. Prust
Vice President
Aerospace/Defense #9848
Telephone: 213.228.2435
Facsimile: 213.623.1959

FIRST UNION NATIONAL BANK

Domestic and Offshore Lending Office:

Mail Code: -----

Attn: -----

Telephone: -----
Facsimile: -----

Notices (other than Requests for Extensions of Credit):

Mail Code: -----

Attn: -----

Telephone: -----
Facsimile: -----

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND STATEMENT OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

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