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 September 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 October 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 outstanding.

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PART I – FINANCIAL INFORMATION

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 or other production; 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"); 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; 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, lack of production capability and the delay and uncertainty in deployment of the American Centrifuge technology or other production capability; risks related to our ability to manage our liquidity without a credit facility; 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; 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; 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; risks related to our ability to perform the work required under a contract being negotiated to fund certain activities of the American Centrifuge program 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 or might take in the future to reduce spending on the American Centrifuge project, including increased costs of demobilization, the potential loss of key suppliers and employees and impacts to cost, schedule and the ability to remobilize for deployment of the American Centrifuge technology; 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 concerning the ultimate success of our efforts to obtain additional government support for the project and the timing and terms thereof; the dependency of government funding or other government support for the American Centrifuge project on Congressional appropriations or on actions by DOE or Congress; 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; changes in the nuclear energy industry; the impact of volatile financial market conditions on our business, liquidity, prospects, pension assets 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 and subsequent Quarterly Reports on Form 10-Q.

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)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 180.3	$ 218.8
Accounts receivable, net	20.3	58.9
Inventories	257.8	462.2
Deferred costs associated with deferred revenue	63.0	82.9
Other current assets	15.8	19.6
Total current assets	537.2	842.4
Property, plant and equipment, net	3.5	3.5
Deferred taxes	20.7	26.0
Deposits for surety bonds	29.8	34.8
Intangible assets, net	112.0	119.2
Excess reorganization value	137.2	137.2
Other long-term assets	20.1	20.6
Total Assets	**$ 860.5**	**$ 1,183.7**
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 40.7	$ 50.5
Payables under SWU purchase agreements	8.4	140.1
Deferred taxes	20.7	26.0
Inventories owed to customers and suppliers	69.4	158.9
Deferred revenue	75.4	100.9
Total current liabilities	214.6	476.4
Long-term debt	247.6	240.4
Postretirement health and life benefit obligations	216.3	211.4
Pension benefit liabilities	194.2	179.3
Other long-term liabilities	51.7	54.6
Total Liabilities	924.4	1,162.1
Commitments and Contingencies (Note 13)		
Stockholders' Equity (Deficit)	(63.9)	21.6
Total Liabilities and Stockholders' Equity (Deficit)	**$ 860.5**	**$ 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 September 30,		Nine Months Ended September 30,	
	Successor	**Predecessor**	**Successor**	**Predecessor**
	2015	**2014**	**2015**	**2014**
Revenue:				
Separative work units	$ 8.8	$ 97.4	$ 154.6	$ 347.5
Uranium	—	—	43.2	—
Contract services	20.4	23.3	62.5	43.0
Total Revenue	29.2	120.7	260.3	390.5
Cost of Sales:				
Separative work units and uranium	33.8	103.3	210.1	369.4
Contract services	19.8	22.8	63.4	43.9
Total Cost of Sales	53.6	126.1	273.5	413.3
Gross (loss)	(24.4)	(5.4)	(13.2)	(22.8)
Advanced technology costs	1.9	5.3	7.7	56.6
Selling, general and administrative	13.5	10.4	32.1	32.2
Amortization of intangible assets	1.1	—	7.1	—
Special charges for workforce reductions	9.8	0.1	13.3	2.1
Other (income)	(0.3)	(4.8)	(1.8)	(39.4)
Operating (loss)	(50.4)	(16.4)	(71.6)	(74.3)
Interest expense	4.8	4.7	14.6	14.0
Interest (income)	(0.1)	(0.1)	(0.3)	(0.5)
Reorganization items, net	—	(440.0)	—	(426.9)
Income (loss) before income taxes	(55.1)	419.0	(85.9)	339.1
Provision (benefit) for income taxes	—	0.1	(0.3)	(1.0)
Net income (loss)	**$ (55.1)**	**$ 418.9**	**$ (85.6)**	**$ 340.1**
Net income (loss) per share - basic	$ (6.05)	$ 85.49	$ (9.51)	$ 69.41
Net income (loss) per share - diluted	$ (6.05)	$ 55.51	$ (9.51)	$ 45.93
Weighted-average number of shares outstanding:				
Basic	9.1	4.9	9.0	4.9
Diluted	9.1	7.6	9.0	7.6

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 September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Net income (loss)	$ (55.1)	$ 418.9	$ (85.6)	$ 340.1
Other comprehensive income (loss), before tax (Note 14):				
Curtailment (gain) recognized in net income (loss)	—	(2.2)	—	(2.2)
Amortization of actuarial losses, net	—	0.3	—	0.9
Amortization of prior service (credits), net	(0.1)	(0.1)	(0.2)	(0.3)
Other comprehensive (loss), before tax	(0.1)	(2.0)	(0.2)	(1.6)
Income tax benefit related to items of other comprehensive income	—	0.1	—	—
Other comprehensive (loss), net of tax	(0.1)	(1.9)	(0.2)	(1.6)
Elimination of Predecessor Company accumulated other comprehensive loss	—	121.7	—	121.7
Comprehensive income (loss)	**$ (55.2)**	**$ 538.7**	**$ (85.8)**	**$ 460.2**

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)

	Nine Months Ended September 30,	
	Successor	Predecessor
	2015	2014
Cash Flows from Operating Activities		
Net income (loss)	$ (85.6)	$ 340.1
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation and amortization	7.5	4.2
Immediate recognition of net actuarial losses	20.9	—
PIK interest on paid-in-kind toggle notes	5.4	—
Gain on sales of assets	(1.8)	(5.7)
Non-cash reorganization items	—	(449.2)
Changes in operating assets and liabilities:		
Accounts receivable – decrease	39.0	79.0
Inventories, net – decrease	114.9	177.0
Payables under SWU purchase agreements – (decrease)	(131.7)	(293.4)
Deferred revenue, net of deferred costs – (decrease)	(5.7)	(9.7)
Accounts payable and other liabilities – (decrease)	(12.1)	(58.9)
Other, net	4.1	(3.7)
Net Cash (Used in) Operating Activities	(45.1)	(220.3)
Cash Flows Provided by (Used In) Investing Activities		
Deposits for surety bonds - net decrease	5.0	3.9
Proceeds from sales of assets	1.8	8.4
Capital expenditures	(0.2)	—
Net Cash Provided by Investing Activities	6.6	12.3
Cash Flows (Used in) Financing Activities		
Payments for deferred financing costs	—	(0.7)
Common stock issued (purchased), net	—	(0.1)
Net Cash (Used in) Financing Activities	—	(0.8)
Net (Decrease)	(38.5)	(208.8)
Cash and Cash Equivalents at Beginning of Period	218.8	314.2
Cash and Cash Equivalents at End of Period	**$ 180.3**	**$ 105.4**
Supplemental cash flow information:		
Interest paid	$ 12.2	$ 15.9
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 income	—	—	340.1	—	—	340.1
Other comprehensive (loss), net of tax (Note 14)	—	—	—	—	(1.6)	(1.6)
Restricted and other common stock issued, net of amortization	—	1.1	—	(0.1)	—	1.0
Surrender of restricted stock	—	4.4	—	(4.4)	—	—
Elimination of Predecessor Company equity	(0.5)	(1,221.9)	1,180.6	38.8	121.7	118.7
Issuance of Successor Company common stock and excess of capital over par value	0.9	58.4	—	—	—	59.3
Balance at September 30, 2014 (Predecessor)	**$ 0.9**	**$ 58.4**	**$ —**	**$ —**	**$ —**	**$ 59.3**
Balance at September 30, 2014 (Successor)	**$ 0.9**	**$ 58.4**	**$ —**	**$ —**	**$ —**	**$ 59.3**
Balance at December 31, 2014 (Successor)	$ 0.9	$ 58.6	$ (42.3)	$ —	$ 4.4	$ 21.6
Net (loss)	—	—	(85.6)	—	—	(85.6)
Other comprehensive (loss), net of tax (Note 14)	—	—	—	—	(0.2)	(0.2)
Restricted stock units and stock options issued, net of amortization	—	0.3	—	—	—	0.3
Balance at September 30, 2015 (Successor)	**$ 0.9**	**$ 58.9**	**$ (127.9)**	**$ —**	**$ 4.2**	**$ (63.9)**

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 nine months ended September 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. Certain amounts have been reclassified to conform to the current presentation.

Operating results for the three and nine months ended September 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 August 2015, the FASB issued guidance deferring 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 August 2014, the FASB issued guidance requiring management to assess an entity’s ability to continue as a going concern, and to provide related disclosures in certain circumstances. The new standard is effective for annual periods beginning after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. The implementation of the new standard is not expected to have a material impact on Centrus' 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 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.

Since ceasing uranium enrichment at the Paducah GDP in May 2013, the Company has incurred a number of expenses unrelated to production that have been charged directly to cost of sales. Direct charges totaled $23.9 million and $32.5 million in the three and nine months ended September 30, 2015 and $17.5 million and $66.7 million in the corresponding periods in 2014 as follows:

- Lump-sum pension payments to former employees in the first nine months of 2015 resulted in the remeasurement of pension obligations under the Retirement Program Plan for Employees of United States Enrichment Corporation and direct charges to cost of sales of $21.6 million in both the three and nine months ended September 30, 2015;
- Operating expenses of $2.3 million and $10.6 million in the three and nine months ended September 30, 2015, compared to $15.6 million and $51.3 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 nine months ended September 30, 2015, compared to $1.8 million and $13.5 million in the three and nine months ended September 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
- Asset depreciation charges of $0.1 million and $1.9 million in the three and nine months ended September 30, 2014. Paducah GDP asset depreciation was completed as of June 30, 2014.

Special Charges for Workforce Reductions

Centrus notified its American Centrifuge employees in September 2015 of possible layoffs beginning in November 2015 as a result of DOE's decision to reduce funding for advanced uranium enrichment centrifuge research under the Company's contract with Oak Ridge National Laboratory ("ORNL"). Based on the level of funding reduction, Centrus incurred a special charge of $8.7 million in the third quarter of 2015 for estimated termination benefits consisting primarily of payments under its severance plan. Centrus expects to make payments for these workforce reductions over the next 18 months. Additional details are provided in Note 13 under *American Centrifuge - Project Funding*.

In addition, the cessation of enrichment at the Paducah GDP and evolving business needs have resulted in workforce reductions since July 2013. In the three and nine months ended September 30, 2015, special charges included related termination benefits of $1.1 million and $4.9 million, respectively, less $0.3 million in the nine-month period for severance paid by the Company and invoiced to DOE for its share of employee severance pursuant to the USEC Privatization Act.

A summary of special charges and changes in the related balance sheet accounts in the nine months ended September 30, 2015 follows (in millions):

	Liability Balance to Be Paid, Dec. 31, 2014	Nine Months Ended September 30, 2015		Liability Balance to Be Paid, Sep. 30, 2015
		Special Charges	Paid	
Workforce reductions, primarily severance payments	$ 2.4	$ 13.6	$ (6.7)	$ 9.3
Less: Amounts billed to DOE		(0.3)		
Special charges for workforce reductions		**$ 13.3**		

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 DOE providing cost-share funding for up to 80% for 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 nine months ended September 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 ORNL. Revenue and cost of sales for work that Centrus performed under the fixed-price ACTDO Agreement as a subcontractor to UT-Battelle are reported in the contract services segment. Refer to Note 13, *Commitments and Contingencies - American Centrifuge*, regarding the status of project funding after September 2015.

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 $1.9 million in the three months and $7.7 million in the nine months ended September 30, 2015, and $5.3 million in the three months and $12.3 million in the nine months ended September 30, 2014.

4. RECEIVABLES

	September 30, 2015	December 31, 2014
	(millions)	
Utility customers and other	$ 5.9	$ 36.3
Contract services, primarily DOE	14.4	22.6
Accounts receivable, net	**$ 20.3**	**$ 58.9**

Accounts receivable are net of valuation allowances and allowances for doubtful accounts totaling $0 as of September 30, 2015 and $0.6 million as of 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 September 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 $19.5 million as of September 30, 2015 and $19.9 million as of 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 September 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):

	September 30, 2015			December 31, 2014		
	Current Assets	**Current Liabilities (a)**	**Inventories, Net**	**Current Assets**	**Current Liabilities (a)**	**Inventories, Net**
Separative work units	$ 218.4	$ 37.4	$ 181.0	$ 330.6	$ 76.6	$ 254.0
Uranium	39.2	32.0	7.2	131.4	82.3	49.1
Materials and supplies	0.2	—	0.2	0.2	—	0.2
	$ 257.8	**$ 69.4**	**$ 188.4**	**$ 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.

Centrus exchanged SWU for uranium under a barter contract in the three months ended September 30, 2015. SWU revenue of $8.8 million was recognized based on the fair market value of the uranium received in exchange for SWU delivered.

Uranium Provided by Customers and Suppliers

Centrus held uranium with estimated values of approximately $0.5 billion as of September 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

	September 30, 2015	December 31, 2014
	(millions)	
Property, plant and equipment, gross	$ 3.9	$ 3.7
Accumulated depreciation	(0.4)	(0.2)
Property, plant and equipment, net	**$ 3.5**	**$ 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.

	September 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	(11.5)	(4.3)
Amortizable intangible assets, net	**$ 112.0**	**$ 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 elected to pay 3.0% per annum of interest due on the PIK Toggle Notes for the semi-annual interest periods ending on March 31, 2015 and September 30, 2015 in the form of PIK payments. As such, interest for the twelve months ended September 30, 2015 was paid as $12.0 million in cash and $7.2 million in PIK payments, and the principal balance increased accordingly to $247.6 million. 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. For the semi-annual interest period ending March 31, 2016, the Company has elected to pay interest in the form of PIK payments at 5.5% per annum.

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 PIK Toggle Notes are guaranteed and secured on a subordinated and limited basis by Enrichment Corp. The Enrichment Corp. guarantee ranks equally in right of payment with all existing and future unsubordinated indebtedness of Enrichment Corp. (other than the Designated Senior Claims as defined below) and is senior in right of payment to all existing and future subordinated indebtedness of Enrichment Corp. The Enrichment Corp. guarantee is subordinated in right of payment to certain obligations of, and claims against, Enrichment Corp. described in the Indenture (collectively, the "Designated Senior Claims"), including obligations and claims:

- under a future credit facility;
- held by or for the benefit of the Pension Benefit Guaranty Corporation ("PBGC") pursuant to any settlement of any actual or alleged ERISA Section 4062(e) event;
- held by any party with respect to any equity investment (or any commitment to make an equity investment) with respect to the financing of the American Centrifuge project;
- held by DOE, export credit agencies or any other lenders or insurers with respect to the financing or government support of the American Centrifuge project; and
- held by the U.S. government.

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 September 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)

	September 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Money market funds (a)	$ 170.2	—	—	$ 170.2	$ 212.2	—	—	$ 212.2
Deferred compensation asset (b)	—	$ 1.4	—	$ 1.4	—	$ 3.2	—	$ 3.2
Liabilities:								
Deferred compensation obligation (b)	—	1.2	—	1.2	—	3.0	—	3.0

(a) Included in cash and cash equivalents.

(b) 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 September 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 $75.8 million at September 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 September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Service costs	$ 1.1	$ 0.6	$ 3.1	$ 1.8
Interest costs	9.2	10.6	27.8	31.7
Expected return on plan assets (gains)	(12.2)	(12.9)	(36.6)	(38.5)
Amortization of actuarial (gains) losses, net	—	0.4	—	1.0
Actuarial (gain) loss from remeasurements, net	24.8	—	20.9	—
Curtailment (gain)	—	(2.2)	—	(2.2)
Net periodic benefit cost (credit)	**$ 22.9**	**$ (3.5)**	**$ 15.2**	**$ (6.2)**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Service costs	$ 0.1	$ 0.4	$ 0.2	$ 1.3
Interest costs	2.2	2.5	6.6	7.5
Expected return on plan assets (gains)	(0.2)	(0.5)	(0.7)	(1.5)
Amortization of prior service (credits), net	(0.1)	(0.1)	(0.2)	(0.3)
Net periodic benefit cost	**$ 2.0**	**$ 2.3**	**$ 5.9**	**$ 7.0**

Centrus contributed $7.5 million to the non-qualified defined benefit pension plans in the nine months ended September 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 pension payments of $49.1 million in the first nine months of 2015 to former employees, including those affected by workforce reductions, resulted in the remeasurement of pension obligations under settlement accounting rules. The interim remeasurements were required when 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. 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.

The remeasurement of pension obligations as of June 30, 2015 under the non-qualified defined benefit pension plans and the Employees' Retirement Plan of Centrus Energy Corp. resulted in a gain of $3.9 million included in selling, general and administrative expenses in the second quarter of 2015. The gain includes the effect of an increase in the discount rate used in the measurement of pension obligations from approximately 4.1% as of December 31, 2014 to approximately 4.5% as of June 30, 2015.

Pension obligations under the Retirement Program Plan for Employees of United States Enrichment Corporation and the plans mentioned above were remeasured as of September 30, 2015, resulting in a loss of $21.6 million included in cost of sales and a loss of $3.2 million included in selling, general and administrative expenses in the third quarter of 2015. The discount rate used in the measurement of pension obligations as of September 30, 2015 was approximately 4.4%. The losses also include the effect of actual investment experience for pension plan assets relative to the expected return assumption of 6.75% per year.

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 follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Total stock-based compensation costs:				
Restricted stock and restricted stock units	$ 0.1	$ 0.1	$ 0.2	$ 0.6
Stock options, performance awards and other	—	—	0.1	—
Expense included primarily in selling, general and administrative expense	**$ 0.1**	**$ 0.1**	**$ 0.3**	**$ 0.6**
Total recognized tax benefit	**$** —	**$** —	**$** —	**$** —

As of September 30, 2015, there was $0.9 million of unrecognized compensation cost, adjusted for estimated forfeitures, of which $0.8 million relates to stock options and $0.1 million relates to unvested restricted stock units. Unrecognized compensation cost is expected to be recognized over a weighted-average period of 2.8 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.

Assumptions used in the Black-Scholes option pricing model to value option grants follow. There were no option grants in the nine months ended September 30, 2014.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Risk-free interest rate	1.91%	-	1.91%	-
Expected volatility	75%	-	75%	-
Expected option life (years)	6	-	6	-
Weighted-average grant date fair value	$2.59	-	$2.85	-
Options granted	37,500	-	337,500	-

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. No dilutive effect is recognized in a period in which a net loss has occurred.

Net income (loss) per share information reported for the three and nine months ended September 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 September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
(in millions, except per share amounts)	**2015**	**2014**	**2015**	**2014**
Numerators:				
Net income (loss) - basic	$ (55.1)	$ 418.9	$ (85.6)	$ 340.1
Interest expense on convertible notes	—	3.0	—	9.0
Net income (loss), if converted - diluted	$ (55.1)	$ 421.9	$ (85.6)	$ 349.1
Denominator:				
Weighted average common shares	9.1	5.0	9.0	5.0
Less: Weighted average unvested restricted stock	—	0.1	—	0.1
Denominator for basic calculation	**9.1**	**4.9**	**9.0**	**4.9**
Weighted average effect of dilutive securities:				
Stock compensation awards (a)	—	—	—	—
Convertible notes	—	1.8	—	1.8
Convertible preferred stock:				
Equivalent common shares	—	35.8	—	27.2
Less: share issuance limitation (b)	—	34.9	—	26.3
Net allowable common shares	—	0.9	—	0.9
Subtotal	—	2.7	—	2.7
Less: shares excluded in a period of a net loss	—	—	—	—
Weighted average effect of dilutive securities	—	2.7	—	2.7
Denominator for diluted calculation	**9.1**	**7.6**	**9.0**	**7.6**
Net income (loss) per share - basic	**$ (6.05)**	**$ 85.49**	**$ (9.51)**	**$ 69.41**
Net income (loss) per share - diluted	**$ (6.05)**	**$ 55.51**	**$ (9.51)**	**$ 45.93**

(a) 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 nine months ended September 30, 2015.

(b) 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 income (loss) per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
	2015	2014	2015	2014
Options excluded from diluted net income per share	382,500	200	382,500	200
Warrants excluded from diluted net income per share	N/A	250,000	N/A	250,000
Exercise price of excluded options	$ 3.90 to	$ 283.25 to	$ 3.90 to	$ 283.25 to
	$ 5.62	$ 357.00	$ 5.62	$ 357.00
Exercise price of excluded warrants	N/A	$ 187.50	N/A	$ 187.50

13. COMMITMENTS AND CONTINGENCIES

Lease Commitment Update

In October 2015, Centrus signed a lease amendment that will reduce its office space at its corporate headquarters in Bethesda, Maryland. Under the amended lease, half of the lease payments for the Company’s current office space are abated until the Company moves into its new space in the first quarter of 2016, at which time the remaining lease commitment on the current space is fully abated. All of the lease payments on the new space are abated for the first fourteen months after occupation. The amended lease runs through October 2027 with an option to extend for five years. Future minimum lease payments through October 2027 under the amended lease follow (in millions):

2016	$ 0.2
2017	0.5
2018	0.8
2019	0.9
2020	0.9
Thereafter	6.6
	$ 9.9

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 feasible. 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.

From May 2014 through September 2015, Centrus performed continued research, development and demonstration of the American Centrifuge technology under the ACTDO Agreement. As Centrus reported on September 11, 2015, ORNL informed Centrus that DOE had decided to reduce funding for the American Centrifuge program and therefore ORNL intended to contract with the Company at a reduced level for the period from October 1, 2015 to September 30, 2016, with the possibility for additional extensions. The reduced scope excludes continued cascade operations at the Company's Piketon, Ohio facility. Funding would be reduced by approximately 60% to $35 million per year, and the scope of activities would be limited to development and testing activities in Oak Ridge, Tennessee. The new contract is anticipated to be a firm fixed-price contract that would provide for payments on a monthly basis of approximately $2.9 million per month effective October 2015, down from approximately $6.9 million per month through September 2015. Centrus has no assurance that a final contract will be executed or that the amount and scope of the contract will be at the $2.9 million per month level. Centrus has been in discussions with DOE concerning obtaining additional funding to permit operations at Piketon to continue but has no assurance that additional funding will be provided.

Centrus notified its American Centrifuge employees in September 2015 of possible layoffs beginning in November 2015 as a result of DOE's decision to reduce funding under the contract with ORNL. Based on the level of funding reduction, Centrus incurred a special charge of $8.7 million in the third quarter of 2015 for estimated termination benefits consisting primarily of payments under its severance plan. The Company initiated a voluntary workforce reduction opportunity in October 2015 that is subject to management acceptance of volunteers. The voluntary selection process will be followed by an involuntary workforce reduction if funding for Piketon operations is not restored. The Company expects to make payments for these workforce reductions over the next 18 months.

While Centrus is moving forward with actions to reduce costs and demobilize Piketon operations, the Company is doing so in a manner that preserves its ability to restore operations should funding be provided. Unless funding for Piketon operations is restored, Centrus may begin to take actions in the first quarter of 2016, including beginning to dismantle installed equipment and machines, that would increase the cost, time and difficulty of restoring operations at the Piketon facility.

Should funding not be restored for operations at the Piketon, Ohio, facility, Centrus would incur costs associated with the reduction in scope. These costs could commence in the fourth quarter of 2015 as the Piketon workforce shifted to demobilization efforts and could extend into 2016. Demobilization costs are included in advanced technology costs. Refer to Note 3, *Advanced Technology Costs and Other Income*, regarding demobilization costs and maintenance costs related to prior reductions in scope.

In addition to severance and demobilization costs, Centrus ultimately will have costs associated with the decontamination and decommissioning ("D&D") of the Piketon facility in accordance with the requirements of the U.S. Nuclear Regulatory Commission ("NRC") and DOE. Estimates for such costs have been included in the liability for D&D of the Piketon facility. The balance of this liability, included in other long-term liabilities, was $22.6 million as of September 30, 2015 and December 31, 2014 based on cost projections. DOE has title to certain American Centrifuge equipment. In the event Centrus returns the Piketon facility to DOE pursuant to its lease, DOE retains title to and responsibility for disposition of this equipment, and Centrus would seek reimbursement for any D&D costs the Company incurred related to this equipment.

Centrus is required to provide financial assurance to the NRC and DOE for D&D and lease turnover costs under a regulatory-prescribed methodology that includes potential contingent costs and reserves. As of September 30, 2015 and December 31, 2014, Centrus has provided financial assurance to the NRC and DOE in the form of surety bonds totaling $29.4 million, which are fully cash collateralized by Centrus. Centrus expects to receive cash as surety bonds are cancelled following the Company's performance of D&D.

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 2002 DOE-USEC 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 and has engaged a financial advisor on this matter. 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 mutually acceptable 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. A settlement was anticipated during the establishment of the non-cash intangible assets recorded through the application of fresh-start accounting on September 30, 2014. The Company concluded that the modifications made to the contracts with Entergy do not indicate that the related backlog intangible assets are no longer recoverable, and did not result in an impact to the balance of backlog intangible assets as of September 30, 2015.

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 September 30,		Nine Months Ended September 30,	
	Successor	Predecessor	Successor	Predecessor
(in millions)	2015	2014	2015	2014
Revenue				
LEU segment:				
Separative work units	$ 8.8	$ 97.4	$ 154.6	$ 347.5
Uranium	—	—	43.2	—
	8.8	97.4	197.8	347.5
Contract services segment	20.4	23.3	62.5	43.0
Revenue	**$ 29.2**	**$ 120.7**	**$ 260.3**	**$ 390.5**
Segment Gross Profit (Loss)				
LEU segment	$ (25.0)	$ (5.9)	$ (12.3)	$ (21.9)
Contract services segment	0.6	0.5	(0.9)	(0.9)
Gross (loss)	**$ (24.4)**	**$ (5.4)**	**$ (13.2)**	**$ (22.8)**

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 condensed 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.

As a long term provider of LEU for our customers, our goal is to provide value through the reliability and 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 future enrichment capacity.

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 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. On October 27, 2015, we signed non-binding principles of agreement setting out the framework for an anticipated modification of the contract to better align our purchase obligations. Centrus has no assurance that a modification to the contract will be signed or that its terms will not be changed from that set forth in the principles.

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 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. Since May 2014, the Company has performed continued research, development and demonstration activities related to the American Centrifuge technology in furtherance of DOE's national security objectives under an agreement (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”).

As we reported on September 11, 2015, ORNL informed us that DOE had decided to reduce funding for the American Centrifuge program and therefore ORNL intended to contract with the Company at a reduced level for the period from October 1, 2015 to September 30, 2016, with the possibility for additional extensions. The reduced scope excludes continued cascade operations at the Company’s Piketon, Ohio facility. Funding would be reduced by approximately 60% to $35 million per year, and the scope of activities would be limited to development and testing activities in Oak Ridge, Tennessee. We have no assurance that a final contract will be executed or that the amount and scope of the contract will be at the level of $35 million per year. We have been in discussions with DOE concerning obtaining additional funding to permit operations at Piketon to continue but have no assurance that additional funding will be provided.

As a result of DOE’s decision to reduce funding under our contract with ORNL, workforce reductions are expected to impact our American Centrifuge employees beginning in November 2015. While we are moving forward with actions to reduce costs and demobilize Piketon operations, we are doing so in a manner that preserves our ability to restore operations should funding be provided. Unless funding for Piketon operations is restored, additional actions will be undertaken in the first quarter of 2016, including the dismantling of newly installed equipment and machines, that will increase the cost, time and difficulty of restoring operations at the Piketon facility. Refer below to *Contract Services Segment - American Centrifuge* for additional details.

We are working with ORNL and with Congress to protect as much of the core capabilities of the program as possible so that the technology will remain ready for deployment in the event that the U.S. government calls upon it for national security purposes. We seek to preserve as much of our scientific, technical, and industrial expertise as we can with the available funding.

For the past two years, we have operated the cascade of centrifuges to enrich uranium in Piketon 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 was 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.

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. Since 2011, the prices for SWU and uranium have significantly declined. 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:

	September 30, 2015	December 31, 2014	September 30, 2014
SWU:			
Long-term price indicator ($/SWU)	$ 75.00	$ 90.00	$ 90.00
Spot price indicator ($/SWU)	62.00	88.00	89.00
UF_6:			
Long-term price composite ($/KgU)	129.97	146.64	133.58
Spot price indicator ($/KgU)	100.00	100.50	99.00

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.

Our contracts with customers are denominated in U.S. dollars, and although revenue has not been directly affected by changes in the foreign exchange rate of the U.S. dollar, we may have a competitive price advantage or disadvantage obtaining new contracts in a competitive bidding process depending upon the weakness or strength of the U.S. dollar. Costs of our primary competitors are denominated in other currencies.

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

The contract services segment includes revenue and cost of sales for American Centrifuge work we performed under the ACTDO Agreement as a subcontractor to UT-Battelle. From May 2014 to September 2015, the ACTDO Agreement provided for continued cascade operations in Piketon, Ohio and the continuation of core American Centrifuge research and technology activities in Oak Ridge, Tennessee. The total price was approximately $117 million for that period. Spending levels were 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.

As we reported on September 11, 2015, ORNL informed us that DOE had decided to reduce funding for the American Centrifuge program and therefore ORNL intended to contract with the Company at a reduced level for the period from October 1, 2015 to September 30, 2016, with the possibility for additional extensions. The reduced scope excludes continued cascade operations at the Company's Piketon, Ohio facility. Funding would be reduced by approximately 60% to $35 million per year, and the scope of activities would be limited to development and testing activities in Oak Ridge, Tennessee. The new contract is anticipated to be a firm fixed-price contract that would provide for payments on a monthly basis of approximately $2.9 million per month effective October 2015, down from approximately $6.9 million per month through September 2015. We have no assurance that a final contract will be executed or that the amount and scope of the contract will be at the $2.9 million per month level. We have been in discussions with DOE concerning obtaining additional funding to permit operations at Piketon to continue but have no assurance that additional funding will be provided.

We notified our American Centrifuge employees in September 2015 of possible layoffs beginning in November 2015 as a result of DOE's decision to reduce funding under our contract with ORNL. Based on the level of funding reduction, we incurred a special charge of $8.7 million in the third quarter of 2015 for estimated termination benefits consisting primarily of payments under our severance plan. We initiated a voluntary workforce reduction opportunity in October 2015 that is subject to management acceptance of volunteers. The voluntary selection process will be followed by an involuntary workforce reduction if funding for Piketon operations is not restored. We expect to make payments for these workforce reductions over the next 18 months.

While we are moving forward with actions to reduce costs and demobilize Piketon operations, we are doing so in a manner that preserves our ability to restore operations should funding be provided. Unless funding for Piketon operations is restored, we may begin to take actions in the first quarter of 2016, including beginning to dismantle installed equipment and machines, that would increase the cost, time and difficulty of restoring operations at the Piketon facility.

Should funding not be restored for operations at the Piketon, Ohio, facility, we could incur further costs associated with the reduction in scope. These costs could commence in the fourth quarter of 2015 as the Piketon workforce shifted to demobilization efforts and could extend into 2016. Demobilization costs have been incurred related to prior, limited reductions in scope, and are included in advanced technology costs. We currently estimate that we could incur demobilization costs of approximately $10-15 million in the fourth quarter of 2015. This estimate is in addition to the severance costs charged in the third quarter of 2015.

In addition to severance and demobilization costs, we ultimately will have costs associated with the decontamination and decommissioning ("D&D") of the Piketon facility in accordance with the requirements of the U.S. Nuclear Regulatory Commission ("NRC") and DOE. Estimates for such costs have been included in the liability for D&D of the Piketon facility. The balance of this liability, included in other long-term liabilities, was $22.6 million as of September 30, 2015 and December 31, 2014 based on cost projections. DOE has title to certain American Centrifuge equipment. In the event we return the Piketon facility to DOE pursuant to our lease, DOE retains title to and responsibility for disposition of this equipment, and we would seek reimbursement for any D&D costs we incurred related to this equipment.

We are required to provide financial assurance to the NRC and DOE for D&D and lease turnover costs under a regulatory-prescribed methodology that includes potential contingent costs and reserves. As of September 30, 2015 and December 31, 2014, we have provided financial assurance to the NRC and DOE in the form of surety bonds totaling $29.4 million, which are fully cash collateralized by us. We expect to receive cash as surety bonds are cancelled following our performance of D&D.

Site Services Work and Related Receivables

We formerly performed work under contracts with DOE and its contractors to maintain and prepare the former Portsmouth GDP for 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.

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, uncertainty exists because contract billing periods since June 2002 have not been finalized with DOE, and we have not yet recognized this additional revenue. DOE historically has not approved our provisional billing rates or audited our subsequent Incurred Cost Submissions in a timely manner. 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 2014. DOE and its audit contractors have completed audits for periods through 2008. DOE has provided its positions regarding establishing Final Indirect Cost Rates for periods through 2006. We do not agree with DOE's positions and we believe that DOE's continued withholding of payments is unwarranted. Negotiations regarding rates for 2007 are underway.

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 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 $6.5 million of claims for work performed in 2003 through 2006. 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.

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 DOE providing cost-share funding for up to 80% for 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.

From May 2014 through September 2015, the Company performed continued cascade operations and core American Centrifuge research and technology activities and the furnishing of related reports to ORNL under the ACTDO Agreement. Revenue and cost of sales for work that we performed 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 were outside of the ACTDO Agreement are included in advanced technology costs. The Company incurred $1.9 million in the three months and $7.7 million in the nine months ended September 30, 2015 for certain demobilization and maintenance costs related to American Centrifuge that are included in advanced technology costs.

2015 Outlook

Centrus continues 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 and approximately the same quantity in 2016.

We expect to generate approximately 40 percent of our revenue for 2015 in the fourth quarter. 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, related deliveries, and purchases of LEU or components;
- The outcome of legal proceedings and other contingencies;
- Execution and funding of a new agreement with ORNL for the continuation of American Centrifuge development and testing activities in Oak Ridge following the expiration of the ACTDO Agreement on 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 September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
LEU segment				
Revenue:				
SWU revenue	$ 8.8	$ 97.4	$ (88.6)	(91)%
Uranium revenue	—	—	—	— %
Total	8.8	97.4	(88.6)	(91)%
Cost of sales	33.8	103.3	69.5	67 %
Gross (loss)	$ (25.0)	$ (5.9)	$ (19.1)	(324)%
Contract services segment				
Revenue	$ 20.4	$ 23.3	$ (2.9)	(12)%
Cost of sales	19.8	22.8	3.0	13 %
Gross profit	$ 0.6	$ 0.5	$ 0.1	20 %
Total				
Revenue	$ 29.2	$ 120.7	$ (91.5)	(76)%
Cost of sales	53.6	126.1	72.5	57 %
Gross (loss)	$ (24.4)	$ (5.4)	$ (19.0)	(352)%

	Nine Months Ended September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
LEU segment				
Revenue:				
SWU revenue	$ 154.6	$ 347.5	$ (192.9)	(56)%
Uranium revenue	43.2	—	43.2	— %
Total	197.8	347.5	(149.7)	(43)%
Cost of sales	210.1	369.4	159.3	43 %
Gross (loss)	$ (12.3)	$ (21.9)	$ 9.6	44 %
Contract services segment				
Revenue	$ 62.5	$ 43.0	$ 19.5	45 %
Cost of sales	63.4	43.9	(19.5)	(44)%
Gross (loss)	$ (0.9)	$ (0.9)	$ —	— %
Total				
Revenue	$ 260.3	$ 390.5	$ (130.2)	(33)%
Cost of sales	273.5	413.3	139.8	34 %
Gross (loss)	$ (13.2)	$ (22.8)	$ 9.6	42 %

Revenue

Revenue from the LEU segment declined $88.6 million (or 91%) in the three months and $149.7 million (or 43%) in the nine months ended September 30, 2015, compared to the corresponding periods in 2014. The volume of SWU sales declined 88% in the three-month period and 58% in the nine-month period reflecting the variability in timing of utility customer orders and the expected decline in SWU deliveries in 2015 compared to 2014. As described above under *LEU Segment - Revenue from Sales of SWU and Uranium,* our revenues, operating results and cash flows can fluctuate significantly from quarter to quarter and year to year. In addition, Centrus continues 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.

The average price billed to customers for sales of SWU declined 24% in the three-month period and increased 6% in the nine-month period reflecting the particular contracts under which SWU were sold during the periods.

Revenue from the contract services segment declined $2.9 million (or 12%) in the three months ended September 30, 2015, compared to the corresponding period in 2014, reflecting a decline in contract services work performed for DOE and DOE contractors. Revenue from the contract services segment increased $19.5 million (or 45%) in the nine months ended September 30, 2015, compared to the corresponding period 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 $69.5 million (or 67%) in the three months ended September 30, 2015, compared to the corresponding period in 2014, due to lower SWU sales volumes, partially offset by a $6.4 million increase in direct charges. Cost of sales for the LEU segment declined $159.3 million (or 43%) in the nine months ended September 30, 2015, compared to the corresponding period in 2014, due to lower SWU sales volumes and a $34.2 million decline in direct charges, partially offset by higher uranium sales volumes.

Cost of sales for SWU and uranium and direct charges are detailed in the following tables (dollar amounts in millions):

	Three Months Ended September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Cost of sales for the LEU segment:				
SWU and uranium	$ 9.9	$ 85.8	$ 75.9	88 %
Direct charges	23.9	17.5	(6.4)	(37)%
Total	$ 33.8	$ 103.3	69.5	67 %

	Nine Months Ended September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Cost of sales for the LEU segment:				
SWU and uranium	$ 177.6	$ 302.7	$ 125.1	41%
Direct charges	32.5	66.7	34.2	51%
Total	$ 210.1	$ 369.4	159.3	43%

Cost of sales per SWU, excluding direct charges described below, declined 2% in the three months ended September 30, 2015, compared to the corresponding period in 2014. Under our monthly moving average cost method, changes in purchase costs have an effect on inventory costs and cost of sales over current and future periods. Our purchases of SWU since our emergence from Chapter 11 bankruptcy on September 30, 2014 have had the effect of reducing our average SWU inventory cost, but the effect has been largely offset by the increase to book value of SWU inventories recorded as of September 30, 2014 as part of the application of fresh start accounting.

Cost of sales per SWU, excluding direct charges described below, increased 5% in the nine months ended September 30, 2015, compared to the corresponding period in 2014. Approximately two-thirds of our sales in the prior nine-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.

Since ceasing 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 $23.9 million and $32.5 million in the three and nine months ended September 30, 2015 and $17.5 million and $66.7 million in the corresponding periods in 2014 as follows:

- Lump-sum pension payments to former employees in the first nine months of 2015 resulted in the remeasurement of pension obligations under the Retirement Program Plan for Employees of United States Enrichment Corporation and direct charges to cost of sales of $21.6 million in both the three and nine months ended September 30, 2015;
- Operating expenses of $2.3 million and $10.6 million in the three and nine months ended September 30, 2015, compared to $15.6 million and $51.3 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 nine months ended September 30, 2015, compared to $1.8 million and $13.5 million in the three and nine months ended September 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
- Asset depreciation charges of $0.1 million and $1.9 million in the three and nine months ended September 30, 2014. Paducah GDP asset depreciation was completed as of June 30, 2014.

Cost of sales for the contract services segment declined $3.0 million (or 13%) in the three months ended September 30, 2015, compared to the corresponding period in 2014, reflecting a decline in contract services work performed for DOE and DOE contractors. Cost of sales for the contract services segment increased $19.5 million (or 44%) in the nine months ended September 30, 2015, compared to the corresponding period 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.

Gross Profit (Loss)

Our gross loss increased $19.0 million in the three months ended September 30, 2015. The gross loss for the LEU segment increased $19.1 million in the three-month period primarily due to the remeasurement of pension obligations that resulted in a direct charge to cost of sales of $21.6 million.

Our gross loss declined $9.6 million in the nine months ended September 30, 2015. The gross loss for the LEU segment declined $9.6 million in the nine-month period due to the decline in direct charges and the increase in the average SWU price billed to customers, partially offset by lower SWU sales volumes and the higher average cost per SWU resulting from the recognition of previously deferred sales, as described above. The gross loss of $13.2 million for the nine months ended September 30, 2015 includes the direct charge to cost of sales of $21.6 million for the remeasurement of pension obligations.

Our loss margin was (83.6)% in the three months ended September 30, 2015 compared to (4.5)% in the corresponding period in 2014, and (5.1)% in the nine months ended September 30, 2015 compared to (5.8%) in the corresponding period in 2014.

Our gross profit from the contract services segment increased by $0.1 million in the three months and was flat for the nine months ended September 30, 2015, compared to the corresponding periods in 2014.

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

	Three Months Ended September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Gross (loss)	$ (24.4)	$ (5.4)	$ (19.0)	(352)%
Advanced technology costs	1.9	5.3	3.4	64 %
Selling, general and administrative	13.5	10.4	(3.1)	(30)%
Amortization of intangible assets	1.1	—	(1.1)	— %
Special charges for workforce reductions	9.8	0.1	(9.7)	(9,700)%
Other (income)	(0.3)	(4.8)	(4.5)	(94)%
Operating (loss)	(50.4)	(16.4)	(34.0)	(207)%
Interest expense	4.8	4.7	(0.1)	(2)%
Interest (income)	(0.1)	(0.1)	—	— %
Reorganization items, net	—	(440.0)	(440.0)	100 %
Income (loss) from before income taxes	(55.1)	419.0	(474.1)	(113)%
Provision (benefit) for income taxes	—	0.1	0.1	100 %
Net income (loss)	$ (55.1)	$ 418.9	$ (474.0)	(113)%

	Nine Months Ended September 30,			
	Successor	Predecessor		
	2015	2014	Change	%
Gross (loss)	$ (13.2)	$ (22.8)	$ 9.6	42 %
Advanced technology costs	7.7	56.6	48.9	86 %
Selling, general and administrative	32.1	32.2	0.1	— %
Amortization of intangible assets	7.1	—	(7.1)	— %
Special charges for workforce reductions	13.3	2.1	(11.2)	(533)%
Other (income)	(1.8)	(39.4)	(37.6)	(95)%
Operating (loss)	(71.6)	(74.3)	2.7	4 %
Interest expense	14.6	14.0	(0.6)	(4)%
Interest (income)	(0.3)	(0.5)	(0.2)	(40)%
Reorganization items, net	—	(426.9)	(426.9)	100 %
Income (loss) from before income taxes	(85.9)	339.1	(425.0)	(125)%
Provision (benefit) for income taxes	(0.3)	(1.0)	(0.7)	(70)%
Net income (loss)	$ (85.6)	$ 340.1	$ (425.7)	(125)%

Advanced Technology Costs

Advanced technology costs declined $3.4 million in the three months and $48.9 million in the nine months ended September 30, 2015, compared to the corresponding periods in 2014. The decline in the nine-month period reflects development work performed in the prior period 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 $1.9 million in the three months and $7.7 million in the nine months ended September 30, 2015, and $5.3 million in the three months and $12.3 million in the nine months ended September 30, 2014.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses increased $3.1 million in the three months ended September 30, 2015, compared to the corresponding period in 2014, due to a loss of $3.2 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, partially offset by a decline in salaries, benefits and other compensation.

SG&A expenses declined $0.1 million in the nine months ended September 30, 2015, compared to the corresponding period in 2014. Salaries, benefits and other compensation declined $2.9 million in the nine-month period resulting primarily from reduced staffing levels and reductions in incentive compensation. The $3.2 million loss resulting from the remeasurement of pension obligations in the third quarter was offset by a pension remeasurement gain of $3.9 million in the second quarter. The remeasurements resulted from the level of lump-sum payments to former employees including those affected by workforce reductions. In the nine-month period, office related expenses increased $1.3 million and consulting costs increased $1.3 million compared to the corresponding period in 2014.

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

We notified our American Centrifuge employees in September 2015 of possible layoffs beginning in November 2015 as a result of DOE's decision to reduce funding for advanced uranium enrichment centrifuge research under our contract with ORNL. Based on the number of American Centrifuge employees likely to be laid off, we incurred a special charge of $8.7 million in the third quarter of 2015 for estimated termination benefits consisting primarily of payments under our severance plan.

In addition, the cessation of enrichment at the Paducah GDP and evolving business needs have resulted in workforce reductions since July 2013. In the three and nine months ended September 30, 2015, special charges included related termination benefits of $1.1 million and $4.9 million, respectively, less $0.3 million in the nine-month period for severance paid by the Company and invoiced to DOE for its share of employee severance.

In the three and nine months ended September 30, 2014, special charges for termination benefits consisted of $0.3 million in the three-month period and $4.5 million in the nine-month period, less amounts paid by the Company and invoiced to DOE of $0.2 million in the three-month period and $2.4 million in the nine-month period.

Other (Income)

In the three and nine months ended September 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 January through April 2014 was recognized as other income in the nine months ended September 30, 2014. In addition, other income in the three and nine months ended September 30, 2014 included gains on sales of assets and property of $4.8 million and $5.7 million, respectively.

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 nine months ended September 30, 2015. The income tax provision was $0.1 million for the three months ended September 30, 2014, and the income tax benefit was $1.0 million for the nine months ended September 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 nine months ended September 30, 2015 and $1.0 million for the corresponding period in 2014.

Because there is a full valuation allowance against deferred tax assets, pretax losses in continuing operations, after adjustment for nontaxable Reorganization Items, and losses in Other Comprehensive Income, there is no income tax benefit, excluding discrete items, for the nine months ended September 30, 2015 and 2014.

Net Income (Loss)

Net income declined $474.0 million in the three months and $425.7 million in the nine months ended September 30, 2015, compared to the corresponding periods in 2014, reflecting net reorganization gains in the prior periods, amortization in the current periods of intangible assets that resulted from our reorganization, and an increase in our gross loss in the three-month period, partially offset by declines in advanced technology costs and a decline in our gross loss in the nine-month period.

Liquidity and Capital Resources

We ended the third quarter of 2015 with a consolidated cash balance of $180.3 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 contract with ORNL; and (ii) from 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 contract with ORNL, American Centrifuge costs that are outside the scope of work under contract with ORNL, including demobilization costs and contract termination costs resulting from reductions in scope of work, and general corporate expenses, including cash interest payments on our 8% paid-in-kind toggle notes ("PIK Toggle Notes"). The Company elected to pay 3.0% per annum of interest due on the PIK Toggle Notes for the semi-annual interest periods ending on March 31, 2015 and September 30, 2015 in the form of PIK payments. As such, interest for the twelve months ended September 30, 2015 was paid as $12.0 million in cash and $7.2 million in PIK payments, and the principal balance increased accordingly to $247.6 million. 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. For the semi-annual interest period ending March 31, 2016, the Company has elected to pay interest in the form of PIK payments at 5.5% per annum. 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.

From May 2014 through September 2015, we performed continued research, development and demonstration of the American Centrifuge technology under the ACTDO Agreement. As we reported on September 11, 2015, ORNL informed us that it intended to contract with the Company at a reduced level for the period from October 1, 2015 to September 30, 2016, with the possibility for additional extensions. The reduced scope excludes continued cascade operations at the Company's Piketon, Ohio facility. Funding would be reduced by approximately 60% to $35 million per year, and the scope of activities would be limited to development and testing activities in Oak Ridge, Tennessee. The new contract is anticipated to be a firm fixed-price contract that would provide for payments on a monthly basis of approximately $2.9 million per month effective October 2015, down from approximately $6.9 million per month through September 2015. We have been in discussions with DOE concerning obtaining additional funding to permit operations at Piketon to continue but have no assurance that additional funding will be provided. Further, we have no assurance that a final contract will be executed or that the amount and scope of the contract will be at the $2.9 million per month level.

We notified our American Centrifuge employees in September 2015 of possible layoffs beginning in November 2015 as a result of DOE's decision to reduce funding under our contract with ORNL. Based on the level of funding reduction, we incurred a special charge of $8.7 million in the third quarter of 2015 for estimated termination benefits consisting primarily of payments under our severance plan. We initiated a voluntary workforce reduction opportunity in October 2015 that is subject to management acceptance of volunteers. The voluntary selection process will be followed by an involuntary workforce reduction if funding for Piketon operations is not restored. We expect to make payments for these workforce reductions over the next 18 months.

We had previously demobilized portions of the American Centrifuge program areas as a result of a reduction in scope funded under the ACTDO Agreement. We incurred approximately $17 million in 2014 and $6 million in the nine months ended September 30, 2015 to demobilize portions of the program areas not being continued under the ACTDO Agreement. The costs associated with our limited demobilization activities are included in advanced technology costs. 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 was 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.

While we are moving forward with actions to reduce costs and demobilize Piketon operations, we are doing so in a manner that preserves our ability to restore operations should funding be provided. Unless funding for Piketon operations is restored, we may begin to take actions in the first quarter of 2016, including beginning to dismantle installed equipment and machines, that would increase the cost, time and difficulty of restoring operations at the Piketon facility.

Should funding not be restored for operations at the Piketon, Ohio, facility, we could incur further costs associated with the reduction in scope. These costs could commence in the fourth quarter of 2015 as the Piketon workforce shifted to demobilization efforts and could extend into 2016. We currently estimate that we could incur demobilization costs of approximately $10-15 million in the fourth quarter of 2015. This estimate is in addition to the severance costs charged in the third quarter of 2015.

In addition to severance and demobilization costs, we ultimately will have costs associated with the decontamination and decommissioning (“D&D”) of the Piketon facility in accordance with the requirements of the U.S. Nuclear Regulatory Commission (“NRC”) and DOE. Estimates for such costs have been included in the liability for D&D of the Piketon facility. The balance of this liability, included in other long-term liabilities, was $22.6 million as of September 30, 2015 and December 31, 2014 based on cost projections. DOE has title to certain American Centrifuge equipment. In the event we return the Piketon facility to DOE pursuant to our lease, DOE retains title to and responsibility for disposition of this equipment, and we would seek reimbursement for any D&D costs we incurred related to this equipment.

We are required to provide financial assurance to the NRC and DOE for D&D and lease turnover costs under a regulatory-prescribed methodology that includes potential contingent costs and reserves. As of September 30, 2015 and December 31, 2014, we have provided financial assurance to the NRC and DOE in the form of surety bonds totaling $29.4 million, which are fully cash collateralized by us. We expect to receive cash as surety bonds are cancelled following our performance of D&D.

In the event that funding by the U.S. government is further reduced or discontinued, the American Centrifuge project may be subject to further demobilization, costs, 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.

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):

	Nine Months Ended September 30,	
	Successor	Predecessor
	2015	2014
Net Cash (Used in) Operating Activities	$ (45.1)	$ (220.3)
Net Cash Provided by Investing Activities	6.6	12.3
Net Cash (Used in) Financing Activities	—	(0.8)
Net (Decrease) in Cash and Cash Equivalents	**$ (38.5)**	**$ (208.8)**

Operating Activities

Monetization of inventory purchased or produced in prior periods provided cash flow in the nine months ended September 30, 2015 as inventories declined $114.9 million due to sales deliveries exceeding product received under SWU purchase agreements. In addition, accounts receivable declined $39.0 million due to monetization in the current nine-month period without increased sales and billings. The net reduction of the SWU purchase payables balance of $131.7 million, due to the timing of purchase deliveries, was a significant use of cash flow in the nine-month period. The net operating loss of $71.6 million in the nine months ended September 30, 2015, net of non-cash charges including depreciation, amortization and actuarial losses from pension remeasurements, was a use of cash flow.

In the corresponding period in 2014, payment of the SWU purchase payables balance of $293.4 million, due to the timing of purchase deliveries, was a significant use of cash flow, as were cash payments made for reorganization items of $15.6 million and interest payments of $15.9 million made to former noteholders. The net operating loss of $74.3 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 nine-month period as inventories declined $177.0 million.

Investing Activities

There were no significant capital expenditures in the nine months ended September 30, 2015 or the corresponding period in 2014. Cash collateral deposits decreased $5.0 million in the nine months ended September 30, 2015, and $3.9 million in the corresponding period in 2014, commensurate with declines in surety bonds required for waste disposition.

Working Capital

	September 30, 2015	December 31, 2014
	(millions)	
Cash and cash equivalents	$ 180.3	$ 218.8
Accounts receivable, net	20.3	58.9
Inventories, net	188.4	303.3
Other current assets and liabilities, net	(66.4)	(215.0)
Working capital	**$ 322.6**	**$ 366.0**

Defined Benefit Plan Funding

We contributed $7.5 million to the non-qualified defined benefit pension plans in the nine months ended September 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 and has engaged a financial advisor on this matter. 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 September 30, 2015, our debt consisted of $247.6 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 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 twelve months ended September 30, 2015 was paid as $12.0 million in cash and $7.2 million in PIK payments. 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. For the semi-annual interest period ending March 31, 2016, the Company has elected to pay interest in the form of PIK payments at 5.5% per annum.

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 on Form 10-K, there were no material off-balance sheet arrangements, obligations, or other relationships at September 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 September 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 September 30, 2015, our debt consisted of the PIK Toggle Notes with a balance sheet carrying value of $247.6 million. The estimated fair value of the PIK Toggle Notes was $75.8 million based on the most recent trading price as of September 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 September 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 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 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 mutually acceptable 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. A settlement was anticipated during the establishment of the non-cash intangible assets recorded through the application of fresh-start accounting on September 30, 2014. The Company concluded that the modifications made to the contracts with Entergy do not indicate that the related backlog intangible assets are no longer recoverable, and did not result in an impact to the balance of backlog intangible assets as of September 30, 2015.

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*

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, as previously supplemented and amended by the information set forth under Part II, Item 1A, *Risk Factors*, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

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:	November 12, 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	Amendment No. 005 dated July 7, 2015 to 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	Amendment No. 006 dated September 4, 2015 to 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)
10.3	Modification 23 dated July 22, 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 24 dated August 3, 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	Modification 25 dated August 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)
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 September 30, 2015, filed in interactive data file (XBRL) format.

(a) Filed herewith.

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.**

TENEX Contract No. 08843672/110033-051
USEC Contract No. EC-SC01-11-UE-03127
Amendment No. 005

AMENDMENT No. 005, signed as of July 7, 2015, to the Enriched Product Transitional Supply Contract, TENEX Contract No. 08843672/110033-051, USEC Contract No. EC-SC01-11-UE-03127, entered into on March 23, 2011 (the "Contract") by and between United States Enrichment Corporation ("USEC") and Joint Stock Company "TENEX" (formerly Joint Stock Company "Techsnabexport"; "TENEX"). USEC and TENEX are referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Contract.

SECTION 1. Pursuant to Section 20.04 of the Contract, USEC and TENEX hereby agree as follows:

1. Whereas effective as of November 14, 2014 TENEX's full corporate name was changed from Joint Stock Company "Techsnabexport" to Joint Stock Company "TENEX", all references in the Contract to Joint Stock Company "Techsnabexport" shall be considered references to Joint Stock Company "TENEX".

2. Paragraph E1-6(b) of the Contract is hereby modified to read as follows:

   "The quantity of the EUP Physically Delivered to USEC by TENEX pursuant to an Order may differ from the nominal quantity ordered by USEC by up to *****."

3. Starting from (and including) CY2015, the Delivery Receipts identified in Appendix G1 of the Contract as forms G1-1 "Delivery Receipt Format for Delivery of Enriched Product in Product Cylinders" and G1-2 "Delivery Receipt Format for Delivery of Enriched Product" referred to in Section 5.02 and Paragraph E1-1(b) of the Contract, shall not be required to be executed, unless specifically agreed by the Parties regarding specific Physical Deliveries.

4. Section 1.18 of the Contract is hereby modified by inserting "*****" after the phrase "*****". Further, Section 1.44 is hereby modified by inserting the following new subsection (g) after existing subsection (f):

   (g) with respect to Related Natural Uranium in ***** Cylinders ***** Delivered to TENEX under *****, these terms mean the delivery term agreed between TENEX and *****, for TENEX to take physical possession of such Related Natural Uranium in ***** Cylinders following Delivery by USEC."

5. The introductory phrase of Section 7.02(c) is hereby modified by replacing the words "Section 7.02(a), Section 7.02(b) or Section 7.02(h)" with "Section 7.02(a), Section 7.02(b). Section 7.02(h) or Section 7.02(j)".

6. In Section 7.02(f)(iii), the words "or Section 7.02(c)" are hereby replaced with "Section 7.02(c) or Section 7.02(j)".

7. In Section 7.02(g), the words "and Section 7.02(c)" are hereby replaced with "Section 7.02(c) and Section 7.02(j)"in three places.

8. The following language shall be inserted at the end of Section 7.02:

   "(j) Under the following terms, USEC shall deliver to TENEX Related Natural Uranium ***** Cylinders *****:

   (i) *****

   (ii) *****

   (iii) *****

   (iv) *****

   (v) *****

   (vi) *****

   (vii) The terms applicable to Acceptance and rejection of Related Natural Uranium Delivered under this Section 7.02(j) can be found in Appendix E2. The terms applicable to acceptance and rejection of the ***** Cylinders, *****. The remedies applicable in the case of a Delivery of non-Conforming Related Natural Uranium under Section 7.02(j) can be found in Paragraph E2-6 and the remedies in the case of a failure to Deliver Related Natural Uranium under Section 7.02(j) can be found in Paragraph E2-5. Supplemental procedures for Natural Uranium Delivered under this Section 7.02(j), which shall constitute the procedures contemplated by Paragraph E2-1 in cases where Appendix E2 applies to Related Natural Uranium Delivered under Section 7.02(j), shall be agreed separately by the Parties, but in no event shall a delay in final agreement on such procedures preclude USEC from making a Delivery under Section 7.02(j). TENEX shall not take Physical Delivery of the filled ***** Cylinders until such procedures have been agreed or the Parties agree that they are not needed."

9. Section 7.03(a)(ii) is hereby modified by replacing the words "or 7.02(c)" with ", 7.02(c) or 7.02(j)".

10. The last sentence of Section 7.04 is hereby replaced with the following: "Title to, and risk of loss of, Related Natural Uranium Delivered under Section 7.02(h) and Section 7.02(j) shall be governed by those Sections."

11. Section 7.09 is hereby modified by replacing the words "under Section 7.02(c) or Section 7.2(h)" with "under Section 7.02(c), Section 7.02(h) or Section 7.2(j)."

12. Section 7.10 is hereby modified by inserting the following new sentence at the end of Section 7.10: "The procedures for Acceptance of Related Natural Uranium Delivered under Section 7.02(j) are set forth in Appendix E2 and in any supplemental procedures agreed by the Parties pursuant to Paragraph E2-1."

13. In Appendix B of the CONTRACT, references to Section 7.02(c) in item (iv) in Paragraph B-1(b) and items (h) and (j) in Paragraph B-2 shall be deemed to refer to the Delivery of Related Natural Uranium under either Section 7.02(c) or Section 7.02(j) as applicable. Where applicable, not later than thirty (30) days after the date this Amendment No. 005 to the CONTRACT takes effect, USEC shall update its most recent non-binding estimate and any pending Orders submitted prior to the date this Amendment No. 005 takes effect under which it plans to Deliver any Related Natural Uranium under Section 7.02(j).

14. In Appendix E2, references to Section 7.02(c) shall be deemed to refer to Related Natural Uranium Physically Delivered under Section 7.02(c) or Delivered under Section 7.02(j). In addition, with respect to Related Natural Uranium Delivered under Section 7.02(j), the ***** in Paragraph E2-2 shall commence from *****.

15. The words "or Section 7.02(c)" in Paragraph E2-3(a) are hereby replaced with ", Section 7.02(c) or Section 7.02(j)" and the words "under Section 7.02(c)" in Paragraph E2-3(b) are hereby replaced with "under Section 7.02(c) or Section 7.02(j)".

16. The words "and Section 7.02(c)" in Paragraph E2-5(f) are hereby replaced with ", Section 7.02(c) or Section 7.02(j)".

17. In Appendix H, references to Related Natural Uranium ***** in Paragraph H-9 shall be deemed to refer to Related Natural Uranium *****.

18. Appendix M of the Contract is hereby modified by adding the following *****

19. In Appendix N, *****

20. *****

SECTION 2. Except as amended hereby, the Contract shall remain unchanged and in full force and effect.

SECTION 3. This Amendment No. 005 may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 005 as of the date first written above.

UNITED STATES ENRICHMENT CORPORATION	JOINT STOCK COMPANY "TENEX"
By: /s/ Stephen S. Greene	By: /s/ Sergey Polgorodnik
Name: ~~Philip G. Sewell~~ Stephen S. Greene	Name: Sergey Polgorodnik
Position: ~~Senior Vice President~~ Vice President, Finance and Treasurer	Position: First Deputy General Director

EXHIBIT 10.2

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.**

TENEX Contract No. 08843672/110033-051
USEC Contract No. EC-SC01-11-UE-03127
Amendment No. 006

AMENDMENT No. 006, signed as of September 4, 2015, to the Enriched Product Transitional Supply Contract, TENEX Contract No. 08843672/110033-051, USEC Contract No. EC-SC01-11-UE-03127, entered into on March 23, 2011 (the "CONTRACT") by and between United States Enrichment Corporation ("USEC") and Joint Stock Company "TENEX" ("TENEX"). USEC and TENEX are referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the CONTRACT.

SECTION 1. Pursuant to Section 20.04 of the CONTRACT, USEC and TENEX hereby agree as follows:

1. The following sentence shall be inserted at the end of Section 3.02(g):

"*****"

2. The following new subsections (h) and (i) shall be inserted at the end of Section 3.02:

"(h) *****"

(i) Notwithstanding anything to the contrary in the CONTRACT, *****.

3. The following new subsection (h) shall be inserted at the end of Section 4.03:

"(h) *****"

4. The following new Section 5.09 shall be inserted at the end of Article 5:

"Notwithstanding anything to the contrary in Section 5.04 or other terms of this CONTRACT, title to, but not the risk of loss of, EUP Delivered pursuant to Section 3.02(h) shall transfer automatically to USEC (and all claims of any kind of TENEX to the EUP shall be deemed to have expired) on one of the following dates, at TENEX's option to be selected not later than thirty (30) days prior to the EUP Delivery Date (with option (a) to apply if TENEX does not make a selection by such 30th day):

(a) *****

(b) *****

(i) The Section 5.09(b) Title Transfer Date shall be confirmed by a "Section 5.09(b) Title Transfer Statement" promptly thereafter signed by both Parties but the execution of such Section 5.09(b) Title Transfer Statement shall not be a condition precedent for the transfer of title to EUP to USEC.

(ii) Where the Section 5.09(b) Title Transfer Date is the date of delivery of the EUP to USEC's Customer, transfer of title to USEC shall be deemed to have occurred immediately *****.

(c) For the avoidance of doubt, the risk of loss of EUP ordered pursuant to Section 3.02(h) shall pass to USEC upon completion of Physical Delivery of such EUP, as envisaged by Section 5.04."

5. Section 7.02(a)(vi) is hereby replaced with the following:

"(vi) *****"

6. The Table 3 in Appendix I is hereby replaced with the following, and the footnote following such table is deleted:

*****

7. *****

8. *****

9. Appendix J of the CONTRACT is hereby replaced with the updated Appendix J in Exhibit 1. Appendices O1 and O2 in Exhibit 2 are hereby inserted as new appendices to the CONTRACT.

SECTION 2. This Amendment No. 006 shall come into force on the date when it is signed by all Parties hereto. Except as amended hereby, the CONTRACT, as in effect on the date first written above, shall remain unchanged and in full force and effect.

SECTION 3. This Amendment No. 006 may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 006 as of the date first written above.

UNITED STATES ENRICHMENT CORPORATION	JOINT STOCK COMPANY "TENEX"
By: /s/ Stephen S. Greene	By: /s/ Sergey J. Polgorodnik
Name: Stephen S. Greene Position: Senior Vice President, Chief Financial Officer & Treasurer	Name: Sergey J. Polgorodnik Position: First Deputy General Director

Exhibit 1

APPENDIX J: *****

****

Exhibit 2

APPENDIX O1: *****

*****

.

APPENDIX O2: *****

*****

[redacted]

UT-Battelle, LLC
Acting under contract DE-AC05-00OR22725
With the U.S. Department of Energy
Internet: http://www.ornl.gov/adm/contracts/index.shtml

Subcontract Modification

Subcontract Modification

Except as provided herein, the subcontract remains unchanged.

1. Subcontract Number: 4000130255	**2. Modification Number:** 23	
3a. Subcontract Administrator: Lisa Cobb		
3b. Email address: COBBLL@ORNL.GOV	**3c. Telephone:** 865-576-5470	**3d. Fax:** 865-241-5557
4. Name and Address of Seller: Seller Number: 219986 AMERICAN CENTRIFUGE OPERATING LLC 6903 ROCKLEDGE DR # 400 2 DEMOCRAC BETHESDA MD 20817-1872	**5. Modification Issued By:** UT-Battelle, LLC c/o Oak Ridge National Laboratory P.O. BOX 2008, BLDG. 5300 OAK RIDGE, TN 37831-6050	

6. Description of Modification: See page 2 for complete description of modification.

7. Accounting information:

Previous total value: $ 117,037,597.00	**Change in total value:** $ 0.00	**Revised total value:** $ 117,037,597.00
Previous funded value: $ 103,149,495.00	**Change in funded value:** $ 6,944,051.00	**Revised funded value:** $ 110,093,546.00

8. Performance Period: Performance Period is revised as follows: 05/01/2014 - 09/30/2015

9. (X) Seller is required to sign and return a copy of this document. ***(Checked if applicable)***	**10. UT-Battelle, LLC**
A. Signature of person authorized to sign for Seller [illegible signature]	**A. Signature of person authorized to sign** Lisa L. Cobb Digitally signed by Lisa L. Cobb DN: cn=Lisa L. Cobb, o=UT-Battelle, LLC, ou=Acquisition Management Services, email=cobbLL@ornl.gov, c=US Date: 2015.07.21 13:18:58 -04'00'
B. Name of signer Charles Kerner	**B. Name of signer**
C. Title of signer Director, Procurement & Contracts	**C. Title of signer**
D. Date 7/22/15	**D. Date**

Description Of Modification

Modification 23, dated July 21, 2015, is issued to add, delete, or modify the following:

- Add **$6,944,051** in incremental funding (increased from **$103,149,495 to $110,093,546**).

~~~~~~

Section H. Special Provisions

Limitation of Company's Obligation, Sections (a) and (c)(1) are revised as follows:

(a) Of the total price of this Agreement, **$110,093,546** is currently allotted and available for payment. It is anticipated that from time to time additional funds will be allotted until the total price of the Agreement is allotted.

(c)(1) Funds currently allotted are expected to cover the work to be performed until **August 31, 2015.**

No other changes.

*******************End of Modification*************************
~~~~~~

UT-BATTELLE
OAK RIDGE NATIONAL LABORATORY

UT-Battelle, LLC
Acting under contract DE-AC05-00OR22725
With the U.S. Department of Energy
Internet: http://www.ornl.gov/adm/contracts/index.shtml

Subcontract Modification

Subcontract Modification

Except as provided herein, the subcontract remains unchanged.

1. Subcontract Number: 4000130255	**2. Modification Number:** 24	
3a. Subcontract Administrator: Lisa Cobb		
3b. Email address: COBBLL@ORNL.GOV	**3c. Telephone:** 865-576-5470	**3d. Fax:** 865-241-5557
4. Name and Address of Seller: Seller Number: 219986 AMERICAN CENTRIFUGE OPERATING LLC 6903 ROCKLEDGE DR # 400 2 DEMOCRAC BETHESDA MD 20817-1872	**5. Modification Issued By:** UT-Battelle, LLC c/o Oak Ridge National Laboratory P.O. BOX 2008, BLDG. 5300 OAK RIDGE, TN 37831-6050	

6. Description of Modification:

Modification 24, dated July 27, 2015, is issued to add, delete, or modify the following:

- Add FAR Clause 52.222-55, effective April 1, 2015.

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Section H. Special Provisions

FAR Clause 52.222-55 is hereby incorporated with an effective date of April 1, 2015.

No other changes.

*******************End of Modification*************************

7. Accounting information:

Previous total value: $ 117,037,597.00	**Change in total value:** $ 0.00	**Revised total value:** $ 117,037,597.00
Previous funded value: $ 110,093,546.00	**Change in funded value:** $ 0.00	**Revised funded value:** $ 110,093,546.00

8. Performance Period: Performance Period is revised as follows: 05/01/2014 - 09/30/2015

9. (X) Seller is required to sign and return a copy of this document *(Checked if applicable)*	**10. UT-Battelle, LLC**
A. Signature of person authorized to sign for Seller Dale R. Bauer	A. Signature of person authorized to sign Lisa L. Cobb Digitally signed by Lisa L. Cobb DN: cn=Lisa L. Cobb, o=UT-Battelle, LLC, ou=Acquisition Management Services, email=cobbLL@ornl.gov, c=US Date: 2015.07.27 16:34:00 -04'00'
B. Name of signer Dale R. Bauer	B. Name of signer
C. Title of signer Manager, Government Contracts	C. Title of signer
D. Date 8/3/15	D. Date
~~~~~~

[redacted]

UT-Battelle, LLC
Acting under contract DE-AC05-00OR22725
With the U.S. Department of Energy
Internet: http://www.ornl.gov/adm/contracts/index.shtml

Subcontract Modification

Subcontract Modification

Except as provided herein, the subcontract remains unchanged.

1. Subcontract Number: 4000130255	**2. Modification Number:** 25
3a. Subcontract Administrator: Lisa Cobb	

3b. Email address: COBBLL@ORNL.GOV	**3c. Telephone:** 865-576-5470	**3d. Fax:** 865-241-5557

4. Name and Address of Seller: Seller Number: 219986 AMERICAN CENTRIFUGE OPERATING LLC 6903 ROCKLEDGE DR # 400 2 DEMOCRAC BETHESDA MD 20817-1872	**5. Modification Issued By:** UT-Battelle, LLC c/o Oak Ridge National Laboratory P.O. BOX 2008, BLDG. 5300 OAK RIDGE, TN 37831-6050

6. Description of Modification:

Modification 25, dated August 13, 2015, is issued to add, delete, or modify the following:

- Add $6,944,051 in funding (increased from $110,093,546 to $117,037,597). Subcontract is now fully funded.

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Section H. Special Provisions

Limitation of Company's Obligation - is hereby deleted.

No other changes.

*******************End of Modification*************************

7. Accounting information:

Previous total value: $ 117,037,597.00	**Change in total value:** $ 0.00	**Revised total value:** $ 117,037,597.00
Previous funded value:	**Change in funded value:**	**Revised funded value:**

8. Performance Period: Performance Period is revised as follows: 05/01/2014 - 09/30/2015

9. (X) Seller is required to sign and return a copy of this document. *(Checked if applicable)*	**10. UT-Battelle, LLC**
A. Signature of person authorized to sign for Seller Ch Kee	A. Signature of person authorized to sign Lisa L. Cobb Digitally signed by Lisa L. Cobb DN: cn=Lisa L. Cobb, o=UT-Battelle, LLC, ou=Acquisition Management Services, email=cobbLL@ornl.gov, c=US Date: 2015.08.13 14:13:31 -04'00'
B. Name of signer Charles Kerner	B. Name of signer
C. Title of signer Director, Procurement & Contracts	C. Title of signer
D. Date 8/14/15	D. Date
~~~~~~

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.

November 12, 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.

November 12, 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 September 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.

November 12, 2015	/s/ Daniel B. Poneman
	Daniel B. Poneman
	President and Chief Executive Officer
November 12, 2015	/s/ Stephen S. Greene
	Stephen S. Greene
	Senior Vice President, Chief Financial Officer and Treasurer