

# HOLTEC HIGHLIGHTS

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

***For immediate release***

## **Press Conference on Small Modular Reactor Columbia, South Carolina, June 19, 2012**

The press conference called by the Commerce Department of the State of South Carolina was addressed by the State's Governor, The Honorable Nikki Haley, Holtec's President and CEO, Dr. Kris Singh, SCE&G's COO, Mr. Steve Byrne, AREVA's (U.S.) CEO Mr. Michael Rencheck, Columbia Mayor, Mr. Steve Benjamin, and Chairman of the Southern Carolina Alliance, Mr. John Williamson.

At the conference, Governor Haley spoke of "Team South Carolina's" determination to make the State the technology and manufacturing center for the emerging new technology of small modular reactors which, she said, will create a large number of jobs in the state, bring economic prosperity to the region and boost exports. Mr. Byrne reaffirmed his utility's intention to operate the first Holtec SMR that is planned to be built at the Savannah River National Laboratory Site and to enter into a power purchase agreement with Holtec. Mr. Rencheck declared AREVA's steadfast support to Holtec in the development of the SMR Program. Mayor Jeff Benjamin, referring to Governor Haley as the "jobs and more jobs" governor, expressed his solidarity with Team South Carolina to bring DOE's announced offer of support (cost sharing with the reactor developer) to the State. John Williamson spoke approvingly of Holtec's SMR technology and of the Company's intention to establish manufacturing facilities in South Carolina.



### **Governor Nikki Haley Speaks at the SMR Press Conference**

*From left to right:* Dr. Kris Singh, President and CEO, Holtec International; The Honorable Stephen K. Benjamin, Mayor of the City of Columbia, South Carolina; Mr. John Williamson, Chairman of the Southern Carolina Alliance; Mr. Steve Byrne (seen in partial view), President of South Carolina Electric & Gas Company (SCE&G) Generation & Transmission and Chief Operating Officer of SCE&G; Mr. Michael Rencheck, President and Chief Executive Officer of AREVA Inc.; Councilman Kelvin Washington, Chair Richland County Council



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All speakers lauded Holtec's SMR technology and expressed their hope for the Company's success in its reactor development program. Dr. Singh's statements to the media were excerpted from the prepared text presented below:

"It is my pleasure and my privilege to share with you my vision of the nuclear power industry in the 21st century and South Carolina's potentially pivotal role in shaping it. Our company, Holtec International, is a firm believer in the power of nuclear to power the globe with green energy.

As some of you might know, we have been leading innovations in management of used nuclear fuel for the past 26 years. Over 80% of U.S. reactors and one-third of all western operating reactors use our fuel storage systems.

While others have outsourced manufacturing offshore to increase their profit margins, we have doubled the size of our factories here in America in the past 8 years. Our manufacturing plants in Pittsburgh, PA, Orville, OH, and Lakeland, FL fabricate virtually all of the equipment that we design for our clients in the U.S. and abroad. Manufacturing know-how, rapidly fleeing from our shores, is alive and thriving in our factories, making us the largest exporter of nuclear capital equipment in the United States.

In the past three years, we have undertaken to design a small nuclear reactor that we hope will become the icon of American ingenuity in the nuclear power industry by virtue of its unconditional safety and security characteristics. And we hope to build our very first reactor in the state that has been the nation's bastion of nuclear know-how since the dawn of the nuclear age.

We are gratified to have the support of the Savannah River National Laboratory in your state, which has consented to hosting our first reactor installation at their sprawling facility. We are fortunate that a widely admired nuclear utility in your state, South Carolina Electric & Gas, which is building two modern reactors in the state, has agreed to operate the first reactor that we hope to build at the Savannah River Site.

As you are well aware, your state government led by Governor Haley is by far the most proactive entity in this country in seeking out companies to set up shop in the state. We intend to work with your state officials to forge a mutually beneficial relationship to establish a long-term presence here. All stars are aligned for your state to incubate and lead the rise of the small modular reactor industry which, in my considered opinion, is destined to become the dominant worldwide source of clean energy in this century.

In my view, the U.S. faces what I like to call the Swiss watch moment in the nuclear power sector. The Swiss watch industry faced what appeared to be an apocalypse in the early 1970's as their vaunted micro-gear-driven watches appeared to be fading with the rise of LED watches being introduced by Japanese start-ups such as Casio.



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Instead of throwing in the towel, the Swiss government and the industry joined forces and went on a technology counter-offensive routing their digital rivals within the span of a decade. The Swiss watch industry clawed its way back to the top and is today stronger than ever. America has evidently lost most of its nuclear companies to foreign ownership. The emigration of ownership is inevitably followed by emigration of know-how.

The small modular reactor technology provides a splendid new opportunity for America to reclaim its mantle of technical pre-eminence in this strategically important industry. And we at Holtec are ready to do the hard work to help our country reclaim the mantle of dominance in the industry that was conceived and developed here in the 1950's.

We believe South Carolina, with its pro-business inclinations, a large base of nuclear professionals, great port facilities, and a moderate climate is the natural place for the rise of the small modular reactor industry that is likely to be a 100 billion dollar industry in the next decade. You should know that we have never taken a cent of the government's money to develop any technology. Hundreds of millions of dollars worth of equipment that we manufacture each year are all based on the inventions and innovations developed by our own people and with own money.

The case of small modular reactor development is different; it is a large and expensive program that requires a synergistic public/private partnership to nurture to fruition. Therefore, we are competing for the cost sharing funds that DOE has offered to provide up to 226 million dollars each to two U.S. companies.

I hasten to add that we don't believe in government hand-outs. Accordingly, we have informed the DOE in writing that Holtec will refund the money to the government, without any alibi or excuses, if we fail to develop and license our reactor.

This commitment to the DOE is founded on our faith in our technology and is supported by the superb team of allies of world-class reputations that believe in our technology such as AREVA.

I thank Governor Haley and the South Carolina Commerce Department executives and staff for organizing this event and for allowing me the opportunity to explain our company and our mission to all of you."

Video of the event is available here: <http://youtu.be/Wn3G4gXF8UQ>



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