

HOLTEC HIGHLIGHTS

(A Summary Report to Our Clients, Suppliers, and Company Personnel)

CORPORATE DIARY: 2005

Holtec's stakeholders will remember 2005 as the year of several significant corporate milestones. Among the achievements that validate our corporate slogan "*A Generation Ahead by Design*" was the successful development of an obround finned tube for use in air cooled condensers, which has been an urgently needed technology to produce electricity in water-challenged regions of the earth. Another milestone was the submittal of underground spent fuel storage technology to the USNRC that would make storage of large quantities of spent fuel-laden canisters at a facility (such as DOE's "Aging" facility) physically inconspicuous, essentially dose free, and hugely safe against crashing aircraft and the like. The underground storage system, named HI-STORM 100U, is expected to be certified by the USNRC later this year.

In the business development space, we celebrated signing of the largest ever nuclear contract by a U.S. company in Ukraine to establish a national away-from-reactor storage facility for Ukraine's national nuclear utility, Energoatom. The national storage facility, most likely to be sited in the Chernobyl exclusion zone, will feature the latest and safest in America's spent fuel storage and transport technologies. Through a separate contract with the State Specialized Enterprise Chernobyl Nuclear Power Plant, we are working to utilize Holtec's forced helium dehydration (FHD) technology to dry the RBMK spent fuel from the three idled (undamaged) Chernobyl reactors. In addition to the milestone projects in Ukraine, the company entered into numerous contracts throughout 2005 in all of its operating divisions.

Major construction of the Soilcrete™ column-supported ISFSI pad at Hope Creek, billed as the largest and most complicated ISFSI construction project thus far in the U.S., was also finished in 2005, as was site construction to expand wet storage capacity at several sites, including Fermi, Kori 4, and Harris.

The number of nuclear sites deploying Holtec's dry storage systems continues to grow, with River Bend, Farley, Browns Ferry, and Quad Cities joining the ranks of sites with HI-STORM ISFSIs. Twenty-one MPCs were loaded at seven sites in 2005, bringing the total number of Holtec dry storage systems loaded to 143. Please refer to the table on the next page for a summary of Holtec systems loaded. The company secured three new U.S. patents on dry storage technologies.

In 2005, Holtec's Fossil Power Division shipped seven steam surface condensers ranging in size from 15,000 sq. ft. to 150,000 sq. ft., and two feedwater heaters.

In October 2005, the status of UST&D, Inc. was changed from a stand-alone Holtec subsidiary to an operating Holtec division (Holtec Manufacturing Division, or HMD).

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The resource base of the company was augmented by many fresh faces, three among them with substantial professional track records.



Pierre Oneid joined the company as Senior Vice President after 24 years of distinguished service to Stone and Webster (later The Shaw Group). Pierre is the sponsor of Holtec's "Client First, Client Foremost" program launched in December 2005.



Jim Viebrock, a 37-year nuclear veteran and perhaps America's best known executive in spent fuel transport, joined the company in October 2005. From an operations and management perspective, Jim has participated in domestic and international shipments of over 4,000 spent fuel assemblies.



Allen Hickman, formerly president of Trenton Alloy Fabrication, Inc., has also joined the management ranks of the company. Allen's principal role will be to strengthen the activities of the Manufacturing Division (HMD).

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The company's QA program continued to win plaudits from visiting auditors and inspectors. The introduction and dissemination of the corporate QA program and practices into HMD have now been completed. We are designating 2006 as the year of safety at HMD during which enhancing worker safety in Holtec's Manufacturing Division will be our principal corporate mission.

Summary of Holtec Dry Storage Systems Loaded			
Owner	Plant	Plant Type	Total Loaded to Date
Southern Nuclear	Plant Hatch	BWR	26
Southern Nuclear	Farley	PWR	3
Entergy Nuclear Northeast	J.A. FitzPatrick	BWR	9
Exelon	Dresden	BWR	25
Exelon	Quad Cities	BWR	3
Energy Northwest	Columbia Generating Station	BWR	15
Entergy Operations, Inc.	ANO	PWR	19
Portland General Electric	Trojan	PWR	34
Tennessee Valley Authority	Sequoyah	PWR	5
Tennessee Valley Authority	Browns Ferry	BWR	3
Entergy Operations, Inc.	River Bend	BWR	1