

## Nuclear profits hit record high

*You must compare 208 million pounds (\$330 billion) against the business standards of the day, which run to the billions.*

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The government's nuclear-services business, BNFL, will report record profits of £208m tomorrow, boosting its nuclear clean-up arm, British Nuclear Group (BNG), as it heads towards a £500m sale.

All four divisions of BNFL are expected to report a rise in operating profits, with BNG posting earnings of about £72m in its first year as a stand-alone business unit.

The upturn in BNFL's fortunes, a 23% increase on the year before, will be attributed to chief executive Mike Parker, who has brought down costs and streamlined operations at BNFL's headquarters.

Group turnover will be nearly £3.5 billion.

Earlier this year the government announced it would be putting BNG up for sale. Companies that have signaled an early interest in buying the nuclear-clean-up arm include US firms Fluor, Bechtel and the Washington Group.

The sale process will pick up pace in around a month when the tender goes out.

It is understood British firms Serco and Amec may consider a bid for part of BNG.

BNG, set to reveal tomorrow that it has hit all its customer targets, is a contender for nuclearwaste contracts worth a total of £70 billion as Britain dismantles its nuclear facilities. The US firms believe they have a better chance of winning the contracts if they buy BNG, triggering a fierce round of lobbying in the British government.

BNFL's other divisions include Westinghouse, the nuclear-reactor maker whose sale to Japanese firm Toshiba will be finalised later this year, and Nexia, the nuclear-research and consultancy firm.

It also owns a third of Urenco, which enriches uranium for use in atomic-power stations. Urenco, which may be sold or floated by the government, is expected to report profits of £71m, up from £57m last year. Dutch and German organisations own the rest of the enrichment firm.

BNFL's balance sheet will be improved by the removal of the government's multi-billion-pound nuclear liabilities, which have been transferred to the Nuclear Decommissioning Authority (NDA).

The NDA is also responsible for awarding Britain's clean-up contracts. It will be looking for firms that can help bring down the estimated £70 billion bill.