ANNUAL REPORT 2017

enresa

SUMMARY

ANNUAL REPORT 2017

1. A WORD FROM THE CHAIRMAN

Chairman of Enresa
Juan José Zaballa


enresa

A Word from the Chairman

JUAN JOSÉ ZABALLA

Chairman of Enresa

When it comes, firstly, to presenting and, later, evaluating Enresa's activity over the course of a year, it is always essential to bear in mind Enresa's very singular business model. These unique characteristics encompass both the areas of income and expenditure and operation, where financial activity and management combine to form a unique combination that resists any attempt at comparison or analogy. On the other hand, these peculiar characteristics of Enresa's business model complement each other in the management of the business which encompasses, among other areas of activity, personnel management, the upgrading of IT systems and the upgrading of facilities. In 2017, the company was intensely active in both areas: that arising from its specific business model and that arising from of its business structure.

Current income for the year was 393 million euros which, added to the 128 million financial result, made for total income of 521 million euros. Expenditure was 212 million euros, making for a pre-tax profit of 308 million euros, compared to the 405 million for the year 2016. Again, the specifics of Enresa's business model mean that such a result is translated, almost entirely, into an increase in the allocation to the Fund for financing the activities of the General Radioactive Waste Plan (GRWP).

Indeed, one of the pillars of the Spanish radioactive waste management model is the fund for financing the activities of the Radioactive Waste Management Plan and which appears on the company's Balance Sheet. Thus, management of the corresponding in-vestment portfolio and of the income arising from radioactive waste management services which, ultimately, contribute to the Fund is a basic component of both the Spanish model and, consequently, of Enresa's business model and this company's daily activity. Thus, the Fund for the financing of the activities of the General Radioactive Waste Plan reached an allocation of 5,326 million euros, achieving an accumulated investment performance of 3.28%, equivalent to 2.18% in real terms.

Enresa's productive activity is focussed on the objectives and activities contained within the framework of the current GRWP and which, in essence, make up three differentiated lines of activity but which, at the same time, are operationally related. Again, the particulars of Enresa's business model advise us to designate lines of activity which, in a company with commercial activity would clearly deserve to be treated as business lines.

The first of these is the management of spent fuel and high level waste, where once again and following the mandate of the current GRWP, main activities have focussed on providing Spain with a Centralised Temporary Storage facility (CTS). Thus, over the course of 2017, design and preparation activities have continued to obtain the necessary authorisations to initiate the corresponding works and, particularly, the favourable report from the part of the Nuclear Safety Council for the Construction Authorisation. The process for this type of facility is unprecedented in Spain and, consequently, it has been characterised by the need to justify with an extremely high degree of precision and technical rigour each and every of the design decisions taken. Enresa's extensive and particular experience in this area is a particularly valuable asset in this process.

On the other hand, it must be stated that progress on this project saw an important step in 2017 insofar as, in the month of November after a series of previous sentences, the Supreme Court, after several appeals, written submissions and proceedings, issued a ruling in which it ruled as inadmissible the Cassation Appeal lodged by the Regional Government of Castilla-La Mancha against the ruling of the TSJCLM which suspended the enforceability of the extension of the BirdLife Special Protection Area (SPA) of the Laguna del Hito, which affected the location of the CTS in the municipality of Villar de Cañas in Cuenca, chosen as the location of this facility by the Agreement of the Council of Ministers of 30 December 2011.

Enresa's production activity has focussed on complying with the objectives included in the current GRWP

Business management requires, among other things, an objective view of reality and it cannot be denied that various factors have been responsible for the delays experienced with this project and, consequently, our capacity to manage, in a technically and economically efficient manner, the spent nuclear fuel generated by nuclear power plants. Possibly the biggest impact of this delay, although perhaps not the most significant from a financial perspective, is that, from July 2017, and as a result of the impossibility of ordering the return from France of the radioactive waste generated from the processing of spent fuel at Vandellós I, Enresa has begun to pay a penalty of 74,603.14 euros per day. These penalties will cease when the last transport batch of this radioactive waste arrives in Spain, at which point they will be refunded to Enresa, less the storage costs incurred.

Activity in the area of management of low and intermediate level waste and very low level waste at the El Cabril disposal facility (Hornachuelos, Córdoba) saw a notable recovery in 2017, particularly with regard to very low level waste, which reached 73% of the total, primarily originating from other activities of the company such as the decommissioning of the José Cabrera nuclear power plant and activities carried out as part of the "Integrated Plan for the Improvement of CIEMAT Facilities" (PIMIC). This demonstrates the integrated radioactive waste management model applied in Spain, which Enresa is responsible for implementing.

Enresa has become consolidated as one of most experienced organizations in the world in the decommissioning of nuclear facilities

The second line of activity of the company, as indicated, fully integrated with radioactive waste management, is the decommissioning and closure of nuclear facilities and it encompasses three very specific and significant projects. Firstly, during 2017, Enresa continued with the activities associated with the latency phase of the Vandellós I nuclear power plant (Tarragona), of which deferred decommissioning activities were carried out by the company between 1998 and 2003.

With regard to the decommissioning process of the José Cabrera "Zorita" nuclear power plant (Guadalajara), initiated in 2010, 2017 saw the decontamination of the auxiliary and support buildings and the completion of official tests on the soil washing plant and the new treatment system of liquid waste. From the company's perspective, it is difficult to overemphasise the importance of this decommissioning project, both in terms of the processes and the systems applied by Enresa in this project and the importance it represents as an international project of reference.

This accumulated experience has been fundamental for the decommissioning of Santa María de Garoña NPP, which Enresa has launched after the Spanish Government's decision on 1 August 2017 to definitively shutdown the nuclear power plant in the province of Burgos. This third decommissioning project will consolidate Enresa as one of most experienced organisation in the world in the decommissioning of nuclear facilities and, in parallel, the integrated management of the waste arising therefrom, will allow for important savings in terms of both time and costs. As a start to this project, in 2017, Enresa worked on preparing the specific agreements with Nuclenor in their capacity as owner of this nuclear power plant, in order to carry out preparatory activities for the decommissioning and has worked on preparing the Initial Charac-terisation Plan for the Garoña nuclear power plant to be sent to the Nuclear Safety Council.

These lines of action by Enresa, due to their nature, are built on a solid scientific and technological base that allows us to implement industrial solutions that are safe, viable and acceptable for society, which is why R&D activities are essential to the continued efficiency and consolidation of the company's business. Thus, this company has, since its creation, allocated some 170 million euros to R&D programmes and, currently, its investment in the area is set out in the 7th Enresa R&D Plan (2014-2018), which is structured in different areas that cover waste technology, the study of spent fuel, the development of processing and conditioning technologies, the improvement of the decommissioning and characterisation processes or the performance of radioactive waste confinement materials and systems, among others.

The development of the productive activity I have described requires a firm commitment from management. For this reason, the improvement and upgrading of internal management systems at the company throughout 2017 was of great importance, and this must be continued over the coming years. We must highlight the initial undertaking of an in-depth reform of IT systems and the implementation of an electronic system for the management of procurement process, a strategic component of Enresa's business. The refurbishment of the company's head office, carried out in 2017 has served as a basis for the rationalisation of rental costs for workspaces, systems and filing systems is fundamental to an ongoing effort to take full advantage of this building and to reduce additional costs.

A modern company is one that is integrated and committed to its environment and Corporate Social Responsibility (CSR) is, at the same time, a basic tool of that integration and an explicit demonstration of that commitment. During the third quarter of 2017, the Board of Directors of the Company approved the Enresa CSR White Paper, a document that becomes a guide and masterplan for activities and actions in the area of social responsibility.

Over the past year, funds have been allocated for the cofinancing of local development projects and collaboration partnerships with local authorities for municipalities in the vicinity of nuclear facilities, by virtue of the provisions established in Ministerial Order IET 458/2015 for a sum of 2.8 million euros. Moreover, in favour of the training and transfer of knowledge in the area of our mission, the management of radioactive waste, agreements and contracts of close to €250,000 were signed with scientific, social and economic entities and with the Enresa Chairs in universities for external training in the area of radioactive waste.

To conclude, I wish to highlight the fact that a company is, above all, a human organisation and that the people who work there and their development are its basis and the essence. The projects and developments would never become anything more than mere ideas or concepts were it not for the constant and daily efforts more than three hundred Enresa employees across our different centres. Their commitment, professionalism, and capacity to improve, over the course of 2017, were determinant factors in the advances and achievement of this public company which, within an increasingly demanding framework, has been able to efficiently carry out the difficult tasks assigned to it by society.

The commitment, professionalism, and capacity to improve of Enresa's employees are determinant factors in the advances made by the company

2. GOVERNING BODIES

- Board of Directors
- Management Committee

GOVERNING BODIES

BOARD OF DIRECTORS
(as of 31 December 2017)

CHAIRMAN:

- **Mr. Juan José Zaballa Gómez.** ENRESA

VICE-CHAIRMAN:

- **Mr. Ramón Gavela González.**
GENERAL MANAGER, CIEMAT

MEMBERS:

- **Mr. Lorenzo Avello López**
DEPUTY GENERAL MANAGER OF TELECOMMUNICATIONS MANAGEMENT; MINISTRY OF ENERGY, TOURISM AND THE DIGITAL AGENDA
- **Ms. Alicia García-San Miguel Bossut**
INSPECTOR GENERAL OF SERVICES;
MINISTRY OF AGRICULTURE AND FISHERIES, FOOD AND THE ENVIRONMENT
- **Mr. Pablo Garde Lobo**
DEPUTY TECHNICAL SECRETARY GENERAL;
MINISTRY OF ECONOMY, INDUSTRY AND COMPETITIVENESS
- **Ms. Belén Isla Ayuso**
SECRETARY GENERAL FOR THE CHIEF ADMINISTRATOR'S OFFICE AND FINANCIAL ADMINISTRATION;
MINISTRY OF ENERGY, TOURISM AND THE DIGITAL AGENDA

Mr. José Manuel Pérez Morales
DIRECTOR OF DEPARTMENT OF TECHNOLOGY,
CIEMAT

Ms. Beatriz Pérez Raposo
ADVISORY MEMBER OF THE MINISTERIAL CABINET;
MINISTRY OF ECONOMY, INDUSTRY AND COMPETITIVENESS

Mr. José Manuel Redondo García
DEPUTY DIRECTOR GENERAL OF NUCLEAR ENERGY;
MINISTRY OF ENERGY, TOURISM AND THE DIGITAL AGENDA

State Industrial Ownership Corporation (SEPI), represented by Ms. Mercedes Real Rodrigálvarez
DIRECTOR OF THE EQUITY DIVISION

Mr. Joaquín Serrano Agejas
HEAD OF SUB-DIVISION FOR TRANSVERSAL SCIENTIFIC-TECHNICAL PROGRAMMES, STRENGTHENING AND EXCELLENCE
STATE RESEARCH AGENCY
MINISTRY OF ECONOMY, INDUSTRY AND COMPETITIVENESS

Mr. Diego Vázquez Teijeira
ADJUNCT DEPUTY DIRECTOR GENERAL FOR HYDROCARBONS
MINISTRY OF ENERGY, TOURISM AND THE DIGITAL AGENDA

NON-MEMBER SECRETARY: **Ms. Fabiola Gallego Caballero.** ENRESA

MANAGEMENT COMMITTEE (as of 31 December 2017)

Mr. Juan José Zaballa Gómez
CHAIRMAN

Ms. Lorena Segura Romera
DIRECTOR OF CORPORATE DEVELOPMENT

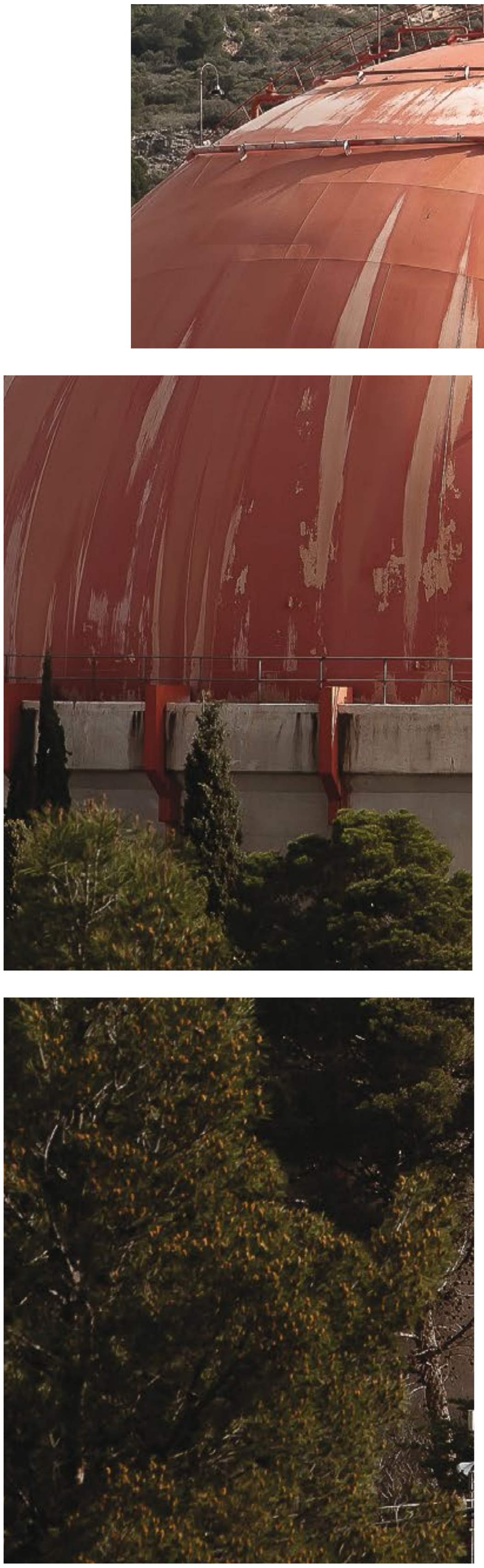
Mr. Álvaro Rodríguez Beceiro
TECHNICAL DIRECTOR

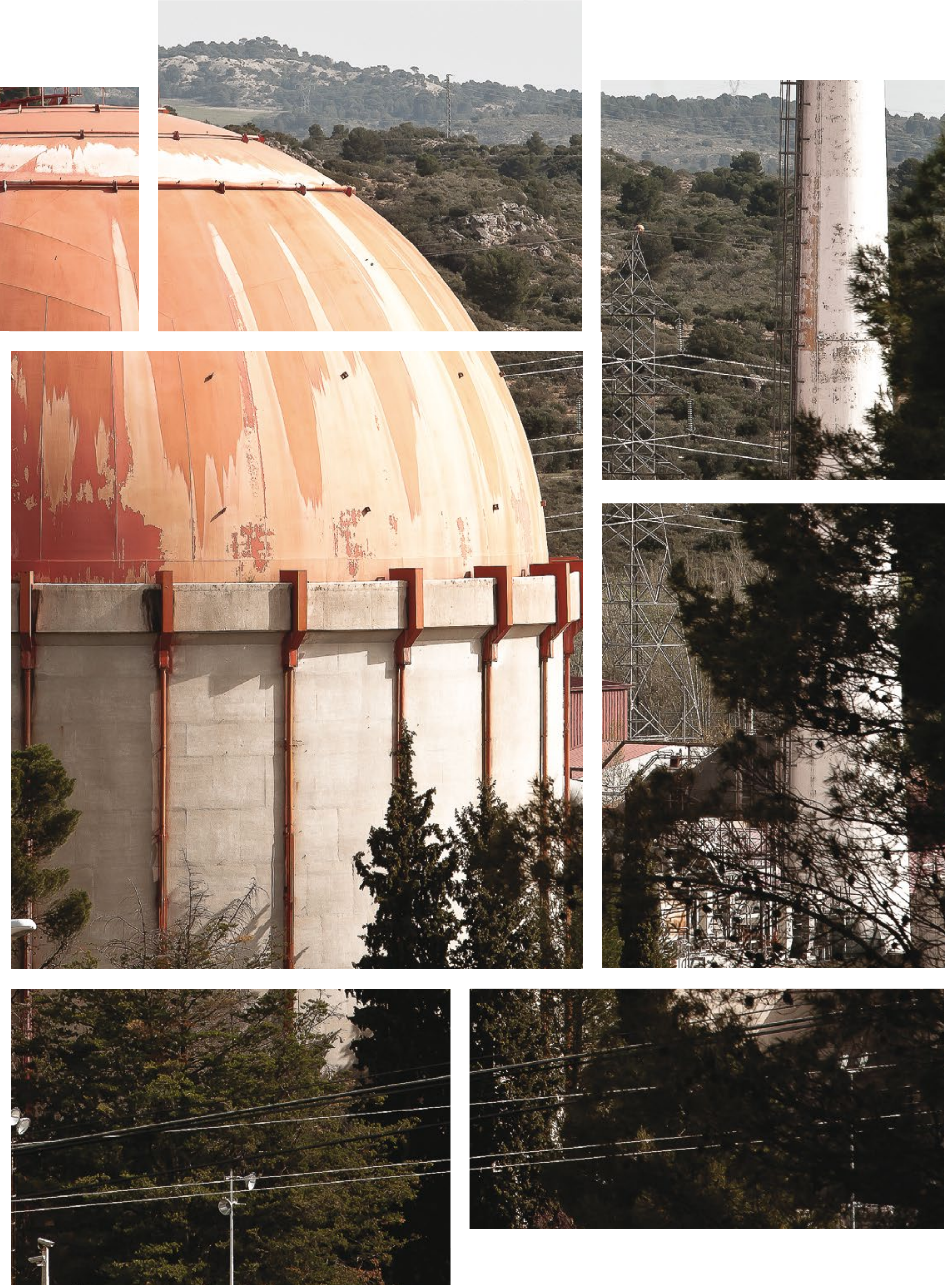
Ms. María del Carmen García Franquelo
ADMINISTRATION MANAGEMENT

Ms. Fabiola Gallego Caballero
GENERAL SECRETARY AND SECRETARY TO THE BOARD

Mr. Francisco Jimenez de la Peña
AUDIT DIRECTOR

3. THE YEAR IN FIGURES





THE YEAR IN FIGURES DATA AS OF DECEMBER 2017

Quality Assurance inspections

2.629

366 Contracts awarded

317 SARA

79 Non-SARA

75,7 million euros

Sum awarded

80%

progress in decommissioning of José Cabrera NPP

Fund for financing the activities of the General Radioactive Waste Plan

5.326 million euros

61

Casks loaded with SF/HLW on site at nuclear power plants

TRILLO NUCLEAR POWER PLANT	32	DPT (SF)
JOSÉ CABRERA NUCLEAR POWER PLANT	12	HI-STORM (SF)
	+4	HI-SAFE (HLW)
ASCÓ NUCLEAR POWER PLANT	13	HI-STORM (SF)

32

Casks manufactured and awaiting loading

ASCÓ NUCLEAR POWER PLANT	4	HI-STORM awaiting loading
	+4	HI-STORM in manufacturing process
SANTA MARIA DE GAROÑA NUCLEAR POWER PLANT	5	ENUN52B awaiting transport
COFRENTES NUCLEAR POWER PLANT	5	HI-STAR 150 in design, subsequent manufacture
VANDELLÓS I NUCLEAR FACILITY	4	TN-81 for transport of waste arising from reprocessing of fuel from the plant, stored in La Hague (France)
SPANISH PWR PLANTS	10	HI-STORM in manufacturing process

324
In-house employees

75.306
Visits to the Enresa website

Hours of training received by company personnel
12.460

Visits to Enresa Spaces
6.023

News stories on Enresa published in the Spanish media
1.393

16.139
Document requests processed

EL CABRIL

911
Relationships for provision of radioactive waste management services

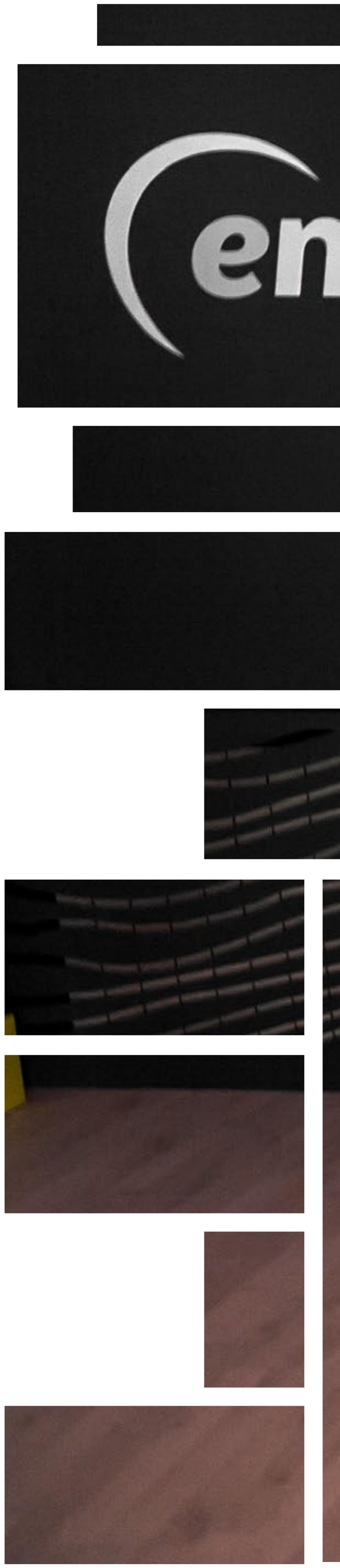
Percentage occupation of El Cabril

76,07%
Of low and intermediate level waste capacity occupied

38,68%
Of very low level waste capacity currently available

304
Shipments to El Cabril with a volume of 2,994m3 of waste received

4. AUDIT REPORT

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Financial Statements Audit Report
Issued by an Independent Auditor

To the Shareholders of
Empresa Nacional de Residuos Radiactivos S.A., S.M.E., M.P.

Report on the Financial Statements

Opinion

We have audited the financial statements of Empresa Nacional de Residuos Radiactivos S.A., S.M.E., M.P. (hereinafter the Entity) which include the balance sheet as of 31 December 2017, the profit and loss account, the statement of changes in net equity, the consolidated cash flow statement and the consolidated annual report for the financial year ending on said date.

In our opinion, the financial statements express, in all significant aspects, a fair and accurate picture of the equity and of the financial situation of the Entity on 31 December 2017, and of the results and cash flows corresponding to the financial year ending on said date, in accordance with the applicable regulatory framework on financial information (See Note 2.1 of the Report) and, in particular, with the accounting principles and criteria contained therein.

Background of the opinion

We have conducted our audit in accordance with the regulations on the auditing of financial statements currently in force in Spain. Our responsibilities pursuant to said regulations are described below in the section Responsibilities of the auditor with regard the audit of the financial statements.

We are independent of the Entity, in compliance with ethical requirements, including those of independence, that are applicable to our auditing of financial statements in Spain as stated in the regulations governing the auditing of accounts, we are independent to the Company. In this regard, we have not provided services other than those of account auditing, nor have circumstances or situations occurred which, pursuant to that established in the above mentioned regulation, have affected the required independence to the extent that it has been compromised.

We consider that the audit evidence obtained provides an adequate and sufficient basis for the issue of our opinion.

Key issues in the audit

The key issues of the audit are those questions that, in our professional judgement, were most significant in our audit of the financial statements for the period ending on 31 December 2017. These issues have been treated in the context of our audit of the financial statements as a whole, and of our opinion of same and we do not express a separate opinion on such matters.

Classification and valuation of financial instruments

As of 31 December 2017, the portfolio of financial instruments represents a significant percentage of the Entity's assets. The classification and valuations criteria of the financial instruments, for the purposes of valuation, can require a high degree of judgement and complex estimates that determine the criteria to be applied in subsequent valuation.

In cases where there is no quoted price in an active market (level two financial instruments), the calculation of the fair value of the financial instruments requires complex estimates made through valuation techniques that may take into account a degree of subjectivity or market data that cannot be directly observed.

The focus of our audit has included both the assessment of the most relevant controls and the classification and assessment of financial instruments, with the completion of detailed and substantial tests. The principal procedures carried out, consisted of, among others, the following:

- An adequate understanding of the Entity's contracting and investment operations and strategy, through meetings and reading of investment materials.
- Verification and review of the accounting criteria and procedures established for the registration and valuation of the portfolio of financial instruments, checking that they are in line with the criteria established in the regulations.
- Review of the correct classification of values representing debt based on the purpose for which they have been acquired, verifying compliance with the requirements established in the regulations (demonstrated financial capacity of the holder, intention to maintain up to maturity, no cancellation option in favour of the issuer that may cause a loss for the holder, market quotation, profitability) along with the correct assessment and evaluation of the need to assess possible impairment.
- Databases: balance of accounting assistants who gather the inventories of the financial instruments with the respective accounting balances.
- For tests on the classification and valuation of financial instruments, we have selected a sample of operations with the aim of verifying the reasonableness of recognised fair value and/or correction for impairment, where applicable. For this sample, and based on the type of instruments contacted, where applicable, the methods of contrast applied to obtain evidence of the fair value assigned by same to the different financial assets and liabilities in accordance with the criteria established in the regulation:
    - For financial instruments valued at amortised cost, verification that there are no defaults or other facts that, jointly analysed, might lead to impairment.
    - Overall reasonableness of variables considered by the independent expert designated for the valuations made and the inputs proposed.
    - Sample valuation for certain financial instruments at fair value (bonds and derivatives).

The valuation criteria used and the breakdown of information in relation to the items indicated are included in notes 4.5, 7.1 7.2 and 7.5, respectively, in the attached report.

Fund to finance the activities of the General Radioactive Waste Plan

The management of radioactive waste, including spent nuclear fuel and the decommissioning and closure of nuclear facilities, as referred to in Article 38 bis of Law 25/1964, of 29 April, entrusted to Enresa, shall be carried out using the Fund for financing the activities of the General Radioactive Waste Plan.

The Fund for the financing of the General Radioactive Waste Plan is financed under the terms established by the Ministry of Energy, Tourism and the Digital Agenda and through the taxes collected by the State Tax Administration Agency (AEAT). These taxes are lodged by taxable persons by way of self-declaration through their collaborating entities and finally, when the Secretary of State for Energy releases the funds, they are transferred to Enresa from the Treasury. In addition, income derived from the temporary financial investments of same is included in the fund. The sums are financed by the owners of nuclear power plants under the terms established by the Ministry.

The future financing requirements arising from potential deviations from the hypothesis of the GRWP are clearly guaranteed through the amendment of the types of levies that said law envisages being introduced by Royal Decree.

The purpose of this Fund is to cover the costs and expenses arising in relation to the development of the activities and projects that comprise the purpose of Enresa, and on 31 December 2017 the balance amounted to a total sum of 5,326,015 thousand euros.

The annual variation of the Fund is determined, from an accounting perspective, by the difference between the allocation to the fund to meet future costs, from which the profit to be registered by Enresa is deducted, and the use of the Fund for its purpose.

The focus of our audit has included both the assessment of the most relevant controls applied by the Entity and the completion of detailed and substantial tests. The principal procedures carried out consisted, among others, of the following:

- Review of the correct entry of the income obtained during the financial year as allocations to the fund and entry of costs incurred in application of same.
- Review of the process and controls implemented in the billing of owners of nuclear power plants, constituting the large part of the turnover registered. Our work included detailed tests of the calculation established.
- With regard to the costs incurred, we have performed detailed tests, consisting of verifying their correct accrual through the corresponding supporting documentation which primarily consists of award contracts, with the most significant being those relating to the study and management of waste.

The valuation criteria used and the breakdown of information in relation to the Fund are included in notes 1 and 9 of the attached report.

Emphasis of Matter Paragraph

We call your attention to Note 1, attached to the report, which mentions that the Entity carries out its public activities in accordance with the objectives established in Royal Decree 102/2014 and other applicable legislation in relation to nuclear energy and the electricity sector, which affect its activity, with its actions, therefore, geared towards same.

Our opinion has not changed with regard to this issue.

Other Information: Management Report

The other information is exclusively made up of the management report of the 2017 financial year, the preparation of which is the responsibility of the Directors of the Entity and does not constitute an integral part of the financial statements.

Our audit opinion of the financial statements does not cover the management report. Our responsibility regarding the management report, pursuant to that stated in the regulations governing the auditing of accounts, consists of evaluating and reporting on the consistency of the management report with the financial statements, based on the knowledge of the entity gained from undertaking the audit of the aforementioned financial statements, without including information that is different to that obtained as evidence during same. Likewise, our responsibility involves evaluating and reporting on whether the content and presentation of the management report comply with the applicable regulation. If, based on the work that we have undertaken, we conclude that there are material inconsistencies, we are obliged to report this.

On the basis of the work undertaken, pursuant to that outlined in the previous paragraph, the information contained within the management report coincides with the financial statements for the 2017 financial year and its content and presentation comply with the regulation that is applied.

Responsibility of the Directors regarding the Financial Statements

The Directors are responsible for the preparation of the attached financial statements so as to provide a fair and accurate picture of the equity, financial situation and profit and loss of the Entity in accordance with the financial information regulatory framework applicable to the Entity in Spain, identified in Note 2.1 of the attached report, and in accordance with the internal monitoring necessary for the preparation of these financial statements free of material misstatement due to fraud or error.

In the preparation of the financial statements, the directors are responsible for assessing the Entity's capacity to operate as a going concern, revealing, where applicable, the issues relating to the functioning of the company and using the going concern accounting principle, except if the directors have the intention of liquidating the company or terminating operations, should there be no other realistic alternative.

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Responsibilities of the auditor with regard to the audit of the financial statements

Our aims are to obtain reasonable certainty that the financial statements on the whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable certainty is a high level of certainty but it does not guarantee that an audit undertaken pursuant to the applicable regulation governing the auditing of financial statements in Spain will always detect a material misstatement where such exists. Misstatements may be due to fraud or error and shall be considered material if, individually or on an aggregate basis, it can be reasonably forecast that they influence the economic decisions that users make based on the financial statements.

As part of an audit, in accordance with the regulations on the auditing of financial statements currently in force in Spain, we apply our professional judgement and we uphold an attitude of professional scepticism throughout the entire audit. In addition:

- We identify and consider the risks of material misstatement in the financial statements due to fraud or error, we design and apply audit procedures to respond to said risks and we gather sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may entail collusion, falsification, deliberate omissions, intentionally erroneous declarations or the avoidance of internal control.
- We gather knowledge of the internal control that is relevant for the audit in order to design appropriate audit procedures based on the circumstances; therefore; not for the purpose of expressing an opinion on the efficiency of the internal monitoring of the Entity.
- We assess whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information revealed by the Administrators.
- We then conclude whether the directors' use of the going concern principle is adequate and, based on the audit evidence obtained, we draw a conclusion on whether there is a material uncertainty or not concerning events or conditions which may cast significant doubt on the capacity of the Company to continue functioning. If we conclude that there is a material uncertainty, we must highlight this in our audit report regarding the corresponding information revealed in the financial statements or, if said revelations are not adequate, that we express a modified opinion. Our conclusions are based on the auditing evidence gathered up until the date of our audit report. However, future events or conditions may be the cause of the Company ceasing to function as a going concern.
- We evaluate the overall presentation, the structure and the content of the financial statements, including the information revealed therein, and if the financial statements represent the underlying transactions and facts in such a way that they express a fair and accurate picture.

We communicate with the Entity's directors in relation to, among other issues, the scope and moment at which to carry out the planned audit and the important findings of the audit, as well as any other significant deficiency in internal control that we identify during the audit.

Among the significant risks that have been subject of communication to the directors of the Company, we determine those that have a greater importance in the audit of the financial statements and that are, as a result, considered as the most important risks.

We describe these issues in our audit report, except where the legal provisions or regulations prevent us from publicly revealing the issues.

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

MAZARS AUDITORES, S.L.P

Año 2018 Nº 01/18/03584
COPIA

Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

Madrid, 11 de abril de 2018

MAZARS AUDITORES, S.L.P.
ROAC Nº S1189

Carlos Marcos Corral
ROAC Nº 17577

5. FINANCIAL STATEMENTS

I. BALANCE SHEET

BALANCE SHEET

AS OF 31 DECEMBER 2017. In thousands of euros

ASSETS

	Notes on the 2017 Report	Financial year 2017	Financial year (*) 2016
NON-CURRENT ASSETS		**3,965,262**	**4,092,779**
Intangible Fixed Assets	Note 5	**79**	**119**
Computer software		79	119
Tangible fixed assets	Note 6	**269,250**	**246,581**
Land and buildings		16,962	18,281
Technical installations and other fixed assets		130,456	140,563
Assets under construction and advances		121,832	87,737
Long-term financial investments		**3,670,414**	**3,820,565**
Credits to third parties		8,690	9,467
Investment Portfolio	Note 7.1	3,624,977	3,782,474
Derivatives	Note 7.2	22,845	28,442
Other financial assets		13,902	182
Deferred tax assets	Note 11.4	**1,766**	**1,761**
Long-term accruals	Note 12.7	**23,753**	**23,753**
CURRENT ASSETS		**1,510,144**	**1,052,961**
Inventories		**1,077**	**1,068**
Raw materials and other supplies		1,077	1,068
Trade debtors and other accounts receivable		**199,782**	**211,167**
Trade and service provision clients	Note 7.3	197,853	209,187
Sundry debtors		77	236
Personnel		1,476	1,543
Other credits with Public Administrations	Note 11.1	376	201
Short-term financial investments		**1,238,686**	**827,255**
Investment Portfolio	Note 7.1	1,237,116	818,407
Derivatives	Note 7.2	148	7,659
Other financial assets		1,422	1,189
Short-term accruals		**564**	**5,460**
Cash and equivalent liquid assets		**70,035**	**8,011**
Treasury		70,035	8,011
TOTAL ASSETS		**5,475,406**	**5,145,740**

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the balance sheet as of 31 December 2017.

BALANCE SHEET

AS OF 31 DECEMBER 2017. In thousands of euros

EQUITY AND LIABILITIES

	Notes on the 2017 Report	Financial year 2017	Financial year (*) 2016
NET EQUITY	Note 8	**4,445**	**4,441**
OWN FUNDS		**4,445**	**4,441**
Capital		**3,606**	**3,606**
Registered capital		3,606	3,606
Reserves		**721**	**721**
Legal and statutory		721	721
Profit/Loss for the financial year	Note 3	**118**	**114**
NON-CURRENT LIABILITIES		**5,403,527**	**5,097,079**
Long-term provisions		**5,326,100**	**5,017,721**
Fund for financing the activities of the General Radioactive Waste Plan	Note 9	5,326,015	5,017,636
Long-term obligations for employee benefits		85	85
Long-term debt		**77,427**	**79,358**
Derivatives	Note 7.2	77,427	79,358
CURRENT LIABILITIES		**67,434**	**44,220**
Short-term debt		**24,391**	**10,962**
Derivatives	Note 7.2	-	98
Other financial liabilities		24,391	10,864
Trade creditors and other accounts payable		**43,043**	**33,258**
Trade payables		23,369	15,591
Sundry creditors		13,199	9,547
Personal (Payments pending)		1,782	1,716
Other debt with Public Administrations	Note 11.1	4,693	6,404
TOTAL EQUITY AND LIABILITIES		**5,475,406**	**5,145,740**

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the balance sheet as of 31 December 2017.

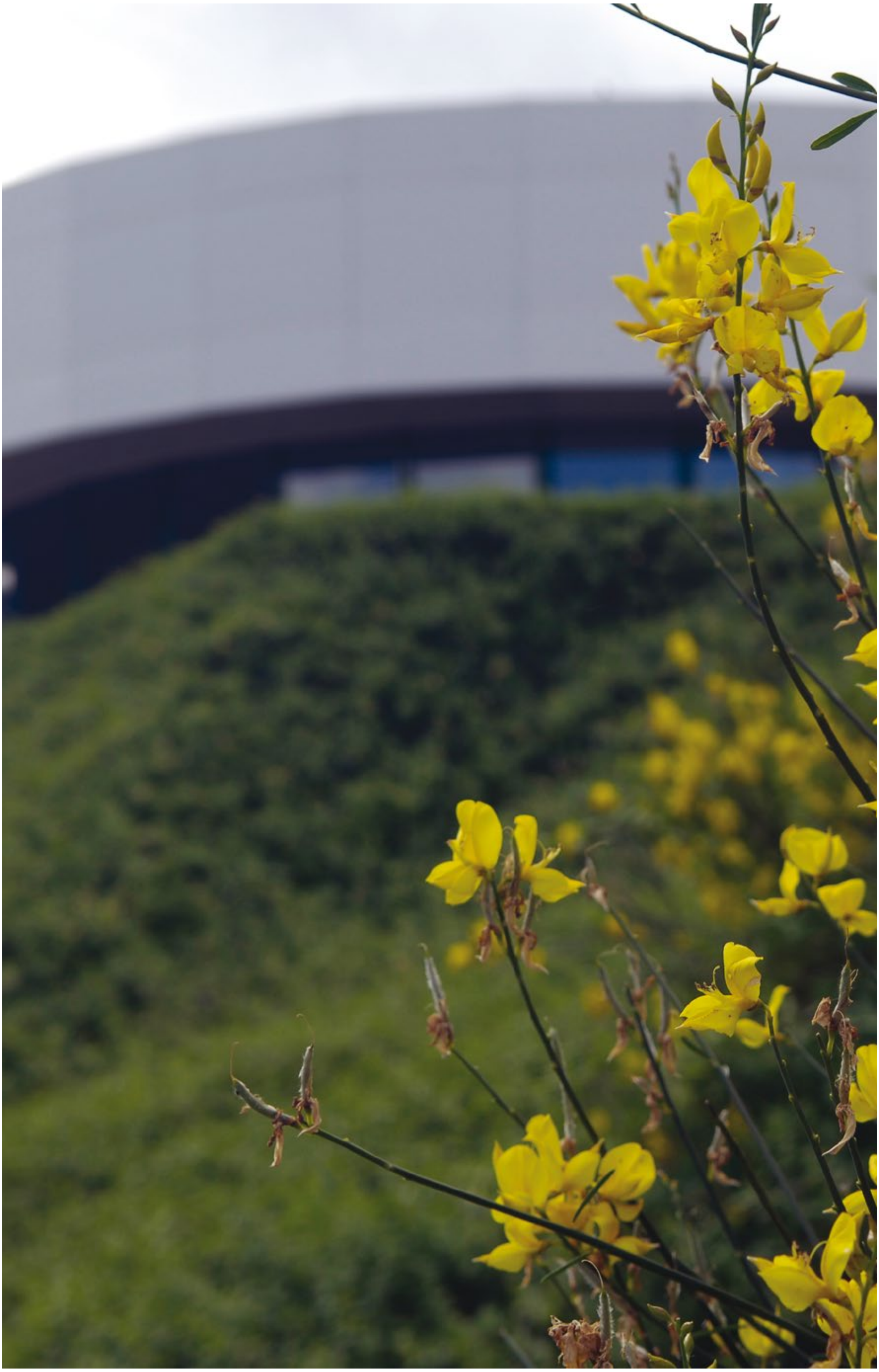
II. PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT

AS OF THE END OF FINANCIAL YEAR ON 31 DECEMBER 2017. In thousands of euros

	Notes on the 2017 Report	Financial year 2017	Financial Year 2016 (*)
CONTINUING OPERATIONS			
Net Turnover	Note 12.1	**390,498**	**395,448**
Provision of services and rates		390,498	395,448
Work carried out by the company on its assets	Notes 4.1 and 4.2	**2,200**	**4,671**
Studies and waste management		**(150,397)**	**(80,844)**
Studies and waste management	Note 12.7	(122,974)	(56,814)
Allocations by Ministerial Order IET/458/2015 MINETUR	Note 4.13	(27,423)	(24,030)
Other operating income	Note 12.2	**231**	**371**
Casual income and other current operating income		156	316
Operating subsidies included in the profit/loss of the financial year		75	55
Personnel costs		**(25,376)**	**(25,373)**
Wages, salaries and similar		(19,458)	(19,557)
Social security contributions	Note 12.3	(5,918)	(5,816)
Other operating expenses		**(20,348)**	**(20,513)**
External services		(18,659)	(19,325)
Taxes		(1,687)	(1,193)
Losses, impairment and changes in provisions for trade operations		(2)	125
Other current operating expenses			(120)
Depreciation of fixed assets	Notes 5 & 6	**(15,197)**	**(16,728)**
Impairment and profit/loss due to disposal of fixed assets		**(919)**	**(77)**
Impairment and losses		(888)	
Profits/losses on disposal and others		(31)	(77)
Other profits/losses	Note 12.6	54	541
OPERATING PROFIT/LOSS		**180,746**	**257,496**
Finance income	Note 12.5	**158,152**	**175,624**
From marketable securities and other financial instruments		158,152	175,624
- From third parties		158,152	175,624
Financial expenditure	Note 12.5	**(22,992)**	**(29,481)**
Debt with third parties		(22,992)	(29,481)
Variation in fair value of financial instruments	Note 12.5	**(8,373)**	**1,280**
Trading book and others		(8,373)	1,280
Exchange rate differences	Note 12.5	**959**	**14**
FINANCIAL PROFIT/LOSS		**127,746**	**147,437**
PRE-TAX PROFIT/LOSS		**308,492**	**404,933**
Profit Tax	Note 11.3	5	(252)
Variation in provision for Fund for financing the Activities of the GRWP	Note 9	(308,379)	(404,567)
END OF YEAR RESULT FROM CONTINUED OPERATIONS		**118**	**114**
END OF YEAR RESULT	Note 3	**118**	**114**

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the profit and loss account as of 31 December 2017.



III. STATEMENT OF CHANGES IN NET EQUITY

STATEMENT OF CHANGES IN NET EQUITY

FOR THE YEAR 2017. In thousands of euros

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

	Financial year 2017	Financial year (*) 2016
RESULT OF PROFIT AND LOSS ACCOUNT	**118**	**114**
Income and expenditure directly attributed to net equity:	-	-
TOTAL INCOME AND EXPENDITURE DIRECTLY ATTRIBUTED TO NET EQUITY	**-**	**-**
Transfers to Profit and Loss Account:	-	-
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSES	**118**	**114**

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the statement of changes in net equity as of 31 December 2017.

B) TOTAL STATEMENT OF CHANGES IN EQUITY

	Capital	Reserves	Profit (loss) for previous financial years	Result for the Year	Total
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2016 (*)	**3,606**	**721**	**-**	**113**	**4,440**
Total recognised income and expenses	-	-	-	114	114
Shareholder operations:					
Distribution of 2015 result	-	-	-	(113)	(113)
FINAL BALANCE FOR FINANCIAL YEAR 2016 (*)	**3,606**	**721**	**-**	**114**	**4,441**
Adjustments for changes to accounting practices or errors	-	-	-	-	-
ADJUSTED BALANCE AT THE BEGINNING OF FINANCIAL YEAR 2017	**3,606**	**721**	**-**	**114**	**4,441**
Total recognised income and expenses	-	-	-	118	118
Shareholder operations:					
Distribution of 2016 result	-	-	-	(114)	(114)
FINAL BALANCE FOR FINANCIAL YEAR 2017	**3,606**	**721**	**-**	**118**	**4,445**

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the statement of changes in net equity as of 31 December 2017.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IV. CASH FLOW STATEMENT

CASH FLOW STATEMENT

FOR THE YEAR 2017. In thousands of euros

	Year 2017	Year 2016 (*)
OPERATING CASH FLOW (I)	**352,081**	**446,449**
Pre-tax profit/loss for financial year	**308,492**	**404,933**
Adjustments to result:		
- Fixed asset depreciation	15,197	16,728
- Write-downs for impairment	888	-
- Changes in provisions	2	(125)
- Results for write-offs and disposals of fixed assets	31	77
- Financial income	(158,152)	(175,624)
- Financial expenditure	22,992	29,481
- Exchange differences	(959)	(14)
- Variation in fair value of financial instruments	8,373	(1,280)
Changes in working capital		
- Inventory	(9)	(30)
- Debtors and other accounts receivable	11,316	55,539
- Other current assets	4,946	3,788
- Creditors and other accounts payable	9,785	4,209
- Other current liabilities	13,527	(2,023)
Other operating cash flows from operating activities		
- Interest payments	(22,992)	(31,400)
- Interest collected	138,644	141,296
- Collections (payments) for tax on profits	-	894
INVESTMENT CASH FLOW (II)	**(290,902)**	**(448,506)**
Payments from investments		
- Intangible fixed assets	(1,660)	(4,041)
- Tangible fixed assets	(37,085)	(22,766)
- Other financial assets (Investment portfolio)	(2,086,798)	(4,534,634)
- Other assets (Third party creditors and others)	(15,070)	(1,304)
Proceeds from divestment		
- Other financial assets (Investment portfolio)	1,847,730	4,112,104
- Other assets (Third party creditors)	1,981	2,135
CASH FLOW FROM FINANCING ACTIVITIES (III)	**(114)**	**(113)**
Proceeds from dividends and other equity instruments		
- Dividends	(114)	(113)
EXCHANGE RATE VARIATIONS EFFECT (IV)	**959**	**14**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)	**62,024**	**(2,156)**
Cash or cash equivalents at the beginning of the financial year	8,011	10,167
Cash or cash equivalents at the end of the financial year	70,035	8,011

(*) Included for comparison purposes only.
Notes 1 to 17 described in the attached Report are an integral part of the cash flow statement as of 31 December 2017.

V. REPORT

1. COMPANY BUSINESS ACTIVITIES

Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., M.P (Spanish Radioactive Waste Management Agency, hereinafter, Enresa) has, in 2017, continued to develop its objectives as established in Royal Decree 100/2014 of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste. This legislation provides for the preparation and approval by the Government of the General Radioactive Waste Plan (GRWP), a document in which the policies to be enacted by Enresa are established. The General Radioactive Waste Plans, the latest of which was approved by the Government on 23 June 2006, define the strategy to be followed in the area of radioactive waste management, along with the system for financing the costs of that management.

Enresa has established agreements with the principal producers of radioactive waste: both producers of nuclear electrical energy and industrial and hospital facilities, etc. in order to establish the conditions for the management of their waste.

2009 saw the amendment of Law 25/1964, of 29 April, the Nuclear Energy Act, of the sixth additional provision of Law 54/1997 and the repeal of the sixth additional provision bis of the Electricity Industry Act, which in Law 11/2009, of 26 October, read as follows:

Ninth final provision. Amendment of Law 25/1964, the Nuclear Energy Act, and of Law 54/1997, the Electricity Industry Act.

One. Law 25/1964, the Nuclear Energy Act of 29 April is amended.

Article 38 bis is added to Law 25/1964, The Nuclear Energy Act of 29 April, stating the following:

"Article 38 bis Radioactive Waste Management.

1. The management of radioactive waste, including spent nuclear fuel and the decommissioning and closure of nuclear facilities constitutes an essential public service which shall be the responsibility of the State, in accordance with Article 128.2 of the Spanish Constitution.

   Empresa Nacional de Residuos Radiactivos, S. A. (Enresa), is responsible for the management of this service, in accordance with the General Radioactive Waste Plan, approved by the Government.

   To this end, Enresa is set up as the technical arm of the Administration, to carry out the functions assigned by the Government.

2. It is the government's responsibility to establish the policy for the management of radioactive waste, including spent nuclear fuel and the decommissioning and closure of nuclear facilities, through the approval of the General Radioactive Waste Plan, which is prepared by the Ministry of Industry, Tourism and Commerce, upon report from the Nuclear Safety Council and once the Autonomous Communities have been consulted in relation to territorial planning and the environment, and which will subsequently be considered by Parliament.

   Supervision of Enresa is the responsibility of the Ministry of Industry, Tourism and Commerce, through the State Secretariat for Energy, which carries out specific strategic management and monitoring of its activities and plans, both in technical and economic terms.

3. The Ministry of Industry, Tourism and Commerce shall exercise the necessary powers to ensure Enresa meets its objectives and for such purposes will assume the status of owner. The facilities necessary in order to meet these objectives shall be declared of public utility through forced expropriation.

4. The State shall assume ownership of the radioactive waste once it has been placed in a definitive disposal facility. Similarly, it shall assume the monitoring role that may be required subsequent to the closure of a nuclear installation, once the period of time established in the corresponding declaration of closure has elapsed.

Two. The sixth additional provision of Law 54/1997, the Electricity Industry Act of 27 November is amended.

The sixth additional provision of Law 54/1997, the Electricity Industry Act of 27 November is amended, to state as follows:

"Sixth Additional Provision. Fund for the financing of the activities of the General Radioactive Waste Plan.

1. The management of radioactive waste, including spent nuclear fuel and the decommissioning and closure of nuclear facilities, as referred to in Article 38 bis of Law 25/1964, of 29 April, setting up the Empresa Nacional de Residuos Radiactivos S.A. (Enresa) shall be carried out using the Fund for financing the activities of the General Radioactive Waste Plan.

   Said fund is comprised of sums raised from the collection of fees regulated in section 9, along with any other funds received or income arising from the provision of said services. In addition, income derived from the temporary financial investments of same is included in the fund. The allocations to the fund shall be considered deductible within the framework of Corporation Tax.

   The sums comprising the fund, without prejudice to the aforementioned temporary financial investments, may only be invested in costs, works, projects and assets arising from the activities provided for in the General Radioactive Waste Plan approved by the Government.

2. The supervision and control of the temporary investments relating to the financial management of the Fund shall be the responsibility of a Monitoring and Control Committee attached to the Ministry of Industry, Tourism and Commerce through the State Secretariat for Energy.

3. Sums allocated to the Fund for to finance the costs corresponding to the management of radioactive waste and spent nuclear fuel generated at nuclear facilities where operation has ceased definitively prior to 1 January 2010, along with their decommissioning and closure, future costs corresponding to the nuclear facilities or nuclear fuel manufacturing plants that, having definitively ceased operation, were not foreseen during said operation and that, where necessary, can arise from that provided for in section 5 of this provision, shall be considered costs of diversification and security of supply as provided for in this Law.

   Similarly, sums allocated to the Fund to finance the costs of radioactive waste management arising from the research activities the Ministry of Industry, Tourism and Commerce determine to have been directly related to the generation of nuclear power, decommissioning and closure operations that must be carried out as a consequence of the uranium mining and milling prior to 4 July 1984, the costs arising from the reprocessing of spent fuel sent abroad prior to the entry into force of this Law and those other costs specified by royal decree shall also have the same consideration as those listed in the previous paragraph.

4. Sums allocated to the Fund to finance the costs incurred from 1 January 2010, corresponding to the management of radioactive waste and spent fuel generated at operating nuclear facilities shall not be considered costs of diversification and security of supply and shall be financed by the owners of the nuclear facilities during said operation, independently of the date of their generation, along with those corresponding to decommissioning and closure.

   Thus, the allocations to municipalities affected by nuclear installations shall be financed by the licensees of nuclear installations or spent fuel or radioactive waste disposal facilities in the terms established by MINETAD, along with the sums corresponding to the taxes accrued in relation to activities for the storage and disposal of radioactive waste and spent fuel, regardless of the date of generation.

5. In the event of an early cessation of operation in respect of the period established in the General Radioactive Waste Plan due to causes beyond the control of the licensee, the financing deficit in such an event shall be considered a cost of diversification and security of supply. Where such a cessation is enacted wilfully by the owner, the owner shall be liable for the corresponding costs.
6. The remaining sum of the fund as of 31 December 2009, once deducted the sums necessary to finance the foreseen costs referred to in section 3 shall be allocated to the financing of the costs referred to in section 4.
7. All costs relating to technical activities and support services necessary for carrying out such activities, including the costs corresponding to the structure and projects and activities of R&D&I shall be included in the costs of managing radioactive waste and spent fuel and decommissioning and closure, all in accordance with the provisions of the General Radioactive Waste Plan.

   The cost of managing radioactive waste and spent fuel in the nuclear production facilities themselves shall include, exclusively, the cost corresponding to activities carried out by Enresa and, where applicable, third party costs arising from such activities.
8. The removal and management of lightning arrester heads and the management of radioactive waste generated in exceptional circumstances provided for in Article 2 of Law 15/1980 of 22 April, creating the Nuclear Safety Council, shall be financed by the Fund, the latter where these cannot be transferred in accordance with the relevant regulation and so determined by the Ministry of Industry, Tourism and Commerce.
9. For the purposes set out in section 1 of this additional provision, the taxes are established which shall be considered taxes affected to the services referred to in Article 38 bis of Law 25/1964, of 29 April, and which shall be lodged to the Public Treasury applied to a non-budgetary item. The sums corresponding to the taxes lodged shall be released by the Treasury to the Fund for the financing of the activities of the General Radioactive Waste Plan, upon the request of the Secretary of State for Energy".

With the entry into force of these legislative amendments on 1 January 2010, the Fund for financing the activities of the General Radioactive Waste Plan began to be financed through taxes collected by the Spanish Tax Agency. These taxes are lodged by taxable persons by way of self-declaration through their collaborating entities and finally, when the Secretary of State for Energy releases the funds, they are transferred to Enresa from the Treasury.

Subsequently, Enresa bills taxable persons the fee for the provision of the waste management service so that, as established in the Law, such persons pay the VAT corresponding to such provision.

Specifically in the case of nuclear production, Enresa bills the licensees of nuclear power plants for the sums resulting from multiplying the gross kilowatts per hour generated in each of them, per natural month, for a specific unitary value for each facility expressed in Euro cents, obtained by multiplying the fixed unit fee, 0.669 cents €/kWh, by a corrector coefficient in accordance with the type of plant (fee lodged).

The Sixth General Radioactive Waste Plan, currently in force, approved by the Government on 23 June 2006 has, among others, the objective of evaluating the management costs and calculating the necessary investment for its financing, based on the legally established systems. To determine future management costs, the Company has taken into consideration the period between 2006 and 2070 and the tax raising period considered to cover such costs considered a 40-year frame of reference of nuclear power plants, with income raising period ending in the year 2028.

The summary of the results obtained and the corresponding updated values of said future costs, based on the type of financing, is as follows:

Thousands of euros

Item	Cost	Update value a of 01/01/2018
Electricity rates	1,446,208	1,025,221
Nuclear power plants	14,248,231	9,704,890
Juzbado Factory	13,398	10,909
Other Installations	50,330	36,832
Totals	**15,758,167**	**10,777,852**

The company applied a discount rate of 1.5% for the update of the calculation of the value of future costs established in the 6th General Radioactive Waste Plan.

As of 31 December 2017, the Fund for financing the activities of the General Radioactive Waste Plan has a balance of 5,326,015 thousand euros (5,017,636 thousand euros as of 31 December 2016). The sixth additional provision of Law 54/1997, of 27 November, establishes the means for raising the sum required to cover the management costs estimated in the 6th General Radioactive Waste Plan. The future financing requirements arising from potential deviations from the hypothesis of the GRWP are fully guaranteed through the amendment of the types of levies that said law envisages being introduced by Royal Decree: *"The types of levies and taxation elements for the determination of these rates fees may be revised by the Government through Royal Decree based on an economic-financial report updated with the cost of the activities corresponding to those set out in the General Radioactive Waste Plan".*

2. BASES FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

2.1. Regulatory framework of financial information applicable to the Company

These financial statements have been prepared by the Directors in accordance with the regulatory framework for financial information applicable to the Company, which is set out in:

a) The Commercial Code and other commercial legislation.

b) The General Accounting Plan approved by Royal Decree 1514/2007 and the amendments to same made through Royal Decree 1159/2010, of 17 September and Royal Decree 602/2016, of 2 December.

c) The obligatory standards approved by the Institute of Accounting and Auditing of Accounts developing the General Accounting Plan and its complementary regulations.

d) Remaining applicable Spanish accounting standards.

2.2. Fair and accurate picture

The attached consolidated financial statements have been prepared based on the accounting records of the Company and they are presented in accordance with the applicable regulation on financial information and, in particular, the accounting principles and criteria contained therein, so that they represent a fair and accurate picture of the consolidated equity, financial position and results of the company and the cash flows for the corresponding financial

year. These financial statements, which have been prepared by the Directors of the Company, shall be submitted for approval at the Ordinary General Shareholder's Meeting, where they are expected to be approved without any modifications.

The 2016 financial statements were approved by the General Shareholder's Meeting held on 27 June 2017 with no changes to those prepared by the Directors of the Company.

2.3. Accounting Principles applied

The Directors have prepared these financial statements, taking into account the set of accounting principles and standards, which have a significant effect on said financial statements. No mandatory accounting principle was omitted.

Enresa's accounting is developed in accordance with the accounting principles approved in Royal Decree 1514/2007, of 16 November.

2.4. Critical aspects of assessing and estimating uncertainty

In the preparation of these attached financial statements, estimates made by the Company have been used in the evaluation of some assets, liabilities, income, expenditure and commitments that are contained therein. Principally, these estimates pertain to:

- The useful life of intangible and tangible fixed assets (See Notes 4.1 and 4.2).
- The market value of certain financial instruments (See Notes 4.5 and 7).
- The future costs of the 6th General Radioactive Waste Plan (See Note 1).
- The calculation of Corporation Tax: the financial results of the Company declared before tax authorities in the future that have served as the basis for the registration of different balances relating to Corporation Tax in these financial statements (See Notes 4.8 and 11).

These estimates have been made based on the improved information available in relation to the facts analysed on the date of formulation of the attached financial statements, although it is possible that events that may take place in the future require modification over the coming years, which would be done prospectively as stipulated by recognising the effect of change in the estimate which, in any case, is not considered to have a significant effect on the corresponding financial positions in the future.

2.5. Comparison of information

The information contained in this report referring to the 2016 financial year is presented only for the purposes of comparison with information on the 2017 financial year.

2.6. Grouping of items

Certain items of the balance sheet and the profit and loss account and of the statement of changes in net equity and the cash flow statement are presented as groups so as to facilitate their comprehension; however, where significant, the itemised information is included in the corresponding Report.

2.7. Changes in accounting criteria

During 2017, no changes were made to the accounting criteria in respect of those applied in 2016.

2.8. Correction of mistakes

No significant mistakes were identified during the preparation of these attached financial statements that involved re-stating the sums included in the financial statements for year 2016.

3. APPLICATION OF THE RESULT

The Ordinary General Shareholder's Meeting approved the proposal for the distribution of profits from the 2016 financial year on 27 June 2017, with no changes in respect of that formulated by the Directors of the Company.

The proposed distribution of 2017 profits, prepared by the Directors of Enresa, and which will be submitted for approval at the General Shareholder's Meeting is the following:

	Thousands of euros
BASIS OF DISTRIBUTION:	
Profit and Loss	118
DISTRIBUTION:	
Dividends	118

From 1987 on, and based on that envisaged in the first General Radioactive Waste Plan approved by the government on 16 October 1987, when calculating a percentage to be collected from sales of electrical energy and for the coefficient of kilowatts per hour produced by nuclear power plants, both present and future costs to be incurred by Enresa in meeting its public tasks, such as annual dividend paid to shareholders must be included. In accordance with Article 7 of Royal Decree 102/2014 of 21 February for the responsible and safe management of spent nuclear fuel and radioactive waste, said dividend is determined using the percentage in the same way average return is obtained from financial investments in the financial year, which was 3.28% in 2017 (3.15% in 2016). For this reason, Enresa's profit and loss account must show a positive figure in line with the sum to be distributed to shareholders plus the regulatory obligation arising from the provision of the legal reserve.

4. ACCOUNTING AND VALUATION STANDARDS

The main bookkeeping and valuation standards used by the Company when preparing its financial statements for financial year 2017, in accordance with the provisions of the Spanish Chart of Accounts, were as follows:

4.1. Intangible fixed assets

(See Note 5)

Enresa actively incorporates in every financial year, Research and Development costs incurred in order to develop new techniques for the management of the activities of the General Radioactive Waste Plan.

Nevertheless, given the gap that generally tends to exist between the moment in which the cost is incurred and the time when such studies come to fruition in the form of a specific action or project, Enresa has decided to deduct the total of these costs from the final result for each year.

The sum registered for this item in 2017 was 1,637 thousand euros (3,955 thousand euros in 2016), which is included under the heading "Depreciation of fixed assets" in the profit and loss account.

IT applications are recorded at their cost of acquisition or their cost of production. Subsequently, their retail value shall be evaluated for the corresponding accumulated depreciation and, where applicable, losses due to impairment. Included under this heading is the sum paid for ownership or usage rights of the IT programmes, including those developed by the company itself, amortised at a rate of 25% per annum. The charge to the profit and loss account for the 2017 financial year for the amortisation of IT applications was 63 thousand euros (55 thousand euros in 2016).

In addition, provided there are signs of losses in fixed assets (tangible, intangible or financial), the Company shall proceed to estimate the possible existence of losses in value that reduce the recoverable value of those assets to a sum less than their book value.

The recoverable value is the greater of the fair value less costs to sell and value in use.

4.2. Tangible fixed assets

(See Note 6)

Tangible fixed assets are presented at their acquisition cost, and are subsequently reduced by the corresponding accumulated amortisation and impairment losses, if any.

Conservation and maintenance costs for the different elements that comprise the tangible fixed assets are recorded in the profit and loss account for the financial year in which they are incurred. Tangible fixed assets are presented at their acquisition cost, and are subsequently reduced by the corresponding accumulated amortisation and impairment losses, if any.

The Company books the personnel costs directly related to the construction of the Centralised Temporary Storage facility (CTS) at a sum of 563 thousand euros (716 thousand euros in 2016).

The different items that comprise this chapter are amortised in accordance with the linear method, based on the estimated remaining years of useful life.

	Estimated years of useful life
Buildings and other constructions	14 to 50
Technical facilities and machinery	8 to 46
Other facilities, tooling and fittings	4 to 46
Other tangible fixed assets	4 to 12

The charge to the Profit and Loss Account for financial year 2017 under amortisation of tangible fixed assets was 13,497 thousand euros (12,718 thousand euros in 2016).

4.3. Impairment of value of intangible and tangible fixed assets

At the end of every financial year (in the case goodwill or intangible assets of indefinite useful life) or provided there are signs of loss in value (for the other assets), the Company makes an estimate using the so-called impairment test for the possible existence of losses in value that reduce the recoverable value of said assets to an amount less than their book value.

The recoverable value is the greater of the fair value less costs to sell and value in use. In evaluating value in use, projected cash flows are discounted at current value using the weighted average cost of capital which mainly reflects both the cost of liabilities, such as the specific risks of assets.

At the close of 2017 the Company understands that there are no signs of impairment in any of the elements of intangible or tangible fixed assets that might have a significant effect.

4.4. Operating Leases

Costs arising from operating lease agreements are charged to the profit and loss account in the financial year in which they are incurred.

Any collection or payment that may be made upon entering into an operating lease agreement shall be treated as a prepaid lease collection or payment which shall be allocated to profit or loss over the term of the lease, in accordance with the term for the provision or receipt of the benefits of the leased asset.

4.5. Financial instruments
(See Note 7)

4.5.1. Financial Assets

Classification

The financial assets held by the company are classified into the following categories:

a) Loans and receivables: financial assets originating from the sale of assets or the provision of services for company trade operations or those that have no commercial origin and are not equity instruments nor derivatives and for which sums collected are fixed or determinable sums not negotiated in an active market.

b) Investments maintained up to maturity: debt securities, with fixed maturity date and collections of a determinable sum, traded on an active market that the Company has shown its intention and capacity to maintain in its possession up to the maturity date.

These investments include fixed or and variable rate bonds (benchmarked against inflation or interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives must not be segregated.

c) Other financial instruments at fair value through profit or loss: within this category, in accordance with equity structure of Enresa, are hybrid financial assets (structured bonds) in which embedded derivatives must be segregated, but since the Company cannot reliably determine the fair value of the embedded derivative to be segregated, all hybrid financial assets must be recorded at fair value with changes in the profit and loss account.

d) Derivatives: with some of the securities acquired, as part of its management of the GRWP, Enresa performs hedging operations through interest rate swaps. All of these swaps, in accordance with Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste, are directly associated with specific investment operations, with the swap agreement serving to hedge the positions of the GRWP as part of its risk management and the financing model established in the General Radioactive Waste Plan.

Initial Valuation

Financial assets are initially recorded at fair value of the consideration given plus any directly attributable transaction costs.

Subsequent Valuation

Loans, items to be collected and investments maintained to maturity are valued at their amortised cost.

In particular, and with respect to any value corrections related to trade and other receivables, the Company uses the criteria for the necessary provision to cover those sums that are uncertain of being recovered by year-end. As of 31 December 2017 and 2016, respectively, the Company had a provision of 23 and 21 thousand euros, respectively.

Financial assets at fair value with changes in the profit and loss account are valued at fair value, with the result of the variations in said fair value registered in the profit and loss account. Derivatives are valued at fair value, with those that, at 31 December 2017, hold a positive fair valued, recorded as financial assets.

The Company derecognises the financial assets when they expire or when the cash flow rights have been transferred for the corresponding financial asset and the risk and benefits inherent in the ownership of same have been substantially transferred.

A loss in value for the financial assets valued at amortised cost occurs when there is objective evidence that the Company will not be able to recover all of the amounts in accordance with the original terms of same.

The sum of the loss in value is recognised as a cost in the profit and loss account and is determined by the difference between the book value and the present value of future cash flows discounted at the effective interest rate. The book value of the asset is written down through an allowance account.

If in subsequent periods, there is an evident recovery of the financial asset to amortised cost, the loss due to impairment shall be reversed. The limit of this reversal is the book value of the financial asset in the case that its loss in value due to impairment was not recorded. This reversal is recorded in the profit and loss account for the financial year.

Classification as current and non-current

In the attached balance sheet, assets and liabilities are classified based on their contractual or expected maturity. To these effects, those assets with a maturity equal to or less than twelve months are classified as current and those with a maturity in excess of that term as non-current.

4.5.2. Financial liabilities

Financial liabilities are those accounts payable by the Company that have arisen from the purchase of goods or services in the course of the company's normal operation, or those that, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, such liabilities are valued according to their amortised cost.

Derivative financial instruments are measured at fair value, with those that, at 31 December 2016, hold a negative fair value, recorded as financial liabilities, following the same criteria as the corresponding financial assets at fair value with changes in the profit and loss account as described in the previous section.

The Company derecognises passive liabilities when the obligations they generate have ceased.

4.5.3. Equity instruments
(See Note 8)

Capital instruments issued by the Company are recorded in net equity at the sum received net of issue costs.

4.6. Inventory

Inventories are valued at the lesser of acquisition price, production cost or net realizable value.

In assigning the value of its inventory, the company uses the FIFO method.

The Company recognises the appropriate writedowns as an expense in the profit and loss account when the net realizable value of the inventories is lower than acquisition (or production cost).

4.7. Foreign exchange transactions
(See Note 12.4)

The functioning currency of the Company is the Euro. The functioning currency of the Company is the Euro. Consequently, all transactions in other currencies are considered in the foreign currency and are recorded as per the exchange rates in effect on the date of the transaction.

At the end of the financial year, all assets and liabilities denominated in foreign currency other than euro are converted by applying the exchange rate as of the date of the balance sheet. The profits or losses identified are charged directly to the profit and loss account for the financial year in which they are incurred.

4.8. Taxes on Profits
(See Note 11)

Expenses or revenues under this item include both current and deferred taxes on earnings

Current tax is the amount paid by the Company as a result of taxes on profit settlements pertaining to a financial year. Any deductions or tax benefits in the tax payable excluding retentions and payments on account, as well as any fiscal losses compensated for prior years and effectively applied in the current year, give rise to a lesser current tax sum.

The expense or income for deferred tax corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences identified as sums expected as payable or recoverable derived from differences between the carrying amounts of the assets and liabilities and their fiscal value as well as, where appropriate, negative tax bases pending offsetting and credits for tax deductions not applied fiscally. These amounts are measured at the tax rates expected to be applied in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from an initial recognition of goodwill or other assets and liabilities in any operation that does not affect the fiscal result nor the accounting result and provided that it is not a business combination.

Deferred tax assets are only recognised when it is likely that the Company will have future tax gains against which they may be made effective.

Deferred tax assets and liabilities arising from direct charges or credits to equity accounts are also accounted for with a charge or credit to net equity.

The deferred tax assets recorded are reconsidered at the end of each accounting period and the appropriate corrections are made if there are any doubts about their future recovery. Similarly, deferred tax assets not recorded on the balance sheet are assessed at each close and are recognised if their recovery with future tax profits is considered likely.

Law 40/1994, of 30 December, organising the National Electricity System, established, in its Seventh Additional Provision, the Fund for financing the second phase of the nuclear fuel cycle, established that "sums collected through electricity fees, along with financial gains generated therefrom, shall be destined to a provision considered deductible from Corporation Tax." This regulation entered into force in January 1995 and therefore only affected that and subsequent years.

Prior to the introduction of that Law, Enresa paid Corporation Tax on financial gains obtained from its securities portfolio. Allocations to the Fund for the financing of the second phase of the nuclear fuel cycle through such gains were not considered tax deductible.

Moreover, Law 43/1995, of 27 December, on Corporation Tax, established, in note 2 of point 23 of its Sole Exemption Clause, that, among others, the Seventh Addition Provision of Law 40/1994, organising the National Electricity System, would remain in force.

With its entry into force from 1 January 2015, Law 27/2014, of 27 November, on Corporation Tax, in section i) of the second point of the Sole Exemption Clause indicated that *"Law 54/1997 of 27 November, the Electricity Industry Act, shall remain in force insofar as it refers to this Tax"*.

From 1 January 1998, Law 54/1997, of 27 December, on the Electricity Sector, in its Sixth Additional Provision, Fund for financing the second phase of the nuclear fuel cycle, similarly established that:

> *"Amounts paid through fees, tolls and prices, along with financial gains generated through same, allocated to cover the costs of works that make up the back end of the nuclear fuel cycle and the management of radioactive waste produced by the electricity sector shall be allocated to a provision, with same allocation considered deductible for the purpose of Corporation Tax. All forms of financing of the costs of radioactive waste management shall receive the same consideration. All forms of financing the costs of radioactive waste management shall receive the same consideration.*
>
> *Amounts collected in the provision shall only be invested in costs, works, projects and fixed assets arising from the activities provided for in the General Radioactive Waste Plan approved by the Government.*
>
> *The amounts to be allocated to the provision in question in the present provision shall be considered diversification and security of supply costs for the effects of the provisions of Article 16.6 of this Law."*

The Sixth Additional Provision of Law 54/1997, on the Electricity Sector, was amended through the Fourteenth Additional Provision of Law 24/2001, of 27 December on Tax, Administrative and Social Order Measures, includes the following terms:

> *"Sixth Additional Provision. Fund for the financing of the activities of the General Radioactive Waste Plan*
>
> 1. *Amounts paid through rates, tolls and prices, along with any other form of financing the costs of works corresponding to the second phase of nuclear fuel cycle, to the management of radioactive waste and the decommissioning and closure of facilities, including financial gains obtained therefrom, shall be allocated to a provision which shall be considered deductible for the purpose of Corporation Tax.*
>
>   *Amounts collected in the aforementioned provision shall only be invested in costs, works, projects and fixed assets arising from the activities provided for in the General Radioactive Waste Plan approved by the Government.*

2. *Amounts allocated the second phase of the nuclear fuel cycle, the management of radioactive waste generated in the production of nuclear electric energy or those sums arising from those research activities that the Ministry of the Economy determines to be directly related to same, along with those other activities that are specified through Royal Decree, shall be considered costs of diversification and security of supply, in accordance with the provisions of Article 16.6 of this Law."*

The Sixth Additional Provision of Law 54/1997, the Electricity Industry Act, was amended through the Ninth Additional Provision of Law 11/2009, of 26 October, regulating Listed Investment Companies on the Property Market, which also contained the amendment to Law 25/1964, of 29 April, the Nuclear Energy Act, and the repeal of the Sixth Additional Provision bis of Law 54/197, the Electricity Industry Act. Said Sixth Additional Provision confirmed allocations to the fund would be considered deductible for the financial years from 1 January 2010: "*The allocations to the fund shall be considered deductible within the framework of Corporation Tax.*"

As a consequence of the above, and insofar as Enresa applies the provision recognised prior to 31 December 1995, and through the section allocated with financial gains taxed under Corporation Tax, this part shall be considered tax deductible and therefore without sufficiently deductible revenues, will give rise to negative tax bases.

4.9. Income and expenditure
(See Note 12)

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed. Such revenues are recorded at the fair value of the consideration received, less discounts and taxes.

The Company recognises as revenues a) the tax on tolls, paid by electricity distribution companies in the month in which the distributor bills the marketing electricity provider; b) the tax on generated nuclear KWh, which is recorded in the month in which the energy is produced; c) the manufacturing tax on nuclear fuel in the year in which the fuel is produced and d) the tax on other facilities (basically, radioactive facilities) in the month in which the removal of waste occurs.

The sixth additional provision of Law 54/1997 establishes the system of financing of Enresa through taxes and states that as it is considered a tax on the provision of service, this fee will incur VAT and the General Directorate on Taxation, through a consultation issued in 2010, established that VAT shall apply on the final day of the voluntary period for the payment of the tax or before if same were paid in advance.

Income through interest on financial assets is recognised using the method of the effective interest rate for investments maintained until maturity applied through the calculation of amortised cost. For instruments valued at fair value, income is recognised as the difference between the market value at the end and at the start of the year.

4.10. Provisions for pensions and similar liabilities

By virtue of that established in the corresponding collective bargaining agreements in 2017, Enresa participates in the Pension Fund for its workers, through an external defined contribution fund, contributing the same sum which is provided by workers who join said fund, up to a limit of 2.6 million euros per person/year. Based on section three of Article 18) Bases and Coordination of General Planning for of Economic Activity in relation to Public Sector of Chapter 1 Title III of Law 3/2017, of 27 June, on the General State Budget for the year 2017, contributions can only be base provided there is no increase in total payroll, in the terms established in said Law. The same occurred in the financial year 2016 in accordance with the provisions of *Article 19) Bases and Coordination of General Planning* *of Economic Activity in relation to Public Sector Staff Costs from Chapter I of Title III of Law 48/2015, of 29 December on the General State Budget for the year 2016.*

Over the course of the financial year 2017, Enresa made contributions as the promoter of the employment mode pension plan, constituted prior to 31 December 2011 for a sum of 111 thousand euros, for which said contributions do not constitute an increase in total authorised payroll for 2017 in the chapter on social action, while in 2016 it was unable to make contributions, having exceeded the total authorised payroll.

Enresa recognises through the collective bargaining agreement a retirement, or loyalty payment, which takes the form of employees' entitlement to receive a specific lump sum according to the number of years of service of the employee at the time of retirement.

Since 2002, the Company has outsourced this commitment in the form of an insurance policy with the company Mapfre, the most relevant hypotheses being the use of the projected credit method, the application of a technical interest rate of 3% and the PERM/F 2000P actuarial tables.

During the 2017 financial year, the insured capital agreed in the collective bargaining agreement has not been updated, neither in accounting terms nor in the insurance policy, due to such not being permitted in accordance with Article 18) Bases and Coordination of General Planning for of Economic Activity in relation to Public Sector Staff Costs of Chapter 1 Title III OF Law 3/2017, of 27 June, on the General State Budget for the year 2017 which states that "Three. During the 2017 financial year, the Administrations, entities and companies referred to in Section One of this article, cannot make contributions employment pension plans or collective insurance contracts that include coverage for the contingency of retirement." Notwithstanding the provisions of the previous paragraph and provided there is no increase in total payroll, in the terms provided for in this Law, the aforementioned Administrations, entities and companies may take out collective insurance contracts that include coverage for the contingency of retirement. Similarly, and provided there is no increase to total payroll, in the terms provided for in this Law, they may make contributions to employment pension plans or collective insurance contracts that include coverage for the contingency of retirement, provided that said plans or insurance contracts were subscribed prior to 31 December 2011." he same occurred in the year 2016 based on Article 19) Bases and Coordination of General Planning of Economic Activity in relation to Public Sector Staff Costs from Chapter I of Title III of Law 48/2015, of 29 December on the General State Budget for the year 2016, which stated: "Three During the 2016 financial year, the Administrations, entities and companies referred to in Section One of this article, contributions cannot be made to employment pension plans or collective insurance contracts that include coverage for the contingency of retirement."

Nevertheless, 2017 saw income of 176 thousand euros as a consequence of the difference between the bailout pending to be recovered in 2011, recorded on 31 December 2011 and the bailout finally obtained in 2017. The income and expenditure have been recorded in the profit and loss account for 2017, under the heading "Social Contributions".

4.11. Provisions and Contingencies

In preparing these financial statements, the Company Directors differentiate between:

a) Provisions: Credit balances hedging current liabilities arising from past events, whose cancellation is likely to originate a cash outflow, but which are uncertain regarding the sum and/or time of cancellation.

b) Contingent Liabilities: Potential obligations arising as a result of past events, the future materialisation of which depends on whether one or more future events beyond the company's control occur.

The financial statements reflect all provisions for which it is estimated that the likelihood of having to assume the liability is greater than the contrary. Contingent liabilities are not recognised in the financial statements but rather reported in the report notes provided they are not considered remote.

Provisions are assessed at the current value of the best possible estimate of the sum necessary to cancel or transfer the obligation, considering the information available on the event and the consequences.

Any amounts to be received from a third party at the time of settling liabilities are recorded as assets, provided there are no doubts that the payment will be received, except where there is a legal relationship through which part of the risk has been externalised and by virtue of which the company is not required to assume it. In this situation, the compensation will be considered when estimating the amount to be reflected as the corresponding provision, where appropriate.

4.12. Fund for the financing of the activities of the General Radioactive Waste Plan

(See Note 9)

The purpose of this Fund is to cover the costs and expenses arising in relation to the development of the activities and projects that comprise the purpose of Enresa.

The annual variation of the Fund is determined by the difference between income provided to the fund, to meet future costs, from which the profit that ought to be registered by Enresa is deducted, and the Fund's implementation of its purpose.

4.13. Allocations to Local Authorities

Up to 11 March 2015, the Order of the Ministry of Industry and Energy, on 13 July 1998, regulated the allocations that Enresa was required to pay to local authorities whose jurisdiction covers or is close to a radioactive waste storage and disposal facility or nuclear power plants where spent fuel is stored on site. This Ministerial Order has been replaced by Order IET/458/2015, of 11 March, regulating the allocations to municipalities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

Enresa records the total of these sums paid annually as a cost, applying the calculation method established in the aforementioned Ministerial Order, having charged 24,618 thousand euro to the profit and loss account for 2017 (23,312 thousand euros in 2016).

As stated in the preamble of the order itself, *"twenty five years after the first introduction of these allocations, the same municipalities remain economically dependent on nuclear facilities, due to the low incidence that such allocations have had on their economic development, rarely having been used for investment in projects that contribute to the generation of alternative economies. Consequently, and taking into account the interest shown from different sectors, it was considered convenient to introduce mechanisms to contribute to such an objective, principally with a view to the future, once activity at the facilities has stopped.*

With this purpose, the allocation of further funds in addition to those drawn down by the municipalities in light of the various ministerial orders is set forth, receipt of which will be conditioned upon the financing on the part of those municipalities of projects that contribute to the economic development of same or the conservation and improvement of the environment.

Similarly, on a temporary basis until these additional funds begin to be received, the possibility that Enresa enter into collective collaboration agreements with the municipalities in the vicinity of Enresa-owned facilities is envisaged, given the particular link with that area."

During 2017, in accordance with Ministerial Order IET/458/2015, additional funds have been approved for the co-financing of local development projects through the Resolutions of the MINETAD, of 17 March for the sum of 2,501 thousand euros (509 thousand euros in 2016). Moreover, costs for a sum of 28 thousand euros were recorded in 2017 for projects approved in 2016 and accrued, in part, in 2017.

In accordance with the *single temporary provision, Collaboration Agreements* of the aforementioned Ministerial Order, in 2017 and 2016, Enresa signed agreements with local authorities for local development for sums of 276 and 264 thousand euros respectively.

4.14. Transactions between related parties (See Note 13)

The Company performs all its transactions with related parties at market prices and therefore the Company does not consider any significant risks from which material liabilities may arise in the future.

4.15. Non-cash generating assets or operating or service units

Order EHA/733/2010, of 25 March, approving the accounting of public companies operating in certain circumstances contains the standards that constitute the regulation of impairment of tangible fixed assets in public companies than operated in circumstances that impede the generation of cash flow.

In accordance with the Order, a distinction is made between cash-generating assets, which are those that are held for the purpose of obtaining a profit or generating commercial performance through the delivery of goods or the provision of services, and assets that do not generate cash flow, which are those held for the ultimate purpose other than generating commercial performance, such as economic or social flows that such assets generate and benefit society as a whole through their social benefit or service potential.

Non-cash flow generating assets are those used by state, regional or local public sector companies, whatever their legal status, that must apply accounting principles and standards contained in the Code of Commerce and in the General Accounting Plan of the Spanish company and that, considering the strategic nature of public utility of the activity, regularly offer benefits or provide services to other entities without payment, or in exchange for a fee or at a price set directly or indirectly by the Public Administration.

Enresa has no non-cash generating operating or service units, as the fees regulated by the sixth additional provision of Law 54/1997 of 27 November, the Electricity Industry Act, raise 100% of the funds necessary to meet the costs of the complete management of radioactive waste regulated by the General Radioactive Waste Plan, with no subvention on the part of the State, nor economic or social flows.

5. INTANGIBLE FIXED ASSETS

(See Note 4.1)

The movements occurring during the 2017 and 2016 financial years in the different intangible asset accounts and their corresponding accumulated depreciations are reflected in the following table:

FISCAL YEAR 2017

Thousands of euros

	Balance 01/01/2017	Credits or allocations	Transfers	Debits, write-offs or reductions	Balance 31/12/2017
COSTS:					
Research and Development	3,955	1,637	--	(3,955)	1,637
Concessions, patents, licences, trademarks and others	3,123	-	--	-	3,123
Computer software	14,997	23	--	-	15,020
Total	22,075	1,660	--	(3,955)	19,780
DEPRECIATIONS:					
Research and Development	(3,955)	(1.637)	--	3,955	(1,637)
Concessions, patents, licences, trademarks and others	(3,123)	-	--	-	(3,123)
Computer software	(14,878)	(63)	--	-	(14,941)
Total	(21,956)	(1.700)	--	3,955	(19,701)
Total net cost	119	(40)	--	-	79

FISCAL YEAR 2016

Thousands of euros

	Balance 01/01/2016	Credits or allocations	Transfers	Debits, write-offs or reductions	Balance 31/12/2016
COSTS:					
Research and Development	2,983	3,955	-	(2,983)	3,955
Concessions, patents, licences, trademarks and others	3,123	-	-	-	3,123
Computer software	14,911	86	-	-	14,997
Total	21,017	4,041	-	(2,983)	22,075
DEPRECIATIONS:					
Research and Development	(2,983)	(3.955)	-	2,983	(3,955)
Concessions, patents, licences, trademarks and others	(3,123)	-	-	-	(3,123)
Computer software	(14,824)	(55)	-	1	(14,878)
Total	(20,930)	(4.010)	-	2,984	(21,956)
Total net cost	87	31	-	1	119

In the financial years 2017 and 2016, Enresa continued to participate in the European Research and Development Programmes, specifically the Shared Costs Programme of the European Union (EU), which finances both Enresa and its contractors. Enresa records the funds it receives from the EU to finance its R&D projects as operating income in the financial year. In 2017, it received such funds up to a sum of 41 thousand euros (15 thousand euros in 2015).

The sum of the elements that were fully depreciated on the balance sheet as of the 31 December 2017 and 2016 was from 19,607 and 21,839 thousand euros, as per the following breakdown:

In thousands of euros

	Carrying value (gross)	
Item	**2017**	**2016**
Research and Development	1,637	3,955
Concessions, patents, licences, trademarks and others	3,123	3,123
Computer applications	14,847	14,761
TOTAL	19,607	21,839

6. FIXED ASSETS

(See Note 4.2.)

The movements registered during financial years 2017 and 2016 in the different tangible fixed assets accounts in their corresponding accumulated depreciation are as follows:

FISCAL YEAR 2017

Thousands of euros

	Balance 01/01/2017	Credits or allocations	Transfers	Debits, write-offs or reductions	Write-downs for impairment	Balance 31/12/2017
COSTS:						
Land and buildings	43,582	11	135	(144)	(888)	42,696
Technical installations and other fixed assets	295,912	177	2,667	(141)	-	298,615
Assets under construction and advances	87,737	36,897	(2,802)	-	-	121,832
Total	427,231	37,085	-	(285)	(888)	463,143
DEPRECIATIONS:						
Land and buildings	(25,301)	(577)	-	144	-	(25,734)
Technical installations and other fixed assets	(155,349)	(12,920)	-	110	-	(168,159)
Total	(180,650)	(13,497)	-	254	-	(193,893)
Total net cost	246,581	23,588	-	(31)	(888)	269,250

FISCAL YEAR 2016

Thousands of euros

	Balance 01/01/2016	Credits or allocations	Transfers	Debits, write-offs or reductions	Write-downs for impairment	Balance 31/12/2016
COSTS:						
Land and buildings	43,573	-	9	-	-	43,582
Technical installations and other fixed assets	273,837	381	22,400	(706)	-	295,912
Assets under construction and advances	87,806	22,385	(22,409)	(45)	-	87,737
Total	405,216	22,766	-	(751)	-	427,231
DEPRECIATIONS:						
Land and buildings	(24,717)	(584)	-	-	-	(25,301)
Technical installations and other fixed assets	(143,889)	(12,134)	-	674	-	(155,349)
Total	(168,606)	(12,718)	-	674	-	(180,650)
Total net cost	236,610	10,048	-	(77)	-	246,581

For the 2017 financial year, investments in new fixed assets were valued at 37,085 thousand euros (22,766 thousand euros in 2016). Among the most significant were the spent fuel storage system at José Cabrera NPP at a cost of 607 thousand euros (254 thousand euros in 2016), the new installations at the El Cabril Disposal Facility at a cost of 3,451 thousand euros (674 thousand euros in 2016) The Centralised Temporary Storage facility at a cost of 11,926 thousand euros (12,677 thousand euros in 2016), whose design and current status is explained in Note 12.7b), the manufacture of metallic casks for storage at Garoña NPP at a cost of 80 thousand euros (1,921 thousand euros in 2016), the manufacture of metallic casks for storage at Cofrentes NPP for a cost of 954 thousand euros (no such cost in 2016), the manufacture of casks for storage at Ascó NPP at a cost of 4,031 thousand euros (1,701 thousand euros in 2016) and manufacture of 10 ENUN32P casks for storage and transport of spent fuel from Spanish PWR plants at a cost of 15,759 thousand euros (4,817 thousand euros in 2016).

As of the 31 December 2017, Enresa has made provisions of 888 thousand euros for impairment, due to the difference between the net book value and the market value of those properties for which, as of the above date, the market value was inferior to the net book value. In 2016 there were no provisions for the impairment of tangible fixed assets.

The company has formalised insurance policies for asset risks with coverage that guarantees assets and materials in their entirety, as well as possible claims that may be made as a result of the exercise of its activity. The company considers that such policies provide sufficient coverage for the risks it is subject to.

The sum of the elements that were fully depreciated on the balance sheet as of the 31 December 2017 and 2016 was from 25,254 and 17,424 thousand euros respectively, as per the following breakdown:

In thousands of euros

Item	Carrying value (gross) 2017	2016
Construction works	4,380	4,014
Technical installations and other fixed assets	20,874	13,410
TOTAL	25,254	17,424

At the close of the financial years 2017 and 2016, the company has no elements subject to guarantee or firm commitments to purchase fixed assets.

7. FINANCIAL INVESTMENTS

(See Note 4.5)

The existing financial instruments from the 31 December 2017 and 2016 are the following:

7.1. Investment Portfolio

In accordance with the options established in the Spanish General Accounting Plan, the company has designated its financial assets as "Investments maintained until maturity" and "Other assets at fair value through profit and loss."

Nevertheless, in the case of the latter, all purchased are also made with the intention and capacity to maintain them to maturity. The investment portfolio as a whole is managed with the objective of optimising the financing model for the management of radioactive waste in Spain provided in the General Radioactive Waste Plan, which determines a long-term time frame, which does not envisage partial divestments and a profitability target in real terms. The valuation criteria of the Securities Portfolio, with the exception of assets at fair value, through profit and loss, is the amortised cost with financial accrual of interest and not market value, as amortised cost is the criterion that best allows for the optimisation of the financial model or radioactive waste management in Spain. For the presentation of this note, financial investments have been grouped into long-term and short-term to offer an overall picture of same.

As of 31 December 2017 and 2016, Enresa held the following financial assets in its Securities Portfolio:

Thousands of euros

Class	Face Value	Carrying Value	Face Value	Carrying Value
		31/12/2017		31/12/2016
Held-to-maturity investments	4,854,882	4,619,263	4,608,147	4,354,059
Other assets at fair value through profit and loss	240,000	242,830	245,000	246,822
Totals	5,094,882	4,862,093	4,853,147	4,600,881

The company categorises the investment portfolio, from a management perspective, into different classes of assets.

a) State Debt: Includes Spanish public debt, specifically, Spanish Treasury bonds, coupons and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying element is Spanish public debt. The carrying value and face value of this class are 1,644,541 and 2.009.193 thousand euros, respectively, in 2017 (1,632,010 and 2.024.393 thousand euros in 2016).

b) Other Public Debt: Includes financial assets issued by government agencies, the supranational bodies, the autonomous communities and the public debt of other countries. The carrying value and face value of this class are 1,409,841 and 1,356,111 thousand euros, respectively, in 2017 (1,393,462 and 1,331,111 thousand euros in 2016).

c) Other Obligations and Bonds: Includes a diverse range of financial assets from different issuers from different sectors, national as well as international and of different typologies. The carrying value and face value of this class of assets are 798,584 and 720,253 thousand euros in 2017 (838,537 and 760,253 thousand euros in 2016).

d) Other short-term assets: covers financial assets, deposits and others, issued by financial institutions. The carrying value and face value of this class of assets are from 1,009,127 and 1,009,325 thousand euros, respectively, in 2017 (736,872 and 737,390 euros in 2016).

As of the 31 December 2017 and 2016 the maturity breakdown for the main items that form part of the section "investment portfolio" is the following:

FINANCIAL YEAR 2017

Thousands of Euros (Nominal)

	Class					
Item	less than 5 years	between 5 and 10 years	between 10 and 15 years	between 15 and 20 years	more than 20 years	TOTAL
Held-to-maturity investments	2,373,006	1,394,487	915,013	172,376	-	4,854,882
Other assets at fair value through profit and loss	165,000	25,000	50,000	-	-	240,000
Totals	**2,538,006**	**1,419,487**	**965,013**	**172,376**	**-**	**5,094,882**

FINANCIAL YEAR 2016

Thousands of Euros (Nominal)

	Class					
Item	less than 5 years	between 5 and 10 years	between 10 and 15 years	between 15 and 20 years	more than 20 years	TOTAL
Held-to-maturity investments	1,753,571	1,581,545	918,983	269,598	84,450	4,608,147
Other assets at fair value through profit and loss	145,000	50,000	35,000	15,000	-	245,000
Totals	**1,898,571**	**1,631,545**	**953,983**	**284,598**	**84,450**	**4,853,147**

During the 2017 financial year, several assets reached maturity by a nominal sum of 82,200 thousand euros (167,700 thousand euros in 2016).

For net profit and loss arising from the different categories of financial instruments defined in the rule of register and ninth valuation, See Note 12.5.

In relation to financial assets at fair value through profit and loss we have:

FINANCIAL YEAR 2017

Thousands of euros

	Face Value	Carrying Value	2017	Accumulated
Class	31/12/2017		Variation of fair value	
Other assets at fair value through profit and loss	240,000	242,830	2,706	3,095
Totals	**240,000**	**242,830**	**2,706**	**3,095**

FINANCIAL YEAR 2016
THOUSANDS OF EUROS

	Face Value	Carrying Value	2016	Accumulated
Class	31/12/2016		Variation of fair value	
Other assets at fair value through profit and loss	245,000	246,822	(12,803)	389
Totals	**245,000**	**246,822**	**(12,803)**	**389**

For the 2017 and 2016 financial years, the company has estimated that there is no impairment to any financial instrument valued at amortised cost or fair value, and considers that there are no reasonable doubts regarding the repayment capacity of the assets due to the issuers, who hold the appropriate credit rating, in accordance with the Company's investment policies.

During the 2017 financial year, there were purchases of fixed assets that have been designated by Enresa as "Other assets at fair value through profit and loss" for a sum of 25,000 thousand euros. The contracting of this kind of instrument was authorised by the Committee for the Monitoring and Control of the Fund at its meeting of 9 July 2015. During the 2016 financial year, there were no acquisitions of this type.

7.2. Derivatives

All derivatives held by the Company are contracted with national or international financial institutions with the appropriate credit rating and consist of swaps between fixed or variable types at a variable interest, inflation or the value of a share price index that allows for the objectives of profitability and management to be achieved.

As of the 31st December 2017 and 2016, Enresa holds the following financial assets and liabilities arising from the financial derivatives contracted by the Company for the purpose of hedging against market risk and in accordance with the financial model established in the General Radioactive Waste Plan.

	2017		2016	
				Thousands of euros
Class	Notional	Fair value	Notional	Fair value
Item	31/12/2017		31/12/2016	
Financial derivatives (assets)	265,002	22,993	255,002	36,101
Financial derivatives (liabilities)	120,000	(77,427)	180,000	(79,456)
Totals	**385,002**	**(54,434)**	**435,002**	**(43,355)**

The derivatives held by the company are not susceptible to being designated as accounting hedges, in accordance with the applicable accounting standards.

For this reason, these derivative financial instruments have been booked at fair value as financial assets or liabilities, and the variations in same are entered in the profit and loss account.

The maturity breakdown of the groupings that come under "Derivatives" is the following:

FISCAL YEAR 2017

Thousands of euros (Notional)

	Class			
Item	less than 5 years	between 5 and 10 years	between 10 and 15 years	TOTAL
Derivatives	115,000	150,002	120,000	385,002
Totals	**115,000**	**150,002**	**120,000**	**385,002**

FISCAL YEAR 2016

Thousands of euros (Notional)

	Class			
Item	less than 5 years	between 5 and 10 years	between 10 and 15 years	TOTAL
Derivatives	165,000	150,002	120,000	435,002
Totals	**165,000**	**150,002**	**120,000**	**435,002**

During the 2017 financial year derivatives for a notional value of 50,000 thousand euros (100,500 thousand euros in 2016) were depreciated or discharged.

For net profit and loss arising from the different categories of financial instruments defined in the rule of register and ninth valuation, See Note 12.5.

To calculate the fair value of these financial assets, the Company has taken as a reference the fair value calculated through valuation techniques based on discount of future cash flows and options. Interest rate and inflation curves, volatility implicit in all interest rate types and financial markets, have been included as market inputs.

Since 1 January 2013 the company has included a bilateral credit risk adjustment with the aim of reflecting both own risk as well as the counterparty risk in the fair value of derivatives.

In order to determine the credit risk adjustment the company has applied a technique based on calculation through simulations of the expected total exposure (which includes both current exposure and potential exposure) adjusted by default over time and by the severity (or potential loss) assigned to the Company and each of its counterparties.

As of the 31 December 2017, the inclusion of credit risk in the determination of fair value of the derivatives has implied an increase in the valuation of the derivatives of 945 thousand euros (5,031 thousand euros in 2016).

The Company has deemed that there is no impairment to any financial instrument, both valued neither at amortised cost nor at fair value, and believes there are no reasonable doubts regarding the repayment capacity of the assets by the issuers, who hold the appropriate credit rating, in accordance with the Company's investment policies.

7.3. Trade and service provision clients

The sum collected as trade debtors and other accounts receivable includes, mainly, the remaining sum pending for payment per kilowatt generated monthly by the nuclear power plants, corresponding to the taxes collected through the State Tax Administration Agency that shall be allocated to Enresa from the Treasury when the Secretary of State for Energy releases the funds (See Note 1).

7.4. Information on the nature and level of risk of financial instruments

7.4.1. Qualitative Information

Enresa's management of financial risk is adapted to the needs and requirements of the applicable legal regulations which state the basic principles of the financial management of Enresa shall be security, profitability and liquidity. At the same time, it complies with the GRWP, in which the model for financing the management of radioactive waste in Spain is defined. It also complies with the general principles of management of the Fund for the financing of the activities of the GRWP, issued by its Monitoring and Control Committee.

a) Credit Risk:

Enresa complies with the guidelines on diversification and creditworthiness established by the Monitoring and Control Committee in accordance with development capacities of the general investment criteria granted to said body by legislation.

Additionally, Enresa assigns investment to lines of concentrations of investment to its counterparts based on analysis of the financial solvency of same, ensuring even more prudence in addition to the guidelines issued by the Committee.

b) Market Risk:

Enresa's portfolio of short-term financial investments must reach a specific minimum real interest rate through the model for the financing of radioactive waste management in Spain which the Government approved in the General Radioactive Waste Plans. This serves to update future costs to present value. For this reason, Enresa, insofar as financial markets allow, concentrates its financial investments on fixed-income financial instruments linked to Spanish inflation and with a margin above the aforementioned real interest rate. It diversifies its other investments among fixed-income alternatives offered on financial markets and always with the expectation of exceeding the established real interest rate as an objective.

c) Liquidity Risk:

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic-financial planning approved by the government in the General Radioactive Waste.

Given the broad time-frame of current planning, financial investments are fundamentally made on a long-term basis; provided that financial market conditions enable it and ensure it is advisable, with special liquidity requirements in the short or medium term. Nevertheless, the financial investments of the Portfolio in the long-term are mainly embodied in entirely liquid financial products.

7.4.2. Quantitative Information

Data calculated from the nominal value of the portfolio as of 31st December 2017 and 2016:

a) Credit risk:

The percentages of financial assets by sector type are broken down as follows:

In thousands of euros

	2017		2016	
Sector	Face Value	%	Face Value	%
Public sector	3,365,304	66.05%	3,355,504	69.14%
Financial institutions	1,599,325	31.39%	1,337,390	27.56%
Energy	111,000	2.18%	111,000	2.29%
Communications and transport	19,253	0.38%	49,253	1.01%
Totals	5,094,882	100.00%	4,853,147	100.00%

b) Market Risk:

The percentages of financial assets by type of profitability obtained are broken down as follows:

	% of nominal	
Financial Assets	2017	2016
Percentage of financial assets at interest rate	63.69%	61.06%
Percentage of financial assets linked to inflation	32.97%	35.23%
Percentage of financial assets linked to variable rate indices with principle guaranteed	3.34%	3.71%

c) Exchange rate risk:

The percentages of financial assets in foreign currency are:

	% of nominal	
	2017	2016
Percentage of financial assets in GBP	-	0.62%
Total (in foreign currency)	-	0.62%

All financial assets in foreign currency are covered through exchange rate financial derivatives in such a way that the company is not exposed to exchange rate risk.

7.5. Fair value of financial instruments: Valuation techniques and applicable hypothesis for the measurement of fair value

The fair value of financial assets and liabilities shall be determined as follows:

- The fair value of financial assets and liabilities with the standard terms and conditions and that are negotiated in the asset and liquid market shall be determined in reference to the market prices quoted.
- The fair value of other financial assets and liabilities (except derivative instruments) shall be determined in accordance with the valuation models generally accepted on the basis of discount of cash flows using the price of observable market transactions and those quoted by contributors for similar instruments.

The following table shows an analysis of the financial instruments valued later from groups 1-3 based on the extent in which the fair value is observable.

- Level 1: Those referenced to quoted prices (without adjustment) in active markets for identical assets or liabilities.
- Level 2: Those referenced to other inputs (which are not quoted prices included in level 1) observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Those referenced to valuation techniques that include inputs for the assets or liabilities not based on observable market data (inputs that are not observable).

FINANCIAL YEAR 2017

In thousands of euros

	Level 1	Level 2	Level 3	Total
Derivative Financial Assets- Instruments	---	265,823	---	265,823
Derivative Financial Liabilities- Instruments	---	(77,427)	---	(77,427)

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In thousands of euros

	Level 1	Level 2	Level 3	Total
Derivative Financial Assets- Instruments	---	282,923	---	282,923
Derivative Financial Liabilities- Instruments	---	(79,456)	---	(79,456)

8. NET EQUITY AND OWN FUNDS

(See Note 4.5.3)

8.1. Share Capital

On the 22 May 2001, the Board of Directors of Enresa approved the re-designation of the share capital to Euro. For this reason, the reduction of share capital by 72.63 euros was agreed through the creation of the corresponding restricted reserve. The share capital of Enresa remains represented by 60,000 shares at face value of €60.10, entirely subscribed and fully paid.

As of the 31 December 2017 and 2016, the breakdown of shareholders of Enresa is the following.

Shareholders	Percentage of Participation	Thousands of euros
Centre of Energy, Environment and Technology Investigations. (CIEMAT)	80%	2,885
State Industrial Ownership Corporation (SEPI)	20%	721
Totals	100%	3,606

8.2. Reserves

In accordance with the Companies Act the limited Company must allocate a figure equal to 10% of the year's profit to the legal reserve until it reaches at least 20% of share capital. The legal reserve may be used to increase capital in the part of the account balance that exceeds 10% of the capital already increased. Other than for the above purpose and without exceeding 20% of share capital, this reserve may only be used to compensate for losses and provided there are no other reserves available and sufficient for this end.

At the end of the 2017 financial year this reserve is fully constituted.

9. FUND FOR THE FINANCING OF THE ACTIVITIES OF THE GENERAL RADIOACTIVE WASTE PLAN (See Note 4.12)

The variations in this fund over the course of the 2017 and 2016 financial years were the following:

Thousands of euros

	2017	2016
Balance as of 1 January	**5,017,636**	**4,613,069**
Implementation in practice in the financial year	(246,571)	(183,385)
Provision in practice in the financial year	554,950	587,952
Balance as of 31 December	**5,326,015**	**5,017,636**

10. DEBTS

Information on average period of payment to suppliers. Third additional provision, duty of information, of Law 15/2010, of 5 July.

In accordance with that set out in Law 15/2010, on the 5 July, amending Law 3/2004, of 29 December, subsequently amended by Law 31/2014, establishing measures to combat the accumulation of arrears in commercial operations and in accordance with the Resolution of 29 January 2016 of the Institute of Accounting and Auditing of Accounts, regarding the information to be included in the annual financial statements in relation to the average payment period to suppliers in commercial operations, applicable to the annual financial statements for all years from 1 January 2015 on, the information relating to deferred payments to suppliers in commercial operations is presented.

	2017	2016
Payments made and pending payment at the end of the financial year	Days	Days
Average period of payment to suppliers	18.57	28.84
Ratio of paid operations	18.73	27.60
Ratio of transactions pending payment	16.10	251.39
	Sum (in thousands of euros)	Sum (in thousands of euros)
Total payments made	**155,311**	**92,863**
Total payments pending	**10,331**	**518**

The maximum legal payment period applicable to the Company according to Law 3/2004, of 29 December, establishing measures to combat the accumulation of arrears for the years 2017 and 2016, in commercial operations, is 30 days, except where there is an agreement between the parties to extend that period up to a maximum of 60 days.

The ratio of transactions pending payment is penalised, basically, by bills in which there exist discrepancies with the contractor for their payment.

The data provided above on payments to suppliers refers to those that, by their nature, are commercial creditors through debts with suppliers of goods and services, in such a way to include the relevant data to the parties “suppliers” and “sundry creditors” of the current liability on the balance sheet.

11. PUBLIC ADMINISTRATIONS AND TAX STATUS (See Note 4.8)

11.1. Current balances with Public Administrations

The composition of the current balance with Pubic Administration as of 31 December 2017 and 2016 is the following:

Thousands of euros

	2017		2016	
Item	**Debtors**	**Creditors**	**Debtors**	**Creditors**
Tax Authorities, Corporation Tax	376	-	201	-
Tax Authorities, deductions taken	-	711	-	693
Tax Authorities, VAT	-	1,331	-	2,539
Social Security Administrations	-	393	-	499
Tax Authorities, non-resident tax	-	36	-	3
Eco tax	-	2,221	-	1,807
Other public administrations	-	1	-	863
TOTAL	376	4,693	201	6,404

11.2. Reconciliation of reported profit and taxable income

The reconciliation between the reported profit of the 2017 and 2016 financial years and the taxable income subject to Corporation Tax is the following:

FINANCIAL YEAR 2017

Thousands of euros

	Profit and Loss Account		Income and expenses directly attributed to net equity		Reserves		Total
Income and expenses balance for the financial year	118						118
	INCREASE	REDUCTION	INCREASE	REDUCTION	INCREASE	REDUCTION	
Permanent differences (not including corporate income tax)	293	(2,416)	-	-	-	-	(2,123)
Temporary differences	893	(892)	-	-	-	-	1
Tax base (fiscal result)	**1,304**	**(3,308)**	-	-	-	-	**(2,004)**
Deductions for investments							-
Tax liability							-
Withholding taxes							(175)
Sum payable / (receivable)							**(175)**

FINANCIAL YEAR 2016

Thousands of euros

	Profit and Loss Account		Income and expenses directly attributed to net equity		Reserves		Total
Income and expenses balance for the financial year	114						114
	INCREASE	REDUCTION	INCREASE	REDUCTION	INCREASE	REDUCTION	
Permanent differences (not including corporate income tax)	1,529	(2,051)	-	-	-	-	(522)
Temporary differences	-	(943)	-	-	-	-	(943)
Taxable income (accounting profit)	**1,643**	**(2,994)**	-	-	-	-	**(1,351)**
Gross tax payable (25%)							-
Deductions for investments							-
Tax liability							-
Withholding taxes							(201)
Sum payable / (receivable)							**(201)**

The increases in permanent differences in the 2017 and 2016 financial years correspond, basically, to expenses for non-tax deductible donations and agreements.

The decreases in the permanent differences in 2017 and 2016 basically correspond to the reversal of the waste management provision, endorsed by the consultation that took place at the Directorate General of Taxation in 1997, due to the fact that said income cannot be used for the determination of the taxable base, for the part of same that corresponds proportionally to the non-tax deductible provision in the period in which it was provided.

Due to the volume of tax losses pending enforcement by the company and that the time limit for the recovery of these tax bases is more than 10 years, the provision applied is considered a permanent difference.

In the 2014 financial year, temporary differences were registered as a result of the application of Article 7 of Law 16/2012, of 27 December, introducing various tax measures aimed at consolidating public finances and promoting economic activities. Said law established a 70% limit for the deduction of book depreciation in respect of elements of tangible and intangible fixed assets, in the corporation tax base.

The value of write downs that were not financially deducted in these periods in accordance with the established limit will be deducted on a linear basis over a period of 10 years or optionally during the useful life.

of the asset, from the first tax period starting in 2015. Consequently in the provisional liquidation for 2017, apart from the write downs for the period, one tenth of the write downs not deducted in the years 2013 and 2014 has been deducted, resulting in a recovery rate of 220 thousand euros (220 thousand euros in 2016).

On 3 December 2016, Royal Decree Law 3/2016 was published, adopting tax measures for the consolidation of public finances, which introduces relevant amendments in the scope of Corporation Tax. Among others, it establishes, with effect from 1 January 2016, the obligation to reverse, within a maximum period of 5 years, the provisions for the impairment in value of participations that were deductible prior to 2013, limiting the compensation for tax losses for large companies to 25% of the taxable base and limiting the application of the deduction for double internal or international imposition generated or pending application to 50% of the previous full liability. In addition, with effect from 1 January 2017, losses on the transfer of participations shall not be deductible. In the 2017 financial year, these measures have had no significant negative impact on the financial situation of the Company.

11.3 Reconciliation of reported profit and deferred corporation tax cost

The reconciliation between the reported profit and corporation tax cost is the following:

Thousands of euros

Item	2017	2016
Reported profit	118	114
Permanent differences	(2,123)	(522)
Adjusted reported profit	(2,005)	(408)
Rate at 25%	(501)	(102)
Impact of temporary differences	-	(236)
Deductions:		
For double taxation	-	-
For reinvestment of profits	-	-
Deductions for investments	-	-
Tax losses	501	338
Current corporation tax cost	-	-
Deferred corporation tax cost	-	236
Deferred negative corporation tax adjustments	-	-
Adjustment for previous year corporation tax paid	(5)	16
Total corporation tax cost recognised in profit and loss account	(5)	252

11.4. Assets for registered deferred tax

The balance breakdown of this account at the end of the 2017 and 2016 financial years is the following:

In thousands of euros

Temporary differences:	2017	2016
Fixed asset depreciation	1,538	1,758
Impairment of fixed assets	222	-
Other	6	3
Total Deferred tax assets	1,766	1,761

The deferred tax asset arises as a consequence of the temporary differences that have their origin in the different criteria for the accounting and tax allocation of assets.

The deferred tax assets indicated above have been registered on the balance sheet in light of the fact that the Company Administrators, in accordance with the best forecasts for future results, consider it likely that these assets be recovered.

The sum per deferred tax asset of the 2014 financial year was adjusted to the tax types of those that will recover the deduction, that were modified in 2014 by the new Corporate Income Tax Law, being 28% for 2015 and 25% for 2016 and beyond.

In the 2017 financial year deferred tax assets were recovered by deferred tax corresponding to the depreciations of 2013 and 2014 valuing 220 thousand euros (220 thousand euros in 2016), which have been partly redeemed by the generation of other deferred tax assets.

11.5. Unregistered deferred tax assets

The company has not registered certain deferred tax assets on the balance sheet attached, considering it unlikely that in the future there will be positive taxable income that will allow for their recovery.

The breakdown of these unregistered assets is the following:

- Tax losses:

  The company has pending tax losses to compensate for as of the 31 December 2017 for a sum of 262,467 thousand euros (260,724 thousand euros at 31 December 2016) according to the following breakdown:

Thousands of euros

YEAR	TAX BASE 2017	TAX BASE 2016
1997	21,321	21,321
2000	17,400	17,400
2001	26,280	26,280
2002	31,306	31,306
2003	28,404	28,404
2005	33,706	33,706
2007	5,906	5,906
2008	79,882	79,882
2009	5,711	5,711
2010	3,564	3,564
2011	3,953	3,953
2015	1,940	1,940
2016	1,090	1,351
2017	2,004	-
TOTAL	262,467	260,724

- Deductions:

  As of the 31 December 2017 and 2016, the company has pending tax incentives to deduct for a sum of 29,515 and 31,939 thousand euros, respectively that, for the most part, correspond to research and development costs, as per the following breakdown:

Thousands of euros

YEAR BEGINNING	SUM 2017	SUM 2016	EXPIRY
1998	-	2,120	2016
1999	2,115	2,115	2017
2000	1,253	1,253	2018
2001	2,309	2,309	2019
2002	2,047	2,047	2020
2003	2,144	2,144	2021
2004	1,108	1,108	2022
2005	1,680	1,680	2023
2006	1,307	2,077	2024
2007	1,696	1,696	2025
2008	1,359	1,359	2026
2009	1,310	1,310	2027
2010	1,722	1,722	2028
2011	1,840	1,840	2029
2012	1,618	1,618	2030
2013	1,880	1,880	2031
2014	932	932	2032
2015	1,135	1,135	2033
2016	1,597	1,594	2034
2017	463	-	2035
TOTAL	29,515	31,939	

11.6. Other financial information

The company has pending credit to be recovered, resulting from the provisional repayment of the tax on profits from the 2017 financial year, for the most part originating from retentions of financial yields. Said sum amounts to 175 thousand euros (201 thousand euros in 2016).

Given that the date has not affected the tax repayment regarding profits corresponding to 2017, the same figures can suffer some variation, which is why the effects of the tax liquidation are considered to be provisional.

According to the current legislation, tax settlements may not be deemed final until they have been inspected by tax authorities or the limitation period of four years has elapsed. As of the drafting date of these statements, the company has the following taxes open for inspection:

Corporation Tax	2013 to 2016
VAT	2014 to 2017
Personal Income Tax 2	014 to 2017

The company considers that that these tax settlements have been applied appropriately, therefore, even in the event that discrepancies regarding the interpretation of the current legislation arise due to the tax treatment granted to transactions, the resulting liabilities, if they were to materialise, would not affect the attached financial statements in any significant way.

12. INCOME AND EXPENDITURE

(See Note 4.9)

12.1. Net Turnover

The distribution of the net turnover corresponding to the ordinary activity of the company in the financial years 2017 and 2016 is the following:

Thousands of euros

By activities	2017	2016
Billing of electrical companies (tolls) fee model 681	137	146
Billing of electrical companies (kWh nuclear) fee model 682	389,771	394,551
Billing for manufacturing of nuclear fuel fee model 683	414	421
Billing of radioactive facilities. fee model 684	176	330
Total income of activities	**390,498**	**395,448**

All income has been generated within the national territory.

12.2. Other Operating Income

The distribution of other operating income corresponding to the ordinary activity of the company in the financial years 2017 and 2016 is the following:

	Thousands of euros	
By items	**2017**	**2016**
EU Financing for Research and Development (Note 5)	41	15
Provision of services for international technical assistance projects	92	239
Subsidies for operation and repayment of authorities	34	40
Other management income (travel rebates, accident reduction and prevention incentive, magazine advertising, services to Fundación Enresa and others)	64	77
Total other operating income	231	371

12.3. Social contributions

The balance for the heading "Social contributions", recorded in the attached profit and loss account for the financial years 2017 and 2016, show the following breakdown:

	Thousands of euros	
By items	**2017**	**2016**
Social security at the expense of the Company	4,631	4,501
Other social contributions	1,287	1,315
Total social contributions	5,918	5,816

12.4. Transactions carried out in currencies other than euro

(See Note 4.7)

During the 2017 and 2016 financial years, the company carried out transactions in currencies other than euro. The breakdown of the balance and most significant transactions in foreign currency, valued at the closing exchange rate and average exchange rate, respectively, is the following:

	2017		2016	
By items	In foreign currency	Thousands of euros	In foreign currency	Thousands of euros
Accounts receivable				
US Dollars - Treasury	5,576	4,650	7,946	7,538
Accounts payable				
US dollars- Other financial liabilities	329	274	-	-
Pounds Sterling - Suppliers	17	19	-	-
Services provided				
US Dollars – Other operating income	-	-	1	1
Services received				
US Dollars – Fixed assets in progress and advances, Studies and waste management and other	2,800	2,476	2,753	2,209
Pounds Sterling – Studies and waste management	32	36	-	-
Swedish Krona	-	-	1.5	0.2
South African Rand	-	-	15	1

12.5. Financial income and expenses

The sum for financial income and expenditure recognised in the financial results for 2017 and 2016, by class of financial instrument, is as follows:

FINANCIAL YEAR 2017

In thousands of euros

By items	Financial income	Financial expenditure	Net Financial Results
Investments maintained to maturity	138,965	-	138,965
Non-derivative financial assets at fair value	7,020	-	7,020
Derived interest	11,740	(22,989)	(11,249)
Differences through application of fair value to bonds	13,297	(10,591)	2,706
Differences through application of fair value to derivatives	5,685	(16,764)	(11,079)
Exchange rate differences	1,206	(247)	959
Other	427	(3)	424
Totals	**178,340**	**(50,594)**	**127,746**

FINANCIAL YEAR 2016

In thousands of euros

By items	Financial income	Financial expenditure	Net Financial Results
Investments maintained to maturity	155,332	-	155,332
Non-derivative financial assets at fair value	8,536	-	8,536
Interest on Derivatives	11,458	(29,481)	(18,023)
Differences through application of fair value to bonds	1,545	(11,496)	(9,951)
Differences through application of fair value to derivatives	12,959	(1,728)	11,231
Exchange rate differences	26	(12)	14
Other	298	-	298
Totals	**190,154**	**(42,717)**	**147,437**

12.6. Fundación Enresa

On 27 December 1990, Enresa set up a non-profit beneficial assistance Foundation of dual nature and indefinite duration. Nevertheless, in accordance with agreement of the Council of Ministers of 21 June 2013, which approved a broad range of measures aimed at the improvement, simplification and optimisation of the functioning of Public Administration, among them the suppression of Fundación Enresa, and its integration within Enresa. As of 31 December 2016, it shall be liquidated once pending commitments are fulfilled, having returned to Enresa, as a result of the liquidation of its assets and profits, the sum of 432 thousand euros, including the founding allocation. The Foundation's principal objective was the provision of assistance services to drive and develop the social wellbeing of the populations located in the area of influence of Enresa facilities. The contribution allocated to the profit and loss account for 2016 under the heading "External services" was 1,140 thousand euros. In addition, the refund received from the Foundation for the aforementioned liquidation of assets and rights, for the sum of 432 thousand euros, has been registered under the item "Other results".

12.7. Waste management

The major strategic activities and objectives carried out in 2017 for each of the main lines of activity can be summarised in:

a) Low and Intermediate level Waste and Very Low level Waste (LILW/VLLW)

Throughout 2017, Enresa continued to transport this type of waste, both from nuclear installation and from radioactive facilities to the El Cabril waste disposal facility, which has been operating as standard, having delivered over 304 shipments with a total of 2,994 m3 transported.

b) Spent Fuel and High level Waste (SF/HLW)

Enresa, following the resolutions of the Ministry of Industry, Energy and Tourism, has covered the costs of the reprocessing in France of the spent fuel from the Vandellós I nuclear power plant.

In 2012, Enresa signed a supplementary agreement for the densification of waste with Areva NC through which they changed the type and volume of waste that they would return to Spain, and also establishing a new period for its return to Spain. The cost of the agreement was 194,000 thousand euros. As of 31 December 2014, 30% (58,200 thousand euros) remains pending, upgraded from the benchmark reference, which was billed in October 2015 and subsequently paid. It has been recorded as expenditure in the profit and loss account from when the provision of services began during the years 2013 to 2015, except the cost of transporting the waste to Spain which has been recorded under the heading "long-term accruals" on the balance sheet, until the transport is carried out.

In 2013 a new agreement was signed in which the reduction of the definitive volume of waste densification, going from a forecast volume in previous agreement of 68 bundles of type CSD-V, 84 of type CSD-B, and 54 of type CSD-C to 68 of type CSD-V, 12 of type CSD-B and 12 of type CSD-C. This constituted a very significant reduction in the waste volumes forecast in the previous agreement.

Furthermore, in 2013, waste production was carried out through the assignment of same in the formats indicated in the previous paragraph and therefore yielded the cost of its manufacture. Additionally, its financial value in 2012 has been completed monthly through the amortised cost method until reaching the debt payable, on 31 October 2015, 28,000 thousand euros of the waste allocation and 7,200 thousand euros of storage of the waste in France. The interest accumulated for these items as of 31 December 2015 was 4,103 thousand euros.

Apart from the costs mentioned above, updated by the reference index, that have been paid to Areva in 2015, the sum of 23,753 thousand euros has been paid for the cost of transport of waste to Spain, transport which is currently expected to be carried out in the year 2020, entered under "long term accruals and deferrals" of non-current assets on the balance sheet.

In accordance with the Protocol of May 2001 and the agreement reached between Enresa and Areva, of 22 August 2013, in clause five, relating to the return of waste from Vandellós I NPP to Spain, it is established that in the event of the failure to meet the deadlines for return of the waste set as 30 June 2017, from said date and without retrospective character, a daily penalty shall be applied by Areva to Enresa.

The sums paid by Enresa to Areva under this item shall be returned to Enresa at the time of the return of the last shipment of waste, once the storage costs borne by Areva from 1 October 2015 are deducted. The estimated date of return is late 2020.

As of 31 December 2017, the sum registered in the profit and loss account for storage amounts to 1,313 thousand euros, remaining pending upon the closure date and which shall be paid upon completion of transport.

On the other hand, Enresa has begun to pay Areva, from 1 July 2017, the penalty (guarantee) established in the agreement signed between Hifrensa and Cogema (now Areva) in 2001 as a result of the non-return of radioactive waste from Vandellós I NPP. In accordance with the provisions of Clause 5.1, Enresa, which was subrogated to Hifrensa's obligations in said agreement, has had to pay the sum of €49,545.17 per day from 1 July 2017. As a result of applying certain update indices provided for in the agreement, the sum to pay during 2017 was €74,603.14 per day. The penalties will cease upon the transport of the final shipment of radioactive waste to Spain. Upon return, all sums paid shall be returned and Enresa shall be billed for the costs of storage in France of said waste from 1 October 2015.

With regard to the reprocessing of fuel at Santa María de Garoña NPP during the 2004 financial year, a complementary agreement was signed to the contract originally signed between Nuclenor and Enresa on 22 February 1990. This contract established the conditions for the management of radioactive waste generated at the Santa María de Garoña NPP and for its decommissioning.

On 9 November 2003, Royal Decree 1349/2003, of 31 October, on the activities and financing of Enresa (which was repealed and substituted by Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste) in which the system of financing of Enresa must cover the costs it incurs, from the entry into force of the Royal Decree, for the management of radioactive waste generated in the production of nuclear-electric energy from the start date of said production.

Previously, Nuclenor had signed a contract with the company British Nuclear Fuel Limited (BNFL) for the reprocessing of at least 500 irradiated fuel elements from the Santa María de Garoña nuclear power plant. This reprocessing has generated costs for Nuclenor charged to the Fund for the Financing of the Activities of the General Radioactive Waste Plan in accordance with the aforementioned Royal Decree. In 2016 storage costs of 711 thousand euros were incurred in the United Kingdom (798 thousand euros at 31 December 2015).

With the objective of finding a solution to the waste generated from the reprocessing of spent fuel at the Santa María de Garoña NPP, in December 2011, the British Government allowed for transfer of licensee to be accepted for the plutonium generated by the spent fuel reprocessing contracts. In June 2013, the English company International Nuclear Services Ltd., with the approval of the Nuclear Decommissioning Authority (NDA), made a preliminary offer to Nuclenor for the transfer of license of said plutonium. Later, in May 2015, the Board of Directors of Enresa supported Nuclenor to negotiate the transfer of license. Subsequently, in the last quarter of 2016, the agreement between Nuclenor and INS-NDA was sent to EURATOM for validation and the Board of Directors of Enresa considered and deemed acceptable the terms of the agreement for the transfer of license. Finally, in the month of December 2016 the Ministry of Energy, Tourism and the Digital Agenda endorsed the transfer of the license of the plutonium arising from reprocessing of fuel at the Santa María de Garoña NPP to the English company International

Nuclear Services, Ltd. As of 13 January 2017, the agreement has been signed, making said transfer effective, which, in 2017 represented a cost of 44,219 thousand pounds sterling (50,426 thousand euros).

In relation to the management of spent fuel at Santa María de Garoña NPP, the manufacturing of 5 fuel dual purpose casks (transport and storage) has been completed, which are pending transfer to the site, with the manufacture of another cask underway. In 2016, the construction of the Individualised Temporary Storage facility at this plant was charged to the Fund. On 1 August MINETAD issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation.

2017 saw operations continue as normal at the Individualised Temporary Storage facility at Trillo NPP, where 32 casks with 21 fuel elements are located.

Operations continue with the Individualised Temporary Storage facility at Ascó NPP and the loading of new HI-STORM casks. In 2017, two casks were loaded, bringing the cumulative total to 13 casks in the storage slabs. There are 4 casks completed and delivered to the site, pending loading.

With regard to the management of spent fuel at the José Cabrera NPP, the temporary storage facility operated normally, housing all the casks as planned, 12 HI-STORM casks loaded with the spent fuel from the plant, and 4 HI-SAFE casks loaded with the special waste resulting from the internal segmentation of the vessel. In 2017, maintenance works continued on the Individualised Temporary Storage (ITS) facility.

With regard to the CTS project, in the month of January 2014, MINETUR and the Nuclear Safety Council were presented with the documentation required in the Nuclear and Radioactive Facilities Regulation for the request for the Preliminary Authorisation and Construction Authorisation for the facility.

In July 2015 the Nuclear Safety Council issued reports that were favourable to the request for Preliminary Authorisation and the Radioactive Impact on the public in normal operation associated with the Environmental Impact Study of the CTS.

During 2017, design and documentation preparation activities have been ongoing to obtain the Preliminary Authorisation and Construction Authorisation, as have the works relating to compliance with the Technical Instructions of the CSN.

In July 2015 an agreement of the Regional Government of Castilla-La Mancha was published, initiating the extension of the Natura 2000 Network protected area of Laguna del Hito, a decision which, by virtue of the environmental legislation in force, forced the suspension of any work authorisation for this area. In October of this same year, the Spanish Government filed an administrative appeal before the High Court of Justice of Castilla-La Mancha against said decision. The decision of the Regional Government of Castilla-La Mancha may cause some delay to the project.

In October 2016, the Official Gazette of Castilla-La Mancha published Decree 57/2016, extending the BirdLife Special Protection Area (SPA) of the Laguna del Hito and proposing to the European Commission its declaration as a Site of Community Interest (SCI).

In December 2016, the Supreme Court ruled to provisionally suspend the ruling of the Regional Government of Castilla-La Mancha initiating the procedure to extended the Natura 2000 Network Protected Space of Laguna del Hito and the modification of the Natural Resources Ordinance Plan for the La Laguna del Hito Nature Reserve, published in the Official Gazette of Castilla-La Mancha on 29 July 2015.

Following the line of the Supreme Court, on 8 March 2017 last, the High Court of Justice of Castilla-La Mancha suspended the application of the aforementioned Decree 57/2016 extending the SPA. The suspension ruling was itself appealed by the Regional Government of Castilla-La Mancha on 20 March 2017.

On 11 December 2017, High Court of Justice of Castilla-La Mancha rejected the appeal presented by the Villar de Cañas Council, against the ruling of the Department of Public Works of the

Regional Government of Castilla-La Mancha, annulling their Municipal Development Plan. This ruling does not invalidate the capacity to build the CTS on the lands acquired, given that the Government could resort to the Tenth Additional Provision of Royal Legislative Decree 7/2015, of 30 October (Consolidated Text of the Building Code and Urban Regeneration) or the Third Additional Provision the Law on the Concession of Public Works 13/2003 (LCOP, as per the Spanish).

Enresa continues to work to minimise the effects of this delay, particularly in the licensing process for the installation on the part of CSN, with the aim of ensuring the viability of the project and a satisfactory conclusion.

c) Closure of Facilities

Enresa, in accordance with the authorisation granted by the Ministry of Industry and Energy (now the Ministry of Energy, Tourism and the Digital Agenda) for the execution of the decommissioning activities at Vandellós I NPP, of which safestore decommissioning took place in the period from 1998-2003, continues with the activities associated with latency phase, the current status of the facility.

On 11 February 2010, trusteeship was transferred to Enresa as the body responsible for the José Cabrera NPP. For this project, the full immediate decommissioning alternative was chosen, leaving the full site free for industrial use, subsequent to transfer of the spent fuel from Individualised Temporary Storage facility (ITS).

2017 saw the completion of the decontamination of the auxiliary and support building and the assembly and official testing on the soil washing plant and the construction of two new storage facilities for very low level waste and declassified materials. Works for the dismantling and decontamination of the evaporator buildings, storage facility 1 and other singular elements such as the chimney for gaseous effluent emissions continues.

With regard to the definitive restoration of Saelices el Chico, during 2017, different activities and pilot tests have been carried out to reduce the generation of acidic water at the site, and to reduce the costs of water treatment through alternative systems to the conventional ones.

d) Research and Development

Enresa has continued to work on the 7th Research and Development Plan (2014-2018) which has been structured along four subject areas and one cross-cutting area. These pertain to precise knowledge of waste both in terms of its intrinsic properties and its behaviour over time; treatment and conditioning of waste and the operational techniques thereof, decommissioning¡ of radioactive and nuclear facilities; the study of materials used for their confinement and their relations with radioactive waste; the impact of these upon the environment in consideration of current and future scenarios; and studies relating to radiation protection for the environment and human beings. The cross-cutting area pertains to the management of knowledge and scientific-technology assets generated and coordination between the different parties involved.

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (See Note 4.14)

13.1. Transactions with Related Parties

The breakdown of transaction carried out with related parties during 2017 and 2016, and the balances at 31 December 2017 and 2016 are as follows:

Thousands of euros

	2017		2016	
	CIEMAT	SEPI	CIEMAT	SEPI
Asset balances				
Service clients, Long-term credits to third parties and other short-term finance assets	6,254	-	6,253	-
Liability balances				
Suppliers	376	-	244	-
Sundry creditors	-	1	-	-
Transactions				
Provision of services and rates	24	-	-	-
Studies, waste management and external services	949	9	1,600	9
Dividends distributed	91	23	90	23

The balances at the end of each financial year, for services received and provided, can be found under the headings "trade creditors" and "trade debtors" of the attached balance sheet.

The services received from CIEMAT have a direct relationship with the waste management activity and research and development of same and have been contracted with CIEMAT, fundamentally Transactions and Balances with Related Parties because it is the only laboratory with the capacity for certain analyses and radioactivity studies.

Enresa and CIEMAT signed a an association agreement, in 1990, for a term of 5 years and which was extended to 31 December 2015, the purpose of which was to resolve the problem of management of Spanish nuclear and radioactive waste through research and development of techniques for its treatment and all the projects under this agreement come within this area of activity. On 22 December 2015, a new framework agreement was signed to enter into force on 1 January 2016 for an initial duration of 4 years.

In terms of the services provided, these refer to work carried out as part of the *"Integrated Plan for the Improvement of CIEMAT Facilities"*, (PIMIC). The sums are appropriately formulated and supported and have been transferred to the authorities upon which the body in question depends and the need to find a rapid solution that allows for payment of the pending sum.

The Directors have not carried out, during the financial years 2017 and 2016, related transactions beyond ordinary operations or that would not have been carried out in normal market conditions with the company or with companies of the group.

13.1. Remuneration of the Management Committee and Senior Management

At the end of the financial years 2017 and 2016 the number or persons forming part of the Board of Directors was 12, comprised, on 31 December 2017, of 4 women and 8 men (4 women and 8 men on 31 December 2016).

The total sum for remuneration and expenses paid to directors of the Company for the year 2017 and 2016 was as follows:

Thousands of euros

By items	2017	2016
Salaries	166	162
Attendance fees	80	76
Expenses payable through Treasury for Senior Executives	19	18
Expenses to be billed by SEPI	9	9
Total	274	265

On 31 December 2017 and 2016, there were no advances or credits provided to members of the Board of Directors.

The company has not provided any sum during 2017 and 2016 in the form of life and accident insurance in respect of any of the Company Directors.

The remuneration of Senior Management personnel of the company, excluding those who simultaneously, occupied a position on the Board of Directors of the Company during 2017 was 468 thousand euros (618 thousand euros in 2016).

As of 31 December 2017 and 2016, the Company has not granted any loans to Senior Management.

The Company has no obligations contracted in relation to life and accident insurance for Senior Management.

The Company has also contracted a civil liability insurance policy for the Administrative Body for a premium of 9 thousand euros for 2017 (9 thousand euros in 2016).

13.3. Other information relating to the Board of Directors of the Company

As of the date of preparation of these financial statement, neither the members of the Board of Directors of Enresa nor persons related to them, as defined in Article 231 of the Companies Act, have communicated to other members of the Board of Directors any situation of conflict of interest, direct or indirect, with the interests of the Company, other than that declared by a) Cayetano López Martínez, who was Vice-chairman until 30 January 2017; b) Ramón Gavela González (appointed Vice-chairman on the same Board of Directors); c) Mercedes Real Rodrigálvarez; and d) José Manuel Redondo García. All of these have held the role of Director of the company Enusa Industrias Avanzadas, S.A., a company that develops an activity complementary to that of Enresa, while Mercedes Real Rodrigálvarez held the role only until 29 September 2017.

14. INFORMATION ON THE ENVIRONMENT

Given that the set of activities developed by the Company are aimed at guaranteeing the safety of persons and the protection of the environment, the expenditure and investments to these effects of this section correspond to those entered on the balance sheet and in the profit and loss account of these Financial Statements.

The Company has no litigation or contingencies relating to environmental protection or improvements.

15. OTHER INFORMATION

15.1. Personnel

The average number of employees for 2017 and 2016, distributed by professional categories and the number of employees at the close of the 2017 and 2016 financial years distributed by professional categories and gender, is as follows:

FINANCIAL YEAR 2017

CATEGORY	Number Average of employees	Employees on 31 December 2017		
		Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	66	55	121
Graduates	71	60	11	71
Administrative personnel	60	16	43	59
Professionals - Trades	68	66	1	67
Totals	**325**	**211**	**113**	**324**

(*) Includes the Chairman, who is also included in the Board of Directors.

FINANCIAL YEAR 2016

CATEGORY	Number Average of employees	Employees on 31 December 2016		
		Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	67	54	121
Graduates	68	60	11	71
Administrative personnel	63	16	45	61
Professionals - Trades	69	68	1	69
Totals	**326**	**214**	**114**	**328**

(*) Includes the Chairman, who is also included in the Board of Directors.

During 2017 and 2016, the Company has had employees, a graduate and an administrative officer, with a disability greater than 33%. Nevertheless, in accordance with the General Law protecting the rights of persons with disabilities and their social inclusion, and given the average number of employees of 325.13, the company ought to have had 6.47 employees with a level of disability greater than 33%. By virtue of the certificate of exception issued by the State Public Employment Service (SEPE), on 7 January 2016, Enresa has complied with the law by making a donation to a foundation included among those regulated in Chapter II, Title III of Law 49/2002, of 23 December on the tax regime for non-profit entities and tax incentives for philanthropy for the sum of 50 thousand euros (50 thousand euros in 2016).

15.2. Audit fees

The external auditor of the Financial Statements and Management Report of Enresa for the year 2017 and 2016 was Mazars Auditores S.L.P.

The sum of the fees paid for these services in 2017 and 2016 was 27 thousand euros for each financial year.

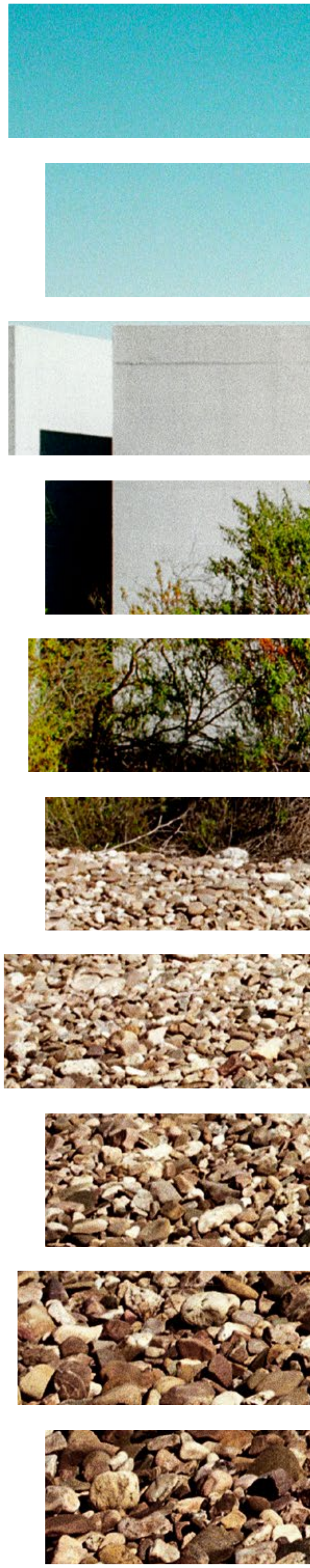
16. FINANCIAL GUARANTEES

The item "Guarantees for financial operations" includes, primarily, those guarantee provided by Enresa, for a sum of 134 thousand euros (there were no guarantees in 2015), to ensure its commitments to third parties. The Directors of the Company consider that, as a result of these guarantees, no liabilities shall be payable for provisions must be made at the close of 2017.

17. EVENTS AFTER THE CLOSING

Subsequent to the end of the financial year ending 31 December 2017, and up to the preparation of these financial statements, no events have occurred that may significantly affect these financial statements.

6. MANAGEMENT REPORT



INTRODUCTION AND MANAGEMENT SUMMARY

Enresa's activities during the 2017 financial year were based on the framework of the Sixth General Radioactive Waste Plan (6th GRWP) approved by the Government in June 2006, and the latest update of same sent by the Ministry of Energy, Tourism and the Digital Agenda (MINETAD) in June 2016 under the title "Updated Economic Financial Study of the Cost of the Activities Covered in the Sixth General Radioactive Waste Plan", in accordance with Article 10.a) of Royal Decree 102/2014, of 21 February on the responsible and safe management of spent nuclear fuel and radioactive waste.

The company has complied with the mission entrusted to it, in accordance with the applicable legislation, including the following:

- Law 25/1964, on Nuclear Energy and Law 54/1997, on the Electricity Sector, were modified by Law 11/2009, of 26 October, regulating regulating Listed Investment Companies on the Property Market in its Ninth Final Provision. Law 25/1964 defines the management of radioactive waste in Spain as an essential public service to be provided by the State through the Ministry of Industry, Tourism and Trade, with Enresa as the instrumental company through which said service is provided. Law 54/1997 establishes that the financing of the public service shall be made through a system of rates charged to the producers of radioactive waste.
- Royal Decree 102/2014, of 21 February for the responsible and safe management of spent nuclear fuel and radioactive waste, regulating the management of radioactive waste where arising from civil activities, in all their phases, from generation to disposal, for the purposes of avoiding the imposition on future generations of undue burdens, and the regulation of some aspects relating to the financing of these activities.
- Law 15/2015, of 27 December, on fiscal measures for energy sustainability, which establishes, in Chapter III, the tax on the storage of spent nuclear fuel (SNF) and radioactive waste at Centralised facilities. This regulation is in effect at the El Cabril repository (imposing a tax of € 2,000/ m³ in the case of VLLW) and € 10,000 /m³ in the case of LILW) and on the future CTS (€ 70 per kilo on heavy metal and € 30,000 €/m3 on radioactive waste other than SNF).
- Order IET/458/2015, of 11 March, regulating the allocations to municipalities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

The different activities carried out by Enresa have been channelled through a series of projects and technical activities corresponding to each of the major lines along which management is divided: low and intermediate level waste, spent fuel and high level waste, decommissioning of facilities, research and development and other activities, to which those of a structural nature must be added, as described elsewhere in this report.

Over the course of 2017, both MINETAD and SEPI have continued to carry out budgetary monitoring of the Annual Operating Programme and Long-Term Plan in accordance with the Company's management activities.

The necessary technical and administrative relations have been maintained with the different agents involved in the management of radioactive waste, including the Directorate General of Energy and Mines of MINETUR, the Nuclear Safety Council and producers of waste. Other agents involved, aside from shareholders CIEMAT and SEPI, are the Ministry of Agriculture and Fisheries, Food and the Environment, autonomous communities, local authorities, universities and other support bodies, along with international organisations and similar agencies from other countries.

In relation to the supervision, control and classification of temporary investments relating to the financial management of the Fund, the Monitoring and Control Committee have continued to perform the functions detailed in the applicable regulations. Enresa submitted the necessary information to the Committee and presented the detail of all the operations contracted. The Committee verified compliance with the applicable legislation, the established investment criteria and the principles of security, profitability and liquidity in the management of the temporary investment portfolio managed by Enresa.

In order to comply with said missions and in order to meet the objectives established in the corresponding strategic and operating plans, the Company has had an average workforce throughout the year of 325 employees. The number of employees as of 31 December 2017 was 324, of which 183 were based at company headquarters in Madrid, 121 at the El Cabril disposal facility (Córdoba), 6 at the Vandellós I plant (Tarragona), 11 at the José Cabrera nuclear power plant (Guadalajara) and 3 at the Centralised Temporary Storage facility at Villar de Cañas (Cuenca).

Summarised below are the technical activities and principal economic-financial aspects of such management, along with the most important figures from the year.

MAJOR STRATEGIC ACTIONS AND OBJECTIVES OF 2017

- Collection and transport of low and intermediate level waste from production centres – nuclear facilities (NFs) and radioactive facilities (RFs) – to the El Cabril disposal facility.
- Actions in relation to minimise VLLW/LILW and their volume, in order to optimise occupation of disposal cells.
- Operation at the El Cabril disposal facility (characterisation, treatment, conditioning and disposal of waste) and improvement of the capacities and systems of the facility.
- Operation of the complementary facility for the disposal of very low level waste (VLLW) at the El Cabril disposal facility.
- Continuation of Detailed Engineering and the Licensing process before the Nuclear Safety Council (CSN) for the CTS at Villa de Cañas.
- Analysis of the needs for casks for the management of spent fuel at nuclear power plants, based on the programme for start-up of the CTS.
- Operation of Individualised Temporary Storage (ITS) of Spent Fuel (SF) and Special Waste (SW) at José Cabrera (Guadalajara).
- Operation of ITS for spent fuel at Ascó NPP (Tarragona).
- Operation of ITS for spent fuel at Trillo NPP (Guadalajara).
- Actions to optimise the capacity of the pool at Cofrentes NPP.
- Monitoring and maintenance of latency at the Vandellós I nuclear power plant (Tarragona).
- Programmed activities in the Decommissioning Plan for the José Cabrera nuclear power plant at Guadalajara.
- Prior studies for decommissioning and SF management at Sta. María de Garoña NPP.
- Studies for the optimising of decommissioning in collaboration with NPPs to prepare initial decommissioning plans for each of them in accordance with the instructions of the CSN.
- Monitoring of old uranium mine sites in the province of Salamanca.
- Monitoring, control and maintenance of sites of the old concentrated uranium Mill Factories at Andújar (Jaén) and La Haba (Badajoz), now decommissioned and restored.
- Monitoring and maintenance of the Definitive Restoration project at Saelices el Chico (Salamanca).

- Management of lightning arrester heads (ad hoc activities in a formally finalised process)
- Management of other materials not in the regulatory system.
- Special interventions arising from the application of the Protocol for the Radiological Surveillance of Metallic Materials.
- Support for the National System for Civil Protection and the security forces.
- Projects relating to the R&D Plan for the period 2014-2018.
- Structural aspects (maintenance of company headquarters, IT management and quality and environmental systems, communication and external relations, logistical services and support, etc.
- Management of the Fund for financing the activities of the GRWP, complying with the principles of security, profitability and liquidity.

ENRESA'S MISSION

Enresa is a public company created by the Parliamentary mandate of 1984 to provide an essential service for the country: the safe management of radioactive waste.

Its mission is to collect, treat and manage all radioactive waste produced in Spain. Enresa also assumes responsibility for the decommissioning of nuclear power plants whose activity has ceased and the environmental restoration of mines and facilities relating to uranium mining when required to do so by authorities.

Enresa's mission is to ensure that radioactive waste has no consequences for people or for the environment.

The framework of reference in which the strategies and activities to be carried out in the area of management of radioactive waste are clearly and concisely set out is the General Radioactive Waste Plan (GRWP). The sixth General Radioactive Waste Plan, approved by the Government on 23 June 2006 assigns Enresa a well-defined set of responsibilities, strategies and activities to be carried out in Spain in the different areas of management of radioactive waste and decommissioning of facilities.

Enresa, as a provider of a public service, is at the service of citizens and must be accountable to society for its activities and generate social trust. For this reason, a consistent, clear and open positioning, transparency and communication of its role in society are pillars of this policy and a strategic need.

The Ministry of Energy, Tourism and the Digital Agenda, in its appearance before the Energy Committee of the Congress of Deputies on 31 January 2018, announced the Government's intention to initiate the processing of a legislative proposal that would affect the responsibilities for activities for the decommissioning of nuclear power plants. At such point the possible implications for Enresa may be assessed.

OUR VALUES

The values that identify each of these activities are internationally recognised technical capacity and the solidity of our management systems, ensuring the solvency of the projects.

Enresa is a company at the cutting edge of technology and is committed to innovation and development. Its R&D commitment is currently set out in the five-year plan (2014-2018).

Our environmental contribution is also fundamental. Enresa contributes its knowledge and technical skill to prevent risks to the environment and recover landscapes affected by radiological activities.

Enresa manages the radioactive waste generated by nuclear installations, hospitals, research centres and industries in Spain in order to protect people and the environment.

The public service mission is central to all of Enresa's activities and is the response to the public responsibility and confidence placed in Enresa by the Institutions.

The company's record in meeting the objectives and responsibilities it is commissioned with is the basis of its credibility and the trust.

TECHNICAL ACTIVITIES

Described below are the main projects and technical activities in which Enresa was involved in the year 2017, for each of the main areas along which its management is divided, in accordance with that 6th GRWP approved by the Government in June 2006.

MANAGEMENT OF LOW AND MEDIUM LEVEL WASTE

During 2017, all stages of the management of this type of waste were carried out without any incident: characterisation, collection, transport, treatment, conditioning and disposal, with the solid radioactive waste disposal facility at Sierra Alabarrana (El Cabril), Córdoba a fundamental element.

A total of 304 shipments with a volume of more than 2,994 m3 of waste, most corresponding to very low level waste (around 73%), proceeding mostly from nuclear power plants and the decommissioning of José Cabrera NPP and the PIMIC facilities. The rest corresponds to low and intermediate level waste generated primarily by nuclear power plants the decommissioning of José Cabrera NPP.

Approximately 11% of all shipments correspond to the removal of waste from radioactive facilities (hospitals, industry, research centres, etc.) all with a total volume of waste delivered to El Cabril for conditioning equivalent to 43 m3.

In 2017, in accordance with the provisions of Article 11 of Royal Decree 102/2014, of 21 February, 33 waste producers have signed up to the “technical administrative specifications for acceptance of waste” required in same as a preliminary measure prior to requesting the services of Enresa. As of 31 December 2017, the total number of active subscribers of these specifications was 911.

El Cabril operated normally throughout the year, occupying 151 positions in disposal vaults (100 CE-2a and CE-2b concrete containers with 1,470 units within).

Regarding the complementary facility for the disposal of very low level waste at El Cabril, at year end, 13,253 m3 had been put in disposal in this facility (3,166 m3 disposed of in 2017).

SPENT FUEL AND HIGH LEVEL WASTE MANAGEMENT

Activities in this area of management have essentially addressed reaching the priority objective of providing Spain with a Centralised Temporary Storage facility (CTS) for spent fuel and high level waste. We must also mention the manufacturing of casks, the operation of the Trillo, José Cabrera and Ascó nuclear power plants in their spent fuel storage facilities and other activities relating to the Santa María de Garoña, Almaraz and Cofrentes nuclear power plants.

The Official State Gazette published, on 20 January 2012, the Resolution of 18 January 2012 of the State Secretariat for Energy awarding construction of the Centralised Temporary Storage facility to the locality of Villar de Cañas, in accordance with the agreement adopted by the Council of Ministers on 30 December 2011.

In the month of January 2014, the documentation required in the Nuclear and Radioactive Facilities Regulation for the request for the Preliminary Authorisation and Construction Authorisation for the facility was submitted to MINETUR (now MINETAD) and the CSN.

In July 2015 the Nuclear Safety Council issued reports that were favourable to the request for Prior Authorisation and the Radiological Impact on the public in normal operation associated with the Environmental Impact Study of the CTS.

Design and documentation preparation activities have been on-going to obtain the Construction Authorisation, as has the work relating to compliance with the Technical Instructions of the CSN.

In addition to the activities concerning the CTS project, there are other activities that must be highlighted in the area of management of spent fuel and high level waste. These include the continued manufacturing of metallic casks for the operation of the Individualised Temporary Storage facility at the Trillo nuclear power plant. The Individualised Temporary Storage facility at the Trillo nuclear power plant has operated normally and at year end there were 32 DPT casks on-site.

With regard to the management of spent fuel at the José Cabrera nuclear power plant, Individualised Temporary Storage facility operated normally, housing all the casks planned, 12 HI-STORM casks loaded with the spent fuel from the plant, and 4 HI-SAFE casks loaded with the special waste resulting from the internal segmentation of the vessel.

Operations continue at the temporary Individualised Temporary Storage facility at Ascó NPP with the loading of new HI-STORM casks. In 2017, the loading of two casks was carried out, bringing the cumulative total to 13 casks in the storage slabs. There are 4 casks completed and delivered to the site, awaiting loading.

In relation to the management of spent fuel at Santa María de Garoña NPP, there are 5 ENUN52B metallic containers pending transfer to the site. In 2017, this nuclear power plant continued with the construction of the spent fuel temporary storage facility. On 1 August MINETAD issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation.

2017 saw construction begin on the spent fuel temporary storage facility at the Almaraz nuclear power plant which will allow for the continued operation of the plant.

2017 also saw the continued manufacture of 10 ENUN32P dual purpose casks (transport and storage) for spent fuel at Spanish PWR power plants.

In 2017, contracts relating to the manufacture of 5 HI-STAR 150 dual purpose casks (transport and storage) for the Cofrentes nuclear power plant and 4 additional HI-STORM 100 systems for the Ascó nuclear power

The French company Areva TN is producing the 4 TN-81 casks for transport of high level waste from the reprocessing of spent fuel at the Vandellós I nuclear power plant from La Hague to Interim Cask Storage where it will be stored until the CTS becomes operational.

Finally, on 13 January 2017, Nuclenor signed the agreement to transfer the license of the plutonium arising from reprocessing of fuel at the Santa María de Garoña NPP to the English company International Nuclear Services, Ltd. which was charged to the Fund for the Activities of the General Radioactive Waste Plan.

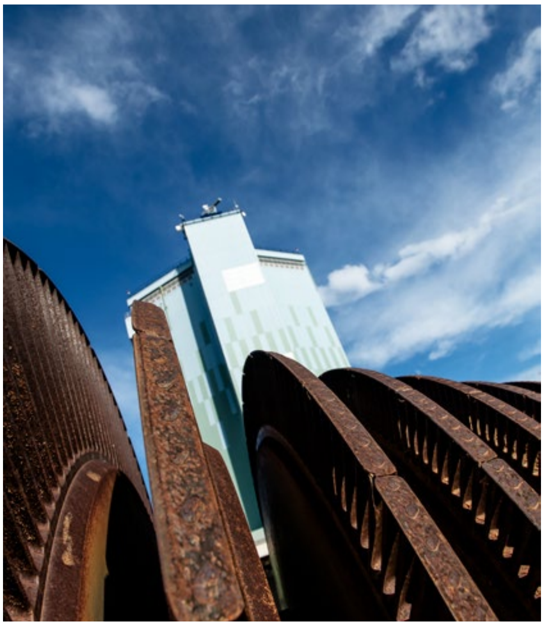
CLOSURE OF FACILITIES

Decommissioning and closure works carried out by Enresa in 2017 included the project concerning the José Cabrera and Vandellós I nuclear power plants, monitoring and maintenance of the definitive restoration project at Saelices el Chico (Salamanca) and other nuclear fuel cycle facilities.

In terms of the decommissioning of José Cabrera NPP, the decontamination works on the Contention and Auxiliary buildings were completed. The assembly and testing of the soil washing plant and the new liquid waste treatment system were completed have been completed, along with the construction of two new storage facilities for very low level waste and declassifiable materials. Works for the dismantling and decontamination of the evaporator buildings, storage facility 1 and other singular elements such as the chimney for gaseous effluent emissions continues.

With respect to Vandellós I, the reconditioning of the waste arising from the dismantling that is stored at the facility continues, as monitoring and maintenance activities of the reactor caisson and development of the Basic Decommissioning Plan Level 3.

With regard to the definitive restoration of Saelices el Chico, during 2017, different activities and pilot tests have been carried out to reduce the generation of acidic water at the site, and to reduce the costs of water treatment through alternative systems to the conventional ones. Construction was completed on the compositing plant for the production of “technosols” on site and their implementation across an area of some 50 Ha, with the aim of assessing the suitability for acidic waters on a large scale.



Surveillance and maintenance activities have also continued at all restored concentrated uranium mining/manufacturing sites are in the Compliance phase (Elefante plant and restored mining sites at Saelices El Chico, the Casillas de Flores Mine and the old Uranium Mill at Andújar) or in long-term monitoring subsequent to a Declaration of Closure (Lobo-G plant).

ENVIRONMENTAL MONITORING

Enresa carries out a series of activities in all projects that can be grouped under the heading Environmental Monitoring. It includes the following activities:

- Preparation of the Environmental Impact Studies necessary for the operation of the facilities.
- Environmental Radiation Monitoring programmes, the results of which are published in annual reports to the competent authority and to the Nuclear Safety Council.
- Environmental Monitoring Programmes. Their results are sent periodically to the competent authority and to other public bodies, such as provincial governments, the environment departments of autonomous communities and local authorities.

RESEARCH AND DEVELOPMENT

R&D activities at Enresa are organised in five-year R&D plans. At present the seventh such plan is in force, covering the period from 2014 to 2018.

The plan is structured across four separate thematic areas and a fifth cross-cutting area.

The four technical areas are focussed, respectively, on precise knowledge of waste, both in terms of its intrinsic properties and its behaviour over time; treatment and conditioning of waste and the operational techniques thereof and for the decommissioning of radioactive and nuclear facilities; the study of materials used for its confinement and their interactions with radioactive waste and, finally, the impact on the environment considering current and future scenarios and studies relating to radiation protection of the environment and human beings.

The cross-cutting area pertains to the management and dissemination of knowledge and the scientific-technology assets generated and coordination between the different parties involved.

In terms of international activities, Enresa continues to participate in the CAST project as part of the Seventh Euratom Framework Program. Within the 8th Framework Programme, known as Horizon 2020, Enresa participates in the Modern2020 and BEACON projects, as a partner, and in the CEBAMA, CHANCE, INSIDER and DISCO projects as a member of the assessment body of the each project called the "End Users Group" Participation in these projects, on the one hand, allows Enresa to access front-line knowledge at a reduced cost and, on the other, to actively participate in the development of the technologies and knowledge necessary for the management of radioactive waste.

Enresa was involved in preparing the European Joint Programme (EJP1) through its collaboration on the EURATOM project (JOPRAD) EJP1 will begin in 2019, and will be the programme that follows Horizon 2020.

Enresa is a member of the three R&D platforms, two of national scope; CEIDEN, the platform for nuclear energy fission, and PEPRI, the platform for R&D on radiological protection; and the European platform IGD-TP, on R&D for implementing deep geological disposal or radioactive waste. Enresa, along with another 10 National Agencies / Ministries, is part of the Executive Group, which is the platform's decision-making body.

OTHER ACTIVITIES

In addition to the above, Enresa has carried out more specific, ad-hoc technical activities, which included the following highlights:

- Management of radioactive lightning preventers. During 2017, 24 new requests for the removal of lightning preventer heads were received. 42 lightning preventer heads were removed.
- Twenty two shipments of radioactive waste from the Juzbado Fuel Element Factory were escorted to the waste disposal facility at El Cabril, along with the transport waste from José Cabrera NPP to El Cabril, in accordance with the conditions of the authorisation for transport under special arrangement.
- As part of the framework of the MEGAPORT protocol, the Radiological Protection Technical Unit participated in a course in Bilbao for operators of the port's radiological control system.
- In the framework of the radiological monitoring protocol for scrap metal, the Radiological Protection Technical Unit participated in a basic course with a total of 24 attendees.
- Enresa maintained operational support to the Competent Authorities (Civil Protection and CSN), for the response in the event of radiation emergency and participated in training of the actions of the State Security Forces in the event of radiation emergency and accident in the transport of radioactive material.
- Enresa participated in several simulations of the Internal Emergency Plans at the Emergency Response Centre at Enresa headquarters.

ECONOMIC AND FINANCIAL ASPECTS

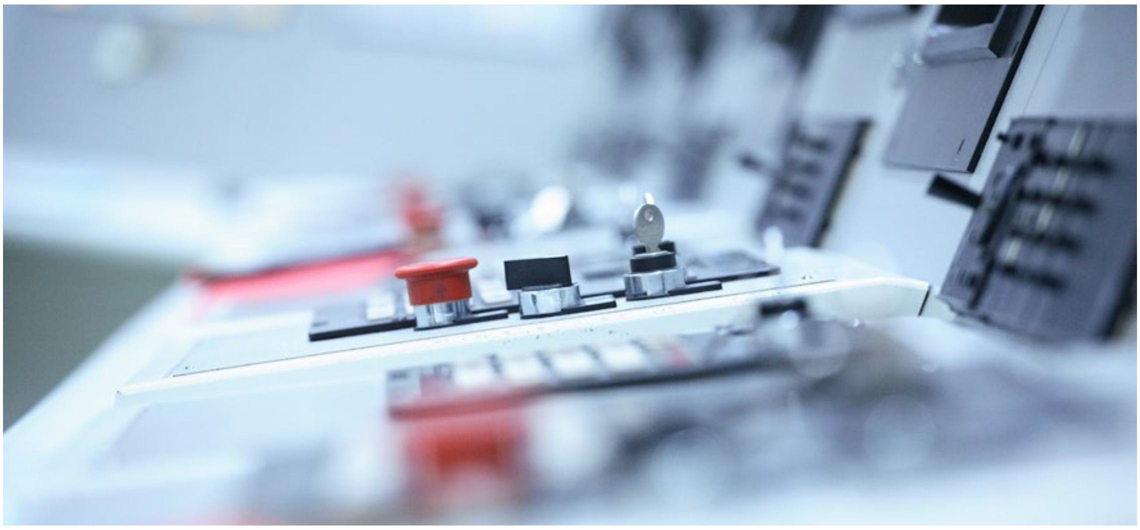
PRINCIPAL ECONOMIC-FINANCIAL PARAMETERS

The net turnover figure for the 2017 financial year was 390,498 thousand euros (395,448 thousand euros in 2016). Meanwhile, the net financial results of the management of the Fund Portfolio were 127,746 thousand euros for the financial year. Within these results is the part corresponding to the fair value of certain financial instruments which, even though Enresa has the intention and the capacity to maintain to maturity, the General Accounting Plan does not allow to be so classified and obliges them to be booked at fair value, with the result that they the volatility of the markets must be registered. Furthermore, during 2017, Enresa obtained an operating profit of 180,746 thousand euros (257,496 thousand euros in 2016) and total income of 37,108 thousand euros without considering investment in R&D.

In 2017, the average payment period to suppliers was 18.57 days. The maximum legal payment period applicable to the Company according to Law 3/2004, of 29 December, establishing measures to combat the accumulation of arrears in the 2017 financial year in commercial operations, is 30 days, except where there is an agreement between the parties to extend that period up to a maximum of 60 days (See Note 10 of the Report on the Financial Statements).

The Fund for financing the activities of the GRWP reached 5,326,015 thousand euros by the end of 2017.

Accumulated performance of the total portfolio for the year 2017 stood at 3.28% on 31 December. Enresa continued to manage the portfolio of temporary financial investments of the Fund for the financing of the Activities of the GRWP in accordance with the principles of security, profitability and liquidity.



MANAGEMENT OF FINANCIAL INVESTMENTS

For accounting purposes, the Company classified the financial assets in its portfolio in the following categories:

a) Investments maintained up to maturity: debt securities, with fixed maturity date and collections of a determinable sum, negotiated on an active market that the Company has shown its intention and capacity to maintain in its power up to the maturity date.

   These investments include fixed or and variable rate bonds (referenced to an inflation or interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives must not be segregated.

b) Other financial instruments at fair value through profit or loss: within his category, in accordance with equity structure of Enresa, hybrid financial assets (structured bonds) in which embedded derivatives must be segregated, but since the Company cannot reliably determine the fair value of the embedded derivative to be segregated, all hybrid financial assets must be recorded at fair value with changes in the profit and loss account.

c) Derivatives: with some of the securities acquired, as part of its management of the GRWP, Enresa performs hedging operations through interest-rate swaps. All of these swaps, in accordance with Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste, are directly associated with specific investment operations, with the swap agreement serving to hedge the positions of the GRWP as part of its risk management and the financing model established therein.

The Company, in accordance with that established in the General Accounting Plan, has designated some assets as "other assets at fair value through profit and loss" despite the fact that all its asset purchases are carried out with the intention of maintaining same to maturity.

Financial assets at fair value with changes in the profit and loss account are valued at fair value, with the result of the variations in said fair value registered in the profit and loss account. Derivatives are valued at fair value, with those that, at 31 December 2017, hold a positive fair value, recorded as financial assets.

To calculate the fair value of these financial instruments, the Company has taken as a reference the fair value calculated through valuation techniques based on discount of future cash flows and options. Interest rate and inflation curves, volatility implicit in all interest rate types and financial markets, have been included as market inputs.

All derivatives held by the Company are contracted with national or international financial institutions with the appropriate credit rating and consist of swaps between fixed or variable types at a variable interest, inflation or the value of a share price index that allows for the objectives of profitability and management to be achieved.

The derivatives held by the company are not susceptible to being designated as accounting hedges, in accordance with the applicable accounting standards. For this reason, these derivative financial instruments have been booked at fair value as financial assets or liabilities, and the variations in same are entered in the profit and loss account.

For 2017, the Company has estimated that there is no impairment to any financial instrument, neither valued at amortised cost nor at fair value, and believes there are no reasonable doubts regarding the repayment capacity of the assets by the issuers, which hold the appropriate credit rating, in accordance with the Company's investment policies.

With regard to the categorisation of the Investment Portfolio, the Company classifies assets into different classes of assets:

a) State debt: includes Spanish public debt, specifically, Spanish Treasury bonds, coupon and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying asset is Spanish public debt. The carrying value and face value of this class are 1,644,541 and 2,009,193 thousand euros, respectively, in 2017.

b) Other public debt: includes financial assets issued by government agencies, the supranational bodies, the autonomous communities and the public debt of other countries. The carrying value and face value of this class are 1,409,841 and 1,356,111 thousand euros, respectively, in 2017.

c) Other obligations and bonds: includes a diverse range of financial assets from different issuers from different sectors, national as well as international and of different typologies. The carrying value and face value of this class of assets were 798,584 and 720.253 thousand euros in 2017.

d) Other short-term assets: covers financial assets, deposits and others, issued by financial institutions. The carrying value and face value of this class of assets are 1,009,127 and 1,009,325 thousand euros, respectively, in 2017.

Enresa's management of financial risk is adapted to the needs and requirements of the applicable legal regulations which state that the basic principles of the financial management of Enresa shall be security, profitability and liquidity. Similarly, it is adapted to comply with the General Radioactive Waste Plan in which the financial model for the management of radioactive waste in Spain is defined. It also complies with the general principles of management of the Fund for the financing of the activities of the GRWP, issued by its Monitoring and Control Committee, regulated in Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste.

a) Security:

Enresa complies with the guidelines on diversification and creditworthiness established by the Monitoring and Control Committee in accordance with development capacities of the general investment criteria granted to said body by the applicable legislation.

In addition, Enresa assigns lines of concentrations of investment to its counterparts based on analysis of the financial solvency of same, ensuring even greater prudence in addition to the guidelines issued by the Committee.

b) Profitability:

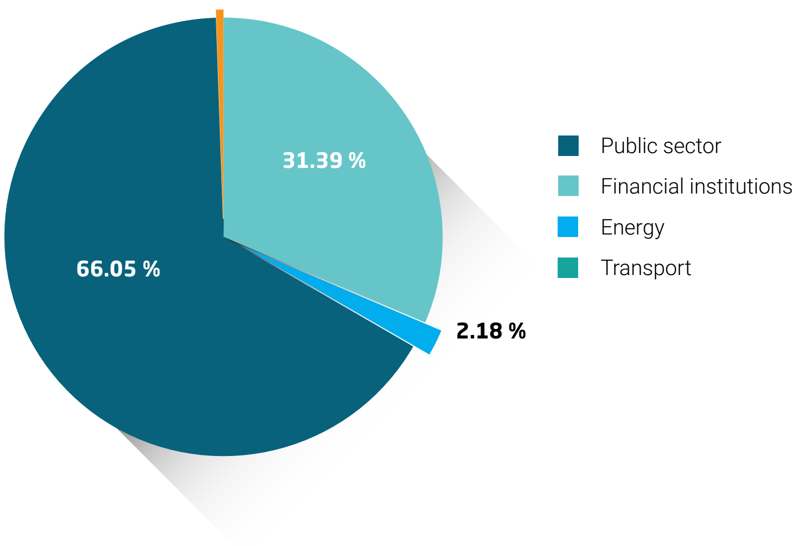
The short term portfolio managed by Enresa must reach a specific minimum real interest rate through the model for the financing of radioactive waste management in Spain approved by the Government in the General Radioactive Waste Plans. For this reason, Enresa, insofar as financial markets allow, concentrates its financial investments on fixed-income financial instruments linked to Spanish inflation and with a margin above the aforementioned real interest rate. It diversifies its other investments among fixed income alternatives offered on financial markets and always with the expectation of exceeding the established real interest rate as an objective.

All financial assets in foreign currency are covered through exchange rate financial derivatives in such a way that the company is not exposed to exchange rate risk.

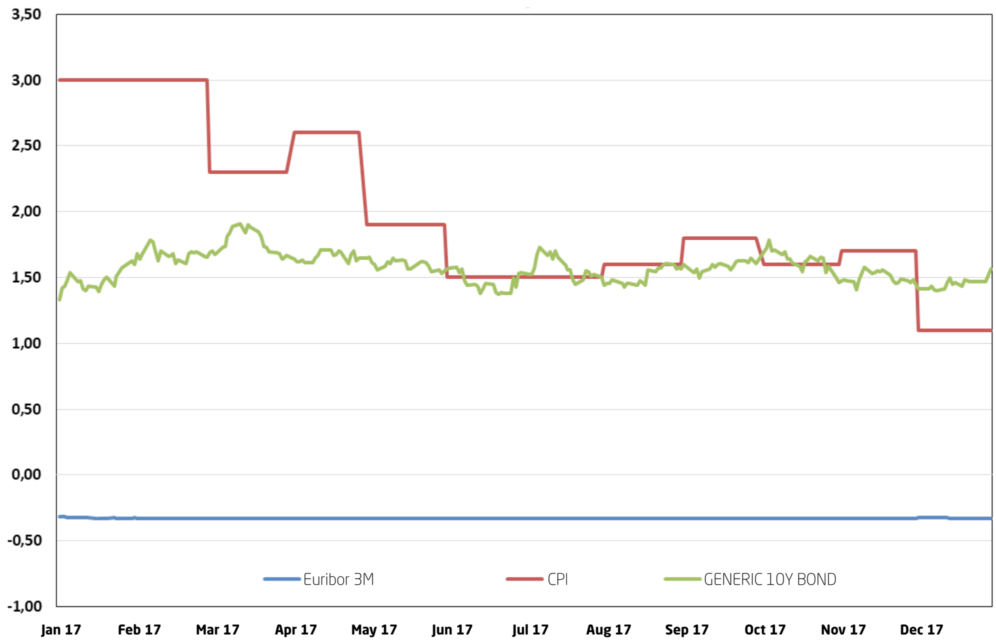
c) Liquidity:

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic financial planning approved by the government in the General Radioactive Waste Plans. Given the broad time-frame of current planning, financial investments are fundamentally made on a long-term basis, provided that financial market conditions enable it and make it advisable, with no special liquidity requirements in the short or medium term. Nevertheless, the financial investments of the Portfolio in the long-term are mainly embodied in entirely liquid financial products.

STRUCTURE OF PORTFOLIO BY SECTOR



GENERIC 10 A – 3 MONTH TYPE – CPI



STAFF

The average number of employees for 2017, distributed by professional categories and the number of employees at the close of the financial year distributed by professional categories and genders, is as follows:

CATEGORY	Number Average number of employees	Employees on 31 December 2017		
		Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	66	55	121
Graduates	71	60	11	71
Administrative personnel	60	16	43	59
Professionals - Trades	68	66	1	67
Totals	325	211	113	324

During 2017 and 2016, the Company has had employees, one graduate and one administrative officer with a disability greater than 33% Nevertheless, in accordance with the General law protecting the rights of persons with disabilities and their social inclusion, and given the forecast average number of employees was 325.13, the company ought to have had 6.47 employees with a level of disability greater than 33%. By virtue of the certificates of exception issued by the State Public Employment Service (SEPE), on 7 January 2016, Enresa has complied with the law by making a donation to a foundation included among those regulated in Chapter II, Title III of Law 49/2002, of 23 December on the tax regime for non-profit entities and tax incentives for philanthropy, for the sum of 50 thousand euros (50 thousand euros in 2016).

OWN SHARES

In accordance with Law 19/1989, of 25 July, covering this matter, as of 31 December 2017, Enresa does not possess, nor has it completed any acquisition or sale transaction related to its own shares, neither directly nor indirectly through subsidiaries.

EVENTS AFTER CLOSING

Subsequent to the end of the financial year ending 31 December 2017, and up to the preparation of these financial statements, no events have occurred that may significantly affect these financial statements.

7. COMMITMENTS

- Committed to Management
- Committed to Safety and the Environment
- Committed to people
- Committed to society




GEF

COMMITTED TO MANAGEMENT

For Enresa, quality is a strategic factor in the management of any of the company's activities. Enresa's objective is to guarantee the quality required in all the activities it carries out, providing an efficient and safe service for society.

QUALITY

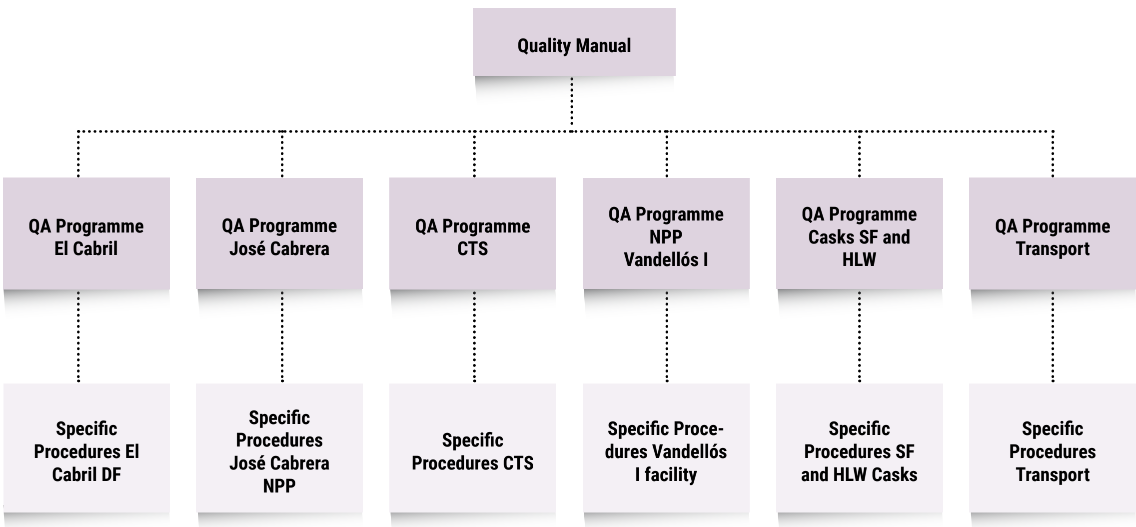
ENRESA'S QUALITY SYSTEM

Enresa has had a quality system for more than 30 years, which it has adapted as it has embarked on new projects. In spite of the diversity of its activities, Enresa has one, integrated quality system that applies to the whole organisation. That's why it has developed a single Quality Manual, rolled out in a series of corporate procedure applicable to all Enresa's activities.

The Quality Manual complements the different Quality Assurance Programmes in place for the different projects and facilities. These Quality Assurance Programmes include the guidelines and specific requirements for each facility, adapted to the specific working methods and with unique procedures for each facility.

The chart below shows the documentary structure of this quality system.

ENRESA QUALITY SYSTEM



The satisfactory application of the different Quality Assurance Programmes is demonstrated through internal audit carried out by Quality Management Department every year. Over the course of 2017, a total of 28 internal audits of the different activities were performed, as indicated in the attached table

External audits are one of the tools used to assess the capacity of suppliers to provide elements and services that meet the requirements established by Enresa. In 2017, a total of 22 audits of different suppliers were performed.

Internal Audits 2017	Scheduled	Unscheduled	Cancelled or Postponed (*)	Completed
System	1	2	0	3
LILW Management	9	0	1	8
HLW Management	2	1	0	3
Decommissioning	15	1	2	14
Total	27	4	3	28

* Three cancelled audits planned for 2018 due to a delay in the execution of the works subject to the audit.

External Audits 2017	Scheduled	Unscheduled	**Cancelled or Postponed	Completed
Enresa suppliers	17	2	2	17
SAG suppliers	5	0	-	5
Total	22	2	2	22

** Cancelled due to the replacement of two suppliers (GDES y TJV Accenture & Indra for INFOCITEC and INDRA). Both suppliers are due to be audited in 2018.

INSPECTIONS

For the manufacture of equipment or system components, assembly and the verification of the functioning of facilities, the quality tools used to verify compliance with specific requirements is inspection. The following chart shows the number of inspections carried out during the year 2017 in the different facilities and/or projects.

El Cabril	436
José Cabrera NPP	236
Transport	2
Manufacture of containers	1,950
CTS	5

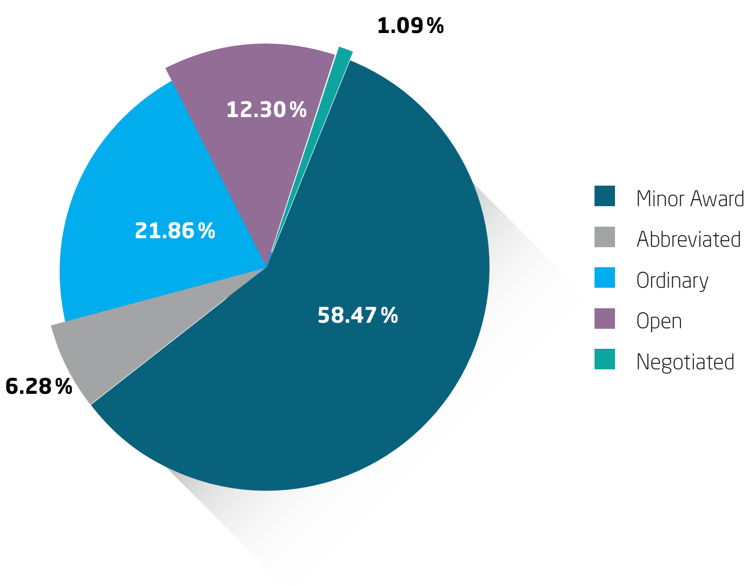
CONTRACTING

During 2017, Enresa's contracting was regulated by the Consolidated Text of the Public Sector Contracts Act and by the Procurement Instruction for Contracts not subject to harmonised regulation.

CONTRACTS AWARDED 2017

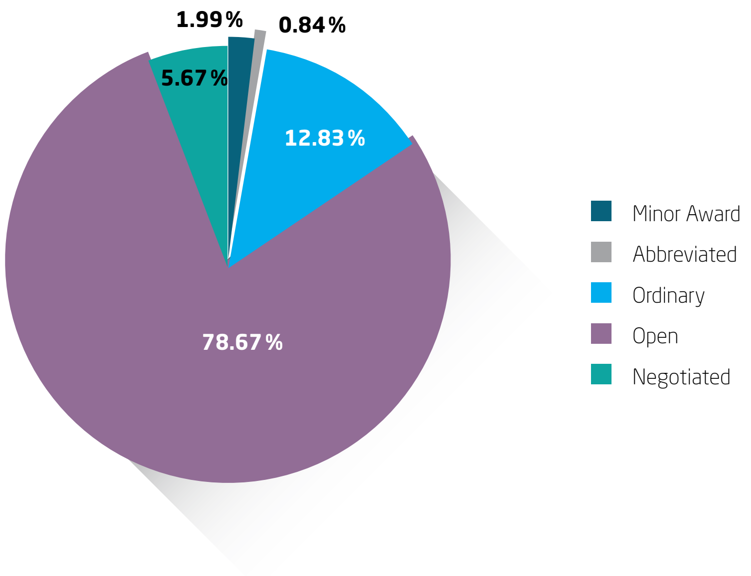
Procedure		Sum awarded (€)	% as per award sum	Nº. awards	% as per nº. of awards
NON-SARA	Minor Award	1,506,994.01	1.99%	214	58.47%
	Abbreviated	637,089.03	0.84%	23	6.28%
	Ordinary	9,703,338.64	12.83%	80	21.86%
TOTAL NON-SARA		**11,847,421.68**	**15.66%**	**317**	**86.61%**
SARA	Open	59,521,305.99	78.67%	45	12.30%
	Negotiated	4,286,897.91	5.67%	4	1.09%
TOTAL SARA		**63,808,203.90**	**84.34%**	**49**	**13.39%**
TOTAL GENERAL		**75,655,625.58**	**100.00%**	**366**	**100.00%**

Contracts awarded as per Nº. OF AWARDS

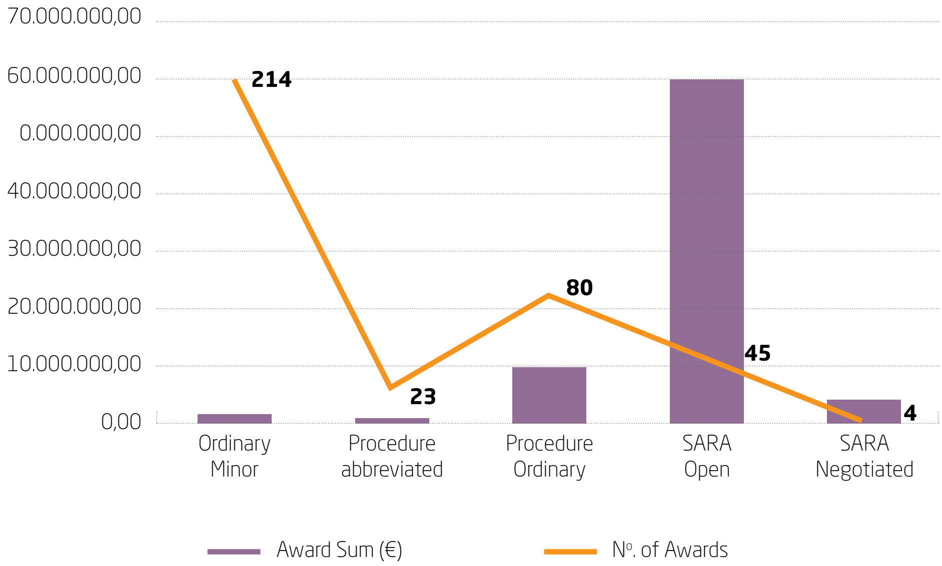


Procedure		Contract Type	Tender Sum (€)	Award Sum (€)	Nº. of Awards
NON-SARA	Minor Award (>€1,000)	Work	380,380.00	334,531.81	16
		Service	983,471.90	860,294.23	148
		Supply	366,129.24	312,167.97	50
	Total MINOR AWARD		**1,729,981.14**	**1,506,994.01**	**214**
	Abbreviated	Service	471,117.15	374,554.23	13
		Supply	341,826.50	262,534.80	10
	Total ABBREVIATED		**812,943.65**	**637,089.03**	**23**
	Ordinary	Work	7,638,517.50	6,143,068.51	10
		Service	4,322,595.32	2,554,762.96	45
		Supply	3,757,680.16	1,005,507.17	25
	Total ORDINARY		**15,718,792.98**	**9,703,338.64**	**80**
TOTAL NON-SARA			**18,261,717.77**	**11,847,421.68**	**317**
SARA	Open	Service	62,623,379.00	41,981,392.13	27
		Supply	25,962,259.00	17,539,913.86	18
	Total Open		**88,585,638.00**	**59,521,305.99**	**45**
	Negotiated without publication	Service	2,049,550.00	1,841,609.52	2
		Supply	2,559,714.00	2,445,288.39	2
	Negotiated without publication		4,609,264.00	4,286,897.91	4
Total SARA			**93,194,902.00**	**63,808,203.90**	**49**
TOTAL GENERAL			**111,456,619.77**	**75,655,625.58**	**366**

Contracts awarded according to SUM AWARDED



AWARDS 2017



INFORMATION TECHNOLOGIES AND SYSTEMS

Enresa seeks quality and efficiency in all of its activities. That's why, in 2016, it launched the 8th Information Technology and Systems Plan with the aim of updating models to bring them closer to the certified models on the market. In this area, during 2017, Enresa worked on:

- Activities aimed at the electronic management of administrative processes, especially in economic-financial areas and in the area of public tenders.
- Development of the electronic tender platform to comply with Law 9/2017 on Public Sector Contracts.
- Tailored development of a new management model for data from the different Environmental Radiological Surveillance Plans at the different facilities.
- Project for the integration of Enresa systems with the State Tax Administration Agency's new "Immediate Supply of Information" platform for declaring invoices and registries.
- Evolution of the Very Low Level Waste Disposal System, Cell 30, at the El Cabril disposal facility.
- The User Services Centre answered more than 10,000 information requests, launching a new service portal. At present, a fleet of some 650 computers is under management.
- The Technical and Administrative Services Catalogue for Enresa users has been reviewed and updated.
- The combined communications services, fully operational and available, offer full voice integration between worksites with MPLS encrypted traffic and service quality levels with high availability redundancy. They in-

TECHNOLOGICAL INFRASTRUCTURE MANAGED

100 %
Virtualisation

+ 28
Business solutions

34 thousand
Hours Development

+ 58
Terabytes managed

- Servers administration
- Technological solutions

- Database administration
- Tools
- Business Solutions
- Communications

- Recovery in case of disaster
- Storage and Backup

- Security
- CPD management

64
Network devices

4,5 thousand
Backup jobs

648
Fixed and mobile lines

488
User places

+5 thousand
Alerts managed

clude video, chat and voice and the option of sharing remote desktop and blackboard.

- Having established emergency communications in the different worksites, video conference equipment solutions were acquired for efficient virtual meetings.
- The storage and contingency infrastructure of the data processing centre, the services associated with virtualisation of servers and the corporate model for pay-per-use printing, scanning and photocopying and security authentication have all been consolidated.

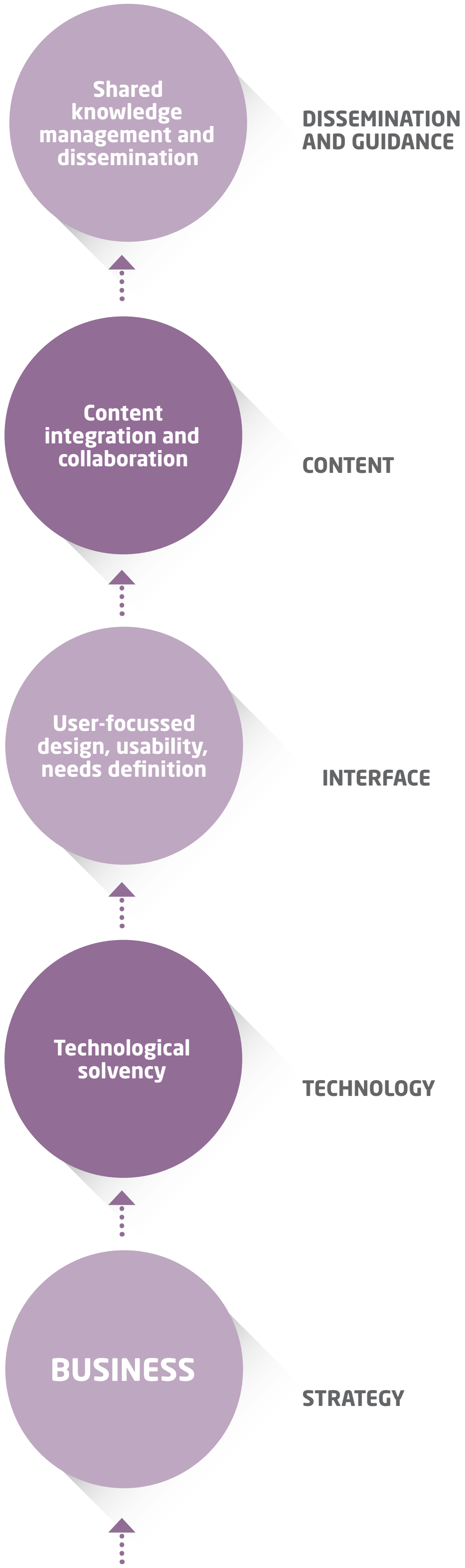
COLLABORATIVE WORK PLATFORM

Corporate work environments, as centralised and shared spaces where the company's contents and knowledge are managed and shared, continue to grow in number and participation. At present there are more than 40 sites in production, covering the needs of different business projects and organisational areas are covered. Recent examples include: Management by objectives, Procurement, Newsletter, and Publication of Enresa contents

The road map for the development of sites on the technology platform is creating a change in the way information is managed and shared as well as a path towards integrating knowledge into collaborative structures.

BUSINESS INTELLIGENCE

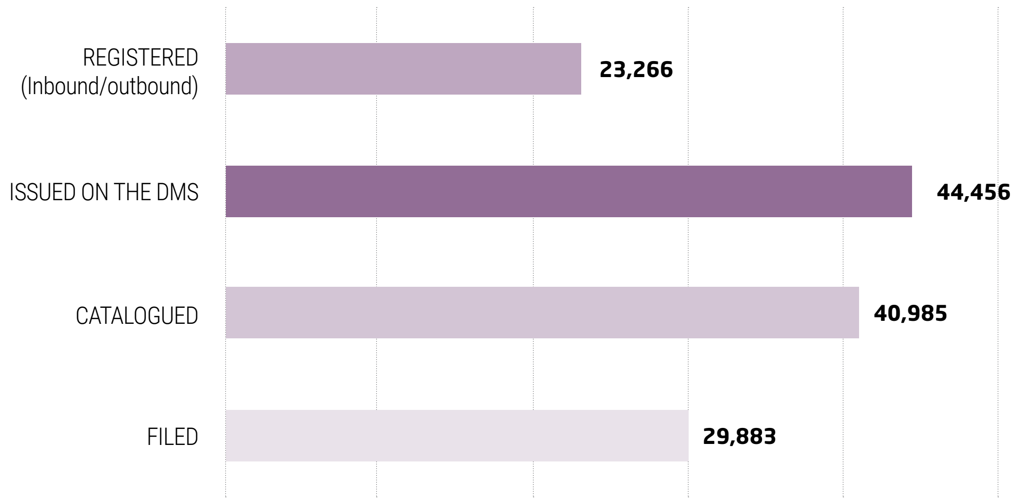
With the extraction and management of data from corporate systems, Enresa has worked on the definition and implementation of the data structures necessary to obtain reports and indicators in the areas of management, administration, economic-financial matters, operations and human resources.



DOCUMENTATION

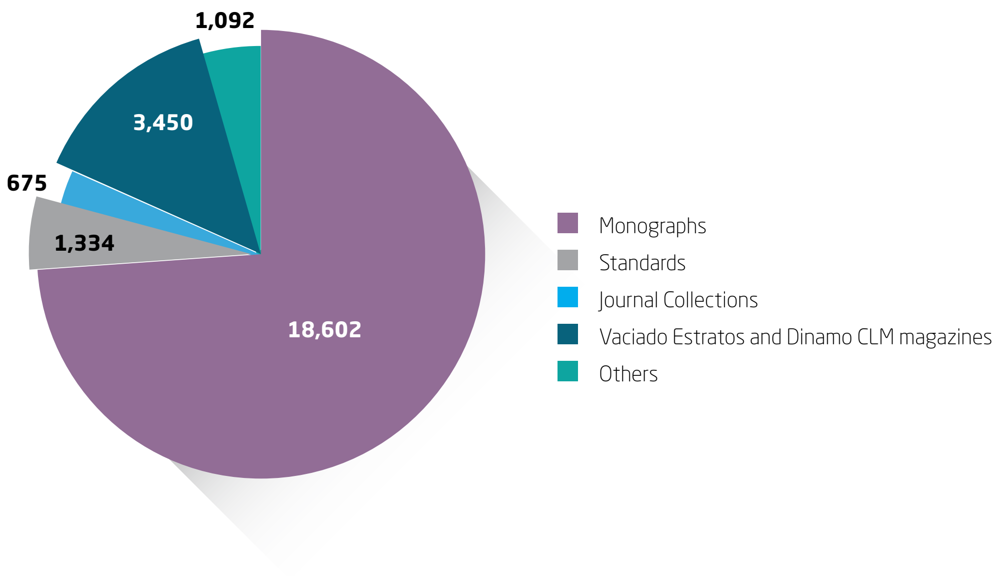
Enresa has a corporate system to manage documentation that is supported by the Document Management System (DMS), which manages all documents in electronic format. During 2017 this System covered the recording, distribution and filing of the following volumes of documentation:

60,997 DOCUMENTS MANAGED IN 2017



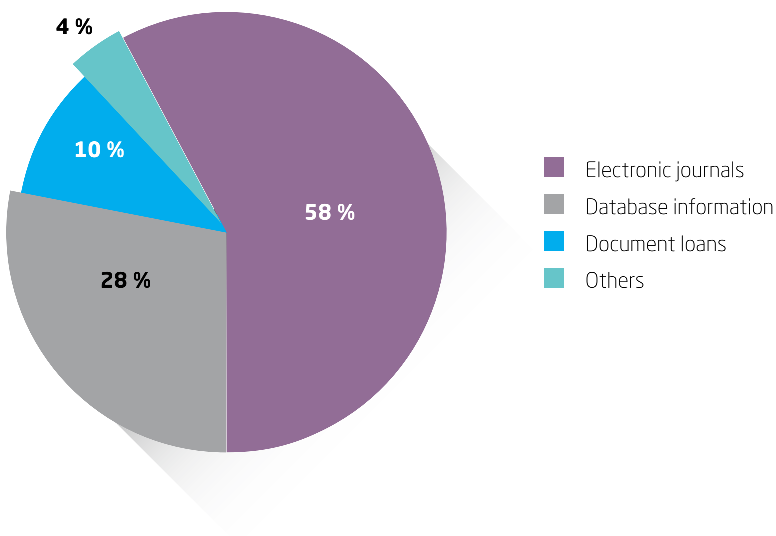
Enresa's Document Managed System has a specialised library on radioactive waste which assists not only internal users but also requests and queries from external professionals and researchers.

Library RESOURCES 2017



In 2017, 16,139 document queries and requests were managed, distributed as follows:

QUERIES received from users in 2017



AUDIT

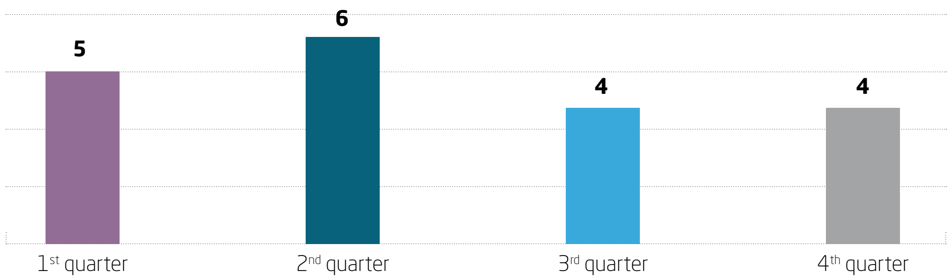
As part of its role of supporting the Chairman, the Audit Division analyses, evaluates and supervises the efficacy of internal control and risk management systems relevant to the company and, throughout the year, also undertakes the actions provided for in the Annual Audit Plan, as approved by the Board of Directors.

Compliance with the 2017 Audit Plan was 100%. During the year, a total of 19 actions were carried out. 18 of these were performed by the Division's staff and 1 action was performed by external consultants.

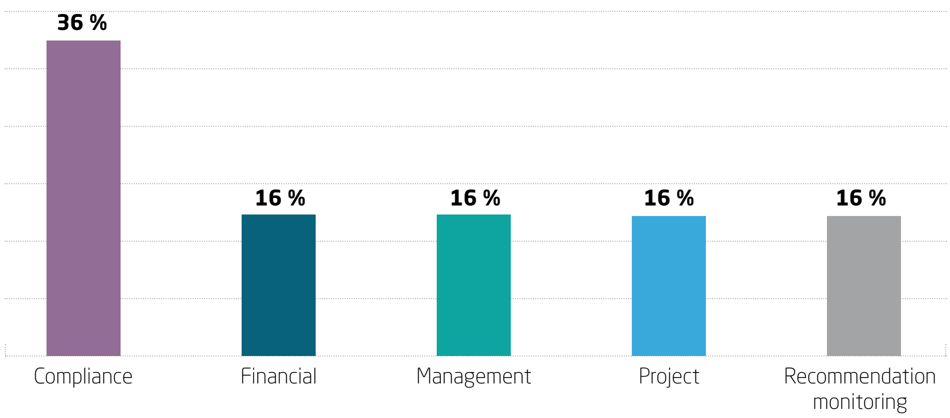
The members of the Audit Division work in accordance with the Code of Ethics which constitutes professional best practice model for the exercise of their professional responsibilities and serves as a guide in the performance of their activity.

Provided below are some graphs breaking down the audit actions undertaken by quarter and by audit type.

Audit actions undertaken in 2017



Type



COMMITTED TO SAFETY AND THE ENVIRONMENT

The safety of people and the environment is a fundamental pillar upon which all of Enresa's activities are based. In addition to complying with the specific legislation in force in relation to the environment, Enresa has established its own commitments with regard to the environmental improvement and of all its activities and the protection of the environment.

RADIATION PROTECTION

Enresa ensures the application of the procedures and requirements established by the authorities in the area of safety and radiation protection to protect workers, the public and the environment from ionising radiation when managing the company's commissioned activities.

The fundamental lines of action are:

Training

- Monitoring of the Safety Culture Improvement Plan.
- Participation in training for personnel professionally exposed to radiation and on stand-by for emergency situations.
- Participation in MEGAPORT system courses.
- Training in collaboration with the Spanish Civil Protection and National Security Forces on the response to radiological emergencies and accidents during the transport of radioactive materials.

Optimisation

- Action plan to improve CSN licensing documentation.
- Compliance with Instruction IS-19 on Safety Culture: promoting the application of its principles for a solid Safety Culture in Enresa.
- The application of protocols on radiation monitoring of metallic materials and detecting unnotified movements and the Illegal Trade of Radioactive Materials at Maritime Ports.
- Activities related to sources, other radioactive materials appearing outside the regulatory control system and materials with a low radioactive content.

Monitoring

- Coordination and supervision of the results of inspections performed by the Nuclear Safety Council (CSN) at Enresa facilities and EURATOM/IAEA facilities in the safeguards area.
- Supervision of compliance with CSN instructions and conditions.
- Non-significant Environmental Radiological Impact: the result of Environmental Radiological Surveillance Programmes (ERSP).
- The start of pre-operational ERSP at the Centralized Temporary Storage facility.
- Dosimetric control of RPTU (Radiological Protection Technical Unit) personnel: very low values.

ENVIRONMENTAL RADIATION MONITORING PROGRAMMES AND ENVIRONMENTAL MONITORING PROGRAMMES

The Environmental Radiation Monitoring Programmes ensure that Enresa's activities do not alter the level of natural radiation of sites. At present, these are being carried out at the El Cabril disposal facility, the Vandellós I facility and the José Cabrera NPP Decommissioning Project in addition to the radiation monitoring of the waters and food products from the environment of the old uranium factory at Andújar. The pre-operational Environmental Radiation Monitoring Programme for the -Centralised Temporary Storage facility (CTS) has also been initiated.

As part of these programmes, more than 1,900 water, air, vegetation and food samples are taken and more than 7,400 radiological analyses are of natural and artificial radioactive isotopes are carried out.

All the results obtained showed values below the limits established in the regulations. The results of the analysis showing the presence of natural and artificial isotope activity are typical of fallout and similar to those obtained in pre-operational programmes and in different areas of the country.

The Environmental Monitoring Programmes consist of taking measurements on-site that verify that the impact of activities on the Environment is within the established limits. At present, these are being carried out at the El Cabril disposal facility and at the José Cabrera Decommissioning Project.

In terms of the Environmental Monitoring Programme at El Cabril, a sampling and analysis programme has been established to determine the chemical qualities of the waters and the air and to control discharges in non-radiological aspects also. The 2017 campaign saw more than 100 samples taken, upon which more than 1,500 analyses were carried out. The result of the parameters determined during the campaigns have remained within the established limits.

As part of the José Cabrera decommissioning project, a sampling and analysis programme has been established, taking on-site -measurements of suspended particles and noise emissions. In total, 184 results

were obtained. Given that the ITS facility is part of the facility to be decommissioned, the Environmental Monitoring Programme of its -operation continues, ensuring compliance with the conditions established in the Environmental Impact Declaration approved in October 2006.

The results obtained for the concentration of suspended particles in the 2017 campaign comply with the daily limit values for all sample points. In terms of campaigns monitoring environmental noise, all operational values remained within the permitted limit values.

ENVIRONMENTAL MANAGEMENT

Enresa is conscious of the importance of transparency in its activity for people's safety and for the protection of the environment. That is why, as part of its strategic vision, it has established commitments for the environmental improvement of all of its activities, the saving of resources, prevention of pollution and protection of the environment.

The implementation of Environmental Management Systems ensures we can achieve the objectives of our company's mission within the margins of security and reliability for the environment required by legislation and best practice, both now and into the future.

At present, the El Cabril DF and the Vandellós I facility have both implemented Environmental Management Systems based on Standard UNE-EN ISO 14001:2004. During 2017, the corresponding internal and external audits have been carried out (on the part of AENOR) in which the degree of compliance with the requirements of both Management Systems have been verified in accordance with said Standard. Moreover, in 2017 both systems prepared their planning for certification on the basis of the 2015 version of the Standard over the course of 2018.

Vandellós I Facility

The Vandellós I facility is currently in the Latency phase, since 2005, which is why the volume of activity and the number of persons based at facility is very low compared to that for a conventional decommissioning process.

One of the commitments adopted as part of establishing an environmental management system is to assign environmental objectives and targets. During 2017, the following objectives were assumed, as part of the programme of objectives and targets 2015-2018:

OBJECTIVE 1	Rate of progress in 2017
Management of the materials rejected in the declassification process carried out during the dismantling process between the years 2000 and 004 and which are located in the TMEC mechanical workshop	COMPLETED. 75% of planned declassification exceeded
OBJECTIVE 2	**Rate of progress in 2017**
Reconfiguration and new characterisation of heterogeneous solid materials stored in CMD casks located at the ATOC	Progress on schedule. Scrap metal and steel wool reconfigured. Concrete pending for 2018
OBJECTIVE 3	**Rate of progress in 2017**
Rationalisation of the wastewater treatment system at the facility in accordance with current demand within the decommissioning project	Deficiencies identified in 2017. Continues in 2018

El Cabril Disposal facility

The planning of environmental objectives is a key element of the adequate implementation of an Environmental Management System that allows for progress to be made in complying with the principals of the Environmental Policy of the El Cabril Disposal Facility, impacting on key environmental aspects and thus ensuring the commitment to continuous improvement. period:

At the El Cabril Disposal Facility, the following objectives have been planned for the 2017-2019.

OBJECTIVE 1	Rate of progress in 2017
Reduction of average water consumption at the facility for the period 2017-2019, at 2% with respect to average consumption for the 2014-2016 period	Consumption of water for irrigation has been limited, adjusting the times and installing atomizers on the taps at the facility
OBJECTIVE 2	**Rate of progress in 2017**
Reduction of average electricity consumption at the facility for the period 2017-2019 by 2% with respect to average consumption for the 2014-2016 period	80 outdoor sodium vapour lamps replaced by LED technology lamps
OBJECTIVE 3	**Rate of progress in 2017**
Implementation of three improvement actions at the facility, in the following areas: Residential facilities, Arroyo del Madroño Platform Rainwater Ponds and gauging station	Old instrumentation support, metallic walkway, etc. have been removed. 100% of planned actions have been carried out

José Cabrera NPP decommissioning project

Given the time-frame for the José Cabrera nuclear power plant decommissioning project, it does not have an environmental management system in accordance with Standard ISO-14001; however one of the priorities of the project is to complete the activities taking the environmental aspects into account:

- Monitoring and surveillance of ITS: on monthly basis, visual inspection of ITS and surroundings carried out for the purpose of verifying that activities developed comply with maintenance of the environment: access, embankments, vegetation and revegetation, contamination of souls, integrity of the land-scape, level of lighting, etc.

- General periodic review of the facility. General inspections of the facility are carried out quarterly, aimed at: storage points, waste collection, general cleaning and Wastewater Treatment Plant (WWTP).
- Monitoring of legal requirements: applicability of, and degree of compliance with, environmental regulation is monitored.
- Discharge control, close monitoring of compliance with discharge authorisation (sample, flows, compliance with parameters) for each of the programmed discharges.
- Conventional waste management. Control of both storage and the segregation and dispatch of dangerous and conventional waste is carried out.

In addition, a panel of indicators has been designed which includes the following environmental indicators: electricity consumption, gas oil consumption physio-chemical parameters for discharge and control of discharge volumes.

Company headquarters in Madrid

At Enresa company headquarters in Madrid, environmental aspects are a priority. All activities are oriented towards the protection of the Environment and the efficient management of natural resources.

During 2017, coinciding with the works on the building, the existing conventional fluorescent bulbs in lighting in common areas on all floors of the carpark, were replaced with LED technology bulbs.

- 120 fluorescent bulbs in the carpark.
- 346 fluorescent bulbs in common areas and bathrooms.

In accordance with policy for the reduction of waste, selective recycling has been introduced, maintaining statistics and indications for the following types of waste:

- Paper.
- Batteries.
- Packaging.
- Solid waste.

Moreover, a panel of indicators has been prepared for the annual monitoring and control of electricity and water consumption.

COMMITTED TO PEOPLE

The evolution and consolidation of Enresa is the fruit of the hard work and commitment of our professionals. We are committed to the personal and professional growth of our employees, training and health.

OUR TEAM

BASIC WORKFORCE DATA BY WORKSITE AND SEX

	Men	Women	Overall total
Madrid	93	90	183
El Cabril	102	19	121
Vandellós I Facility	4	2	6
José Cabrera NPP	11	0	11
Villar de Cañas	1	2	3
TOTAL	211	113	324

WORKFORCE DATA BY PROFESSIONAL CATEGORY

Management
6

Professionals/ Trades
92

Technicians
182

Administrative personnel
44

WORKFORCE DATA BY AGE GROUPS

42	+60 Years
79	from 56 to 60 years
93	from 51 to 55 years
39	from 46 to 50 years
48	from 36 to 45 years
23	-36 years

TRAINING

For a company like Enresa, training is an essential double-sided strategic element: a way to improve workers' skills as well as a tool for disseminating and spreading awareness among society and the public of the activities and projects carried out as part of radioactive waste management on a day-to-day basis.

95.98% of all company employees received training last year with the average number of hours of training per employee totalling 36.25. The total sum of training hours received by company personnel in 2017 was 12,460 hours. The number of hours dedicated to specific training totalled 6,593; the number dedicated to corporate training totalled 2,343. The number of hours of congress attendance was around 878 and the number pf hours dedicated to language training was 2,740.

In terms of the different worksites, El Cabril DF received 4,866 hours of training; the headquarters in Madrid, 6,634; the José Cabrera nuclear power plant, 544; the Vandellós I nuclear facility, 1,355, and the Centralised Temporary Storage facility (CTS), 61 hours.

2017 saw a total of 268 specific and corporate training courses for the workforce of the entire company, in which 311 employees participated.

The company applied for the applicable rebates through the Fundación Tripartita foundation for job training, receiving a sum of €30,200, given that the attendance was above 75% of the number of training hours.

With regard to external training, it is worth mentioning that company technicians participated in nearly one hundred courses, seminars and masters last year, delivering more than 200 classroom hours on radioactive waste management and the decommissioning and closure of nuclear and radioactive facilities.

ENRESA WORKFORCE TRAINING

Persons trained

95.98%

107
Women
96.13%

204
Men
94.61%

Specific | Corporate training

268

Courses through

Fundación Tripartita

€ 30,200

rebates

Valuation efficiency

100%

TRAINING AT MADRID HQ

6,634 total hours

1,581 h Corporate

614 h Attendance at congresses

2,767 h Specific

1,672 h Languages

€ 91,678 total cost

14,675 € Attendance at congresses

€ 39,183 Specific

€ 23,037 Languages

€ 14,783 Corporate

TRAINING C.N. JOSÉ CABRERA

544 total hours

100 h Attendance at congresses

235 h Languages

169 h Specific

40 h Corporate

€ 8,395 total cost

€ 2,598 Languages

€ 2,566 Specific

€ 2,203 Attendance at congresses

€ 1,028 Corporate

EL CABRIL DISPOSAL FACILITY

4,866 total hours

34 h Attendance at congresses

3,344 h Specific

813 h Languages

675 h Corporate

€ 72,944 total cost

€ 4,983 Corporate

€ 53,258 Specific

€ 12,963 Languages

€ 1,740 Attendance at congresses

TRAINING AT VANDELLÓS I FACILITY

355 total hours

22 h Corporate

20 h Languages

293 h Specific

20 h Attendance at congresses

€ 3,732 total cost

406 € Corporate

150 € Languages

€ 2,887 Specific

€ 289 Attendance at congresses

TRAINING AT VILLAR DE CAÑAS CTS

61 total hours

25 h Corporate

20 h Specific

16 h Attendance at congresses

€ 802 total cost

€ 344 Corporate

€ 293 Specific

€ 165 Attendance at congresses

EXTERNAL TRAINING

256 total hours

In the general framework for educational cooperation and in line with the commitment to strengthen contact with students and recent graduates with the business sector, Enresa has participated in:

INTERNSHIP PROGRAMMES

23 students

Programme that provides Enresa employees who have family members with some degree of disability with different types of assistance to facilitate workplace integration. No. Participants:

FAMILY PLAN

4 employees

HEALTH AND PREVENTION

Health monitoring activities continued in 2017 through the health activities of Enresa's own Basic Health Unit. 272 medical assessments specific to the risks of the particular position were carried out within the employee health monitoring programme. In addition, 1,113 medical controls and checks of medical fitness reports issued by the prevention services of contractors were also performed.

WORKFORCE PERSONNEL	272 MEDICAL ASSESSMENTS PERFORMED
ORDINARY MEDICAL ASSESSMENTS	225
PERIODIC SPECIAL ASSESSMENT	1
NEW HIRE MEDICAL ASSESSMENTS	2
SOUGHT BY WORKERS	1
SOUGHT BY THE UBS	0
MEDICAL ASSESSMENTS ON RETURN TO WORK	43

CONTRACTOR PERSONNEL	1,113 MEDICAL ASSESSMENTS PERFORMED
ORDINARY MEDICAL ASSESSMENTS	684
PERIODIC SPECIAL ASSESSMENT	2
NEW HIRE MEDICAL ASSESSMENTS	416
SOUGHT BY WORKERS	10
SOUGHT BY THE UBS	0
MEDICAL ASSESSMENTS ON RETURN TO WORK	1

In addition, the seasonal anti-flu vaccination campaign (for Influenza A, B and C) was carried out, with 26.7% of personnel participating, and the monitoring and the tetanus vaccination was received by all personnel under preventive coverage (12 revaccinations).

During 2017, 10,412 medical tests were performed on staff and 3,105 on contractors' staff (the large number of contract staff working on the José Cabrera NPP decommissioning project making up a large part of that number).

There were 14 minor workplace accidents: 3 required leave and 11 did not require leave. There were 29 workplace accidents affecting contract staff. 14 required leave and 15 did not require leave.

Within the reviews of the prevention plans of the different worksites, an ergonomic assessment has been performed of all positions to ensure the correct maintenance of working conditions, and the adequate psychosocial integration of same.

Preventive medicine

The basic health unit also performed, in 2017, several preventive and health promotion actions (Healthy Companies) at all worksites:

Health Monitoring:

- Cardiovascular risk prevention campaign.
- Metabolic risk prevention campaign.
- Oncological risk prevention campaign (colon and prostate cancer).
- First said and CPR campaign.
- Gynaecological pathology prevention campaign.

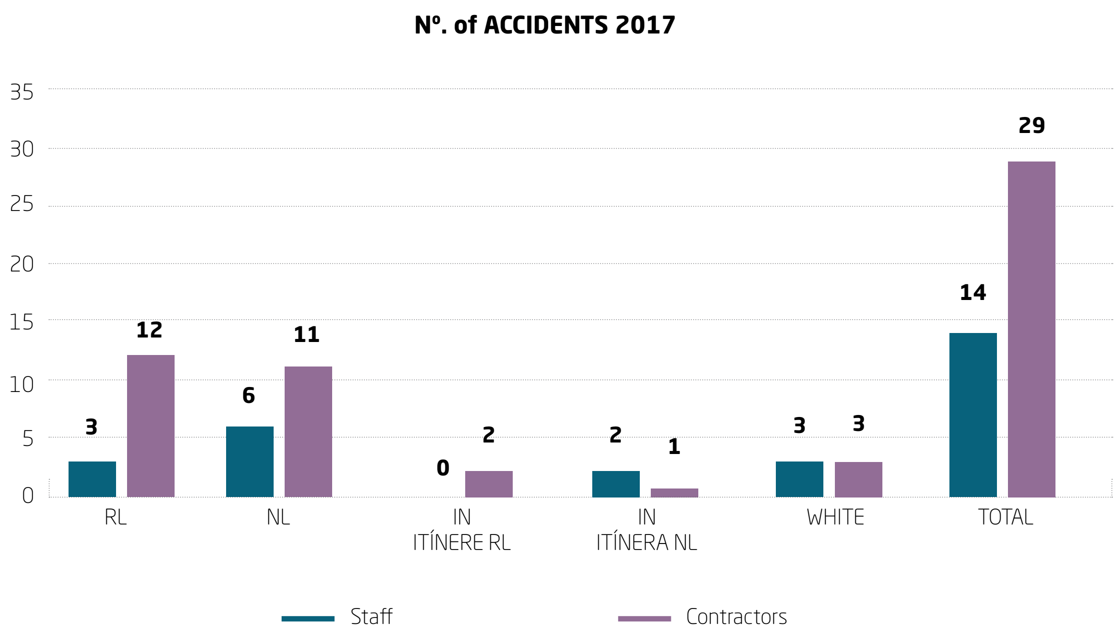
Health Monitoring:

- "Sleep and lifestyle" practical workshop.
- "Get moving, activate your life" workshop, Body Mass Index assessment.

Occupational Risk Prevention Accident rates

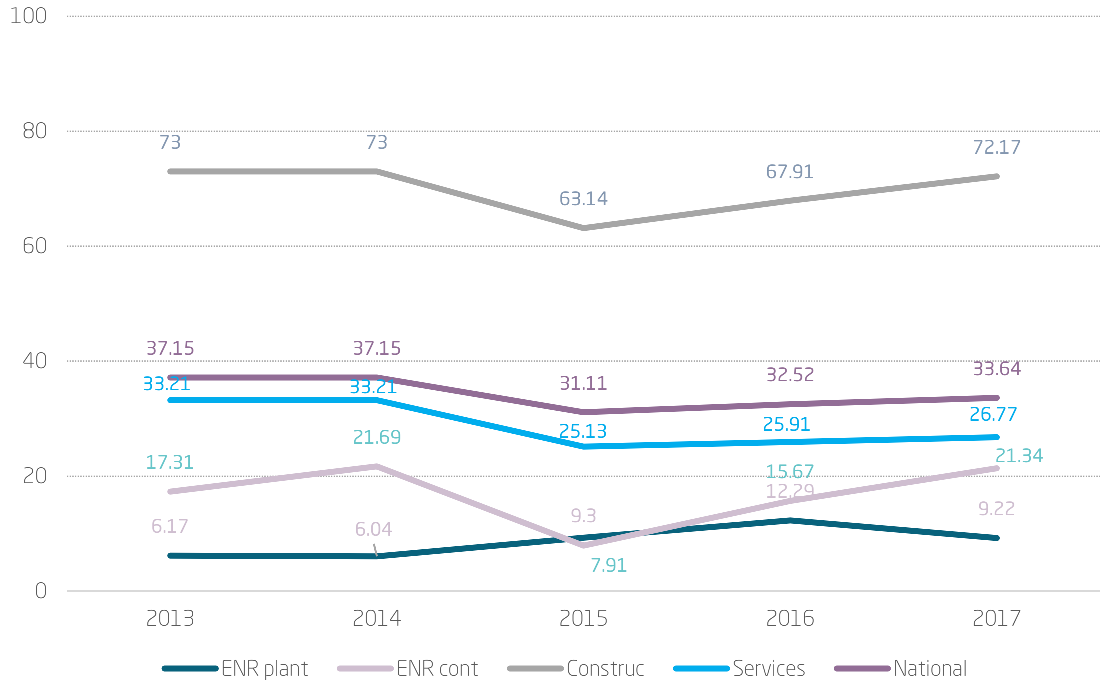
Nº. OF ACCIDENTS INVOLVING STAFF AND CONTRACTORS IN 2017, BY TYPE OF ACCIDENT

	STAFF	CONTRACTORS
REQUIRING LEAVE	3	12
NO LEAVE	6	11
IN ITÍNERE RL	0	2
IN ITÍNERA NL	2	1
WHITE	3	3
TOTAL	14	29



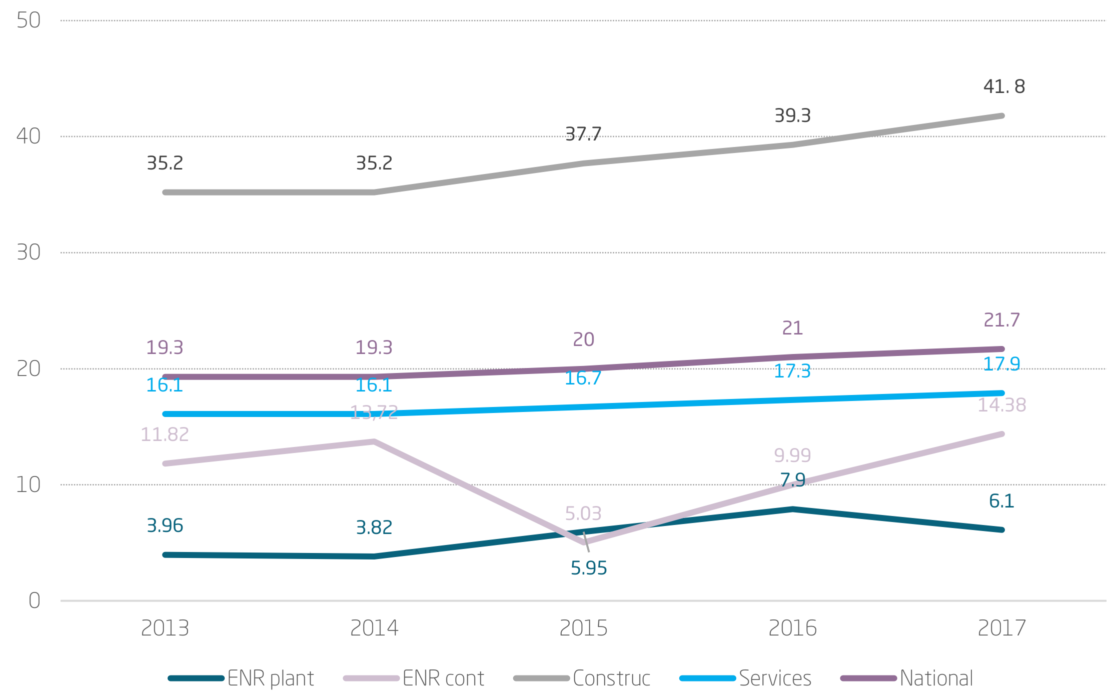
Legend: Incident Index.(M): Incident Index = Nº. of Accidents x 100,000 / Nº. of workers (indicated value x 100).

INCIDENT INDEX (II)

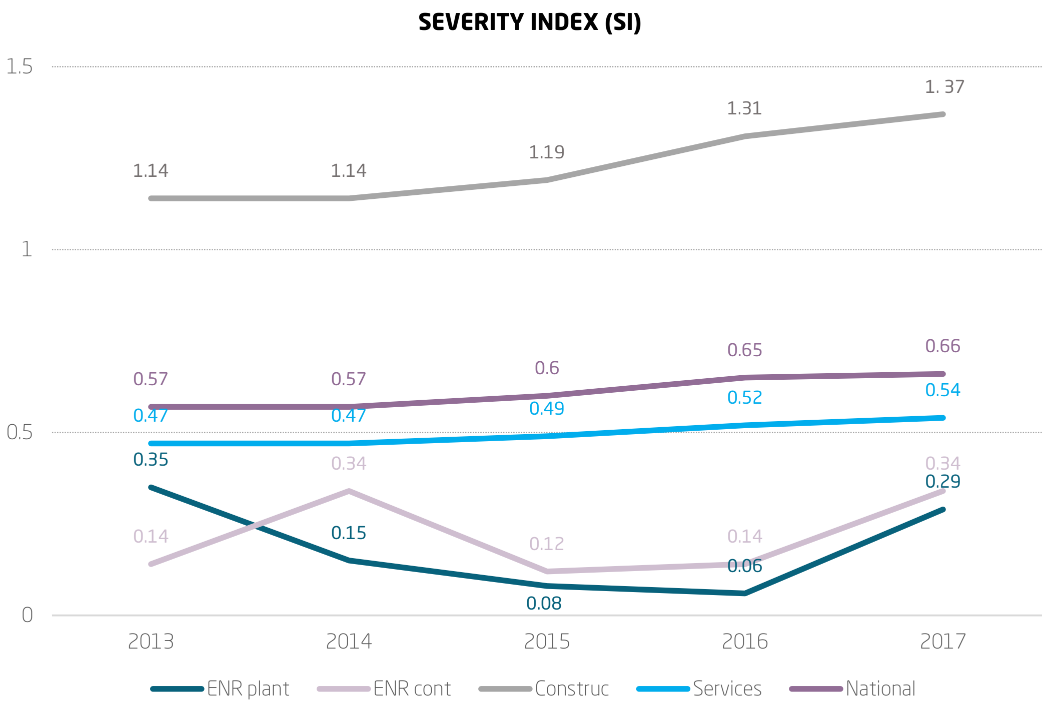


Legend: Incident Index.(M): Incident Index = Nº. of Accidents x 100,000 / Nº. of workers (indicated value x 100).

WITH LEAVE FREQUENCY INDEX (WLFI)



Legend: Incident Index.(M): Incident Index = Nº. of Accidents x 100,000 / Nº. of workers (indicated value x 100).



Legend: Incident Index.(M): Incident Index = Nº. of Accidents x 100,000 / Nº. of workers (indicated value x 100).

COMMITTED TO SOCIETY

Communication has always constituted one of Enresa's biggest commitments to its environment. Publicising our activities, projects and our way of working forms part of Enresa's responsibility with society.

INSTITUTIONAL RELATIONS

Enresa continues to generate interest. Throughout 2017, many entities, groups, professionals and stakeholders were keen to visit our facilities and see how we work. This section looks at some of the institutional visits to Enresa sites, along with other activities which are the fruit of links that we carry out on a periodic and stable basis with organisations, groups and institutions that have an impact on our sphere of operation.

OPEN DOORS POLICY

El Cabril Disposal facility

Enresa's facility for managing very low, low and intermediate level waste remains an international reference and, as such, hosts numerous visits, among which we can highlight the visit in March from a group of Lithuanian technicians of the CMPA (Central Project Management Agency) and the South Korean company Korea Hydro and Nuclear Power (KNHP), which visited El Cabril in May.

In May, El Cabril also received a visit from the Qatari Ambassador, the Minister of Municipalities and the Environment and other figures from the country as part of a visit organised by the Nuclear Safety Council, with the Chairman of said regulatory body also in attendance.

Over the course of the year, Enresa also received, in October and November, two groups from the Korean Company Korea Electric Power Corporation (KEPCO).

There is also significant domestic interest in visiting El Cabril DF. Visits received included a visit in April from a Córdoba delegation of the Psychological Intervention in Emergencies and Disaster Group of the Western Andalusia Professional Association of Psychology and from Javier Dies, Commissioner of the Nuclear Safety Council (CSN), which took place in May.

In September, El Cabril received a delegation of representatives from the Andalusia branch of public sector trade union CSIF, led by Dolores Carrión; Chair Andalusia Public Companies Section, in November from the Professional Association of Physicists to see how very low, low and intermediate level waste is managed.

José Cabrera Nuclear Power Plant

Technical visits to the José Cabrera nuclear power plant are also very much in demand from our equivalent international bodies, university students and companies in the sector. The company *Korea Electric Power Corporation* (KEPCO) was the first to visit the nuclear power plant in 2017. In March, another delegation from the same country visited the facility in the process of being decommissioned. The Individualised Temporary Storage (ATI) facility at the plant was the main point of interest for the South Korean company *Korea Hydro & Nuclear Power* (KNHP), which sent a technical delegation to study the ITS at Zorita.

That same month, the plant received a visit from the *Slovenian Nuclear Safety Administration*. May saw a visit from a delegation of technicians from the Japanese company *Shikoku Electric Power Co* who showed special interest in how the underwater segmentation of the reactor vessel internals.

Representative from European local authorities from nuclear areas visited José Cabrera NPP in October, with the Association of Municipalities for Areas With Nuclear Power Plants (AMAC). The visit was framed within the Annual Conference Programmed of the GMF (Group of European Municipalities with Nuclear Facilities), which was held in Madrid in early October.

The Spanish decommissioning system was also subject to analysis in October, on the part of a group of technicians from Croatia and a group of Technicians from the Chinese regulatory body which, accompanied by Tecnatom and the Nuclear Safety Council, also visited José Cabrera in October.

The *Korea Radioactíve Waste Agency* (KORAD) also wished to send representatives to see the Spanish decommissioning process.

Another group particularly active in terms of visits over the course of the year was university sector. In February, the plant received students from the Masters in Engineering at the Universitat Politècnica de Catalunya - Barcelona Tech. In March, students from the Expert Course in Management and Treatment of Radioactive Waste, which is run through the Enresa Chair at the Universidad de Cordoba students from the Degree in Energy Engineering course at the Universidad Europea de Madrid. May saw a visit from students on the 26th Radioactive Waste Management Course organised by CIEMAT with the participation of the Politécnica de Madrid and Enresa.

Finally, on the more institutional level we must highlight the visit of owners of the facility, Gas Natural Fenosa, led by their Director of Nuclear Energy, José María Nubla.

Vandellós I Facility

The Vandellós I facility and the Mestral Technology Centre have not ceased their dissemination activity.

The Universitat Politècnica de València (UPV) visited on a number of occasions. In February, students from the Degree in Energy Engineering and the Masters in Radiological Protection of Radioactive and Nuclear Sites. The students from the Masters in Industrial Engineering from the Universitat Politècnica de Catalunya - Barcelona Tech also visited the Mestral Centre.

Turning to the business sector, at the start of the year a total of 24 senior managers at the Vandellós II nuclear power plant hosted a -Significant Operational Excellence seminar at the Mestral Technology Centre. Finally, there was also a visit of staff from the international engineering company IDOM in October.

PARTICIPATION IN JOINT MEETINGS AND DEBATE FORUMS

With the aim of promoting the common sharing of knowledge and experience, Enresa organised and/or participated in the many conferences and working meetings over the course of 2017, such as the 28th Fuel Meeting, organised jointly by ENUSA and the State Industrial Ownership Corporation (SEPI) in late January.

The Chairman of Enresa appeared twice over the course of 2017 before the Seminar on relations with the Nuclear Safety Commission, and as part of the Energy, Tourism and Digital Agenda Committee of the Congress of Deputies. In mid-February, it focussed on Enresa's activity in 2014 and 2015 and in October there was a review of Enresa's achievements in 2016.

On the other hand, Córdoba and the El Cabril Disposal Facility were the venue for the working meeting of the radioactive waste sub-group of the *European Nuclear Safety Regulators Group* (ENSREG), which was held in March.

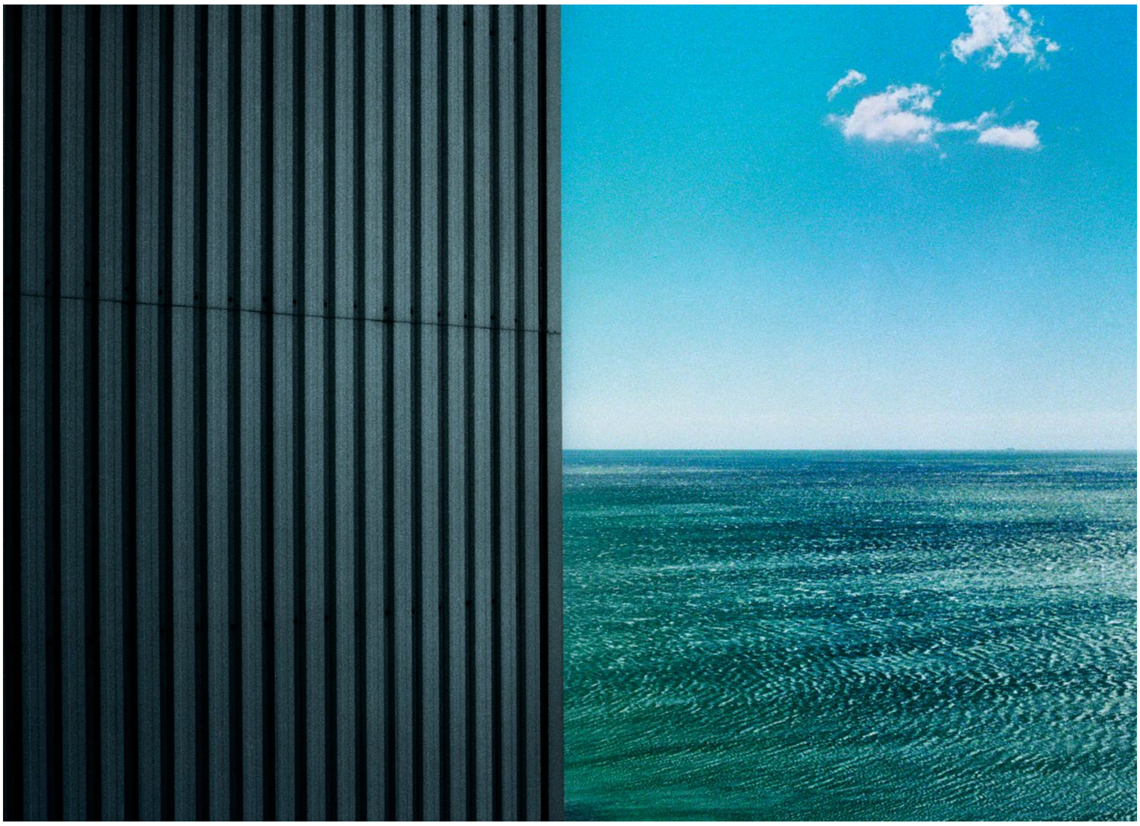
The event, organised by Enresa, boasted the participation of representatives from fourteen European countries as well as the European Commission, the International Atomic Energy Agency (IAEA) and the Nuclear Energy Agency (NEA) of the -Organisation for Economic Co-operation and Development (OECD)

In May, Enresa organised, at its headquarters in Madrid and at the José Cabrera nuclear power plant, a half-year meeting of the Information System on Occupational Exposure (ISOE) *Working Group on Radiation Protection Aspects in Decommissioning* (WGDECOM) sponsored by the Nuclear Energy Agency of the OECD and the IAEA to look at aspects relating to Radiation Protection at nuclear facilities.

Also in the month of May, Enresa appeared before the Annual Information Committee organised by MINETAD at the Condes de Saceda Cultural Centre in Almonacid de Zorita to give an update on the progress of the decommissioning of José Cabrera NPP.

Around the same time, the plant, in the process of decommissioning, hosted a workshop by the Electric Power Research Institute (EPRI), an international technical and scientific research and cooperation body of which Enresa is a member.

In June, Enresa participated in the one-day seminar on "Nuclear Energy and Waste Management in Spain, organised by the Spanish Association of Municipal Authorities in Nuclear Power Plant Areas (AMAC) and held at the Engineering Institute of Spain.



Also, the V Joint Congress of the Spanish Medical Physics Society and the Spanish Society for Radiation Protection, held in June in Girona, was attended by a large number of Enresa employees from all areas of Radiation Protection.

In late June, Enresa organises an international meeting on safety culture, which attracted representatives of the waste management agencies of Belgium (ONDRAF), Holland (COVRA) and France (ANDRA), as well as two members of CISOT/CIEMAT.

The 43rd Annual Meeting of the Spanish Nuclear Society, held in Málaga in early October also saw extensive representation from Enresa, which participates in the symposium with eleven presentations and several posters.

In late November, Enresa attended the III Seminar on management of spent nuclear fuel, organised by the Association of former deputies and senators of the Congress of Deputies.

COMMITTED TO DISSEMINATION OF OUR KNOWLEDGE

Enresa is an essential interlocutor in the management of radioactive waste and the decommissioning of nuclear facilities and actively contributes to the transfer of knowledge in the field.

In the university sector, Enresa collaborated on various postgraduate courses related to the company's activities. In particular, the first edition the Expert Course in Management and Treatment of Radioactive Waste run through the Enresa Chair at the Universidad de Cordoba is worth highlighting

Between February and May 2017, the 26th Radioactive Waste Management Course, organised by CIEMAT with the participation of the Universidad Politécnica de Madrid and Enresa was held. Integrated on the Master in Nuclear Energy and Applications - MINA- of the Universidad Autònoma de Madrid and CIEMAT; and on

the University Master's in Nuclear Science and Technology of the Universidad Politécnica de Madrid, the course completes the radioactive waste management training.

Enresa also collaborates on the XV Edition of the Master's in Waste Management and Treatment organised by the Universidad Autónoma de Madrid, for which the closing and graduation ceremony was held in mid-June.

On the other hand and under the framework of the Enresa Chair at the Universidad de Castilla-La Mancha, we participate at the beginning of the year in the conferences cycle of the Enresa-UCLM chair. Specifically, two conferences were held at the Higher Technical School of Civil Engineering of Ciudad Real.

In terms of second-level education, Enresa hosted the XIV Teachers Conference at which the programme of educational activities at the El Cabril Disposal Facility for the school year 2017-2018 was launched.

With regard to the information for -professionals, the Enresa Radiological Protection Technical Unit provides specific training to steel companies and those involved in the recovery of scrap metal as part of the commitments assumed under the Collaboration Protocol for the

Radiological Monitoring of Metallic Materials. Specifically, in October, Enresa hosted a basic training course on radioactivity at the facilities of scrap metal recovery group FERIMET in Sabadell, in the province of Barcelona.

COMMITMENT TO TRANSPARENCY

On the other hand, Enresa has continued to comply with the obligations arising from Law 19/2013, of 9 December, on transparency, access to public information and good governance. Through the "Transparency Portal" on the company's website (www.enresa.es) Enresa regularly published information relating to the company's activities. The information is organized into four sections: institutional and organisational information, regulatory information, economic information and a transparency reporting mailbox. Over the course of 2017, 18 requested for information were dealt with through this channel.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Spanish Ministerial order IET/458/2015, of 11 March, which regulates allocations to municipalities in the areas of nuclear facilities, charged to the Fund to finance the activities outlined in the General Radioactive Waste Plan, Enresa has continued to contribute to the economic and environmental development of the municipalities where there are nuclear facilities by co-funding local development activities, in application of the provisions set out in Article 9 of the above Order, following the Ruling laid down by the Directorate General for Energy Policy and Mines, determining local development projects eligible for co-financing to be assumed in 2017, with a date of 30 November 2016.

Moreover and in application of said -regulation, Enresa aims for sustainability through socioeconomic and environmental development projects by signing collaboration agreements with the municipalities with the right to allocation for those nuclear facility for which construction authorisation has been requested, and for the maximum annual sum applicable, according to Article 9.2, up to the year in which the allocations begin to be received in accordance with the provisions of Article 5 of the aforementioned Order.

Scientific, training and environmental research as well as the transfer of knowledge in the field of radioactive waste management is also a cornerstone of our CSR activities.

Cofinancing Projects 2017

In euros

AREA	LOCAL AUTHORITY	COFINANCING GRANTED
ALMARAZ	ALMARAZ	111,900.00
	BELVIS DE MONROY	11,589.07
	CASATEJADA	30,940.35
	TORIL	1,618.49
ASCÓ	ASCÓ	111,900.00
	FLIX	26,157.14
	FLIX	59,232.69
	LA PALMA D'EBRE	15,507.51
	MORA D'EBRE	23,443.05
	MORA LA NOVA	7,441.35
	VINEBRE	47,562.20
COFRENTES	COFRENTES	100,000.00
	CORTES DE PALLÁS	87,689.91
	JALANCE	14,898.96
	JARAFUEL	100,479.40
EL CABRIL	FUENTEOBEJUNA	123,172.00
	HORNACHUELOS	241,704.00
	NAVAS DE LA CONCEPCIÓN	117,661.51
GAROÑA	BOZOÓ	30,825.00
	FRÍAS	57,127.28
	JURISDICCION DE SAN ZADORNIL*	11,363.57
	MIRAVECHE	13,931.55
	OÑA	19,336.75
	PANCORBO	22,547.85
	PARTIDO DE LA SIERRA EN TOBALINA	50,000.00
	VALDEGOVIA	82,134.86
	VALLE DE TOBALINA	111,900.00
JOSÉ CABRERA	ALMONACID DE ZORITA	111,900.00
	BUENDIA	35,136.60
	PASTRANA	98,304.15
	VALDECONCHA*	4,252.20
	VALLE DE ALTOMIRA	10,910.25
	ZORITA DE LOS CANES	45,711.15
TRILLO	MANTIEL*	35,024.70
	PAREJA	37,542.56
VANDELLÓS	MONT-ROIG DEL CAMP	137,000.00
	PRATDIP	60,441.49
	TIVISSA	122,489.87
	VANDELLOS I - L'HOSPITALET DE'L INFANT	111,900.00
TOTAL		2,442,677.46

* 2016 Project, following the Resolution issue by the Directorate General of Energy Policy and Mines determining the local development projects eligible for cofinancing to be undertaken in 2016, of 30 March 2015.

COLLABORATION AGREEMENTS 2017 - MINISTERIAL ORDER IET / 458 / 2015

(in euros)

MUNICIPAL COUNCIL OF CERVERA DEL LLANO	6,000
MUNICIPAL COUNCIL OF MONTALBANEJO	18,570
MUNICIPAL COUNCIL OF MONTALBO	18,570
MUNICIPAL COUNCIL OF LA HINOJOSA	900
MUNICIPAL COUNCIL OF OLIVARES DE JÚCAR	850
MUNICIPAL COUNCIL OF SAN LORENZO DE LA PARRILLA	3,270
MUNICIPAL COUNCIL OF VILLAR DE CAÑAS	150,000
MUNICIPAL COUNCIL OF VILLAREJO DE FUENTES	26,550
MUNICIPAL COUNCIL OF VILLARES DEL SAZ	39,200
MUNICIPAL COUNCIL OF ZAFRA DE ZÁNCARA	11,910
TOTAL	275,820

OTHER COLLABORATION AGREEMENTS 2017

(in euros)

UNIVERSIDAD DE CÓRDOBA (UCO)	92,399
UNIVERSIDAD DE CASTILLA LA MANCHA (UCLM)	80,033
RESEARCH CENTRE FOR ENERGY, ENVIRONMENT AND TECHNOLOGY (CIEMAT) - UNIVERSIDAD POLITÉCNICA DE MADRID (UPM) - ETSII (Master's in Nuclear Energy and Applications)	25,200
CIEMAT (2017-2019) / Year 2017	25,000
FUNDACIÓN DE LA UNIVERSIDAD AUTÓNOMA DE MADRID (FUAM)	2,000
SPANISH NUCLEAR SOCIETY (SNE)	9,000
TOTAL	233,631

SPONSORSHIP CONTRACTS 2017

(in euros)

SPANISH SOCIETY FOR RADIATION PROTECTION (SEPR)	9,500
PROFESSIONAL ASSOCIATION OF PHYSICISTS (COFIS)	1,000
TOTAL	10,500

CSR actions carried out during 2017. Interest groups:

Society at large:

- Adaptation of web channels and other -information sources to bring our activities -closer to society.
- Retention of information centres (Enresa Spaces) to promote dissemination at all of the company's centres.
- Programmed tour of our facilities. Over 6,000 visits during 2017.
- Signing of a new collaboration agreement with the Regional Department of the Environment and Spatial Planning of Andalusia for defence against forest fires at the El Cabril Disposal Facility during the period 2017-2020.
- Retention and updating of the Corporate Code of Conduct and a channel for reporting of issued relating to breach of the code of conduct.
- Monitoring of activities by the Compliance and Crime Prevention Committee appointed for this purpose.
- Volunteer Programme to foster job integration for groups which encounter barriers to entering the ordinary job market.

Local Authorities home to Enresa Centres and Nuclear Facilities:

In accordance with Order IET/458/2015, of 11 March, regulating allocations to municipalities in the vicinity of nuclear -facilities, charged to the Fund to finance the activities outlined in the General Radioactive Waste Plan:

- They shall be paid in the form of annual allocations to the Local Authorities home to nuclear facilities in application of the Resolutions of the Directorate General of Energy Policy and Mines establishing the payment to the allocations account for the year 2017, regulated by Ministerial Order IET/458/2015 of 11 March, in favour of the local authorities of municipalities defined as affected by nuclear facilities, for more than 23.3 million euros.
- Cofinancing of local development activities which help preserve and improve the environment and employment creation, with investment in excess of 2.4 million euros.
- Over 275 thousand euros invested through collaboration agreements to finance activities that contribute to the socio-economic development of the municipalities with a right to allocations for new facilities for which Enresa has requested authorisation to build and which have yet to receive any other type of allocation.
- Moreover, other collaboration agreements have been signed for a sum of more than 230 thousand euros and several sponsorship contracts with of general interest and not for profit entities for a value of 10,500 euros.

Enresa staff

- Health monitoring programme for all staff, including specific prevention tests for the early detection of breast, prostate and colon cancer.
- Monitoring and dissemination of the Healthy Company programme with prevention activities aimed at the -company's staff.
- Language training programme for employees.
- Raising awareness among employees to promote and allow appointments for blood -donation.
- 9 "Train by Informing" sessions have been delivered at the company headquarters in Madrid and 2 at the José Cabrera site, for the dissemination of Enresa activities and training of staff.

Clients and suppliers:

- Voluntary maintenance of ISO-9001 for the company's overall management.
- Voluntary maintenance of ISO-14001 for the El Cabril and Vandellós I facilities.

Research Centres:

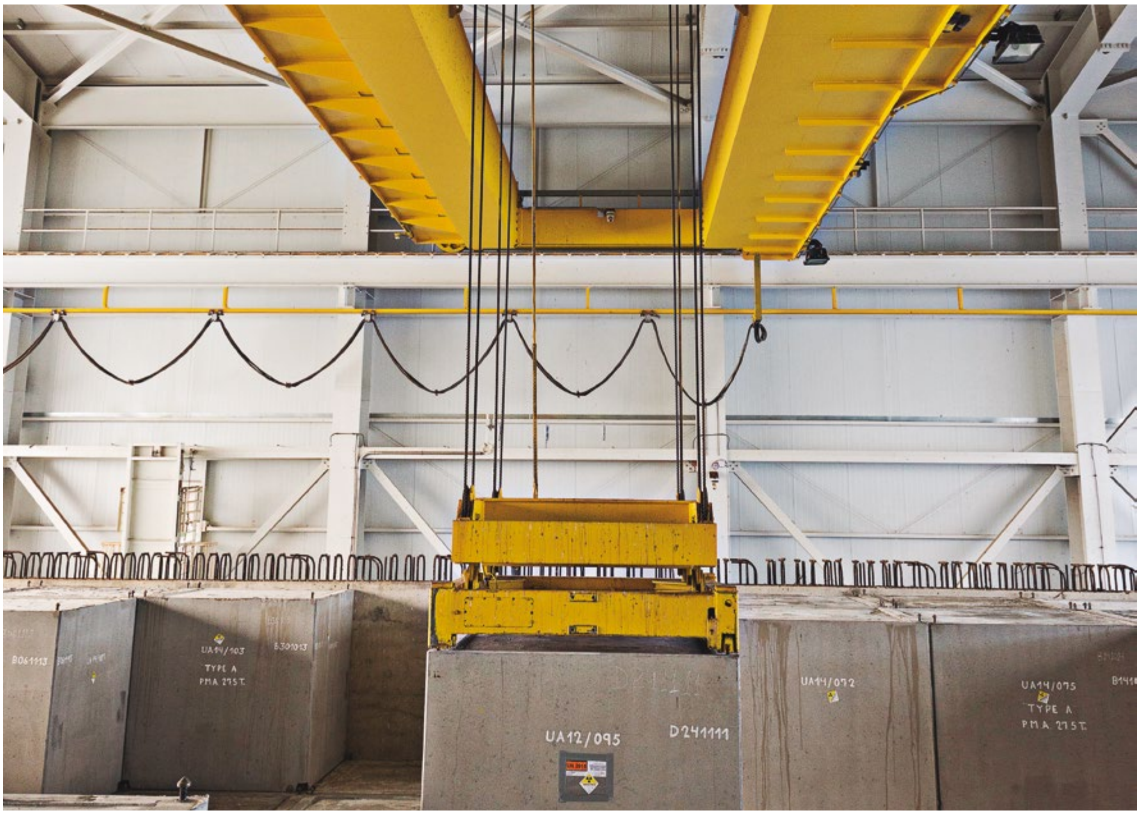
- Collaboration agreement with CIEMAT for the development of the staff training programme on relation to energy and the environment.
- Collaboration agreement with CIEMAT - CIEMAT-UPM Higher School for Industrial Engineering for the "Radioactive Waste Management" course.
- Collaboration agreement with the Fundación Universidad Autónoma de Madrid to develop the Master's in Waste Management and Treatment.

Universities and Research Centres:

- Enresa Chair at the Universidad de Córdoba (UCO).
- Enresa Chair at Universidad de Castilla La Mancha (UCLM).
- Annual summer internship plan.
- Training internships at the El Cabril Disposal Facility for second level and intermediate and advanced vocational education students.
- 46 training workshops in schools in Córdoba city and the surrounding area, delivered by Enresa staff, with the participation of more than 841 students.

International bodies and certified organisations:

Enresa continues to collaborate with -international bodies such as the IAEA and the European Union to provide technical assistance, through them, to third countries with less developed radioactive waste systems than Spain's. In 2017, these -activities focussed primarily on attendance at forums where the possible activities and lines of strategy for cooperation in the capacity of qualified adviser of these organisations, are agreed upon. Unlike previous exercises, these works are have not been specified in scientific missions or special visits of delegations to third countries.

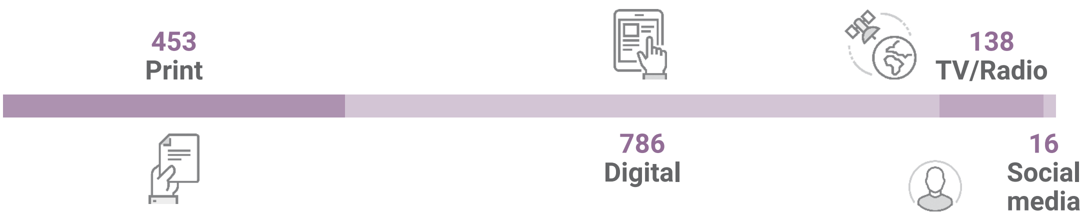


COMMUNICATION

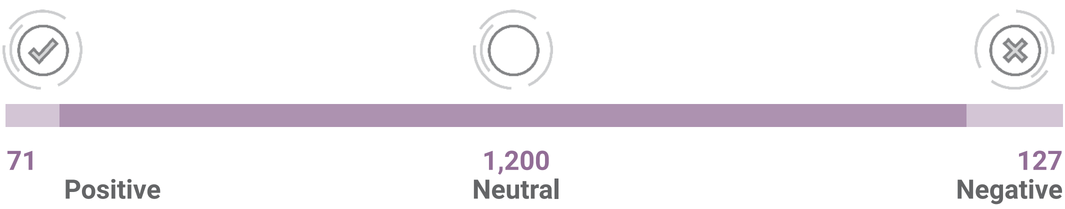
Throughout 2017, Enresa maintained a constant relationship with the media, attending to information requests. Last year a total of 140 requests relating to information were managed, of which 58 related to decommissioning; 16 to the El Cabril Disposal Facility; 11 to the CTS and 19 to other Enresa issues (transport, management of radioactive waste, environmental restoration or corporate information).

Over the course of the year, 1,393 news stories were published regarding Enresa activity, the majority on digital media.

News stories by media type 2017



Tone of news stories 2017



News stories by tone and subject

- HLW: 35 positive / 90 negative / 520 neutral.
- Enresa corporate: 27 positive / 25 negative / 422 neutral.
- Decommissioning 5 positive / 6 negative / 167 neutral.
- LILW: 4 positive / 6 negative / 142 neutral.

Participation in forums

During the year, Enresa participated in several forums such has the Public Information Materials Exchange, held in March in Holland, and the

Social Communication in Science Congress, held in the month of November in Córdoba.

46 activities were carried out at educational centres in the surroundings of the El Cabril Disposal Facility, allowing us to publicise the company's activities to 941 students.

The 14th Annual Teachers Meeting which this year was held in Córdoba.

VISITS 2017

2017	VISITS	VISITORS
EL CABRIL	137	3,667
VANDELLÓS	59	1,593
ZORITA	54	470
VILLAR DE CAÑAS	10	293
TOTAL	260	6,023

INFORMATION MEDIA

Enresa maintained its commitment to informing society at-large of the public service it provides. To do so, Enresa has a number of different channels through which it publicises its activities.

Publications:

Magazines:

Estratos. This magazine is markedly scientific in nature and combines general topics in this field with technical articles on radioactive waste management, decommissioning processes and R&D projects undertaken by Enresa.

- Published since 1986.
- National circulation.
- Published quarterly.
- Print run of 8,000 copies.
- Issues published in 2017: **3.**

Dinamo. With a more informative profile, this magazine brings the reality of Enresa closer to citizens from a didactic perspective. Up-to-date news on the company's activities is combined with issues of cultural interest, combining dissemination with entertainment.

- Published since 2014.
- National circulation.
- Published quarterly.
- Print run of 4,500 copies.
- Issues published in 2017: **4.**

Publications

In 2017, the following pamphlets were published in digital format in Spanish:

- Site Restoration and Decommissioning of the Facilities of the First Phase of the Nuclear Cycle.
- Decommissioning of Vandellós I NPP: From Nuclear Power Plant to Technology Centre.
- Integrated Plan for the Improvement of CIEMAT Facilities (PIMIC).
- Decommissioning and Closure of José Cabrera NPP: a Commitment to Society.

Corporate Website:

The total number of pages visited by the 40,915 users of the website amounted to 212,175 and the average time spent on the site was 2:33 minutes.

The most visited content on the Enresa website were the pages relating to the Contractor Profile with 47,624 visits, followed by the home page (46,078), and the jobs page (15,139). With respect to the most read section during 2017, the content with the most clicks was that relating to the emergency drill at the José Cabrera nuclear plant.

Other attractions of the website during the past year included the Vandellós Decommissioning Report, the most downloaded document (2,951 downloads) followed by issue number 100 of Estratos magazine (1,717 downloads).

Audio-visual content was also in high demand. The video on El Cabril in Spanish was the most popular, with 1,283 visits, followed by that on the CTS with 781 visits.

During the period considered, the video section on the Enresa corporate website was created (http://www.enresa.es/esp/inicio/conoz- ca-enresa/videoteca). This section offers different educational videos relating to the different projects:

- 25th Anniversary of El Cabril Disposal Facility.
- Radioactivity and Radioactive Waste Management.
- El Cabril Disposal Facility.
- The CTS.
- Decommissioning of José Cabrera Nuclear Power Plant.
- Decommissioning of Vandellós I.

The user who visits the corporate website of Enresa usually does so from a desktop computer, some 77% of the time. Just 19% of users visit using a mobile while 4% using a tablet.

Audio-visual:

To mark the 25th anniversary of El Cabril, in 2017, a video was produced, with an historic, human and informative focus, narrating the past, present and future of the El Cabril Disposal Facility.

INTERNATIONAL PARTICIPATION AND COOPERATION

OBJECTIVES

- Transfer and exchange of knowledge.
- Influence and economic improvements, projects and facilities.
- Support and advice to the Government.

LINES OF COLLABORATION

- Active participation in international bodies.
- Monitoring of bilateral collaboration agreements.
- Cooperation and technical assistance.

DEVELOPMENT OF ACTIVITIES

INTERNATIONAL BODIES

EUROPEAN UNION
Collaboration with The European Nuclear Safety Regulators Group (ENSREG), delegated by the Ministry of Energy, Tourism and the Digital Agenda (MINETAD), for the application of Directive 2011/70.
Collaboration as part of the Decommissioning Funding Group (DFG), Art. 37 EURATOM, etc.

NUCLEAR ENERGY AGENCY/OECD
Collaboration with the Radioactive Waste Management Committee and associated groups.
Participation on other committees on economic aspects of nuclear and radiation protection legislation.

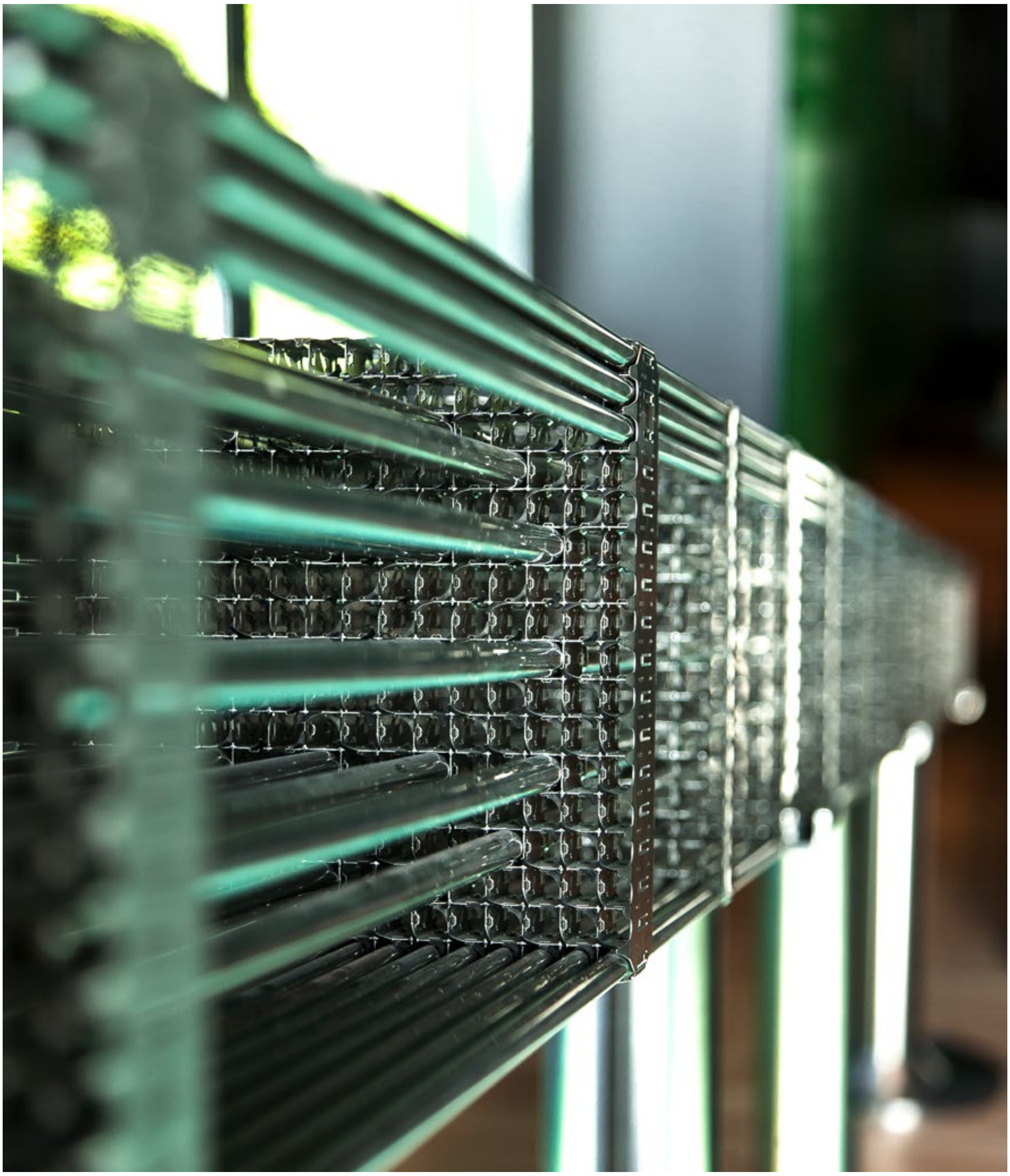
INTERNATIONAL ATOMIC ENERGY AGENCY
Spanish representation on principal committees: Fuel Cycle and Waste Technology as well as Spent Fuel Management Options.
Participation in international networks: DISPONET on definitive storage; IDN on decommissioning and LABONET waste characterisation laboratories.
Technical meetings with MINETAD and the Nuclear Safety Council.

TECHNICAL ASSISTANCE

INTERNATIONAL PROJECTS
Support for the project Development of Technical Design and Preliminary Safety Report on the Installation of the LILW Facility in Bulgaria, in collaboration with other agencies, promoted by the European Bank for Reconstruction and Development (EBRD).

BILATERAL RELATIONS

COLLABORATION AGREEMENTS
New collaboration agreements with the South Korean company KNHNP
Renewal and monitoring of the agreement with the Swedish waste management agency SKB.
Monitoring of current agreements with international radioactive waste management agencies: SOGIN (Italy); ANDRA (France); ONDRAF (Belgium), ANSTO (Australia); COVRA (Netherlands) and CNE (Argentina).
Monitoring of the decommissioning agreement with EDF (Electricité de France).



PUBLISHED BY

EMPRESA NACIONAL DE RESIDUOS RADIACTIVOS, S.A., S.M.E., M.P

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