


## GTS Duratek Announces Name Change to Duratek

by Robert Gray

**G**TS Duratek announced on January 22, 2001, that it changed its name. The new name, Duratek, “reflects changes in the Company that position it as a key player in enabling solutions to address the nation’s energy challenges,” says President and CEO Robert E. Prince. Duratek offers turnkey services for the safe processing and disposition of radioactive materials for federal and commercial customers.

“Concerns about energy in the country signal a new awareness that nuclear power is part of the solution. A company that answers the need for environmentally responsible and safe radioactive waste clean-up and disposition is essential to the success of such an enterprise. At the same time, the

Company’s purchase in June 2000 of Waste Management Nuclear Services has positioned Duratek with “the best capabilities” in the Company’s history for serving existing nuclear clean-up needs,” said Prince.

As a name, “Duratek is simpler, more streamlined, more recognizable. It reflects where we are as a Company and where we are going,” said Prince. The Company will also unveil a new corporate logo. The globe shape “represents our unified skill set,” said Angela Roe, corporate designer. “It recognizes the fact that we help to safely complete the nuclear power generation cycle, thereby strengthening the industry as a whole.” 

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### From the Desk of Bob Prince . . .

**T**he winter winds of change are blowing in Washington. The new incoming Bush administration is already beginning to make changes in the areas of education, Social Security and Medicare, tax reform, and energy policy. The current power crisis in

California and the availability of heating oil in the Northeast has punctuated the need for and the importance of a national energy strategy. The need for energy will continue to increase as our economy expands. Just look at the Internet. Ten years ago, there were a little over 100 World Wide Web (www) sites. Today, that number exceeds 20,000,000. With this dramatic growth, it is no wonder that the Internet accounts for nearly 10 percent of U.S. electricity demand.

Nuclear energy plays a major role in meeting America’s increasing electricity needs. It ranks second only to coal. In the last 10 years, nuclear power has provided over 20 percent of our electricity needs and has done it safely, reliably, and with a positive impact on the environment. From an environmental standpoint alone, since the oil embargo in 1973, nuclear plants have helped to avoid the emission of 87 million tons of sulfur dioxide and 40 million tons of nitrogen oxide. Today, there is also a growing recognition about the strong safety record of these plants. The proven safety performance of these plants over the last 20 years has reduced the downtime of the plants and added renewed confidence to the

***“To enable the nuclear power industry to continue to provide the low cost and reliable source of power this country needs, we must prove, by our performance, that we fulfill the commitment to be the safe and environmentally responsible solution to the low-level radioactive waste needs of the industry.”***

*Robert E. Prince, President and CEO, Duratek*

## Duratek Donates Office Building to Local YMCA

by Bryan Kidder



Far left: Children from Whittier Elementary in Pasco, Washington, sang to the ribbon cutters during the donation ceremony.

Left: Bob Prince and YMCA Board President Jack Lynch cut the ribbon marking donation of the 5,000-square-foot building from Duratek.

As Bob Prince was serenaded by small children and an onlooking crowd applauded, Duratek completed its donation of a 5,000-square-foot office building to the YMCA of the Greater Tri-Cities (Washington State) with a ribbon-cutting. A gathering of about 75 community leaders witnessed the ceremony and toured the facilities afterward.

The donation will help the local YMCA expand its service offering to the Tri-Cities. In his remarks during the ceremony, Mr. Prince commented on the importance of the day. “We are gladly giving this building but more importantly, we are excited to start the next phase of growth for the YMCA” said Mr. Prince. “We are gathered at the doorstep to the YMCA’s building for a ribbon-cutting, but we are symbolically standing at the doorstep of the YMCA’s great future in the Tri-Cities.”

The building previously housed the Richland office of Scientific Ecology Group, a company purchased by GTS Duratek in 1997. The YMCA has been using a portion of the building prior to the donation, but with the ownership of the building comes additional space to potentially house many new programs.

Former YMCA General Manager Richard Taylor was very appreciative of the donation, saying it amounted to the largest single donation the local Y has received in its 44-year history. Children in YMCA programs made posters thanking the company for its donation and they covered the walls. Letter of thanks were also received from United States Congressman Doc Hastings and Washington State Senator Pat Hale. 🌍

## Duratek Consolidation and Services Facility

by Scott Roberts

The Duratek Consolidation and Services Facility (DCSF) was designed and constructed in 1990 for the processing of radioactive waste generated by the U.S. Department of Defense, various other federal government agencies, and commercial customers due to the close proximity to the Barnwell Disposal Facility. Duratek acquired this facility when it acquired Waste Management Nuclear Services in 2000. Located in Snelling, South Carolina, approximately five miles west of Barnwell on SC Highway 64 and directly adjacent to the U.S. Department of Energy’s Savannah River Site, the

DCSF is accessible by highway or rail. The facility is comprised of two environmentally controlled and HEPA filter ventilated buildings that house the administrative areas and approximately 27,500 square feet of processing area which supports a variety of radioactive material and waste processing services.

South Carolina Radioactive Material License No. 287-04 specifies the guidelines for operation and maintenance of the DCSF. This license allows for the receipt, storage, consolidation, repackaging, processing, decontamination, and shipping of radioactive material and/or waste to facilities with

authorized licenses. Specific services permissible by the DCSF’s license include: (1) the sorting and segregation of instruments, devices, and sources; (2) source stabilization; (3) dry active waste volume reduction, i.e., compaction; (4) de-watering and solidification of “liners” with spent resins and wastes from nuclear power utilities and other generators; (5) decontamination of large equipment and other components; (6) water processing using the fixed-based “THERMEX” system; (7) lead blanket re-manufacturing; and (8) a waste testing laboratory for conducting treatability studies. 🌍

## Duratek's Activities at the DOE's Hanford Site

### Waste Treatment Project Vitrification (Conversion to Glass) of Tank Waste

This quarter it was announced by the U.S. Department of Energy's (DOE) Office of River Protection that Bechtel Washington had been awarded the design, construction, and commissioning of the Hanford Waste Treatment Plant. The contract is a 10-year, cost-plus contract with a target cost of \$3.96 billion to start up the waste vitrification facility. The Bechtel Washington team earns a fee based upon performance with a bulk of potential fee earned by completing the contract on/ahead of schedule and reducing the government's overall cost. This contract replaces the abandoned privatization approach that DOE determined was causing significant increases in total estimated cost of the project.

Duratek has continued to provide the Hanford Site with significant support on the Hanford Waste Treatment Plant throughout the past 9 months of transition to a new contractor. Two contracts have been signed and implemented with CH2M HILL Hanford Group (CHG) to continue Duratek's role in the project through this transition period. The DOE had selected CHG to take over a caretaker role for the project until they could complete an open competition for contract. The contracts have a maximum total value of over \$30 million for the period of August 2000 through September 2001. These contracts have allowed Duratek to maintain 100 percent of the resources we had previously supplied the project to continue to support the project moving forward. Initial discussions have been held with the Bechtel management team and it is anticipated that the CHG contracts will be assigned to Bechtel and work will continue at a similar level into the near future.

### Hanford Management & Operations

The DOE's Richland Operations recently announced a five-year extension for the Fluor Hanford team to manage and operate the Hanford Site. The extension continues the trend towards performance-based contracting, with a majority of the fee to be earned by the team based upon multi-year performance agreements to accomplish specific work.

Duratek was the only site contractor to achieve 100 percent of its performance objectives during the past four years at Hanford. The company is in negotiations with Fluor Hanford to continue to provide waste management and laboratory management, in addition to other support services.


### Hanford ERDF

The Environmental Restoration Disposal Facility (ERDF) continues to be a cornerstone in the clean-up activities at the Hanford Site. Over 110,000 tons of waste were placed in the last quarter, finishing the Year 2000 with over 600,000 tons of waste placed to support the Hanford clean-up. The Duratek ERDF Operations team was also successful in winning its first clean-up job at the site: two non-radioactive sites. The work is valued at over \$500,000 with options for up to another \$400,000 in work for Bechtel. Crews have already been mobilized and the clean-up effort began in the first week of January 2001.

### Technical Services

The consulting branch of the Duratek operations at Hanford is completing a record year in revenue with nearly \$20 million in support provided to clients at Hanford and across the country. Fluor Hanford recently exercised an option year on the group's largest contract,



which involves various environmental, waste management, and engineering support services. Off-site work has also grown, with the Fluor contract representing only 55 percent of the group's estimated work in 2001 compared to 100 percent four years ago when the group was first formed. 

## Duratek Awarded Safety Subcontractor of the Month

by Bob Hoffman



Pictured, from left, are Travis Brown, electrician; Melody Channell, ES&H representative; Clint Vought, laborer; Rick Pierce, project manager; and Robert Hoffman, ES&H manager.

Duratek operates the Liquids and Gaseous Waste Operations at Oak Ridge National Laboratory and performs various surveillance and maintenance activities for Surplus Facilities. Since the inception of their contract on January 10, 2000, Duratek employees have worked more than 150,000 hours without a recordable injury/illness.

## Los Alamos Safety Record

by Troy Eshleman

The Los Alamos Field Office was established in February 1994 and has successfully grown to the current staff of 33 personnel who implement various waste management field operations, decontamination and decommissioning, and environmental restoration projects in support of the Los Alamos National Laboratory. During the almost seven years of continuous operation Duratek has had zero lost time accidents or OSHA recordable safety incidents.

## Duratek Awarded \$8.25M Contract at Yankee Rowe

by Assef Azadeh

Duratek was awarded a \$8.25 million contract by NAC International (NAC) to provide decommissioning support for the Yankee Nuclear Power Station (Yankee Rowe) in Rowe, Massachusetts, over the next 15 months. NAC is responsible for transferring fuel from the spent fuel pool inside the plant to a storage pad on-site. As a member of the NAC “pool to pad” project team, Duratek will be responsible for providing radiological health and safety oversight, waste management program development and implementation, including on-site water processing and off-site waste processing and disposal in support of closure activities.

NAC is recognized worldwide as a leading U.S. nuclear energy and electric utility solutions and services company. NAC specializes in nuclear fuel transport, spent fuel management technology, nuclear fuel cycle consulting, and information technology solutions and implementation. NAC’s services include fuel procurement and performance evaluations, competitive assessments and knowledge management, utility restructuring, and regulatory and communications planning. Duratek’s commercial customer base includes the 103 operating nuclear plants many of which have or will file for life extension, as well as the 14 that are either in decommissioning or waiting to be decommissioned. 🌍

## From the Desk of Bob Prince, continued from page 1

long-term reliability of nuclear power. The decline in operational costs coupled with the increased reliability of nuclear power has caused many of the owners to seek an extension to their license from 40 years to 60 years.

We at Duratek believe that we have played a key role in enabling the industry to achieve this success. Twenty years ago, on the heels of Three Mile Island, critics claimed that the future of nuclear power would be hampered by its inability to dispose of its waste and the risks in transporting waste. Since that time, we (and our predecessor companies) have worked very closely with our utility clients to demonstrate that low-level waste can be disposed of safely. Nowhere is that more evident than at our newly acquired Barnwell facility, where they have gone over 7 years without a lost-time accident and over 17 years without a regulatory notice of violation. Our attention to safety and environmental stewardship doesn’t just start there. It is extremely important to ensure that we uphold the transportation safety record in the nuclear industry – a record that is nothing short of remarkable. Throughout its history, the nuclear energy industry has safely transported more than 45 million packages of radioactive materials. What contributes to this excellent safety record? It is strict government requirements on packaging and handling of the radioactive materials, careful control over the radioactive material being transported, and an established and proven system for dealing with any accident involving radioactive materials. Our Hittman subsidiary has played a major role extending this industry safety record. Just in this past year alone, Hittman made over 5,400 shipments covering over 6.7 million miles without an accident or a regulatory violation.

To enable the nuclear power industry to continue to provide the low cost and reliable source of power this country needs, we must prove, by our performance, that we fulfill the commitment to be the safe and environmentally responsible solution to the low-level radioactive waste needs of the industry. This gains industry confidence and public confidence in the future of nuclear power. 🌍

## Construction Begins on the Melton Valley Project

by John McCoy

**D**uratek is a major subcontractor to the Foster Wheeler Environmental Corporation on the Melton Valley Project at the Oak Ridge National Laboratory (ORNL) in Oak Ridge, Tennessee. The scope of the project, which began in August 1998, is to design, permit, construct, operate, and eventually decontaminate and decommission a facility to process the largest remote handled transuranic (TRU) waste inventory currently in the U.S. Department of Energy (DOE) complex. This RH TRU inventory, currently stored in ORNL facilities, consists of 900 cubic meters of tank sludge and 550 cubic meters of debris waste. In addition, the project will process over 1,000 cubic meters of contact-handled TRU waste and 1,600 cubic meters of low-level tank waste supernate. On December 1, 2000, a major project milestone was

reached with the facility groundbreaking officially starting the project construction phase.

Duratek's role in this \$200 million DOE privatization project is to provide transportation, laboratory work, waste certification, and solid waste operations services. During the next two years of construction, the project will also prepare for the facility operations readiness review in mid-2002 and the start of hot operations in December 2002.

Pat Hopper, Division Leader of Duratek's Eastern Federal Operations, stated that "this milestone is especially



Artist rendering of Melton Valley Waste Remediation Facility

significant since the Foster Wheeler/Duratek team completed the design and licensing in record time. Congratulations to the whole project team for a job well done." 🌍

## Duratek Melts Lead for Controlled, Beneficial Reuse Within DOE

by Chris Reno

***"This is a good example of how we can safely and cost-effectively recycle surplus materials. It shows that we can take creative steps to reuse and recycle materials for use within our complex."***

*Bill Richardson, former Secretary of Energy*

**D**uratek successfully demonstrated a process for reusing contaminated lead as a shielding material for radioactive waste containers. This process may offer the U.S. Department of Energy (DOE) and commercial utilities a cost-effective strategy for reusing a material that would otherwise require costly disposal as a mixed waste.

In October, Duratek processed 8 tons of potentially contaminated lead into shielding for seven large steel containers. The lead originated from the DOE's Hanford Site in Washington State, where it was used for shielding fuel transfer casks. Lead was thermally extracted from the casks and cast into 3,000-pound ingots. These ingots were then melted and used to fabricate "drum shields" for DOE's Pacific Northwest National Laboratory (PNNL), also located in Hanford.

Following the project, Bill Richardson, then Secretary of Energy was quoted in a DOE publication as saying "This is a good example of how we can safely and cost-effectively recycle surplus materials. It shows that we can take creative steps to reuse and recycle materials for use within our complex."

This demonstration is the first internal supply material reuse project to be completed since Secretary Richardson announced a beneficial reuse policy last July. The policy suspended the release of potentially contaminated scrap metals from the DOE complex and encouraged the reuse of materials to meet the needs within the Department. Before this policy, lead was stored on-site.

The demonstration was coordinated through the Department's National Center of Excellence for Metals Recycling (NMR), which is managed by DOE's Oak Ridge Operations Office. Another Tennessee company, Bull Run Metal Fabricators and Engineers, Inc., provided design support and fabricated the storage containers. Duratek and Bull Run are working cooperatively to provide both standardized and customized containers. Several DOE facilities have expressed interest and have provided details regarding future needs for recast lead shielding and shielded containers. 🌍

# Duratek Sponsors the **ATOMIC WEDGIE**, New Entrant in Comedy Central's **BattleBots™**

by Rob Everhart



One of America's newest sports is a contest of engineering, strategy, creativity, and mechanical endurance. BattleBots™, a new series on the Comedy Central Network Tuesdays at 10:00 p.m. EST, showcases combat between contestant-built robots in an enclosed ring called the Battlebox™.

Duratek is sponsoring one of the newest super heavyweight competitors, the Atomic Wedgie. The second season of BattleBots™ was taped in Las Vegas over a three-day weekend in November, and is currently airing. The Atomic Wedgie made an incredible impression on this newly emerging sport. The robot was built by a group of engineers on their own time from the Columbia, Maryland, office, called Team Half Life. The building team consists of Robert Everhart, Charlie Payne, Tom Corrie, and Kevin Maze, with additional support from the Columbia engineering group.

The Atomic Wedgie is constructed of Aluminum 6061, and is driven by a powerful pair of electric gear motors. The drive system propels the four independent tank treads to move the robot over 15 miles per hour. The robot is armored with titanium metal, and inflicts blows to its opponents using an Inconel ramming nose, and two spinning 15 lb. blades traveling at over 70 miles per hour.

The robot fared well against its opponents and even the Battlebox™ itself, which supplies many hazards, including kill saws, hydraulic spikes, and lifting ramps. Due to the builders' engineering experience, redundancy was key in the design. This "nuclear" mind frame allowed the robot to endure the punishment dealt by the competition. The Atomic Wedgie may have a tongue in cheek name but the radioactive theme runs true down to its tri-foil shaped weapon blades.

The Duratek-sponsored competitor did amazingly well for its first event. Its first match was against a robot named

RipOff. This robot featured an electric driven vertical 28" saw blade. The fight ended quickly with the Atomic Wedgie flipping RipOff over and punishing the still-spinning blade until the robot burst into flames. This was the first win for the Atomic Wedgie, and it was a knockout.

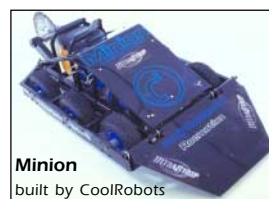
The second match was a bit of a shock for the team. Atomic Wedgie faced the undefeated reigning super heavyweight champion, Minion. Minion was clearly outmatched by the Atomic Wedgie. One minute seventeen seconds into the three-minute fight, the champion was flipped and the Atomic Wedgie won. The team was ecstatic and relieved that they lived to fight again in this single elimination competition.

On February 6, the third match for the Atomic Wedgie was aired, in which it fought Toro, a robot capable of flipping a 325-pound robot in the air. The Atomic Wedgie won with a knock out, but after taking much abuse. It was a great match, and quite an upset.



A jubilant Team Half Life watches as the Atomic Wedgie triumphs in Vegas. From left, Charlie Payne, Rob Everhart (in back), Robert Everhart III, Brad Bowan, and Tom Corrie.

Watch Comedy Central on February 20, at 10:00 p.m. EST for more exciting fighting action with the Atomic Wedgie. The next battle shown is the super heavy weight semifinals, and it pits the Wedgie against Revision Z. If the Atomic Wedgie wins, it will move on to the finals. 🌐




## Why Did Duratek Sponsor the Atomic Wedgie?

by Brad Bowan

**D**uratek elected to sponsor the Atomic Wedgie, a super heavy-weight Battlebot™ combatant currently airing on Comedy Central.

While certainly a light-hearted endeavor, a Battlebot™ exemplifies a number of parallels to Duratek's existing service lines. Duratek engineers routinely design and deliver remote controlled devices and machines to function in very harsh and demanding environments, such as waste vitrification and steam reforming. These situations call for unique design solutions to stringent performance requirements. The decontamination and decommissioning market calls for remotely operated systems on a regular basis. For example, robotic devices crawl into and survey radioactive contamination insides pipes or other components, and machines cut contaminated hardware into smaller pieces for removal.


The Battlebot™ tournament generates enthusiasm by showcasing employees' professional talents in a nationally televised, technocreative forum. 

## Duratek's Ownership Structure

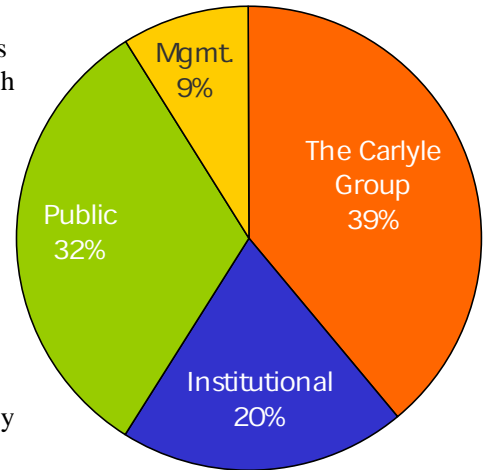
by Diane Brown

**D**uratek is a publicly traded Company listed on the NASDAQ stock exchange. This means that ownership in the Company through the stock it has issued is bought and sold everyday on the NASDAQ stock exchange. Duratek currently has 13.4 million shares outstanding. The total shares used in our graph (right), includes common stock, preferred stock, and management options. Both preferred stock and options can be converted into common stock. The total shares of the Company are held by the groups listed in the box below the chart.

Two recent events that affect the ownership profile of the Company occurred this past November:

- Duratek resumed its stock buy-back program. This is a program where the Company uses its own cash to go out and buy shares of its stock from the open market. Companies institute programs to buy back their own stock when they believe the stock is an attractive investment and, therefore, a good use of their cash.
- BNFL, through a strategic alliance with Duratek, held a debenture (note payable) that was convertible into approximately 1.4 million shares on or before November 7, 2000. Due to their own internal requirements, BNFL elected not to convert the debt into stock. If BNFL had elected to convert, the Company would have issued 1.4 million shares of additional stock, which would be dilutive to existing shareholders. Instead, Duratek will not need to issue any additional shares and will repay the note over five years. The note has very attractive interest rate and repayment terms for Duratek. 

Total Shares: 20.5 million



**The Carlyle Group:** A multi-billion dollar merchant bank investment group in Washington, D.C., who made their initial investment in Duratek in 1995. A portion of their ownership is held through a preferred stock which is convertible into common stock. They control a majority of the seats on the Board of Directors and have been an excellent sponsor for the growth and success of the Company.

**Institutional Investors:** These are investment funds that manage money for their investors, such as mutual funds, retirement funds, etc. Generally they invest larger amounts of money than individual investors.

**General Public:** Any individual investor who may buy shares, generally through a stock broker, because they feel that the Company is a good investment.

**Management:** Just like the general public, individual employees own stock in the Company.

# Financial Highlights

President and CEO  
**Robert E. Prince**

Executive V.P. and CFO  
**Robert F. Shawver**

Investor Relations  
**Diane R. Brown**

Marketing and Strategic Business Development  
**Regan Voit**

ES&H / OA  
**Dr. Willis Bixby**  
Vice President

Federal Services  
**Tom Dabrowski**  
Group President

Radioactive Solutions  
**Les Hill**  
Group President

Chem-Nuclear Systems, L.L.C.  
**Regan Voit**  
President

Engineering and Technology  
**Paul Deltete**  
Group President

**Corporate Headquarters**  
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**Processing and Transportation**  
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**Barnwell Disposal**  
803.259.1781

[www.duratekinc.com](http://www.duratekinc.com)

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Duratek

Editor  
**Angela M. Roe**

## Common Stock Ownership:

Market: NASDAQ

Symbol: DRTK

Shares Outstanding:  
13,425,369  
(as of 11/07/00)

## Investor Inquiries:

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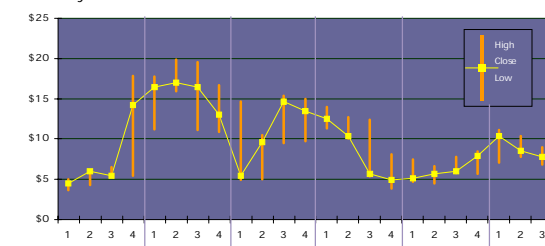
	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
Revenues	\$73,855,773	\$44,777,734	\$167,730,117	\$125,355,405
Net Income (loss)	3,389,649	2,911,484	8,777,387	7,419,547
			<i>As of 9/30/00</i>	<i>As of 12/31/99</i>
Cash			\$ 454,790	\$ 59,525
Current Assets			104,054,338	65,364,585
Total Assets			286,046,325	157,588,363
Current Liabilities			86,831,015	44,381,777
Total Liabilities			201,324,790	80,684,215
Preferred Stock and Common Stockholders' Equity			\$ 84,721,535	\$ 76,904,148
Total Shares Outstanding and Common Stock Equivalents			20,110,227	20,323,000

*“The results show the acquisition has contributed significantly to the Company’s revenue growth, as shown by the 65% increase in the third quarter. The higher margins of the acquired business should provide an excellent base on which to continue to grow.”*

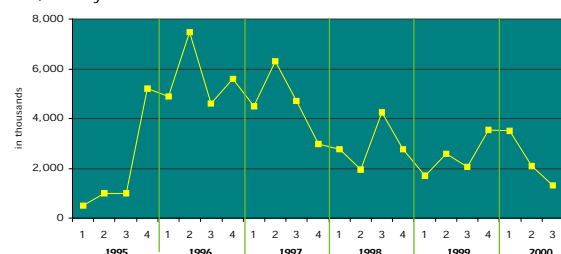
*Robert F. Shawver, Executive V.P. and CFO*

For the nine-month period ended September 30, 2000, net income was \$8,777,000 on revenues of \$167,730,000 as compared to net income of \$7,420,000 on revenues of \$125,355,000 for the same nine-month period in 1999. Revenues increased by \$29,078,000 or 65% for the quarter and \$42,375,000 or 34% for the nine months ended September 30, 2000. The revenue and profit increases for the quarter and nine months were primarily due to the Waste Management Nuclear Services business which was acquired on June 8, 2000. On a per share basis, net earnings after preferred dividends were \$0.17 for the quarter and \$0.45 for the nine months ended September 30, 2000 as compared to \$0.15 and \$0.37 for the same periods in 1999, respectively.

Quarterly Share Price



Quarterly Share Volume



Printed on Recycled Paper



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Columbia, Maryland 21046