

Thursday 3rd March 2016



2015 Annual Results Presentation

Thomas Haeberle, Chief Executive Officer

Ralf ter Haar, Chief Financial Officer

Introduction by Stephen Billingham, Chairman

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Thomas Haeberle

Chief Executive Officer



- Joined URENCO in December 2015 and was appointed CEO and member of the URENCO Board in January 2016
- Previously worked as President and CEO of Infracor GmbH and also served as President of Degussa's Methacrylates, Building Blocks and Industrial Chemicals Business Unit
- He was appointed to the Board of Evonik Degussa GmbH in 2009 and Evonik Industries AG in 2011
- Gained a PhD in Chemical Reaction Engineering from the University of Erlangen-Nürnberg

Ralf ter Haar

Chief Financial Officer



- Joined URENCO in June 2014 and was appointed CFO and member of the URENCO Board in November 2014
- Previously worked as Senior Vice President and Corporate Controller at NXP Semiconductors N.V.
- Holds an MSc in economics and an LLM in business law from the Erasmus University in Rotterdam

URENCO: 2015 Highlights and CEO's Strategic Review

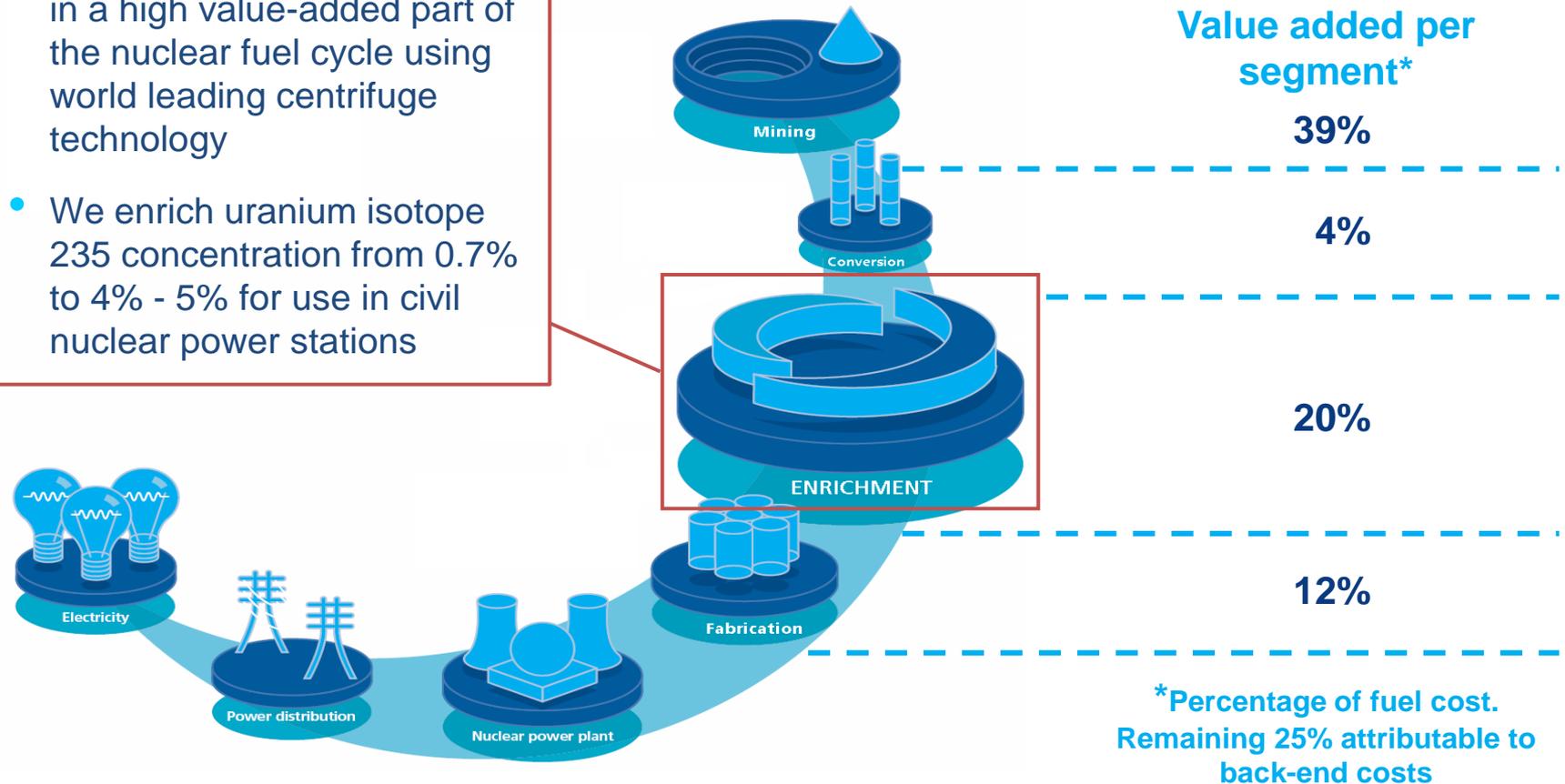
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- URENCO's global enrichment capacity increased to 19,000 tSW/a at the end of 2015
- Capacity at URENCO USA has reached 4.6 million SWU; the regulatory approval is in place to expand future capacity at the site
- EBITDA of €1,167 million was 9% higher than 2014
- Strong order book extending beyond 2025 with an approximate value of €17 billion

Introduction to the Global Nuclear Market

Uranium enrichment is a high value-added part of the fuel cycle

- URENCO is firmly positioned in a high value-added part of the nuclear fuel cycle using world leading centrifuge technology
- We enrich uranium isotope 235 concentration from 0.7% to 4% - 5% for use in civil nuclear power stations



Notes

1. All percentages are approximate
2. Typical nuclear electricity generation cost breakdown sourced from NEA, 2012, UxC 2016 and WNA, 2016

- Our mission is to be the supplier of choice within our sector and a key contributor to sustainable energy

Our five strategic pillars:



- We encourage strong employee engagement with our Values and embed them across the organisation

Our five values:



Safety



Integrity



Flexibility



Development



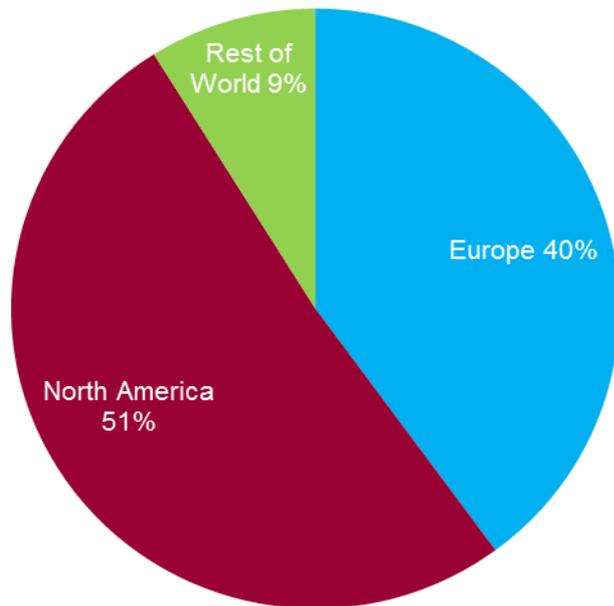
Profitability

Our Global Reach

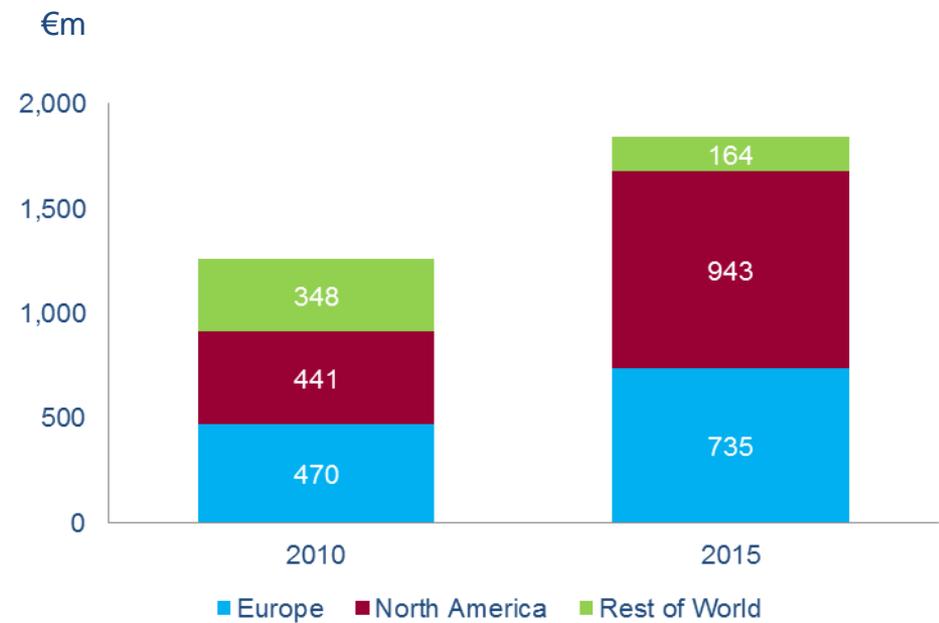
SWU Volume Delivery and Revenue (€m)

- URENCO has more than 50 customers in 18 countries

By region 2015*



*Rest of World is predominantly Asia



- **URENCO is in an industry with high barriers to entry**
 - Politics, technology and costs limit the number of potential enrichers
 - Many customers tend to spread their business across several enrichment providers and count URENCO Europe and LES (URENCO USA) as two suppliers

A smaller version of the Urenco logo, featuring the word "urencO" in blue with a dot above the 'u', 'e', and 'o', and two horizontal blue lines underneath.The LES logo, consisting of the letters "LES" in a blue, uppercase, sans-serif font, with two horizontal blue lines underneath.

Our Enrichment Facilities



Almelo, The Netherlands
Current capacity: **5.4 million SWU/year**



Gronau, Germany
Current capacity: **4.1 million SWU/year**



Capenhurst, United Kingdom
Current capacity: **4.9 million SWU/year**



Eunice, New Mexico, USA
Current capacity: **4.6 million SWU/year**

URENCO USA

From groundbreaking to completion



Tails Management Facility (TMF)

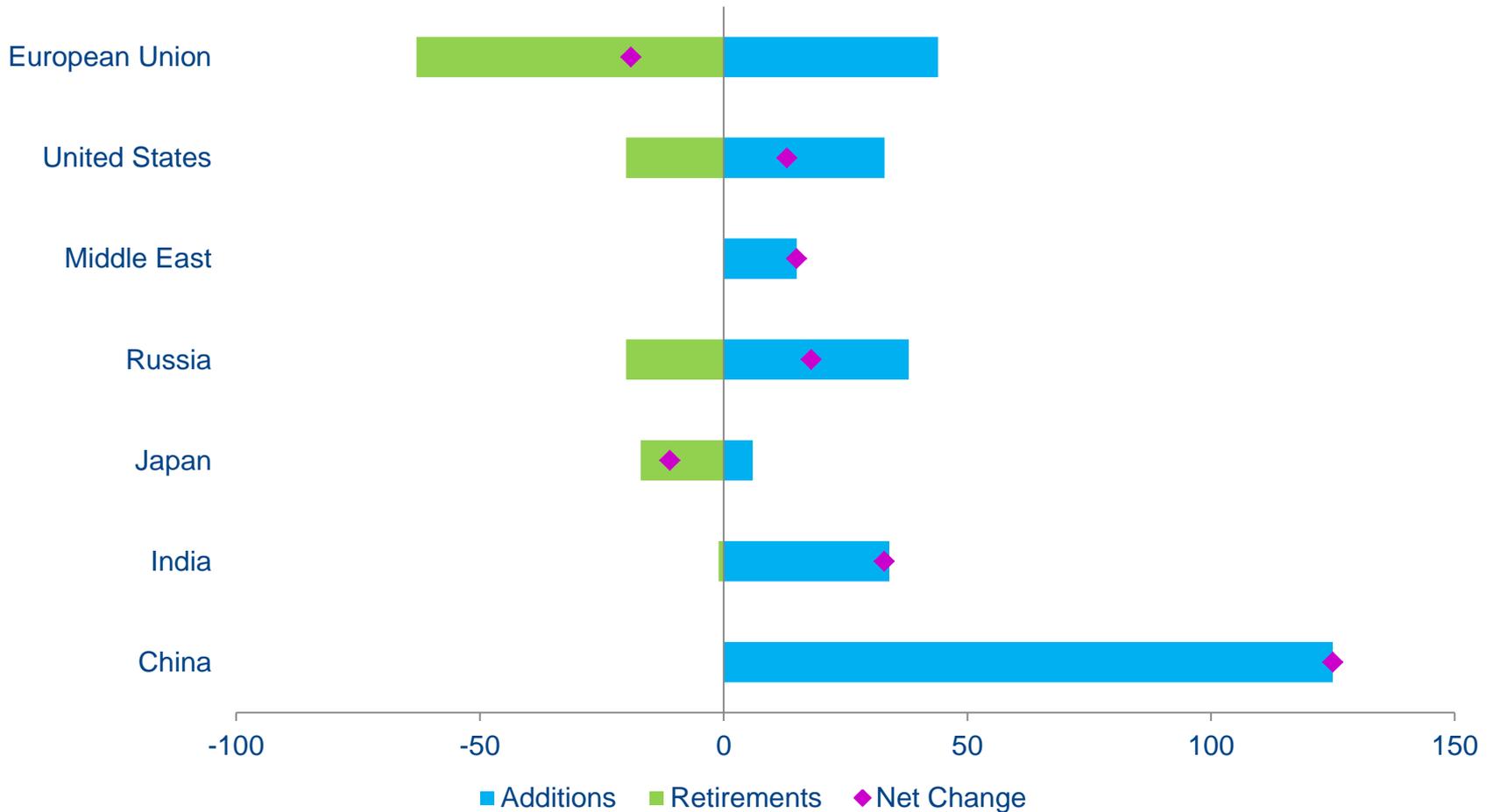
Capenhurst, UK



- The TMF will enable us to store, process and deconvert depleted uranium hexafluoride (UF_6) to stable uranium oxide
 - The TMF is URENCO's major capital expenditure project in 2016
 - It is a component of URENCO's approach to responsible uranium stewardship
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- It illustrates our commitment to sustainability enabling URENCO to manage the by-product of the enrichment process
 - The project is now progressing well; operations are planned to commence in 2017

Market Potential

Nuclear Power Overview



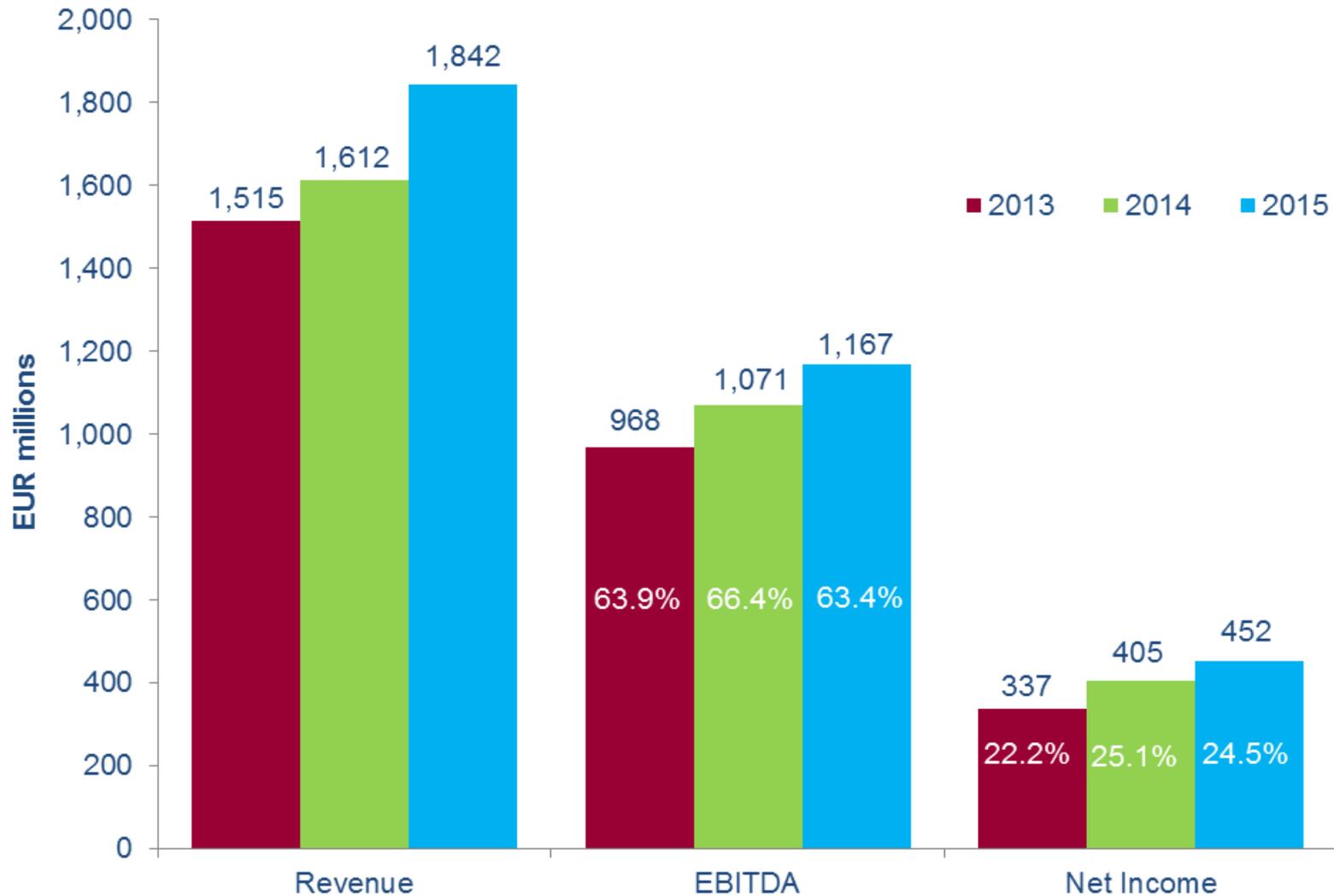
Source World Energy Outlook 2015: Nuclear power capacity additions and retirements by key region in the new policies scenario 2015-40

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Financial Summary 2013 – 2015



Financial Summary 2014 v 2015



	Full Year 2014	Full Year 2015
	€m	€m
Revenue	1,612	1,842
EBITDA	1,071	1,167
Income from operating activities	653	665
Net income	405	452
Net income margin - %	25	25
Capital expenditure ¹	537	517
Cash generated from operating activities	979	1,202
Net debt	2,774	2,828

Note

1. Capital expenditure reflects investment in property, plant and equipment plus the prepayments in respect of fixed asset purchases for the period

Revenue

(€ million)

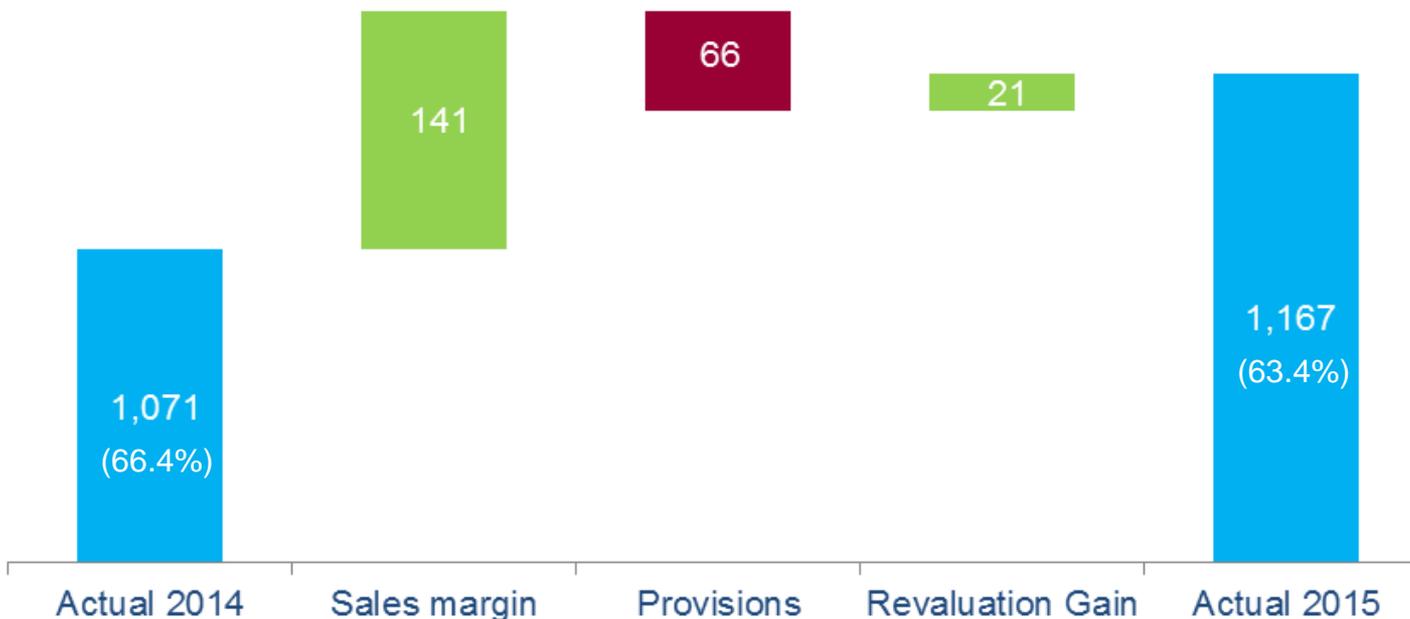
- Stronger USD (against EURO) was the major contributor to an increased top-line
- Supported also by additional SWU and Uranium volumes



EBITDA

(€ million)

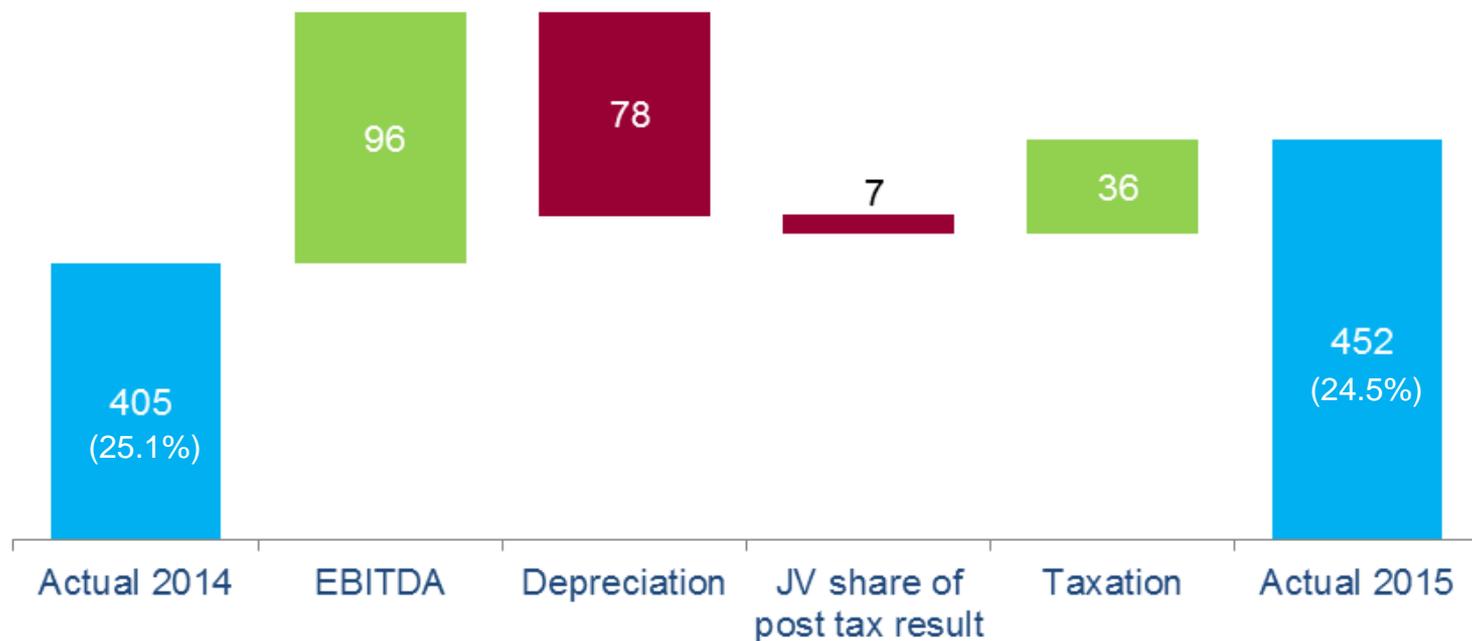
- Sales margin increase reflecting increase in Revenue
- Increase in provisions following triennial review
- Revaluation gain on balance sheet items due to FX movements



Net Income

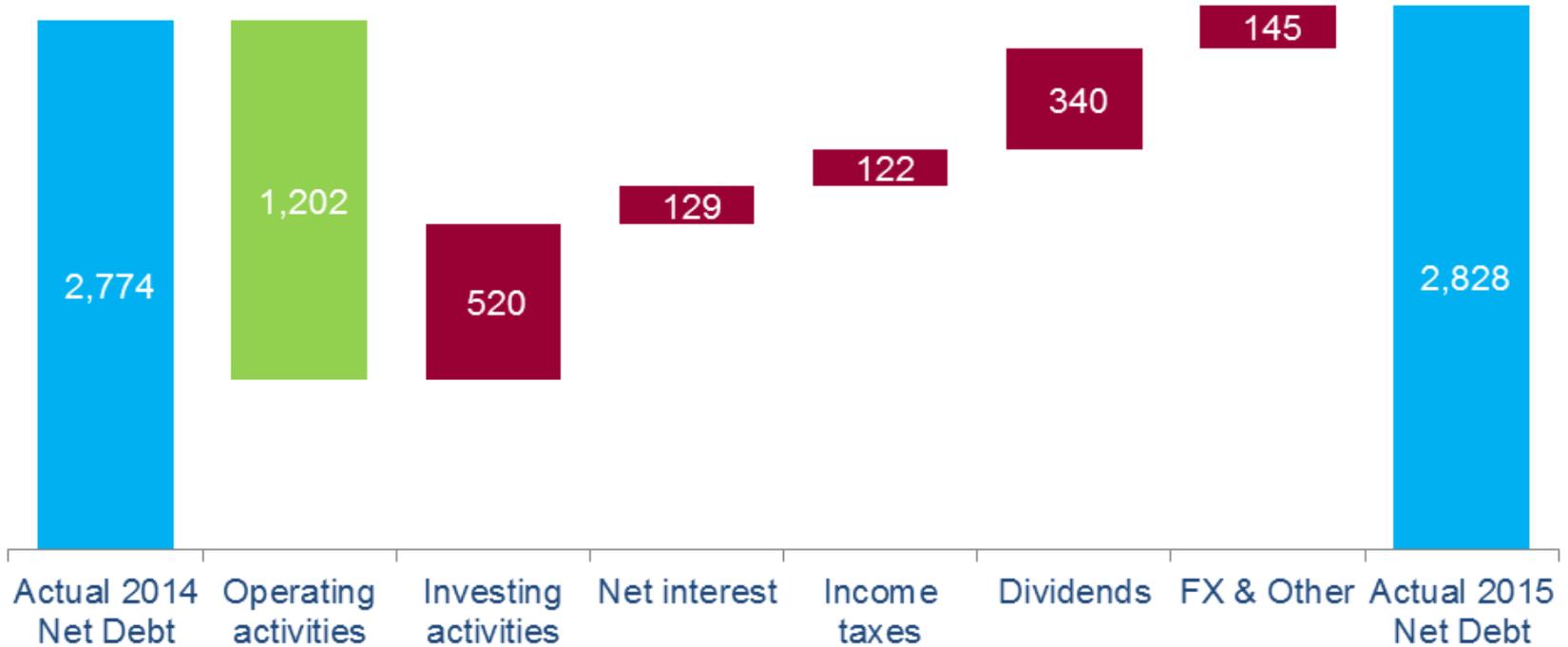
(€ million)

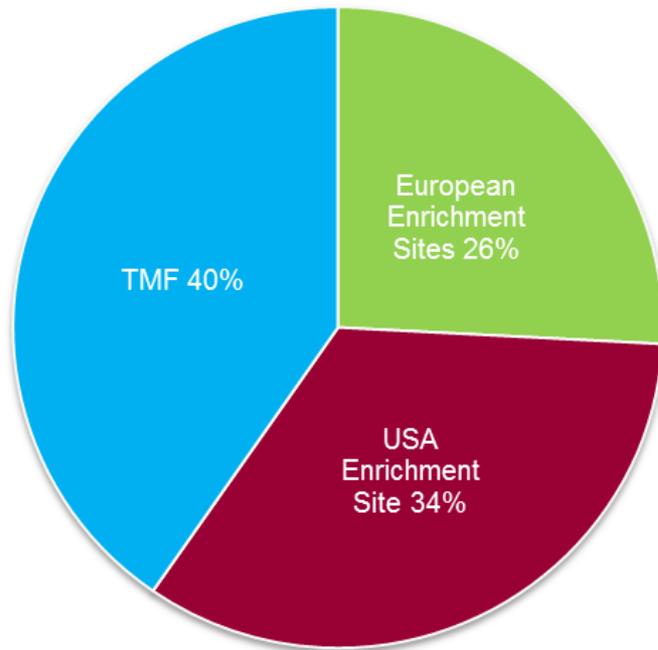
- Depreciation impacted by recent completion of USA investment and adverse FX movements



Cash Flow & Net Debt

(€ million)





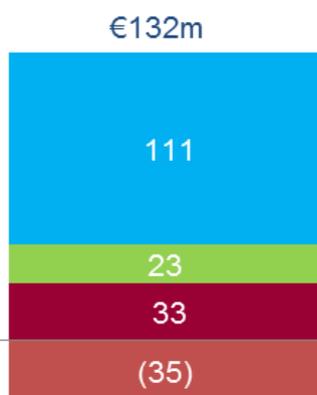
2015: €517 million

- USA – site construction complete
- The TMF is under construction at Capenhurst and operations expected to commence in 2017
- Once TMF is complete, lower run rate capital expenditure

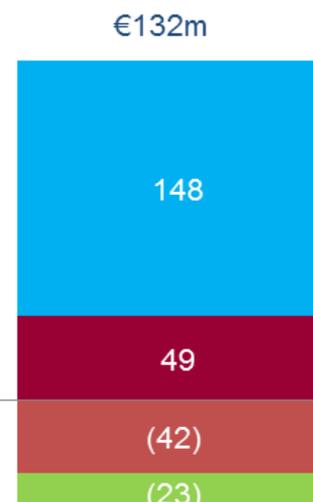
Group Net Finance Charges

(€ million)

2014 Net Finance Charges



2015 Net Finance Charges



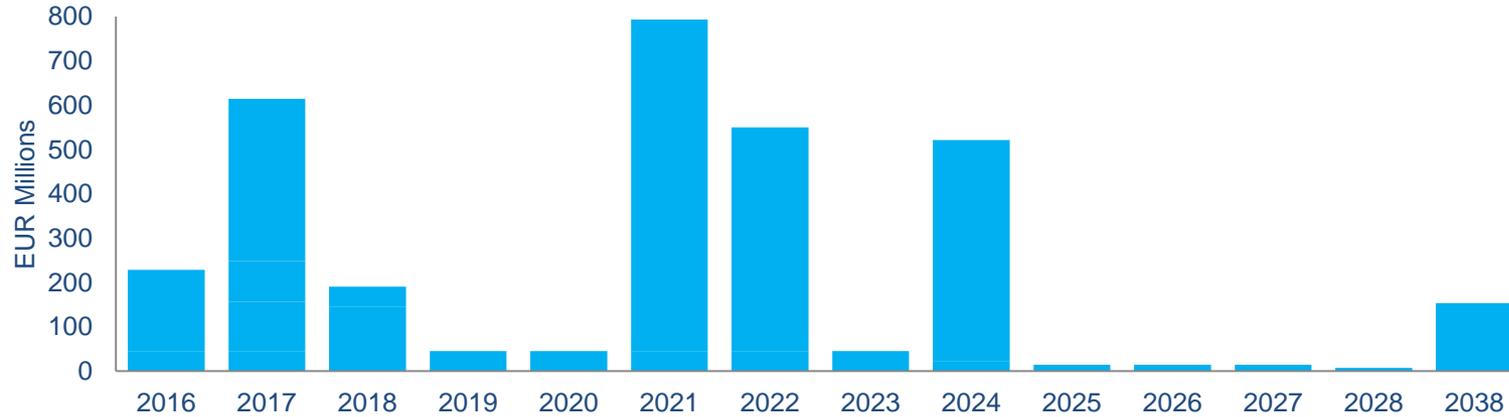
- Non Cash discount unwind on pensions and provisions
- FX on non designated derivatives

- Capitalised interest charge
- Debt interest

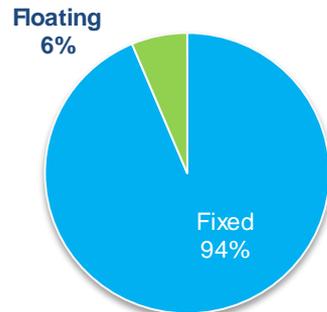
Key Credit Ratios:

	2015	2014
• Funds Flow from Operations / Total Adjusted Debt (FFO/TAD)	21.7%	20.8%
• EBITDA / Cash interest cover (times)	9.0x	9.9x

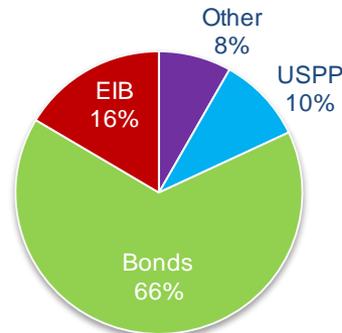
Debt maturity profile – net debt €2.8 Billion



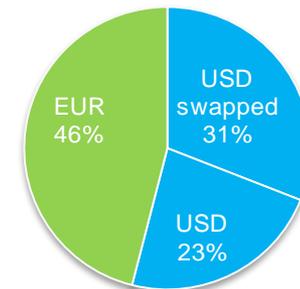
Fixed: Floating mix



Debt Issuer mix



Currency mix



- **Liquidity**

- €925 million committed revolving credit facilities (RCFs) maturing H1 2017/19, undrawn at December 2015
- No outstanding commercial paper
- Cash balance €391 million at 31 December 2015, deposited with well rated banks

- Maintain strong investment-grade credit rating and healthy capital ratios in order to support long-term business success

- Moody's Baa1 (stable)
- S&P BBB+ (stable)

- Committed funding to meet requirements beyond 2016

- **Financial Policy**

- Dividend payments should not normally exceed earnings and be set lower to protect BBB+ / Baa1 credit rating and only higher if ratings headroom exists

Cash Tax Paid

- Substantial tax payer in Europe
- Not yet tax-paying in USA, as tax loss reliefs available for start up business
- The cash tax is above the accounting charge due to the phasing of payments on account

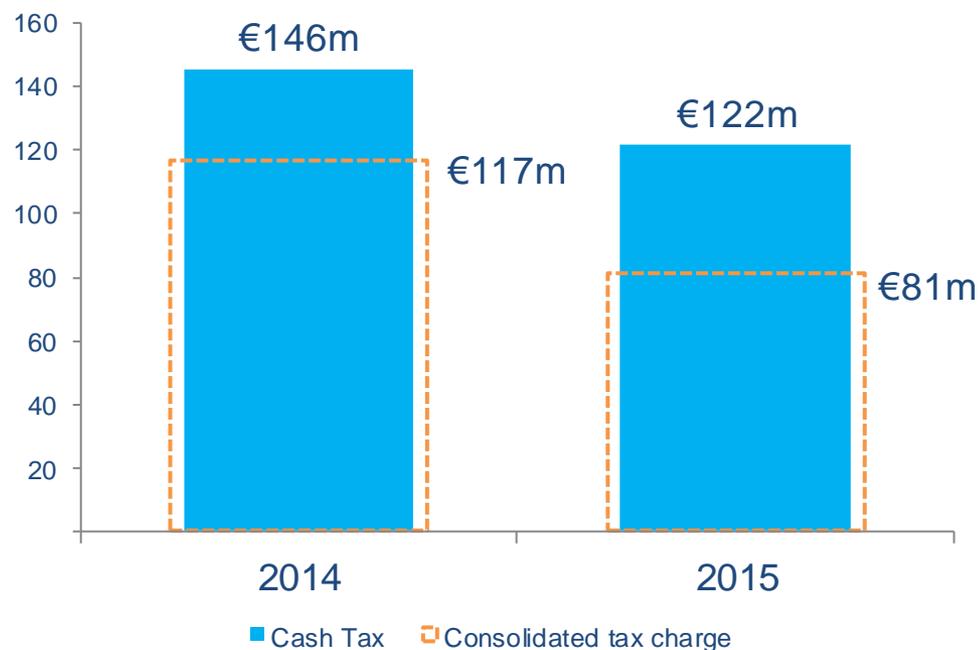
Consolidated tax charge

- Tax charge for 2015 was €81 million (2014 : €117 million)

Effective Tax Rate ('ETR')

- The Group's ETR for 2015 was 15.2% (2014 : 22.4%)

Cash tax paid (€millions)



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Outlook

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- URENCO continues to have long-term financial stability through delivering on its order book, which extends beyond 2025
- URENCO receives two thirds of its revenue in USD and has benefitted from the strength of the currency. We mitigate currency exposure to the Euro by hedging – but cannot eliminate this exposure
- URENCO anticipates continued short to medium term pricing pressures until worldwide fuel inventories are reduced which may impact future profit margins
- Our geographical footprint continues to ensure we provide our customers with the best possible service delivery and the highest level of quality and expertise
- In the long-term, URENCO remains confident that the global nuclear industry will continue to grow. Challenge: to ensure we are part of that growth

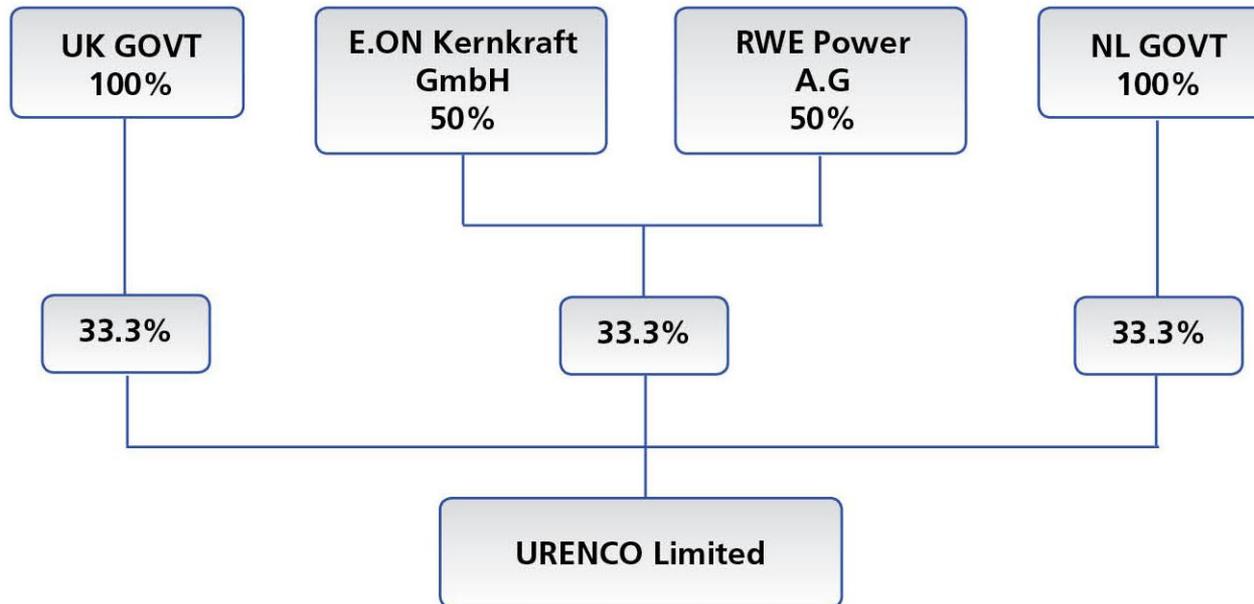
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Appendix

URENCO Group Structure



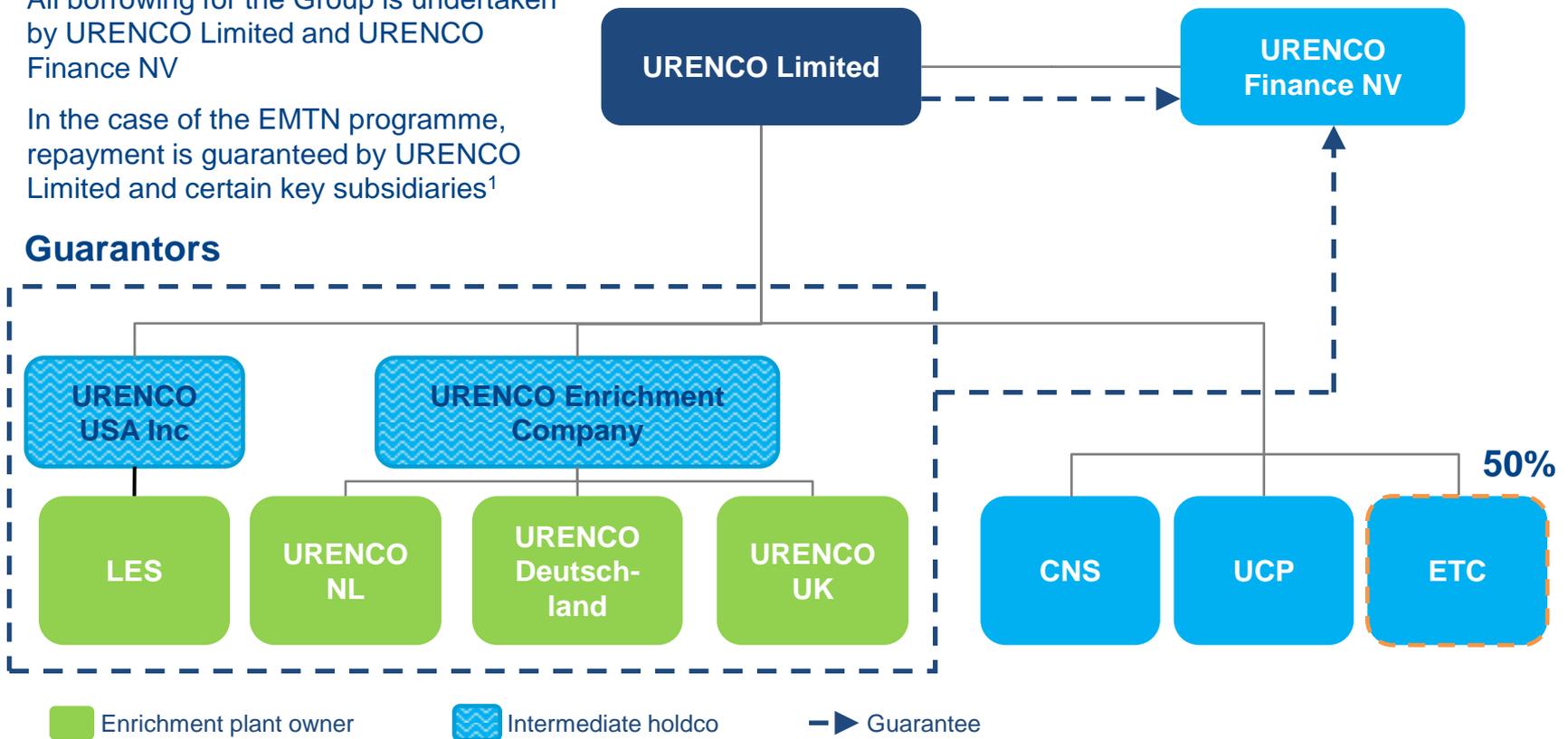
- Process is governed by principles of Treaty of Almelo and government non-proliferation policy
- Government and shareholder discussions continue.

Group Structure

All borrowing for the Group is undertaken by URENCO Limited and URENCO Finance NV

In the case of the EMTN programme, repayment is guaranteed by URENCO Limited and certain key subsidiaries¹

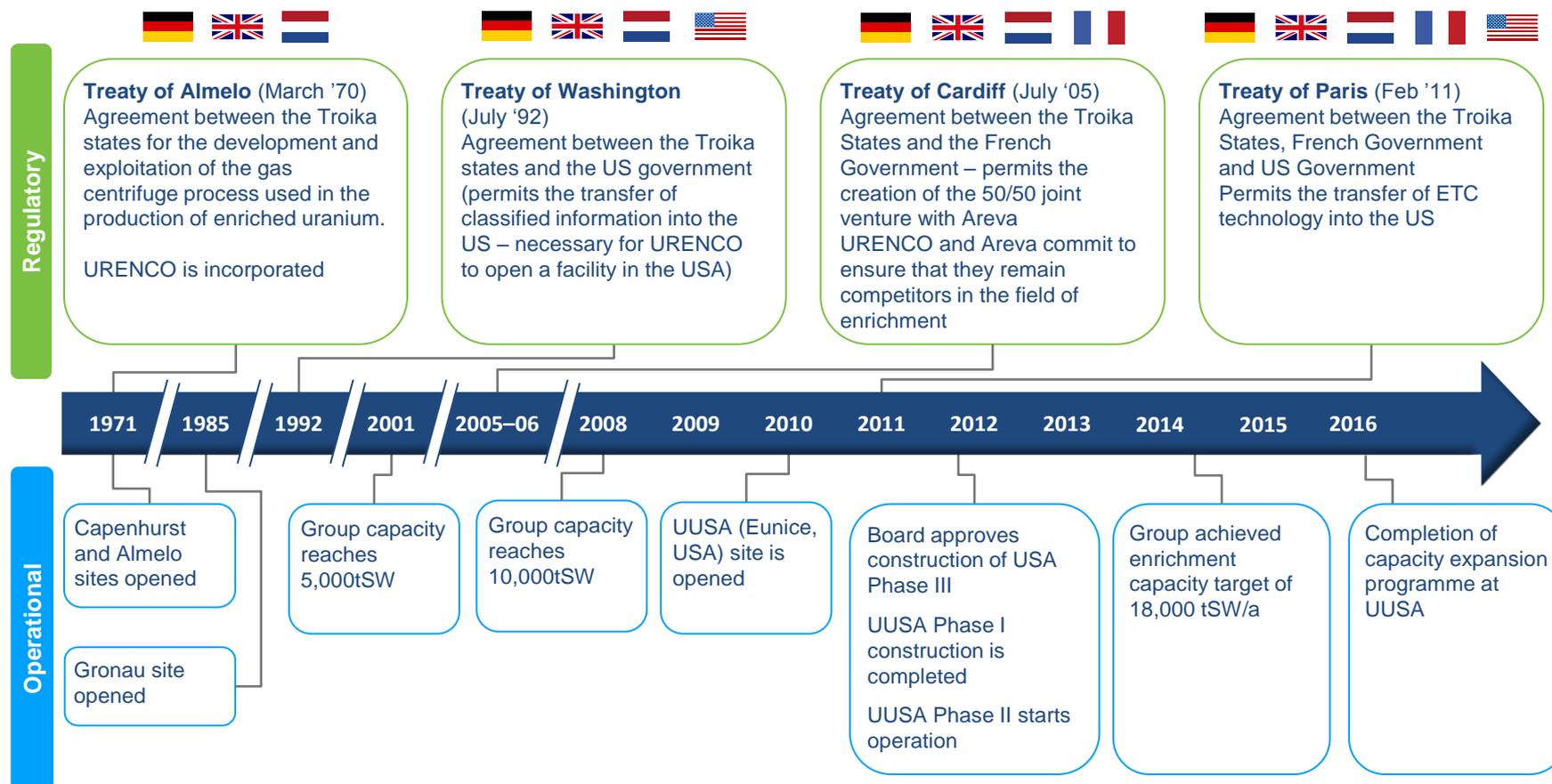
Guarantors



Note Major entities only. Simplified structure. ETC is held 22% by URENCO Limited, 28% by URENCO Deutschland
 1. Subject to the terms and conditions of the notes. Refer to the Base Prospectus for further information

Group Structure

Timeline of URENCO key dates



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