



DECOMMISSIONING OF THE BELGONUCLEAIRE MOX PLANT

Political decisions, such as the termination of the last reprocessing contract by Belgium in 1998, the reprocessing ban in Germany as of 2005 and the delay in the Japanese programme for the use of MOX fuel, led to a reduction in demand for MOX fuel. The impact of this reduction on BELGONUCLEAIRE was exacerbated by the Cogema and BNFL decision to concentrate MOX production in their own facilities in France and Great Britain, respectively.

BELGONUCLEAIRE's customers - reduced to two, namely Cogema and BNFL as a result of the concentration in the nuclear industry - therefore decided that they would no longer place any orders for the manufacture of MOX in the Dessel plant. In these conditions, the last fabrication of MOX fuel will end in July 2006.

During the meeting of 18 November 2005, considering that the shutdown of the Dessel plant had to be envisaged, the Board of Directors decided to launch the first phase of consultation set out in the Renault law for cases when a company is obliged to close a plant.

On 22 December 2005, the Board took note of the report drawn up by the works council of the Dessel plant which stated that the first phase of consultation had been respected and completed ; the Board then decided to close the plant. The closure will take place after the last fabrication campaign, which is currently planned for July 2006.

On 24 January 2006, a social plan was signed with the trade union organisations. The plan, which was approved by the plant's personnel, sets out the departure conditions for employees, to be implemented in two stages the first one in July 2006 and the second in October 2006. Thirty staff members will however continue to be employed to provide security and safety services at the plant during the period preceding decommissioning and during the actual decommissioning of the installations. Two collective agreements, signed on 23 February 2006, put the social plan into practice : they contain the departure conditions for the employees by means of laying off and early retirement.

The decommissioning work will begin once the Royal Decree corresponding to the decommissioning licence has been obtained. The procedure for obtaining this licence has been initiated. The licence request was first sent to Ondraf/Niras for an opinion. The complete file, including the opinion, will then be sent to the Federal Agency for Nuclear Control (FANC/AFCN). Following an initial examination by the Agency's Scientific Council, the municipality of Dessel and the neighbouring municipalities will be consulted. The Scientific Council will then formulate its opinion which may include comments by BELGONUCLEAIRE. The decommissioning licence will then be granted by Royal Decree provided the Agency's Scientific Council issues a favourable opinion. The period required for obtaining the permit is unspecified.