

confidence in our future...

Welcome to the first edition of the Enricher, URENCO's quarterly investor Newsletter. The Enricher contains articles and news compiled by URENCO to keep our investors and key interest groups up-to-date on the progress of the Group. It will include a wide range of information from updates on the capacity expansion projects across Europe and in the US, to financial reports, credit rating updates and key corporate events.

Overview 2008

In terms of business 2008 was another year of strong performance for URENCO. Despite the global economic downturn, we have found ourselves uniquely placed in the current climate, having the benefit of an order book which exceeds €18 billion and which extends beyond 2030. The confidence that we have in the future is demonstrated through our Group's results, in particular Group turnover which rose by 10% to €1,130 million. EBITDA also grew by a further 21% to €654 million compared with the same period in 2007, demonstrating the strong cash flow generating capabilities of the Group.

However, the Group was not completely shielded from the impact of the global environment. Group results were impacted by the extreme volatility in the financial markets during 2008 which has had a significant impact on finance costs. Furthermore, results were affected by the deferred tax charge following the abolition of the Industrial Buildings Allowances in the UK.

Future Outlook

We anticipate further capacity growth in 2009, with the year expected to provide a major milestone for URENCO. Particular focus is placed on URENCO's new enrichment plant, the National Enrichment Facility in the US which is expected to be ready to start operations by the end of the year.

URENCO is confident in the future. We continue to have a strong credit profile underpinned by excellent revenue visibility. Our focus remains on the continued investment programme across the URENCO Group, increasing capacity and demonstrating our commitment to meeting the needs of our growing customer base.

We hope you enjoy reading the Enricher and look forward to keeping you up-to-date with all the latest URENCO news and information.

Helmut Engelbrecht
CEO

Bart le Blanc
CFO





Building for the future

Capacity expansion is progressing well across the URENCO Group. The delivery of planned expansion projects on time and to budget has been key in the success of the Group's growth strategy. URENCO anticipates that capital expenditure on new enrichment capacity at its sites across Europe and in the US will total approximately €3.5 billion over the next five years. More than half of this will be funded from internally generated cash flows coming from a strong forward order book which extends beyond 2025.

Driven by growing enrichment demand from our customers, in June 2008 URENCO celebrated a key milestone as annual production capacity across the Group reached 10,000 tSW. In the six months to the end of 2008 this increased to 11,000 tSW/a, giving the Group sufficient capacity to serve the fuel demand of approximately 100 large nuclear power stations.

Eunice, US

National Enrichment Facility

The construction of the National Enrichment Facility has been the most intensive build of all of the capacity expansion programmes across the Group. During the course of 2008, key project milestones were achieved. These included the handover of the centrifuge assembly building to ETUS, the US arm of Enrichment Technology Company (ETC). In addition significant design and construction progress had been achieved on four core buildings comprising the new facility. These achievements have provided the confidence that the National Enrichment Facility will be ready to operate by the end of the year.

Europe

Major capacity expansion at URENCO UK is now complete with the site having installed its final cascades of the present investment programme in December 2008 reaching 5,000 tSWU/a capacity.

URENCO UK is currently working towards constructing its own tails deconversion facility and during 2008 significant progress was made towards obtaining the necessary licences. Once operational, the deconversion facility will strengthen URENCO's independence from external parties currently supplying this service. Furthermore, this will add an additional key process in the enrichment cycle to URENCO's portfolio.

At both the Dutch and German sites, investments will continue into 2009 and beyond. The delays experienced during 2007 at the German site carried through to the first half of 2008, but were mitigated by the acceleration of the Dutch and UK investment programmes. Total enrichment capacity across the three sites increased by 1,400 tSW over the last 12 months.



Financial Highlights 2008

	2004 ¹	2005	2006	2007	2008
	€m	€m	€m	€m	€m
Turnover	707.3	730.2	893.7	1,023.8	1,129.7
EBITDA	378.9	458.6	527.3	542.4	654.3
Income from operating activities	233.4	303.3	352.9	353.2	460.6
Net Income before exceptional items	122.9	165.6	209.1	238.5	254.1
Net Income	122.9	165.6	209.1	238.5	239.7
Capital expenditure	250.4	313.4	351.5	517.3	820.8
Cash generated from operations (before interest & tax)	302.5	459.2	563.4 ²	577.8	616.0

Key ratios

	2004 ¹	2005	2006	2007	2008
Net asset turnover ⁴	1.45	1.21	1.30	1.29	1.49
Return on sales ³	17.4%	22.7%	23.4%	23.3%	21.2%
Return on equity ⁴	25.2%	27.5%	30.4%	30.1%	31.6%
Basic Earnings per Share before exceptionals (€cents)	73.2	98.6	124.5	142.0	151.3
Basic Earnings per Share (€cents)	73.2	98.6	124.5	142.0	142.7

¹ 2004 IFRS figures have been restated due to a change in the accounting policy for stock.

² Cash generated from operations in 2006 has been restated to include fixed asset prepayments within Investing Activities and provisions have been adjusted to reflect decommissioning asset additions.

³ Return on sales is net income (after exceptional items) as a percentage of turnover.

⁴ Net asset turnover and Return on equity have been calculated using an average of Net assets and equity (excluding minorities) respectively. 2004 IFRS ratios are calculated using an average of the 2004 IFRS figures and 2003 UK GAAP figures; the ratios have been given for illustrative purposes.



URENCO Board Appointments



With effect from 1 January 2009 Mr Chris Clark was reappointed Chairman of the Board for a further three-year term. Chris Clark first took the position of Chairman of URENCO Limited on 1 January 2006. He currently also holds the position of Chairman of Associated British Ports Holdings plc and Chairman of Severstal.

Photo: Chris Clark, Chairman



On the 1 January 2009, Mr Mike Parker resigned from the URENCO Board after serving more than five years as Non-Executive Director. He is replaced by Mr Richard Nourse, who is a Director of the Shareholder Executive (part of the UK Department for Business, Enterprise and Regulatory Reform) and of Enrichment Holdings Limited, the company through which the British government holds its shareholding in URENCO. Until 2007 he held senior positions at Merrill Lynch, including Head of the EMEA Energy and Power Team. During his time at Merrill Lynch, Mr Nourse worked on a wide range of acquisitions, divestments and capital raisings for companies across the European energy, utility and waste sectors. Mr Nourse commenced his career in the City over 20 years ago with Morgan Grenfell.

Photo: Richard Nourse, Non-Executive Director

Tell us...

In support of URENCO's objective to increase the level of interaction between the Group and its investors, we greatly appreciate any feedback you have. If you would like to make any suggestions regarding the information you would like to appear in the newsletter, please feel free to contact URENCO's day to day Investor Relations contact:

Name: Navreet Doad

Email: navreet.doad@urengo.com

Telephone: 01628 402 279

Keep up to date

If you would like to keep up to date with URENCO's latest developments, please sign-up to our e-mail alert service at www.urengo.com