

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

JUNE 22, 2000  
(Date of report)

USEC INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State of  
Incorporation)

001-14287  
(Commission File No.)

52-2107911  
(IRS Employer  
Identification No.)

2 DEMOCRACY CENTER  
6903 ROCKLEDGE DRIVE  
BETHESDA, MARYLAND 20817  
(Address of principal executive offices, including zip code)

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

ITEM 5. OTHER EVENTS

On June 21, 2000, the registrant issued the attached news releases reporting the decision to cease uranium enrichment operations at the Portsmouth Gaseous Diffusion Plant and related matters.

The news releases are included as exhibits to this report and are incorporated into this Item 5 by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

(99.1) News release dated June 21, 2000.

(99.2) News release dated June 21, 2000.

SIGNATURES

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

USEC INC.

By: /s/ Henry Z Shelton, Jr.

-----  
Henry Z Shelton, Jr.  
Senior Vice President and  
Chief Financial Officer

Date: June 22, 2000

EXHIBIT INDEX

Exhibit No. Description

(99.1) News release dated June 21, 2000.

(99.2) News release dated June 21, 2000.

[USEC Letterhead]

FOR IMMEDIATE RELEASE:  
June 21, 2000

CONTACT:  
Charles Yulish: (301)564-3391  
Elizabeth Stuckle: 301-564-3399

USEC Plant Closure Lowers Costs, Improves Capacity Utilization  
- Board's Action Saves \$55 Million -  
- Guidance Reflects Continued Difficult Operating Environment -

Bethesda, MD - The announcement today by USEC Inc. (NYSE: USU) that it will cease uranium enrichment at its Portsmouth production plant in June 2001 is an important step in the Company's ongoing efforts to align its cost of production with lower market prices.

The financial effect of the decision by USEC's Board of Directors will be a reduction in fixed production costs of approximately \$55 million in fiscal 2002 as uranium enrichment at Portsmouth ceases. Production will continue at both plants until June 2001, when it is expected that the Paducah plant will have been upgraded, certified and tested to produce finished customer product. Electricity, the Company's largest production cost, is expected to increase primarily because the previous monetization of excess power at Portsmouth will no longer be available. Depending on levels of SWU production, these higher power costs will partially offset the improvement in fixed costs. The Company is in negotiations for a new long-term power contract for the Paducah plant.

After the Portsmouth facility ceases enrichment operations, the Company's capacity utilization will rise from the 25 percent expected in the coming year to about 50 percent of the Paducah plant's capacity in fiscal 2002. Actual capacity utilization will depend upon customer requirements.

Ceasing operations at the Portsmouth plant will result in special charges of \$125 million in fiscal 2000. The pre-tax charges include \$75 million in asset write-offs of production equipment, leasehold improvements and other fixed assets. The charges also include severance benefits based on current labor contract requirements, unamortized lease turnover and other exit costs.

The Company's financial outlook for fiscal years 2001 and 2002 continues to be adversely affected by market conditions for the sale of enriched uranium. As previously reported, global overcapacity for enrichment, aggressive competitor pricing, unfavorable currency exchange rates and liquidation of customer SWU inventories are among the factors holding down the price for the

-- more --

Company's enrichment services. USEC's financial projections continue to reflect a downward trend in average SWU sale prices as historically higher-priced contracts are displaced with new agreements reflecting today's lower prices.

For fiscal 2001, the Company anticipates net income in the range of \$30 to \$35 million reflecting lower anticipated revenue and the end of power monetization at Portsmouth. The lower revenue forecast includes fewer spot SWU sales, resulting in anticipated sales volume of 10.5 million SWU, or about 1 million SWU less than previously projected. Natural uranium sales are also expected to be lower than previously projected due to the continued decline in uranium market prices. Looking forward, the Company anticipates net income in fiscal 2002 to be between \$45 and \$50 million. The fiscal 2002 outlook depends upon the timely completion of the assay upgrade project at Paducah, including approval by the Nuclear Regulatory Commission, an agreement for market-based pricing under the Russian HEU contract beginning in calendar 2002, and negotiation of a new, long-term power contract for the Paducah plant.

"Faced with a changed pricing paradigm for uranium enrichment services, USEC has aggressively taken steps to lower its production costs," said William H. Timbers, president and chief executive officer of USEC. "Given the global overcapacity for enrichment and the volume of HEU available from dismantled nuclear weapons, reducing USEC's production capacity is a difficult but necessary action."

This news release 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 the Company. Actual results and trends may differ materially depending upon a variety of factors, including, without limitation, market demand for the Company's services, pricing trends in the uranium and the enrichment markets, deliveries and costs under the Russian contract, the availability and cost of electric power, the Company's ability to successfully execute its internal performance plans, the refueling cycles of the Company's customers, and the impact of any government regulation. Additional information regarding the foregoing factors is contained in the Company's filings with the Securities and Exchange Commission.

USEC Inc. is the world's leading supplier of enriched uranium fuel for commercial nuclear power plants. A global energy company, USEC has its headquarters in Bethesda, Md.

# # # #

[USEC Letterhead]

FOR IMMEDIATE RELEASE:  
June 21, 2000

CONTACT:  
Charles Yulish: (301)564-3391  
Elizabeth Stuckle: 301-564-3399

USEC to Cease Uranium Enrichment  
at the Portsmouth, Ohio Facility in June 2001  
-Portsmouth Transfer and Shipping Operations to Remain Open-  
Company to Return Plant to DOE June 2002-  
-USEC to Seek Worker Transition to Government Site-  
-Environmental Restoration Jobs-

Bethesda, MD - USEC Inc. (NYSE: USU) announced today that it will cease uranium enrichment operations at the Portsmouth plant in Piketon, Ohio, beginning in June 2001. The Company also announced that it will seek prompt government action to transition as many affected employees as possible to government site environmental restoration jobs.

The choice to continue to operate the Company's Paducah, Kentucky, production plant provides long-term financial benefits, more attractive power price arrangements, operational flexibility for power adjustments and a history of reliable operations.

No significant layoffs are expected at the Portsmouth plant as a result of this decision until June 2001. After enrichment ceases in June 2001, there will be several stages of workforce reduction as USEC prepares the enrichment portion of the plant to be returned to the U.S. Department of Energy (DOE) in June 2002. As discussions are completed for the transition to DOE, specific information will be provided as to the phased timing of post-June 2001 personnel reductions. USEC leases its two enrichment facilities from the DOE.

USEC will continue to operate its transfer and shipping activities at the Portsmouth plant for about four or five years after enrichment has ceased, until similar facilities are available at the Paducah plant. The transfer and shipping facility transfers USEC's enriched uranium product into transportation cylinders and prepares them for shipping to fuel fabricators.

"The decision to cease enrichment at one of our facilities was necessary given the business challenges facing the uranium enrichment industry," said James R. Mellor, chairman of USEC's Board of Directors. "Choosing to close the Portsmouth plant was an extremely difficult decision because of the impact it will have on the lives of many of our workers, their families and the communities surrounding the plant.

-- more --

"We deeply regret having to take this action, but we clearly could not continue to operate two production plants," said William H. Timbers, USEC president and chief executive officer. "We are working hard to achieve a transition of employees to government site environmental restoration jobs. This will be a major challenge, and we are asking the government, our employees, the unions and the communities to work together with us to achieve this goal."

Key business factors in the decision to reduce operations to a single production plant include a global overcapacity of enrichment and lower demand in an increasingly competitive market. "With high production costs and production at only 25 percent capacity at both plants, we must consolidate our production," said Timbers. "By increasing capacity utilization at a single plant, USEC will reduce production costs and strengthen the competitiveness of our core business going forward."

Reaching the decision on which plant to close involved evaluating many business considerations. Key factors were long-term and short-term power costs, operational performance and reliability, design and material condition of the plants, risks associated with meeting customer orders on time, and other factors relating to assay levels, financial results and new technology issues.

USEC Inc. is the world's leading supplier of enriched uranium fuel for

commercial power plants. A global energy company, USEC has its headquarters in Bethesda, Md.

# # #