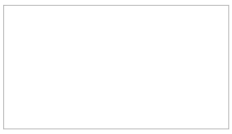
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14287

Centrus Energy Corp.

Delaware	**52-2107911**
(State of incorporation)	*(I.R.S. Employer Identification No.)*

Two Democracy Center
6903 Rockledge Drive, Bethesda, Maryland 20817
(301) 564-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes ☒ No ☐

As of July 31, 2015, there were 7,563,600 shares of the registrant's Class A Common Stock and 1,436,400 shares of the registrant's Class B Common Stock issued and outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Part I, Item 2, contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 - that is, statements related to future events. In this context, forward-looking statements may address our expected future business and financial performance, and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "will", "should", "could" or "may" and other words of similar meaning. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For Centrus Energy Corp., particular risks and uncertainties that could cause our actual future results to differ materially from those expressed in our forward-looking statements include, risks and uncertainties related to our emergence from Chapter 11 bankruptcy, our resulting capital structure and the adoption of fresh start accounting; risks related to our significant long-term liabilities including material unfunded defined benefit pension plan obligations and postretirement health and life benefit obligations; risks related to the limited trading markets in our securities and risks relating to our ability to maintain the listing of our common stock on the NYSE MKT LLC; the continued impact of the March 2011 earthquake and tsunami in Japan on the nuclear industry and on our business, results of operations and prospects; the impact and potential extended duration of the current supply/demand imbalance in the market for low enriched uranium ("LEU"); risks related to the ongoing transition of our business, including the impact of our ceasing enrichment at and the de-lease and return to the U.S. Department of Energy ("DOE") of the Paducah Gaseous Diffusion Plant and uncertainty regarding our ability to commercially deploy the American Centrifuge project; our dependence on deliveries of LEU from Russia under a commercial supply agreement (the "Russian Supply Agreement") with the Russian government entity Joint Stock Company "TENEX" ("TENEX"); uncertainty regarding funding for the American Centrifuge project and the potential for a demobilization or termination of the American Centrifuge project if additional government funding is not provided following completion of the current agreement with UT-Battelle, LLC ("UT-Battelle"), the management and operating contractor for Oak Ridge National Laboratory ("ORNL") for continued research, development and

demonstration of the American Centrifuge technology (the "ACTDO Agreement"); risks related to our ability to perform the work required under the ACTDO Agreement at a cost that does not exceed the firm fixed funding provided thereunder; uncertainty regarding the timing and structure of the U.S. government program for maintaining a domestic enrichment capability to meet national security requirements and our role in such a program; the impact of actions we have taken (including as a result of the reduction in scope of work under the ACTDO Agreement as compared to the scope of work under the prior agreement signed with DOE in June 2012 (the "Cooperative Agreement")) or might take in the future to reduce spending on the American Centrifuge project, including the potential loss of key suppliers and employees and impacts to cost, schedule and the ability to remobilize for commercial deployment of the American Centrifuge Plant; the impact of nuclear fuel market conditions and other factors on the economic viability of the American Centrifuge project without additional government support and on our ability to finance the project and the potential for a demobilization or termination of the project; uncertainty regarding our ability to achieve targeted performance over the life of the American Centrifuge Plant which could affect the overall economics of the American Centrifuge Plant; uncertainty concerning the ultimate success of our efforts to obtain a loan guarantee from DOE and/or other financing, including intercompany funding from wholly owned subsidiary United States Enrichment Corporation ("Enrichment Corp."), for the American Centrifuge project or additional government support for the project and the timing and terms thereof; the decline in our backlog and risks relating to the remaining backlog including uncertainty concerning customer actions under current contracts and in future contracting due to market conditions, the delay and uncertainty in deployment of the American Centrifuge technology and/or as a result of changes that may be required to such contracts due to our cessation of enrichment at Paducah; the dependency of government funding or other government support for the American Centrifuge project on Congressional appropriations or on actions by DOE or Congress; potential changes in our anticipated ownership of or role in the American Centrifuge project, including as a result of our role as a subcontractor to UT-Battelle or as a result of the need to raise additional capital to finance the project in the future; the potential for DOE to seek to terminate or exercise its remedies under the 2002 DOE-USEC agreement, or to require modifications to such agreement that are materially adverse to Centrus Energy Corp.'s interests; changes in U.S. government priorities and the availability of government funding or support, including loan guarantees; risks related to our ability to manage our liquidity without a credit facility; risks related to our ability to sell the LEU we procure under our purchase obligations under the Russian Supply Agreement including the allocation of quotas that limit our ability to import Russian LEU we purchase under the Russian Supply Agreement into the United States, trade barriers and contract terms that limit our ability to deliver this LEU to customers in other countries, and risks related to actions that may be taken by the U.S. government, the Russian government or other governments that could affect our ability or the ability of TENEX to perform under the Russian Supply Agreement, including the imposition of sanctions, restrictions or other requirements; risks associated with our reliance on third-party suppliers to provide essential services to us; the decrease or elimination of duties charged on imports of foreign-produced LEU; pricing trends and demand in the uranium and enrichment markets and their impact on our profitability; movement and timing of customer orders; changes to, or termination of, our agreements with the U.S. government; risks related to delays in payment for our contract services work performed for DOE, including our ability to resolve certified claims for payment filed by Enrichment Corp. under the Contracts Dispute Act; the impact of government regulation by DOE and the U.S. Nuclear Regulatory Commission; the outcome of legal proceedings and other contingencies (including lawsuits and government investigations or audits); the competitive environment for our products and services; changes in the nuclear energy industry; the impact of volatile financial market conditions on our business, liquidity, prospects, pension assets and credit and insurance facilities; revenue and operating results can fluctuate significantly from quarter to quarter, and in some cases, year to year; and other risks and uncertainties discussed in this and our other filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2014.

Readers are urged to carefully review and consider the various disclosures made in this report and in our other filings with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business. We do not undertake to update our forward-looking statements to reflect events or circumstances that may arise after the date of this quarterly report on Form 10-Q except as required by law.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(in millions)

	June 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 218.5	$ 218.8
Accounts receivable, net	27.1	58.9
Inventories	384.8	462.2
Deferred costs associated with deferred revenue	58.8	82.9
Other current assets	15.2	19.6
Total current assets	704.4	842.4
Property, plant and equipment, net	3.4	3.5
Deferred taxes	20.5	26.0
Deposits for surety bonds	30.9	34.8
Intangible assets	113.2	119.2
Excess reorganization value	137.2	137.2
Other long-term assets	20.5	20.6
Total Assets	**$ 1,030.1**	**$ 1,183.7**
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 42.0	$ 50.5
Payables under SWU purchase agreements	23.2	140.1
Deferred taxes	20.5	26.0
Inventories owed to customers and suppliers	199.6	158.9
Deferred revenue	70.3	100.9
Total current liabilities	355.6	476.4
Long-term debt	244.0	240.4
Postretirement health and life benefit obligations	214.1	211.4
Pension benefit liabilities	171.5	179.3
Other long-term liabilities	53.7	54.6
Total Liabilities	1,038.9	1,162.1
Commitments and Contingencies (Note 13)		
Stockholders' Equity (Deficit)	(8.8)	21.6
Total Liabilities and Stockholders' Equity (Deficit)	**$ 1,030.1**	**$ 1,183.7**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Revenue:				
Separative work units	$ 42.2	$ 104.5	$ 145.8	$ 250.1
Uranium	—	—	43.2	—
Contract services	21.1	16.7	42.1	19.7
Total Revenue	63.3	121.2	231.1	269.8
Cost of Sales:				
Separative work units and uranium	36.7	100.8	176.3	266.1
Contract services	22.3	16.9	43.6	21.1
Total Cost of Sales	59.0	117.7	219.9	287.2
Gross profit (loss)	4.3	3.5	11.2	(17.4)
Advanced technology costs	4.0	18.0	5.8	51.3
Selling, general and administrative	6.3	10.1	18.6	21.8
Amortization of intangible assets	2.0	—	6.0	—
Special charges for workforce reductions	2.9	2.5	3.5	2.0
Other (income)	(0.7)	(8.4)	(1.5)	(34.6)
Operating (loss)	(10.2)	(18.7)	(21.2)	(57.9)
Interest expense	4.9	4.7	9.8	9.3
Interest (income)	—	—	(0.2)	(0.4)
Reorganization items, net	—	4.7	—	13.1
(Loss) before income taxes	(15.1)	(28.1)	(30.8)	(79.9)
Provision (benefit) for income taxes	—	(0.1)	(0.3)	(1.1)
Net (loss)	**$ (15.1)**	**$ (28.0)**	**$ (30.5)**	**$ (78.8)**
Net (loss) per share - basic and diluted	$ (1.68)	$ (5.71)	$ (3.39)	$ (16.08)
Weighted-average number of shares outstanding - basic and diluted	9.0	4.9	9.0	4.9

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Net (loss)	$ (15.1)	$ (28.0)	$ (30.5)	$ (78.8)
Other comprehensive income (loss), before tax (Note 14):				
Amortization of actuarial (gains) losses, net	—	0.3	—	0.6
Amortization of prior service costs (credits), net	—	(0.1)	(0.1)	(0.2)
Other comprehensive income (loss), before tax	—	0.2	(0.1)	0.4
Income tax expense related to items of other comprehensive income	—	(0.1)	—	(0.1)
Other comprehensive income (loss), net of tax	—	0.1	(0.1)	0.3
Comprehensive (loss)	**$ (15.1)**	**$ (27.9)**	**$ (30.6)**	**$ (78.5)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in millions)

	Six Months Ended June 30,	
	Successor	Predecessor
	2015	2014
Cash Flows from Operating Activities		
Net (loss)	$ (30.5)	$ (78.8)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization	6.2	4.1
Interest on paid-in-kind toggle notes	1.8	—
Gain on sales of assets	(1.5)	(0.9)
Non-cash reorganization items	—	3.1
Changes in operating assets and liabilities:		
Accounts receivable – decrease	31.8	137.9
Inventories, net – decrease	118.1	127.7
Payables under SWU purchase agreements – (decrease)	(116.9)	(340.7)
Deferred revenue, net of deferred costs – (decrease)	(6.6)	(10.8)
Accounts payable and other liabilities – (decrease)	(12.7)	(34.8)
Other, net	4.5	(0.2)
Net Cash (Used in) Operating Activities	(5.8)	(193.4)
Cash Flows Provided by Investing Activities		
Deposits for surety bonds - net decrease	4.0	2.2
Proceeds from sales of assets	1.5	0.4
Net Cash Provided by Investing Activities	5.5	2.6
Cash Flows (Used in) Financing Activities		
Common stock issued (purchased), net	—	(0.1)
Net Cash (Used in) Financing Activities	—	(0.1)
Net (Decrease)	(0.3)	(190.9)
Cash and Cash Equivalents at Beginning of Period	218.8	314.2
Cash and Cash Equivalents at End of Period	**$ 218.5**	**$ 123.3**
Supplemental cash flow information:		
Interest paid	$ 6.0	$ —
Non-cash activities:		
Conversion of interest payable-in-kind to long-term debt	$ 1.8	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (Unaudited)
(in millions, except per share data)

	Common Stock, Par Value $.10 per Share	Excess of Capital over Par Value	Retained Earnings (Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2013 (Predecessor)	$ 0.5	$ 1,216.4	$ (1,520.7)	$ (34.3)	$ (120.1)	$ (458.2)
Net (loss)	—	—	(78.8)	—	—	(78.8)
Other comprehensive income, net of tax (Note 14)	—	—	—	—	0.3	0.3
Restricted and other common stock issued, net of amortization	—	0.6	—	(0.1)	—	0.5
Balance at June 30, 2014 (Predecessor)	**$ 0.5**	**$ 1,217.0**	**$ (1,599.5)**	**$ (34.4)**	**$ (119.8)**	**$ (536.2)**
Balance at December 31, 2014 (Successor)	$ 0.9	$ 58.6	$ (42.3)	$ —	$ 4.4	$ 21.6
Net (loss)	—	—	(30.5)	—	—	(30.5)
Other comprehensive (loss), net of tax (Note 14)	—	—	—	—	(0.1)	(0.1)
Restricted stock units and stock options issued, net of amortization	—	0.2	—	—	—	0.2
Balance at June 30, 2015 (Successor)	**$ 0.9**	**$ 58.8**	**$ (72.8)**	**$ —**	**$ 4.3**	**$ (8.8)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements of Centrus Energy Corp. ("Centrus" or the "Company"), which include the accounts of the Company, its principal subsidiary United States Enrichment Corporation ("Enrichment Corp.") and its other subsidiaries, as of and for the three and six months ended June 30, 2015 and 2014 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The unaudited condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the financial results for the interim period. Certain information and notes normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been omitted pursuant to such rules and regulations. All material intercompany transactions have been eliminated.

Operating results for the three and six months ended June 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in the Annual Report on Form 10-K for the year ended December 31, 2014.

On March 5, 2014, USEC Inc. filed a voluntary petition for relief (the "Bankruptcy Filing") under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Bankruptcy Filing was "pre-arranged" and included the filing of a proposed Plan of Reorganization (the "Plan of Reorganization") supported by certain holders of the claims and interests impaired under the Plan of Reorganization. On August 18, 2014, the Company announced that the Plan of Reorganization was accepted by more than 99% in both value and number of votes cast of holders of its convertible notes and that both holders of the Company's preferred equity voted in favor of the Plan of Reorganization. On September 5, 2014, the Bankruptcy Court entered an order approving and confirming the Plan of Reorganization. On September 30, 2014 (the "Effective Date"), the Company satisfied the conditions of the Plan of Reorganization and the Plan of Reorganization became effective. On the Effective Date, USEC Inc.'s name was changed to Centrus Energy Corp.

In accordance with Accounting Standards Codification Topic 852, *Reorganizations*, Centrus adopted fresh start accounting upon emergence from Chapter 11 bankruptcy resulting in Centrus becoming a new entity for financial reporting purposes. References to "Successor" or "Successor Company" relate to the financial position of the reorganized Centrus as of and subsequent to September 30, 2014 and results of operations subsequent to September 30, 2014. References to "Predecessor" or "Predecessor Company" relate to the Company prior to September 30, 2014. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the consolidated financial statements on or after September 30, 2014 are not comparable to consolidated financial statements prior to that date.

Expenses, gains and losses directly associated with reorganization proceedings are reported as *Reorganization Items, Net*, in the accompanying condensed consolidated statement of operations.

New Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued comprehensive new guidance for revenue recognition. The core principle of the new standard is that revenue should be recognized when an entity transfers promised goods or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The new standard will supersede current guidance in effect and may require the use of more judgment and estimates, including estimating the amount of variable revenue to recognize over each identified performance obligation. The new standard requires additional disclosures to describe

the nature, amount and timing of revenue and cash flows arising from contracts. In July 2015, the FASB deferred the effective date of the new revenue recognition standard by one year. The new standard will become effective for Centrus beginning with the first quarter of 2018 and can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. Centrus is evaluating the impact of adopting this new guidance on its consolidated financial statements.

In April 2015, the FASB issued guidance to simplify the presentation of debt issuance costs. The new guidance requires the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge asset. Debt disclosures will include the face amount of the debt liability and the effective interest rate. The new guidance requires retrospective application and is effective for Centrus beginning with the first quarter of 2016. Early adoption is permitted. Centrus is evaluating the impact of adopting this new guidance on its consolidated financial statements.

In May 2015, the FASB issued guidance to eliminate the requirement to categorize investments in the fair value hierarchy table for which the fair value is measured at net asset value ("NAV") per share as a practical expedient. The new guidance requires retrospective application and is effective for Centrus beginning in the first quarter of 2016. Earlier adoption is permitted. Centrus adopted in the current quarter and no longer categorizes money market funds in the fair value hierarchy table in Note 9. The Company's investments in money market funds are included in cash and cash equivalents in the consolidated balance sheet. The new guidance only impacts the Company's fair value measurement disclosures and did not affect the Company's financial condition, results of operations, or cash flows.

In July 2015, the FASB issued guidance that simplifies the subsequent measurement of inventories by replacing the current valuation test (lower of cost or market) with a lower of cost or net realizable value ("NRV") test. The new test is applicable for certain inventory costing methods including the monthly moving average cost method used by Centrus. NRV is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Under former guidance, NRV was one of several determinations used to assess market values. The new guidance is effective for Centrus beginning in the first quarter of 2017 and earlier adoption is permitted. Under current guidance, NRV has been the determining factor in assessing the market value for the Company's principal inventory, the separative work unit ("SWU") component of low enriched uranium ("LEU"). The Company does not expect the adoption of the new guidance will have a material effect on the Company's financial condition, results of operations, or cash flows.

2. TRANSITION CHARGES

Direct Charges

The Company ceased uranium enrichment at the Paducah Gaseous Diffusion Plant (the "Paducah GDP") at the end of May 2013 and subsequently completed transferring its inventory to off-site licensed locations to meet future customer orders. On October 21, 2014, all of the leased portions of the Paducah GDP were de-leased and returned to the U.S. Department of Energy ("DOE"). Pursuant to a June 2014 agreement with DOE, the lease terminated with respect to the Paducah GDP on August 1, 2015. The termination of the lease with respect to the Paducah GDP does not affect the Company's right to lease portions of the DOE-owned site in Piketon, Ohio needed for the American Centrifuge program. The USEC Privatization Act and the lease for the plant provide that DOE remains responsible for decontamination and decommissioning of the Paducah GDP site.

As the Company accelerated the expected productive life of plant assets and ceased uranium enrichment at the Paducah GDP, the Company has incurred a number of expenses unrelated to production that have been charged directly to cost of sales. Direct charges totaled $3.9 million and $8.6 million in the three and six months ended June 30, 2015 and $14.3 million and $49.2 million in the corresponding periods in 2014 as follows:

- Operating expenses of $3.9 million and $8.3 million in the three and six months ended June 30, 2015, compared to $8.7 million and $35.7 million in the corresponding periods in 2014. Charges in 2015 include off-site inventory management and logistics costs. Charges in 2014 include inventory management and disposition, ongoing regulatory compliance, utility requirements for operations, security, and other Paducah site management activities related to the transitioning of facilities and infrastructure to DOE;
- Inventory charges of $0 and $0.3 million in the three and six months ended June 30, 2015, compared to $5.1 million and $11.7 million in the three and six months ended June 30, 2014, including the cost of inventories deployed for cascade drawdown, assay blending and repackaging, and residual uranium in cylinders transferred to DOE. The Company determined that it was uneconomic to recover resulting residual quantities for resale; and
- Paducah GDP asset depreciation charges of $0.5 million and $1.8 million in the three and six months ended June 30, 2014. Paducah GDP asset depreciation was completed as of June 30, 2014.

Special Charges for Workforce Reductions

The cessation of enrichment at the Paducah GDP and evolving business needs have resulted in workforce reductions since July 2013. DOE's liability for its share of Paducah employee severance paid by the Company is pursuant to the USEC Privatization Act. A summary of special charges and changes in the related balance sheet accounts in the six months ended June 30, 2015 follows (in millions):

	Liability Balance to Be Paid, Dec. 31, 2014	Six Months Ended June 30, 2015		Liability Balance to Be Paid, June 30, 2015
		Special Charges	Paid	
Workforce reductions, primarily severance payments	$ 2.4	$ 3.8	$ (3.8)	$ 2.4
Less: Amounts billed to DOE		(0.3)		
Special charges for workforce reductions		**$ 3.5**		

3. ADVANCED TECHNOLOGY COSTS AND OTHER INCOME

From June 2012 through April 2014, the Company performed work under the June 2012 cooperative agreement with DOE (the "Cooperative Agreement") for the American Centrifuge technology with cost-share funding from DOE. The Cooperative Agreement provided for 80% DOE and 20% Company cost sharing for work performed up to a total government cost share of $280 million. The Cooperative Agreement expired in accordance with its terms on April 30, 2014. For the three and six months ended June 30, 2014, advanced technology costs included costs for work performed under the Cooperative Agreement and DOE's cost share was recognized as other income.

On May 1, 2014, the Company signed an agreement for continued research, development and demonstration of the American Centrifuge technology in furtherance of DOE's national security objectives (the "American Centrifuge Technology Demonstration and Operations Agreement", or "ACTDO Agreement") with UT-Battelle, LLC ("UT-Battelle"), the management and operating contractor for Oak Ridge National Laboratory ("ORNL"). The scope of the overall work under the ACTDO Agreement is reduced from the scope of work that was being conducted by the Company under the Cooperative Agreement. Revenue and cost of sales for work that Centrus performs under the fixed-price ACTDO Agreement as a subcontractor to UT-Battelle are reported in the contract services segment.

American Centrifuge costs incurred by the Company that are outside of the ACTDO Agreement are included in advanced technology costs, including certain demobilization and maintenance costs. Such costs totaled $4.0 million in the three months and $5.8 million in the six months ended June 30, 2015, and $7.0 million in May-June 2014.

4. RECEIVABLES

	June 30, 2015	December 31, 2014
	(millions)	
Utility customers and other	$ 11.9	$ 36.3
Contract services, primarily DOE	15.2	22.6
Accounts receivable, net	**$ 27.1**	**$ 58.9**

Accounts receivable are net of valuation allowances and allowances for doubtful accounts totaling $0.6 million as of June 30, 2015 and December 31, 2014.

Certain overdue receivables from DOE are included in other long-term assets based on the extended timeframe expected to resolve claims for payment. The Company has filed claims with DOE for payment under the Contract Disputes Act ("CDA"). Unpaid invoices to DOE related to filed claims totaled approximately $75 million as of June 30, 2015 and December 31, 2014. Due to the lack of a resolution with DOE and uncertainty regarding the timing and amount of future collections, the long-term receivable for accounting purposes is $19.9 million as of June 30, 2015 and December 31, 2014.

Centrus has unapplied payments from DOE that may be used, at DOE's direction, (a) to pay for future services provided by the Company or (b) to reduce outstanding receivables balances due from DOE. The payments balance of $19.5 million as of June 30, 2015 and $19.6 million as of December 31, 2014 is included in other long-term liabilities pending resolution of the long-term receivables from DOE described above.

5. INVENTORIES

Centrus holds uranium at licensed locations in the form of natural uranium and as the uranium component of low enriched uranium ("LEU"). Centrus holds separative work units ("SWU") as the SWU component of LEU. Centrus may also hold title to the uranium and SWU components of LEU at fabricators to meet book transfer requests by customers. Fabricators process LEU into fuel for use in nuclear reactors. Components of inventories follow (in millions):

	June 30, 2015			December 31, 2014		
	Current Assets	Current Liabilities (a)	Inventories, Net	Current Assets	Current Liabilities (a)	Inventories, Net
Separative work units	$ 285.7	$ 99.1	$ 186.6	$ 330.6	$ 76.6	$ 254.0
Uranium	98.9	100.5	(1.6)	131.4	82.3	49.1
Materials and supplies	0.2	—	0.2	0.2	—	0.2
	$ 384.8	**$ 199.6**	**$ 185.2**	**$ 462.2**	**$ 158.9**	**$ 303.3**

(a) Inventories owed to customers and suppliers, included in current liabilities, consist primarily of SWU and uranium inventories owed to fabricators.

Uranium Provided by Customers and Suppliers

Centrus held uranium with estimated values of approximately $0.5 billion as of June 30, 2015 and $0.6 billion as of December 31, 2014 to which title was held by customers and suppliers and for which no assets or liabilities were recorded on the balance sheet. While in some cases Centrus sells both the SWU and uranium components of LEU to customers, utility customers typically provide uranium to Centrus as part of their enrichment contracts. Title to uranium provided by customers generally remains with the customer until delivery of LEU at which time title to LEU is transferred to the customer, and title to uranium is transferred to Centrus.

6. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2015	December 31, 2014
	(millions)	
Property, plant and equipment, gross	$ 3.7	$ 3.7
Accumulated depreciation	(0.3)	(0.2)
Property, plant and equipment, net	**$ 3.4**	**$ 3.5**

7. INTANGIBLE ASSETS

Intangible assets represent the fair value adjustment to the assets and liabilities for the Company's LEU segment resulting from the Company's reorganization and application of fresh start accounting as of September 30, 2014. The amortizable intangible assets relate to backlog and customer relationships. The excess of the reorganization value over the fair value of identified tangible and intangible assets is reported separately on the condensed consolidated balance sheet.

The backlog intangible asset is amortized as backlog valued at emergence is reduced, principally as a result of deliveries to customers. The customer relationships intangible asset is amortized using the straight-line method over the estimated average useful life of 15 years. Amortization expense is presented below gross profit on the condensed consolidated statement of operations.

	June 30, 2015	December 31, 2014
	(millions)	
Amortizable intangible assets:		
Backlog	$ 54.6	$ 54.6
Customer relationships	68.9	68.9
Amortizable intangible assets, gross	$ 123.5	$ 123.5
Accumulated amortization	(10.3)	(4.3)
Amortizable intangible assets, net	**$ 113.2**	**$ 119.2**
Nonamortizable intangible assets:		
Excess reorganizational value	**$ 137.2**	**$ 137.2**

8. DEBT

On the Effective Date and pursuant to the Plan of Reorganization, all of the Company's convertible senior notes that were issued and outstanding immediately prior to the Effective Date were cancelled and the Company issued 8.0% paid-in-kind toggle notes (the "PIK Toggle Notes") pursuant to the Indenture. The PIK Toggle Notes were issued in an initial aggregate principal amount of $240.4 million. No cash was received related to the issuance. The principal amount may be increased by any payment of interest in the form of PIK payments, as elected by the Company.

The PIK Toggle Notes pay interest at a rate of 8.0% per annum. Interest is payable semi-annually in arrears based on a 360-day year consisting of twelve 30-day months. The Company has elected to pay 3.0% per annum of interest due on the PIK Toggle Notes for the interest periods ending on March 31, 2015 and September 30, 2015 in the form of PIK payments. As such, interest for the semi-annual period ended March 31, 2015 was paid as $6.0 million in cash and $3.6 million in PIK payments, and the principal balance increased accordingly to $244.0 million. Total interest payable at June 30, 2015 is $4.9 million, of which the expected cash portion of $3.1 million is included in accounts payable and accrued liabilities and the expected PIK portion of $1.8 million is included in other long-term liabilities.

For any interest payment date from October 1, 2015 through the maturity of the PIK Toggle Notes, the Company has the option to pay up to 5.5% per annum of interest due on the PIK Toggle Notes in the form of PIK payments.

The PIK Toggle Notes will mature on September 30, 2019. However, the maturity date can be extended to September 30, 2024 upon the satisfaction of certain funding conditions described in the Indenture relating to the funding, under binding agreements, of (i) the American Centrifuge project or (ii) the implementation and deployment of a National Security Train Program utilizing American Centrifuge technology.

The PIK Toggle Notes rank equally in right of payment with all existing and future unsubordinated indebtedness of the Company (other than the Issuer Senior Debt as defined below) and are senior in right of payment to all existing and future subordinated indebtedness of the Company. The PIK Toggle Notes are subordinated in right of payment to certain indebtedness and obligations of the Company described in the Indenture (the "Issuer Senior Debt"), including (i) any indebtedness of the Company under a future credit facility, (ii) obligations of, and claims against, the Company under any equity investment (or any commitment to make an equity investment) with respect to the financing of the American Centrifuge project, (iii) obligations of, and claims against, the Company under any arrangement with DOE, export credit agencies or any other lenders or insurers with respect to the financing or government support of the American Centrifuge project and (iv) indebtedness of the Company to Enrichment Corp. under the Centrus Intercompany Note.

The Company incurred offering expenses of $0.7 million related to the issuance of the PIK Toggle Notes. These costs are deferred and are being amortized on a straight-line basis, which approximates the effective interest method, over the life of the PIK Toggle Notes. The deferred financing cost balance, included in other long-term assets, was $0.6 million at June 30, 2015.

9. FAIR VALUE MEASUREMENTS

Pursuant to the accounting guidance for fair value measurements, fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, consideration is given to the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability. The accounting guidance establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 – unobservable inputs in which little or no market data exists.

Financial Instruments Recorded at Fair Value (in Millions)

	June 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Deferred compensation asset (a)	—	$ 1.4	—	$ 1.4	—	$ 3.2	—	$ 3.2
Liabilities:								
Deferred compensation obligation (a)	—	1.1	—	1.1	—	3.0	—	3.0

(a) The deferred compensation obligation represents the balance of deferred compensation plus net investment earnings. The deferred compensation plan is informally funded through a rabbi trust using variable universal life insurance. The cash surrender value of the life insurance policies is designed to track the deemed investments of the plan participants. Investment crediting options consist of institutional and retail investment funds. The deemed investments are classified within Level 2 of the valuation hierarchy because (i) of the indirect method of investing and (ii) unit prices of institutional funds are not quoted in active markets.

There have been no transfers between Levels 1, 2 or 3 during the periods presented.

Other Financial Instruments

As of June 30, 2015 and December 31, 2014, the balance sheet carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities (excluding the deferred compensation obligation described above), and payables under SWU purchase agreements approximate fair value because of the short-term nature of the instruments.

The estimated fair value of the PIK Toggle Notes was $96.7 million at June 30, 2015 and $121.2 million at December 31, 2014 based on the most recent trading prices as of the balance sheet date (Level 1).

10. PENSION AND POSTRETIREMENT HEALTH AND LIFE BENEFITS

The components of net periodic benefit cost (credit) for the pension plans were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Service costs	$ 1.0	$ 0.6	$ 2.0	$ 1.2
Interest costs	9.3	10.6	18.6	21.1
Expected return on plan assets (gains)	(12.2)	(12.8)	(24.4)	(25.6)
Amortization of actuarial (gains) losses, net	—	0.3	—	0.6
Actuarial (gain) from remeasurement	(3.9)	—	(3.9)	—
Net periodic benefit cost (credit)	**$ (5.8)**	**$ (1.3)**	**$ (7.7)**	**$ (2.7)**

The components of net periodic benefit cost for the postretirement health and life benefit plans were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Service costs	$ —	$ 0.4	$ 0.1	$ 0.9
Interest costs	2.2	2.5	4.4	5.0
Expected return on plan assets (gains)	(0.3)	(0.5)	(0.5)	(1.0)
Amortization of prior service costs (credits), net	—	(0.1)	(0.1)	(0.2)
Net periodic benefit cost	**$ 1.9**	**$ 2.3**	**$ 3.9**	**$ 4.7**

Centrus contributed $7.4 million to the non-qualified defined benefit pension plans in the six months ended June 30, 2015, and expects to contribute less than $1.0 million in the remainder of 2015. The Company does not expect there to be a required contribution for the qualified defined benefit pension plans in 2015, and therefore, does not expect to contribute in 2015. There is no required contribution for the postretirement health and life benefit plans under Employee Retirement Income Security Act ("ERISA"), and the Company does not expect to contribute in 2015.

Lump-sum payments in the six months ended June 30, 2015 to former employees including those affected by workforce reductions totaled $7.3 million for the non-qualified defined benefit pension plans and $3.1 million for the Employees' Retirement Plan of Centrus Energy Corp. Under settlement accounting rules, these payments resulted in the remeasurement of pension obligations for these plans as of June 30, 2015. The interim remeasurement was required since the payments exceeded the sum of the service cost and interest cost components of the annual net periodic benefit cost for each plan for the current year. Lump-sum payments to employees in the Retirement Program Plan for Employees of United States Enrichment Corporation totaled $37.9 million in the six months ended June 30, 2015 and did not meet the settlement accounting threshold for that plan.

The remeasurement of pension obligations as of June 30, 2015 resulted in a gain of $3.9 million included in selling, general and administrative expenses in the three and six months ended June 30, 2015. The discount rate used in the measurement of pension obligations for the affected plans increased from approximately 4.1% as of December 31, 2014 to approximately 4.5% as of June 30, 2015. Effective with the adoption of fresh start accounting as of September 30, 2014, Centrus immediately recognizes actuarial gains and losses in the statement of operations in the period in which they arise.

Other Plan Update

The opportunity to participate in the Executive Deferred Compensation Plan was reactivated in June 2015 allowing deferrals beginning in July 2015. Enrollment in the plan had been suspended since January 2013. Qualified employees may defer compensation on a tax-deferred basis subject to plan limitations. Any matching contributions under the Company's 401(k) plan that are foregone due to annual compensation limitations of the Internal Revenue Code are eligible to be received from the Company under the Executive Deferred Compensation Plan, provided that the employee deferred the maximum allowable pre-tax contribution in the 401(k) plan.

11. STOCK-BASED COMPENSATION

A summary of stock-based compensation costs related to the 2014 Equity Incentive Plan and expired plans follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Total stock-based compensation costs:				
Restricted stock and restricted stock units	$ —	$ 0.2	$ 0.1	$ 0.5
Stock options, performance awards and other	0.1	—	0.1	—
Expense included primarily in selling, general and administrative expense	**$ 0.1**	**$ 0.2**	**$ 0.2**	**$ 0.5**
Total recognized tax benefit	**$ —**	**$ —**	**$ —**	**$ —**

As of June 30, 2015, there was $1.0 million of unrecognized compensation cost, adjusted for estimated forfeitures, of which $0.8 million relates to stock options and $0.2 million relates to unvested restricted stock units. Unrecognized compensation cost is expected to be recognized over a weighted-average period of 3 years.

Stock-based compensation cost is measured at the grant date, based on the fair value of the award using the Black-Scholes option pricing model, and is recognized over the vesting period. Stock options vest and become exercisable in equal annual installments over a three or four year period and expire 10 years from the date of grant.

There were 300,000 options granted in the six months ended June 30, 2015. There were no option grants in the six months ended June 30, 2014. Assumptions used to value option grants in the six months ended June 30, 2015 follow:

Risk-free interest rate	1.91%
Expected volatility	75%
Expected option life (years)	6
Weighted-average grant date fair value	$2.89

12. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period, excluding any unvested restricted stock. In calculating diluted net income per share, the numerator is increased by interest and dividends on potentially dilutive securities, net of tax, and the denominator is increased by the weighted average number of shares resulting from potentially dilutive securities, assuming full conversion.

Net (loss) per share information reported for the three and six months ended June 30, 2015 is not comparative to the corresponding periods in 2014 as a result of the emergence from Chapter 11 bankruptcy and the application of fresh start accounting. On the Effective Date, all debt and stock of the Predecessor Company were cancelled and new debt and stock for the Successor Company were issued.

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
(in millions, except per share amounts)	**2015**	**2014**	**2015**	**2014**
Numerators for basic and diluted calculations (a):				
Net (loss)	$ (15.1)	$ (28.0)	$ (30.5)	$ (78.8)
Denominator:				
Weighted average common shares	9.0	5.0	9.0	5.0
Less: Weighted average unvested restricted stock	—	0.1	—	0.1
Denominator for basic calculation	**9.0**	**4.9**	**9.0**	**4.9**
Weighted average effect of dilutive securities:				
Stock compensation awards (b)	—	—	—	—
Convertible notes	—	1.8	—	1.8
Convertible preferred stock:				
Equivalent common shares	—	28.6	—	22.9
Less: share issuance limitation (c)	—	27.7	—	22.0
Net allowable common shares	—	0.9	—	0.9
Subtotal	—	2.7	—	2.7
Less: shares excluded in a period of a net loss	—	2.7	—	2.7
Weighted average effect of dilutive securities	—	—	—	—
Denominator for diluted calculation	**9.0**	**4.9**	**9.0**	**4.9**
Net (loss) per share - basic and diluted	**$ (1.68)**	**$ (5.71)**	**$ (3.39)**	**$ (16.08)**

(a) Interest expense on the former convertible notes, net of tax, was $3.0 million in the three months ended June 30, 2014 and $6.0 million in the six months ended June 30, 2014. The tax rate is the statutory rate. However, no dilutive effect is recognized in a period in which a net loss has occurred.

(b) Compensation awards under the 2014 Equity Incentive Plan resulted in common stock equivalents of less than 0.1 million shares of common stock and are excluded from the diluted calculation as a result of net losses in the three and six months ended June 30, 2015.

(c) Conversion of the convertible preferred stock of the Predecessor Company was limited based on NYSE rules requiring shareholder approval.

Options and warrants to purchase shares of common stock having an exercise price greater than the average share market price are excluded from the calculation of diluted net (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Options excluded from diluted net income per share	75,000	200	75,000	200
Warrants excluded from diluted net income per share	N/A	250,000	N/A	250,000
Exercise price of excluded options	$ 5.62	$ 283.25 to $ 357.00	$ 5.62	$ 283.25 to $ 357.00
Exercise price of excluded warrants	N/A	$ 187.50	N/A	$ 187.50

13. COMMITMENTS AND CONTINGENCIES

American Centrifuge

Project Funding

The economics for commercial deployment of the American Centrifuge technology are severely challenged by the current supply/demand imbalance in the market for LEU and related downward pressure on market prices for SWU that are now at their lowest levels in more than a decade. Under current market conditions, Centrus does not believe that its previous plans for commercialization of the American Centrifuge project are economically viable. Although the economics of the American Centrifuge project are severely challenged under current nuclear fuel market conditions, market conditions are expected to improve in the long term and Centrus continues to take steps to maintain its options to deploy the American Centrifuge technology as a long-term, direct source of domestic enrichment production.

In light of the strategic value of the American Centrifuge technology, DOE instructed UT-Battelle, the management and operating contractor for ORNL, to assist in developing a path forward for achieving a domestic uranium enrichment capability that supports national security purposes. This task includes, among other goals: (1) taking actions intended to promote the continued operability of the advanced enrichment centrifuge machines and related property, equipment and technology currently utilized in the American Centrifuge project; and (2) assessing technical options for meeting DOE's national security needs and preserving the option of commercial deployment. Pursuant to those instructions, ORNL chose to subcontract with the Company. On May 1, 2014, the Company signed the ACTDO Agreement with UT-Battelle for continued research, development and demonstration of the American Centrifuge technology in furtherance of DOE's national security objectives.

The ACTDO Agreement is a firm fixed-price contract that provides for continued cascade operations at the Company's Piketon, Ohio facility, testing at the K-1600 test facility in Oak Ridge, Tennessee, core American Centrifuge research and technology activities and the furnishing of related reports to ORNL. In July 2014 and again in January 2015, ORNL exercised its options to extend the period of performance for the ACTDO Agreement for additional six-month periods to September 30, 2015. The agreement is incrementally funded and currently provides for payments on a monthly basis of approximately $6.9 million per month. The two extensions have increased the total price to approximately $117 million for the period from May 1, 2014 to September 30, 2015. A bipartisan majority in Congress and the Administration supported maintaining the American Centrifuge technology for national and energy security purposes; funding for ACTDO Agreement activities was included in the government fiscal year 2015 omnibus appropriation signed by President Obama in December 2014. Further, the Administration's budget request for government fiscal year 2016 includes $100 million for domestic uranium enrichment to maintain the current centrifuge program while the Administration finalizes its assessment of how best to meet U.S. national security and non-proliferation goals. Appropriations for government fiscal year 2016 will require further action from both Congress and the President. On May 1, 2015, the House of Representatives passed H.R. 2028, to provide energy and water development appropriations for government fiscal year 2016. This

legislation would provide $50 million in direct appropriations for the domestic uranium enrichment program and contained a provision that would provide up to $50 million in special reprogramming authority for the program. As of July 31, 2015, the full Senate had not taken formal action on government fiscal year 2016 energy and water development appropriations.

Milestones under the 2002 DOE-USEC Agreement

The Company and DOE are parties to an agreement dated June 17, 2002, as amended (the "2002 DOE-USEC Agreement"), pursuant to which the Company and DOE made long-term commitments directed at resolving issues related to the stability and security of the domestic uranium enrichment industry. Pursuant to the Plan of Reorganization and with the consent of DOE, Centrus assumed the 2002 DOE-USEC Agreement subject to the parties reserving all rights under the agreement. The agreement provides that Centrus will develop, demonstrate and deploy advanced enrichment technology in accordance with milestones and provides for remedies in the event of a failure to meet a milestone under certain circumstances.

The 2002 DOE-USEC Agreement provides DOE with specific remedies if Centrus fails to meet a milestone that would materially impact Centrus' ability to begin commercial operations of the American Centrifuge Plant on schedule and such delay was within Centrus' control or was due to Centrus' fault or negligence. These remedies could include terminating the 2002 DOE-USEC Agreement, revoking Centrus' access to DOE's U.S. centrifuge technology that Centrus requires for the success of the American Centrifuge project and requiring Centrus to transfer certain of its rights in the American Centrifuge technology and facilities to DOE, and to reimburse DOE for certain costs associated with the American Centrifuge project. Any of these remedies under the 2002 DOE-USEC Agreement could have a material adverse impact on Centrus' business.

The 2002 DOE-USEC Agreement provides that if a delaying event beyond the control and without the fault or negligence of Centrus occurs that would affect Centrus' ability to meet an American Centrifuge project milestone, DOE and Centrus will jointly meet to discuss in good faith possible adjustments to the milestones as appropriate to accommodate the delaying event. Centrus has notified DOE that it has not met the June 2014 milestone *"Commitment to proceed with commercial operation"* within the time period currently provided due to events beyond its control and without the fault or negligence of the Company. The assumption of the 2002 DOE-USEC Agreement provided for under the Plan of Reorganization did not impact the ability of either party to assert all rights, remedies and defenses under the agreement and all such rights, remedies and defenses are specifically preserved and all time limits tolled expressly including all rights, remedies and defenses and time limits relating to any missed milestones. DOE and Centrus have agreed that all rights, remedies and defenses of the parties with respect to any missed milestones since March 5, 2014, including the June 2014 and November 2014 milestones, and all other matters under the June 2002 Agreement continue to be preserved, and that the time limits for each party to respond to any missed milestones continue to be tolled.

Potential ERISA Section 4062(e) Liability

The Company has been in discussion with the PBGC and its financial advisor regarding the status of the qualified pension plans, including with respect to potential liability under ERISA Section 4062(e). On September 30, 2011, Enrichment Corp. completed the de-lease to DOE of the Portsmouth GDP and transition of employees performing government services work to DOE's decontamination and decommissioning contractor. Enrichment Corp. notified the PBGC of this occurrence at that time.

Further, at the end of May 2013, Enrichment Corp. ceased enrichment at the Paducah GDP and on October 21, 2014, completed the de-lease and return of the facility to DOE. In connection with the de-lease and return of the Paducah GDP to DOE, most of the remaining employees at the Paducah GDP were terminated.

After receiving the Company's notification of the transition of employees at the Portsmouth GDP in 2011, the PBGC staff at that time informally advised Enrichment Corp. of its preliminary view that the Portsmouth GDP transition was a cessation of operations that triggered liability under ERISA Section 4062(e) and that its preliminary estimate was that the ERISA Section 4062(e) liability (computed by taking into account the plan's underfunding on a "termination basis," which amount differs from that computed for GAAP purposes) for the Portsmouth GDP transition was approximately $130 million. At that time, Enrichment Corp. informed the PBGC that it did not agree with the PBGC staff's view that ERISA Section 4062(e) liability was triggered in 2011, and also disputed the amount of the preliminary PBGC calculation of the potential ERISA Section 4062(e) liability. At the end of May 2013, the PBGC staff also informally advised Enrichment Corp. that the Paducah de-lease would be a cessation of operations under section 4062(e) when more than 20% of the Enrichment Corp.'s employees who are participants in a PBGC-covered pension plan were separated. The 20% reduction to the active plan participant threshold was reached at Paducah in April 2014.

Subsequently, on December 16, 2014, the President signed into law the Consolidated and Further Continuing Appropriations Act, 2015 (the "CFCAA"), which made major changes to ERISA section 4062(e). The CFCAA changes the criteria for triggering liability under section 4062(e); provides certain exemptions from the applicability of section 4062(e) to certain events; permits companies to satisfy the liability by making payments into the pension over seven years, but ceases once the pension reaches a 90% funding level as calculated under the method provided in the CFCAA; subject to an exception not applicable here, prohibits the PBGC from taking any enforcement, administrative or other action under section 4062(e) that is inconsistent with the amendments made by the CFCAA based on events that occurred before the date of enactment (December 16, 2014); and permits companies to elect to satisfy any liability under section 4062(e) as provided in the CFCAA for an event that had occurred prior to date of enactment as if such cessation had occurred on such date of enactment. While the PBGC has not issued any guidance or rules regarding the implementation of the changes to section 4062(e), we believe that in the event the PBGC were to determine that a cessation of operations had occurred under section 4062(e) as a result of the Portsmouth GDP transition or the Paducah GDP transition (events that occurred before enactment of the CFCAA), the Company could elect to satisfy any section 4062(e) liability under the provisions of the CFCAA. As of January 1, 2014, (the first plan year for which payments would otherwise be required) the Enrichment Corp. pension plan was over 90% funded under the method used in the CFCAA. Consequently the Company believes that any such liability would be fully satisfied under the method provided in the CFCAA.

The PBGC, however, has other authorities under ERISA that it may consider to address the Portsmouth and Paducah GDP transitions or otherwise in connection with the Company's qualified defined benefit pension plans. These authorities include, but are not limited to, initiating involuntary termination of underfunded plans and seeking liens or additional funding. The Company would seek to defend against the assertion by the PBGC of any such authorities based on the facts and circumstances at the time. The involuntary termination by the PBGC of any of the qualified pension plans of Centrus or Enrichment Corp. would result in the termination of the limited, conditional guaranty by Enrichment Corp. of the PIK Toggle Notes (other than with respect to the unconditional interest claim).

The Company has been engaged in discussions with the PBGC since the Portsmouth GDP transition. In 2014, prior to enactment of the CFCAA, the PBGC informed the Company that the PBGC had retained an outside financial advisor to advise the PBGC on the Company's business and the need for and advisability of any actions that may be taken by the PBGC. The Company has continued discussions with PBGC and its financial advisor. The PBGC has indicated it would like to discuss the potential for the Company to make contributions to the pension in advance of statutory funding requirements as amended by the Highway and Transportation Funding Act of 2014. The Company believes it is in the best interest of all stakeholders, including the PBGC, the covered plan participants and the Company, to continue funding of the qualified pension plans in the ordinary course and expects to do so, but there is no assurance that the PBGC will agree with that approach.

Legal Matters

On December 31, 2014, our subsidiary, Enrichment Corp., submitted a demand for binding arbitration to Entergy Services, Inc. and Entergy Nuclear Fuels Company (together with Entergy Services, Inc., "Entergy") to resolve a dispute regarding their alleged repudiation of two sales contracts (the "Contracts") with Enrichment Corp. On July 29, 2015, Enrichment Corp. and Entergy entered into a Confidential Settlement Agreement (the "Settlement Agreement") that resolved the arbitration through modifications to the Contracts. No monetary awards or payments will be made with respect to the Settlement Agreement. The Settlement Agreement represents a full and final resolution of the dispute related to the Contracts. We are currently evaluating the impact of the Settlement Agreement, if any, on our financial condition, primarily related to the non-cash intangible assets recorded through the application of fresh-start accounting on September 30, 2014.

Centrus is subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, Centrus does not believe that the outcome of any of these legal matters will have a material adverse effect on its results of operations or financial condition.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The sole component of accumulated other comprehensive income (loss) ("AOCI") relates to activity in the accounting for pension and postretirement health and life benefit plans. Amortization of actuarial (gains) losses, net, and amortization of prior service costs (credits), net, are items reclassified from AOCI and included in the computation of net periodic benefit cost (credit) as detailed in Note 10, *Pension and Postretirement Health and Life Benefits*.

15. SEGMENT INFORMATION

Centrus has two reportable segments: the LEU segment with two components, SWU and uranium, and the contract services segment. The LEU segment includes sales of the SWU component of LEU, sales of both the SWU and uranium components of LEU, and sales of uranium. The contract services segment includes revenue and cost of sales for work that Centrus performs under the fixed-price ACTDO Agreement as a subcontractor to UT-Battelle beginning May 1, 2014. The contract services segment also includes limited services provided by Centrus to DOE and its contractors at the Portsmouth site related to facilities we continue to lease for the American Centrifuge Plant and formerly at the Paducah GDP. Gross profit is Centrus' measure for segment reporting. There were no intersegment sales in the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	Successor	Predecessor	Successor	Predecessor
(in millions)	2015	2014	2015	2014
Revenue				
LEU segment:				
Separative work units	$ 42.2	$ 104.5	$ 145.8	$ 250.1
Uranium	—	—	43.2	—
	42.2	104.5	189.0	250.1
Contract services segment	21.1	16.7	42.1	19.7
Revenue	**$ 63.3**	**$ 121.2**	**$ 231.1**	**$ 269.8**
Segment Gross Profit (Loss)				
LEU segment	$ 5.5	$ 3.7	$ 12.7	$ (16.0)
Contract services segment	(1.2)	(0.2)	(1.5)	(1.4)
Gross profit (loss)	**$ 4.3**	**$ 3.5**	**$ 11.2**	**$ (17.4)**

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes appearing elsewhere in this report.

Overview

Centrus Energy Corp. ("Centrus" or the "Company") supplies low enriched uranium ("LEU") for commercial nuclear power plants. LEU is a critical component in the production of nuclear fuel for reactors to produce electricity. We supply LEU to both domestic and international utilities for use in nuclear reactors worldwide.

LEU consists of two components: separative work units ("SWU") and uranium. SWU is a standard unit of measurement that represents the effort required to transform a given amount of natural uranium into two components: enriched uranium having a higher percentage of the uranium-235 isotope ("U235") and depleted uranium having a lower percentage of U235. The SWU contained in LEU is calculated using an industry standard formula based on the physics of enrichment. The amount of enrichment deemed to be contained in LEU under this formula is commonly referred to as its SWU component and the quantity of natural uranium used in the production of LEU under this formula is referred to as its uranium component. While in some cases Centrus sells both the SWU and uranium components of LEU to customers, utility customers typically provide uranium to Centrus as part of their enrichment contracts, and in exchange Centrus delivers LEU to these customers and charges for the SWU component.

We provide LEU from our inventory and our supply purchases in order to meet our sales contract requirements. We ceased enrichment at the Paducah Gaseous Diffusion Plant ("Paducah GDP") in Paducah, Kentucky, at the end of May 2013 and repackaged and transferred our existing inventory to off-site licensed locations under agreements with the operators of those facilities. We will control the disposition of that material and will continue to manage deliveries of LEU to fuel fabricators in order to facilitate sales to utilities for consumption in their reactors. We transferred the leased Paducah GDP site back to the U.S. Department of Energy ("DOE") in October 2014.

We acquire Russian LEU under the terms of a 10-year commercial agreement with Russia that runs through 2022 (the "Russian Supply Agreement"). We have worked with, and intend to continue to work with, the Russian government entity Joint Stock Company "TENEX" ("TENEX") to adjust the terms in a mutually beneficial manner under the Russian Supply Agreement to better align our purchase obligations in light of market conditions generally, our contract backlog, and restrictions on the sale of Russian LEU.

As a long term provider of LEU for our customers, our goal is to promote diversity of our supply sources. Until such time as market conditions have improved sufficiently to support the deployment of additional enrichment capacity by Centrus, we will be making sales from our existing inventory, our supply purchases from Russia and other sources of supply. At present there is ample supply of enrichment capacity and LEU in the world markets. We expect to continue making sales to our customer base, and to engage our customers in discussions regarding our existing backlog, including revisions to contracts to reflect our anticipated sources of supply and potential timing for the financing and commercial production from a future domestic enrichment plant

We are working to maintain a path to deploy the American Centrifuge technology in the American Centrifuge Plant ("ACP") in Piketon, Ohio. Our current focus for the American Centrifuge technology relates to our contract to conduct research, development and demonstration work for the U.S. government. We believe that the American Centrifuge technology can play a critical role in meeting our national and energy security needs and achieving our nation's non-proliferation objectives. In light of the strategic value of the American Centrifuge technology, DOE instructed UT-Battelle, LLC ("UT-Battelle"), the management and operating contractor for Oak Ridge National Laboratory ("ORNL"), to assist in developing a path forward for achieving a reliable domestic uranium enrichment capability that supports national security purposes. On May 1, 2014, the Company signed a firm fixed-price agreement with UT-Battelle for continued cascade operations and continuation of core American Centrifuge research and technology activities and the furnishing of related reports to ORNL (the "American Centrifuge Technology Demonstration and Operations Agreement", or "ACTDO Agreement"). In July 2014 and again in

January 2015, ORNL exercised its options to extend the period of performance for the ACTDO Agreement for additional six-month periods to September 30, 2015. A bipartisan majority in Congress and the Administration supported maintaining the American Centrifuge technology for national and energy security purposes; funding for ACTDO Agreement activities was included in the government fiscal year 2015 omnibus appropriation signed by President Obama in December 2014. Further, the Administration's budget request for government fiscal year 2016 includes $100 million for domestic uranium enrichment to maintain the current centrifuge program while the Administration finalizes its assessment of how best to meet U.S. national security and non-proliferation goals. Appropriations for government fiscal year 2016 will require further action from both Congress and the President. On May 1, 2015, the House of Representatives passed H.R. 2028, to provide energy and water development appropriations for government fiscal year 2016. This legislation would provide $50 million in direct appropriations for the domestic uranium enrichment program and contained a provision that would provide up to $50 million in special reprogramming authority for the program. As of July 31, 2015, the full Senate had not taken formal action on government fiscal year 2016 energy and water development appropriations.

Under the ACTDO Agreement, we are operating a cascade of centrifuges to enrich uranium in a closed loop demonstrating that the centrifuges we built can produce commercial LEU. Although our demonstration of the technical capabilities of the American Centrifuge technology continues to be successful, the economics for commercial deployment of the American Centrifuge technology are severely challenged by the current supply/demand imbalance in the market for LEU. Declining prices for competing fuels, lack of public acceptance in some countries for nuclear power and the high capital cost of building new reactors have resulted in slower than expected growth for new plants in many regions of the world. These factors and the effects of the March 2011 earthquake and tsunami in Japan have caused an oversupply of nuclear fuel available for sale and have placed significant downward pressure on market prices for SWU, which are now at their lowest levels in more than a decade.

Emergence from Chapter 11 Bankruptcy

On March 5, 2014, USEC Inc. filed a voluntary petition for relief (the "Bankruptcy Filing") under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Bankruptcy Filing was "pre-arranged" and included the filing of a proposed Plan of Reorganization (the "Plan of Reorganization") supported by certain holders of the claims and interests impaired under the Plan of Reorganization. On August 18, 2014, the Company announced that the Plan of Reorganization was accepted by more than 99% in both value and number of votes cast of holders of its convertible notes and that both holders of the Company's preferred equity voted in favor of the Plan of Reorganization. On September 5, 2014, the Bankruptcy Court entered an order approving and confirming the Plan of Reorganization. On September 30, 2014 (the "Effective Date"), the Company satisfied the conditions of the Plan of Reorganization and the Plan of Reorganization became effective. On the Effective Date, USEC Inc.'s name was changed to Centrus Energy Corp.

In accordance with Accounting Standards Codification Topic 852, *Reorganizations*, Centrus adopted fresh start accounting upon emergence from Chapter 11 bankruptcy. The recorded amounts of assets and liabilities were adjusted to reflect their estimated fair values on the Effective Date. These fair value adjustments:

- significantly reduce the gross profit impact of deferred revenues going forward;
- result in the amortization of sales backlog and customer relationship intangible assets that were created at emergence; and
- result in higher cost of sales as a result of increasing inventory values at emergence.

Business Segments

Centrus has two reportable segments: the LEU segment with two components, SWU and uranium, and the contract services segment.

LEU Segment

Revenue from Sales of SWU and Uranium

Revenue from our LEU segment is derived primarily from:

- sales of the SWU component of LEU,
- sales of both the SWU and uranium components of LEU, and
- sales of natural uranium.

The majority of our customers are domestic and international utilities that operate nuclear power plants, with international sales constituting 28% of revenue from our LEU segment in 2014. Our agreements with electric utilities are primarily long-term, fixed-commitment contracts under which our customers are obligated to purchase a specified quantity of the SWU component of LEU (or the SWU and uranium components of LEU) from us. Our agreements for natural uranium sales are generally shorter-term, fixed-commitment contracts. Uranium sales constituted less than 1% of the revenue from our LEU segment in 2014.

Our revenues, operating results and cash flows can fluctuate significantly from quarter to quarter and year to year. Revenue is recognized at the time LEU or uranium is delivered under the terms of our contracts. Customer demand is affected by, among other things, electricity markets, reactor operations, maintenance and the timing of refueling outages. Utilities typically schedule the shutdown of their reactors for refueling to coincide with the low electricity demand periods of spring and fall. Thus, some reactors are scheduled for annual or two-year refuelings in the spring or fall, or for 18-month cycles alternating between both seasons. Customer payments for the SWU component of LEU typically average approximately $15 million to $20 million per order. As a result, a relatively small change in the timing of customer orders for LEU due to a change in a customer's refueling schedule may cause operating results to be substantially above or below expectations.

Our financial performance over time can be significantly affected by changes in prices for SWU and uranium. The long-term SWU price indicator, as published by TradeTech, LLC in *Nuclear Market Review*, is an indication of base-year prices under new long-term enrichment contracts in our primary markets. Since our backlog includes contracts awarded to us in previous years, the average SWU price billed to customers typically lags behind the current price indicators by several years, which means that prices under contracts today exceed declining market prices. Following are TradeTech's long-term and spot SWU price indicators, the long-term price for uranium hexafluoride ("UF6"), as calculated by Centrus using indicators published in *Nuclear Market Review*, and TradeTech's spot price indicator for UF6:

	June 30, 2015	December 31, 2014	June 30, 2014
SWU:			
Long-term price indicator ($/SWU)	$ 82.00	$ 90.00	$ 95.00
Spot price indicator ($/SWU)	70.00	88.00	93.00
UF_6:			
Long-term price composite ($/KgU)	136.19	146.64	130.97
Spot price indicator ($/KgU)	101.50	100.50	80.75

In a number of sales transactions, title to uranium or LEU is transferred to the customer and we receive payment under normal credit terms without physically delivering the uranium or LEU to the customer. This may occur because the terms of the agreement require us to hold the uranium to which the customer has title, or because the customer encounters brief delays in taking delivery of LEU. In such cases, recognition of revenue does not occur at the time title to uranium or LEU transfers to the customer but instead is deferred until LEU to which the customer has title is physically delivered.

Cost of Sales for SWU and Uranium

Cost of sales for SWU and uranium is based on the amount of SWU and uranium sold and delivered during the period and unit inventory costs. Unit inventory costs are determined using the monthly moving average cost method. Changes in purchase costs and, historically, changes in production costs, have an effect on inventory costs and cost of sales over current and future periods.

SWU costs for the Successor Company are based on SWU purchase costs and the inventory cost basis as of the Effective Date. SWU inventory costs were increased by $35.4 million as of the Effective Date to reflect fresh start accounting adjustments.

Prices for SWU purchased under the Russian Supply Agreement are determined based on a mix of market-related price points and other factors. Prior to the cessation of enrichment at the Paducah GDP, SWU costs for the Predecessor Company included production costs consisting principally of electric power, labor and benefits, materials, depreciation and amortization, and maintenance and repairs.

Following the cessation of enrichment at the Paducah GDP, costs for plant activities that formerly were included in production costs have been charged directly to cost of sales including inventory management and disposition, ongoing regulatory compliance, utility requirements for operations, security, and other site management activities related to transition of facilities and infrastructure to DOE in October 2014. Refer below to *Results of Operations - Cost of Sales.*

Contract Services Segment

American Centrifuge

Beginning in May 2014, the contract services segment includes revenue and cost of sales for American Centrifuge work we perform under the ACTDO Agreement as a subcontractor to UT-Battelle. The ACTDO Agreement is a firm, fixed-price contract that provides for continued cascade operations and the continuation of core American Centrifuge research and technology activities and the furnishing of related reports to ORNL. The total price is approximately $117 million for the period from May 1, 2014 to September 30, 2015. The agreement is incrementally funded and currently provides for payments of approximately $6.9 million per month. Spending levels are consistent with the fixed funding levels. Centrus records an unbilled receivable and revenue based on the progress towards the achievement of monthly deliverables. Monthly reports and invoices affirming the achievement of monthly deliverables are submitted shortly following each month. The achievement of monthly deliverables has resulted in revenue consistent with the funding levels.

Site Services Work and Related Receivables

We formerly performed work under contract with DOE and its contractors to maintain and prepare the former Portsmouth GDP for decontamination and decommissioning (“D&D”). In September 2011, our contracts for maintaining the Portsmouth facilities and performing services for DOE at Portsmouth expired and we completed the transition of facilities to DOE’s D&D contractor for the Portsmouth site. Additionally, we provided limited services to DOE and its contractors at the Paducah GDP until the leased portions of the Paducah GDP were returned to DOE on October 21, 2014.

Revenue from U.S. government contracts for work performed at the Portsmouth and Paducah sites is recognized in accordance with government cost accounting standards ("CAS"). Allowable costs include direct costs as well as allocations of indirect plant and corporate overhead costs and are subject to audit by the Defense Contract Audit Agency ("DCAA"), or such other entity that DOE authorizes to conduct the audit. As a part of performing contract work for DOE, certain contractual issues, scope of work uncertainties, and various disputes arise from time to time. Issues unique to Centrus can arise as a result of our history of being privatized from the U.S. government and our lease and other contracts with DOE. Payment for our contract work performed for DOE is subject to DOE funding availability and Congressional appropriations.

DOE historically has not approved our provisional billing rates in a timely manner. DOE has approved provisional billing rates for 2004, 2006, 2010 and 2013 based on preliminary budgeted estimates even though updated provisional rates had been submitted based on more current information. In addition, we have finalized and submitted to DOE the Incurred Cost Submissions for Portsmouth and Paducah contract work for the six months ended December 31, 2002 and calendar years 2003 through 2013. DOE and its audit contractors historically have not completed their audits of our Incurred Cost Submissions in a timely manner. In December 2013, DOE provided its position regarding establishing Final Indirect Cost Rates for the six months ended December 31, 2002 and calendar years 2003 through 2005 based in part on audits completed for those years. In June 2014, DOE provided the results of the audit of the 2006 Incurred Cost Submission and in January 2015, DOE provided its position regarding establishing Final Indirect Cost Rates for 2006. DOE's contractor is in the final stages of its audit of 2007 and has begun its audit of 2008.

Federal Acquisition Regulations require the DOE contracting officer to conduct negotiations and prepare a written indirect cost agreement. Neither of these actions has occurred. We do not agree with all of the findings of the audits for these years and believe that DOE's continued withholding of payments is unwarranted. There is the potential for additional revenue to be recognized, based on the outcome of DOE reviews and audits, as the result of the release of previously established receivable related reserves. However, because these periods have not been finalized and most remain unaudited, uncertainty exists, and we have not yet recognized this additional revenue.

Certain receivables from DOE are included in other long-term assets based on the extended timeframe expected to resolve claims for payment. We believe that DOE has failed to establish appropriate provisional billing and final indirect cost rates on a timely basis and the Company has filed claims with DOE for payment under the Contract Disputes Act ("CDA"). DOE denied our initial claims for payment of $38.0 million for the periods through 2011, and on May 30, 2013, the Company appealed DOE's denial of its claims to the U.S. Court of Federal Claims. We have been able to reach a resolution on a portion of the amounts claimed, and DOE has now paid approximately $6 million of claims for work performed in 2003 through 2005. The Court dismissed claims against DOE related to approximately $3.8 million due from prime subcontractors to DOE, and we are pursuing payment of such claims directly from the DOE subcontractors.

In December 2012, we invoiced DOE for $42.8 million, representing its share of pension and postretirement benefits costs related to the transition of Portsmouth site employees to DOE's D&D contractor, as permitted by CAS and based on CAS calculation methodology. DOE denied payment on this invoice in January 2013, and subsequent to providing additional information, as requested, to DOE, the Company submitted a claim on August 30, 2013 under the CDA for payment of the $42.8 million. On August 27, 2014, the DOE contracting officer denied our claim. As a result, Centrus filed a complaint with the U.S. Court of Federal Claims in January 2015, but there is no assurance we will be successful in our appeal. We have a full valuation allowance for this claim due to the lack of a resolution with DOE and uncertainty regarding the amounts owed and the timing of collection. The amounts owed by DOE may be more than the amounts we have invoiced to date.

Further, on February 5, 2015, the Company filed claims with DOE for payment under the CDA for approximately $1.6 million related to services performed in 2013. On May 5, 2015, the Company filed a motion for summary judgment in the litigation. In June 2015, the Company voluntarily dismissed the claim and received payment from DOE of the approximately $1.6 million.

We have potential pension plan funding obligations under the Employee Retirement Income Security Act ("ERISA") Section 4062(e) related to our de-lease of the former Portsmouth GDP and transition of employees to DOE's D&D contractor and related to the transition of employees in connection with the Paducah GDP transition. We believe that DOE is responsible for a significant portion of any pension and postretirement benefit costs associated with the transition of employees at Portsmouth. Additional details are provided in *Liquidity and Capital Resources - Defined Benefit Plan Funding*.

Advanced Technology Costs

From June 2012 through April 2014, the Company performed work under the June 2012 cooperative agreement with DOE (the "Cooperative Agreement") for the American Centrifuge technology with cost-share funding from DOE. The Cooperative Agreement provided for 80% DOE and 20% Company cost sharing for work performed up to a total government cost share of $280 million. Costs incurred under the Cooperative Agreement were included in advanced technology costs. DOE's cost share under the Cooperative Agreement was recognized as other income. The Cooperative Agreement expired in accordance with its terms on April 30, 2014.

Since May 2014, the Company has been performing continued cascade operations and core American Centrifuge research and technology activities and the furnishing of related reports to ORNL under the ACTDO Agreement. The scope of the overall work under the ACTDO Agreement is reduced from the scope of work that was being conducted by the Company under the Cooperative Agreement. Revenue and cost of sales for work that we perform under the fixed-price ACTDO Agreement as a subcontractor to UT-Battelle are reported in the contract services segment.

American Centrifuge costs incurred by Centrus that are outside of the ACTDO Agreement are included in advanced technology costs. The Company incurred $4.0 million in the three months and $5.8 million in the six months ended June 30, 2015 for certain demobilization and maintenance costs related to American Centrifuge that are included in advanced technology costs.

2015 Outlook

Centrus will continue its transition during 2015, and we expect to deliver significantly less SWU to customers than when we began our transition in 2013. In 2013, we delivered approximately 8 million SWU, and during 2014, we delivered approximately 3 million SWU. We expect to deliver approximately 2 million SWU in 2015. We will also continue to execute our contract with ORNL to conduct research, development and demonstration of the American Centrifuge technology under the terms of the ACTDO Agreement.

Specifically, we anticipate SWU and uranium revenue in 2015 in a range of $350 million to $375 million and total revenue in a range of $425 million to $450 million. We expect to end 2015 with a cash and cash equivalents balance in a range of $175 million to $200 million.

Our financial guidance is subject to a number of assumptions and uncertainties that could affect results either positively or negatively. Variations from our expectations could cause differences between our guidance and our ultimate results. Among the factors that could affect our results are:

- Additional short-term sales;
- Timing of customer orders and related SWU deliveries;
- The outcome of legal proceedings and other contingencies;
- Funding of the ACTDO Agreement or a successor agreement beyond its current contract expiration date of September 30, 2015; and
- The cost of any American Centrifuge demobilization or additional costs related to the overall transition of Centrus.

Results of Operations

We have two reportable segments measured and presented through the gross profit line of our income statement: the LEU segment with two components, SWU and uranium, and the contract services segment. The LEU segment is our primary business focus and includes sales of the SWU component of LEU, sales of both SWU and uranium components of LEU, and sales of uranium. The contract services segment includes revenue and cost of sales for American Centrifuge work we perform under the ACTDO Agreement as a subcontractor to UT-Battelle. The contract services segment also includes limited services provided by Centrus to DOE and its contractors at the Portsmouth site related to facilities we continue to lease for the ACP and formerly at the Paducah GDP. There were no intersegment sales in the periods presented.

Upon emergence from Chapter 11 bankruptcy, Centrus adopted fresh start accounting which resulted in Centrus becoming a new entity for financial reporting purposes. References to "Successor" or "Successor Company" relate to the financial position of the reorganized Centrus as of and subsequent to September 30, 2014 and results of operations subsequent to September 30, 2014. References to "Predecessor" or "Predecessor Company" relate to the Company prior to September 30, 2014. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the consolidated financial statements on or after September 30, 2014 are not comparable to consolidated financial statements prior to that date.

The following table presents elements of the accompanying condensed consolidated statements of operations that are categorized by segment (dollar amounts in millions):

	Three Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
LEU segment				
Revenue:				
SWU revenue	$ 42.2	$ 104.5	$ (62.3)	(60)%
Uranium revenue	—	—	—	— %
Total	42.2	104.5	(62.3)	(60)%
Cost of sales	36.7	100.8	64.1	64 %
Gross profit	$ 5.5	$ 3.7	$ 1.8	49 %
Contract services segment				
Revenue	$ 21.1	$ 16.7	$ 4.4	26 %
Cost of sales	22.3	16.9	(5.4)	(32)%
Gross (loss)	$ (1.2)	$ (0.2)	$ (1.0)	(500)%
Total				
Revenue	$ 63.3	$ 121.2	$ (57.9)	(48)%
Cost of sales	59.0	117.7	58.7	50 %
Gross profit	$ 4.3	$ 3.5	$ 0.8	23 %

	Six Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
LEU segment				
Revenue:				
SWU revenue	$ 145.8	$ 250.1	$ (104.3)	(42)%
Uranium revenue	43.2	—	43.2	— %
Total	189.0	250.1	(61.1)	(24)%
Cost of sales	176.3	266.1	89.8	34 %
Gross profit (loss)	$ 12.7	$ (16.0)	$ 28.7	179 %
Contract services segment				
Revenue	$ 42.1	$ 19.7	$ 22.4	114 %
Cost of sales	43.6	21.1	(22.5)	(107)%
Gross (loss)	$ (1.5)	$ (1.4)	$ (0.1)	(7)%
Total				
Revenue	$ 231.1	$ 269.8	$ (38.7)	(14)%
Cost of sales	219.9	287.2	67.3	23 %
Gross profit (loss)	$ 11.2	$ (17.4)	$ 28.6	164 %

Revenue

Revenue from the LEU segment declined $62.3 million (or 60%) in the three months and $61.1 million (or 24%) in the six months ended June 30, 2015, compared to the corresponding periods in 2014. The volume of SWU sales declined 63% in the three-month period and 46% in the six-month period reflecting the variability in timing of utility customer orders and the expected decline in SWU deliveries in 2015 compared to 2014. The average price billed to customers for sales of SWU increased 9% in both the three- and six-month periods reflecting the particular contracts under which SWU were sold during the period.

Revenue from the contract services segment increased $4.4 million (or 26%) in the three months and $22.4 million (or 114%) in the six months ended June 30, 2015, compared to the corresponding periods in 2014, reflecting American Centrifuge work performed under the ACTDO Agreement beginning May 1, 2014, partially offset by a decline in contract services work performed for DOE and DOE contractors.

Cost of Sales

Cost of sales for the LEU segment declined $64.1 million (or 64%) in the three months and $89.8 million (or 34%) in the six months ended June 30, 2015, compared to the corresponding periods in 2014, due to lower SWU sales volumes and lower direct charges, partially offset by higher uranium sales volumes in the six-month period. Cost of sales for SWU and uranium and direct charges are detailed in the following tables (dollar amounts in millions):

	Three Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Cost of sales for the LEU segment:				
SWU and uranium	$ 32.8	$ 86.5	$ 53.7	62%
Direct charges	3.9	14.3	10.4	73%
Total	$ 36.7	$ 100.8	64.1	64%

	Six Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Cost of sales for the LEU segment:				
SWU and uranium	$ 167.7	$ 216.9	$ 49.2	23%
Direct charges	8.6	49.2	40.6	83%
Total	$ 176.3	$ 266.1	89.8	34%

Cost of sales per SWU, excluding direct charges, increased 2% in the three months and 7% in the six months ended June 30, 2015, compared to the corresponding periods in 2014, primarily due to the increase to book value of SWU inventories recorded as of September 30, 2014 as part of the application of fresh start accounting. In addition, approximately one-half of our sales in the prior six-month period were derived from previously deferred sales, whereby customers made advance payments to be applied against future deliveries. The unit cost per SWU for these sales reflects the average inventory cost when the customer took title to the SWU. These costs were accumulated in deferred costs and were then recognized as cost of sales as the SWU is delivered.

As we accelerated the expected productive life of plant assets and ceased uranium enrichment at the Paducah GDP in May 2013, we have incurred a number of expenses unrelated to production that have been charged directly to cost of sales. Direct charges totaled $3.9 million and $8.6 million in the three and six months ended June 30, 2015 and $14.3 million and $49.2 million in the corresponding periods in 2014 as follows:

- Operating expenses of $3.9 million and $8.3 million in the three and six months ended June 30, 2015, compared to $8.7 million and $35.7 million in the corresponding periods in 2014. Charges in 2015 include off-site inventory management and logistics costs. Charges in 2014 include inventory management and disposition, ongoing regulatory compliance, utility requirements for operations, security, and other Paducah site management activities related to the transitioning of facilities and infrastructure to DOE;
- Inventory charges of $0 and $0.3 million in the three and six months ended June 30, 2015, compared to $5.1 million and $11.7 million in the three and six months ended June 30, 2014, including the cost of inventories deployed for cascade drawdown, assay blending and repackaging, and residual uranium in cylinders transferred to DOE. We determined that it was uneconomic to recover resulting residual quantities for resale; and
- Paducah GDP asset depreciation charges of $0.5 million and $1.8 million in the three and six months ended June 30, 2014. Paducah GDP asset depreciation was completed as of June 30, 2014.

Cost of sales for the contract services segment increased $5.4 million (or 32%) in the three months and $22.5 million (or 107%) in the six months ended June 30, 2015, compared to the corresponding periods in 2014, primarily due to American Centrifuge work performed under the ACTDO Agreement in the current periods.

Gross Profit (Loss)

Gross profit increased $0.8 million in the three months and $28.6 million in the six months ended June 30, 2015. Our margin was 6.8% in the three months ended June 30, 2015 compared to 2.9% in the corresponding period in 2014, and 4.8% in the six months ended June 30, 2015 compared to a loss of (6.4%) in the corresponding period in 2014.

Gross profit for the LEU segment increased $1.8 million in the three-month period and $28.7 million in the six-month period due to the decreases in direct charges and the increases in the average SWU prices billed to customers, partially offset by lower SWU sales volumes and higher average costs per SWU, as described above.

Our gross loss from the contract services segment increased by $1.0 million in the three months and $0.1 million in the six months ended June 30, 2015 compared to the corresponding periods in 2014.

The following tables present elements of the accompanying consolidated statements of operations that are not categorized by segment (dollar amounts in millions):

	Three Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Gross profit	$ 4.3	$ 3.5	$ 0.8	23 %
Advanced technology costs	4.0	18.0	14.0	78 %
Selling, general and administrative	6.3	10.1	3.8	38 %
Amortization of intangible assets	2.0	—	(2.0)	— %
Special charges for workforce reductions	2.9	2.5	(0.4)	(16)%
Other (income)	(0.7)	(8.4)	(7.7)	(92)%
Operating (loss)	(10.2)	(18.7)	8.5	45 %
Interest expense	4.9	4.7	(0.2)	(4)%
Interest (income)	—	—	—	— %
Reorganization items, net	—	4.7	4.7	100 %
(Loss) from before income taxes	(15.1)	(28.1)	13.0	46 %
Provision (benefit) for income taxes	—	(0.1)	(0.1)	(100)%
Net (loss)	$ (15.1)	$ (28.0)	$ 12.9	46 %

	Six Months Ended June 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Gross profit (loss)	$ 11.2	$ (17.4)	$ 28.6	164 %
Advanced technology costs	5.8	51.3	45.5	89 %
Selling, general and administrative	18.6	21.8	3.2	15 %
Amortization of intangible assets	6.0	—	(6.0)	— %
Special charges for workforce reductions	3.5	2.0	(1.5)	(75)%
Other (income)	(1.5)	(34.6)	(33.1)	(96)%
Operating (loss)	(21.2)	(57.9)	36.7	63 %
Interest expense	9.8	9.3	(0.5)	(5)%
Interest (income)	(0.2)	(0.4)	(0.2)	(50)%
Reorganization items, net	—	13.1	13.1	100 %
(Loss) from before income taxes	(30.8)	(79.9)	49.1	61 %
Provision (benefit) for income taxes	(0.3)	(1.1)	(0.8)	(73)%
Net (loss)	$ (30.5)	$ (78.8)	$ 48.3	61 %

Advanced Technology Costs

Advanced technology costs declined $14.0 million in the three months and $45.5 million in the six months ended June 30, 2015, compared to the corresponding periods in 2014, reflecting development work performed in the prior periods under the Cooperative Agreement with DOE, which expired in accordance with its terms on April 30, 2014.

American Centrifuge costs incurred by the Company that are outside of the current ACTDO Agreement are included in advanced technology costs, including certain demobilization and maintenance costs. Such costs totaled $4.0 million in the three months and $5.8 million in the six months ended June 30, 2015, and $7.0 million in May-June 2014.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses declined $3.8 million in the three months and $3.2 million in the six months ended June 30, 2015, compared to the corresponding periods in 2014. Salaries, benefits and other compensation declined $4.5 million in the three-month period and $5.4 million in the six-month period, including a gain of $3.9 million resulting from the remeasurement of pension obligations under the Employees' Retirement Plan of Centrus Energy Corp. and the non-qualified supplemental executive pension plans. The remeasurements resulted from the level of lump-sum payments to former employees including those affected by workforce reductions. Consulting costs increased $0.3 million and $1.0 million in the three- and six-month periods, respectively. Office related expenses increased $0.9 million in the six-month period.

Amortization of Intangible Assets

Amortization commenced in the fourth quarter of 2014 for the intangible assets resulting from the Company's emergence from bankruptcy and adoption of fresh start accounting.

Special Charges for Workforce Reductions

The cessation of enrichment at the Paducah GDP and evolving business needs have resulted in workforce reductions since July 2013. In the three and six months ended June 30, 2015, special charges consisted of termination benefits of $2.9 million and $3.8 million, respectively, less $0.3 million in the six-month period for severance paid by the Company and invoiced to DOE for its share of employee severance.

In the three and six months ended June 30, 2014, special charges for termination benefits consisted of $4.1 million in the three-month period and $4.2 million in the six-month period, less amounts paid by the Company and invoiced to DOE of $1.6 million in the three-month period and $2.2 million in the six-month period.

Other (Income)

In the three and six months ended June 30, 2015, other income consisted of net gains on sales of assets and property.

DOE and the Company provided cost-sharing support for American Centrifuge activities under the Cooperative Agreement, which expired in accordance with its terms on April 30, 2014. DOE's cost share of qualifying American Centrifuge expenditures in the three and six months ended June 30, 2014 was recognized as other income.

Reorganization Items, Net

Beginning in the first quarter of 2014, expenses, gains and losses directly associated with our reorganization were reported as *Reorganization Items, Net.*

Provision (Benefit) for Income Taxes

The income tax benefit was $0 for the three months and $0.3 million for the six months ended June 30, 2015. The income tax benefit was $0.1 million for the three months and $1.1 million for the six months ended June 30, 2014. Included in the income tax benefit was a discrete item for reversals of previously accrued amounts associated with liabilities for unrecognized benefits of $0.3 million for the six months ended June 30, 2015 and $1.0 million for the corresponding period in 2014.

Because there is a full valuation allowance against deferred tax assets and there are pretax losses and, for the six months ended June 30, 2014, income in other components of the financial statements (i.e., Other Comprehensive Income), the income tax benefit for the six months ended June 30, 2014, excluding discrete items, from pretax losses is limited to the amount of income tax expense recorded on Other Comprehensive Income. This income tax benefit is calculated using an estimated annual effective tax rate. The estimated annual effective tax rate applied to pretax losses for an interim period is calculated using the estimated full-year plan for ordinary income and the year-to-date income tax expense for all other components of the financial statements.

Net (Loss)

Our net loss declined $12.9 million in the three months and $48.3 million in the six months ended June 30, 2015, compared to the corresponding periods in 2014, reflecting the increases in gross profit for the LEU segment and declines in advanced technology costs and reorganization items, partially offset by amortization of intangible assets that resulted from our reorganization.

Liquidity and Capital Resources

We ended the second quarter of 2015 with a consolidated cash balance of $218.5 million. We anticipate having adequate liquidity to support our business operations for at least the next 12 months. Our view of liquidity is dependent on our operations and the level of expenditures and government funding for the American Centrifuge program. Liquidity requirements for our existing operations are affected by the timing and amount of customer sales and purchases of Russian LEU.

Substantially all revenue-generating operations of the Company are conducted at the subsidiary level. Centrus' principal source of funding for American Centrifuge activities is provided (i) under the fixed-price ACTDO Agreement with ORNL; and (ii) funding provided by Centrus' wholly owned subsidiary United States Enrichment Corporation ("Enrichment Corp.") to Centrus and its 100% indirectly owned subsidiary American Centrifuge Operating, LLC pursuant to two secured intercompany financing notes (the "Intercompany Notes"). The financing obtained from Enrichment Corp. funds American Centrifuge activities pending receipt of payments related to work performed under the ACTDO Agreement, American Centrifuge costs that are outside the scope of work under the ACTDO Agreement, including costs of the limited demobilization and contract termination costs resulting from the reduction in scope of work under the ACTDO Agreement as compared to the scope of work under the prior Cooperative Agreement, and general corporate expenses, including cash interest payments on our 8% paid-in-kind toggle notes ("PIK Toggle Notes"). Capital expenditures are expected to be insignificant for at least the next 12 months.

We believe our sales backlog in our LEU segment is a source of stability for our liquidity position. However, due to the current supply/demand imbalance in the nuclear fuel market, the sharp decrease in market prices since the March 2011 earthquake and tsunami in Japan, uncertainty about the future prospects for commercial production at the ACP and the end to domestic production at the Paducah GDP, our sales backlog has declined in recent years. Although we see limited uncommitted demand for LEU prior to the end of the decade based on current market conditions, we continue to seek and make additional sales, including sales for delivery during that time period.

The ACTDO Agreement is a firm, fixed-price contract that provides for continued cascade operations and the continuation of core American Centrifuge research and technology activities and the furnishing of related reports to ORNL. The agreement is incrementally funded and currently provides for payments through September 30, 2015. As described in more detail above in *Overview*, appropriations for the centrifuge program for government fiscal year 2016 will require further action from both Congress and the President.

The scope of the overall work under the ACTDO Agreement is reduced from the scope of work that was being conducted by us under the prior Cooperative Agreement with DOE. We have demobilized portions of the program areas not being continued under the reduced scope. We incurred approximately $17 million in 2014 and $5 million in the first half of 2015 to demobilize portions of the program areas not being continued under the reduced scope. The costs associated with our limited demobilization activities are included in advanced technology costs. We expect to incur an estimated $1 million to $2 million in additional demobilization costs during the remainder of 2015. These costs exclude any offsetting proceeds from sales of our assets no longer needed in our current activities. These costs relate to securing classified and export controlled information and intellectual property, preparing to preserve machinery and equipment with a structured maintenance plan to protect the long-term viability and operability of this specialized equipment, transporting and consolidating selected materials and equipment that may be necessary for future deployment, and terminating supplier contracts. The objective of the limited demobilization is to not only reduce costs for which no external funding exists, but also to preserve our ability to remobilize certain project activities effectively at a future date. We worked with affected suppliers in order to terminate contracts either by their terms or in a consensual manner such that relationships will be maintained to reconstitute the industrial base to support deployment of the American Centrifuge for national security purposes or for commercialization.

Notwithstanding the limited demobilization costs described above, substantially all of our American Centrifuge project costs are supported by the ACTDO Agreement. Spending levels and scope are expected to remain in line with the ACTDO Agreement and any subsequent agreements funded by the U.S. government until an investment opportunity to commercialize the ACP is viable. In the event that funding by the U.S. government is discontinued, the American Centrifuge project may be subject to further demobilization, delays and termination. Any such actions may have a material adverse impact on our ability to deploy the American Centrifuge technology and on our liquidity. A decision to further demobilize or terminate the project would result in severance costs, contractual commitments, and other related costs which would impose additional demands on our liquidity. In addition, notwithstanding our emergence from bankruptcy, we continue to be subject to actions that may be taken by vendors, customers, creditors and other third parties in response to our actions or based on their view of our financial strength and future business prospects, could give rise to events that individually, or in the aggregate, impose significant demands on our liquidity.

The prospects for any commercial deployment of the American Centrifuge technology are likely delayed for several years until the current oversupply of enriched uranium has been absorbed and market price indicators have improved, providing the basis for capital investment. Commercial deployment of a future domestic enrichment plant will require a substantial amount of capital. In order to successfully raise this capital, we need to establish a viable business plan that supports loan repayment and provides potential investors with an attractive return on investment based on the project's risk profile, which is not supported by current market conditions without additional government support.

As described below under *Defined Benefit Plan Funding*, we are in discussions with the PBGC and its financial advisor regarding the impact of our de-leases of the Portsmouth and Paducah GDPs and related transition of employees as well as the continuing transition of our business on our defined benefit plan funding obligations.

The change in cash and cash equivalents from our condensed consolidated statements of cash flows are as follows on a summarized basis (in millions):

	Six Months Ended June 30,	
	Successor	Predecessor
	2015	2014
Net Cash (Used in) Operating Activities	$ (5.8)	$ (193.4)
Net Cash Provided by Investing Activities	5.5	2.6
Net Cash (Used in) Financing Activities	—	(0.1)
Net (Decrease) in Cash and Cash Equivalents	**$ (0.3)**	**$ (190.9)**

Operating Activities

Monetization of inventory purchased or produced in prior periods provided cash flow in the six months ended June 30, 2015 as inventories declined $118.1 million due to sales deliveries exceeding product received under SWU purchase agreements. In addition, accounts receivable declined $31.8 million due to monetization in the first quarter without increased sales and billings. The net reduction of the SWU purchase payables balance of $116.9 million, due to the timing of purchase deliveries, was a significant use of cash flow in the six-month period. The net loss of $30.5 million in the six months ended June 30, 2015, net of non-cash charges including depreciation and amortization, was a use of cash flow.

In the corresponding period in 2014, payment of the SWU purchase payables balance of $340.7 million, due to the timing of purchase deliveries, was a significant use of cash flow, as was the net reduction in accounts payable and accrued liabilities by $34.8 million due to reduced operational activity. The net loss of $78.8 million, net of non-cash charges including depreciation and amortization, was a use of cash flow. Monetization of inventory purchased or produced in prior periods provided cash flow in the six-month period as accounts receivable declined $137.9 million and inventories declined $127.7 million.

Investing Activities

There were no capital expenditures in the six months ended June 30, 2015 or the corresponding period in 2014. Cash collateral deposits decreased $4.0 million in the six months ended June 30, 2015, and $2.2 million in the corresponding period in 2014, commensurate with declines in surety bonds required for waste disposition.

Working Capital

	June 30, 2015	December 31, 2014
	(millions)	
Cash and cash equivalents	$ 218.5	$ 218.8
Accounts receivable, net	27.1	58.9
Inventories, net	185.2	303.3
Other current assets and liabilities, net	(82.0)	(215.0)
Working capital	**$ 348.8**	**$ 366.0**

Defined Benefit Plan Funding

We contributed $7.4 million to the non-qualified defined benefit pension plans in the six months ended June 30, 2015, and we expect to contribute less than $1.0 million in the remainder of 2015. We do not expect there to be a required contribution for the qualified defined benefit pension plans in 2015, and therefore, we do not expect to contribute in 2015. There is no required contribution for the postretirement health and life benefit plans under ERISA, and we do not expect to contribute in 2015.

In addition, we have been in discussion with the PBGC and its financial advisor regarding the status of the qualified pension plans, including with respect to potential liability under ERISA Section 4062(e). On September 30, 2011, Enrichment Corp. completed the de-lease to DOE of the Portsmouth GDP and transition of employees performing government services work to DOE's D&D contractor. Enrichment Corp. notified the PBGC of this occurrence at that time.

Further, at the end of May 2013, Enrichment Corp. ceased enrichment at the Paducah GDP and on October 21, 2014, completed the de-lease and return of the facility to DOE. In connection with the de-lease and return of the Paducah GDP to DOE, the remaining employees at the Paducah GDP were terminated other than a few employees that have been retained to continue operations related to servicing customers, implementation of the Russian Supply Agreement and to fill positions elsewhere in the Company.

After receiving the Company's notification of the transition of employees at the Portsmouth GDP in 2011, the PBGC staff at that time informally advised Enrichment Corp. of its preliminary view that the Portsmouth GDP transition was a cessation of operations that triggered liability under ERISA Section 4062(e) and that its preliminary estimate was that the ERISA Section 4062(e) liability (computed by taking into account the plan's underfunding on a "termination basis," which amount differs from that computed for GAAP purposes) for the Portsmouth GDP transition was approximately $130 million. At that time, Enrichment Corp. informed the PBGC that it did not agree with the PBGC staff's view that ERISA Section 4062(e) liability was triggered in 2011, and also disputed the amount of the preliminary PBGC calculation of the potential ERISA Section 4062(e) liability. At the end of May 2013, the PBGC staff also informally advised Enrichment Corp. that the Paducah de-lease would be a cessation of operations under section 4062(e) when more than 20% of the Enrichment Corp.'s employees who are participants in a PBGC-covered pension plan were separated. The 20% reduction to the active plan participant threshold was reached at Paducah in April 2014.

Subsequently, on December 16, 2014, the President signed into law the Consolidated and Further Continuing Appropriations Act, 2015 (the "CFCAA"), which made major changes to ERISA section 4062(e). The CFCAA changes the criteria for triggering liability under section 4062(e); provides certain exemptions from the applicability of section 4062(e) to certain events; permits companies to satisfy the liability by making payments into the pension over seven years, but ceases once the pension reaches a 90% funding level as calculated under the method provided in the CFCAA; subject to an exception not applicable here, prohibits the PBGC from taking any enforcement, administrative or other action under section 4062(e) that is inconsistent with the amendments made by the CFCAA based on events that occurred before the date of enactment (December 16, 2014); and permits companies to elect to satisfy any liability under section 4062(e) as provided in the CFCAA for an event that had occurred prior to date of enactment as if such cessation had occurred on such date of enactment. While the PBGC has not issued any guidance or rules regarding the implementation of the changes to section 4062(e), we believe that in the event the PBGC were to determine that a cessation of operations had occurred under section 4062(e) as a result of the Portsmouth GDP transition or the Paducah GDP transition (events that occurred before enactment of the CFCAA), the Company could elect to satisfy any section 4062(e) liability under the provisions of the CFCAA. As of January 1, 2014, (the first plan year for which payments would otherwise be required) the Enrichment Corp. pension plan was over 90% funded under the method used in the CFCAA. Consequently the Company believes that any such liability would be fully satisfied under the method provided in the CFCAA.

The PBGC, however, has other authorities under ERISA that it may consider to address the Portsmouth and Paducah transitions or otherwise in connection with the Company's qualified defined benefit pension plans. These authorities include, but are not limited to, initiating involuntary termination of underfunded plans and seeking liens or additional funding. We would seek to defend against the assertion by the PBGC of any such authorities based on the facts and circumstances at the time. The involuntary termination by the PBGC of any of the qualified pension plans of Centrus or Enrichment Corp. would result in the termination of the limited, conditional guaranty by Enrichment Corp. of the PIK Toggle Notes (other than with respect to the unconditional interest claim).

We have been engaged in discussions with the PBGC since the Portsmouth GDP transition. In 2014, prior to enactment of the CFCAA, the PBGC informed the Company that the PBGC had retained an outside financial advisor to advise the PBGC on the Company's business and the need for and advisability of any actions that may be

taken by the PBGC. The Company has continued discussions with PBGC and its financial advisor. The PBGC has indicated it would like to discuss the potential for the Company to make contributions to the pension in advance of statutory funding requirements as amended by the Highway and Transportation Funding Act of 2014. The Company believes it is in the best interest of all stakeholders, including the PBGC, the covered plan participants and the Company, to continue funding of the qualified pension plans in the ordinary course and expects to do so, but there is no assurance that the PBGC will agree with that approach.

Capital Structure and Financial Resources

At June 30, 2015, our debt consisted of $244.0 million of PIK Toggle Notes. The PIK Toggle Notes will mature on September 30, 2019. However, the maturity date can be extended to September 30, 2024 upon the satisfaction of certain funding conditions described in the Indenture relating to the funding, under binding agreements, of (i) the American Centrifuge project or (ii) the implementation and deployment of a National Security Train Program utilizing American Centrifuge technology. The PIK Toggle Notes pay interest at a rate of 8.0% per annum. Interest is payable semi-annually in arrears based on a 360-day year consisting of twelve 30-day months. The Company has elected to pay 3.0% per annum of interest due on the PIK Toggle Notes for the interest periods ending on March 31, 2015 and September 30, 2015 in the form of PIK payments. As such, interest for the semi-annual period ended March 31, 2015 was paid as $6.0 million in cash and $3.6 million in PIK payments. Total interest payable at June 30, 2015 is $4.9 million, of which the expected cash portion of $3.1 million is included in accounts payable and accrued liabilities and the expected PIK portion of $1.8 million is included in other long-term liabilities.

For any interest payment date from October 1, 2015, through the maturity of the PIK Toggle Notes, the Company has the option to pay up to 5.5% per annum of interest due on the PIK Toggle Notes in the form of PIK payments. The PIK Toggle Notes are guaranteed on a limited, subordinated and conditional basis by Enrichment Corp. Enrichment Corp. will be released from its guarantee without the consent of the holders of the PIK Toggle Notes upon the occurrence of certain termination events (other than with respect to the unconditional interest claim). Additional terms and conditions of the PIK Toggle Notes are described in Note 8 of the condensed consolidated financial statements.

As described in more detail above and under *Defined Benefit Plan Funding*, we are managing our working capital to improve the long term value of our LEU business and are planning to continue funding the Company's qualified pension plans in the ordinary course because we believe that is in the best interest of all stakeholders. We expect that any other uses of working capital will be undertaken in light of these strategic priorities and will be based on the Company's determination as to the relative strength of its operating performance and prospects, financial position and expected liquidity requirements. In addition, we expect that any such other uses of working capital will be subject to compliance with contractual restrictions to which the Company and its subsidiaries are subject, including the terms and conditions of the Indenture. While the Company will continue to evaluate alternatives to manage our capital structure, the Company does not currently intend to utilize working capital to repurchase or redeem the PIK Toggle Notes or other Company securities.

Off-Balance Sheet Arrangements

Other than outstanding letters of credit and surety bonds, our purchase commitments under the Russian Supply Agreement and the license agreement with DOE relating to the American Centrifuge technology disclosed in our 2014 Annual Report, there were no material off-balance sheet arrangements, obligations, or other relationships at June 30, 2015 or December 31, 2014.

New Accounting Standards Not Yet Implemented

Reference is made to *New Accounting Standards* in Note 1 of the condensed consolidated financial statements for information on new accounting standards.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

At June 30, 2015, the balance sheet carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and payables under SWU purchase agreements approximate fair value because of the short-term nature of the instruments.

We have not entered into financial instruments for trading purposes. At June 30, 2015, our debt consisted of the PIK Toggle Notes with a balance sheet carrying value of $244.0 million. The estimated fair value of the PIK Toggle Notes was $96.7 million based on the most recent trading price as of June 30, 2015.

Item 4. ***Controls and Procedures***

Disclosure Controls and Procedures

Centrus maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by Centrus in reports it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

As of the end of the period covered by this report, Centrus carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon, and as of the date of, this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. *Legal Proceedings*

The following information supplements and amends our discussion set forth under Part I, Item 1, *Legal Proceedings,* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as previously supplemented and amended by the information set forth under Part II, Item 1, *Legal Proceedings,* in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.

On December 31, 2014, our subsidiary, Enrichment Corp., submitted a demand for binding arbitration to Entergy Services, Inc. and Entergy Nuclear Fuels Company (together with Entergy Services, Inc., "Entergy") to resolve a dispute regarding their alleged repudiation of two sales contracts (the "Contracts") with Enrichment Corp. On July 29, 2015, Enrichment Corp. and Entergy entered into a Confidential Settlement Agreement (the "Settlement Agreement") that resolved the arbitration through modifications to the Contracts. No monetary awards or payments will be made with respect to the Settlement Agreement. The Settlement Agreement represents a full and final resolution of the dispute related to the Contracts. We are currently evaluating the impact of the Settlement Agreement, if any, on our financial condition, primarily related to the non-cash intangible assets recorded through the application of fresh-start accounting on September 30, 2014.

On February 5, 2015, the Company filed claims with DOE for payment under the Contract Disputes Act for approximately $1.6 million related to services performed in 2013. On May 5, 2015, the Company filed a motion for summary judgment in the litigation. In June 2015, the Company voluntarily dismissed the claim and received payment from DOE of the approximately $1.6 million.

Centrus is subject to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, we do not believe that the outcome of any of these legal matters will have a material adverse effect on our results of operations or financial condition.

Item 1A. *Risk Factors*

Except as set forth below, there have been no material changes to the Risk Factors described in Part I, Item 1A, *Risk Factors*, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

The ability to attract and retain key personnel is critical to the success of our business.

The success of our business depends on key executives, managers, scientists, engineers and other skilled personnel. The ability to attract and retain these key personnel may be difficult in light of our emergence from Chapter 11 bankruptcy, the uncertainties currently facing the business and changes we may make to the organizational structure to adjust to changing circumstances. For example, there have been several changes to the Company's senior management, including a new Chief Executive Officer in March 2015 and a new Chief Financial Officer in July 2015. These changes in senior management could create uncertainty among our employees, customers and other third parties with which we do business. Our future success depends in large part upon the effective transition of our new management team. The inability to retain appropriately qualified and experienced senior executives could negatively affect our operations, strategic planning and performance.

We do not have key man life insurance policies and, with the exception of our Chief Executive Officer, we do not have employment agreements with our corporate executives or other key personnel. If executives, managers or other key personnel resign, retire or are terminated, or their service is otherwise interrupted, we may not be able to replace them in a timely manner and we could experience significant declines in productivity. In addition, most of the key personnel are involved in the development of the American Centrifuge technology and all of them have security clearances. Given the proprietary nature of centrifuge technology, we are also at risk as to its intellectual property if key employees resign to work for a competitor.

Item 6. ***Exhibits***

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report and such Exhibit Index is incorporated herein by reference. The accompanying Exhibit Index identifies each management contract or compensatory plan or arrangement required to be filed as an exhibit to this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Centrus Energy Corp.

Date: August 7, 2015

By: /s/ Stephen S. Greene

Stephen S. Greene

Senior Vice President, Chief Financial Officer and Treasurer

(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Letter Agreement, dated June 22, 2015, supplementing the Enriched Product Transitional Supply Contract dated March 23, 2011 between United States Enrichment Corporation and TENEX. (Certain information has been omitted and filed separately pursuant to confidential treatment under Rule 24b-2). (a)
10.2	Modification 20 dated April 14, 2015 to Subcontract No. 4000130255 issued by UT-Battelle, LLC acting under contract DE-AC05-00OR22725 with the U.S. Department of Energy, listing USEC Inc. as Seller for Centrifuge Information and Analysis, dated May 1, 2014. (a)
10.3	Modification 21 dated May 12, 2015 to Subcontract No. 4000130255 issued by UT-Battelle, LLC acting under contract DE-AC05-00OR22725 with the U.S. Department of Energy, listing USEC Inc. as Seller for Centrifuge Information and Analysis, dated May 1, 2014. (a)
10.4	Modification 22 dated June 15, 2015 to Subcontract No. 4000130255 issued by UT-Battelle, LLC acting under contract DE-AC05-00OR22725 with the U.S. Department of Energy, listing USEC Inc. as Seller for Centrifuge Information and Analysis, dated May 1, 2014. (a)
10.5	Centrus Energy Corp. Executive Deferred Compensation Plan, as amended and restated. (a) (b)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended. (a)
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended. (a)
32.1	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350. (a)
101	Condensed consolidated financial statements from the quarterly report on Form 10-Q for the quarter ended June 30, 2015, filed in interactive data file (XBRL) format.

(a) Filed herewith.

(b) Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of this report.

EXHIBIT 10.1

Business Confidential Proprietary Information

Confidential information has been omitted in places marked "***" and has been filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to this omitted information.**

United States Enrichment Corporation

A Centrus Energy Corp. Subsidiary

Philip G. Sewell
Senior Vice President & Chief Development Officer
(301) 564-3305 *phone*
(301) 564-3205 *fax*

June 18, 2015

Business Confidential Proprietary Information
Mr. Sergey I. Polgorodnik
First Deputy General Director
Joint Stock Company "TENEX"
Ozerkovskaya nab., 28 bld. 3
Moscow, 115184, Russia

Ref: Enriched Product Transitional Supply Contract, TENEX Contract No. 08843672/110033-051, USEC Contract No. EC-SC01-11-UE-03127, as amended (the "Contract")

Subject: Modification to the Contract

Dear Mr. Polgorodnik:

We have determined that United States Enrichment Corporation ("USEC") will order at least 978,000 separative work units from Joint Stock Company "TENEX" ("TENEX") under the Contract for delivery in 2015. In order for USEC to make this purchase, we need a small part of U.S. Consumption Quota Amount in addition to the increase of Initial USEC U.S. Consumption Quota Amount to which USEC is entitled pursuant to ***** the Contract (as modified by Amendment No. 004 dated September 10, 2014).

Accordingly, we propose that, by execution of this amending letter agreement to the Contract and pursuant to Paragraph I-4 of the Contract, TENEX and USEC agree to amend Appendix I to the Contract (as previously modified by Amendment No. 004 dated September 10, 2014) by *****.

This letter agreement, once countersigned by TENEX, shall constitute a supplement to the Contract under Section 20.04 of the Contract and to the extent that it is not consistent with an express terms of the Contract, this letter agreement shall control. All capitalized terms used but not defined in this letter agreement shall have the meanings ascribed to such terms in the Contract.

Please indicate your agreement to all of the above by signing on behalf of TENEX in the space provided below. This letter agreement shall be effective as of the first date by that TENEX has signed in the space provided. This letter agreement may be signed in counterparts and delivered by any of the means permitted by Section 16.01 of the Contract, including by electronic mail in Adobe portable document format

(.pdf) to the electronic mail addresses in Section 16.01. A counterpart document (including in .pdf format) signed by a Party shall constitute an original and all such signed counterparts assembled together shall constitute a fully executed agreement.

Sincerely,

/s/ Philip G. Sewell

Philip G. Sewell

Agreed on behalf of Joint Stock Company "TENEX"

/s/ Sergey I. Polgorodnik
(signature)

Sergey I. Polgorodnik
(name)

First Deputy General Director
(title)

June 22, 2015
(date)

EXHIBIT 10.2

EXHIBIT 10.3

EXHIBIT 10.4

EXHIBIT 10.5

CENTRUS ENERGY CORP.

Executive Deferred Compensation Plan

Amended and Restated Effective June 1, 2015

CENTRUS ENERGY CORP.
EXECUTIVE DEFERRED COMPENSATION PLAN

Centrus Energy Corp. (the "**Company**"), on behalf of itself and its Participating Affiliates, hereby establishes this amended and restated Executive Deferred Compensation Plan (the "**Plan**"), originally effective January 1, 2008 and hereby amended and restated effective June 1, 2015 (the "**Effective Date**"), for the purpose of attracting high quality executives and promoting in them increased efficiency and an interest in the successful operation of the Company. The Plan is intended to, and shall be interpreted to, comply in all respects with Code Section 409A and those provisions of ERISA (as defined below) applicable to an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees."

Whereas the Plan was frozen effective December 31, 2012 and no Participants have been eligible to make or receive deferral or Company contributions since such date, the Company now desires to amend and restate the Plan to reinstate the Plan as of the Effective Date and change the Plan name to incorporate the new Company name, as well as to make certain additional administrative and design changes to update the Plan. The Plan previously amended and restated the USEC Inc. 401(k) Restoration Plan, which was originally effective January 1, 2000. All existing account balances under the prior Plan (whether or not previously eligible for grandfathering under 409A) have been rolled into this Plan and shall be subject to all of the terms of this Plan in a manner that shall company with Code Section 409A. No changes shall be made by reason of this restatement to the timing and form of payment of amounts previously credited to the Plan, except as may be permitted under Code Section 409A.

ARTICLE I

DEFINITIONS

1.1 "**Account**" or "**Accounts**" shall mean the bookkeeping Deferral Accounts and/or Company Contribution Accounts established under this Plan pursuant to Article 4.

1.2 "**Base Salary**" shall mean a Participant's annual base salary, excluding incentive and discretionary bonuses, commissions, reimbursements, severance and other non-regular remuneration, received from the Employer prior to reduction for any salary deferrals under benefit plans sponsored by the Employer, including but not limited to, plans established pursuant to Code Section 125 or qualified pursuant to Code Section 401(k).

1.3 "**Beneficiary**" or "**Beneficiaries**" shall mean the person, persons or entity designated as such pursuant to Article 7.

1.4 "**Board**" shall mean the Board of Directors of Company.

1.5 "**Bonus(es)**" shall mean cash amounts paid to the Participant by the Employer annually in the form of discretionary annual bonuses, or any other amounts designated by the Committee as available for deferral under this Plan, before reductions for contributions to or deferrals under any pension, deferred compensation or benefit plans sponsored by the Employer.

1.6 "**Change in Control**" shall mean the following, and shall be deemed to have occurred if any of the following events shall have occurred:

(a) any "Person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act or Persons acting as a group (other than (A) the Company, (B) any trustee or other fiduciary holding securities under

an employee benefit plan of the Company, and (C) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Shares), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company by reason of having acquired such securities during the 12-month period ending on the date of the most recent acquisition (not including any securities acquired directly from the Company or its affiliates) representing thirty percent (30%) or more of the total voting power of the Company's then outstanding voting securities;

(b) the majority of members of the Company's Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors before the date of the appointment;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, resulting in a change described in (a), (b), (d) or (e) of this definition, other than (i) a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) more than sixty percent (60%) of the total voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person, directly or indirectly, acquired forty percent (40%) or more of the total voting power of the Company's then outstanding securities (not including any securities acquired directly from the Company or its affiliates);

(d) a complete liquidation of the Company involving the sale to any Person or group of at least forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately before the liquidation; or

(e) the sale or disposition by the Company to any Person or group of all or substantially all of the Company's assets, but in no event less than forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately before such sale or disposition (or any transaction having a similar effect), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least sixty percent (60%) of the total voting power of the voting securities of which is owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, no event shall constitute a Change of Control for purposes of this Plan if it is not "a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Code Section 409A.

1.7 "**Code**" shall mean the Internal Revenue Code of 1986, as amended, as interpreted by Treasury regulations and applicable authorities promulgated thereunder.

1.8 "**Committee**" shall mean the person or persons appointed by the Board to administer the Plan in accordance with Article 8.

1.9 "**Company Contributions**" shall mean the contributions made by the Employer pursuant to Section 3.2.

1.10 "**Company Contribution Account(s)**" shall mean the Account or Accounts maintained for the benefit of the Participant which are credited with Company Contributions pursuant to Section 4.2.

1.11 "**Compensation**" shall mean all amounts eligible for deferral for a particular Plan Year under Section 3.1(a).

1.12 "**Crediting Rate**" shall mean the notional gains and losses credited on the Participant's Account balance which are based on the Participant's choice among the investment alternatives made available by the Committee pursuant to Section 3.4 of the Plan.

1.13 "**Deferral Account(s)**" shall mean the Accounts maintained for each Participant which are credited with Participant deferrals pursuant to Section 4.1.

1.14 "**Disability**" shall mean either (i) a medically determinable physical or mental impairment of the Participant that can be expected to result in death or can be expected to last for a continuous period of at least twelve (12) months that would qualify as a disability under the Employer's then current long-term disability plan; provided the Participant has been receiving income replacement benefits under such an accident and health plan maintained by the Employer for no less than three (3) months, or (ii) any other definition of "disability" that satisfies the requirements of Code Section 409A(a)(2)(C) and Treasury Regulation Section 1.409A-3(i)(4), if such other definition results in an earlier determination of disability. The Committee may require that the Participant submit evidence of such qualification for disability benefits in order to determine that the Participant is disabled under this Plan.

1.15 "**Distributable Amount**" shall mean the vested balance in the applicable Account as determined under Article 4.

1.16 "**Eligible Employee**" shall mean a highly compensated or management level employee of the Company, or a Participating Affiliate, selected by the Committee to be eligible to participate in the Plan.

1.17 "**Employer**" shall mean the Company or Participating Affiliate which is the legal employer of the Participant.

1.18 "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, including Department of Labor and Treasury regulations and applicable authorities promulgated thereunder.

1.19 "**Financial Hardship**" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, a dependent (as defined in Code Section 152(a)), or a Beneficiary of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, (but shall in all events correspond to the meaning of the term "unforseeable emergency" under Code Section 409A).

1.20 "**Fund**" or "**Funds**" shall mean one or more of the investment funds selected by the Committee pursuant to Section 3.4 of the Plan.

1.21 "**Hardship Distribution**" shall mean an accelerated distribution of benefits or a reduction or cessation of current deferrals pursuant to Section 6.5 to a Participant who has suffered a Financial Hardship.

1.22 "**Participant**" shall mean any Eligible Employee who becomes a Participant in this Plan in accordance with Article 2.

1.23 "**Participant Election(s)**" shall mean the forms or procedures by which a Participant makes elections with respect to (1) voluntary deferrals of his/her Compensation, (2) the investment Funds which shall act as the basis for crediting of interest on Account balances, and (3) the form and timing of

distributions from Accounts. Participant Elections may take the form of an electronic communication followed by appropriate confirmation according to specifications established by the Committee.

1.24 "**Participating Affiliate(s)**" shall mean United States Enrichment, American Centrifuge Operating LLC and American Centrifuge Manufacturing LLC and such other majority owned subsidiaries of the Company as the Committee may authorize to participate in the Plan. In order for a new entity to become a Participating Affiliate, such entity shall deliver to the Committee a resolution evidencing adoption of the Plan by the Participating Affiliate. Each Participating Affiliate, by adopting the Plan agrees to comply with any requirements of the Committee with respect to administration of the plan, and authorizes the Committee and/or the Company to act as its agent in all transactions in which the Committee believes such agency will facilitate administration of the Plan, including amendment or termination of the Plan. A Participating Affiliate may independently terminate its participation in the Plan under the terms and conditions provided in Section 9.1.

1.25 "**Payment Date**" shall mean the date on which a lump sum payment shall be made or the date on which installment payments shall commence and shall, in all events, be limited to a qualifying distribution date or event under Code Section 409A. Unless otherwise specified, the Payment Date shall be on the date determined by the Committee during the first ninety (90) days commencing after the qualifying distribution event triggering payout. In the case of death, the Committee shall be provided with documentation reasonably necessary to establish the fact of the Participant's death. Where installment payments have been elected, subsequent installments shall be paid on the Payment Date determined by the Committee during the first ninety (90) days of each subsequent Plan Year. The Payment Date of a Scheduled Distribution shall be on the date determined by the Committee during the first ninety (90) days of the Plan Year in which the distribution is scheduled to commence. Notwithstanding the foregoing or any other provision of the Plan, the Payment Date for distributions to be paid pursuant to this Plan based upon a Participant's Termination of Employment (other than by reason of death or Disability) at a time when the Board or the Compensation Committee of the Company has determined that such Participant is a Specified Employee shall not be earlier than the date which is six (6) months and one day after the Participant's Termination of Employment to the extent such delay is required by Code Section 409A. Any payment delayed by reason of the preceding sentence shall be caught up and paid in the form of a single lump sum on the earliest date such payment is permitted without the imposition of excise taxes under Code Section 409A, as reasonably determined by the Committee.

1.26 "**Plan Year**" shall mean the calendar year.

1.27 "**Qualified Plan**" shall mean the Centrus Savings Program or such other Section 401(k) retirement plan qualified under Section 401(a) of the Code which is sponsored by the Employer (or to which the Employer contributes) in the relevant Plan Year and is designated by the Committee to be taken into account for purposes of the calculation of Company Contributions made to this Plan.

1.28 "**Retirement**" shall mean Termination of Employment after the Participant has attained age fifty-five (55) and completed at least ten (10) Years of Service.

1.29 "**Scheduled Distribution**" shall mean a scheduled distribution elected by the Participant for distribution of amounts from a specified Deferral Account, including notional earnings thereon, as provided under Section 6.4.

1.30 "**Specified Employee**" shall mean any person described in Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i) as determined from time to time by the Board or the Compensation Committee of the Company.

1.31 "**Statutory Limitations**" shall mean any statutory or regulatory limitations on salary reduction (other than the applicable dollar limit under Code Section 402(g)(1)) or matching contributions to the Qualified Plan, or on compensation taken into account in calculating employer or employee contributions to the Qualified Plan.

1.32 "**Termination of Employment**" shall mean the date of the Participant's "separation from service" with the Employer as such concept is defined under Code Section 409A for any reason whatsoever, whether voluntary or involuntary, including as a result of the Participant's Retirement, death or Disability. For purpose of the preceding sentence, separation from service shall be interpreted consistent with the requirements of Code Section 409A to mean that the level of services provided by the Participant to the Employer in any capacity has permanently decreased to a level equal to no more than twenty percent (20%) of the average level of services performed by such Participant for the Employer during the immediately preceding thirty-six (36) month period (or the Participant's full period of service if a lesser period). Notwithstanding the foregoing, in the event that the Participant transfers from the Employer to provide substantial services (as defined above) to another Employer having common ownership with the original Employer of at least fifty percent (50%), the Participant shall not be considered to have terminated employment for purposes of this Plan. The Committee retains the right and discretion to specify, and may specify, whether a Termination of Employment occurs for individuals providing services to the Company immediately prior to an asset purchase transaction in which the Company or an affiliate is the seller who provides services to a buyer after and in connection with such asset purchase transaction; provided such specification is made in accordance with the requirements of Treasury Regulation Section 1.409A-1(h)(4).

1.33 "**Termination for Cause**" or "**Cause**" shall have the meaning given to such term or concept in the Participant's employment contract with the Employer as of the date of the Participant's Termination of Employment or, if no such agreement or definition exists shall mean the Participant's Termination of Employment by reason of any of the following:

(i) the engaging by the Participant in willful misconduct that is injurious to the Company, the Employer or any of their affiliate;

(ii) the embezzlement or misappropriation of funds or property of the Company, the Employer or any affiliate by the Participate, or the conviction of the Participant of a felony or the entrance of a plea of guilty or nolo contendere by the Participant to a felony; or

(iii) the willful failure or refusal by the Participant to substantially perform his or her duties or responsibilities that continues after demand for substantial performance is delivered by the Employer to the Participant that specifically identifies the manner in which the Employer believes the Participant has not substantially performed his or her duties (other than (x) any such failure resulting from the Participant's incapacity due to Disability, or (y) any such actual or anticipated failure after the issuance of a notice of termination by the Participant for good reason).

For purposes of this definition, no act, or failure to act, on the Participant's part shall be considered "willful" unless done, or omitted to be done, by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Employer. Notwithstanding the foregoing, the Participant's employment shall not be deemed to have been terminated for Cause unless (A) a reasonable notice shall have been given to him or her setting forth in reasonable detail the reasons for the Employer's intentions to terminate for Cause, and if such termination is pursuant to clause (i) or (iii) above, and the damage to the Employer is curable, only if the Participant has been provided a period of ten business days from receipt of such notice to cease the actions or inactions, and he or she has not done so; (B) an opportunity shall have been provided for the Participant together with his or her counsel, to be

heard before the Board of Directors of the Employer; and (C) if such termination is pursuant to clause (i) or (iii) above, delivery shall have been made to the Participant of a notice of termination from the Employer finding in the good faith opinion of a majority of the non-management members of the board that he or she was guilty of conduct set forth in clause (i) or (iii) above, and specifying the particulars thereof in reasonable detail. Any determination of Cause made by the Employer in accordance with the foregoing procedure shall be made by the Employer, in its sole discretion. Any such determination shall be final and binding on the Participant.

1.34 "**Years of Service**" shall mean the cumulative consecutive years of continuous full-time employment with the Employer (including approved leaves of absence of six (6) months or less or legally protected leaves of absence), beginning on the date the Participant first began service with the Employer, and counting each anniversary thereof.

ARTICLE II

PARTICIPATION

An Eligible Employee shall become a Participant in the Plan by completing and submitting to the Committee the appropriate Participant Elections, including such other documentation and information as the Committee may reasonably request, during the enrollment period established by the Committee prior to commencement of the Eligible Employee's participation in the Plan.

ARTICLE III

CONTRIBUTIONS & DEFERRAL ELECTIONS

3.1 Elections to Defer Compensation.

(a) Form of Elections. A Participant may only elect to defer Compensation attributable to services provided after the date the election is made. Elections shall take the form of a whole percentage (less applicable payroll withholding requirements for Social Security and income taxes and employee benefit plans as determined in the sole and absolute discretion of the Committee) of between five percent (5%) and ninety percent (90%) of Base Salary, or a whole percentage or a percentage above a specified dollar amount of between five percent (5%) and one hundred percent (100%) of Bonuses specified by the Committee in the Participant Election for the applicable Plan Year.

(b) Duration of Compensation Deferral Election. An Eligible Employee's initial election to defer Compensation shall be made during the enrollment period established by the Committee within thirty (30) days after commencement of initial eligibility (or renewed eligibility after at least two years of ineligibility) and prior to the effective date of the Participant's commencement of participation in the Plan. Deferral elections shall apply only to Compensation for services performed after such deferral election is processed, in compliance with the requirements of Code Section 409A. A Participant may increase, decrease, terminate or recommence a deferral election with respect to Compensation for any subsequent Plan Year by filing a Participant Election during the enrollment period established by the Committee prior to the beginning of such Plan Year, which election shall be effective on the first day of the next following Plan Year. In the absence of an affirmative election by the Participant to the contrary, the deferral election for the prior Plan Year shall continue in effect for future Plan Years. After the beginning of the Plan Year, deferral elections with respect to Compensation for services performed during such Plan Year shall be irrevocable, except in the event of Financial Hardship as provided in Section 6.5. Notwithstanding the foregoing, the Committee may allow deferral elections to be made or revised no later than six (6) months before the end of the performance period solely with respect to any "performance-based compensation" as

defined under Code Section 409A that is based on services performed over a period of at least twelve (12) months.

3.2 Company Match Makeup Contributions. The Employer shall make a Company Contribution on behalf of the Participant for each Plan Year to the extent that the Participant makes a deferral under this Plan which shall equal (a) the maximum Employer matching contributions that would have been provided to the Participant under the Qualified Plan taking into account actual deferrals under the Qualified Plan and under this Plan for the applicable Plan Year, without regard to any Statutory Limitations had the Participant's total compensation from the Company, including deferrals under this Plan, been included in the Participant's includable compensation under the Qualified Plan, reduced by (b) the amount of Employer matching contributions actually credited to the Participant under the Qualified Plan for such Plan Year. The impact of Statutory Limitations on the Participant's matching contributions under the Qualified Plan for purposes of determining Company Contributions to this Plan shall be determined by the Committee based upon reasonable estimates and shall be final and binding as of the date the Company Contribution is credited to the Participant's Account. No subsequent adjustments shall be made to increase Company Contributions under this Plan as a result of any adjustments ultimately required under the Qualified Plan due to actual employee contributions or other factors.

3.3 Company Discretionary Contributions. The Company shall have the discretion to make additional Company Contributions to the Plan on behalf of any Participant. Additional Company Contributions shall be made in the complete and sole discretion of the Company and no Participant shall have the right to receive any additional Company Contribution regardless of whether Company Contributions are made on behalf of other Participants. The vesting and other terms and conditions applicable to discretionary Company Contributions shall be specified by the Committee in a contribution notice to the applicable Participant at the time such contributions are made to the Plan.

3.4 Investment Elections.

(a) Participant Direction. At the time of entering the Plan and/or of making the deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the hypothetical investment Funds in which the Participant's Account or Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Account or Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the types of investment Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section. A Participant may change the designation made under this Section at least monthly by filing a revised election, on a Participant Election provided by the Committee. During payout, the Participant's Account shall continue to be credited at the Crediting Rate selected by the Participant from among the investment alternatives or rates made available by the Committee for such purpose until all amounts have been distributed from the Account. If a Participant fails to make an investment election under this Section for a particular Account, such Account shall be invested in the default investment Fund selected by the Committee for such purpose.

(b) Investment Alternatives. The Committee shall select, in its sole and absolute discretion, commercially available investment Funds for the applicable Plan Year and shall communicate each of the alternative types of investment Funds to the Participant pursuant to subsection (a) of this Section. The earning or losses on each such commercially available Fund shall be used to determine the amount of earnings or losses to be credited to Participant's Account under Article IV. The Participant's choice among investments shall be solely for purposes of calculation of the Crediting Rate on Accounts. Neither the Company nor the Employer shall have any obligation to set aside or invest amounts as directed by the

Participant and, if the Company or the Employer elects to invest amounts as directed by the Participant, the Participant shall have no more right to such investments than any other unsecured general creditor.

3.5 Distribution Elections.

(a) Initial Election. At the time of making a deferral election under the Plan, the Participant shall designate the time and form of distribution of deferrals made pursuant to such election (together with any related Company Contributions and any earnings credited on such deferrals and Company Contributions) from among the alternatives specified in Article 6. In the event that the Participant fails to make a valid distribution election in accordance with Article 6 for any deferred amount, such amount shall be allocated to the Participant's first Retirement Deferral Account and paid in accordance with Article 6.

(b) Modification of Election. A new distribution election may be made at the time of subsequent deferral elections with respect to deferrals in Plan Years beginning after the election is made. However, a distribution election with respect to previously deferred amounts may only be changed under the terms and conditions specified by the Committee in compliance with Code Section 409A. Except as expressly provided in Article 6, no acceleration of a distribution is permitted and a subsequent election that delays payment or changes the form of payment shall be permitted if and only if all of the following requirements are met:

(1) the new election does not take effect until at least twelve (12) months after the date on which the new election is made;

(2) in the case of payments made on account of Termination of Employment (other than by reason of death or Disability) or a Scheduled Distribution, the new election delays payment for at least five (5) years from the date that payment would otherwise have been made, absent the new election; and

(3) in the case of payments made according to a Scheduled Distribution, the new election is made not less than twelve (12) months before the date on which payment would have been made (or, in the case of installment payments, the first installment payment would have been made) absent the new election.

For purposes of application of the above change limitations, installment payments shall be treated as a single payment. Election changes made pursuant to this Section shall be made in accordance with rules established by the Committee, and shall comply with all requirement of Code Section 409A and applicable authorities.

ARTICLE IV

DEFERRAL ACCOUNTS

4.1 Deferral Accounts. The Committee shall establish and maintain up to four (4) Deferral Accounts for each Participant under the Plan, up to two (2) Deferral Account scheduled to be paid on Retirement and up to two (2) Scheduled Distribution Deferral Accounts. Each Participant's Deferral Accounts shall be further divided into separate subaccounts ("investment fund subaccounts"), each of which corresponds to a Fund elected by the Participant pursuant to Section 3.4. A Participant's Deferral Account shall be credited as follows:

(a) on or before the fifth (5th) business day after amounts are withheld and deferred from a Participant's Compensation, the Committee shall credit the investment fund subaccounts of the Participant's Deferral Account with an amount equal to Compensation deferred by the Participant in accordance with the Participant's election under Section 3.4; that is, the portion of the Participant's

deferred Compensation that the Participant has elected to be deemed to be invested in a certain type of Fund shall be credited to the investment fund subaccount to be invested in that Fund; and

(b) each business day, each investment fund subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Crediting Rate for the corresponding Fund as determined by the Committee pursuant to Section 3.4.

4.2 Company Contribution Account. The Committee shall establish and maintain a Company Contribution Account for each Participant who is eligible for Company Contributions under the Plan and may establish separate Company Contributions Accounts for discretionary Company Contributions. Each Participant's Company Contribution Accounts shall be further divided into separate investment fund subaccounts corresponding to the Funds elected by the Participant pursuant to Section 3.4. A Participant's Company Contribution Accounts shall be credited as follows:

(a) on or before the fifth (5th) business day after a Company Contribution is made, the Employer shall credit the investment fund subaccounts of the applicable Company Contribution Account with an amount equal to the Company Contributions, if any, made on behalf of such Participant, that is, the proportion of the Company Contributions, if any, which the Participant has elected to be deemed to be invested in a certain investment Fund shall be credited to the investment fund subaccount to be invested in that Fund; and

(b) each business day, each investment fund subaccount of a Participant's Company Contribution Accounts shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Crediting Rate for the corresponding Fund as determined by the Committee pursuant to Section 3.4.

4.3 Trust. The Employer shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Employer's creditors. Benefits paid to the Participant from any such trust or trusts shall be considered paid by the Employer for purposes of meeting the obligations of the Employer under the Plan.

4.4 Statement of Accounts. The Committee shall provide each Participant with electronic statements at least quarterly setting forth the Participant's Account balance as of the end of each calendar quarter.

ARTICLE V

VESTING

5.1 Vesting of Deferral Accounts. The Participant shall be vested at all times in amounts credited to the Participant's Deferral Accounts.

5.2 Vesting of Company Contribution Account. Unless otherwise specified below or by the Committee in a contribution notice at the time a discretionary Company Contribution is made to the Plan, amounts credited to a Participant's Company Contribution Accounts shall be vested at the same time and under the same terms and conditions applicable to the Employer matching contributions for the applicable Plan Year to the Qualified Plan, as it may be amended from time to time. As of the Effective Date of this

Plan, the Qualified Plan provides for the following vesting schedule based on the Participant's completed Years of Service:

Completed Years of Service	Percentage of Account Vested
Less than 2	0%
2 but less than 3	50%
3 or more	100%

Notwithstanding the foregoing, unless otherwise specified in a discretionary contribution notice, in the event of a Change in Control or Termination of Employment as a result of Retirement, Disability or death, regardless of the Participant's Years of Service or the vesting provisions of the Qualified Plan, the Participant's Company Contribution Account shall be fully vested. Unless otherwise provided in a discretionary contribution notice, without regard to the Participant's Year of Service or vesting, all discretionary Company Contributions shall be forfeited in the event of the Participant's Termination for Cause.

ARTICLE VI

DISTRIBUTIONS

6.1 Retirement and Disability Distributions.

(a) Timing and Form of Distributions. Except as otherwise provided herein, in the event of a Participant's Retirement or Disability, the Distributable Amount credited to each of the Participant's Deferral Accounts and Company Contribution Accounts shall be paid to the Participant in substantially equal installments over ten (10) years commencing on the Payment Date following the Participant's Termination of Employment, unless the Participant has made an alternative benefit election on a timely basis pursuant to Section 3.5 to receive the benefits in the form of a single lump sum or in substantially equal annual installments over up to twenty (20) years or a combination of both.

(b) Small Benefit Exception. Notwithstanding the foregoing, if on commencement of benefits payable from an Account, the Distributable Amount from such Account is less than or equal to twenty-five thousand dollars ($25,000), the total Distributable Amount from such Account shall be paid in the form of a single lump sum distribution on the scheduled Payment Date, if and only if such acceleration is permitted under Code Section 409A without the imposition of an excise tax.

6.2 Termination Distributions. Except as provided in Section 6.4, in the event of a Participant's Termination of Employment other than by reason of Retirement, death or Disability, the Distributable Amount credited to the Participant's Deferral Accounts and Company Contribution Accounts shall be paid in a single lump sum on the Payment Date following Termination of Employment.

6.3 Distributions on Death.

(a) Base Death Benefit. In the event of the Participant's death prior to the complete distribution of all benefits payable from an Account, the Employer shall pay to the Participant's Beneficiary, a benefit equal to the outstanding Distributable Amount of such Account in a single lump sum on the Payment Date following the Participant's death.

(b) Additional Contingent Pre-Retirement Death Benefit. In the event of the Participant's death prior to Termination of Employment (other than by reason of such death), the Participant shall be entitled to a supplemental pre-retirement death benefit of twenty-five thousand dollars ($25,000) on the Payment

Date following such Participant's death, if and only if (i) the Participant has consented to the ownership by the Company and/or Employer of key man life insurance on his or her life, (ii) the Participant has cooperated with the Company by furnishing any and all information requested by the Committee as provided in Section 9.5, in order to facilitate the acquisition of such insurance, and (iii) the Company has been able to obtain such insurance on the life of the Participant at a reasonable market rate.

6.4 Scheduled Distributions.

(a) Scheduled Distribution Election. Participants shall be entitled to elect to receive a Scheduled Distribution from a Deferral Account prior to Termination of Employment. In the case of a Participant who has elected to receive a Scheduled Distribution, such Participant shall receive the Distributable Amount with respect to the specified Deferral Account established by such Scheduled Distribution election in accordance with Section 3.5 of the Plan. A Participant's Scheduled Distribution Payment Date with respect to deferrals of Compensation for a given Plan Year shall be no earlier than two (2) years after the last day of the Plan Year in which the deferrals are credited to the Participant's Account. The Participant may elect to receive the Scheduled Distribution in a single lump sum or substantially equal annual installments over a period of up to five (5) years. A Participant may delay and change the form of a Scheduled Distribution, provided such extension complies with the requirements of Section 3.5.

(b) Small Benefit Exception. Notwithstanding the foregoing, if on commencement of benefits payable from a Scheduled Distribution Deferral Account the Distributable Amount from such Account is less than or equal to twenty-five thousand dollars ($25,000), the total Distributable Amount from such Account shall be paid in the form of a single lump sum distribution on the scheduled Payment Date, if and only if such acceleration is permitted under Code Section 409A without the imposition of an excise tax.

(c) Termination of Employment. In the event of a Participant's Termination of Employment prior to commencement of a Scheduled Distribution, the Scheduled Distributions shall be distributed in the form applicable to the Participants' first Retirement Deferral Account on such Termination of Employment under Sections 6.1, 6.2 or 6.3 above. In the event of a Participant's Termination of Employment for any reason after a Scheduled Distribution has commenced installment payments, such Scheduled Distribution benefits shall continue to be paid at the same time and in the same form as they would have been paid to the Participant had the Participant not had a Termination of Employment.

6.5 Financial Hardship. Upon a finding that the Participant has suffered a Financial Hardship, subject to compliance with Code Section 409A the Committee may, at the request of the Participant, accelerate distribution of benefits or approve cancellation of current deferrals under the Plan in the amount reasonably necessary to alleviate such Financial Hardship subject to the following conditions:

(a) the request to take a Hardship Distribution shall be made by filing a form provided by and filed with the Committee prior to the end of any calendar month;

(b) the amount distributed pursuant to this Section with respect to a Financial Hardship shall not exceed the amount necessary to satisfy such financial emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe Financial Hardship); and

(c) The amount determined by the Committee as a Hardship Distribution shall be paid in the form of a single lump sum distribution as soon as practicable after the end of the calendar month in which the Hardship Distribution election is made and approved by the Committee.

6.6 Change in Control Distribution. Notwithstanding the foregoing, if a Change in Control occurs before a Participant's Accounts have been fully distributed, the Participant shall receive an amount equal to the balance of the Participant's Accounts, credited with notional earnings as provided in Article 4, payable in the form of a single lump sum distribution on the last day of the fifteenth (15th) month commencing after the month in which such Change in Control occurs, unless the Participant makes a timely election under Section 3.5(b) to delay commencement of a particular Account by a minimum of five (5) years and to receive the benefits at a later date in the form of a single lump sum or over a period of up to twenty (20) years.

ARTICLE VII

PAYEE DESIGNATIONS AND LIMITATIONS

7.1 Beneficiaries.

(a) Beneficiary Designation. The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. The Beneficiary designation shall be effective when it is submitted to and acknowledged by the Committee during the Participant's lifetime in the format prescribed by the Committee.

(b) Absence of Valid Designation. If a Participant fails to designate a Beneficiary as provided above, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Committee shall direct the distribution of such benefits to the Participant's estate.

7.2 Payments to Minors. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, to act as custodian, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within sixty (60) days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

7.3 Payments on Behalf of Persons Under Incapacity. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of any and all liability of the Committee, the Company and the Employer under the Plan.

7.4 Inability to Locate Payee. In the event that the Committee is unable to locate a Participant or Beneficiary within two (2) years following the scheduled Payment Date, the amount allocated to the Participant's Deferral Account shall be forfeited. If, after such forfeiture, the Participant or Beneficiary later claims such benefit, such benefit shall be reinstated without interest or earnings.

ARTICLE VIII

ADMINISTRATION

8.1 Committee. The Plan shall be administered by a Committee appointed by the Board, which shall have the exclusive right and full discretion (i) to appoint agents to act on its behalf, (ii) to select and establish Funds, (iii) to interpret the Plan, (iv) to decide any and all matters arising hereunder (including the right to remedy possible ambiguities, inconsistencies, or admissions), (v) to make, amend and rescind such rules as it deems necessary for the proper administration of the Plan and (vi) to make all other determinations and resolve all questions of fact necessary or advisable for the administration of the Plan, including determinations regarding eligibility for benefits payable under the Plan. All interpretations of the Committee with respect to any matter hereunder shall be final, conclusive and binding on all persons affected thereby. No member of the Committee or agent thereof shall be liable for any determination, decision, or action made in good faith with respect to the Plan. The Company will indemnify and hold harmless the members of the Committee and its agents from and against any and all liabilities, costs, and expenses incurred by such persons as a result of any act, or omission, in connection with the performance of such persons' duties, responsibilities, and obligations under the Plan, other than such liabilities, costs, and expenses as may result from the bad faith, willful misconduct, or criminal acts of such persons.

8.2 Claims Procedure. Any Participant, former Participant or Beneficiary may file a written claim with the Committee setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. The Committee shall determine the validity of the claim and communicate a decision to the claimant promptly and, in any event, not later than ninety (90) days after the date of the claim. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such ninety (90) day period. If additional information is necessary to make a determination on a claim, the claimant shall be advised of the need for such additional information within forty-five (45) days after the date of the claim. The claimant shall have up to one hundred eighty (180) days to supplement the claim information, and the claimant shall be advised of the decision on the claim within forty-five (45) days after the earlier of the date the supplemental information is supplied or the end of the one hundred eighty (180) day period. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the denial, (ii) specific reference to any provisions of the Plan (including any internal rules, guidelines, protocols, criteria, etc.) on which the denial is based, (iii) description of any additional material or information that is necessary to process the claim, and (iv) an explanation of the procedure for further reviewing the denial of the claim and shall include an explanation of the claimant's right to pursue legal action in the event of an adverse determination on review.

8.3 Review Procedures. Within sixty (60) days after the receipt of a denial on a claim, a claimant or his/her authorized representative may file a written request for review of such denial. Such review shall be undertaken by the Committee and shall be a full and fair review. The claimant shall have the right to review all pertinent documents. The Committee shall issue a decision not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of the Plan on which the decision is based and shall include an explanation of the claimant's right to pursue legal action in the event of an adverse determination on review.

ARTICLE IX

MISCELLANEOUS

9.1 Amendment or Termination of Plan. The Company may, at any time, direct the Committee to amend or terminate the Plan, except that no such amendment or termination may reduce a Participant's Account balances. An Employer may at any time direct the Committee to terminate its participation in the Plan, except that no such termination may reduce a Participant's Account balances. If the Company terminates the Plan or an Employer terminates its participation in the Plan, no further amounts shall be deferred hereunder, and amounts previously deferred or contributed to the Plan shall be fully vested and shall be paid in accordance with the provisions of the Plan as scheduled prior to the Plan termination. Notwithstanding the foregoing, to the extent permitted under Code Section 409A and applicable authorities, the Company may, in its complete and sole discretion, accelerate distributions under the Plan in the event of a "change in ownership" or "effective control" of the Company or Employer, or a "change in ownership of a substantial portion of assets" or under such other terms and conditions as may be specifically authorized under Code Section 409A and applicable authorities.

9.2 Unsecured General Creditor. The benefits paid under the Plan shall be paid from the general funds of the Employer, and the Participant and any Beneficiary or their heirs or successors shall be no more than unsecured general creditors of the Employer with no special or prior right to any assets of the Employer or the Company for payment of any obligations hereunder. It is the intention of the Company that this Plan be unfunded for purposes of ERISA and the Code.

9.3 Restriction Against Assignment. The Employer shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, Beneficiary, or their successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. No part of a Participant's Accounts shall be subject to any right of offset against or reduction for any amount payable by the Participant or Beneficiary, whether to the Employer, the Company or any other party, under any arrangement other than under the terms of this Plan.

9.4 Withholding. The Participant shall make appropriate arrangements with the Employer for satisfaction of any federal, state or local income tax withholding requirements, Social Security and other employee tax or other requirements applicable to the granting, crediting, vesting or payment of benefits under the Plan. There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes which are required to be withheld by the Employer in respect to such payment or this Plan. The Employer shall have the right to reduce any payment (or other Compensation) by the amount of cash sufficient to provide the amount of said taxes.

9.5 Protective Provisions. The Participant shall cooperate with the Company and the Employer by furnishing any and all information requested by the Committee, in order to facilitate the payment of benefits hereunder, taking such physical examinations as the Committee may deem necessary and taking such other actions as may be requested by the Committee. If the Participant refuses to so cooperate, the Company and the Employer shall have no further obligation to the Participant under the Plan. In the event of the Participant's suicide during the first two (2) years in the Plan, or if the Participant makes any material misstatement of information or non-disclosure of medical history, then no benefits shall be payable to the Participant under the Plan, except that benefits may be payable in a reduced amount in the sole discretion of the Committee.

9.6 Receipt or Release. Any payment made in good faith to a Participant or the Participant's Beneficiary shall, to the extent thereof, be in full satisfaction of all claims against the Committee, its members, the Company and the Employer. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

9.7 Errors in Account Statements, Deferrals or Distributions. In the event an error is made in an Account statement, such error shall be corrected on the next statement following the date such error is discovered. In the event of an error in deferral amount, consistent with and as permitted under Code Section 409A, the error shall be corrected immediately upon discovery by, in the case of an excess deferral, distribution of the excess amount to the Participant, or, in the case of an under deferral, reduction of other compensation payable to the Participant. In the event of an error in a distribution, the over or under payment shall be corrected by payment to or collection from the Participant consistent with Code Section 409A, immediately upon the discovery of such error. In the event of an overpayment, the Employer may, at its discretion, offset other amounts payable to the Participant from the Employer (including but not limited to salary, bonuses, expense reimbursements, severance benefits or other employee compensation benefit arrangements, as allowed by law and subject to compliance with Code Section 409A) to recoup the amount of such overpayment(s).

9.8 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continue the provision of services in any capacity whatsoever to the Employer or the Company.

9.9 Successors of the Company. The rights and obligations of the Employer under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Employer.

9.10 Notice. Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Committee, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company or the Employer. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Committee.

9.11 Headings. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

9.12 Gender, Singular and Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.13 Governing Law. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. In the event any provision of, or legal issue relating to, this Plan is not fully preempted by federal law, such issue or provision shall be governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, the Board of Directors of the Company has approved the adoption of this Plan as of the Effective Date and has caused the Plan to be executed by its duly authorized representative this 31st day of May, 2015.

CENTRUS ENERGY CORP.

By: /s/ Richard V. Rowland
Name: Richard V. Rowland
Title: Vice President, Human Resources

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Daniel B. Poneman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Centrus Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2015

/s/ Daniel B. Poneman

Daniel B. Poneman

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Stephen S. Greene, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Centrus Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2015

/s/ Stephen S. Greene

Stephen S. Greene

Senior Vice President, Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Centrus Energy Corp. for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. § 1350, Daniel B. Poneman, President and Chief Executive Officer, and Stephen S. Greene, Senior Vice President, Chief Financial Officer and Treasurer, each hereby certifies, that, to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Centrus Energy Corp.

August 7, 2015 /s/ Daniel B. Poneman

Daniel B. Poneman
President and Chief Executive Officer

August 7, 2015 /s/ Stephen S. Greene

Stephen S. Greene
Senior Vice President, Chief Financial Officer and Treasurer