ANNUAL REPORT 2013

GOBIERNO DE ESPAÑA

MINISTERIO DE INDUSTRIA, ENERGÍA Y TURISMO

enresa

INDEX









CHAIRMAN'S ADDRESS

While all the various courses of action for the management of radioactive waste have made great advances in 2013, I would like to highlight two of them: firstly, the progress in the design and regulation of the Centralised Temporary Storage Facility (CTS) (Cuenca), for the storage of spent fuel and high level waste generated in Spain; secondly, one of the most important milestones in the decommissioning of the José Cabrera nuclear power plant (Guadalajara), the completion of the disassembly of the reactor internals.

The disassembly of the internals has been a cutting-edge operation, performed robotically underwater, which has captured the attention of international industry experts. And no wonder, since we are speaking of a pioneering technique that will allow us to undertake the first full decommissioning of a nuclear power plant in Spain.

Special waste derived from internal components was conditioned in four casks installed in the Individual Temporary Storage Facility (ITS) adjacent to the plant. Also, preparation of the disassembly of the reactor vessel has begun with the segmentation of the closure.

As regards the progress of the CTS project, the final reports on Phase I of the characterisation studies confirm that the land acquired in Villar de Cañas is suitable to accommodate the facility. Also, last year we drew up the CTS safety study necessary for the application for the prior authorisation and construction licenses, and began work on the infrastructure for the Business Incubator, which will support the nuclear storage facility.

The main news from the El Cabril Centralised Disposal Facility (Córdoba) for low and intermediate level waste is the complete normality of its operation. For another year, the work carried out has been faultless and without any incidents. The facility is at 69.61% of its capacity for low and intermediate level waste and 19.75% for very low level waste. Furthermore, to ensure the optimisation of the facilities, we have continued with the plan to reduce waste volume from nuclear power plant operation, a plan partially funded by Enresa.

The company is undertaking a variety of projects focused on the dismantling of other radioactive facilities besides the José Cabrera nuclear power plant. In Vandellós I (Tarragona) we are continuing with the monitoring, control and maintenance of the plant, dismantled to level II. At the same time, the Mestral Technology Centre is investigating how to improve decommissioning techniques. And in the field of environmental restoration, it is important to note the studies on acid water elimination systems in the old uranium mines which supplied the Quercus plant, located in Saelices el Chico (Salamanca).

Of importance in the area of management of spent fuel and high level waste is the manufacture of metal casks for the operation of the ITS at the Trillo plant (Guadalajara). Furthermore, the Directorate General for Energy Policy and Mines issued a resolution last April for the commissioning of Units 1 and 2 of the ITS at Asco (Tarragona). With the first loading of containers in Unit 1 taking place the following month, the ITS can now be considered operational. Meanwhile, in Garona (Burgos) the manufacture of five containers for storage and transport of fuel began.

Besides technical performance, Enresa's economic solvency remains assured with an operating revenue of 386,998,000 euros in 2013. Alongside this, the Fund for the financing of activities included in the General Radioactive Waste Plan amounted to 3,860,849,000 euros as of 31 December 2013.

Information about our activities is an obligation for us. Transparency is, in turn, our commitment. Therefore, we organise regular information days to provide details about the development of company projects, and aim to educate Spanish society about the key elements of the sector.

At institutional level, we maintain constant contact with the Nuclear Safety Council, our regulatory body; the Ministry of Industry, Energy and Tourism; all members of the Government that are in any way involved in our work; and regional and local administrations in the areas where Enresa operates. In this regard, I would like to draw attention to the breakfast briefing we organised last October in Madrid, attended by the Minister of Industry, José Manuel Soria.

Meanwhile, throughout 2013 we received more than 900 information requests. These queries were dealt with efficiently, and give an idea of the interest our activities generate with the general public. Also, many international organisations have visited Enresa facilities, especially the El Cabril Centralised Disposal Facility and the dismantling of the José Cabrera nuclear power plant.

The interest national specialists and their international counterparts show in Enresa's expertise is also evident. And commitment to R&D has always been one of the company hallmarks. Investment in this area remained constant last year, still governed by the 2009-2013 Plan, with a 30 million euro budget.

Transmission of acquired knowledge is effected through participation in numerous working groups. These collaborations are focused on national universities and multinational projects within and outside the European Union.

In the European Community context, Enresa has supported the national authorities of the 28 members of the EU in their search to find a common approach to waste management and decommissioning of facilities. Likewise, we continue to work with the Nuclear Energy Agency (NEA) of the OECD and the International Atomic Energy Agency (IAEA), while signing bilateral agreements with other nations to share knowledge and provide technical assistance in countries such as Bulgaria, Mexico and Canada.

An area of activity as specialised as radioactive waste management and decommissioning requires a team of professionals with a high level of expertise. All the milestones that we have achieved since the creation of Enresa in 1984 have been made possible by the technical knowledge, experience and commitment of all the workers who have been part of this company. Looking at this last year, I would like to give special thanks for the efforts of the 335 people that currently make up Enresa, as well as the wide network of partners supporting our work day after day. It is to all of these people that I dedicate these lines, since it is they who are responsible for our success.

I would like to conclude by expressing my gratitude to both the Ministry of Industry, Energy and Tourism, and our shareholders in the Centre for Energy-Related, Environmental and Technological Research (Ciemat) and the State Industrial Holdings Corporation (SEPI) for their cooperation and support.

Francisco Gil-Ortega Rincón

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Vice-chairman

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Eugenio Alejandre Siscart

Communications Manager

Carlos Dávila Pérez de Camino

Secretary General and of the Council

Jesús Moreno Vivas

Audit Manager

Diego Valle Aguilar

2013 FIGURES

335

Employees on the staff

1.057

Contracts: 53 SARA, 993 non-SARA and 11 working agreements

190

Positions occupied in the low and intermediate level waste storage cells at El Cabril (194 concrete casks with 3,593 waste packages)

69,61

Percentage of capacity occupied for low and intermediate level waste at El Cabril

20

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

858

Active services for the removal of radioactive waste with minor producers

504

Fuel assemblies in the 24 casks located at the Individual Temporary Storage Facility at the Trillo nuclear power plant

377

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

3.860.849

Fund for the financing of activities included in the General Radioactive Waste Plan at the close of 2013, in thousands of

56

Percentage of completion of the decommissioning project at the José Cabrera nuclear power plant

59

Publications of news concerning the company's activities on the website

89.946

Visitors to the Enresa website

2.103

Quality assurance inspections

102.686.999

Amount in euros of 1057 contracts awarded

13.204

Hours of training for personnel in work centres

11.088

Visitors to Enresa Environments

FINANCIAL STATEMENTS

- Balance Sheet as of 31 December 2013
- Profit and loss statement corresponding to the fiscal year ending 31 December 2013
- Statement of changes in equity corresponding to 31 December 2013
- Statement of cash flows corresponding to 31 December 2013

BALANCE SHEET AS OF 31 DECEMBER 2013

ASSETS

(Expressed in thousands of euros)

	NOTES TO THE 2013 FINANCIAL STATEMENTS	FISCAL YEAR 2013	FISCAL YEAR 2012
NON-CURRENT ASSETS		**3.379.548**	**3.300.780**
Intangible fixed assets	Note 5	**1.499**	**2.170**
Computer applications		1.499	2.170
Tangible fixed assets	Note 6	**191.052**	**177.978**
Land and buildings		16.946	17.163
Technical facilities and other tangible fixed assetsrial		130.655	112.804
Fixed assets under construction and advances		43.451	48.011
Long-term financial investments		**3.185.776**	**3.120.632**
Credit to third parties		12.692	13.980
Securities portfolio	Note 7.1	3.148.800	3.053.959
Derivatives	Note 7.2	24.106	52.627
Other financial assets		178	66
Deferred tax assets	Note 11.4	**1.221**	-
CURRENT ASSETS		**677.077**	**449.117**
Inventories		**1.008**	**1.012**
Raw materials and other provisions		1.008	1.012
Trade and other receivables		**204.212**	**186.704**
Trade receivables for sales and services	Note 7.3	199.527	183.344
Other receivables		234	239
Personnel		1.796	1.869
Other credit with public administrations	Note 11	2.655	1.252
Short-term investments		**456.977**	**250.317**
Securities portfolio	Note 7.1	455.015	248.919
Derivatives	Note 7.2	1.681	1.387
Other financial assets		281	11
Short-term accruals		**8.229**	**168**
Cash and other equivalent liquid assets		**6.651**	**10.916**
Cash on hand and in banks		6.651	10.916
TOTAL ASSETS		**4.056.625**	**3.749.897**

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 2013.

EQUITY AND LIABILITIES

(Expressed in thousands of euros)

	NOTES TO THE 2013 FINANCIAL STATEMENTS	FISCAL YEAR 2013	FISCAL YEAR 2012
EQUITY	Note 8	**4.445**	**4.495**
SHAREHOLDERS' EQUITY		**4.445**	**4.495**
Capital		**3.606**	**3.606**
Authorised capital		3.606	3.606
Reserves		**721**	**721**
Legal and statutory reserves		721	721
Net income for the year	Note 3	**118**	**168**
NON-CURRENT LIABILITIES		**3.995.193**	**3.680.498**
Long-term provisions		**3.860.934**	**3.549.879**
Fund for the financing of activities included in the General Radioactive Waste Plan (GRWP)	Note 9	3.860.849	3.549.794
Obligations through long-term provisions to personnel		85	85
Long-term debts		**134.259**	**130.619**
Derivatives	Note 7.2	106.601	130.619
Other financial liabilities	Note 12.7	27.658	-
CURRENT LIABILITIES		**56.987**	**64.904**
Short term debts		**15.380**	**11.284**
Other financial liabilities		15.380	11.284
Trade and other accounts payable		**41.607**	**53.620**
Suppliers		25.685	34.484
Sundry creditors		9.637	13.462
Personnel (pending payment)		1.332	1.191
Other debts with public administrations	Note 11	4.953	4.483
TOTAL EQUITY AND LIABILITIES		**4.056.625**	**3.749.897**

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 2013.

PROFIT AND LOSS STATEMENT CORRESPONDING TO THE FISCAL YEAR ENDING 31 DECEMBER 2013

(Expressed in thousands of euros)

	NOTES TO THE 2013 FINANCIAL STATEMENTS	FISCAL YEAR 2013	FISCAL YEAR 2012
CONTINUING OPERATIONS			
Net turnover	Note 12.1	**382.292**	**418.911**
Provision of services and rates		382.292	418.911
Capitalised expenses of in-house work on assets	Notes 4.1 and 4.2	**3.991**	**3.433**
Waste management and studies		**(147.580)**	**(213.929)**
Waste management and studies	Note 12.7	(124.704)	(188.285)
Allocations by Ministerial Order 13 June 1998 Ministry of Industry and Energy	Note 4.13	(22.876)	(25.644)
Other operating income	Note 12.2	**715**	**651**
Non-operating and other current management revenues		626	526
Operating grants incorporated into the net income for the year		89	125
Personnel expenditure		**(24.969)**	**(22.345)**
Salaries, wages and similar		(19.391)	(17.255)
Social Security contributions	Note 12.3	(5.578)	(5.090)
Other operating expenditure		**(23.585)**	**(25.812)**
External services		(22.448)	(24.070)
Taxes		(1.127)	(1.216)
Losses, impairment and changes in provisions due to commercial operations		(10)	(34)
Other current management expenditure		-	(492)
Depreciation of fixed assets	Notes 5 and 6	**(13.563)**	**(13.506)**
Excess of provisions		**-**	**231**
Impairment and profit or loss through disposal of fixed assets		**-**	**(375)**
Profits and loss through disposals and other means		-	(375)
Other profit and loss		**(16)**	**467**
OPERATING INCOME		177.285	147.726
Income from investments	Note 12.5	**141.721**	**175.325**
From liquid securities and other financial instruments		141.721	175.325
- Third-party		141.721	175.325
Financial expenses	Note 12.5	**(31.879)**	**(32.617)**
Through debts with third parties		(31.879)	(32.617)
Change in the fair value of financial instruments	Note 12.5	**39.232**	**35.425**
Trading book and others		39.232	35.425
Exchange rate differences	Note 12.5	**(30)**	**(13)**
Impairment and profit or loss through disposal of financial instruments	Note 12.5	**(16.007)**	**(3.885)**
FINANCIAL PERFORMANCE		133.037	174.235
INCOME BEFORE TAXES		310.322	321.961
Corporate income tax	Note 11.3	851	-
Change in provision for the Fund for the financing of activities included in the GRWP	Note 9	(311.055)	(321.793)
INCOME FOR THE FISCAL YEAR FROM CONTINUING OPERATIONS		118	168
PROFIT FOR THE FISCAL YEAR	Note 3	118	168

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 2013.

STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO FISCAL YEAR 2013

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

(Expressed in thousands of euros)

	FISCAL YEAR 2013	FISCAL YEAR 2012
RESULT OF THE PROFIT AND LOSS STATEMENT	**118**	**168**
Income and expenses taken directly to equity:	-	-
TOTAL INCOME AND EXPENDITURE TAKEN DIRECTLY TO EQUITY	**-**	**-**
Transfers to the profit and loss statement:	-	-
TOTAL TRANSFERS TO THE PROFIT AND LOSS STATEMENT	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE	**118**	**168**

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 2013.

B) TOTAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of euros)

	CAPITAL	RESERVES	REVENUES FROM PREVIOUS YEAR	INCOME	TOTAL
ADJUSTED OPENING BALANCE FOR 2012	**3.606**	**721**	**-**	**175**	**4.502**
Total recognised income and expenditure	-	-	-	168	168
Shareholder transactions:					
Distribution of profits for 2011	-	-	-	(175)	(175)
CLOSING BALANCE FOR FISCAL YEAR 2012	**3.606**	**721**	**-**	**168**	**4.495**
Adjustments through change of criteria or errors	-	-	-	-	-
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**

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 2013.

STATEMENT OF CASH FLOWS
CORRESPONDING TO FISCAL YEAR 2013

(Expressed in thousands of euros)

	FISCAL YEAR 2013	FISCAL YEAR 2012
CASH FLOWS FROM OPERATING ACTIVITIES (I)	299.922	256.331
Revenue from the fiscal year before taxes	**310.322**	**321.961**
Adjustments to the revenue:		
- Depreciation of fixed assets	13.563	13.506
- Change in provisions	10	(555)
- Profit or loss from decrease in value and disposals of fixed assets	-	375
- Profit or loss from decrease in value and disposals of financial instruments	16.007	3.885
- Income from investments	(141.721)	(175.325)
- Financial expenses	31.879	32.617
- Exchange rate differences	30	13
- Change of fair value in financial instruments	(39.232)	(35.425)
Changes in working capital		
- Inventories	4	(30)
- Receivables	(17.740)	(1.278)
- Other current assets	(8.061)	99
- Accounts payable	(12.013)	4.277
- Other current liabilities	4.096	1.808
- Other non-current assets and liabilities	26.517	-
Other cash flows from operating activities		
- Interest payments	(31.960)	(38.361)
- Receipt of interest	148.433	128.764
- Payments for corporate income tax	(212)	-
CASH FLOWS FROM OPERATING ACTIVITIES (II)	(303.989)	(258.034)
Payments through investments		
- Intangible fixed assets	(3.517)	(3.477)
- Tangible fixed assets	(22.451)	(21.615)
- Other financial assets (Securities portfolio)	(4.991.629)	(3.108.612)
- Other assets (Credit to Third Parties)	(1.201)	(4.149)
Proceeds from divestitures		
- Other financial assets (Securities portfolio)	4.712.541	2.877.354
- Other assets (Credit to Third Parties)	2.268	2.465
CASH FLOWS FROM OPERATING ACTIVITIES (III)	(168)	(175)
Payment from dividends and remuneration from other equity instruments		
- Dividends	(168)	(175)
EFFECT OF CHANGES IN EXCHANGE RATES (IV)	(30)	(13)
NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS (I+II+III+IV)	(4.265)	(1.891)
Cash and equivalents at beginning of fiscal year	10.916	12.807
Cash and equivalents at close of fiscal year	6.651	10.916

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 2013.

NOTES TO THE FINANCIAL STATEMENTS

1. Company activity (see note 17)
2. Basis of preparation of the financial statements
3. Allocation of profit and loss
4. Registration and valuation standards
5. Intangible fixed assets (see note 4.1)
6. Tangible fixed assets (see note 4.2)
7. Financial investments (see note 4.5)
8. Equity and shareholders' equity
9. Fund for the financing of activities included in the General Radioactive Waste Plan (see note 4.12)
10. Payables
11. Public administrations and fiscal situation (see note 4.8)
12. Income and expenditure (see note 4.9)
13. Transactions and balances with related parties
14. Environmental information
15. Other information
16. Financial guarantees
17. Subsequent events (see note 1)

1. COMPANY ACTIVITY

(SEE NOTE 17)

The National Radioactive Waste Company (Empresa Nacional de Residuos Radiactivos, S.A., hereafter referred to as Enresa) has continued, in 2013, to fulfil the objectives established by Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding. This provision stipulates 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:

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

One. Amendments 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 the 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. Amendments to Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 November.

Amendments to Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 November is amended and now reads 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, SA. (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, works, 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 those 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, spent fuel, radioactive waste storage or disposal facilities, 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 they cannot be applied 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 the 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 COST	PROJECTED	VALUE UPDATED TO 01/01/2014
Electricity tariff	1.943.569	1.135.360
Nuclear power plants	12.606.808	8.339.118
Juzbado plant	20.105	15.624
Other facilities	37.077	20.315
TOTALS	**14.607.559**	**9.510.417**

The company has taken into account a discount rate of 1.5% for updating calculations of future costs in the 6th General Radioactive Waste Plan.

At 31 December 2013, the balance of the Fund for the financing of activities included in the General Radioactive Waste Plan stood at 3,860,849 thousand euros (3,549,794 thousand euros at 31 December 2012). 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.

Furthermore, and directly related to company activities, at its meeting on 30 December 2011 the Council of Ministers approved the location of the Centralised Temporary Storage Facility for high level radioactive waste (CTS) in Villar de Cañas (Cuenca). The designation process was as follows:

On 27 April 2006, the Industry, Trade and Tourism Committee of the Lower House of the Spanish Parliament approved a draft bill for the creation of an Interministerial Commission responsible for setting out the location criteria for the Centralised Temporary Storage Facility (CTS) for spent nuclear fuel and high level waste and its associated technological centre. In this bill and in light of the proposal put forward by the Committee, the Lower House called on the Government to designate the location and launch the public policies and accompanying legal provisions which might prove necessary for their implementation at that location.

On the basis of this bill and Royal Decree 775/2006 of 23 June, the Interministerial Commission was created for setting out the location criteria for the Centralised Temporary Storage Facility (CTS) and its associated technological centre. In the same month, the Government approved the Sixth General Radioactive Waste Plan which provided for the construction of a CTS as a basic strategy for management of spent fuel and high level radioactive waste in Spain.

The functions assigned to the Interministerial Committee by the royal decree include developing and submitting to the Government a proposal for candidate locations, based on technical assessments of their suitability and taking into consideration the relevant proposals drawn up by the Autonomous Regions involved. Another of its assigned functions is developing the procedure by which interested municipalities can opt to be candidates for the location.

In compliance with the above, on 29 December 2009, the Resolution of the Secretary of State for Energy of 23 December 2009 was published in the Official State Bulletin. This issued the public call for the selection of candidate municipalities for the location of the Centralised Temporary Storage (CTS) Facility for spent nuclear fuel and high level radioactive waste and its associated technological centre, and established the procedure and the bases governing the process for designation of the site. This procedure established that the Government, by means of a Council of Ministers agreement, would designate the location of the CTS and its associated technological centre.

Following the selection process, on 16 September 2010, the Interministerial Committee approved a report proposing the candidate locations, which was submitted to the Government. The report concluded that, from a technical point of view, the areas of land proposed by the municipalities of Zarra, Ascó, Yebra and Villar de Cañas were most appropriate for the project, their technical evaluations showing little difference between them.

Accordingly, by proposal of the Ministry of Industry, Energy and Tourism, the Council of Ministers, at its meeting on 30 December 2011, resolved:

1. In accordance with the provisions established in Royal Decree 775/2006 of 23 June, creating **the Interministerial Committee for the establishment of the siting criteria** for the Centralised Temporary Storage Facility for spent nuclear fuel and high level waste (CTS) and its associated technological centre, this Committee has issued a report to the Government with a proposal of candidate sites for this facility, which was approved at the Committee meeting of 16 September 2010.

2. Taking this report and its conclusions with regard to the various candidates into consideration, as well as seeking the greatest social, territorial and institutional consensus, **the Council of Ministers has agreed to designate the location proposed by the municipality of Villar de Cañas (Cuenca)** for the CTS and its associated technological centre.

3. **The CTS Facility and its associated technological centre will provide an essential public service, under state ownership and assigned to the Empresa Nacional de Residuos Radiactivos, SA (Enresa)**, by virtue of the provisions set out in Article 38 a of Law 25/1964, the Nuclear Energy Act of 29 April, in accordance with the wording of Final Provision 9 of Law 11/2009 of 26 October regulating Public Limited Companies quoted on the Property Market.

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 Temporary Storage (CTS) Facility for spent nuclear fuel and high level radioactive waste and its associated technology centre.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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 accountancy 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 complied by the Company Directors, will be submitted to the Ordinary Shareholders' Meeting for approval. No amendments are expected.

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 Directors 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).
- **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 tax income 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, which would prospectively recognise 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 2012 is presented for comparison with the information for 2013.

In order to make the financial statements for 2012 and 2013 comparable, the company has reclassified the Research and Development expenditure incurred during the fiscal year, which had been registered under the heading 'Waste management and studies' and is now classified under the subheading 'Capitalised expenses of in-house work on assets' in the Profit and Loss Statement to the amount of 3,433 thousand euros for the year 2012 on the grounds that this is the best way of presenting the nature of the items included within it.

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 cash flow statement 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 2013 there have been no changes in the accounting criteria with respect to those applied during the 2012 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 2012 financial statements.

3. ALLOCATION OF PROFIT AND LOSS

The Ordinary Shareholders' Meeting approved the proposal for the distribution of profits for 2012 on 24 June 2013, without any changes with respect to that drawn up by the Directors of the company.

The proposal for the distribution of profits for 2013, 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	118
DISTRIBUTION	
Dividends	118

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 2013 has amounted to 3.27% (4.65% in 2012). (Article 12 of Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding confirms 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 2013 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 2013 for this item amounted to 3,427 thousand euros (3,433 thousand euros in 2012), 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 2013 for the depreciation of computer applications amounted to 761 thousand euros (1,037 thousand euros in 2012).

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.

In 2013, the company has chosen to capitalise personnel costs directly attributable to the construction of the Centralised Temporary Storage Facility (CTS) to the amount of 564 thousand euros.

The various entries in this section are depreciated using the straight-line 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 2013 for depreciation of tangible fixed assets amounted to 9,375 thousand euros (9,036 thousand euros in 2012).

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 account 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), bonds with an associated financial derivative which, from a standpoint of the joint financial management of both instruments, produces the intended yield from obtaining the bond, derivatives contracted by the company, and 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, 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 can be 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 2013 and 2012, the company maintained a provision to the amount of 66 and 56 thousand euros 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 2013 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 debits and payables held by the company and which have originated 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 2013 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 their 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 CORPORATE 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, works, 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, works, 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' agreement for 2013, 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 euros per person per year as of 31 December 2013. No provision for this has been registered as it is not permitted in accordance with *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*. The same holds for 2012 on the basis of *Article 2. Remuneration of personnel and senior management in the public sector of Chapter II of Royal Decree-Law 20/2011 of 30 December*. Consequently, no payments were made during 2012 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 2013, 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 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.' The same holds for 2012 on the basis of Article 2. Remuneration of personnel and senior management in the public sector of Chapter II of Royal Decree-Law 20/2011 of 30 December. Given that there was no redemption premium or update premium paid, nor income or expense in the Profit and Loss Statement for 2013, no amount has been registered under the heading of 'Social expenditure' for this item.

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 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.

At the end of fiscal years 2012 and 2013, the estimate for this contingency amounted to 1,114 thousand euros.

4.12 FUND FOR 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 2013 the sum of 22,876 thousand euros was charged in this respect to the Profit and Loss Statement (25,644 thousand euros in 2012).

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 Directors consider 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 2013 and 2012 in the various statements of intangible fixed assets and their corresponding accumulated amortisation is reflected in the following table:

FISCAL YEAR 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 items	(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**

FISCAL YEAR 2012

Thousands of euros

	BALANCE 01/01/12	ADDITIONS OR ALLOCATIONS	TRANSFERS	RELEASE, REMOVALS OR REDUCTIONS	BALANCE 31/12/12
COSTS:					
Research and development	3.875	3.433	-	(3.875)	3.433
Concessions, patents, licences, trademarks and similar items	3.123	-	-	-	3.123
Computer applications	19.058	26	18	(4.343)	14.759
Computer applications in development	-	18	(18)	-	-
Total	**26.056**	**3.477**	**-**	**(8.218)**	**21.315**
AMORTISATIONS:					
Research and development	(3.875)	(3.433)	-	3.875	(3.433)
Concessions, patents, licences, trademarks and similar items	(3.123)	-	-	-	(3.123)
Computer applications	(15.893)	(1.037)	-	4.341	(12.589)
Total	**(22.891)**	**(4.470)**	**-**	**8.216**	**(19.145)**
TOTAL NET COST	**3.165**	**(993)**	**-**	**(2)**	**2.170**

During 2013 and 2012, 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 78 thousand euros in this respect in 2013 (117 thousand euros in 2012).

The sum of the items fully amortised on the balance sheet as of 31 December 2013 and 2012 amounted to 18,473 thousand euros and 18,308 thousand euros respectively, as detailed below (in thousands of euros):

	In thousands of euros Carrying value (gross)	
ITEM	**2013**	**2012**
Research and development	3.427	3.433
Concessions, patents, licenses, trademarks and similar items	3.123	3.123
Computer applications	11.923	11.752
TOTAL	**18.473**	**18.308**

6. TANGIBLE FIXED ASSETS

(SEE NOTE 4.2)

Account activity during 2013 and 2012 in the various statements of tangible fixed assets and their corresponding accumulated depreciation is reflected in the following table:

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
Assets under construction and advances	48.011	22.144	(25.804)	(899)	43.451
Total	**315.800**	**23.349**	**-**	**(929)**	**338.220**
DEPRECIATIONS:					
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**

FISCAL YEAR 2012					Thousands of euros
	BALANCE 01/01/12	ADDITIONS OR ALLOCATIONS	TRANSFERS	RELEASE, REMOVALS OR REDUCTIONS	BALANCE 31/12/12
COSTS:					
Land and buildings	40.024	611	-	-	40.635
Technical facilities and other tangible fixed assets	213.937	822	14.083	(1.688)	227.154
Assets under construction and advances	41.912	20.743	(14.083)	(561)	48.011
Total	**295.873**	**22.176**	**-**	**(2.249)**	**315.800**
DEPRECIATIONS:					
Land and buildings	(22.926)	(546)	-	-	(23.472)
Technical facilities and other tangible fixed assets	(107.175)	(8.490)	-	1.315	(114.350)
Total	**(130.101)**	**(9.036)**	**-**	**1.315**	**(137.822)**
TOTAL NET COST	**165.772**	**13.140**	**-**	**(934)**	**177.978**

During 2013 investments have been made in new fixed assets to the amount of 23,349 thousand euros (22,176 thousand euros in 2012), the most significant relating to the manufacturing of metallic casks for the storage facility at Trillo nuclear power plant, at a cost of 4,726 thousand euros (9,137 thousand euros in 2012), the spent fuel storage system at the José Cabrera plant, to the sum of 194 thousand euros (2,950 thousand euros in 2012), the new facilities at the El Cabril Centralised Disposal Facility, to the amount of 866 thousand euros (1,095 thousand euros in 2012) the Centralised Temporary Storage Facility, at a cost of 11,619 thousand euros (2,831 thousand euros in 2012) and the manufacture of metallic casks for the Garoña nuclear power plant, at a cost of 5,413 thousand euros (1,770 thousand euros in 2012).

At 31 December 2013 and 2012, 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 2013 and 2012 amounted to 16,792 thousand euros and 18,308 thousand euros respectively, as detailed below (in thousands of euros):

	In thousands of euros Carrying value (gross)	
ITEM	**2013**	**2012**
Buildings	3.584	3.584
Technical facilities and other tangible fixed assets	13.208	12.654
TOTAL	**16.792**	**16.238**

At the close of fiscal years 2013 and 2012, the company had no items of tangible fixed assets subject to guarantees or firm purchasing commitments.

7. FINANCIAL INVESTMENTS

(SEE NOTE 4.5)

The financial instruments in force as of 31 December 2013 and 2012 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 2013 and 2012, Enresa holds the following financial assets in its Securities Portfolio:

		Thousands of euros		
CLASS	FACE VALUE at 31-12-13	CARRYING VALUE at 31-12-13	FACE VALUE a 31-12-12	CARRYING VALUE a 31-12-12
Investments held to maturity	3.624.487	3.334.949	3.323.296	3.071.170
Other Assets at fair value through profit and loss	260.755	268.866	269.800	231.708
TOTALS	**3.885.242**	**3.603.815**	**3.593.096**	**3.302.878**

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 1,047,861 and 1,424,629 thousand euros respectively in 2013 (1,005,555 and 1,361,134 thousand euros in 2012).

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 1,138,732 and 1,126,075 thousand euros respectively in 2013 (1,065,154 and 1,039,280 thousand euros in 2012).

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 1,029,062 and 947,603 thousand euros respectively in 2013 (1,060,642 and 1,020,953 thousand euros 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 380,688 and 380,880 thousand euros respectively in 2013 (171,527 and 171,729 thousand euros in 2012).

e **Shares:** comprising the shares obtained as a result of the Cajamadrid mandatory subordinated debt swap. The amounts of the carrying value and the face value of this class total 7,472 and 6,055 thousand euros respectively in 2013 (0 euros in 2012).

As of 31 December 2013 and 2012, the breakdown by maturities of items included under the heading 'Securities Portfolio' is as follows:

FISCAL YEAR 2013 — Thousands of euros (face value)

CLASS / ITEM	LESS THAN 5 YEARS	BETWEEN 5 & 10 YEARS	BETWEEN 10 & 15 YEARS	BETWEEN 15 & 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 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**

FISCAL YEAR 2012 — Thousands of euros (face value)

CLASS / ITEM	LESS THAN 5 YEARS	BETWEEN 5 & 10 YEARS	BETWEEN 10 & 15 YEARS	BETWEEN 15 & 20 YEARS	MORE THAN 20 YEARS	TOTAL
Investments held to maturity	563.334	1.045.280	887.932	768.734	58.016	3.323.296
Other Assets at fair value through profit and loss	100.700	169.100	-	-	-	269.800
TOTALS	**664.034**	**1.214.380**	**887.932**	**768.734**	**58.016**	**3.593.096**

During 2013, various assets have reached maturity or have been redeemed for a face value amount of 135,505 thousand euros (87,614 thousand euros in 2012).

For net profits and losses from the various categories of financial instruments defined in registration and valuation standard no. 9, see note 12.5.

FISCAL YEAR 2013 — Thousands of euros

CLASS	FACE VALUE at 31-12-13	CARRYING VALUE at 31-12-13	2013 Change in fair value	CUMULATIVE Change in fair value
Other Assets at fair value through profit and loss	260.755	268.866	43.441	5.002
TOTALS	**260.755**	**268.866**	**43.441**	**5.002**

FISCAL YEAR 2012 — Thousands of euros

CLASS	FACE VALUE at 31-12-12	CARRYING VALUE at 31-12-12	2012 Change in fair value	CUMULATIVE Change in fair value
Other Assets at fair value through profit and loss	269.800	231.708	41.402	(38.439)
TOTALS	**269.800**	**231.708**	**41.402**	**(38.439)**

In 2012, the company carried out an impairment test on the investments held to maturity and made a provision of 5,584 thousand euros corresponding to an investment of 50,000 thousand euros. With regard to the remaining financial investments, the company has found no impairment of any of the financial assets in the Securities Portfolio, and considers that there is no reasonable uncertainty as to the capacity of the issuers to repay the assets.

During 2013, the indicated share swap took place, applying a debt reduction of 45.7% on the face value, converting subordinated debt into a senior bond with the same maturity, at a fixed simple interest rate of 2%. The loss of this investment in 2013 has amounted to 17,266 thousand euros, 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 2013 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. 9.2.4.b. The change in fair value, therefore, from the time of purchase until the end of the fiscal year has been attributed to the profit and loss statement to the amount of 719 thousand euros.

For 2013, 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.

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 2013 and 2012, 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

CLASS / ITEM	2013 NOTIONAL VALUE at 31-12-13	2013 CARRYING VALUE at 31-12-13	2012 NOCIONAL VALUE at 31-12-12	2012 CARRYING VALUE at 31-12-12
Financial derivatives (assets)	205.500	25.787	277.075	54.014
Financial derivatives (liabilities)	443.177	(106.601)	400.002	(130.619)
TOTALS	**648.677**	**(80.814)**	**677.077**	**(76.605)**

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 2013	Thousands of euros (notional amount)				
CLASS / ITEM	LESS THAN 5 YEARS	5 TO 10 YEARS	10 TO 15 YEARS	15 TO 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**

FISCAL YEAR 2012	Thousands of euros (notional amount)				
CLASS / ITEM	LESS THAN 5 YEARS	5 TO 10 YEARS	10 TO 15 YEARS	15 TO 20 YEARS	TOTAL
Derivatives	238.900	115.000	203.177	120.000	677.077
TOTALS	**238.900**	**115.000**	**203.177**	**120.000**	**677.077**

In 2013, derivatives with a notional value of 28,400 thousand euros were amortised or derecognised (79,713 thousand euros in 2012).

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 2013, the inclusion of credit risk in determining the fair value of derivatives has meant a decrease in the valuation of derivatives of 5,768 thousand euros.

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.

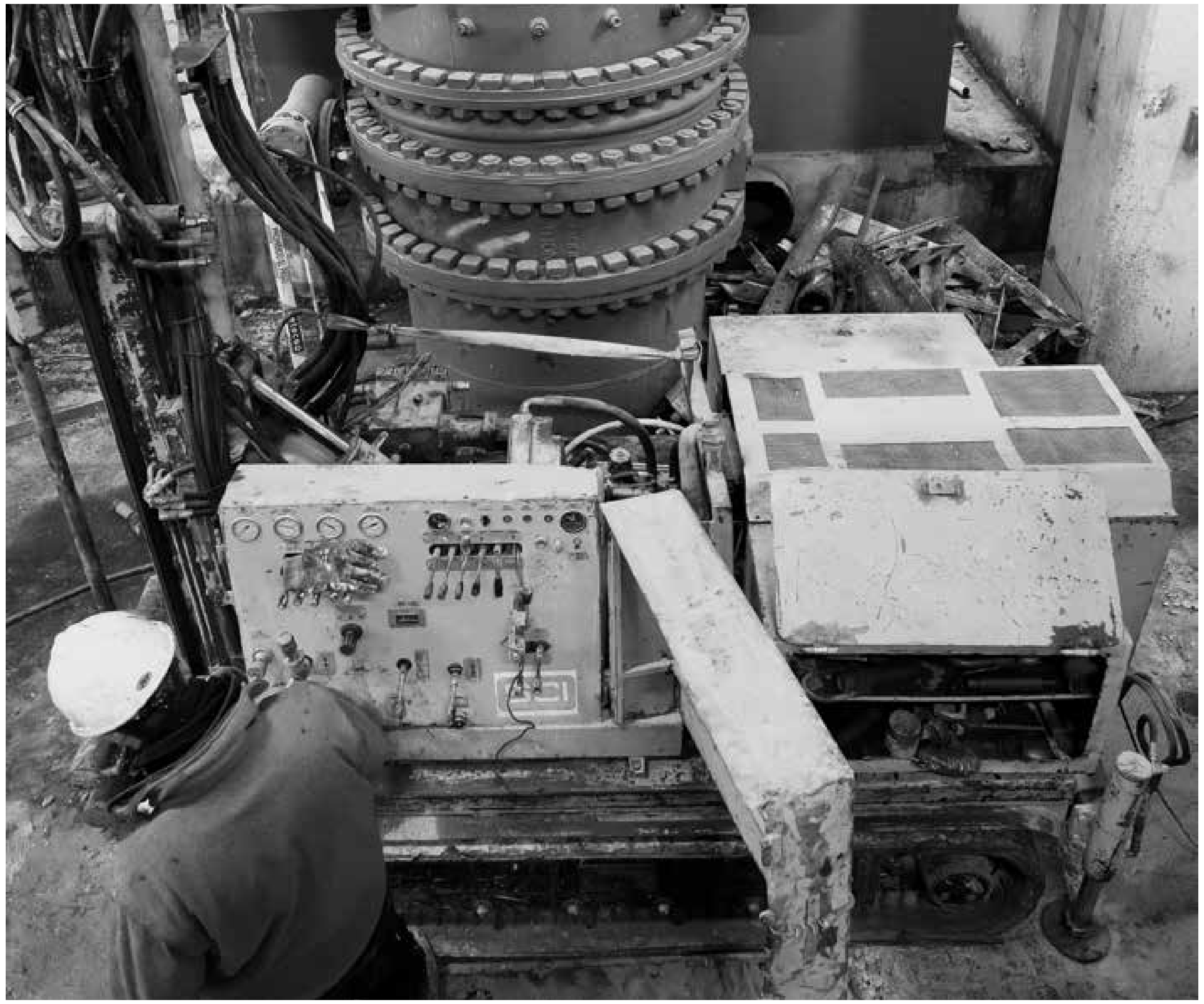
b Market Risk:
The portfolio of temporary financial investments managed by Enresa is required to achieve a given minimum actual interest rate, established by the financing model of the radioactive waste management in Spain, as approved by the Government in the General Radioactive Waste Plans. Consequently, and to extent that the financial markets allow, Enresa concentrates its investments on fixed rate finan-

cial 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.



7.4.2. Quantitative information

Data calculated on the face value of the Portfolio to 31 December 2013 and 2012:

a Credit risk:

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

				Thousands of euros
	2013		2012	
	FACE VALUE	%	FACE VALUE	%
Public sector	2.550.704	65,65%	2.400.414	66,81%
Financial entities	1.119.284	28,81%	977.428	27,20%
Energy	161.000	4,14%	161.000	4,48%
Communications and transportation	54.254	1,40%	54.254	1,51%
TOTALS	**3.885.242**	**100,00%**	**3.593.096**	**100,00%**

b Return Risk:

The percentages of financial assets by type of yield obtained are as follows:

	% OF FACE VALUE	
FINANCIAL ASSETS	2013	2012
Percentage of financial assets at interest rate	52,53%	48,36%
Percentage of financial assets indexed to inflation	42,14%	45,88%
Percentage of financial assets linked to variable income indexes with secured capital	5,17%	5,76%
Percentage of financial assets linked to equity securities	0,16%	-

The increase of financial assets at nominal interest rate is a consequence of the concentration of investments in Spanish Public Debt contracted over the year.

C Foreign Exchange Risk:

The percentages of financial assets denominated in currencies other than the euro are:

FINANCIAL ASSETS	% OF FACE VALUE 2013	2012
Percentage of financial assets in USD	0,51%	0,56%
Percentage of financial assets in GBP	0,77%	0,83%
TOTALS (IN FOREIGN CURRENCY)	1,28%	1,39%

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 values of financial assets and liabilities with standard terms and conditions that are traded on active liquid markets are determined with reference to quoted market prices.

- The fair value of other financial assets and liabilities (excluding derivative instruments) are 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. as 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 2013 — In thousands of euros

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets-Instruments Financial Derivatives	7.472	287.181	---	**294.653**
Liabilities-Instruments Financial Derivatives	---	(106.601)	---	**(106.601)**

EJERCICIO 2012 — In thousands of euros

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets-Instruments Financial Derivatives	---	285.722	---	**285.722**
Liabilities-Instruments Financial Derivatives	---	(130.619)	---	**(130.619)**

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 euros 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 euros, fully subscribed and disbursed.

As of 31 December 2013 and 2012, the details of the Enresa shareholders are as follows:

SHAREHOLDERS	SHARE PERCENTAGE	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 2013 fiscal year, this reserve was fully established.

9. FUND FOR THE FINANCING OF ACTIVITIES INCLUDED IN THE GENERAL RADIOACTIVE WASTE PLAN

(SEE NOTE 4.12)

Fund activity during the 2013 and 2012 fiscal years has been as follows:

	Thousands of euros	
	2013	2012
Balance at 1 January	3.549.794	3.228.001
Application in fiscal year	(259.192)	(310.771)
Transfer in fiscal year	570.247	632.564
BALANCE AT 31 DECEMBER	3.860.849	3.549.794

10. PAYABLES

10.1 INFORMATION ON PAYMENT DEFERRALS TO SUPPLIERS. ADDITIONAL PROVISION 3.

‘DISCLOSURE OF INFORMATION’ OF LAW 15/2010 OF 5 JULY

The information required by Additional Provision 3 of Law 15/2010 of 5 July is detailed below:

PAYMENTS MADE AND PENDING PAYMENT AT THE CLOSE OF THE FISCAL YEAR	2013 (Thousands of euros)	
	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	

PAYMENTS MADE AND PENDING PAYMENT AT THE CLOSE OF THE FISCAL YEAR	2012 (Thousands of euros)	
	AMOUNT	%
Carried out within the maximum legal deadline	122.513	83
Remaining payments	25.181	17
Total payments for the year	147.694	100
Weighted average days past due	19,7	
Deferrals which at the date of close exceed the maximum legal deadline	346	

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 SITUATION (SEE NOTE 4.8)

11.1 CURRENT BALANCES WITH PUBLIC ADMINISTRATIONS

The composition of current balances with Public Administrations as of 31 December 2013 and 2012 is as follows:

Thousands of euros

ITEM	2013 RECEIVABLES	2013 PAYABLES	2012 RECEIVABLES	2012 PAYABLES
Public Treasury, Corporate Tax	2.397	-	1.131	-
Public Treasury, Tax Withholdings	-	808	-	405
Public Treasury, Value Added Tax	258	1.704	121	2.119
Social Security entities	-	384	-	322
Public Treasury, Non-resident Tax	-	40	-	-
Environmental Levy	-	2.017	-	1.637
TOTAL	2.655	4.953	1.252	4.483

11.2 RECONCILIATION OF REPORTED PROFITS AND TAXABLE INCOME

The reconciliation of reported profits and the amount subject to Corporate Income Tax for 2013 and 2012 is as follows:

FISCAL YEAR 2013

Thousands 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

FISCAL YEAR 2012

Thousands of euros

ITEM	INCREASES	DECREASES	BALANCE
Reported profit for the fiscal year			168
Permanent differences (not including Corporate income tax)	7.958	(6.527)	1.431
Offset of negative taxable income	-	(1.599)	(1.599)
TAXABLE INCOME			0

The increases in the permanent differences for fiscal years 2013 and 2012 correspond basically to expenditure on non-deductible donations.

The decreases in the permanent differences for fiscal years 2013 and 2012 basically correspond to reversion 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 in most cases is longer than 10 years, the provision applied has been considered a permanent difference.

With respect to temporary differences recorded in fiscal year 2013, 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 taxable 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:

	Thousands of euros	
ITEM	2013	2012
Reported profit before tax	118	168
Permanent differences	(1.516)	1.431
Quota at 30%	(419)	479
Impact of temporary differences	1.221	0
Deductions:		
For double taxation	0	0
For reinvesting profits	0	0
Deductions for investments	(371)	0
Offset of negative taxable income	(200)	(479)
Current Corporate Income Tax expenditure	231	0
Deferred Corporate Income Tax expenditure	(1.221)	
Adjustment for the previous year's Corporate Income Tax assessment	139	0
TOTAL TAX EXPENDITURE RECOGNISED IN THE PROFIT AND LOSS STATEMENT	**(851)**	**0**

11.4 REGISTERED DEFERRED TAX ASSETS

The breakdown of this account at the close of 2013 and 2012 is as follows:

PAYMENTS MADE AND PENDING PAYMENT AT THE CLOSE OF THE FISCAL YEAR	Thousands of euros	
	2013	2012
Temporary differences:		
Depreciation of fixed assets	1.221	-
TOTAL DEFERRED TAX ASSETS	**1.221**	**-**

Deferred tax assets arise from temporary differences originating in 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 directors of the company, according to the best estimates of future company profits, consider it probable that these assets will be recovered.

11.5 NON-REGISTERED DEFERRED TAX ASSETS

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 2013, the company had negative taxable income pending offsetting to the sum of 257,141 thousand euros (256,612 thousand euros as of 31 December 2012), broken down as follows:

		Thousands of euros	
YEAR	TAXABLE INCOME 2013	TAXABLE INCOME 2012	MATURITY
1997	21.029	20.500	2015
2000	17.400	17.400	2018
2001	26.280	26.280	2019
2002	31.306	31.306	2020
2003	28.404	28.404	2021
2005	33.706	33.706	2023
2007	5.906	5.906	2025
2008	79.882	79.882	2026
2009	5.711	5.711	2027
2010	3.564	3.564	2028
2011	3.953	3.953	2029
TOTAL	**257.141**	**256.612**	

Deductions:
As of 31 December 2013 and 2012, the company has tax incentives pending deduction to the sum of 29,041 thousand and 29,946 thousand euros respectively, mainly corresponding to Research and Development expenditure, as detailed below:

			Thousands of euros
YEAR OF ORIGIN	AMOUNT 2013	AMOUNT 2012	MATURITY
1997	0	2.189	2012
1998	1.921	2.120	2013
1999	2.115	2.115	2014
2000	1.253	1.253	2015
2001	2.309	2.310	2016
2002	2.047	2.078	2017
2003	2.458	2.571	2018
2004	1.464	1.495	2019
2005	2.055	2.088	2020
2006	2.048	2.112	2021
2007	1.674	1.707	2022
2008	1.343	1.366	2023
2009	1.299	1.315	2024
2010	1.717	1.725	2025
2011	1.840	1.841	2026
2012	1.618	1.661	2027
2013	1.880	0	2028
TOTAL	29.041	29.946	

11.6 OTHER FISCAL INFORMATION

The company has outstanding credit for the amount corresponding to the provisional assessment of Corporate Income Tax for 2013 and the definitive assessment for 2012, originating mainly from withholdings for returns on investments. This amount totals 2,397 thousand euros (1,131 thousand euros in 2012).

Since Corporate Income Tax for 2013 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	2009 a 2012
Value Added Tax	2010 a 2013
Personal Income Tax	2010 a 2013

The Company Directors consider 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 2013 and 2012 is as follows:

		Thousands of euros
BY ACTIVITIES	2013	2012
Electricity tariff established revenue (CNE)	(3)	21
Invoicing to electricity companies (tolls) Tax form 681	136	139
Invoicing to electricity companies (Kwh/nuclear) Tax form 682	381.386	417.340
Invoicing for manufacture of nuclear fuel. Tax form 683	509	509
Invoicing to radioactive facilities. Tax form 684	264	857
Invoicing for management of decommissioning	-	45
TOTAL REVENUE FOR ACTIVITIES	382.292	418.911

All revenues are domestic.

12.2 OTHER OPERATING INCOME

The distribution of other operating income corresponding to the ordinary activity of the company in 2013 and 2012 is as follows:

	Thousands of euros	
BY ITEM	2013	2012
Funding from the European Union for Research and Development (Note 5)	78	117
Provision of services for technical assistance in international projects	459	364
Operating subsidy and reimbursement from agencies	11	8
Management income (bonuses, training, travel, etc.)	22	37
Estratos journal and other income	145	125
TOTAL OF OTHER OPERATING INCOME	715	651

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 2013 and 2012, is made up as follows:

	Thousands of euros	
BY ITEM	2013	2012
Social Security contributions payable by the company	4.074	3.643
Other welfare expenditure	1.504	1.447
TOTAL SOCIAL SECURITY CONTRIBUTIONS	5.578	5.090

12.4 FOREIGN CURRENCY TRANSACTIONS (SEE NOTE 4.7)

During the 2013 and 2012 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:

	2013		2012	
BY ITEMS	IN FOREIGN CURRENCY (THOUSANDS)	THOUSANDS OF EUROS	IN FOREIGN CURRENCY (THOUSANDS)	THOUSANDS OF EUROS
Accounts Receivable				
US dollars	8.565	6.211	13.476	10.213
Accounts Payable				
US dollars	367	263	795	582
Services provided				
US dollars	-	-	6	4
Canadian dollars	-	-	27	21
Australian dollars	387	286	81	65
Swiss francs	-	-	60	49
Japanese yen	3.000	24	3.000	31
Services received				
US dollars	4.521	3.454	5.033	3.760
Pounds sterling	-	-	6	8
Swedish krona	-	-	9	1
Swiss francs	4	3	-	-

12.5 INVESTMENT INCOME AND EXPENDITURE

The sum of the investment income and expenditure recognised in the profit and loss for 2013 and 2012, by types of financial instruments, is as follows:

FISCAL YEAR 2013

Thousands of euros

BY ITEMS	INVESTMENT INCOME	INVESTMENT EXPENSES	NET INVESTMENT PROFIT OR LOSS
Investments held to maturity	113.484	(1.878)	111.606
Nonderivative 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)
Others	362	-	362
TOTALS	235.308	(102.271)	133.037

FISCAL YEAR 2012

Thousands of euros

BY ITEMS	INVESTMENT INCOME	INVESTMENT EXPENSES	NET INVESTMENT PROFIT OR LOSS
Investments held to maturity	143.251	-	143.251
Nonderivative financial assets designated at fair value	9.332	-	9.332
Interest on derivatives	22.419	(32.612)	(10.193)
Differences through application of fair value to bonds	47.100	(5.698)	41.402
Differences through application of fair value to derivatives	20.256	(26.233)	(5.977)
Impairment and profit or loss through maturity of debt securities	1.699	(5.584)	(3.885)
Exchange rate differences	1	(14)	(13)
Others	323	(5)	318
TOTALS	244.381	(70.146)	174.235

12.6 ENRESA FOUNDATION

On 27 December 1990, Enresa set up a non-profit charitable and welfare foundation for an indefinite period. The Foundation's principal purpose is the provision of care services to promote and develop the welfare of the populations located within the scope of Enresa facilities. The contribution charged to the Profit and Loss Statement for fiscal year 2013 under the heading 'Outsourced services' amounted to 2,906 thousand euros (2,300 thousand euros in 2012).

12.7 WASTE MANAGEMENT

The most noteworthy strategic objectives and activities in 2013 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)

Enresa has continued to transport this type of waste from nuclear power plants and radioactive installations to the El Cabril Centralised Disposal Facility, which has been operating to its usual schedule.

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 euros, was made in 2001, followed by a second payment of 76,225 thousand euros in 2002, two payments for an overall sum of 111,988 thousand euros in 2003, a payment of 4,786 thousand euros (975 thousand euros in interest) in 2006, a payment of 4,988 thousand euros (1,177 thousand euros in interest) in 2007, a payment of 5,294 thousand euros (1,482 thousand euros in interest) in 2008, a payment of 5,468 thousand euros (1,657 thousand euros in interest) in 2009, a payment of 5,714 thousand euros (1,903 thousand euros in interest) in 2010 and a payment of 5,997 thousand euros (2,185 thousand euros 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 decommissioning 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 CTS.

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 of 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 this fiscal year the manufacture of waste has been 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 proscribed by the General Accounting Plan. As of at 31 December 2013 this amounted to 26,518 thousand euros.

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 at 31 December 2013 amounts to 1,140 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 decommissioning 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 2013, operation continued as normal at the spent fuel storage facility at the Trillo nuclear power plant, where there are 24 casks, each containing 21 fuel assemblies. Work has also continued on the manufacturing of 8 casks for the storage of this fuel.

Storage system tasks are ongoing with regard to the temporary management of spent fuel from the Ascó nuclear power plant. On 9 April 2013, the Directorate General for Energy Policy and Mines issued the resolution approving implementation of the two units of the Individual Temporary Storage Facility (ITS). During the month of May the first container loading operations for Unit 1 were carried out.

Following completion of studies and definition of equipment and components for the design modification of the East pool cooling system at Cofrentes nuclear power plant, the installation of a fuel handling hoist remains pending.

Regarding the management of spent fuel from the José Cabrera nuclear power plant, with a view to the decommissioning of the plant, 4 capsules (GWC) have been supplied with their racks, after having carried out the loading of the 4 HI-SAFE containers.

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.

In relation to the Villar de Cañas Centralised Temporary Storage Facility (CTS), final reports on the characterisation studies of the Phase I site have been completed, relating to the work on geology, seismic activity, meteorology, hydrogeology and sounding, geography, socio-economic study and geotechnics. Enresa continues to work on the engineering details for the project.

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 activity associated with the current dormancy phase of this facility.

On 11 February 2010, trusteeship of the José Cabrera nuclear power plant was transferred to Enresa, which is now responsible for the decommissioning of the facility. The activities involved in the Decommissioning and Dismantling Plan (Level 3) are ongoing, notable amongst which is the work on the containment building, where the dismantling of the reactor closure, extraction and segmentation of the upper and lower internals have been completed. Regarding work on the reactor vessel dismantling, the cutting of the closure has begun and preparation has started on auxiliary means of containment for the remaining dismantling tasks.

As regards the now completed project for the final restoration of the mining operations at Saelices el Chico, water treatment activities are currently ongoing.

d Research and Development

Enresa has continued working on projects relating to the R&D Plan (2009-2013).

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 2013 and 2012, and the balances at 31 December 2013 and 2012, is as follows:

Thousands of euros

	INVOICING 2013	BALANCE 31/12/2013	INVOICING 2012	BALANCE 31/12/12
Ciemat				
Services recived	2.388	37	2.859	113
Services provided	8	6.253	57	6.253
Dividends distributed	134	-	140	-
SEPI				
Services recived	10	-	14	2
Dividends distributed	34	-	35	-

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.

As regards the services rendered, these relate in full to the project for the decommissioning of the Ciemat facilities and specifically to the part of the financing that is not charged to the Fund for the financing of activities included in the General Radioactive Waste Plan.

13.2 REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The total sum of the remunerations and expenses accrued and received by the Members of the Board of the company in 2013 amounted to 223 thousand euros (250 thousand euros in 2012).

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.

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 2013, totalled 681 thousand euros (214 thousand euros in 2012).

As of 31 December 2013 and 2012, there were no outstanding loans to Members of the Board.

As regards the Board Members who are employees of the company, no amount has been paid by the company during 2013 (4 thousand euros in 2012) in life and accident insurance policies.

Additionally, the company has contracted a public liability policy for the Board, for which premiums amounting to 10 thousand euros have been paid in 2013 (12 thousand euros in 2012).

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

14. ENVIRONMENTAL INFORMATION

In view of the fact that all activities carried out by the company aim to ensure the safety of persons 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 2013 and 2012, the Board of Directors was made up of 12 people, of which as of 31 December 2013, 4 were women and 8 men (1 woman and 11 men as of 31 December 2012).

The average number of employees during the fiscal years 2013 and 2012, distributed by occupational status, and the number of employees at the end of these years, distributed by occupational status and gender, are as follows:

FISCAL YEAR 2013				
CATEGORY	AVERAGE NUMBER OF EMPLOYEES	EMPLOYEES AT 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**

FISCAL YEAR 2012				
CATEGORY	AVERAGE NUMBER OF EMPLOYEES	EMPLOYEES AT 31 DECEMBER 2012 MEN	WOMEN	TOTAL
Senior managers	7	6	1	7
Higher-level diploma holders and graduates	96	62	40	102
Intermediate-level diploma holders	69	60	9	69
Administrative staff	62	16	45	61
Skilled workers	72	71	1	72
TOTALS	**306**	**215**	**96**	**311**

15.2 AUDIT FEES

The external auditor of Enresa's financial statements is Deloitte, S.L.

The costs accrued for this work in 2013 and 2012 amount to 31 thousand euros for each of these years.

In addition, the total amount of fees accrued in 2013 and 2012 for the undertaking of work other than auditing of the financial statements is 4 thousand euros for each year.

15.3 OTHER INFORMATION CONCERNING THE COMPANY BOARD OF DIRECTORS

As of close of the 2013 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, Deputy Chairman, and Francisco Javier Arana Landa, Director of ENUSA INDUSTRIAS AVANZADAS, S.A., a company involved in activities complementary to Enresa's.

16. FINANCIAL GUARANTEES

The heading 'Financial transaction guarantees' for 2013 includes fundamentally those guarantees that have been provided by Enresa, to the sum of 0 thousand euros (1,296 thousand euros in 2012) to cover commitments to third parties. The Company Directors consider that, as a result of these guarantees, there will be no responsibilities that should be provisioned for on close of 2013.

17. SUBSEQUENT EVENTS (SEE NOTE 1)

Subsequent to the close of the fiscal year ending on 31 December 2013 and up to the date of drawing up the financial statements there have been no events that might significantly affect these statements.

Nevertheless, on 8 March 2014, Royal Decree 102/2014 of 21 February on the safe and responsible management of spent nuclear fuel and radioactive waste was published, updating the regulation of Enresa activities, repealing Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding.

This Royal Decree includes, among many others subjects, some general principles applicable to the management of spent nuclear fuel and radioactive waste. It clarifies the responsibilities associated with this management, and sets out the regulation and content of the Spanish national scheme, the General Radioactive Waste Plan, as well as certain aspects relating to the funding of its activities, from the authorisation of Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 November, declared in force by Law 24/2013, the Electricity Industry Act of 26 December, and the regulation of the Fund for the financing of the activities of the Plan.

AUDIT REPORT

Deloitte.

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<u>INFORME DE AUDITORÍA DE CUENTAS ANUALES</u>

A los Accionistas de
Empresa Nacional de Residuos Radiactivos, S.A:

1. Hemos auditado las cuentas anuales de Empresa Nacional de Residuos Radiactivos, S.A. que comprenden el balance al 31 de diciembre de 2013 y la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio anual terminado en dicha fecha. Los administradores son responsables de la formulación de las cuentas anuales de la sociedad, de acuerdo con el marco normativo de información financiera aplicable a la entidad (que se identifica en la Nota 2.1 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales en su conjunto, basada en el trabajo realizado de acuerdo con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, que requiere el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales y la evaluación de si su presentación, los principios y criterios contables utilizados y las estimaciones realizadas, están de acuerdo con el marco normativo de información financiera que resulta de aplicación.

2. En nuestra opinión, las cuentas anuales del ejercicio 2013 adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de Empresa Nacional de Residuos Radiactivos, S.A. al 31 de diciembre de 2013, así como de los resultados de sus operaciones y de sus flujos de efectivo correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación y, en particular, con los principios y criterios contables contenidos en el mismo.

3. El informe de gestión adjunto del ejercicio 2013 contiene las explicaciones que los administradores consideran oportunas sobre la situación de la Sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2013. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la Sociedad.

DELOITTE, S.L.
Inscrita en el R.O.A.C. nº S0692

Javier Acevedo Jimenez de Castro
3 de abril de 2014

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

MANAGEMENT REPORT

Enresa operates within a defined framework of responsibilities in the various fields of radioactive waste management and decommissioning of facilities as set out in the 6th General Radioactive Waste Plan. This section outlines the main strategies and activities carried out in 2013, as well as the objectives achieved within the sphere of technological research and the company's key economic and financial performance figures.

INTRODUCTION AND MANAGEMENT SUMMARY

In 2013, 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 2012, entitled 'Updated economic and financial study of the cost of activities provided for in the Sixth General Radioactive Waste Plan', together with the 2012 annual report. This was all in compliance with the provisions set out in Article 6 b of Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding.

The company has completed the missions assigned to it in accordance with the regulations in force, amongst which the following are particularly significant:

- **Royal Decree 1349/2003, of 31 October** on the organisation of Enresa activities and funding.

- **Law 11/2009 of 26 October** regulating Public Limited Companies quoted on the Property Market, Final Provision 9, amending Law 25/1964, the Nuclear Energy Act of 29 April, 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 12/2006 of 27 December**, on the supplementary tax system for the budget of the Autonomous Community of Andalusia, which taxes operations at the El Cabril Centralised Disposal Facility at €7,000 per m3 of low and intermediate level waste deposited at the facility and €2,000 per m3 of very low level waste. This law was amended by Law 11/2010 of 3 December, governing tax measures for the reduction of public deficit and the sustainability of the Autonomous Community of Andalusia, and increasing the tax to €10,000/m3 of low and intermediate level waste deposited at the El Cabril Centralised Disposal Facility.

- **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 Bulletin of 29 December, issuing the public call for the selection of candidate municipalities for the location of the Centralised Temporary Storage (CTS) Facility for spent nuclear fuel and high level radioactive waste and its associated technology centre. On 20 January 2012, the Official State Bulletin published the Resolution of 18 January 2012, from the Secretary of State for Energy, assigning the location of the Centralised Temporary 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 324 employees throughout the year (335 as of 31 December 2013). Of these workers, 187 were assigned to the company's head office in Madrid, 126 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 Directorate General for Energy Policy and Mines of the Ministry of Industry, Energy and Tourism, 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 closure 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 2013, the State Industrial Holdings Corporation (SEPI) continues to monitor 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 held three meetings in 2013. Enresa provided the Committee with the information required for the performance of its functions, and presented a breakdown of all transactions contracted over the year, of which long term investments comprised 100% public debt. 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 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 2013

- 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.
- Completion of the characterisation studies for the location of the Centralised Temporary Storage Facility (CTS), preparation of safety studies for requesting authorisations and commencement of the first infrastructure works.
- Manufacture of casks for the operation of the temporary storage facility for spent fuel at Trillo nuclear power plant (Guadalajara).
- Operation of the on site temporary storage system for spent fuel at the José Cabrera nuclear power plant (Guadalajara) in order to enable decommissioning of the plant.
- Operation of the on site temporary storage system for spent fuel from the Ascó nuclear power plant (Tarragona).
- Commencement of the manufacture of the storage systems for the temporary management of spent fuel from Garoña nuclear power plant (Burgos).
- Various studies on intermediate management alternatives for the disposal 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 decommissioning and dismantling plan for the José Cabrera nuclear power plant (Guadalajara).
- Monitoring of disused uranium mines in the province of Salamanca.
- Monitoring, control and maintenance of the decommissioned and restored sites of the uranium mill at Andújar (Jaén) and the La Haba plant (Badajoz).
- Monitoring and maintenance of the Environmental Restoration Project at Saelices el Chico (Salamanca).
- Management of radioactive lightning rod headers (remaining activities of a process that has been formally completed).
- Management of other materials from outside the regulatory system.
- Special interventions deriving 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 2009/2013 period.
- During the fiscal year 2013, and as a sign of Enresa's commitment to the recommendations made by the regulatory bodies in the field of transparency and good corporate governance, Enresa has approved its 1st Corporate Governance Report. This details the measures taken by the company for the control of risks of all kinds, including, as newly approved during the fiscal year, the rules of operation of the Board of Directors, the company code of conduct, and the Committee for Legal Compliance and Crime Prevention, which consolidates the work of the internal audit unit created in 2012 and of the Board Committee for Auditing and Control.
- 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 financing the activities of the GRWP, complying with the principles of security, profitability and liquidity.

ENRESA'S MISSION

Enresa is a public company created by 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 decommissioning 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 decommissioning 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 project solvency.

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 (2009-2013) with a budget of 30 million euros. Since its creation, Enresa has allocated almost 150 million euros 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 recuperation 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 the public 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.

TECNICAL ACTIVITIES

Described below are the main projects and technical activities carried out by Enresa during 2013 in each of the major areas of division 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 2013 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.

102 shipments of low and intermediate level waste (LILW) generated at nuclear power plants were sent to the El Cabril Centralised Disposal Facility, with a volume of 580 m^3, in addition to 41 shipments originating from the decommissioning of the José Cabrera nuclear power plant and PIMIC, with a volume of 156 m^3.

As regards very low level waste, 18 shipments were made from nuclear power plants, with a volume of 227 m^3, plus a further 39 shipments from the decommissioning of the José Cabrera plant, with a volume of 619 m^3, and another 3 shipments from the PIMIC-Dismantling project, with a volume of 60 m^3.

Furthermore, 31 transport operations for the removal of waste from radioactive facilities (hospitals, industries, research centres, etc.) have been carried out, all to the El Cabril Centralised Disposal Facility. The total volume of waste delivered to the El Cabril Centralised Disposal Facility for conditioning is equivalent to 54.46 m^3. During this year, 49 new contracts were signed with these producers and the total number of active contracts as of 31 December 2013, taking into account cancellations, stands at 858.

The El Cabril Centralised Disposal Facility has been operating normally, with 190 disposal positions occupied in the cells during this year (194 CE-2a and CE-2b concrete containers housing 3,593 waste packages).

As regards the complementary facility at the El Cabril for the disposal of very low level waste, 7,612 m^3 was in deposited in this facility at the close of the year (1,112 m^3 in 2013).

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 carried out in this area of management have mainly been aimed at achieving the prime objective of making a Centralised Temporary Storage (CTS) Facility 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 Bulletin published the Resolution of 18 January 2012, from the Secretary of State for Energy, assigning the location of the Centralised Temporary 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 the site were completed in 2013.

Also during 2013 we drew up the preliminary study on the CTS, necessary for the application for the prior authorisation and construction licenses for the facility, and submitted it to Minetur and the CSN in January 2014.

Work has now begun on the CTS site infrastructure (roads, power lines, land development, etc.).

Operations at the Trillo nuclear power plant storage facility have continued as normal and at year end 24 casks, each with a capacity for 21 fuel assemblies, were in place, with a further 8 units in the manufacturing phase.

Regarding the management of spent fuel and additional decommissioning waste from the José Cabrera nuclear power plant, with a view to the decommissioning of the plant, 4 capsules for “special waste” have been supplied with their racks, after having carried out the loading of the 4 HI-SAFE containers.

Storage system tasks are ongoing with regard to the temporary management of spent fuel from the Ascó nuclear power plant. Manufacture of the new container transfer vehicle (crawler) continues, with delivery scheduled for 2014. On 9 April 2013, the Directorate General for Energy Policy and Mines issued the resolution approving implementation of Units 1 and 2 of the Individual Temporary Storage Facility (ITS). During the month of May, the first container loading operations were successfully carried out for Unit 1, and the ITS can be considered operational as of this time.

As regards management of spent fuel from the Garoña nuclear power plant, the manufacturing of 5 dual purpose fuel transportation/storage cask has begun.

Following completion of studies and definition of equipment and components for the design modification of the East pool cooling system at Cofrentes nuclear power plant, the installation of a fuel handling hoist remains pending. Work has been carried out in stages based on the requirements of pool operations.

Lastly, given their strategic significance, it is important to reference the payments made to the French company Cogema (now Areva) resulting from the new protocol on waste from the reprocessing of spent fuel from the Vandellós I nuclear power plant 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 and the second set of operations for reprocessing of spent fuel from this plant.

DECOMMISSIONING OF FACILITIES

Work carried out by Enresa during 2013 on decommissioning and dismantling of nuclear facilities included the José Cabrera nuclear power plant project, the dormancy phase of Vandellós I, monitoring and maintenance of the project for the definitive restoration of the Saelices el Chico site in Salamanca and other minor activities.

On 11 February 2010, trusteeship of the José Cabrera nuclear power plant was transferred to Enresa, which is now responsible for the decommissioning of the facility. Work has continued on project activities (engineering, licensing, specifications in progress for subsequent calls for tender, etc.). With regard to decommissioning activities, preparatory activities have been completed and the plan for the loading of segmented pieces in the special waste capsules is now under way. Work is continuing on radiological disassembly tasks in the Containment and Auxiliary Buildings and is progressing according to schedule. Regarding work on the reactor vessel segmentation, disassembly of the closure has begun and preparation has started on auxiliary means of containment for the remaining disassembly tasks.

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

With regard to restoration of the disused uranium mines that supplied the Quercus plant (Saelices el Chico, Salamanca) of Empresa Nacional del Uranio, S.A. (currently Enusa Industrias Avanzadas, S.A.), technical studies have been conducted to improve the knowledge and state of the art on elimination systems for acid waters and enable the definition and design of corrective measures for the minimisation of water production. Monitoring Programme tasks are ongoing.

Finally, mention should be made of the continuation of the monitoring, maintenance and control of the sites of the former Andujar uranium mill and La Haba ore treatment facility, which have been dismantled and restored, and of the disused uranium mines in the province of Salamanca, now restored. Work also continues on studies on the decommissioning of nuclear power plants.

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 operation 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.** The results of these activities 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

During 2013, we have continued working within the framework of the 2009-2013 R&D Plan. This includes activities relating to technology for waste classification, treatment and conditioning; the decommissioning of nuclear facilities; isolation and confinement systems, study of materials, their interrelationships with the environment and waste, and impact on the environment; and aspects relating to radiological protection and the environment.

Internationally, we have continued to participate in European Union 7th Framework Programme projects (Carbowaste, Modern, Petrus II and Pebs projects). 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 knowledge necessary for the management of radioactive waste. Two proposals for new projects have been presented, in response to the last call of the 7th Framework Programme: the Cast and Petrus II projects.

Involvement continues in the IGD-TP technological platform for R&D related to management of radioactive waste at EU level. Enresa, together with another 11 national agencies/ministries, is represented in the Executive Group. This is the decision making body for the platform.

Cooperation agreements with Spanish universities (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 (CSN).

R&D activities related to the decommissioning 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, cell 30, environmental classification, etc.) are addressed mainly with the cooperation of the universities of Córdoba and Seville.

The activity of reviewing and analysing 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:

- **Management of radioactive lightning rods**, in response to isolated removal requests. In 2013, 9 units were removed and 9 Am-241 headers were dismantled.
- **Intervention of the Radiological Protection Technical Unit** at Enresa workplaces and other external facilities.
- **Operational support for the competent authorities** (Civil Defence and CSN) for radiological emergency response.

ECONOMIC AND FINANCIAL ASPECTS

MAIN ECONOMIC AND FINANCIAL PARAMETERS

Total operating income for the 2013 fiscal year amounted to 386,998 thousand euros. Net financial income from the management of the Portfolio of the Fund amounted to 133,037 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 2013, Enresa has incurred operating expenses to the sum of 209,713 thousand euros and investment expenditure amounting to 23,439 thousand euros, not including investments in R&D.

As of the end of 2013, the Fund for the financing of activities included in the General Radioactive Waste Plan (GRWP) totalled 3,860,849 thousand euros.

As of 31 December, the accumulated yield on the entire portfolio for 2013 stood at 3.27%. Enresa continued management of 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.

2013 was marked by a tendency towards a degree of stability in the financial markets, in comparison with the high volatility experienced in the previous year. The Spanish risk premium showed a downward trend from its yearly high of 391 basis points, closing the year at a level of 222. Spanish government debt showed a more stable and positive performance in the second half of the year, with the 10-year note closing at 4.15%, after peaking at 5.45% in the first half of the year. In the short term, the interbank market maintained a stable performance throughout the year, remaining at very low levels, 0.22% on average, and rebounding slightly in December to 0.29%. Meanwhile year-on-year inflation was set at 0.3%, 260 basis points below the previous year, and the lowest figure recorded in recent years.

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), bonds with an associated financial derivative which, from a standpoint of the joint financial management of both instruments, produces the intended yield from obtaining the bond, derivatives contracted by the company, and 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 with the financing model established in the General Radioactive Waste Plan.

In compliance with the requirements of the General Accountancy Plan (GAP), 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 2013 registered as financial assets.

In order to calculate the fair value of these financial instruments, the company has used as a reference their quoted price on the capital markets, obtained through financial intermediaries.

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 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.

In 2012, the company carried out an impairment test on the investments held to maturity and made a provision of 5,584 thousand euros corresponding to an investment of 50,000 thousand euros. With regard to the company's remaining financial investments, no impairment of any of the financial assets in the Securities Portfolio has been found, and it was considered that there was no reasonable uncertainty as to the capacity of the issuers to repay the assets.

During 2013, the indicated share swap took place, applying a debt reduction of 45.7% on the face value, converting subordinated debt into a senior bond with the same maturity, at a fixed simple interest rate of 2%. The loss of this investment in 2013 has amounted to 17,266 thousand euros, 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 Fund Monitoring and Control Committee, has swapped two subordinated bonds of lesser value, which were valued at 31 December 2013 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. 9.2.4.b. The change in fair value, therefore, from the time of purchase until the end of the fiscal year has been attributed to the profit and loss statement to the amount of 719 thousand euros.

For 2013, 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 1,047,861 and 1,424,629 thousand euros respectively 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 1,138,732 and 1,126,075 thousand euros respectively 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 1,029,062 and 947,603 thousand euros respectively in 2013.

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 380,688 and 380,879 thousand euros respectively in 2013.

e **Shares:** comprising the shares obtained as a result of the Cajamadrid mandatory subordinated debt swap. The amounts of the carrying value and the face value of this class total 7,472 and 6,055 thousand euros respectively in 2013.

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.

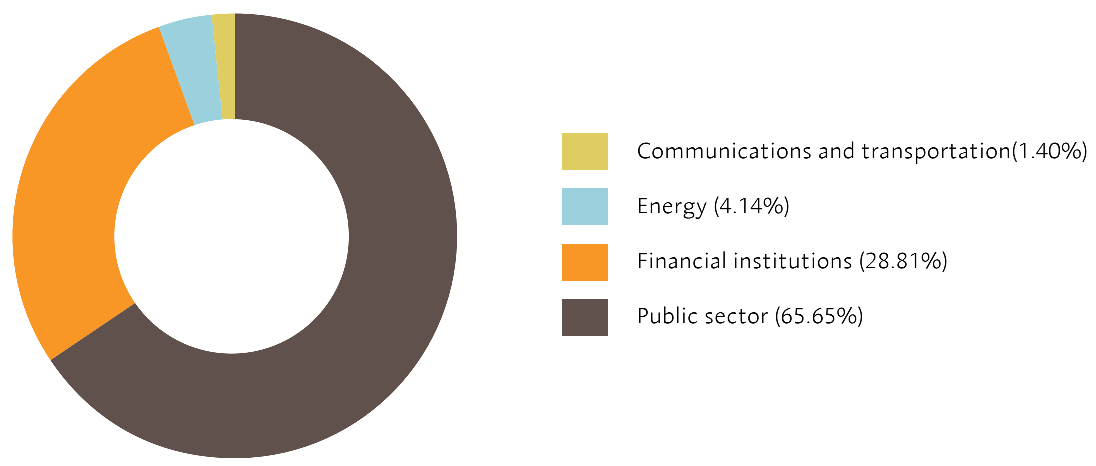
In addition, Enresa assigns lines of concentration between its investments and counterparties, based on analysis of financial solvency, further increasing the soundness of the guidelines issued by the Committee.

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 on 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.

Portfolio structure by sector



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ENRESA SHARES

In accordance with Law 19/1989 of 25 July, as of 31 December 2013, Enresa does not possess any of its own shares and has neither acquired nor sold such shares, either directly or indirectly through subsidiaries.

POST BALANCE SHEET EVENTS

Subsequent to the close of the fiscal year ending on 31 December 2013 and up to the date of drawing up the financial statements there have been no events that might significantly affect these statements.

Nevertheless, on 8 March 2014, *Royal Decree 102/2014 of 21 February on the safe and responsible management of spent nuclear fuel and radioactive waste was published, updating the regulation of Enresa activities, repealing Royal Decree 1349/2003 of 31 October on the organisation of Enresa activities and funding.*

This Royal Decree includes, among many others subjects, some general principles applicable to the management of spent nuclear fuel and radioactive waste. It clarifies the responsibilities associated with this management, and sets out the regulation and content of the Spanish national scheme, the General Radioactive Waste Plan, as well as certain aspects relating to the funding of its activities, from the authorisation of Additional Provision 6 of Law 54/1997, the Electricity Industry Act of 27 November, declared in force by Law 24/2013, the Electricity Industry Act of 26 December, and the regulation of the Fund for the financing of activities included in the Plan.

ENRESA'S COMMITMENT

Quality, social commitment and environmental relations are three of Enresa's cornerstones. Moreover, institutional contact, both in Spain and abroad, guarantees the transfer of knowledge, which is essential to progress in scientific and technical research. All of this is supported by information transparency and ongoing cooperation with the media.

At the same time, quality management systems are reinforced year after year, ensuring 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
- Procurement
- Auditing

QUALITY

During 2013, Enresa has continued to administer the quality control system implemented since the beginning of company operations to ensure the achievement of quality objectives 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 nine currently active quality assurance programmes, which are divided as follows:

- **Management of low and intermediate level waste:** with three quality assurance programmes: operation of the El Cabril Centralised Disposal Facility; transportation of low and intermediate level waste; and waste classification and acceptance activities.

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

- Finally, **three programmes for the decommissioning projects** currently under way: the Decommissioning and Dismantling Plan for the José Cabrera power plant; the dormancy phase of the disused Vandellós I nuclear power plant; and the Ciemat PIMIC project.

The implementation of these programmes involves around one thousand procedures, which regulate the way the various phases of activities are carried out at the facilities for which Enresa is responsible.

As set out in nuclear legislation, quality requirements for an element, structure, 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 considered by Enresa to require quality assurance. Naturally, Level 1 encompasses the greatest number of requirements, mainly nuclear-related, whilst Level 3 requires a quality system of industrial type 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 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. The review is always carried out with the ultimate objective of ensuring safety in all areas. 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

2013 Audits

One of the fundamental tools for verifying compliance with regulatory requirements is the audit. An annual audit plan is drawn up every year at Enresa, which is approved by the Chairman. This includes:

Internal Audits:

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

- **Low and Intermediate Level Waste (LILW) Management Audits:** to verify transportation, classification and LILW engineering activities, and operation of the El Cabril Centralised Disposal Facility.

- **High Level Waste (HLW) Management Audits:** to verify the activities relating to high level waste.

- **Decommissioning Project Audits:** to verify all activities related to the Plan for Decommissioning and Dismantling of the José Cabrera 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 the assessment records of some of these suppliers.

COMPLIANCE WITH THE 2013 INTERNAL ANNUAL AUDIT PLAN

INTERNAL	SCHEDULED	CARRIED OUT	CANCELLED/ DELAYED	NOT INITIALLY SCHEDULED
System	3	3	-	-
LILW management	7	7	-	-
HLW management	2	2	-	-
Decommissioning	10	10	-	-
Total internal	**22**	**22**	**-**	**-**
PERCENTAGE OF COMPLIANCE:		100%		

COMPLIANCE WITH THE 2013 ANNUAL EXTERNAL AUDIT PLAN				
ENRESA'S EXTERNAL SUPPLIERS	SCHEDULED	CARRIED OUT	CANCELLED	NOT INITIALLY SCHEDULED
Total external	17	15	2	2
PERCENTAGE OF COMPLIANCE:		88%	100%	
SAG SUPPLIERS OF THE PLANTS	SCHEDULED	CARRIED OUT	CANCELLED	NOT INITIALLY SCHEDULED
Total SAG	7	5	2	1
PERCENTAGE OF COMPLIANCE:		71%	100%	

Following the Annual Audit Plan, 100% of scheduled internal audits have been carried out. With regard to auditing specific suppliers, all scheduled audits were conducted except in two cases, which were cancelled due to a lack of orders with these suppliers. In addition, two non-scheduled audits were conducted.

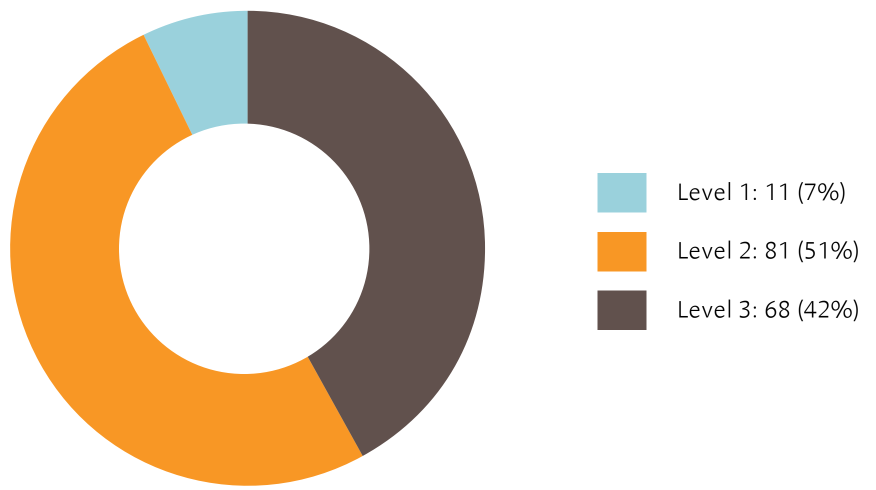
All the Supplier Assessment Group audits for which Enresa is responsible were carried out except for two, which were also cancelled due to a lack of orders. In addition, one non-scheduled audit was conducted.

SUPPLIER ASSESSMENT 2013

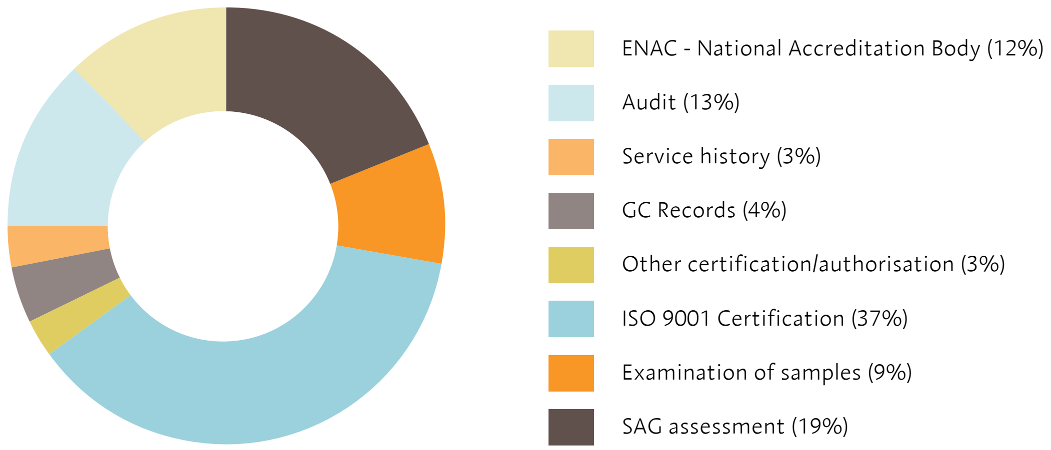
One of the relevant activities related to suppliers is Enresa's assessment of their capability to provide goods or services to the required standards.

Enresa currently has a total of 362 suppliers of which 160 are specific to Enresa and 202 also used by the Supplier Assessment Group (SAG).

Suppliers assessed *



Assessment methods *

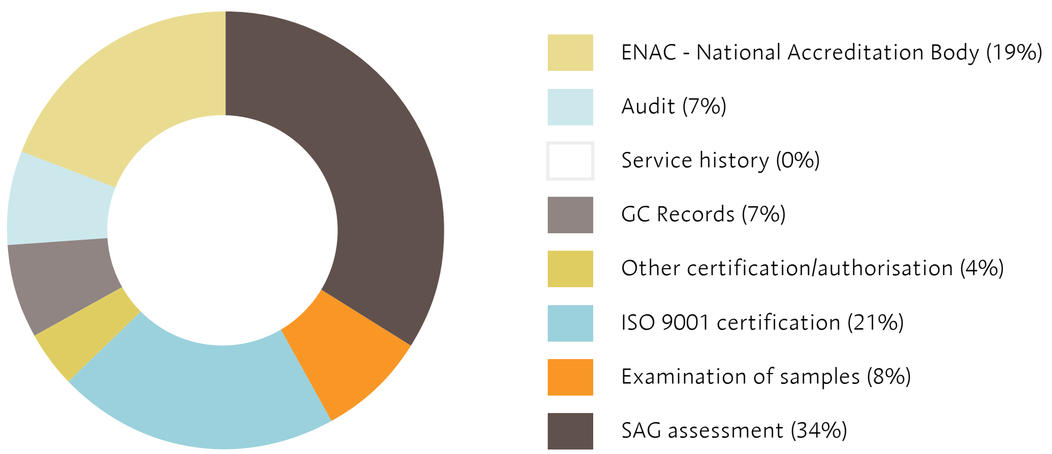


** Does not include the 202 suppliers also used by the nuclear power plants (SAG).*

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. 74 assessment reports were carried out in 2013, distributed as follows:

Assessments carried out in 2013 *

Assessment methods used in 2013 *



** Does not include the 5 suppliers also used by the nuclear power plants (SAG) in 2013.*

Furthermore, as a member of the SAG, Enresa has 19 suppliers assigned to it, of which six were evaluated by means of the group's methods during 2013, two being discounted through lack of orders.

2013 Inspections

In Enresa facilities during this year, there have been a total of 2,103 Quality Assurance inspections and desk reviews to assess compliance with regulatory requirements for both internal and external activities.

The following table shows inspections performed in 2013, grouped by facility and process/activity:

	TYPE OF INSPECTION		CARRIED OUT
EL CABRIL	Facility operation	Maintenance	103
		Verification tests	158
		Conditioning	10
	Laboratory operation		28
	Manufacture of CE-2a containers and CJE-1/2 racks		25
	Radiological Protection and Environment		38
	Medical service		2
	Physical service		8
	Emergency plan/management		20
	Purchase orders/receipts		144
	Documentation review		68
	Design modification		52
	SUBTOTAL EL CABRIL		**656**
JOSÉ CABRERA	Mandatory fields: operating specifications, monitoring programs and dose calculation manual		107
	Non-mandatory fields: operating specifications, monitoring programs and dose calculation manual		55
	Arising from work orders, corrective maintenance, etc.		13
	Arising from unloading		0
	Arising from inspection point plans		329
	Receipts		48

	TYPE OF INSPECTION	CARRIED OUT
JOSÉ CABRERA	Regulatory	10
	ENVIRONMENTAL: environmental monitoring, environmental radiation plans, removals, etc.	42
	Water treatment plant, sewage and waste	24
	AMUs/AUs/transports/conditioning	135
	Others	11
	Desk reviews	644
	SUBTOTAL JOSÉ CABRERA PLANT	**1.418**
PIMIC	Monitoring, classification and zoning of areas	2
	Checking controlled area access requirements	2
	Generation of AMU in production	4
	Management and control of waste storage facilities	4
	Management and control of materials in tanks	4
	Monitoring and control of facility systems	2
	Clearance of materials and surfaces	4
	Issuance of radioactive waste	1
	Radiological sampling	1
	Setting up equipment	1
	SUBTOTAL PIMIC	25
TP	Transportation	4
	SUBTOTAL TRANSPORTATION	**4**
	TOTALS	**2.103**

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 the Nuclear Safety Council (CSN), by means of inspections, and by the AENOR certification body, which carries out monitoring and recertification audits to verify compliance with quality system standard UNE-EN ISO 9001.

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

Since Enresa obtained the quality certificate awarded by AENOR in 1992, accrediting the compliance of 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.

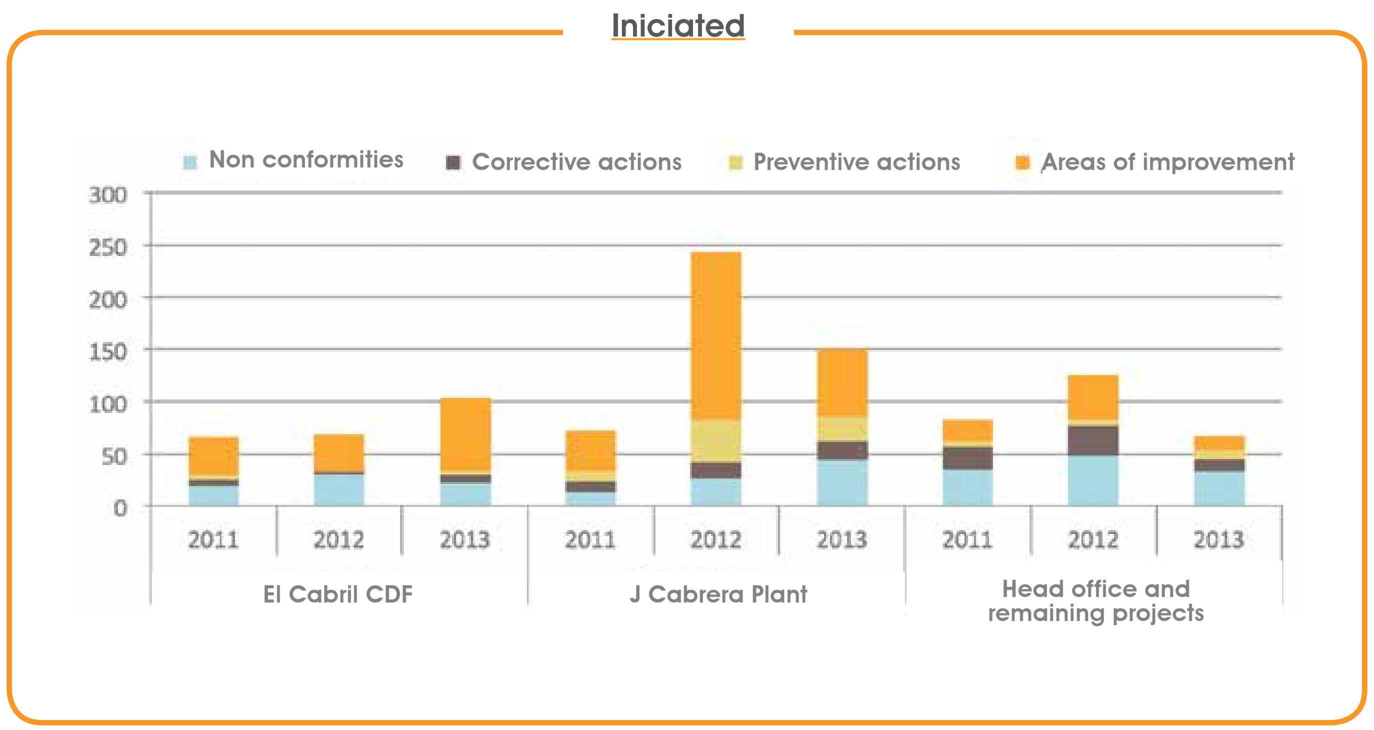
During October 2013, audit number 22 was carried out. This was the second monitoring audit, verifying that the quality system satisfies the requirements of this standard, and no specific action plan was necessary as a result.

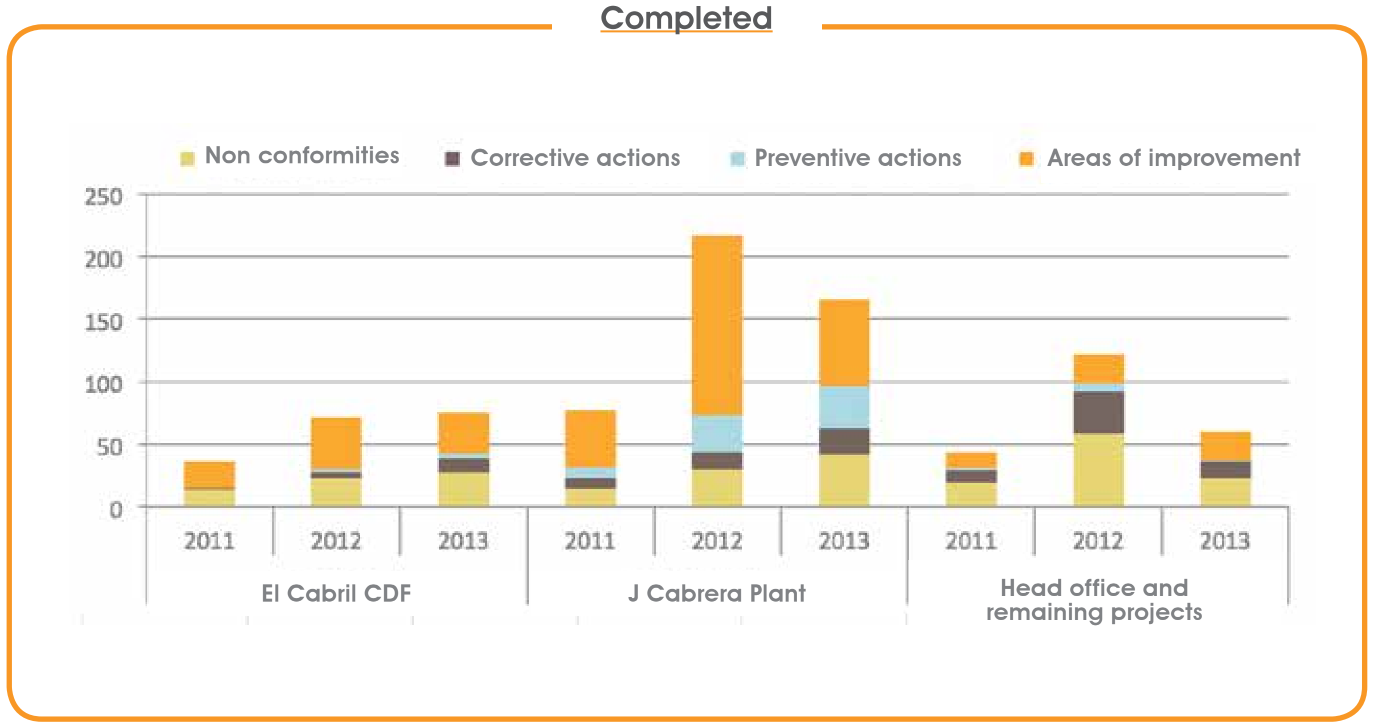
INTEGRAL IMPROVEMENT SYSTEM (IIS). MANAGEMENT OF NONCONFORMITIES, PREVENTIVE ACTIONS AND IMPROVEMENTS

At the end of April 2010, Enresa acquired a tool to facilitate the involvement of all personnel in the improvement of the company's integral management system. This tool, the Integral Improvement System (IIS), encompasses all actions aimed at improving the functions of quality, environment, occupational risk prevention, physical safety and radiological protection, 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 2013, 321 nonconformities and actions occurred, of which 301 have been resolved. Comparing this data with the previous year, the values have been reduced by 27%, as reflected in the following charts:





SAFETY AND RADIOLOGICAL PROTECTION

Activities carried out in this area have two basic objectives: progress on the availability of expertise for carrying out safety and environmental impact assessments, and optimisation of the undertaking of in-house safety and radiological protection activities in Enresa's projects and activities. In 2013, support activities have continued at Enresa's facilities, with particular focus on the demands of the current waste management phase of the PIMIC project. Lastly, the company has been involved in various tasks related to the preparation of specific documentation required for the applications for authorisations for the Centralised Temporary Storage Facility (CTS) 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 regulatory 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.

In the field of response in the event of nuclear or radiological emergency, Enresa participated in two general drills in 2013, one of which, the PENCA/CURIEX, exercise, was international in scope. It also participated in three exercises involving the activation of Classification and Decontamination Stations, within the framework of the provincial Nuclear Emergency Plans. All these exercises involved simulations of classification and removal of solid radioactive waste generated and collected, and analysis of any contaminated water from the decontamination stations.

In this series of activities, Enresa's involvement centres particularly on training courses for personnel of companies from the metal sector and MEGAPORT system operators. In others, Enresa cooperates with Civil Defence and State security forces and bodies in training related to their intervention in the event of radiological emergency and accident during transportation of radioactive material.

As regards the dosimetry control of participants in these activities, the data monitored by the RPTU throughout 2013 shows very low values, similar to previous years. This information is monitored directly and in detail by the Nuclear Safety Council. Finally, we should point out that Enresa carries out a series of Environmental Radiological Monitoring Programmes (ERMP) in the areas surrounding its regulated facilities, the results of which are likewise managed and monitored by the RPTU, as well as being subject to the additional monitoring of the competent authorities. The results available for 2013 show no significant radiological impact from the facilities on the surrounding environment and have remained at values similar to those of previous years.

Lastly, mention should be made that we are continuing working on compliance with the CSN requirements in Safety Order IS-19 concerning safety culture. Midway through 2013 an independent evaluation on the degree to which this has been established at Enresa was carried out, and on the basis of the results, the corresponding plan for improvements is being drawn up for submission to the authorities in 2014.

ENVIRONMENTAL MANAGEMENT

Enresa has environmental management systems established at its facilities. The systems at El Cabril and the Vandellós I plant are certified in accordance with the UNE 14.001:2008 standard. This principle is embedded in the company's strategic vision, with a commitment to contributing towards sustainable development and the improvement of the social environment and respect for human rights, the environment and safety.

Among the projects and activities carried out during 2013, the following stand out:

- In 2013, the **procedures for obtaining the Environmental Impact Statement for the Centralised Temporary Storage Facility (CTS) project** were initiated. The initial document was drawn up, detailing the main features of the design and execution of the project, its location, the alternatives considered and the analysis of its potential impact on the environment.

On 7 August this document was presented to the Ministry of Industry, Energy and Tourism (Minetur) together with the application for submission of the project for environmental impact assessment, thus initiating proceedings as set out in Royal Legislative Decree 1/2008.

- There was consolidation of the implementation of the **tool for the monitoring and control of requirements pertaining to the discharge authorisation for the José Cabrera nuclear power plant**. This tool includes a schedule that determines points of control, control parameters and frequencies, in addition to tables compiling the results obtained from the various parameters measured, both physico-chemical and volume of discharge, and the continuous monitoring of measurements at the neutralisation pool.

- **The relevant monthly environmental inspections of the area surrounding the Individual Temporary Storage Facility (ITS) of the José Cabrera nuclear power plant** were carried out, and the corresponding annual report was issued.

- There was consolidation of the implementation of the **software tool** for aiding and improving the control of identification and fulfilment of the applicable **environmental legal requirements of the dismantling and decommissioning project for the José Cabrera plant and Vandellós I facility**.

- **A document was created for control of the environmental management system of the Vandellós I facility**, in which links provide access to all the basic documentation of the system, as well as the main records that address the established requirements.

- **At El Cabril, the control classification system described in the 'Action Plan for conventional environmental risks' was developed.**

AIMS AND OBJECTIVES

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

CABRIL CENTRALISED DISPOSAL FACILITY FOR LOW AND INTERMEDIATE LEVEL WASTE

OBJECTIVE	LEVEL OF PROGRESS IN 2013
1.5% average reduction in water consumption for buildings and irrigation with respect to the period 2010-2012, which was 16,462 m^3.	**ACHIEVED** (14% reduction)
1% reduction in electricity consumption with respect to average consumption in the period 2010-2012, which was 3,322,000 kWh.	**ACHIEVED** (7,5% reduction)
Development and implementation of the 'Action Plan for conventional environmental risks'.	**ACHIEVED** (Plan A32-PC-CB-0372 issued)

PROJECT FOR THE DECOMMISSIONING AND DISMANTLING OF THE JOSÉ CABRERA PLANT

OBJECTIVE	LEVEL OF PROGRESS IN 2013
100% compliance with the sampling and quality assurance schedule of the Environmental Radiological Monitoring Programme (ERMP) for 2013.	**ACHIEVED** (100%)
100% compliance with the sampling plan of the Environmental Monitoring Programme for 2013.	**ACHIEVED** (100%)
More than 40% of construction and demolition waste to be reused as filler inside the facility.	**PENDING** (planned reuse in 2014)

VANDELLÓS I FACILITY

OBJECTIVE	LEVEL OF PROGRESS IN 2013
Reduction of average monthly electrical energy consumption in 2012-2013 with respect to the monthly average consumption of the period 2009-2011.	**ACHIEVED** (3,25% reduction)
Reduction of average monthly consumption of sanitary water over the period 2012-2013 with respect to average consumption over the period 2009-2011.	**PENDING** (ongoing in 2014) *
Improvement of the control and monitoring system for the legal environmental requirements applicable to the Vandellós I facility.	**ACHIEVED**
Improvement of the waste water purification system.	**ACHIEVED**

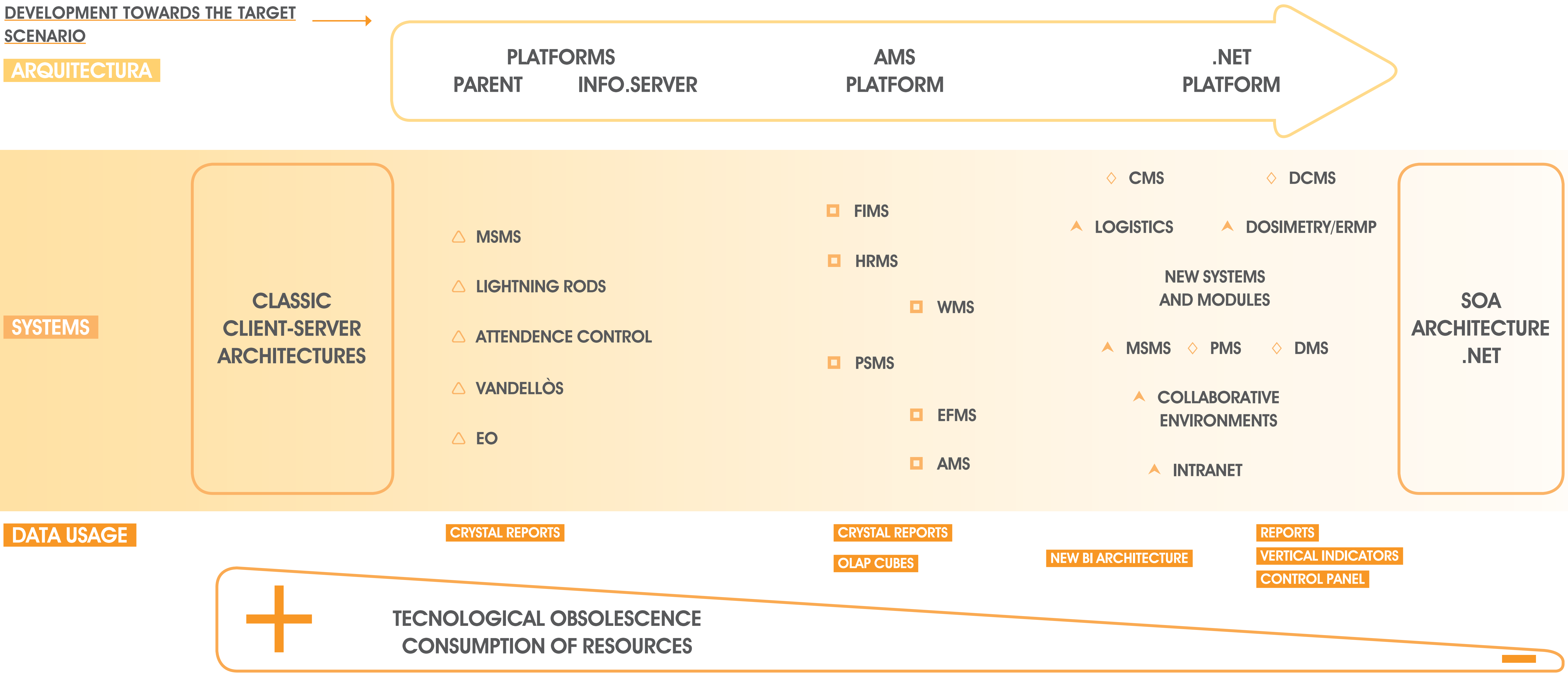
Due to circumstances out of the ordinary: Low rainfall, high temperatures, storage failures, leaks, etc. Work is continuing towards the objective during the year 2014.

CERTIFICATIONS

The relevant internal and external audits were carried out in 2013. The purpose of these audits is to check the degree of compliance with the requirements of the UNE-EN-ISO-14.001:2008 standard. The results of all audits were satisfactory, maintaining certification of the environmental management system in accordance with this standard, both at El Cabril and the Vandellós I facility.

INFORMATION TECHNOLOGY AND SYSTEMS

The strategies included in the 7th Information Technology and Systems Plan (2013-2015) have been the cornerstone for development and implementation of new projects, which are capable of incorporating and organising the growth and needs of the organisation.



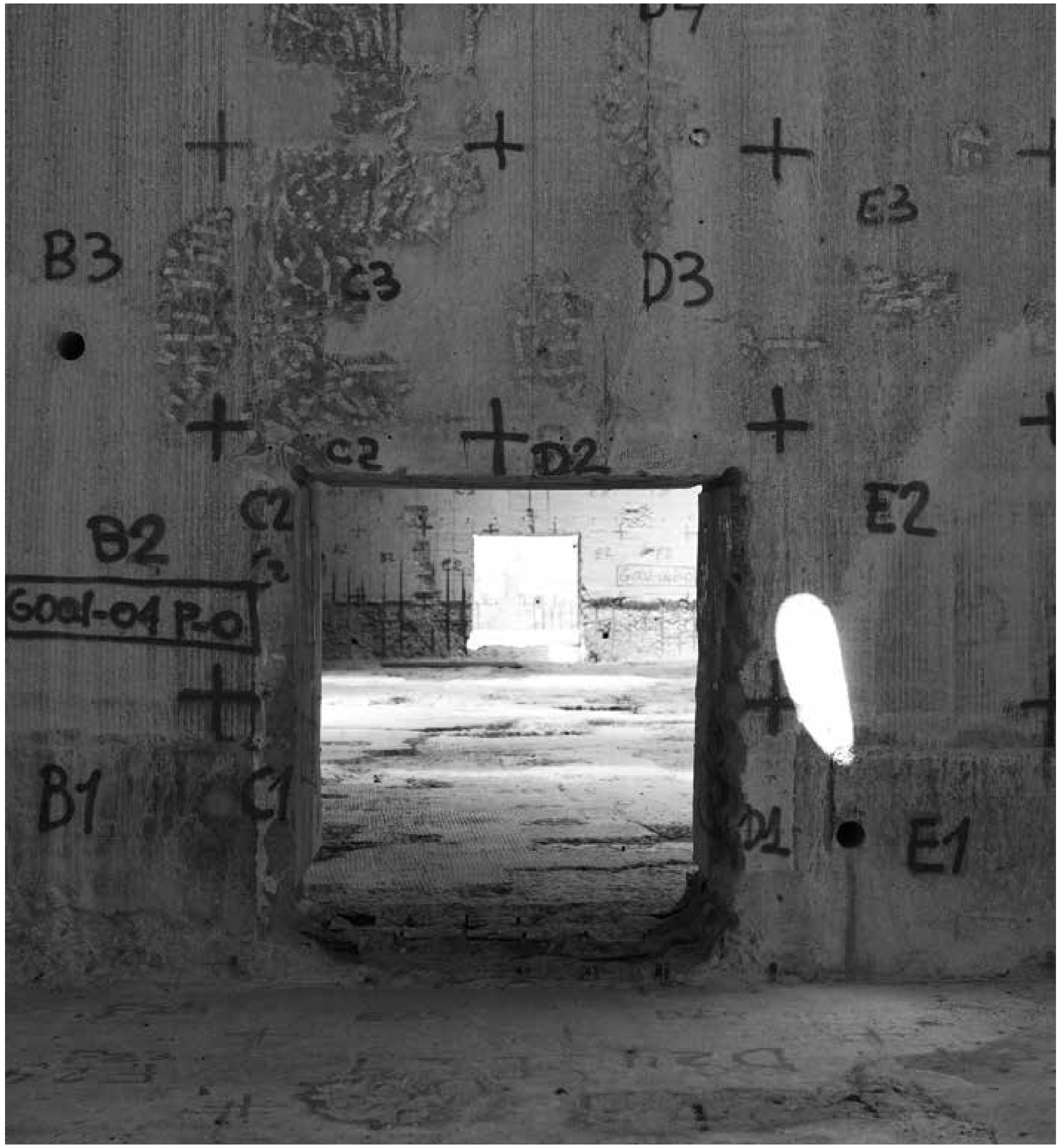
△ SYSTEM/PARENT MODULE TO MIGRATE

◇ CURRENT SYSTEM TO MAINTAIN UP-TO-DATE

□ SYSTEM TO MAINTAIN SHORT-TERM AND TO MIGRATE MEDIUM/LONG TERM

⋏ NEW SYSTEM, MODULE OR FUNCTION

- EO: Enresa Office.
- AMS: Access Management System.
- CMS: Communication Management System.
- DMS: Document Management System.
- DCMS: Decommissioning Management System.
- EFMS: Economic and Financial Management System.
- PSMS: Physical Safety Management System.
- HRMS: Human Resources Management System.
- FIMS: Financial Investment Management System.
- MSMS: Maintenance and Storage Management System.
- PMS: Project Management System.
- WMS: Waste Management System.



New developments have been principally associated with the following platforms:

- **Collaborative work**, with new functions associated with the construction project for the Centralised Temporary Storage Facility (CTS) and international relations.
- **Extraction and management of information from corporate systems** (Business Intelligence), especially in the waste management system (WMS) and economic and financial management system (EFMS).

During 2013, management systems have maintained daily operation, in response to the demand for new functions and continuous adaptation to the new functional, operational, regulatory and legislative requirements, especially in the WMS and EFMS systems. Likewise, the functionality of the storage management system (SMS) was reviewed, and primary phase functions linked to the Environmental Radiological Monitoring Programme (ERMP) have been developed.

The information and communication technologies infrastructure remains in-house in 2013, although functional analysis and development services for the maintenance of the corporate data processing applications are outsourced, as well as services relating to operation, deployment and technical support, and the User Assistance Centre (UAC), both geared towards ITIL v3.

During 2013, the UAC responded to 9,314 requests, compared with 7,200 in the previous year.

During this period, a corporate printing, scanning and copying service has been contracted, with a complete renovation of equipment on a pay per use model, with a single, centralised management structure.

Progress continues on the management of the unified corporate communications service, with voice and data over the Enresa network, as well as in defining and improving the technological infrastructure of the processing, storage and contingencies of the data processing centre and associated services.

DOCUMENTATION

The information contained in records and documents on various media (electronic, hard copy and others) is processed, stored and safeguarded 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.

The Document Management System (DMS) provides support for the management of Enresa documents and its processes: General Registry and Archive.

- **The Corporate Archive** has 68 document collections as of 2013. Two thirds of the more than 819,622 documents accumulated throughout Enresa's history are stored in electronic format or have been digitalised. 23,562 documents were processed in Enresa's archives in 2013.
- The General Register of incoming and outgoing material has processed more than 27,735 entries throughout the year.

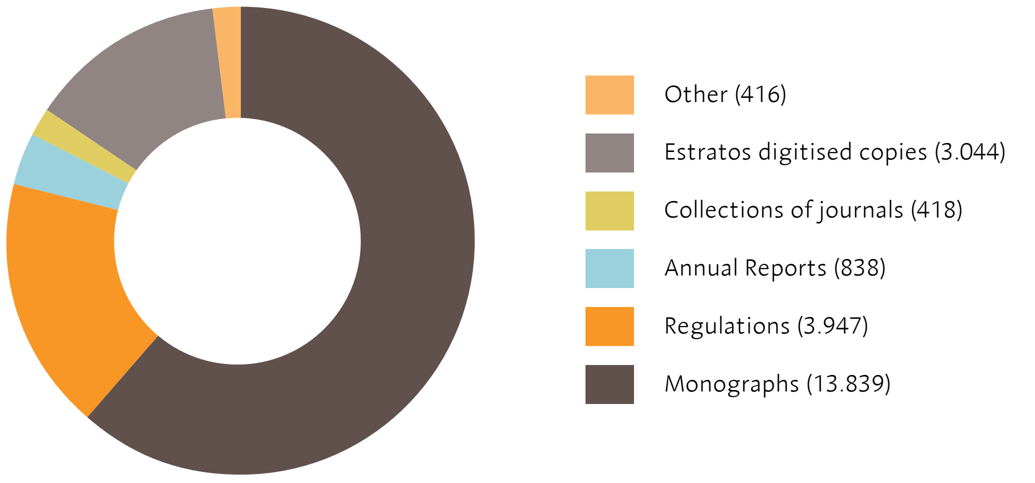
The Documentation Centre has a library specialising in management of support documents for radioactive waste, and manages collections, regulatory material and other published documents. These information resources are primarily for the use of internal users, but are also available to those professionals and researchers who contact the documentation centre in search of information.

During 2013 a total of 13,582 document requests were handled.

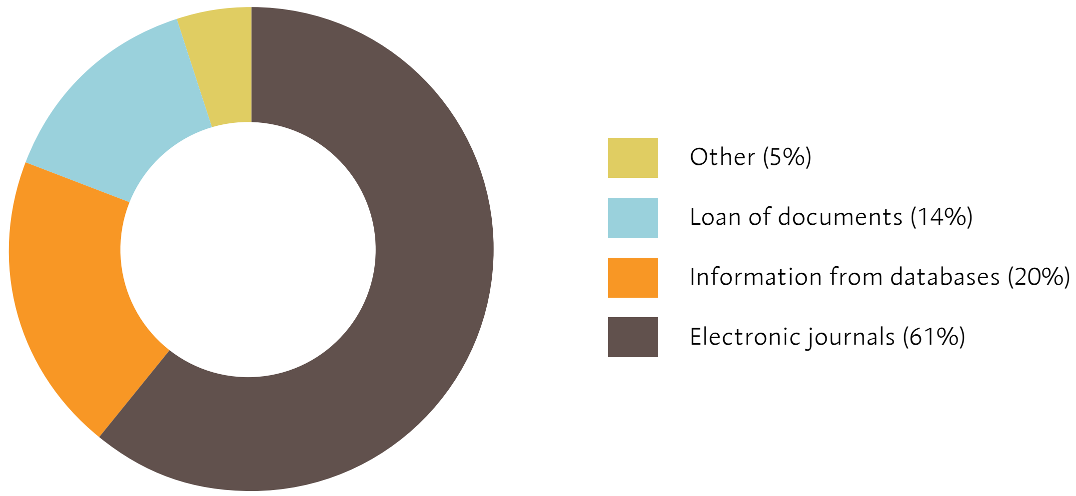
The centre also cooperates with other libraries and documentation centres in the energy field, both for inter-library loans and the undertaking of joint tasks such as working groups, the exchange of experiences, and participation in collective catalogues.

In addition to the materials mentioned above, there are 15 document databases available for users to search 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.

Library 2013



Requests 2013



PROCUREMENT

The following is a table which details by procedure the amounts awarded, number of contracts and percentage of each with respect to the total amount awarded.

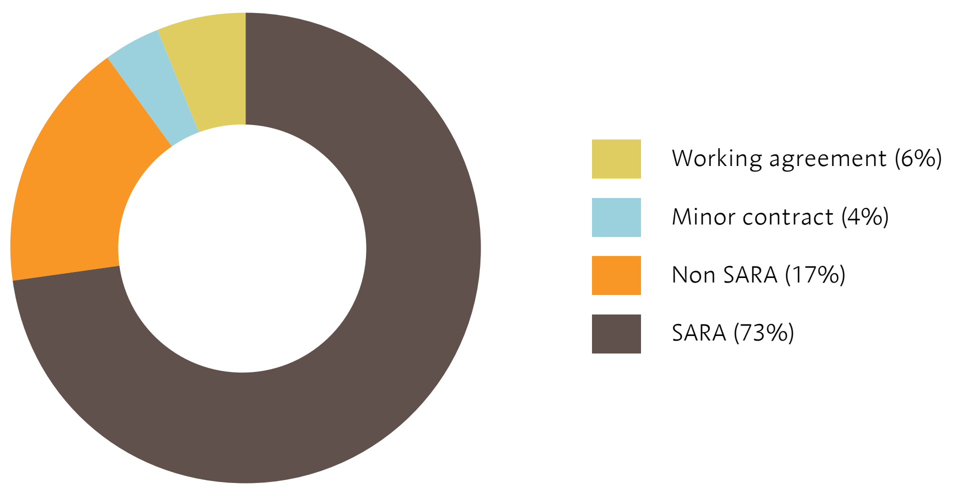
2013 DATA

PROCEDURE	% BY AMOUNT AWARDED	AMOUNT AWARDED (€)	NUMBER OF CONTRACTS
SARA	72,80	74.751.351,01	53
Non SARA:			
17-27	5,85	6.008.053,79	4
Ordinario	8,77	9.007.937,49	73
Abreviado	2,63	2.701.737,56	79
Contrato menor	3,86	3.968.599,80	837
Working agreement	6,09	6.249.319,44	11
OVERALL TOTAL	**100%**	**102.686.999,09**	**1.057**

2013 DATA

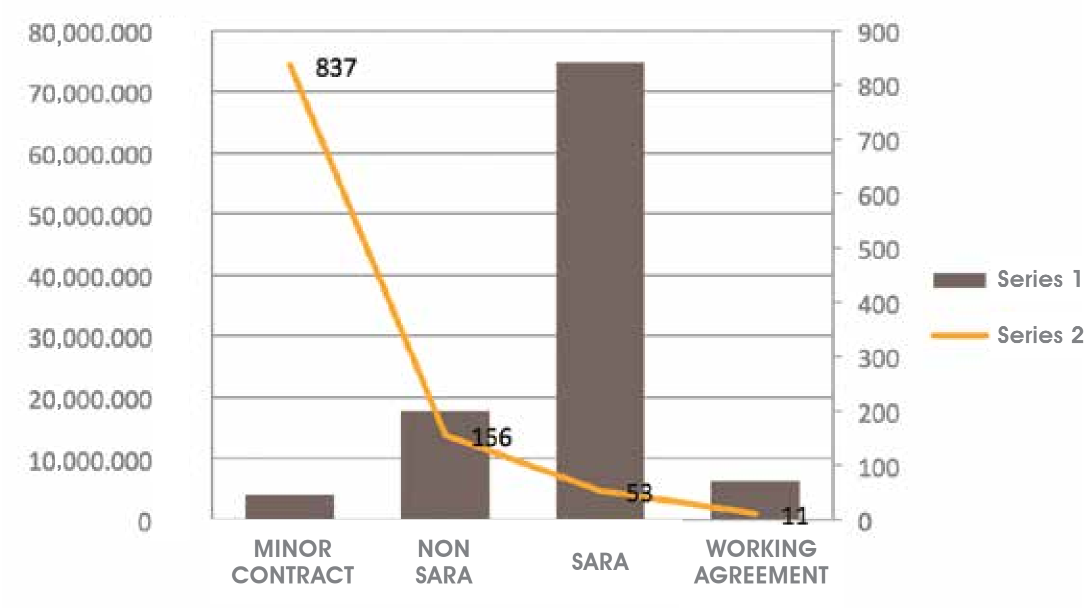
PROCEDURE	% BY AMOUNT AWARDED	AMOUNT AWARDED (€)	NUMBER OF CONTRACTS	% CONTRACTS
Minor contract	3,86	3.968.599,80	837	79,19%
Non SARA	17,25	17.717.728,84	156	14,76%
SARA	72,80	74.751.351,01	53	5,01%
Working agreement	6,09	6.249.319,44	11	1,04%
OVERALL TOTAL	**100%**	**102.686.999,09**	**1.057**	**100%**

Enresa Procurement 2013



PROCUREMENT CLASSIFICATION				
CONTRACT TYPE	PROCEDURE	CONTRACT TYPE	AMOUNT AWARDED (€)	NUMBER OF CONTRACTS
Non SARA	17-27	Services	6.008.053,79	4
	Total 17-27		**6.008.053,79**	**4**
	Short form	Services	2.242.970,60	63
		Supplies	458.766,96	16
	Total short form		**2.701.737,56**	**79**
	Minor contract	Construction	436.202,77	20
		Services	2.626.978,67	566
		Supplies	905.418,36	251
	Total minor contract		**3.968.599,80**	**837**
	Ordinary	Construction	4.734.294,86	12
		Services	3.059.615,53	42
		Supplies	1.214.027,10	19
	Total ordinary		**9.007.937,49**	**73**
Total non SARA			21.686.328,64	993
SARA	SARA	Obras	5.941.000,00	1
		Services	46.763.413,49	37
		Supplies	22.046.937,52	15
	Total SARA		**74.751.351,01**	**53**
Total SARA			74.751.351,01	53
Exempt	Convenio	Services	6.249.319,44	11
	Total convenio		**6.249.319,44**	**11**
Total exempt			6.249.319,44	11
OVERALL TOTAL			**102.686.999,09**	**1057**

Awarded contracts 2013



** Series 1: breakdown by amounts awarded*
** Series 2: breakdown by number of awards*

AUDITING

The Enresa Audit Department is directly responsible to the office of the Chairman. Its main function is to provide support to this office and the rest of the company's senior management by analysing, evaluating and monitoring the effectiveness of the company's internal control and risk management systems, ensuring that these systems are adequate and sufficient, and generating added value for the company. Cooperation throughout the entire organisation is essential to the achievement of the desired objectives.

The department's internal audit function is governed by the provisions in the Enresa Audit Department Statute, approved by the Board of Directors, and is carried out on the basis of an action plan with outlines consistent with the organisation's strategic objectives. To this end, in December 2013, the Annual Audit Plan effective for 2014 was approved.

The aim of these plans is to cover the general guidelines and specific internal control activities to be carried out in the organisation throughout each fiscal year.

However, and given that this department follows a model of dynamic action, there may also be other specific internal control actions agreed at the explicit request of Enresa's Chairman or the Audit and Control Committee of the Board of Directors.

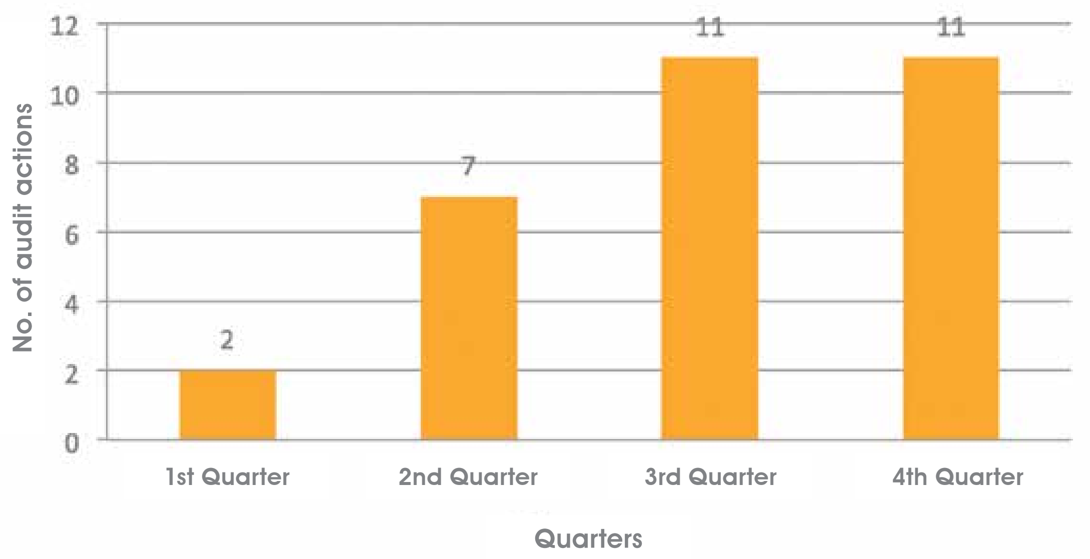
Since July 2013, the Enresa Audit Department has reinforced its cooperation with the Internal Audit Department of the State Industrial Holdings Company (SEPI), which issues general guidelines and audit actions that are applicable to all the companies within its purview.

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.

During 2013, 31 audit actions have been carried out, of which 20 were audits on specific areas/procedures and 10 were audits following up recommendations.

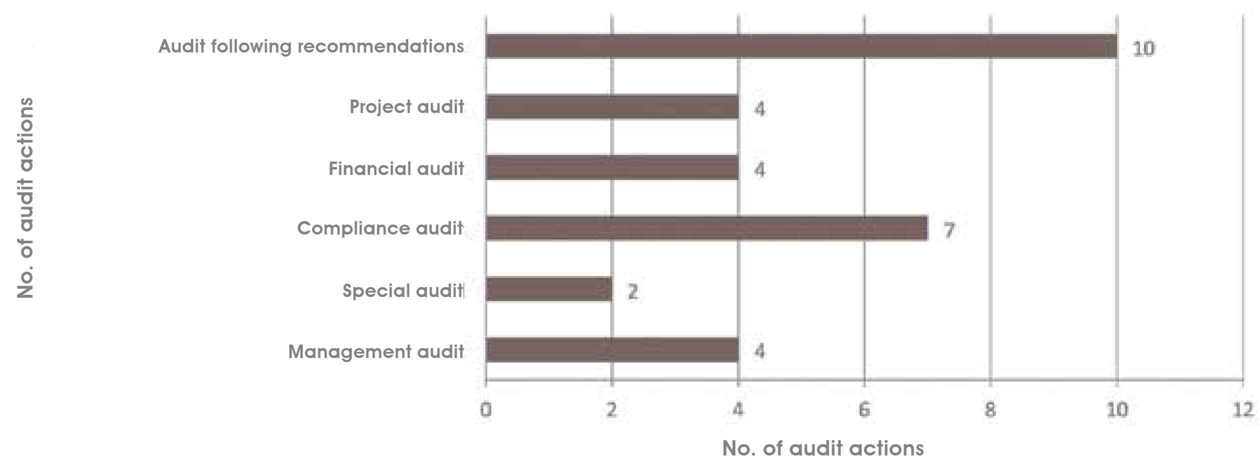
The number of audit actions during 2013 were distributed as follows:

Number of audit actions per quarter



The following shows the audit activities carried out during 2013 by type of audit.

Number of audit actions by types of audit



SOCIAL COMMITMENT

- Institutional relations
- Information media
- External communication
- International participation
- Human capital
- Training
- Corporate voluntary work and family plan

INSTITUTIONAL RELATIONS

Once again, 2013 was a year of intense involvement in our institutional environment. The essential work carried out by Enresa and the importance of the projects undertaken have attracted the attention of both Spanish society and the international community. Interest has focused particularly on progress on the construction of the Centralised Temporary Storage Facility for high level waste (CTS) in Cuenca, and the decommissioning of the Jose Cabrera nuclear power plant (Guadalajara).

The José Cabrera nuclear power plant was chosen by a group of decommissioning experts from the International Atomic Energy Agency (IAEA) as the location for a workshop which took place in June on the techniques applied in this plant. There were numerous international visitors to the plant throughout 2013. In May, there was a visit from a group of experts from various Japanese power companies interested in the technique of underwater disassembly of reactor components. Two months later, the plant also welcomed the Japanese Recyclable-Fuel Storage Company (RFS), which was particularly interested in our storage systems. Besides visiting the plant undergoing decommissioning, RFS technicians examined the progress of the CTS and the Individual Temporary Storage Facility (ITS) at Ascó, already in operation.

Furthermore, in October, the Management Council of the Platform for Nuclear Fission Energy (CEIDEN), of which Enresa is a member, chose the facilities of the former plant as the location for its 21st forum, focused on R&D. The exchange of experiences continued in November with the visit from the European Nuclear Society, holders of the Nuclear Education and Training conference.

In December, Enresa's Chairman attended the annual meeting in the Lower House of the Spanish Parliament for the purposes of the Committee responsible for relations with the Nuclear Safety Council (CSN), the independent body that oversees Enresa's actions. There, Francisco Gil-Ortega reported that the land in the municipality of Villar de Cañas (Cuenca) designated for the CTS and its associated Technology Centre is suitable to accommodate the facility, as evidenced by the results of the first phase of characterisation work.

The CTS was again the main topic at the 1st Breakfast Briefing, organised by Enresa in October, which was attended by the Minister of Industry, Energy and Tourism. José Manuel Soria stated that the siting of the CTS was one of the first decisions taken by the current government and that thanks to him, 'Spain will have at its disposal the necessary capacity for the management of all radioactive waste throughout the coming decades'. Among the hundred or so attendees, there were representatives from local councils and ministries, directors of the Centre for Energy-Related, Environmental and Technological Research (Ciemat) and the State Industrial Holdings Company (SEPI), Enresa shareholders, as well as a considerable group of senior managers from electricity companies and academics from the universities with which we have partnership agreements.

Throughout the past year, Enresa has sought cooperative methods for informing citizens and institutions of the technical characteristics of the CTS, which is meeting its deadlines for entry into operation in early 2018. Two good examples were the meeting between the Chairman and Jesús Labrador Encinas, the Government Delegate, in Castile-La Mancha in mid-July, and the information seminar organised in March with local entrepreneurs to explain Enresa's procurement procedure. In the same month, our efforts were repaid through the signing of a cooperation agreement with the Castile-La Mancha Department of Development and the Villar de Cañas Town Council for the construction of a business incubator and a laboratory that will be part of the Technology Park serving the nuclear facility.

Also, attention from both Spanish society and the international community continues to focus on the progress of the Centralised Temporary Storage Facility (CTS), the decommissioning of the Jose Cabrera plant and the El Cabril disposal facility for low and intermediate level waste.

Amongst the significant and numerous foreign delegations who have travelled to Cordoba to find out about El Cabril was that of the KRMC, Enresa's counterpart in South Korea, in 2011. Their interest in our procedures led, in late January, to the signing of a five-year partnership agreement that will encourage technical cooperation and exchange of experts.

Besides the Koreans, the facility was host to representatives from Australia, Bulgaria, Poland and Germany, as well as members of the US Department of Energy (DOE). DOE representatives were interested in the characteristics of the process of conditioning and storage of radioactive waste, and described El Cabril as a 'first class' facility with 'effective and comprehensive' management systems.

The regional delegate of the Department of Agriculture, Fisheries and the Environment of the Andalusian Regional Government concluded, after his visit last June, that 'El Cabril is a safe and exemplary facility'. Francisco Zurera also highlighted Enresa's environmental work in cooperating in fire prevention and protection activities in the Sierra de Hornachuelos nature reserve.

Only a month previously, the location was host to the Group of European Municipalities with Nuclear Facilities (GMF) for seminars focused on Local Reality and Radioactive Waste Management. The speakers, local representatives from Sweden, France, Czech Republic, Netherlands, Slovakia, Hungary, Germany and the UK, also had the opportunity to find out about the management of medium and low activity waste in Spain, which is carried out in its entirety at El Cabril. In the second half of the year, the facility also received regular visits from our shareholders in the SEPI and the Nuclear Safety Council (CSN).

Leaving Cordoba behind and travelling to Tarragona, the old nuclear plant Vandellós I has also been generating plenty of interest in Enresa expertise. Visits to Vandellós included one from engineering companies to its Mestral Technology Centre, focused on researching dismantling techniques during the dormancy phase. In June, the centre held the annual meeting of the Grafec project, to address the management of the plant's graphite.

Vandellós I's institutional activities are merely another example of Enresa's firm commitment to making its projects visible. Also responding to this need was our participation in the 37th Symposium on the scientific basis for nuclear waste management organised by the International Materials Research Society in Barcelona last October.

In addition, for a further year we participated in the summer school on Radioactive waste: the Spanish solution at the Menéndez Pelayo University campus in Santander. Run by Antonio Colino, the course's opening and closing addresses were given by Francisco Gil-Ortega, who was accompanied by Ignacio Diego, President of Cantabria, at the former and by the Vice Chancellor, Sebastián Coll, at the latter.

INFORMATION MEDIA

Because of its newsworthiness and significance, the CTS has been the focus for activities in this area. A project of this magnitude requires a policy that reinforces transparency and external relations. To this end, in 2013 we set up a multipurpose environment that would serve as an institutional meeting place and in which any interested person could find out about the progress of the CTS, its functions and other Enresa activities.

The Villar de Cañas Enresa Environment has a multipurpose hall and an exhibition area encompassing aspects from the company mission through to the management features of high level waste, including a brief explanation of radioactivity and its effects. Among the interactive exhibits, one highlight is the audiovisual installation replicating the CTS, about which there is a 3D video with information on the operation of the facility and its safety measures.

The educational capacity of the Villar de Cañas Enresa Environment, which is temporary and will be expanded to meet informational needs, was improved in 2013 with the reissue of informative material about the project.

Throughout the year, information media have also focused attention on the needs of the company. To this end, and in order to facilitate internal communication between Enresa professionals, we have created the Enresa Newsletter, a bimonthly publication intended to gather together news from the various projects and provide useful information to workers.

EXTERNAL COMMUNICATION

Throughout 2013 Enresa maintained an active policy on communications in order to provide information on the company's various projects to the media and other interested groups.

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 the public. In this respect, during 2013 more than 14 press releases were issued and 7 meetings were organised with journalists and numerous specific contacts.

Amongst the events organised by Enresa, a dedicated seminar on the Centralised Temporary Storage Facility (CTS) project took place in November in Cuenca. In April, the annual presentation of the operational data on the El Cabril Centralised Disposal Facility took place, including an informative tour for journalists from Castile-La Mancha. Córdoba was the location for another meeting with the press on the occasion of the 16th International Seminar on Science, Journalism and the Environment. Similarly, a press conference was held in Santander on the course organised by the company at the Menéndez Pelayo International University, 'Radioactive waste: the Spanish solution'. Another press conference was called about the Breakfast Briefing with Enresa's chairman and the Minister of Industry, Energy and Tourism, held in November. Finally, one of the technical milestones in the decommissioning of the José Cabrera nuclear power plant, the final disassembly of the reactor internals, was the cause for another information seminar with the local press.

In addition to open press conferences to provide information on the development of company projects, the Communications Department organises visits for interested parties to various Enresa facilities in order to increase media coverage and promote a better understanding of Enresa's activities. Notable activities include: the visit by the news agency EFE, along with Televisión Española (TVE), to the decommissioning of the José Cabrera nuclear power plant; a visit by a team from the institutional management of Radio Televisión Española (RTVE) to El Cabril; the news agency EFE's visit to HABOG (Netherlands); and the visit to El Cabril by the CSN's new department of communications.

During 2013, over 900 requests for information from the media were handled, relating to the Centralised Temporary Storage Facility, the decommissioning of the José Cabrera plant and the El Cabril Centralised Waste Disposal Facility.

In September, the 16th International Seminar on Science, Journalism and the Environment was held, attended by more than 100 students. Full coverage of the event was available on the website www.sipma.es, and activities could also be followed via twitter.

In March, at the ENERCLUB energy awards, the award for Energy and the Environment, sponsored by Enresa, was awarded to journalist Mónica Tovar from La Nueva Alcarria (Guadalajara), for her coverage of the dismantling process at the José Cabrera plant.

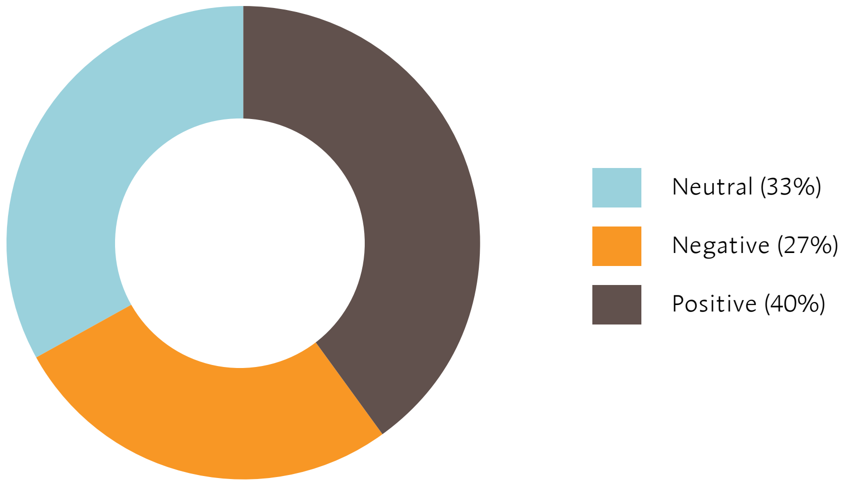
MEDIA PRESENCE

In 2013, Enresa was the subject of 3,456 news items, most of these (1,819) appearing in online media and the press (1,333).

MEDIA PRESENCE

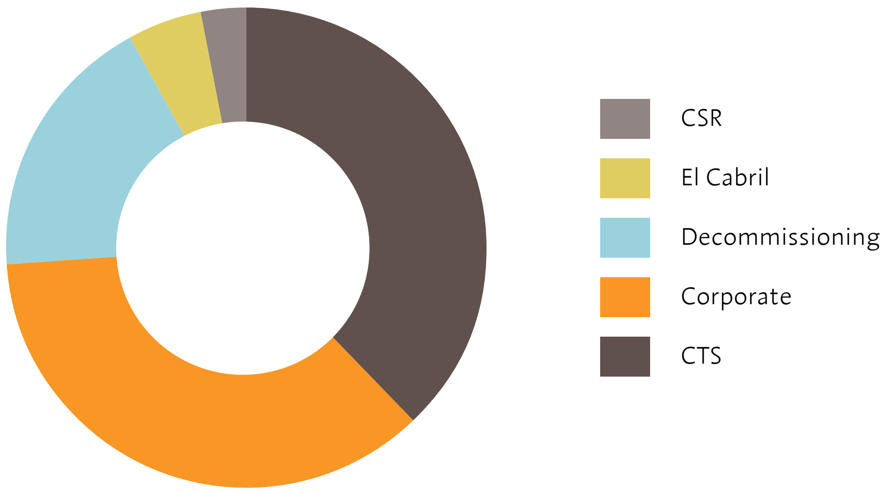
MEDIA	No. NEWS ITEMS	ECONOMIC VALUE (€)	POSITIVE	NEGATIVE	NEUTRAL
Press	1.333	3.595.782	475	313	545
TV	68	452.337	23	13	32
Radio	96	257.685	31	30	35
Online	1.819	1.917.223	785	545	489
Agencies	140	164.511	67	30	43
TOTAL	3.456	6.387.538	1.381	931	1.144

Tone of the news items



Regarding the matter of news items, the CTS is the project that has attracted most media attention, with 38% of news items, followed by corporate news, with 36%.

Number of news items



JOURNALS AND PUBLICATIONS

During 2013 the redesign of the Estratos journal has gone ahead, and issues 104 and 105 were published, with the incorporation of the Sierra Albarrana section.

A range of audiovisual events took place throughout the year on the monitoring of the decommissioning activities of the José Cabrera nuclear power plant. Prominent among these events was that marking the milestone of the disassembly of the reactor internals.

ENRESA ENVIRONMENTS

Enresa makes responsibility for communication and information on its activities one of its main objectives. In this respect, the company has four information areas, called 'Enresa Environments', where members of the public are able to gain first¬-hand insight into the activities carried out in enabling the efficient and responsible management of radioactive waste generated in Spain. The number of technical and professional groups visiting increased during 2013, along with the number of students.

2013 VISITS
ENRESA INFORMATIONAL ENVIRONMENTS

ENVIRONMENT	VISITS	VISITORS
Madrid	126	3.190
El Cabril	171	4.633
Vandellós	118	2.483
José Cabrera	64	782
TOTAL	**479**	**11.088**

Major events at Enresa Environments:

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 **16th International Seminar on Science, Journalism and the Environment**, which took place in Cordoba on 26 and 27 September.
- The organisation of the **10th Annual Meeting of Secondary Education Teachers**, which this year consisted of seminars on coexistence in El Cabril facilities.
- The organisation of the **6th Symposium on Open Air Communication**, held at El Cabril on 18 April, at which information professionals gained insight into the facility's operational data for 2012.

Visits from various groups to the El Cabril facilities served, for a further year, to transmit to the public information on Enresa's management of the radioactive waste generated in the country. During 2013 there were a total of 171 visits (4,633 visitors).

Amongst the educational activities scheduled to raise awareness of Enresa's mission, the 7 informational talks aimed at students of secondary schools from Córdoba were notable.

Madrid Head Office

In 2013, the Enresa Environment at the Madrid head office received 126 visits from a total of 3,190 visitors.

Events included Madrid Enresa Environment's involvement with the 30th Energy and Education Seminars, organised by the Nuclear Forum, as well as the 13th Madrid Science Week, with a conference on radioactive waste management and a guided tour.

Noteworthy during the year 2013 was the fact that the Madrid Enresa Environment reached a total of 150,000 visitors since its launch.

Vandellós I facility

The year 2013 concluded with a total of 2,483 visitors during 118 visits, including several visits by postgraduate students, including those from the Master's Degree in radiological protection for nuclear and radioactive facilities at the Polytechnic University of Valencia, the Master's Degree in electrical energy generation technologies at the Polytechnic University of Madrid and the Master's Degree of the ENELA Leadership Cycle, aimed at employees with great potential from the major companies in the European nuclear sector.

In September, the Area of Communication and Training presented a paper during the 39th Annual Meeting of the Spanish Nuclear Society. The paper's title was 'The Monitoring and Maintenance Plan for the dormancy phase of the Vandellos I facility and future prospects'.

Finally, cooperation continued via the Enresa Environment on the edition of the journal La Revista de Vandellós i l Hospitalet de l' Infant, with the writing of various articles relating to Enresa research projects, the emergency facility drill and noteworthy visits.

Instalación José Cabrera

During the year 2013, the dismantling of the nuclear José Cabrera has further established itself as a focal point for the international scientific and technical community of the sector. This was a year in which we achieved one of the milestones of the project, the segmentation and conditioning of the internal components of the reactor and their transport to El Cabril and the Zorita Individual Temporary Storage Facility (ITS). Experts from countries such as France, the United States, Bulgaria, Netherlands, South Korea, China, Japan, Chile, Sweden and Belgium, have been informed at Zorita of the details of the work that Enresa develops on-site. In addition, both the International Atomic Energy Agency (IAEA) and the United States Electric Power Research Institute (EPRI) found in the José Cabrera nuclear power plant the perfect framework for the development of various workshops.

Alongside this type of professional group, the bulk of visits received in 2013 was composed of technical companies and students. Students interested in the decommissioning included those from Madrid's Autonomous, Polytechnic and Nebrija Universities, the Engineering School of Málaga and the University of Comillas.

Added to this is the interest in the project displayed by the communications media throughout Spain.

In 2013, the site satisfied the demands of journalists from Televisión Española (TVE), Euskal Telebista (ETB), the Press Association of Madrid, and the local media from the province of Guadalajara. The international press has also been to Zorita, including a team from a South Korea television channel.

In total, 782 persons visited the facilities in 2013, in 64 different visits.

ENRESA website

Enresa's corporate website, www.enresa.es, received 89,946 individual visitors with 575,163 page views and 161,151 visits in total last year.

Spanish visitors continue to make up the majority of visitors to our corporate website (84.09%), predominantly visitors from Madrid, followed by Barcelona and Córdoba.

During the past year, contents have been constantly updated with around 60 items of topical news published on the Enresa weblog per day, plus the publication of 18 new documents, and around 100 images. Through the section 'Ask Enresa', it has been possible to reply publicly to more than 123 questions of various kinds posted by internet users.

INTERNATIONAL INVOLVEMENT

During 2013, Enresa has developed its international involvement through a large number of activities and projects that support the company's main objectives: transferring technical expertise and satisfying informational requirements; influencing new strategic and technical advances; and advising the Government and other institutions. To this end, Enresa has continued its involvement in tasks of international cooperation and strengthening of relations both with international agencies and with other public agencies, through the renewal and/or promotion of partnership and cooperation agreements.

European Union (EU): In terms of providing support to national authorities, Enresa has been involved in European Commission activities aimed at promoting a common approach to nuclear facility safety, safety in the management of spent fuel and radioactive waste, and the financing of decommissioning of facilities. Contributions to European Community work have been made mainly through participation in ENSREG (the European Nuclear Safety Regulators Group), a body composed of the heads of the regulatory agencies and representatives of the governments of the 28 Member States. Its functions include acting as an advisory panel to the Council of the European Union and it aims to achieve a high European level of nuclear safety and radioactive waste management safety. Enresa participated in the June 2013 conference in Brussels, whose sessions mainly discussed the lessons learned from Fukushima.

In support of the Ministry of Industry, Energy and Tourism (Minetur) in 2013, Enresa also attended the Council of Europe's Working Party on Atomic Questions, which addressed issues relating to the scope of the Euratom Treaty. Also during this period within the European Union, Enresa continued its involvement with the various committees and working groups connected with the Directorate General for Transport and Energy, as well as those related to the Directorate General for Research and Innovation.

Nuclear Energy Agency (OECD/NEA): The functions of the OECD/NEA include supporting the decisions of governments on nuclear energy policy and aiding wider OECD analysis on policies in areas such as energy and sustainable development.

Enresa participates in Agency standing committees and working groups in the areas of waste management, decommissioning, public acceptance of waste management, nuclear and radiological protection legislation, and public health. Throughout 2013, Enresa participation in the NEA has been extensive. Collaborative work has included involvement with committees and working groups related to the management of radioactive waste such as the RWMC, FSC, IGSC, CPD, TAG, DCEG and numerous Agency projects. With respect to working groups related to economic aspects and resources, as well as those related to nuclear and radiological protection legislation, Enresa has maintained a high level of representation.

International Atomic Energy Agency (IAEA): Enresa's aims for its participation in the IAEA include: contribution to scientific development through advisory groups and involvement in working committees; collaboration in the development of radioactive waste management through networks of excellence, expert missions and exchange of interns from non-member countries; and support to the Administration and other agencies, both in the development of reports and in the organisation of international events. In 2013, Enresa attended meetings convened by the Department of Nuclear Energy and the Division of Nuclear Fuel Cycle and Waste Technology (the TWGNFO and WATEC technical committees and working groups including NEWMDB), and technical meetings and workshops, some of them in collaboration with the Minetur and the CSN, such as the IDN, DISPONET and LABONET networks.

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

Partnership agreements: Enresa's partnership arrangements with other organisations are a very useful means of satisfying the informational and training needs of both parties. According to the terms of these agreements, various bilateral meetings were held in 2013, amongst which those involving ANSTO (Australia), KORAD (South Korea) and ONDRAF (Belgium) were notable. Furthermore, the agreements with Atomic Energy of Canada Limited (AECL), the Argentinian Commission for Atomic Energy (CNEA) and the US Department of Energy (DOE) were renewed.

Technical Support: Enresa's most significant activities in this area were its participation in two international consortia. The first was 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 was 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 and a public corporation in Canada. In addition, during 2013, Enresa participated in the project within the European Commission's Instrument for Nuclear Safety Cooperation (INSC) that began in mid-2012 to provide support for 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).

As part of its international tasks, visits requested by international organisations were organised and coordinated. Significant visits included those from the Department of Energy (DOE), the South Korean waste agency (KORAD) and the Australian agency (ANSTO).

HUMAN CAPITAL

An area of activity as specialised as radioactive waste management and the decommissioning of facilities requires the guaranteed involvement of professionals with suitable expertise, experience, commitment and motivation.

In 2013 the management of the company has defined the integrated concepts of 'mission' and 'vision' within this scenario and has begun implementation of a Strategic Plan for People (SPP).

In this context, **mission** is defined as the effective management of human resources, taking into account that the organisation's employees are its main strategic asset. It also includes guaranteeing commitments to equal opportunities, transparency and objectivity, and promoting personal and professional development and employee satisfaction and motivation.

Meanwhile, vision is defined as a structure capable of implementing effective and professional people management policies, which enable the motivation, improvement, remuneration and better appreciation of employees committed to the aims and needs of the organisation.

The mission statement is as follows: 'In October, the Department of Organisation and Human Resources launched the design project for the Strategic Plan for People (SPP), with the aim of submitting a proposal to the Management Committee with key guidelines for Enresa's people management. This project has been participatory and structured from the bottom up, on the basis of three multidisciplinary teams. The occupational profiles represented in these teams were Technical, Social and Administrative, Heads of Department and Directors. All of them shared a common objective: defining a comprehensive, consistent and coherent framework to address people management processes applicable throughout the organisation, aiming to facilitate unity of purpose and action in this area, which affects everyone to some degree.'

The project was approved and launched on 23 September 2013. The guiding principles were collaboration, communication and consensus. The aims include: effective workforce planning, as it best addresses the needs of Enresa, selecting the best candidates; internal mobility to facilitate the development of Enresa's work to the highest level of quality and safety, and to enable professional development throughout the entire life cycle, promoting a learning culture that prevents stagnation and lack of motivation and initiative; and the fair design of compensation policy and benefits.

Transparency, communication and participation create the right environment to filter priorities in people management, from the perspective of both the Department of Organisation and Human Resources and the management team, in its broadest sense. Both groups manage this process as part of their standard daily work routine. The efficiency of the entire team of workers depends on it.

Furthermore, as a state-funded company, we are required to manage these determinants in the context of the salary guidelines approved each year by the National Government. In this regard, during 2013 Enresa has continued the suspension of employer's contributions to our occupational pension plan, subject to the pay freeze enforced by the State Budget Law.

As of 31 December 2013, Enresa has 335 employees, of which 187 work in the Madrid Head Office, 126 at El Cabril in Córdoba, 7 in the Vandellós plant (Tarragona), 12 at the José Cabrera plant (Guadalajara) and 3 at the Centralised Temporary Storage Facility (CTS) in Villar de Cañas (Cuenca).

94.63% of all the employment contracts are permanent (open-ended), and 5.37% are temporary. The average age of employees is 49 years.

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

During the year 2013 the following changes occurred in terms of the scale of the workforce: 26 incoming personnel (22 at the Madrid Head Office, 2 at the Centralised Temporary Storage Facility, 1 at the Vandellós plant and 1 at the José Cabrera plant), 1 employee on leave at the Madrid Head Office, and 1 retirement at El Cabril.

The specific figures for Enresa's workforce as of 31/12/2013 are the following:

ENRESA WORKFORCE 2013

PLACE OF WORK	NO. OF EMPLOYEES
Madrid	187
El Cabril	126
Vandellós	7
José Cabrera	12
ATC	3

Our collective working agreements have continued to facilitate the reconciliation of family and professional life and provide welfare benefits which supplement the various types of public benefits. Mention should be made in this respect of the flexible timetable at the company's head office in Madrid, the life, accident and disability insurance, and the healthcare coverage for the entire workforce.

BASIC HEALTHCARE UNITT

Enresa's Basic Healthcare Unit (BHU) is integrated into the company's national Prevention Service.

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, control and management of medical examinations (960 during this year), along with the analysis of risk assessments and corresponding prevention plans, constitute a fundamental prevention tool for the protection of workers' health.

The facilities at El Cabril and the decommissioning project at 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 collaboration agreement with the national Level 2 Healthcare Centre, located at the Gregorio Marañón University Hospital in Madrid.

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

At El Cabril, 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 (Article 53), independent of the official prescriptions from the Official Medical Association, which are used for the general pharmaceutical prescriptions specific to staff in all Enresa workplaces.

Activities have been launched to monitor the health of personnel assigned to the Centralised Temporary Storage Facility (CTS) 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 help-line for any type of health-related contingency. This degree of collaboration is extended nationally with certain private medical service providers, the company's medical personnel being involved as official advisers.

Preventive care

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

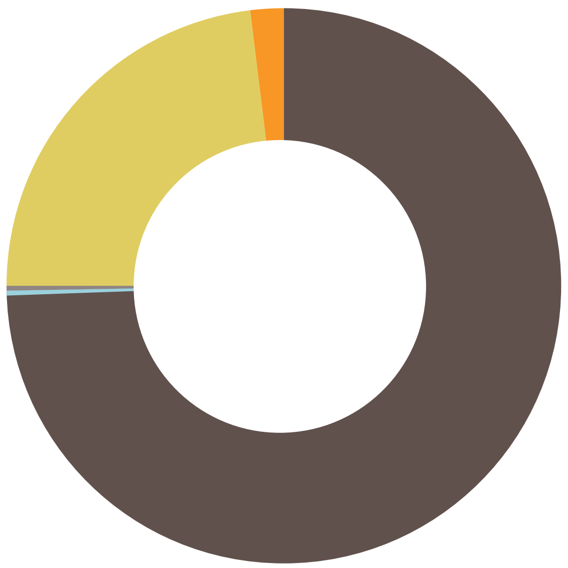
- Campaign for the prevention of **cardiovascular risk.**
- Campaign for the prevention of the **risk of cancer.**
- Campaign for prevention of risk from **cargo handling and unnatural postures.**
- Campaign for the **prevention of obesity**.
- **First Aid Campaign** and basic CPR.
- Campaign for the prevention of **gynaecological pathology.**

Health monitoring

During 2013, 960 job-specific risk-oriented medical examinations were carried out and assessed: 344 on company employees and 616 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 38 occupational risk prevention plans pertaining to different contractors and 45 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), efforts are ongoing to improve the integration of preventive action within the activities managed by the company. Occupational accident statistics continue to yield very positive results compared to those of related areas of activity at national, regional and provincial level.

The aims and objectives proposed in the General Health and Safety Plan for 2013 have been achieved. These include the safety campaign, good housekeeping, workshops on ergonomics and safety monitoring and analysis at El Cabril, and the Healthy Businesses campaign launched at the Head Office.

In view of the characteristics 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.

Of note is the launch of the preventive activities corresponding to the Centralised Temporary Storage Facility (CTS) project. A Prevention Management Committee has been set up involving the participation of those responsible for activities that may present risks to the health and safety of workers.

Monitoring and control has also continued concerning activities involved in the implementation of the Decommissioning and Dismantling Project at the José Cabrera nuclear power plant. An average of 250 workers from contractors and sub-contractors have worked here, amassing a total of 402,231 hours without any serious accident.

In December fieldwork was carried out for the stat-

utory audit on the company's occupational risk prevention system.

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 as a tool to raise public awareness about the activities and projects carried out in the management of radioactive waste.

In this regard, in 2013 we continued implementation of the biannual corporate plan launched the previous year, focusing on training associated with the Dictionary of Corporate Skills. We also renewed the partnership agreements with universities, colleges and other educational institutions, at the same time as reinforcing the welcome plan for interns.

Put briefly, in 2013 the average percentage of employees who received training was 97.01%, the average of contact hours per professional was 39.41 and, of greatest importance, the level of satisfaction with this activity was 8.42 out of 10.

Overall, in 2013 we organised more than 280 activities (courses, seminars, master's degrees, informative events, etc.) in the field of training, and these involved the participation of over 3,200 attendees during more than 13,200 contact hours. Detailed below are the most noteworthy aspects of the different courses of action relating to in-house training (generic or specific), external training and the grant programme.

IN-HOUSE TRAINING

In the area of generic training, we continued with the implementation of the 2012-2013 two-year Corporate Training plan, based on the development of prioritised skills for this period.

In regard to management skills training, improvements in corporate competencies (skills and abilities applicable to all Enresa personnel) were prioritised over the past year. The total number of planned courses was four: Time Management; Cooperation and Teamwork; Interpersonal Communication; and Change Management. The total number of hours spent on these courses was 135.

As regards training in Corporate Systems, 7 training activities were organised, including document management, human resources, and economic and financial management. These activities were led by in-house personnel, and 20 people received training. Documentation staff also received more specific training on 'The electronic registry of incoming and outgoing documents' and 'The probative value of electronic documents as digital evidence'.

Regarding office automation training, the March 2013 launch of a new business communication tool, Lync 2010, led to the organisation of personnel training sessions on the tool's various functions. 11 training activities were organised, each lasting between 2 and 5 hours, attended by a total of 108 people.

Throughout 2013, training activities continued which were designed to broaden knowledge of the computer application 'System of Integrated Improvement' (SIM), which became operational in 2010 in order to comply with safety order IS-19. This year, management of the SIM in work activities related to the Centralised Temporary Storage Facility (CTS) and the integration of the SIM in the dismantling and decommissioning of the Jose Cabrera nuclear power plant have been particularly important.

Areas subject to quality assurance and related to the environment have been the focus of training during 2013, both at Head Office and in various workplaces.

Over 25 training activities on occupational risk prevention and radiological protection were scheduled during the year in the company's various workplaces, totalling nearly a hundred contact hours. Training focused, among other issues, on emergency plans at facilities, retraining in radiological protection, and practical seminars for the First Responders Team in Madrid. Meanwhile in El Cabril, activities took place on first aid and basic CPR, fire service training, working at height, and the ORP campaign: zoning and good housekeeping. At the dismantling of the José Cabrera plant, training courses focused on radiological protection and recycling, IEP: communications and notifications, and actions on ITS events.

In 2013 the Enresa Forum "Training by Informing' was launched, with the aim of informing workers about the most significant projects and activities in which the company is involved, as well as other topics of general interest. During the past year 8 conferences were held, with an average attendance of 70 people, rated by the attendees as 9.5 out of 10. The topics addressed included R&D in the management of radioactive waste, the company's international activities, transport and dismantling.

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 Plan, 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 decommissioning at the José Cabrera power plant.

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 1,780.

Meanwhile, Enresa has continued its involvement in the Tripartite Foundation programme for continuing education in the workplace. In the fiscal year 2013, €21,409 was allocated for training.

TRAINING 2013					
PLACE OF WORK	PERSONS TRAINED	MEN TRAINED	WOMEN TRAINED	HOURS OF TRAINING	AVERAGE HO. HOURS/EMPLOYEE
Madrid	179	96	83	7.456	39,44
El Cabril	125	106	19	4.640	37,12
Vandellós	6	4	2	295	49,17
José Cabrera	12	12	NA	742	61,83
ATC	3	1	2	71	23,67
TOTAL	**325**	**219**	**106**	**13.204**	**39,41**

EXTERNAL TRAINING

With regard to external training in 2013, the number of activities organised exceeded 50, and a total of 1,195 hours of instruction were given by the company's different specialists.

More than 20 courses were held on radioactive waste management at major Spanish universities and higher-level technical colleges, courses which have been supplemented with technical visits to El Cabril, the Mestral Technology Centre and the decommissioning and dismantling project at the José Cabrera power plant.

Every year, Enresa is involved in the Nuclear Engineering and Applications Master's Degree (MINA). Within its framework, as well as that of the Nuclear Engineering Master's Degree run by the Polytechnic University of Catalonia, the 22nd course on radioactive waste management took place in 2013.

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 2013, 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 (UPM).
- **Master's Degree in Nuclear Engineering and Applications**, at the Ciemat-UAM.
- **Master's Degree in Nuclear Engineering**, at the Polytechnic University of Catalonia (UPC).
- **Master's Degree in Electrical Energy Generation Technology** at the UPM College of Industrial Engineers.

GRANTS PROGRAMME

Within the general framework of educational cooperation and continuing the 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 2013 totalled 78 (48 at the company's head office, 2 at the PIMIC office, 5 at the José Cabrera power plant, and 23 at the El Cabril facilities).

CORPORATE VOLUNTARY WORK AND FAMILY PLAN

SOCIAL COMMITMENT

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 collaboration agreement in 2006 with the Adecco Foundation to undertake joint actions aimed at promoting the occupational and social integration of people with disabilities.

In the context of this agreement, the Family Plan was set up to provide those Enresa employees with relatives affected by some degree of disability with different kinds of aid, thus facilitating their integration into employment.

During 2013, the Family Plan has supplied aid to a total of 3 beneficiaries with physical and mental disabilities, which has provided them with various resources and support aimed at their familial, social and occupational integration.

CORPORATE VOLUNTARY WORK

During 2013, in conjunction with the Adecco Foundation, Enresa held two seminars on corporate voluntary work, whose overall objective was to promote the social mobilisation of talent between the business environment and people with disabilities.

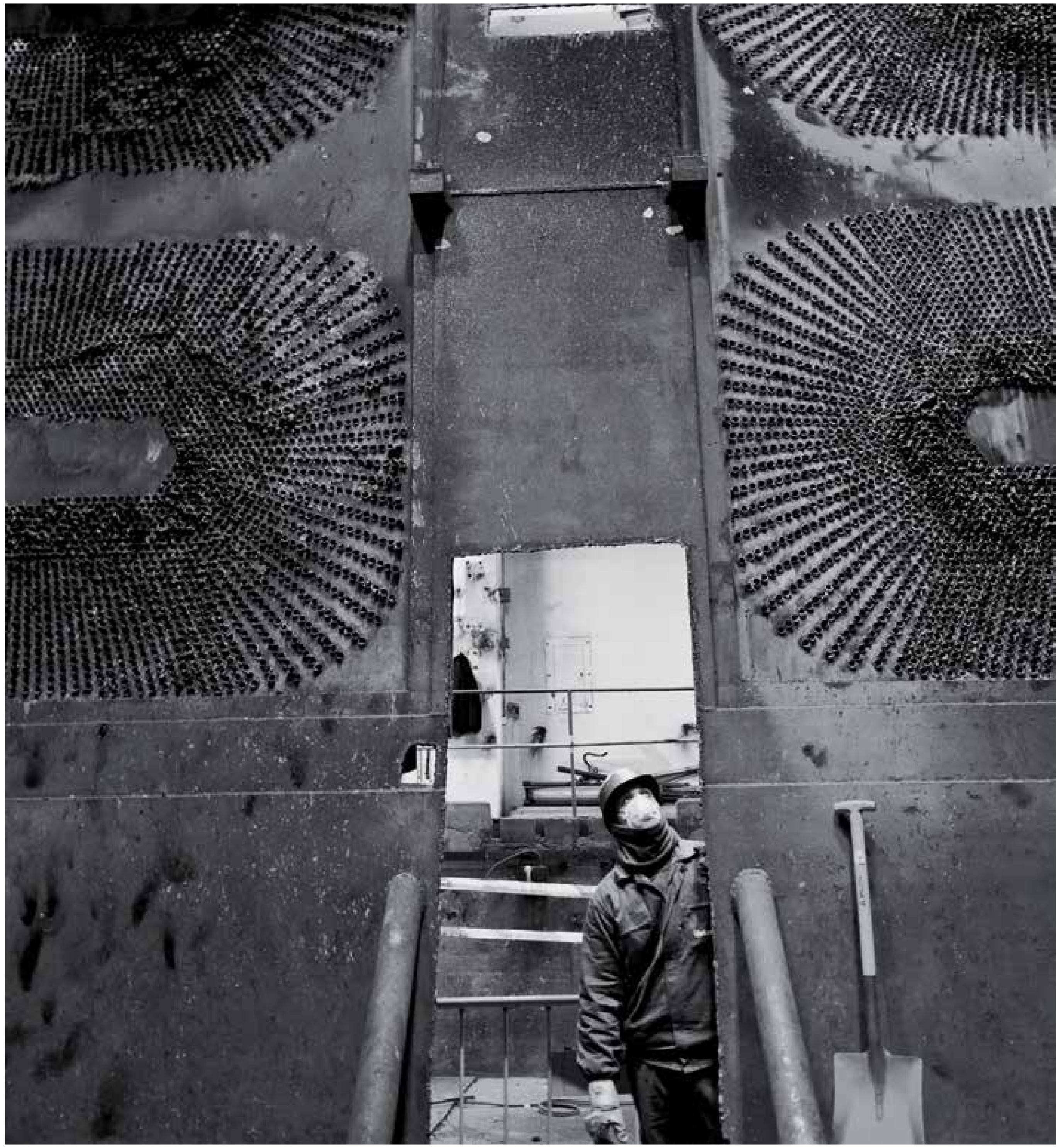
The first of these seminars, titled 'Ability to Cook', was held at the facilities in the old mining town of El Cabril on the morning of 24 May and was attended by about fifty people, including employees and people with disabilities from the local area.

The Madrid seminar was held in the morning of 15 June, at Pozuelo Council's Environmental Education Centre in Húmera. Titled 'We are able, we are environmental', the event involved around sixty people.

In this context, we should also mention Enresa's collaboration with the Adecco Foundation in publishing the 2013 Calendar, aimed at establishing and disseminating the policy of social responsibility within the sphere of business activities.

THE ENRESA FOUNDATION

The Enresa Foundation seeks to provide support for initiatives of a social, environmental, scientific, educational, cultural and sporting nature, with the aim of contributing towards social welfare and improving the quality of life in the localities close to Enresa workplaces and facilities.



PARTNERSHIPS AND SPONSORSHIPS

The Enresa Foundation is a non-profit charitable welfare institution under the aegis of the Ministry of Health, Social Services and Equality, set up in 1990. It is governed by Law 49/2002 on the taxation of non-profit organisations and Law 50/2002, the Foundations Act, as well as the regulations enacted in Royal Decree 1270/2003 and its own statutes.

In keeping with its statutes, the Enresa Foundation's missions and actions focus particularly on geographical areas involved in radioactive waste management and on decommissioning activities. These basically involve the areas surrounding the El Cabril Centralised Disposal Facility in the province of Córdoba, the decommissioning of the Vandellós I nuclear power plant in the province of Tarragona, the decommissioning of the José Cabrera nuclear power plant in the province of Guadalajara, and the Centralised Temporary Storage Facility (CTS) in the province of Cuenca.

In the performance of its activities the Enresa Foundation encourages joint participation with institutions, associations and groups, whether public or private, at local, provincial, regional and national level, through partnership agreements with general interest non-profit entities.

AREAS OF COLLABORATION

The Enresa Foundation's activities involve four areas:

SOCIAL ASSISTANCE AND SOCIO-ECONOMIC DEVELOPMENT

In 2013, through agreements established with town councils, local and regional councils and other enterprises, the Enresa Foundation has been involved with projects and initiatives on social assistance and sustainable socio-economic development, aiming to improve the quality of life of citizens. These basically concern projects to improve social infrastructures and municipal services, as well as support for centres for people with disabilities, the elderly, welfare and humanitarian aid, etc.

ENVIRONMENT

Throughout 2013, the Enresa Foundation has collaborated via the Enresa Chairs at the University of Cordoba (UCO), the University of Castile-La Mancha (UCLM), the University of Extremadura (UEX) and the Polytechnic University of Madrid (UPM), in the development of projects and programmes aimed at a better understanding of the environment and natural heritage conservation. There were also collaborative projects on waste management and its implications for sustainability both from an environmental and social standpoint, and the dissemination and transfer of knowledge in this area, contributing to the training of professionals in this field.

In this sphere, the Enresa Foundation has cooperated with local councils in the vicinity of Enresa facilities in the implementation of environmental projects. In addition, we have continued to collaborate with the Regional Government of Andalusia, through the Department for the Environment, in the development of the European nature conservancy project 'LIFE Steppe Birds of Andalusia'.

CULTURE AND SPORT

In 2013 the Enresa Foundation collaborated with town councils, and local and regional councils in the vicinities of Enresa's workplaces, in projects and initiatives focused on culture and conservation and dissemination of the local historic and artistic heritage.

In this regard a noteworthy project promoting the cultural heritage of the province of Córdoba was developed with the Córdoba Provincial Council.

With the same aim, the foundation has worked with schools by providing grants for extracurricular activities in towns near company facilities.

In this respect the Enresa Foundation also contributes to the promotion of grassroots sport and works with these councils in the development of projects to improve sports facilities.

EDUCATION AND SCIENCE

During 2013, the Enresa Foundation has worked with the University of Cordoba (UCO), the University of Salamanca (USAL), the Menéndez Pelayo International University (UIMP), the Autonomous University of Madrid (UAM), the King Juan Carlos University (URJC), the Polytechnic University of Madrid (UPM), the Association of Physicists in Madrid and the Eduardo Torroja Institute of the Centre for Scientific Research (CSIC). This work has involved the development of master's degrees and courses related to physics, chemistry, nuclear medicine and the management of radioactive waste. The aim is to advance the knowledge of undergraduates, postgraduate students and professionals in the field of the environment and waste management in general, and radioactive waste in particular: both its scientific and technological aspects, as well as its journalistic and social perspective. The Enresa Foundation also promotes the granting of scholarships and graduation awards through partnership agreements established with these universities.

The Enresa Foundation collaborated in 2013 with the Centre for Energy-related, Environmental and Technological Research (Ciemat) in the development of a personnel training course in the area of energy and the environment, and in the organisation of the Radioactive Waste Management course at the School of Industrial Engineering at the Polytechnic University of Madrid.

The foundation has also cooperated with other entities such as the Spanish Radiological Protection Society (SEPR) and the Spanish Nuclear Society (SNE), in their annual programmes of activities related to the nuclear field, radiological protection and radioactive waste management. It has also lent its support to the Spanish Quality Association (AEC), in activities and projects to improve quality in business management, in both public and private enterprises, through the organisation of courses, seminars and events, etc.

TERMINATION OF THE ENRESA FOUNDATION

The Enresa Foundation carried out its work in a standardised manner until June 2013. From then on, and in accordance with the proposal and subsequent agreement of its abolition by the national government, no new partnerships have been established with any entity, body or institution, the foundation managing only existing partnership agreements.

The following outlines the background and status of the Enresa Foundation's process of termination:

- **The Council of Ministers Agreement of 16 March 2012** approved a plan of restructuring and rationalisation of the commercial public sector and state foundations. With the objective of resizing, it adopted various measures for termination, merger or loss of majority state ownership with respect to state companies and public foundations.

- **Subsequently, by means of the Council of Ministers Agreement of 26 October 2012**, the Commission for the Reform of Public Administration (CORA) was established with the aim of undertaking a comprehensive study of Public Administration.

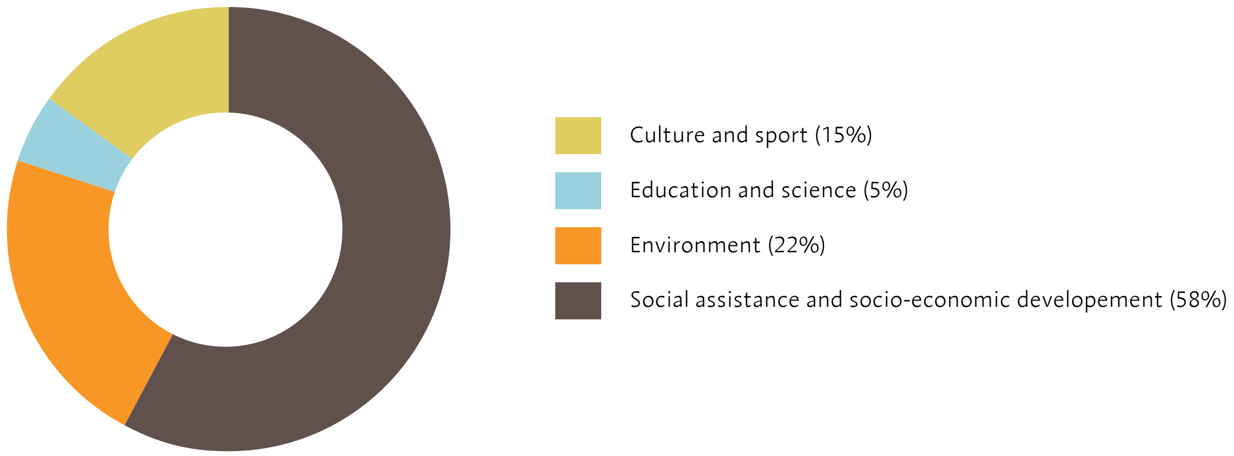
As a result of this work, a report was prepared and presented to the Council of Ministers on 21 June 2013. With a wide range of measures aimed at improving, simplifying and optimising the operation of the public administrations, it included the abolition of the Enresa Foundation and its integration into Enresa. The Council of Ministers also established the Office for the Implementation of the Reform of the Administration (OPERA) to ensure the implementation of the measures included in this report (RD 479/2013 of 21 June).

Subsequently, the Council of Ministers, at its meeting of 20 September 2013 approved the Agreement establishing restructuring and rationalisation measures for the commercial public sector and state foundations, including abolition of the Enresa Foundation without integration into Enresa (HAP/1816/2013 Order of 2 October).

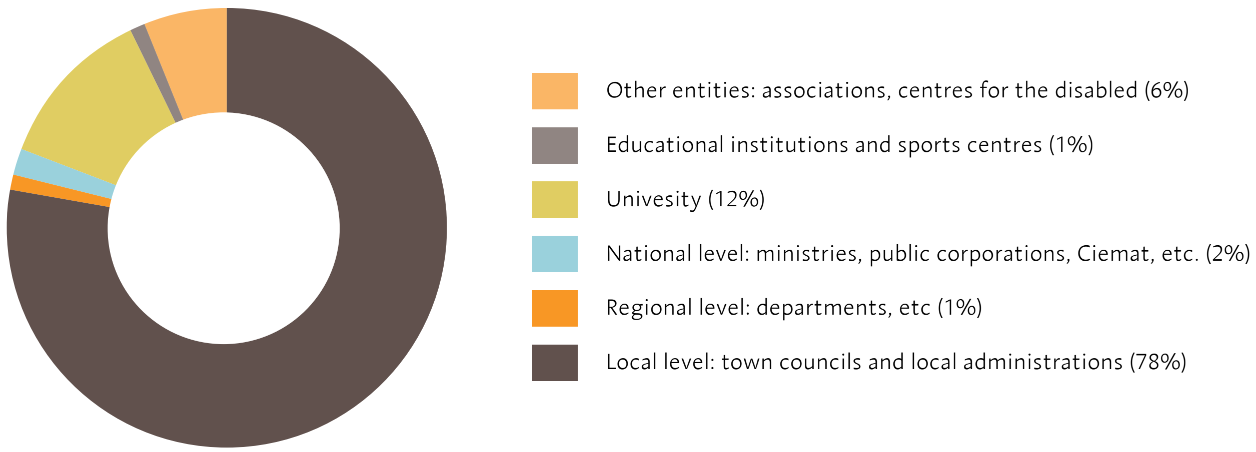
Following the Council of Ministers agreements, the Enresa Foundation has made no new partnerships. Its activity is focused on meeting its commitments under existing partnership agreements and undertaking the process of termination according to legal regulations.

THE FOUNDATION IN FIGURES

Collaboration by area



Collaboration by entity



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