



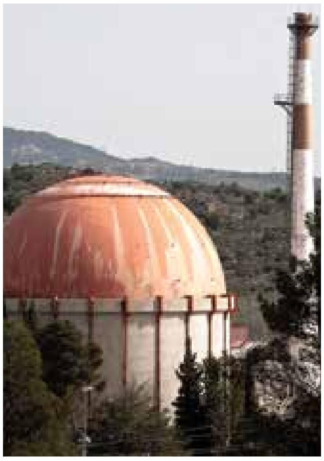
2014

ANNUAL REPORT

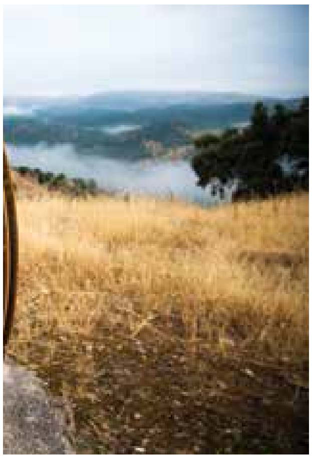
GOBIERNO DE ESPAÑA

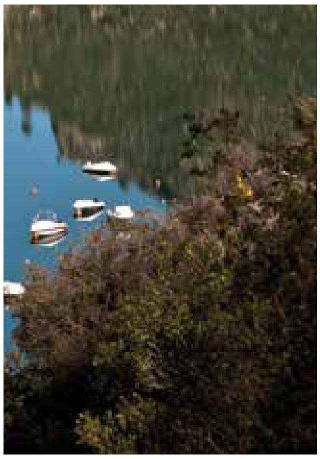
MINISTERIO DE INDUSTRIA, ENERGÍA Y TURISMO

enresa







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CONTENIDOS

1 / CHAIRMAN'S ADDRESS

The role which Enresa performs within the Spanish nuclear sector has been consolidated throughout 2014, in accordance with Royal Decree 102/2014 of 21 February on the responsible and safe management of spent nuclear fuel and radioactive waste, under the mandate from the Ministry of Industry, Energy and Tourism (Minetur) in its capacity as supervisory authority, and from its shareholders the Centre for Energyrelated, Environmental and Technological Research (Ciemat) and the State Industrial Holdings Corporation (SEPI). This mandate requires the Company to undertake a series of actions that are fundamentally structured along two clearly defined lines of business: the management of radioactive waste on the one hand, and the dismantling of nuclear and radioactive facilities on the other.

Both activities are carried out within the framework of the GRWP, which sets out the guidelines for the public service activity entrusted to Enresa and which ultimately defines the specific operational and financial structure of the Company. It is also very important to note that the experience gained in these two fields represents capital, both human and technological, which is extremely hard to match and makes Enresa a benchmark company in the nuclear world.

The waste management business line has encompassed two basic activities throughout 2014: firstly, the management of intermediate, low and very low level waste, and secondly, the preparation of the Centralised Interim Storage facility (CISF) designed to receive high level waste. Starting with this second activity, Enresa focused much of its efforts during the past year on preparing and completing the necessary documentation relating to the design of the facility and site characterisation. These were submitted to the Nuclear Safety Council and the Minetur, as required for the award of the Prior Authorisation and the Construction Permit, and to the Ministry of Agriculture and Environment as part of the application dossier for the Environmental Impact Statement for this complex. Alongside this, work continued on the surrounding infrastructures, such as the Business Incubator, the joint laboratory and the auxiliary building.

The CISF is a project of national scope, by reason of both its economic and technological implications, and is intended to provide a solution to the needs of radioactive waste management, whether this comes from operative plants or those that have been dismantled.

Meanwhile, the management of intermediate, low and very low level waste involves, firstly, the organisation of more than 220 transport actions to collect the waste generated

JUAN JOSÉ ZABALLA

by 886 small producers of radioactive waste, mostly from the medical and Industrial sectors, who have contracts with Enresa for this service.

Secondly, this management involves the preparation, characterisation and disposal of this type of waste at Enresa's facilities in El Cabril, located in the municipality of Hornachuelos (Córdoba) and which are a global benchmark after 25 years of activity.

Management of the El Cabril facility is a particularly relevant activity, since its disposal capacity is a scarce resource that the Company must administer, taking into consideration efficiency, safety and economy. For this reason, the plan to reduce waste volume, which Enresa has supported and partially funded since 1994, is an optimisation effort of strategic relevance to this line of activity.

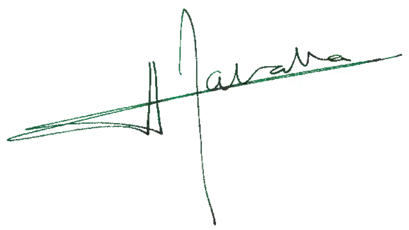
The second line of business which defines Enresa is its dismantling of nuclear installations. In this area, the Company is accumulating references that are to a large degree unique, having undertaken the dismantling of the Vandellós I nuclear power plant and the reactor of the former Nuclear Energy Board. At present, the Company is carrying out dormancy monitoring at the Vandellós I plant, as well as the basic preparatory work involved in reaching Level 3 dismantling.

Within this line of activity, Enresa's most significant current project is the dismantling of the José Cabrera plant, located in Almonacid de Zorita (Guadalajara). This will be the first plant to be fully dismantled in Spain and has already become an international point of reference for experts in the nuclear sector, thanks to the pioneering techniques that are being implemented.

Also underway are other environmental restoration and monitoring projects, such as the PIMIC project, involving the dismantling of the Ciemat facilities, and the reduction of acid water production from the Saelices el Chico uranium mines (Salamanca).

A company's operational activity must always have a financial counterpart and this is, of course, detailed in the financial statements included in this annual report. The structural characteristics of Enresa's business model particularly on the liabilities side of its balance sheet, with the incorporation of the Fund for the financing of activities included in the General Radioactive Waste Plan, and in the income statement, where the primary use of the profit before tax is precisely to increase the amount of this Fund impose certain peculiarities on these financial statements. Thus it is notable that the Company's operating income in 2014 amounted to €391.5 million, with expenditure of €149.5 million. This has enabled the Fund to increase by €393.7 million in 2014, reaching a total amount of €4,254.6 million.

These facts demonstrate that Enresa's true corporate purpose is to act as executing agency for the General Radioactive Waste Plan, and accordingly the operational and financial management of the Fund. The very magnitude of these tasks therefore requires that their implementation is based on the principles of safety, transparency and rigor, applying business management criteria. This is, ultimately, the challenge faced every day by all the professionals who work in our company.



Juan José Zaballa Gómez,
Chairman of Enresa

2 GOVERNING BODIES

BOARD OF DIRECTORS

As of 31 December 2014

CHAIRMAN (Executive Director):
- Francisco Gil-Ortega Rincón
Chairman Of Enresa

VICEPRESIDENT (Nominee Director):
- Cayetano López Martínez
Ciemat Director General

BOARD MEMBERS (Nominee Directors):
- D. Javier Arana Landa
Deputy Director General for Nuclear Energy
Ministry of Industry, Energy and Tourism

- D. Lorenzo Avello López
Deputy Director General of Telecommunications Management
Ministry of Industry, Energy and Tourism

- Dña. Alicia García-San Miguel Bossut
Inspector General of Services
Ministry of Agriculture, Food and the Environment

- D. Ramón Gavela González
Director Of The Department For Energy. Ciemat

- D. Ignacio Grangel Vicente
Director of the Office of the Secretary of State for Energy
Ministry of Industry, Energy and Tourism

- D. Pedro Guerrero Meseguer
Economic Advisor For The Office Of The Ministry
Ministry of Economy and Competitiveness

- D. Luis Martín Fabiani
Deputy Technical Secretary General
Ministry of Economy and Competitiveness

- Dña. María del Carmen Peñas Carral
Deputy Director For Financial Management Of Research Grants
Ministry of Economy and Competitiveness

- SEPI, represented by
Dña. Mercedes Real Rodrigálvarez
Director of the Energy Equity Division

SECRETARY (NON-MEMBER):
- Dña. Fabiola Gallego Caballero
Secretary General and Secretary to the Board

MANAGEMENT COMMITTEE

As of 31 December 2014

Chairman
- Francisco Gil-Ortega Rincón

Manager of the Office of the Chairman, Institutional Relations and Information Media
- Lorena Segura Romera

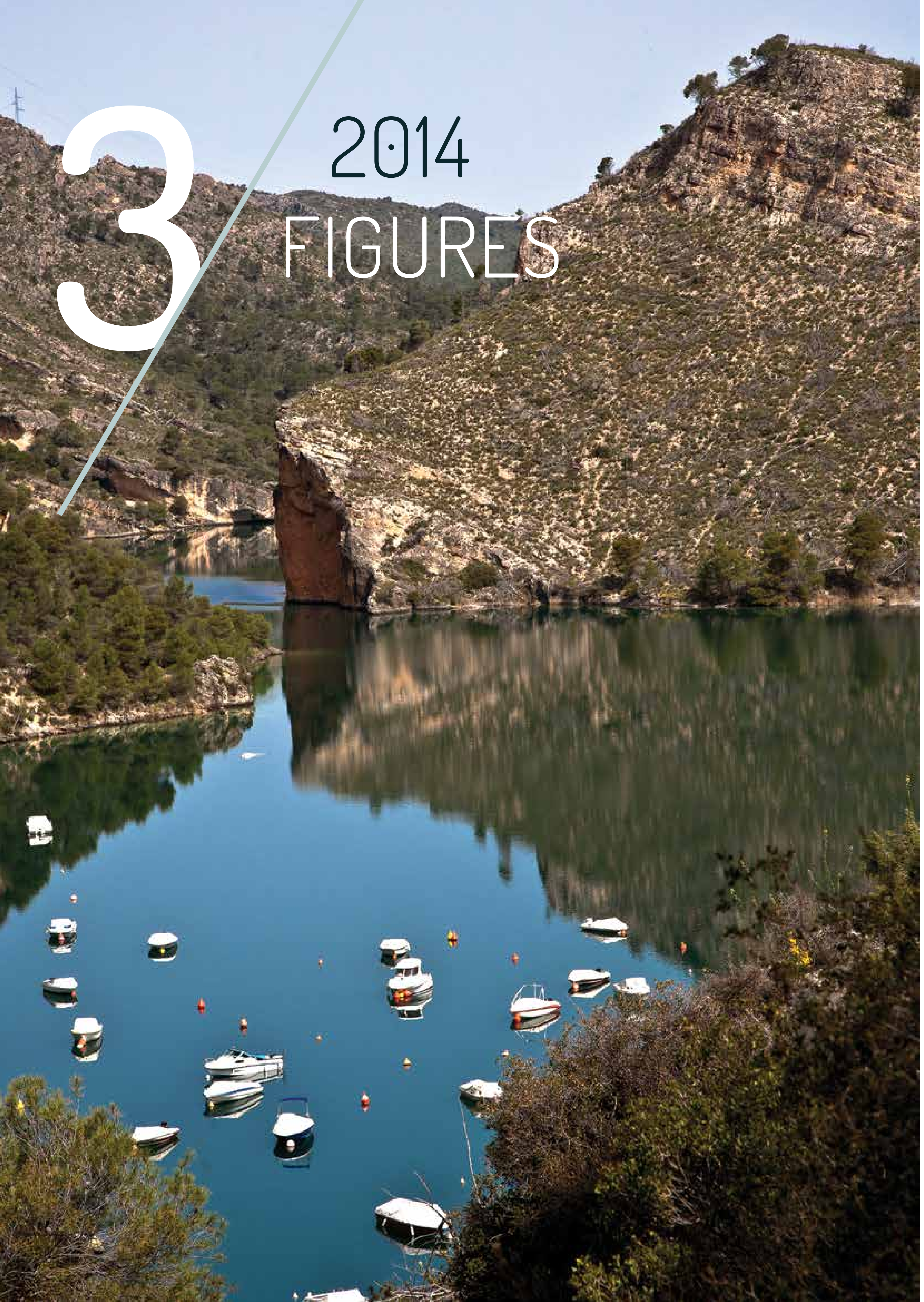
Technical Director
- Álvaro Rodríguez Beceiro

Director of Administration
- Eugenio Alejandre Siscart

Secretary General and Secretary to the Board
- Fabiola Caballero Gallego

Communications Manager
- Carlos Dávila Pérez de Camino

Audit Manager
- Diego Valle Aguilar



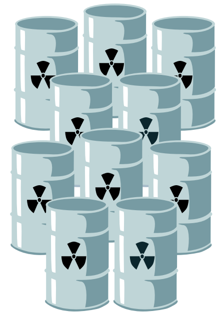
3 2014 FIGURES

Amount in euros of 640 contracts awarded

52,628,787.89

SARA 43

Non SARA 597



As of 31 December 2014 Enresa provided **radioactive waste management services** for

886

facilities

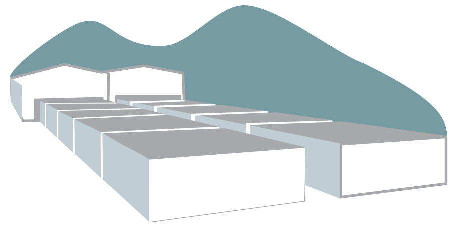
4,254,629

Fund for the financing of activities included in the General Radioactive Waste Plan as of 31 December 2014, in thousands of euros

A total of **2,433** m³ of waste has been received, the majority of which is very low level waste

70% VLLW

El Cabril



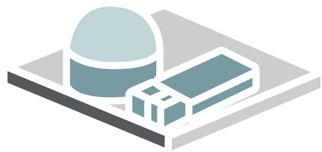
71.06%

Percentage of capacity occupied for low and intermediate level waste

21.71%

Percentage of capacity occupied of the first supplementary structure for very low level waste

65%



Percentage of completion of the **dismantling of the José Cabrera nuclear power plant**

1.425

Quality assurance inspections

330

Employees on the staff

10.624

Hours of training in the workplace

Visitors to **Enresa Installations** 9,655

Visitors to the **Enresa website** 81,587

News releases about company activities on the website 54

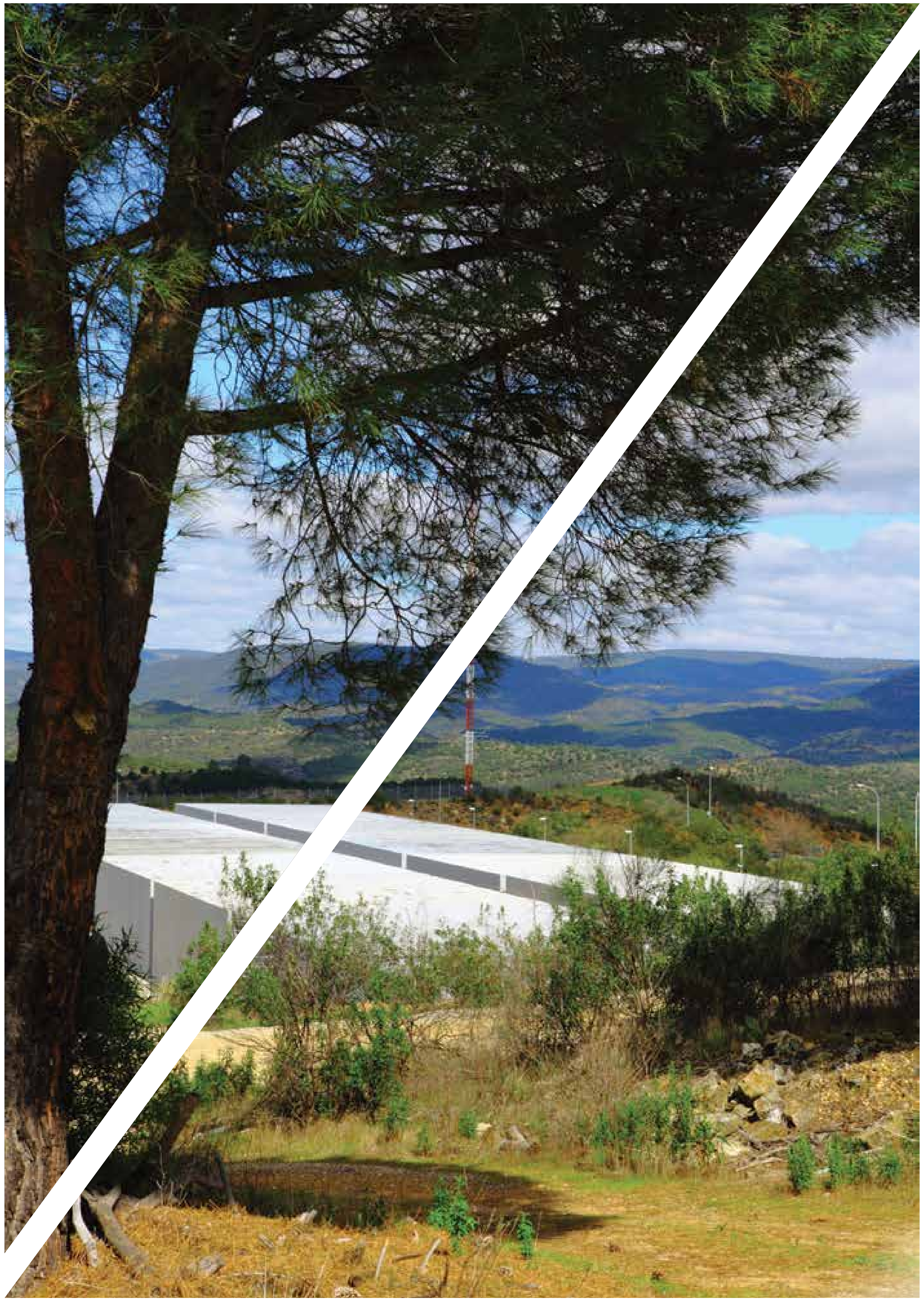
588

Fuel assemblies in the 28 casks located at the Individual Interim Storage Facility at the **Trillo nuclear power plant**

377

Fuel assemblies in the 12 casks located in the Individual Interim Storage Facility at the **José Cabrera nuclear power plant** (plus 4 casks for special waste from reactor internals)

4 FINANCIAL STATEMENTS



BALANCE SHEET AS OF 31 DECEMBER 2014

(Expressed in thousands of euros)

ASSETS	Notes to the 2014 Financial Statements	Fiscal year 2014	Fiscal year (*) 2013
NON-CURRENT ASSETS		3,857,797	3,379,548
Intangible fixed assets	Note 5	**824**	**1,499**
Computer applications		824	1,499
Tangible fixed assets	Note 6	**213,500**	**191,052**
Land and buildings		16,401	16,946
Technical facilities and other tangible fixed assets		132,718	130,655
Fixed assets under construction and advances		64,381	43,451
Long-term financial investments		**3,641,249**	**3,185,776**
Credit to third parties		11,632	12,692
Securities portfolio	Note 7.1	3,603,579	3,148,800
Derivatives	Note 7.2	25,857	24,106
Other financial assets		181	178
Total deferred tax assets	Note 11.4	**2,224**	**1,221**
CURRENT ASSETS		577,879	677,077
Inventories		**1,020**	**1,008**
Raw materials and other provisions		1,020	1,008
Trade and other receivables		**230,169**	**204,212**
Trade receivables	Note 7.3	225,842	199,527
Other receivables		395	234
Personnel		1,767	1,796
Other credit with public administrations	Note 11	2,165	2,655
Short-term investments		**326,275**	**456,977**
Securities portfolio	Note 7.1	324,550	455,015
Derivatives	Note 7.2	1,161	1,681
Other financial assets		564	281
Short-term accruals		**7,756**	**8,229**
Cash and other equivalent liquid assets		**12,659**	**6,651**
Cash		12,659	6,651
TOTAL ASSETS		4,435,676	4,056,625

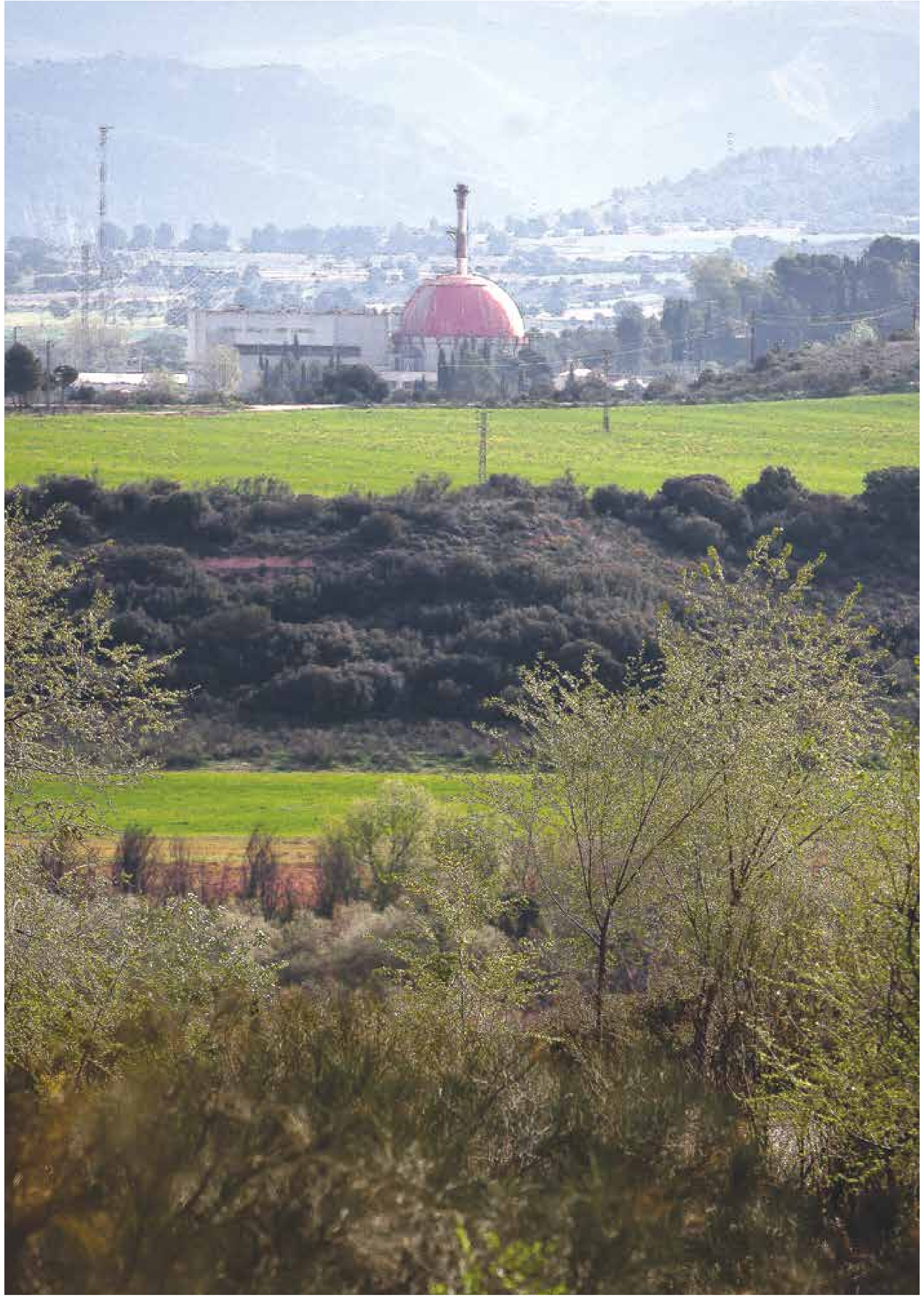
(*) Presented for the sole purpose of comparison. Notes 1 to 17 contained in the accompanying Notes to the Financial Statements are an integral part of the Balance Sheet as of 31 December 2014

BALANCE SHEET AS OF 31 DECEMBER 2014

(Expressed in thousands of euros)

EQUITY AND LIABILITIES			
	Notes to the 2014 Financial Statements	Fiscal year 2014	Fiscal year (*) 2013
EQUITY	Note 8	**4,453**	**4,445**
SHAREHOLDERS' EQUITY		**4,453**	**4,445**
Capital		**3,606**	**3,606**
Authorised capital		3,606	3,606
Reserves		**721**	**721**
Legal and statutory reserves		721	721
Income for the fiscal year	Note 3	**126**	**118**
NON-CURRENT LIABILITIES		**4,353,148**	**3,995,193**
Long-term provisions		**4,254,714**	**3,860,934**
Fund for the financing of activities included in the General Radioactive Waste Plan	Note 9	4,254,629	3,860,849
Obligations through long-term provisions to personnel		85	85
Long-term debts		**98,434**	**134.259**
Derivatives	Note 7.2	98,434	106,601
Other financial liabilities	Note 12.7	-	27,658
CURRENT LIABILITIES		**78,075**	**56,987**
Short-term debts		44,900	**15,380**
Other financial liabilities		44,900	15,380
Trade and other accounts payable		**33,175**	**41,607**
Suppliers		16,133	25,685
Sundry creditors		10,599	9,637
Personnel (pending payment)		1,722	1,332
Other debts with public administrations	Note 11	4,721	4,953
TOTAL EQUITY AND LIABILITIES		**4,435,676**	**4,056,625**

(*) Presented for the sole purpose of comparison.Notes 1 to 17 contained in the accompanying Notes to the Financial State-ments are an integral part of the Balance Sheet as of 31 December 2014.



PROFIT AND LOSS STATEMENT CORRESPONDING TO THE FISCAL YEAR ENDING 31 DECEMBER 2014

(Expressed in thousands of euros)

	Notes to the 2014 Financial Statements	FISCAL 2014 YEAR	FISCAL YEAR 2013 (*)
CONTINUING OPERATIONS			
Net revenues	Note 12.1	**386,929**	**382,292**
Provision of services and rates		386,929	382,292
Capitalised expenses of in-house work on assets	Notes 4.1 and 4.2	**4,119**	**3,991**
Waste management and studies		**(86,530)**	**(147,580)**
Waste management and studies	Note 12.7	(62,702)	(124,704)
Allocations by Ministerial Order 13 June 1998 of the Ministry of Industry and Energy	Note 4.13	(23,828)	(22,876)
Other operating income	Note 12.2	**429**	**715**
Non-operating and other current management revenues	394	626	626
Operating subsidies included in fiscal year income		35	89
Staff expenditure		**(26,237)**	**(24,969)**
Salaries, wages and similar		(20,205)	(19,391)
Social security contributions	Note 12.3	(6,032)	(5,578)
Other operating expenses		(21,009)	**(23,585)**
External services		(19,773)	(22,448)
Taxes		(1,155)	(1,127)
Losses, impairment and changes in provisions due to commercial operations		(81)	(10)
Other current management expenditure		-	-
Depreciation of fixed assets	Notes 5 and 6	**(15,734)**	**(13,563)**
Overprovision		-	-
Impairment and profit or loss through disposal of fixed assets		**(10)**	-
Profit and loss through disposals and other means		(10)	-
Other profit and loss		**115**	**(16)**
OPERATING INCOME		242,072	177,285
Income from investments	Note 12.5	**152,632**	**141,721**
From liquid securities and other financial instruments		152,632	141,721
- Third-party		152,632	141,721
Financial expenses	Note 12.5	**(30,779)**	**(31,879)**
Through debts with third parties		(30,779)	(31,879)
Change in the fair value of financial instruments	Note 12.5	**27,264**	**39,232**
Trading book and other		27,264	39,232
Exchange rate differences	Note 12.5	**(2)**	**(30)**
Impairment and profit or loss through disposal of financial instruments	Note 12.5	**1,691**	**(16,007)**
FINANCIAL PROFIT/LOSS		150,806	133,037
REPORTED PROFIT BEFORE TAX		392,878	310,322
Corporate income tax	Note 11.3	1,028	851
Changes in the provision for the Fund for the financing of activities included in the GRWP	Nota 9	(393.780)	(311.055)
INCOME FROM ONGOING OPERATIONS DURING THE FISCAL YEAR		126	118
NET INCOME FOR THE FISCAL YEAR	Note 3	126	118

(*) Presented for the sole purpose of comparison. Notes 1 to 17 contained in the accompanying Notes to the Financial Statements are an integral part of the Balance Sheet as of 31 December 2014.

STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO FISCAL YEAR 2014

(Expressed in thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

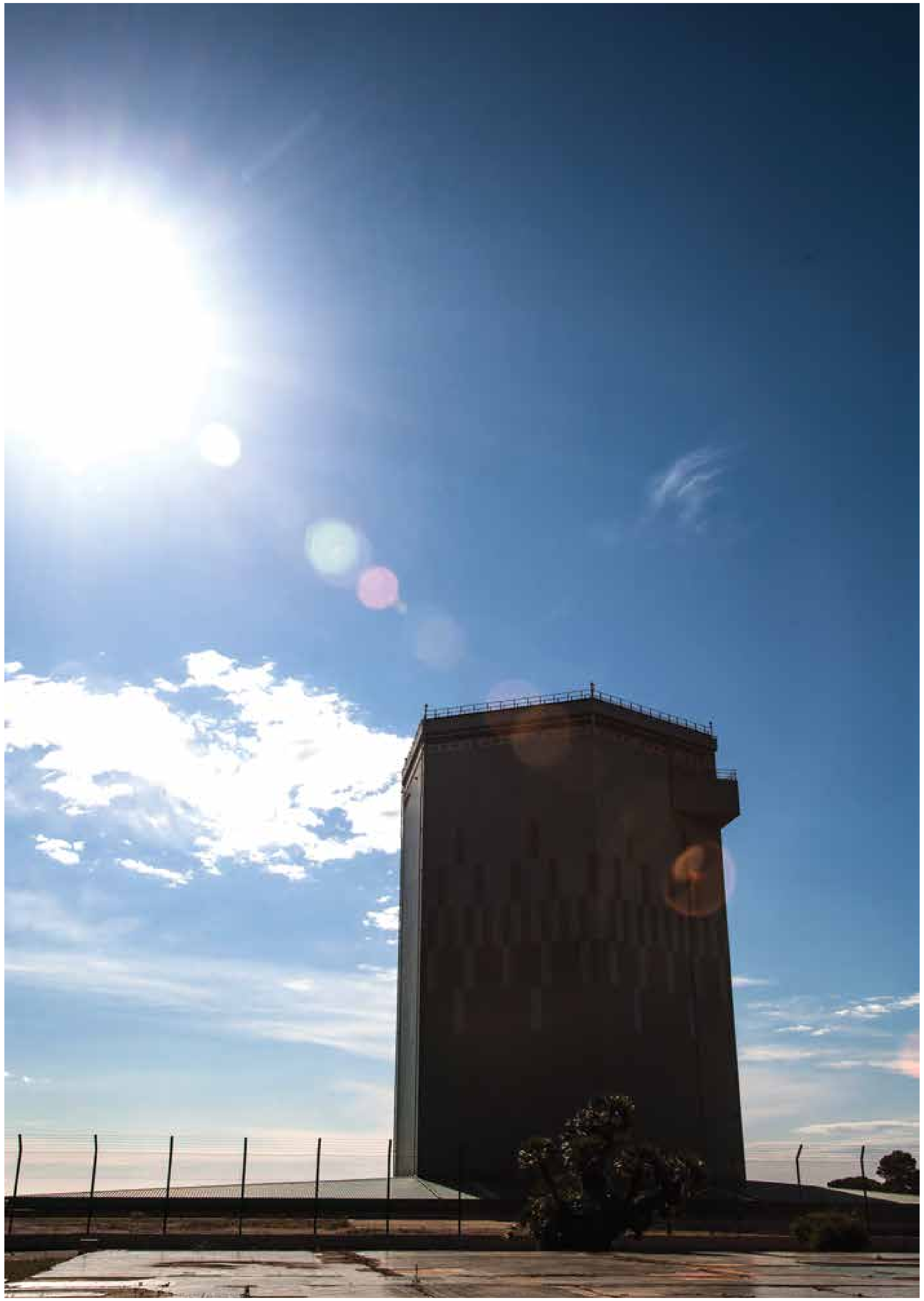
	Fiscal year 2014	Fiscal year (*) 2013
RESULT OF THE PROFIT AND LOSS STATEMENT	**126**	**118**
Income and expenses taken directly to equity:	-	-
TOTAL INCOME AND EXPENSES TAKEN DIRECTLY TO EQUITY	**-**	**-**
Transfers to the profit and loss statement:	-	-
TOTAL TRANSFERS TO THE PROFIT AND LOSS STATEMENT	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE	**126**	**118**

Presented for the sole purpose of comparison. Notes 1 to 17 contained in the accompanying Notes to the Financial Statements are an integral part of the Balance Sheet as at 31 December 2014.

B) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital	Reserves	Profit/loss from previous years	Income for the fiscal year	Total
ADJUSTED OPENING BALANCE FOR FISCAL YEAR 2013 (*)	**3,606**	**721**	**-**	**168**	**4,495**
Total recognised income and expenditure	-	-	-	118	118
Shareholder transactions:					
Distribution of profits for 2012	-	-	-	(168)	(168)
CLOSING BALANCE FOR FISCAL YEAR 2013 (*)	**3,606**	**721**	**-**	**118**	**4,445**
Adjustments through change of criteria or errors	-	-	-	-	-
ADJUSTED OPENING BALANCE FOR FISCAL YEAR 2014	**3.606**	**721**	**-**	**118**	**4.445**
Total recognised income and expenditure	-	-	-	126	126
Shareholder transactions					
Distribution of profits for 2013	-	-	-	(118)	(118)
CLOSING BALANCE FOR FISCAL YEAR 2014	**3,606**	**721**	**-**	**126**	**4,453**

(*) Presented for the sole purpose of comparison. Notes 1 to 17 contained in the accompanying Notes to the Financial Statements are an integral part of the Balance Sheet as of 31 December 2014.

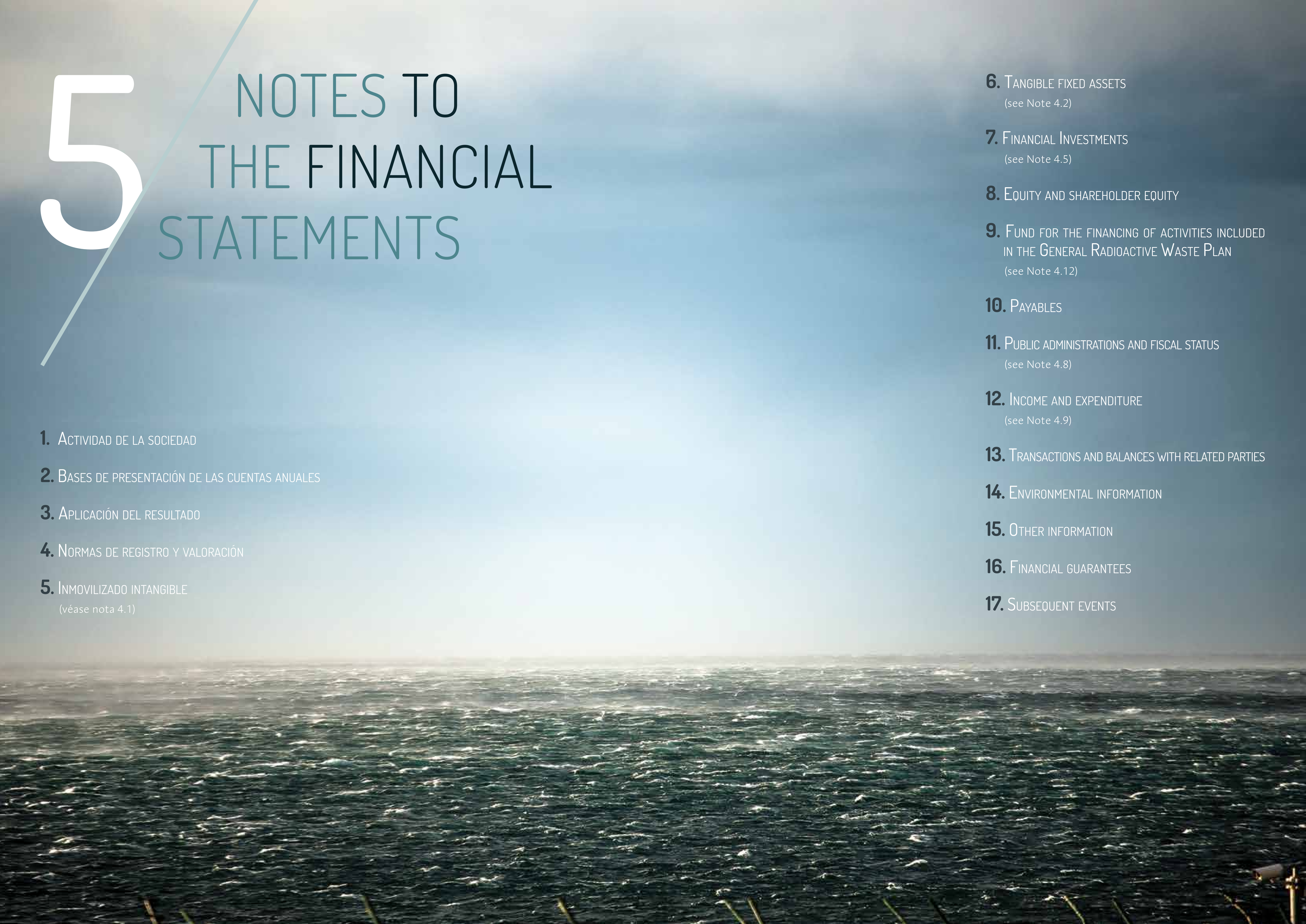


STATEMENT OF CASH FLOWS CORRESPONDING TO FISCAL YEAR 2014

(Expressed in thousands of euros)

	Fiscal year 2014	Fiscal year (*) 2013
CASH FLOWS FROM OPERATING ACTIVITIES (I)	**327,194**	**299,922**
Revenue from the fiscal year before taxes	392,878	310,322
Adjustments to the revenue:		
- Depreciation of fixed assets	15,734	13,563
- Change in provisions	81	10
- Profit or loss from decrease in value and disposals of fixed assets	10	-
- Profit or loss from decrease in value and disposals of financial instruments	(1,691)	16,007
- Income from investments	(152,632)	(141,721)
- Financial expenses	30,779	31,879
- Exchange rate differences	2	30
- Change in the fair value of financial instruments	(27,264)	(39,232)
Changes in working capital		
- Inventories	(12)	4
- Receivables	(27,039)	(17,740)
- Other current assets	471	(8,061)
- Accounts payable	(8,432)	(12,013)
- Other current liabilities	27,990	4,096
- Other non-current assets and liabilities	(27,657)	26,517
Other cash flows from operating activities	(27,657)	26,517
- Interest payments	(31,941)	(31,960)
- Receipt of interest	134,925	148,433
- Payments for corporate income tax	992	(212)
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)	**(321,066)**	**(303,989)**
Payments through investments		
- Intangible fixed assets	(3,509)	(3,517)
- Tangible fixed assets	(34,008)	(22,451)
- Other financial assets (Securities portfolio)	(6,930,014)	(4,991,629)
- Other assets (Credit to Third Parties)	(1,730)	(1,201)
Proceeds from divestitures		
- Other financial assets (Securities portfolio)	6,645,558	4,712,541
- Other assets (Credit to Third Parties)	2,637	2,268
CASH FLOWS FROM FINANCING ACTIVITIES (III)	**(118)**	**(168)**
Payment from dividends and remuneration from other equity instruments		
- Dividends	(118)	(168)
EFFECT OF CHANGES IN EXCHANGE RATES (IV)	**(2)**	**(30)**
NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS (I+II+III+IV)	**(6,008)**	**(4,265)**
Cash and cash equivalents at beginning of fiscal year	6,651	10,916
Cash and equivalents at close of fiscal year	12,659	6,651

(*) (*) Presented for the sole purpose of comparison. Notes 1 to 17 contained in the accompanying Notes to the Financial Statements are an integral part of the Balance Sheet as of 31 December 2014



5 NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY ACTIVITY

The National Radioactive Waste Company (Empresa Nacional de Residuos Radiactivos, S.A., hereafter referred to as Enresa) has continued in 2014 to fulfil the objectives established by Royal Decree 1349/2003 of 31 October on the regulation of Enresa's activities and its financing and by Royal Decree 102/2014 of 21 February on the responsible and safe management of spent nuclear fuel and radioactive waste, which repealed and replaced the previous decree and amended the regulation of Enresa's activities. These provisions stipulate the drawing up and Government approval of the General Radioactive Waste Plan (hereafter GRWP), the document setting out the policies to be enforced by Enresa in this area. The General Radioactive Waste Plans, the last of which was approved by the Government on 23 June 2006, define the strategies for radioactive waste management and establish the financing system for the costs of this management.

Enresa has entered into agreements with the main producers of radioactive waste, including generators of electricity of nuclear origin and industrial facilities, hospitals, etc., in order to set the terms and conditions for the management of their waste.

In 2009, Law 11/2009 of 26 October regulating Public Limited Companies quoted on the Property Market, was enacted. This entailed the amendment of Law 25/1964, the Nuclear Energy Act of 29 April, and of Additional Provision 6 of Law 54/1997, the Electricity Industry Act, as well as the repeal of Additional Provision 6 a. These now read as follows:

'Final Provision 9. Amendment of Law 25/1964, the Nuclear Energy Act, and of Law 54/1997, the Electrical Energy Act.

One. Amendment to Law 25/1964, the Nuclear Energy Act of 29 April.

Article 38 a is added to Law 25/1964, the Nuclear Energy Act of 29 April, worded as follows:

'Article 38 a. Radioactive Waste Management.

1. The management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, constitutes an essential public service under State ownership, in accordance with Article 128.2 of the Spanish Constitution.

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

To this end, Enresa acts as an instrument and technical service of the Government, undertaking any functions which may be assigned to it by the Government.

2. The Government is responsible for establishing policy on radioactive waste management, including the management of spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, through the approval of the General Radioactive Waste Plan. This will be drawn up by the Ministry of Industry, Tourism and Trade, subsequent to reports from the Nuclear Safety Council and the Autonomous Regions in relation to land usage management and the environment, and subsequently submitted to Parliament.

Enresa will operate under the aegis of the Ministry of Industry, Tourism and Trade, through the Secretary of State for Energy, which will undertake the strategic management and the monitoring and control of the company's technical and economic plans and activities.

3. The Ministry of Industry, Tourism and Trade shall exercise any necessary powers of expropriation to comply with Enresa's objectives, and to this end the company will be considered the beneficiary. The facilities required for compliance with company objectives are declared to be of public interest for the purposes of forced expropriation.

4. The State will assume ownership of the radioactive waste once its final disposal is undertaken. It will likewise undertake any monitoring necessary following the decommissioning of a nuclear facility, once the period of time established in the corresponding statement of decommissioning has elapsed.'

Two. Amendment to Additional Provision 6 of Law 54/1997, the Electrical Energy Act of 27 November.

Amendment to Additional Provision 6 of Law 54/1997, the Electrical Energy Act of 27 November, worded as follows:

'Additional Provision 6. Fund for the financing of activities included in the General Radioactive Waste Plan.

1. The management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, as referred to in article 38 a of Law 25/1964, the Nuclear Energy Act of 29 April, which is assigned to the Empresa Nacional de Residuos Radiactivos, S. A. (Enresa), will be charged to the Fund for the financing of activities included in the General Radioactive Waste Plan.

This Fund is financed from the amounts arising from the collection of the fees regulated in Section 9, as well as from any contributions or income from the rendering of the aforementioned services. Also incorporated into the Fund is the yield on temporary financial investments. Transfers to the Fund will be considered deductible items as regards Corporate Income Tax.

Amounts incorporated into the Fund, without prejudice to the aforementioned temporary financial investments, may only be invested in expenses, work, projects and fixed assets deriving from actions provisioned for in the General Radioactive Waste Plan approved by the Government.

2. The supervision and control of temporary investments relating to the financial management of the Fund is the responsibility of a Control and Monitoring Committee reporting to the Ministry of Industry, Tourism and Trade through the Secretary of State for Energy.

3. The following shall be considered diversification and guaranteed supply costs for the purposes of this Law: amounts set aside for the part of the Fund for the financing of costs corresponding to the management of radioactive waste and spent fuel generated at those nuclear power plants that were definitively shut down prior to 1 January 2010, including their dismantling and decommissioning; any future costs corresponding to nuclear power plants or fuel assembly manufacturing facilities that, following their definitive shutdown, could not have been foreseen during their operation; and those costs that might, where relevant, derive from the conditions established in Section 5 of this additional provision.

The same consideration shall be given to the amounts set aside for the part of the Fund for the financing of the costs of managing radioactive waste arising from research activities that the Ministry of Industry, Tourism and Trade determines to have been directly related to the generation of electricity by nuclear means, dismantling and decommissioning operations undertaken as a result of uranium mining and milling operations carried out prior to 4 July 1984, costs deriving from the reprocessing of spent fuel sent abroad prior to the entry into force of this Law and other costs that may be specified by Royal Decree.

4. Amounts set aside for the part of the Fund for the financing of costs incurred as from 1 January 2010 corresponding to the management of radioactive waste and spent fuel generated by operating nuclear power plants, shall not be considered as diversification and guaranteed supply costs and will be financed by the licensees of these nuclear power plants during such operation, regardless of the date of generation, along with those costs corresponding to dismantling and decommissioning.

Also to be financed by the licensees of the nuclear power plants will be the allocations for municipalities affected by nuclear power plants, or storage or disposal facilities for spent fuel or radioactive waste, under the terms established by the Ministry of Industry, Tourism and Trade, in addition to the sums corresponding to taxes accrued in relation to radioactive waste and spent fuel storage or disposal activities, regardless of the date of generation of such waste.

5. In the event of a cessation of operation of the facility prior to the period established in the General Radioactive Waste Plan for reasons beyond the control of the licensee, any financing deficit which may exist shall be considered as diversification and guaranteed supply costs. If such cessation of operation should occur by decision of the licensee, the latter must cover the corresponding sum.

6. The amount remaining in the Fund as of 31 December 2009, following the deduction of the amounts necessary for the financing of the costs referred to in Section 3, will be set aside for the financing of the costs referred to in Section 4.

7. The costs of radioactive waste and spent fuel management and dismantling and decommissioning shall include all costs relating to the technical activities and support services required to undertake such activities, corresponding to structural costs and R&D&i projects and activities, in accordance with the provisions of the General Radioactive Waste Plan.

The cost of radioactive waste and spent fuel management within the nuclear electricity generating facilities will include only the cost of activities performed by Enresa and, where relevant, third-party costs deriving from such activities.

8. The Fund will finance costs corresponding to the removal and management of radioactive lightning rod headers and to the management of radioactive waste generated under the exceptional circumstances provisioned for in Article 2 of Law 15/1980 of 22 April on the creation of the Nuclear Safety Council, the latter when these costs cannot be passed on in compliance with the regulations in force and when so determined by the Ministry of Industry, Tourism and Trade.

9. For the purposes set out in Section 1 of this additional provision, a series of fees is established for the services referred to in Article 38 a of Law 25/1964 of 29 April and which will be paid to the Public Exchequer as a non budgetary item. The sums corresponding to the fees thus paid will be transferred from the Exchequer to the Fund for the financing of activities included in the General Radioactive Waste Plan, as proposed by the Secretary of State for Energy.'

With the entry into force of these legal amendments on 1 January 2010, the Fund for the financing of activities included in the General Radioactive Waste Plan commenced its financing through fees collected by the State Tax Administration Agency (AEAT). These fees are paid by taxpayers via partner entities' taxation and are finally transferred to Enresa from the Exchequer when the Secretary of State for Energy releases the funds.

Subsequently, Enresa invoices the taxpayers for the rendering of the service previously paid in order for them to pay the corresponding VAT, as established by Law.

Specifically, in the case of nuclear production, Enresa invoices the licensees of the nuclear power plants the amount resulting from multiplying the gross kilowatt-hours generated by each of these facilities during each calendar month by a unit value specific to each plant expressed in euro cents, obtained by multiplying the fixed unit tariff, 0.669 euro cents/kWh, by a coefficient of correction depending on the type of plant (fee paid).

The objectives of the Sixth General Radioactive Waste Plan, approved by the Government on 23 June 2006 and currently in force, include evaluating the costs of management and calculating the revenues necessary for its financing, in compliance with the legally established systems. In determining the future costs of management, the Company has taken into account the period 2006-2070, and the considered accounting period to cover these costs uses a reference scenario nuclear power plant lifetime of 40 years, closing the accounting period in 2028.

In summary, the results obtained, together with the corresponding updated values of these future costs depending on the type of financing, are as follows:

		Thousands of euros
Item	**Projected cost**	**Value updated on 01-01-2015**
Electricity tariff	1,750,461	1,367,192
Nuclear power plants	12,010,322	8,263,630
Juzbado Manufacturing Facility	15,845	12,926
Other facilities	119,812	72,219
Totals	**13,896,440**	**9,715,967**

As regards updating the calculations of future costs in the 6th General Radioactive Waste Plan, the Company has taken into consideration a discount rate of 1.5%.

As of 31 December 2014, the balance of the Fund for the financing of activities included in the General Radioactive Waste Plan stood at 4,254,629 thousand euros (3,860,849 thousand euros as of 31 December 2013). Additional Provision 6 of Law 54/1997 of 27 November establishes the channels for the collection of the sum necessary for covering the management costs estimated in the 6th General Radioactive Waste Plan. Future funding needs due to possible changes in the assumptions for the GRWP are fully guaranteed through the possibility of changing the tax rates, which this Law stipulates shall be undertaken by means of a Royal Decree: 'The tax rates and taxable items for the determination of the fees may be reviewed by the Government by means of a Royal Decree, based on an updated economic and financial report on the cost of the relevant activities included in the General Radioactive Waste Plan'.

Furthermore, and directly related to Company activities, at its meeting on 30 December 2011 the Council of Ministers approved the location of the Centralised Interim Storage Facility for high level radioactive waste (CISF) in Villar de Cañas (Cuenca).

The designation was notified in the 18 January 2012 Resolution of the Secretary of State for Energy of the Ministry of Industry, Energy and Tourism, which published the Agreement of the Council of Ministers of 30 December 2011, approving the designation of the location of the Centralised Interim Storage Facility (CISF) for spent nuclear fuel and high level radioactive waste and its associated technology centre.

Following the 2012 site selection and purchase of the land for the location of the nuclear facility, technological centre, business park and business incubator, the final reports on the characterisation studies for Phase I of the site were completed in 2013.

In January 2014 the applications for the prior authorisation and the construction permit for the facility were presented to the CSN and the Minetur, providing the mandatory documentation required in each case by the applicable national legislation in force.

During 2014, work has continued on the supplementary infrastructures at the CISF site as well as design activities and the work involved in site characterisation. In September, the full dossier for the Environmental Impact Study was sent to the Ministry of Agriculture, Food and the Environment.

2. BASIS OF PREPARTION OF THE FINANCIAL STATEMENTSS

2.1 Regulatory framework for financial reporting applicable to the company

These financial statements have been drawn up by the Directors in accordance with the regulatory framework for financial reporting applicable to the Company, which is established in the following:

- **a) The Commercial Code** and other commercial legislation.
- **b) The General Chart of Accounts** approved by Royal Decree 1514/2007.
- **c) The mandatory standards** approved by the Accountancy and Audit Institute during development of the General Chart of Accounts and its supplementary provisions.
- **d) All remaining Spanish accountancy regulations** which are applicable.

2.2 Fair presentation

The accompanying financial statements have been obtained from the accounting records of the Company and are presented in accordance with the applicable regulatory framework for financial reporting, and in particular with its accounting principles and criteria. They therefore reflect the true and fair view of the equity, financial situation and profit and loss of the Company and of the cash flows during the fiscal year. These financial statements, which have been compiled by the Company Directors, will be submitted to the Ordinary Shareholders' Meeting for approval. No amendments are expected.

The financial statements for fiscal year 2013 were approved at the Shareholders' Meeting on 30 June 2014 without changes respecting the statements drawn up by the Company Directors.

2.3 Accounting Principles Applied

The Directors have compiled these financial statements in accordance with all of the obligatory accounting principles and standards that have a significant effect on these financial statements. All accounting principles that are mandatory have been applied.

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

2.4 Critical aspects of valuation and estimation of uncertainty

Estimates made by the Company have been used to quantify certain of the assets, liabilities, items of income and expenditure and commitments reported in the fiNancial statements. These estimates primarily make reference to:

- **The useful life of intangible and tangible fixed assets** (see Notes 4.1 and 4.2).
- **El 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 Corporate Income Tax:** the fiscal performance of the Company that will be reported to the tax authorities in the future and which has been used as the basis for recording the various balances relating to Corporate Income Tax in these Financial Statements (see Notes 4.8 and 11).

These estimates have been made on the basis of the best available information on the events analysed at the date of compilation of the accompanying financial statements. Nevertheless, it is possible that future events might make it necessary to modify them in the coming years, prospectively recognising the effects of the change in estimates.

This would not be expected in any case to have a significant effect on the corresponding future financial statements.

2.5 Comparison of information

The information included in these notes to the financial statement referring to fiscal year 2013 is presented for the sole purpose of comparison with the information for 2014.

2.6 Aggregation of entries

In order to facilitate understanding, certain entries for the Balance Sheet, the Profit and Loss Statement, the Statement of Changes in Equity and the Statement of Cash Flows are grouped together. Disaggregated information is presented in the corresponding notes to the financial statements where this is significant.

2.7 Changes to accounting criteria

During 2014 there have been no changes in the accounting criteria with respect to those applied during the 2013 fiscal year.

2.8 Error correction

In the compilation of the accompanying financial statements, no significant error has been identified that would require restatement of the amounts included in the 2013 financial statements.

3. ALLOCATION OF PROFIT AND LOSS

The Ordinary Shareholders' Meeting approved the proposal for the distribution of profits for 2013 on 30 June 2014, without any changes with respect to that drawn up by the Company Directors.

The proposal for the distribution of profits for 2014, drawn up by the Enresa Directors, which will be submitted for approval to the Shareholders' Meeting, is as follows:

	Thousands of euros
DISTRIBUTION BASIS:	
Profit and loss	126
DISTRIBUTION:	
Dividends	126

As of 1987, and on the basis of the 1st General Radioactive Waste Plan approved by the Government on 16 October of that year, the calculation of the percentage share to be collected through electricity sales and the coefficient of the kilowatt-hour produced by nuclear power plants have included both present and future costs to be incurred by Enresa to cover its responsibilities, such as the annual remuneration of its shareholders. This remuneration is determined using a percentage equal to the average profitability obtained from the financial investments during the fiscal year, which in 2014 has amounted to 3.49% (3.27% in 2013). (Article 12 of Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding and Article 7 of Royal Decree 102/2014 of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste confirm this criterion.) For this reason, the Enresa Profit and Loss Statement should present a positive balance coinciding with the sum to be paid to the shareholders plus the regulatory obligations deriving from the transfer to the legal reserve.

4. REGISTRATION AND VALUATION STANDARDS

The main registration and valuation standards applied by the Company in drawing up its financial statements for the 2014 fiscal year, based on those established in the General Chart of Accounts, are as follows:

4.1 Intangible fixed assets (See note 5)

In each fiscal year, Enresa includes in its assets the expenditure on Research and Development carried out for new techniques in the management of the activities included in the General Radioactive Waste Plan.

Nevertheless, given the foreseeable discrepancy between the time at which the expense is incurred and the time at which these studies will materialise as a specific action or project, Enresa has decided to charge these costs in full against income at the end of each year.

The sum registered in 2014 for this item amounted to €3,445 thousand (€3,427 thousand in 2013), and was included under 'Depreciation of fixed assets' in the Profit and Loss Statement.

Computer applications are accounted for at cost of acquisition or production. They are subsequently valued at cost minus the corresponding cumulative depreciation and, if applicable, any impairment losses they may have experienced. This heading includes the sum paid for ownership of or the right to use computer programs, including those developed by the Company itself, depreciated at an annual rate of 25%. The charge to the Profit and Loss Statement in 2014 for the depreciation of computer applications amounted to €739 thousand (€761 thousand in 2013).

In addition, whenever there are signs of impairment of fixed assets (tangible, intangible or financial), the Company estimates the possible existence of loss of value reducing the recoverable value of these assets to a sum lower than their carrying value.

The recoverable amount is the fair value less costs to sell or the value in use, whichever is higher

4.2 Tangible fixed assets (See note 6)

Tangible fixed assets are presented at the cost of acquisition and subsequently reduced by the corresponding accumulated depreciation and impairment, where applicable.

The costs of upkeep and maintenance of the various items comprising tangible fixed assets are attributed to the Profit and Loss Statement for the fiscal year in which they are incurred. Costs of improvements that help increase the capacity or efficiency or extend the useful life of these assets are recorded as additional costs of these assets.

The Company capitalises personnel costs directly attributable to the construction of the Centralised Interim Storage Facility (CISF) to the amount of €674 thousand (€564 thousand in 2013).

The various entries in this section are depreciated using the straightline method, on the basis of the following estimated years of useful life:

	Estimated years of useful life
Buildings and other constructions	15 to 50
Technical facilities and machinery	10 to 30
Other facilities, equipment and furniture	10 to 25
Other tangible fixed assets	4 to 7

The charge to the Profit and Loss Statement in 2014 for depreciation of tangible fixed assets amounted to €11,550 thousand (€9,375 thousand in 2013).

4.3 Impairment of intangible and tangible fixed assets

At the close of each fiscal year (in the case of goodwill or intangible fixed assets having an indefinite useful life), or whenever there are signs of impairment (for other assets), the Company applies the test for impairment to estimate potential losses that reduce the recoverable value of these assets to an amount lower than their carrying value.

The recoverable amount is the fair value less costs to sell or the value in use, whichever is higher. On assessing the value in use, the projected cash flows are discounted at their current value using as a discount rate the weighted average cost of capital, which principally reflects the cost of the liabilities and their specific associated risks.

4.4 Operating Leases

The costs derived from operating lease agreements are charged to the Profit and Loss Statement in the fiscal year in which they are accrued.

Any charge or payment made when contracting an operating lease is treated as an advance collection or payment that is attributed to profit and loss over the term of the lease, for as long as the profits from the leased asset are transferred or received.

4.5 Financial instruments (See note 7)

4.5.1 Financial assets

Classification -

The financial assets held by the Company are classified in the following categories:

- **a) Loans and receivables:** financial assets arising from the sale of goods or the provision of services in the ordinary course of business, or those which, not having commercial substance, are not equity instruments or derivatives, and whose collections are fixed or determinable and are not traded in an active market.

- **b) Investments held to maturity:** debt securities, with a fixed maturity date and receivables of a specified amount, which are traded on an active market and which the Company declares its intention and capacity to hold until the date of their maturity.

These investments include fixed and variable rate bonds (indexed to inflation or interest rate) that have no embedded derivatives and hybrid financial assets whose embedded derivatives should not be separated.

- **c) Other financial assets at fair value through profit and loss:** this heading includes hybrid financial assets (structured bonds) whose embedded derivatives are to be separated, although since the Company cannot reliably determine the fair value of the embedded derivative to be separated, the entire hybrid financial asset is to be registered at fair value through profit and loss. Also included are the shares obtained as a consequence of the mandatory swap of part of the subordinated debt of Bankia which Enresa held in its portfolio.

➤ **d) Derivatives:** Enresa carries out GRWP management hedging transactions by means of interest swaps with some of the securities acquired. In compliance with Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding (repealed and replaced by Royal Decree 102/2014 of 21 February on the responsible and safe management of spent nuclear fuel and radioactive waste), all these swap agreements are directly associated with specific investment transactions, serving as a hedge for GRWP management against market risks and to conform with the financing model established in the General Radioactive Waste Plan.

Initial valuation

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

Subsequent valuation

Loans, receivables and investments held to maturity are valued at their repayment cost.

Specifically, and as regards valuation restatements relating to trade and other receivables, the Company's policy is to make the necessary provision to cover those balances uncertain to be recovered at the close of the fiscal year. As of 31 December 2014 and 2013, the Company maintained a provision to the amount of €147 and €66 thousand respectively.

Financial assets at fair value through profit and loss are valued at fair value, with the result of variations in this valuation registered in the Profit and Loss Statement. Derivative financial instruments are appraised at fair value, those with a positive fair value as of 31 December 2014 registered as financial assets.

The Company derecognises financial assets when their cash flow rights have expired or have been assigned, and the risks and rewards of ownership have been substantially transferred.

An impairment loss on financial assets appraised at depreciated cost is recognised when there is objective evidence that the Company will not be able to recover all amounts according to their original terms.

The amount of the impairment loss is recognised as expenditure in the income statement and is determined by the difference between the carrying value and the present value of future cash flows discounted at the effective interest rate. The carrying amount of the asset is reduced through an allowance account.

If in subsequent periods a financial asset measured at depreciated cost recovers its value, the impairment loss recognised will be reversed. This reversal will be limited to the carrying amount that the financial asset would have had if the impairment loss had not been registered. The record of the reversal is recognised in the Profit and Loss Statement for the year.

Current and non-current classification

In the attached Balance Sheet, assets and liabilities are classified on the basis of their contractual or predicted maturity. In this respect, current assets are those with a maturity equal to or shorter than twelve months and non-current assets are those with a longer maturity.

4.5.2 Financial liabilities

Financial liabilities are all debts payable by the Company which have arisen through the purchase of goods and services through corporate trade transactions, and also those without commercial substance which cannot be considered as derivative financial instruments.

Debits and payables are initially valued at the fair value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, these liabilities are valued in accordance with their amortised cost.

Derivative financial instruments are appraised at fair value, and those with a negative fair value as of 31 December 2014 are recorded as financial liabilities, applying the same criteria as those corresponding to financial assets at fair value with changes in the Profit and Loss Statement, as described in the previous section.

The Company writes off financial liabilities when their associated obligations have expired.

4.5.3 Equity instruments(see Note 8)

Capital instruments issued by the Company are registered as equity for the sum received, net of issue expenses.

4.6 Inventories

Inventories are valued at cost of acquisition or production, or realisable net value, whichever is least.

In assigning value to its inventories the Company uses the FIFO method.

The Company issues the appropriate valuation restatements, recognising them as expenditure in the Profit and Loss Statement, when the net realisable value of the inventories is lower than its cost of acquisition (or production).

4.7 Foreign currency transactions (See note 12.4)

The functional currency of the Company is the euro. Consequently, transactions in currencies other than the euro are considered foreign currency transactions and are registered according to the exchange rates in force as of the dates of transaction.

At the close of the fiscal year, monetary assets and liabilities in foreign currencies are converted by applying the

exchange rate in force on the date of the Balance Sheet. Any profits or losses are directly attributed to the Profit and Loss Statement for the fiscal year in which they occur.

4.8 4.8Corporate income tax (see note 11)

Corporate Income Tax expenditure or income comprises current tax expenditure or income and deferred tax expenditure or income.

Current tax is the amount payable by the Company as a result of the tax settlement on Corporate Income Tax for a given fiscal year. Deductions and other tax liability concessions, excluding withholdings and payments on account as well as losses from prior fiscal years effectively offset in this year, result in a reduction of current tax.

Deferred tax expenditure or income corresponds to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences identified as amounts expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax value, as well as negative taxable income pending offset and credits for unclaimed tax deductions. These amounts are registered applying the expected tax rate for recovery or settlement to the temporary difference or credit.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in transactions that affect neither accounting profit nor taxable profit and are not business combinations.

Likewise, deferred tax assets are only recognised to the extent to which it is likely that the Company will have future taxable profits available against which to realise them.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity accounts are also accounted for with an offsetting entry in shareholders' equity.

At the close of each accounting period, registered deferred tax assets are reassessed, and the appropriate adjustments are made if there is uncertainty as to their recoverability. Similarly, at each close, unregistered deferred tax assets are assessed to determine whether they should be recognised to the extent that future taxable profit will enable their recovery.

Additional Provision 7 of Law 40/1994 of 30 December regulating the National Electricity System, regarding the Fund for the financing of the back end of the nuclear fuel cycle, sets out that 'the sums collected via electricity tariffs, along with their associated financial yields, will be set aside for transfer to a provision, which will be considered a deductible item as regards Corporate Income Tax'. This regulation came into force in January 1995, as a result of which it affects only 1995 and subsequent fiscal years.

Prior to this law, Enresa paid Corporate Income Tax on the financial yield obtained from its securities portfolio. Transfers to the Fund for the financing of the back end of the nuclear fuel cycle relating to this yield were not tax deductible.

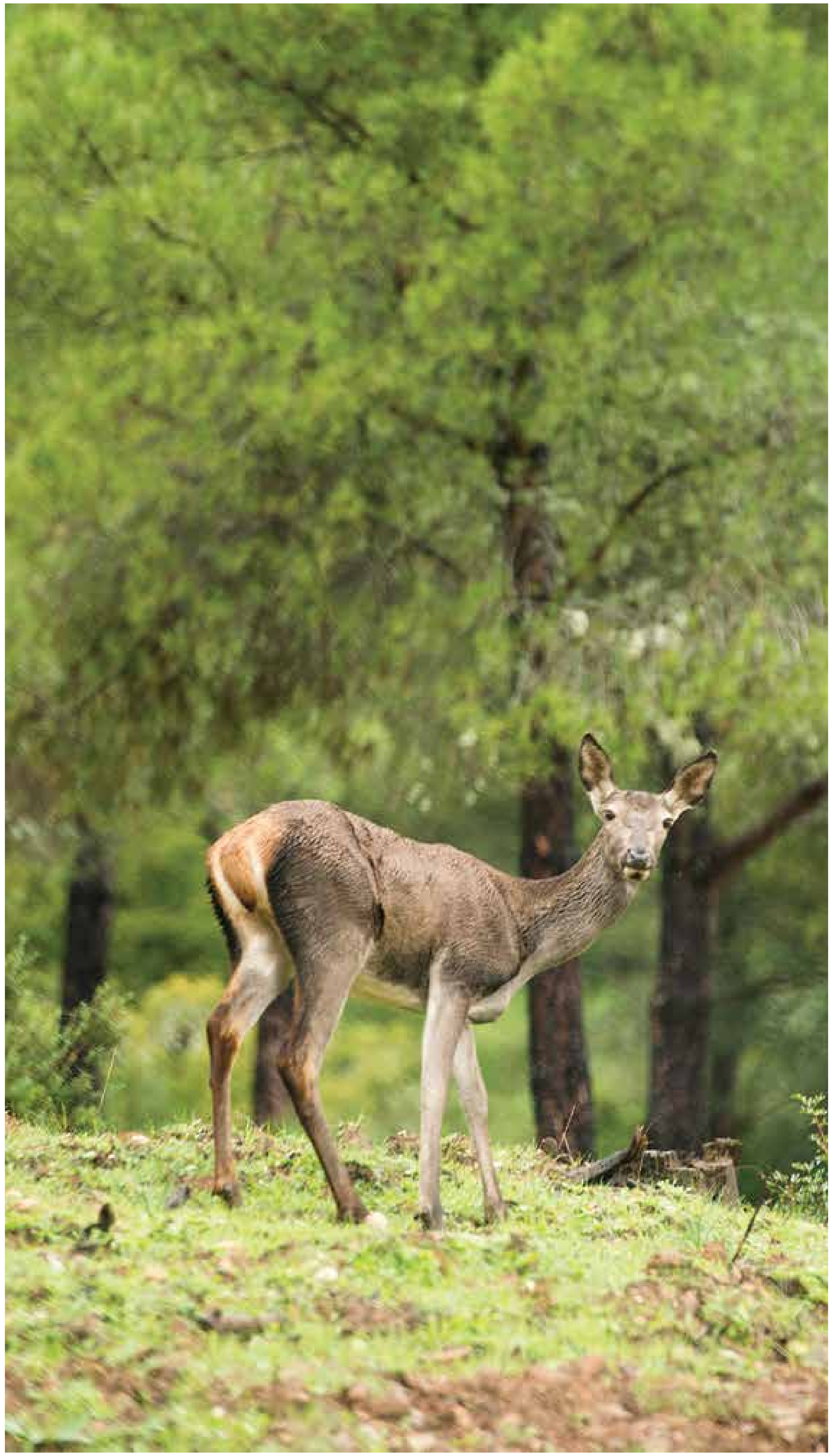
Furthermore, in Law 43/1995 of 27 December on Corporate Income Tax, Note 2.23 of the single derogating provision indicates that Additional Provision 7 of Law 40/1994 of 30 December on the National Electricity System, amongst others, will remain in force.

As from 1 January 1998, Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 December, regarding the Fund for the financing of the back end of the nuclear fuel cycle, also established that:

'The amounts collected via tariffs, tolls and prices, along with their associated financial yields, set aside to cover the costs of work corresponding to the back end of the nuclear fuel cycle and the management of the radioactive waste generated by the electricity industry, will be transferred to a provision, which will constitute a deductible item as regards Corporate Income Tax. The same treatment shall be applicable to other forms of financing the costs of radioactive waste management.

Amounts collected in the provision may only be invested in expenses, work, projects and fixed assets deriving from actions provisioned for in the General Radioactive Waste Plan approved by the Government.

The sums transferred to the provision referred to in this section will be considered diversification and guaranteed supply costs for the purposes of Article 16.6 of this Law.'



Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 December was modified by Additional Provision 14 of Law 24/2001 of 27 December on Tax, Administrative and Social Order Measures to read as follows:

'Additional Provision 6. Fund for the financing of activities included in the General Radioactive Waste Plan.

- ***1. The amounts collected via tariffs, tolls and prices, along with any other form of financing of the costs of work corresponding to the back end of the nuclear fuel cycle, the management of radioactive waste and the dismantling and decommissioning of facilities, including their associated financial yield, will be set aside for transfer to a provision, which will constitute a deductible item as regards Corporate Income Tax.***

Amounts collected in the provision mentioned above may only be invested in expenses, work, projects and fixed assets deriving from actions provisioned for in the General Radioactive Waste Plan approved by the Government.

- ***2. The following will be considered diversification and guaranteed supply costs for the purposes of Article 16.6 of this Law: amounts set aside for transfer to the provision relating to the back end of the nuclear fuel cycle and the management of radioactive waste generated in the production of electricity by nuclear means or arising from research activities that the Ministry of Economy determines to have been directly related to these activities, along with any other activities that might be specified by Royal Decree.'***

Law 11/2009 of 26 October regulating Public Limited Companies quoted on the Property Market, which entailed the amendment of Law 25/1964, the Nuclear Energy Act of 29 April, and Additional Provision 6 of Law 54/1997 and the repeal of Additional Provision 6 a of the Electricity Industry Act, confirmed this criterion for fiscal years as from 1 January 2010.

As a result of the above, and to the extent to which Enresa made provision transfers prior to 31 December 1995, and as regards the portion of this covered by financial yields liable for Corporate Income Tax, this portion will be considered a tax deductible expense, for which reason if there are insufficient taxable revenues the taxable income will be negative.

4.9 Income and expenditure (See note 12)

Income and expenses are stated on an accruals basis, i.e. when the actual goods and services flow occurs, regardless of when the associated financial or monetary flow takes place. This income is appraised at the fair value of the consideration received, after deducting discounts and taxes.

The Company recognises as income:

a) the fee on tolls, paid by the distributing electricity companies, in the month in which the distribution company invoices the commercial electricity company;

b) the fee on the nuclear kWh generated, in the month in which the energy is produced;- c) the nuclear fuel manufacturing fee, in the year in which the fuel is manufactured; d) the fee on other facilities (principally radioactive facilities), in the month in which the waste is removed.

Law 11/2009 of 26 October regulating Public Limited Companies quoted on the Property Market, which entailed the amendment of Law 25/1964, the Nuclear Energy Act of 29 April, and Additional Provision 6 of Law 54/1997, establishing the system of financing through fees, states that since this fee is for the provision of services, it will accrue VAT.

The Directorate General for Taxes established, by way of an opinion issued in 2010, that the VAT will accrue on the last day of the period for voluntary payment of the fee or before if this payment is made beforehand.

4.10 Provisions for pensions and similar obligations

Under the provisions of the collective workers' agreements for 2014, Enresa contributes to its workers' Pension Fund through an outsourced fund, contributing a fixed amount equal to that paid by the participating workers up to a maximum limit of €2.6 thousand per person per year. As of 31 December 2014, no provision for this has been registered as it is not permitted in accordance with Article 20. Bases and coordination of general planning of economic activity in terms of personnel expenditure in the public sector of Chapter I of Title III of Law 22/2013 of 23 December on the State Budget for 2014. The same occurred in 2013 in accordance with the provisions of Article 22. Bases and coordination of general planning of economic activity in terms of personnel expenditure in the public sector of Chapter I of Title III of Law 17/2012 of 27 December on the State Budget for 2013.

Consequently, no payments were made during 2014 and 2013.

Through a collective bargaining agreement, Enresa recognises a bonus for retirement or loyalty, consisting specifically of the right of all the employees to receive a certain amount according to their age at retirement.

Since 2002 the Company has outsourced this commitment by means of an insurance policy with the company Mapfre, using the most suitable assumptions: the projected credit method, the application of a 3% technical interest rate and the PERM/F 2000P actuarial tables.

In 2014, the sums insured agreed in the collective bargaining agreements were not updated, either for accounting purposes or the insurance policy, as this is not permitted in accordance with Article 20. Bases and coordination of general planning of economic activity in terms of personnel expenditure in the public sector of Chapter I of Title III of Law 22/2013 of 23 December on the State Budget for 2014, which states: 'Three. In fiscal year 2014, the administrations, entities and companies referred to in Section 1 of this article will not be able to make contributions to occupational pension plans or collective insurance policies which include cover for the contingency of retirement.' The same holds for 2013 on the basis of Article 22. Bases and coordination of general planning of economic activity in terms of personnel expenditure in the public sector of Chapter I of Title III of Law 17/2012 of 27 December on the State Budget for 2013, which states: 'Three. In fiscal year 2013, the administrations, entities and companies referred to in Section 1 of this article will not be able to make contributions to occupational pension plans or collective insurance policies which include cover for the contingency of retirement.'

Nevertheless, in 2014 there has been an expenditure of €35 thousand as a result of the difference between the assured sum, at the time of retirement, for workers who have benefited from this contingency during 2014 and the compensation provided for in the agreement. This expenditure has been registered in the 2014 Profit and Loss Statement, where the item is entered under the heading of 'Social security contributions'.

4.11 Provisions And Contingencies

In drawing up the financial statements, the Company Directors distinguish between:

- **a) Provisions:** payables that cover current obligations arising from past events, the cancellation of which is likely to require an outflow of funds, but where the amount and/or time of payment is unknown.

- **b) Contingent liabilities:** potential obligations that arise as a consequence of past events, whose materialisation is conditional upon the occurrence or non-occurrence of one or more future events, beyond the control of the Company.

The financial statements include all provisions for which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are reported in the notes to the financial statements if they are not considered remote.

The provisions are appraised at the current value of the best possible estimate of the sum required to redeem or transfer the obligation, taking into account the information available on the event and its consequences.

Offsetting to be received from a third party at the time of settling the obligation, providing there are no doubts that this reimbursement will be received, is recorded as an asset, unless there is a legal bind through which part of the risk is passed on, and by virtue of which the Company is not obliged to respond. In this situation, the offsetting will be taken into consideration in estimating the amount for which, if appropriate, the corresponding provision will be made.

In compliance with the provisions set out in Article 2.1 of the Royal Decree-Law 20/2012 of 13 July on measures to ensure budgetary stability and promote competitiveness, which for 2012 enforced suspension of the extraordinary payment for public sector personnel as defined in Article 22.1 of Law 2/2012 of 29 June on State General Budgets, including public corporations, the Company suspended payment of this remuneration to personnel in that year. Article 2.4 of this Royal Decree-Law states that the amounts derived from suspension of the extraordinary payment will be used in future years to make contributions to pension plans or collective insurance policies that include a retirement contingency, subject to the provisions set out in Organic Law 2/2012 on Budgetary Stability and Financial Sustainability, and under the terms and conditions and with the scope established in the corresponding budgetary laws.

At the current time, based on inquiries made to the General Intervention Board of the State Administration (Inquiry 3/2012) and the Accountancy and Audit Institute (ICAC Official Bulletin No. 92, December 2012), it is considered unlikely that a present obligation exists, and public corporations therefore do not have to make a provision for these contributions. The contingency arising from potential contributions to be made, in accordance with Article 2.4 of Royal Decree-Law 20/2012, must be reported in the notes to the financial statements.

Law 36/2014 of 26 December on the General State Budget for 2015, in Additional Provision 12 'Restoration of extraordinary and supplemental payment for December 2012 for personnel in the state public sector' established the restoration of 44 days of the extra pay corresponding to the month of December 2012, whose cost of €271 thousand has been accrued in the year 2014.

At the end of fiscal years 2014 and 2013, the estimate for this contingency amounted to €824 and €1,114 thousand respectively.

4.12 Fund for the financing of activities included in the General Radioactive Waste Plan (See note 9)

The purpose of this Fund is to cover present and future costs and expenditure arising from the development of the activities that constitute Enresa's corporate purpose.

The annual variation in the Fund is determined by the difference between the transfer to the Revenue Fund to cover future expenses, from which the profit recorded by Enresa is deducted, and the implementation of the Fund.

4.13 Allocations to councils

The Ministry of Industry and Energy Order of 13 July 1998 regulates the allocations to be paid by Enresa to town councils whose municipal territory includes or is located close to radioactive waste storage or disposal facilities or nuclear power plants storing spent fuel on site.

Enresa records the sum accrued annually in this respect as an expense for the year, applying the method of calculation established in this Ministerial Order. In 2014 the sum of €23,828 thousand was charged in this respect to the Profit and Loss Statement (€22,876 thousand in 2013).

4.14 Related party transactions (See note 13)

The Company carries out its related party transactions at market values, as a result of which the Company considers that there are no significant risks in this regard from which liabilities of importance might derive in the future.

5. INTANGIBLE FIXED ASSETS (SEE NOTE 4.1)

Account activity during 2014 and 2013 in the various statements of intangible fixed assets and their corresponding accumulated amortisation is reflected in the following table:

FISCAL YEAR 2014					Thousands of euros
	Balance 01/01/14	Additions or allocations	Transfers	Release, removals or reductions	Balance 31/12/14
COSTS:					
Research and development	3,427	3,445	-	(3,427)	3,445
Concessions, patents, licences, trademarks and similar items	3,123	-	-	-	3,123
Computer applications	14,839	46	28	-	14,913
Computer applications in development	10	18	(28)	-	-
Total	**21,399**	**3,509**	**-**	**(3,427)**	**21,481**
AMORTISATIONS:					
Research and development	(3,427)	(3,445)	-	3,427	(3,445)
Concessions, patents, licences, trademarks and similar item	(3,123)	-	-	-	(3,123)
Computer applications	(13,350)	(739)	-	-	(14,089)
Total	**(19,900)**	**(4,184)**	**-**	**3,427**	**(20,657)**
TOTAL NET COST	**1,499**	**(675)**	**-**	**-**	**824**

EJERCICIO 2013					Thousands of euros
	Balance 01/01/13	Additions or allocations	Transfers	Release, removals or reductions	Balance 31/12/13
COSTS:					
Research and development	3,433	3,427	-	(3,433)	3,427
Concessions, patents, licences, trademarks and similar items	3,123	-	-	-	3,123
Computer applications	14,759	37	43	-	14,839
Computer applications in development	-	53	(43)	-	10
Total	**21,315**	**3,517**	**-**	**(3,433)**	**21,399**
AMORTISATIONS:					
Research and development	(3,433)	(3,427)	-	3,433	(3,427)
Concessions, patents, licences, trademarks and similar item	(3,123)	-	-	-	(3,123)
Computer applications	(12,589)	(761)	-	-	(13,350)
Total	**(19,145)**	**(4,188)**	**-**	**3,433**	**(19,900)**
TOTAL NET COST	**2,170**	**(671)**	**-**	**-**	**1,499**

During 2014 and 2013, Enresa has continued to participate in European Research and Development programmes, and specifically in the European Union Shared Cost Programme, which finances both Enresa and its contractors. Enresa registers the funds received from the EU for the financing of its R&D projects as operating income for the fiscal year, having received the sum of €31 thousand in this respect in 2014 (€78 thousand in 2013).

The sum of the items fully amortised on the Balance Sheet as of 31 December 2014 and 2013 amounted to €18,509 thousand and €18,473 thousand respectively, as detailed in the following table:

	In thousands of euros Carrying value (gross)	
ITEM	2014	2013
Research and development	3,445	3,427
Concessions, patents, licences, trademarks and similar items	3,123	3,123
Computer applications	11,941	11,923
TOTAL	**18,509**	**18,473**

6. TANGIBLE FIXED ASSETS (SEE NOTE 4.2)

Account activity during 2014 and 2013 in the various statements of tangible fixed assets and their corresponding accumulated depreciation is reflected in the following table:

FISCAL YEAR 2014					Thousands of euros
	Balance 01/01/14	Additions or allocations	Transfers	Release, removals or reductions	Balance 31/12/14
COSTS:					
Land and buildings	40,964	1	-	-	40,965
Technical facilities and other tangible fixed assets	253,805	468	12,609	(302)	266,580
Fixed assets under construction and advances	43,451	33,539	(12,609)	-	64,381
Total	**338,220**	**34,008**	**-**	**(302)**	**371,926**
DEPRECIATIONS:					
Land and buildings	(24,018)	(546)	-	-	(24,564)
Technical facilities and other tangible fixed assets	(123,150)	(11,004)	-	292	(133,862)
Total	**(147,168)**	**(11,550)**	**-**	**292**	**(158,426)**
TOTAL NET COST	**191,052**	**22,458**	**-**	**(10)**	**213,500**

FISCAL YEAR 2013					Thousands of euros
	Balance 01/01/13	Additions or allocations	Transfers	Release, removals or reductions	Balance 31/12/13
COSTS:					
Land and buildings	40,635	314	15	-	40,964
Technical facilities and other tangible fixed assets	227,154	891	25,789	(29)	253,805
Fixed assets under construction and advances	48,011	22,144	(25,804)	(899)	43,451
Total	**315,800**	**23,349**	**-**	**(929)**	**338,220**
AMORTIZACIONES:					
Land and buildings	(23,472)	(546)	-	-	(24,018)
Technical facilities and other tangible fixed assets	(114,350)	(8,829)	-	29	(123,150)
Total	**(137,822)**	**(9,375)**	**-**	**29**	**(147,168)**
TOTAL NET COST	**177,978**	**13,974**	**-**	**(900)**	**191,052**

During 2014 investments have been made in new fixed assets to the amount of €34,008 thousand (€23,349 thousand in 2013), the most significant relating to the manufacturing of metallic casks for the storage facility at Trillo nuclear power plant, at a cost of €5,567 thousand (€4,726 thousand in 2013), the spent fuel storage system at the José Cabrera plant, to the sum of €299 thousand (€194 thousand in 2013), the new facilities at the El Cabril Centralised Disposal Facility, to the amount of €1,787 thousand (€866 thousand in 2013), the Centralised Interim Storage Facility, at a cost of €23,592 thousand (€11,619 thousand in 2013) and the manufacture of metallic casks for the Garoña nuclear power plant, at a cost of €1,326 thousand (€5,413 thousand in 2013) and the manufacture of a heavy goods vehicle for transporting spent fuel for the Ascó nuclear power plant storage facility at a cost of €1,006 thousand (€247 thousand in 2013).

As of 31 December 2014 and 2013, there is no provision for impairment of tangible fixed assets.

Company policy is to contract insurance policies to cover the potential risks to which the various items of its tangible fixed assets are subject.

The sum of the items fully depreciated on the Balance Sheet as of 31 December 2014 and 2013 amounted to €17,309 thousand and €16,792 thousand respectively, as detailed below:

	In thousands of euros Carrying value (gross)	
Item	**2014**	**2013**
Buildings	3,584	3,584
Technical facilities and other tangible fixed assets	13,725	13,208
TOTAL	**17,309**	**16,792**

At the close of fiscal years 2014 and 2013, the Company had no items of tangible fixed assets subject to guarantees or firm purchasing commitments.

7. FINANCIAL INVESTMENTS (SEE NOTE 4.2)

The financial instruments in force as of 31 December 2014 and 2013 are as follows:

7.1 Securities portfolio

In compliance with the requirements of the General Chart of Accounts, the Company classifies its financial assets as 'Investments held to maturity' and 'Other assets at fair value through profit and loss'. In the case of the latter, however, all acquisitions of financial assets are carried out with the intention and capacity of holding them to maturity. These assets were purchased to be valued throughout

their lifetime at cost of acquisition, their appraisal at fair value having ensued as a result of the entry into force of the General Chart of Accounts approved by Royal Decree 1514/2007.

The Securities Portfolio as a whole is managed with the aim of optimising the financing model for the management of radioactive waste in Spain pursuant to the General Radioactive Waste Plans, which sets out a long term horizon without partial divestitures, and a yield objective in real terms.

The valuation criterion for the Securities Portfolio, except for the assets recorded at fair value through profit and loss, is that of amortised cost with financial accrual of interest and not the market value, since the amortised cost is the criterion that best enables optimisation of the model.

For the presentation of these Notes, long term and short term financial investments have been aggregated in order to give a global view.

As of 31 December 2014 and 2013, Enresa holds the following financial assets in its Securities Portfolio:

CLASS	Face value as of 31-12-2014	Carrying value as of 31-12-2014	Face value as of 31-12-2014	Carrying value as of 31-12-2014
				Thousands of euros
Investments held to maturity	3,980,678	3,649,588	3,624,487	3,334,949
Other financial assets at fair value through profit and loss	254,700	278,541	260,755	268,866
TOTALS	**4,235,378**	**3,928,129**	**3,885,242**	**3,603,815**

From a management point of view, the Company categorises the Securities Portfolio into various classes of assets:

- **a) Government Debt:** comprising Spanish Public Debt, specifically Spanish Treasury Bonds, Treasury principal and coupon strips, short term repos and Treasury bills whose underlying instrument is Spanish Public Debt. The amounts of the carrying value and the face value of this class total €1,430,750 and €1,852,914 thousand respectively in 2014 (€1,047,861 and €1,424,629 thousand in 2013).

- **b) Other Public Debt:** comprising financial assets issued by state agencies, supranational organisations and the autonomous regions, as well as the public debt of other countries. The amounts of the carrying value and the face value of this class total €1,209,523 and €1,236,535 thousand respectively in 2014 (€1,138,732 and €1,126,075 thousand in 2013).

- **c) Other Debentures and Bonds:** comprising a variety of financial assets of different types issued by various bodies from different sectors, both national and international. The amounts of the carrying value and the face value of this class total €1,029,611 and €887,603 thousand respectively in 2014 (€1,029,062 and €947,603 thousand in 2012).

- **d) Other short-term assets:** comprising financial assets, deposits and other items, issued by financial entities. The amounts of the carrying value and the face value of this class total €258,245 and €258,326 thousand respectively in 2014 (€380,688 and €380,880 thousand in 2013).

- **e) Shares:** At the end of 2013, this comprised the shares obtained as a result of the Cajamadrid mandatory subordinated debt swap. These shares were sold in 2014, leaving no shares of any kind in the portfolio as of 31 December 2014. The amounts of the carrying value and the face value of this class totalled €7,472 and €6,055 thousand in 2013.

As of 31 December 2014 and 2013, the breakdown by maturities of items included under the heading 'Securities Portfolio' is as follows:

FISCAL YEAR 2014 — Thousands of euros

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
Investments held to maturity	752,201	1,628,553	1,054,511	453,403	92,010	3,980,678
Other financial assets at fair value through profit and loss	139,700	115,000	-	-	-	254,700
TOTALS	**891,901**	**1,743,553**	**1,054,511**	**453,403**	**92,010**	**4,235,378**

FISCAL YEAR 2013 — Thousands of euros

CLASS / Item	less than 5 years	between 5and 10 years	between 10 and 15 years	between 15 and 20 years	more than 20 years	TOTAL
Investments held to maturity	827,230	1,139,125	993,198	624,968	39,966	3,624,487
Other financial assets at fair value through profit and loss	139,700	115,000	-	-	6,055	260,755
TOTALS	**966,930**	**1,254,125**	**993,198**	**624,968**	**46,021**	**3,885,242**

During 2014, various assets have reached maturity or have been redeemed for a face value amount of €131,055 thousand (€135,505 thousand in 2013).

For net profits and losses from the various categories of financial instruments defined in Registration and Valuation Standard No. 9, see Note 12.5.

With regard to financial assets at fair value through profit and loss we hold:

FISCAL YEAR 2014 — Thousands of euros

CLASS	Face value 31-12-2014	Carrying value 31-12-2014	2014 Change in fair value	Cumulative Change in fair value
Other financial assets at fair value through profit and loss	254,700	278,541	17,865	22,867
TOTALES	**254,700**	**278,541**	**17,865**	**22,867**

FISCAL YEAR 2013 — Thousands of euros

CLASS	Face value 31-12-2013	Carrying value 31-12-2013	2013 Change in fair value	Cumulative Change in fair value
Other financial assets at fair value through profit and loss	260,755	268,866	43,441	5,002
TOTALES	**260,755**	**268,866**	**43,441**	**5,002**

During 2013, a share swap took place, applying a debt reduction of 45.7% on the face value of €50,000 thousand, converting subordinated debt into a senior bond with the same maturity, at a fixed simple interest rate of 2%. The loss of this investment attributed to the year 2013 amounted to €17,266 thousand, with €5,584 thousand attributed to the year 2012, although Enresa has offset this loss by cashing all coupons up to the swap, which has resulted greater than the loss.

Beside the bond mentioned, the Company, as approved by the Board of Directors and the Fund Monitoring and Control Committee, swapped two subordinated bonds of lesser value, which were valued as of 31 December 2012 at fair value, for Bankia shares with a swap price of 1.35266 of face value.

The Company designated the shares from the swap under the category 'Other financial assets at fair value through profit and loss', to benefit from the provisions in Valuation Standard no. 9.2.4.b. The change in fair value, therefore, from the time of purchase until the end of fiscal year 2013 was attributed to the Profit and Loss Statement to the amount of €719 thousand, an amount which has been completely recovered in 2014 with the sale of the shares at a unit value higher than €1.51/share. This made a profit of €960 thousand, which has been registered under the heading 'Profit or loss from decrease in value and disposals of financial instruments' in the Profit and Loss Statement.

For 2014, the Company has estimated that there is no impairment of any of the financial instruments, either at amortised cost or at fair value, and considers that there are no reasonable uncertainties as to the capacity of the issuers to repay the assets, given their adequate credit rating, in accordance with the Company's investment policy.

Derivatives contracted by the Company cannot be designed as accounting hedging instruments, in accordance with the accounting standards in force.

It is for this reason that these financial derivatives have been registered at fair value as financial assets or liabilities, any changes in this respect being accounted for in the Profit and Loss Statement.

The breakdown by maturities of items included under the heading 'Derivatives' is as follows:

Fiscal year 2014					Thousands of euros (Notional amount)
CLASS / Item	less than 5 years	between 5and 10 years	between 10 and 15 years	between 15 and 20 years	TOTAL
Derivatives	250,500	215,002	120,000	-	585,502
TOTALS	**250,500**	**215,002**	**120,000**	**-**	**585,502**

7.2 Derivatives

All derivatives held by the Company are contracted with national and international financial entities with adequate credit rating and consist of swaps between fixed or variable rates for a variable interest rate, inflation or stock market index performance that enables them to achieve the desired yields and management objectives.

As of 31 December 2014 and 2013, Enresa holds the following financial assets and liabilities as a result of the financial derivatives contracted by the Company for the purpose of hedging against market risks and conforming with the financing model established in the General Radioactive Waste Plan:

				Thousands of euros
	2014		2013	
CLASS / Item	Notional amount	Fair Value	Notional amount	Fair Value
	as of 31-12-2014		as of 31-12-2013	
Financial derivatives (assets)	315,502	27,018	205,500	25,787
Financial derivatives (liabilities)	270,000	(98,434)	443,177	(106,601)
TOTALS	**585,502**	**(71,416)**	**648,677**	**(80,814)**

Fiscal year 2013					Thousands of euros (Notional amount)
CLASS / Item	less than 5 years	between 5and 10 years	between 10 and 15 years	between 15 and 20 years	TOTAL
Derivatives	260,500	118,175	150,002	120,000	648,677
TOTALS	**260,500**	**118,175**	**150,002**	**120,000**	**648,677**

In 2014, derivatives with a notional value of €63,175 thousand were amortised or derecognised (€28,400 thousand in 2013).

For net profits and losses from the various categories of financial instruments defined in Registration and Valuation Standard No. 9, see Note 12.5.

For calculation of the fair value of these financial instruments, the Company has taken as a reference the fair value calculated by means of valuation mechanisms for discounts on future flows and options. The market inputs used have been the curves for interest, inflation, implicit interest rate volatilities and equity securities.

From 1 January 2013, the Company has incorporated a bilateral credit risk adjustment in order to reflect both their own and the counterparty risk in the fair value of derivatives.

To determine the credit risk adjustment, the Company has applied a technique based on the calculation through simulations of expected total exposure (incorporating both current and potential exposure) adjusted for the probability of default over time and severity (or potential loss) assigned to the Company and each of the counterparties.

As of 31 December 2014, the inclusion of credit risk in determining the fair value of derivatives has meant a decrease in the valuation of derivatives of €7,196 thousand (€5,768 thousand in 2013).

The Company has estimated that there is no impairment of any of the financial derivative assets (with a positive fair value for the Company), and considers that there are no reasonable uncertainties as to the capacity of the issuers to repay the assets, given their adequate credit rating, in accordance with the Company's investment policy.

7.3 Trade receivables

The amount registered under the heading of Trade and other receivables principally takes into account the sum pending collection for the kilowatts generated monthly by the nuclear power plants and corresponding to the fees collected through the State Tax Administration, which will be transferred to Enresa from the Exchequer at such time that 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

The management of financial risks at Enresa conforms to the demands and requirements of the legal regulations in force, which establish that the basic principles of Enresa's financial management will be security, profitability and liquidity. It also conforms to the GRWP, which defines the financial model to be used for the management of radioactive waste in Spain. Lastly, it complies with the general principles of management of the Fund for the financing of activities included in the GRWP emitted by the corresponding Monitoring and Control Committee.

➤ **a) Credit risk:**

Enresa complies with the guidelines on diversification and credit level established by the Monitoring and Control Committee by virtue of the powers of development of general investment criteria bestowed on it by the legislation in force.

In addition, Enresa assigns lines of concentration between its investments and counterparties, based on analysis of financial solvency, further increasing the soundness of the guidelines issued by the Committee.

➤ **b) Market risk:**

The portfolio of temporary financial investments managed by Enresa is required to achieve a given minimum actual interest rate, established by the financing model for radioactive waste management in Spain, as approved by the Government in the General Radioactive Waste Plans. Consequently, and to extent that the financial markets allow, Enresa concentrates its investments in fixed rate financial instruments indexed to Spanish inflation plus a spread higher than the actual interest rate. The remainder of its investments are diversified amongst the fixed rate alternatives offered by the financial markets, the established objective in all cases being the expectation of exceeding the actual interest rate.

➤ **c) Liquidity risk:**

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic and financial planning approved by the Government in the General Radioactive Waste Plans. Given the broad timescale of current planning, financial investments are predominantly very long term, provided that the situation of the financial markets allow and warrant this and in the absence in the short and medium term of special liquidity needs. Nevertheless, long-term financial investments in the Portfolio are made predominantly in completely liquid financial products

7.4.2. Quantitative information

Data calculated on the face value of the Portfolio to 31 December 2014 and 2013:

➤ **a) Credit risk:**

The percentages of financial assets by type of sector to which they belong are as follows:

				Thousands of euros
	2014		2013	
	Face value	%	Face value	%
Public sector	3,089,449	72.95%	2,550,704	65.65%
Financial entities	930,676	21.97%	1,119,284	28.81%
Energy	161,000	3.80%	161,000	4.14%
Communications and transport	54,253	1.28%	54,254	1.40%
TOTALS	**4,235,378**	**100.00%**	**3,885,242**	**100.00%**

➤ **b) Return risk:** the percentages of financial assets by type of yield obtained are as follows:

		% of face value
Financial Assets	**2014**	**2013**
Percentage of financial assets at interest rate	51.99%	52.53%
Percentage of financial assets indexed to inflation	43.26%	42.14%
Percentage of financial assets linked to variable income indexes with secured capital	4.75%	5.17%
Percentage of financial assets linked to variable income	-	0.16%

➤ **c) Foreign Exchange Risk:** the percentages of financial assets denominated in currencies other than the euro are:

		% of face value
	2014	**2013**
Percentage of financial assets in USD	0.47%	0.51%
Percentage of financial assets in GBP	0.71%	0.77%
TOTALS (IN FOREIGN CURRENCY)	**1.18%**	**1.28%**

All financial assets denominated in foreign currencies are covered by exchange rate financial derivatives, as a result of which the Company is not exposed to exchange rate risks.

7.5 Fair value of financial instruments: valuation mechanisms and assumptions for measuring fair value

The fair values of financial assets and liabilities are determined as follows:

- **The fair value of financial assets and liabilities** with standard terms and conditions that are traded on active and liquid markets is determined with reference to quoted market prices.

- **The fair value of other financial assets and liabilities** (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable market transactions and dealer quotations for similar instruments.

The following table provides an analysis of financial instruments subsequently measured, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- **Level 1:** those indexed to quoted prices (without adjustment) in active markets for identical assets or liabilities.

- **Level 2:** those indexed to other observable inputs for the asset or liability (other than the quoted prices included in Level 1), either directly (i.e. prices) or indirectly (i.e. derived from prices).

- **Level 3:** those indexed to valuation mechanisms that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fiscal year 2014			Thousands of euros
	Level 1	Level 2	Level 3	Total
Assets - derivative financial instruments	---	305,559	---	305,559
Liabilities - derivative financial instruments	---	(98,434)	---	(98,434)

	Fiscal year 2013			Thousands of euros
	Level 1	Level 2	Level 3	Total
Assets - derivative financial instruments	7,472	287,181	---	294,653
Liabilities - derivative financial instruments	---	(106,601)	---	(106,601)

8. EQUITY AND SHAREHOLDER EQUITY

8.1 Share Capital

On 22 May 2001, the Enresa Board of Directors approved the redenomination of the share capital figure in euros. To this end, the Board agreed to a reduction of share capital of €72.63 through the creation of the corresponding restricted reserve. The share capital of the Company is thus represented by 60,000 shares with an individual face value of €60.10, fully subscribed and disbursed.

As of 31 December 2014 and 2013, the details of the Enresa shareholders are as follows:

Shareholders	Percentage of Interest	Thousands of euros
Centre for Energy-related, Environmental and Technological Research (Ciemat)	80%	2,885
State Industrial Holdings Corporation (SEPI)	20%	721
TOTALS	**100%**	**3,606**

8.2 Reserves

In accordance with the Companies Act, public limited companies are required to pay a sum equal to 10% of the profits for the year into a statutory reserve, until this reaches at least 20% of the share capital. The statutory reserve may be used to increase capital where the balance exceeds 10% of the capital already increased. Except for the purpose mentioned above, and whilst it does not exceed 20% of the share capital, this reserve will only be available for offsetting losses and only when are no other available reserves sufficient for this purpose.

As of close of the 2014 fiscal year, this reserve was fully established.

9. FUND FOR THE FINANCING OF ACTIVITIES INCLUDED IN THE GENERAL RADIOACTIVE WASTE PLAN (VÉASE NOTA 4.12)

Fund activity during the 2014 and 2013 fiscal years has been as follows:

	Thousands of euros	
	2014	2013
Balance as of 1 January	3,860,849	3,549,794
Application in fiscal year	(180,337)	(259,192)
Transfer in fiscal year	574,117	570,247
BALANCE AS OF 31 DECEMBER	**4,254,629**	**3,860,849**

10. PAYABLES

10.1 Information on payment deferrals to suppliers

In accordance with the provisions of Law 15/2010 of 5 July, amending Law 3/2004 of 29 December, subsequently amended by Law 31/2014, on combating late payment in commercial transactions, brought into force by the Resolution of 29 December of the Accountancy and Audit Institute (ICAC) on the information to be included in the financial statement with relation to the average payment period for suppliers in commercial transactions, the information on payment deferral to suppliers in commercial operations is set out below

Payments made and pending payment at the close of the fiscal year	2014 (Thousands of euros) Amount	%
Carried out within the maximum legal deadline	127,136	97
Remaining payments	4,413	3
TOTAL PAYMENTS FOR THE YEAR	**131,549**	**100**
Weighted average days past due	64	
Deferrals which at the date of close exceed the maximum legal deadline	401	

Total payments	2014	
	Amount	Overall average term
Payments made during the year	131,549	32

Payments made and pending payment at the close of the fiscal year	2013 (Thousands of euros) Amount	Amount
Carried out within the maximum legal deadline	156,279	95
Remaining payments	7,438	5
TOTAL PAYMENTS FOR THE YEAR	**163.717**	**100**
Weighted average days past due	74	
Deferrals which at the date of close exceed the maximum legal deadline	187	

Total payments	2013	
	Amount	Overall average term
Payments made during the year	163,717	34

The figures presented in the table above on payments to suppliers refer to those which are by their nature trade payables through debts to suppliers of goods and services. Therefore they include figures relating to the entries for 'Suppliers' and 'Sundry creditors' under current liabilities on the Balance Sheet.

Weighted average days past due have been calculated as the quotient formed by dividing the summation of the products of each payment to suppliers made during the year with a deferral in excess of the respective legal payment deadline and the number of deferred days exceeded with regard to this deadline by the overall amount of payments made during the year with a deferral in excess of the legal payment deadline.

11. PUBLIC ADMINISTRATIONS AND FISCAL STATUS

(SEE NOTE 4.8)

11.1 Current Balances With Public Administrations

The composition of current balances with Public Administrations as of 31 December 2014 and 2013 is as follows:

	Thousands of euros			
	2014		2013	
Item	Receivables	Payables	Receivables	Payables
Public Treasury, Corporate Tax	2,144	-	2,397	-
Public Treasury, Tax Withholdings	-	759	-	808
Public Treasury, Value Added Tax	21	1,777	258	1,704
Social Security entities	-	385	-	384
Public Treasury, Non-resident Tax	-	-	-	40
Environmental Levy	-	1,800	-	2,017
TOTAL	**2,165**	**4,721**	**2,655**	**4,953**

11.2 Reconciliation of reported profits and taxable income

The reconciliation of reported profits and the amount subject to Corporate Income Tax for 2014 and 2013 is as follows:

Fiscal Year 2014			Tousands of euros
Item	Increases	Decreases	Balance
Reported profit for the fiscal year			126
Permanent differences (not including Corporate Income Tax)	189	(2,658)	(2,469)
Temporary differences	4,720	-	4,720
Offset of negative taxable income	-	(594)	(594)
TAXABLE INCOME			**1,783**
Gross tax liability (30%)			535
Deductions for investments			(330)
Net tax liability			205
Withholdings made			(713)
NET AMOUNT PAYABLE OR REFUNDABLE			**(508)**

FISCAL YEAR 2014			Tousands of euros
Item	**Increases**	**Decreases**	**Balance**
Reported profit for the fiscal year			118
Permanent differences (not including Corporate Income Tax)	2,965	(4,481)	(1,516)
Temporary differences	4,069	-	4,069
Offset of negative taxable income	-	(668)	(668)
TAXABLE INCOME			**2,003**
Gross tax liability (30%)			601
Deductions for investment			(371)
Net tax liability			230
Withholdings made			(1,636)
NET AMOUNT PAYABLE OR REFUNDABLE			**(1,406)**

The increases in the permanent differencevs for fiscal years 2014 and 2013 correspond fundamentally to expenditure on non-deductible donations.

The decreases in the permanent differences for fiscal years 2014 and 2013 correspond fundamentally to the reversal of the waste management provision, confirmed through consultations with the Directorate General for Taxes in 1997, because this payment does not count towards determining taxable income, due to the part corresponding proportionately to the provision not deducted during the tax period in which it was transferred.

In view of the volume of the negative tax income pending application by the Company, and the fact that the forecast recovery period is longer than 10 years, the applied provision has been considered a permanent difference.

With respect to temporary differences recorded in fiscal year 2014, under Article 7 of Law 16/2012 of 27 December implementing taxation measures aimed at consolidating public finances and stimulating economic activity, a limitation of 70% is established on deductions for depreciation and amortisation with respect to items of tangible and intangible fixed assets on income liable for Corporate Income Tax.

The amount of depreciation and amortisation not deducted in this period according to the established limit will be deducted linearly over a period of 10 years or optionally over the useful life of the asset, from the first tax period beginning in 2015.

11.3 Reconciliation of book income to corporate income tax expenditure

Reconciliation of book income to corporate income tax expenditure is as follows:

		Tousands of euros
Item	**2014**	**2013**
Reported profit before tax	126	118
Permanent differences	(2,469)	(1,516)
Tax liability at 30%	(703)	(419)
Impact of temporary differences	1,415	1,221
Deductions:		
For double taxation	-	-
For reinvesting profits	-	-
Deductions for investments	(330)	(371)
Offset of negative taxable income	(177)	(200)
Current Corporate Income Tax expenditure	205	231
Deferred Corporate Income Tax expenditure	(1,194)	(1,221)
Negative adjustments for deferred Corporate Income Tax	191	-
Adjustment for the previous year's Corporate Income Tax assessment	(230)	139
TOTAL TAX EXPENDITURE RECOGNISED IN THE PROFIT AND LOSS STATEMENT	**(1,028)**	**(851)**

11.4 Registered deferred tax assets

The breakdown of this account at the close of 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Temporary differences:		
Depreciation of fixed assets	2,224	1,221
Total deferred tax assets	**2,224**	**1,221**

Deferred tax assets occur as a consequence of temporary differences arising from the different allocation criteria for fixed asset accounting and taxation.

The deferred tax assets indicated above have been registered in the Balance Sheet because the Company Directors, according to the best estimates of future Company profits, consider it probable that these assets will be recovered.

The amount for deferred tax assets for the year 2014 has been adjusted to the tax rates at which the deduction will be recovered. These rates were modified in 2014 by the new Law on Corporate Income Tax and are 28% for 2015 and 25% for 2016 and subsequent years.

11.5 Non-registered deferred tax assetss

The Company has not registered certain deferred tax assets in the accompanying Balance Sheet, since it considers that future positive taxable incomes allowing them to be recovered are unlikely to be generated.

These non-registered assets are detailed below:

➤ **Negative taxable income:**

As of 31 December 2014, the Company had negative taxable income pending offsetting to the sum of €257,214 thousand (€257,141 thousand as of 31 December 2013), broken down as follows:

Year	Taxable Income 2014	Taxable Income 2013
1997	21,102	21,029
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
TOTAL	257,214	257,141

➤ **Deductions:**

As of 31 December 2014 and 2013, the Company has tax incentives pending deduction to the sum of €31,448 thousand and €29,041 thousand respectively, mainly corresponding to Research and Development expenditure, as detailed below:

Year of origin	Amount 2014	Amount 2013	Maturity
1997	1,817	-	2015
1998	2,120	1,921	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	1,995	2,458	2021
2004	1,401	1,464	2022
2005	2,055	2,055	2023
2006	2,048	2,048	2024
2007	1,674	1,674	2025
2008	1,343	1,343	2026
2009	1,299	1,299	2027
2010	1,717	1,717	2028
2011	1,840	1,840	2029
2012	1,618	1,618	2030
2013	1,880	1,880	2031
2014	917	-	2032
TOTAL	31.448	29.041	

11.6 Other fiscal information

The Company has outstanding credit for the amount corresponding to the provisional assessment of Corporate Income Tax for 2014 and the definitive assessment for 2013, originating mainly from withholdings for returns on investments. This amount totals €2,144 thousand (€2,397 thousand in 2013).

Since Corporate Income Tax for 2014 has not been assessed to date, the figures may undergo some variation and are therefore considered to be provisional as regards assessment of this tax.

Under current legislation, taxes cannot be considered definitively settled until the returns have been inspected by the tax authorities or the limitation period of four years has elapsed. At the date of preparation of these financial statements, the Company had the following taxes and accounting periods under review by tax authorities:

Corporate Income Tax	2010 to 2013
Value Added Tax	2011 to 2014
Personal Income Tax	2011 to 2014

The Company considers that these tax assessments have been correctly carried out, and as a result, even in the event of any discrepancies arising in the interpretation of the current regulations governing taxation on transactions, any subsequent liabilities would not have a significant effect on the accompanying financial statements.

12. INCOME AND EXPENDITURE

(SEE NOTE 4.9)

12.1 Net revenues

The distribution of net revenues corresponding to the ordinary activity of the Company in 2014 and 2013 is as follows:

	Thousands of euros	
By activities	**2014**	**2013**
Electricity tariff revenue (CNE)	1	(3)
Invoicing to electricity companies (tolls) Tax form 681	138	136
Invoicing to electricity companies (Kwh/nuclear) Tax form 682	385,868	381,386
Invoicing for manufacture of nuclear fuel. Tax form 683	497	509
nvoicing to radioactive facilities. Tax form 684	413	264
Invoicing for management of dismantling	12	-
TOTAL REVENUE FOR ACTIVITIES	**386,929**	**382,292**

All revenues are domestic.

12.2 Other operating income

The distribution of other operating income corresponding to the ordinary activity of the Company in 2014 and 2013 is as follows:

	Tousands of euros	
By items	2014	2013
Funding from the European Union for Research and Development (Note 5)	31	78
Provision of services for technical assistance in international projects	244	459
Operating subsidy and reimbursement from agencies	4	11
Management income (bonuses, training, travel, etc.)	44	22
Estratos journal and other income	106	145
TOTAL OF OTHER OPERATING INCOME	**429**	**715**

12.3 Social security contributions

The balance of the heading ‘Social Security contributions’, as shown in the accompanying Profit and Loss Statement for fiscal years 2014 and 2013, is made up as follows:

	Thousands of euros	
By items	2014	2013
Social Security contributions payable by the Company	4,421	4,074
Other welfare expenditure	1,611	1,504
TOTAL SOCIAL SECURITY CONTRIBUTIONS	**6,032**	**5,578**

12.4 Foreign currency transactions (See note 4.7)

During the 2014 and 2013 fiscal years the Company has carried out transactions in currencies other than the euro. The most significant balances and transactions in foreign currencies are detailed below, valued at the closing exchange rate and the average exchange rate respectively:

	2014		2013	
By items	In foreign currency (thousands)	Thousands of euros	In foreign currency (thousands)	Thousands of euros
Accounts Receivable				
US dollars	14,869	12,247	8,565	6,211
Cuentas a Pagar				
US dollars	31	24	367	263
Servicios prestados				
Australian dollars	65	45	387	286
Japanese yen	4,500	32	3,000	24
Servicios recibidos				
US dollars	2,702	2,014	4,521	3,454
Swiss francs	11	9	4	3

12.5 Investment income and expenditure

The sum of the investment income and expenditure recognised in the profit and loss for 2014 and 2013, by types of financial instruments, is as follows:

Fiscal year 2014			Thousands of euros
By items	Investment income	Investment expenditure	Net investment profit or loss
Investments held to maturity	131,620	-	131,620
Non-derivative financial assets designated at fair value	7,359	-	7,359
Interest on derivatives	13,321	(29,249)	(15,928)
Differences through application of fair value to bonds	18,226	(1,080)	17,146
Differences through application of fair value to shares	719	-	719
Differences through application of fair value to derivatives	22,289	(12,890)	9,399
Differences through application of fair value to other payables	-	(1,530)	(1,530)
Impairment and profit or loss through maturity of debt securities	1,721	(30)	1,691
Exchange rate differences	1	(3)	(2)
Other	332	-	332
TOTALS	**195,588**	**(44,782)**	**150,806**

FISCAL YEAR 2013			Thousands of euros
By items	Investment income	Investment expenditure	Net investment profit or loss
Investments held to maturity	113,484	(1,878)	111,606
Non-derivative financial assets designated at fair value	7,086	-	7,086
Interest on derivatives	20,789	(28,861)	(8,072)
Differences through application of fair value to bonds	48,510	(4,350)	44,160
Differences through application of fair value to shares	-	(719)	(719)
Differences through application of fair value to derivatives	43,534	(47,743)	(4,209)
Differences through application of fair value to other payables	-	(1,140)	(1,140)
Impairment and profit or loss through maturity of debt securities	1,543	(17,550)	(16,007)
Exchange rate differences	-	(30)	(30)
Other	362	-	362
TOTALS	**235,308**	**(102,271)**	**133,037**

12.6 The Enresa Foundation

On 27 December 1990, Enresa set up a non-profit charitable and welfare foundation for an indefinite period. Nevertheless, in compliance with the agreement of the Council of Ministers of 21 June 2013, which adopted a broad set of measures aimed at improving, simplifying and optimising the operation of public administrations, including the abolition of the Enresa Foundation and its integration into Enresa, the Foundation is currently undergoing liquidation subsequent to fulfilment of pending commitments. The Foundation's principal purpose is the provision of aid services to promote and develop the welfare of the populations located within the sphere of influence of Enresa facilities. The contribution charged to the Profit and Loss Statement for fiscal year 2014 under the heading 'Outsourced services' amounted to €145 thousand (€2,906 thousand in 2013).

12.7 Waste management

The most important strategic objectives and activities in 2014 in each of the major areas of activity may be summarised as follows:

➤ **a) Low and Intermediate Level Waste and Very Low Level Waste (LILW/VLLW)**

During 2014, Enresa has continued to transport this type of waste from nuclear power plants and radioactive facilities to the El Cabril Centralised Disposal Facility, which has been operating to its usual schedule. 229 shipments have been made with a total volume of 2,433 m³ transported.

➤ **b) Spent Fuel and High Level Waste (SF/HLW)**

In compliance with resolutions issued by the Ministry of Industry and Energy, Enresa has continued to defray the costs incurred by the reprocessing in France of spent fuel from the Vandellós I nuclear power plant.

During 2001, an agreement authorised by the Ministry of Economy was signed between Hifrensa, the company owning the Vandellós I nuclear power plant, and Cogema (now Areva NC), the company responsible for fuel reprocessing, in order to determine the provision of services pending. (The authorisation also established that the costs of this agreement would be charged to the Fund for the financing of activities included in the General Radioactive Waste Plan.) This agreement set out Cogema's pending operations on the waste from cores 2 and 3 of the Vandellós I plant, in addition to the transport of the waste from core 3 to a site located in Spain, and the schedule for the performance of these services and the payments to be made. The first payment, amounting to €60,980 thousand, was made in 2001, followed by a second payment of €76,225 thousand in 2002, two payments for an overall sum of €111,988 thousand in 2003, a payment of €4,786 thousand (€975 thousand in interest) in 2006, a payment of €4,988 thousand (€1,177 thousand in interest) in 2007, a payment of €5,294 thousand (€1,482 thousand in interest) in 2008, a payment of €5,468 thousand (€1,657 thousand in interest) in 2009, a payment of €5,714 thousand (€1,903 thousand in interest) in 2010 and a payment of €5,997 thousand (€2,185 thousand in interest) in 2011.

In compliance with the resolution issued by the Directorate General for Energy Policy and Mines of the Ministry of Economy, as of 1 August 2001 Enresa took over the contractual position previously held by Cogema with Hifrensa for the provision of services for treatment of the fuel from the Vandellós I nuclear power plant.

Both the expenditure arising from dismantling and that pertaining to the reprocessing of the fuel from the Vandellós I nuclear power plant are included in the General Radioactive Waste Plan currently in force, which was approved by the Government in June 2006.

On 1 January 2011, offsetting began to be applied to costs established in the collaboration agreement between Hifrensa and Cogema (now Areva NC) for the radioactive waste reprocessing in France prior to 1 January 2011. In 2011, Enresa incurred costs of 23,692 thousand euros for this item.

In addition, in 2012 Enresa signed a supplementary agreement with Areva NC for waste densification, through which both the type of waste and the volume of waste to be returned to Spain can be exchanged. It also establishes a new schedule for the return of such waste. The cost of the agreement was 194,000 thousand euros. The new agreement entails reimbursement by Areva NC of the compensation paid by offsetting costs up to the signing of the agreement to the amount of 35,296 thousand euros, the transport costs paid in 2012 to the amount of 6,310 thousand euros and as a consequence the substitution of transport costs paid up until 2011, the offsetting costs due to a new cost for densification, the storage of waste in France until 31 October 2015 and the new transport costs until its storage at the CISF.

As of 31 December 2013, 30% was pending payment (58,200 thousand euros), which will be paid on 31 October 2015 and recorded as expenditure in the Profit and Loss Statement at the time when the services are provided during the 2014 and 2015 fiscal years.

During 2013, a new agreement was signed determining the definitive reduction of volume from densification, changing from an expected volume of packages in the previous agreement of 68 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 produces a highly significant reduction in the volume of waste set out in the previous agreement and has resulted in an additional payment of 28,500 thousand euros in 2013.

Furthermore, during 2013 the manufacture of waste was carried out by allocation to the formats specified above, and the cost of manufacture accrued, therefore, has been accounted for by its current value, obtained by applying the yield of Spanish Government Bonds at 3 years in July 2012, i.e. 5,302%, as mandated by the General Accounting Plan. As of 31 December 2014 this amounted to 28,753 thousand euros (26,518 thousand euros in 2013).

In addition, its current financial value will be supplemented monthly by the amortised cost method until the debt is due, on 31 October 2015, to the amount of 28,000 thousand euros for the allocation of waste and 7,200 thousand euros for waste storage in France. Accrued interest for these items as of 31 December 2014 amounts to 2,670 thousand euros (1,140 thousand euros in 2013).

In addition, Areva NC is manufacturing 4 TN®81 casks purchased for the transport of high level waste from the reprocessing of spent fuel from the Vandellós I nuclear power plant from La Hague to the Cask Holding Facility, where it will remain stored until the CISF becomes operational. Manufacturing costs will amount to 19,730 thousand euros

In 2004, a supplementary agreement to the contract between Nuclenor and Enresa of 22 February 1990 was signed, which set out the conditions for the management of radioactive waste generated during the operation of the Santa María de Garoña nuclear power plant and for the dismantling of this facility.

On 9 November 2003, Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding entered into force. In accordance with this decree, the Enresa financing system is required to cover the costs, as from the entry into force of the Royal Decree, for the management of radioactive waste generated during the production of electricity by nuclear means from the date of initiation of its production.

On 26 May 1974, Nuclenor signed a contract with the company British Nuclear Fuel Limited (BNFL) for the reprocessing of at least 500 irradiated fuel assemblies from the Santa Maria de Garoña nuclear power plant. This reprocessing has generated costs for Nuclenor which may be offset through the Fund for the financing of activities included in the General Radioactive Waste Plan in accordance with the Royal Decree mentioned above. In 2012 a provision of 18,219 thousand euros was made for the offsetting costs for Nuclenor incurred during the year. This was settled in 2013 with an additional incurred cost of 2,716 thousand euros. In 2014, Enresa has incurred storage costs of 619 thousand euros.

In 2014, operation continued as normal at the spent fuel storage facility at the Trillo nuclear power plant, where there are 28 casks, each containing 21 fuel assemblies. Work has also continued on the manufacturing of 4 casks for the storage of this fuel.

Storage system tasks are ongoing with regard to the interim management of spent fuel from the Ascó nuclear power plant. On 9 April 2013, the Directorate General for Energy Policy and Mines issued a resolution approving implementation of the two units of the Individual Interim Storage Facility (IISF). During May 2013, the first cask loading operations for Unit 1 were carried out and during March-April 2014, the first operations for Unit 2.

As regards the storage system for the Garoña nuclear power plant, the manufacturing of 5 fuel transport/storage casks is ongoing. With regard to the storage facility, whose installation is being undertaken by the plant, activities are continuing on the modifications to the crane and the IISF.

Regarding the management of spent fuel from the José Cabrera nuclear power plant, with a view to the dismantling of the plant, in 2013, 4 canisters (GWC) were supplied with their racks, following the loading of the 4 HI-SAFE casks. During 2014, maintenance work on the Individual Interim Storage facility (IISF) continued.

With regard to the final management of spent fuel and high level waste, work on geological resources and management technologies as well as the development of new technologies (partitioning and transmutation), are advancing according to schedule.

As regards the CISF project, in January 2014 applications for prior authorisation and the construction permit were submitted to the Minetur and the CSN, providing the mandatory documentation required in each case by the applicable national legislation in force.

During 2014, work has continued on the supplementary infrastructures at the CISF site as well as design activities and the work involved in site characterisation. In September, the full dossier for the Environmental Impact Study was sent to the Ministry of Agriculture, Food and the Environment.

The tendering process is currently underway for the contracting of various supplies, services and construction work for the project and for the installation.

From the available information, the project will progress according to the plans drawn up by the agencies involved.

➤ c) Decommissioning of Facilities

In compliance with the authorisation granted by the Ministry of Industry and Energy for the undertaking of dismantling activities at the Vandellós I nuclear power plant, whose Level 2 dismantling took place between 1998 and 2003, Enresa continues its activities related to the current dormancy phase of this facility.

On 11 February 2010, ownership of the José Cabrera nuclear power plant was transferred to Enresa, which is now responsible for the dismantling of the facility. The chosen option for this project was immediate complete dismantling, so that the site may be fully released for industrial use once the spent fuel has been transferred from the IISF. Once activities on systems modification and preparation of auxiliary facilities are complete, the remaining activities for the Plant Dismantling Plan (PDC) at the José Cabrera nuclear power plant will be: a) radiological disassembly; b) decontamination and demolition; and c) site restoration.

With regard to the disassembly work during 2014, activity has continued on the segmentation of the reactor vessel. In the spent fuel pool, the underwater segmentation of the area of the vessel's nozzles and supports has been completed, as has the cutting from the third to the eighth ring, reaching approximately the centre of the active area of the reactor core.

In relation to radiological dismantling activities, segmentation work is continuing in the lower area and the steam generator water box, pending the cutting of the last stretch of pipe before the core plate. Work has begun on the segmentation of one of the WD-8 liquid effluent hold up tanks. In 2014, preparatory work has been carried out for the implementation of the new configuration for liquid effluents; this modification will enable the disassembly of the auxiliary building effluent system to be brought forward.

As regards the now completed project for the final restoration of the mining operations at Saelices el Chico, maintenance and monitoring programme tasks are ongoing.

➤ d) Research and Development

Enresa has continued working on the completion of projects relating to the R&D Plan (2009-2013) and the start of the 7th R&D Plan (2014-2018), which has been structured along five broad lines. The first, waste technology, is focused on the study of spent fuel, high level waste, and low and intermediate level waste. The second area focuses on the development of treatment and conditioning technologies, and improving dismantling processes for nuclear and radioactive facilities. Characterisation and behaviour of radioactive waste confinement systems and materials are the focus of attention of the third area of work, while the fourth aims at the production of models of processes and systems, the advancement of environmental restoration processes, radiation protection and the study of climate and soils.

Finally, support for infrastructures and the coordination and management of assets are the focus of the fifth area of the plan.

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (SEE NOTE 4.14)

13.1 Transactions with related parties

The breakdown of transactions with related parties in 2014 and 2013, and the balances as of 31 December 2014 and 2013, are as follows:

	Thousands of euros			
	Invoicing 2014	Balance 31/12/2014	Invoicing 2013	Balance 31/12/2013
Ciemat				
Services received	215	168	175	18
Services provided	20	6,253	8	6,253
Dividends distributed	94	-	134	-
Ciemat-Enresa Partnership Agreement				
Services received	1,931	797	2,213	19
SEPI				
Services received	12	-	10	-
Dividends distributed	24	-	34	-

The balances at the close of each fiscal year for services received and provided are included under the headings 'trade payables' and 'trade receivables' in the accompanying Balance Sheet.

Services received from Ciemat relate directly to radioactive waste management and corresponding research and development, and have been contracted with Ciemat principally because it is the only laboratory capable of performing certain analyses and studies relating to radioactivity.

Enresa and Ciemat signed a partnership agreement in 1990 with a term of 5 years and which has been extended up to the present day. Its purpose is to provide a solution for the management of Spanish nuclear and radioactive waste through research and development on treatment techniques, and all projects arising from this agreement fall within the scope of this field of activity.

In terms of services provided, this work is detailed in the Integrated Plan for the Improvement of the Ciemat Facilities (PIMIC). The amounts are appropriately registered and justified. Currently, work is underway on settling the outstanding amount.

13.2 Remuneration of the Board of Directors and Senior Management

The total sum of the remunerations and expenses accrued by the Members of the Board of the Company in 2014 and 2013 amounted to the following:

	Thousands of euros	
By items	**2014**	**2013**
Salaries	157	138
Expenses	85	84
Expenses to the Treasury for senior management	14	9
Expenses to invoice for SEPI	9	9
TOTAL	**265**	**240**

From the entry into force of Royal Decree 451/2012 of 5 March regulating remuneration to senior management and directors in the commercial public sector and other entities, and given that Enresa is included as a Group 2 company, expense allowances have been subject to a 17% reduction with regard to those received up until that time.

As of 31 December 2014 and 2013, no advances or loans had been granted to members of the Board of Directors.

As regards the Board Members who are employees of the Company, no amount was paid by the Company during 2014 and 2013 for life and accident insurance policies.

Remuneration of personnel making up the Company's senior management, excluding those who are simultaneously members of the Board of Directors of the Company during 2014, totalled 791 thousand euros (681 thousand euros in 2013).

During the year 2014, the Company has provided loans to senior management amounting to 41 thousand euros, with repayments amounting to 10 thousand euros, and the balance of these loans as of 31 December 2014 is 31 thousand euros. During 2013, no advances or loans were granted to senior management.

The amount of obligations contracted in terms of life and accident insurance with respect to senior management was 8 thousand euros in 2014 (16 thousand euros in 2013).

The insurance and loan conditions are those established for Company personnel in the Collective Workers' Agreements currently in force.

Additionally, the Company has contracted a public liability policy for the Board, for which premiums amounting to 9 thousand euros have been paid in 2014 (10 thousand euros in 2013).

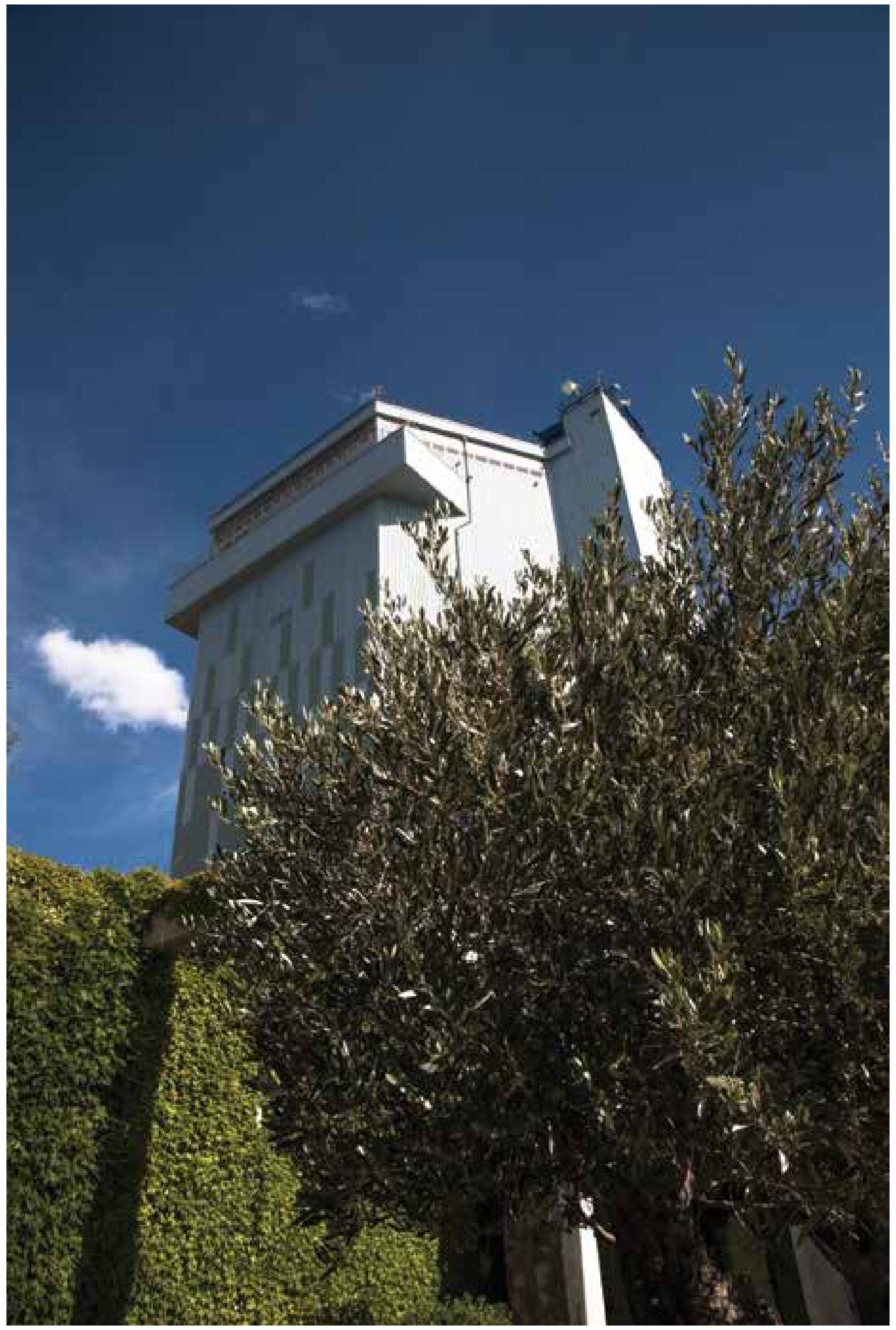
13.3 Other information concerning the company board

As of close of the 2014 fiscal year, none of the members of the Board of Directors of Enresa nor any persons associated with them, as defined in the Companies Act, have held shares or posts in companies with activities that are identical, analogous or complementary to those constituting the corporate purpose of the Enresa, with the exception of Cayetano López Martínez, who is Deputy Chairman, and Francisco Javier Arana Landa and Mercedes Real Rodrigálvarez, who are Directors of ENUSA INDUSTRIAS AVANZADAS, S.A., a company involved in activities complementary to Enresa's.

14. ENVIRONMENTAL INFORMATION

In view of the fact that all activities carried out by the Company aim to ensure the safety of people and the protection of the environment, the expenditure and investments associated with this area correspond to those set out in the Balance Sheet and Profit and Loss Statement of these Financial Statements.

The Company is not involved in any legal disputes relating to environmental protection and improvement from which relevant contingencies might arise.



15. OTHER INFORMATION

15.1 Personnel

During 2014 and 2013, the Board of Directors was made up of 11 and 12 people respectively, of which as of 31 December 2014, 3 were women and 8 men (4 women and 8 men as of 31 December 2013).

The average number of employees during the fiscal years 2014 and 2013, distributed by occupational status, and the number of employees at the end of years 2014 and 2013, distributed by occupational status and gender, are as follows:

Fiscal year 2014

CATEGORÍA	Average number of employees	Employees as of 31 December 2014		
		Men	Women	Total
Senior managers (*)	7	5	2	7
Higher-level diploma holders and graduates	123	72	51	123
Intermediate-level diploma holders	71	60	10	70
Administrative staff	60	16	45	61
Skilled workers	70	68	1	69
Totals	**331**	**221**	**109**	**330**

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

Fiscal year 2013

CATEGORÍA	Average number of employees	Employees as of 31 December 2013		
		Men	Women	Total
Senior managers (*)	7	6	1	7
Higher-level diploma holders and graduates	113	72	52	124
Intermediate-level diploma holders	70	60	11	71
Administrative staff	62	17	45	62
Skilled workers	72	70	1	71
Totals	**324**	**225**	**110**	**335**

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

15.2 Audit fees

The external auditor of Enresa's Financial Statements and Management Report for fiscal year 2014 is Mazars Auditores S.L.P. (the external auditor for 2013 was Deloitte, S.L.).

The costs accrued for this work in 2014 and 2013 amount to 27 and 31 thousand euros respectively.

In addition, the total amount of fees accrued in 2013 for the undertaking of work other than auditing of the financial statements was 4 thousand euros. No costs have accrued for work other than auditing services during the year 2014.

16. FINANCIAL GUARANTEES

During 2014 and 2013, Enresa has not provided financial guarantees of any kind.

17. SUBSEQUENT EVENTS

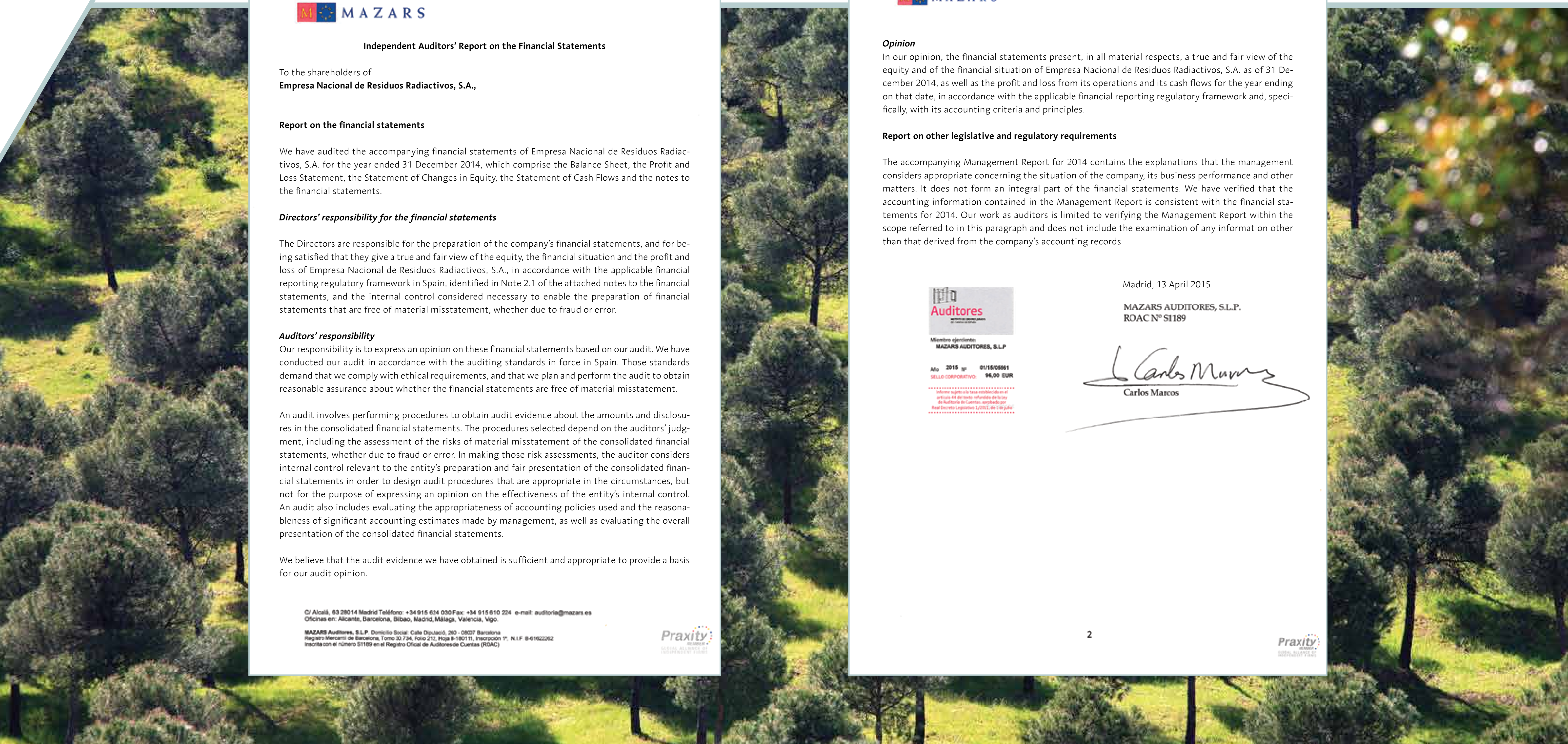
Subsequent to the close of the fiscal year ending on 31 December 2014 and up to the date of drawing up the financial statements there have been no events that might significantly affect these statements.

Nevertheless, on 29 January 2015, the Plenum of the Court of Auditors approved the audit report on Enresa's management of the Fund for the financing of activities included in the General Radioactive Waste Plan for 2010 and 2011 and agreed to its submission to the Spanish Parliament. Its eleventh conclusion, amongst other considerations, qualifies this management as satisfactory and indicates five recommendations outside Enresa's management.

In addition, on 12 February 2015, the resignation of Francisco Gil-Ortega Rincón as president of Enresa came into effect, with Juan José Zaballa Gomez named president on the same date.

Furthermore, 17 March saw the publication of Order EIT/458/2015, of 11 March, regulating allocations to municipalities in the vicinity of nuclear facilities from the Fund for the financing of activities included in the General Radioactive Waste Plan.

6 AUDIT REPORT



MAZARS

Independent Auditors' Report on the Financial Statements

To the shareholders of
Empresa Nacional de Residuos Radiactivos, S.A.,

Report on the financial statements

We have audited the accompanying financial statements of Empresa Nacional de Residuos Radiactivos, S.A. for the year ended 31 December 2014, which comprise the Balance Sheet, the Profit and Loss Statement, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation of the company's financial statements, and for being satisfied that they give a true and fair view of the equity, the financial situation and the profit and loss of Empresa Nacional de Residuos Radiactivos, S.A., in accordance with the applicable financial reporting regulatory framework in Spain, identified in Note 2.1 of the attached notes to the financial statements, and the internal control considered necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the auditing standards in force in Spain. Those standards demand that we comply with ethical requirements, and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Registro Mercantil de Barcelona, Tomo 30.734, Folio 212, Hoja B-180111, Inscripción 1ª, N.I.F. B-61622262
Inscrita con el número S1189 en el Registro Oficial de Auditores de Cuentas (ROAC)

Praxity

MAZARS

Opinion

In our opinion, the financial statements present, in all material respects, a true and fair view of the equity and of the financial situation of Empresa Nacional de Residuos Radiactivos, S.A. as of 31 December 2014, as well as the profit and loss from its operations and its cash flows for the year ending on that date, in accordance with the applicable financial reporting regulatory framework and, specifically, with its accounting criteria and principles.

Report on other legislative and regulatory requirements

The accompanying Management Report for 2014 contains the explanations that the management considers appropriate concerning the situation of the company, its business performance and other matters. It does not form an integral part of the financial statements. We have verified that the accounting information contained in the Management Report is consistent with the financial statements for 2014. Our work as auditors is limited to verifying the Management Report within the scope referred to in this paragraph and does not include the examination of any information other than that derived from the company's accounting records.

Auditores
Miembro ejerciente:
MAZARS AUDITORES, S.L.P

Año 2015 Nº 01/15/05561
SELLO CORPORATIVO: 96,00 EUR

Madrid, 13 April 2015

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

Carlos Marcos

Praxity

7 / MANAGEMENT REPORT

Enresa's management is based on the responsibilities defined in the sixth general radioactive waste plan approved by the government. This framework sets out the necessary activities in relation to radioactive waste, dismantling of facilities and their economic and financial analysis. This section outlines the principal milestones of actions undertaken in 2014, the advances in technological research, and the economic and financial performance of the company.

INTRODUCTION AND MANAGEMENT SUMMARY

During 2014, Enresa's actions have been carried out within the framework of the 6th General Radioactive Waste Plan (6th GRWP), approved by the Government in June 2006, as well as the latest update of the plan submitted to the Ministry of Industry, Energy and Tourism (Minetur) in June 2014, entitled 'Updated economic and financial study of the cost of activities included in the 6th General Radioactive Waste Plan', together with the 2013 Annual Report. This was all in compliance with the provisions set out in 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 completed the tasks assigned to it in accordance with the regulations in force, amongst which the following are particularly significant:

- **Royal Decree 102/2014 of 21 February,** on the responsible and safe management of spent nuclear fuel and radioactive waste, repealing Royal Decree 1349/2003.

- **Law 11/2009 of 26 October, r**egulating Public Limited Companies quoted on the Property Market, Final Provision 9, amending Law 25/1964, the Nuclear Energy Act of 29 April, by adding Article 38 a, which defines 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, Enresa being the instrument through which this service is rendered. Likewise, Additional Provision 6 of Law 54/1997, the Electricity Industry Act, was amended, establishing that this public service will be financed by means of a system of fees to be paid by the radioactive waste producers.

- **Law 15/2012 of 27 December,** on tax measures for energy sustainability, which sets out in Chapter III the tax on the storage of spent nuclear fuel (SF) and radioactive waste in centralised facilities. This legislation has implications for the disposal facility at El Cabril (imposing a levy of €2,000/m^3 in the case of VLLW and €10,000/ m^3 for LILW) and the future CISF (€70 per kg of heavy metal and €30,000/m^3 of radioactive waste distinct from SF).

- **Law 33/2007 of 7 November,** which reforms Law 15/1980 on the creation of the Nuclear Safety Council (CSN) in relation to the financing of allocations to Town Councils and regional taxes applicable to the nuclear power plants.

- **The Resolution of 23 December 2009,** by the Secretary of State for Energy, published in the Official State Gazette of 29 December, issuing the public call for the selection of candidate municipalities for the location of the Centralised Interim Storage Facility (CISF) for spent nuclear fuel and high level radioactive waste and its associated technology centre. On 20 January 2012, the Official State Gazette published the Resolution of 18 January 2012, by the Secretary of State for Energy, assigning the location of the Centralised Interim Storage Facility to Villar de Cañas, in Cuenca, in accordance with the agreement approved by the Council of Ministers on 30 December 2011.

For the fulfilment of these missions and the objectives set out in the corresponding strategic and operating plans, the Company has employed an average workforce of 331 employees throughout the year (330 as of 31 December 2014). Of these workers, 184 were assigned to the Company's head office in Madrid, 124 to the El Cabril Centralised Disposal Facility (Córdoba), 7 to the Vandellós I facility (Tarragona), 12 to the José Cabrera nuclear power plant (Guadalajara) and 3 to the Centralised Storage Facility in Villar de Cañas (Cuenca).

The necessary technical and administrative relations have been maintained with the various agents involved in radioactive waste management, including the Minetur's Directorate General for Energy Policy and Mines, the Nuclear Safety Council and the waste producers. Other agents involved, apart from the shareholders Ciemat and SEPI, are the Ministry of the Environment, the National Energy Commission, the autonomous regions, town councils, universities, businesses and other supporting entities, such as international organisations and similar agencies from other countries.

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

In 2014, both the Minetur and SEPI have continued to carry out the budgetary monitoring of the Annual Operating Programme and Long Term Plan in accordance with the Company's management objectives.

With regard to supervision, control and rating of the temporary investments relating to the financial management of the Fund, the Monitoring and Control Committee has continued to perform its functions as set out in current legislation. Enresa provided the Committee with the necessary information and submitted detailed information on all contracted operations. Also in the performance of its responsibilities, the Committee reviewed and updated the investment criteria for financial investments and verified compliance with current legal regulations, established investment criteria, and the principles of security, profitability and liquidity in the management of the temporary financial investments portfolio managed by Enresa.

Technical activities are summarised below, along with the primary economic and financial aspects of management and the key performance indicators for the year.

KEY ACTIONS AND STRATEGIC OBJECTIVES FOR 2014

➤ **Removal and transport of low and intermediate level and very low level waste** from the production centres – nuclear facilities, radioactive facilities and Ciemat (Pimic Dismantling) – to the El Cabril Centralised Disposal Facility.

➤ **Reduction of the volume of low and intermediate level waste** from nuclear power plant operation.

➤ **Operation of the El Cabril Centralised Disposal Facility** (waste classification, treatment, conditioning and disposal) and improvement of its capacities and systems.

➤ **Operation of the complementary facility for the definitive disposal of very low level waste** (VLLW) at the El Cabril Centralised Disposal Facility.

➤ **Management of the waste from the 'Lenteja' and 'Montecillo' facilities** as part of the Pimic project (Ciemat), Madrid.

➤ **Preparation of documentation required for the Prior Authorisation and Construction Permit** for the Centralised Interim Storage Facility (CISF).

➤ **Manufacture of casks** for the operation **of the interim storage facility** for spent fuel at the **Trillo** nuclear power plant (Guadalajara).

➤ **Operation of the interim storage system for spent fuel at the José Cabrera nuclear power plant** (Guadalajara) in order to enable dismantling of the plant.

➤ **Operation of the interim storage system for spent fuel from the Ascó nuclear power plant** (Tarragona).

➤ **Commencement of the manufacture of the storage systems** for the interim management of spent fuel from the **Garoña** nuclear power plant (Burgos).

➤ **Various studies on management alternatives** for the interim storage of **spent fuel and high level waste.**

➤ **Monitoring and maintenance of** the dormancy phase at the **Vandellós I** nuclear facility (Tarragona).

➤ **Activities scheduled in the dismantling and decommissioning plan for the José Cabrera nuclear power plant** (Guadalajara).

➤ **Monitoring of disused uranium mining sites in the province of Salamanca.**

➤ **Monitoring, control and maintenance of** the dismantled and restored sites of the **uranium mill at Andújar (Jaén)** and the **La Haba plant** (Badajoz).

➤ **Monitoring and maintenance of the Definitive Restoration Project at Saelices el Chico** (Salamanca).

➤ **Management of radioactive lightning rod headers** (isolated activities within a process that has been formally completed).

➤ **Management of other materials from outside the regulatory system.**

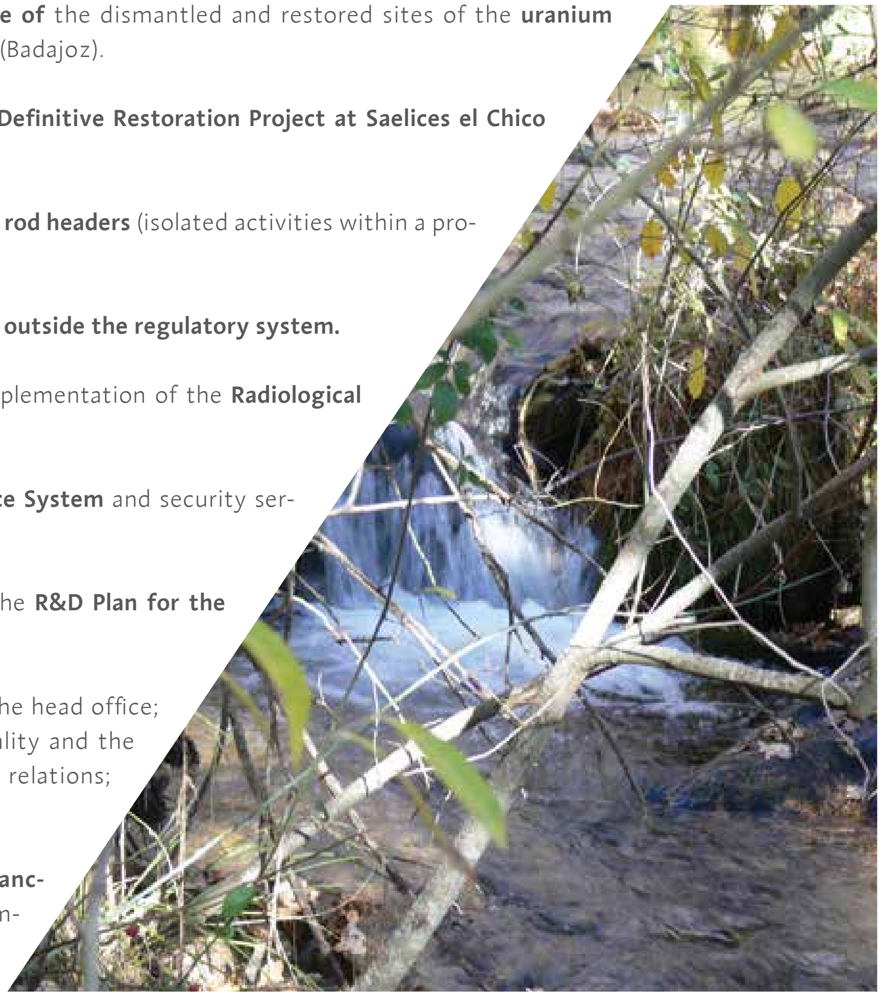
➤ Special interventions arising from implementation of the **Radiological Monitoring of Metallic Materials Protocol.**

➤ **Support for the National Civil Defence System** and security services.

➤ Undertaking of projects relating to the **R&D Plan for the 2014-2018 period.**

➤ **Structural aspects** (maintenance of the head office; systems for management, information, quality and the environment; communication and external relations; logistical and support systems, etc.).

➤ **Management of the Fund for the financing of activities included in the GRWP,** complying with the principles of security, profitability and liquidity.



ENRESA'S MISSION

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

Its mission is the collection, conditioning, storage and disposal of all radioactive waste produced in Spain. Enresa is also responsible for the dismantling of nuclear power plants when their service lifetime has come to an end and for the environmental restoration of disused uranium mines and facilities, as and when required by the authorities.

Enresa's mission is to prevent the negative consequences of radioactive waste on people and the environment.

The General Radioactive Waste Plan (GRWP) is the reference framework that clearly and concisely sets out the strategies and activities to be carried out in the field of radioactive waste management. The 6th General Radioactive Waste Plan, approved by the Government on 23 June 2006, provides Enresa with a clearly defined framework for the responsibilities, strategies and activities to be implemented in Spain in the different fields relating to radioactive waste management and the dismantling of facilities.

Enresa, as a public service, must be accountable to society and generate social trust. To this end, maintaining a clear and open stance, transparency, and communication of the company's role in society are the building blocks of this policy and a strategic necessity.

OUR VALUES

The values that characterise each of the company's activities are our internationally recognised technical capability and the soundness of our management systems, which ensure the reliability of our projects.

Enresa is a company at the forefront of technology, stimulating development and innovation. The company's commitment to R&D&i is currently materialised through a five year plan (2014-2018) with a budget of €27 million. Since its creation, Enresa has allocated more than €150 million to its R&D programmes. Investments include those that have benefited research groups from Spanish businesses and universities involved in technological and scientific developments.

Our environmental contribution is also fundamental. Enresa invests its knowledge and technological capability in environmental risk prevention and restoration of landscapes affected by radiological activities.

We manage the radioactive waste generated at nuclear power plants, hospitals, research centres and industries in Spain safely and efficiently in order to protect people and the environment.

Our commitment to public service is present in everything we do. It is our response to our public responsibility and the institutional trust placed in Enresa.

Enresa's track record in the fulfilment of our responsibilities is the basis of our credibility and social trust.

TECHNICAL ACTIVITIES

Described below are the main projects and technical activities carried out by Enresa during 2014 in each of the major areas of waste management in accordance with the 6th GRWP currently in force, approved by the Government in June 2006.

Management of low and intermediate level waste

During 2014 all stages involved in the management of this type of waste, including removal, transport, treatment, conditioning, characterisation, storage and disposal, have been carried out without any type of incident. The fundamental element in this management is the El Cabril Centralised Disposal Facility.

Over 220 shipments were carried out, with a volume of 2,433 m^3 of waste, the majority of which was very low level waste (approximately 70%) mainly deriving from the PIMIC dismantling. The remainder corresponds to low and intermediate level waste, mainly from nuclear power plants and the dismantling of the José Cabrera plant.

Furthermore, approximately 17% of total transport operations relate to the removal of waste from radioactive facilities (hospitals, industries, research centres, etc.) to the El Cabril Centralised Disposal Facility. The total volume of waste delivered to the El Cabril Centralised Disposal Facility for treatment is equivalent to 40 m^3.

In 2014, in accordance with the provisions of Article 11 of R.D. 102/2014 of 21 February, 36 waste producers had adhered to its required 'technical administrative waste acceptance specifications', as a preliminary step for the application for provision of Enresa's services. As of 31 December 2014, 886 have actively adhered to these specifications.

The El Cabril Centralised Disposal facility has been operating normally, with 130 disposal positions occupied in the vaults during the year (134 CE-2a and CE-2b concrete casks housing 2,052 waste packages).

As regards the complementary facility at the El Cabril for the disposal of very low level waste, 8,365 m^3 was deposited in this facility at the close of the year (753 m^3 in 2014).

Finally, it should be pointed out at this juncture that within the nuclear power plants themselves, work has continued on the plan to reduce the volume of operating waste. This plan was initiated in 1994 with the collaboration and partial funding of Enresa. This project is producing highly satisfactory results that are contributing to the optimisation of the capacity of the El Cabril Centralised Disposal Facility.

Management of spent fuel and high level waste

Activities in this area of management have mainly been aimed at achieving the prime objective of making a Centralised Interim Storage Facility (CISF) available in Spain for spent fuel and high level radioactive waste. Mention should also be made of the manufacturing of metallic casks for the operation of the spent fuel storage facility at Trillo nuclear power plant, the operation of the storage system for the José Cabrera nuclear power plant, and other activities relating to the Ascó and Garoña plants.

On 20 January 2012, the Official State Gazette published the Resolution of 18 January 2012 by the Secretary of State for Energy, assigning the location of the Centralised Interim Storage Facility to Villar de Cañas, in Cuenca, in accordance with the agreement approved by the Council of Ministers on 30 December 2011. Following the 2012 site selection and purchase of the land for the location of the nuclear facility, technological centre, business park and business incubator, the final reports on the characterisation studies for Phase I of the site were completed in 2013.

In January 2014 the Preliminary Safety Analysis for the CISF Construction Project was submitted to the Minetur and the CSN, in the application for the Prior Authorisation and the Construction Permit for the facility.

Work has continued on the CISF site infrastructure, alongside design activities and site characterisation work.

In September, the full dossier for the Environmental Impact Study was sent to the Ministry of Agriculture, Food and the Environment, for the award of the Environmental Impact Statement.

In addition to the work on the Centralised Interim Storage Facility (CISF) project, activities continued in the field of spent fuel and high level waste management, notably including the manufacture of metallic casks for the operation of the spent fuel storage facility at the Trillo nuclear power plant. Operations at the Trillo nuclear power plant storage facility have continued as normal and at year end 28 of these casks, each with a capacity for 21 fuel assemblies, were in place. A further 4 units are in the manufacturing phase, 2 of which will be loaded in the autumn of 2015 and the remaining 2 in the autumn of 2016.

Regarding the management of the spent fuel from the José Cabrera nuclear power plant, the interim storage facility has been operating normally, housing all the planned casks: 12 HI-STORM casks loaded with spent fuel from the plant and 4 HI-SAFE casks loaded with the special waste resulting from the segmentation of the reactor internals. At the end of 2014 the new cask transport vehicle was delivered to the site, purchased to eliminate the need to share the available equipment with the Ascó nuclear power plant.

Operation of the interim storage facility at the Ascó nuclear power plant is continuing, alongside the loading of the new HI-STORM casks. During March and April the first loading campaign was successfully carried out for the Unit 2 casks (the plant's second loading campaign), following which 5 casks are now in place on the storage facility pads. Future needs have entailed the contracting of new casks.

As regards management of spent fuel from the Garoña nuclear power plant, the manufacturing of 5 fuel transport/storage casks is underway, to be delivered during 2015 and 2016. Construction of the interim storage facility for spent fuel from this plant is projected to start in the second quarter of 2015. The first loading campaign will take place in the first quarter of 2016.

The French company Areva NC is manufacturing the 4 TN®81 casks purchased for the transport of high level waste from the reprocessing of spent fuel from the Vandellós I nuclear power plant from La Hague to the Cask Holding Facility, where it will remain stored until the CISF main system becomes operational.

The end of 2014 saw the start of the procurement process for 10 transport casks for spent fuel from Spanish PWR plants, initially expected to cover the most urgent storage needs of the plants of this type.

Lastly, it is important to reference the payments made to the French company Cogema (now Areva) resulting from the protocol on waste for the exchange of types and volumes of waste to be returned to Spain, along with the payments to the company BNFL for storage of fissile material from the Garoña nuclear power plant.

Decommissioning of facilities

Work carried out by Enresa during 2014 on the dismantling and decommissioning of nuclear facilities included the José Cabrera nuclear power plant project, the dormancy phase of Vandellós I, the dismantling of obsolete installations at Ciemat, and the monitoring and maintenance of the project for the definitive restoration of the Saelices el Chico site in Salamanca and of other nuclear fuel cycle facilities.

With regard to the dismantling of the José Cabrera nuclear power plant, activities have been undertaken related to the segmentation by means of mechanical saws and the packaging of the reactor vessel. Continuing in parallel are the radiological dismantling tasks in the Containment and Auxiliary Buildings. In relation to the major components, the dismantling of the main pump has been completed and the disassembly of the steam generator is continuing. Additionally, the dismantling and removal of equipment from the control room and electrical building is complete and they are ready for subsequent demolition.

As regards Vandellós I, apart from activities relating to the dormancy phase (monitoring, control and maintenance) and basic preparatory activities for the future Level 3 dismantling, the Mestral Technology Centre continued operation, with the objective of promoting R&D&i relating to technologies for dismantling and decontamination, etc.

In connection with the dismantling of several obsolete facilities at Ciemat (the PIMIC Project), we have continued supporting Ciemat in land restoration work and management of the waste resulting from dismantling.

In relation to the final restoration of Saelices El Chico, various activities have been undertaken during 2014 to reduce the production of acid water at the site, as well as to decrease water treatment costs by using alternative rather than conventional systems. Monitoring and maintenance activities have also continued at all the restored uranium mining/manufacturing sites which are in the Compliance Phase (the Elefante plant and restored mining sites in Saelices El Chico site, Casillas de Flores and the old Andújar uranium mill) or undergoing long-term monitoring subsequent to the Statement of Decommissioning (the Lobo G plant).

Environmental monitoring

During all its projects, Enresa implements a series of activities that may be defined within the framework of Environmental Monitoring. In this respect the following activities are undertaken:

- **Environmental Impact Studies** necessary for the licensing of facilities.

- **Environmental Radiological Monitoring Programmes,** whose results are disseminated through annual reports to the competent authority and the Nuclear Safety Council.

- **Environmental Monitoring Programmes,** whose results are submitted on a regular basis to the competent authority and other public entities, such as provincial government offices and environmental commissions from the autonomous regions and town councils.

RESEARCH AND DEVELOPMENT

Enresa's new 2014-2018 R&D plan came into effect in 2014. This plan was presented at the 7th Enresa R&D Seminars held in Cuenca in June 2014.

The new plan has been structured according to the same classification scheme of areas and lines as the previous plan. It encompasses four thematic areas and a fifth transverse area. These relate to the precise understanding of waste in terms of both its intrinsic properties and its evolution over time: waste treatment and conditioning and its relationship with operating and dismantling techniques in nuclear and radioactive facilities; study of the materials used for waste confinement and their interrelationships with radioactive waste; the impact of waste on the environment taking into account present and future scenarios; and studies related to radiological protection for the environment and human beings. An important part of this Plan is support for the licensing and construction of the Centralised Interim Storage Facility and its Technology Centre.

The transverse activity refers to the management of the scientific and technological knowledge and assets generated and coordination between the different agencies.

Internationally, we have continued to participate in the 7th European Union Framework Programme projects still in progress, such as Pebs, Cast and Petrus III. We have begun preparation of new European projects within Horizon 2020, which will probably be formally realised in late 2015 or early 2016. Involvement in these projects allows access to cutting edge knowledge at a reduced cost and also enables Enresa to play an active part in the development of the technologies and expertise necessary for the management of radioactive waste.

Involvement continues in the IGD-TP technological platform for R&D related to management of radioactive waste at EU level. Enresa, together with 10 other national agencies/ministries, is represented in the Executive Group. This is the decision-making body for the platform.

Partnership agreements with Spanish universities (the Polytechnic Universities of Madrid and Catalonia, and the Universities of Castile-La Mancha, Córdoba, Seville and Rovira i Virgili) and public research organisations (Ciemat, Tecnalia, CSIC, etc.) have been signed for sustainable development of R&D activities.

The study of fuel characteristics and treatment, separation, transmutation, etc, is carried out in accordance with the cooperation agreements established with entities such as the Polytechnic University of Catalonia, Ciemat, ITU (Germany) and the Nuclear Safety Council.

R&D activities related to the dismantling of facilities are coordinated from the Mestral Technology Centre, in Tarragona, in partnership with the Rovira i Virgili University.

The R&D needs for the El Cabril Centralised Disposal Facility (hydrogeological behaviour, cover layers, Vault 30, environmental classification, etc.) are addressed mainly with the cooperation of the Universities of Córdoba and Seville.

The activity of reviewing and analysing the scientific and technological assets acquired in previous R&D plans continues.

OTHER ACTIVITIES

In addition to the above, Enresa has also carried out other more specific technical activities, amongst which the following are particularly noteworthy:

- During the month of October the **17th Seminar on radioactive waste from radioactive facilities** was held, attended by 49 participants representing 30 radioactive facilities.

- **Management of radioactive lightning rods,** in response to isolated removal requests. During 2014, 26 new applications for removal of radioactive lightning rod headers have been received. 9 headers were removed, all with our own resources, and 7 of them have been dismantled at Ciemat. In 2014, the Radiological Protection Technical Unit participated in an activation exercise for the Requena Classification and Decontamination Station, as part of Valencia's Nuclear Emergency Plan. It has also been involved, from the Emergency Response Centre at the head office, in several simulations of the On-site Emergency Plan for the power plants.

- Within the framework of the **MEGAPORT Protocol**, the Unit has participated in three courses (in Tarragona, Valencia and Bilbao) for operators of the radiological control system for ports.

- **Operational support for the competent authorities** (Civil Defence and CSN) for radiological emergency response.

RESEARCH AND DEVELOPMENT

Main economic and financial parameters

Total operating income for the 2014 fiscal year amounted to 391,592 thousand euros. Net financial income from the management of the Portfolio of the Fund amounted to 150,806 thousand euros during this year. This includes the part corresponding to the application of fair value to certain financial instruments which, despite Enresa's intention and capacity of holding to maturity, cannot be classified as such according to the General Chart of Accounts. This entails the need to account for them at fair value and therefore to register market volatility in the accounts, which Enresa does not intend to realise. During 2014, Enresa has incurred operating expenses to the sum of 149,520 thousand euros and investment expenditure amounting to 34,072 thousand euros, not including investments in R&D.

As of the end of 2014, the Fund for the financing of activities included in the GRWP totalled 4,254,629 thousand euros.

As of 31 December, the accumulated yield on the entire portfolio for 2014 stood at 3.49%. Enresa continued to manage the portfolio of temporary financial investments of the Fund for the financing of activities included in the GRWP in accordance with the principles of security, profitability and liquidity.

With regard to financial markets, 2014 was marked by a continued tendency towards a degree of stability, which began in 2013. The risk premium continued its downward trend, closing the year at 107 basis points, representing 115 points below the level registered at the end of 2013. Spanish government debt showed a stable and positive performance, registering historic minimum returns and trading below the American bond. The generic 10 year bond closed at 1.61%, from 4.15% in 2013. In the short term, the interbank market rebounded slightly during the first quarter, experiencing a significant decline in the second half of the year, mainly due to the historically unprecedented measures of lowering interest rates and of monetary easing adopted by the European Central Bank in June. Thus, compared to the maximum of 0.347% in the first six months, the Euribor 3 months closed the year at 0.078%. Year-on-year inflation was set at -1%, a historic low since September 2009. Meanwhile, the euro depreciated by 12% against the dollar over the course of the year, trading at 1.2098 USD/EUR at close.

During 2014, the average period for payment to suppliers has been 32 days, which is therefore less than the legally established deadline of 60 days for this fiscal year.

Management of Financial investments

For the purposes of accounting, the Company classifies the financial assets of its securities portfolio in the following categories:

➤ **a) Investments held to maturity:** debt securities, with a fixed maturity date and receivables of a specified amount, which are traded on an active market and which the Company declares its intention and capacity to hold until the date of their maturity**.**

These investments include fixed and variable rate bonds (indexed to inflation or interest rate) that have no embedded derivatives and hybrid financial assets whose embedded derivatives should not be separated.

➤ **b) Other financial assets at fair value through profit and loss:** this heading includes hybrid financial assets (structured bonds) whose embedded derivatives are to be separated, although since the Company cannot reliably determine the fair value of the embedded derivative to be separated, the entire hybrid financial asset is to be registered at fair value through profit and loss. Also included are the shares obtained as a consequence of the mandatory swap of part of the subordinated debt of Bankia which Enresa held in its portfolio.

➤ **c) Derivatives:** Enresa carries out hedging transactions by means of interest swaps with some of the securities acquired. In compliance with Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding, all these swap agreements are directly associated with specific investment transactions, with identical face value, serving as a hedge against market risks and to conform to the financing model established in the General Radioactive Waste Plan.

IIn compliance with the requirements of the General Chart of Accounts, the Company has classified part of its financial assets as 'Other assets at fair value through profit and loss', despite the fact that all acquisitions of financial assets are made with the intention and capacity of holding them to maturity. These assets were purchased to be valued throughout their lifetime at cost of acquisition, their appraisal at fair value having ensued as a result of the entry into force of the General Chart of Accounts approved by Royal Decree 1514/2007.

Financial assets at fair value through profit and loss are valued at fair value, with the result of variations in this valuation registered in the Profit and Loss Statement. Derivative financial instruments are appraised at fair value, those with a positive fair value as of 31 December 2014 registered as financial assets.

For calculation of the fair value of these financial instruments, the Company has taken as a reference the fair value calculated by means of valuation mechanisms for discounts on future flows and options. The market inputs used have been the curves for interest, inflation, implicit interest rate volatilities and equity securities.

All derivatives held by the Company are contracted with national and international financial entities with adequate credit rating and consist of swaps between fixed or variable rates for a variable interest rate, inflation or stock market index performance that enables them to achieve the desired yields and management objectives.

Derivatives contracted by the Company cannot be designated as accounting hedging instruments, in accordance with the accounting standards in force. It is for this reason that these financial derivatives have been registered at fair value as financial assets or liabilities, any changes in this respect being accounted for in the Profit and Loss Statement.

During 2013, a share swap took place, applying a debt reduction of 45.7% on the face value of 50,000 thousand euros, converting subordinated debt into a senior bond with the same maturity, at a fixed simple interest rate of 2%. The loss of this investment attributed to the year 2013 amounted to 17,266 thousand euros, with 5,584 thousand euros attributed to the year 2012, although Enresa has offset this loss by cashing all coupons up to the swap, which has resulted greater than the loss.

Beside the bond mentioned, the Company, as approved by the Board of Directors and the Fund Monitoring and Control Committee, has swapped two subordinated bonds of lesser value, which were valued at 31 December 2012 at fair value, for Bankia shares with a swap price of 1.35266 of face value.

The Company has designated the shares from the swap under the category 'Other financial assets at fair value through profit and loss', to benefit from the provisions in Valuation Standard No. 9, Section 2.4.b. The change in fair value, therefore, from the time of purchase until the end of fiscal year 2013 was attributed to the Profit and Loss Statement to the amount of 719 thousand euros, an amount which has been completely recovered in 2014 with the sale of the shares at a unit value higher than €1.51/share.

For 2014, the Company has estimated that there is no impairment of any of the financial instruments, either at amortised cost or at fair value, and considers that there are no reasonable uncertainties as to the capacity of the issuers to repay the assets, given their adequate credit rating, in accordance with the Company's investment policy.

From a management point of view, the Company categorises the Securities Portfolio into various classes of assets:

➤ **a) Government Debt:** comprising Spanish Public Debt, specifically Spanish Treasury Bonds, Treasury principal and coupon strips, and short term repos or Treasury bills whose underlying instrument is Spanish Public Debt. The amounts of the carrying value and the face value of this class total 1,430,750 and 1,852,914 thousand euros respectively in 2014.

➤ **b) Other Public Debt:** comprising financial assets issued by state agencies, supranational organisations and the autonomous regions, as well as the public debt of other countries. The amounts of the carrying value and the face value of this class total 1,209,523 and 1,236,535 thousand euros respectively in 2014.

➤ **c) Other Debentures and Bonds:** comprising a variety of financial assets of different types issued by various bodies from different sectors, both national and international. The amounts of the carrying value and the face value of this class total 1,029,611 and 887,603 thousand euros respectively in 2014.

➤ **d) Other short-term assets:** comprising financial assets, deposits, notes and other items, issued by financial entities. The amounts of the carrying value and the face value of this class total 258,245 and 258,326 thousand euros respectively in 2014**.**

The management of financial risks at Enresa conforms to the demands and requirements of the legal regulations in force, which establish that the basic principles of Enresa's financial management will be security, profitability and liquidity. It also conforms to the General Radioactive Waste Plan, which defines the financial model to be used for the management of radioactive waste in Spain. Lastly, it complies with the general principles of management of the Fund for the financing of activities included in the GRWP emitted by the corresponding Monitoring and Control Committee.

a) Security:

Enresa complies with the guidelines on diversification and credit level established by the Monitoring and Control Committee by virtue of the powers of development of general investment criteria bestowed on it by the legislation in force.

In addition, Enresa assigns lines of concentration between its investments and counterparties, based on analysis of financial solvency, further increasing the soundness of the guidelines issued by the Committee.

b) Profitability:

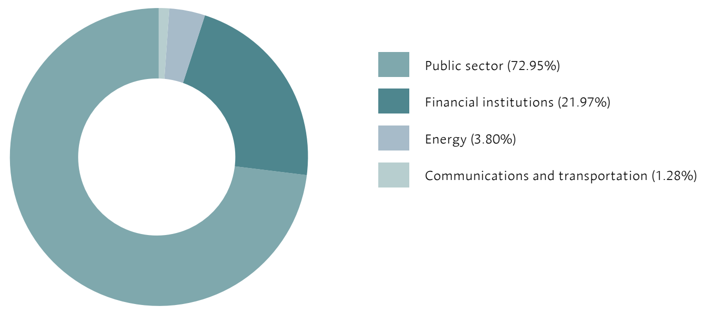
The portfolio of temporary financial investments managed by Enresa is required to achieve a given minimum actual interest rate, established by the financing model of the radioactive waste management in Spain, as approved by the Government in the General Radioactive Waste Plans. Consequently, and to extent that the financial markets allow, Enresa concentrates its investments in fixed rate financial instruments indexed to Spanish inflation plus a spread higher than the actual interest rate.

The remainder of its investments are diversified amongst the fixed rate alternatives offered by the financial markets, the established objective in all cases being the expectation of exceeding the actual interest rate.

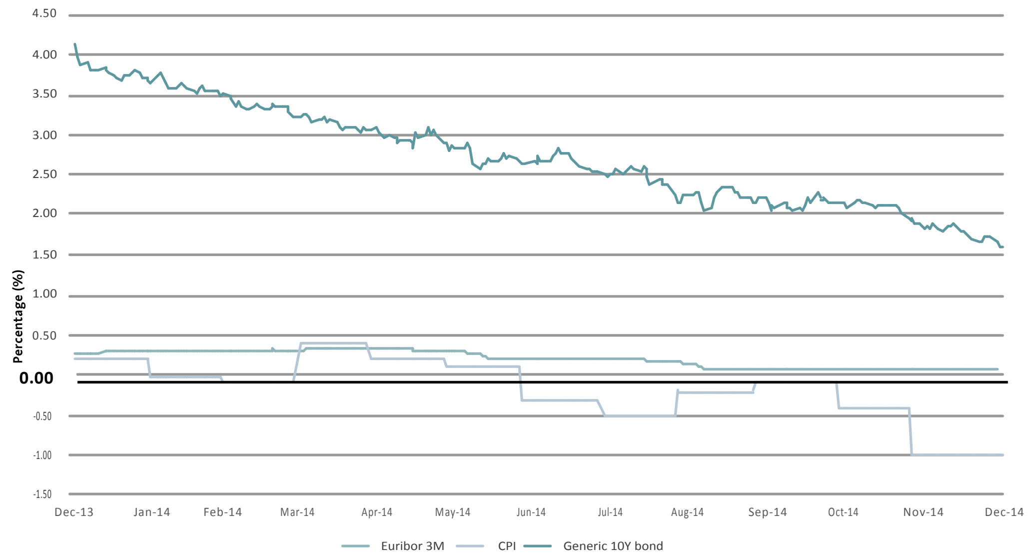
All financial assets denominated in foreign currencies are covered by exchange rate financial derivatives, as a result of which the Company is not exposed to exchange rate risks.

c) Liquidity:

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic and financial planning approved by the Government in the General Radioactive Waste Plans. Given the broad timescale of current planning, financial investments are predominantly very long term, provided that the situation of the financial markets allow and warrant this and in the absence in the short and medium term of special liquidity needs. Nevertheless, long-term financial investments in the Portfolio are made predominantly in completely liquid financial products.



Portfolio structure by sector



Generic 10Y - 3 months - CPI

ENRESA SHARES

In accordance with Law 19/1989 of 25 July, as of 31 December 2014, Enresa does not possess any of its own shares and has neither acquired nor sold such shares, either directly or indirectly through subsidiaries.

SUBSEQUENT EVENTS

Subsequent to the close of the fiscal year ended 31 December 2014 and up to the date of drawing up the financial statements there have been no events that might significantly affect these statements.

Nevertheless, on 29 January 2015, the Plenum of the Court of Auditors approved the audit report on Enresa's management of the Fund for the financing of activities included in the General Radioactive Waste Plan for 2010 and 2011 and agreed to its submission to the Spanish Parliament. Its eleventh conclusion, amongst other considerations, qualifies this management as satisfactory and indicates five recommendations outside Enresa's management.

In addition, on 12 February 2015, the resignation of Francisco Gil-Ortega Rincón as president of Enresa came into effect, with Juan José Zaballa Gomez named president on the same date.

Furthermore, 17 March saw the publication of Order EIT/458/2015, of 11 March, regulating allocations to municipalities in the vicinity of nuclear facilities from the Fund for the financing of activities included in the General Radioactive Waste Plan.

8 / ENRESA´S COMMITMENT

Quality in the management and safe storage and disposal of radioactive waste produced in Spain, social commitment and our relationship with our environment are three of Enresa's cornerstones. Institutional contact, within and beyond our borders, is indispensable and ensures knowledge transfer, essential for progress in scientific and technical research. All of this is backed by information transparency and ongoing cooperation with the media.

Continuous improvement in quality management systems guar-antees excellence in our activities. Proof of this can be seen in the programmes for environmental monitoring, radiological protection and information systems, which underpin both the safety and the consolidation of all our activities.

MANAGEMENT COMMITMENT

- Quality
- Safety and radiological protection
- Environmental management
- Information technology and systems
- Documentation
- Contracting
- Auditing

SOCIAL COMMITMENT

- Institutional relations
- Information media
- External communication
- International involvement
- Human capital
- Training
- Corporate voluntary work and family plan
- CSR
- The Enresa Foundation

QUALITY

During 2014, Enresa has continued to administer the quality control system implemented for over 25 years to ensure the fulfilment of quality objectives and requirements in all its activities.

Enresa's quality control system is described in the Quality Manual, which includes the Quality Management Policy. The requirements set out in this manual and the relevant specifications for each project and activity are incorporated into the various quality assurance programmes. At present there are nine programmes, divided into three groups:

- **Management of low and intermediate level waste,** with four quality assurance programmes: operation of the El Cabril Centralised Disposal Facility; construction and operation of a very low level waste disposal facility; transport of low and intermediate level waste; and finally waste classification and acceptance activities.

- **Management of high level waste,** with two programmes: one for the design, construction and operational activities of the Centralised Interim Storage Facility for high level waste; the other for the manufacture of dry casks for spent fuel assemblies and high level waste.

- Finally, there are three programmes for the **dismantling projects** currently under way. These are the Dismantling and Decommissioning Plan for the José Cabrera nuclear power plant, the programme regulating the dormancy phase of the disused Vandellós I nuclear power plant and finally the Ciemat PIMIC project.

The development of the work systems for all these programmes involves around 1,000 procedures, which include the methods for performing the activities carried out in Enresa's facilities and the projects which are undertaken.

As set out in nuclear legislation, quality requirements for a structure, system, component or activity can be rated according to their importance to nuclear safety and radiological protection and, therefore, the Enresa quality system establishes a three-level ranking scheme: Level 1, directly related to safety; Level 2, relevant to safety; and Level 3, not related to safety, but which is considered to require quality management. Naturally, Level 1 encompasses the greatest number of nuclear-related requirements, whilst Level 3 requires a quality system based on industrial standards such as ISO 9001.

Integrated Management Committee

Since safety order IS-19 came into force, the quality management system has undergone some modifications in terms of organisation. Enresa has an Integrated Management Committee that meets every six months to review the results of the different systems implemented at the facilities and the rest of the projects and activities. This review covers a range of functions: quality, environment, radiological protection, occupational risk prevention and physical safety, always with the ultimate goal of maintaining safety above all else. Likewise, Management Committees at the facilities review the system every quarter from different perspectives, seeking to improve radiological protection and safety.

Assessment of the quality system

2014 Audits

One of the fundamental tools for verifying compliance with regulatory requirements is the audit. Every year, Enresa draws up a plan for quality, environmental and occupational risk prevention audits, which is approved by the Chairman. The quality audits are grouped as follows:

Internal Audits:

- **System Audits:** to verify the activities necessary for the correct management of projects, activities and facilities.

- **LILW Management Audits:** to verify transportation, classification and LILW engineering activities, and operation of the El Cabril Centralised Disposal Facility.

- **HLW Management Audits:** to verify the activities relating to high level waste.

- **Dismantling Project Audits:** to verify all activities related to the Plan for Dismantling and Decommissioning of the José Cabrera nuclear power plant, the dormancy phase of Vandellós I, PIMIC, etc.

External Audits:

- **Audits of suppliers specific to Enresa.**

- **Audits of suppliers also used by the Spanish Nuclear Power Stations' Supplier Assessment Group (SAG).** Enresa is responsible for managing 19 assessment records

Compliance with the 2014 Annual Internal Audit Plan

Internal	Scheduled	Carried out	Cancelled/ Delayed	Carried out without prior scheduling
System	1	-	1	-
LILW management	7	7	-	-
HLW management	2	1	1	-
Dismantling	11	11	-	-
Total internal	**21**	**19**	**2**	**-**
PERCENTAGE OF COMPLIANCE		**90%**		

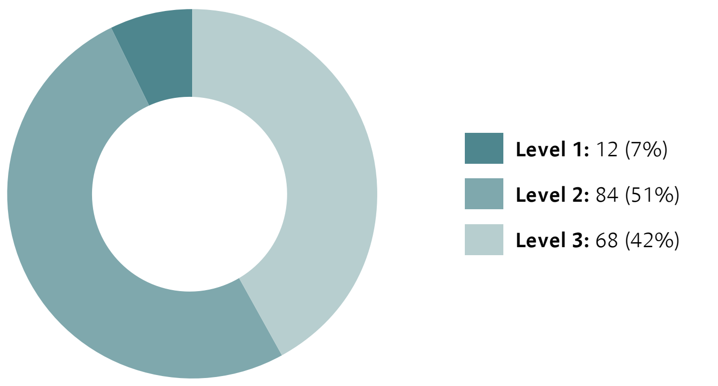
Compliance with the 2014 Annual External Audit Plan

EXTERNAL				
Enresa's suppliers	**Scheduled**	**Carried out**	**Cancelled/ Delayed**	**Carried out without prior scheduling**
Total External	9	8	1	7
PERCENTAGE OF COMPLIANCE:		**89%**		
SAG				
Plant suppliers	**Scheduled**	**Carried out**	**Cancelled/ Delayed**	**Carried out without prior scheduling**
TOTAL SAG	9	7	2	-
PERCENTAGE OF COMPLIANCE:		**78%**		

There has been 90% compliance with the Annual Audit Plan, respecting internal audits, with only two audits not performed (one cancelled and the other postponed until February 2015). Regarding audits on suppliers specific to Enresa, all planned audits have been carried out except one that was cancelled through lack of orders with the supplier in question. Importantly, there were seven audits of new suppliers. Likewise, all audits of SAG suppliers under the responsibility of Enresa were performed, with the exception of two, which were cancelled due to the suppliers leaving the group.

Supplier assessment 2014

Another important activity related to suppliers is Enresa's assessment of their capability to provide goods or services to the required standards. This involves 164 specific suppliers and 193 shared with the Supplier Assessment Group (SAG), which brings the total number of suppliers evaluated to 357.

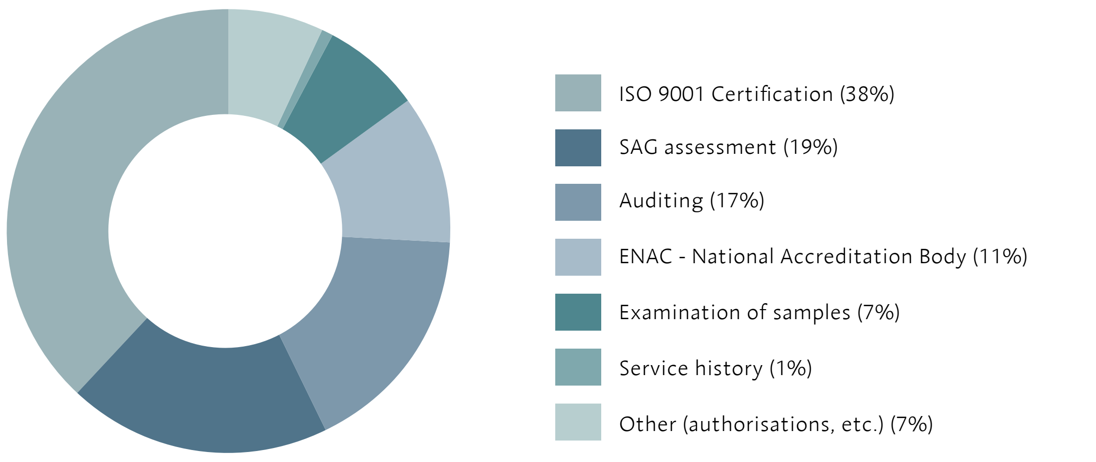


Suppliers specific to Enresa

These assessments are performed through audits and/or control and monitoring activities carried out during the course of work or orders.

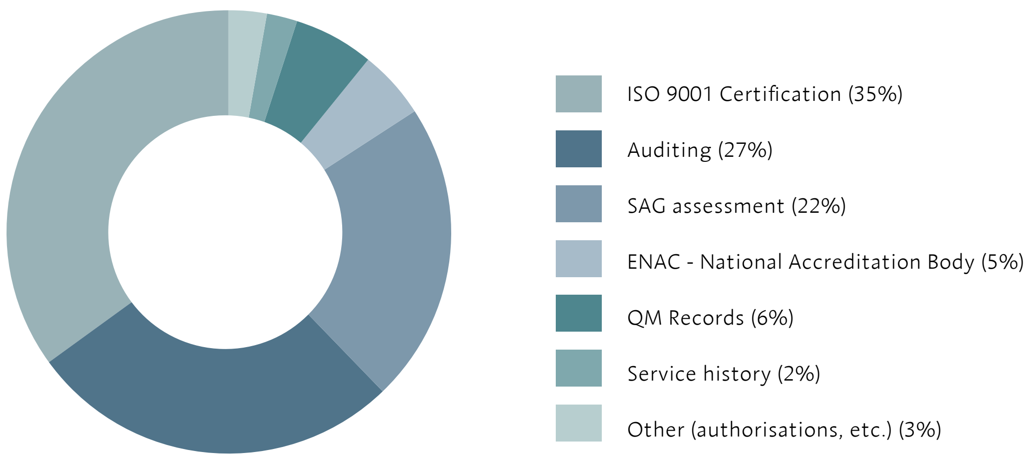
Assessments are carried out annually for Level 1, and every three years for Levels 2 and 3. 61 assessment reports were carried out in 2014, distributed as shown in the following diagrams:

Assessments carried out in 2014



Assessment methods

Note*: does not include SAG suppliers



Assessment methods used in 2014

Inspections

During this year, there have been a total of 1,425 Quality Assurance inspections and desk reviews in Enresa facilities and in those with projects under Enresa's responsibility, to assess compliance with regulatory requirements for both internal and external activities.

The following table shows inspections performed in 2014, grouped by facility and process/activity:

	Type of inspection		Carried out
EL CABRIL	Facility operation	Maintenance	79
		Verification tests	160
		Conditioning	8
	Laboratory operation		5
	Manufacture of CE-2a casks and CJE-1/2 racks		20
	Upper slabs		41
	Radiological Protection and Environment		21
	Medical service		0
	Physical safety		0
	Emergency plan/management		3
	Purchase orders/receipts		181
	Documentation review		85
	Design modifications		61
	SUBTOTAL CABRIL		**664**

	Type of inspection	Carried out
JOSÉ CABRERA	**Mandatory fields:** Technical operating specifications, monitoring programmes and dose calculation manual	89
	Non mandatory fields: Technical operating specifications, monitoring programmes and dose calculation manual	80
	Arising from work orders, corrective maintenance, etc.	21
	Arising from unloading	0
	Arising from inspection point plans	372
	Receipts	68
	Regulatory	0
	Environmental: environmental monitoring and environmental radiation plans, removals, etc.	30
	Water treatment plant, sewage and waste	24
	Other	9
	SUBTOTAL JOSE CABRERA PLANT	**693**

	Type of inspection	Carried out
PIMIC	Management and control of materials in tanks (5%)	11
	Management and control of waste storage facilities (5%)	12
	Generation of AMU in production (10%)	9
	Checking controlled area access requirements	4
	Monitoring, classification and zoning of areas	4
	Monitoring and control of systems	4
	Materials and equipment stores	1
	Declassification of materials	9
	Issuance of radioactive waste	9
	Radiological sampling	2
	SUBTOTAL PIMIC	65

	Type of inspection	Carried out
TP	Transport	3
	SUBTOTAL TRANSPORT	**3**
	TOTALES	**1.425**

External evaluations of the Quality System

The Enresa Quality System is regularly evaluated in order to verify compliance with Quality Assurance standards and legal requirements. These evaluations are performed by both the Nuclear Safety Council (CSN) and the certification body AENOR.

Nuclear Safety Council:

The Nuclear Safety Council performs inspections of activities carried out by the Quality Management department in the implementation of the various quality programmes for the facilities and projects.

During 2014 the CSN's Quality Assurance office has performed inspections of various activities in the quality assurance programmes for the El Cabril Centralised Disposal Facility and the José Cabrera nuclear power plant, as well as the CISF site characterisation activities.

Spanish Association for Standardisation and Certification. AENOR

Since Enresa obtained the quality certificate awarded by AENOR in 1992, accrediting the compliance of the Quality System standards with the requirements of international standard UNE EN ISO 9001, this entity has audited Enresa every year in order to check continued compliance with these requirements and their updates, in accordance with the ongoing development of the standard.

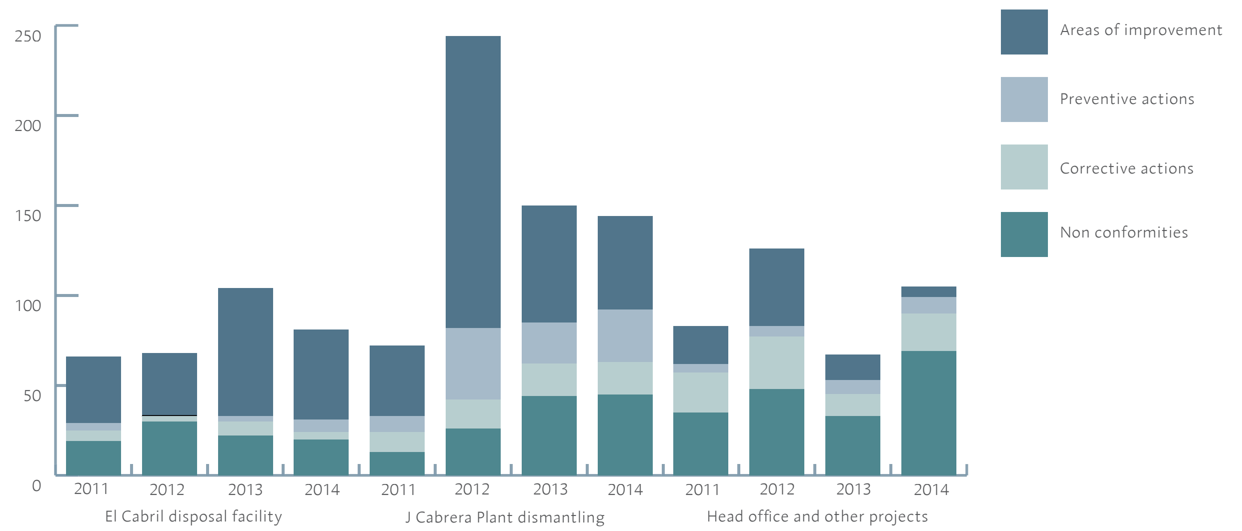
During the month of June in 2014, AENOR performed its 23rd audit. This audit was for recertification of the organisation's Quality Management System, and after verification of its meeting the requirements of the reference standard UNE-EN ISO 9001, the corresponding accreditation certificate was issued, which is valid until October 2017.

Integral Improvement System (IIS). Management of nonconformities, preventive actions and improvements

At the end of April 2010, Enresa equipped itself with a tool to facilitate the involvement of all personnel in the improvement of the Company's integral management system. This tool is called IIS, the Integral Improvement System, and it encompasses all actions aimed at improving the functions of quality, environment, occupational risk prevention, physical safety and radiological protection, all from the point of view of improving safety.

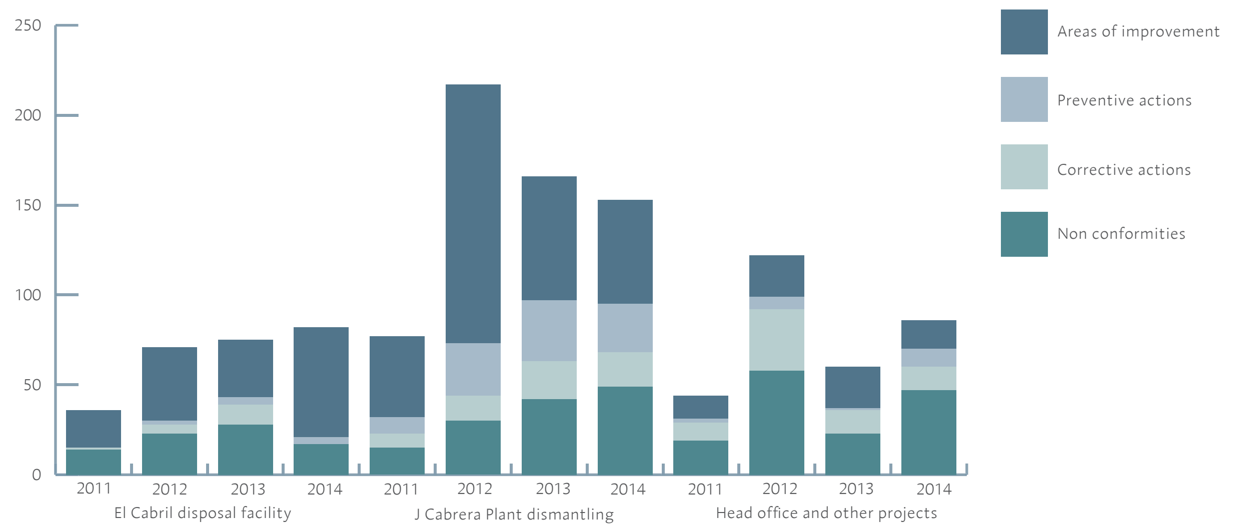
The tool takes into account both the nonconformities generated during operation and maintenance of Enresa's facilities as well as the actions for improvement proposed by personnel at all levels. The commitments adopted as a consequence of interaction with the regulatory body are also reflected in this database.

During 2014, results have shown a positive trend. 330 actions were initiated in response to nonconformities, a figure slightly above last year's, as shown in the chart below.



Initiated

During 2014, a total of 321 actions were concluded, exceeding the number of actions concluded in 2013 by 7%.



Concluded

SAFETY AND RADIOLOGICAL PROTECTION

Activities carried out in this area have two basic objectives: improving the availability of expertise for performing safety and environmental impact assessments, and optimising the development of in-house safety and radiological protection activities for Enresa's projects and activities.

During 2014, support activities have continued at Enresa's facilities, with particular focus on the demands of the cur-rent waste management phase of the PIMIC project. Last-ly, the Company has been involved in various tasks related to the evaluation process for the specific mandatory documentation submitted to the competent authorities for the applications for authorisations for the Centralised Interim Storage Facility (CISF) and its associated Technology Centre.

The above activities are oriented on the basis of international developments and the relevant national regulatory framework, and are supported through the development of R&D projects and cooperation with other organisations with similar objectives and requirements.

Notable amongst these operations have been the actions by Enresa's Radiological Protection Technical Unit (RPTU), duly authorised by the Nuclear Safety Council. These actions involve implementation of the Radiological Monitoring of Metallic Materials Protocol, and also the Action Protocol in the event of detecting unnotified movement or unlawful traffic of radioactive materials at seaports of general concern. Also of note were activities relating to sources and other radioactive materials outside the regula-tory control system, the management of waste materials with naturally occurring radioactive content, as well as support operations for the competent authorities in the event of radiological emergencies.

This year, in the field of nuclear and radiological emergency response, Enresa has participated in an activation exercise for the Requena Classification and Decontamination Station, as part of Valencia's Nuclear Emergency Plan. It has also been involved, from the Emergency Response Centre at the head office in Madrid, in several simulations of the On-site Emergency Plan for the nuclear power plants.

These Emergency Plan activation exercises involved simulations of classification and removal of solid radioactive waste generated, and collection and analysis of any contaminated water from the decontamination stations.

Within this series of activities, Enresa has a particularly ac-tive involvement in training courses for personnel from metal industry companies and Megaport system operators. Enresa also cooperates with Civil Defence and State security forces and bodies in training related to their intervention in radiological emergencies and accidents during the transportation of radioactive material.

As regards the dosimetry control of participants in these activities, the data monitored by the RPTU throughout 2014 shows very low values, similar to previous years.

This information is monitored directly and in detail by the Nuclear Safety Council. We should also underline that Enresa maintains a series of Environmental Radiological Monitoring Programmes (ERMP) in the areas surrounding its regulated facilities, the results of which are managed and monitored by the RPTU, as well as by the competent authorities. The results for 2014 show no significant radiological impact from the facilities on the surrounding environment and have remained at values similar to those of previous years. The CISF Pre-operational Environmental Radiological Monitoring Programme has also been prepared and sent to the CSN.

Lastly, mention should be made that we are continuing working on compliance with the CSN's requirements in Safety Order IS-19 concerning safety culture. Based on the results of the 2013 independent evaluation of their degree of implementation at Enresa, an Improvement Plan was drawn up and submitted to the CSN in 2014.

ENVIRONMENTAL MANAGEMENT

Enresa has a strategic vision of commitment to environmental improvement in all their activities, which focuses on saving resources, preventing pollution and protecting the environment. Environmental Management Systems are implemented in all activities where significant environmental impacts might occur, controlling emissions, discharges, noise, land use and resource consumption.

All the activities implemented at Enresa comply with the applicable legislative requirements and environmental regulations, as well as the requirements that the organisation adopts in relation to identified environmental issues.

Notable amongst the projects and activities carried out during the year 2014 are the following:

- The procedures necessary for obtaining the **Environmental Impact Statement for the CISF** have continued with the preparation of the Environmental Impact Study (EIS) (submitted for public notice at the Government Subdelegation in Cuenca). On October 7 the Ministry of Agriculture, Food and the Environment (MAGRAMA) received the EIS, together with the representations received and the replies to these representations, thus completing Phase 2 of the environmental procedure.

- As part of the **José Cabrera plant dismantling and decommissioning plan**, the performance of inspections has continued. In relation to environmental aspects, these have included: the environmental monitoring of the Individual Interim Storage Facility (IISF), the Radiological and Environmental Monitoring Plan, the Environmental Monitoring Plan for conventional and hazardous waste and shipments of declassified material. Furthermore, with regard to the Discharge Authorisation, the corresponding samples have been taken and the periodic reports have been drawn up on the various waste streams.

- Progress was made on the implementation of a software tool that provides support for the management and monitoring of the environmental requirements to be met by contractors who work in the **Vandellós I facility.** In addition, the necessary procedures were undertaken to get up to date and comply with Royal Decree 1027/2007 on the 'Regulation of heating and cooling installations in buildings'.

- In December the first Conventional Emergency drill was held in the **El Cabril Disposal Facility** for a 'Chemical spill' scenario, as set out in the Action Plan for Conventional Environmental Risks A32-PC-CB-0372.

AIMS AND OBJECTIVES

One of the commitments made with the establishment of the Environmental Management Systems is to tackle environmental aims and objectives. In this regard, the following objectives were proposed for the three facilities that have an Environmental Management System in place:

EL CABRIL CENTRALISED DISPOSAL FACILITY FOR LOW AND INTERMEDIATE LEVEL WASTE

Objective	Grado de avance en 2014
Reducing water consumption in the facility by 1.5% with respect to the period 2011-2013, which totalled 16,023 m^3.	**ACHIEVED** 9% reduction
Reducing paper consumption by 1.5% with respect to average consumption in the period 2011-2013, which totalled 667,417 sheets.	**ACHIEVED** 47,2% reduction
Implementing 11 improvement actions in the grounds.	**PENDING** (ongoing in 2015, 45% progress)

VANDELLÓS I FACILITY

Objective	Grado de avance en 2014
Reducing average monthly consumption of electrical energy over the period 2014-2015 with respect to average monthly consumption over the period 2011-2013.	**PENDING** (continúa en 2015, mantenimiento de consumos durante el primer año)
Reducing average monthly consumption of sanitary water over the period 2014-2015 with respect to average consumption over the period 2011-2013 (*).	**PENDING** (continúa en 2015, reducción del 12.90% durante el primer año)
Reducing the environmental impact of CO2 produced by the facility.	**PENDING** (continúa en 2015, grado de avance del 50%)
Reducing overall the environmental impacts of the facility, improving the evaluation system.	**PENDING** (continúa en 2015, grado de avance del 50%)

(*) Excluding the m^3 of water due to faults or maintenance work.

JOSÉ CABRERA NUCLEAR POWER PLANT DISMANTLING AND DECOMMISSIONING PROJECT

Regular monitoring of the following environmental indicators was carried out: consumption of electricity, diesel oil and demineralised water; discharge volumes and their physiochemical parameters.

In addition, the objectives for 2014 were set with regard to the performance of training activities in environmental matters, which have been moved to early 2015.

CERTIFICATIONS

The relevant audits were carried out in 2014, both internal and external (by the certifying body). The purpose of these audits is to check the degree of compliance with the requirements of standard UNE-EN-ISO-14.001:2008.

The results of all audits were satisfactory, maintaining certification of the environmental management system in accordance with this standard, both at the El Cabril Centralised Disposal facility and the Vandellós I facility.

INFORMATION TECHNOLOGY AND SYSTEMS

During 2014, corporate management systems and technology platforms have maintained daily operation. They have also offered a response to the demand for new features to enable continuous adaptation to functional, operational, regulatory and legislative requirements.

Amongst the activities listed in the 7th Information Technology and Systems Plan (2013-2015), priority has been given to activities relating to the development and implementation of the following technological platforms:

- **Collaborative work,** with new features associated with the development of working environments. These enable the centralisation of activities involved in the process of work documentation creation and sharing. Various corporate websites have been designed and constructed, for example, for the CISF project and for the Administration Department.

- **Extraction and management of information from corporate systems** (Business Intelligence), especially in the waste management system (WMS) and economic and financial management system (EFMS).

The data and information structures which will support future developments in the corporate management systems have been defined and implemented, and are capable of absorbing and organising the growth and needs of the organisation in new projects.

Enresa currently has a map of **fourteen Corporate Management Systems**, consisting of 86 subsystems and 156 modules (see figure).

- **Life cycle of applications:** this includes the management of demand, planning, tasks, costs and implementation.

Communication Management System
- Management of Enresa Environments
- Corporate relations
- News cataloguing

Human Resources Management System
- Personnel administration
- Training
- Travel orders
- Loans and advances
- Monitoring of working hours
- External staff

Maintenance And Storage Management System
- Storage Management
- Procurement Management
- Maintenance Management
- General Services Management

Physical Safety Management System
- Management of people and ID cards
- Access Management
- Logging of visits

Enresa Office

Document Management System
- Control of documentation
- Register
- Distribution
- Issuing / Cataloguing
- Record Manager
- Repository / BPM

Business Intelligence
- WMS BI solution
- EFMS BI solution
- Dismantling Management System BI solution

Collaborative Websites
- CISF
- International Relations
- Information Systems
- Support Centre
- Management sites

Dismantling Management System
- Dismantling plan management
- Physical and radiological inventory
- Work permit applications
- Material management
- Radiological Protection
- Risk prevention
- Agenda and Notices
- Administration
- Quality Management

Environmental Radiological Monitoring Programme
- Schedule Management
- Management of measures
- Sampling
- Reports

Economic And Financial Management System
- Accounting Management
- Analytics Management
- Budget
- Purchasing and awards
- Third parties
- Allocations to councils
- Financial Management of projects
- Fixed assets

Waste Management System
- El Cabril Operation Management
- Nuclear power plant fuel
- Conditioning and disposal
- Characterisation
- Manufacture of casks
- Waste verification laboratory
- Waste from incidents
- Nuclear Facilities
- Radioactive facilities

Management System for Financial Investments
- Records
- Accounting
- Budget
- Simulation

Project Management System

Work has been focused on the functional maintenance and operation of the existing management systems. It has also involved the definition and implementation of data and information structures for the preliminary step of covering and expanding functions for handling enquiries and the production of required reports.

The information and communications technology infrastructure is proprietary. Nevertheless, functional analysis and development services for the maintenance of the corporate management systems are outsourced, as well as services relating to operation, implementation and technical support, and the User Support Centre (USC), both geared towards ITIL v3.

Enresa has 207 servers, including both physical and virtual, with a current storage capacity of 33 Tb.

The total number of personal computers consists of more than 450 desktop PCs and 174 laptops. An average of 1,700 software updates are installed each month to ensure accessibility, security and quality.

During 2014, the USC responded to 10,121 user support requests, compared with 9,314 in the previous year.

The full network of voice and data communications includes various workplaces with an MPLS network, enabling encrypted traffic and definition of service quality levels with high availability over various backup technologies. The total number of telephones is 700, including both land lines and mobile telephones.

In terms of services during this period, the corporate centralised printing, scanning and fax service has been assigned and implemented in all workplaces, with security authentication by means of employee ID card. The installation of Microsoft Lync software has been completed on all user computers, expanding the range of possibilities for communication (video, chat and voice), as well as shared whiteboard and remote desktop.

The competitive tender has been defined and prepared for the technological infrastructure for processing, storage and contingency at the centre for data processing and associated services, already in operation.

Finally, the public and CISF project engineering support service offices in Villar de Cañas have been integrated into the corporate communications network.

DOCUMENTATION

Enresa processes, preserves and safeguards all the information contained in records and documents on various media (electronic, hard copy and others) for the Company's various management activities, projects and operations.

The processes of registration and distribution, and those related to the Archive and Documentation Centre represent the final links in a solid chain of corporate management of company documents.

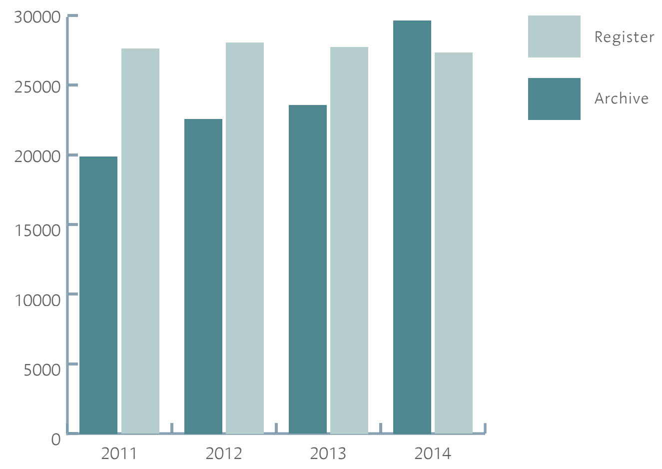
Enresa has a corporate system for documentation management. A Document Management System (DMS) provides support, administering the processes of registration, distribution and archiving of documentation generated by the organisation.

The archive contains 68 document collections. The total number of documents held in this archive is 825,635. Two thirds of the documents safeguarded over the course of Enresa's lifetime are stored on various physical media and in electronic format or have been digitised.

The Company's general register records the incoming external documentation and the outgoing internal documents sent to the various agencies and external entities.

During 2014 the security archive (Record Management) has managed a total of 29,635 definitive documents and those that, due to the applicable regulations on record and document management issued by the Nuclear Safety Council and other public bodies, must be safeguarded and monitored to comply with internal and external audits.

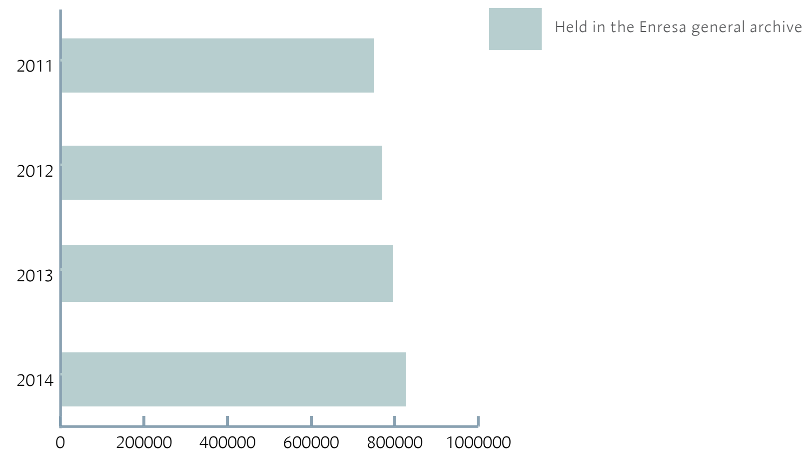
The General Register of incoming and outgoing documents has recorded 27,315 documents.



General Register of incoming and outgoing documents

Enresa General Archive

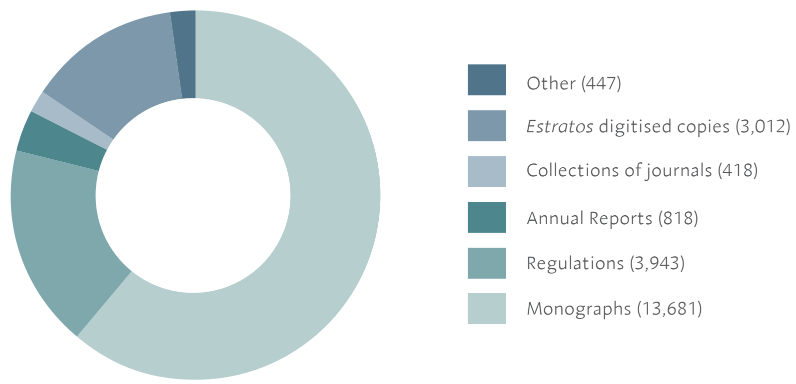
Chart showing the increase in documents safeguarded in the Enresa archive during 2011-2014.



General archive

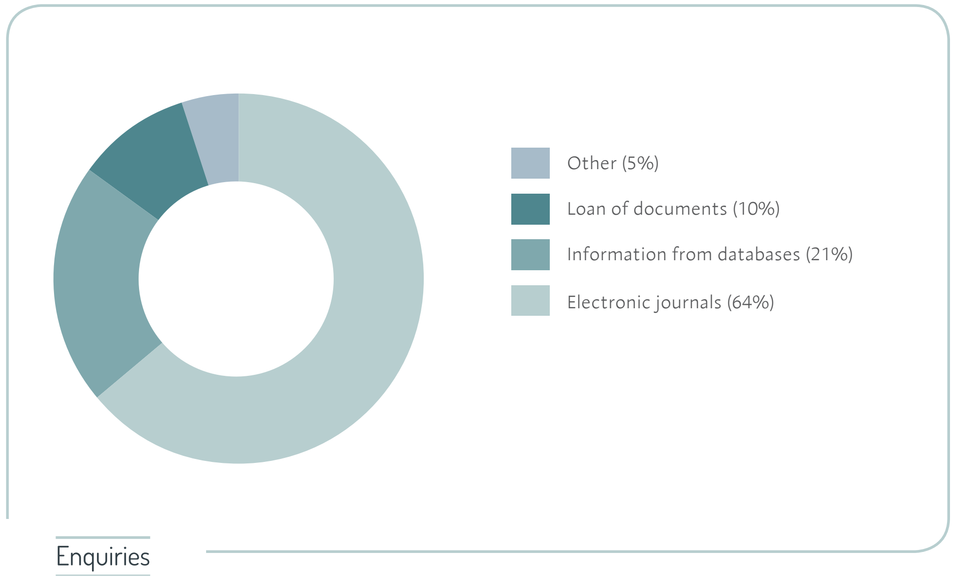
The Documentation Centre has a library specialising in the management of published support documentation on radioactive waste. It also manages collections of books, reports, standards and journals, etc. These information resources are primarily for the use of internal users, but are also available to those professionals and researchers who contact the documentation centre in search of information. During 2014 a total of 15,567 document requests were handled.

The centre also cooperates with other libraries and documentation centres in the energy field, both for interlibrary loans and the undertaking of joint tasks such as working groups, the exchange of expertise, and participation in collective catalogues.



Library 2013

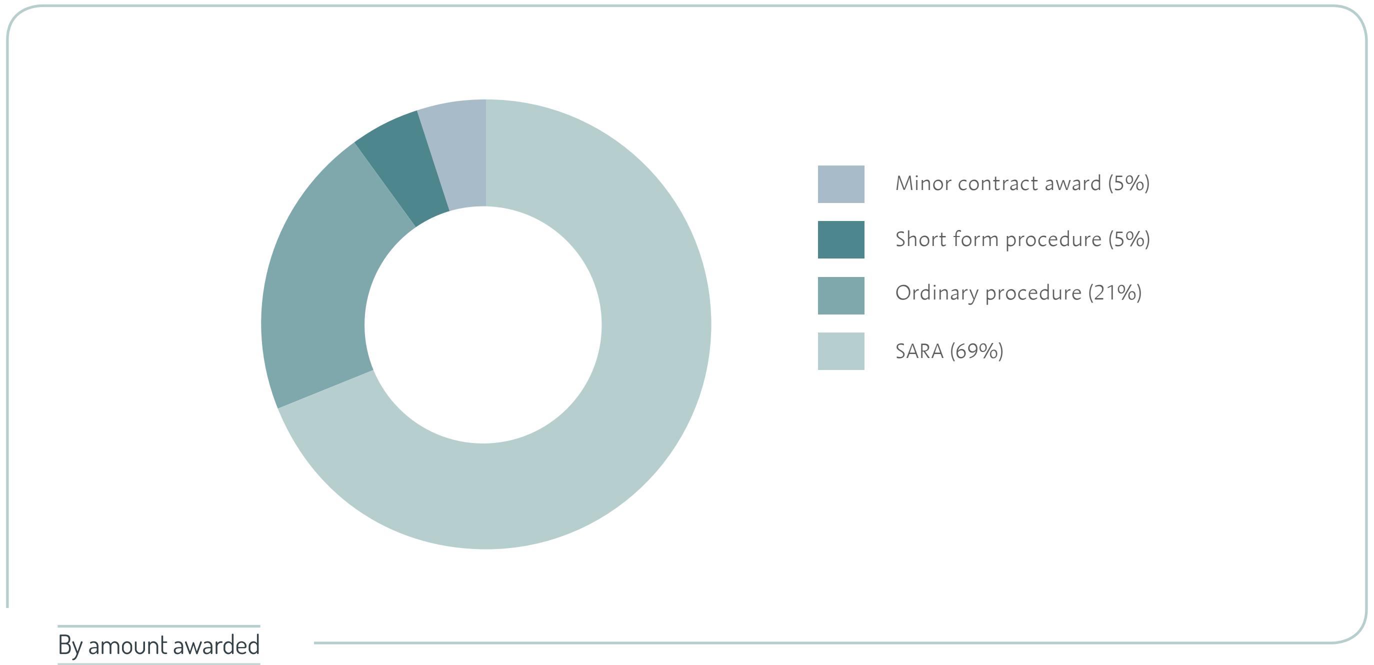
In addition to the materials mentioned above, there are 14 document databases available which can be searched in response to users' requests for information. At the present time, most sources of information are electronic resources. Similarly, information and/or documentation resulting from searches is provided to users in electronic format.



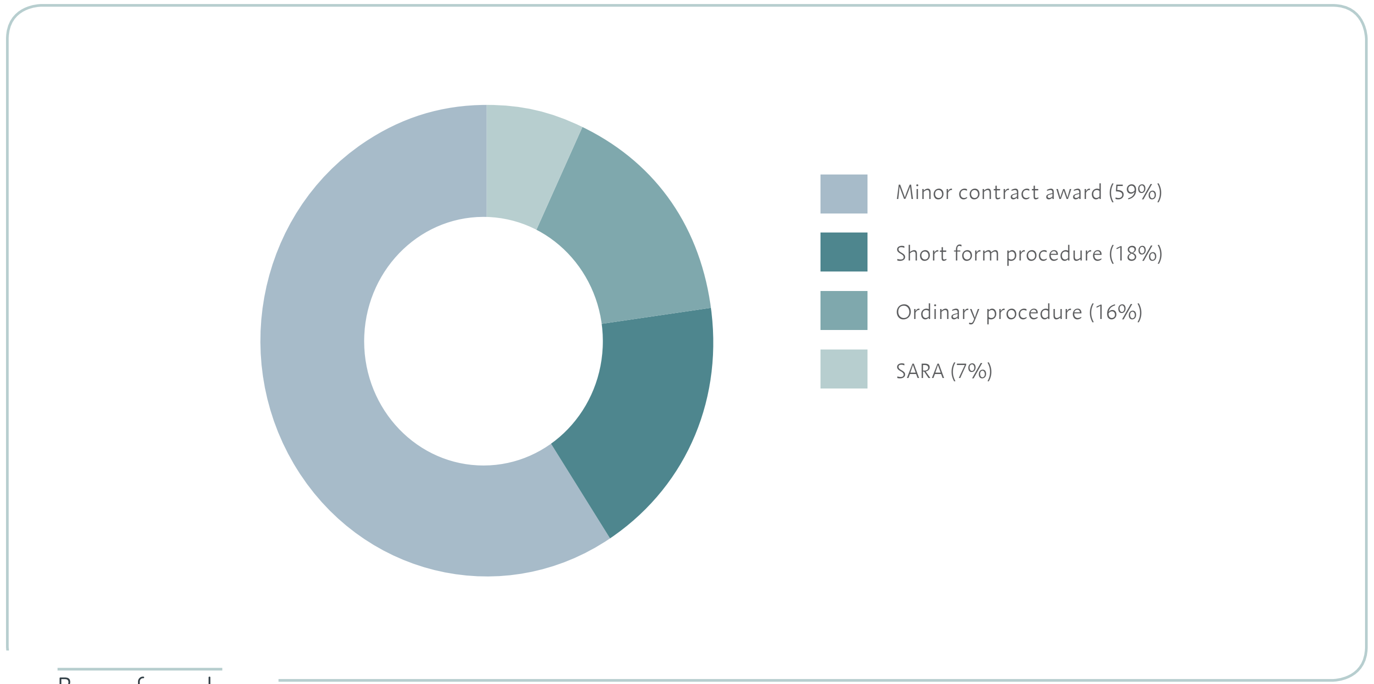
Enquiries

CONTRACTING

2014 Data					
Procedure		Amount awarded (€)	% by amount awarded (€)	Number of awards	% by no of awards
	Minor contract award	2,553,608.97	4,85%	380	59,38%
Non SARA:	Short form procedure	2,689,253.61	5,11%	117	18,28%
	Ordinary procedure	11,276,870.08	21,43%	100	15,63%
TOTAL Non SARA:		16,519,732.66	31,39%	597	93,28%
SARA:		36,109,055.23	68,61%	43	6,72%
OVERALL TOTAL		**52,628,787.89**	**100,00%**	**640**	**100,00%**



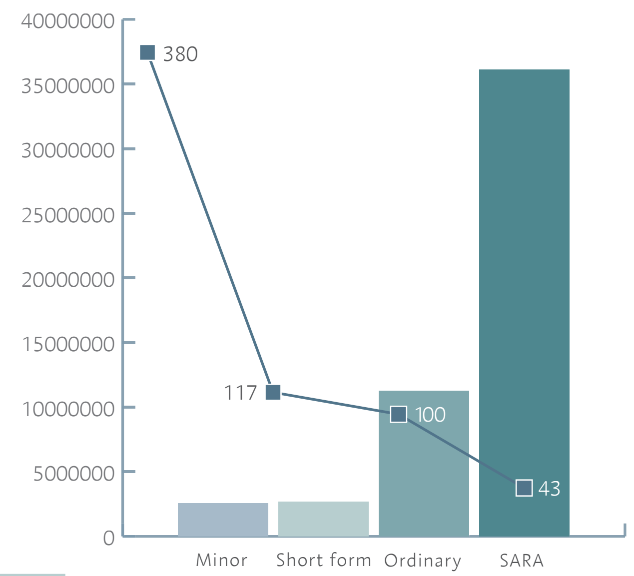
By amount awarded



By no. of awards

2013 Data

Procedure		Contract type	Amount of tender	Amount of award	No. of awards
Non SARA:	Minor Contract	Construction work	499,613.30	487,441.12	28
		Service	1,618,957.94	1,490,453.22	247
		Supplies	669,928.58	575,714.63	105
	Total Minor Contract Awards:		**2,788,499.82**	**2,553,608.97**	**380**
	Short Form Procedure	Service	3,506,068.06	2,089,670.90	95
		Supplies	744,530.00	599,582.71	22
	Total Short Form Procedure:		**4,250,598.06**	**2,689,253.61**	**117**
	Ordinary Procedure	Construction work	6,480,478.08	5,492,077.50	14
		Service	5,124,999.82	4,245,403.94	57
		Supplies	1,871,890.72	1,539,388.64	29
	Total Ordinary Procedure:		13,477,368.62	11,276,870.08	100
TOTAL Non SARA:			**20,516,466.50**	**16,519,732.66**	**597**
SARA	SARA	Service	31,584,114.70	25,951,647.74	37
		Supplies	12,018,170.00	10,157,407.49	6
	Total SARA:		43,602,284.70	36,109,055.23	43
TOTAL SARA:			**43,602,284.70**	**36,109,055.23**	**43**
TOTAL CONTRACTS 2014			**64,118,751.20**	**52,628,787.89**	**640**



Contract type

AUDITING

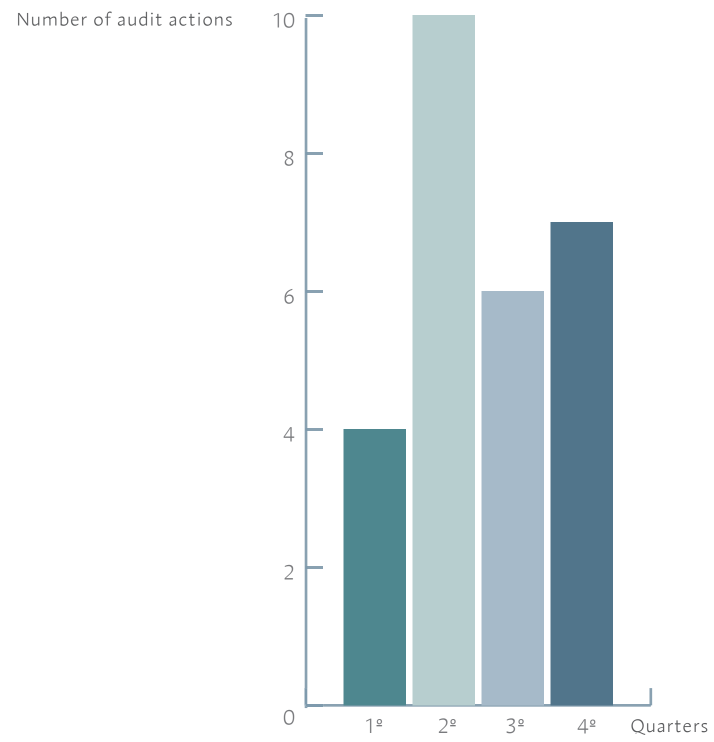
The Audit Department provides support to the Office of the Chairman by analysing, evaluating and monitoring the effectiveness of the Company's internal monitoring and risk management systems. To this end, during 2014, it carried out the actions set out in the 2014 Annual Audit Plan, approved by the Board of Directors in December 2013.

In addition, the Audit Department has carried out other specific actions on internal monitoring at the request of the Chairman of Enresa, the Audit and Monitoring Commission and the Internal Audit Department of the State Industrial Holdings Corporation (SEPI), as well as analysis of the Company's internal regulations and procedures which are in preparation, proposing relevant changes to ensure effective internal monitoring.

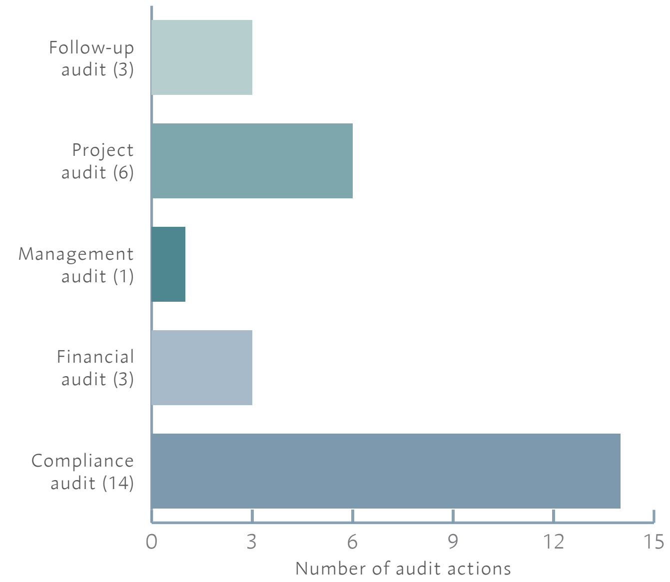
There was 100% compliance with the 2014 Audit Plan. During this year, a total of 27 audit actions have been conducted, including one requested by the Chairman, two by the Audit and Monitoring Commission and five by the Internal Audit Department of the SEPI. In addition, three reports have been drawn up on the analysis of the Company's internal procedures and regulations.

The members of the Audit Department act in accordance with the Code of Ethics, which establishes a model of good practice in professional practice and provides guidance to members of the Management on their professional activities.

The figures below show audit actions broken down by quarter and by type of audit.



Number of audit actions per quarter



Number of audit actions by type of audit

SOCIAL COMMITMENT

INSTITUTIONAL RELATIONS

The National Radioactive Waste Company maintains direct, regular and stable relationships with other organisations, groups and institutions that are influential within its field of work. Besides the Ministry of Industry, Energy and Tourism (Minetur), Enresa's supervisory authority, and our shareholders the State Industrial Holdings Corporation (SEPI) and the Centre for Energyrelated, Environmental and Technological Research (Ciemat), Enresa has links with other institutions and social partners, which are geared towards short, medium and long term cooperation and developing a common project.

Enresa, engaged in knowledge transfer

Enresa is an essential partner in matters of waste management and the dismantling of nuclear facilities, and actively contributes to the pooling of understanding and expertise in this area. This is an intention that is made clear by Enresa's participation in forums such as the **31st National Informative Session on Energy and Education**, held on 12 and 13 September by the Spanish Nuclear Industry Forum in order to promote appropriate teacher training on energy issues.

Similarly, in January Enresa's head office hosted the **2nd Radioactive and Nuclear Material Transport Seminar**. Organised conjointly with the Spanish Society for Radiological Protection (SEPR) and the Nuclear Safety Council (CSN), and with the participation of the Ministry of Development, the seminar was attended by almost a hundred technicians and specialists from the nuclear, radioactive and logistics sectors.

Additionally, in June, we held the **6th Enresa R&D Seminars** at the Polytechnic School of the University of Castile-La Mancha. More than 125 researchers attended the event at the University's campus in Cuenca, where the 7th Enresa R&D Plan, for the 2014-2018 period, was presented and the outcomes of current projects were analysed. The implementation of this new R&D plan would not be possible without the involvement of universities, which Enresa supports through its partnership agreements with centres of learning throughout the country.

As a specific example, potential synergies with the University of Castile-La Mancha were discussed during two meetings held in June and October with researchers from the Schools of Industrial Engineering and Civil Engineering, who presented some of their lines of work in fields such as renewable energy, energy and environmental processes, and geodynamics. Meanwhile, Enresa focused its presentation on the construction of the Centralised Interim Storage facility (CISF) for spent fuel and high level radioactive waste in Villar de Cañas (Cuenca). Its associated Technology Centre and Joint Laboratory will generate a series of needs requiring the provision of knowledge services.

Constant information on the progress of the CISF

Enresa regularly responds to the significant demand for information about progress on the CISF. Informative events organised over the past year have included the **Visit to see the work on the Business Incubator** and joint laboratory at Villar de Cañas, where in July Enresa unveiled the first two structures of the project. Enresa presented information on the project's progress to the most senior representatives of the Villar de Cañas Council, José María Saiz, the Provincial Council of Cuenca, Benjamin Prieto, and the president of the Regional Government of Castile-la Mancha, María Dolores de Cospedal, paying particular attention to the submission of the documentation required for licensing.

Prior to this, Enresa organised a meeting to inform its shareholders, members of the Congressional Commission on Industry and ministerial representatives about the project's progress. The meeting, focused on the current status and future prospects of the CISF, took place in April at Enresa's head office in Madrid. It was attended by the most senior representatives of Enresa's shareholders: the president of the SEPI, Ramon Aguirre; and the Director General of Ciemat, the Centre for Energy-related Research, Cayetano López. The meeting was also attended by members of the Committee responsible for relations with the Nuclear Safety Council (CSN) from the Congressional Commission on Industry, headed by its then spokesperson, Antonio Erias, as well as representatives from various ministries directly related to the project, such as the Undersecretary of the Ministry of Economy and Competitiveness, Miguel Tembours, and the Ministry of Industry, Energy and Tourism's Deputy Director General for Nuclear Energy, Javier Arana.

The storage facility for spent fuel and high level waste was also the focus for a thematic summer course at the Palacio de la Magdalena, the Menéndez Pelayo International University's Santander campus. Directed by the Director General of Ciemat, Cayetano López, and entitled **The Centralised Interim Storage facility: a state project**, the course brought together 28 speakers to analyse the details of the CISF project, from the current management of spent fuel from nuclear power plants to the role of the CISF in the energy mix, including the technical characteristics of the facility and the vision of the agencies involved.

Finally, Villar de Cañas in Cuenca took centre stage again in September with the official opening of the Casalonga road, following work on the surface of this stretch of road, built to improve connectivity between this locality and the National III main road. These activities have been made possible thanks to a partnership agreement between Enresa and the Provincial Council of Cuenca.

Besides Enresa's informational activities and those specifically concerning the CISF, many organisations visited Enresa's various workplaces throughout 2014 to gain first hand insight into the implementation of its activities.

El Cabril, a benchmark in waste management

No sooner had the year begun than the members of the Congressional Commission on Industry described the El Cabril facilities in Córdoba, where Enresa centralises the management of very low, low and intermediate level radioactive waste, as 'magnificent'. These are the words of Antonio Erías, the then spokesperson for the Committee responsible for relations with the Nuclear Safety Council in Congress, who travelled to Córdoba accompanied by members Sebastián Gómez, Guillermo Mariscal and José Segura Clavell, and the Committee's legal representative, José Luís Ruiz.

April saw the presentation of the facility's data. More than 50 people attended the 7th Symposium on Communication, including mayors from surrounding municipalities, local business people and the media. At El Cabril they were provided with operational data on the volume of waste received, occupancy figures, inspections performed and samples analysed for the Environmental Radiological Monitoring Plan.

For another year running, in October, El Cabril welcomed those responsible for the management of radioactive waste generated in hospitals, industry and research centres.

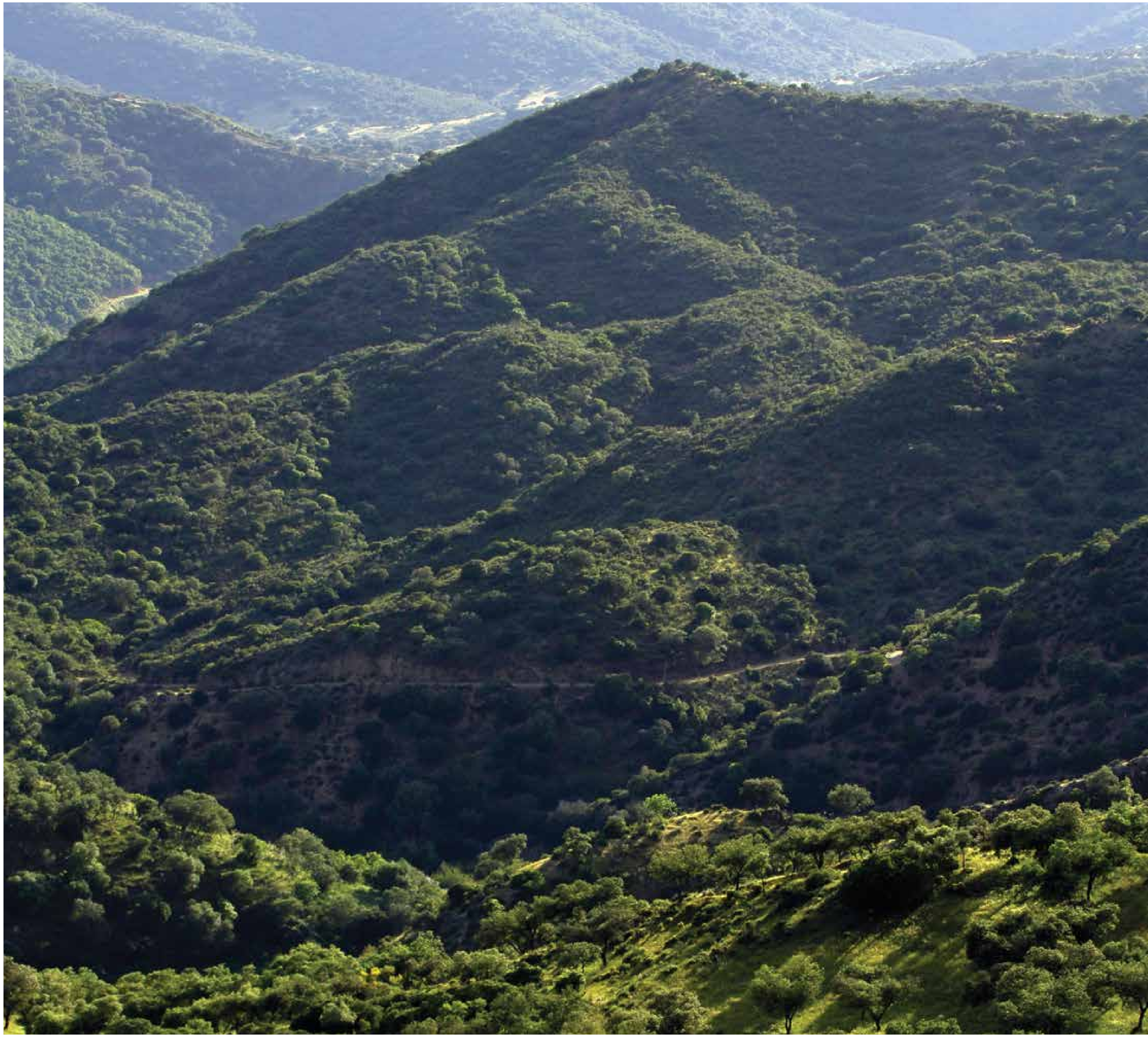
The 17th Conference on Nuclear and Radioactive Facilities in Córdoba was an opportunity for some fifty small producers from throughout Spain to exchange expertise and discuss optimisation of waste premanagement processes. Of the 876 radioactive facilities that have waste removal contracts with Enresa, more than 30% are for medical use, 40% industrial and 20% for research and teaching. Among them they generate an annual average of 20m^3 of waste, whose final destination is El Cabril.

Four years of dismantling José Cabrera

In February the dismantling of the José Cabrera nuclear power plant reached the end of its fourth year, and it still continues to arouse great interest amongst the international community. 2014 started with the visit by a group from the Japan Engineers Federation (JEF), made up of engineers from the Japanese nuclear industry on a European tour to gather information about the dismantling solutions used in the European Union. In April the plant welcomed members of the Taiwan Institute of Nuclear Energy Research. The visit was part of a Westinghouse training programme, the company working on the underwater cutting of the Zorita reactor. After their stay in Guadalajara, the group of Taiwanese engineers also had the opportunity to visit the El Cabril disposal facility.

At national level, in May the plant was visited by the Spanish group Ecologists in Action, headed by Francisco Castejón, spokesperson for their Energy Section, and Alberto Mayor, the group's provincial coordinator in Guadalajara. A month later, the 15th meeting of the Plant Information Committee in Almonacid de Zorita gathered together representatives of the Minetur, the Nuclear Safety Council (CSN), Civil Defence, the Government Subdelegation in Guadalajara, mayors, business people and associations from the surrounding area, who came to the plant to find out about the milestones achieved so far and the forecasts for the coming months.

In June some 50 members of the Military Emergency Unit (MEU) also visited



the site, and in the same month, the Association of Municipalities in Areas with Nuclear Power Plants (AMAC) visited the plant prior to the AMAC's Annual General Meeting, this year held in Almonacid de Zorita.

Finally, in October and coinciding with the underwater cutting of the reactor vessel, the Government delegate in Castile-La Mancha, Jesús Labrador, visited the José Cabrera plant, accompanied by the Government Subdelegate in Guadalajara, Juan Pablo Sánchez Sánchez-Seco, the Mayor of Almonacid de Zorita, Rafael Higuera, the Mayor of Zorita de los Canes, Dionisio Muñoz, and the Mayor of Yebra, Juan Pedro Sánchez.

Recognition of the Mestral Technology Centre

While the innovative techniques implemented in the plant have focused a great deal of expert attention on dismantling tasks, the Vandellos I nuclear facility and its Mestral Technology Centre have continued their informational work. In March, 16 years after the Mestral Technology Centre first opened its doors, the facility welcomed visitor number 60,000, a second year baccalaureate student. A month earlier, the Association of Civil Defence Volunteers from Hospitalet de L'Infant visited the old plant, now in the dormancy phase.

In May it was the turn of university students, with visits from students of the Master's Degree in Radiological Protection for Nuclear and Radioactive Facilities at the Polytechnic University of Valencia (UPV) and the Master's Degree in Electrical Energy Generation Technologies at the Polytechnic University of Madrid's School of Industrial Engineering (ETSIIM) in partnership with Tecnatom, a global leader in advanced engineering services which operates in more than thirty countries.

Finally, Mestral's efforts were rewarded at the end of the year, when the head of Physical Safety at the Mestral Technology Centre, José Antonio López Fernández, received an Honorary Mention - Special Category, awarded by the Directorate General of the Police and the Civil Guard. In addition, two security guards at the centre, Victoria Marín Chaves and Ventura Inglés Grau, received an Honorary Mention - Category B. This recognition highlights, once again, the partnership that Enresa and the Directorate General of the Police and the Civil Guard have maintained over time.

INFORMATION MEDIA

Enresa's information media department is the instrument through with which the National Radioactive Waste Company carries out its dissemination work. Transparency and information about our role in society are two of Enresa's corner-stones and for that reason we treat them as a strategic necessity.

Enresa employs multiple channels to reach society and provide complete and accurate information across all formats. These include the in-house magazines Estratos and Dinamo CLM, the updates published on our website www.enresa.es and the brochures and other audiovisual materials we offer during visits to our facilities and especially our information centres.

Dinamo CLM, , Enresa's vehicle for reaching Castile-La Mancha

2014 was the year which saw the launch of Dinamo CLM, a publication with a clear and well-defined purpose. It is linked to the future Centralised Interim Storage facility in the same way that the publication of Sierra Albarrana was linked to El Cabril for 23 years, until in 2012 it was decided that it had amply fulfilled its objective of informing the surrounding area about the activities carried out at the facility.

Dinamo CLM is a publication by Enresa about Enresa, and seeks to provide information about the Company and especially about the CISF project in an engaging, vivid and visually pleasing form. The vehicle employed for this purpose is the combination of a wide range of technical reports with an informative tone, to facilitate the understanding of our work for those who still do not know us or those who wish to expand their knowledge of the Company. The positive reception of this publication and the numerous subscription requests underline the need to disseminate information about our activities on the CISF project.

Providing information to generate social trust

Alongside attending to visits at the Villar de Cañas provisional information centre, and in compliance with our commitment to transparency and information, we have been working on the design for the exhibition space in a new Enresa Environment, which will be located in the Business

Incubator adjacent to the CISF. On a more ambitious scale, this new information area will facilitate understanding of both Enresa's responsibilities and its activities and projects at national level, with emphasis, of course, on the management of high level waste in the future CISF, and the projects for R&D and the associated Technology Centre.

Based on new technologies, the Enresa Environment at the Business Incubator is designed as a self-guided exhibition tour that will project one of Enresa's essential characteristics: a highly skilled company that masters technology in the interests of safety. The centre will feature several multimedia areas that will explain the function of our company, what radioactivity is and how we protect ourselves from it, what the stages of the nuclear fuel cycle are and what Enresa's experience comprises, from the standpoint of both waste management and the dismantling of nuclear facilities.

The materials from the current provisional information centre at Villar de Cañas will be incorporated into other Enresa Environments once the Information Centre at the Business Incubator opens. In this regard, we began to prepare a feasibility study in 2014 for their transfer and assembly in other company workplaces

The printed page driving disclosure

The topics described above also feature in the foreground of the Company's publications. Enresa, as a public service, must be accountable for its activities and generate social trust: trust that can only be won through knowledge.

Conscious of this premise, during last year we reissued publications such as La Pieza Clave, a poster-style leaflet that clearly sets out the Company's key areas, from the origin and the volume of waste generated annually in Spain, to its final management in our facilities, without forgetting essential activities such as transport and investment in R&D.

Dismantling tasks were also covered in several Enresa publications. The former plant of Vandellós I, currently dismantled to Level 2 and in the dormancy phase, has a pamphlet available with safety policy information and instructions on what happens in the event of an emergency.

The dismantling of the José Cabrera nuclear power station required the reissue of a small leaflet that broadly summarises both the milestones reached and those yet to be achieved. Last year Enresa completed a total of four years of work on the plant's dismantling. To commemorate this fact, as well as the milestones achieved to date, work has begun on the drafting and design of a José Cabrera Nuclear Power Plant Dismantling Report (Activities undertaken in 2010-2014) in an accessible format which is easy to read and well illustrated.

Commitment to transparency

As a public company we stand by our commitment to provide information about our activities, and at the end of last year we launched the Transparency Web Portal on our website, www.enresa.es, with all the information required by Law 9/2013 of 9 December on transparency, public information access and good governance.

This web portal includes, in a structured and easily accessible form, information on the composition of Enresa's Management Committee and Board of Directors, regulatory information with the details of internal procedures for contracting, and specific financial data such as the contracts and agreements in force, Enresa's annual reports and the remuneration of the head of the entity. A transparency-related mailbox has also been made publicly available to facilitate access to additional information by any interested party.

A tool for Enresa's workers

Internal communication has also played an important role. To this end, we have created a Newsletter service which seeks to encourage interaction between Enresa workplaces and give voice to the various in-house units, departments and offices so they can share the key elements of their work.

Aesthetics and ease of reading have also been considered in this dual format internal newsletter: a summarised version for email with direct access to a microsite that includes the full content. In addition, a historical archive has been created to give employees access to back issues of the Newsletter.

Thanks to the publication of these internal newsletters, throughout 2014 we have witnessed the warm reception of this tool and its positive impact on workers' global understanding of Enresa.

EXTERNAL COMMUNICATION

Throughout 2014 Enresa continued to uphold an active policy on communications, providing information to the media and other interested groups and responding to their queries on the Company's various projects.

Media relations

Enresa maintains an ongoing relationship with the media, both by responding to their various requests for information and proactively, by providing information about its activities that might be of interest to society. In this respect, during 2014, 18 press releases were issued and eight meetings were organised with journalists, while numerous specific contacts were made.

Among the meetings organised by Enresa, two focused on the CISF: one on the occasion of the project-focused seminar which took place on 20 February in Toledo, attended by national and regional media; and the other to mark the visit on 8 July by various authorities to view the work on the Business Incubator and Joint Laboratory. At the end of March, the presentation of the annual operational data from the El Cabril Centralised Facility took place. In Cuenca, during June, on the occasion of the Enresa R&D Seminars, an information action was designed to raise awareness of the details of the latest R&D Plan. Córdoba was the setting for another meeting with the news media in the month of October, on the occasion of the Small Producers' Conference held in this Andalusian provincial capital. Prior to this, during July, an information session was held in Santander to mark the Company's organisation of the course 'The Centralised Interim Storage facility: a state project' at the Menéndez Pelayo International University (UIMP). Another information session was organised in Madrid, during the Enresa chairman's participation in the breakfast briefings held by the New Energy Forum. Finally, the José Cabrera nuclear power plant dismantling, on the occasion of the removal of the plant's reactor and the start of cutting, was the basis for another information session with the local press.

In addition to these briefings for raising awareness about the development of Company projects, visits were organised for interested parties to various Enresa facilities in order to increase media coverage and promote a better understanding of Enresa's activities. In this regard, noteworthy events included: the visit to El Cabril by a group of journalists and regular participants in national media discussion programmes; the two visits to the Dutch Habog facility with journalists from national media and television; and the visit to the José Cabrera plant dismantling by journalists selected through the First Job Programme organised by the Press Association of Madrid.

During 2014, over 900 requests for information from the media were handled relating to the Centralised Interim Storage Facility, the dismantling of the José Cabrera plant and the El Cabril Centralised Waste Disposal Facility and other matters.

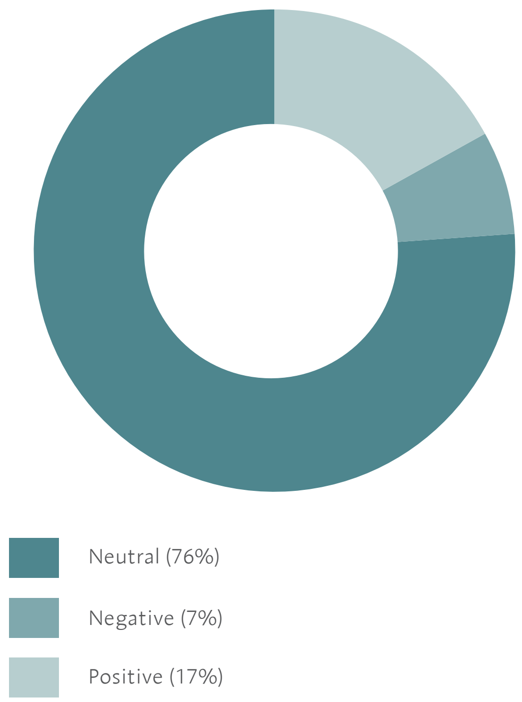
In the same period, Enresa was featured in a total of 5,800 reports, of which 721 were in print media, 4,607 in digital media and 472 on radio and television.

Media presence - total data 2014

	No. of reports
Print media	721
Digital media	4,607
Television	185
Radio	287
TOTAL	**5,800**

Number of news items by subject - Print media

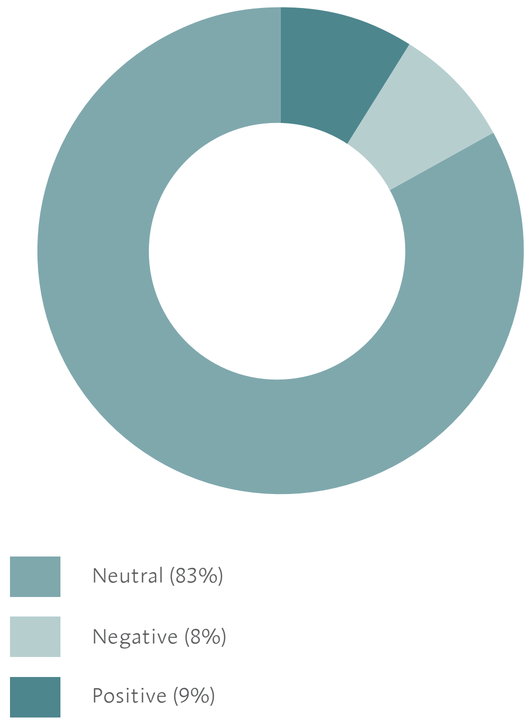
	ENRESA	EL CABRIL	CISF	DISMANTLING
January	21	28	24	13
February	11	102	12	51
March	5	22	4	4
April	6	18	10	0
May	2	11	16	0
June	48	14	6	0
July	6	3	47	1
August	2	1	8	0
September	5	1	25	0
October	6	18	46	2
November	6	5	29	0
December	20	22	40	0
TOTAL	**138**	**245**	**267**	**71**



Tone of news items - Print media

Number of news items by subject - Digital media

	ENRESA	EL CABRIL	CISF	DISMANTLING
January	172	57	80	427
February	69	66	56	44
March	57	72	60	1
April	85	51	155	0
May	7	69	108	1
June	69	51	273	7
July	70	65	566	6
August	21	8	73	0
September	26	4	203	2
October	67	102	190	8
November	184	28	232	1
December	97	191	424	2
TOTAL	**942**	**764**	**2,420**	**499**



Tone of news items - Digital media

Enresa Environments

Enresa makes responsibility for communication and informing society about its activities one of its main objectives. For this purpose, there are five information areas, called 'Enresa Environments', where members of the public are able to gain first¬hand insight into the activities that the Company carries out to enable the efficient and responsible management of radioactive waste generated in Spain. During 2014, the programme of informative visits to Enresa Environments continued for technical and professional groups, as well as for school children.

Enresa environments	No. visits	No. visitors
El Cabril	148	3,847
José Cabrera NPP	50	662
Vandellós I NPP Mestral T.C.	107	2,578
Madrid	111	2,568
Villar de Cañas	114	487
TOTAL	**530**	**10,142**

El Cabril

Communication activities have continued along established lines. In terms of external relations within the scope of the El Cabril Centralised Disposal Facility for low and intermediate level waste, mention should be made of the close relationship with the local councils in the area, particularly the four councils included in the Ministerial Order on allocation of funds to municipalities. Enresa also maintains institutional relationships with provincial and regional political forces, and educational, social, and cultural associations.

In this area the following activities stand out:

- The organisation of the 7th **Symposium on Open Air Communication**, held at El Cabril on 27 March, at which social representatives and information professionals gained insight into the facility's operational data for 2013.

- La The organisation of the **11th Annual Forum for Secondary Education Teachers**, which this year included a visit to the Hornachuelos Nature Park interpretation centre and a teambuilding event at the El Cabril facility.

Visits from various groups to the El Cabril facilities served, for a further year, to transmit information to the public on Enresa's management of the low and intermediate level radioactive waste generated in the country. During 2014 there were a total of 148 visits (3,847 visitors).

In addition, during 2014, there have been 110 scheduled educational activities in schools, presenting Enresa's mission to 1,976 students in the final years of primary and secondary education.

Madrid Head Office

During 2014, the Enresa Environment at the Madrid head office received a total of 2,568 visitors during 111 visits. Notable activities here included collaboration with the Spanish Nuclear Industry Forum on its **31st Conference on Energy and Education**, and participation in the activities included in the **14th Madrid Science Week**, with a conference on Radioactive Waste Management and a guided tour of the exhibition.

Vandellós I facility

At the former nuclear power plant Vandellos I in Tarragona, 2014 came to an end with a total of 2,578 visitors amassed during 107 visits, most notably including visits from university students. Activities undertaken in this facility and the Mestral Technology Centre were shown to students of the Master's Degree in Radiological Protection for Nuclear and Radioactive Facilities at the Polytechnic University of Valencia, the Master's Degree in Energy Technology for Sustainable Development, also at the Polytechnic University of Valencia, the Bachelor's Degrees in Biology and Medicine at the Pompeu Fabra University in Barcelona, the Master's Degree in Electrical Energy Generation Technologies at the Polytechnic University of Madrid and the Bachelor's Degree in Environmental Sciences at the Autonomous University of Barcelona.

Additionally, in February of this year, the Association of Civil Defence Volunteers from the municipality of Vandellòs i l'Hospitalet de l'Infant visited the facility, followed in May by Generalitat firefighters from the fire stations closest to the site. Both visits served to provide some of the official bodies responsible for emergency response with an understanding of the facility, from both a logistical and a functional standpoint.

In June, a paper was presented at an International Workshop in London, organised by the British power company Magnox in partnership with the IAEA, where views were exchanged on deferred dismantling as an alternative to complete dismantling of nuclear power plants. The paper's title was 'The Monitoring and Maintenance Plan for the Vandellos I facility'. Finally, cooperation continued by means of the Enresa Environment on editing the journal La Revista de Vandellós i l Hospitalet de l' Infant, with the compiling of various articles relating to the most important visits, the milestone of 60,000 visitors received at the Mestral Technology Centre, and the facility's current status and future prospects.

José Cabrera facility

During 2014, the dismantling of the José Cabrera nuclear power plant has reached another of its major milestones: the removal of the reactor vessel from its original location and its transfer to the former spent fuel pool, in readiness for its underwater segmentation. This activity again demonstrated the great interest aroused by Enresa's work at Zorita in the sector's global scientific and technical community. Since the start of dismantling, in February 2010, the Zorita project has seen the involvement of nuclear industry professionals, companies, government agencies, students and journalists from countries such as Sweden, Belgium, the Netherlands, Russia, Bulgaria, the USA, Canada, Australia, France, Chile, Brazil, the UK, Korea, China, Slovakia, Germany, Italy, Argentina and Japan. In addition, the United States Electric Power Research Institute (EPRI) has found in the José Cabrera nuclear power plant the perfect framework for the development of a 2014 workshop.

Besides professional groups, the bulk of visits received in 2014 was from university students. Students interested in the dismantling included those from the Polytechnic University of Valencia, the Engineering School of Málaga and the University of King Juan Carlos.

Added to this is the interest in the project displayed by the communications media throughout Spain. In 2014, the site satisfied the demands of journalists from the Press Association of Madrid, and the local media from the province of Guadalajara. In total, 662 people visited the facility in 2014, in 50 different visits

Villar de Cañas

Villar de Cañas has a provisional Enresa Environment, open to the general public. This information centre is a place where anyone interested in Enresa has access to information on the characteristics and operation of the CISF. In 2014, this Environment received 487 visitors during 114 visits. Highlights included a Visit to the work on the Business Incubator and joint laboratory at Villar de Cañas held in July and attended by high-level local, provincial and regional visitors.

In October, the University of Castile-La Mancha made an official visit as part of a forum between Enresa and UCLM researchers attended by the Rector of the University and the Vice Rectors of Research and Science Policy, Corporate Relations and Transfer, and University Culture and Extension.

Enresa website

Enresa's corporate website received 81,587 individual visitors (-9.29%) with 143,701 total visits (-10.83%) and 509,318 page views (-11.45%) during 2014. The average duration of visits increased by 2.38%, rising from 3.5 to 3.6 minutes.

Computer-originated traffic decreased by nearly 16%, while web traffic from mobile devices and tablets increased by 56% and 26% respectively.

Spanish visitors continue to make up the majority of visitors to our corporate website (83.55%), predominantly from Madrid (37.45%), followed by Barcelona (3.62%) and Seville (2.96%).

In addition, visits increased from the United Kingdom (+8.72%), France (4.95%), Germany (7.16%) and Japan (60.4%).

Over the past year, we have continued to update the website's informational content, publishing 54 news items on the weblog. Through the section 'Ask Enresa', we have received and responded to more than 60 questions of various kinds posted by internet users.

INTERNATIONAL COOPERATION AND INVOLVEMENT

International cooperation has continued in 2014 with activities aimed at achieving the objectives of technical knowledge transfer, meeting informational needs, contributing to new technical and strategic developments and finally supporting and advising the Government and other institutions in this field. These tasks have been performed by maintaining relationships with external organisations, continued and systematic participation in international bodies and through the renewal and establishment of new partnership and cooperation agreements.

The main areas of cooperation on which work has been focused in 2014 are as follows:

European Union

Enresa has participated in various groups from European institutions as a support to the national authorities. Standing out due to their importance are collaborations with the ENSREG group (European High Level Group on Nuclear Safety and Waste Management), with working groups organised to clarify the implementation of European directives, particularly with regard to the preparation of national programmes for the management of radioactive waste and spent fuel.

The Company has continued its advisory work for groups with regard to the transport of radioactive waste, the application of Article 37 of the Euratom Treaty and dismantling procedures.

In support of the Ministry of Industry in 2014, Enresa also participated in the Council of Europe's Working Party on Atomic Questions, addressing issues relating to the scope of the Euratom Treaty.

Nuclear Energy Agency (OECD/NEA)

This is a specialised agency of the OECD specific to nuclear energy. Within this field, the management of radioactive waste and nuclear fuel is especially important. Enresa participates in the Radioactive Waste Management Committee (RWMC), which directs and oversees the work of the NEA in this area. Several groups of experts are accountable to it, many of which also involve Enresa: the Integration Group for the Safety Case (IGSC), the Forum on Stakeholder Confidence (FSC) and the Working Party on Decommissioning and Dismantling (WPDD).

The RWMC also promotes cooperative projects between the countries represented in this committee. Enresa participates in those most relevant to its current tasks. Work with the NEA in 2014 has also involved working groups outside the RWMC responsible for analysis and discussion of the legal and financial aspects of waste management and dismantling.

Atomic Energy Agency (IAEA)

Enresa's involvement in the IAEA in 2014 has followed a similar pattern to previous years. The Company contributes to scientific and regulatory development promoted by the Agency through participation in its committees and working groups and also by collaboration in their cooperative tasks: assistance to third countries by means of expert missions or exchange of interns.

Enresa attended the meetings of the leading advisory groups, WATEC and TWGNFO, from the Department of Nuclear Energy's Nuclear Fuel Cycle and Waste Technology Division. It also participated in various working groups, technical meetings and workshops some of them in partnership with the Ministry of Industry, Energy and Tourism (Minetur) and the Nuclear Safety Council (CSN).

During 2014, Enresa personnel collaborated with these two institutions in the drawing up and editing of the National Report on compliance with the obligations of the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management. The report was submitted in early autumn and will be the basis for the review meeting which will be held in May 2015.

Also in collaboration with the Department of Nuclear Energy, Enresa has contributed to the development of various projects on spent fuel behaviour, materials for its transport and long term conditioning, and for the treatment of irradiated graphite. With regard to the Department of Nuclear Safety and Security's Division for Radiation, Transport and Waste Safety, Enresa has participated in a working group on transboundary movement in partnership with the CSN.

Partnership agreements

Partnership agreements are a preferred instrument for bilateral exchange of technical know-how and experience between Enresa and international organisations with similar missions. In 2014, a new agreement was signed with the Department of Energy of the United States (DOE), in force for 5 years, while agreements with the waste agencies ANDRA (France) and ONDRAF (Belgium) have been renewed. Throughout the year various bilateral meetings were held, as stipulated in the agreements, including those with SKB (Sweden), and ONDRAF (Belgium).

Technical support

Following activities launched in previous years, Enresa has worked as part of two international consortia. The first involves the project for the development of the technical design and preliminary safety report for the LILW facility in Bulgaria, promoted by the European Bank for Reconstruction and Development (EBRD), and the second is for assistance to the national authorities in developing a policy and strategy for the management of spent fuel and radioactive waste in Mexico, financed by the European Commission. Enresa has also provided assistance and guidance to the Australian authorities. In addition, it has participated in two projects within the European Commission's Instrument for Nuclear Safety Cooperation (INSC) to provide support for the creation of Ukrainian public infrastructures for radioactive waste management. The contract was awarded to a consortium of European radioactive waste management agencies, led by the German DBE, together with ANDRA (France), COVRA (Netherlands), Enresa (Spain) and SKB International AB (Sweden). In mid 2014, the above consortium was chosen to carry out a project to assist the Chinese authorities in the development of a policy and strategy for the management of spent fuel and radioactive waste in China. As part of its international tasks, visits requested by international organisations were organised and coordinated.

HUMAN CAPITAL

An area of activity as specialised as radioactive waste management and the dismantling of facilities requires the guaranteed involvement of professionals with suitable training, experience and motivation. Our human resources policies, and the social and working conditions in which they are implemented, are intended to ensure a stable environment for the acquisition and transfer of expertise, solutions and approaches that would be difficult to import from other organisations working in conventional markets.

During 2014, progress has slowed on the Strategic Plan for People (SPP), due to organisational changes in the area of human resources management.

In all events, as a state-funded company, we have to manage our labour relations according to the guidelines for state corporations approved annually by the National Government. During 2014 Enresa maintained the suspension of employer's contributions to our occupational pension plan, subject to the pay freeze enforced by the State Budget Law.

Despite the current economic hardships, in the area of collective bargaining, agreements in principle were reached with the works councils from both the Madrid and El Cabril workplaces, which will facilitate stability and social harmony until the end of 2015.

As of 31 December 2014, Enresa's personnel totalled 330 employees, of which 187 work in the Madrid Head Office, 123 at El Cabril in Córdoba, 6 in the Vandellós plant in Tarragona, 11 at the José Cabrera plant in Guadalajara and 3 at the Centralised Interim Storage Facility (CISF) in Villar de Cañas, Cuenca.

95% of all employment contracts are permanent (openended), and the average age of employees is 50 years.

During the year there have been 7 departures and 2 additions to the staff.

The most commonly held higher level qualification is a degree in Industrial Engineering, followed by degrees in Chemistry, Economics and Law.

Enresa's workforce as of 31/12/2014

Workplace	Employees
Madrid	187
El Cabril	123
Vandellós I	6
José Cabrera	11
ATC	3

Basic Healthcare Unit

Enresa's Basic Healthcare Unit is integrated into the Company's Preventive Service at national level.

Throughout this period, health monitoring activities have continued by means of the in-house activities of the Basic Healthcare Unit at the various workplaces, and during projects and/or activities. The performance, monitoring and management of medical examinations (1500 during this year), along with the analysis of risk assessments and corresponding prevention plans, constitute a fundamental prevention mechanism for the protection of workers' health.

The facilities at El Cabril and the José Cabrera nuclear power plant each have a Level 1 Healthcare Centre for medical attention in the event of possible incidents involving irradiation and/or radioactive contamination. There is also a partnership agreement with the national Level 2 Healthcare Centre, located at the Gregorio Marañón University Hospital in Madrid.

Proof of the efficacy of our working methodology and the safety of the facilities is the fact that these Level 1 healthcare centres have never needed to treat any worker as a result of irradiation and/or radioactive contamination. Nevertheless, they maintain their mandatory operating capacity and participate in all emergency drills and exercises carried out.

At the El Cabril Centralised Disposal facility, secondary care work through daily medical consultations is carried out in partnership with the Andalusian Health System, with the issue of the corresponding official prescriptions (1,285 prescriptions), independent of the official prescriptions from the Official Medical Association (267 prescriptions), which are used for the general pharmaceutical prescriptions for our staff in all Enresa workplaces.

Activities have continued for monitoring the health of personnel assigned to the CISF project, evaluating the various alternatives for the best health care available in the area, and providing the workplace with basic health care measures.

At the Company's Head Office and other workplaces, there are regular scheduled visits, along with a telephone helpline and email service for any type of healthrelated contingency. The level of cooperation has been maintained with the private medical company contracted by Enresa for all its personnel, including the Company's BHU medical personnel as official advisers.

Preventive care

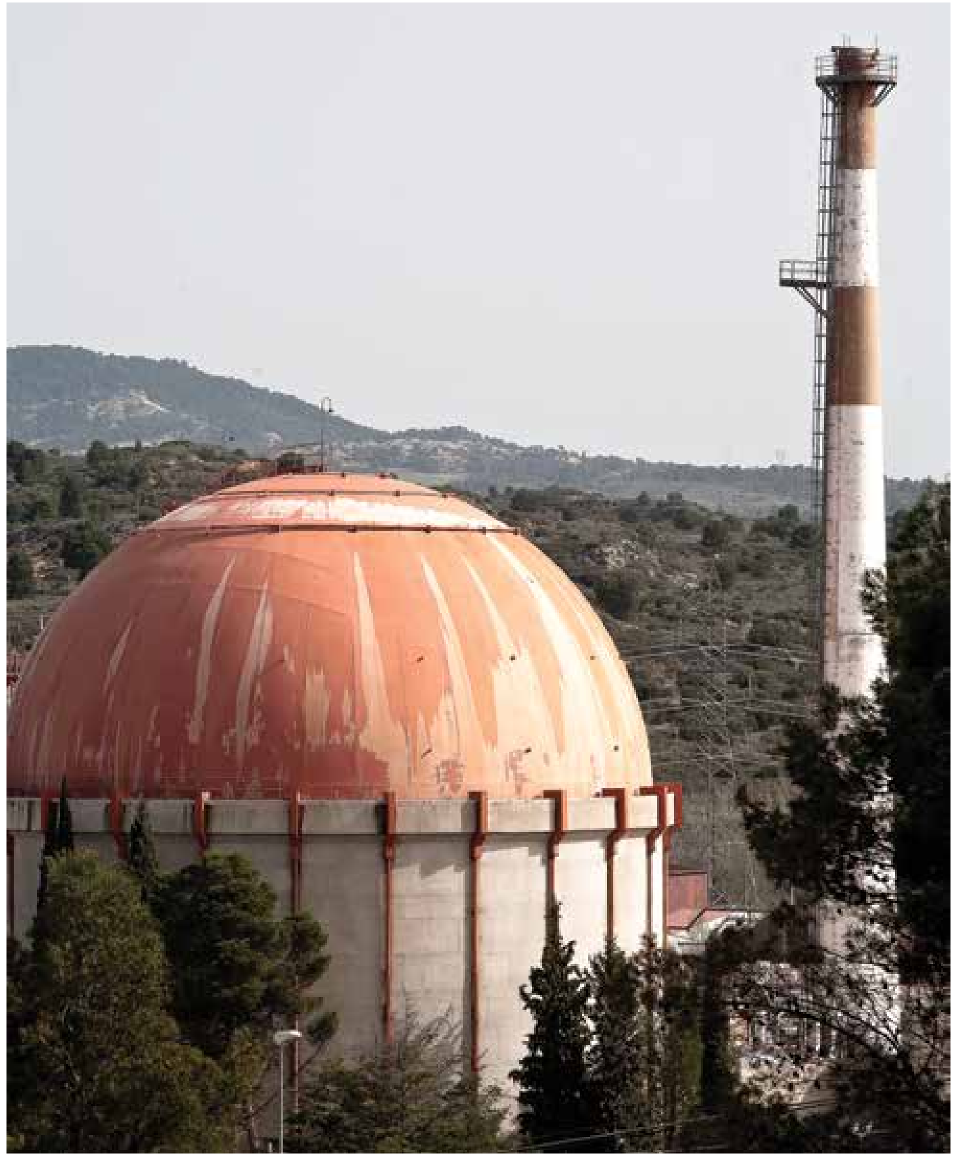
Enresa's Basic Health Unit also carries out various actions to promote health in the different workplaces, as part of the Healthy Businesses campaign, considering health as a strategic value of the Company:

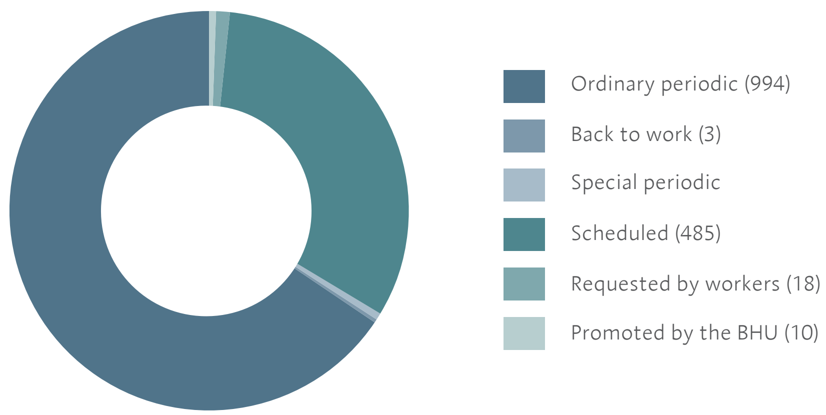
- Campaign for the prevention of **cardiovascular risk**.
- Campaign for the prevention of the **risk of cancer.**
- Campaign for the **prevention of obesity**.
- First Aid and basic **CPR Campaign**.
- Campaign for the prevention **of gynaecological pathology**.

Health monitoring

During 2014, 1,500 job-specific risk-oriented medical examinations were carried out and assessed: 273 on Company employees and 1,227 on contracted personnel.

The combined evaluation of the clinical and occupational aptitudes of all workers who have rendered or continue to render services at Enresa's various workplaces has led to the revision of 30 occupational risk prevention plans pertaining to different contractors and 30 risk assessment files, providing cross-referenced clinical-occupational and preventive information that is fundamental to the health and safety of workers.





Medical examinations

Occupational risk prevention

In accordance with Enresa's corporate Occupational Risk Prevention Plan (ORP), we continue to foster the ongoing improvement of employees' health and safety conditions, as well as the integration of preventive action within the activities managed by the Company. This is applied at all hierarchical levels of the organisation, through a visible and active leadership from all those responsible for the activities of the Company.

The aims and objectives proposed in the General Health and Safety Plan for 2014 have been achieved. These include the Healthy Businesses campaign implemented at the El Cabril Centralised Disposal Facility and at the Head Office, focused on cancer prevention and prevention of cardiovascular risk, the undertaking of work observation by a multidisciplinary working group at the El Cabril facility and the reviews of the Safety and Security Plan for the PIMIC project and the Prevention Plan for the CISF project.

In view of the nature of the activities carried out and promoted by Enresa, we continue to prioritise the information and training provided to workers and the coordination of preventive actions among the various companies that collaborate with Enresa in the different workplaces and projects. In centres where construction work is being carried out, the corresponding coordination has been arranged with contractors and subcontractors through Health and Safety Coordinators.

In July, the final report on the statutory audit of the Company's occupational risk prevention system was issued, following the closure by the auditor of the three unsatisfactory items that had been detected.

Occupational accident statistics continue to yield very positive results compared to those of related areas of activity whether at national, regional or provincial level. Trends in frequency and severity rates maintain a continued decline.

TRAINING

Training is an essential strategic element for an organisation such as Enresa in two ways: both in seeking the improvement of workers' skills to facilitate the performance of their activities and serving as a tool to raise public awareness about the activities and projects carried out in the management of radioactive waste.

Important work in this area during last year included, among other structural projects, the drawing up and subsequent approval of the 2014-2015 Corporate Training Plan, as well as the launch of the new Enresa Dictionary of Corporate and Specific Skills, which replaces that of 2010. Throughout the year, the Company's regulated activity in this area continued, including the renewal of partnership agreements to provide training to universities, colleges and other research centres. At the same time, the welcome plan for new interns has been operating normally.

The 2014-2015 Corporate Training Plan's objectives include the improvement of general management skills for optimum job performance, and the adaptation and integration of personnel to organisational and technological changes, to the extent that the biennial structure of the plan guarantees continuity in training. The plan also provides for training in the areas of quality and the environment, occupational risk prevention and radiological protection, training for new staff and language training.

To summarise, during 2014 the average percentage of employees who received training was 95.77% and the average hours per professional was 32.10 hours, of which 28.64 hours were residential training. Most importantly, the level of satisfaction with these activities reached 8.06 points out of 10.

Overall, during 2014 over 380 activities were organised (courses, seminars, master's degrees, informative events, etc.) in the field of training, and these involved the participation of 2,640 attendees during more than 11,900 contact hours. Detailed below are the most noteworthy aspects of the different courses of action relating to in-house training (generic and specific), external training and the grant programme.

In-house training

In the area of generic training, and within the framework of the 2014-2015 Corporate Training Plan, during last year we undertook to identify the specific needs of each organisational unit by means of a comprehensive questionnaire, detailing by functional group the courses associated with the development of skills prioritised for this period.

With regard to **management skills training,** improvements in corporate competencies (skills and behaviours applicable to all Enresa personnel) were prioritised during the past year, particularly in relation to the administrative profile, with the provision of a course on Mindfulness. In addition, the course held over from the 2012-2013 training plan on the effective management of electronic mail was completed. In total, six training programmes were carried out over a total of 282 hours.

In relation to **office automation training**, we should mention the launch of PLYCA, a platform for the management of contracting records. This tool is a management system that incorporates security, occupational risk prevention, physical and environmental protection, as well as quality and economic aspects. It ensures that security is taken into account, properly and as a priority, in all the organisation's activities. Training sessions were organised throughout the year to enable personnel to learn about the tool's various functions. In total, four fivehour training actions were organised, attended by a total of 50 people. Also in this sphere, usage of Adobe software (InDesign and Photoshop) has been made more effective, and training has been reinforced in various corporate systems, according to the specific needs identified.

During 2014, training activities continued which were designed to broaden knowledge of the Integral Improvement System (IIS) computer application, which became operational in 2010 in order to comply with safety order IS-19. In the same sphere, activities related to the implementation of the safety culture model continued throughout last year. Following the presentation of the outcomes from the assessment of safety culture in the Company's various workplaces, a total of six seminars were organised, geared towards error prevention for facility operatives and the practical fostering of leadership for managers and senior managers, by means of field observations.

The areas of the organisation subject to quality assurance and related to the environment have been the focus of training in both disciplines during 2014, at the Company's head office and in various workplaces.

Over a hundred training activities on occupational risk prevention and radiological protection were scheduled during the year in the Company's various workplaces, totalling around 1,800 contact hours. The training focused, amongst other issues, on emergency plans at facilities, retraining in radiological protection, and practical workshops for the first responders team, with courses on basic and advanced radiological protection, emergency plans, evacuation and fire-fighting. In occupational risk prevention, training has been reinforced on the handling of fire extinguishers for the facilities' fire-fighting services and for the first responders team at the Company's head office.

Amongst the activities planned by the Prevention Management Committee, practical workshops have been held on the use of the installed semiautomatic defibrillators (DESA). Likewise, talks have been organised on the prevention of cardiovascular risk, while others, run by the MD Anderson Clinic, were held on cancer prevention.

Under what the Enresa forum refers to as 'Training by Informing', six conferences were held during the past year with an average attendance of 70 people, who rated the events with a score of 8.5 points out of 10. Topics addressed included the management of low and intermediate level radioactive waste, the steps taken for the construction and operation of the CISF, the fund for the management of radioactive waste, as well as other topics related to business management, the code of conduct, diversity and retirement benefits.

Regarding the area of specific training, courses were organised for skills training and upgrading in the technical expertise necessary for the performance of activities in the different areas of the organisation. Mandatory training has also been provided for the operators and supervisors of radioactive facilities and the Emergency and Evacuation Plans, and occupationally exposed personnel. First Responders teams have received training in first aid and basic CPR, as well as on the use of fire extinguishers. Noteworthy in the area of specific training are the major training efforts carried out during the different phases of dismantling at the José Cabrera power plant.

Following the reform of the penal code, a Committee on Compliance and Crime Prevention was created in 2014, whose incorporation entailed a request for training related to the implementation and accreditation of a 'corporate crime prevention model'. In total, members of this committee attended three training actions, with a total of 496 hours of training.

As regards language training, classroom, telephone and online classes in English and French have continued. The total number of hours of language classes amounted to 1,616 hours.

Meanwhile, Enresa has continued its involvement in the 'Fundación Tripartita' programme for continuing education in the workplace. In 2014, the credit available amounted to €25,746.11.

Workplace	Persons Trained	Men	Women	Training hours	No. Average hours/ employee
Madrid	176 (94,6%)	92	84	4,825	27.39
El Cabril	122 (97,6%)	103	19	4,940	40.49
Vandellós I	7 (100%)	5	2	193	27.57
José Cabrera	12 (100%)	12	N/A	669	55.75
TOTAL	**317**	**212**	**105**	**10,627**	**33.52**

External training and education

During 2014, the number of activities organised exceeded 50, and a total of 1,280 hours of instruction were given by the Company's different specialists.

More than ten courses were organised on radioactive waste management at major Spanish universities and higher level technical colleges, courses which on certain occasions have been supplemented with technical visits to El Cabril, the Mestral Technology Centre and the dismantling and decommissioning project at the José Cabrera power plant.

Every year, Enresa is involved in the Nuclear Engineering and Applications Master's Degree (MINA), and within this framework, the 23rd course on radioactive waste management took place in 2014. Enresa is also involved in the Nuclear Engineering Master's Degree run by the Polytechnic University of Catalonia.

Also worthy of mention is the 'Radioactive Waste Management' summer course organised by the Enresa Environmental Chair of the University of Cordoba (UCO) and the various training lectures for officers and NCOs of the Armed Forces specialising in NBC Defence.

In 2014, Enresa cooperated with various institutions and universities by providing staff appropriate to the academic level requested for various courses, programmes and master's degrees, including the following:

- **Master's Degree in Sustainable Waste Management,** at the Polytechnic University of Madrid's School of Rural Engineering.
- **Master's Degree in Nuclear Engineering and Applications,** at Ciemat - Autonomous University of Madrid.
- **Master's Degree in Nuclear Engineering,** at the Polytechnic University of Catalonia.
- **Master's Degree in Electrical Energy Generation Technology,** at the Polytechnic University of Madrid's School of Rural Engineering.

Grant programme

Within the general framework of educational cooperation and continuing our commitment to strengthen contacts between students and new graduates and the business community, agreements have been signed with various universities and technical colleges. Other agreements were made with the SEPI Foundation, the School of Industrial Organisation (EOI) and the Centre for Energy-related, Environmental and Technological Research (Ciemat), in addition to the master's courses and other qualifications offered by different educational institutions.

The number of Enresa grant-holders in 2014 totalled 73 (41 at the Company's head office, one at Vandellós I, one at PIMIC, 5 at the José Cabrera power plant, and 25 at the El Cabril facilities).

CORPORATE VOLUNTARY WORK AND FAMILY PLAN

At Enresa, social responsibility is embedded as a corporate value and a basic principle within its corporate mission. The Company therefore works to ensure that this culture permeates the entire organisation and is reflected in the Company's annual plans.

Family plan

Enresa signed a partnership agreement in 2012 with the Adecco Foundation to undertake joint actions for promoting the occupational and social integration of people with disabilities.

Within the framework of this agreement, the Family Plan has continued to provide Enresa employees who have relatives affected by some degree of disability with different kinds of aid to facilitate their social and occupational integration.

During 2014, this programme has assisted a total of two beneficiaries with physical and mental disabilities, providing them with various resources and support aimed at their familial, social and occupational integration.

Corporate voluntary work

During 2014, in conjunction with the Adecco Foundation, Enresa held two corporate voluntary work events, whose overall objective was to promote the social mobilisation of talent between the business environment and people with disabilities.

The first of these events, a cookery workshop, was held at the facilities in the head office in Madrid on 23 May and was attended by about fifty people, including employees and people with disabilities.

The Córdoba event was held on 6 June, in the facilities at the former mining town of Santa Barbara in El Cabril, and consisted of a batucada music workshop which involved almost a hundred people, including company personnel and members of associations from the neighbouring municipalities. Its aim was to join forces for the occupational and social integration of people with disabilities.

In this context, we should also mention Enresa's collaboration with the Adecco Foundation in publishing the 2014 Calendar, aimed at establishing and disseminating the policy of social responsibility within the sphere of business activities.

CORPORATE SOCIAL RESPONSIBILITY

Background

Enresa has carried out actions in the field of corporate social responsibility since its inception by means of the Enresa Foundation.

These actions related to welfare, science, education, environment and culture were designed to boost socioeconomic development and improve quality of life for citizens living in municipalities in areas within Enresa facilities' geographical influence and where Enresa's activities are carried out. They were also intended for collaboration on projects and activities fostering the progress of society in general.

In 2013, on 2 October, the Council of Ministers' Order HAP/1816/2013 approved the termination of the Enresa Foundation, under the Agreement of 20 September 2013, establishing restructuring and rationalisation measures for the commercial public sector and state foundations.

Thereafter, the Enresa Foundation could not maintain its partnerships or develop new partnerships, instead focusing its activity on the process of termination.

Introduction

Enresa, aware of the importance and need for continued collaboration with certain entities in social responsibility activities and projects, created the Department of Corporate Social Responsibility (CSR) in early 2014. It incorporates the maintenance of some of the partnerships that had been established with the Enresa Foundation, which by their nature and objectives favoured Enresa's work, as well as the establishment of new partnerships aligned with company strategy.

Enresa CSR is understood as 'the company's ongoing commitment to behaving ethically and contributing to the sustainable socioeconomic development of local communities in the vicinity of Enresa facilities and society in general'.

It is therefore a set of actions that must be carried out voluntarily in order to have a positive impact on society and environmental stewardship.

These are actions that go beyond legal obligations: championing the Company's ethical undertaking of actions, decisions and operations, and promoting respect for human dignity and the development of the local and global community; caring for and preserving the environment and the planet in general, upholding commitments to stakeholders and acknowledging its responsibility to be accountable for its impacts, both positive and negative, on its surroundings. All this, to contribute to the common good and to sustainable development.

Actions

Enresa's CSR actions during 2014 have been organised within three areas of cooperation:

- **Partnerships with universities** for the maintenance of the Enresa Chairs and external training for third parties in the field of the radioactive waste management, from scientific, technological, environmental and social standpoints as well as for the dissemination and transfer of knowledge and the training of professionals in this field.

- **Partnerships with scientific, social and financial entities** for the development of projects and activities related to research, training and dissemination of knowledge in the fields of energy, the environment, sustainable development and radioactive waste management.

- **Partnerships in welfare, environmental, educational and cultural activities** for the undertaking of projects and activities that foster the socioeconomic development of local communities and society in general.

The main actions carried out during 2014 within the scope of Enresa's corporate social responsibility were:

Partnerships with universities

- Partnership with the **University of Córdoba** for the maintenance of the Enresa Chair.

- Partnership with the **University of Castile-La Mancha** for the maintenance of the Enresa Chair.

- Partnership with the **University of Extremadura** for the development of a course in environmental engineering.

- Partnership with the **Autonomous University of Madrid** for conducting educational visits for the Master's Degree in Waste Management and Treatment.

- Partnership with the **University of Castile-La Mancha** for the organisation of the 9th Employment Forum.

Partnerships with scientific, social and economic entities

- **Partnership with Ciemat** for the personnel training programme in the area of energy and the environment.

- **Partnership with the Spanish Nuclear Society (SNE)** for the development of a digital library.

- **Partnership with the Spanish Society for Radiological Protection** for the development of the annual programme of activities.

- **Partnership with the Spanish Quality Association (AEC)** for the organisation of the event 'World Quality Day'.

- **Partnership with the Association of Manufacturers and Service Companies of Córdoba (Asfaco)** for the development of activities and workshops on CSR.

Partnerships in welfare, environmental, educational and cultural activities

- **Partnership with Cuenca Council** for the lighting project for the archaeological complex 'City of Segóbriga'.

- **Partnership with Villar de Cañas Council** for the improvement project for the municipal swimming pool

- **Partnership with Hornachuelos Council** to carry out environmental, socio-educational and cultural activities**.**

- **Partnership with Fuente Obejuna Council** for the refurbishment project for the municipal theatre.

- **Partnership with Navas de la Concepción Council** for the improvement project for educational and sports services.

- **Partnership with Alanís Council** for the development of workshops with young people and the elderly.

ENRESA FOUNDATION

Termination of the Enresa Foundation

During 2014, the Enresa Foundation has been in the process of termination. This was completed on 22 December 2014 with the official notification of termination from the Protectorate of Welfare Foundations of the Ministry of Health, Social Services and Equality, to which it is assigned. From this time the liquidation process, in accordance with the legal regulations on termination of foundations, will last until the end of the agreements in force with the Tajo-Guadiela Association of Municipalities and with the Almonacid de Zorita Council. Once these two agreements come to an end, the Enresa Foundation will be dissolved.

Partnerships

The Enresa Foundation's partnerships during 2014, in virtue of the preexisting partnership agreements, were with the Tajo-Guadiela Association of Municipalities and with the Almonacid de Zorita Council.

Together with the Tajo-Guadiela Association of Municipalities, the Enresa Foundation has collaborated in the undertaking of projects and activities for the improvement of social, cultural and sports infrastructures in the constituent municipalities. Likewise, with the Almonacid de Zorita Council, it has collaborated in the undertaking of a renovation project for the town's historic quarter.

GOBIERNO DE ESPAÑA

MINISTERIO DE INDUSTRIA, ENERGÍA Y TURISMO

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