



URENCO

Investor Update
July 2015

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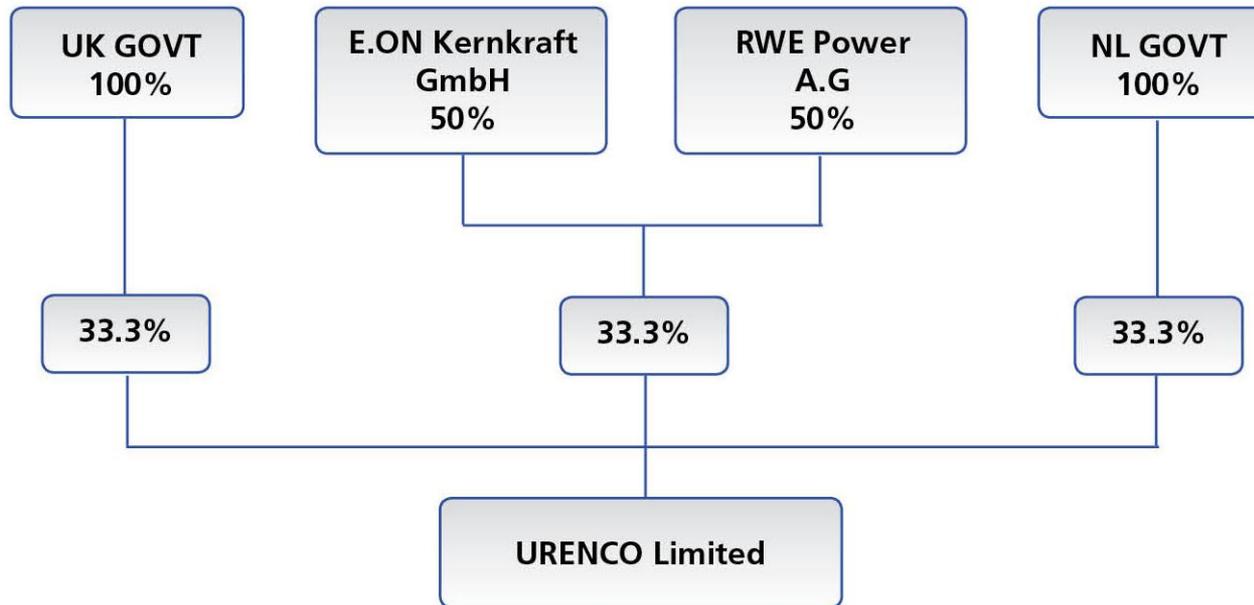
URENCO: our business

- Market Update
- 2014 Financial Highlights
- Appendix

Strategic Highlights

- Group enrichment capacity target of 18,000 tSW/a was achieved ahead of schedule
- URENCO has a leading position in the global enrichment market share
- EBITDA of €1,071 million was 10.6% higher than 2013
- Business model underpinned by long term contracts and order book beyond 2025
- Shareholder sale considerations continue
- Proposed bond issue to refinance debt and for corporate purposes

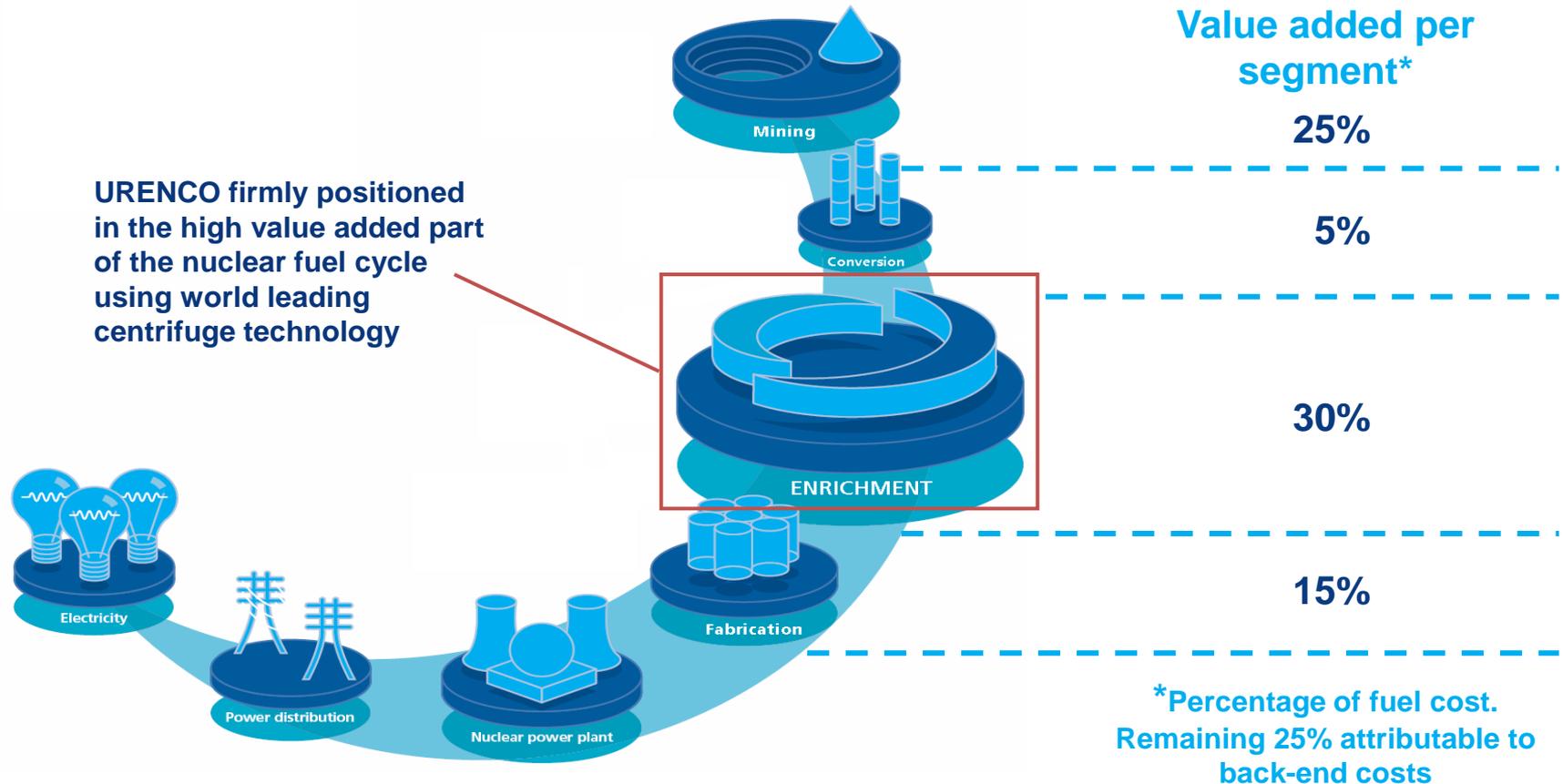
URENCO Group Structure



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

Introduction to the Global Nuclear Market

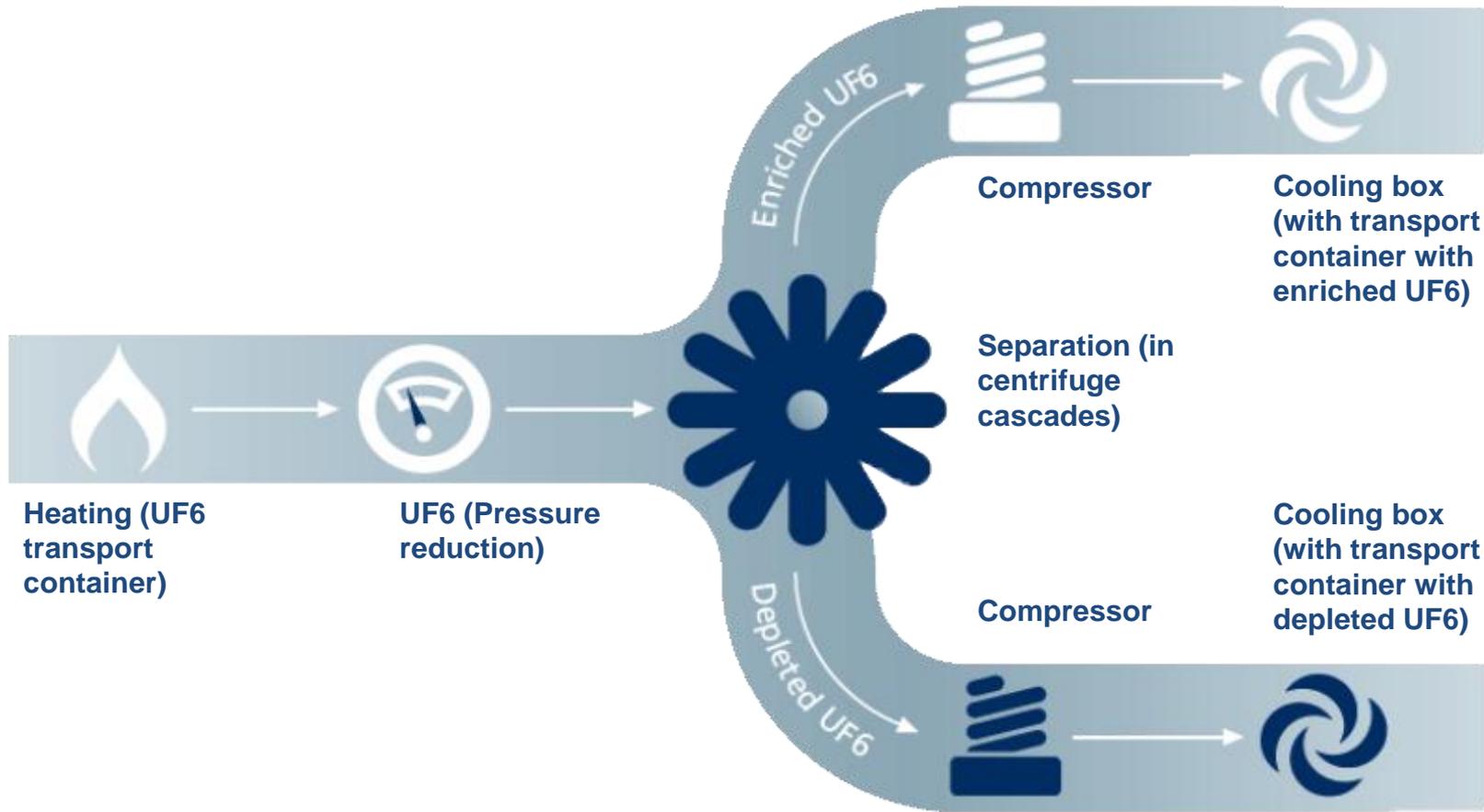
Uranium enrichment is a high value-added part of the fuel cycle



Notes

1. All percentages are approximate
2. Typical nuclear electricity generation cost breakdown sourced from NEA, 2012 and DECC, 2013
3. Defined as the price at which electricity must be generated to break even over the lifetime of a project. Based on forecast costs discounted at a 10% WACC over the lifetime of the power plant – typically 60 years for a nuclear power plant

Enrichment



URENCO Operations and Customers



○ URENCO USA



○ URENCO UK



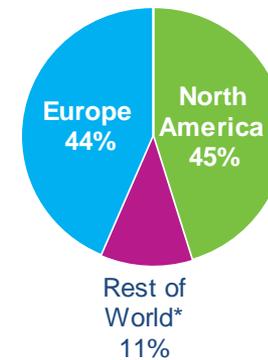
○ URENCO Netherlands



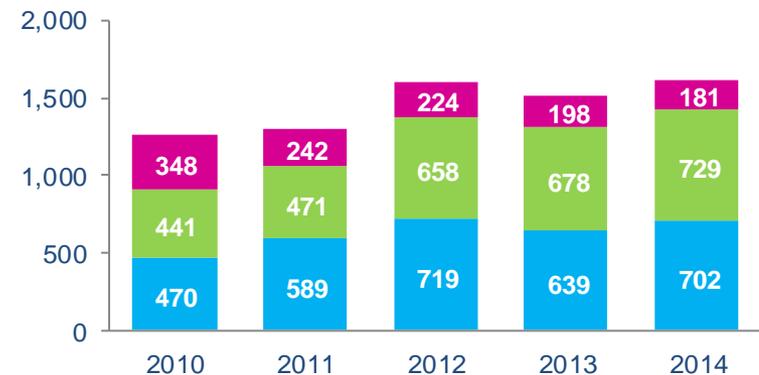
○ URENCO Germany

Total Revenue (€m) by Region

By Region 2014



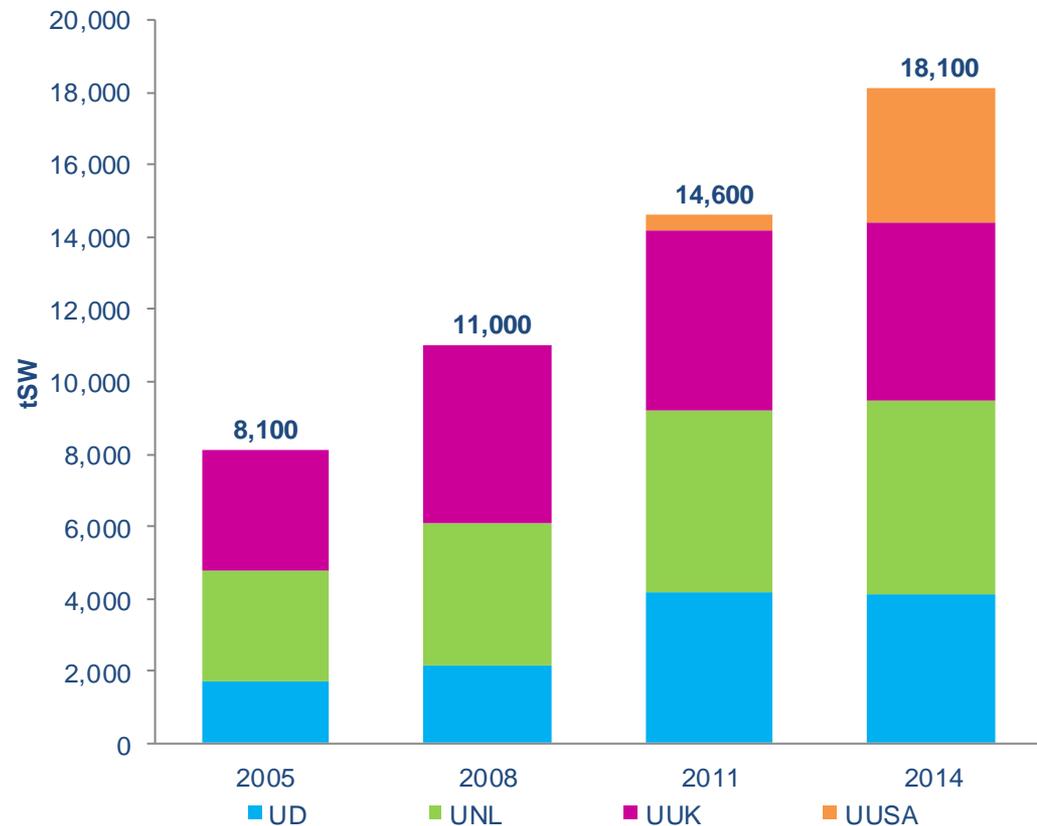
* Predominantly Asia



Commentary

- Target of 18,000 tSW/a was reached in 2014
- Highly regulated market requiring technology and capital
- GE Hitachi announced in a July 2014 press release that it is to delay the commercialisation of Silex, its laser enrichment technology solution

URENCO Year End Capacity (tSW/a)



Source Urenco

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- URENCO: our business

-  Market Update

The "Market Update" item is highlighted with a light blue gradient background and a blue border. To its left is a circular icon containing a blue dot and a curved line.

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- Key contributor to safe secure low carbon energy
- Continue to be the supplier of choice within the sector
- Strong global presence
- Focus on excellent customer service, quality and delivery to time
- Order book remains strong



Safety

We operate to the highest standards of safety, environmental and security requirements



Integrity

We conduct all our relationships with honesty, fairness and respect



Flexibility

We respond to best meet our customers' needs by flexibly deploying our skills and capabilities



Development

We are committed to the sustainable development of our business by continuously developing our employees, services and products

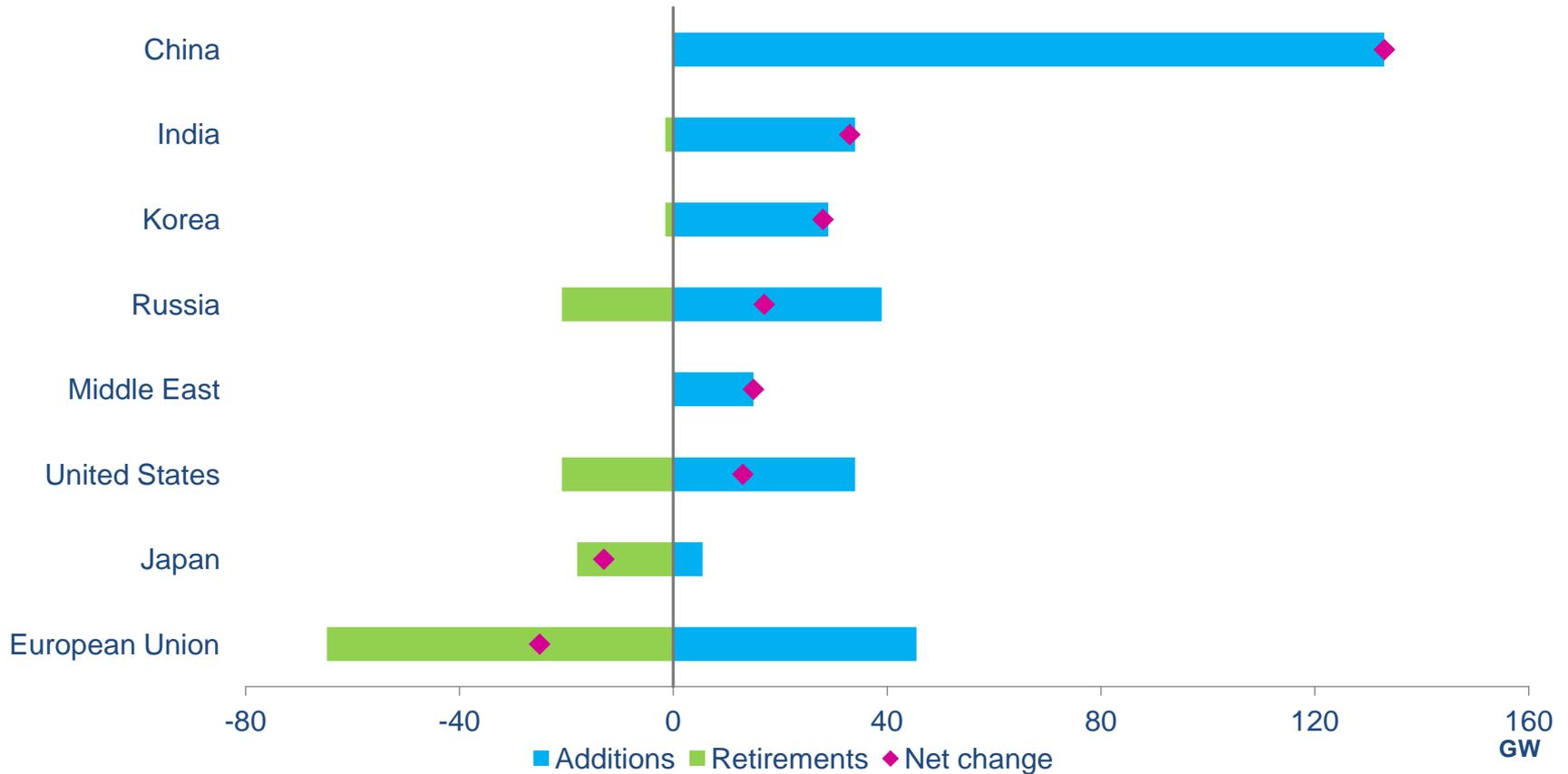


Profitability

We are committed to making profits to secure our future and reward our shareholders and employees

Market Update

Nuclear Power Overview



Source World Energy Outlook 2014: Nuclear power capacity additions and retirements by key region in the central scenario, 2014-2040

URENCO is a leader in the enrichment market with a unique market position and commanding market share

- **Current market dynamics are challenging but show good long-term promise**
 - Market has overhang from Japanese shutdown and has sustained pricing pressures
 - Enrichment is a key process required for nuclear power operators
 - Worldwide growth expected in civil nuclear power
 - URENCO has a strong order book of long-term contracts, with higher prices set at favourable world demand level
- **URENCO market position has regulatory and structural protections**
 - Regulatory and technological barriers to entry limits 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

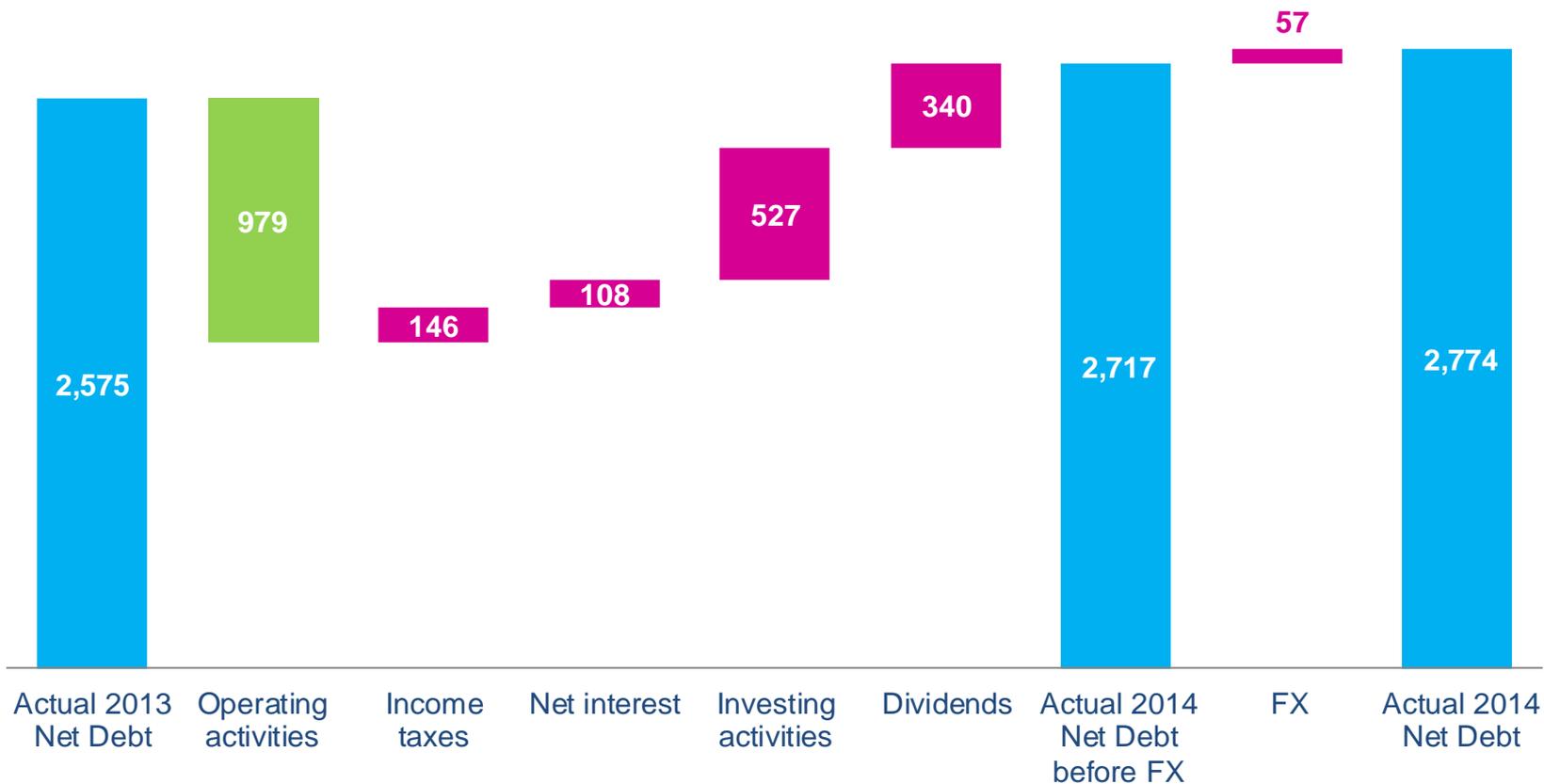
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Financial Highlights

- Revenue of €1,612 million was 6.4% higher than in 2013
- Resulting EBITDA of €1,071 million was 10.6% higher than 2013
- Net income €405 million, 20.2% higher than in 2013 Phase II of capacity expansion in the USA completed ahead of schedule and on budget
- Good progress achieved on Phase III construction in USA
- All customer deliveries were met on time and to a high standard

Cash Flow & Net Debt

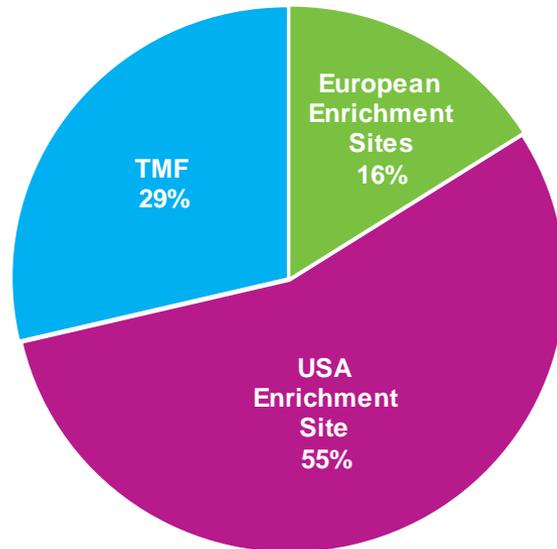
(€ million)



Capital Expenditure

(€ million)

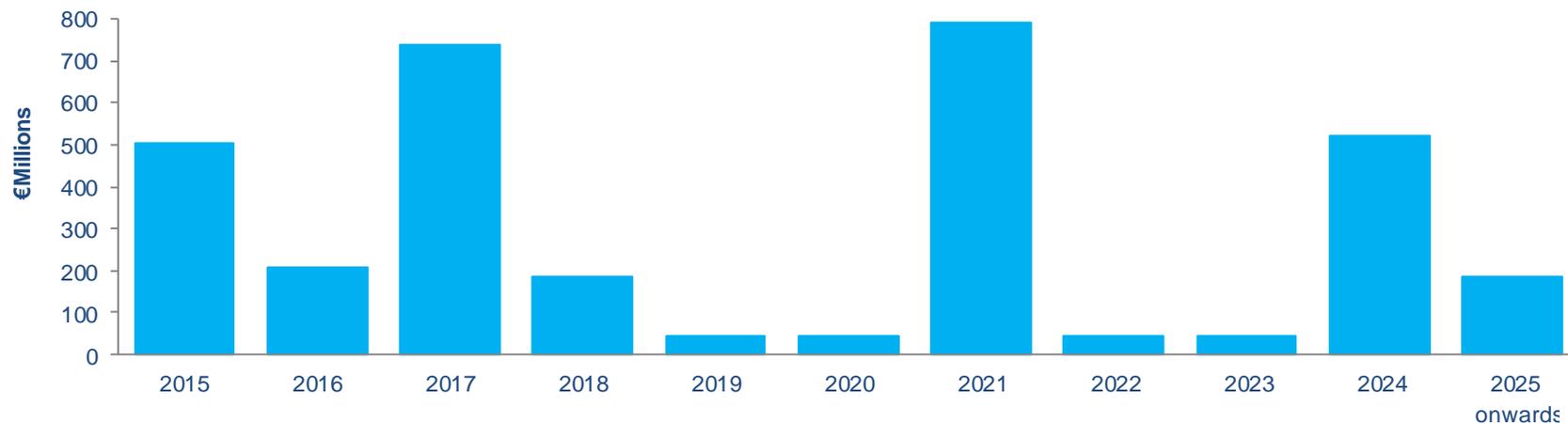
2014 Capital Expenditure



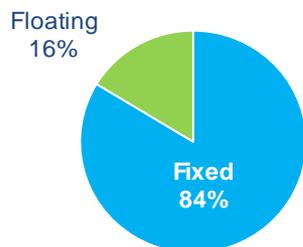
Total: €537m

- USA – site construction reaching conclusion
- Tails Management Facility (TMF) under construction at Capenhurst
- Once projects complete, lower run rate capital expenditure

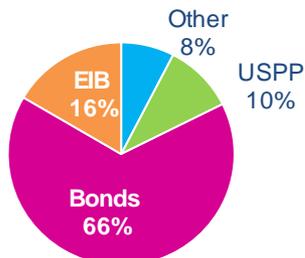
Debt maturity profile



Fixed: Floating mix



Debt Issuer mix



Currency mix



Key Credit Ratios:

- Funds Flow from Operations / Total Adjusted Debt (FFO/TAD) 2014: 20.8% 2013: 20.5%
- EBITDA Interest cover (times) 2014: 9.9x 2013: 9.4x

- **Liquidity**

- €750m committed revolving credit facilities (RCFs) extended and now maturing H1 2017/19, undrawn
- €175m of new RCF's entered into during February 2015, maturing 2019/20
- No outstanding commercial paper
- Cash balance €522m at 31 December 2014, 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 2015

- **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

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- Strong global presence and order book
 - URENCO anticipates continued short to medium term pricing pressures due to worldwide fuel inventories
 - In the long-term, URENCO is confident that the global nuclear industry will continue to grow
 - URENCO will continue to adapt in response to current and future customer requirements and market developments

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Appendix

Key Historical Financials

All in € MM	2010A	2011A	2012A	2013A	2014A
Revenue Split					
Revenue	1,259	1,302	1,601	1,515	1,612
% Growth	12.7%	3.4%	23.0%	(5.4%)	6.4%
EBITDA	809	785	1,013	968	1,071
% Margin	64.3%	60.2%	63.3%	63.9%	66.4%
EBIT	591	526	617	558	653
% Margin	46.9%	40.4%	38.5%	36.8%	40.5%
Net Income	387	359	400	337	405
Nuclear Liabilities	512	619	750	861	1,043
Net Financial Debt	2,371	2,604	2,469	2,575	2,774
Cash Generated from Operations (pre-tax)	858	903	1,185	880	979
Capex	(799)	(752)	(628)	(587)	(537)
Capacity (tSW/a)	13,000	14,600	16,900	17,600	18,100

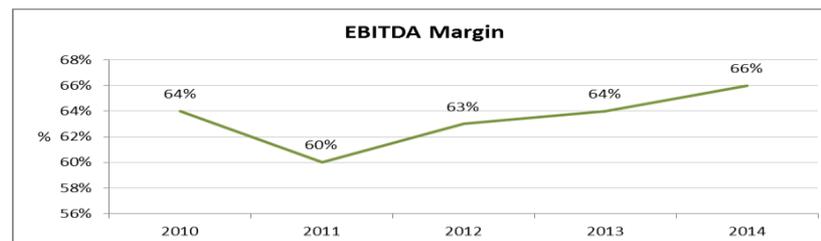
Strong cash flow generation and robust financial profile

- Strong cash flow generation
 - High margins supported by low relative cost
 - Significant capex requirements in recent years mainly driven by US capacity expansion
 - Reduced capex as expansion projects complete by 2015
 - After Tails Management Facility (“TMF”) is completed lower capex requirements
- Potential for significant dividend distribution/ strong deleveraging trajectory
- Nuclear liabilities will require funding in medium to long-term.

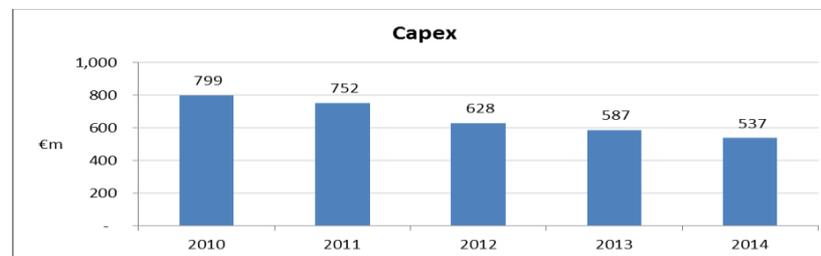
Cash Generated from Operations



EBITDA margin



Capex



Gerard Tyler

Group Treasurer

+44 1753 660660

Gerard.Tyler@urencocom

<http://www.urencocom>

Jayne Hallett

Director of Corporate Communications

+44 1753 660660

Jayne.Hallett@urencocom

URENCO Limited

Sefton Park

Stoke Poges

Bucks SL2 4JS