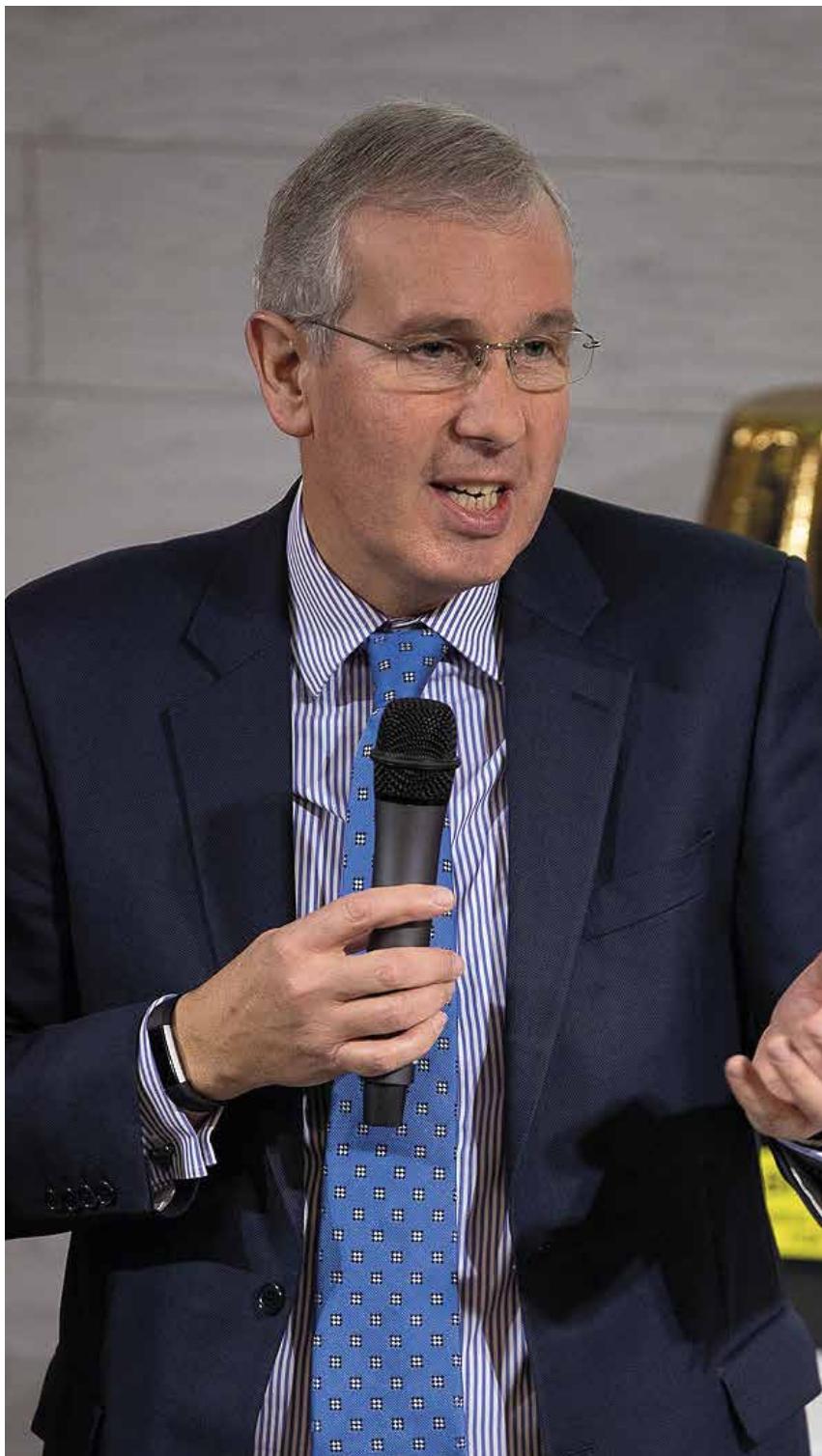


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Annual report  
and accounts **2018**

# Chairman's foreword



2018 has been another year of strong operational and financial performance set against a background of improved safety. However, we continue to face market and geopolitical challenges.

## Global enrichment market outlook

The nuclear power industry has a key role in providing reliable low carbon electricity. The industry needs long term, cost effective and diverse supplies of enrichment services to provide its fuel.

Since 2011, the global enrichment market has been in a state of oversupply and high levels of inventory. Current price levels would not support reinvestment in our enrichment facilities. However, we have seen increases in the prices of uranium this year, and SWU prices have increased by approximately 15% from their lowest level. We believe that enriched uranium inventories will start to decrease and are therefore cautiously optimistic that the uranium enrichment market will improve.

Pictured:  
Stephen Billingham at this year's Richie Lecture at the Science Museum in London, UK.

## The political landscape

The political landscape in which we operate continues to provide us with challenges, including the UK's withdrawal from the European Union, Germany's decision to end domestic nuclear power generation and evolving US trade policies and international relations.

We have made preparations for the UK's withdrawal from the European Union and Euratom treaty. We have identified and mitigated the material risks to our business that this presents. We have done all we can to ensure that our products are in the right locations across the world and international procurement of key supplies has been brought forward. Our ability to continue to provide services from our sites in mainland Europe, the UK and the USA enables us to ensure we can continue to serve our customers.

We acknowledge the ongoing political debate in Germany about nuclear energy and have continued our dialogue with stakeholders. We are confident that we can continue to demonstrate that we are a long term, sustainable operator in the country and are an integral part of Germany's highly impressive technological capabilities.

We have provided input to the US Department of Commerce investigation into the potential impacts of imported uranium, in all its forms, on US national security. Following the investigation, the US President will decide if there is need for any remedial action. We believe that our involvement in the US uranium market is in the best interests of our US customers and we hope that any remedies that may be imposed do not affect our ability to continue to be a reliable and responsible supplier from both our US and European facilities.

Our US facility's production represents approximately one third of the country's annual demand and is the only operating commercial enrichment facility on US soil. It is a key strategic national asset to the USA, operated by a dedicated US workforce and under US nuclear regulation. There is long standing co-operation between the United States of America, United Kingdom, the Netherlands and Germany with respect to civil nuclear fuel and we are confident this will continue.

## Our positioning

We are unique in the world enrichment market in having four enrichment facilities in four different countries. This gives us the expertise, diversity of supply and the capacity to manage the highlighted risks and ensure we continue to serve our customers long into the future.

In addition, the expansion of our Stable Isotopes capacity will enable us to serve a growing global market and provide a solid return on our investment. Our expertise in nuclear stewardship will broaden the services we offer to the nuclear industry.

## Our people

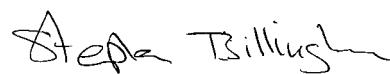
Developing our employees is fundamental to our sustainability. We are committed to getting the best from our workforce and are enhancing our internal programmes to ensure this happens. Externally, we support the next generation of industry leaders with investment in the recruitment of apprentices and continued outreach with schools to nurture an interest in science, technology, engineering and maths.

I am very pleased we are making progress on our diversity and inclusion targets and in 2018 we appointed our first female Managing Director.

Our continued success is dependent on the skill, enthusiasm and dedication of our employees and on behalf of the Board, I extend my thanks to all of them. Our Chief Executive Officer since 2016, Thomas Haeblerle, will retire from the Board in March. On behalf of the Board, I thank Thomas for his service to Urenco and the leading role he has played to define our strategic direction. I am pleased that Boris Schucht will be joining us in May as our new Chief Executive. Boris joins us from 50Hertz, the North-East German Transmission System Operator, where he held the position of Chief Executive Officer.

In the summer we said goodbye to George Verberg who retired from the Board. I would like to extend my thanks to George for his service to the Board over the last 14 years. Our Dutch shareholder has appointed Mel Kroon as his replacement and we welcome Mel to our Board.

In my last year as Chairman, I look forward to the continued success of Urenco's enrichment business and I am sure that the skill and dedication of our employees will ensure that we continue to deliver for our customers and key stakeholders.



**Stephen Billingham**  
Chairman