

Friday 6 March 2015



2014 Annual Results Presentation

Helmut Engelbrecht, CEO
Ralf ter Haar, CFO



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Helmut Engelbrecht
Chief Executive Officer



- Joined URENCO in 2003 and was appointed CEO in January 2005
- Previously worked as Director of E.ON Benelux and as Head of Corporate Development at PreussenElektra
- Graduated in mechanical engineering from the University of Aachen and has a PhD in nuclear technology

Ralf ter Haar
Chief Financial Officer



- Joined URENCO in June 2014 and was appointed CFO and member of the URENCO Limited 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

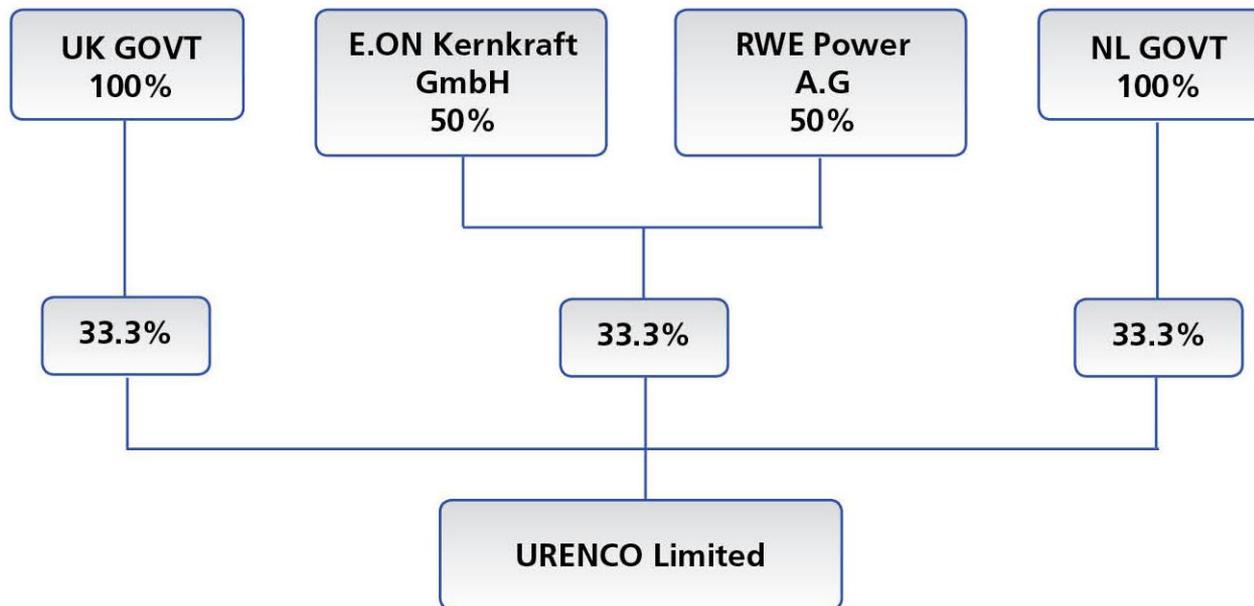


URENCO: our business

- CEO's strategic review
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- Group enrichment capacity target of 18,000 tSW/a was achieved ahead of schedule
- URENCO has more than 30% of 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

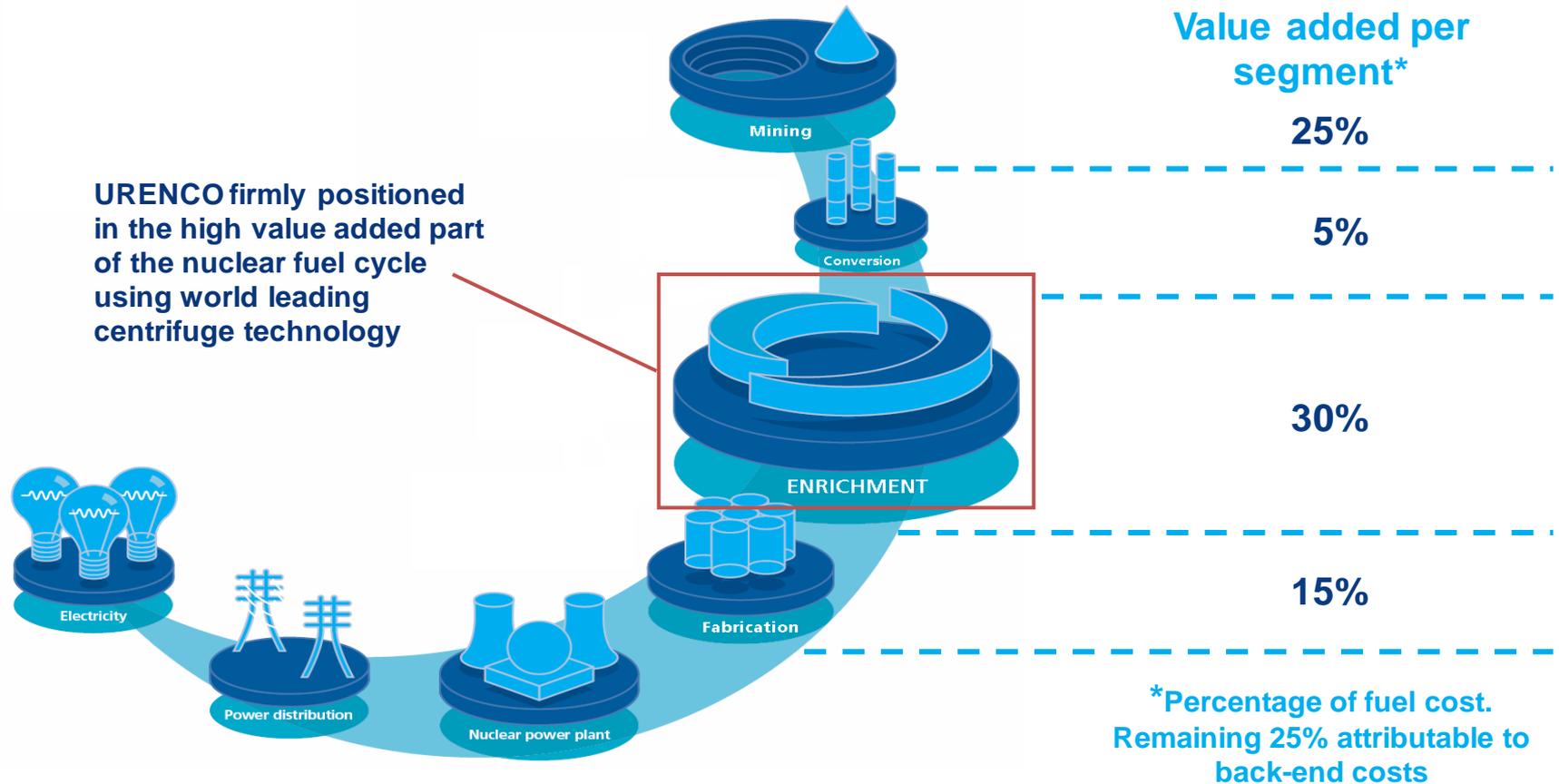
URENCO Group Structure



- 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

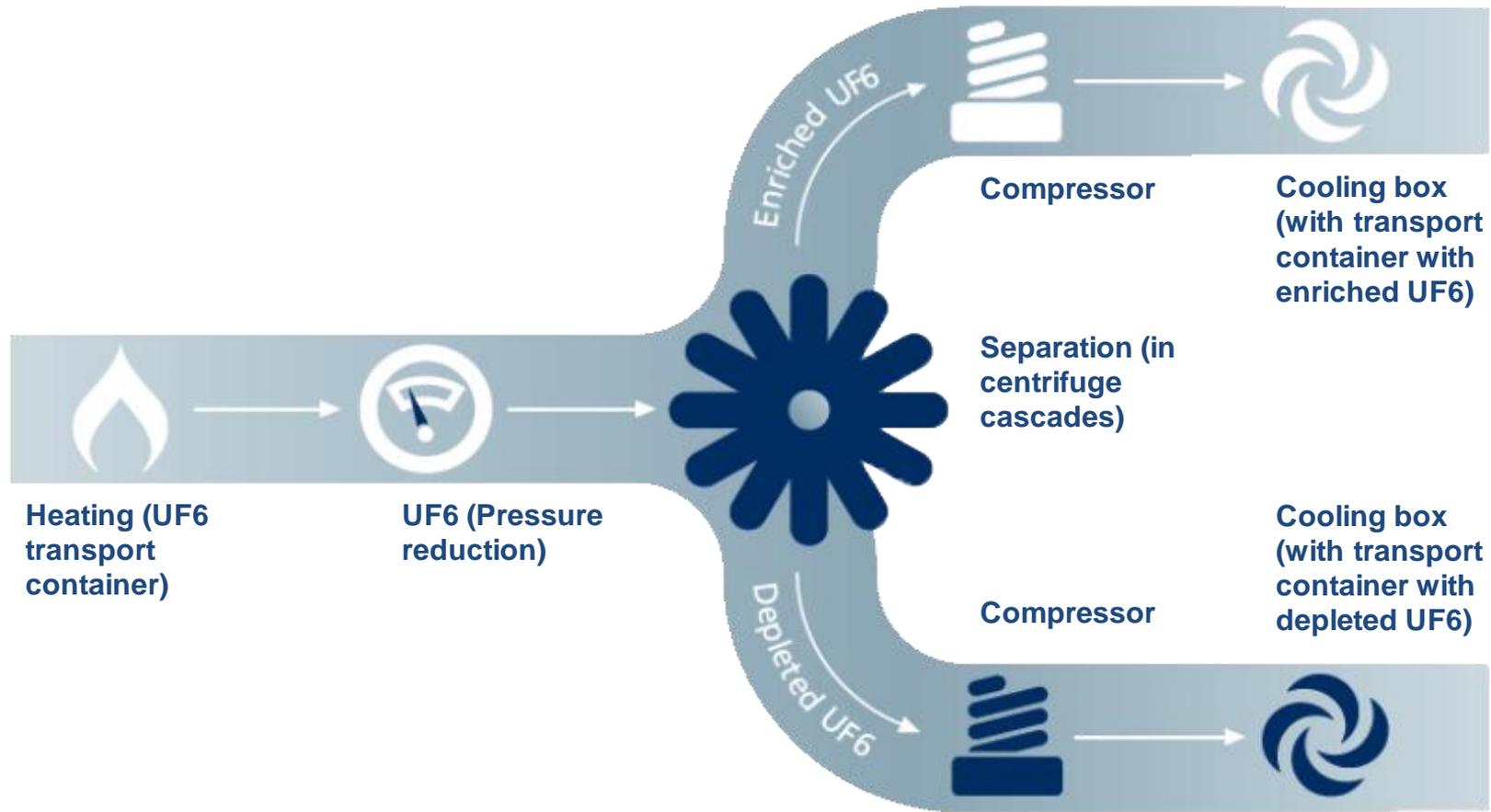
Uranium enrichment is a high value-added part of the fuel cycle



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



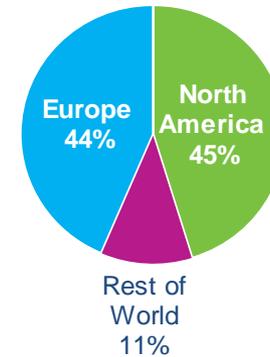
○ URENCO Netherlands



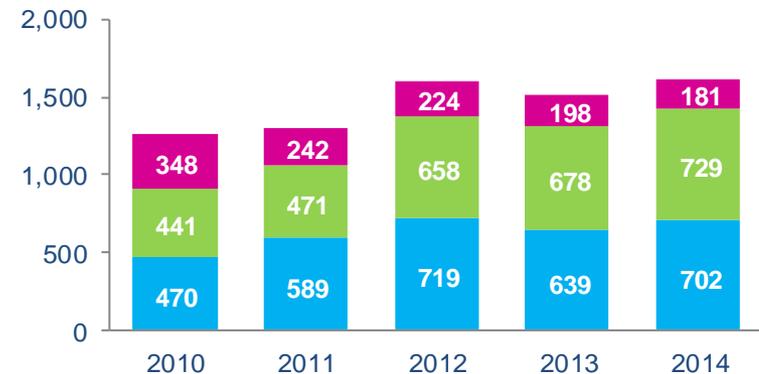
○ URENCO Germany

SWU Volume Delivery and Revenue (€m)

By Region 2014



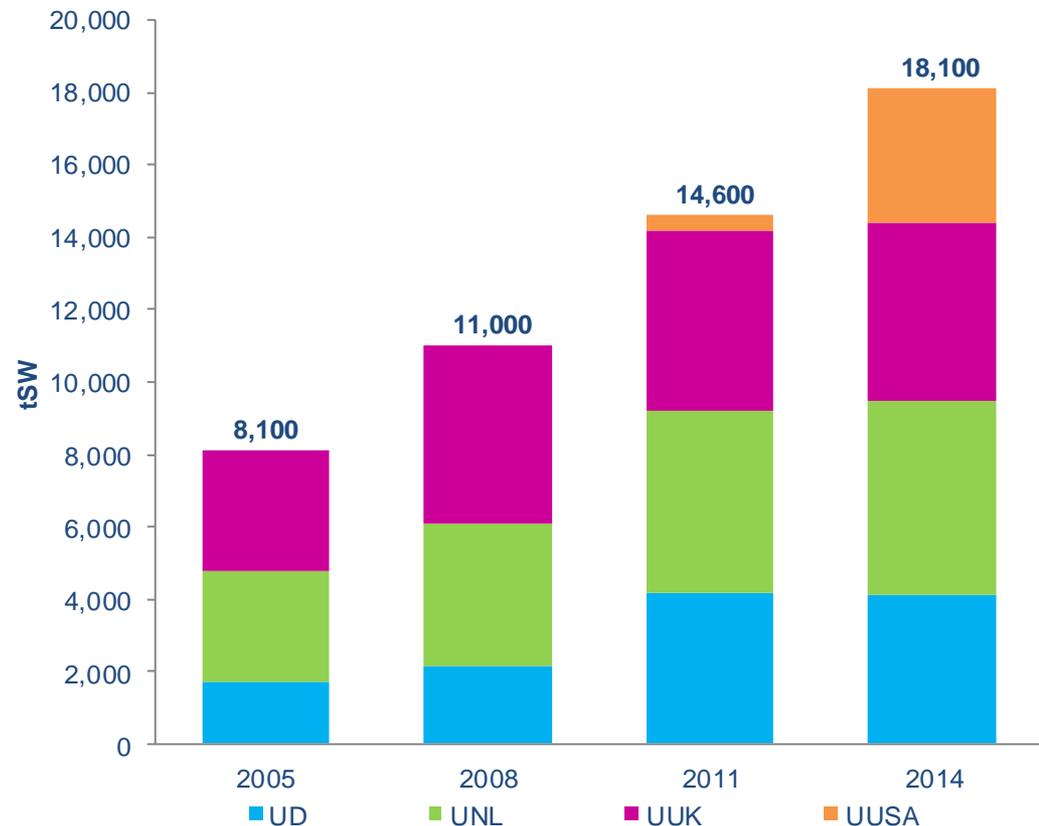
East Asia includes RoW in revenues (€m)



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 Company Information

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- Key contributor to safe secure and 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

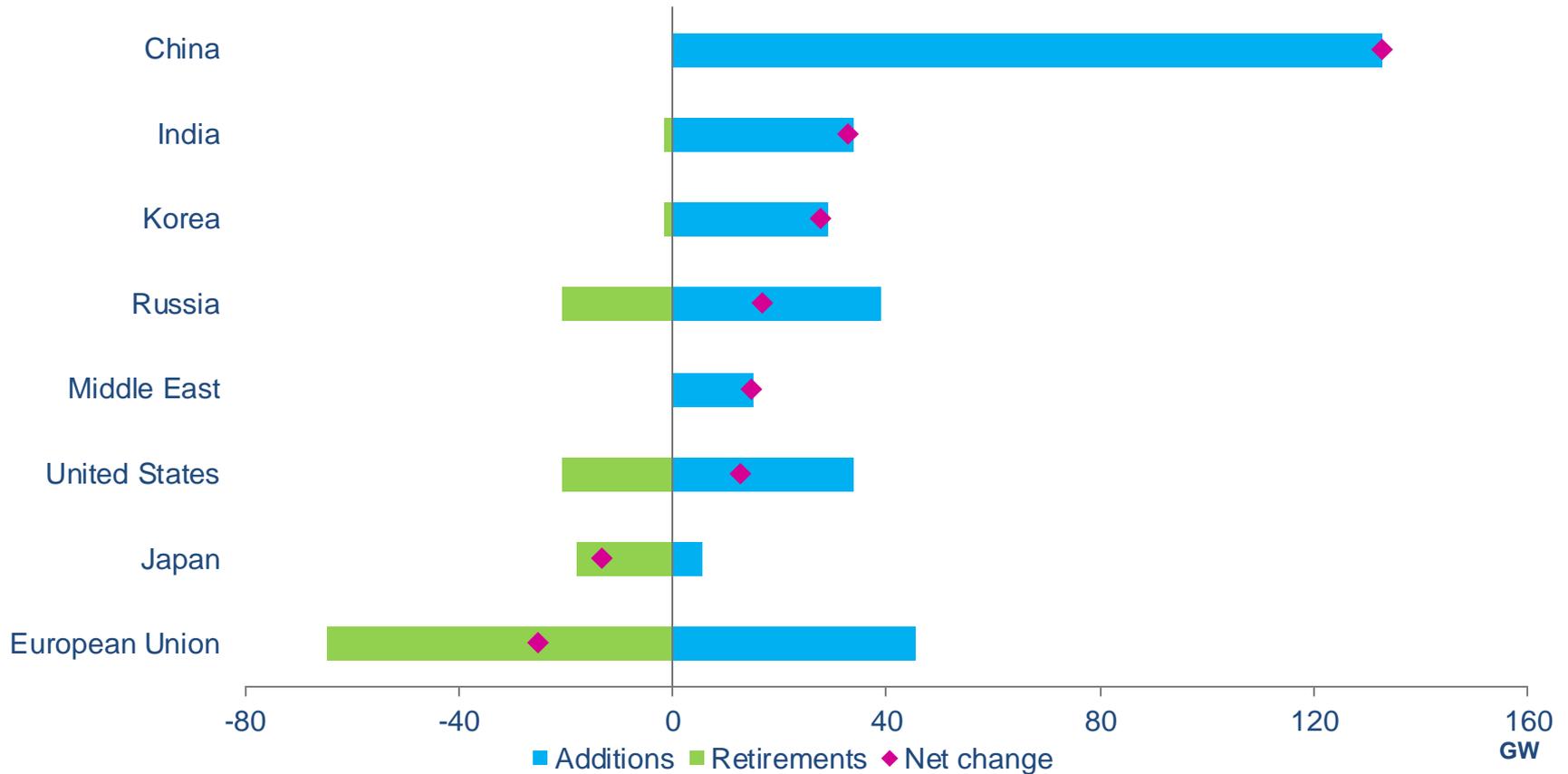


Profitability

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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- 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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Summary of 2014 Financial Results

- 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 was €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
- All customer deliveries were met on time and to a high standard
- Group enrichment capacity target of 18,000 tSW/a has been reached ahead of schedule

Financial Summary



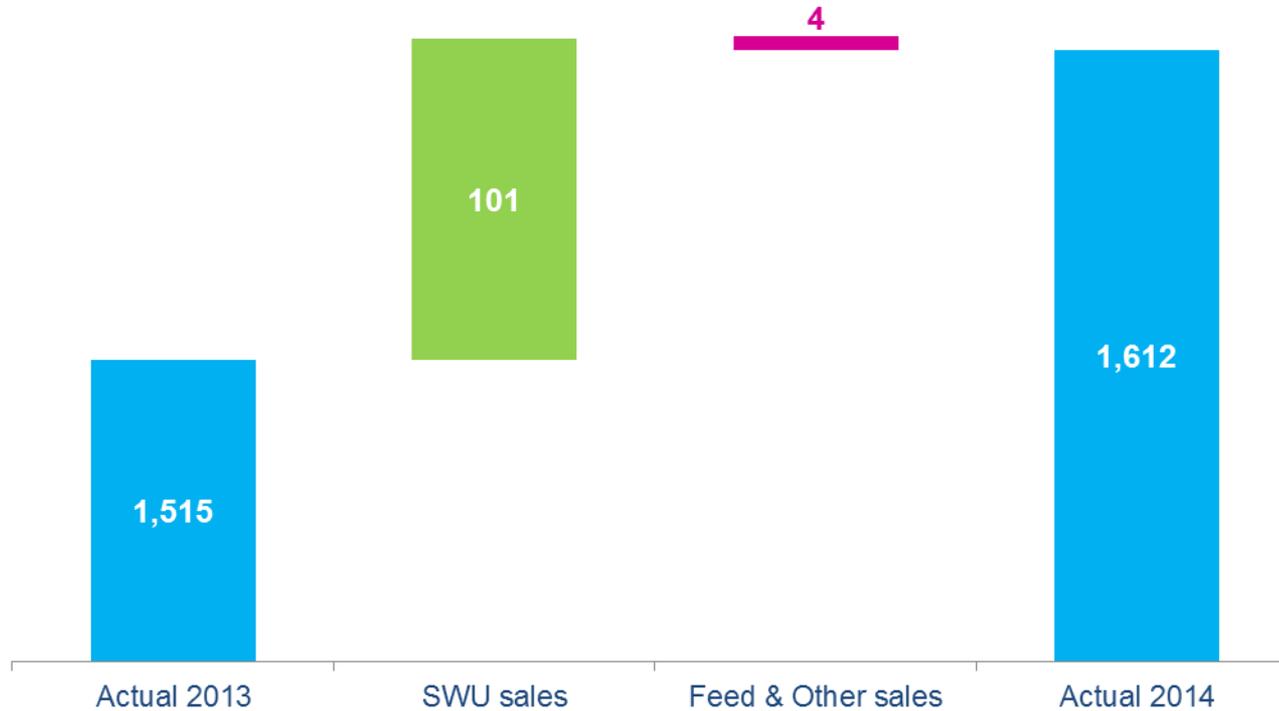
	Full Year 2014	Full Year 2013
	€m	€m
Revenue	1,612	1,515
EBITDA	1,071	968
Income from operating activities	653	558
Net income	405	337
Net income margin - %	25%	22%
Capital expenditure ¹	537	587
Cash generated from operating activities	979	880
Net debt	2,774	2,575

Note

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

Revenue

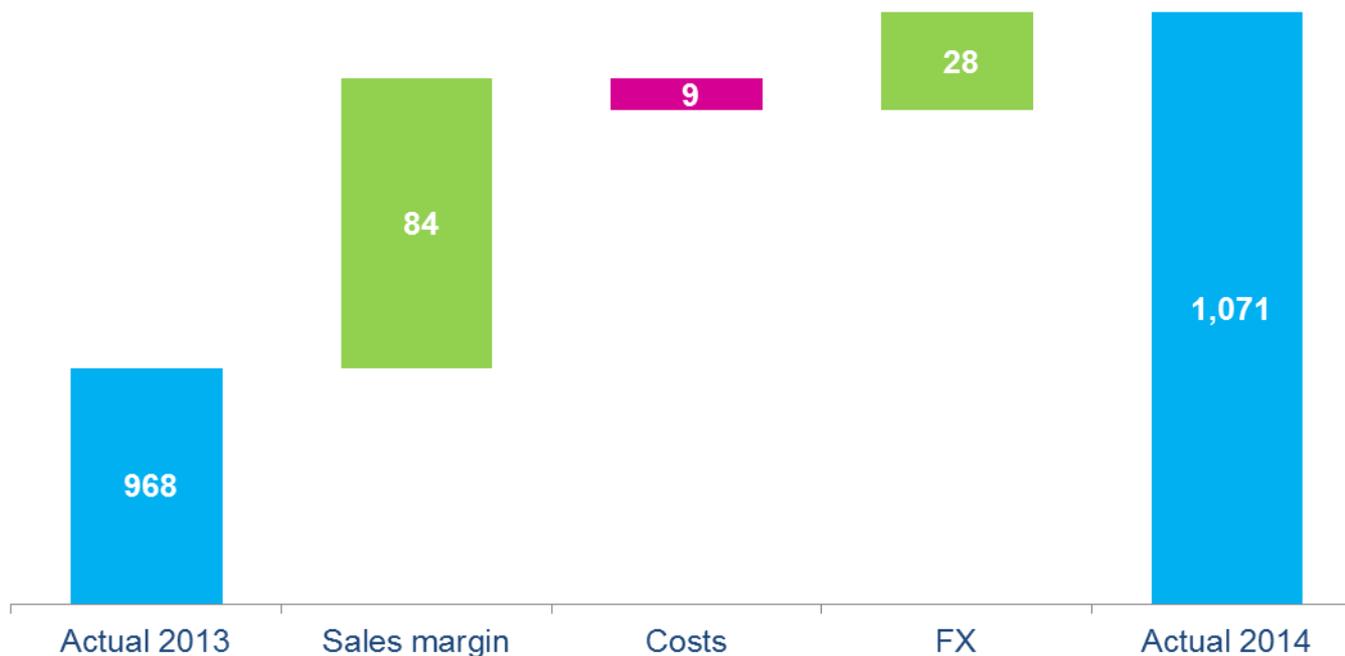
(€ million)



- Stronger USD in Q4 was a major factor in improving prices

EBITDA

(€ million)



- Sales margin improvement due to pricing €56m and additional volume €28m
- Increase in costs
- Positive FX result on revaluation of balance sheet items

Net Income

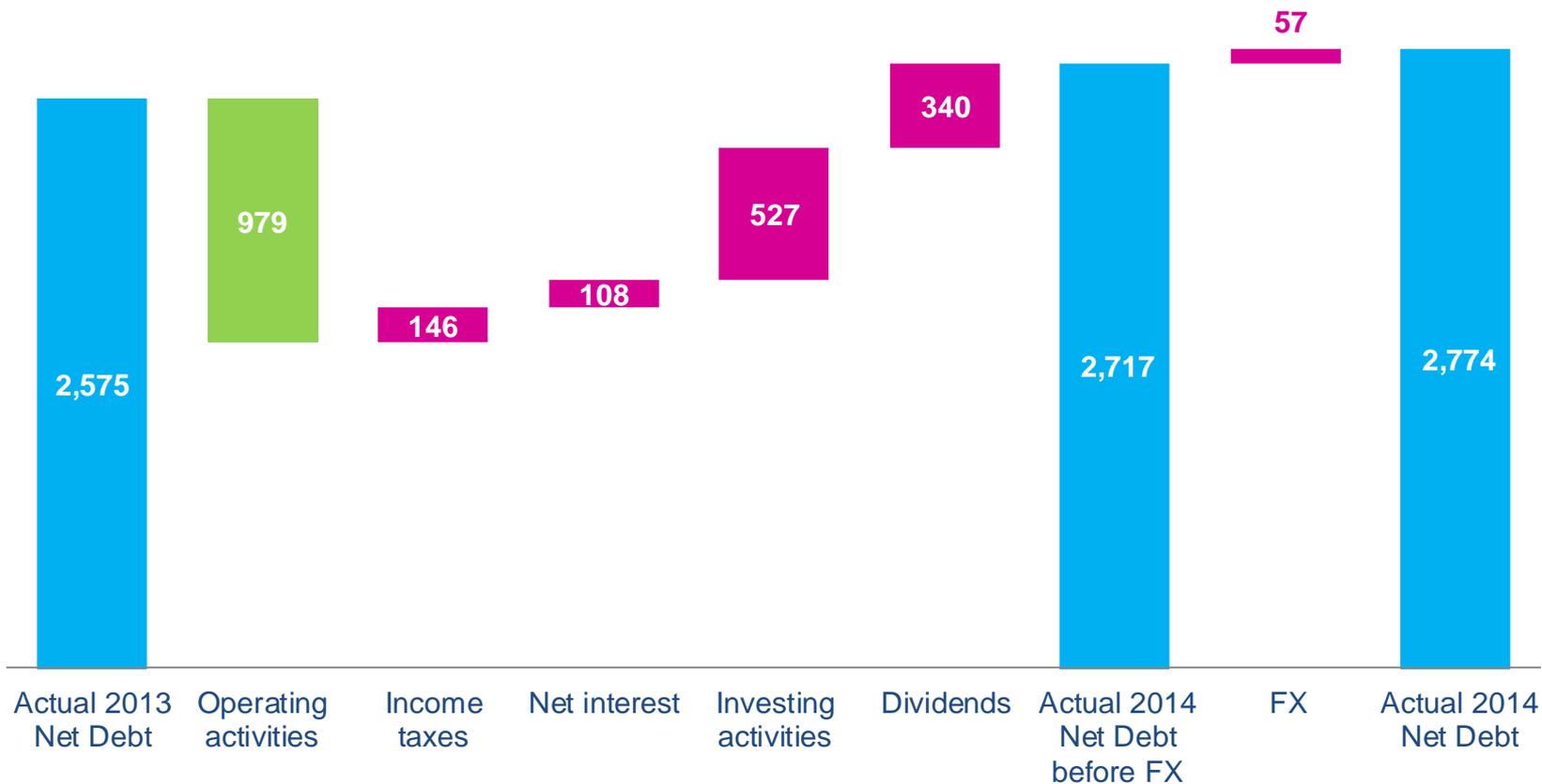
(€ million)



- Increased depreciation charge following recent USA investment
- Positive result from JV
- Increased gross debt and cost of liability management
- Lower average tax rate

Cash Flow & Net Debt

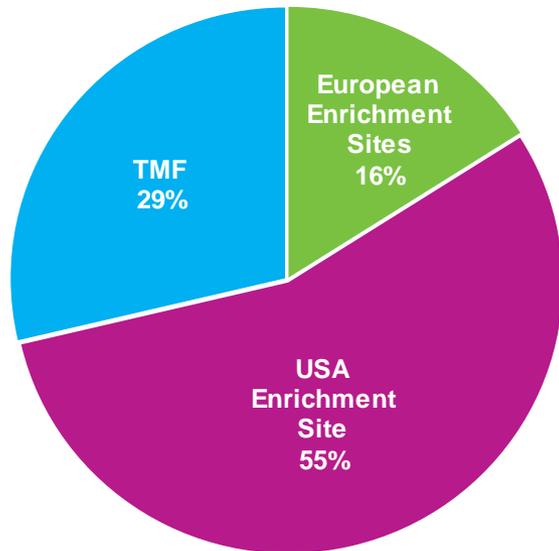
(€ million)



Capital Expenditure

(€ million)

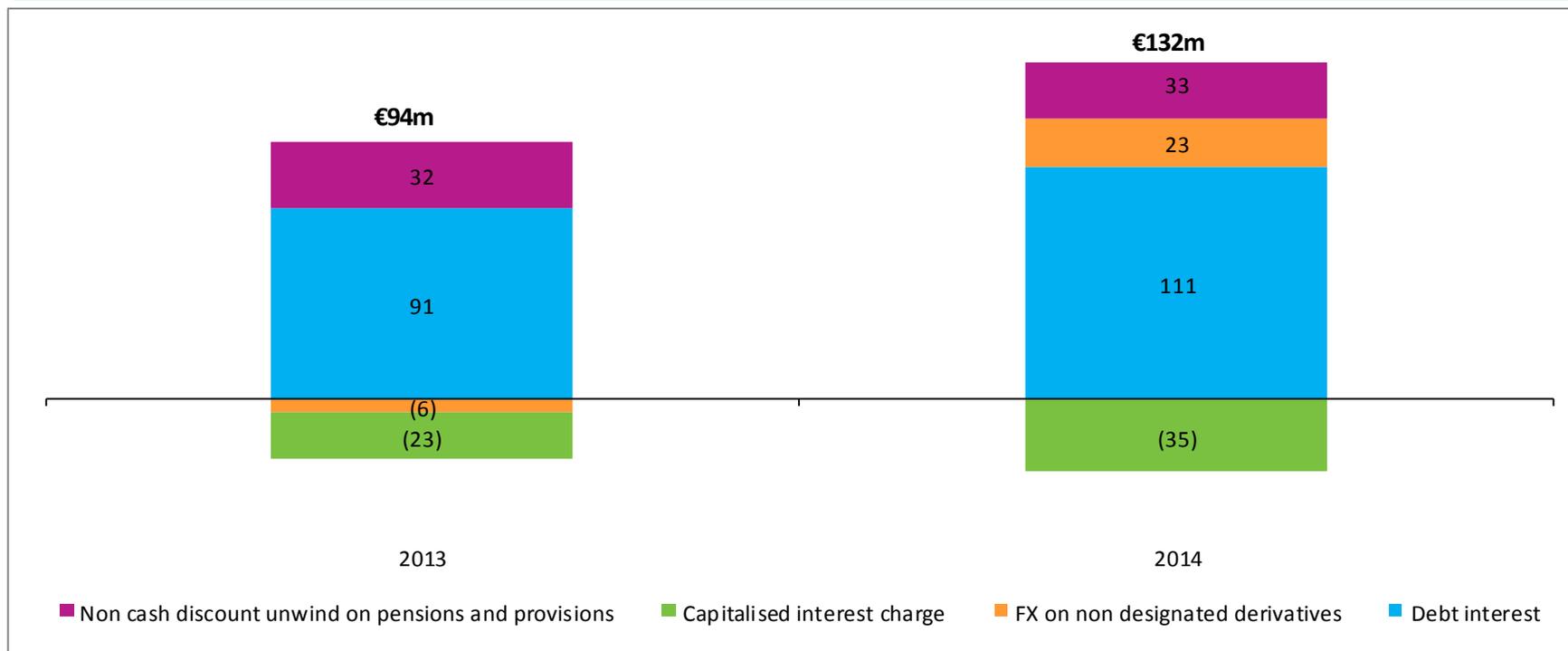
2014 Capital Expenditure



Total: €537m

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

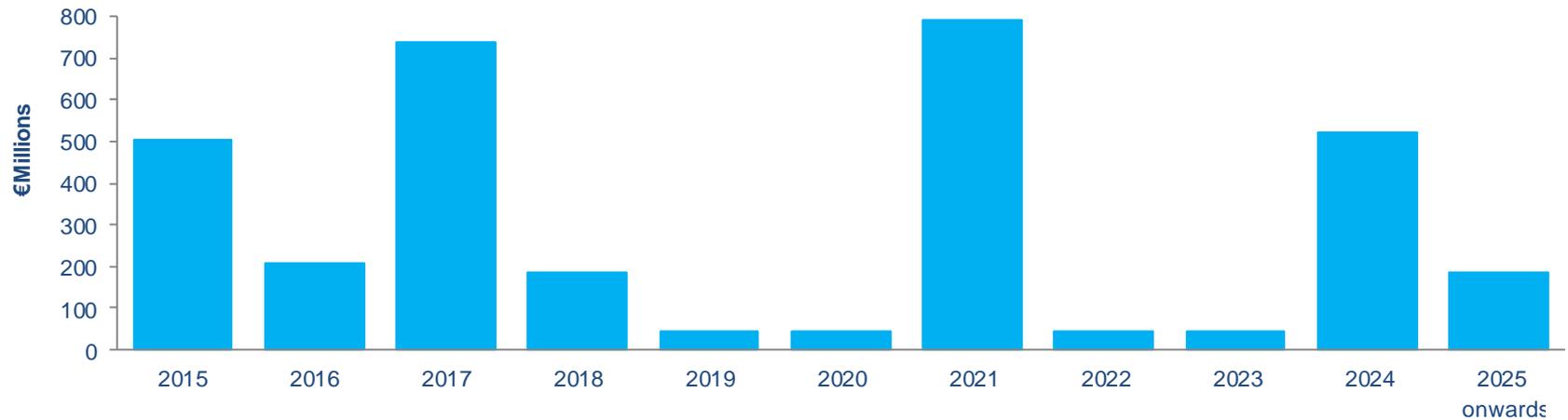
Group Net Finance Charges



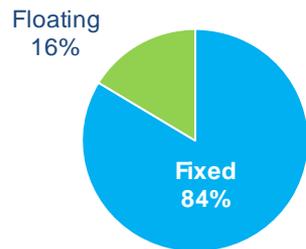
Key Credit Ratios:

- 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

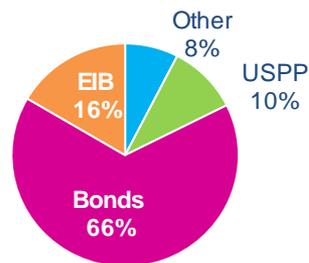
Debt maturity profile



Fixed: Floating mix



Debt Issuer mix



Currency mix



- **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)
 - Fitch A- (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

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

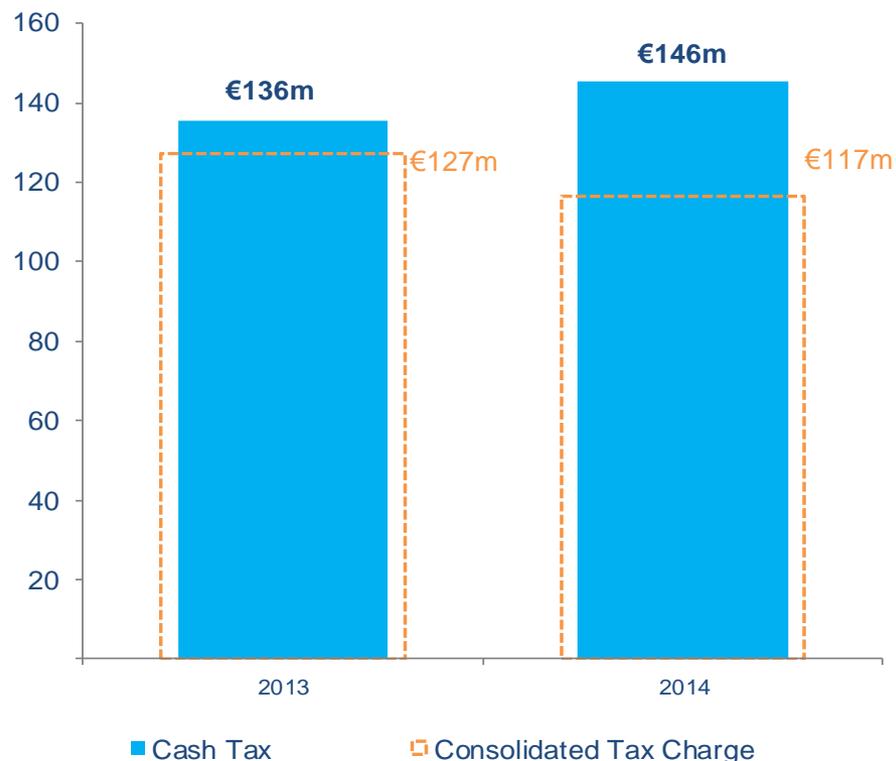
Consolidated tax charge

- The tax charge for 2014 was €117m (2013: €127m)

Effective Tax Rate ('ETR')

- The Group's ETR for 2014 was 22.4% (2013:27.4%)

Cash tax paid (€millions)



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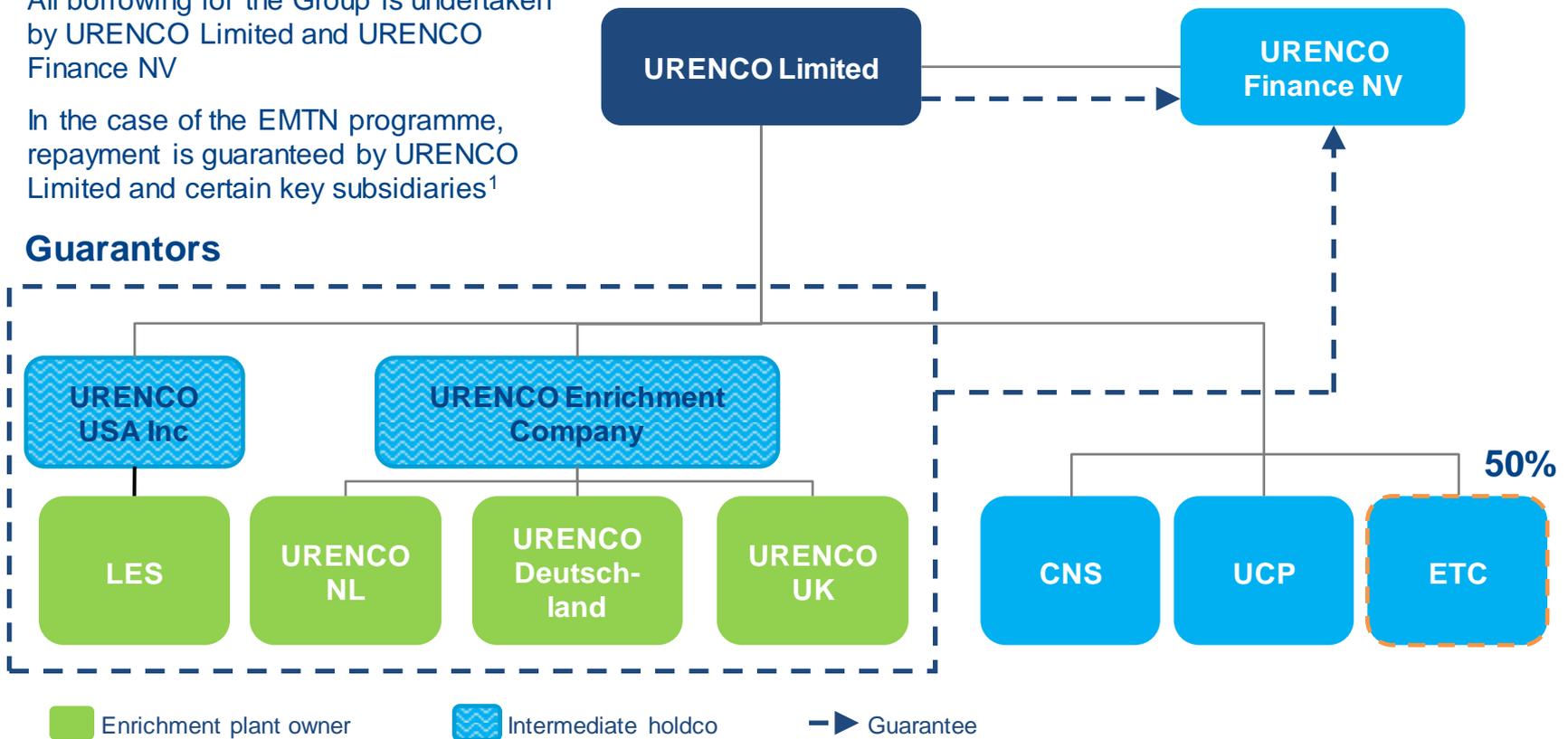
Appendix

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

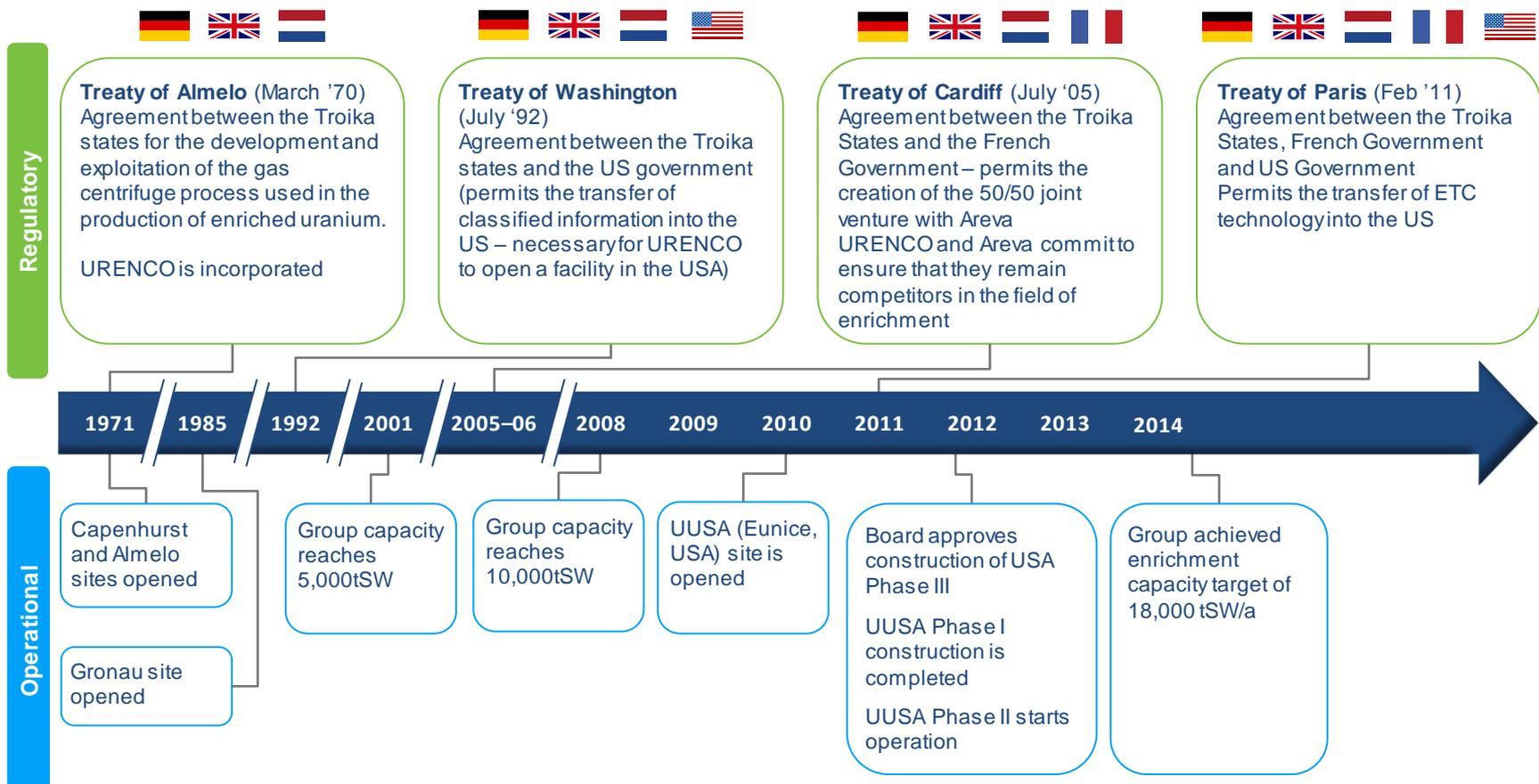
Guarantors



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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