



Investor Update

April 2015

Ralf ter Haar
Gerard Tyler

Chief Financial Officer
Group Treasurer

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Today's Speakers



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

Gerard Tyler
Group Treasurer



- Appointed Group Treasurer of URENCO Limited in March 2014
- Group Treasurer of Severn Trent PLC for six years
- Previously worked in the media and cable sector in the UK at Telewest and the BBC and in Germany for ish GmbH
- Degree in Engineering Science and Economics from Oxford University
- UK Chartered Accountant.



URENCO: our business

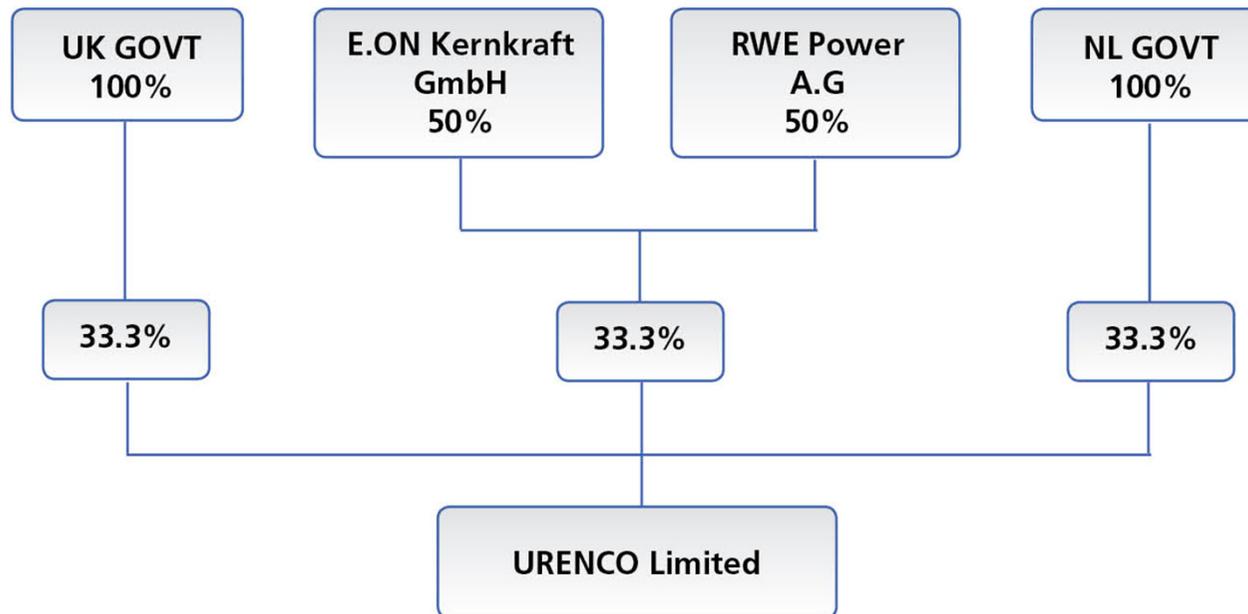
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2014 Highlights



- 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

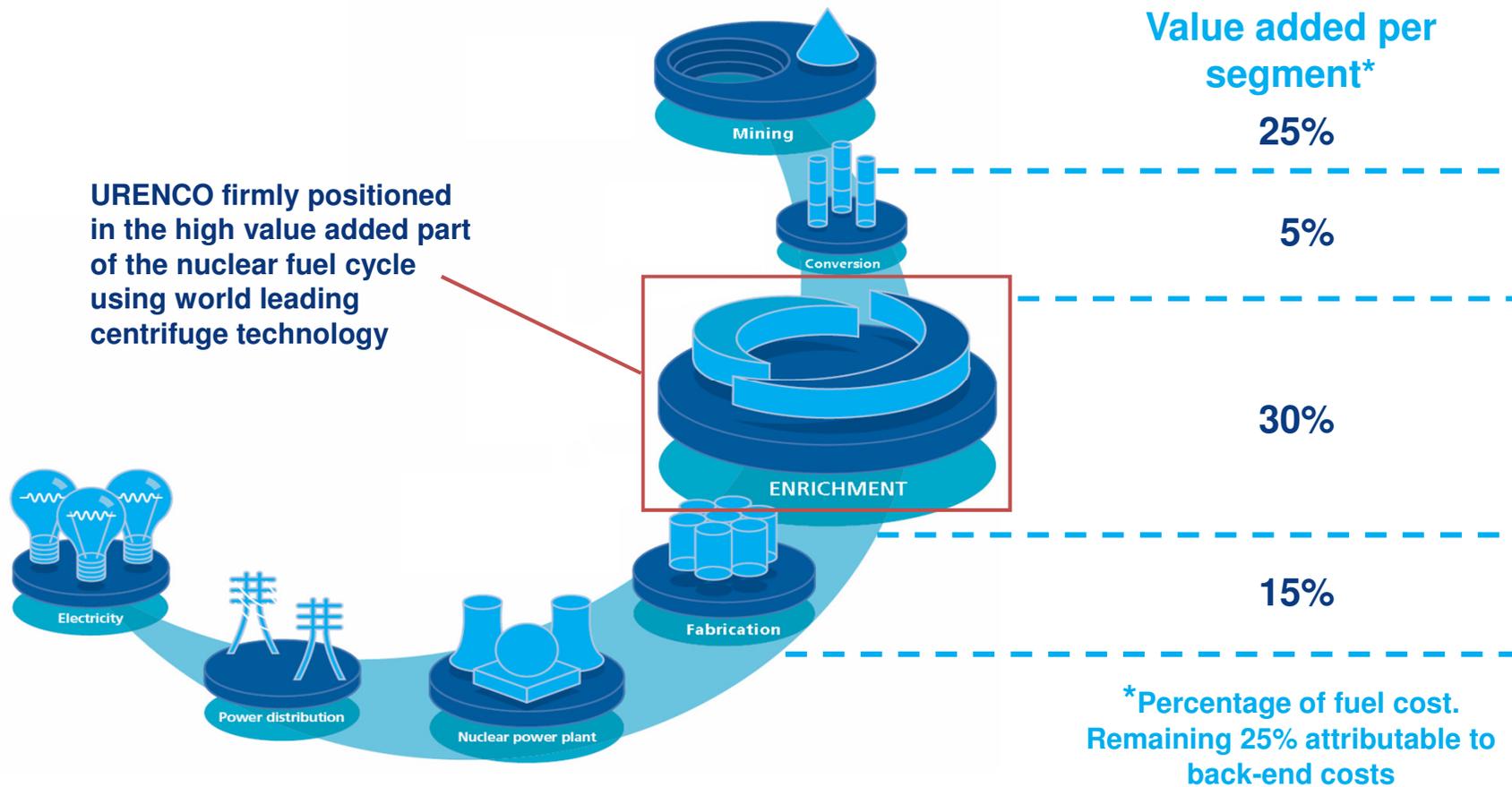
URENCO Group Structure



- 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

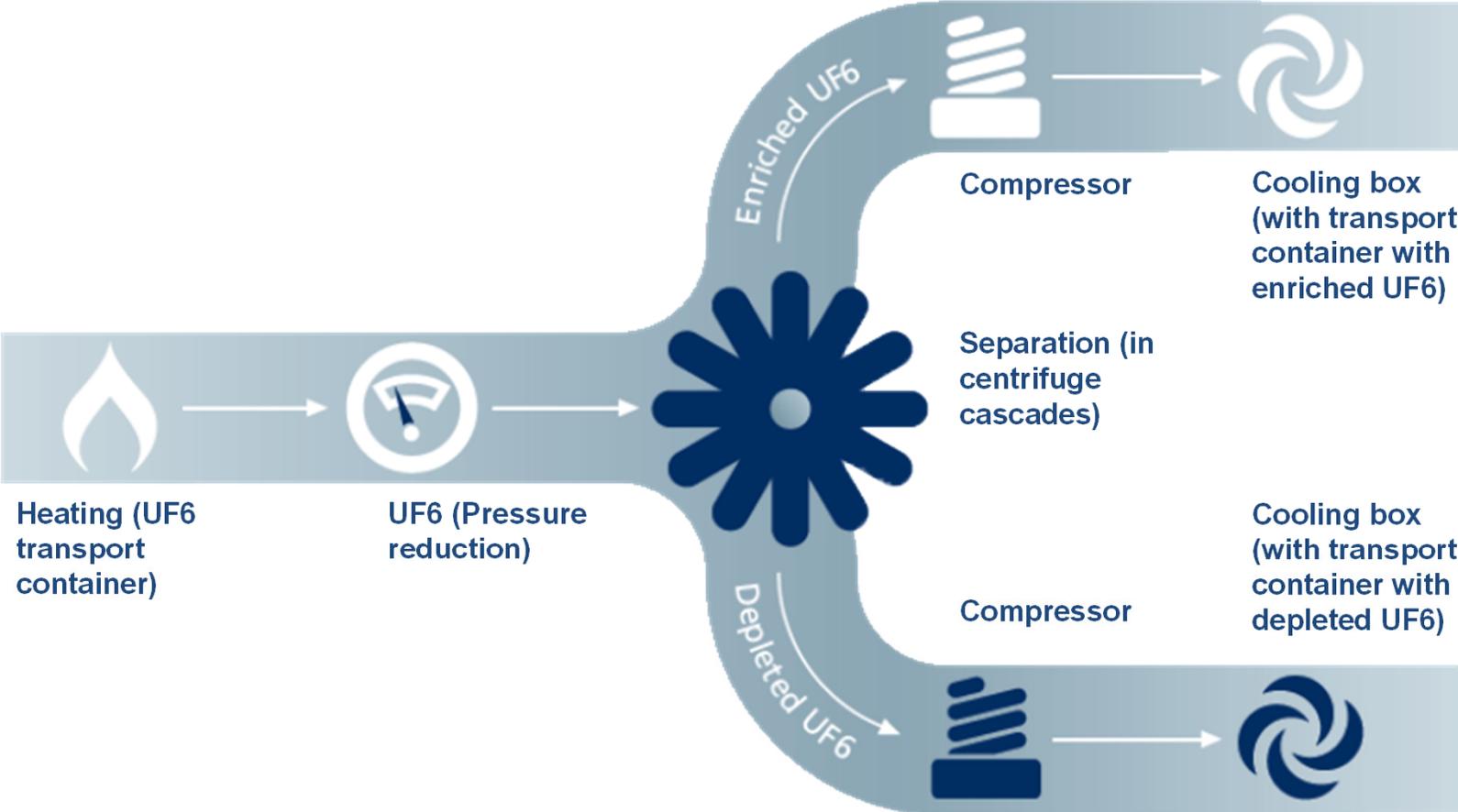
Uranium enrichment is a high value-added part of the fuel cycle



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



Our Global Reach



URENCO Operations and Customers



○ URENCO USA



○ URENCO UK



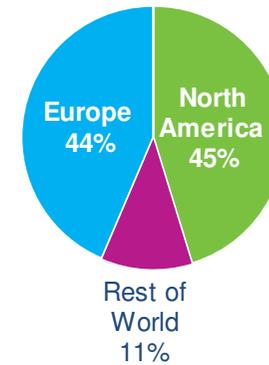
○ URENCO Netherlands



○ URENCO Germany

SWU Volume Delivery and Revenue (€m)

By Region 2014



East Asia includes RoW in revenues (€m)



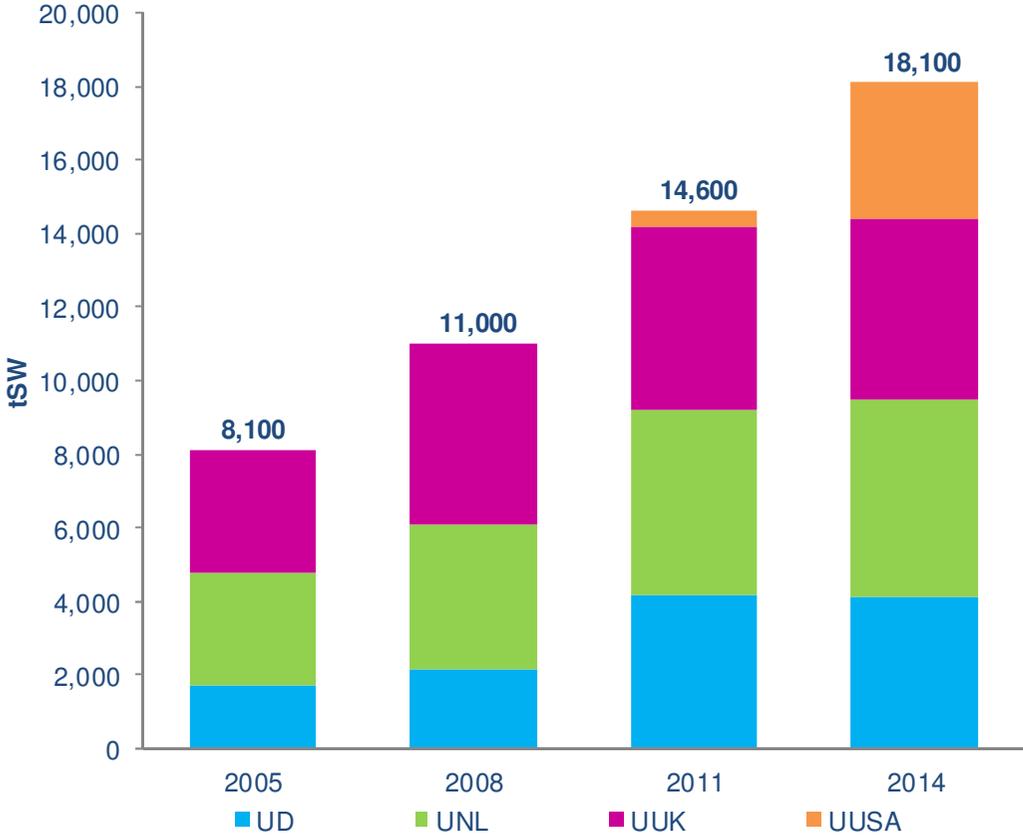
Enrichment Market and Technological Leader



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

- URENCO: our business

- Strategic review

- 2014 Annual financial results
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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

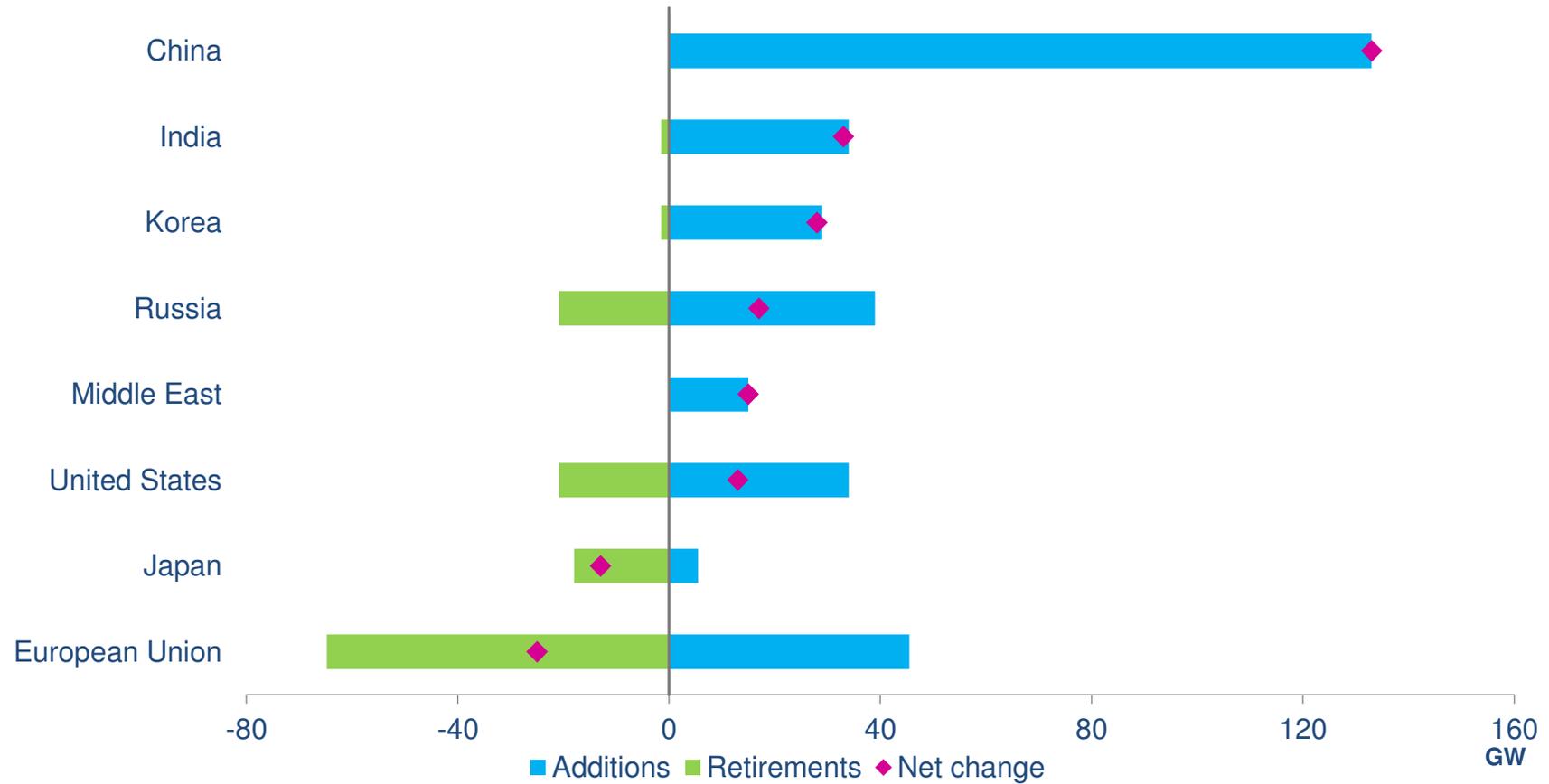


Profitability

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

- 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



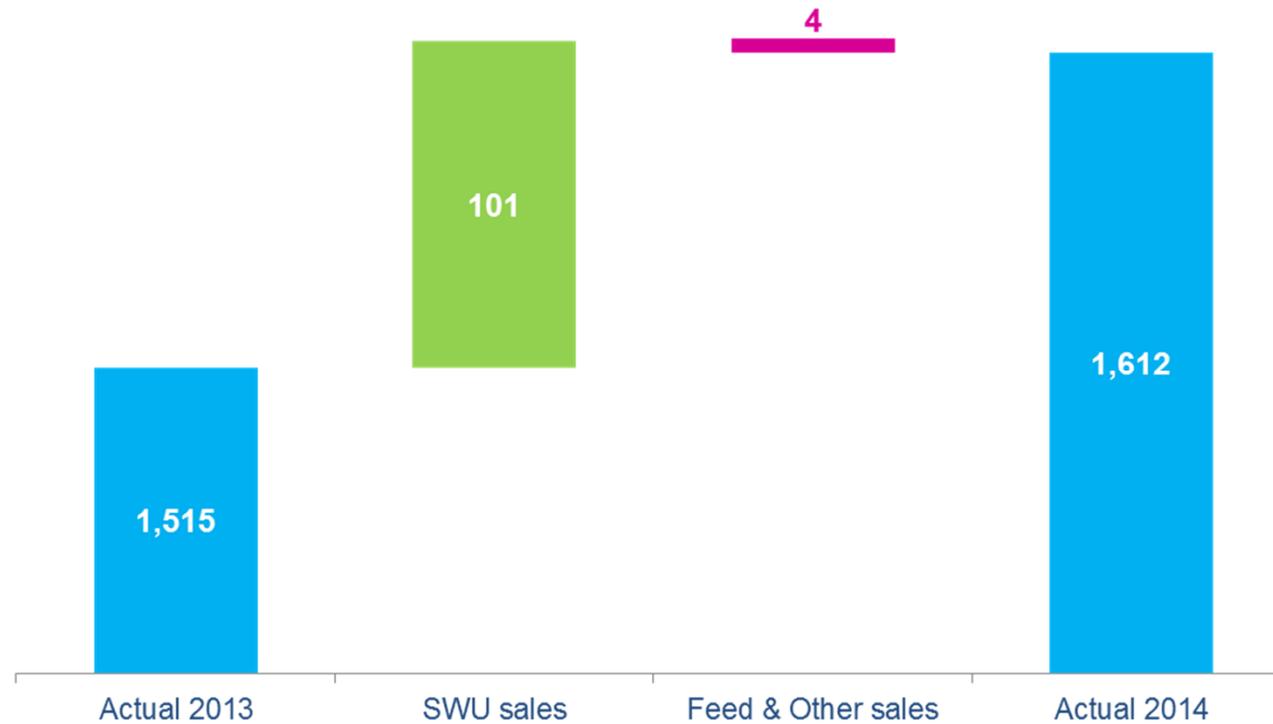
	Full Year 2014	Full Year 2013
	€m	€m
Revenue	1,612	1,515
EBITDA	1,071	968
Income from operating activities	653	558
Net income	405	337
Net income margin - %	25%	22%
Capital expenditure ¹	537	587
Cash generated from operating activities	979	880
Net debt	2,774	2,575

Note

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

Revenue

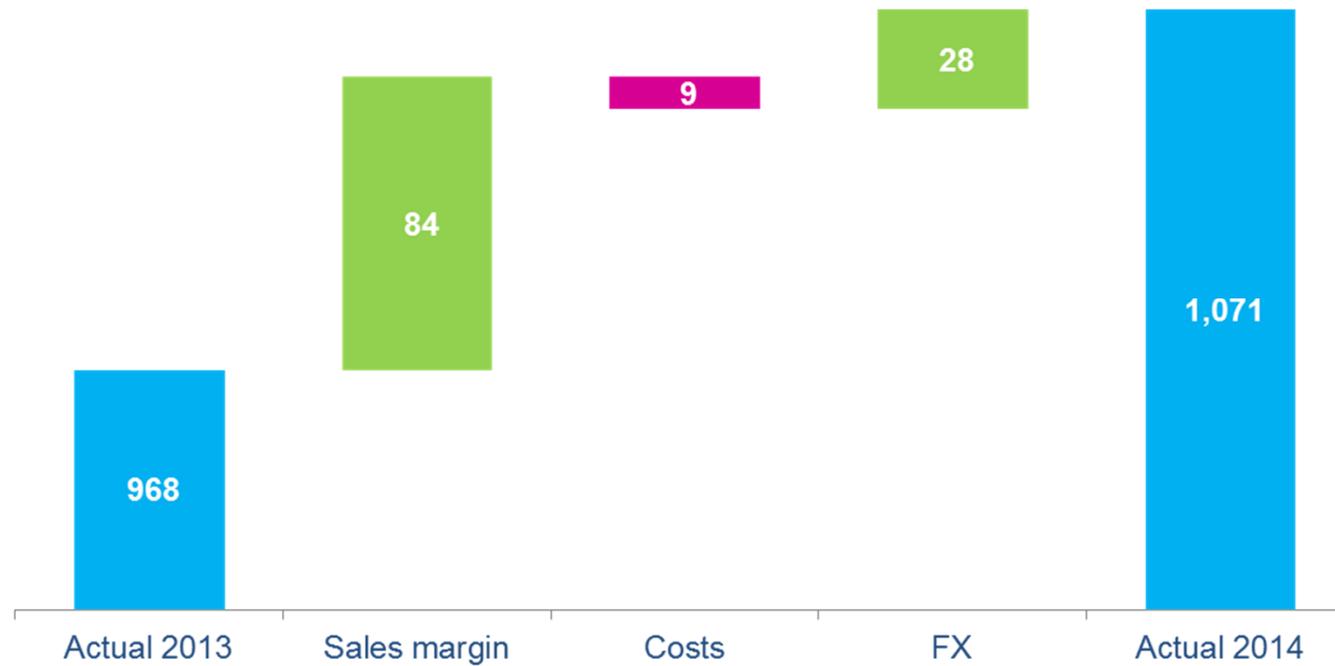
(€ million)



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

EBITDA

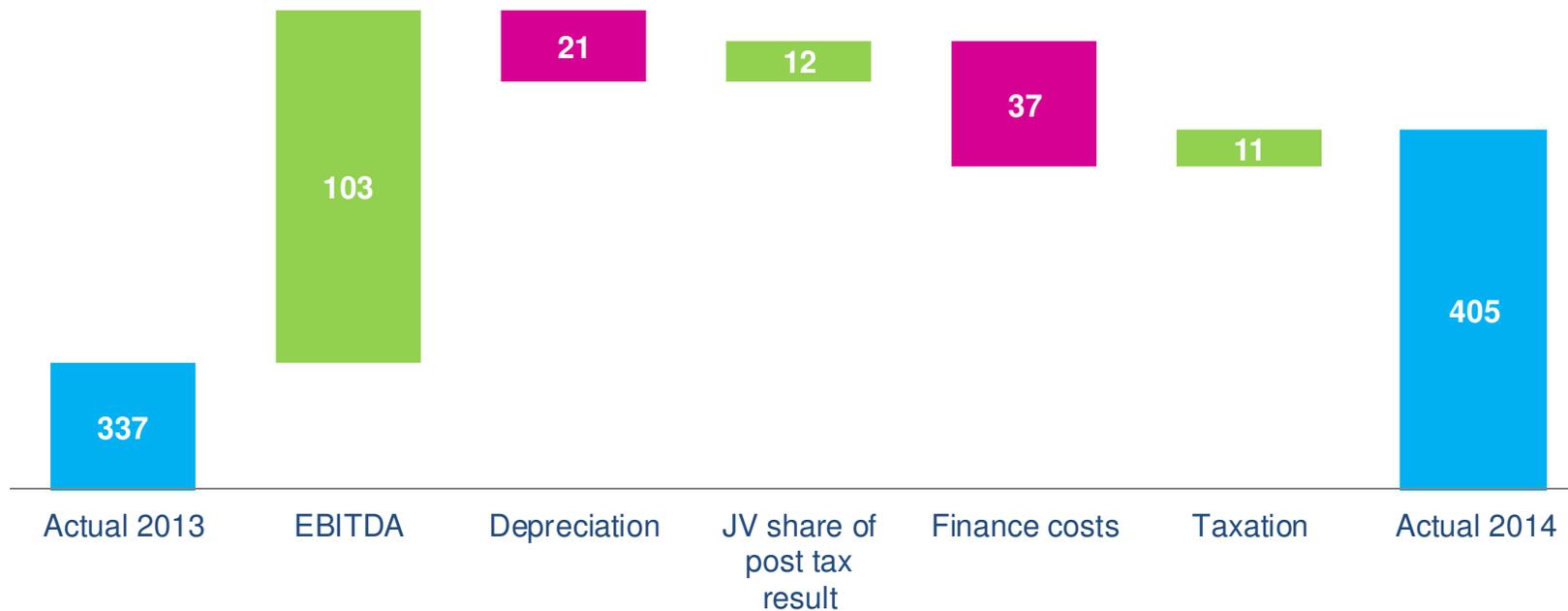
(€ million)



- 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

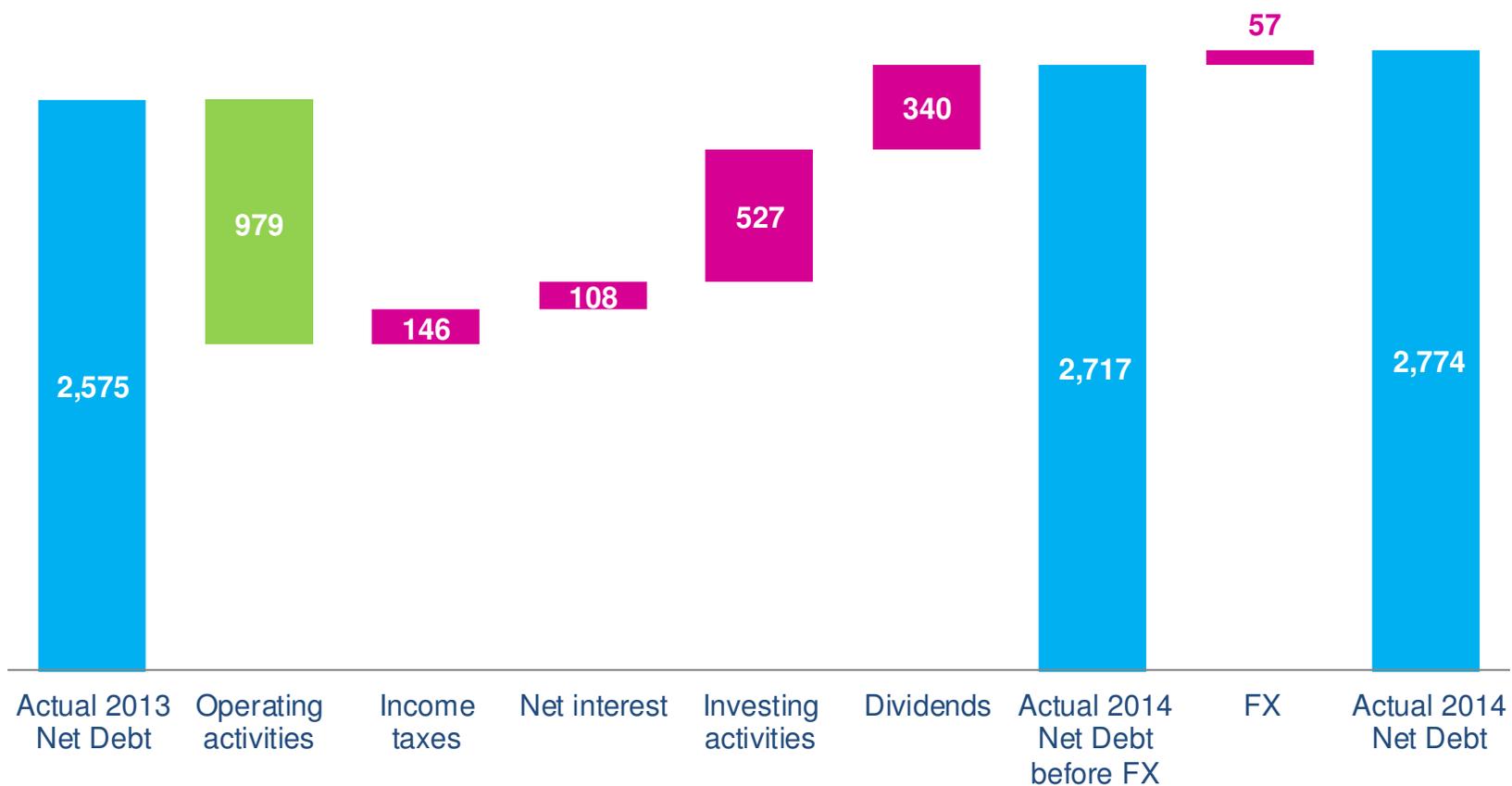
(€ million)



- 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)

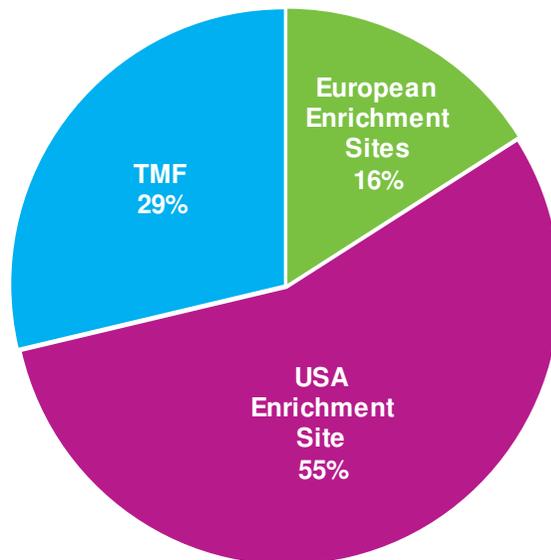


Capital Expenditure

(€ million)



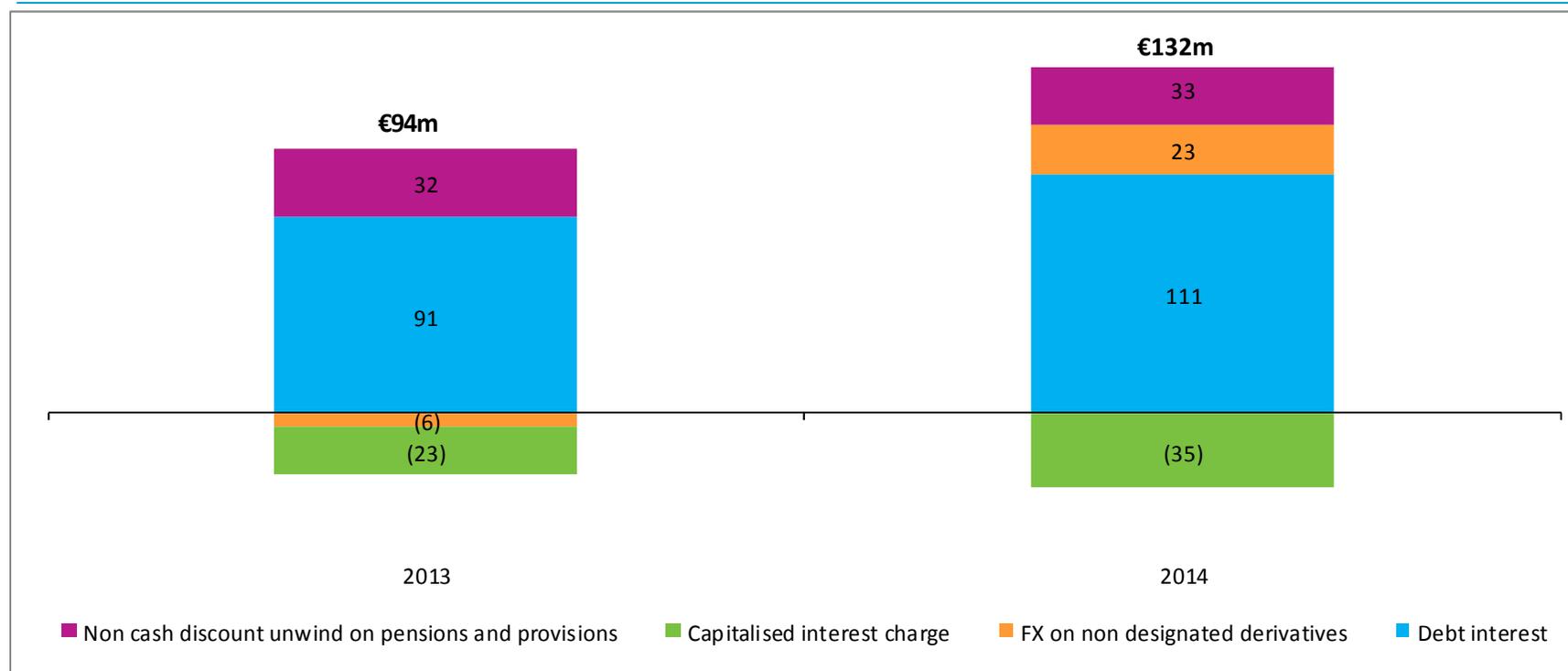
2014 Capital Expenditure



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



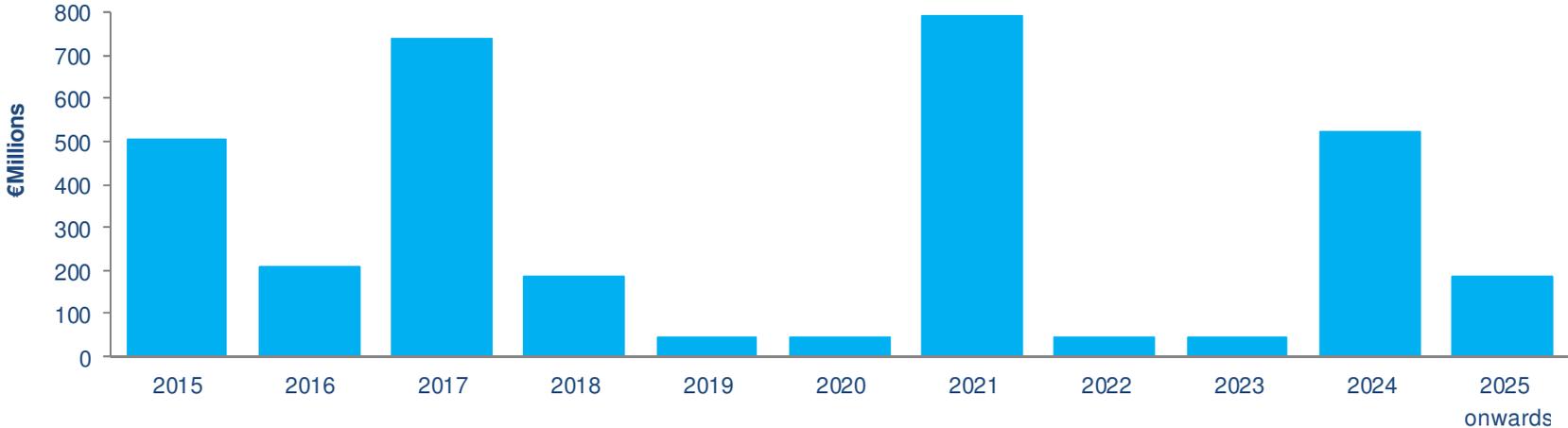
Key Credit Ratios:

- 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

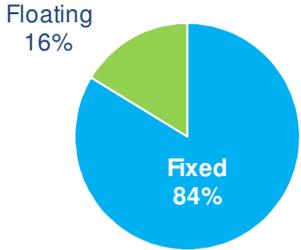
Debt Structure



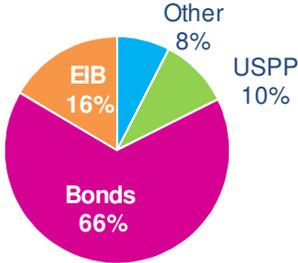
Debt maturity profile



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

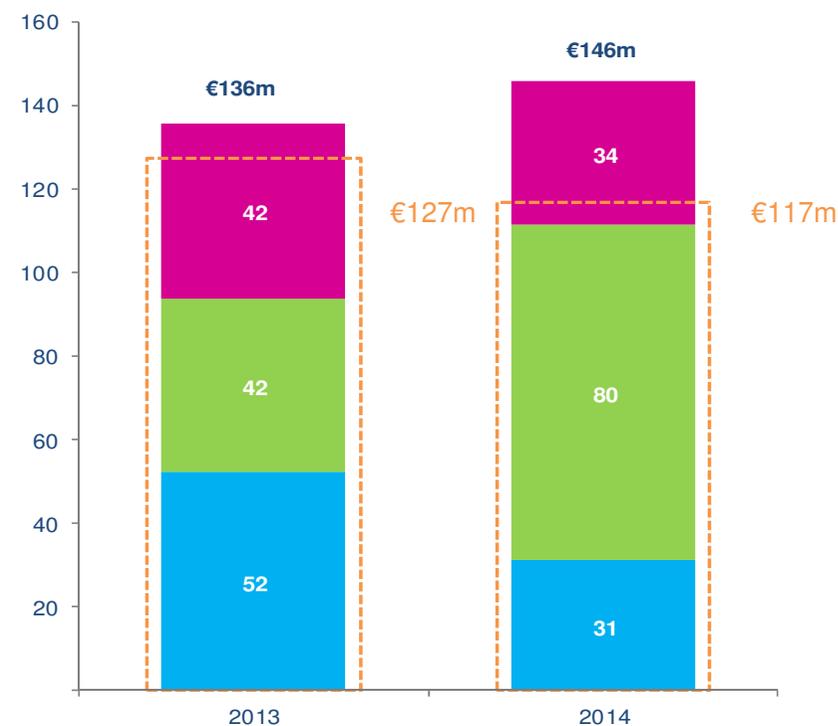
Consolidated tax charge

- 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)



■ Cash Tax UK ■ Cash Tax NL ■ Cash Tax DE □ Consolidated tax charge

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Questions & Answers



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Appendix

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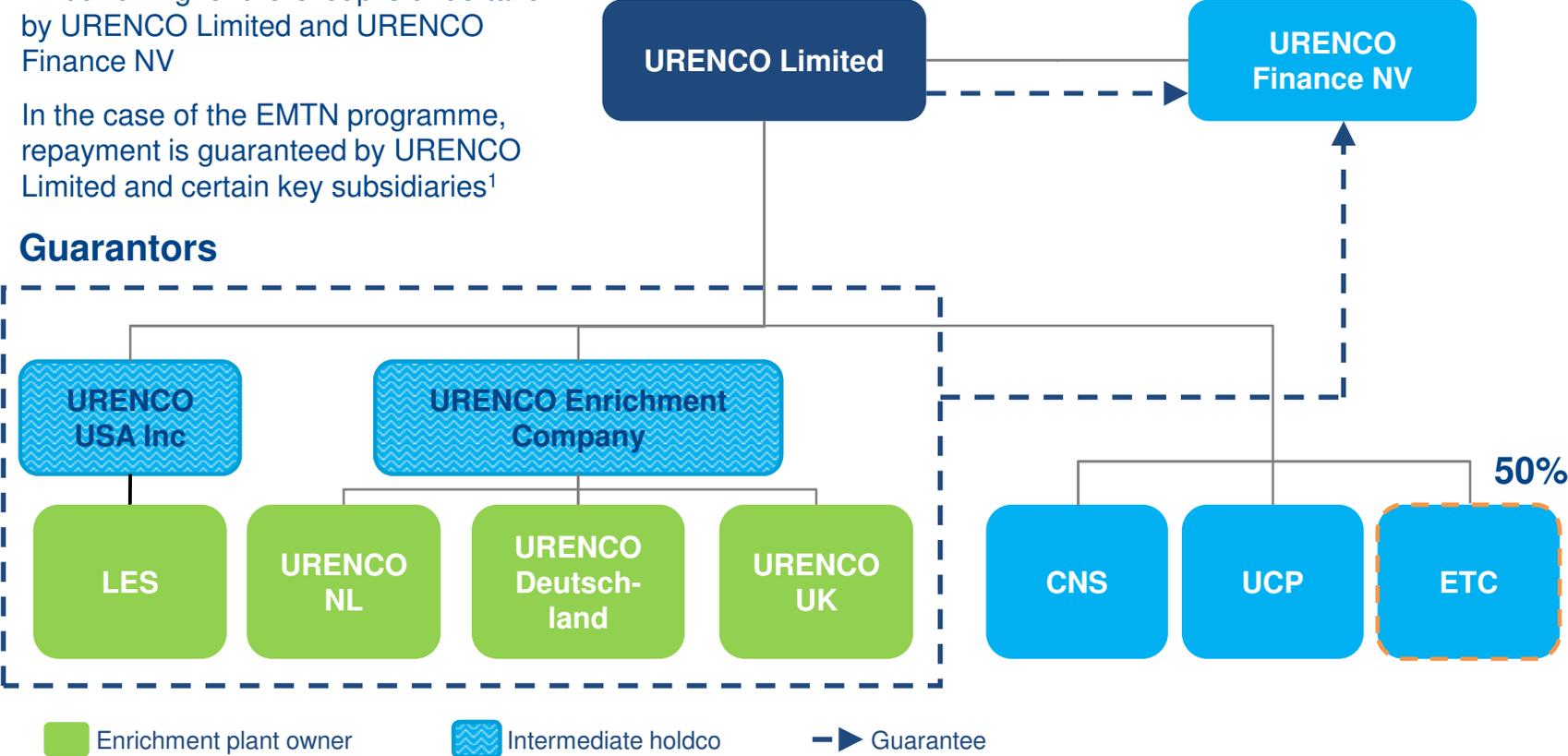
Group Structure



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

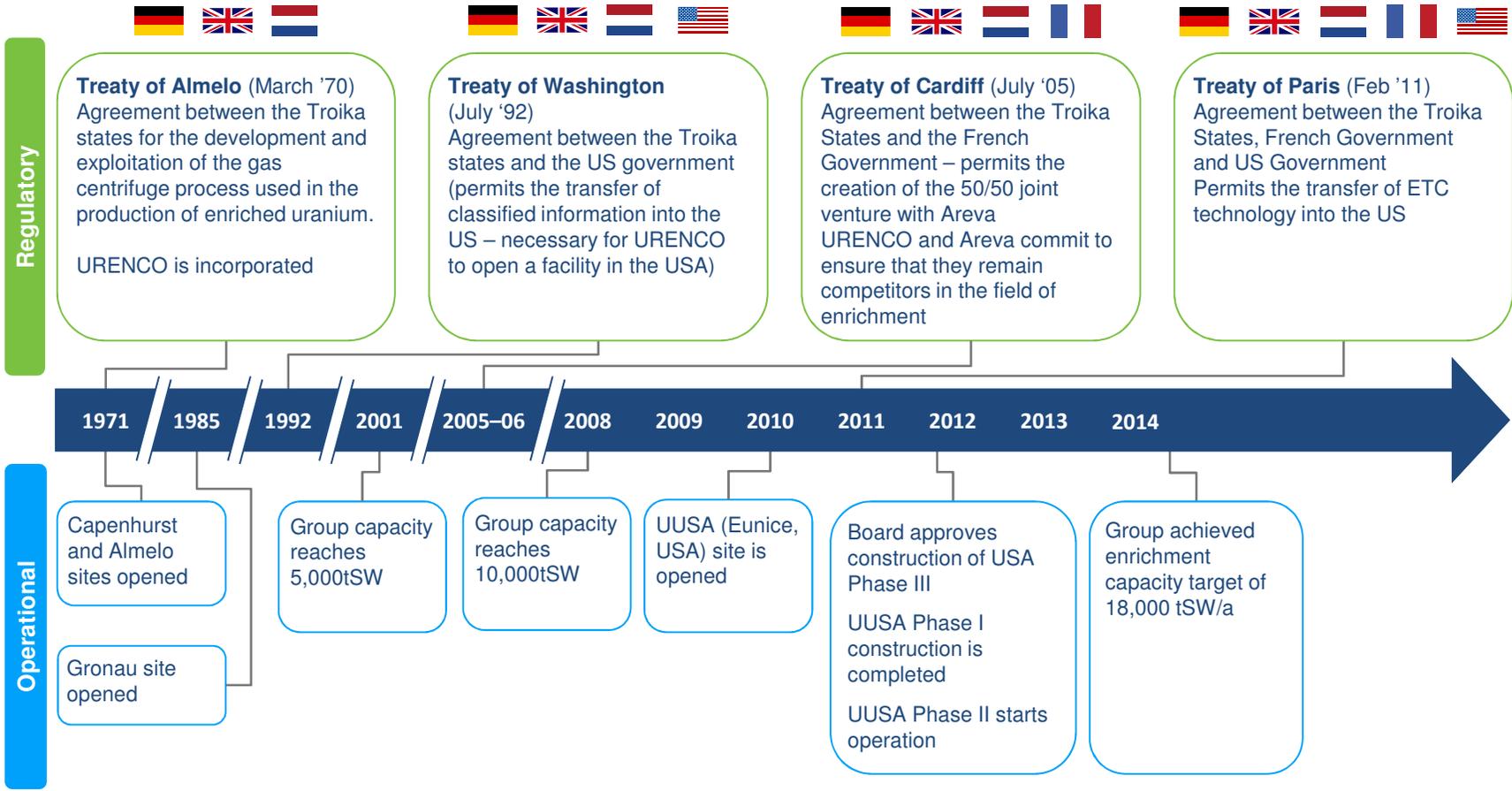


Note Major entities only. Simplified structure. ETC is held 22% by URENCO Limited, 28% by URENCO Deutschland
 1. Subject to the terms and conditions of the notes. Refer to the Base Prospectus for further information

Group Structure



Timeline of URENCO key dates



Key Historical Financials



All in € MM	2010A	2011A	2012A	2013A	2014A
Revenue Split					
Revenue	1,259	1,302	1,601	1,515	1,612
<i>% Growth</i>	12.7%	3.4%	23.0%	(5.4%)	6.4%
EBITDA	809	785	1,013	968	1,071
<i>% Margin</i>	64.3%	60.2%	63.3%	63.9%	66.4%
EBIT	591	526	617	558	653
<i>% Margin</i>	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

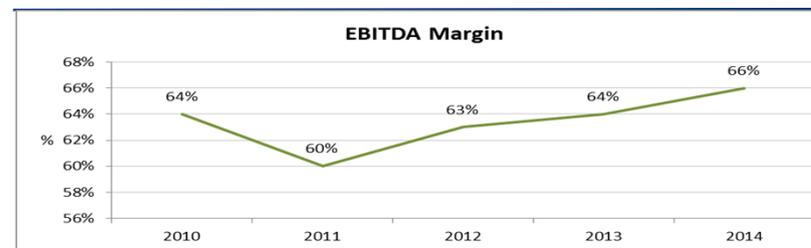


- Strong cash flow generation
 - High margins supported by low relative cost
 - Significant capex requirements in recent years mainly driven by US capacity expansion
 - Reduced capex as expansion projects complete by 2015
 - After Tails Management Facility (“TMF”) is completed lower capex requirements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

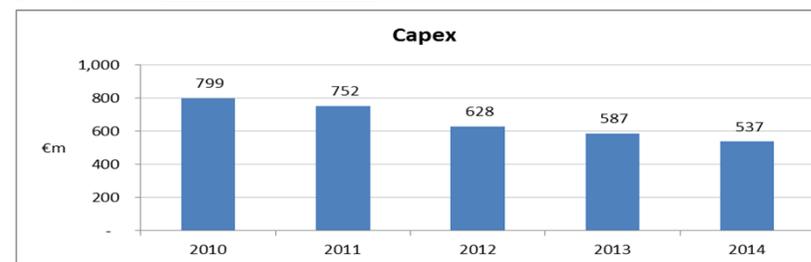
Cash Generated from Operations



EBITDA margin



Capex



Source URENCO company disclosure and filings

Market Update

Nuclear Power Overview



Development	Description
US	<ul style="list-style-type: none">• Shutdown of 5 uneconomic reactors reflects the impact of lower demand / cheap gas in unregulated markets• Further retirements are likely due to economic reasons with continuing low gas prices• Build of 5 new plants continues
China	<ul style="list-style-type: none">• China new build program has encountered some delay due to manufacturing quality• A large number of reactors are still in the pipeline so a steady growth is expected
India	<ul style="list-style-type: none">• India planning for significant nuclear programme, however further delays are still evident
UAE	<ul style="list-style-type: none">• The first 4 reactors are on schedule, it is too early to say if more units will be ordered
Western Europe	<ul style="list-style-type: none">• Phase out in Germany unchanged, some relief has been given to the Belgium phase out program• New reactors are being built or planned in France, Finland and the UK• New French energy policy has confirmed a cap on nuclear generation meaning any new build will be balanced by shutdowns
Rest of World	<ul style="list-style-type: none">• Turkey, Jordan, South Africa, Vietnam and Saudi Arabia are all planning new or expanding nuclear programs

Market Update

Enrichment Supply Overview



Development	Description
USEC/Centrus Energy	<ul style="list-style-type: none"> Former US enricher now a sole broker American Centrifuge technology passed under DOE control
AREVA	<ul style="list-style-type: none"> Georges Besse II build up continues; and reached 6,450tSWU/a at Q3 2014, growing to 7,500tSWU/a by 2016 Eagle Rock Enrichment Facility (EREF - USA) remains indefinitely postponed
Russia	<ul style="list-style-type: none"> Still subject to trade restrictions in Europe and the US and now economic sanctions and US office director in custody for suspected corruption and bribery scheme Revising growth plan with talks to let capacity decrease slightly in the near term through minimal commissioning of new cascades, circa -1% a year over the next two/three years.
China	<ul style="list-style-type: none"> Continuing to grow capacity with domestic machines. Appointment of agents in the US signals intent to compete internationally
Global Laser Enrichment	<ul style="list-style-type: none"> The SILEX enrichment technology remains indefinitely postponed after partners pulled off from the project Chances of success of a tails upgrading project with DOE are challenged under current low price environment
Inventories	<ul style="list-style-type: none"> Significant near-term inventories exist from lower demand and are expected to persist in the long term