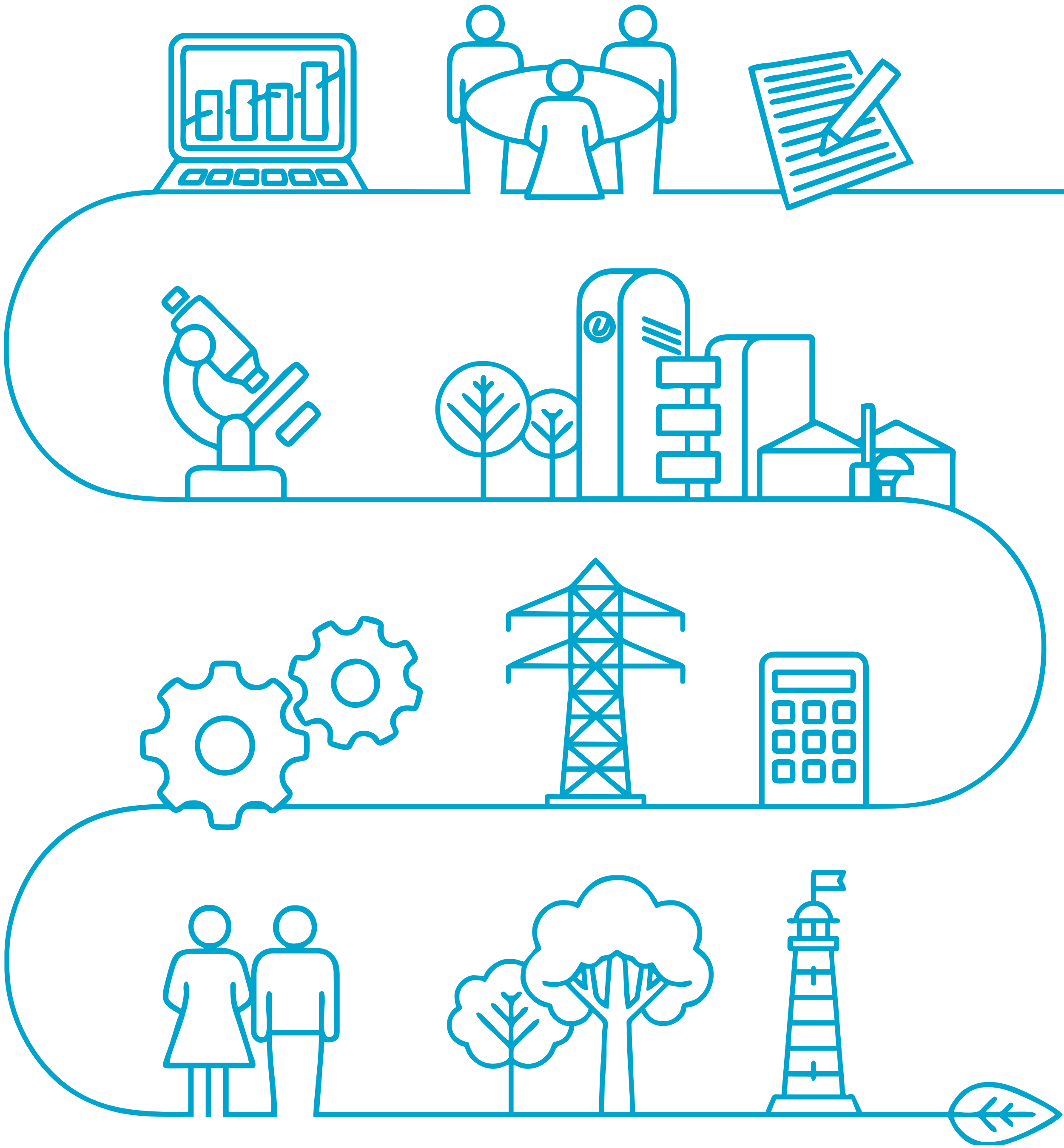
ANNUAL REPORT 2015

grupo enusa



PUBLISHED BY
Enusa Industrias Avanzadas, S.A.
Santiago Rusiñol, 12 – 28040 Madrid
Telephone: (+34) 913 474 200
Fax: (+34) 913 474 215
www.enusa.es

CONTACT POINT
Corporate Responsability Area
Rosario Arévalo Sánchez
Nuria del Arco Contreras

Institutional Relations
Carmen Vallejo Desviat
Rocío Ramos Montero
Teresa Sánchez Santamaría

E-MAIL: relin@enusa.es

GRAPHIC DESIGN AND LAYOUT
a.f. diseño y comunicación
www.afgrafico.com

RELEASE DATA
2016

TABLE OF CONTENTS

LETTER FROM THE PRESIDENT

LETTER FROM THE PRESIDENT

Dear Reader:

Once again this year I am writing to you to take stock of and comment on what the year 2015 has been like for the ENUSA Group, something about which you will be able to read in more detail in this Annual Report.

My first words are of gratitude to all ENUSA Group workers for the results obtained and for continuing to maintain our company's good reputation in the different sectors in which we work.

Last year we have forged ahead with our plan to internationalize and diversify our two business areas – fuel and environment. Sustainability for our company is to continue to be present in new markets and to expand our portfolio of products and services, as we must cope with a complex context that requires a will to renew, excel and innovate.

Because we are seeking to grow and improve, we are developing new lines of nuclear business with the management of spent fuel and the supply of fresh and irradiated fuel inspection equipment developed in-house, in preparation for the transport of irradiated fuel, and of the environmental business with the management and valorization of wastes and the development and fabrication of artificial soils, by way of compost, to recover land affected by acid mine drainage. Above all, we are pursuing a greater internalization of our main activities.

A very important strategy is the generational changeover that is taking place. Part of this strategy is the hiring policy focusing on our needs and on training to maintain the high level of expertise and talent of our workers, as we are aware of the enormous human potential we have and proof of this is the trust placed in us by our customers, partners and shareholders.

To keep up with the demanding standards of our industry, we have undertaken a preliminary analysis of the Safety Culture that has involved the entire factory staff. This analysis will help us to draw up the corresponding Improvement Action Plan. Our aim is to consolidate a strong safety culture in the organization, focused on assuring safety, quality and efficiency in all our activities.

To describe 2015 in broad strokes, in the Uranium Supply area our work enables us to maintain our customers' trust and our activities ensure the supply for the Spanish nuclear fleet.

In Nuclear Fuel, in Europe it is still repeatedly announced that the oldest nuclear power plants will be closed but without the launch of new construction projects. There is a major imbalance between supply and demand and therefore the strong competition continues in today's market.

At a strategic level, we are still aiming to recover the position that GENUSA had in the European BWR fuel market and to strengthen relations with Westinghouse for the development of the PWR fuel market.

Technology is key to the conduct of our business and we apply it to our own processes and installations, as well as to the services and products that we are supplying to international customers, primarily in emerging markets such as China, Brazil, Argentina, etc.

As for the upgrading of our production installations, we have enlarged the waste and fabrication area of the gadolinium zone in order to optimize it and be able to be in a position to seize any market opportunities that may arise. Modifications have also been made to the safety systems, with the replacement of the ceramics area exhaust and climate control systems.

With regard to the Environmental Business, the Saelices El Chico Center continues to achieve advances in water treatment using Technosols. On the other hand, it has submitted the documentation to obtain all the necessary permits and begin dismantling the Quercus plant.

Moreover, our environmental brand – EMGRISA – has improved its results and has been working on promoting the company as a quality brand, integrating the environmental activities of the ENUSA Group, establishing a major presence as an independent agent of the state, providing differentiating solutions, managing wastes in associate companies and in its own centers, and internationalizing the company with activities in Peru, Chile, Bolivia and Mongolia.

The biogas plant in Salamanca and the municipal solid waste plant in Castellón – two pioneering projects in their respective areas thanks to the technology used – are increasingly consolidated and have an optimal performance.

Looking ahead, we will continue to rigorously and effectively manage the resources we have to maintain the best working conditions for our employees, in the search for new opportunities that can expand our current activities and with the certainty of being able to count on the commitment, hard work, enthusiasm and efforts of everyone. ENUSA relies on us all to continue to be a benchmark in the sectors where we work and to advance the sustainability of our group of companies.

Finally, I would like to thank our shareholders, board members and customers for their trust and support, and especially my colleagues for their professionalism, collaboration and efforts. This is something that is appreciated even more in the present circumstances, and I encourage you to continue to improve every day to offer the best products and services to our customers.

José L. González
Chairman & CEO

CORPORATE GOVERNANCE

The governance structure of ENUSA Industrias Avanzadas, S.A. comprises the following bodies:

BOARD OF DIRECTORS

Highest governance body of the company. It approves the strategy and oversees all the organization's activities. It is composed of 12 members: the Chairman – the only executive member who in turn presides over the Executive Committee – and 11 board members, 3 of them proprietary directors and the rest independent.

AUDIT COMMITTEE

Board of Directors Committee comprising a chairwoman and two members, none of them executive. Its function is to report to the Board of Directors on agreements to be adopted in the General Shareholders' Meeting in relation to approval of the accounts and assessment of the company management during the year and its internal control system. It also reports to the Board of Directors on any other matter of its competence that is raised in its meetings.

EXECUTIVE COMMITTEE

It is composed of nine members: the Chairman plus eight company directors, all of them executives. It proposes the organization's strategy in all matters to the highest governance body.

CORPORATE GOVERNANCE

APPOINTMENT AND SELECTION

The highest governance body is appointed and selected in full by the organization's two partners who hold all the representative shares of its capital stock.

The following is considered for the appointment and selection of the members of the highest governance body:

- Diversity, through participation of representatives of the main Ministries and agencies of the State's General Administration with which the organization is associated.
- Specialized knowledge and experience in the economic, environmental and social areas, insofar as the members in turn hold posts and perform functions in different spheres of the State's General Administration and its subordinate agencies that have relations with the social community in these spheres.

Independence is not taken into consideration for the appointment and selection of the members of the highest governance body, since they are proprietary directors designated and selected in all cases by the organization's two partners. For the same reason, the stakeholder comprised by the shareholders is completely involved in their appointment and selection.

CONFLICTS OF INTEREST

The members of the highest governance body annually report to the organization the possible existence of conflicts of interest, and they agree to abstain from taking part in decisions regarding which they could have any possible conflict of interest.

Since possible conflicts of interest must be reflected, by law, in the organization's annual report (page 107), and since this annual report is published on both the institutional Website and in the Business Registry (accessible to the public for these purposes), possible conflicts of interest are public and, therefore, known by all the stakeholders.

REMUNERATION POLICIES

The remuneration policy of the Board of Directors is described on page 199 of this report.

The remuneration policy of the Executive Committee is described on pages 107 and 199. However, it should be added that the remuneration policy is dictated by RD 451/2012 of March 5, which regulates the system of remuneration of senior executives and directors in the public corporate sector and other entities. This decree includes the minimum principles of austerity, efficiency and transparency required both of entities and their senior executives and directors. It thus applies criteria of good governance that are common in the world of listed companies and financial firms and originate from agreements of international organizations, and these advances are adapted to the nature of the public sector. It is the responsibility of the Ministry of Finance and Public Administrations to classify the entities according to their nature and the criteria provided in article 5 thereof.

Remunerations in commercial contracts or to senior management are classified as basic or supplementary. Supplementary remunerations include a job post supplement and, if appropriate, a variable supplement.

- The job post supplement remunerates the specific characteristics of the functions performed and it is assigned by whoever exercises the entity's financial oversight or control, by the shareholder or, in the absence thereof, by the associated ministry in accordance with the following criteria: external competitiveness, organizational structure under the job post, relative weight of the post inside the organization and level of responsibility.
- The variable supplement is of an optional nature and remunerates the achievement of previously set targets according to parameters to be evaluated by whoever exercises the entity's financial oversight or control, by the shareholder or, in the absence thereof, by the associated ministry, and its perception is conditioned by the achievement of such targets.

Severance pay is regulated in the eighth additional provision of RDL 3/2012.

COMPOSITION OF THE BOARD OF DIRECTORS

On 9 September 2015, Mr. José Manuel Rodríguez de Castro, representing the shareholder "Sociedad Estatal de Participaciones Industriales" (SEPI), was released.
On 29 September 2015, Ms. Blanca Fernández Barjau is appointed to represent the shareholder "Sociedad Estatal de Participaciones Industriales" (SEPI).
On 23 December 2015, Mr. Javier Arana Landa submitted his resignation as independent director proposed by the shareholder "Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas" (CIEMAT).
On 11 March 2016 Mr. José Manuel Redondo García is appointed as independent director proposed by the shareholder (CIEMAT).

As a result of the above, the composition of the Board of Directors on the date of publication of this Annual Report is as follows:

CHAIRMAN
Mr. José L. González Martínez
ENUSA Industrias Avanzadas, S.A.

VICE CHAIRMAN
Mr. Cayetano López Martínez
CIEMAT- Director General

BOARD MEMBER
Ms. Mercedes Real Rodrigálvarez
Director of Energy Affiliates Division
SEPI

BOARD MEMBER
Ms. Ana Collados Martín-Posadillo
General Secretary
CIEMAT

BOARD MEMBER
Mr. Efrén L. Martínez Izquierdo
Ministry of Agriculture, Food and Environment

BOARD MEMBER
Ms. Maria Dolores Rodríguez Maroto
Advisory Member of the State Secretariat for Support to Enterprises
Ministry of Economy and Competitiveness

BOARD MEMBER
Mr. Fernando Irurzun Montoro
Deputy Director General
Deputy Directorate General Litigation Services
Government Attorneys' Office

BOARD MEMBER
Mr. Luis M. Aguado Díaz
Deputy Director General for Special Sectors
Spanish Agrarian Guarantee Fund
Ministry of Agriculture, Food and Environment

BOARD MEMBER
Mr. Francisco Javier Muñoz Regueira
Director of State Secretariat for Public Administrations
Ministry of Finance and Public Administrations

BOARD MEMBER
Ms. Ana María Martín Quintana
Head of Technical Office
Comptroller General of the State Administration (IGAE)
Ministry of Finance and Public Administrations

BOARD MEMBER
Ms. Blanca Fernández Barjau
Deputy Director General Policy Analysis and Business Finance
Ministry of Economy and Competitiveness

BOARD MEMBER
Mr. José Manuel Redondo García
Deputy General Director of Nuclear Energy
Ministry of Industry, Energy and Tourism

NON-MEMBER SECRETARY TO THE BOARD
Mr. Fernando Lozano Sánchez
ENUSA Industrias Avanzadas, S.A.

EXECUTIVE COMMITTEE COMPOSITION

CHAIRMAN & CEO
José L. González Martínez

DIRECTOR OF INTERNAL AUDITING
José L. González Martínez (acting)

DIRECTOR OF SYSTEMS AND QUALITY
Julián Andrés González

DIRECTOR OF LEGAL DEPARTMENT & SECRETARY OF THE BOARD
Fernando Lozano Sánchez

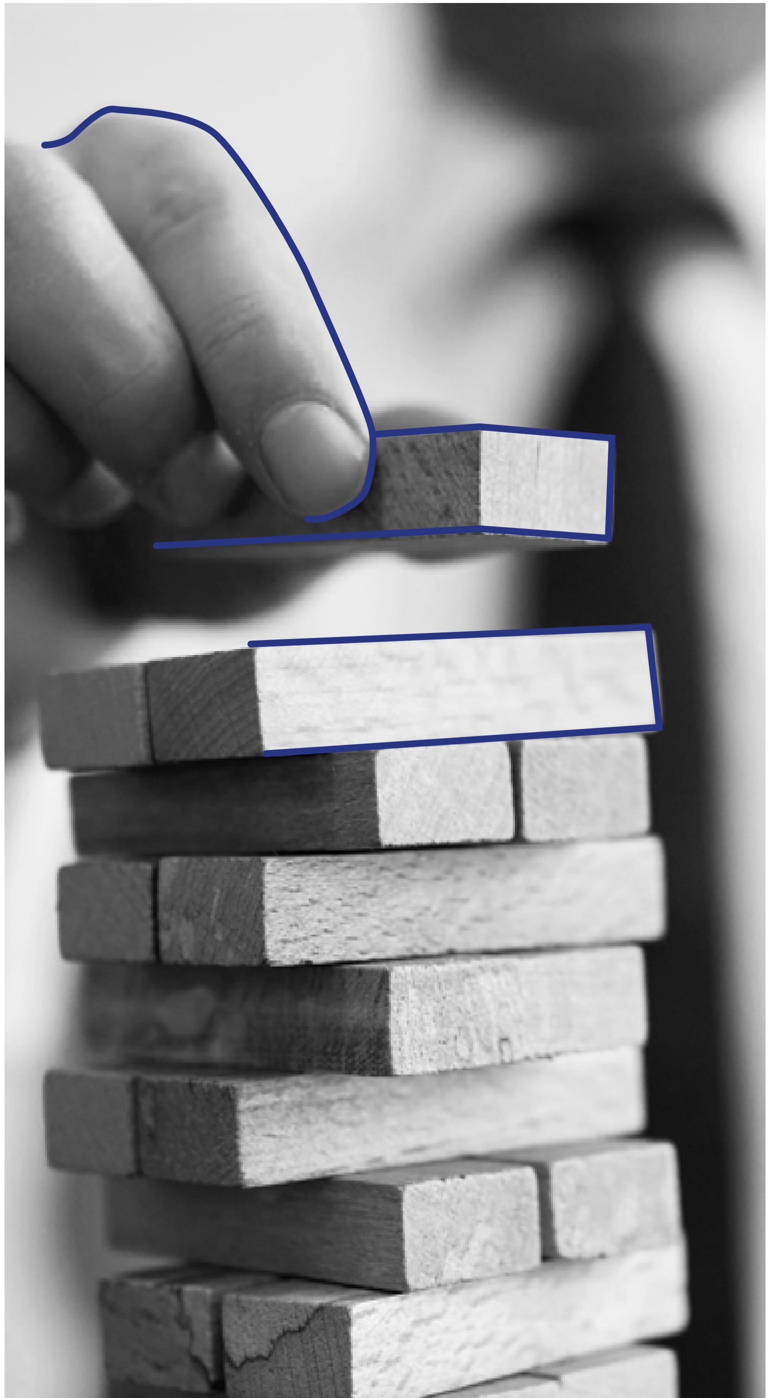
DIRECTOR OF ORGANIZATION AND HUMAN RESOURCES
Begoña Díaz-Varela Arrese

DIRECTOR OF NUCLEAR FUEL OPERATIONS
Fco. Javier Montes Navarro

DIRECTOR OF BUSINESS DEVELOPMENT AND TECHNOLOGY
Roberto González Villegas

DIRECTOR OF URANIUM PROCUREMENT
Germán García-Calderón Romeo

DIRECTOR OF FINANCE & INDUSTRIAL INVESTMENT
Juan I. Artieda González-Granda



TRANSPARENCY AND GOOD GOVERNANCE

The full enforcement of Law 19/2013 on Transparency, Access to Public Information and Good Governance marked a new beginning to improve the integrity of organizations in Spain.

In order to adapt to the demands of this Law, the ENUSA website includes a section devoted to the Transparency Portal (http://www.enusa.es/en/conocenos/p-de-transparencia/) which makes available to all interested parties information on the company business and which includes data on economic and financial management, corporate information and organizational and regulatory information. ETSA y Emgrisa also have Transparency Portals. In 2015, one request for information regarding expenditure on publicity and advertising was received in the Transparency Portal of Enusa.

In the framework of the legal and political changes that the government of Spain is making, a fundamental aspect is thus to strengthen transparency. The objective pursued is to ensure integrity in management and to prevent inappropriate practices.

In an effort to increase transparency, our shareholder has created an Internal Audit Management in the organizational structure of the SEPI Group companies, for the purpose of assessing and improving the effectiveness of the risk management processes. The activities carried out by the Internal Audit Management are supported by the actions of the Board of Directors Audit Committee.

Along these lines, last year an external company conducted a pilot study, coordinated by this Audit Management and headed by SEPI, in ENUSA and Navantia to draw up a risk map. This now completed study is being reviewed and analyzed in order to prepare a methodology for extending to the companies under the *Sociedad Estatal de Participaciones Industriales* a suitable model to be able to have homogeneous information.

Independently of this study, every year ENUSA performs a comprehensive analysis of the company's competitiveness, identifying the strengths, weaknesses, opportunities and threats. In addition, the companywide strategies, key actions and tracking indicators are established.

The relationship between governance, risk management and compliance is practically indissoluble; most governance decisions become compliance obligations, and a good part of the risks have to do with a potential non-compliance with the legal regulations or internal rules (self-imposed).

For the aforesaid reasons, transparency and credibility are firm steps on the way to consolidating Corporate Social Responsibility with a view to gaining the trust of all stakeholders, including the market.

MISSION, VISION AND VALUES

ENUSA believes that the best guarantee of its commitment to creating value for all the different people and collectives with which it interacts is professional performance in accordance with its Mission, Vision and Values.

MISSION

Provide to society, on a continuous, long-term basis, first-rate, competitive and safe products that enable professional and human development, environmental protection and an adequate return.

VISION

It is based on business lines in technology and service areas developed from structural capabilities in nuclear and radioactive material treatment and management, which combine mature markets with other emerging markets with a major growth potential.

VALUES

Prioritized attention to safety, quality and the environment. Attention, confidence, understanding and respect for people. Training. Teamwork spirit. Leadership, innovation, professionalism and honesty. Perseverance in work and desire to excel. Transparency and constructive self-criticism. Participation, commitment and communication.

The senior management defines the purpose, values, mission, strategies, policies and objectives related to the indicated impacts of the organization and submits them to the approval of the highest governance body.

ETHICS AND INTEGRITY

Ethical standards and the prevention of the risks stemming from the violation thereof is a matter of responsible management that concerns everyone. The most advanced standards on Compliance follow this approach, known as "integrity", by focusing on personal conduct and at the same time making models of criminal prevention mandatory in companies.

CODE OF CONDUCT

On 15 March 2004, the Board of Directors of ENUSA Industrias Avanzadas, S.A. approved the first Code of Conduct. In 2014, a new Code of Conduct was drawn up in accordance with the criteria established by SEPI for its subsidiary companies. This new Code of Conduct is the key element that identifies the standards of conduct that ENUSA wants to observe in all its company activities. It is a more demanding standard of conduct than that defined by the applicable legislation in the different countries where ENUSA conducts its business.

This Code is the declaration of a set of principles and values of corporate conduct; it is a written reflection of a public commitment by ENUSA to these principles and values.

In February 2014, it was approved by the Board of Directors, as the highest governance body of ENUSA, and therefore it also implies the highest level of commitment.

As for its scope of application, the Code will be applied to all the subsidiary companies in which ENUSA holds a majority interest. It may also be applied to temporary joint ventures, consortiums and other instruments of business development in which ENUSA holds a majority interest.

CORPORATE CONDUCT PRINCIPLES AND VALUES

The principles and values of corporate conduct to which ENUSA is committed at the very highest level and on which this code is based are as follows:

1. Compliance with the law.
2. Integrity and objectivity in corporate performance.
3. Respect for people.
4. Protection of health and physical integrity.
5. Environmental protection.
6. Efficient management.
7. Proper conduct in international markets.
8. Use and protection of information.
9. Quality and safety.

Each of these principles leads to a set of rules of conduct, which in most cases are broadened with more specific rules via internal company rules or contract clauses.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL FOR PREVENTING CRIMES

In accordance with its mission and values and the principles of ethics and integrity, ENUSA has a strong commitment to regulatory compliance – both with legal provisions and technical standards that affect its business and in general with all legal system regulations and most especially criminal law. All people who work in ENUSA and its subsidiaries and anyone who has relations with our Company should know that ENUSA does not tolerate legal non-compliance of any kind, and it will take decisive action if it becomes aware that an illegal act has been committed.

The result of this commitment is this Organization, Management and Control Model for Preventing Crimes (hereinafter, "the Model"), which was approved by the ENUSA Board of Directors on 29 June 2015. Likewise, on 30 June, the respective Administrative Bodies of the Empresa para la Gestión de Residuos Industriales, S.A. (hereinafter, Emgrisa) and Express Truck S.A.U. (hereinafter, ETSA) approved their Models. The Model has three complementary Protocols that were approved by each Board of Directors.

- Anti-corruption Protocol
- Action Protocol in case of Detection of Irregularities
- Reporting Channel Protocol

The purpose of the ENUSA Crime Prevention Model is to complete the compliance function already implemented in the Company and adapt it to the standards established in international practice for effective crime prevention programs that go beyond the currently enforced levels. The system thus meets the requirements regarding the criminal liability of legal entities enacted in Spain by Organic Law 5/2010, with the wording provided by Organic Law 1/2015 of March 30.

The Model is divided into two parts: a General Part and a Special Part.

The General Part describes the following elements:

(i) the main activities of ENUSA and the associated criminal risk;
(ii) the controls of a general nature that it has implemented;
(iii) the compliance culture ("safety culture") that ENUSA requires at all times;
(iv) the Company's organic control structure, paying special attention to the Supervisory Body;
(v) the set of internal rules and protocols, from the Code of Conduct to the Manuals regarding the most significant risks and the Operating Procedures;

(vi) the main aspects of the training system for all ENUSA personnel, which is essential to ensure the Model's effectiveness;
(vii) the main courses of action of the action protocol in case a Model non-compliance or an illegal or criminal act is detected;
(viii) the Reporting Channel that enables any person who is aware of a potential criminal or illegal act to contact the Supervisory Body on a confidential basis and without fear of reprisals;
(ix) the main aspects of the procedure for monitoring and applying the Model and its continuous improvement.

The Special Part contains the following elements:

(i) a description of each of the crimes that in principle could possibly be committed considering ENUSA's business;
(ii) the main internal rules that refer to the risk associated with each specific crime;
(iii) the controls implemented by the Company in relation to such risk;
(iv) the internal bodies which act to mitigate the risk in question.

REPORTING CHANNEL

Both the Code of Conduct and the Organization, Management and Control Model for Preventing Crimes requires the existence of a Supervisory Body, as well as a channel for complaints and/or denunciations and another one for suggestions. For this reason, the two channels have been merged so that anyone who is aware of any act that could constitute a crime or a non-compliance of the ENUSA Model, Code of Conduct or Rules and Procedures will be able to contact the Supervisory Body via any of the following means:

(i) By mail, to the following postal address:
ENUSA Industrias Avanzadas, S.A.
Órgano de Vigilancia
C/ Santiago Rusiñol, 12
28040 Madrid
(ii) By email, to the following email address:
canaldedenuncias@enusa.es
canaldesugerencias@enusa.es
(iii) By personal interview with any of the Supervisory Body members.

This Reporting Channel is based on the following principles:

(i) It is categorically forbidden to adopt any penalty, reprisal or consequence against a person for having submitted a complaint.
(ii) Access for reporting directly to the Supervisory Body is guaranteed, without the person who reports the act having to go through a superior or any other intermediate body.
(iii) It is guaranteed that the identity of the person who makes the denunciation will remain confidential (although anonymous reports are not possible), unless revealing the identity is required by a judicial body.
(iv) The guarantees of the reporting channel do not cover denunciations that are made with the knowledge they are not true or with rash disregard for the truth.

During 2015, one denunciation in relation to the Code of Conduct was recorded.

TRAINING

Furthermore, both documents state that it is obligatory to take the necessary training/information actions so that all employees will be sufficiently aware of them and to ensure their effectiveness. While in 2014 the Code of Conduct training was given in Madrid, in 2015 it was begun in Juzbado for 38 people who, together with the 141 people from the previous year, add up to 179 employees. However, these training actions have slowed down because of the approval of the Organization, Management and Control Model for Preventing Crimes and the decision to unify the training for both documents.

AUDITS

Finally, both documents specify that Audits and internal controls be carried out on matters concerning their application and establish that the bodies responsible for the internal audit take part in the compliance monitoring and control.

GLOBAL COMPACT

WE SUPPORT

ENUSA is a signatory of the United Nations Global Compact since 2002, the year when the Spanish network for this initiative was founded. Since then, it has been committed to its 10 Principles, based on the promotion of and respect for human, labor and environmental rights and the fight against corruption, and these have become another mainstay of the code of ethics and best practices on which the company bases its management.

In addition to submitting its annual Progress Report (available at www.pactomundial.org) ENUSA gives all newly hired staff members an informative brochure together with its Welcome Manual; this brochure explains what the Global Compact is and the company's commitment, and what it means for the organization to be a member.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their area of influence.
2. Businesses should make sure that they are not complicit in human rights abuses.

Labor Rights

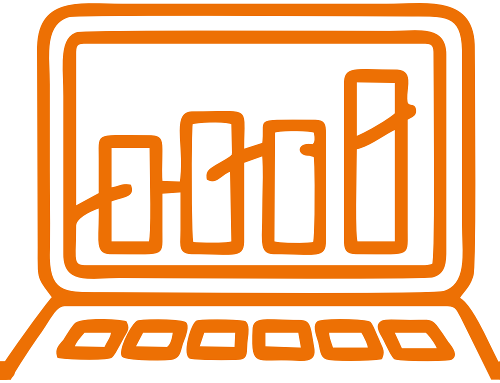
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.
5. Businesses should uphold the effective abolition of child labor.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environmental Rights

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Battle Against Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

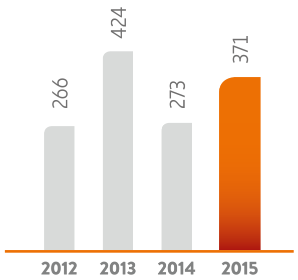


MAIN ECONOMIC QUANTITIES OF THE ENUSA GROUP

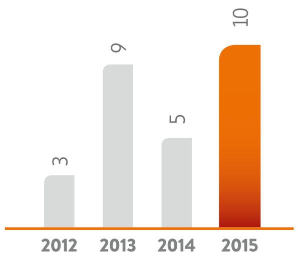
	2012	2013	2014	2015
TURNOVER	266	424	273	371
- Services Rendered	16	26	27	32
Net Variation in Cash or Cash Equivalents	-5	5	-2	-
Amortizations & Provisions	21	12	14	14
Pre-Tax P&L	2	16	9	13
AFTER-TAX P&L	3	9	5	10
Net Intangible Fixed Assets	0	39	39	38
Net Tangible Fixed Assets	40	39	39	39
Net Worth (excluding year-end P&L)	89	93	93	92
Financial Debt				
- Long-term debt	90	105	194	173
- Short-term debt	123	109	36	92
Creditors	139	64	80	64
TOTAL ASSETS / NET WORTH & LIABILITIES	513	464	483	508

million €

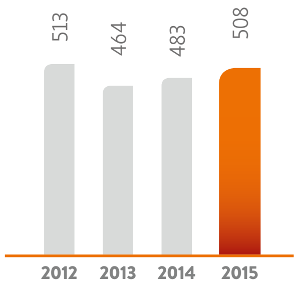
STAFF	592	603	614	630



TURNOVER



AFTER-TAX P&L



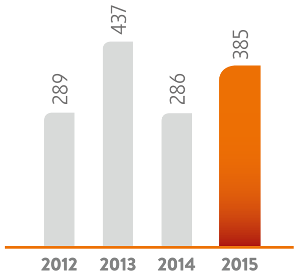
TOTAL ASSETS/NET WORTH & LIABILITIES

MAIN ECONOMIC QUANTITIES OF ENUSA INDUSTRIAS AVANZADAS, S.A.

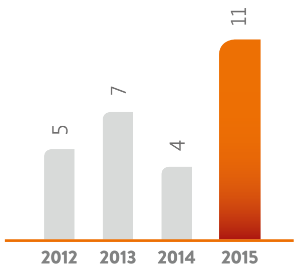
	2012	2013	2014	2015
TURNOVER	289	437	286	385
- Services Rendered	38	39	39	46
Net Variation in Cash or Cash Equivalents	-1	-1	-4	-
Amortizations & Provisions	29	12	15	15
Pre-Tax P&L	0	14	8	14
AFTER-TAX P&L	5	7	4	11
Net Intangible Fixed Assets	42	39	39	38
Net Tangible Fixed Assets	47	44	43	43
Net Worth (excluding year-end P&L)	114	119	114	113
Financial Debt				
- Long-term debt	116	105	194	173
- Short-term debt	125	109	36	92
Creditors	147	66	82	67
TOTAL ASSETS / NET WORTH & LIABILITIES	608	499	508	534

million €

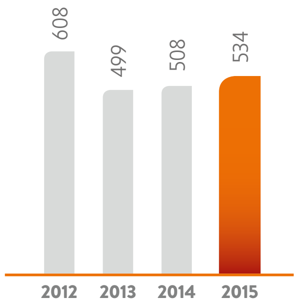
STAFF	755	704	711	726



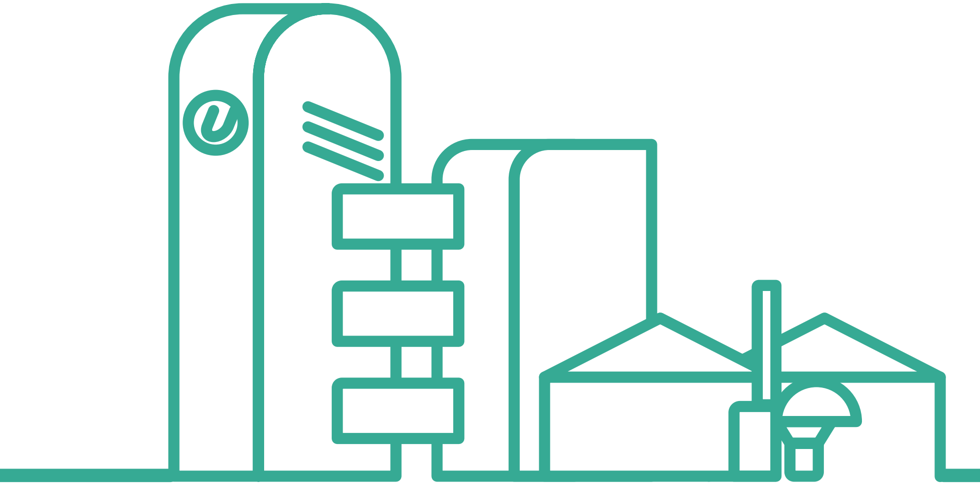
TURNOVER



AFTER-TAX P&L



TOTAL ASSETS/NET WORTH & LIABILITIES



ENUSA GROUP STRUCTURE

ENUSA Industrias Avanzadas, S.A. (Parent Company)

SHAREHOLDERS

60% SEPI
40% CIEMAT

CORPORATE HEADQUARTERS & CENTRAL SERVICES

Santiago Rusiñol, 12.
28040 Madrid
Tel.: (+34) 913 474 200; Fax: (+34) 913 474 215

JUZBADO FUEL ASSEMBLY FACTORY

Carretera Salamanca-Ledesma, Km. 26
37115 Juzbado (Salamanca)
Tel.: (+34) 923 329 700; Fax: (+34) 923 321 369

SAELICES EL CHICO CENTER

Carretera Ciudad Rodrigo-Saelices, Km. 7
37592 Saelices el Chico, Ciudad Rodrigo (Salamanca)
Tel.: (+34) 923 461 139; Fax: (+34) 923 481 060

BUSINESS AREAS

Enriched uranium management and supply.
Fuel assembly manufacturing. In-plant services.
Environmental area.

STAFF AT 31 DECEMBER 2015

630 employees

ENUSA GROUP STRUCTURE

FINANCIAL INVESTMENTS

EURODIF 11,11% (1973)
Francia
Uranium enrichment

COMINAK 10% (1973)
Republic of Niger
Uranium mining

INDUSTRIAL INVESTMENTS

ETSA 100% (1996)
Hazardous material transport
Staff: 43
Ctra. C-517 Salamanca-Vitigudino km 0,7
37008 Salamanca
Tel. 923 330 980
e-mail: transport@etsa.es

CETRAMESA 10% (2006)
Development of logistics and transport in Salamanca and western Castilla y León
Ctra. C-517 Salamanca-Vitigudino km 0,7
37008 Salamanca
Tel. 923 330 500
e-mail: cetramesa@cetramesa.com

ENVIRONMENTAL INVESTMENTS

EMGRISA 99,62% (2003)
Treatment of contaminated soil, waste & industrial discharge management
Staff: 54
C/ Conde de Peñalver 38
28006 Madrid
Tel. 91 411 92 15
e- mail: info@emgrisa.es

Investments in other enterprises or companies:
50% **REMESA**
30% **CETRANSA**
100% **GESTIÓN Y PROTECCIÓN AMBIENTAL, S.L**

FUEL AREA INVESTMENTS

GENUSA 49% (1996)
Fuel supply to European BWR nuclear power plants and engineering services
C/ Josefa Valcárcel, nº 26
28006 Madrid
e-mail: jjs@enusa.es

ENUSA-ENWESA AIE 50% (1995)
PWR fuel assembly repair
Services related to the reactor core and its components.
C/ Santiago Rusiñol, 12
28040 Madrid
Tlf: 913 474 200

SNGC AIE 25% (2008)
Commercial promotion of products and services for nuclear power plants in China and South America.
C/ Santiago Rusiñol, 12
28040 Madrid
Tlf. 913 474 200

The ENUSA Group is composed of the Parent Company (ENUSA Industrias Avanzadas, S.A.) and its investee companies.
Data updated at 31 December 2015

ANNUAL REPORT PARAMETERS

ANNUAL REPORT PROFILE. SCOPE AND COVERAGE

Since 2007, ENUSA Industrias Avanzadas, S.A. draws up its Sustainability Report every year in keeping with the recommendations of the Global Reporting Initiative (GRI), the most important international reporting standard in terms of Corporate Social Responsibility. As for the available data on the rest of the companies that form the Group, the so-called affiliated companies or subsidiaries, an attempt is also made to adapt them as far as possible to these recommendations.

The 2015 Annual Report is the first one that has been prepared in accordance with the principles and requirements of the last version of this standard: GRI Guideline G4. Until then, all the published Annual Reports used the contents of version 3.0 (G3) of the Global Reporting Initiative (GRI). The historical file of annual reports from previous years is available to any interested member of the general public on the company's corporate website, in the Publications section: (http://www.enusa.es/en/sala-de-prensa/publicaciones/memorias-anuales/).

In view of the level of maturity of the ENUSA Sustainability Reports, the Comprehensive Option has been used to draw up the 2015 Annual Report. Therefore, this document includes information on all the indicators of the General Standard Disclosures and all the indicators of the Specific Standard Disclosures that correspond to material aspects.

This annual report has been subject to external assurance by an independent entity. The Assurance Report issued by this entity can be found at the end of this document. Likewise, the section on "Economic Performance: Business Report" has been audited by another entity, and there is no relationship between one audit process and the other.

All the data and GRI indicators provided in this annual report have been prepared in accordance with the same valuation and calculation methods used in previous annual reports, thus ensuring that their evolution over the last four years can be properly analyzed. If any significant change occurs that should be taken into account for proper interpretation of the information on any indicator, this change is duly indicated with table/chart footnotes or, if appropriate, in Appendix II.

MATERIALITY ANALYSIS

In order to determine the material aspects and, consequently, the Annual Report contents, a materiality analysis was carried out in three phases:

1. ESTABLISH THE INITIAL ASPECT LIST

The first step of the process was to define the "material aspect" concept in accordance with the two types:

1. Aspect that reflects social, environmental and economic impacts of the company.
2. Aspect that influences the decisions of stakeholders.

Once the concept of "material aspect" was defined, the aspects of GRI Guideline G4 were established as the baseline for the materiality analysis, i.e. as initial list of potentially material aspects.

2. INTERNAL AND EXTERNAL PRIORITIZATION

In order to determine the material aspects in ENUSA, the initial list of aspects was then subjected to both an internal prioritization (by the members of the Executive Committee) and external prioritization (by the representatives of the following stakeholders: customers, partners, regulatory bodies and Public Administrations). For this purpose, they were given a questionnaire and asked to identify the aspects they consider relevant for ENUSA and that, accordingly, should be included in the 2015 Annual Report, and to score each of them on a scale from 1 to 4 (where 1 is not very important and 4 very important).

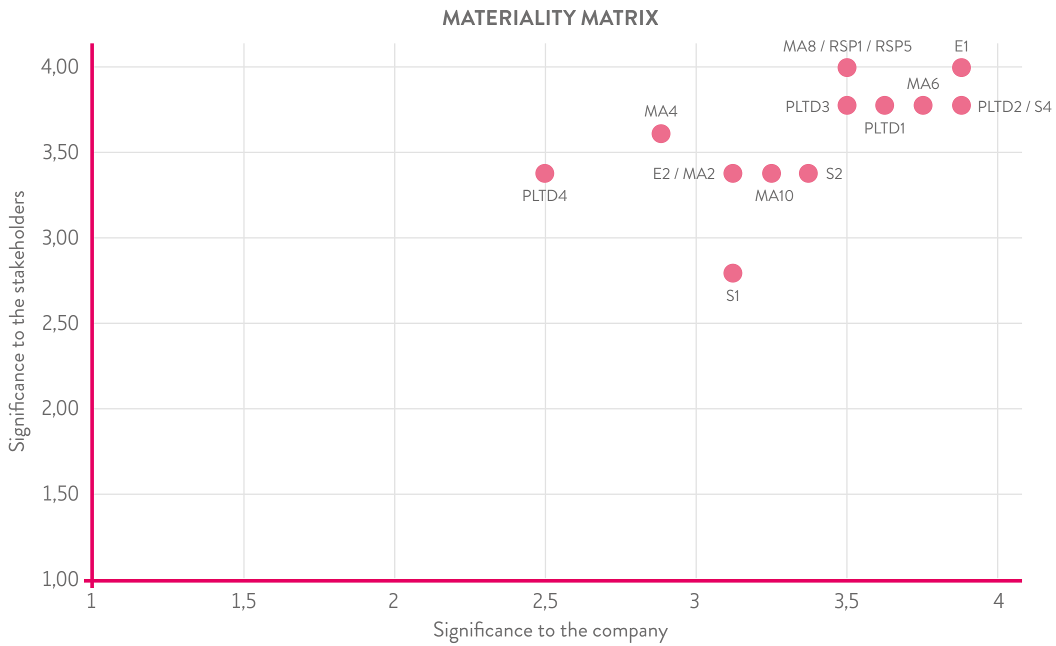
3. REVIEW AND VALIDATION

The results of the questionnaires were reviewed and appraised by the Corporate Social Responsibility and Continuous Improvement divisions. The arithmetic mean and the typical deviation from the results were calculated for each of the groups (internal and external). To make the analysis more consistent, the criterion for selecting the material aspects was the confluence in the same aspect of a high arithmetic mean and a low typical deviation, such that the resulting material aspects not only have a high score but also all the respondents coincide in attaching great importance to them.

MATERIALITY MATRIX

Consequently, the material aspects resulting from the materiality analysis (internal and external) for the 2015 Annual Report were as follows:

Category: Economic	
Economic performance	E1
Indirect economic impacts	E2
Category: Environmental	
Energy	MA2
Biodiversity	MA4
Effluents and waste	MA6
Compliance with environmental legislation	MA8
Environmental expenditures and investments	MA10
Category: Social	
Subcategory: Labor practices and decent work	
Employment	PLTD1
Occupational health and safety	PLTD2
Training and education	PLTD3
Diversity and equal opportunity	PLTD4
Subcategory: Society	
Local communities	S1
Anti corruption	S2
Compliance	S4
Subcategory: Product responsibility	
Customer health and safety	RSP1
Regulatory compliance	RSP5



ENGAGEMENT OF STAKEHOLDERS

The ultimate purpose of this Annual Report is to provide relevant, rigorous and accessible information to all of the ENUSA stakeholders and in general to any person interested in the activities carried out by the Company. Therefore, year after year, a major effort is made to this end.

Just as in previous years, the annual report is divided into three blocks which correspond to what ENUSA considers are the three fundamental mainstays of corporate responsibility (economic, social and environmental performance), in order to facilitate analysis and comparison. This structure is, in turn, subdivided into sections that are intended to satisfy the information needs of the different stakeholders who may read the document.

The following table shows a breakdown of the ENUSA stakeholders and their level of priority for the organization.

	PRIORITY		
	HIGH	MEDIUM	LOW
Shareholders	!		
Regulatory Bodies	!		
Public Administration	!		
Human Capital			
Staff	!		
Workers' Committees	!		
Partners			
Technological	!		
Business	!	!	
Customers	!		
Suppliers	!	!	!
Society			
Local Communities	!		
Trade Unions	!		
Ngos & Civil Organizations	!	!	
Associations & Foundations	!	!	!
Professional Associations & Organizations	!	!	!
Academic Institutions	!	!	
Communication Media	!	!	

The stakeholders shown here correspond to general categories. In certain cases, because of their importance, the categories have been broken down (e.g., partners). In other cases, because of the breadth and range of collectives covered by the general category (e.g., suppliers), more than one level of priority is shown. The prioritization of stakeholders is based on their specific weight, the frequency of interaction and how critical they are for the organization.

ENGAGEMENT OF STAKEHOLDERS

The various channels of communication maintained with the stakeholders are specifically dealt with in the paragraph on "Communication with our Stakeholders" in the Social Performance section.

Nevertheless, as commented above, representatives of the following stakeholders took part in the process to determine the material aspects for the 2015 Annual Report: customers, Regulatory Bodies, partners and Public Administrations. As a result of this process, the stakeholders identified the following key issues further to those provided in GRI Guideline G4:

PARTNERS	Intellectual Property
	Crisis Management
	Mechanisms to internally report Integrity violations
	Operating experience management – Benchmarking – Excellence in operations (Vision and Mission)
	Technological development (added value)
	Balance between personal performance in relation to targets and wage raises, etc. (in this case ENUSA materiality)
	Knowledge transfer
	Management of lessons learned and corrective programs
PUBLIC ADMIN.	Participation in comprehensive development projects of the immediate environment of the centers that have productive activity, with special attention to the municipalities where these centers are located.
	Contribution of labor activity (employment) to the environment of the productive centers, with evaluation of the positive impact against depopulation of the affected rural areas.
	Participation in one-time projects (social, cultural, sports, etc.) that positively influence revitalization and improved quality of life for the people who live in the immediate environment of the productive centers, with special attention to the municipalities where these centers are located.
	Evaluation of the implication with the aforesaid environment as regards the company's exterior image (environmental marketing, cultural promotion, etc.): degree of exploitation of the environment's local resources as support for achieving a positive image.
	Implication/generation of environmental projects in the aforesaid environment on: landscape reclamation, biodiversity development/recovery, reclamation of degraded spaces (gravel pits, slagheaps, landfills, etc.).

ECONOMIC PERFORMANCE

01 PARENT COMPANY ACTIVITY AND CORPORATE AIM

ENUSA Industrias Avanzadas, S.A., (hereinafter ENUSA or the Parent Company) is a public enterprise 60% owned by the *Sociedad Estatal de Participaciones Industriales* (SEPI), which is attached to the Ministry of Finance and Public Administrations, and 40% by the *Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas* (CIEMAT), which in turn is attached to the Ministry of Economy and Competitiveness.

The main purpose of ENUSA is to meet its customers' expectations with first-rate, safe and competitive products. The company is aware that technology, research, development and innovation are essential elements for positioning itself and competing on the market.

The mainstays of ENUSA are the safety of its industrial installations and protection of the environment, together with quality and corporate responsibility. Furthermore, it understands that excellence in management requires that it should strengthen and improve the dialogue with its stakeholders, pay special attention to the regions where it operates and support social and economic development.

ENUSA's activity is structured around two business areas: nuclear business and environmental business.

NUCLEAR BUSINESS

This is the traditional core business of the company. It basically consists of the supply of enriched uranium to the Spanish nuclear power plants, with the company acting as a purchasing pool for our country's electric utilities. It also includes the design and manufacture of nuclear fuel in its Juzbado factory (Salamanca) for national and foreign power plants. ENUSA also provides engineering services in everything related to the management and optimization of fuel use in the reactor, fuel services in activities involving fresh and irradiated fuel inspection, repair and handling, acting as support to the nuclear power plants, as well as spent fuel management and support to the *Empresa Nacional de Residuos Radiactivos, S.A.* (ENRESA) in the design and future licensing of the construction of the centralized temporary storage facility (ATC).

In addition, the company has two minority financial stakes related to its core business: in the European uranium enrichment consortium EURODIF, which operated a uranium enrichment factory located in Tricastin (France) that is now in the process of dismantling, and in COMINAK, the owner of a uranium mine and uranium concentrate plant located in the Republic of Niger.

On the other hand, because of ENUSA's experience in the nuclear field and its great technological potential, the company has a financial stake in another company related to the nuclear business – Express Truck, S.A., which transports nuclear material.

ENVIRONMENTAL BUSINESS

Thanks to its long experience in mining operations, ENUSA has gained an extensive environmental know-how. Taking advantage of this know-how and experience, it has developed a business area focused on environmental management projects undertaken through the Technical Environmental Office. This office carries out activities involving the reclamation of land affected by mining, the construction and closure of landfills, radiation protection services and the development of new energy applications such as biogas and other environmental R&D and Technological Innovation projects. ENUSA's environmental business has been enlarged with the Municipal Solid Waste (MSW) treatment plant in the northern region of Castellón and with its subsidiary *Empresa para la Gestión de Residuos Industriales, S.A.* (EMGRISA), which manages industrial wastes and treats and characterizes contaminated water and soil.

02

DESCRIPTION OF THE PARENT COMPANY ACTIVITIES

URANIUM SUPPLY BUSINESS UNIT

Nearly 5 years after the Fukushima accident, the uranium market is still affected by this event. The shutdown of the Japanese reactors, among other things, continues to shape this market both in terms of natural uranium and enrichment services. Furthermore, it should be noted that uranium is experiencing a similar situation as that of other raw materials, e.g. oil, gas, copper, etc.

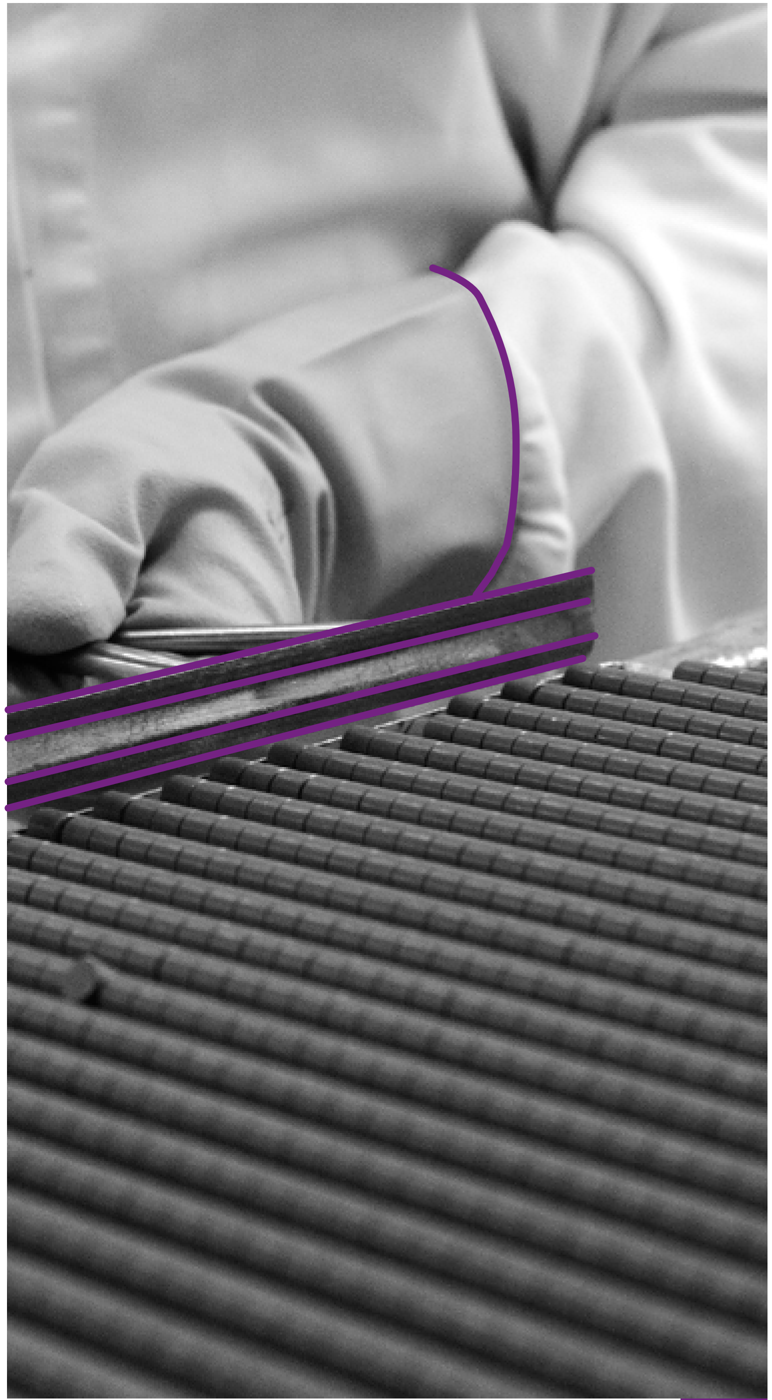
The expected market reactivation that was linked to renewed operation of the Japanese reactors and the nuclear reactor installation plans in China has again suffered a setback and the current Chinese plans are even less ambitious than before. The joint effect is a market depression that is reflected in the prices of raw materials and services.

The intermediaries are the most active players on the uranium concentrate spot market, which causes a certain price volatility. However, it is excess production versus diminishing demand that is driving the downward evolution of prices.

The enrichment services market is still on a sharp downward trend. Possible sanctions against Russia because of the Ukraine conflict have not had an impact on the market, which has experienced a constant downtrend trend throughout the year.

The lower market prices have been partially offset by the depreciation of the euro against the dollar, which began the year at 1.20 and ended the year at around $/€ 1.10. This means that the supplies acquired in dollars are more expensive.

As for the Spanish nuclear fleet, it is still uncertain whether the Santa Maria de Garoña nuclear power plant will start operating again.



During 2015, the Spanish reactors of Almaraz I, Ascó I, Ascó II, Trillo I and Cofrentes have been supplied with enriched uranium for the subsequent fuel assembly fabrication process. All the supplies have been properly delivered on time.

The Supply business has been involved in other activities, including the contracting of enrichment services and procurement of uranium concentrates. These contracts will guarantee the supply in the years to come for the Spanish nuclear fleet, and in addition they have been executed at a time of competitive prices.

The Risk Assessment and Strategic Supply studies have been updated. Both provide an overview of the risks in the uranium supply chain, as well as value added information on suppliers. The strategic study supports the supply and contracting criteria for the years to come.

Of note is the participation in the Work Group of the EURATOM Supply Agency Advisory Committee for the purpose of issuing the Nuclear Fuel Supply Safety Report.

FUEL BUSINESS UNIT

As mentioned above, 2015 on one hand has been marked worldwide by the return to operation of the first Japanese Nuclear Power Plants (NPPs) after the Fukushima accident and by the continuity of the Chinese program to build new NPPS, the latter with improved medium- and long-term prospects that are being fulfilled on a sustained basis. On the other hand, in Europe and the USA it is still repeatedly announced that the oldest NPPs will be shut down, primarily for economic reasons. Also of note is the confirmation of the agreements between the UK government and EDF to move forward with the construction project of new EPR-design NPPS at Hinkley Point in the UK.

With regard to new suppliers, AREVA has restructured to address the significant losses announced in 2014. As a result, the new plant engineering and construction business and the nuclear fuel engineering and manufacturing business are going to be acquired by EDF, whereas AREVA will maintain the business lines associated with uranium and dismantling and radioactive waste management. This decision, officially announced by the French government, is due to be implemented in the next two years and will lead to major changes, primarily in the new NPP supply market, and in the years to come could give rise to a new series of strategic agreements and alliances between the world's leading suppliers of NPP technology.

In the European market, there is still a major imbalance between supply and demand that is going to increase in the coming years with the closure of the Swedish NPPs operated by Vattenfall – Forsmark 1, Ringhals 1 and OKG units 1 & 2. These decisions, made due to the lack of profitability of their operation in the near future, will cause a greater imbalance in the fuel demand between 2020-22, mainly in the area of BWR technology with three European-based suppliers and a market share of less than 200 tU/Year, which will result in very strong price competition and affect all the BWR fuel suppliers in Europe in the next few years. In the Spanish market, the most relevant news has been that the government of the Castilla-La Mancha Autonomous Community has halted the project to build the centralized temporary storage facility in the town of Villar de Cañas, as well as that operation of the Santa María de Garoña Nuclear Power Plant is still discontinued at present.

In addition, national decisions on a new General Radioactive Waste Plan and the life extension of the NPPs, which are reaching the previously established limit of 40 years, are still pending. All these uncertainties logically affect the future of the ENUSA fuel business line.

In 2015, the following activities have been undertaken:

In the strategic area, an agreement has been reached with GNF to extend the license and the GENUSA Joint Venture Agreement until late 2017, which will make it possible to develop a commercial and product strategy that enables GENUSA to recover the position it had in the European BWR fuel market.

Negotiations also continue with Westinghouse to extend the EFG licensing and commercial agreements beyond 2018, which will enable Westinghouse and ENUSA to strengthen their position in the European PWR fuel market.

The company is developing the business lines of spent fuel management, fuel services provision, fresh and irradiated fuel inspection equipment supply and internationalization of the main activities of the fuel business. These are expected to grow in the years to come and will help to offset the losses associated with BWR technology in the manufacturing area. This will lead to reduced production at the Juzbado factory to less than 320 tU/year and in turn to a significant increase in the sales of engineering services, in-plant fuel services and equipment.

In the area of engineering, worth mentioning is the major effort being made to support the operation of the Spanish, Belgian and French PWR NPPs, and in the licensing of codes, methodologies and products for the supply of fuel under the new contracts for France and Belgium.

As for the Juzbado fuel assembly factory, the following is of note:

- Fuel was supplied to both national and foreign customers on time and with the agreed quality and cost. Output reached a level of 328 tU, thus achieving the production target.
- The level of investment in 2015 has amounted to €5.1 M.
- The enlarged Gadolinium area and the safety systems, including the new ventilation and air conditioning system, have been put into operation. This enlargement has made it possible to arrange the areas so as to provide adequate room for the manufacturing and waste zones on one hand, and on the other to be in a position to seize any business opportunities that may arise. The modification of the safety systems has been completed with the project to replace the ceramics area exhaust and climate control systems, owing to the technological obsolescence of the current systems (more than 30 years old). This safety project will last 5 years and this year 3 filter banks with their corresponding extractors and air conditioners have been changed.
- Relevant developments in the manufacturing area include the project for the high-speed passive scanner that will replace the active scanner and thus eliminate the current risk in the Californium market and improve safety in the factory, as it will no longer be necessary to handle neutron sources. This machine is currently under construction and will be completed in 2016.
- The project to install a furnace for pre-oxidation of the bottom of fuel rods, a feature of the new PWR product aimed at improving in-service reliability, is progressing on schedule. The furnace will start operating in the first quarter of 2016.
- The program of waste shipments to El Cabril is still functioning as usual although, in the future, the annual volume of shipments should increase when ENRESA is able to receive them.
- New PWR “TRAVELLER” fuel casks have been purchased to satisfy the demand of PWR customers.

In the area of refueling design, the contractual commitments acquired with Spanish and European customers with PWR and BWR technology have been fulfilled on time with the agreed quality and cost.

As for fuel services, the most noteworthy activities are related to the provision of the integral refueling service to the Catalan NPPs, the refueling services in Almaraz NPP, the fuel inspection and repair in Spain and Belgium and the characterization of the fuel stored in the pools and dry loading in casks for storage in the corresponding ATI (Individual Temporary Storage facility).

To face these challenges, ENUSA continues to consider technology as a key activity in the future fuel business and applies it to its own processes and installations, mainly in the area of production and safety, and to the services and products being supplied to customers throughout the world, especially in the emerging markets of China, Brazil, Argentina, etc. An example of this top priority of supporting technology is the R&D&I plan, which in 2015 has entailed a more than €5 M investment in projects and an equivalent dedication of more than 25 engineers/year. In late 2015, 6 new projects in the areas of new methodologies, new inspection equipment and waste management have been included in the R&D&I project portfolio and will be developed over the years to come.

NUCLEAR BUSINESS-RELATED INVESTMENTS

ETSA

At 31 December, the situation of Express Truck, S.A.U. (ETSA) is considered to be satisfactory since it has achieved the targets set for the year.

The Turnover amounted to 11,000,284 EUR, up 8.09% over the previous year thanks to an increase in the business lines of radiopharmaceuticals and operations with nuclear power plants.

The Operating Income amounted to 1,387,863 EUR, which represents 12.62% of the Turnover.

Pre-tax Earnings have amounted to 1,391,061 EUR in 2015, versus 1,050,873 EUR in 2014.

Of note is the company's strong market position in the nuclear and radiopharmaceutical areas.

The provision of services to our customers is growing, which strengthens our position against potential competitors.

ENVIRONMENTAL BUSINESS UNIT

Saelices el Chico Center

In 2015, the decommissioning activities of the Saelices El Chico Center have continued, conditioned by the existence of acid mine drainage that causes water pollution and requires that the water be collected and treated before controlled discharge to public waterways. In order to try to solve this problem, several actions are being taken to eliminate the water with passive systems instead of the current systems based on chemical treatment. This year, the activities to study and pilot test the use of artificial soils ("Technosols") have intensified; this is a technique that has proved to be successful at other sites and that, if confirmed, could definitively solve the problem of acidic water generation. Three types of tests are being carried out: two that began in 2014 on purification of runoff water via wetlands and another on remediation of degraded soils by adding Technosols, and a third, begun in later 2015, focusing on the recovery of infiltration water by injection of liquid solutions. On the other hand, the technical-economic report has been prepared with the solutions proposed for each of the affected areas delimited by the edaphological study.

In parallel, the environmental and radiological monitoring programs at the site have continued to be executed, as have the monitoring and control programs of the dismantled Elefante Plant and the reclaimed mining operations for the mandatory period, together with the monitoring and maintenance program of the

Quercus Plant, a facility in a situation of definitive cessation of operations and pending dismantling. In September the new dismantling permit application for the first phase of dismantling and closure of the Quercus Plant was submitted, together with the required support documentation and the mandatory Environmental Impact Study. The dismantling will be undertaken in phases, since several plant structures (tailings dam, pit water treatment plant and large ponds) must be kept operational until the required water quality is obtained for direct discharge to waterways.

In 2015, the problems posed in the short/medium term to fulfill the requirements for personnel with Operator or Supervisor Licenses at the Quercus Plant have been examined These problems are due to the demands on the current owners to be able to meet such requirements, and the conclusion reached is the need to hire personnel who can aim at obtaining new licenses.

Considering the current situation of the Center, the foundations have been laid with ENRESA for joint collaboration. The agreements on remediation of acid mine drainage and water treatment continue, as well as the expenditure that has existed to date for the monitoring and control programs of the Elefante Plan and Mining Operations for the mandatory period.

Technical Environmental Office

During 2015, as part of the activities related to the provision of environmental services, the Office has continued to execute several post-monitoring programs of reclaimed mining facilities, such as the former uranium factory in Andújar and the former uranium mines of La Haba (Badajoz) and Valdemascaño and Casillas de Flores (both in the province of Salamanca). In the area of radiation protection, it has started the study to evaluate exposure to Radon in the Graena spa (Granada), in accordance with the requirements of article 62 of the Regulation on Health Protection against Ionizing Radiation (RPSRI).

In the framework of the close collaboration with the Saelices El Chico Center, there are two important courses of action: collaboration with the Center's technical personnel in preparing the mandatory documentation for submission of a new application for dismantling and closure of the Quercus Plant installations, submitted in September 2015, and the development and follow-up of the three pilot projects using Technosols for the treatment of acidic mine water which were being carried out throughout 2015.

Regarding this matter of Technosols, a report has been prepared that compiles the results obtained to date, together with the technical documentation on their use as a remediation measure for acid mine drainage from the uranium mining operations of Saelices El Chico and the economic appraisal and planning for these actions.

Close contacts have also been maintained with EMGRISA to submit proposals for joint monitoring programs, especially those with radiological contents, and also to present capabilities in environmental services. Nine biogas plant proposals for agro-industrial and animal husbandry sites have also been presented with the EMGRISA trade name.

On the other hand, it has collaborated in the technical supervision of the soil and groundwater recovery works at an old site where installations for recycling and manufacturing industrial oils were located, on plots 39/14, 112/14 and 79/114 in the municipal district of Pozuelo de Alarcón (Madrid).

In the area of New Developments, the ENUSA agro-animal and agro-industrial waste Biomethanation Plant in Juzbado (Salamanca) continues to operate. In this plant, which has been operating uninterruptedly since early 2012, anaerobic digestion of the wastes is used to produce a gas – biogas that is rich in methane – which supplies a cogeneration motor and produces electric power and heat, while the pollution load of the wastes is reduced.

In 2015, the Plant has treated a total of 9,827 tons of agro-animal and agro-industrial wastes (75% purines and 25% cereal residue) and supplied a total of 1,657,934 kWh to the electric power distribution grid, whereby at the end of 2015 an accumulated total of 10,209,453 kWh has been dispatched to the grid. The effluents generated in the plant have been used as agronomic products on the cultivated fields near the plant.

In collaboration with the Juzbado Fuel Assembly Factory, and in relation to the project to replace the fuel-oil boilers used in the HVAC and sanitary hot water system of the installations, the technical specifications, call for proposals and selection process have been prepared, along with a review of the construction project to replace these boilers with others that use as fuel the biogas produced in the plant. The aim is to achieve energy savings, increase energy efficiency and safety by eliminating fuel storage inside the factory installations, and at the same time reduce greenhouse gas emissions.

Similarly, throughout 2015 tests have been successfully performed on biodigestion treatment with vegetable residues produced by the tobacco industry in the CETARSA installations in Talayuela (Cáceres). A Technical/Economic Viability Study has been performed for this company for a project to replace its boilers with others that run on the biogas generated in a biodigestion plant using its own wastes.

In 2015, the Biomethanation Plant has successfully passed the different inspections and audits conducted by the Ministry of Industry, Energy and Tourism (MINETUR), the Agriculture and Animal Husbandry Council of the Castilla-Leon regional government and the National Markets and Competition Commission (CNMC). This year the Plant has been included in the Territorial Registry of Special Taxes as a Hydrocarbon Factory.

In the area of New Developments, a European LIFE Project for R&D&I in an ammonia recovery system has been submitted with the Agrarian Technology Institute of Castilla-Leon (ITACYL) and the University of Valladolid. Also with ITACYL, an agreement is proposed for next year to treat the sugar beet wastes of the Toro sugar refinery (Zamora).

Castellón UTE-RSU

The TECONMA-AZAHAR-ECODECO UTE (joint venture) manages the municipal wastes of the 49 municipalities of the northern region of the province of Castellón, using for this purpose four facilities located in this province: the Municipal Solid Waste (MSW) and Bulky Waste Treatment and Recovery Plant, the Reject Repository in the municipality of Cervera del Maestre, and two MSW Transfer Plants located in Benlloch and Villafranca del Cid.

During 2015, a total of 68,482 tons of wastes have been managed, up 4.31% over the previous year.

Certain materials have been recovered from all these wastes, some of them with a market value and others with a negative value, but they have been recovered to achieve the objectives set by the Integral Waste Plan of the region of Valencia concerning recovery and recycling. 9,183.32 tons have been recovered and 8,292.48 tons have been sold.

During 2015, the construction of cells numbers 2 and 3 of the Reject Repository was completed, and they began to be filled during the second half of 2015, as scheduled in the original project.

ENVIRONMENTAL INVESTMENTS

EMGRISA

The year 2015 has been better than 2014, both in economic terms and in terms of projects and actions taken, and the objectives set in the Annual Operating Plan (POA) have been more than achieved, although at the official level the government has continued to make budget adjustments and this has forced the Public Administrations and the state's public sector to continue to cut costs. Both the year's turnover and results, with a positive result at year's end, are up over the turnover and year-end result of the previous year.

During 2015, the following courses of action were pursued:

- Promote the company as a quality brand: web and social networks, communication media, logo, new customer actions and enhanced services portfolio.
- The integration of the environmental activities of ENUSA into EMGRISA has begun.
- Major presence as an agent and technical service of the State's General Administration (AGE) and public sector, with special mention for the SEPI Group companies.
- Differentiating solutions have been developed in the areas of thermal desorption, proposals and technology, Technosols, bio-energies and contaminated soil remediation.
- Strong push to internationalize the company, with activities in Peru, Chile, Bolivia, Mongolia. Establishment of our branch office in Lima and undertaking of actions with multilateral organizations.
- Waste management in invested companies and own centers, and opportunities are seized to improve final waste management in Autonomous Communities where we conduct business and our services our required.
- Staff adaptation and efficiency and cost control plan.
- The actions defined in the strategic status document of the ENUSA environmental business, submitted to SEPI in 2014, were evaluated.

The activities in 2015 in the waste management area have included the following:

- Business participation in the waste management of the Autonomous City of Melilla via REMESA, improving management and technically collaborating in plant optimization.
- Industrial waste management via its shareholding in CETRANSA, an integral hazardous waste treatment center.
- Management of its hazardous waste treatment and transfer centers in Extremadura and Castilla-La Mancha.
- Service provision to various public agencies and entities in the area of hazardous waste management, especially INTA of the Ministry of Defense, network of ADIF stations, etc.
- Service provision to private enterprise and entities throughout Spain: SIGFITO, Iberdrola, etc.

The soil characterization and decontamination and the engineering activities in 2015 included the following:

- Technical support and management delegation agreements for agencies of the State's General Administration, in addition to those already existing (*Ministry of Defense, Ministry of Agriculture, Food and Environment, Autonomous Communities*), thus securing its position in the public sector market..

- Development and execution of remediation projects for Adif, Renfe and Aena.

- Subsoil remediation project in Sabiñánigo (Huesca) for the government of Aragon. Contract renewal for 2016.

- Management delegation agreements for the Hydrographic Confederation of the Ebro River in Bailin (Huesca).

- Very relevant activities for the AVE to Galicia for AEDF: Medina del Campo (Palencia).

- Execution of technical projects and training activities in environmental risk assessment for public agencies and companies of the oil sector.

- Undertaking of various actions for the public enterprises of the SEPI Group: Cofivacasa, SEPIDES, ENUSA, Hunosa, Water treatment plant for Navantia.

- Under the coordination of SEPI, work on greater knowledge development and actions with the holding's public enterprises.

The internationalization activities in 2015 have included:

- Finalization of the contract for hydrocarbon-based soil decontamination in Kuwait.

- Contaminated soil characterization contracts for Southern Cooper.

- Commercial action in South American countries with submission of bids. Works for Bolivia, YPFB, Chile, local authorities.

- Work for multilateral organizations such as UNIDO in Mongolia together with Mayasa

- Establishment of the EMGRISA branch office in Peru.

Under the coordination of SEPI, work on greater knowledge development and actions with the holding's public enterprises in internationalization

03 ECONOMIC-FINANCIAL MANAGEMENT OF THE GROUP

ANALYSIS OF PARENT COMPANY RESULTS

The ENUSA turnover in 2015 amounted to 370.7 million EUR, up 36% from the preceding year. This has included a 44% increase in the sales of enriched uranium (as a result of the seasonality of the business, which is very directly linked to the different cycles of the Spanish reactors) and 24% in fuel manufacturing and services.

The operating result amounted to 18.4 million EUR in 2015, versus 16.8 million EUR in 2014. This increase has primarily been due to the higher turnover.

Pre-tax earnings in 2015 have amounted to 12.7 million EUR, compared to 8.9 million EUR the previous year. This increase has primarily been due to the improved operating results.

The return on equity in 2015 (after-tax profit over total equity, before the year's P&L) was 11.4%, compared to 5.9% in 2014.

PARENT COMPANY FINANCING AND INVESTMENT

There was practically no net variation in cash and other equivalent liquid assets compared to the previous year, resulting in the following cash flows:

- from operating activities: -11.8 million EUR
- from investment activities: -19.2 million EUR
- from financing activities: +31.0 million EUR

The short- and long-term financial debt at year's end amounted to 265.3 million EUR, versus 229.9 million EUR in 2014. This debt corresponds nearly in full to financing of the stocks related to the supply activity.

The Parent Company has not undertaken any own shares operations in fiscal year 2015.

PAYMENT TO SUPPLIERS

The average supplier payment period during 2015 has not exceeded the maximum limit provided in default rate legislation (see note 24 of the Consolidated Annual Accounts).

REPRESENTATIVE CONSOLIDATED DATA OF THE GROUP

The ENUSA Group has obtained consolidated earnings of 11.0 million EUR in 2015, versus 5.0 million EUR in 2014. The net increase of cash or cash equivalents was 0.4 million EUR, compared to 4.6 million EUR in 2014.

The consolidated turnover has amounted to 385.2 million EUR in 2015, compared to 285.5 million EUR the previous year. The return on equity (consolidated after-tax profit and discontinued operations over total equity, before the year's consolidated P&L) was 10.3% (4.7% in 2014).

ANALYSIS OF BUSINESS EVOLUTION

The estimated business evolution of ENUSA for the coming years is as follows:

Parent Company uranium supply

Throughout 2015, ENUSA has entered into a series of supply contracts under favorable economic conditions. These contracts are very important in the supply management due to both the amounts and the prices agreed on in negotiations. The enrichment services obtained are significantly lower in price than in recent years, thanks in particular to a change of the process technology. Very competitive purchases have also been obtained in the uranium concentrate contracts thanks to the very sharp drop in prices on this market and which will be reflected in the acquisition costs in the coming years.

In the national arena, there seems to be a possibility that the Santa María de Garoña plant will renew operation, which would mean a 6% increase in the installed power of the Spanish nuclear fleet. The supply management would supply the reactor's needs using its stocks and also the flexibilities of its contracts.

ENUSA will maintain its supply policy in the years to come, for which purpose it has contracts with the world's leading suppliers, but it also follows the market on a daily basis and takes advantage of the opportunities that arise.

As regards customers, the company expects to continue to effectively honor the commitments it has undertaken with them in supply management and also to provide quality services that add value to our management and thus renew the customers' trust.

Parent Company nuclear fuel

To confront the strategic, technological and management challenges, and bearing in mind the socioeconomic situation of Spain and specifically of the public sector to which the Parent Company belongs, the nuclear fuel area will implement the following strategies in the ENUSA budget period of 2016-2020:

- Implement the EFG alliance and the technology cooperation agreement with Westinghouse.
- Implement the new GENUSA alliance and the technology cooperation agreement with GNF/GEH.
- Develop technological capabilities in the areas of engineering, manufacturing, services and spent fuel.
- Internationalize the fuel business area beyond European boundaries and with a focus on the supply of equipment, services and products to emerging countries such as China, India, Argentina, Brazil, UAE, South Africa, etc.
- Develop the business associated with in-plant services, which requires the signature of a cooperation agreement with Westinghouse, its exit from the ENUSA/ENWESA AIE and restructuring thereof via an agreement between ENUSA and ENSA.
- Develop the business associated with spent fuel management both at the national and international levels and primarily around dry storage and transport. Here the decision made by the Spanish government on the future centralized temporary storage facility (ATC) will have to be taken into consideration.
- Boost the competitiveness of all the business lines of the fuel area through improved efficiency of both the operations and the business and technology development activities.

Finally, in 2016 the Juzbado factory should renew its Manufacturing and Operating Permit for an additional 10 years; the mandatory application with the studies required by the Nuclear Safety Council were delivered to the MINETUR in July 2015, in accordance with the legally stipulated deadline. The Physical Protection Permit of the facility should also be renewed in 2016.

Parent Company Saelices el Chico Center

On September 14, 2015, the new application for the dismantling permit of the Quercus Plant (Phase I) was submitted, in accordance with the requirements of the MINETUR Resolution of the previous year. The dismantling will be carried out in phases because it is necessary to maintain the tailings dam and other water storage structures until the quality required for direct discharge to public waterways is obtained. It will then be completed. In addition, on September 24, 2015, the Environmental Impact Study of this Project was submitted, in accordance with current legislation. If the deadlines are met, it would be possible to undertake the first phase of the dismantling between 2017 and 2018.

For the remediation of acid mine drainage on which the dismantling also depends, several pilot tests are being carried out with "Technosols" in two selected areas, and others are pending on the deep water inundating the former mine pits. A report on the scope has been prepared, including a viability study of their use as the most effective alternative, with the expectation that the results would be positive.

Technosols are tailor-made artificial soils, designed and fabricated from wastes, with the composition and properties required for each impacted zone and capable of fulfilling the ambient functions of natural soils. They have proved to be satisfactory in the recovery of significantly affected areas, such as the As Pontes and Touro mines in La Coruña, the soils of the Guadiamar river valley affected by the Aznalcóllar dam failure in Seville and others.

In any event, since this solution does not have an immediate effect (it requires maturity times of around 3 years), it will be necessary to continue with the chemical treatment of the acidic water. Some 275,000 m3 are due to be neutralized during 2016 and the volume of water gradually reduced in the following years as the volume of affected water is reduced, thanks to the results of this technique.

As for the reclaimed site of the Lobo-G Plant (La Haba, Badajoz), which has been decommissioned since 2004, execution of the Long-Term Monitoring Program will continue until the entity responsible for the institutional monitoring of this type of facility is defined.

Technical Environmental Office

In accordance with the Strategic Plan for the ENUSA Group environmental activities, whereby the decision is made to use the EMGRISA brand for commercializing the environmental activities undertaken in the Group, the activities that the Office has been carrying out are included in the EMGRISA services portfolio for 2016 and following years .

As regards the attempt to obtain permit R10 for the Biogas Plant, the proceedings for which began in previous years with the Waste Management Control Service of the General Directorate of Environmental Quality and Sustainability of the Castilla-Leon regional government, and which would allow direct application to the soil of all the digestates from the wastes for which there is a management permit, this permit has recently been denied on a general basis because the Ministry of Agriculture, Food and Environment expressly approves a specific regulation for digestates from waste biodigestion operations.

However, what has been confirmed is the permit to apply a series of wastes to the soil, such as those regulated by RD 1310/1990 or SANDACH type wastes, either separately or together with natural, agricultural or forestry material, i.e. non-hazardous wastes included in article 2-1 e) of Law 22/2011, as has the provision to authorize on a case-by-case basis, subject to an application, the treatment and application to the soil of the rest of the wastes for which the Plant has a management permit .

In this way, even without a general permit, this would allow the Plant to treat a larger number and wider range of wastes than those it has been managing to date.

Castellón UTE-RSU

In the next three years, the Castellón UTE-RSU (MSW joint venture) is going to receive treatment rejects from the MSW management plant of Onda, which serves the town councils in the center of Castellón province.

This is because the landfill of the Zone II Consortium (C2) is full and, until a new one is built, this Consortium has asked for help from the other consortiums in the area to receive the rejects from its plant. Consequently, the Zone I Consortium (C1), responsible for the wastes of this zone and, therefore, the entity that contracts the UTE-RSU and gives it the condition of public waste management service agent, has required the UTE-RSU to receive in its installations the amount of C2 rejects permitted by the capacity of these installations and the limits of the Integrated Environmental Permit, estimated to be a maximum of 35,000 tons/year, depending on the wastes generated in Zone I.

All the wastes – both those from the C1 town councils and the rejects from C2 – will be managed under the conditions established in the contract signed between the UTE and Consortium C1, although an agreement has been signed between the two Consortiums and the UTE-RSU to specify certain details and nuances.

The economic result for the UTE-RSU from this larger amount of wastes to be treated in its installations is not expected to entail significant variations in the current position, since billing will be in accordance with the table in the contract with C1, which maintains the economic balance between both parties up to some 100,000 tons/year. However, there is an indirect benefit for the UTE since C1 will have additional income from C2, which will make it possible for the UTE to have its bills paid on time.

On the other hand, the agreement allows it to return to C2 the same amount of wastes that it will receive during the three years of validity, meaning that the UTE landfill will not be overfilled with wastes from the other consortium.

Group member companies

Empresa para la Gestión de Residuos Industriales, S.A. (Emgrisa)

EMGRISA has seen major changes in its business in recent times as a result of the logical adaptation to an economic scenario and market that are completely different from some years ago.

During the budget period, it will continue with the commercial and project integration with the ENUSA environmental area, securing the environmental brand of the parent company. It will move forward with the biogas plant projects for CETARSA and several private initiatives of Extremadura and Castilla-Leon. The radiological monitoring, radon gas and energy improvement projects will continue.

As an agent and technical service, it will continue to execute the management delegation agreements for various general directorates of the Ministry of Agriculture, Food and Environment, specifically Environmental Quality, Rural Development and Water and/or Coastal Environments, and also for Defense and subordinate agencies such as the Ebro River Confederation and INTA in waste-related matters. Likewise it will renew the contract with the Government of Aragon for one more year and will expand activities for other Autonomous Communities.

For ENUSA, it will establish the waste management productive development for the creation of Technosols and undertake dismantling activities for the Quercus plant, once the pertinent permits are obtained. Along these lines and as a continuation of 2015 activities, it will continue to serve the SEPI public enterprises and public business entities, primarily the Ministry of Public Works, by undertaking more activities and actively participating in the coordination with the rest of the SEPI companies, in order to leverage the environmental business and the internationalization of the company.

The internationalization process will be consolidated by the execution of the proposals submitted and our presence via the branch office in Peru, which will be strengthened with more personnel, and in bordering countries such as Chile, Bolivia, Ecuador, etc., and also with the award of new contracts for multilateral organizations and collaborations with Spanish companies related to thermal desorption in foreign projects that have already been proposed.

Express Truck, S.A. (ETSA)

The strategies and guidelines of the nuclear industry and nuclear medicine logistics business lines that have been pursued in previous years are being maintained for the 2016-2020 timeframe, as these are slow or zero growth markets, with a focus on preserving market share.

In the bioalcohol business line, the growth strategy continues with a limited risk exposure approach. The company must be alert to provisions concerning mixes of the different biofuels in gasoline and fuel-oil, as this could very significantly affect the operation of the Babilafuente factory (BCyL) and therefore this line of business.

Work continues in the ATC, where ETSA seeks to become the logistics operator for irradiated fuel transport, although the current situation is one of delays by ENRESA in launching the tenders.

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Based on the risk positions, the Group actively manages the exchange rate risk and the interest rate risk. The instruments it uses always address the concepts of safety and prudence and their objective is to limit the risks and, at the same time, avoid a temporary concentration of risks. They are never used to take up speculative positions.

At 31 December 2015, there are exchange rate derivative financial instruments amounting to 102 million USD, which will serve to meet payments stemming from purchase contracts that ENUSA has signed, as well as other exchange rate derivative instruments to insure foreign currency payments.

In addition, ENUSA has the interest rate risk hedged for 30 million EUR of its debt, to which must be added the hedging of the interest rate risk for the UTE-RSU debt (incorporated into its percentage share therein) for another 19.9 million EUR.

04 HUMAN RESOURCES

During 2015, the ENUSA staff numbers have increased 2.60%, as seen in the following table.

The final staff numbers are therefore as follows:

WORK CENTER	at 31.12.2014	at 31.12.2015
- Madrid	192	194
- Juzbado	387	401
- Saelices	21	21
- Castellón	14	14
Total	**614**	**630**

In relation to type of contract, the composition of the staff is as follows:

STAFF	at 31.12.2014	at 31.12.2015
Permanent Personnel	531	523
Temporary Personnel	83	107
Total	**614**	**630**
Average Staff	**581.48**	**589.34**

The staff structure in terms of work groups is as follows:

WORK GROUP	a 31.12.2014		a 31.12.2015	
	Number	%	Number	%
Officers	9	1.5	8	1.3
Senior Degree Holders	215	35	220	34.9
Intermediate Degree Holders	51	8.3	47	7.5
Technicians & Administrative Personnel	171	27.9	181	28.7
Workers & Subordinates	168	27.3	174	27.6
Totals	**614**	**100**	**630**	**100**

The staffs of the subsidiaries in which ENUSA has a controlling share have evolved as follows:

SUBSIDIARY	at 31.12.2014	at 31.12.2015
E.T.S.A.	43	42
Emgrisa	54	54
Total	**97**	**96**

IMPORTANT EVENTS:

Major regulatory changes in the areas of labor and Social Security continue to have a major impact, as do the measures to contain public expenditure provided in the State's General Budget Act for state-run public corporations and the implementing legislation that has been enacted since 2012 with continuation in 2013, 2014 and 2015.

05

ANNUAL ACCOUNT FOR THE YEAR 2015 ENUSA INDUSTRIAS AVANZADAS, S.A.

BALANCE SHEETS - ENUSA INDUSTRIAS AVANZADAS, S.A. (thousands of Euros)

ASSETS	Annual Report Notes	31/12/2015	31/12/2014
A) NON-CURRENT ASSETS		**103,101**	**103,151**
I. Intangible Fixed Assets	**6**	**38,001**	**39,218**
5. Computer applications		267	338
6. Other intangible fixed assets		37,734	38,880
II. Tangible Fixed Assets	**5**	**39,333**	**38,742**
1. Properties and constructions		17,660	18,916
2. Technical installations, machinery, tools, furniture & other tangible fixed assets		16,559	16,694
3. Fixed assets under construction and advances		5,114	3,132
IV. Long-Term Investments in Group and Associated Companies	**8, 20**	**5,353**	**5,353**
1. Financial investments		5,353	5,353
V. Long-Term Financial Investments	**8**	**5,322**	**5,810**
1. Financial investments		264	264
2. Financial derivatives		1,765	1,608
3. Third party loans		1,048	1,611
5. Other financial assets		2,245	2,327
VI. Deferred Tax Assets	**11, 20**	**15,092**	**14,028**

Continued on next page

Continued from the previous page

ASSETS	Annual Report Notes	31/12/2015	31/12/2014
B) CURRENT ASSETS		**405,301**	**380,249**
I. Non-Current Assets Held for Sale	**5, 18**	**471**	**471**
II. Inventories	**9**	**331,422**	**319,572**
2. Raw materials and other supplies		313,059	288,961
3. Products in progress		8,484	10,717
4. Finished products		6,270	18,091
6. Advances to suppliers		3,609	1,803
III. Trade Debtors and Other Accounts Receivable	**8**	**19,746**	**19,315**
1. Customers, sales and services rendered		13,952	10,796
2. Customers, group and associated companies	**20**	3,838	989
3. Sundry debtors		235	842
4. Group and associated company accounts	**20**	1,209	1,685
5. Personnel		182	242
6. Other Public Administration credits		330	4,761
IV. Short-Term Investments in Group and Associated Companies	**8, 20**	**44,012**	**27,009**
2. Company loans		44,012	27,009
V. Inversiones financieras a corto plazo	**8**	**6,139**	**10,366**
4. Derivatives		5,074	8,014
3. Third party loans		1,065	2,305
5. Other financial assets		-	47
VI. Short-Term Prepayments and Accruals		**71**	**106**
VII. Cash and Cash Equivalents	**8**	**3,440**	**3,410**
1. Treasury		3,440	3,410
TOTAL ASSETS (A + B)		**508,402**	**483,400**

NET WORTH AND LIABILITIES	Annual Report Notes	31/12/2015	31/12/2014
A) NET WORTH		**102,688**	**98,850**
A.1 Shareholders' Equity	**8, 3**	**102,101**	**97,113**
I. Capital		60,102	60,102
1. Stated capital		60,102	60,102
III. Reserves		31,562	31,562
1. Legal and statutory		12,020	12,020
2. Other reserves		19,542	19,542
VII. Year-End P&L		**10,437**	**5,449**
A.2 Revaluation Adjustments	**8**	**587**	**1,737**
II. Hedging Operations		587	1,737
B) NON-CURRENT LIABILITIES		**240,782**	**260,729**
I. Long-Term Provisions	**13**	57,723	55,425
2. Environmental activities	**14**	39,928	39,176
3. Restructuring provisions		686	768
4. Other provisions		17,109	15,481
II. Long-Term Debts with Group and Associated Companies	**20**	984	385
III. Long-Term Debts	**8**	179,156	200,876
2. Bank loans		172,896	193,692
4. Derivatives		5,476	6,308
5. Other financial liabilities		784	876
IV. Deferred Tax Liabilities	**11, 20**	2,919	4,043

Continued on next page

Continued from the previous page

NET WORTH AND LIABILITIES	Annual Report Notes	31/12/2015	31/12/2014
C) CURRENT LIABILITIES		**164,932**	**123,821**
II. Short-Term Provisions	**13, 14**	**3,708**	**3,213**
IV. Short-Term Debts	**8**	**95,877**	**39,634**
2. Bank loans		92,446	36,160
4. Derivatives		902	834
5. Other financial liabilitiess		2,529	2,640
V. Trade Creditors and Other Accounts Payable	**8**	**64,400**	**79,976**
1. Suppliers		11,627	13,627
2. Suppliers, group and associated companies	**20**	2,678	2,569
3. Sundry creditors		1,105	2,604
4. Personnel (outstanding remunerations)		2,348	2,422
5. Current tax liabilities	**11, 20**	3,752	3,375
6. Other Public Administration debts		2,181	2,027
7. Customer advances		40,709	53,352
VI. Short-Term Prepayments and Accruals		**947**	**998**
TOTAL NET WORTH & LIABILITIES (A + B + C)		**508,402**	**483,400**

PROFIT & LOSS ACCOUNT - ENUSA INDUSTRIAS AVANZADAS, S.A. (thousands of Euros)

	Annual Report Notes	31/12/2015	31/12/2014
A) GOING CONCERNS			
1. Net Turnover	**12**	**370,715**	**273,271**
a) Sales		338,798	245,915
b) Services rendered		31,917	27,356
2. Variation in inventories of finished products & products in progress		**(14,055)**	**3,303**
4. Supplies		**(277,050)**	**(203,836)**
a) Consumption of raw materials and other consumables	**12**	(254,134)	(183,734)
b) Contracted services		(22,916)	(20,102)
5. Other Operating Income		**2,438**	**4,021**
a) Non-core and other current operating income		2,383	3,971
b) Operating subsidies included in the year's P&L	**16**	55	50
6. Personnel Costs		**(33,521)**	**(33,232)**
a) Wages, salaries and similar costs		(25,469)	(25,271)
b) Social charges	**12**	(8,052)	(8,180)
c) Provisions	**13**	-	219
7. Other Operating Expenses		**(22,970)**	**(19,476)**
a) Outsourcing		(19,184)	(17,633)
b) Taxes		(2,456)	(1,763)
c) Losses, depreciation and variation in trading provisions		(1,239)	6
d) Other current operating expenses		(91)	(86)
8. Fixed Asset Amortization	**5, 6**	**(7,113)**	**(6,896)**
10. Excess Provisions	**13**	**204**	**16**
11. Fixed Asset Depreciation and Disposal Results		**6**	**(358)**
a) Fixed asset depreciation and losses		-	(360)
b) Disposal and other results		6	2
12. Other Operating Results	**12**	**(257)**	**(52)**
a) Extraordinary expenses		(431)	(79)
b) Extraordinary income		174	27

Continued on next page

Continued from the previous page

	Annual Report Notes	31/12/2015	31/12/2014
A.1) OPERATING RESULT (1+2+3+4+5+6+7+8+10+11+12)		**18,397**	**16.761**
13. Interest Income		**2,104**	**1,444**
a) From shares in financial investments	**8**	**819**	**887**
a.1 Group and associated companies		819	887
b) From marketable securities and other financial instruments		**1,285**	**557**
b.1 Group and associated companies		226	542
b.2 Third parties		1,059	15
14. Financing Costs		**(8,249)**	**(11,277)**
a) For debts with group and associated companies		(8)	(25)
b) For debts with third parties		(7,037)	(9,391)
c) For revaluation of provisions		(1,204)	(1,861)
15. Exchange Rate Differences	**10**	**(413)**	**(96)**
16. Financial Instrument Depreciation and Disposal Results		**-**	**1,061**
b) Disposal and other results		-	1,061
18. Capitalization of Financing Costs	**6**	**839**	**1,032**
A.2) FINANCIAL RESULTS (13+14+15+16)		**(5,719)**	**(7,836)**
A.3) PRE-TAX P&L (A.1. + A.2.)		**12,678**	**8,925**
17. Income Tax	**11**	**(2,241)**	**(3,476)**
A.4) YEAR-END P&L FROM GOING CONCERNS (A.3. + 17.)		**10,437**	**5,449**
A.5) YEAR-END P&L (A.4. + 18.)		**10,437**	**5,449**

STATEMENT OF CHANGES IN NET WORTH - ENUSA INDUSTRIAS AVANZADAS, S.A. (thousands of Euros)

A) STATEMENT OF RECORDED INCOME AND EXPENDITURE (thousands of Euros)	Annual Report Notes	2015	2014
A) PROFIT & LOSS ACCOUNT		10,437	5,449
INCOME & EXPENDITURE CHARGED DIRECTLY TO NET WORTH			
II. For cash flow hedges	8	11,238	10,022
V. Tax effect	8	(2,982)	(3,096)
B) TOTAL INCOME & EXPENDITURE CHARGED DIRECTLY TO NET WORTH (I+II+III+IV+V)		8,256	6,926
TRANSFERS TO THE P&L ACCOUNT			
VII. For cash flow hedges	8	(13,064)	(2,360)
IX. Tax effect	8	3,658	708
C) TOTAL TRANSFERS TO THE P&L ACCOUNT (VI+VII+VIII+IX)		(9,406)	(1,652)
TOTAL RECORDED INCOME & EXPENDITURE (A+B+C)		9,287	10,723

B) TOTAL STATEMENT OF CHANGES IN NET WORTH (thousands of Euros)	Stated Capital	Reserves		Year-End P&L	Revaluation Adjustments	Total
		Legal	Voluntary			
A. Balance at 31 December 2013	60,102	12,020	24,423	9,123	(3,537)	102,131
I. Recorded income and expenditure	-	-	-	5,449	5,274	10,723
II. Operations with partners or owners	-	-	(4,881)	(9,123)	-	(14,004)
4. Distribution of dividends	-	-	(4,881)	(9,123)	-	(14,004)
B. Balance at 31 December 2014	60,102	12,020	19,542	5,449	1,737	98,850
I. Recorded income and expenditure	-	-	-	10,437	(1,150)	9,287
II. Operations with partners or owners	-	-	-	(5,449)	-	(5,449)
4. Distribution of dividends	-	-	-	(5,449)	-	(5,449)
C. Balance at 31 December 2015	60,102	12,020	19,542	10,437	587	102,688

STATEMENT OF CASH FLOWS - ENUSA INDUSTRIAS AVANZADAS, S.A. (thousands of Euros)

A) CASH FLOWS FROM OPERATING ACTIVITIES	Annual Report Notes	2015	2014
1. Pre-tax year-end P&L		**12,678**	**8,925**
2. P&L adjustments		**19,089**	**18,025**
a) Fixed asset amortizations	5, 6	7,113	6,896
b) Valuation adjustments for depreciation		522	322
c) Variation in provisions		6,222	5,303
e) Fixed asset disposal & write-off results		(6)	(2)
f) Financial instrument disposal & write-off results		-	(1,059)
g) Interest income		(2,104)	(1,444)
h) Financing costs		6,112	7,913
i) Exchange rate differences	10	413	96
j) Other income and expenditure		817	-
3. Changes in Working Capital		**(30,476)**	**(6,886)**
a) Inventories		(11,808)	(25,110)
b) Debtors and other accounts receivable		(661)	1,965
c) Other current assets		123	2
d) Creditors and other accounts payable		(18,079)	16,911
e) Other current liabilities		(51)	(654)
4. Other Cash Flows from Operating Activities		**(13,104)**	**(14,359)**
a) Interest payments		(7,275)	(8,512)
b) Dividend income		819	887
c) Interest income		257	584
d) Income tax charges (payments)		(3,374)	(3,545)
e) Other payments (charges)	13	(3,531)	(3,773)
5. Cash Flows from Operating Activities		**(11,813)**	**5,705**

Continued on next page

Continued from the previous page

B) CASH FLOWS FROM INVESTMENT ACTIVITIES	Annual Report Notes	2015	2014
6. Investment Payments		**(48,170)**	**(33,170)**
a) Group and associated companies		(44,000)	(27,000)
b) Intangible fixed assets		(627)	(1,253)
c) Tangible fixed assets		(3,513)	(4,529)
e) Other financial assets		(30)	(388)
7. Disinvestment Charges		**28,950**	**38,309**
a) Group and associated companies		27,000	36,624
c) Tangible fixed assets		20	25
e) Other financial assets		111	761
f) Non-current assets held for sale		1,819	899
8. Cash flows from investment activities		**(19,220)**	**5,139**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
10. Financial Liability Instrument Charges and Payments		**36,512**	**1,039**
a) Issue		**71,486**	**124,193**
2. Bank loans		70,779	123,981
3. Group and associated company loans		598	202
4. Sundry debts		109	10
b) Repayment and Amortization		**(34,974)**	**(123,154)**
2. Bank loans		(34,960)	(108,540)
3. Group and associated company loans		-	(14,564)
4. Sundry debts		(14)	(50)
11. Dividend Payments and Remuneration of Other Financial Investments		**(5,449)**	**(14,004)**
a) Dividends		(5,449)	(14,004)
12. Cash Flows from Financing Activities		**31,063**	**(12,965)**
E) NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS		**30**	**(2,121)**
Cash or cash equivalents at beginning of year		**3,410**	**5,531**
Cash or cash equivalents at year's end		**3,440**	**3,410**

ANNUAL REPORT OF THE FINANCIAL YEAR 2015

1 COMPANY ACTIVITY

ENUSA Industrias Avanzadas, S.A. (hereinafter ENUSA or the Company) was incorporated in Spain in 1972 for an indefinite period of time. Its registered office is located on Calle Santiago Rusiñol, nº 12 in Madrid.

The shareholders at 31 December 2015 are the *Sociedad Estatal de Participaciones Industriales* (SEPI), holding 60% of the capital, and the *Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas* (CIEMAT), holding the remaining 40%.

The Company's aim is as follows:

1 Mineral research and exploitation, production of uranium concentrates and other byproducts, uranium enrichment, engineering and manufacture of nuclear fuel assemblies and other components, products, equipment and processes for electric power generation, and the use, distribution and marketing of the products resulting from each of the aforesaid industrial phases and provision of services related to these products or to radioactive materials.

2 Provision of chemical, physicochemical and radiological analysis services, and issue of reports and advice on environment-, energy- and technology-related matters.

3 Execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as land reclamation, including land affected by radioactive materials.

4 Preparation of all kinds of technical studies and reports, including those regarding radioactive materials; execution of all kinds of projects, and technical oversight and management of works of any sort, including nuclear or radioactive installations.

5 Collection and treatment of urban and industrial wastes, and water treatment.

The main activities carried out by ENUSA are as follows:

1 Industrial Activities

- Engineering and manufacture of nuclear fuel assemblies and other components. To conduct its manufacturing business, ENUSA has signed licensing contracts since 1974 with the technology owners, to which it pays the appropriate royalties. The Global Nuclear Fuel license contract was extended in 2015 by a new license agreement with the General Electric Group, with validity up to December 2017. As for the license contract with Westinghouse, it was renewed, effective on 1 January 2005, until 2011, and it was subsequently extended until 2018.

- Product distribution and marketing in each of the aforesaid industrial phases, and provision of services related to these products or to radioactive materials.

2 Uranium Supply Activities

- Uranium procurement, as well as isotopic enrichment and conversion services, for the supply of enriched uranium to the Spanish nuclear reactors.

- Natural and enriched uranium stock management.

3 Other Activities

- Provision of chemical, physicochemical and radiological analysis services, as well as reporting on environmental, energy and technological issues.

- Land, slag heap and old mine reclamation, water treatment, and execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations.

- Studies, technical reports and projects related to its areas of operation.

- Provision, through its subsidiaries, of fuel assembly inspection and repair services, radioactive material and explosives transportation, radioactive isotope manufacture and marketing, land reclamation, execution and maintenance of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as management, recycling, reutilization and treatment of industrial and hazardous wastes and recovery and decontamination of contaminated areas and soils.

- The execution of works and service management corresponding to the "Project for urban solid waste management of the Zonal Waste Plan of Zone I of Castellón" through its investment as partner in the joint venture (UTE) "Teconma, S.A., Azahar Environment, S.A. and Ecodeco, S.R.L. Unión Temporal de Empresas" (hereinafter UTE RSU).

The industrial activities have been carried out in the fuel assembly factory located in the town of Juzbado, in the province of Salamanca, since 1985.

The manufacturing process of the PWR fuel assemblies (for pressurized water nuclear power plants) and BWR fuel assemblies (for boiling water nuclear power plants) takes place in this industrial center.

ENUSA also leads pioneering environmental reclamation projects in the areas where it operates or in which it has conducted its mining and industrial business in the past (uranium concentrate mines of La Haba in Badajoz and Saelices el Chico in Salamanca), for the ultimate purpose of returning these areas to the geological and environmental conditions they had before their exploitation began.

ENUSA belongs to the consolidated group of the *Sociedad Estatal de Participaciones Industriales* (SEPI). In accordance with the provisions of article 136.3 of General Budget Act 47/2003 of November 20, SEPI is not required to deposit its accounts in the Business Registry because it is not a commercial enterprise.

As described in note 8, the Company holds shares in subsidiary, multi-group and associated companies. As a result, the Company is the parent of a Group of companies in accordance with current legislation. The presentation of consolidated annual accounts is required, in accordance with generally accepted accounting principles and rules, in order to give a true and fair reflection of the financial position, the operating results, and the changes in the Group net worth and cash flows.

On 11 March 2016, the Administrators have prepared the 2015 consolidated annual accounts of ENUSA Industrias Avanzadas, S.A. and subsidiary companies, which show a consolidated profit attributable to the parent Company of 11,019 thousand Euros and a consolidated net worth of 123,661 thousand Euros.

2 BASES FOR PRESENTATION OF THE ANNUAL ACCOUNTS

2.1. True and Fair Reflection

The annual accounts have been prepared on the basis of the accounting records of ENUSA and the integrated Temporary Joint Ventures (UTEs). The 2015 annual accounts have been prepared in accordance with current commercial legislation and with the rules provided in the General Accounting Plan, in order to show a true and fair reflection of the Company's state of affairs and financial position at 31 December 2015 and the results of its operations and changes in the net worth and cash flows corresponding to the fiscal year ending on that date.

The 2015 annual accounts, which have been prepared on 11 March 2016, are expected to be approved by the General Shareholders' Meeting without any modifications.

2.2. Information Comparison

The Annual Accounts present, for purposes of comparison with each of the items in the balance sheet, profit and loss account, statement of changes in net worth, statement of cash flows and annual report, in addition to the figures for 2015, the figures from the previous year which formed part of the 2014 annual accounts approved by the General Shareholders' Meeting of 29 June 2015.

2.3. Functional Currency and Presentation Currency

The annual accounts are presented in thousands of Euros, rounded off to the nearest thousand, which is the functional and presentation currency of the Company.

2.4. Critical Issues of Valuation and Estimation of Uncertainty

In the preparation of the Company's annual accounts estimates have been used to determine the accounting value of some of the assets, liabilities, income and expenses and on the breakdown of the contingent liabilities. These estimates made have been made on the basis of the best information available at the closing of the fiscal year. However, given their inherent uncertainty, future events may arise that require modifying them in upcoming years, which will be done, where applicable, on a prospective basis.

The key suppositions about the future, as well as other relevant data on the estimate of the uncertainty on the closing date of the fiscal year, which are associated to an important risk of causing significant changes in the value of the assets or liabilities in the upcoming fiscal year are the following:

Impairment of the value of non-current assets

The assessment of non-current assets, other than financial assets, requires making estimates with the aim of determining their recoverable value, for the purpose of evaluating possible impairment, especially for the goodwill and the intangible assets with an indefinite useful life. In order to determine this recoverable value, the future cash flows expected from the assets or from the cash generating units of which they form part are estimated and an appropriate discount rate is used to calculate the current value of these cash flows. The future cash flows depend on working within the budgets of the next five years, while the discount rates depend on the interest rate and the risk premium associated with each cash generating unit.

Deferred tax assets

Deferred tax assets are recorded for all the temporary deductible differences for which it is probable that the Company will have future tax earnings that permit the application of these assets. For this reason, significant estimates have to be made to determine the amount of the deferred tax assets that can be recorded, taking into account the amounts and the dates in which the future tax earnings will be obtained and the reversion period of the temporary tax differences.

Provisions and contingencies

The Company allocates provisions to cover future liabilities, for which it is required to make different hypotheses and estimates. In general, for all the allocated provisions, the principal estimates refer to the greater or lesser certainty that future disbursements directly related to the provision are going to take place, to the amounts provided for them, as well as to the dates in which it is forecast that they will be realized. In the specific case of the provisions derived from litigations in progress, the Company also counts on outside advisers regarding the probability of the occurrence of disbursements, in order to classify the events as a provision or a future contingency.

Lastly, there is no awareness of any major uncertainties relative to events or conditions that could cast significant doubts on the ability of the Company to continue business as usual.

3 DISTRIBUTION OF EARNINGS

The Board of Directors will propose to the General Shareholders' Meeting that it approve the following distribution of 2015 earnings:

BASIS FOR DISTRIBUTION	Euros
P&L account balance	10,436,650.78
TOTAL	**10,436,650.78**
DISTRIBUTION	**Euros**
To dividends	10,436,650.78
TOTAL	**10,436,650.78**

The General Shareholders' Meeting of 29 June 2015 approved the distribution of 2014 earnings amounting to 5,449,026.10 Euros, consisting of their complete allocation to dividends.

4 RECORDING AND VALUATION RULES

The main principles applied are as follows:

4.1. Intangible Fixed Assets

Intangible fixed assets are appraised at the acquisition price or production cost, and they are presented in the balance sheet at cost price, minus the accrued amortization and the accrued amount of known valuation adjustments, if any, for depreciation.

Licenses and patents acquired from third parties are linearly amortized over a period of no more than ten years.

Research-related costs are recorded as expenditure in the profit and loss account as they are incurred. Development costs have been considered in full as part of the year's expenditure, as the conditions for their capitalization have not been met.

Intangible fixed assets in computer applications are those acquired from third parties, and they are linearly amortized over a period of no more than four years. The maintenance costs of computer applications are carried over to expenses at the time they are incurred.

The Intangible Fixed Assets include the asset subject to concession comprised by the Company's investment in the UTE RSU, applying the provisions of Order EHA/3362/2010 of 23 December, which approved the Rules for adapting the General Accounting Plan to the concessionaires of public infrastructures. The most significant aspects of this application are the following:

- Consideration received for the construction or improvement services

The consideration received by the concessionaire is recorded at the fair value of the service provided, in principle, equivalent to the cost plus the construction margin, with this concession agreement having been classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortized over the entire concession period (20 years).

- Deferred financing costs for financing concession elements

By having classified concession agreements as Intangible Fixed Assets, from the time at which the infrastructure covered by the agreements is in operating conditions, the financing costs incurred are capitalized, and charged to results in proportion to the expected income indicated in the Financial Economic Plan of the concession. This proportion is applied to the total financing costs envisaged during the concession period.

- Actions on the infrastructure during the term of the agreement

Certain future actions on the infrastructure covered by the agreements generate the allocation of certain provisions, some of which are made with the matching entry being the higher value of the intangible fixed assets subject to the concession, as they are similar to the provisions for dismantling or retirement costs.

4.2. Tangible Fixed Assets

Tangible fixed assets are shown at acquisition price or production cost and include the value of the legal revaluation carried out in accordance with the provisions of Royal Decree-Law 7/1996 of June 7 (see note 5), and they are presented in the balance sheet at cost price, minus the accrued amortization and the accrued amount of known valuation adjustments, if any, for depreciation.

The cost of tangible fixed assets includes the estimated costs of dismantling or retiring the Juzbado factory, as well as rehabilitation of the site on which it is located, which is planned as of the year 2027, as obligations are incurred as a result of their use and for purposes other than production of inventories.

Advances and fixed assets under construction correspond to monetary payments prior to the total commissioning for the Company of the fixed asset to which they refer. They are appraised by the amount of the monetary payment made up to the time of reception and total commissioning of the fixed asset in question, at which time they are reclassified to the appropriate tangible fixed asset account.

The cost of those assets acquired or produced after 1 January 2008 and that need more than one year to be in a condition for use includes the financing costs accrued before the fixed asset is fit for operation which meet the requirements for capitalization thereof.

The amortization of fixed assets is calculated on the basis of book values in order to linearly amortize these values in full over annual periods within the estimated useful life of the assets.

The Company amortizes the tangible fixed assets, following the straight-line method according to the following years of estimated useful life, as shown below:

Constructions	33 years
Technical installations, machinery & tools	8 to 15 years
Other installations	8 to 10 years
Data processing equipment and furniture	3 to 10 years
Other tangible fixed assets	10 years

The costs of upgrading, expanding or enhancing tangible fixed assets, when this does not involve increased capacity or productivity or an extension of their useful life, are charged to results of the year in which they are incurred.

Likewise, the enhancements of tangible fixed asset items that represent increased capacity or efficiency, or an extension of their useful life, are included in the acquisition cost.

The fixed asset revaluation carried out in 1996 was calculated by applying certain rates, depending on the year of purchase and amortization of the items, to the acquisition values or production cost and to the corresponding annual amortization provisions that were considered as a deductible expense for tax purposes, in accordance with the rule that regulates these revaluation operations. The resulting net revaluation was reduced by 40% for purposes of considering the financing circumstances of the items, as established by this rule.

Valuation adjustments for depreciation correspond to the estimated amounts of reversible losses of the tangible fixed assets at year's end.

4.3. Financial Instruments

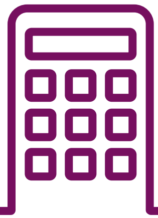
4.3.1. Criteria of Classification and Valuation of the Different Financial Instruments

Financial instruments are classified at the time of their initial recording as a financial asset, a financial liability or a financial investment, in accordance with the economic essence of the contractual agreement and with the definitions of financial asset, financial liability and financial investment.

The Company classifies the financial instruments in the different categories in keeping with the characteristics and the intentions of the Management at the time of their initial recognition.

A financial asset and a financial liability are subject to compensation only when the Company has the right to demand compensation for the recorded amounts and intends to liquidate the net amount or simultaneously realize the asset and cancel the liability.

Based on their valuation criteria, financial instruments are classified in the following categories:



Financial Assets

Loans and Accounts Receivable

These correspond to loans for trade and non-trade operations, provided the latter are not considered as financial derivatives and cannot be traded on an active market. This group includes the balance sheet items relative to trade debtors and other accounts receivable (including balances in favor of the Company with personnel), group company accounts and other long-term (deposits and guarantees) and short-term financial assets.

These assets are initially recorded at their fair value, including the transaction costs incurred, and they are subsequently appraised at the amortized cost by using the effective interest rate method.

At year's end, the Company makes the appropriate value adjustment in its financial assets when a decrease in the fair value of realization of these assets becomes evident. Specifically, the Company records a depreciation in value in the trade debtor accounts and other accounts receivable when there is objective evidence that it will not be able to collect all the amounts it is owed, in accordance with the original terms of those accounts.

The depreciation loss is recorded and charged to results and is reversible in subsequent years if the decrease can be objectively related to an event following its recognition.

Available-for-Sale Financial Assets

These correspond to financial investments in companies that are not considered as group, multi-group or associated companies and which the Company does not plan to dispose of in the short term.

The available-for-sale financial assets are initially recorded at the fair value plus the transaction costs directly attributable to the purchase.

After the initial recognition, if the fair value of the financial assets classified in this category cannot be reliably determined, they are appraised at cost minus, if any, the accrued amount of the valuation adjustments for depreciation of the item in question. The dividends are recorded in results according to the criteria provided in section 4.3.3.

Value depreciation losses that correspond to financial investments are not reversible. Subsequent increases in the fair value, once the depreciation loss has been recognized, are recorded in net worth.

Investments in Group, Multi-Group and Associated Company Equity

Group companies are considered to be those over which the Company directly, or indirectly through subsidiaries, exercises control, as provided in art. 42 of Code of Commerce, or companies that are controlled through any means by one or more natural persons or legal entities that act jointly or report to a single Management based on statutory clauses or agreements.

Control is the power to direct a company's financial and operating policies for the purpose of earning profits from its businesses, considering as such any potential voting rights held by the Company or third parties that are exercisable or convertible at the end of the accounting year. The Company considers that it has control when ENUSA's direct or indirect share in the capital of the company in question exceeds 50% and it has majority voting rights.

Associated companies are considered to be those on which the Company directly, or indirectly through subsidiaries, exerts significant influence. Significant influence is the power to intervene in the decisions concerning a company's financial and operating policies, without entailing the existence of control or joint control over that company. The assessment of the existence of significant influence considers the potential voting rights exercisable or convertible at the end of each fiscal year, and also considers the potential voting rights held by the Company or by another company. The Company considers that it exerts significant influence when the share that ENUSA holds in the capital of the company in question is greater than 20% but less than 50%.

Multi-group companies are considered to be those that are jointly managed by the Company or one or more of the group companies, including the dominant entities or natural persons, and one or more third parties outside the group.

The investments in group, associated and multi-group companies are initially recorded at cost, which is equal to the fair value of the compensation paid. In the case of investments in associated and multi-group companies, the transaction costs incurred are also included and they are appraised at cost, minus the accrued amount of the valuation adjustments for depreciation. The investments in group companies acquired before 1 January 2010 include the incurred transaction costs in the acquisition cost.

The depreciation is calculated as the result of comparing the investment book value to its recoverable value, understood as the value in use or fair value, whichever is greater, minus the sale costs. In this respect, the value in use is calculated on the basis of the Company's share in the current value of the estimated cash flows from ordinary activities and from final disposal, or of the estimated flows that are expected to be received from the distribution of dividends and final disposal of the investment.

Nevertheless, in certain cases and unless there is better evidence of the recoverable amount of the investment, the estimation of the depreciation of this class of assets takes into consideration the net worth of the invested company, adjusting it, if appropriate, to the generally accepted accounting principles and rules in Spanish legislation that are applicable and corrected by the net tacit capital gains existing on the date of valuation.

In subsequent years, the reversions of the value depreciation are recorded, if there is an increase in the recoverable value, with the book value limit that the investment would have if the value depreciation had not been recognized

The valuation adjustment for value depreciation of the investment is limited to the value thereof, except in those cases in which the Company has assumed contractual, legal or implicit obligations, or else has made payments on behalf of the companies. In the latter case, a provision is recorded in accordance with the criteria provided in section 4.10.

The valuation adjustments for depreciation and their reversion, if any, are recorded as expenditure or income, respectively, in the profit and loss account.

Financial liabilities

Debts and Accounts Payable

These correspond to debts from trade and non-trade operations, provided the latter are not considered as financial derivatives. Specifically, this section includes all the balance sheet items relative to trade creditors and other accounts payable (including outstanding remunerations to personnel and advances received from customers, the latter with short-term maturity), long- and short-term bank loans, and other unpaid long-term and short-term debts.

They are initially recorded by their fair value, minus transaction costs, if any, that are directly attributable to their issue. After the initial recognition, the liabilities classified under this category are appraised at amortized cost by using the effective interest rate method.

4.3.2. Criteria Used to Record the Write-Off of Financial Instruments

Financial assets are written off the books when the rights to receive cash flows related to them have expired or have been transferred and the Company has substantially transferred the risks and benefits derived from their ownership.

The Company writes off a financial liability or part of it when it has fulfilled the obligation contained in the liability or else it is legally exempted from the fundamental responsibility contained in the liability, whether by virtue of legal proceedings or by the creditor.

4.3.3. Interest and dividends

Interest income and expenditure are recorded by applying the effective interest rate method. On the other hand, the dividends from financial investments are recorded when the Company obtains the rights to receive them. If the distributed dividends come unequivocally from results generated prior to the date of acquisition because amounts greater than the profits yielded by the invested company since the acquisition have been distributed, they decrease the book value of the investment.

4.4. Hedge accounting

The Company uses financial derivatives as part of its strategy to reduce its exposure to exchange rate and interest rate risks.

The hedging operations carried out by the Company are classified as cash flow hedges and they cover the exposure to the variation in future cash flows attributed to:

- Risks in relation to exchange rates, in purchases or supplies and in sales made in foreign currencies, by foreign currency purchase/sales operations on credit, thereby fixing a known exchange rate on a specific date (which furthermore may be restated later for exact adaptation and application to the cash flows of the hedged item).

- Interest rate risks, by contracting financial swaps that allow the Company to convert part of the financing costs referenced at a variable rate into a fixed rate.

The derivative financial instruments that meet the hedge accounting criteria are initially recorded at their fair value, plus the transaction costs, if any, that are directly attributable to the contracting thereof, or minus the transaction costs, if any, that are directly attributable to the issue thereof. However, the transaction costs are subsequently recorded in results if they do not form part of the effective variation of the hedge.

At the beginning of the hedge, the Company formally designates and documents the hedge ratios, as well as the goal and strategy it plans with respect thereto.

Entering the hedge operations in the books is only useful when it is expected that the hedge will be highly effective at the beginning of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

The part of the gain or loss of the derivative financial instrument that has been determined as effective hedging is temporarily recorded in net worth, using as balancing entry the corresponding asset account (financial investments) or liability account (financial debt) and charging it to the profit and loss account in the fiscal year or years in which the planned hedge operation affects the results.

The Company prospectively discontinues the accounting of fair value hedges in the cases in which the derivative financial instrument expires or is sold, resolved or exercised, the hedge no longer meets the conditions for hedge accounting, or the Company revokes the designation. The successive renewal or replacement of a derivative financial instrument with another is not an expiration or resolution, whenever it forms part of the documented hedging strategy. In these cases, the amount accrued in net worth is not recorded in results until the planned transaction takes place. Notwithstanding the above, the amounts accrued in net worth are reclassified to the item for fair value variation in financial instruments of the profit and loss account at the time when the Company no longer expects that the planned transaction will take place.

4.5. Inventories

Inventories are initially appraised by the acquisition or production cost.

The acquisition cost includes the amount billed by the vendor after deducting any discount or other similar items, and also the interest charged at the nominal debt rate, and adding the additional costs incurred until the goods are placed for sale and any others directly attributable to the acquisition, as well as the financing costs according to the following provisions and the indirect, non-recoverable Public Treasury taxes.

The Company includes in the cost of the supply management inventories, which require more than one year to be in a condition to sell, the financing costs related to the specific or generic financing directly attributable to their acquisition.

If the financing has been specifically obtained, the amount of the interest to be capitalized is determined on the basis of the accrued financing costs. The amount of the interest to be capitalized for generic, non-commercial financing is determined by applying an average weighted interest rate to the current investment, deducting the specifically financed part and the part financed with total equity, with the limit of the accrued financing costs in the profit and loss account.

The production cost of inventories includes the acquisition price of the raw materials and other consumables, and the costs directly related to the produced units and a systematically calculated part of the variable or fixed indirect costs incurred during the transformation process. The fixed indirect costs are distributed on the basis of the normal production capacity or actual production, whichever is lower.

Specifically, the costs of the main headings are determined as follows:

- Raw and auxiliary materials corresponding to the supply management stock: include the material acquisition price and the financial burden associated with financing them, as determined in the uranium supply contract.

- Finished products and products in progress: include the cost of materials and assemblies that are incorporable into their acquisition cost, plus direct and indirect personnel costs based on the number of hours charged, plus the amortization of productive items and other manufacturing process costs.

Advances to suppliers, delivered on account of purchase orders, are appraised by the nominal amount or by the equivalent value in Euros, as appropriate, in view of the scant financial effect.

The cost of raw materials and other supplies, the cost of commodities and the cost of transformation are allocated to the different units in inventories by applying the average weighted price method (for the stock of raw materials) or FIFO (for the remainder of the stocks).

Part of the inventories, and fundamentally some of the supply management inventories, have a turnover of more than 12 months. However, the Company has been keeping all of its inventories in Current Assets, in keeping with their productive cycle.

The cost price of inventories is subject to valuation adjustments in those cases in which their cost exceeds their net realizable value. For these purposes, net realizable value is understood to be:

- For raw materials and other supplies, their replenishment price. The Company does not recognize the valuation adjustment in those cases in which it expects that the finished products into which the raw materials and other supplies are incorporated are going to be disposed of for a value greater than or equal to their production cost.

- For commodities and finished products, their estimated sales price, minus the necessary sale costs.

- For products in progress, the estimated sales price of the corresponding finished products, minus the estimated costs required to complete their production and the sales-related costs.

The previously recorded valuation adjustment reverts against results, if the circumstances that caused the diminished value no longer exist or when there is clear evidence of an increase in the net realizable value as a result of a change in the economic circumstances. The limit of the reversion of the valuation adjustment is lower of the cost and the new net realizable value of the inventories.

4.6. Cash and Cash Equivalents

This heading includes cash in hand, current bank accounts and temporary deposits and acquisitions of assets that meet all the following requirements:

- They are convertible into cash.
- Their maturity was not more than three months at the time of acquisition.
- They are not subject to a significant change of value risk.
- They form part of the normal treasury management policy of the Company.

For purposes of the cash flow statement, the occasional overdrafts resulting from the Company's cash flow management are included as less cash and cash equivalents.

This heading does not include the so-called "Inter-SEPI" investments (see note 20).

4.7. Transactions in foreign currency

The foreign currency transactions undertaken by the Company mostly correspond to capital resources defined as monetary items. These are initially appraised at the exchange rate on the date on which the transactions are made. The balance sheet balances corresponding to these items are adjusted at year's end on the basis of the current exchange on that date.

Both the foreign currency exchange profits and losses originating in this process, as well as those resulting from liquidation of these capital resources, will be recorded in the profit and loss account of the year in which they occur.

4.8. Income Tax

The year's income tax expense is calculated with the sum of the current tax, which results from applying the corresponding tax rate to the year's taxable income minus the existing deductions and allowances, and the variations occurring during that year in the recorded deferred tax assets and liabilities. It is recorded in the profit and loss account, except when it corresponds to transactions that are directly recorded in the net worth, in which case the corresponding tax is also recorded in net worth.

Deferred taxes are recorded for the temporary differences existing on the balance sheet date between the tax base of the assets and liabilities and their book values. The tax base of a capital resource is considered to be the amount attributed to it for tax purposes.

The tax effect of the temporary differences is included in the corresponding balance sheet headings "Deferred Tax Assets" and "Deferred Tax Liabilities".

The Company records a deferred tax liability for all the taxable temporary differences, subject to the exceptions, if any, provided in current legislation.

The Company records deferred tax assets for all the deductible temporary differences, unused tax credits and negative taxable bases still to be compensated, if it is likely that the Company is going to obtain future tax gains that enable the application of these assets, subject to the exceptions, if any, provided in current legislation.

On each year's closure date, the Company reviews the recorded deferred tax assets and those that have not been previously recognized. Based on this review, the Company proceeds to write off a previously recorded asset if its recovery is no longer likely, or it proceeds to record any previously unrecognized deferred tax asset, provided it is likely that the Company is going to obtain future tax gains that enable its application.

Deferred tax assets and liabilities are appraised at the tax rates expected at the time of their reversion, according to current legislation and in accordance with the way in which it is rationally expected that the deferred tax asset or liability will be recovered or paid.

Deferred tax assets and liabilities are not deducted and they are classified as non-current assets and liabilities, regardless of the expected date of realization or liquidation.

The Company pays tax in a consolidated tax return as part of consolidated group 9/86, where the *Sociedad Estatal de Participaciones Industriales* (SEPI) is the parent enterprise.

If any, the negative taxable bases and tax deductions and allowances contributed to the consolidated group generate a debit in the Company's favor when the consolidated group offsets or deducts them.

Debtor or creditor balances generated with SEPI as a result of the tax consolidation regime are recorded in the credit or debit accounts with group companies, as the case may be.

4.9. Income from Sales of Goods and Services Rendered

Income from the sale of goods or services is recorded at the fair value of the compensation received or to be received from them. Discounts for upfront payment, volume or others are recorded as a reduction thereof.

Sales income

Income from the sale of goods is recorded when the Company:

- has transferred to the buyer the significant risks and benefits inherent in ownership of the goods;
- is no longer involved in the current management of the sold goods to the degree usually associated with ownership, nor does it retain effective control over them;
- The amount of the income and the costs incurred or to be incurred can be reliably appraised;
- It is probable that the financial profits associated with the sale will be received.

Provision of Services

Income earned from services rendered is recorded at the time the service is provided. If the service has still not been provided on the closure date, the amount of the costs incurred up to the date of book closure is recorded as current inventories (work in progress), as is the provision for value depreciation, if any, if the costs incurred up to the date of book closure are greater than the expected amount of income.

In the case of service provisions whose end result cannot be reliably estimated, the income is only recognized up to the limit of the recorded expenses that are recoverable.

4.10. Provisions and Contingencies

LProvisions are recognized when the Company has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that resources incorporating future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made.

The amounts recorded in the balance sheet correspond to the best estimate on the closure date of the disbursements required to cancel the current obligation, once the risks and uncertainties related to the provision and, when significant, the financial effect caused by the discount have been considered, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before taxes, considering the temporary monetary value, as well as the specific risks that have not been considered in the future flows related to the provision.

The financial effect of the provisions is recorded as financing costs in the profit and loss account.

Provisions revert against results when it is not likely that resources will be used to cancel such obligation.

Restructuring provisions

The provisions related to restructuring processes are recorded at the time that a formal detailed plan exists and there are valid expectations among the affected personnel that a rescission of the labor relation will occur, either because execution of the plan has begun or else because its main features have been announced.

The restructuring provisions only include the disbursements directly related to the restructuring that are not associated with the Company's going concerns.

Dismantling, reclamation and similar provisions

The provisions referred to in this section are recorded in keeping with the general criteria for recognizing provisions, and they are recorded as the greater cost price of the tangible fixed asset items to which they are related when they arise from the acquisition or construction thereof, provided the asset on which they are recorded has not reached the end of its useful life (see section 4.2.).

Variations in the provision stemming from changes in the amount or in the time structure of disbursements increase or decrease the cost price of the fixed assets, with the limit of their book value, and the excess is recorded in the profit and loss account.

Changes in the amount of the provision that become apparent at the end of the useful life of the fixed asset are recorded in the profit and loss account as they occur.

The Company has been making the necessary provisions to cover the costs of reclaiming the natural space around mining operations, in accordance with the provisions of Royal Decree 2994/1982 of October 15, as well as to cover the costs of cessation of business and closure of the industrial installations in Juzbado and mining installations in Saelices el Chico.

The provisions for mining installation reclamation include the estimate of the income from ENRESA for its contribution to these reclamation projects, according to the agreements reached between the parties.

Also included are other provisions to meet probable or certain liabilities originating in risks and expenses stemming from execution of the activity, and which are certain or likely to occur but are indeterminate in terms of their exact amount or the date on which they will occur.

4.11. Capital Resources of an Environmental Nature

The Company undertakes operations whose main purpose is to prevent, reduce or repair any damages to the environment that may result from its activities. These activities currently focus on the reclamation and closure of the Saelices mining installations and the future costs of dismantling the Juzbado fuel assembly factory.

The costs resulting from environmental activities are recorded as "Other operating expenses" under the item "environmental expenses" in the year they are incurred.

Those items that are likely to be incorporated into the Company's equity for use in its business on a long-lasting basis and whose primary purpose is to minimize the environmental impact and protect and improve the environment, including the reduction or elimination of future contamination by Company operations, are entered as tangible fixed assets, in keeping with the valuation rules indicated in note 4.2 of this annual report.

The Company also sets up provisions to pay for environmental activities. These provisions are established on the basis of the best estimate of the expenditure required to fulfill the obligation, restating the flow of future payments at year's end. Those compensations to be collected by the Company, if any, in relation to the origin of the environmental obligation are recorded as rights to payment in the balance sheet Assets, provided there are no doubts that this reimbursement will be received, without exceeding the amount of the recorded obligation.

4.12. Personnel Costs

The Company records the contributions to be made to the established remuneration plans as the employees render their services. The amount of accrued contributions is recorded as an employee remuneration expense and as a liability once any amount already paid is deducted. In the event that the paid amounts exceed the accrued expense, the corresponding assets are only recorded if they can be applied to reductions of future payments or give rise to a reimbursement in cash.

In accordance with the current labor legislation, the Company is required to pay compensations to those employees with whom, under certain conditions, it rescinds their labor relations. The compensations for dismissal susceptible to reasonable quantification are recorded as an expense of the year in which there is a valid expectation created by the Company towards the affected third parties.

The Company records the expected cost of short-term remunerations in the form of paid leaves, the rights to which are accrued by the employees as they provide the services that entitle them to such leaves. In addition, the Company records the expected cost of variable remunerations for workers when there is a current, legal or implicit obligation resulting from past events and the value of the obligation can be reliably estimated.

4.13. Subsidies

Subsidies, donations and legacies are entered as income and expenditure in net worth when the official grant, if necessary, is obtained and the conditions for granting them have been met, and there are no reasonable doubts about the reception thereof.

Subsidies received to finance specific expenses are charged to results in the year in which they are granted, as these correspond to costs incurred in the same year.

4.14. Business Mergers

The operations of merger, spin-off and non-monetary contribution of a business between group companies are recorded as established for the transactions between related parties.

4.15. Business Mergers

Joint ventures are considered to be those in which there is a statutory or contractual agreement to share control over an economic activity, such that both financial and operating strategic decisions concerning the activity require the unanimous consent of the Company and the rest of the partners.

For jointly controlled operations and assets, the Company records in the annual accounts the assets that are under its control, the liabilities it has incurred and the proportional part based on its percent share in the jointly controlled assets and jointly incurred liabilities, as well as the portion of income earned from the sale of goods or provision of services and the costs incurred by the joint venture. Likewise, the statement of changes in equity and the statement of cash flows also include the proportional part that pertains to the Company by virtue of the agreements reached.

The Company undertakes certain projects on a joint basis with other companies by setting up Temporary Joint Ventures (UTEs). The information on these UTEs is provided in note 17.

4.16. Operations with Group Companies

Transactions between group companies are recognized by the fair value of the compensation made or received. The difference between this value and the agreed amount is recorded in accordance with the underlying financial asset.

4.17. Non-Current Assets Held for Sale

The heading "Non-Current Assets Held for Sale" of the balance sheet includes the assets whose book value is going to be essentially recovered through a sales transaction instead of by continued use. To classify non-current assets or disposable groups of items as held for sale, they must be available, in their current condition, for immediate disposal, subject exclusively to the usual and regular terms of a sales transaction, and write-off of the asset must also be considered as highly probable.

Non-current assets or disposable groups of items classified as held for sale are not amortized, and they are appraised by the lower of their book value and fair value, minus the sale costs.

There is no liability associated with "Non-Current Assets Held for Sale.

4.18. Leases

The Company has been granted the right to use certain assets under leasing contracts.

Leasing contracts that, at the beginning thereof, substantially transfer to the Company all the risks and benefits inherent in ownership of the assets are classified as financial leases, and they are otherwise classified as operating leases.

Fees stemming from operating leases, net of the incentives received, are linearly recorded as an expense during the term of the lease, except when another systematic basis for distribution is more representative because it more adequately reflects the timeframe of the lease profits.

4.19. Classification of Assets and Liabilities in Current and Non-Current

The Company presents the balance sheet with assets and liabilities classified as current and non-current. To this end, current assets and liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realized or they are intended to be sold or consumed in the course of the Company's normal operating cycle, they are held primarily for trading purposes, they are expected to be realized within a period of twelve months following the closure date, or the assets are cash or cash equivalents, except in those cases in which they cannot be exchanged or used to cancel a liability, at least during the twelve months following the closure date.

- Liabilities are classified as current when they are expected to be liquidated in the course of the Company's normal operating cycle, they are held primarily for trading purposes, they must be liquidated within a period of twelve months following the closure date, or the Company does not have the unconditional right to defer cancellation of the liabilities during the twelve months following the closure date.

- Financial liabilities are classified as current when they should be liquidated within the twelve months following the closure date, even though the original term is a period greater than twelve months, and there is a long-term payment refinancing or restructuring agreement that has concluded after the closure date and before the annual accounts are prepared.

5 TANGIBLE FIXED ASSETS

The analysis and breakdown of the balance sheet items included in this heading in 2015 and 2014 are as follows:

Fiscal Yea 2015					
Item	Balance at 31.12.2014	Inflows	Outflows	Transfers	Balance at 31.12.2015
COST					
Property & natural assets	3,209	-	-	-	3,209
Constructions	62,726	82	-	-	62,808
Technical installations, machinery and tools	62,157	979	(211)	1,446	64,371
Other installations	20,355	306	-	270	20,931
Data processing equipment & furniture	8,273	142	(12)	(1)	8,402
Other tangible fixed assets	12,088	206	(78)	10	12,226
Advances & fixed assets under construction	3,132	3,707	-	(1,725)	5,114
TOTAL	171,940	5,422	(301)	-	177,061
AMORTIZATIONS					
Constructions	(46,037)	(1,338)	-	-	(47,375)
Technical installations, machinery and tools	(54,949)	(1,294)	197	-	(56,046)
Other installations	(15,393)	(908)		-	(16,301)
Data processing equipment & furniture	(7,517)	(281)	12	-	(7,786)
Other tangible fixed assets	(8,094)	(996)	78	-	(9,012)
TOTAL	(131,990)	(4,817)	287	-	(136,520)
VALUATION CORRECTIONS FOR DEPRECIATION					
Property & constructions	(982)	-	-	-	(982)
Tech. installations & other tangible FA	(226)	-	-	-	(226)
TOTAL	(1,208)	-	-	-	(1,208)
TANGIBLE FIXED ASSETS	38,742	605	(14)	-	39,333

Fiscal Year 2014					
Item	Balance at 31/12/2013	Inflows	Outflows	Transfers	Balance at 31/12/2014
COST					
Property & natural assets	3,209	-	-	-	3,209
Constructions	61,896	143	-	687	62,726
Technical installations, machinery and tools	60,193	1,198	(173)	939	62,157
Other installations	18,632	372	(17)	1,368	20,355
Data processing equipment & furniture	9,136	359	(1.276)	54	8,273
Other tangible fixed assets	12,080	150	(173)	31	12,088
Advances & fixed assets under construction	3,984	2,230	(3)	(3,079)	3,132
TOTAL	**169,130**	**4,452**	**(1,642)**	**-**	**171,940**
AMORTIZATIONS					
Constructions	(44,698)	(1,339)	-	-	(46,037)
Technical installations, machinery and tools	(53,992)	(1,130)	173	-	(54,949)
Other installations	(14,603)	(794)	4		(15,393)
Data processing equipment & furniture	(8,493)	(299)	1,275		(7,517)
Other tangible fixed assets	(7,231)	(1,030)	167		(8,094)
TOTAL	**(129,017)**	**(4,592)**	**1,619**	**-**	**(131,990)**
VALUATION CORRECTIONS FOR DEPRECIATION					
Property & constructions	(848)	(134)			(982)
Tech. installations & other tangible FA	-	(226)	-	-	(226)
TOTAL	**(848)**	**(360)**	**-**	**-**	**(1,208)**
TANGIBLE FIXED ASSETS	**39,265**	**(500)**	**(23)**	**-**	**38,742**

There have been no changes in the estimate of loss of value of the biogas electrical energy generation plant (allocation of 360 thousand Euros in the fiscal year 2014).

The most relevant investments made by the Company in fiscal year 2015, amounting to 5,152 thousand Euros, were the acquisition of a ventilation and air conditioning/heating system of the Juzbado factory, as well as the purchase of traveler containers for refuelings at PWR plants.

The most relevant investments made in fiscal year 2014, amounting to 3,838 thousand Euros, corresponded to the acquisition of new computer and safety and protection equipment, specifically in the Juzbado factory facilities, improvements to production and laboratory equipment, as well as expansion and security of the Gadolinium area.

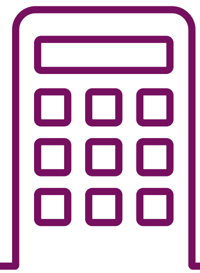
The book transactions for asset item revaluation, carried out by virtue of RDL 7/1996 in 2015 and 2014, have been as follows:

Item	Thousands of Euros						
	Balance at 31.12.2013	Inflows	Outflows	Balance at 31.12.2014	Inflows	Outflows	Balance at 31.12.2015
COST							
Property and constructions	6,120	-	-	6,120	-	-	6,120
Technical installations and other tangible FA	909	-	-	909	-	(17)	892
TOTAL	**7,029**	**-**	**-**	**7,029**	**-**	**(17)**	**7,012**
AMORTIZATIONS							
Property and constructions	(4,421)	(245)	-	(4,666)	(245)	-	(4,911)
Technical installations and other tangible FA	(909)	-	-	(909)	-	17	(892)
TOTAL	**(5,330)**	**(245)**	**-**	**(5,575)**	**(245)**	**17**	**(5,803)**
TANGIBLE FIXED ASSETS	**1,699**	**(245)**	**-**	**1,454**	**(245)**	**-**	**1,209**

The amortizations planned for fiscal year 2016 from the 1996 revaluation of the different asset items will amount to approximately 245 thousand Euros.

The non-operating tangible fixed assets at 31 December 2015 and 2014 correspond to land at the Saelices Work Center adjacent to the mining operations, whose net book value at 31 December 2015 and 2014, once the 848 thousand Euro depreciation valuation adjustment is considered, amounts to 1,932 thousand Euros.

The assets formerly acquired by the Company from SHS Cerámicas, S.A., recorded under the heading “Non-current assets held for sale”, are also non-operating. These assets (Properties and constructions) are appraised, at 31 December 2015 and 2014, at a cost of 1,354 thousand Euros, an accrued amortization of 199 thousand Euros and a depreciation of 684 thousand Euros.



The amount of the assets in use of the tangible fixed assets amortized in full at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Constructions	20,460	20,370
Technical installations, machinery and tools	50,280	49,994
Other installations	12,712	12,587
Data processing equipment and furniture	6,966	6,508
Other tangible fixed assets	4,469	1,185
TOTAL	**94,887**	**90,644**

The firm investment commitments that have materialized in purchase orders amount to approximately 4,431 thousand Euros at 31 December 2015 (1,604 thousand Euros at 31 December 2014).

The Company has taken out insurance policies on equity risks with coverage that insures all capital assets and goods in full, as well as any possible claims that may be filed due to the conduct of its business, and the Company considers that these policies sufficiently cover the risks to which they are exposed.

6 INTANGIBLE FIXED ASSETS

The breakdown and activity of this heading in 2015 and 2014 are shown below:

Fiscal year 2015					
Item	Thousands of Euros				
	Balance at 31.12.2014	Inflows	Outflows	Transfers	Balance at 31.12.2015
COST					
Patents, licenses, brands & similar	2,238	-	-	-	2,238
Computer applications	5,146	120	-	15	5,281
Advances & FA in progress	181	10	-	(15)	176
Concession agreements, regulated asset	41,491	110	-	-	41,601
Concession agreements, financial capitalization	3,261	839	-	-	4,100
TOTAL	**52,317**	**1,079**	**-**	**-**	**53,396**
AMORTIZATIONS					
Patents, licenses, brands & similar	(2,238)	-	-	-	(2,238)
Computer applications	(4,808)	(206)	-	-	(5,014)
Concession agreements, regulated asset	(6,053)	(2,090)	-	-	(8,143)
TOTAL	**(13,099)**	**(2,296)**	**-**	**-**	**(15,395)**
INTANGIBLE FIXED ASSETS	**39,218**	**(1,217)**	**-**	**-**	**38,001**

Fiscal Year 2014					
Item	Thousands of Euros				
	Balance at 31/12/2013	Inflow	Outflow	Others	Balance at 31/12/2014
COST					
Patents, licenses, brands & similar	2,238	-	-	-	2,238
Computer applications	4,929	140	77	-	5,146
Advances & FA in progress	183	75	(77)	-	181
Concession agreements, regulated asset	40,068	1,423	-	-	41,491
Concession agreements, financial capitalization	2,229	1,032	-	-	3,261
TOTAL	**49,647**	**2,670**	**-**	**-**	**52,317**
AMORTIZATIONS					
Patents, licenses, brands & similar	(2,238)	-	-	-	(2,238)
Computer applications	(4,587)	(221)	-	-	(4,808)
Concession agreements, regulated asset	(3,969)	(2,083)	-	(1)	(6,053)
TOTAL	**(10,794)**	**(2,304)**	**-**	**(1)**	**(13,099)**
INTANGIBLE FIXED ASSETS	**38,853**	**366**	**-**	**(1)**	**39,218**

The total investment included in the heading "Concession agreement, regulated asset" corresponds to assets of a reversible nature that will be delivered by the UTE RSU to the granting entity at the end of the concession period, in compliance with the provisions of the concession contract. The Company does not expect to incur expenses stemming from the reversion at the end of this period other than those already considered in the Economic-Financial Plan.

The main items of the intangible fixed assets correspond to those related to the concession agreement that comprises the activity of the UTE RSU. Specifically, they correspond to different installations for the treatment and management of the urban solid waste from the 49 municipalities that make up the Consortium for Execution of the Planned Work for the Zonal Waste Plan of Zone 1 (Castellón) and that are geographically located in the northern part of the province of Castellón.

Furthermore, these assets include, at 31 December 2015 and 2014, estimated costs of 1,323 thousand Euros, which correspond to the obligation to seal and subsequently monitor the landfill of the waste treatment plant, and other costs amounting to 1,294 thousand Euros at 31 December 2015 (1,192 thousand Euros at 31 December 2014), which correspond to the future construction of additional disposal cells for the landfill (see note 13). These amounts are included under the heading "Concession agreement, regulated asset".

The amount of the financing costs incurred in the construction period and capitalized, at 31 December 2015 and 2014, as an increased value of the fixed asset is 981 thousand Euros, and they are included under the heading "Concession agreement, regulated asset".

Additionally, part of the financing costs incurred in the fiscal year have been capitalized, after the operating period had begun, under the heading "Concession agreement, financial capitalization", in the amount of 839 thousand Euros (1,032 thousand Euros in 2014).

The most significant inflow in the fiscal year 2015 in the Intangible Fixed Assets (Concession agreements, regulated asset) correspond to those derived from the allocation to the provision for the construction of cells of the landfill, in the amount of 102 thousand Euros (see note 13).

All the figures related to the Intangible Fixed Assets corresponding to Concession agreements and indicated in the above paragraphs are shown by the amount incorporated into ENUSA's accounts, in accordance with its percent share in the UTE RSU.

The amount of the assets in use of the intangible fixed assets amortized in full at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Patents, licenses, brands & similar	2,238	2,238
Computer applications	4,623	4,544
TOTAL	**6,861**	**6,782**

7 LEASING AND OTHER SIMILAR OPERATIONS

7.1. Operating leases

During 2015, the Company has had assets subject to operating lease arrangements, accruing an expense during the year of 317 thousand Euros for this item (216 thousand Euros in 2014).

There are no minimum future payments expected for non-cancelable operating leases, as all the leases are considered as annually cancelable.

8 FINANCIAL INSTRUMENTS

8.1. Information on the Relevance of Financial Instruments to the Company's Financial Position and Results

8.1.1. Balance sheet-related information

a) Categories of financial assets and liabilities.

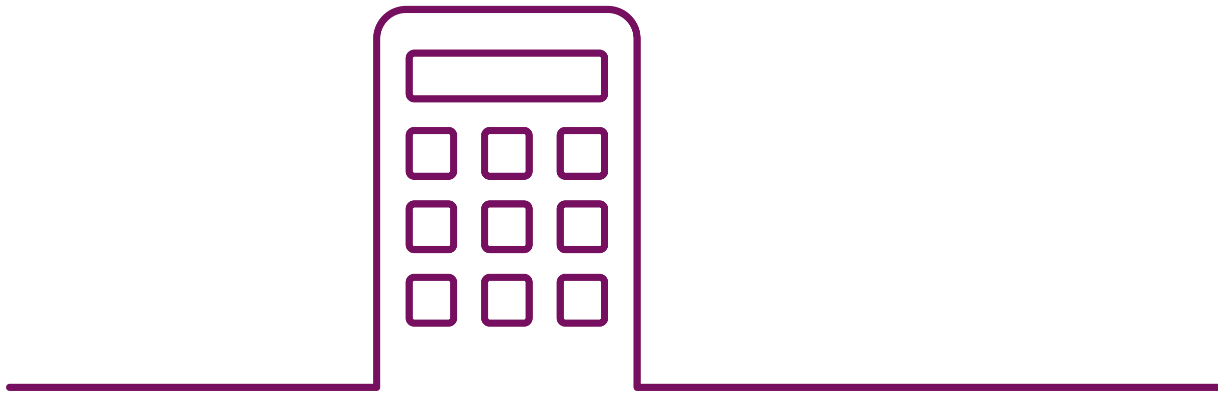
The book value of the Company's various financial assets and liabilities at 31 December 2015 and 2014, based on their qualification, is as follows:

a.1) Financial assets (except for investments in group, multi-group and associated company equity):

Categories of financial assets	Thousands of Euros										TOTAL	
	Classes of financial assets											
	Long-term financial assets						Short-term financial assets					
	Equity Instruments		Credits, Derivatives & Others		Total Long-Term		Credits, Derivatives & Others		Total Short-Term			
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash & cash equivalents	-	-	-	-	-	-	3,440	3,410	3,440	3,410	3,440	3,410
Loans & accounts receivable	-	-	3,293	3,938	3,293	3,938	64,493	43,915	64,493	43,915	67,786	47,853
Available-for-sale assets - Appraised at cost	264	264	-	-	264	264	-	-	-	-	264	264
Hedge derivatives	-	-	1,765	1,608	1,765	1,608	5,074	8,014	5,074	8,014	6,839	9,622
TOTAL	264	264	5,058	5,546	5,322	5,810	73,007	55,339	73,007	55,339	78,329	61,149

a.2) Financial liabilities:

Categories of financial liabilities	Thousands of Euros												TOTAL	
	Classes of financial liabilities													
	Long-term financial liabilities						Short-term financial liabilities							
	Bank loans		Trade Creditors, Derivatives & Others		Total Long-Term		Bank loans		Trade Creditors, Derivatives & Others		Total Short-Term			
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Debits and accounts payable	172,896	193,692	784	876	173,680	194,568	92,446	36,160	60,996	77,214	153,442	113,374	327,122	307,942
Hedge derivatives	-	-	5,476	6,308	5,476	6,308	-	-	902	834	902	834	6,378	7,142
TOTAL	172,896	193,692	6,260	7,184	179,156	200,876	92,446	36,160	61,898	78,048	154,344	114,208	333,500	315,084



b) Classification by maturities

The breakdown by maturity date of the financial assets and liabilities with a determined or determinable maturity at 31 December 2015 and 2014, is as follows (not including financial investments in companies of the group, multi-group and associates):

Fiscal Year 2015

Financial Assets	Thousands of Euros						
	Short-Term	Long-Term					
	2016	2017	2018	2019	2020	Rest	Total Long-Term
Financial investments (*)	-	-	-	-	-	264	**264**
Group Company accounts	44,012	-	-	-	-	-	-
Other investments in Group companies	-	-	-	-	-	-	-
Derivatives	5,074	1,421	344	-	-	-	**1,765**
Other credits to third parties	1,065	1,048	-	-	-	-	**1,048**
Other financial assets	-	-	-	-	-	2,245	**2,245**
Trade debtors and other accounts receivable	19,416	-	-	-	-	-	-
Cash & cash equivalents	3,440	-	-	-	-	-	-
TOTAL	**73,007**	**2,469**	**344**	**-**	**-**	**2,509**	**5,322**

(*) Without specific maturity

Financial Liabilities	Thousands of Euros						
	Short-Term	Long-Term					
	2016	2017	2018	2019	2020	Rest	Total Long-Term
Bank loans	92,446	1,183	41,260	111,474	1,633	17,346	**172,896**
Derivatives	902	38	553	438		4,447	**5,476**
Other financial liabilities	2,529	94	103	112	122	353	**784**
Trade creditors and other accounts payable	58,467	-	-	-	-	-	-
TOTAL	**154,344**	**1,315**	**41,916**	**112,024**	**1,755**	**22,146**	**179,156**

Fiscal Year 2014							
Financial Assets	Thousands of Euros						
	Short-Term	Long-Term					
	2015	2016	2017	2018	2019	Rest	Total Long-Term
Financial investments (*)	-	-	-	-	-	264	**264**
Group Company accounts	27,009	-	-	-	-	-	-
Other investments in Group companies	-	-	-	-	-	-	-
Derivatives	8,014	845	618	145	-	-	**1,608**
Other credits to third parties	2,305	574	1,037	-	-	-	**1,611**
Other financial assets	47	-	-	-	-	2,327	**2,327**
Trade debtors and other accounts receivable	14,554	-	-	-	-	-	-
Cash & cash equivalents	3,410	-	-	-	-	-	-
TOTAL	**55,339**	**1,419**	**1,655**	**145**	**-**	**2,591**	**5,810**

(*) Without specific maturity

Financial Liabilities	Thousands of Euros						
	Short-Term	Long-Term					
	2015	2016	2017	2018	2019	Rest	Total Long-Term
Bank loans	36,160	20,906	1,071	41,261	111,474	18,980	**193,692**
Derivatives	834	-	-	592	470	5,246	**6,308**
Other financial liabilities	2,640	89	99	108	417	163	**876**
Trade creditors and other accounts payable	74,574	-	-	-	-	-	-
TOTAL	**114,208**	**20,995**	**1,170**	**41,961**	**112,361**	**24,389**	**200,876**

The amount of long-term bank loans corresponds to loans made to the Company by various banks for the purpose of financing the supply management, which includes the supply stocks.

In addition, the amount corresponding to the financing related to the execution of works and service management has been incorporated, which corresponds to the “Project for urban solid waste management for the Zonal Waste Plan of Zone 1 of Castellón”, managed by the UTE RSU. During 2010, in order to finance the project, the UTE RSU formalized with two banks a financing contract through the Project-Finance modality. Its maximum limit is 33,000 thousand Euros and the balance available at 31 December 2015 (incorporated into ENUSA accounts at its percent share in the UTE RSU) is 23,953 thousand Euros. The clauses of this financing agreement include the requirement that the borrower comply with certain financial ratios as of the beginning of the project exploitation period (2012). These ratios were being met at the end of this year and the previous year and no failure to comply with them is expected in the new twelve months.

The current interest rates are market interest rates.

c) Value depreciation adjustments

The analysis of the transactions of the representative adjustment accounts for the depreciation losses originating in the credit risk (mainly of customers and sundry debtors) for 2015 and 2014 is as follows:

	Thousands of Euros
Balance on 1 January 2014	**4,567**
Provisions	-
Reversions	(7)
Balance on 31 December 2014	**4,560**
Provisions	3,154
Reversions and applications	(3,008)
Balance on 31 December 2015	**4,706**

The total provision made in the fiscal year in the amount of 3,154 thousand Euros comes from the amount allocated in the UTE RSU (integrated in ENUSA at its investment percentage therein), corresponding to the estimate of the possible non-payment of part of the invoices issued (related to adjustments in the payment to receive for the management of the services, according to the financial conditions borne by the UTE RSU).

The reversion registered in the fiscal year, amounting to 2,719 thousand Euros (7 thousand Euros in 2014) is consequence, basically, of the rulings in favor of the Company, related to monetary claims it made against third parties, issued in the fiscal year 2015, included in firm sentences, and of which there is evidence that the debtor (a city hall) has requested the corresponding financing from the Local Entities Financial Fund, in the section that covers cases such as those described.

8.1.2. Miscellaneous Information

a) Hedge Accounting

At 31 December 2015 and 2014, the Company had declared the following hedge derivative operations:

- Interest rate swap operations, designated as derivative financial instrument for the interest rate risk existing on financial liabilities at amortized cost (long-term bank loans).

- Foreign currency purchase/sale operations with various entities, designated as derivative financial instrument for the exchange rate risk existing on highly probable planned transactions (payments to trade creditors).

- Foreign currency purchase/sale operations with various entities, designated as derivative financial instrument for the exchange rate risk existing on highly probable planned transactions (payments by trade debtors).

All the operations meet the requirements contained in the reporting and valuation rule relative to hedge accounting, as each operation is individually documented for its designation as such and they are shown to be highly effective at both the prospective level, verifying that the expected changes in the cash flows of the hedged item that are attributable to the hedged risk will be almost completely offset by the expected changes in the cash flows of the derivative financial instrument, and at the retrospective level, on verifying that the hedge results have fluctuated within a range of variation of eighty to one hundred twenty-five percent with respect to the result of the hedged item.

The fair and notional values of the derivatives designated as derivative financial instruments, separated by class of hedge and in the years in which the cash flows are expected to occur, are as follows:

Fiscal Year 2015						
	Thousands of Euros	Foreign Currencies (in Thousands)				
	Fair Value at 31.12.2015	Notional Amount				
		2016	2017	2018	Resto	Total
ASSETS						
Exchange insurance (2)	6,839	78,269	8,000	2,000	-	**88,269**
Exchange insurance (3)	-	-	-	-	-	-
Exchange insurance (4)	-	-	-	-	-	-
LIABILITIES						
Fin. swaps on interest rates (1)	6,276	957	-	20,000	28,919	**49,876**
Exchange insurance (2)	83	8,500	3,800	1,200	-	**13,500**
Exchange insurance (3)	19	847	-	-	-	**847**

(1) Notional amount stated in thousands of Euros / (2) Notional amount stated in thousands of US Dollars / (3) Notional amount stated in thousands of Pounds Sterling / (4) Currencies other than the US Dollar and Pound Sterling. The notional amounts correspond to the sum of notional amounts of different currencies.

Fiscal Year 2014						
	Thousands of Euros	Foreign Currencies (in Thousands)				
	Fair Value at 31.12.2014	Notional Amount				
		2015	2016	2017	Resto	Total
ASSETS						
Exchange insurance (2)	8,912	93,619	10,000	8,000	2,000	**113,619**
Exchange insurance (3)	40	1,550	-	-	-	**1,550**
Exchange insurance (4)	670	100,000	-	-	-	**100,000**
LIABILITIES						
Fin. swaps on interest rates (1)	7,142	897	-	-	49,876	**50,773**
Exchange insurance (2)	-	-	-	-	-	-
Exchange insurance (3)	-	-	-	-	-	-

(1) Notional amount stated in thousands of Euros / (2) Notional amount stated in thousands of US Dollars / (3) Notional amount stated in thousands of Pounds Sterling / (4) Currencies other than the US Dollar and Pound Sterling. The notional amounts correspond to the sum of notional amounts of different currencies.

The notional amount of the declared contracts does not represent the actual risk assumed by the Company in relation to these instruments. The fair value of the derivatives designated as derivative financial instruments is assimilated into the sum of the future cash flows originating in the instrument, deducted on the valuation date. In this respect, the Company uses the following elements to calculate the fair value: for the interest rate swap operations, the market value on the closure date provided by the entity with which the operation is contracted; for the foreign currency purchase/sale operations, the forward exchange rate on the closure date corresponding to each foreign currency and expiration date, also verifying that the fair value of each operation does not differ significantly from the market valuation provided by the entity with which the operation is contracted.

The fair value of these operations, net of taxes, has as balancing entry the heading “Net worth-Valuation adjustments-Cash flow hedges”, incorporated into the Company’s equity.

The activity recorded under the heading “Net worth-Valuation adjustments-Cash flow hedges” in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Balance on 31 December of previous year (Profits)/Losses	(1,737)	3,537
Amounts charged to P&L account for change in fair value of hedge operations	(11,238)	(10,022)
Amount charged to the P/L account from net worth	13,064	2,360
- Turnover	660	57
- Supplies	13,268	2,615
- Other operating expenses	(3)	1
- Financing costs	(861)	(313)
Tax effect	(676)	2,388
Balance at 31 December curent year (Profits) / Losses charged to net worth	**(587)**	**(1,737)**

b) Fair Value

The book value of the loans and accounts receivable assets, as well as debts and accounts payable, for both trade and non-trade operations is an acceptable approximation of their fair value.

In the case of available-for-sale financial assets, these are Financial Investments in companies that are not considered as group, multi-group or associated companies and which the Company does not plan to dispose of in the short run. Because these Financial Investments are not listed on an active market, the book valuation is at cost minus the possible value depreciation. The book value of these financial assets at the end of 2015 and 2014 is 264 thousand Euros.

During the fiscal years 2014 and 2015, the Company has not received any dividend from these companies.

c) Investments in Group, Multi-Group and Associated Companies

The investments in group companies in 2015 and 2014 correspond to the following companies in which ENUSA has majority voting rights:

Name	Address	Company Activities
EXPRESS TRUCK, S.A.U.	Ctra. Salamanca-Vitigudino, km 0,7 (Cetramesa) (Salamanca)	All types of national and international transports, in any modality and with any merchandise, including hydrocarbons, chemical products, radioactive material and others.
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A. (EMGRISA)	Conde de Peñalver, 38 (Madrid)	Undertaking of all activities required for proper management of the programs and actions of the National Industrial Waste Plan referred to in Law 20/1986 of May 14, focusing on the rationalization and coordination of the management of these wastes.

None of the group company shares is listed on the stock market.

The breakdown of the net worth and the value of the ENUSA investment in the group companies in which the Company has a direct controlling share at 31 December 2015 and 2014, according to their individual audited accounts, is as follows:

Fiscal Year 2015						
Name	% Direct Share	Thousands of Euros				
		Capital	Reserves	After-tax P&L	Subsidies	Book value of investment
EXPRESS TRUCK, S.A.	100.00	301	4,307	1,022	-	528
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A. (EMGRISA)	99.62	7,813	3,251	8	4,843	4,655
TOTAL		8,114	7,558	1,030	4,843	5,183

Last year audited: 2014.

Fiscal Year 2014						
Name	% Direct Share	Thousands of Euros				
		Capital	Reserves	After-tax P&L	Subsidies	Book value of investment
EXPRESS TRUCK, S.A.	100.00	301	3,939	735	-	528
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A. (EMGRISA)	99.62	7,813	3,713	(462)	4,845	4,655
TOTAL		8,114	7,652	273	4,845	5,183

(*) Includes the reserves of the company merged by absorption "Desorción Térmica, S.A.

In 2015, the Company has received dividends from the group companies amounting to 368 thousand Euros (412 thousand Euros in 2014).

The investments in multi-group and associated companies in 2015 and 2014 correspond to the following companies:

Name	Address	% Direct Share	% Indirect Share	Company Activities
MULTI-GROUP COMPANIES				
ENUSA-ENWESA, A.I.E.	Santiago Rusiñol, nº 12 (Madrid)	50.00		Repair of fuel assemblies for PWR light water reactors, as well as other services related to the reactor core and its components
ASSOCIATED COMPANIES				
G.E.ENUSA NUCLEAR FUEL, S.A.	Juan Bravo, 3-C (Madrid)	49.00		Marketing of nuclear fuel and provision of engineering services for this fuel
CETRANSA, S.A.	Pol Industrial Los Barriales, Santovenia de Pisuerga (Valladolid)		29.89 (1)	Industrial waste management and treatment
REMESA, S.A.	Plaza de España, s/n (Melilla)		49.81 (1)	Integral urban waste treatment plant operation and management
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E.		25.00		Commercial promotion of products and services for nuclear power plants in China and other countries of common interest to the partners

(1) EMGRISA invested company

None of the shares of multi-group and associated companies are listed on the stock market.

The breakdown of the net worth, the dividends received and the value of the investment, without including outstanding disbursements, in the multi-group and associated companies directly controlled by ENUSA at 31 December 2015 and 2014, according to their individual audited accounts, is as follows:

Fiscal Year 2015						
Name	% Share	Thousands of Euros				
		Stated Capital	Reserves	After-tax P&L	Dividends received	Book Value of Investment
MULTI-GROUP COMPANIES						
ENUSA-ENWESA, A.I.E. (*)	50.00	421	12	278	192	210
ASSOCIATED COMPANIES						
G.E.ENUSA NUCLEAR FUEL, S.A.	49.00	108	22	439	259	53
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E. (*)	25.00	24	19	21	-	42
TOTAL		**553**	**53**	**738**	**451**	**305**

Last year audited: 2014.
(*) Not audited

Fiscal Year 2014						
Name	% Share	Thousands of Euros				
		Stated Capital	Reserves	After-tax P&L	Dividends received	Book Value of Investment
MULTI-GROUP COMPANIES						
ENUSA-ENWESA, A.I.E. (*)	50.00	421	12	384	181	210
ASSOCIATED COMPANIES						
G.E.ENUSA NUCLEAR FUEL, S.A.	49.00	108	22	667	294	53
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E. (*)	25.00	24	34	(15)	-	42
TOTAL		**553**	**68**	**1,036**	**475**	**305**

Last year audited: 2013.
(*) Not audited

At 31 December 2015 and 2014, 135 thousand Euros of ENUSA-ENWESA, A.I.E. are pending disbursement.

d) Sundry Information

On the date of 23 December 2014, the purchase/sale contract was formalized by ENUSA of its investment in its subsidiary Molypharma, S.A., an investment that was reclassified in previous years under the heading “Non-Current Assets held for sale.”

In the cited sale, an annual payment schedule was established, which is being fulfilled, and at the close of fiscal year 2015, a total amount of 1,611 thousand Euros (3,430 thousand Euros at the close of 2014) is pending collection between long and short term. In order to ensure these collections, guarantees provided by different credit institutions were granted.

ENUSA has signed credit lines with short-term maturity with different financial institutions for a limit of 95,490 thousand Euros (the same amount as on 31 December 2014), of which 70,684 thousand Euros had been drawn down at 31 December 2015 (33,933 thousand Euros at 31 December 2014).

The current interest rates on the credit lines are market interest rates.

8.2. Information on the Nature and Level of Risk of Financial Instruments

a) Credit Risk

ENUSA’s main activities are based, on one hand, on the supply of enriched uranium to the electric utilities that own nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for nuclear-based electric power production. In this respect, the list of ENUSA’s main customers includes a leading group of large electric utilities of recognized solvency. The fuel supply and loading contracts signed with customers are long-term contracts with exact planning of dates and volumes to enable adequate management of the sales volumes and, accordingly, of the payment periods inherent therein. Both the supply and the manufacturing contracts provide for the reception of amounts by way of advances on future sales. At 31 December 2015, the balance of advances on account received from customers, to be applied in 2016, is 40,709 thousand Euros (53,352 thousand Euros at 31 December 2014).

b) Liquidity Risk

Prudent management of the liquidity risk means keeping sufficient cash on hand and having funding available through a sufficient amount of credit facilities. In this respect, the ENUSA strategy is to maintain the necessary flexibility in financing through the availability of both long-term loans and short-term credit lines, such that all contingencies that directly affect the Company treasury are fully hedged.

c) Market Risk

- Interest rate risk. All the long-term debt of the Company finances the supply management, which includes the supply stocks whose financial burden is fully transferred to the sales price of the enriched uranium. Nevertheless, the Company has chosen to hedge the interest rate risks for a part of the long-term debt by contracting interest rate swaps (see note 8.1.2). Furthermore, there are four contracts to hedge the interest rate for the long-term credit signed by the UTE RSU.

- Exchange rate risks. The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires ENUSA to implement an exchange rate risk management policy. The fundamental purpose is to mitigate the negative impact of fluctuating exchange rates on its P&L account, so that it can protect itself against adverse movements and take advantage of favorable evolution, as the case may be.

In this respect, the Company uses the purchase/sale of foreign currencies on credit (exchange insurance) for risk management, thereby locking in a known exchange rate on a specific date for future payments; this rate can also be temporarily adjusted for adaptation and application to cash flows. The amount committed at year's end to this type of operations is itemized in note 8.1.2.

8.3. Total Equity

The composition and activity of the total equity are shown in the statement of changes in the net worth.

At 31 December 2015 and 2014 the ENUSA share capital is fully paid for and is composed of 200,000 common bearer shares with a nominal value of 300.51 Euros each and with equal political and economic rights. The breakdown of the shareholders is as follows:

	% Share
Sociedad Estatal de Participaciones Industriales (SEPI)	60
Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT)	40
	100

Provisions for the Legal Reserve have been made by applying 10% of the earnings from the different years. At 31 December 2015 and 2014, this reserve is provided with the minimum limit of 20% of share capital. This reserve is not freely available and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital in the part of its balance that exceeds 10% of the already issued capital.

In 2007, in accordance with the resolution of the General Shareholders' Meeting held on 15 June 2008, the existing balance in the Revaluation Reserve (Royal Decree-Law 7/1996 of June 7), amounting to 6,937 thousand Euros, was transferred to Voluntary Reserves. Of this amount, the amount corresponding to the quantities of the revalued assets still not amortized is not available to the Company (see note 5).

The rest of the Voluntary Reserves is freely available on 31 December 2015 and 2014.

9 INVENTORIES

The distribution of stocks of Raw Materials and other supplies at 31 December 2015 and 2014 is as follows

	Thousands of Euros	
	2015	2014
Supply management stocks	276,830	251,846
Other industrial activity stocks	25,160	25,606
Other supplies	11,069	11,509
TOTAL	313,059	288,961

The supply management stocks include, at 31 December 2015 and 2014, 7,153 and 5,839 thousand Euros, respectively, in financing costs.

Additional information on Inventories

The Finished products and Products in progress accounts, which are shown under the Inventories heading of the balance sheet assets, amounting to 6,270 and 8,484 thousand Euros at 31 December 2015 (18,091 and 10,717 thousand Euros, respectively, at 31 December 2014), fundamentally include the costs of the fuel assemblies pending delivery at year's end, and they are classified into one account or the other depending on whether or not they have been completely finished.

The Advances account shown under the Inventories heading of the Balance Sheet assets for 3,609 and 1,803 thousand Euros at 31 December 2015 and 2014, respectively, correspond to advances to suppliers of the industrial activities.

The Company's most important firm purchase commitments correspond to long-term contracts with foreign suppliers for the supply of Supply Management, and they vary in amount; therefore their economic quantification is also variable.

As for the most important firm sales commitments, these are long-term contracts with electric utility customers for the sale of enriched uranium and refuelings.

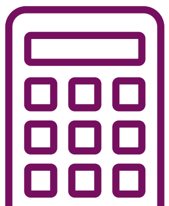
Most of the inventories of the Supply Management are located outside the national territory because of the conversion and enrichment processes required before sale, which take place outside Spain.

There is no limitation whatsoever on inventories by way of guarantees, pledges, deposits or other similar items.

ENUSA has taken out insurance policies to cover possible damages that could occur to the uranium inventories in its warehouses, as well as all damages that could occur during transportation and shipping of concentrates and natural and enriched uranium and to the casks required for these transports by land, sea, air or a combination of these.

The breakdown of the depreciation valuation adjustments of products in progress and finished products in 2015 and 2014, recorded in the P&L account, is as follows:

	Thousands of Euros
Balance at 1 January 2014	33
Provisions	3
Reversions	(33)
Balance at 31 December 2014	3
Provisions	88
Reversions	-
Balance at 31 December 2015	91



10 FOREIGN CURRENCY

The breakdown of the amount of the asset and liability items denominated in foreign currency at 31 December 2015 and 2014 is:

Fiscal Year 2015				
Assets denominated in foreign currency	Thousands of Euros			
	US Dollar Equivalent Value in Euros	Pound Sterling Equiv. Value in Euros	Others Equivalent Value in Euros	Total Equivalent Value in Euros
Derivatives	6,839	-	-	6,839
Trade debtors & other accounts receivable	-	-	1,295	1,295
Advances to suppliers	3,326	-	-	3,326
Other cash equivalents	4	5	6	15
TOTAL	**10,169**	**5**	**1,301**	**11,475**
Liabilities denominated in foreign currency	Thousands of Euros			
	US Dollar Equivalent Value in Euros	Pound Sterling Equiv. Value in Euros	Others Equivalent Value in Euros	Total Equivalent Value in Euros
Derivatives	83	19	-	102
Trade creditors & other accounts payable	886	445	-	1,331
TOTAL	**969**	**464**	**-**	**1,433**

Fiscal Year 2014				
Assets denominated in foreign currency	Thousands of Euros			
	US Dollar Equivalent Value in Euros	Pound Sterling Equiv. Value in Euros	Others Equivalent Value in Euros	Total Equivalent Value in Euros
Derivatives	8,912	40	670	9,622
Trade debtors & other accounts receivable	797	-	59	856
Advances to suppliers	1,556	-	-	1,556
Other cash equivalents	10	-	-	10
TOTAL	**11,275**	**40**	**729**	**12,044**
Liabilities denominated in foreign currency	Thousands of Euros			
	US Dollar Equivalent Value in Euros	Pound Sterling Equiv. Value in Euros	Others Equivalent Value in Euros	Total Equivalent Value in Euros
Trade creditors & other accounts payable	1,700	246	-	1,946
TOTAL	**1,700**	**246**	**-**	**1,946**

The transactions carried out in foreign currency in 2015 and 2014 were:

Fiscal Year 2015					
	Thousands of Euros				
	US Dollar Equivalent value in Euros	Pound Sterling Equivalent value in Euros	Yen Equivalent value in Euros	Others Equivalent value in Euros	Total Equivalent value in Euros
Sales (*)	(208)	-	-	12,490	12,282
Services rendered	-	-	-	-	-
Non-core & other current operating income	-	-	-	-	-
TOTAL	**(208)**	**-**	**-**	**12,490**	**12,282**
Supplies	201,223	3,412	-	240	204,875
Outsourcing	1,743	117	-	-	1,860
TOTAL	**202,966**	**3,529**	**-**	**240**	**206,735**

(*) The amount of sales in US Dollars corresponds to a credit memo.

Fiscal Year 2014					
	Thousands of Euros				
	US Dollar Equivalent value in Euros	Pound Sterling Equivalent value in Euros	Yen Equivalent value in Euros	Others Equivalent value in Euros	Total Equivalent value in Euros
Sales	208	-	-	11,962	12,170
Services rendered	145	-	-	109	254
Non-core & other current operating income	577	-	-	-	577
TOTAL	**930**	**-**	**-**	**12,071**	**13,001**
Supplies	115,636	2,608	-	159	118,403
Outsourcing	1,327	123	-	199	1,649
TOTAL	**116,963**	**2,731**	**-**	**358**	**120,052**

The amount of the exchange differences recorded in the 2015 and 2014 P&L, classified by type of financial instrument, has been:

Fiscal Year 2015			
Asset Class	Thousands of Euros Exchange differences recorded in the year's P&L (+) Profits (-) Losses		
	Transactions liquidated during the year	Transactions pending maturity	Total
Derivatives	289	-	289
Trade debtors & other accounts receivable	169	14	183
Other cash equivalents	6	-	6
TOTAL	**464**	**14**	**478**
Liability Class			
Derivatives	830	-	830
Trade creditors & other accounts payable	(1,729)	8	(1,721)
TOTAL	**(899)**	**8**	**(891)**
NET	**(435)**	**22**	**(413)**

Fiscal Year 2014			
Asset Class	Thousands of Euros Exchange differences recorded in the year's P&L (+) Profits (-) Losses		
	Transactions liquidated during the year	Transactions pending maturity	Total
Derivatives	568	56	624
Trade debtors & other accounts receivable	(63)	32	(31)
Other cash equivalents	(2)	-	(2)
TOTAL	**503**	**88**	**591**
Liability Class			
Derivatives	189	-	189
Trade creditors & other accounts payable	(777)	(99)	(876)
TOTAL	**(588)**	**(99)**	**(687)**
NET	**(85)**	**(11)**	**(96)**

The balances for advances to supplier do not generate exchange differences as they correspond to the amount effectively paid.

11 TAX POSITION

For purposes of payment of the Corporate Income Tax, the Company is part of consolidated group no. 9/86, formed by the Sociedad Estatal de Participaciones Industriales and the companies based in Spanish territory that form part of its consolidated financial group, pursuant to the provisions of articles 42 and following of Commercial Law and in accordance with the provisions of Public Corporations Act 5/1996 of January 10.

Application of the consolidated taxation system means that the individual credits and debits by way of the Corporate Income Tax are incorporated into the parent enterprise (Sociedad Estatal de Participaciones Industriales), for which the Company must pay 3,752 thousand Euros to the Sociedad Estatal de Participaciones Industriales for the 2015 tax (3,375 thousand Euros in 2014), with 2,647 thousand Euros corresponding to the differential rate minus withholdings and payments on account (2,409 thousand Euros in 2014) and 1,105 thousand Euros to repurchase of tax losses contributed to the aforementioned tax group in previous years (966 thousand Euros in 2014).

In the 2015 P&L account, the Corporate Income Tax amounts to 2,241 thousand Euros (3,476 thousand Euros in 2014), resulting in an after-tax result of 10,437 thousand Euros (5,449 thousand Euros in 2014).

The following tables show the reconciliation of the net amount of the year's Income and Expenses with the taxable base of the 2015 and 2014 Corporate Income Tax:

Fiscal Year 2015						
	Thousands of Euros					
	P&L Account		Total	Income & Expenses Directly Charged to Net Worth		Total
Balance of year's income & expenses			10,437			(1,150)
	Increases	Decreases		Increases	Decreases	
Corporate Income Tax	2,241	-	2,241	3,389	4,065	(676)
Permanent differences	243	833	(590)			
Temporary differences	**9,716**	**6,013**	**3,703**	**13,928**	**12,102**	**1,826**
- Originating in the year	8,862	-		13,928	12,102	
- Originating in previous years	854	6,013	-			
Taxable base (tax result)			**15,791**			-

Fiscal Year 2014						
	Thousands of Euros					
	P&L Account		Total	Income & Expenses Directly Charged to Net Worth		Total
Balance of year's income & expenses			5,449			5,274
	Increases	Decreases		Increases	Decreases	
Corporate Income Tax	3,476	-	3,476	3,428	1,040	2,388
Permanent differences	192	617	(425)			**-**
Temporary differences	**7,799**	**2,165**	**5,634**	**2,675**	**10,337**	**(7,662)**
- Originating in the year	6,892	-		2,675	10,337	
- Originating in previous years	907	2,165		-	-	
Taxable base (tax result)			**14,134**			-

The most important permanent differences correspond to:

- Increases: these include, among others, the adjustment corresponding to provisions and contributions as per Law 49/2002, in the amount of 52 thousand Euros and changes in the taxable base of UTEs and AIEs in the amount of 189 thousand Euros (in 2014, adjustment to provisions and contributions as per Law 49/2002 in the amount of 55 thousand Euros and taxable base changes of UTEs and AIEs in the amount of 134 thousand Euros).

- Decreases: mainly include the exemption to avoid double taxation on dividends of 451 thousand Euros (171 thousand Euros in 2014), and the adjustment corresponding to dividends received from companies that form part of the same fiscal group, amounting to 368 thousand Euros (412 thousand Euros in 2014).

The most relevant temporary differences correspond to:

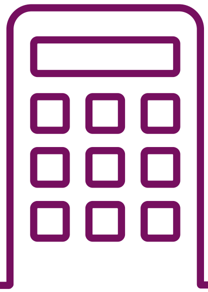
- Increases: provisions for installation reclamation and closure worth 3,646 thousand Euros, for tax risks of 1,011 thousand Euros and for impairment of accounts receivable from public organizations of 3,154 thousand Euros (in 2014, provisions for installation reclamation and closure worth 2,745 thousand Euros, for tax risks of 644 thousand Euros and for non-deductibility of amortization expenses of 1,167 thousand Euros).

- Decreases: application of provisions that were not a fiscal expense in previous years, of which 2,542 thousand Euros correspond to installation reclamation and decommissioning costs, personnel obligations and restructurings, and 2,665 thousand Euros correspond to reversions of provisions for impairment of accounts receivable, non-deductible at the time of their allocation (in 2014, Application of provisions that were not a fiscal expenses in previous years, of which 1,953 thousand Euros correspond to installation reclamation and decommissioning costs, personnel obligations and restructurings).

The income and expenses charged to net worth correspond to the profits or losses recorded during the year from valuation of the derivatives designated as derivative financial instruments.

Below is the reconciliation between the income tax that would result from applying the current general taxation rate to pre-tax earnings and the expenditure recorded for this tax in the P&L Account, and the reconciliation of the latter with the net amount of the Corporate Income Tax corresponding to 2015 and 2014:

	Thousands of Euros 31.12.2015
Pre-tax earnings	12,678
Permanent differences	(591)
Adjusted earnings	**12,087**
30.00% rate	3,384
Deductions	(669)
Income tax	**2,715**
Current tax expenditure in P&L account	3,752
Deferred tax income in P&L account	(1,037)
Income tax expenses of the year	**2,715**
Negative adjustment to the income tax	294
Positive adjustment to the income tax	(768)
Income tax expenses in P&L account	**2,241**



	Thousands of Euros 31.12.2014
Pre-tax earnings	8,925
Permanent differences	(425)
Tax losses of previous years in individual base	(86)
Adjusted earnings	**8,414**
Part of P&L at 30.00%	4,966
30.00% rate	1,490
Part of P&L at 28.00%	3,448
28.00% rate	965
Total rate (at 28% and at 30%)	2,455
Deductions	(769)
Income tax	**1,686**
Current tax expenditure in P&L account	3,376
Deferred tax income in P&L account	(1,690)
Income tax expense of the year	**1,686**
Negative adjustments to the income tax	2,126
Positive adjustments to the income tax	(259)
Positive adjustments to income tax (difference in 2013 Corporate Income Tax)	(77)
Income tax expense in P&L account	**3,476**

The tax deductions from the amount applied in both years primarily correspond to investments in research & development.

The Law 27/2014 of 27 November, of the Corporate Income Tax, included in its articles the modification of the tax rates for this tax, becoming 28% for the fiscal year 2015 and 25% for fiscal year 2016 and thereafter.

As a consequence of the above, the value of the deferred tax assets and liabilities was adjusted in 2014 to assess them according to the aforementioned new rates.

The negative adjustments in the income tax correspond to the adjustment of the value of the deferred tax assets, a result, basically, of the movements generated in 2015 (at the rate of 28%, which will revert in later years at 25%).

The positive adjustments in the income tax correspond to the tax effect of the reversion of temporary differences generated in previous years (a decrease in the tax base in 2015) for which the corresponding deferred tax asset was not recorded at that time.

The tax to be paid in 2015, once withholdings and payments on account are deducted, is recorded in the Balance Sheet Liabilities under "Current tax liabilities".

Deferred taxes are recorded in the Balance Sheet at 31 December 2015 and 2014, classified in the following accounts, according to their reversion period:

Deferred Tax Assets	Thousands of Euros	
	31.12.2015	31.12.2014
Long-term deductible temporary differences	13,810	12,765
Short-term deductible temporary differences	1,282	1,263
TOTAL	15,092	14,028

Deferred Tax Liabilities	Thousands of Euros	
	31.12.2015	31.12.2014
Long-term taxable temporary differences	1,440	1,611
Short-term taxable temporary differences	1,479	2,432
TOTAL	2,919	4,043

The origin of the deferred taxes recorded in the year-end balance sheets of 2015 and 2014 is as follows:

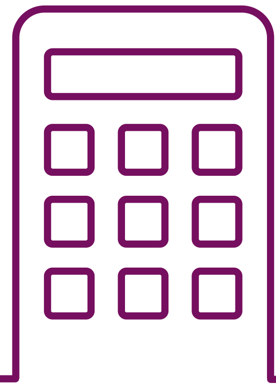
Deferred tax assets originating in:	Thousands of Euros	
	31.12.2015	31.12.2014
Financial hedges	1,514	1,722
Fuel assembly warranty provision	2,349	2,309
Mining site reclamation and decommissioning provision	7,540	7,241
Provision for personnel benefits	39	104
Provision for staff restructuring	191	237
Depreciation provision for fixed assets	261	282
Tax risks	642	389
Amortization deductibility limitation	601	668
Non-deductible provisions of UTE RSU	1,450	611
Other provisions not deductible from income tax	505	465
TOTAL	15,092	14,028

Deferred tax liabilities originating in:	Thousands of Euros	
	31.12.2015	31.12.2014
Financial hedges	1,710	2,594
Unrestricted amortization	1,209	1,449
TOTAL	2,919	4,043

The transactions of the Deferred Tax headings of the Balance Sheet corresponding to 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	Deferred Tax Assets	Deferred Tax Liabilities
Balance at 31.12.13	**14,628**	**2,078**
Generated in 2014	2,068	-
Recovered in 2014	(650)	(272)
Net variation of financial derivatives	434	2,732
Positive/negative adjustments (Cancel Def. Tax Assets/Liability for change in exch. rate)	(2,126)	(259)
Positive/negative adjustments (Cancel Def. Tax Assets/ Liabilities for fin. derivatives for change in exch. rates)	(326)	(236)
Balance at 31.12.14	**14,028**	**4,043**
Generated in 2015	2,481	-
Recovered in 2015	(1,684)	(239)
Net variation of financial derivatives	(216)	(727)
Positive/negative adjustments (Cancel Def. Tax Assets/Liability for change in exch. rate and others)	475	–
Positive/negative adjustments (Cancel Def. Tax Assets/ Liabilities for fin. derivatives for change in exch. rates)	8	(158)
Balance at 31.12.15	**15,092**	**2,919**

The years subject to inspection by the tax authorities in relation to the most significant taxes the Company must pay include the last four years. The Company's Administrators do not expect that, in the event of an inspection, any further significant liabilities will arise.



12 INCOME AND EXPENSES

The "Consumption of Raw Materials and Other Consumables" item in the Profit & Loss Account for 2015 and 2014 is broken down as follows:

	Thousands of Euros	
	2015	2014
Purchases	278,233	205,634
Variation in inventories	(24,099)	(21,900)
TOTAL	254,134	183,734

The breakdown of purchases on the national market and of imports in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
National purchases	2,622	2,363
Intra-community purchases	105,185	71,035
Imports	170,426	132,236
TOTAL	278,233	205,634

The net amounts of turnover by markets in 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
National Market	322,618	226,371
Foreign Market	48,097	46,900
TOTAL	370,715	273,271

The breakdown of Social Charges in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Social Security	7,050	7,222
Other social benefits	1,002	958
TOTAL	8,052	8,180

The breakdown of extraordinary results, included in the item "Other operating results", in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Sanctions and surcharges	1	2
Legal claim	292	73
Other extraordinary expenses	138	4
TOTAL EXPENSES	431	79

	Thousands of Euros	
	2015	2014
Indemnities and extraordinary refunds received from insurance companies	45	23
Restatements	100	-
Extraordinary refund of social security contributions	20	1
Other extraordinary income	9	3
TOTAL INCOME	174	27

13 PROVISIONS AND CONTINGENCIES

The movement of the Provisions accounts during 2015 and 2014 has been as follows:

Fiscal Year 2015

Long-Term Provisions	Thousands of Euros					
	Balance at 31/12/2014	Provisions & Financial Restatements	Applications and reversions	Others	Transfers	Balance at 31/12/2015
Environmental activities (Note 14 c)	39,176	4,255	-	(604)	(2,899)	39,928
Restructuring provisions	768	13	(95)	-	-	686
Fuel assembly warranties	9,236	398	(236)	-	-	9,398
Provisions for other obligations	1,556	1,011	-	-	-	2,567
Misc. provisions UTE RSU	4,689	560	(105)	-	-	5,144
TOTAL LONG-TERM PROVISIONS	**55,425**	**6,237**	**(436)**	**(604)**	**(2,899)**	**57,723**

Short-term Provisions	Thousands of Euros					
	Balance at 31/12/2014	Provisions & Financial Restatements	Applications and reversions	Others	Transfers	Balance at 31/12/2015
Short-term personnel obligations (Note 15)	373	-	(218)	-	-	155
Environmental activities (Note 14 c)	2,518	-	(2,334)	-	2,899	3,083
Restructuring provisions	78	-	(78)	-	-	-
Provisions for other obligatons	244	292	(66)	-	-	470
TOTAL SHORT-TERM PROVISIONS	**3,213**	**292**	**(2,696)**	**-**	**2,899**	**3,708**

Fiscal Year 2014

Long-Term Provisions	Thousands of Euros					
	Balance at 31/12/2013	Provisions & Financial Restatements	Applications and reversions	Others	Transfers	Balance at 31/12/2014
Long-term personnel obligations (Note 15)	200	-	(200)	-	-	-
Environmental activities (Nota 14 c)	36,745	3,291	(16)	(615)	(229)	39,176
Restructuring provisions	666	102	-	-	-	768
Fuel assembly warranties	9,240	207	(211)	-	-	9,236
Provisions for other obligations	913	643	-	-	-	1,556
Misc. provisions UTE RSU	3,278	2,219	(808)	-	-	4,689
TOTAL LONG-TERM PROVISIONS	**51,042**	**6,462**	**(1,235)**	**(615)**	**(229)**	**55,425**

Short-term provisions	Thousands of Euros					
	Balance at 31/12/2013	Provisions & Financial Restatements	Applications and reversions	Others	Transfers	Balance at 31/12/2014
Short-term personnel obligations (Note 15)	414	374	(415)	-	-	373
Environmental Activities (Note 14 c)	4,023	-	(1,734)	-	229	2,518
Restructuring provisions	78	-	-	-	-	78
Provisions for other obligations	180	73	(9)	-	-	244
TOTAL SHORT-TERM PROVISIONS	**4,695**	**447**	**(2,158)**	**-**	**229**	**3,213**

In compliance with the provisions of article 2.1 of Royal Decree-Law 20/2012 of 13 July, which contains measures to guarantee budgetary stability and to promote competitiveness and which in 2012 eliminated the end-of-year bonus pay for public sector personnel, as defined in article 22.1 of the General State Budget Act 2/2012 of 29 June, including public trading enterprises, the Company eliminated the payment of this remuneration to its personnel in 2012. As a consequence of this, it reported on the corresponding contingency in the Report of Annual Accounts of the years 2012, 2013 and 2014.

Throughout fiscal year 2015, in compliance with different laws, the Company has proceeded to the partial reimbursement to the workers of part of the amount deleted in the fiscal year 2012.

In addition, the Law 48/2015, of 29 October, on the General State Budget for the year 2016, stipulated, in its twelfth additional provision, that in 2016 the payment would take place of the last part of the payment eliminated in 2012. As a consequence of this fact, the Company has proceeded to register in 2015, under the item of pending remunerations, an amount of 743 thousand Euros, with no outstanding contingency remaining for this item at the close of the financial year (1,125 thousand Euros at the close of fiscal year 2014).

In relation to the UTE RSU, on 21 May 2013 the Court for Contentious-Administrative Proceedings No. 1 of Castellón delivered judgment on the contentious-administrative appeal filed by the Cálig Town Council and the "Plataforma contra l'abocador de les Basses" against the Consortium for execution of the zonal waste plan of Zone I. This sentence declared null and void the Agreement No. 4 of the Consortium's Board of Directors for Execution of the Planned Work for the Zonal Waste Plan of Zone I (Castellón) dated 21 December 2009, whereby the modification of the Urban Solid Waste Management contract, dated 10 December 2004, was approved, indicating also that "the awarded contract should be terminated and new proceedings begun to select a contractor".

The Consortium and the UTE filed an appeal against this sentence with the Court for Contentious-Administrative Proceedings No. 1 of Castellón for the information of the Contentious-Administrative courtroom of the Supreme Court of Justice of the Valencia region. This latter court, on the date of 2 February 2016, announced its ruling, partially supporting the filed appeal and voiding the appealed sentence as refers to the termination of the award contract and the process of a new procedure to select a contractor, but upholding that referring to the Agreement no. 4 of the Consortium's Board of Directors, dated 21 December 2009 (which approved the modification of the Service Management Contract), although it alluded to the fact that the declaration is of annulment and not void ab initio.

As a result of the above, the UTE Management and its legal advisors believe that:

- The annulled administrative agreement should be brought into line with the law by the organization belonging to the Administration that rendered it, that is, the Consortium, for the execution of the zonal waste plan of zone I, having to respect in any case the economic interests of the UTE, which are specifically expressed in the signed public contract.

- On the basis of the previous judicial ruling and the reading and interpretation of the financing contracts signed with the banks financing the project, no existence of any motive is indicated that could lead to the early amortization of the outstanding balance of the loan.

The calculation of restructuring provisions is based on the expected annual payments for indemnities to personnel. The surplus provision recorded in fiscal year 2015, amounting to 95 thousand Euros (102 thousand Euros of provision in 2014) is a consequence of the restatement of the assumptions made by the Company based on the information available at the close of the year.

As in previous years, fuel assembly warranty provisions are calculated on the basis of the useful life of refuelings and statistical data on failure rates in the fuel assemblies, the latter based on historical Company information and information from the technology suppliers. The provision allocation recorded in 2015 amounting to 398 thousand Euros (207 thousand Euros in 2014) is a result of the estimate made at the end of year.

The Provisions of the UTE RSU correspond, basically, to provisions related to the actions foreseen on the infrastructure in exploitation (replacement of fixed assets, expansion of the landfill, its safety and surveillance, etc.).

The amount of the provisions and financial updating corresponding to these provisions was 560 thousand Euros (an amount integrated at the percentage of participation of the Company in the UTE), of which 102 thousand Euros corresponded to an increase in the value of intangible fixed assets. The most significant movements registered in the year 2014 consisted of a provision of 1,715 thousand Euros (amount integrated at the percentage of investment of the Company in the UTE) corresponding to the risk of a possible additional disbursement for the land where the plant is installed. Of this provision, the amount of 1,244 thousand Euros corresponded to an increase in the value of the intangible fixed asset with the remaining 471 thousand Euros having been registered against the result of fiscal year 2014.

The total of applications of provisions made in the fiscal year 2015 was the amount of 3,531 thousand Euros (3,773 thousand Euros in 2014), with these payments being reflected in the Cash Flow Statement under the heading "Other Payments", within Other Cash Flows of the Operating Activities.

The total of excess provisions reach an amount of 204 thousand Euros in fiscal year 2015 (235 thousand Euros in 2014).

14 ENVIRONMENTAL INFORMATION

a) Assets Subject to Environmental Activities:

In relation to the nuclear fuel manufacturing business conducted in the facilities that the Company owns in Juzbado (Salamanca), it is not possible to determine an itemized description and value of the equipment and installations used for environmental protection and enhancement.

This is explained by the fact that it is a complex, specialized facility where it must be ensured that all processes conform to environmental regulations.

The Company closed its uranium concentrate production business at the end of 2002. Consequently, the value of the assets subject to mining operations is amortized almost in full, and the only activity carried out is the one corresponding to reclamation and decommissioning tasks. The value of the most significant assets and installations assigned to these reclamation and decommissioning tasks, and which focus on environmental protection and enhancement, at 31 December 2015 and 2014 is as follows:

Fiscal Year 2015			
	Thousands of Euros		
	Cost	Accrued Amortization	Net Book Value
Constructions	7,308	7,308	-
Technical installations and other tangible fixed assets	5,340	4,955	385
TOTAL	12,648	12,263	385

Fiscal Year 2014			
	Thousands of Euros		
	Cost	Accrued Amortization	Net Book Value
Constructions	7,308	7,308	-
Technical installations and other tangible fixed assets	5,188	4,911	277
TOTAL	12,496	12,219	277

b) Environmental Expenses:

The breakdown of expenses accrued in fiscal years 2015 and 2014 the purpose of which has been environmental protection and enhancement, is as follows:

	Thousands of Euros	
	2015	2014
Waste management expenses	27	30
Dismantling & reclamation of natural spaces	51	46
Environmental certifications	10	19
TOTAL EXPENSES	88	95

c) Provisions for Environmental Risks:

The breakdown of the main provisions established by the Company for environmental activities and their movement during 2015 and 2014 are as follows (see note 13):

Fiscal Year 2015						
	Thousands of Euros					
	Balance at 31/12/2014	Provisions & Financial Restatements	Applications & Reversions	Others	Transfers	Balance at 31/12/2015
Long-term reclamation and decommissioning of mining sites	28,769	3,650	-	-	(2,899)	29,520
Nuclear fuel factory dismantling costs	7,709	324	-	-	-	8,033
Intermediate- & low-level solid waste management costs	7,232	280	-	-	-	7,512
Value of Enresa Fund	(4,624)	-	-	(604)	-	(5,228)
Dismantling of other equipment	90	1	-	-	-	91
TOTAL LONG-TERM PROVISIONS	**39,176**	**4,255**	**-**	**(604)**	**(2,899)**	**39,928**
Short-term reclamation & decommissioning of mining sites	2,518	-	(2,334)	-	2,899	3,083
TOTAL LONG-TERM & SHORT-TERM PROVISIONS	**41,694**	**4,255**	**(2,334)**	**(604)**	**-**	**43,011**

Fiscal Year 2014						
	Thousands of Euros					
	Balance at 31/12/2013	Provisions & Financial Restatements	Applications & Reversions	Others	Transfers	Balance at 31/12/2014
Long-term reclamation and decommissioning of mining sites	26,266	2,748	(16)	-	(229)	28,769
Nuclear fuel factory dismantling costs	7,398	311	-	-	-	7,709
Intermediate- & low-level solid waste management costs	7,001	231				7,232
Value of Enresa Fund	(4,009)	-	-	(615)	-	(4,624)
Dismantling of other equipment	89	1	-	-	-	90
TOTAL LONG-TERM PROVISIONS	**36,745**	**3,291**	**(16)**	**(615)**	**(229)**	**39,176**
Short-term reclamation & decommissioning of mining sites	4,023	-	(1,734)	-	229	2,518
TOTAL LONG-TERM & SHORT-TERM PROVISIONS	**40,768**	**3,291**	**(1,750)**	**(615)**	**-**	**41,694**

As in previous years, the provisions for environmental activities have been calculated on the basis of the amounts planned for dismantling and retiring installations, restated at a discount rate of assets not at risk, in a period similar to that of future payments.

The purpose of the provision for reclamation and decommissioning of mining sites is to complete the work of reclaiming natural spaces and to cover mining center decommissioning costs.

In May 2003, the ENUSA Management decided to submit a definitive Reclamation Project for the mining installations of the Saelices el Chico Center (Salamanca) to the Territorial Service for Industry, Trade and Tourism of the Castilla-Leon regional government. It was approved by this territorial agency on 13 September 2004, thus authorizing ENUSA to execute the project. This project replaced the reclamation and decommissioning project for cessation of activities submitted in November 2002, as the Administration considered that project as a strategic shutdown and not as a definitive closure of the mining operations. ENUSA has been working on the tasks of reclaiming the natural spaces and decommissioning the installations located in the mining operations since January 2001.

A part of the mining center reclamation and decommissioning costs will be paid by the Empresa Nacional de Residuos Radiactivos (ENRESA). In 2015 and 2014, provisions worth 2,334 and 1,734 thousand Euros, respectively, have been applied to cover the costs incurred by the Company during these years by way of this item.

At the end of each fiscal year, the Company reviews the economic study of the reclamation project to re-estimate the expected cost of the necessary outstanding activities and adjust it to different resolutions of official authorities and to the commitments acquired with them, as well as the estimated time of the decommissioning. On the basis of the data of the economic study, which is based on work and date assumptions similar to those estimated at the end of the previous year, a provision amounting to 2,955 thousand Euros (1,422 thousand Euros in 2014) has been made.

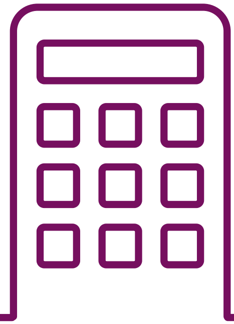
The provision for solid waste management costs in the Juzbado factory includes the estimated cost of managing these kinds of wastes. In this respect, the Company has signed a contract with ENRESA for the treatment of these wastes. The same criterion used in previous years has been maintained, adapting it to the fact that solid wastes are classified as either intermediate level or low level, as provided in the new regulations issued in 2010 by the Nuclear Safety Council. As a result, a 280 thousand Euro provision, corresponding to the wastes generated in 2015, has been recorded (a provision of 231 thousand Euros in 2014).

The provision for the nuclear fuel factory dismantling costs includes the Company's current obligation, calculated at the current net value at year's end, relative to the costs that in the future the proper dismantling of this facility will represent. The Company has signed a contract with ENRESA to execute the dismantling work.

The aforesaid contracts included the periodic payments that ENUSA had to make to ENRESA until 2027 for setting up a Fund that would cover the costs stemming from both activities: the management of operating wastes generated every year and the cost of dismantling the Juzbado factory. The value of this Fund, financed by the ENUSA contributions and the corresponding financial restatements shown in the contracts, was recorded in the Balance Sheet Assets under the heading "Long-term investments in group and associated companies – Company loans".

Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, introduced, effective as of 1 January 2010 and via point 1 of its 9th Final Provision, article 38 bis to Nuclear Energy Act 25/1964.

Furthermore, Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, modified, effective as of 1 January 2010 and via point 2 of its 9th Final Provision, the 6th Additional Provision of Electric Power Sector Act 54/1997.



The “Third” section of point 9 of the 6th Additional Provision of the Electric Power Sector Act reads as follows:

“Three: Tax on the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities.
a) Taxable event: The taxable event of the tax is the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities. The taxable event of this tax also includes the anticipated cessation of operation of a fuel assembly manufacturing facility at the owner’s initiative, with respect to the provisions set down in the General Radioactive Waste Plan.
b) Tax base: The tax base of the tax is the amount of nuclear fuel manufactured each calendar year, measured in metric tons (Tm) and stated with two decimals; the remaining decimals are rounded to the second decimal place.”

In practice, this rule means that the contributions that ENUSA had been making to ENRESA, pursuant to the contracts signed between the two companies, was replaced with the payment of a tax, with the destination of this tax being the same: to increase the Fund allocated to covering the costs of managing operating wastes and dismantling the Juzbado factory. Therefore, payments of this tax have been made since 2010 and the value of this Fund has continued to rise.

The value of the Fund appears represented in the Balance Sheet of the Company as a lesser amount of the provisions to which it is allocated.

d) Contingencies and Obligations Related to Environmental Protection and Enhancement:

The Company consider there are no significant contingencies or obligations related to environmental protection and enhancement other than those mentioned in paragraph (c) above.

e) Investments Made During the Year for Environmental Reasons

The investments in environment-related assets in 2015 and 2014, primarily made in the Juzbado fuel assembly factory, have amounted to 1,134 and 269 thousand Euros, respectively.

f) Compensations to be Received from Third Parties

No income has been earned from environmental activities in fiscal years 2015 and 2014.

No subsidies have been received by way of this item in 2015 and 2014.

15 LONG-TERM PERSONNEL REMUNERATIONS

In 1995, the Company set up, with a Pension Fund agent, an employee Pension Plan based on a defined, taxable contribution, with contributions from the promoter and participants pursuant to the regulatory rules of the Plan. This Plan is currently governed by the provisions of the Revised Text of the Pension Plan and Pension Fund Act approved by Royal Legislative Decree 1/2002 of November 29 and Royal Decree 304/2004 of February 20, whereby the Pension Plan and Pension Fund Regulation is approved, and by any other applicable regulatory provisions. This commitment is still standing in current Collective Bargaining agreements.

Between 1995 and 2011, the Company had been contributing various amounts to this Plan as its promoter.

Law 36/2014 of 26 December, on General State Budget for the year 2015 stipulated in its article 20 that public trading enterprises (which include the Company) could not make contributions to employment pension plans or collective insurance policies that included coverage of the retirement contingency. Therefore, no contribution has been made by the Company in 2015.

16 SUBSIDIES, DONATIONS AND LEGACIES

The amount received by the Company during 2015, recorded in full in the P&L account, amounts to 55 thousand Euros (50 thousand Euros in 2014) and corresponds to contributions of entities belonging to the State Administration to offset operating costs in the areas of personnel training and research and development projects.

17 JOINT VENTURES

The Company undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of UTEs in which ENUSA has participated throughout 2015 and 2014, as well as the percentage of its share, is as follows:

- TECNATOM-WESTINGHOUSE-ENUSA, UTE: Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., with a Company share of 33.33%.

In addition, as a result of the merger with Teconma, which took place in fiscal year 2013, ENUSA has become a partner of the following UTEs:

UTE Name	% Share	Status
UTE RSU	85.6859%	Work in progress
UTE CAUCES	50.0000%	Liquidated in 2014
UTE REFOSIL	50.0000%	Liquidated in 2015
UTE SAN AGUSTIN	50.0000%	Liquidated in 2015
UTE CENTRO DE TRANSP.	50.0000%	Liquidated in 2015
UTE REDES DE AGUA	50.0000%	Work completed and inactive
UTE MORISCOS	50.0000%	Work completed and inactive
UTE CERVELLÓ	80.0000%	Liquidated in 2015
UTE OLIVARES	50.0000%	Liquidated in 2015

The amounts corresponding to each joint venture of the most significant items of the balance sheet and P&L account at 31 December 2015 and 2014 are as follows:

Fiscal Year 2015		
Assets	Thousands of euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Intangible fixed assets	37,556	-
Tangible fixed assets	80	-
Long-term financial investments	2,296	-
Trade debtors & accounts receivable	2,040	1,286
Treasury	2,818	531
Liabilities	Thousands of euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Value change adjustments	(4,977)	-
Long-term provisions	5,144	-
Long-term debts	27,686	-
Short-term debts	9,188	-
Trade creditors & other accounts payable	597	1,787
Profits and Losses	Thousands of euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Net turnover	9,747	2,738
Supplies	(1,125)	(2,722)
Personnel costs	(387)	-
Other operating expenses	(4,617)	(1)
Fixed assets amortization	(2,106)	-
Other results	(4)	-
Capitalization of financing costs	840	-
Financing costs	(2,264)	-
YEAR-END P&L	84	15

Fiscal Year 2014

Assets	Thousands of euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Intangible fixed assets	38,698	-	-
Tangible fixed assets	89	-	-
Long-term financial investments	2,377	-	-
Trade debtors & accounts receivable	1,524	1,582	4
Short-term accruals	1	-	-
Treasury	3,245	14	91

Liabilities	Thousands of euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Value change adjustments	(5,767)	-	-
Long-term provisions	4,689	-	-
Long-term debts	33,560	-	-
Short-term debts	5,514	-	-
Trade creditors & other accounts payable	714	1,582	3

Profits and Losses	Thousands of euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Net turnover	6,824	3,571	6
Supplies	(938)	(3,568)	(19)
Personnel costs	(416)	-	-
Other operating expenses	(1,481)	1	-
Fixed assets amortization	(2,098)	-	-
Other results	(3)	-	-
Capitalization of financing costs	1,033	-	-
Financing costs	(2,766)	-	-
YEAR-END P&L	**155**	**4**	**(13)**

18 NON-CURRENT ASSETS HELD FOR SALE

The value of Non-Current Assets Held for Sale primarily corresponds to the tangible fixed assets acquired by ENUSA from its former subsidiary SHS Cerámicas, S.A. in 2006, as a step prior to its dissolution-liquidation that was finally recorded in 2007.

The breakdown of the assets and their net book value at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
SHS constructions P)Industrial Las Viñas	303	303
SHS plot of land N73,74,75	168	168
TOTAL	**471**	**471**

19 EVENTS SUBSEQUENT TO YEAR'S END

On the date of preparation of the annual accounts, no events that need to be itemized have occurred subsequent to the end of 2015.

20 RELATED-PARTY TRANSACTIONS

a) Operations with Group, Multi-Group and Associated Companies

The operations carried out with group, multi-group and associated companies during 2015 and 2014, as well as their effect on the financial statements, have been as follows:

Fiscal Year 2015				
Asset Balances	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Deferred tax assets	-	15,092	-	-
Short-term loans (*)	-	44,012	-	-
Trade debtors and other accounts receivable	39	-	86	4,922
Supplier advances	-	-	206	-
Liability balances	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Long-term debts	-	984	-	-
Deferred tax liabilities	-	2,919	-	-
Trade creditors and other accounts payable	456	3,752	655	1,567
Short-term accruals	-	-	-	84
Transactions	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Purchases & own work	103	-	425	4,114
Services received	2,769	-	29	184
Interest expenses	-	8	-	-
Capitalization of fixed asset purchase cost	90	-	542	-
Sales & services rendered	75	-	251	30,793
Interest income	-	120	-	106
Foreign exchange gains	-	-	-	668
Other financial income	-	-	-	11
Distributed dividends	368	-	-	451

(*) Corresponds to Inter-SEPI deposits with maturity at three months classified under Loans with companies of the group in the Balance Sheet Assets.

Fiscal Year 2014

Asset Balances	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Deferred tax assets	-	14,028	-	-
Short-term loans (*)	-	27,009	-	-
Trade debtors and other accounts receivable	6	-	80	2,589
Supplier advances	-	-	-	100

Liability balances	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Long-term debts	-	385	-	-
Deferred tax liabilities	-	4,043	-	-
Short-term debts	-	-	-	-
Trade creditors and other accounts payable	331	3,375	704	1,534

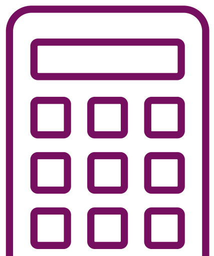
Transactions	Thousands of Euros			
	ENUSA Group	SEPI	Rest of SEPI Group Companies	Multi-group and Associated Companies
Purchases & own work	94	-	899	4,918
Services received	3,077	-	19	70
Interest expenses	-	25	-	-
Extraordinary expenses	-	-	-	53
Capitalization of fixed asset purchase cost	-	-	825	-
Sales & services rendered	-	-	239	21,449
Interest income	-	408	-	106
Non-core income	36	-	-	2,325
Extraordinary income	-	-	-	52
Other financial income	-	-	-	28
Distributed dividends	412	-	-	475

(*)Corresponds to Inter-SEPI deposits with maturity of less than three months and classified under Loans with companies of the group in the Balance Sheet Assets.

The most significant operations and balances with multi-group and associated companies in 2015 and 2014 correspond to the following companies:

- Trade debtors and other accounts receivable: 3,262 thousand Euros with GENUSA (1,298 thousand Euros with ENRESA in 2014).
- Trade creditors and other accounts payable: 1,565 thousand Euros with ENUSA-ENWESA, AIE (1,529 thousand Euros in 2014).
- Purchases and work performed: 4,112 thousand Euros with ENUSA-ENWESA, AIE (4,911 thousand Euros in 2014).
- Sales and services rendered: 26,957 thousand Euros with GENUSA (19,085 thousand Euros in 2014).

The conditions of the transactions with related parties are equivalent to those undertaken under market conditions.



b) Board of Directors

The Board of Directors was composed, at the end of fiscal year 2015, of 11 people (5 women and 6 men).

The remuneration of the Board Members, in their capacity as such, consists of per diems received to attend the Board meetings. The Company's Board Member per diems have amounted to a total of 90 thousand Euros in 2015 (83 thousand Euros in 2014).

The Chairman of the Board of Directors is, in turn, a salaried Company employee, sits on the Executive Committee (see point c) and does not receive any per diems to attend the Board meetings.

The Company has no advances or loans granted to any of the Board Members (except for the Chairman, whose personal facts are reported in point c, together with those of the rest of the Executive Committee members).

The members of the Board of Directors, during this fiscal year, have not received any remuneration, except that indicated in the preceding paragraphs, and they have not carried out transactions with the company, nor have they used its name or invoked their condition of Director to influence unduly the realization of private operations, nor have they made use of the company shares, including confidential information, for private purposes, nor have they taken advantage of the business opportunities of the Company, nor have they carried out activities on their own behalf or for others that involve effective competition, whether current or potential, with the Company or that, in any other way, have placed them in permanent conflict with the interests thereof. Thus, in compliance with the provisions of Article 229.3 of the Legislative Royal Decree 1/2010, of 2 July, of the rewritten text of the Capital Companies Act, the Directors inform that they do not have personally, or through any related person, any situation of conflict of interest, direct or indirect, with the interest of the Company, except the following members of the Board that hold the posts that are detailed below in ENRESA, the company that carries out an activity complementary to that of ENUSA:

Name	Post
Mr. Cayetano López Martínez	Vice Chairman of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)
Mrs. Mercedes Real Rodrigálvarez	Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)
Mr. José Manuel Redondo García	Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)

c) Executive Committee

Effective as of 2012, all the members of the Company's Executive Committee formalized senior management contracts with the Company, and therefore they are considered as senior management personnel beginning that year (2012).

The Company's Executive Committee is formed by 8 people (1 woman and 7 men).

The only remunerations owed to the aforesaid personnel have been short-term payments amounting to 1,158 thousand Euros during 2015 (1,225 thousand Euros during 2014).

The only balances held by members of the Executive Committee with the Company correspond to loans amounting to 9 thousand Euros (2 thousand Euros at 31 December 2014), and 8 thousand Euros (8 thousand Euros in 2014), corresponding to advances of a personal nature, all regulated by collective agreements.

Likewise, there is a balance of guarantees at 31 December 2015 for the aforesaid personnel amounting to 41 thousand Euros (46 thousand Euros at 31 December 2014).

There have been no promoter contributions to pension plans during 2015.

21 INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

In compliance with the obligation set forth in the Additional Third Provision of the Law 15/2010, of 5 July, which modified Law 3/2004, of 29 December, which established measures to combat late payments in trade operations, and according to the Resolution of the ICAC of 29 January 2016 (applicable to the annual accounts of the fiscal years beginning 1 January 2015), it is hereby reported that the payments made in the fiscal year and the figures pending payment on the date of the closing of the balance sheet, are the following:

	2015	2014 (*)
	Days	Days
Average payment period to suppliers	26.83	-
Ratio of paid transactions	26.92	-
Ratio of transactions pending payments	22.25	-
	Amount (thousands EUR)	Amount (thousands EUR)
Total payments made	342,331	-
Total payments pending	6,682	-

(*) According to the Sole Additional Provision of the ICAC Resolution of 29 January 2016, "In the annual accounts of the first applicable fiscal year of this resolution, no comparative information will be presented corresponding to this new obligation, classifying the annual accounts as initial for these exclusive purposes in reference to the application of the principal of uniformity and of the comparability requirement."

22 MISCELLANEOUS INFORMATION

The average number of employees during 2015 and 2014, distributed by professional categories, is as follows:

	Nº Employees	
	2015	2014
Officers	9	9
Senior and intermediate degree holders	257	251
Technicians & administrative personnel	164	162
Workers & subordinates	159	159
TOTAL	589	581

The 2015 and 2014 figures include an average of 13 and 16 persons, respectively, corresponding to the personnel of the UTE RSU (incorporated at ENUSA's percent share in the UTE).

The distribution by sex of the Company's personnel at 31 December 2015 and 2014, broken down by categories and levels, is as follows:

Fiscal Year 2015	Nº Employees		
	Men	Women	Total
Board members	1	-	1
Officers	6	1	7
Senior & intermediate degree holders	176	91	267
Technicians & administrative personnel	131	50	181
Workers & subordinates	170	4	174
TOTAL	484	146	630

Fiscal Year 2014	Nº Employees		
	Men	Women	Total
Board members	1	-	1
Officers	6	2	8
Senior and intermediate degree holders	176	90	266
Technicians & administrative personnel	126	45	171
Workers & subordinates	164	4	168
TOTAL	473	141	614

The figures related to 31 December 2015 and 2014 includes 14 and 14 persons, respectively, corresponding to the personnel of the UTE RSU (incorporated at ENUSA's percent share in the UTE).

The fees of Ernst & Young, S.L. for auditing the annual accounts and other services of 2015 amount to 37.5 thousand Euros (37.5 thousand Euros in 2014).

The above indicated amounts correspond to the expenses accrued in 2015 and 2014, regardless of when they were billed.

INDEPENDENT AUDITORS' REPORT ON THE ANNUAL ACCOUNTS

EY

Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid

Tel.: 902 365 456
Fax: 915 727 300
ey.com

INDEPENDENT AUDITORS' REPORT ON THE ANNUAL ACCOUNTS

To the Shareholders of ENUSA Industrias Avanzadas, S.A.:

Report on the Annual Accounts

We have audited the accompanying annual accounts of ENUSA Industrias Avanzadas, S.A., which include the balance sheet at 31 December 2015, the profit and loss account, the statement of changes in net worth, the statement of cash flows and the annual report for the fiscal year ending on that date.

Responsibility of the Administrators for the Annual Accounts

The administrators are responsible for the preparation of the accompanying annual accounts such that they give a true and fair view of the state of affairs, the financial position and the results of ENUSA Industrias Avanzadas, S.A., in accordance with the regulatory framework for financial reporting applicable to the entity in Spain, which is identified in Note 2 of the accompanying annual report, and for such internal control as they deem necessary to enable the preparation of annual accounts that are free from material misstatements due to fraud or error.

Responsibility of the Auditor

Our responsibility is to express an opinion about the accompanying annual accounts, based on our audit. We have conducted our audit in accordance with the regulatory standards for account auditing in force in Spain. Those standards require that we comply with ethical requirements and also that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free from material misstatements.

An audit requires the use of procedures to obtain audit evidence about the amounts and information disclosed in the annual accounts. The selected procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the preparation of the annual accounts by the entity, in order to design audit procedures that are appropriate under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes an evaluation of the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as an evaluation of the presentation of the annual accounts as a whole.

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

Opinion

In our opinion, the accompanying annual accounts give a true and fair view, in all significant respects, of the state of affairs and financial position of ENUSA Industrias Avanzadas, S.A. at 31 December 2015 and of the results and cash flows for the fiscal year ending on that date, in accordance with the applicable regulatory framework for financial reporting and, in particular, with the accounting principles and criteria contained therein.

Report on Other Legal and Regulatory Requirements

The accompanying business report for 2015 contains the explanations that the administrators consider relevant to the company's position, the evolution of its businesses and other matters, and it is not an integral part of the annual accounts. We have verified that the accounting information contained in this business report agrees with that of the 2015 annual accounts. Our work as auditors is confined to verification of the business report with the scope set forth in this paragraph and does not include a review of information other than that obtained from the company's accounting records.

ERNST & YOUNG, S.L.
(Registered in the Official Registry of Account Auditors with No. S0530)

15 March 2016

José Enrique Quijada Casillas

06

CONSOLIDATED ANNUAL ACCOUNT FOR THE YEAR 2015
ENUSA INDUSTRIAS AVANZADAS, S.A. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS - ENUSA GROUP (thousands of Euros)

ASSETS	Annual Report Notes	31/12/2015	31/12/2014
A) NON-CURRENT ASSETS		**112,581**	**113,218**
I. Intangible Fixed Assets	**10**	**38,066**	**39,291**
3. Patents, licenses, brands & similar		3	9
5. Computer applications		329	397
6. Other intangible fixed assets		37,734	38,885
II. Tangible Fixed Assets	**9**	**42,793**	**42,693**
1. Properties and constructions		18,641	19,920
2. Technical installations and other tangible fixed assets		19,022	19,638
3. Fixed assets under construction and advances		5,130	3,135
IV. Long-Term Investments in Group and Associated Companies		**11,167**	**11,247**
1. Investments in equated companies	7	11,167	11,247
V. Long-Term Financial Investments	**12**	**5,375**	**5,862**
1. Financial investments		264	264
2. Financial derivatives		1,765	1,608
3. Third party loans		1,048	1,611
5. Other financial assets		2,298	2,379
VI. Deferred Tax Assets	**15, 23**	**15,180**	**14,125**

Continued on next page

Continued from the previous page

ASSETS	Annual Report Notes	31/12/2015	31/12/2014
B) CURRENT ASSETS		**421,424**	**395,064**
I. Non-Current Assets Held for Sale	**21**	**417**	**417**
II. Inventories	**13**	**331,425**	**319,576**
2. Raw materials and other supplies		313,059	288,960
3. Products in progress		8,484	10,717
4. Finished products		6,270	18,091
6. Advances to suppliers		3,612	1,808
III. Trade Debtors and Other Accounts Receivable	**12, 23**	**26,246**	**25,929**
1. Customers, sales and services rendered		19,822	16,907
2. Customers, group and associated companies		4,085	1,130
3. Current tax assets		116	138
4. Sundry debtors		1,489	2,522
5. Personnel		211	280
6. Other Public Administration credits		523	4,952
IV. Short-Term Investments in Group and Associated Companies	**12, 23**	**52,484**	**34,455**
1. Loans to group and associated companies		52,484	34,455
V. Short-Term Financial Investments	**12**	**6,147**	**10,367**
2. Loans		1,065	2,305
4. Derivatives		5,074	8,014
5. Other financial assets		8	48
VI. Short-Term Prepayments & Accruals		**126**	**177**
VII. Cash & Cash Equivalents	**12**	**4,579**	**4,143**
1. Treasury		4,579	4,143
TOTAL ASSETS (A + B)		**534,005**	**508,282**

NET WORTH & LIABILITIES	Annual Report Notes	31/12/2015	31/12/2014
A) NET WORTH		123,661	119,244
A.1 Shareholders' Equity	12	**117,677**	**112,169**
I. Capital		60,102	60,102
III. Previous Years Reserves & P&L		31,562	32,428
1. Legal and statutory		12,020	12,020
2. Other reserves		19,542	20,408
IV. Reserves in Consolidated Companies		15,009	14,630
V. Reserves in Equated Companies		(15)	(11)
VIII. Year-End P&L Attributed to the Parent Company		11,019	5,020
1. Consolidated P&L		11,019	5,020
2. Minority interest P&L		-	-
A.2 Revaluation Adjustments		**772**	**1,855**
I. Consolidated Company Conversion Difference		-	-
III. Other Consolidated Company Revaluation Adjustments		772	1,855
1. Hedging operations	12	772	1,855
A.3 Subsidies, Donations & Legacies Received	20	**5,136**	**5,144**
I. In Consolidated Companies		5,136	5,144
A.4 Minority Interests	6	**76**	**76**
1. Previous years minority interests		76	76
2. P&L attributed to minority interests		-	-

Continued on next page

Continued from the previous page

NET WORTH & LIABILITIES	Annual Report Notes	31/12/2015	31/12/2014
B) NON-CURRENT LIABILITIES		**242,655**	**262,646**
I. Long-Term Provisions	**17**	**57,780**	**55,425**
2. Environmental activities	**18**	39,928	39,176
3. Restructuring provisions		686	768
4. Other provisions		17,166	15,481
II. Long-Term Debts with Group and Associated Companies	**23**	**984**	**385**
III. Long-Term Debts	**12**	**179,240**	**201,016**
2. Bank loans		172,896	193,692
3. Financial leasing creditors	**11**	83	140
4. Other financial liabilities		785	876
5. Derivatives		5,476	6,308
IV. Deferred Tax Liabilities	**15, 23**	**4,651**	**5,820**
C) CURRENT LIABILITIES		**167,689**	**126,392**
II. Short-Term Provisions	**17, 18**	**3,757**	**3,213**
III. Short-Term Debts	**12**	**95,939**	**39,699**
2. Bank loans		92,446	36,160
3. Financial leasing creditors	**11**	56	65
4. Other financial liabilities		2,535	2,640
5. Derivatives		902	834
V. Trade Creditors & Other Accounts Payable	**12, 23**	**66,844**	**82,382**
1. Suppliers		12,707	14,690
2. Suppliers, group and associated companies		2,227	2,239
3. Current tax liabilities		4,151	3,722
4. Sundry creditors		1,638	3,303
5. Personnel (outstanding remunerations)		2,720	2,706
6. Other Public Administration debts		2,686	2,364
7. Customer and debtor advances		40,715	53,358
VI. Short-Term Prepayments & Accruals		**1,149**	**1,098**
TOTAL NET WORTH & LIABILITIES (A + B + C)		**534,005**	**508,282**

CONSOLIDATED PROFIT & LOSS ACCOUNT - ENUSA GROUP (thousands of Euros)

	Annual Report Notes	31/12/2015	31/12/2014
A) GOING CONCERNS			
1. Net Turnover	**16, 23**	**385,157**	**285,510**
a) Sales		338,908	246,150
b) Services rendered		46,249	39,360
2. Variation in inventories of finished products & products in progress		**(14,055)**	**3,303**
3. Own Expenses Capitalized		**90**	**91**
4. Supplies	**23**	**(284,433)**	**(210,564)**
a) Consumption of commodities		(53)	(49)
b) Consumption of raw materials and other consumables	**16**	(254,412)	(184,046)
c) Contracted services		(29,968)	(26,469)
5. Other Operating Income		**2,389**	**4,026**
a) Non-core and other current operating income		2,334	3,976
b) Operating subsidies included in the year's P&L	**20**	55	50
6. Personnel Costs		**(38,165)**	**(37,706)**
a) Wages, salaries and similar costs		(29,028)	(28,625)
b) Social charges	**16**	(9,137)	(9,300)
c) Provisions		-	219
7. Other Operating Expenses		**(23,786)**	**(19,618)**
a) Outsourcing		(19,890)	(17,654)
b) Taxes		(2,499)	(1,805)
c) Losses, depreciation and variation in trading provisions		(1,306)	(73)
d) Other current operating expenses		(91)	(86)
8. Fixed Asset Amortization	**9, 10**	**(7,913)**	**(7,662)**
9. Allocation of Non-Financial Fixed Asset Subsidies & Others	**20**	**3**	**3**
10. Excess Provisions		**204**	**16**
11. Fixed Asset Depreciation and Disposal Results		**8**	**(359)**
a) Depreciation and losses		-	(360)
b) Disposal and other results		**8**	1
12. Result from Losing Control over Consolidated Investments		**-**	**(518)**
13. Other Operating Results	**16**	**(167)**	**25**
a) Extraordinary expenses		(468)	(88)
b) Extraordinary income		301	113

Continued on next page

Continued from the previous page

	Annual Report Notes	31/12/2015	31/12/2014
A.1) OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12)		**19,332**	**16,547**
14. Interest Income		**1,330**	**668**
b) From marketable securities and other financial instruments		**1,330**	**668**
b.1 Group and associated companies	23	258	649
b.2 Third parties		1,072	19
15. Financing Costs		**(8,265)**	**(11,288)**
a) Group and associated company accounts	23	(8)	(31)
b) Third party debts		(7,053)	(9,396)
c) Revaluation of provisions		(1,204)	(1,861)
16. Exchange Rate Differences	14	**(414)**	**(103)**
18. Capitalization of financing costs		**839**	**1,032**
A.2) FINANCIAL RESULT (14+15+17)		**(6,510)**	**(9,691)**
19. Share in Profits (Losses) of Equated Companies	7	**687**	**1,070**
A.3) PRE-TAX P&L (A.1. + A.2. + 19.)		**13,509**	**7,926**
22. Income Tax	15	**(2,490)**	**(3,620)**
A.4) YEAR-END P&L FROM GOING CONCERNS (A.3. + 22.)		**11,019**	**4,306**
B) DISCONTINUED OPERATIONS	21	**-**	**714**
A.5) CONSOLIDATED YEAR-END P&L (A.4. + B.)		**11,019**	**5,020**
P&L attributed to the parent company		**11,019**	**5,020**
P&L attributed to minority interests	6	-	-

STATEMENT OF CHANGES IN CONSOLIDATED NET WORTH - ENUSA GROUP (thousands of Euros)

A) STATEMENT OF RECORDED CONSOLIDATED INCOME AND EXPENDITURE (thousands of Euros)	Annual Report Notes	2015	2014
A) YEAR-END CONSOLIDATED P&L		11,019	5,020
INCOME & EXPENDITURE CHARGED DIRECTLY TO CONSOLIDATED NET WORTH			
II. For cash flow hedges	12	11,364	10,143
V. Tax effect	12	(2,982)	(3,096)
B) TOTAL INCOME & EXPENDITURE CHARGED DIRECTLY TO CONSOLIDATED NET WORTH (I+II+III+IV+V)		8,382	7,047
TRANSFERS TO THE CONSOLIDATED P&L ACCOUNT			
VII. For cash flow hedges	12	(13,122)	(2,363)
VIII. Subsidies, donations & legacies received	20	(3)	(3)
IX. Tax effect	12	3,658	709
C) TOTAL TRANSFERS TO THE CONSOLIDATED P&L ACCOUNT (VI+VII+VIII+IX)		(9,467)	(1,657)
TOTAL RECORDED CONSOLIDATED INCOME AND EXPENDITURE (A+B+C)		9,934	10,410
- Attributed to the parent company		9,934	10,410
- Attributed to minority interests		-	-

B) TOTAL STATEMENT OF CHANGES IN CONSOLIDATED NET WORTH (thousands of Euros)	Capital	Previous Years' Reserves and P&L	Year-End P&L Attributed to Parent Co.	Revaluation Adjustment	Subsidies, Donations & Legacies Received	Minority Interests	Total
A. Balances at 31 December 2013	60,102	53,229	7,771	(3,537)	4,837	4,046	126,448
I. Total recorded consolidated income and expenditure	-	-	5,020	5,392	(2)	-	10,410
II. Operations with partners or owners	-	(6,182)	(7,771)	-	309	(3,970)	(17,614)
4. Distribution of 2013 profits	-	(4,881)	(9,123)	-	-	-	(14,004)
- Reserves	-	-	-	-	-	-	-
- Dividends	-	(4,881)	(9,123)	-	-	-	(14,004)
7. Other transactions	-	(1,301)	1,352	-	309	(3,970)	(3,610)
B. Balances at 31 December 2014	60,102	47,047	5,020	1,855	5,144	76	119,244
I. Total recorded consolidated income and expenditure	-	-	11,019	(1,083)	(2)	-	9,934
II. Operations with partners or owners	-	(491)	(5,020)	-	(6)	-	(5,517)
4. Distribution of 2014 profits	-	-	(5,449)	-	-	-	(5,449)
- Reserves	-	-	-	-	-	-	-
- Dividends	-	-	(5,449)	-	-	-	(5,449)
7. Other transactions	-	(491)	429	-	(6)	-	(68)
C. Balances at 31 December 2015	60,102	46,556	11,019	772	5,136	76	123,661

STATEMENT OF CONSOLIDATED CASH FLOWS - ENUSA GROUP (thousands of Euros)

A) CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES	Annual Report Notes	2015	2014
1. Pre-Tax Year-End Consolidated P&L		**13,509**	**7,926**
2. Consolidated P&L Adjustments		**20,162**	**20,170**
Fixed asset amortization (+)	9, 10	7,913	7,662
Valuation adjustments for depreciation (+/-)	9, 10	514	400
Variation in provisions (+/-)		6,328	5,303
Allocation of subsidies (-)	20	(3)	(2)
Fixed asset write-off & disposal results (+/-)		(8)	-
Financial instrument write-off & disposal results (+/-)		-	518
Interest income (-)		(1,330)	(668)
Financing costs (+)		6,128	7,924
Exchange rate differences (+/-)	14	415	103
Share in profits (losses) of equated companies, net of dividends	7	(687)	(1,070)
Other income and expenditure (-/+)		892	-
3. Changes in Consolidated Working Capital		**(30,339)**	**(9,005)**
Inventories (+/-)		(11,806)	(25,110)
Debtors and other accounts receivable (+/-)		(628)	(621)
Other current assets (+/-)		139	(329)
Creditors and other accounts payable (+/-)		(18,093)	17,636
Other current liabilities (+/-)		49	(617)
Other non-current assets and liabilities (+/-)		-	36
4. Other Consolidated Cash Flows from Operating Activities		**(13,342)**	**(14,775)**
Interest payments (-)		(7,291)	(8,523)
Dividend income (+)		768	496
Interest income (+)		307	730
Income tax payments (charges) (-/+)		(3,595)	(3,659)
Other payments (charges) (-/+)	17	(3,531)	(3,819)
5. Consolidated Cash Flows from Operating Activities (1+2+3+4)		**(10,010)**	**4,316**

Continued on next page

Continued from the previous page

B) CONSOLIDATED CASH FLOWS FROM INVESTMENT ACTIVITIES	Annual Report Notes	2015	2014
6. Investment Payments (-)		**(56,945)**	**(40,708)**
Group companies, net of consolidated company cash		(52,469)	(34,438)
Intangible fixed assets		(642)	(1,265)
Tangible fixed assets		(3,797)	(4,614)
Other financial assets		(37)	(391)
7. Disinvestment Charges (+)		**36,391**	**45,432**
Group companies, net of consolidated company cash		34,438	43,811
Tangible fixed assets		23	30
Other financial assets		111	761
Non-current assets held for sale		1,819	830
8. Consolidated Cash Flows from Investment Activities (7-6)		**(20,554)**	**4,724**
C) CONSOLIDATED CASH FLOWS FROM FINANCING ACTIVITIES			
10. Financial Liability Instrument Charges and Payments		**36,449**	**412**
a) Issue		**71,487**	**124,193**
Bank loans (+)		70,779	123,981
Group and associated company accounts (+)		598	202
Sundry debts (+)		110	10
b) Repayment and amortization		**(35,038)**	**(123,781)**
Bank loans (-)		(35,024)	(108,656)
Group and associated company accounts (-)		-	(15,075)
Sundry debts (-)		(14)	(50)
11. Dividend Payments and Remuneration of Other Financial Investments		**(5,449)**	**(14,003)**
Dividends (-)		(5,449)	(14,003)
12. Consolidated Cash Flows from Financing Activities (9+10+11)		**31,000**	**(13,591)**
E) NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS (5+8+12)		**436**	**(4,551)**
Cash or cash equivalents at beginning of year		**4,143**	**8,694**
Cash or cash equivalents at year's end		**4,579**	**4,143**

2015 CONSOLIDATED ANNUAL REPORT

1 GROUP COMPANIES

1.1. Parent Company

ENUSA Industrias Avanzadas, S.A. (hereinafter ENUSA or the Parent Company) was incorporated in Spain in 1972 for an indefinite period of time. Its registered office is located on Calle Santiago Rusiñol, nº 12 in Madrid.

The shareholders at 31 December 2015 are the *Sociedad Estatal de Participaciones Industriales* (SEPI), holding 60% of the capital, and the *Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas* (CIEMAT), holding the remaining 40%.

The Parent Company's aim is as follows:

1. Mineral research and exploitation, production of uranium concentrates and other byproducts, uranium enrichment, engineering and manufacture of nuclear fuel assemblies and other components, products, equipment and processes for electric power generation, and the use, distribution and marketing of the products resulting from each of the aforesaid industrial phases and provision of services related to these products or to radioactive materials.

2. Provision of chemical, physicochemical and radiological analysis services, and issue of reports and advice on environment-, energy- and technology-related matters.

3. Execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as land reclamation, including land affected by radioactive materials.

4. Preparation of all kinds of technical studies and reports, including those regarding radioactive materials; execution of all kinds of projects, and technical oversight and management of works of any sort, including nuclear or radioactive installations.

5. Collection and treatment of urban and industrial wastes, and water treatment.

The main activities of ENUSA are as follows:

1 Industrial Activities

- Engineering and manufacture of nuclear fuel assemblies and other components. To conduct its manufacturing business, ENUSA has signed licensing contracts since 1974 with the technology owners, to which it pays the appropriate royalties. The Global Nuclear Fuel license contract was extended in 2015 by a new license agreement with the General Electric Group, with validity up to December 2017. As for the license contract with Westinghouse, it was renewed, effective on 1 January 2005, until 2011, and it was subsequently extended until 2018.

- Product distribution and marketing in each of the above mentioned industrial phases, and provision of services related to these products or to radioactive materials.

2 Uranium Supply Activities

- Uranium procurement, as well as isotopic enrichment and conversion services, for the supply of enriched uranium to the Spanish nuclear reactors.

- Natural and enriched uranium stock management.

3 Other Activities

- Provision of chemical, physicochemical and radiological analysis services, as well as reporting on environmental, energy and technological issues.

- Land, slag heap and old mine reclamation, water treatment, and execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations.

- Studies, technical reports and projects related to its areas of operation.

- Provision, through its subsidiaries, of fuel assembly inspection and repair services, radioactive material and explosives transportation, radioactive isotope manufacture and marketing, land reclamation, execution and maintenance of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as management, recycling, reutilization and treatment of industrial and hazardous wastes and recovery and decontamination of contaminated areas and soils.

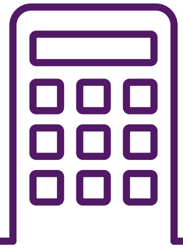
- The execution of works and service management corresponding to the “Project for urban solid waste (USW) management of the Zonal Waste Plan of Zone 1, Castellón”, through its investment as partner in the joint venture “Teconma, S.A., Azahar Environment, S.A. and Ecodeco, S.R.L. Unión Temporal de Empresas” (hereinafter, UTE RSU).

The industrial activities have been carried out in the fuel assembly factory located in the town of Juzbado, in the province of Salamanca, since 1985.

The manufacturing process of the PWR fuel assemblies (for pressurized water nuclear power plants) and BWR fuel assemblies (for boiling water nuclear power plants) takes place in this industrial center.

ENUSA also leads pioneering environmental reclamation projects in the areas where it operates or in which it has conducted its mining and industrial business in the past (uranium concentrate mines of La Haba in Badajoz and Saelices el Chico in Salamanca), for the ultimate purpose of returning these areas to the geological and environmental conditions they had before their exploitation began.

ENUSA belongs to the consolidated group of the *Sociedad Estatal de Participaciones Industriales* (SEPI). In accordance with the provisions of article 136.3 of General Budget Act 47/2003 of November 20, SEPI is not required to deposit its consolidated accounts in the Business Registry because it is not a commercial enterprise.



1.2. Subsidiary Companies

Following is the list of the multi-group and associated companies of the ENUSA Group at 31 December 2015:

Multi-group and Associated Companies that make up the ENUSA Group at 31 December 2015:

Company	Head Office	Holder	% Invest-ment	Nominal Share (thou. €)	Activity
EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A. (Emgrisa)	Conde de Peñalver, 38 - Madrid	ENUSA	99.62	7,783	Performance of any activities necessary for the proper management of the programs and actions of the National Industrial Waste Plan to which the Law 20/1986 of 14 May refers, aimed at the rationalization and coordination of the management of these resources.
EXPRESS TRUCK, S.A.U.	Ctra. Salamanca -Vitigudino, km. 0,7 (Cetramesa) Salamanca	ENUSA	100.00	301	All type of transports, both national and foreign, in all its extension and with any modality and merchandise, including hydrocarbons, chemical products, radioactive material and others.

2 ASSOCIATED AND MULTI-GROUP COMPANIES

Following is the list of the ENUSA Group multi-group and associated companies at 31 December 2015:

Multi-Group and Associated Companies at 31 December 2015:

Subsidiary	Head Office	Holder	% Invest-ment	Nominal Share (thou. €)	Activity
Multi-group Companies					
ENUSA-ENWESA, A.I.E.	Santiago Rusiñol, 12 – Madrid	ENUSA	50.00	210	Repair of fuel assemblies for PWR-type light water reactors as well as other services related to the reactor core and its components.
Associated Companies					
G.E. ENUSA Nuclear Fuel, S.A.	Juan Bravo, 3-C (Madrid)	ENUSA	49.00	53	Marketing of nuclear fuel and provision of engineering services on this fuel.
CETRANSA, S.A.	Pol. Industrial Los Barriales. 47.011- Santovenia de Pisuerga (Valladolid)	Emgrisa, S.A.	30.00	360	Management and treatment of industrial waste.
REMESA, S.A.	Plaza de España, s/n. 52.001 (Melilla)	Emgrisa, S.A.	50.00	6,275	Integrated operation and management of treatment plant of urban waste.
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E.	Santiago Rusiñol, 12 – Madrid	ENUSA Industrias Avanzadas, S.A.	25.00	6	Commercial promotion of products and services for nuclear plants in the People's Republic of China and other countries of common interest for the partners.

Appendix I includes additional information on the Group's member companies, their net worth and the direct and indirect investment at 31 December 2015 and 2014.

3 BASES OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

3.1. True and Fair Reflection

The consolidated annual accounts have been prepared on the basis of the accounting records of ENUSA and of the integrated consolidated companies and Temporary Joint Ventures (UTEs). The 2015 consolidated annual accounts have been prepared in accordance with current commercial legislation and with the rules provided in the General Accounting Plan, in Order EHA/3362/2010 of December 23 which approves the rules of adaptation of the General Accounting Plan to concessionaires of public infrastructures and in Royal Decree 1159/2010 which approves the rules for preparation of consolidated annual accounts, in order to show a true and fair reflection of the consolidated state of affairs and the consolidated financial position at 31 December 2015 and the consolidated results of operations and changes in the consolidated net worth and consolidated cash flows corresponding to the fiscal year ending on that date.

It is deemed that the 2015 consolidated annual accounts, which have been prepared on 11 March 2016, will be approved by the General Shareholders' Meeting without any modifications.

3.2. Information Comparison

The consolidated annual accounts present, for purposes of comparison with each of the items in the balance sheet, profit and loss account, statement of changes in net worth, statement of cash flows and annual report, in addition to the figures for 2015, the figures from the previous year which formed part of the 2014 annual accounts approved by the General Shareholders' Meeting of 29 June 2015.

3.3. Functional Currency and Presentation Currency

The consolidated annual accounts are presented in thousands of Euros, rounded off to the nearest thousand, which is the functional and presentation currency of the Parent Company.

3.4. Critical Issues of Valuation and Estimation of Uncertainty

In the preparation of the consolidated annual accounts estimates have been made to determine the book value of some of the assets, liabilities, income and expenses and on the breakdowns of the contingent liabilities. These estimates made have been made on the basis of the best information available at the closing of the fiscal year. However, given their inherent uncertainty, future events may arise that require modifying them in upcoming years, which will be done, where applicable, on a prospective basis.

The key suppositions about the future, as well as other relevant data on the estimate of the uncertainty on the closing date of the fiscal year, which are associated to an important risk of causing significant changes in the value of the assets or liabilities in the upcoming fiscal year are the following:

Depreciation of the value of non-current assets

The assessment of non-current assets, other than financial assets, requires making estimates with the aim of determining their recoverable value, for the purpose of evaluating possible depreciation, especially for the goodwill and the intangible assets with an indefinite useful life. In order to determine this recoverable value, the future cash flows expected from the assets or from the cash generating units of which they form part are estimated and an appropriate discount rate is used to calculate the current value of these cash flows. The future cash flows depend on working within the budgets of the next five years, while the discount rates depend on the interest rate and the risk premium associated with each cash generating unit.

Deferred tax assets

Deferred tax assets are recorded for all the temporary deductible differences for which it is probable that the Group will have future tax earnings that permit the application of these assets. For this reason, significant estimates have to be made to determine the amount of the deferred tax assets that can be recorded, taking into account the amounts and the dates on which the future tax earnings will be obtained and the reversion period of the temporary tax differences.

Provisions and contingencies

The Group allocates provisions to cover future liabilities, for which it is required to make different hypotheses and estimates. In general, for all the allocated provisions, the principal estimates refer to the greater or lesser certainty that future disbursements directly related to the provision are going to take place, to the amounts provided for them, as well as to the dates in which it is forecast that they will be realized. In the specific case of the provisions derived from litigations in progress, the Group also counts on outside advisers regarding the probability of the occurrence of disbursements, in order to classify the events as a provision or a future contingency.

Lastly, there is no awareness of any major uncertainties relative to events or conditions that could cast significant doubts on the possibility that the different companies of the Group will continue functioning as usual.

4 DISTRIBUTION OF EARNINGS

The Board of Directors of the Parent Company will propose to the General Shareholders' Meeting that it approve the following distribution of 2015 earnings:

BASIS FOR DISTRIBUTION	Euros
P & L account balance	10,436,650.78
TOTAL	10,436,650.78
DISTRIBUTION	Euros
To dividends	10,436,650.78
TOTAL	10,436,650.78

The distribution of the 2014 earnings amounting to 5,449,026.10 Euros, approved by the General Shareholders' Meeting of 29 June 2015, consisted in their complete distribution to dividends.

5 RECORDING AND VALUATION RULES

The main principles applied are as follows:

5.1. Subsidiaries

Subsidiaries, including special purpose entities, are considered to be those over which the Parent Company directly, or indirectly through subsidiaries, exercises control, as provided in article 42 of Commercial Law.

For the sole purpose of presentation and itemization, group companies are considered to be those that are controlled through any means by one or more natural persons or legal entities that act jointly or report to a sole management based on statutory clauses or agreements. All the references to Group Companies and amounts shown in the consolidated Balance Sheet and Profit & Loss Account correspond to the SEPI Group.

The subsidiaries have been consolidated by applying the full integration method.

The income, expenditure and cash flows of the subsidiaries are included in the consolidated annual accounts as of the date of acquisition, which is the date on which the Group effectively obtains control thereof. The subsidiaries are excluded from the consolidation exercise as of the date on which control is lost.

The transactions and balances maintained with subsidiaries and the unrealized profits or losses have been eliminated from the consolidation process. However, unrealized losses have been considered as an indicator of depreciation of value of the transferred assets.

The accounting policies of the subsidiaries are adapted, if they are different, to the Group's accounting policies for transactions and other events that are similar and have occurred under similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process refer to the same date of presentation and same period as those of the Company.

5.2. Joint Ventures and Associated Companies

Multi-group companies are considered to be those that are jointly managed by the Company or one or more of the Group companies, including the dominant companies or natural persons, and one or more third parties outside the Group.

Jointly controlled operations and assets are considered to be those for which there is a statutory or contractual agreement to share control over an economic activity, such that both financial and operating strategic decisions concerning the activity require the unanimous consent of the Group and the rest of the partners.

The Group undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The information on these UTEs is provided in Note 8.

Investments in multi-group companies are recorded by the equating method as of the date on which joint control is exercised and up to the date on which this joint control ends. However, if, on the date joint control is obtained, the investments meet the conditions for classification as non-current assets or disposable groups of items held for sale, they are recorded at fair value minus the sales costs.

For jointly controlled operations and assets, the Group records in the consolidated annual accounts the assets that are under its control, the liabilities it has incurred and the proportional part based on its percent share in the jointly controlled assets and jointly incurred liabilities, as well as the portion of income earned from the sale of goods or provision of services and the costs incurred by the joint venture. Likewise, the consolidated statement of changes in equity and the consolidated statement of cash flows also include the part that corresponds to the Group by virtue of the agreements reached.

The reciprocal transactions, balances, income, expenses and cash flows have been eliminated in proportion to the share held by the Group in the joint ventures. Dividends have been eliminated in full.

Associated companies are considered to be those on which the Group directly, or indirectly through subsidiaries, exerts significant influence. Significant influence is the power to intervene in the decisions concerning a company's financial and operating policies, without entailing the existence of control or joint control over that company. The assessment of the existence of significant influence considers the potential voting rights exercisable or convertible at the end of each fiscal year, and also considers the potential voting rights held by the Group or by third parties.

The Group considers that it exercises significant influence when its share in the capital of the company in question is greater than 20% but less than 50%.

Investments in associated companies are recorded by the equating method as of the date on which significant influence is exerted and up to the date on which the Group can no longer justify the existence thereof. However, if, on the date of acquisition, they meet the conditions for classification as non-current assets or disposable groups of items held for sale, they are recorded at the consolidated value or their fair value, whichever is lower, minus the sale costs.

The Group's share in the profits or losses of associated companies obtained as of the acquisition date is recorded as an increase or decrease of the value of the investments credited or charged to the item "Investments in equated company P&L" of the consolidated P&L account. Likewise, the Group's investment in the total recognized income and expenses of the associated companies obtained as of the acquisition date is recorded as an increase or decrease of the value of the

investments in the associated companies, recording the balancing entry in consolidated net worth accounts. The distributions of dividends are recorded as reductions of the investment value. To determine the Group's share in profits or losses, including the value depreciation losses recorded by the associated companies, the income or expenses stemming from application of the acquisition method are considered.

The accounting policies of the associated companies have been subject to valuation harmonization on the same terms as those referred to for the subsidiaries.

All the multi-group and associated companies close their fiscal year on 31 December.

5.3. Consolidation Goodwill and Negative Consolidation Difference

In accordance with the accounting principles and rules previously in effect, the difference between the book value of investments in consolidated companies and the amount of total equity corresponding to the percent share therein was recorded, if positive, as Goodwill and, if negative, as a Negative Consolidation Difference on the date of their first consolidation.

At 31 December 2015 and 2014, the net book value of all Goodwill is zero.

The Negative Consolidation Differences were considered as reserves in 2008, in accordance with the criteria set forth in point 2 of the ICAC note (BOICAC no. 75) regarding the rules of first application to preparation of the initial consolidated balance sheet.

5.4. Minority Interests

As of the date of transition to the current accounting legislation (1 January 2008), minority interests in the subsidiary companies are recorded in Net Worth on the date of acquisition by the percent investment in the fair value of the identifiable net assets. Minority interests in subsidiary companies acquired prior to this transition date were recorded by the percent investment in their net worth on the date of first consolidation. Minority interests are presented in the consolidated net worth of the consolidated balance sheet separately from the equity attributed to the Parent Company. The share of minority interests in the year's profits or losses is also presented separately in the consolidated P&L account.

The share of the Group and of the minority interests in the profits and losses and in the changes in net worth of the subsidiaries, once the adjustments and eliminations stemming from the consolidation are considered, is determined on the basis of the investment percentages existing at year's end, without considering the possible exercise or conversion of potential voting rights, and after deducting the effect of dividends, whether or not agreed, of preferred shares with cumulative rights that have been classified in net worth accounts.

Excess losses attributable to minority interests and not charged to them because they exceed the amount of the investment in the subsidiary equity, are recorded as a decrease of the Group consolidated net worth, whenever the obligation of the minority interests is limited to the contributed amounts and there are no pacts or agreements on additional contributions. The profits earned by the Group on subsequent dates are allocated to it until the amount of the minority interest share in the losses absorbed in previous accounting periods is recovered.

5.5. Intangible Fixed Assets

Intangible fixed assets are appraised at the acquisition price or production cost, and they are presented in the consolidated balance sheet at cost price, minus the accrued amortization and the accrued amount of known valuation adjustments, if any, for depreciation.

Licenses and patents acquired from third parties are linearly amortized over a period of no more than ten years.

Research-related costs are recorded as expenditure in the consolidated profit and loss account as they are incurred.

For its part, the Group capitalizes development costs incurred in specific projects and itemizes them for each activity that meets the following conditions:

- There is a clear allocation, charge and time distribution of the costs of each project.
- There are at all times well-founded expectations of technical success and the economic-commercial profitability of the project.

At the time of registration in the appropriate Public Registry, the development costs are reclassified to the item “Patents, licenses, brands and similar”.

Intangible fixed assets in computer applications are those acquired from third parties, and they are linearly amortized over a period of no more than five years. The maintenance costs of computer applications are carried over to expenses at the time they are incurred.

The Intangible Fixed Assets include the assets subject to concession comprised by the Parent Company’s investment in the UTE RSU, applying the provisions of Order EHA/3362/2010 of 23 December, which approved the Rules for adapting the General Accounting Plan to the concessionaires of public infrastructures.

The most significant aspects of this application are the following:

- **Consideration received for the construction or improvement services.**

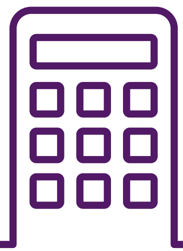
The consideration received by the concessionaire is recorded at the fair value of the service provided, in principle equivalent to the cost plus the construction margin, with this concession agreement having been classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortized over the entire concession period (20 years).

- **Deferred financing costs for financing concession elements.**

By having classified concession agreements as Intangible Fixed Assets, from the time at which the infrastructure covered by the agreements is in operating conditions, the financing costs incurred are capitalized and charged to results in proportion to the expected income indicated in the Financial Economic Plan of the concession. This proportion is applied to the total financing costs envisaged during the concession period.

- **Actions on the infrastructure during the term of the agreement.**

Certain future actions on the infrastructure covered by the agreements generate the allocation of certain provisions, some of which are made with the matching entry being the higher value of the Intangible Fixed Asset subject to the concession, as they are similar to the provisions for dismantling or retirement costs.



5.6. Tangible Fixed Assets

Tangible fixed assets are shown at acquisition price or production cost and include the value of the legal revaluation carried out in accordance with the provisions of Royal Decree-Law 7/1996 of June 7 (see Note 9), and they are presented in the balance sheet at cost price, minus the accrued amortization and the accrued amount of known valuation adjustments, if any, for depreciation.

The cost of tangible fixed assets includes the estimated costs of dismantling or retiring the Juzbado factory, as well as rehabilitation of the site on which it is located, which is planned as of the year 2027, as obligations are incurred as a result of their use and for purposes other than production of inventories.

Advances and fixed assets under construction correspond to monetary payments prior to the total commissioning for the Group of the fixed asset to which they refer. They are appraised by the amount of the monetary payment made up to the time of reception and total commissioning of the fixed asset in question, at which time they are reclassified to the appropriate tangible fixed asset account.

The cost of those assets acquired or produced after 1 January 2008 and that need more than one year to be in a condition for use includes the financing costs accrued before the fixed asset is fit for operation which meet the requirements for capitalization thereof.

The amortization of fixed assets is calculated on the basis of book values in order to linearly amortize these values in full over annual periods within the estimated useful life of the assets.

The Group amortizes the tangible fixed assets, following the straight-line method according to the following estimated years of useful life, as shown below:

Constructions	8 to 34 years
Technical installations, machinery & tools	8 to 15 years
Other installations	8 to 10 years
Data processing equipment and furniture	2 to 10 years
Other tangible fixed assets	3 to 10 years

The costs of upgrading, expanding or enhancing tangible fixed assets, when this does not involve increased capacity or productivity or an extension of their useful life, are charged to results of the year in which they are incurred.

Likewise, the enhancements of tangible fixed asset items that represent increased capacity or efficiency, or an extension of their useful life, are included in the acquisition cost.

The fixed asset revaluation carried out in 1996 by the Parent Company was calculated by applying certain rates, depending on the year of purchase and amortization of the items, to the acquisition values or production cost and to the corresponding annual amortization provisions that were considered as a deductible expense for tax purposes, in accordance with the rule that regulates these revaluation operations. The resulting net revaluation was reduced by 40% for purposes of considering the financing circumstances of the items, as established by this rule.

Valuation adjustments for depreciation correspond to the estimated amounts of reversible losses of the tangible fixed assets at year's end.

5.7. Leases

The Group has been granted the right to use certain assets under leasing contracts.

Leasing contracts that, at the beginning thereof, substantially transfer to the Group all the risks and benefits inherent in ownership of the assets are classified as financial leases, and they are otherwise classified as operating leases.

- **Financial Leases**

At the beginning of the financial lease, the Group records an asset and a liability by the lower of the fair value of the leased asset or the current value of the minimum lease payments. The initial direct costs are included as the greater asset value. The minimum payments are divided between the financing charge and the reduction of the outstanding debt. The financing costs are charged to the consolidated P&L account by applying the effective interest rate method.

Contingent leasing fees are recorded as an expense when it is likely that they will be incurred.

The accounting principles applied to the assets used by the Group by virtue of signing leasing contracts classified as financial are the same as those indicated in section 5.6. However, if, at the beginning of the lease, there is no reasonable certainty that the Group is going to obtain ownership of the assets at the end of the leasing term, these are amortized during the useful life or the term thereof, whichever is shorter.

- **Operating Leases**

Fees stemming from operating leases, net of the incentives received, are linearly recorded as an expense during the term of the lease, except when another systematic basis for distribution is more representative because it more adequately reflects the timeframe of the lease profits.

5.8. Financial Instruments

5.8.1. Criteria of Classification and Valuation of the Different Financial Instruments

Financial instruments are classified at the time of their initial recording as a financial asset, a financial liability or a financial investment, in accordance with the economic essence of the contractual agreement and with the definitions of financial asset, financial liability and financial investment.

The Group classifies the financial instruments in the different categories in keeping with the characteristics and the intentions of the Management at the time of their initial recognition.

A financial asset and a financial liability are subject to compensation only when the Group has the right to demand compensation for the recorded amounts and intends to liquidate the net amount or simultaneously realize the asset and cancel the liability.

Based on their valuation criteria, financial instruments are classified in the following categories:

Financial Assets

- **Loans and Accounts Receivable**

These correspond to loans for trade and non-trade operations, provided the latter are not considered as financial derivatives and cannot be traded on an active market. This group includes the balance sheet items relative to trade debtors and other accounts receivable (including balances in favor of the company with personnel), group company accounts and other long-term (deposits and guarantees) and short-term financial assets.

These assets are initially recorded at their fair value, including the transaction costs incurred, and they are subsequently appraised at the amortized cost by using the effective interest rate method.

At year's end, the Group makes the appropriate value adjustment in its financial assets when a decrease in the fair value of realization of these assets becomes evident. Specifically, the Group records a depreciation in value in the trade debtor accounts and other accounts receivable when there is objective evidence that it will not be able to collect all the amounts it is owed, in accordance with the original terms of those accounts.

The depreciation loss is recorded and charged to results and is reversible in subsequent years if the decrease can be objectively related to an event following its recognition.

- **Available-for-Sale Financial Assets**

These correspond to financial investments in companies that are not considered as group, multi-group or associated companies and which the Group does not plan to dispose of in the short term.

The available-for-sale financial assets are initially recorded at the fair value plus the transaction costs directly attributable to the purchase.

After the initial recognition, if the fair value of the financial assets classified in this category cannot be reliably determined, they are appraised at cost minus, if any, the accrued amount of the valuation adjustments for depreciation of the item in question. The dividends are recorded in results according to the criteria provided in section 5.8.3.

Value depreciation losses that correspond to financial investments are not reversible. Subsequent increases in the fair value, once the depreciation loss has been recognized, are recorded in consolidated net worth.

Financial Liabilities

- **Debts and Accounts Payable**

These correspond to debts from trade and non-trade operations, provided the latter are not considered as financial derivatives. Specifically, this section includes all the balance sheet items relative to trade creditors and other accounts payable (including outstanding remunerations to personnel and advances received from customers, the latter with short-term maturity), long- and short-term bank loans, and other unpaid long-term and short-term debts.

They are initially recorded by their fair value, minus transaction costs, if any, that are directly attributable to their issue. After the initial recognition, the liabilities classified under this category are appraised at amortized cost by using the effective interest rate method.

5.8.2. Criteria Used to Record the Write-Off of Financial Instruments

Financial assets are written off the books when the rights to receive cash flows related to them have expired or have been transferred and the Group has substantially transferred the risks and benefits derived from their ownership.

The Group writes off a financial liability or part of it when it has fulfilled the obligation contained in the liability or else it is legally exempted from the fundamental responsibility contained in the liability, whether by virtue of legal proceedings or by the creditor.

5.8.3. Interest and Dividends

Interest income and expenditure are recorded by applying the effective interest rate method. On the other hand, the dividends from financial investments are recorded when the Group obtains the rights to receive them. If the distributed dividends come unequivocally from results generated prior to the date of acquisition because amounts greater than the profits yielded by the invested company since the acquisition have been distributed, they decrease the book value of the investment.

5.9. Hedge Accounting

The Group uses financial derivatives as part of its strategy to reduce its exposure to exchange rate and interest rate risks.

The hedging operations carried out by the Group are classified as cash flow hedges and they cover the exposure to the variation in future cash flows attributed to:

- Risks in relation to exchange rates, in purchases or supplies and in sales made in foreign currencies, by foreign currency purchase/sales operations on credit, thereby fixing a known exchange rate on a specific date (which furthermore may be restated later for exact adaptation and application to the cash flows of the hedged item).

- Interest rate risks, by contracting financial swaps that allow the Parent Company to convert part of the financing costs referenced at a variable rate into a fixed rate.

The derivative financial instruments that meet the hedge accounting criteria are initially recorded at their fair value, plus the transaction costs, if any, that are directly attributable to the contracting thereof, or minus the transaction costs, if any, that are directly attributable to the issue thereof. However, the transaction costs are subsequently recorded in results if they do not form part of the effective variation of the hedge.

At the beginning of the hedge, the Group formally designates and documents the hedge ratios, as well as the goal and strategy it plans with respect thereto. Entering the hedge operations in the books is only useful when it is expected that the hedge will be highly effective at the beginning of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

The part of the gain or loss of the derivative financial instrument that has been determined as effective hedging is temporarily recorded in consolidated net worth, using as balancing entry the corresponding asset account (financial investments) or liability account (financial debt) and charging it to the consolidated profit and loss account in the fiscal year or years in which the planned hedge operation affects the results.

The Parent Company prospectively discontinues the accounting of fair value hedges in the cases in which the derivative financial instrument expires or is sold, resolved or exercised, the hedge no longer meets the conditions for hedge accounting, or the designation is revoked. The successive renewal or replacement of a derivative financial instrument with another is not an expiration or resolution, whenever it forms part of the documented hedging strategy. In these cases, the amount accrued in consolidated net worth is not recorded in results until the planned transaction takes place. Notwithstanding the above, the amounts accrued in consolidated net worth are reclassified to the item for fair value variation in financial instruments of the consolidated profit and loss account at the time when the Group no longer expects that the planned transaction will take place.

5.10. Inventories

Inventories are initially appraised by the acquisition or production cost.

The acquisition cost includes the amount billed by the vendor after deducting any discount or other similar items, and also the interest charged at the nominal debt rate, and adding the additional costs incurred until the goods are placed for sale and any others directly attributable to the acquisition, as well as the financing costs according to the following provisions and the indirect, non-recoverable Public Treasury taxes.

The Group includes in the cost of the supply management inventories, which require more than one year to be in a condition to sell, the financing costs related to the specific or generic financing directly attributable to their acquisition. If the financing has been specifically obtained, the amount of the interest to be capitalized is determined on the basis of the accrued financing costs. The amount of the interest to be capitalized for generic, non-commercial financing is determined by applying an average weighted interest rate to the current investment, deducting the specifically financed part and the part financed with total equity, with the limit of the accrued financing costs in the profit and loss account.

The production cost of inventories includes the acquisition price of the raw materials and other consumables, and the costs directly related to the produced units and a systematically calculated part of the variable or fixed indirect costs incurred during the transformation process. The fixed indirect costs are distributed on the basis of the normal production capacity or actual production, whichever is lower.

Specifically, the costs of the main headings are determined as follows:

- Raw and auxiliary materials corresponding to the supply management stock: include the material acquisition price and the financial burden associated with financing them, as determined in the uranium supply contract.

- Finished products and products in progress: include the cost of materials and assemblies that are incorporable into their acquisition cost, plus direct and indirect personnel costs based on the number of hours charged, plus the amortization of productive items and other manufacturing process costs.

Advances to suppliers, delivered on account of purchase orders, are appraised by the nominal amount or by the equivalent value in Euros, as appropriate.

The cost of raw materials and other supplies, the cost of commodities and the cost of transformation are allocated to the different units in inventories by the Parent Company applying the average weighted price method (for raw materials stock) or FIFO (for the rest of the stocks).

Part of the inventories, and fundamentally some of the supply management inventories, have a turnover of more than 12 months. However, the Group has been keeping all of its inventories in Current Assets, in keeping with their productive cycle.

The cost price of inventories is subject to valuation adjustments in those cases in which their cost exceeds their net realizable value. For these purposes, net realizable value is understood to be:

- For raw materials and other supplies, their replenishment price. The Group does not recognize the valuation adjustment in those cases in which it expects that the finished products into which the raw materials and other supplies are incorporated are going to be disposed of for a value greater than or equal to their production cost;

- For commodities and finished products, their estimated sales price, minus the necessary sales costs;

- For products in progress, the estimated sales price of the corresponding finished products, minus the estimated costs required to complete their production and the sales-related costs.

The previously recorded valuation adjustment reverts against results, if the circumstances that caused the diminished value no longer exist or when there is clear evidence of an increase in the net realizable value as a result of a change in the economic circumstances. The limit of the reversion of the valuation adjustment is the lower of the cost and the new net realizable value of the inventories.

5.11. Cash and Cash Equivalents

This heading includes cash in hand, current bank accounts and temporary deposits and acquisitions of assets that meet all the following requirements:

- They are convertible into cash.
- Their maturity was not more than three months at the time of acquisition.
- They are not subject to a significant change of value risk.
- They form part of the normal treasury management policy of the Company.

For purposes of the cash flow statement, the occasional overdrafts resulting from the Company's cash management are included as less cash and other cash equivalents.

This heading does not include the so-called "Inter-SEPI" investments (see Note 23).

5.12. Transactions in Foreign Currency

The foreign currency transactions undertaken by the Group mostly correspond to capital resources defined as monetary items. These are initially appraised at the exchange rate on the date on which the transactions are made. The balance sheet totals corresponding to these items are adjusted at year's end on the basis of the current exchange on that date.

Both the foreign currency exchange profits and losses originating in this process, as well as those resulting from liquidation of these capital resources, will be recorded in the consolidated profit and loss account of the year in which they occur.

5.13. Income Tax

The year's income tax expense is calculated with the sum of the current tax, which results from applying the corresponding taxation rate to the year's taxable income minus the existing deductions and allowances, and the variations occurring during that year in the recorded deferred tax assets and liabilities. It is recorded in the profit and loss account, except when it corresponds to transactions that are directly recorded in the net worth, in which case the corresponding tax is also recorded in net worth.

Deferred taxes are recorded for the temporary differences existing on the balance sheet date between the tax base of the assets and liabilities and their book values. The tax base of a capital resource is considered to be the amount attributed to it for tax purposes.

The tax effect of the temporary differences is included in the corresponding balance sheet headings "Deferred Tax Assets" and Deferred Tax Liabilities".

A deferred tax liability is recognized for all the taxable temporary differences, subject to the exceptions, if any, provided in current legislation.

Deferred tax assets are recognized for all the deductible temporary differences, unused tax credits and negative taxable bases still to be compensated, if it is likely that the Group is going to obtain future tax gains that enable the application of these assets, subject to the exceptions, if any, provided in current legislation.

On each year's closure date, the recorded deferred tax assets and those that have not been previously recognized are reviewed. Based on this review, a previously recorded asset is written off the books if its recovery is no longer likely, or any previously unrecognized deferred tax asset is recorded, provided it is likely that future tax gains will be obtained that enable its application.

Deferred tax assets and liabilities are appraised at the tax rates expected at the time of their reversion, according to current legislation and in accordance with the way in which it is rationally expected that the deferred tax asset or liability will be recovered or paid.

Deferred tax assets and liabilities are not deducted and they are classified as non-current assets and liabilities, regardless of the expected date of realization or liquidation.

The Group companies consolidated by the full integration method pay tax in a consolidated tax return as part of consolidated group 9/86, where the *Sociedad Estatal de Participaciones Industriales* (SEPI) is the parent enterprise.

If any, the negative taxable bases and tax deductions and allowances contributed to the consolidated group generate a debit in favor of each company at the time of their incorporation.

Debtor or creditor balances generated with SEPI as a result of the tax consolidation regime are recorded in the credit or debit accounts with group companies, as the case may be.

5.14. Income from Sales of Goods and Services Rendered

Income from the sale of goods or services is recorded at the fair value of the compensation received or to be received from them. Discounts for upfront payment, volume or others are recorded as a reduction thereof.

- **Sales Income**

Income from the sale of goods is recorded when the Group:

- Has transferred to the buyer the significant risks and benefits inherent in ownership of the goods.
- Is no longer involved in the current management of the sold goods to the degree usually associated with ownership, nor does it retain effective control over them.
- The amount of the income and the costs incurred or to be incurred can be reliably appraised;
- It is probable that the financial profits associated with the sale will be received.

- **Provision of Services**

Income earned from services rendered is recorded at the time the service is provided. If the service has still not been provided on the closure date, the amount of the costs incurred up to the date of book closure is recorded as current inventories (work in progress), as is the provision for value depreciation, if any, if the costs incurred up to the date of book closure are greater than the expected amount of income.

In the case of service provisions whose end result cannot be reliably estimated, the income is only recognized up to the limit of the recorded expenses that are recoverable.

5.15. Provisions and Contingencies

Provisions are recognized when the Group has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that resources incorporating future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made.

The amounts recorded in the consolidated balance sheet correspond to the best estimate on the closure date of the disbursements required to cancel the current obligation, once the risks and uncertainties related to the provision and, when significant, the financial effect caused by the discount have been considered, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before taxes, considering the temporary monetary value, as well as the specific risks that have not been considered in the future flows related to the provision.

The financial effect of the provisions is recorded as financing costs in the consolidated profit and loss account.

Provisions revert against results when it is not likely that resources will be used to cancel such obligation.

- **Restructuring provisions**

  The provisions related to restructuring processes are recorded at the time that a formal detailed plan exists and there are valid expectations among the affected personnel that a rescission of the labor relation will occur, either because execution of the plan has begun or else because its main features have been announced.

  The restructuring provisions only include the disbursements directly related to the restructuring that are not associated with the Group's going concerns.

- **Dismantling, reclamation and similar provisions**

  The provisions referred to in this section are recorded in keeping with the general criteria for recognizing provisions, and they are recorded as the greater cost price of the tangible fixed asset items to which they are related when they arise from the acquisition or construction thereof, provided the asset on which they are recorded has not reached the end of its useful life (see section 5.6).

  Variations in the provision stemming from changes in the amount or in the time structure of disbursements increase or decrease the cost price of the fixed assets, with the limit of their book value, and the excess is recorded in the consolidated profit and loss account.

  Changes in the amount of the provision that become apparent at the end of the useful life of the fixed asset are recorded in the consolidated profit and loss account as they occur.

  The Parent Company has been making the necessary provisions to cover the costs of reclaiming the natural space around mining operations, in accordance with the provisions of Royal Decree 2994/1982 of October 15, as well as to cover the costs of cessation of business and closure of the industrial installations in Juzbado and mining installations in Saelices el Chico.

  The provisions for mining installation reclamation include the estimate of the income from ENRESA for its contribution to these reclamation projects, according to the agreements reached between the parties.

Also included are other provisions to meet probable or certain liabilities originating in risks and expenses stemming from execution of the activity, and which are certain or likely to occur but are indeterminate in terms of their exact amount or the date on which they will occur.

5.16. Capital Resources of an Environmental Nature

The Group companies undertake operations whose main purpose is to prevent, reduce or repair any damages to the environment that may result from their activities. These activities currently focus on the reclamation and closure of the Saelices mining installations and the future costs of dismantling the Juzbado fuel assembly factory, both belonging to the Parent Company.

The costs resulting from environmental activities are recorded as “Other operating expenses” under the item “environmental expenses” in the year they are incurred.

Those items that are likely to be incorporated into the Group’s equity for use in its business on a long-lasting basis and whose primary purpose is to minimize the environmental impact and protect and improve the environment, including the reduction or elimination of future contamination by Group operations, are entered as tangible fixed assets, in keeping with the valuation rules indicated in Note 5.6 of this consolidated annual report.

The Group also sets up provisions to pay for environmental activities. These provisions are established on the basis of the best estimate of the expenditure required to fulfill the obligation, restating the flow of future payments at year’s end. Those compensations to be collected by the Group, if any, in relation to the origin of the environmental obligation are recorded as rights to payment in the consolidated balance sheet Assets, provided there are no doubts that this reimbursement will be received, without exceeding the amount of the recorded obligation.

5.17. Personnel Costs

The Group records the contributions to be made to the established remuneration plans as the employees render their services. The amount of accrued contributions is recorded as an employee remuneration expense and as a liability once any amount already paid is deducted. In the event that the paid amounts exceed the accrued expense, the corresponding assets are only recorded if they can be applied to reductions of future payments or give rise to a reimbursement in cash.

In accordance with the labor laws in effect, the companies making up the Group are required to pay compensations to those employees with whom, under certain conditions, it rescinds their employment relations. The compensations for dismissal susceptible of fair quantification are recorded as an expense of the year in which there is a valid expectation created against the affected third parties.

The Group records the expected cost of short-term remunerations in the form of paid leaves, the rights to which are accrued by the employees as they provide the services that entitle them to such leaves. In addition, the Group records the expected cost of variable remunerations for workers when there is a current, legal or implicit obligation resulting from past events and the value of the obligation can be reliably estimated.

5.18. Subsidies

Subsidies, donations and legacies are entered as income and expenditure in consolidated net worth when the official grant, if necessary, is obtained and the conditions for granting them have been met, and there are no reasonable doubts about the reception thereof.

Subsidies received to finance specific expenses are charged to results in the year in which they are granted, as these correspond to costs incurred in the same year.

5.19. Business Mergers

In business mergers originating in the acquisition of shares or investments in a company's capital, the affected group company records the investment at cost, which will be equal to the fair value of the compensation made plus the transaction costs directly attributable to it.

5.20. Operations with Group Companies Excluded from the Consolidation Exercise

The transactions between group companies excluded from the consolidation exercise are recorded by the fair value of the compensation made or received. The difference between this value and the agreed amount is recorded in accordance with the underlying financial asset.

5.21. Non-Current Assets and Disposable Groups of Items Held for Sale

The heading "Non-Current Assets for Sale" of the consolidated balance sheet includes the assets whose book value is going to be essentially recovered through a sales transaction instead of by continued use. To classify non-current assets or disposable groups of items as held for sale, they must be available, in their current condition, for immediate disposal, subject exclusively to the usual and regular terms of a sales transaction, and write-off of the asset must also be considered as highly probable.

Non-current assets or disposable groups of items classified as held for sale are not amortized, and they are appraised by the lower of their book value and fair value, minus the sales costs.

The liabilities related to Non-Current Assets Held for Sale are shown under the heading "Liabilities Linked to Non-Current Assets Held for Sale".

5.22. Classification of Assets and Liabilities in Current and Non-Current

The Group presents the consolidated balance sheet with assets and liabilities classified as current and non-current. To this end, current assets and liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realized or they are intended to be sold or consumed in the course of the Group's normal operating cycle, they are held primarily for trading purposes, they are expected to be realized within a period of twelve months following the closure date, or the assets are cash or cash equivalents, except in those cases in which they cannot be exchanged or used to cancel a liability, at least during the twelve months following the closure date.

- Liabilities are classified as current when they are expected to be liquidated in the course of the Group's normal operating cycle, they are held primarily for trading purposes, they must be liquidated within a period of twelve months following the closure date, or the Group does not have the unconditional right to defer cancellation of the liabilities during the twelve months following the closure date.

- Financial liabilities are classified as current when they should be liquidated within the twelve months following the closure date, even though the original term is a period greater than twelve months and there is a long-term payment refinancing or restructuring agreement that has concluded after the closure date and before the annual accounts are prepared.

6. MINORITY INTERESTS

The movement of minority interests during 2015 and 2014 is as follows:

Fiscal Year 2015	Thousands of Euros					
	Balance at 31/12/14	P & L	Subsidies	Dividends (complementary)	Variation in Investment	Balance at 31/12/15
EMGRISA SUBGROUP	76	-	-	-	-	76
TOTAL	**76**	**-**	**-**	**-**	**-**	**76**

Fiscal Year 2014	Thousands of Euros					
	Balance at 31/12/13	P & L	Subsidies	Dividends (complementary)	Variation in Investment	Balance at 31/12/14
MOLYPHARMA, S.A. (*)	3,972	-	-	-	(3,972)	-
EMGRISA SUBGROUP	74	-	2	-	-	76
TOTAL	**4,046**	**-**	**2**	**-**	**(3,972)**	**76**

(*) Company sold in December 2014

The composition of the minority interests balance at 31 December 2015 and 2014 is as follows:

Fiscal Year 2015	Thousands of Euros				
	Capital	Reserves	P & L	Subsidies	Bal. at 31/12/15
EMGRISA SUBGROUP	30	26	-	20	76
TOTAL	**30**	**26**	**-**	**20**	**76**

Fiscal Year 2014	Thousands of Euros				
	Capital	Reserves	P & L	Subsidies	Bal. at 31/12/14
MOLYPHARMA, S.A. (*)	-	-	-	-	-
EMGRISA SUBGROUP	30	26	-	20	76
TOTAL	**30**	**26**	**-**	**20**	**76**

(*) Company sold in December 2014.

7. INVESTMENTS IN EQUATED COMPANIES

The breakdown of the movement recorded during fiscal years 2015 and 2014 of the investments in companies consolidated by the equating method is as follows:

Fiscal Year 2015	Thousands of Euros					
	Balance at 31/12/2014	Adjustments to 2012 P&L	Value Change Adjustment & Subsidies	Year-end P&L	Dividends	Balance at 31/12/2015
G.E. ENUSA NUCLEAR FUEL, S.A. (*)	507	(68)	-	215	(259)	395
ENUSA-ENWESA, A.I.E. (*)	273	-	69	139	(192)	289
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E. (*)	9	-	-	5	-	14
CETRANSA, S.A. (**)	3,461	-	-	176	(161)	3,476
REMESA, S.A. (**)	6,997	7	(7)	151	(155)	6,993
TOTAL	**11,247**	**(61)**	**62**	**686**	**(767)**	**11,167**

(*) Companies invested directly by ENUSA, S.A.
(**)Companies invested indirectly through Emgrisa, S.A.

Fiscal Year 2014	Thousands of Euros					
	Balance at 31/12/2013	Adjustments to 2012 P&L	Value Change Adjustment & Subsidies	Year-end P&L	Dividends	Balance at 31/12/2014
G.E. ENUSA NUCLEAR FUEL, S.A. (*)	363	(6)	117	327	(294)	507
ENUSA-ENWESA, A.I.E. (*)	262	-	-	192	(181)	273
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E. (*)	13	-	-	(4)	-	9
CETRANSA, S.A. (**)	3,244	1	-	216	-	3,461
REMESA, S.A. (**)	6,656	36	(13)	339	(21)	6,997
TOTAL	**10,538**	**31**	**104**	**1,070**	**(496)**	**11,247**

(*) Companies invested directly by ENUSA, S.A.
(**) Companies invested indirectly through Emgrisa, S.A.

The above tables show the movements of the multi-group and associated companies (see Note 2).

8. JOINT VENTURES

The Parent Company undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of UTEs in which ENUSA has participated throughout 2015 and 2014, as well as the percentage of its share, is as follows:

- TECNATOM-WESTINGHOUSE-ENUSA, UTE: Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrial Avanzadas, S.A., with a Company share of 33.33%.

In addition, as a result of the merger with Teconma which took place in 2013, ENUSA has become a partner of the following UTEs:

UTE Name	% Share	Status
UTE RSU	85.6859%	Work in progress
UTE CAUCES	50.0000%	Liquidated in 2014
UTE REFOSIL	50.0000%	Liquidated in 2015
UTE SAN AGUSTIN	50.0000%	Liquidated in 2015
UTE CENTRO DE TRANSP.	50.0000%	Liquidated in 2015
UTE REDES DE AGUA	50.0000%	Work completed and inactive
UTE MORISCOS	50.0000%	Work completed and inactive
UTE CERVELLÓ	80.0000%	Liquidated in 2015
UTE OLIVARES	50.0000%	Liquidated in 2015

The amounts corresponding to each joint venture of the most significant items of the consolidated balance sheet and P&L account at 31 December 2015 and 2014 are as follows:

Fiscal Year 2015		
Assets	Thousands of Euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Intangible fixed assets	37,556	-
Tangible fixed assets	80	-
Long-term financial investments	2,296	-
Trade debtors & other accounts receivable	2,040	1,286
Treasury	2,818	531
Liabilities	Thousands of Euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Value change adjustments	(4,977)	-
Long-term provisions	5,144	-
Long-term debts	27,686	-
Short-term debts	9,188	-
Trade creditors & other accounts payable	597	1,787
Profits & Losses	Thousands of Euros	
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE
Net turnover	9,747	2,738
Supplies	(1,125)	(2,722)
Personnel costs	(387)	-
Other operating expenses	(4,617)	(1)
Fixed asset amortization	(2,106)	-
Other results	(4)	-
Capitalization of financing costs	840	-
Financing costs	(2,264)	-
YEAR-END P & L	84	15

Fiscal Year 2014

Assets	Thousands of Euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Intangible fixed assets	38,698	-	-
Tangible fixed assets	89	-	-
Long-term financial investments	2,377	-	-
Trade debtors & other accocunts receivable	1,524	1,582	4
Short-term financial investments	1	-	-
Treasury	3,245	14	91

Liabilities	Thousands of Euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Value change adjustments	(5,767)	-	-
Long-term provisions	4,689	-	-
Long-term debts	33,560	-	-
Short-term debts	5,514	-	-
Trade creditors & other accounts payable	714	1,582	3

Profits & Losses	Thousands of Euros		
	UTE RSU	Tecnatom-Westinghouse-Enusa, UTE	Rest of UTEs
Net turnover	6,824	3,571	6
Supplies	(938)	(3,568)	(19)
Personnel costs	(416)	-	-
Other operating expenses	(1,481)	1	-
Fixed asset amortization	(2,098)	-	-
Other results	(3)	-	-
Capitalization of financing costs	1,033	-	-
Financing costs	(2,766)	-	-
YEAR-END P & L	**155**	**4**	**(13)**

9. TANGIBLE FIXED ASSETS

The analysis and breakdown of the balance sheet items included in this heading in 2015 and 2014 are as follows:

Fiscal Year 2015					
Item	Thousands of Euros				
	Balance at 31.12.2014	Inflows	Outflows	Transfers	Balance at 31.12.2015
COST					
Properties and natural assets	3,370	-	-	-	3,370
Constructions	64,103	84	-	13	64,200
Technical installations, machinery & tools	67,382	1,018	(211)	1,447	69,636
Other installations	21,002	307	-	279	21,588
Data processing equipment & furniture	8,548	177	(30)	-	8,695
Other tangible fixed assets	14,866	380	(86)	10	15,170
Advances & fixed assets under construction	3,135	3,744	-	(1,749)	5,130
TOTAL	**182,406**	**5,710**	**(327)**	**-**	**187,789**
AMORTIZATIONS					
Constructions	(46,571)	(1,376)	-	-	(47,947)
Technical installations, machinery & tools	(58,343)	(1,731)	197	-	(59,877)
Other installations	(15,936)	(929)	-	-	(16,865)
Data processing equipment & furniture	(7,714)	(315)	29	-	(8,000)
Other tangible fixed assets	(9,908)	(1,243)	85	-	(11,066)
TOTAL	**(138,472)**	**(5,594)**	**311**	**-**	**(143,755)**
VALUATION ADJUSTMENTS FOR DEPRECIATION					
Properties and natural assets	(982)	-	-	-	(982)
Technical installations, machinery & tools	(214)	-	-	-	(214)
Other installations	(44)	-	-	-	(44)
Data processing equipment & furniture	(1)	-	-	-	(1)
Other tangible fixed assets	-	-	-	-	-
TOTAL	**(1,241)**	**-**	**-**	**-**	**(1,241)**
TANGIBLE FIXED ASSETS	**42,693**	**116**	**(16)**	**-**	**42,793**

Fiscal Year 2014						
Item	Thousands of Euros					
	Balance at 31/12/2013	Inflow	Outflow	Transfers	Others	Balance at 31/12/2014
COST						
Properties and natural assets	3,370	-	-	-	-	3,370
Constructions	63,254	162	-	687	-	64,103
Technical installations, machinery & tools	65,417	1,220	(194)	939	-	67,382
Other installations	19,284	373	(23)	1,368	-	21,002
Data processing equipment & furniture	9,442	400	(1,348)	54	-	8,548
Other tangible fixed assets	14,902	150	(217)	31	-	14,866
Advances & fixed assets under construction	3,984	2,233	(3)	(3,079)	-	3,135
TOTAL	**179,653**	**4,538**	**(1,785)**	**-**		**182,406**
AMORTIZATIONS						
Constructions	(45,195)	(1,376)	-	-	-	(46,571)
Technical installations, machinery & tools	(56,971)	(1,565)	194	-	(1)	(58,343)
Other installations	(15,126)	(820)	10	-	-	(15,936)
Data processing equipment & furniture	(8,741)	(320)	1,347	-	-	(7,714)
Other tangible fixed assets	(8,846)	(1,265)	203	-	-	(9,908)
TOTAL	**(134,879)**	**(5,346)**	**1,754**	**-**	**(1)**	**(138,472)**
VALUATION ADJUSTMENTS FOR DEPRECIATION						
Properties and natural assets	(848)	(134)	-	-	-	(982)
Technical installations, machinery & tools	(30)	(184)	-	-	-	(214)
Other installations	(2)	(42)	-	-	-	(44)
Data processing equipment & furniture	(1)	-	-	-	-	(1)
Other tangible fixed assets	-	-	-	-	-	-
TOTAL	**(881)**	**(360)**	**-**	**-**	**-**	**(1,241)**
TANGIBLE FIXED ASSETS	**43,893**	**(1,168)**	**(31)**	**-**	**(1)**	**42,693**

There have been no changes in the year in the estimate of loss of value of the biogas electrical energy generation plant of the Parent Company (allocation of 360 thousand Euros in the fiscal year 2014).

The most relevant investments made by the Group in fiscal year 2015, amounting to 5,152 thousand Euros, were the acquisition of a ventilation and air conditioning/heating system of the Juzbado factory, as well as the purchase of traveler containers for refuelings at PWR plants, all in the Parent Company

The most relevant investments made by the Group in fiscal year 2014, amounting to 3,838 thousand Euros, corresponded to the acquisition of new computer and safety and protection equipment, specifically in the Juzbado factory facilities, improvements to production and laboratory equipment, as well as expansion and security of the Gadolinium area, all in the Parent Company.

The book transactions for asset item revaluation, carried out by virtue of RDL 7/1996 in 2015 and 2014, have been as follows:

Item	Thousands of Euros						
	Balance at 31/12/2013	Inflow	Outflow	Balance at 31/12/2014	Inflow	Outflow	Bal. at 31/12/2015
COST							
Properties & constructions	6,120	-	-	6,120	-	-	6,120
Technical installations & other tangible fixed assets	909	-	-	909	-	(17)	892
TOTAL	**7,029**	**-**	**-**	**7,029**	**-**	**(17)**	**7,012**
AMORTIZATIONS							
Properties & constructions	(4,421)	(245)	-	(4,666)	(245)	-	(4,911)
Technical installations & other tangible fixed assets	(909)	-	-	(909)	-	17	(892)
TOTAL	**(5,330)**	**(245)**	**-**	**(5,575)**	**(245)**	**(17)**	**(5,803)**
TANGIBLE FIXED ASSETS	**1,699**	**(245)**	**-**	**1,454**	**(245)**	**-**	**1,209**

The amortizations planned for fiscal year 2016 from the 1996 revaluation of the different asset items will amount to approximately 245 thousand Euros.

The non-operating tangible fixed assets at 31 December 2015 and 2014 correspond to the land at the Saelices Work Center adjacent to the mining operations, whose net book value at 31 December 2015 and 2014, once the 848 thousand Euro depreciation valuation adjustment is considered, amounts to 1,932 thousand Euros.

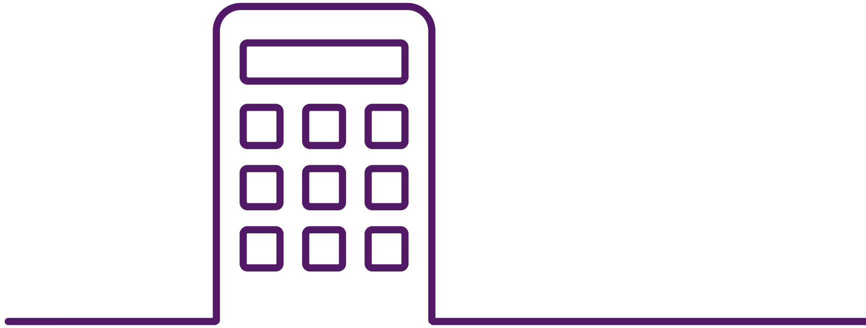
The assets formerly acquired by the Company from SHS Cerámicas, S.A., recorded under the heading “Non-current assets held for sale”, are also non-operating. At 31 December 2015 and 2014, these assets (Properties and constructions) are appraised at a cost of 1,354 thousand Euros, with an accrued amortization of 199 thousand Euros and a depreciation of 684 thousand Euros.

The amount of the assets in use of the tangible fixed assets amortized in full at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Constructions	20,532	20,442
Machinery, installations & tools	51,242	49,994
Other installations	13,156	12,695
Data processing equipment & furniture	7,096	6,508
Other tangible fixed assets	5,496	3,589
TOTAL	**97,522**	**93,228**

The firm investment commitments that have materialized in purchase orders in the Parent Company, amount to approximately 4,431 thousand Euros at 31 December 2015 (1,604 thousand Euros at 31 December 2014).

The Group has taken out insurance policies on equity risks with coverage that insures all capital assets and goods in full, as well as any possible claims that may be filed due to the conduct of its business, and the Group Administrators consider that these policies sufficiently cover the risks to which they are exposed.



Emgrisa has a contaminated land treatment plant by thermal desorption, located at this time in Kuwait by virtue of a lease contract dated 7 June 2013 signed with the client HERA AG AMBIENTAL, S.L. The net book value of the plant on 31 December 2015 is 1,297 thousand Euros. This contract was terminated early by Emgrisa in the month of November 2015, in view of the reiterated non-payments of Hera, having executed for this reason the guarantee that covered these non-compliances, in the amount of 850 thousand Euros, to compensate part of the debt pending from the client. In this scenario, the rest of the pending debt in the amount of 102 thousand Euros has been provisioned at the close of 2015.

The directors of Emgrisa and their legal advisers are carrying out the timely procedures by means of the exercise of the corresponding legal actions against HERA, reasonably believing that they will conclude with the immediate return of the plant and it being placed at the disposal of Emgrisa in Spanish territory, upon evaluating that there are sufficient legal grounds for demanding that Hera comply with all its contractual obligations. Consequently, the directors of Emgrisa have considered that it is not necessary to allocate a provision for any impairment of the plant on 31 December 2015, by considering that it will be recovered and, in case this does not occur, they could demand the agreed economic compensations as well as the fulfilment of the pending contractual obligations, whose total amount exceeds the net book value thereof.

10. INTANGIBLE FIXED ASSETS

The breakdown and activity of this heading in 2015 and 2014 are shown below:

Fiscal Year 2015					
Item	Thousands of Euros				
	Balance at 31/12/2014	Inflow	Outflow	Transfers	Balance at 31/12/2015
COST					
Research	334	-	-	-	334
Patents, licenses, brands & similar	2,243	2	-	-	2,245
Computer applications	5,315	133	(1)	20	5,467
Other intangible fixed assets (Concession agreements)	44,752	948	-	-	45,700
Other intangible fixed assets	274	11	-	(20)	265
TOTAL	**52,918**	**1,094**	**(1)**	**-**	**54,011**
AMORTIZATIONS					
Research	(334)	-	-	-	(334)
Patents, licenses, brands & similar	(2,234)	(8)	-	-	(2,242)
Computer applications	(4,919)	(221)	1	-	(5,139)
Other intangible fixed assets (Concession agreements)	(6,053)	(2,090)	-	-	(8,143)
Other intangible fixed assets	(88)	-	-	-	(88)
TOTAL	**(13,628)**	**(2,319)**	**1**	**-**	**(15,946)**
DEPRECIATION VALUATION ADJUSTMENTS					
Computer applications	1	-	-	-	1
TOTAL	**1**	**-**	**-**	**-**	**1**
INTANGIBLE FIXED ASSETS	**39,291**	**(1,225)**	**-**	**-**	**38,066**

Fiscal Year 2014					
Item	Thousands of Euros				
	Balance at 31/12/2013	Inflow	Outflow	Transfers	Balance at 31/12/2014
COST					
Research	334	-	-	-	334
Patents, licenses, brands & similar	2,242	1	-	-	2,243
Computer applications	5,092	146	-	77	5,315
Other intangible fixed assets (Concession agreements)	42,297	2,455	-	-	44,752
Other intangible fixed assets	271	80	-	(77)	274
TOTAL	**50,236**	**2,682**	**-**	**-**	**52,918**
AMORTIZATIONS					
Research	(334)	-	-	-	(334)
Patents, licenses, brands & similar	(2,233)	(1)	-	-	(2,234)
Computer applications	(4,688)	(232)	-	-	(4,919)
Other intangible fixed assets (Concession agreements)	(3,969)	(2,083)	-	1	(6,053)
Other intangible fixed assets	(88)	-	-	(1)	(88)
TOTAL	**(11,312)**	**(2,316)**	**-**	**-**	**(13,628)**
DEPRECIATION VALUATION ADJUSTMENTS					
Computer applications	1	-	-	-	1
TOTAL	**1**	**-**	**-**	**-**	**1**
INTANGIBLE FIXED ASSETS	**38,925**	**366**	**-**	**-**	**39,291**

The most significant transactions recorded in 2015 have been the inclusions in the additions to the heading "Other intangible fixed assets" (Concession agreements) amounting to 941 thousand Euros, of which 839 thousand Euros correspond to the capitalization of financing costs and 102 thousand Euros correspond to the allocation of the provision for the construction of landfill cells (see Note 17).

The amount of the assets in use of the intangible fixed assets amortized in full at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Development	334	334
Patents, licenses, brands & similar	2,257	2,251
Computer applications	4,726	4,623
Other intangible fixed assets	88	88
TOTAL	7,405	7,296

11. LEASING AND OTHER SIMILAR OPERATIONS

11.1. Financial Leases

The assets that the Group has had subject to financial leasing arrangements during 2015 basically correspond to different vehicles in the invested company ETSA.

The book value of the assets subject to financial lease contracts is as follows:

Fiscal Year 2015				
	Thousands of Euros			
	Cost	Accrued Amortization	Depreciation Valuation Adjustment	Net Book Value
Constructions	259	35	-	224
Technical installations & other tangible FA	172	114	-	58
TOTAL	431	149	-	282

Fiscal Year 2014				
	Thousands of Euros			
	Cost	Accrued Amortization	Depreciation Valuation Adjustment	Net Book Value
Constructions	259	30	-	229
Technical installations & other tangible FA	329	160	-	169
TOTAL	588	190	-	398

The amount of minimum future payments for leasing, as well as their current value at the end of 2015 and 2014, is as follows:

Fiscal Year 2015			
	Thousands of Euros		
	Up to 1 year	1 to 5 years	More than 5 years
Total minimum future payments for leasing	58	86	-
Minus: implicit interest	(2)	(3)	-
CURRENT VALUE AT YEAR'S END	56	83	-

Fiscal Year 2014			
	Thousands of Euros		
	Up to 1 year	1 to 5 years	More than 5 years
Total minimum future payments for leasing	69	137	9
Minus: implicit interest	(4)	(6)	-
CURRENT VALUE AT YEAR'S END	65	131	9

11.2. Operating Leases

During 2015, the Group has had assets subject to operating lease arrangements, accruing an expense during the year of 854 thousand Euros for this item (739 thousand Euros in 2014).

The breakdown by items of the Group's main operating lease contracts is as follows:

	Thousands of Euros	
	2015	2014
Office, garage & industrial plant leasing	309	336
Vehicles	159	182
Machinery, office equipment & others	386	221
TOTAL	854	739

The operating lease contracts for the offices of invested company Emgrisa are subject to some minimum non-cancelable payments amounting to 214 thousand Euros, although the planned duration of the contract is greater.

For the rest of the operating leases, there are no minimum future payments expected as all the leases are annually cancelable.

12. FINANCIAL INSTRUMENTS

12.1. Information on the Relevance of Financial Instruments to the Group's Financial Position and Results

12.1.1. Balance sheet-related information

a) Categories of financial assets and liabilities

The book value of the Group's various financial assets and liabilities at 31 December 2015 and 2014, based on their qualification, is as follows:

a.1) Financial assets:

Categories of Financial Assets	Thousands of Euros – Classes of Financial Assets – Long-term financial assets – Financial Investments		Credits, Derivatives & Others		Total Long-Term		Short-term financial assets – Credits, Derivatives & Others		Total Short-Term		TOTAL	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	**31/12/2015**	**31/12/2014**	31/12/2015	31/12/2014	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Cash & cash equivalents	-	-	-	-	-	-	4,579	4,143	**4,579**	**4,143**	**4,579**	**4,143**
Loans and accounts receivable	-	-	3,346	3,990	**3,346**	**3,990**	79,164	57,647	**79,164**	**57,647**	**82,510**	**61,637**
Available-for-sale assets - Appraised at cost	264	264	-	-	**264**	**264**	-	-	-	-	**264**	**264**
Hedge derivatives	-	-	1,765	1,608	**1,765**	**1,608**	5,074	8,014	**5,074**	**8,014**	**6,839**	**9,622**
TOTAL	**264**	**264**	**5,111**	**5,598**	**5,375**	**5,862**	**88,817**	**69,804**	**88,817**	**69,804**	**94,192**	**75,666**

a.1) Financial liabilities:

Categories of Financial Liabilities	Thousands of Euros – Classes of Financial Liabilities – Long-term financial liabilities – Bank Loans		Trade creditors, Derivatives & Others		Total Long-Term		Short-term financial liabilities – Bank Loans		Trade Creditors, Derivatives & Others		Total Short-Term		TOTAL	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	**31/12/2015**	**31/12/2014**	31/12/2015	31/12/2014	31/12/2015	31/12/2014	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Debts & accounts payable	173,963	194,217	785	876	**174,748**	**195,093**	92,502	36,225	62,542	78,936	**155,044**	**115,161**	**329,792**	**310,254**
Hedge derivatives	-	-	5,476	6,308	**5,476**	**6,308**	-	-	902	834	**902**	**834**	**6,378**	**7,142**
TOTAL	**173,963**	**194,217**	**6,261**	**7,184**	**180,224**	**201,401**	**92,502**	**36,225**	**63,444**	**79,770**	**155,946**	**115,995**	**336,170**	**317,396**

b) Classification by maturities

The breakdown by maturity date of the financial assets and liabilities with a determined or determinable maturity, at 31 December 2015 and 2014 is as follows (it does not include financial investments in companies of the group, multi-group and associated companies):

Fiscal Year 2015							
Financial Assets	Thousands of Euros						
	Short-Term	Long-Term					
	2016	2017	2018	2019	2020	Rest	Total Long-Term
Financial investments (*)	-	-	-	-	-	264	**264**
Group Company accounts	52,484	-	-	-	-	-	-
Loans to third parties	1,065	1,048	-	-	-	-	**1,048**
Derivatives	5,074	1,421	344	-	-	-	**1,765**
Other financial assets	8	1	36	-	-	2,261	**2,298**
Trade debtors & other accounts receivable	25,607	-	-	-	-	-	-
Cash & cash equivalents	4,579	-	-	-	-	-	-
TOTAL	**88,817**	**2,470**	**380**	**-**	**-**	**2,525**	**5,375**

(*) Without specific maturity.

Financial Liabilities with Determined Maturity	Thousands of Euros						
	Short-Term	Long-Term					
	2016	2017	2018	2019	2020	Rest	Total Long-Term
Group & Associated Company accounts	-	197	197	197	197	196	984
Bank loans	92,446	1,183	41,260	111,474	1,633	17,346	**172,896**
Financial lease creditors	56	26	16	16	17	8	83
Derivatives	902	38	553	438	-	4,447	**5,476**
Other financial liabilities	2,535	94	103	112	122	354	**785**
Trade creditors & other accounts payable	60,007	-	-	-	-	-	-
TOTAL	**155,946**	**1,538**	**42,129**	**112,237**	**1,969**	**22,351**	**180,224**

Fiscal Year 2014							
Financial Assets	Thousands of Euros						
	Short-Term	Long-Term					
	2015	2016	2017	2018	2019	Rest	Total Long-Term
Financial investments (*)	-	-	-	-	-	264	**264**
Group Company accounts	34,455	-	-	-	-	-	-
Loans to third parties	2,305	574	1,037	-	-	-	**1,611**
Derivatives	8,014	845	618	145	-	-	**1,608**
Other financial assets	48	1	36	-	-	2,342	**2,379**
Trade debtors & other accounts receivable	20,839	-	-	-	-	-	-
Cash & cash equivalents	4,143	-	-	-	-	-	-
TOTAL	**69,804**	**1,420**	**1,691**	**145**	**-**	**2,606**	**5,862**

(*) Without specific maturity.

Financial Liabilities with Determined Maturity	Thousands of Euros						
	Short-Term	Long-Term					
	2015	2016	2017	2018	2019	Rest	Total Long-Term
Group & Associated Company accounts	-	77	77	77	77	77	**385**
Bank loans	36,160	20,906	1,071	41,261	111,474	18,980	**193,692**
Financial lease creditors	65	56	26	16	17	25	**140**
Derivatives	834	-	-	592	470	5,246	**6,308**
Other financial liabilities	2,640	89	99	108	417	163	**876**
Trade creditors & other accounts payable	76,296	-	-	-	-	-	-
TOTAL	**115,995**	**21,128**	**1,273**	**42,054**	**112,455**	**24,491**	**201,401**

The amount of long-term bank loans mostly corresponds to loans made to the Parent Company by various banks for the purpose of financing the supply management, which includes the supply stocks.

Also included under this heading are the amounts corresponding to long-term bank financing for the investment in the urban solid waste treatment plant, managed through the UTE RSU (see Note 8). This financing materialized via the project-finance model. Its maximum limit is 33,000 thousand Euros and the balance available at 31 December 2015 (incorporated into ENUSA accounts at its percent share in the UTE RSU) is 23,953 thousand Euros. Its clauses include the requirement that the borrower comply with certain financial ratios as of the beginning of the project exploitation period (2012). These ratios were being met at the end of this year and the previous year and no failure to comply with them is expected in the new twelve months.

The current interest rates are market interest rates.

c) Corrections for depreciation of value

The analysis of the movements of the adjusting accounts representative of the losses due to depreciation of value originated by the credit risk (basically of clients and other debtors), for the fiscal Year 2015 and 2014, is the following:

	Thousands of Euros
Balance at 1 January 2014	4,669
Provisions	85
Reversions	(29)
Balance at 31 December 2014	4,725
Provisions	3,273
Reversions and applications	(3,135)
Balance at 31 December 2015	4,863

The provision made in the fiscal year in the amount of 3,273 thousand Euros (85 thousand Euros in 2014) comes almost entirely from the amount provisioned in the UTE RSU (integrated in ENUSA at its investment percentage therein), with it corresponding to the estimate of the possible non-payment of part of the invoices issued (related to adjustments in the payment to receive for the management of the service, according to the financial conditions borne by the UTE RSU).

The reversion registered in the fiscal year, amounting to 2,846 thousand Euros (29 thousand Euros in 2014) is a result, basically, of the rulings in favor of the Parent Company, related to monetary claims it made against third parties, issued in fiscal year 2015, included in firm sentences, and of which there is evidence that the debtor (a city hall) has requested the corresponding financing from the Local Entities Financial Fund, in the section that covers cases such as those described.

12.1.2. Miscellaneous Information

a) Hedge Accounting

At 31 December 2015 and 2014, the Group had declared the following hedge derivative transactions:

- Interest rate swap operations in the Parent Company and in another Group company, designated as derivative financial instrument for the interest rate risk existing on financial liabilities at amortized cost (long-term bank loans).

- Foreign currency purchase/sale operations with various entities, designated as hedging the exchange rate risk existing on highly probable planned transactions (payments to trade creditors).

- Foreign currency purchase/sale operations of the Parent Company with various entities, designated as derivative financial instrument for the exchange rate risk existing on highly probable planned transactions (payments by trade debtors).

All the operations meet the requirements contained in the reporting and valuation rule relative to hedge accounting, as each operation is individually documented for its designation as such and they are shown to be highly effective at both the prospective level, verifying that the expected changes in the cash flows of the hedged item that are attributable to the hedged risk will be almost completely offset by the expected changes in the cash flows of the derivative financial instrument, and at the retrospective level, on verifying that the hedge results have fluctuated within a range of variation of eighty to one hundred twenty-five percent with respect to the result of the hedged item.

The fair and notional values of the derivatives designated as derivative financial instruments, separated by class of hedge and in the years in which the cash flows are expected to occur, are as follows:

Fiscal Year 2015						
	Thous. Euros	Thousand of Foreign Currency				
	Fair Value at 31/12/2015	Notional Amount				
		2016	2017	2018	Rest	Total
ASSETS						
Exchange insurance (2)	6,839	78,269	8,000	2,000	-	**88,269**
Exchange insurance (3)	-	-	-	-	-	-
Exchange insurance (4)	-	-	-	-	-	-
LIABILITIES						
Financial swaps on interest rates (1)	6,276	957	-	20,000	28,919	**49,876**
Exchange insurance (2)	83	8,500	3,800	1,200	-	**13,500**
Exchange insurance (3)	19	847	-	-	-	**847**

(1) Notional amount stated in thousands of Euros / (2) Notional amount stated in thousands of US Dollars / (3) Notional amount stated in thousands of Pounds Sterling / (4) Currencies other than the US Dollar and Pound Sterling. Notional amounts correspond to the sum of notional amounts of different currencies

Fiscal Year 2014						
	Thous. Euros	Thousand of Foreign Currency				
	Fair Value at 31/12/2014	Notional Amount				
		2015	2016	2017	Rest	Total
ASSETS						
Exchange insurance (2)	8,912	93,619	10,000	8,000	2,000	**113,619**
Exchange insurance (3)	40	1,550	-	-	-	**1,550**
Exchange insurance (4)	670	100,000	-	-	-	**100,000**
LIABILITIES						
Financial swaps on interest rates (1)	7,142	897	-	-	49,876	**50,773**

(1) Notional amount stated in thousands of Euros / (2) Notional amount stated in thousands of US Dollars / (3) Notional amount stated in thousands of Pounds Sterling / (4) Currencies other than the US Dollar and Pound Sterling. Notional amounts correspond to the sum of notional amounts of different currencies

The notional amount of the declared contracts does not represent the actual risk assumed by the Group companies in relation to these instruments. The fair value of the derivatives designated as derivative financial instruments is assimilated into the sum of the future cash flows originating in the instrument, deducted on the valuation date. In this respect, the Group uses the following elements to calculate the fair value: for the interest rate swap operations, the market value on the closure date provided by the entity with which the operation is contracted; for the foreign currency purchase/sale operations, the forward exchange rate on the closure date corresponding to each foreign currency and expiration date, also verifying that the fair value of each operation does not differ significantly from the market valuation provided by the entity with which the operation is contracted.

The fair value of these operations, net of taxes, has as balancing entry the heading "Net worth-Valuation adjustments-Cash flow hedges", incorporated into the Group's equity.

The activity recorded under the heading "Net worth-Valuation adjustments-Cash flow hedges" in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Balance at 31 December of previousyear (Profits) / Losses	(1,855)	3,537
Amounts recorded in Net Worth for change in fair value of hedging operations	(11,364)	(10,143)
Amount charged to the P&L account from net worth	13,123	2,363
- Turnover	660	57
- Supplies	13,292	2,616
- Other operating expenses	32	3
- Exchange differences	(861)	(313)
Tax effect	(676)	2,388
Balance at 31 December previous year (Profits) / Losses charged to net worth	**(772)**	**(1,855)**

b) Fair Value

The book value of the loans and accounts receivable assets, as well as debts and accounts payable, for both trade and non-trade operations is an acceptable approximation of their fair value.

In the case of available-for-sale financial assets, these are Financial Investments in companies that are not considered as group, multi-group or associated companies and which the Group does not plan to dispose of in the short run. Because these Financial Investments are not listed on an active market, the book valuation is at cost minus the possible value depreciation. The book value of these financial assets at the end of 2015 and 2014 is 264 thousand Euros.

The total depreciation recorded at 31 December 2015 and 2014 amounts to 10,433 thousand Euros.

During 2014 and 2015, the Parent Company did not receive any dividends from these companies.

c) Sundry Information

On the date of 23 December 2014, the purchase/sale contract was formalized by ENUSA of its investment in its subsidiary Molypharma, S.A., an investment that was reclassified in previous years under the heading “Non-Current Assets held for sale.”

In the cited sale, an annual payment schedule was established, which is being fulfilled, and at the close of fiscal year 2015, a total amount of 1,611 thousand Euros (3,430 thousand Euros at the close of 2014) is pending collection between long and short term. In order to ensure these collections, guarantees granted by different credit institutions were granted.

The Group has signed credit lines with short-term maturity with different financial institutions for a limit of 95,490 thousand Euros (the same amount on 31 December 2014), of which 70,684 thousand Euros had been drawn down at 31 December 2015 (33,933 thousand Euros at 31 December 2014).

The current interest rates on the credit lines are market interest rates.

12.2. Information on the Nature and Level of Risk of Financial Instruments

a) Credit Risk

The Parent Company’s main activities are based, on one hand, on the supply of uranium to the electric utilities that own nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for nuclear-based electric power production. In this respect, the list of the Parent Company’s main customers includes a leading group of large electric utilities of recognized solvency. The fuel supply and loading contracts signed with customers are long-term contracts with exact planning of dates and volumes to enable adequate management of the sales volumes and, accordingly, of the payment periods inherent therein. Both the supply and the manufacturing contracts provide for the reception of amounts by way of advances on future sales. At 31 December 2015, the balance of advances on account received from customers by the Parent Company, to be applied in 2015, is 40,709 thousand Euros (53,352 thousand Euros at 31 December 2014).

b) Liquidity Risk

Prudent management of the liquidity risk means keeping sufficient cash on hand and having funding available through a sufficient amount of credit facilities. In this respect, the Group strategy is to maintain the necessary flexibility in financing through the availability of both long-term loans and short-term credit lines, such that all contingencies that directly affect the Group treasury are fully hedged.

c) Market Risk

- Interest rate risk. All the long-term debt of the Parent Company finances the supply management, which includes the supply stocks whose financial burden is fully transferred to the sales price of the enriched uranium. Nevertheless, the Parent Company has chosen to hedge the interest rate risks for a part of the long-term debt by contracting interest rate swaps. It has also chosen to hedge the interest rate risks for a part of the debt corresponding to financing the credit associated with the investment in the urban solid waste treatment plant undertaken by the UTE RSU (see Note 12.1.2.).

- Exchange rate risks. The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires the Parent Company to implement an exchange rate risk management policy. The fundamental purpose is to mitigate the negative impact of fluctuating exchange rates on its P&L account, so that it can protect itself against adverse movements and take advantage of favorable evolution, as the case may be. In this respect, the Parent Company uses the purchase/sale of foreign currencies on credit (exchange insurance) for risk management, thereby locking in a known exchange rate on a specific date for future payments; this rate can also be temporarily adjusted for adaptation and application to cash flows. The amount committed at year's end to this type of operations is itemized in note 12.1.2.

12.3. Total Equity

The breakdown and activity of the consolidated total equity are shown in the statement of changes in the consolidated net worth corresponding to the years 2015 and 2014.

At 31 December 2015 and 2014, the Parent Company share capital is fully paid for and is composed of 200,000 common bearer shares with a nominal value of 300.51 Euros each and with equal political and economic rights. The breakdown of the shareholders is as follows:

	% Share
Sociedad Estatal de Participaciones Industriales (SEPI)	60
Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT)	40
	100

Provisions for the Legal Reserve of the Parent Company have been made by applying 10% of the year's earnings. At 31 December 2015 and 2014, this reserve is provided with the minimum limit of 20% of share capital. This reserve is not freely available and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital in the part of its balance that exceeds 10% of the already issued capital.

In 2007, in accordance with the resolution of the General Shareholders' Meeting of the Parent Company held on 15 June, the existing balance in the Revaluation Reserve (Royal Decree-Law 7/1996 of June 7), amounting to 6,937 thousand Euros, was transferred to Voluntary Reserves (previous year Reserves and Results). Of this figure, the amount corresponding to the quantities pending amortization of the revalued assets (see Note 9) are not available.

The rest of the Voluntary Reserves (under the heading "previous year Reserves and Results") is freely available at 31 December 2015 and 2014.

13. INVENTORIES

The distribution of stocks of Raw Materials and other supplies at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	**2014**
Supply management stocks	276,830	251,846
Other industrial activity stocks	25,160	25,606
Other supplies	11,069	11,508
TOTAL	**313,059**	**288,960**

The supply management stocks include, at 31 December 2015 and 2014, in the amount of 7,153 and 5,839 thousand Euros, respectively, in financing costs.

- **Additional Information on Inventories**

The Finished products and Products in progress accounts, which are shown under the Inventories heading of the balance sheet assets, amounting to 6,270 and 8,484 thousand Euros at 31 December 2015 (18,091 and 10,717 thousand Euros, respectively, at 31 December 2014) mostly correspond to the costs of the fuel assemblies pending delivery at year's end by the Parent Company, and they are classified into one account or the other depending on whether or not they have been completely finished.

The Advances account shown under the Inventories heading of the balance sheet assets for 3,612 and 1,808 thousand Euros at 31 December 2015 and 2014, respectively, corresponds to advances to suppliers of the Parent Company industrial activities.

The most important firm purchase commitments correspond to long-term contracts with foreign suppliers for the supply of the Parent Company Supply Management, and they vary in amount; therefore their economic quantification is also variable.

As for the most important firm sales commitments, these are long-term contracts of the Parent Company with electric utility customers for the sale of enriched uranium and refuelings.

Most of the inventories of the Supply Management are located outside the national territory because of the conversion and enrichment processes required before sale, which take place outside Spain.

There is no limitation whatsoever on inventories by way of guarantees, pledges, deposits or other similar items.

The Group has taken out insurance policies to cover possible damages that could occur to the uranium inventories in its warehouses, as well as all damages that could occur during transportation and shipping of concentrates and natural and enriched uranium and to the casks required for these transports by land, sea, air or a combination of these.

The breakdown of the depreciation valuation adjustments of products in progress and finished products in 2015 and 2014, recorded in the consolidated P&L account, is as follows:

	Thousands of Euros
Balance at 1 January 2014	33
Provisions	3
Reversions	(33)
Balance at 31 December 2014	3
Provisions	88
Reversions	-
Balance at 31 December 2015	91

14. FOREIGN CURRENCY

The breakdown of the amount of the asset and liability items denominated in foreign currency at 31 December 2015 and 2014 is:

Fiscal Year 2015

ASSETS DENOMINATED IN FOREIGN CURRENCY	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equiv. value in Euros	Other Equivalent values in Euros	Total Equivalent value in Euros
Derivatives	6,839	-	-	6,839
Trade debtors & other accounts receivable	-	-	1,318	1,318
Advances to suppliers	3,326	-	-	3,326
Other cash equivalents	4	5	19	28
TOTAL	**10,169**	**5**	**1,337**	**11,511**

LIABILITIES DENOMINATED IN FOREIGN CURRENCY	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equiv. value in Euros	Other Equivalent values in Euros	Total Equivalent value in Euros
Derivatives	83	19	-	102
Trade creditors & other accounts payable	929	460	3	1,392
TOTAL	**1,012**	**479**	**3**	**1,494**

Fiscal Year 2014

ASSETS DENOMINATED IN FOREIGN CURRENCY	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equiv. value in Euros	Other Equivalent values in Euros	Total Equivalent value in Euros
Derivatives	8,912	40	670	9,622
Trade debtors & other accounts receivable	797	-	59	856
Advances to suppliers	1,556	-	-	1,556
Other cash equivalents	10	-	-	10
TOTAL	**11,275**	**40**	**729**	**12,044**

LIABILITIES DENOMINATED IN FOREIGN CURRENCY	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equiv. value in Euros	Other Equivalent values in Euros	Total Equivalent value in Euros
Trade creditors & other accounts payable	1,700	-	256	1,956
TOTAL	**1,700**	**-**	**256**	**1,956**

The transactions carried out in foreign currency in 2015 and 2014 were:

Fiscal Year 2015				
	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equivalent value in Euros	Others Equivalent value in Euros	Total Equivalent value in Euros
Sales (*)	(208)	-	12,490	12,282
Services rendered	-	-	119	119
Non-core & other current operating income	-	-	-	-
TOTAL	**(208)**	**-**	**12,609**	**12,401**
Supplies	201,223	3,412	240	204,875
Outsourcing	1,895	226	129	2,250
TOTAL	**203,118**	**3,638**	**369**	**207,125**

(*) Corresponds to a credit memo in dollars of an invoice recorded in 2014.

Fiscal Year 2014				
	Thousands of Euros			
	US Dollar Equivalent value in Euros	Pound Sterling Equivalent value in Euros	Others Equivalent value in Euros	Total Equivalent value in Euros
Sales	208	-	11,962	12,170
Services rendered	145	-	109	254
Non-core & other current operating income	577	-	-	577
TOTAL	**930**	**-**	**12,071**	**13,001**
Supplies	115,636	2,608	159	118,403
Outsourcing	1,413	214	204	1,831
TOTAL	**117,049**	**2,822**	**363**	**120,234**

The amount of the exchange differences recorded in the 2015 and 2014 P&L, classified by type of financial instrument, has been:

Fiscal Year 2015			
Asset Class	Thousands of Euros		
	Exchange differences recorded in the year's P&L (+) Profits (-) Losses		
	Transactions liquidated during the year	Transactions pending maturity	Total
Derivatives	289	-	289
Trade debtors & other accounts receivable	167	14	181
Other cash equivalents	6	-	6
TOTAL	**462**	**14**	**476**
Liability Class			
Derivatives	830	-	830
Trade creditors & other accounts payable	(1,728)	8	(1,720)
TOTAL	**(898)**	**8**	**(890)**
NET	**(436)**	**22**	**(414)**

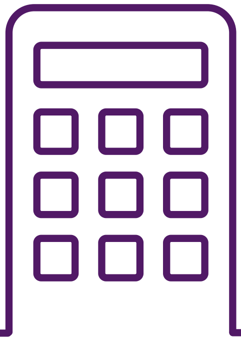
Fiscal Year 2014			
Asset Class	Thousands of Euros		
	Exchange differences recorded in the year's P&L (+) Profits (-) Losses		
	Transactions liquidated during the year	Transactions pending maturity	Total
Derivatives	568	56	624
Trade debtors & other accounts receivable	(63)	32	(31)
Other cash equivalents	(2)	-	(2)
TOTAL	**503**	**88**	**591**
Liability Class			
Derivatives	189	-	189
Trade creditors & other accounts payable	(784)	(99)	(883)
TOTAL	**(595)**	**(99)**	**(694)**
NET	**(92)**	**(11)**	**(103)**

15. TAX POSITION

For purposes of payment of the Corporate Income Tax, the Group companies are part of consolidated group no. 9/86, formed by the *Sociedad Estatal de Participaciones Industriales* and the companies based in Spanish territory that form part of its consolidated financial group, pursuant to the provisions of articles 42 and following of Commercial Law and in accordance with the provisions of Public Corporations Act 5/1996 of 10 January.

Application of the consolidated taxation system means that the individual credits and debits by way of the Corporate Income Tax are incorporated into the parent enterprise (*Sociedad Estatal de Participaciones Industriales*), as well as the right to obtain compensation for the tax credits incorporated upon consolidation. As for the individual debit, each company must pay the *Sociedad Estatal de Participaciones Industriales* for this tax.

In the 2015 consolidated P&L account, the Group Corporate Income Tax amounts to 2,490 thousand Euros of expenditure (3,620 thousand Euros in 2014), resulting in a consolidated result after taxes and discontinued operations of 11,019 thousand Euros (5,020 thousand Euros in 2014).



The following table shows the reconciliation of the net amount of the year's Income and Expenses with the taxable base of the 2015 and 2014 Corporate Income Tax:

FISCAL YEAR 2015	Thousands of Euros Total Consolidated Base
Year's pre-tax book result	**13,509**
Permanent Differences in Individual Base	
Increases	244
Decreases	(1,150)
Permanent Consolidation Differences	
Portfolio provisions & risks	-
Equated company results	(686)
Dividends	1,135
Others	(2)
Accounting Tax Base	**13,050**
Temporary Differences:	
Increases	9,844
Decreases	(6,089)
Tax Result & Taxable Base	**16,805**
Offsetting of negative tax bases	(3,948)
Fiscal taxable base	**12,857**
Tax rate	28%
Gross amount	3,600
SEPI tax credit repurchase	1,105
Deductions	(669)
Effective amount	4,036
Withholdings & payments on account	-
Net Amount	**4,036**

FISCAL YEAR 2014	Thousands of Euros		
	30% Bases	28% Bases	Total Consolidated Base
Year's pre-tax book result	8,026	(100)	7.926
Permanent Differences in Individual Base			
Increases	193	7	200
Decreases	(703)	-	(703)
Permanent Consolidation Differences			
Portfolio provisions & risks	-	-	-
Equated company results	(515)	(555)	(1,070)
Dividends	887	21	908
Others	1,577	-	1,577
Accounting Tax Base	9,465	(627)	8,838
Temporary Differences:			
Increases	7,911	184	8,095
Decreases	(2,167)	(47)	(2,214)
Tax Result & Taxable Base	15,209	(490)	14,719
Offsetting of negative tax bases	(3,448)	-	(3,448)
Fiscal taxable base	11,761	(490)	11,271
Tax rate	30%	28%	
Gross amount	3,528	(138)	3,390
SEPI tax credit repurchase	965	-	965
Deductions	(769)	-	(769)
Effective amount	3,724	(138)	3,586
Withholdings & payments on account	(2)	-	(2)
Net Amount	3,722	(138)	3,584

The net amount calculated for 2015, amounting to 4,036 thousand Euros, is shown under the consolidated balance sheet headings "Current Tax Assets" amounting to 116 thousand Euros, and "Current Tax Liabilities" amounting to 4,151 thousand Euros.

The most important permanent differences correspond to:

- Increases: These mainly include the adjustment corresponding to donations and contributions as per Law 49/2002 amounting to 52 thousand Euros and allocations of tax bases of UTEs and AIEs amounting to 189 thousand Euros, both in the Parent Company. The most significant increases in 2014 mainly corresponded to the adjustment for donations and contributions as per Law 49/2002, in the amount of 55 thousand Euros and allocations of tax bases of UTEs and AIEs in the amount of 134 thousand Euros all in the Parent Company.

- Decreases: These mainly include the exemption to avoid double taxation on dividends of 768 thousand Euros (of which 451 thousand Euros correspond to the Parent Company) and the adjustment corresponding to dividends received from companies that form part of the same fiscal group amounting to 368 thousand Euros (of the Parent Company). In 2014, the most relevant movements corresponded to the exemption to avoid double taxation on dividends of 171 thousand Euros and the adjustment corresponding to dividends received from companies that form part of the same fiscal group amounting to 412 thousand Euros, all of the Parent Company.

The most significant temporary differences correspond to:

- Increases: These correspond, on one hand, to non-deductible provisions and expenses of the Parent Company amounting to 9,716 thousand Euros (7,799 thousand Euros in 2014), the most significant amounts of which correspond to provisions for installation reclamation and closure worth 3,646 thousand Euros, for tax risks of 1,011 thousand Euros and for depreciation of accounts receivable of public organizations in the amount of 3,154 thousand Euros (provisions for reclamation and closure of installations worth 2,745 thousand Euros, for tax risks of 644 thousand Euros and for non-deductibility of amortization expenses worth 1,167, in 2014). On the other hand, the same items of the rest of the Group companies amounted to 128 thousand Euros (296 thousand Euros in 2014).

- Decreases: Application of provisions that were not a fiscal expense in previous years, of which 2,542 thousand Euros correspond to installation reclamation and closure costs, personnel obligations and restructurings, and 2,665 thousand Euros correspond to reversions of provisions for depreciation of accounts receivable, not deductible at the time of their allocation (in 2014, application of provisions that were not a fiscal expense in previous years, of which 1,953 thousand Euros corresponded to installation reclamation and closure costs, personnel obligations and restructurings).

The Corporate Income Tax expense is calculated as follows:

FISCAL YEAR 2015	Thousands of Euros
	Total Consolidated Base
Pre-tax book base	13,050
Adjustment to book base	-
Adjusted book base	13,050
Tax rate	28%
Amount	3,654
Deductions	(669)
Gross tax	2,985
Negative adjustments to Corporate Income Tax	294
Positive adjustments to Corproate Income Tax	(789)
Income Tax	2,490

FISCAL YEAR 2014	Thousands of Euros		
	30% Bases	28% Bases	Total Consolidated Base
Pre-tax book base	6,037	2,801	8,838
Adjustments to book base	-	-	-
Adjusted book base	6,037	2,801	8,838
Tax rate	30%	28%	
Amount	1,812	784	2,596
Deductions	(769)	-	(769)
Gross tax	1,043	784	1,827
Negative adjustments to Corporate Income Tax	2,126	8	2,134
Positive adjustments to Corporate Income Tax	(259)	(5)	(264)
Positive adjustments to Corporate Income Tax (difference Corp. Income Tax 2013)	(77)	-	(77)
Income Tax	2,833	787	3,620

Law 27/2014, of 27 November, of the Corporate Income Tax, includes in its articles the modification of the tax rates for this tax, with the rates decreasing to 28% for fiscal year 2015 and 25% for 2016 and thereafter.

As a consequence of the above, the value of the deferred tax assets and liabilities was adjusted in 2014 to assess them according to the new rates cited above.

The negative adjustments in the income tax correspond to the adjustment of the value of the deferred tax assets, a result, basically, of the movements generated in 2015 (at the rate of 28%, which will revert in later years at 25%).

The positive adjustments in the income tax correspond to the tax effect of the reversion of temporary differences generated in previous years (a decrease of tax base in 2015) of which at that time the corresponding deferred tax asset was not recorded.

The tax deductions from the amount applied in both years primarily correspond to investments in research & development and technological innovation costs.

Independently of the income tax charged to the consolidated profit & loss account, the Group has charged to its net worth the amount of 676 thousand Euros in 2015 by way of Corporate Income Tax income (2,388 thousand Euros of income in 2014), as a result of the unrealized capital gains and losses in cash flow hedging operations (see Note 12.1.2).

Deferred taxes are recorded in the consolidated Balance Sheet at 31 December 2015 and 2014, classified in the following accounts, according to their reversion period:

Deferred Tax Assets:	Thousands of Euros	
	31.12.2015	31.12.2014
Long-term deductible temporary differences	13,886	12,846
Short-term deductible temporary differences	1,294	1,279
TOTAL	15,180	14,125

Deferred Tax Liabilities:	Thousands of Euros	
	31.12.2015	31.12.2014
Long-term taxable temporary differences	3,145	3,355
Short-term taxable temporary differences	1,506	2,465
TOTAL	4,651	5,820

The origin of the deferred taxes recorded in the year-end balance sheets of 2015 and 2014 is as follows:

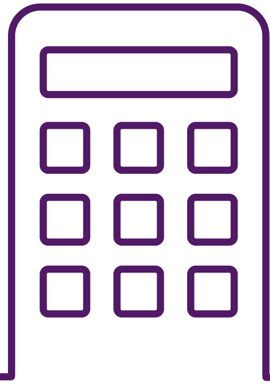
Deferred tax assets originating in:	Thousands of Euros	
	31.12.2015	31.12.2014
Parent Company provisions	12,656	11,638
Financial hedges of the Parent Company	1,514	1,722
Parent Company amortization limitation	922	668
Other provisions & expenses of affiliated companies	8	-
Affiliated company amortization limitation	80	97
TOTAL	15,180	14,125

Deferred tax liabilities originating in:	Thousands of Euros	
	31.12.2015	31.12.2014
Financial hedges of the Parent Company	1,710	2,594
Unrestricted amortization of the Parent Company	1,209	1,449
Unrestricted amortization of affiliated companies	106	152
Financial leases of affiliated companies	12	10
Tax effect of affiliated company subsidies	1,614	1,615
TOTAL	4,651	5,820

The transactions of the deferred tax headings of the consolidated Balance Sheet corresponding to 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	Deferred Tax Assets	Deferred Tax Liabilities
Balance at 31/12/13	**14,695**	**4,217**
Generated in 2014	2,120	-
Recovered in 2014	(664)	(305)
Net variation in financial derivatives	434	2,732
Net variation in subsidies	-	(1)
Pos./neg. adjustments (Cancel. Def. Tax Asset/Liability for exchange rates)	(2,134)	(264)
Pos./neg. adjustments (Cancel Def. Tax Asset/Liability for fin. derivatives for exch.rates)	(326)	(236)
Pos./neg. adjustment (Cancel Def. Tax Asset/Liability for subsidies for exchange rates)	-	(323)
Balance at 31/12/14	**14,125**	**5,820**
Generated in 2015	2,487	6
Recovered in 2015	(1,700)	(269)
Net variation in financial derivatives	(216)	(727)
Net variation in subsidies	-	(1)
Pos./neg. adjustments (Cancel Def. Tax Asset/Liability for exchange rates)	476	(20)
Pos./neg. adjustment (Cancel Def. Tax Asset/Liability for fin. derivatives for exch. rates)	8	(158)
Pos./neg. adjustment (Cancel Def. Tax Asset/Liability for subsidies for exchange rates)		
Balance atl 31/12/15	**15,180**	**4,651**

The years subject to inspection by the tax authorities in relation to the most significant taxes the Parent Company and the subsidiaries must pay include the last four years. It is not expected that, in the event of an inspection, any further significant liabilities will arise.



16. INCOME AND EXPENSES

The "Consumption of Raw Materials and Other Consumables" item in the consolidated Profit & Loss Account is broken down as follows:

	Thousands of Euros	
	2015	2014
Purchases	278,511	205,946
Variation in inventories	(24,099)	(21,900)
TOTAL	254,412	184,046

The breakdown of Group purchases on the national market and of imports in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
National purchases	2,885	73,230
Intra-community purchases	105,200	115,742
Imports	170,426	16,974
TOTAL	278,511	205,946

The net amounts of Group turnover by markets in 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
National Market	335,988	237,983
Foreign Market	49,169	47,527
TOTAL	385,157	285,510

The breakdown of Social Charges in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Social Security	8,045	8,267
Contributions to complementary pension systems	710	689
Other social benefits	382	344
TOTAL	9,137	9,300

The breakdown of extraordinary results, included in the item "Other operating results", in 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Emgrisa offices claims	19	-
Hydrocarbon tax	79	-
Judicial claims	292	73
Other extraordinary expenses	78	15
TOTAL EXPENSES	468	88

	Thousands of Euros	
	2015	2014
Favorable sentences, refund of sanctions	64	76
Extraordinary income for exchange insurance	98	-
Emgrisa offices claim	67	-
Indemnities	-	30
Other extraordinary income	72	7
TOTAL INCOMES	301	113

17. PROVISIONS AND CONTINGENCIES

The movement of the Provisions accounts during 2015 and 2014 has been as follows:

Fiscal Year 2015

Long-Term Provisions	Thousands of Euros					
	Balance at 31/12/2014	Provisions & Financial Restatements	Applications & Reversions	Transfers	Others	Balance at 31/12/2015
Environmental activities (Note 18 c)	39,176	4,255	-	(2,899)	(604)	39,928
Restructuring provisions	768	13	(95)	-	-	686
Fuel assembly warranties	9,236	398	(236)	-	-	9,398
Provisions for other obligations	6,245	1,628	(105)	-	-	7,768
TOTAL LONG-TERM PROVISIONS	**55,425**	**6,294**	**(436)**	**(2,899)**	**(604)**	**57,780**

Short-Term Provisions	Thousands of Euros					
	Balance at 31/12/2014	Provisions & Financial Restatements	Applications & Reversions	Transfers	Others	Balance at 31/12/2015
Short-term personnel obligations (Note 19)	373	49	(218)	-	-	204
Environmental activities (Note 18 c)	2,518	-	(2,334)	(2,899)	-	3,083
Restructuring provisions	78	-	(78)	-	-	-
Provisions for other obligations	244	292	(66)	-	-	470
TOTAL SHORT-TERM PROVISIONS	**3,213**	**341**	**(2,696)**	**(2,899)**	**-**	**3,757**

Fiscal Year 2014

Long-Term Provisions	Thousands of Euros					
	Balance at 31/12/2013	Provisions & Financial Restatements	Applications & Reversions	Transfers	Others	Balance at 31/12/2014
Long-term personnel obligations (Note 19)	200	-	(200)	-	-	-
Environmental activities (Note 18 c)	36,745	3,291	(16)	(229)	(615)	39,176
Restructuring provisions	666	102	-	-	-	768
Fuel assembly warranties	9,240	207	(211)	-	-	9,236
Provisions for other obligations	4,191	2,862	(808)	-	-	6,245
TOTAL LONG-TERM PROVISIONS	**51,042**	**6,462**	**(1,235)**	**(229)**	**(615)**	**55,425**

Short-Term Provisions	Thousands of Euros					
	Balance at 31/12/2013	Provisions & Financial Restatements	Applications & Reversions	Transfers	Others	Balance at 31/12/2014
Short-term personnel obligations (Note 19)	461	374	(462)	-	-	373
Environmental activities (Note 18 c)	4,023	-	(1,734)	229	-	2,518
Restructuring provisions	78	-	-	-	-	78
Provisions for other obligations	181	72	(9)	-	-	244
TOTAL SHORT-TERM PROVISIONS	**4,743**	**446**	**(2,205)**	**229**	**-**	**3,213**

In accordance with the provisions of article 2.1 of Royal Decree-Law 20/2012 of 13 July, which contains measures to guarantee budgetary stability and to promote competitiveness and which in 2012 eliminated the end-of-year bonus pay for public sector personnel, as defined in article 22. One of the General State Budget Act 2/2012 of 29 June, including public trading enterprises, the Group eliminated the payment of this remuneration to its personnel in 2012. As a consequence of this, it reported on the corresponding contingency in the Report of Annual Accounts of the years 2012, 2013 and 2014.

Throughout the fiscal year 2015, in compliance with different laws, the Company has proceeded to the partial reimbursement to the workers of part of the amount deleted in the fiscal year 2012.

In addition, the Law 48/2015, of 29 October, on the General State Budget for the year 2016 stipulated, in its twelfth additional provision, that in 2016 the payment would take place of the last part of the payment eliminated in 2012. As a consequence of this fact, the Group has proceeded to register in 2015, under the item of pending remunerations, an amount of 837 thousand Euros, with no outstanding contingency remaining for this item at the close of the financial year (1,286 thousand Euros at the close of fiscal year 2014).

In relation to the UTE RSU, on 21 May 2013 the Court for Contentious-Administrative Proceedings No. 1 of Castellón delivered judgment on the contentious-administrative appeal filed by the Cálig Town Council and the "Plataforma contra l'abocador de les Basses" against the Consortium for execution of the zonal waste plan of Zone I. This sentence declared null and void the Agreement No. 4 of the Consortium's Board of Directors for Execution of the Planned Work for the Zonal Waste Plan of Zone I (Castellón) dated 21 December 2009, whereby the modification of the Urban Solid Waste Management contract, dated 10 December 2004, is approved, indicating also that "the awarded contract should be terminated and new proceedings begun to select a contractor".

The Consortium and the UTE filed the corresponding appeal against this sentence with the Court for Contentious-Administrative Proceedings No. 1 of Castellón for the information of the Contentious-Administrative courtroom of the Supreme Court of Justice of the Valencia region. This latter court, on the date of 2 February 2016, announced its ruling, partially supporting the appeal filed and voiding the appealed sentence as refers to the termination of the award contract and the process of a new procedure to select a contractor, but upholding that referring to the Agreement no. 4 of the Consortium's Board of Directors, dated 21 December 2009 (which approved the modification of the Service Management Contract), although it alluded to the fact that the declaration is of annulment and not void ab initio.

As a result of the above, the UTE Management and its legal advisors believe that:

- The annulled administrative agreement should be brought into line with the law by the organization belonging to the Administration that rendered it, that is, the Consortium, for the execution of the zonal waste plan I, having to respect in any case the economic interests of the UTE, which are precisely expressed in the signed public contract.

- On the basis of the previous judicial ruling and the reading and interpretation of the financing contracts signed with the banks financing the project, the existence of any motive is not indicated that could lead to the early amortization of the outstanding balance of the loan.

The calculation of restructuring provisions is based on the expected annual payments for indemnities to personnel. The surplus provision recorded in fiscal year 2015, amounting to 95 thousand Euros (102 thousand Euros of provision in 2014) is a consequence of the restatement of the assumptions made by the Parent Company based on a new redistribution of dates and unit costs.

As in previous years, fuel assembly warranty provisions are calculated on the basis of the useful life of refuelings and statistical data on failure rates in the fuel assemblies, the latter based on historical Company information and information from the technology suppliers. The provision allocation recorded in 2015 amounting to 398 thousand Euros (207 thousand Euros in 2014) is a result of the estimate made at the end of year 2015.

The Provisions of the UTE RSU correspond, basically, to provisions related to the actions foreseen on the infrastructure in exploitation (replacement of fixed assets, expansion of the landfill, safety and surveillance of it, etc.).

The amount of the allocations and financial updating corresponding to these provisions was 560 thousand Euros (an amount integrated at the percentage of participation of the Company in the UTE), of which 102 thousand Euros corresponded to an increase in the value of intangible fixed assets. The most significant movements registered in the year 2014 consisted of a provision of 1,715 thousand Euros (amount integrated at the percentage of investment of the Company in the UTE) corresponding to the risk of a possible additional disbursement for the land where the plant is installed. Of this provision, the amount of 1,244 thousand Euros corresponded to an increase in the value of the intangible fixed asset with the remaining 471 thousand Euros having been registered against the result of fiscal year 2014.

The total of applications of provisions made in the fiscal year 2015 was the amount of 3,531 thousand Euros (3,773 thousand Euros in 2014), with these payments being reflected in the Cash Flow Statement under the heading "Other Payments", within Other Cash Flows of the Operating Activities.

The most significant provisions recorded in the year 2015 also corresponded to the Parent Company, amounting to 204 thousand Euros in fiscal year 2015 (235 thousand Euros in 2014).

18. ENVIRONMENTAL INFORMATION

a) Assets Subject to Environmental Activities:

In relation to the nuclear fuel manufacturing business conducted in the facilities that the Parent Company owns in Juzbado (Salamanca), it is not possible to determine an itemized description and value of the equipment and installations used for environmental protection and enhancement.

This is explained by the fact that it is a complex, specialized facility where it must be ensured that all processes conform to environmental regulations.

The Parent Company closed its uranium concentrate production business at the end of 2002. Consequently, the value of the assets subject to mining operations is amortized almost in full, and the only activity carried out is the one corresponding to reclamation and decommissioning tasks. The value of the most significant assets and installations assigned to these reclamation and decommissioning tasks, and which focus on environmental protection and enhancement, at 31 December 2015 and 2014 is as follows:

Fiscal Year 2015			
	Thousands of Euros		
	Cost	Accrued Amortization	Net Book Value
Constructions	7,308	7,308	-
Technical installations & other tangible fixed assets	5,340	4,955	385
TOTAL	12,648	12,263	385

Fiscal Year 2014			
	Thousands of Euros		
	Cost	Accrued Amortization	Net Book Value
Constructions	7,308	7,308	-
Technical installations & other tangible fixed assets	5,188	4,911	277
TOTAL	12,496	12,219	277

b) Environmental Expenses:

The breakdown of expenses accrued by the Group in fiscal years 2015 and 2014, the purpose of which has been environmental protection and enhancement, is as follows:

	Thousands of Euros	
	2015	2014
Waste management expenses	27	30
Dismantling & reclamation of natural spaces	51	46
Environmental certifications	10	19
Environmental audit	2	1
TOTAL EXPENSES	90	96

c) Provisions for Environmental Risks:

The breakdown of the main provisions established by the Group for environmental activities and their movement during 2015 and 2014 are as follows (see note 17):

Fiscal Year 2015						
	Thousands of Euros					
	Balance at 31/12/2014	Provisions and Financial Restatements	Applications and Reversions	Transfers	Others	Balance at 31/12/2015
Long-term reclamation & decommissioning of mining sites	28,769	3,650	-	(2,899)	-	29,520
Intermediate- & low-level solid waste management costs	7,232	280	-	-	-	7,512
Costs of dismantling the nuclear fuel factory	7,709	324	-	-	-	8,033
Value of ENRESA Fund	(4,624)	-	-	-	(604)	(5,228)
Dismantling of other equipment	90	1	-	-	-	91
TOTAL LONG-TERM PROVISIONS	**39,176**	**4,255**	**-**	**(2,899)**	**(604)**	**39,928**
Short-term reclamation & decommissioning of mining sites	2,518	-	(2,334)	2,899	-	3,083
TOTAL LONG- & SHORT-TERM ENVIRONMENTAL PROVISIONS	**41,694**	**4,255**	**(2,334)**	**-**	**(604)**	**43,011**

Fiscal Year 2014						
	Thousands of Euros					
	Balance at 31/12/2013	Provisions and Financial Restatements	Applications and Reversions	Transfers	Others	Balance at 31/12/2014
Long-term reclamation & decommissioning of mining sites	26,266	2,748	(16)	(229)	-	28,769
Intermediate- & low-level solid waste management costs	7,001	231				7,232
Costs of dismantling the nuclear fuel factory	7,398	311	-	-	-	7,709
Value of ENRESA Fund	(4,009)	-	-	-	(615)	(4,624)
Dismantling of other equipment	89	1	-	-	-	90
TOTAL LONG-TERM PROVISIONS	**36,745**	**3,291**	**(16)**	**(229)**	**(615)**	**39,176**
Short-term reclamation & decommissioning of mining sites	4,023	-	(1,734)	229	-	2,518
TOTAL LONG- & SHORT-TERM ENVIRONMENTAL PROVISIONS	**40,768**	**3,291**	**(1,750)**	**-**	**(615)**	**41,694**

As in previous years, the provisions for environmental activities have been calculated on the basis of the amounts planned for dismantling and retiring installations, restated at a discount rate of assets not at risk, in a period similar to that of future payments.

The purpose of the provision for reclamation and decommissioning of mining sites is to complete the work of reclaiming natural spaces and to cover mining center decommissioning costs.

In May 2003, the ENUSA Management decided to submit a definitive Reclamation Project for the mining installations of the Saelices el Chico Center (Salamanca) to the Territorial Service for Industry, Trade and Tourism of the Castilla-Leon regional government. It was approved by this territorial agency on 13 September 2004, thus authorizing ENUSA to execute the project. This project replaced the reclamation and decommissioning project for cessation of activities submitted in November 2002, as the Administration considered that project as a strategic shutdown and not as a definitive closure of the mining operations. ENUSA has been working on the tasks of reclaiming the natural spaces and decommissioning the installations located in the mining operations since January 2001.

A part of the mining center reclamation and decommissioning costs will be paid by the *Empresa Nacional de Residuos Radiactivos* (ENRESA). In 2015 and 2014, provisions worth 2,334 and 1,734 thousand Euros, respectively, have been applied to cover the costs incurred by the Company during these years by way of this item.

At the end of each fiscal year, the Parent Company reviews the economic study of the reclamation project to re-estimate the expected cost of the necessary outstanding activities and adjust it to different resolutions of official authorities and to the commitments acquired with them, as well as the estimated time of the decommissioning. On the basis of the data of the economic study, which is based on work and date assumptions similar to those estimated at the end of the previous year, a provision amounting to 2,955 thousand Euros (1,422 thousand Euros in 2014) has been made.

The provision for solid waste management costs in the Juzbado factory includes the estimated cost of managing these kinds of wastes. In this respect, the Parent Company has signed a contract with ENRESA for the treatment of these wastes. The same criterion used in previous years has been maintained, adapting it to the fact that solid wastes are classified as either intermediate level or low level, as provided in the new regulations issued in 2010 by the Nuclear Safety Council. As a result, a 280 thousand Euro provision, corresponding to the wastes generated in 2015, has been recorded (a provision of 231 thousand Euros in 2014).

The provision for the nuclear fuel factory dismantling costs includes the Parent Company's current obligation, calculated at the current net value at year's end, relative to the costs that in the future the proper dismantling of this facility will represent. The Parent Company has signed a contract with ENRESA to execute the dismantling work.

The aforesaid contracts included the periodic payments that ENUSA had to make to ENRESA until 2027 for setting up a Fund that would cover the costs stemming from both activities: the management of operating wastes generated every year and the cost of dismantling the Juzbado factory. The value of this Fund, financed by the ENUSA contributions and the corresponding financial restatements shown in the contracts, was recorded in the Consolidated Balance Sheet Assets under the heading "Long-term investments in group and associated companies – Company loans".

Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, introduced, effective as of 1 January 2010 and via point 1 of its 9th Final Provision, article 38 bis to Nuclear Energy Act 25/1964.

Furthermore, Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, modified, effective as of 1 January 2010 and via point 2 of its 9th Final Provision, the 6th Additional Provision of Electric Power Sector Act 54/1997.

The “Third” section of point 9 of the 6th Additional Provision of the Electric Power Sector Act reads as follows:

“Three: Tax on the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities.
a) Taxable event: The taxable event of the tax is the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities. The taxable event of this tax also includes the anticipated cessation of operation of a fuel assembly manufacturing facility at the owner’s initiative, with respect to the provisions set down in the General Radioactive Waste Plan.
b) Tax base: The tax base of the tax is the amount of nuclear fuel manufactured each calendar year, measured in metric tons (Tm) and stated with two decimals; the remaining decimals are rounded to the second decimal place.”

In practice, this rule means that the contributions that ENUSA had been making to ENRESA, pursuant to the contracts signed between the two companies, was replaced with the payment of a tax, with the destination of this tax being the same: to increase the Fund allocated to covering the costs of managing operating wastes and dismantling the Juzbado factory. Therefore, payments of this tax have been made since 2010 and the value of this Fund has continued to rise.

The value of the Fund is shown in the Consolidated Balance Sheet as a reduction in the amount of provisions to which it was allocated.

d) Contingencies and Obligations Related to Environmental Protection and Enhancement:

The Group considers there are no significant contingencies or obligations related to environmental protection and enhancement other than those mentioned in paragraph (c) above.

e) Investments Made During the Year for Environmental Reasons

The investments in environment-related assets made by the Parent Company in 2015 and 2014, primarily in the Juzbado fuel assembly factory, have amounted to 1,134 and 269 thousand Euros, respectively.

f) Compensations to be Received from Third Parties:

No income has been earned from environmental activities in fiscal years 2015 and 2014.

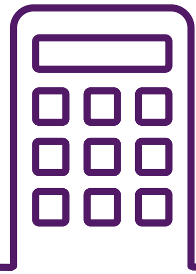
No subsidies have been received by way of this item in 2015 and 2014.

19. LONG-TERM PERSONNEL REMUNERATIONS

In 1995, the Parent Company set up, with a Pension Fund agent, an employee Pension Plan based on a defined, taxable contribution, with contributions from the promoter and participants pursuant to the regulatory rules of the Plan. This Plan is currently governed by the provisions of the Revised Text of the Pension Plan and Pension Fund Act approved by Royal Legislative Decree 1/2002 of 29 November and Royal Decree 304/2004 of 20 February, whereby the Pension Plan and Pension Fund Regulation is approved, and by any other applicable regulatory provisions. This commitment is still standing in current Collective Bargaining agreements.

Between 1995 and 2011, the Parent Company had been contributing various amounts to this Plan as its promoter.

Law 36/2014, of 26 December, on the General State Budgets for the year 2015, established in its Article 20 that public trading enterprises (which include the Parent Company) could not make contributions to employment pension plans or collective insurance policies that included coverage of the retirement contingency. Therefore, no contribution has been made by the Parent Company in 2015.



20. SUBSIDIES, DONATIONS AND LEGACIES

The amounts recorded under the heading Subsidies, Donations and Legacies in the consolidated balance sheet at 31 December 2015 and 2014 correspond to subsidies received by the affiliate Emgrisa from various public agencies to finance the acquisition of different fixed asset items, which were applied to the acquisition of REMESA and CETRANSA. These subsidies are included in those corresponding to the Ministry of the Environment, in the information shown below.

The movement of this heading during 2015 and 2014 is as follows:

Fiscal Year 2015						
Item	Thousands of Euros					
	Balance 31/12/14	Others (*)	Charges to P&L	Transfers	Decrease	Balance 31/12/15
Junta de Extremadura subsidies	19	-	(2)	-	-	17
Junta de Castilla-La Mancha subsidies	19	-	(1)	1	-	19
Ministry of Environment subsidies	4,807	-	-	-	-	4,807
Other subsidies and donations	299	-	-	-	(6)	293
TOTAL	**5,144**	**-**	**(3)**	**1**	**(6)**	**5,136**

(*) Incorporation of subsidies of companies integrated by equating method and allocation to minority interests

Fiscal Year 2014						
Item	Thousands of Euros					
	Balance 31/12/13	Others (*)	Charges to P&L	Transfers	Decrease	Balance 31/12/14
Junta de Extremadura subsidies	19	-	(2)	2	-	19
Junta de Castilla-La Mancha subsidies	16	3	(1)	1	-	19
Ministry of Environment subsidies	4,487	-	-	320	-	4,807
Other subsidies and donations	315	(16)	-	-	-	299
TOTAL	**4,837**	**(13)**	**(3)**	**323**	**-**	**5,144**

(*) Incorporation of subsidies of companies integrated by equating method and allocation to minority interests

The amounts directly charged to P&L by the Group by way of Subsidies in 2015 and 2014 are 55 and 50 thousand Euros, respectively, and basically correspond to contributions of entities belonging to the State Administration to the Parent Company to offset operating costs in the areas of personnel training.

The difference between both years is shown in the Transfers column and are due to the adjustment of the rates of the Corporate Income Tax, as indicated in Note 15.

21. NON-CURRENT ASSETS HELD FOR SALE

The Consolidated Balance Sheet heading "Non-Current Assets Held for Sale" corresponds to the tangible fixed assets acquired by the Parent Company from its former subsidiary SHS Cerámicas, S.A. in 2006, as a step prior to its dissolution-liquidation that was finally recorded in 2007.

The breakdown of the assets and their net book value at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Construcciones SHS P/Industrial Las Viñas	261	261
SHS plot of land N73,74,75	156	156
TOTAL	**417**	**417**

22. EVENTS SUBSEQUENT TO YEAR'S END

On the date of preparing the Consolidated Annual Accounts, no events subsequent to the end of the fiscal year 2015 have occurred that required being broken down.

23. RELATED-PARTY TRANSACTIONS

a) Operations with the parent enterprise (SEPI) and group and associated companies of the SEPI Group.

The operations carried out with the parent enterprise (SEPI) and group and associated companies of the SEPI Group during 2015 and 2014, as well as their effect on the financial statements, have been as follows:

Fiscal Year 2015			
	Thousands of Euros		
	Parent Enterprise (SEPI)	Group Companies	Associated Companies
Asset Balances			
Other long-term financial assets (deferred tax)	15,180	-	-
Short-term loans (*)	52,484	-	-
Trade debtors & other accounts payable (**)	-	103	5,178
Supplier advances	-	206	-
TOTAL ASSET BALANCES	**67,664**	**309**	**5,178**
Liability Balances			
Long-term group and associated company accounts	984	-	-
Deferred tax liabilities	4,651	-	-
Trade creditors & other accounts payable (**)	-	655	1,572
Short-term accruals	-	-	84
TOTAL LIABILITY BALANCES	**5,635**	**655**	**1,656**
Transactions			
Purchases and own work	-	425	4,114
Services received	-	34	189
Interest costs	8	-	-
Capitalization of fixed asset purchase cost	-	542	31
Sales and services rendered	-	320	31,821
Interest income	152	-	106
Exchange differences	-	-	668
Other financing costs	-	-	11

(*) Correspond to Inter-SEPI deposits with maturity of less than three months and classified in Group Company Accounts in the consolidated Balance Sheet Assets.
(**) Include current tax assets and liabilities with SEPI.

Fiscal Year 2014			
	Thousands of Euros		
	Parent Enterprise (SEPI)	Group Companies	Associated Companies
Asset Balances			
Other long-term financial assets (deferred tax)	14,125	-	-
Short-term loans (*)	34,455	-	-
Trade debtors & other accounts payable (**)	138	104	2,706
Supplier advances	-	-	100
TOTAL ASSET BALANCES	**48,718**	**104**	**2,806**
Liability Balances			
Long-term group and associated company accounts	385	-	-
Deferred tax liabilities	5,820	-	-
Trade creditors & other accounts payable (**)	3,722	704	1,537
TOTAL LIABILITY BALANCES	**9,927**	**704**	**1,537**
Transactions			
Purchases and own work	-	899	4,918
Services received	-	23	75
Interest costs	31	-	-
Extraordinary expenses	-	-	53
Capitalization of fixed asset purchase cost	-	825	-
Sales and services rendered	-	278	22,603
Interest income	514	-	107
Non-core income	-	-	2,325
Extraordinary income	-	-	52
Other financing costs	-	-	28

(*) Correspond to Inter-SEPI deposits with maturity of less than three months and classified in Group Company Accounts in the consolidated Balance Sheet Assets.
(**) Include current tax assets and liabilities with SEPI.

The most significant operations and balances with associated companies correspond to:

- Trade debtors and other accounts receivable: 3,262 thousand Euros with GENUSA (1,720 thousand Euros with ENRESA in 2014).
- Trade creditors and other accounts payable: 1,565 thousand Euros with ENUSA-ENWESA, A.I.E. (1,529 thousand Euros in 2014).
- Purchases and own work: 4,112 thousand Euros with ENUSA-ENWESA, AIE (4,911 thousand Euros in 2014).
- Sales and services rendered: 26,957 thousand Euros with GENUSA (19,085 thousand Euros in 2014).

The conditions of the transactions with related parties are equivalent to those undertaken under market conditions.

b) Board of Directors

The Board of Directors of the Parent Company is composed of 11 people (5 women and 6 men) at the end of 2015.

The remuneration of the Parent Company Board Members, in their capacity as such, consists of per diems received to attend the Board meetings. The Parent Company's Board Member per diems have amounted to a total of 90 thousand Euros in 2015 (83 thousand Euros in 2014).

The Chairman of the Parent Company Board of Directors is, in turn, a salaried employee of the Parent Company, sits on the Executive Committee of the Parent Company (see point c) and does not receive any per diems to attend the Board meetings.

The Parent Company has no advances or loans granted to any of the Board Members (except for the Chairman, whose personal facts are reported in point c, together with those of the rest of the Parent Company Executive Committee members).

The members of the governing bodies of the different affiliated companies do not receive any remuneration in their capacity as such.

The members of the ENUSA Board of Directors, during this year, have not received any remuneration, except that indicated in preceding paragraphs, and they have not carried out any transactions with the company. Moreover, they have not used the company's name or invoked their condition as Director in order to influence unduly the realization of private transactions, and they have not made use of the company assets, including the confidential information of the Company, for private purposes. In addition they have not obtain advantages or remunerations from third parties other than the Company and its group associated with the performance of their posts, and they have not carried out activities on their own behalf or for others that involve effective competition, whether current or potential, with the Company, or that, in any way have situated them in a permanent conflict with the Company's interests. Therefore, in compliance with the provisions of Article 229.3 of the Legislative-Royal Decree 1/2010, of 2 July, of the rewritten text of the Capital Companies' Act, the Directors report that they are not in personally or through a related person, any situation of conflict of interest, direct or indirect, with the Company's interest, except the following members who hold the posts that are detailed below in ENRESA, a company that carries out an activity complementary to that of ENUSA:

Name	Post
D. Cayetano López Martínez	Vice Chairman of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)
Dª. Mercedes Real Rodrigálvarez	Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)
D. Jose Manuel Redondo García	Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA)

c) Executive Committee

Effective as of 2012, all the members of the Parent Company's Executive Committee formalized senior management contracts with the Parent Company, and therefore they are considered as senior management personnel beginning that year (2012).

The Parent Company's Executive Committee is formed by 8 people (1 woman and 7 men).

The only remunerations owed to the aforesaid personnel have been short-term payments amounting to 1,158 thousand Euros during 2015 (1,225 thousand Euros during 2014).

The only balances held by the members of the Parent Company's Executive Committee with the Parent Company correspond to loans amounting to 9 thousand Euros (2 thousand Euros at 31 December 2014), and 8 thousand Euros (8 thousand Euros in 2014), corresponding to advances of a personal nature, all regulated by collective bargaining agreements.

Likewise, there is a balance of guarantees at 31 December 2015 for the aforesaid personnel amounting to 41 thousand Euros (46 thousand Euros at 31 December 2014).

There have been no promoter contributions to pension plans during 2015.

24. INFORMATION ON DEFERRED PAYMENTS TO SUPPLIERS

In compliance with the obligation set forth in the Additional Third Provision of the Law 15/2010, of 5 July, which modified Law 3/2004, of 29 December, which established measures to combat late payments in trade operations, and according to the Resolution of the ICAC (Spanish Accounting and Auditing Institution) of 29 January 2016 (applicable to the annual accounts of the fiscal years beginning 1 January 2015), it is hereby reported that the payments made in the fiscal year and the figures pending payment on the date of the closing of the balance sheet, are the following:

	2015	2014 (*)
	Days	Days
Average payment period to suppliers	28	-
Ratio of paid transactions	28	-
Ratio of transactions pending payments	25	-
	Amount (thousands EUR)	Amount (thousands EUR)
Total payments made	354,429	-
Total payments pending	8,116	-

(*) According to the Sole Additional Provision of the ICAC Resolution of 29 January 2016, "In the annual accounts of the first applicable fiscal year of this resolution, no comparative information will be presented corresponding to this new obligation, classifying the annual accounts as initial for these exclusive purposes in what refers to the application of the principal of uniformity and of the comparability requirement."

25. MISCELLANEOUS INFORMATION

The average number of Group employees during 2015 and 2014, distributed by professional categories, is as follows:

	Nº of employees	
	2015	2014
Officers	9	9
Senior & intermediate degree holders	298	295
Technicians & administrative personnel	184	182
Workers & subordinates	193	194
TOTAL	684	680

The average number of Group employees during 2015 and 2014 with a disability greater than or equal to 33%, distributed by professional category, is as follows:

	Nº of employees	
	2015	2014
Technicians and administrative personnel	5	4
Workers and subordinates	3	3
TOTAL	8	7

The distribution by sex of the Group's personnel at 31 December 2015 and 2014, broken down by categories and levels, is as follows:

Fiscal Year 2015	Nº of employees		
	Men	Women	Total
Board members	1	-	1
Officers	6	1	7
Senior & intermediate degree holders	202	108	310
Technicians & administrative personnel	141	58	199
Workers & subordinates	205	4	209
TOTAL	555	171	726

Fiscal Year 2014	Nº of employees		
	Men	Women	Total
Board members	1	-	1
Officers	6	2	8
Senior & intermediate degree holders	202	108	310
Technicians & administrative personnel	134	56	190
Workers & subordinates	198	4	202
TOTAL	541	170	711

The fees of Ernst & Young, S.L. for auditing the 2015 annual accounts and for other services for the various Group member companies amount to 58 thousand Euros. The fees for auditing the 2014 annual accounts and for other services for the various Group member companies amounted to 60 thousand Euros.

The above indicated amounts correspond to the expenses accrued in 2015 and 2014, regardless of when they were billed.

26. SEGMENTATION INFORMATION

The Group divides its activities into the following business segments:

- **Nuclear Business.** Traditional core business conducted through the Parent Company and its two affiliates, ENUSA-ENWESA, A.I.E and Spanish Nuclear Group for China, A.I.E.

- **Environmental activities.** Business conducted entirely by the affiliate Empresa para la Gestión de Residuos Industriales, S.A, as well as certain services related to these activities carried out by the Parent Company through its Technical Environmental Office, the Saelices-Ciudad Rodrigo Environmental Center and the UTE RSU.

- **Transport of radioactive products.** Business conducted entirely by the affiliate Express Truck, S.A.U.

- **Financial investments.** Parent Company investments in non-consolidated companies.

As each business segment coincides in practice with independent companies, the assignment and allocation criteria used to determine the information of each segment are based on the individual Financial Statements of each company. In the particular case of ENUSA, in which there are activities applicable to various segments, the income and expenses corresponding to each one of them are identified separately.

The criterion used to fix the inter-segment transfer prices is the market price criterion.

Following is the information on turnover by geographical areas in 2015 and 2014:

Fiscal Year 2015				
	Thousands of Euros			
	Spain	European Union	Rest of the World	Total Segments
Net turnover	338,879	47,864	1,305	388,048
External customers	335,988	47,864	1,305	385,157
Inter-segment	2,891	-	-	2,891

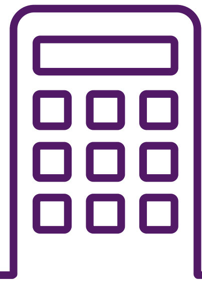
Fiscal Year 2014				
	Thousands of Euros			
	Spain	European Union	Rest of the World	Total Segments
Net turnover	241,134	44,645	2,882	288,661
External customers	237,983	44,645	2,882	285,510
Inter-segment	3,151	-	-	3,151

The breakdown of the turnover by segment in 2015 and 2014 is as follows:

Fiscal Year 2015					
	Thousands of Euros				
	Front end of the nuclear fuel cycle	Environmental activities	Transports of radioactive products	Parent Co. structure & financial surpluses	Total Segments
Net turnover	360,421	16,716	10,911	-	388,048
External customers	360,421	16,595	8,141	-	385,157
Inter-segment	-	121	2.770	-	2,891

Fiscal Year 2014					
	Thousands of Euros				
	Front end of the nuclear fuel cycle	Environmental activities	Transports of radioactive products	Parent Co. structure & financial surpluses	Total Segments
Net turnover	265,754	12,812	10,088	7	288,661
External customers	265,754	12,723	7,026	7	285,510
Inter-segment	-	89	3,062	-	3,151

The most significant items of the Consolidated P&L Accounts of fiscal years 2015 and 2014, broken down by business segments, are as follows:



Fiscal Year 2015								
	Thousands of Euros							
	Front end of nuclear fuel cycle	Environm. activities	Transport of radioactive products	Financial investments	Parent Co. structure & financial surpluses	Total Segments	Intra-group transaction adjustments	Total Consolidated
NET TURNOVER	**360,421**	**16,716**	**10,911**	**-**	**-**	**388,048**	**(2.891)**	**385,157**
Supplies	(275,578)	(2,304)	(6,645)	-	(9)	(284,536)	103	(284,433)
Personnel costs	(23,971)	(3,883)	(1,734)	(383)	(8,194)	(38,165)	-	(38,165)
Fixed asset amortization	(4,282)	(2,947)	(232)	-	(452)	(7,913)	-	(7,913)
Losses, depreciation & variation in provisions	5	97	-	-	110	212	-	212
OPERATING RESULTS	**20,478**	**(3,068)**	**1,388**	**(220)**	**754**	**19,332**	**-**	**19,332**
Interest income	485	27	18	-	800	1,330	-	1,330
Financing costs	(5,329)	(2,912)	(16)	-	(8)	(8,265)	-	(8,265)
PRE-TAX P&L	**15,582**	**(4,788)**	**1,391**	**(220)**	**1,544**	**13,509**	**-**	**13,509**

Fiscal Year 2014								
	Thousands of Euros							
	Front end of nuclear fuel cycle	Environm. activities	Transport of radioactive products	Financial investments	Parent Co. structure & financial surpluses	Total Segments	Intra-group transaction adjustments	Total Consolidated
NET TURNOVER	**265,754**	**12,812**	**10,088**	**-**	**7**	**288,661**	**(3,151)**	**285,510**
Supplies	(202,345)	(2,031)	(6,244)	-	(38)	(210,658)	94	(210,564)
Personnel costs	(23,199)	(4,176)	(1,631)	(642)	(8,058)	(37,706)	-	(37,706)
Fixed asset amortization	(4,034)	(2,934)	(218)	-	(476)	(7,662)	-	(7,662)
Losses, depreciation & variation in provisions	2	(350)	(2)	-	7	(343)	-	(343)
OPERATING RESULTS	**18,943**	**(1,790)**	**1,042**	**(331)**	**(1,317)**	**16,547**	**-**	**16,547**
Interest income	546	90	22	-	10	668	-	668
Financing costs	(7,184)	(4,059)	(6)	-	(39)	(11,288)	-	(11,288)
PRE-TAX P&L	**12,723**	**(4,172)**	**1,051**	**(331)**	**(1,345)**	**7,926**	**-**	**7,926**

APPENDIX I

ENUSA INDUSTRIAS AVANZADAS, S.A. GROUP AND SUBSIDIARY COMPANIES

Additional Information on the Group Member Companies at 31 December 2015. (Thousands of Euros)

	% Investment		Net Worth						
	Direct	Indirect	Stated Capital	Reserves	Partner Contributions	Subsidies	Value Change Adjustments	P&L	Auditor
Subsidiary Companies									
EXPRESS TRUCK, S.A.	100.00	-	301	4,307	0	0	0	1,022	E&Y
EMGRISA	99.62	-	7,813	3,251	0	4,843	0	8	E&Y
Multi-Group Companies									
ENUSA-ENWESA, A.I.E.	50.00	-	421	12	0	0	371	278	-
Associated Companies									
G.E. ENUSA Nuclear Fuel, S.A.	49.00	-	108	22	0	0	0	439	KPMG
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E.	25.00	-	24	(13)	32	0	0	21	-
CETRANSA	-	29.89 (1)	1,202	7,489	0	0	0	674	Deloitte
REMESA	-	49.81 (1)	12,549	506	0	625	0	303	KPMG

(1) Invested company indirectly through Emgrisa.
This Appendix is an integral part of Notes 1.2 and 2 of the 2015 Consolidated Annual Account Report and should be read with them.

ENUSA INDUSTRIAS AVANZADAS, S.A. GROUP AND SUBSIDIARY COMPANIES

Additional Information on the Group Member Companies at 31 December 2014. (Thousands of Euros)

	% Investment		Net Worth						
	Direct	Indirect	Stated Capital	Reserves	Partner Contributions	Subsidies	Value Change Adjustments	P&L	Auditor
Subsidiary Companies									
EXPRESS TRUCK, S.A.	100.00	-	301	3,939	0	0	0	735	E&Y
EMGRISA(*)	99.62	-	7,813	3,713	0	4,845	0	(462)	E&Y
Multi-Group Companies									
ENUSA-ENWESA, A.I.E.	50.00	-	421	12	0	0	234	384	-
Associated Companies									
G.E. ENUSA Nuclear Fuel, S.A.	49.00	-	108	22	0	0	0	667	KPMG
SPANISH NUCLEAR GROUP FOR CHINA, A.I.E.	25.00	-	24	2	32	0	0	(15)	-
CETRANSA	-	29.89 (1)	1,202	7,361	0	0	0	666	Deloitte
REMESA	-	49.81 (1)	12,549	126	0	638	0	677	KPMG

(1) Invested company indirectly through EMGRISA.
(*) In 2014 Emgrisa merged through absorption with its subsidiary Desorción Térmica, S.A.
This Appendix is an integral part of Notes 1.2 and 2 of the 2014 Consolidated Annual Account Report and should be read with them.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

EY

Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid

Tel.: 902 365 456
Fax: 915 727 300
ey.com

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of ENUSA Industrias Avanzadas, S.A.:

Report on the Consolidated Annual Accounts

We have audited the accompanying consolidated annual accounts of ENUSA Industrias Avanzadas, S.A. (the parent company) and subsidiary companies (the Group), which include the consolidated balance sheet at 31 December 2015, the consolidated profit and loss account, the consolidated statement of changes in net worth, the consolidated statement of cash flows and the consolidated annual report for the fiscal year ending on that date.

Responsibility of the Administrators for the Consolidated Annual Accounts

The administrators of the parent company are responsible for the preparation of the accompanying consolidated annual accounts such that they give a true and fair view of the state of affairs, the financial position and the consolidated results of ENUSA Industrias Avanzadas, S.A. and subsidiary companies, in accordance with the regulatory framework for financial reporting applicable to the Group in Spain, which is identified in Note 3 of the accompanying annual report, and for such internal control as they deem necessary to enable the preparation of consolidated annual accounts that are free from material misstatements due to fraud or error.

Responsibility of the Auditor

Our responsibility is to express an opinion about the accompanying consolidated annual accounts, based on our audit. We have conducted our audit in accordance with the regulatory standards for account auditing in force in Spain. Those standards require that we comply with ethical requirements and also that we plan and perform the audit to obtain reasonable assurance that the consolidated annual accounts are free from material misstatements.

An audit requires the use of procedures to obtain audit evidence about the amounts and information disclosed in the consolidated annual accounts. The selected procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the preparation of the consolidated annual accounts by the administrators of the parent company, in order to design audit procedures that are appropriate under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes an evaluation of the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as an evaluation of the presentation of the consolidated annual accounts as a whole.

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

Opinion

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all significant respects, of the consolidated state of affairs and consolidated financial position of ENUSA Industrias Avanzadas, S.A. and subsidiary companies at 31 December 2015 and of the consolidated results and consolidated cash flows for the fiscal year ending on that date, in accordance with the applicable regulatory framework for financial reporting and, in particular, with the accounting principles and criteria contained therein.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated business report for 2015 contains the explanations that the administrators of the parent company consider relevant to the Group's position, the evolution of its businesses and other matters, and it is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained in this consolidated business report agrees with that of the 2015 consolidated annual accounts. Our work as auditors is confined to verification of the consolidated business report with the scope set forth in this paragraph and does not include a review of information other than that obtained from the accounting records of ENUSA Industrias Avanzadas, S.A. and subsidiary companies.

ERNST & YOUNG, S.L.
(Registered in the Official Registry of Account Auditors with No. S0530)

15 March 2015

José Enrique Quijada Casillas

SOCIAL PERFORMANCE

01 HUMAN CAPITAL

- Employment
- Staff composition
- Job placement for people with disabilities
- Collective bargaining and trade union representation
- Wage policy and productivity
- ENUSA social benefits

02 TRAINING

- Internship program

03 OCCUPATIONAL HEALTH AND SAFETY

- Training in health and industrial risk prevention
- Prevention
- Safety and radiation protection
- Occupational health
- Industrial accident rate

04 CUSTOMERS

- Fuel area customers
- Environmental area customers

05 SUPPLIERS

- Value chain
- Main suppliers
- Quality in suppliers
- Social responsibility in suppliers

06 QUALITY

- Continuous improvement
- Quality in our products and services
- Certifications

07 ADDING VALUE TO OUR COMMUNITIES

08 SOCIAL ACTION

- Sponsorship and patronage
- Events
- Distinctions

09 COMMUNICATION WITH OUR STAKEHOLDERS

- ENUSA in the media
- Factory visits
- Congresses, exhibitions and trade fairs

01 HUMAN CAPITAL

EMPLOYMENT

Since 2012, the company employment policies adhere to the framework of action provided every year in the National Budget Act. Hiring is essentially in the modalities of temporary contracts, mainly for internships, and indefinite contracts according to the replacement rate legally stipulated for a company with profits in the last two years.

In 2015, 85 people have been hired, with the following breakdown by work center, sex and age:

RECRUITMENT, AGE AND SEX

Sections of age	MADRID		JUZBADO		SAELICES EL CHICO		UTE RSU CASTELLÓN		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
20 to 24	2	-	14	1	-	-	1	-	17	1
25 to 30	3	3	23	6	1	-	1	-	28	9
31 to 39	3	2	10	9	-	-	1	-	14	11
40 to 44	-	-	3	-	-	-	-	-	3	-
45 to 49	-	1	-	-	-	-	-	-	-	1
50 to 59	1	-	-	-	-	-	-	-	1	-
Total	9	6	50	16	1	-	3	-	63	22
Total	15		66		1		3		85	

The following graphic shows the 2015 personnel rotation rate, broken down by work center, sex and age:

EMPLOYEE TURNOVER										
Sections of age	MADRID		JUZBADO		SAELICES EL CHICO		UTE RSU CASTELLÓN		EMPLOYEE TURNOVER SUM CENTER	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
20 to 24	0.51%		0.75%	0.25%			-7.15%		0.48%	0.16%
25 to 30	0.51%	-1.03%	1.00%	0.75%	4.76%				0.95%	0.16%
31 to 39	0.52%	1.03%	0.99%	0.99%					0.79%	0.95%
40 to 44			0.25%				7.14%		0.31%	
45 to 49			-0.25%	-0.25%					-0.16%	-0.16%
50 to 59	0.51%				-4.76%					
60 to 64			-0.25%						-0.16%	
>65	-1.03%		-0.50%	-0.25%					-0.63%	-0.16%
Total	1.04%		2.00%	1.50%					1.58%	0.95%
Sum	1.04%		3.50%						2.54%	
	Calculation of the total amount of the staff of each center MAD=194; JUZ=401; SAE=21; CAST=14								Calculation of the total staff of ENUSA = 630	

In the last four years, there have been 13 voluntary resignations.

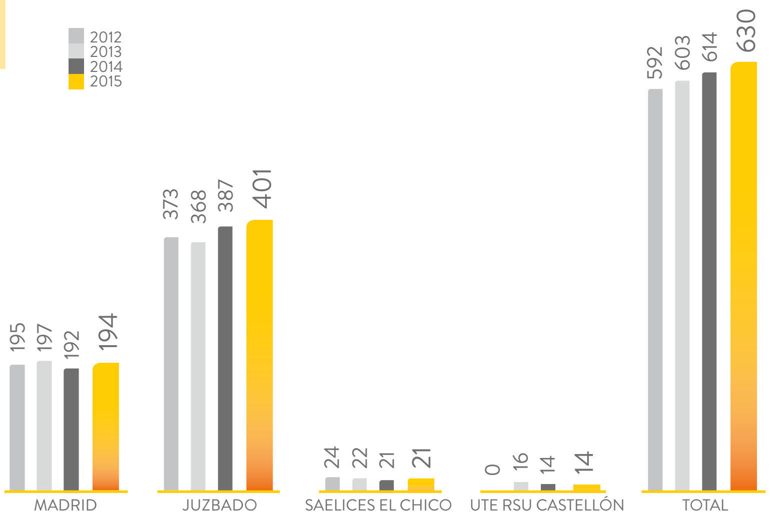
STAFF COMPOSITION

At year's end (2015), the staff of ENUSA Industrias Avanzadas, S.A. (hereinafter, ENUSA) was composed of 574 active workers in the company's three work centers, distributed as follows: 191 employees in Madrid where the head offices are located, 362 employees in the Juzbado fuel assembly factory and 21 in the Saelices El Chico. The latter two centers are located in the province of Salamanca, which means that almost 70% of the ENUSA staff works in this province and explains the close relationship that the company has had with the region from its beginnings (more information in the section "Adding Value to our Communities").

If to these 574 active workers we add the 42 in a situation of partial retirement (3 in Madrid and 39 in Juzbado), the total staff of ENUSA amounts to 616 workers. This is the reference figure for all the tables and graphics shown below.

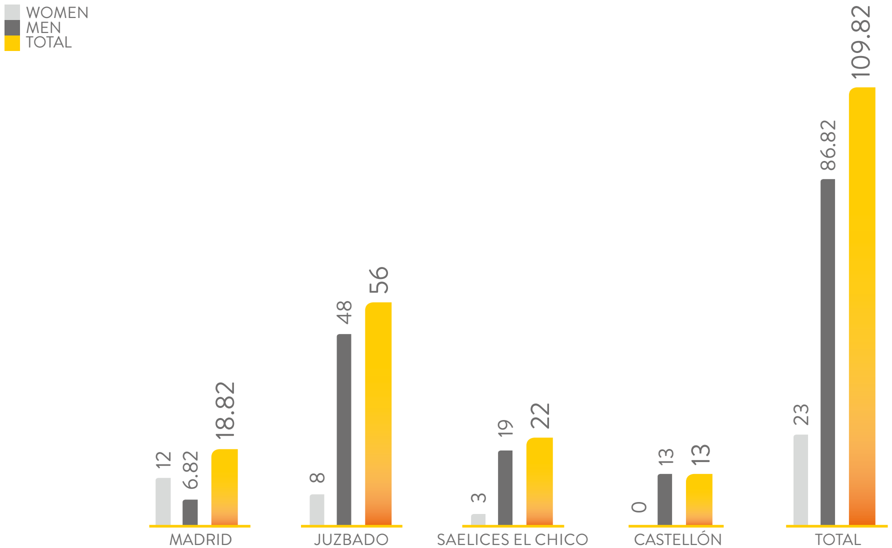
ENUSA has an 85.69% share in the Castellón UTE-RSU (which would represent 14 workers).

ENUSA STAFF BY WORK CENTER



In addition to ENUSA personnel, in our work centers there are also external workers from contractor companies. The average staff of contractor employees who have worked in our facilities in 2015 has amounted to:

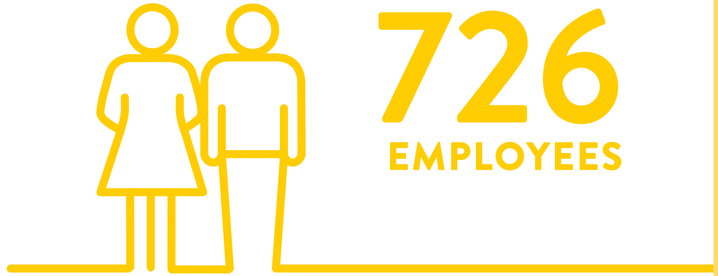
SIZE OF THE TEMPLATE BY EMPLOYEES AND EXTERNAL WORKERS (CONTRACTS) AND SEX



THE ENUSA GROUP

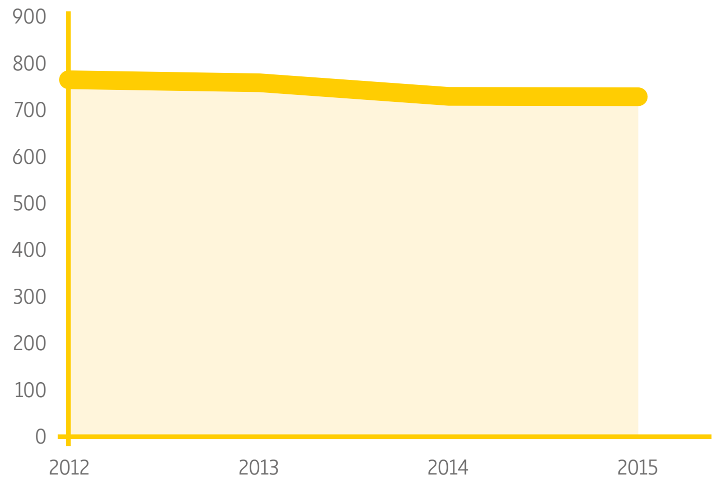
AT 31 DECEMBER 2015

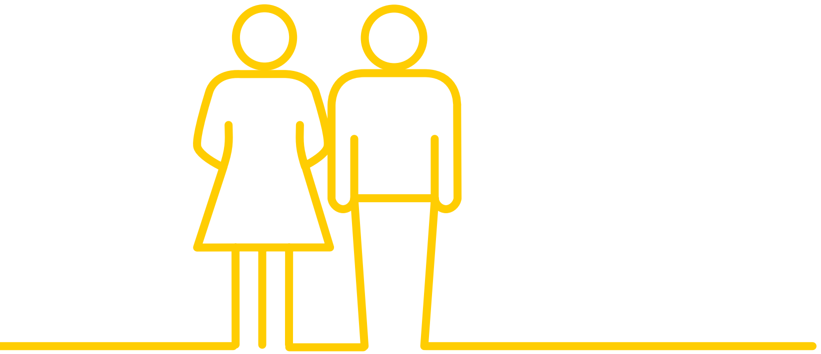
HAD



726 EMPLOYEES

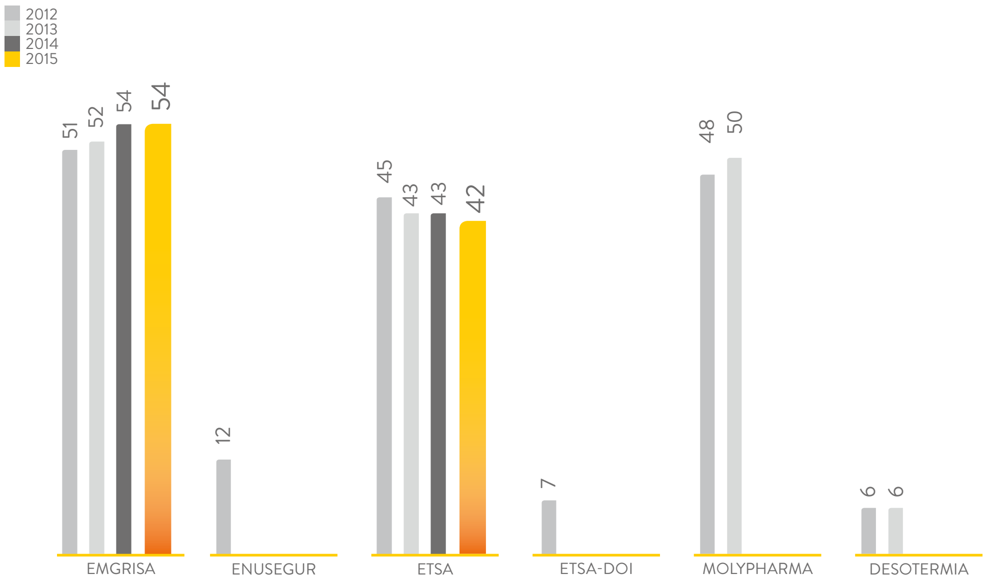
EVOLUTION OF THE ENUSA GROUP STAFF





The following graphic shows the staff evolution of each subsidiary, the most noteworthy points being the takeover of DESOTERMIA by EMGRISA and the sale of ENUSEGUR, ETSA DOI and MOLYPHARMA.

STAFF OF THE ENUSA GROUP SUBSIDIARIES

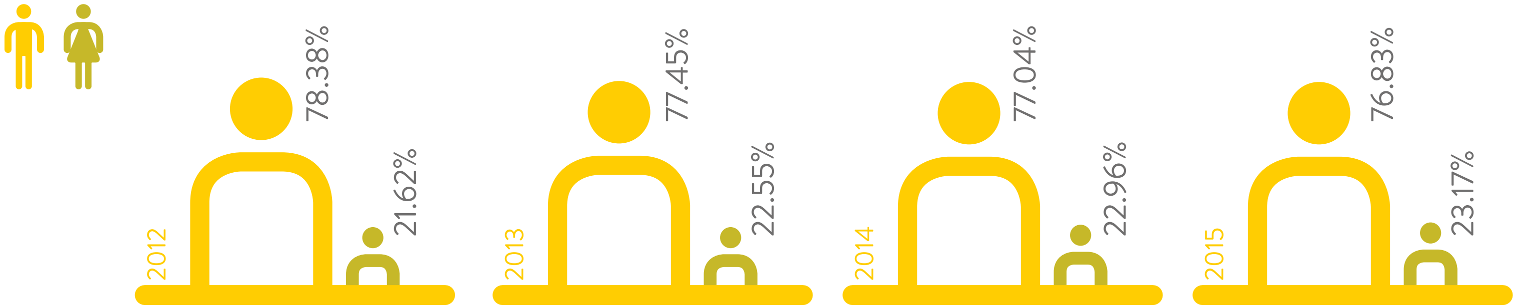


The following pages contain a series of tables and graphics with different breakdowns of the ENUSA staff during the last four years and which show the evolution of this staff. All the data are presented at 31 December 2015.

ENUSA STAFF BROKEN DOWN BY WORK CENTER

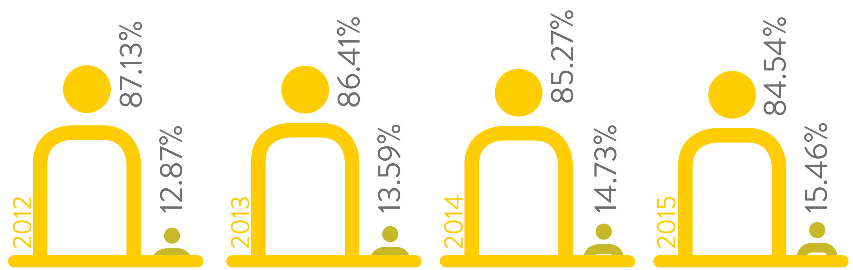
WORK CENTER	2012			2013			2014			2015		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
MADRID	120	75	195	120	77	197	116	76	192	118	76	194
JUZBADO	325	48	373	318	50	368	330	57	387	339	62	401
SAELICES EL CHICO	19	5	24	17	5	22	16	5	21	16	5	21
UTE RSU CASTELLÓN			0	12	4	16	11	3	14	11	3	14
TOTAL	**464**	**128**	**592**	**467**	**136**	**603**	**473**	**141**	**614**	**484**	**146**	**630**

ENUSA STAFF PERCENTAGES BY SEX

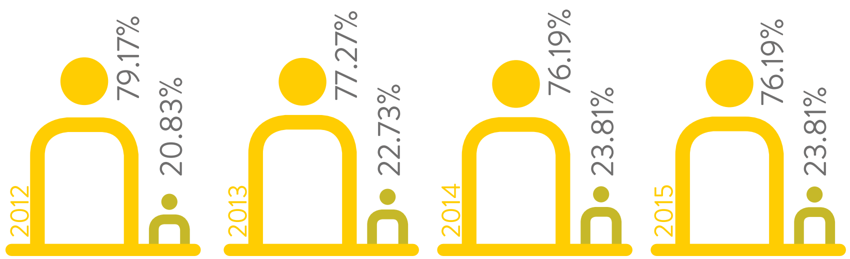


MADRID STAFF PERCENTAGES BY SEX

JUZBADO STAFF PERCENTAGES BY SEX



SAELICES STAFF PERCENTAGES BY SEX



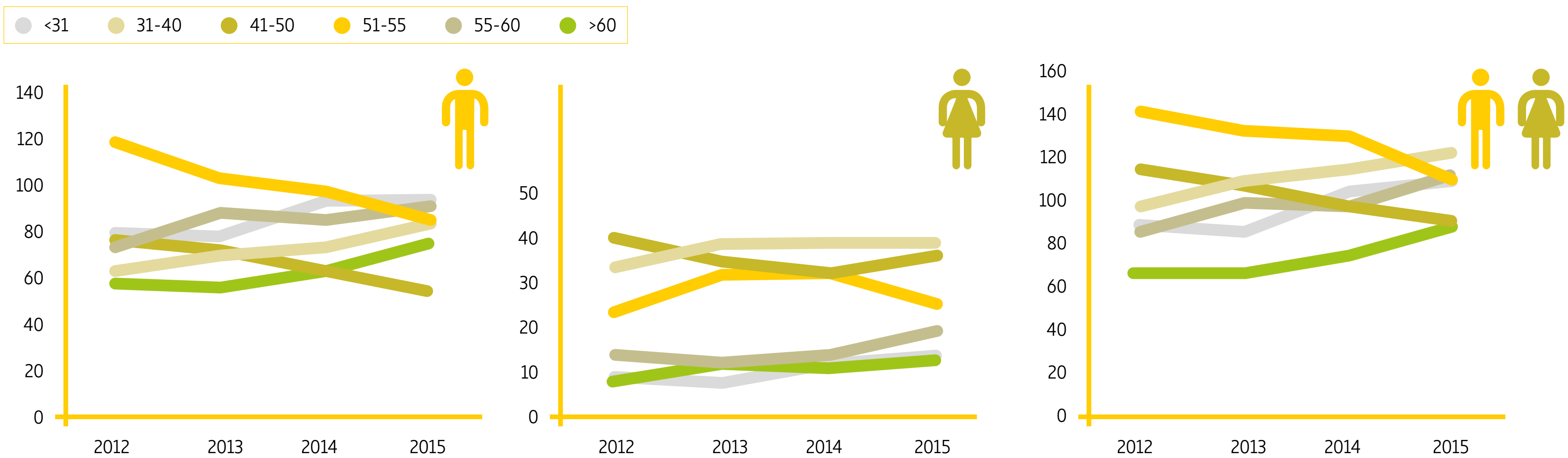
CASTELLÓN STAFF PERCENTAGES BY SEX

ENUSA STAFF BROKEN DOWN BY SEX, AGE GROUP AND AUTONOMOUS COMMUNITY

ENUSA STAFF BROKEN DOWN BY SEX, AGE GROUP AND AUTONOMOUS COMMUNITY (31 DECEMBER 2015)

YEAR	COMMUNITY OF MADRID		CASTILLA Y LEÓN						COMMUNITY OF VALENCIA		TOTAL	
			JUZBADO		SAELICES EL CHICO		SUM CASTILLA Y LEÓN		UTE RSU CASTELLÓN			
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
> 60	21	9	49	4	4	-	53	4	-	-	74	13
55 – 60	28	14	58	4	5	1	63	5	1	-	92	19
51 – 55	21	11	63	13	1	1	64	14	-	-	85	25
41 – 50	18	19	29	14	4	-	33	14	4	3	55	36
31 – 40	21	20	58	17	-	2	58	19	4	-	83	39
< 31	9	3	82	10	2	1	84	11	2	-	95	14
Total	**118**	**76**	**339**	**62**	**16**	**5**	**355**	**67**	**11**	**3**	**484**	**146**

EVOLUTION OF ENUSA STAFF ACCORDING TO AGE GROUPS



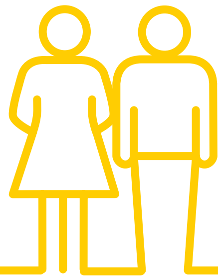
PERCENTAGE OF EMPLOYEES ACCORDING TO PROFESSIONAL CATEGORY, BROKEN DOWN BY WORK CENTER AND SEX

PROFESSIONAL CATEGORY	Madrid		Juzbado		Saelices el Chico		UTE RSU Castellón	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Senior degree holders	36.2%	63.8%	33.8%	66.3%	50%	50%	33.3%	66.7%
Intermediate degree holders	37.5%	62.5%	20%	80%	25%	75%	0%	0%
Administrative personnel	58.3%	41.7%	72.7%	27.3%	33.3%	66.7%	100%	0%
Rest of personnel	11.1%	88.9%	4.6%	95.5%	10%	90%	10%	90%
TOTAL	**39.2%**	**60.8%**	**15.5%**	**84.5%**	**23.8%**	**76.2%**	**21.4%**	**78.6%**

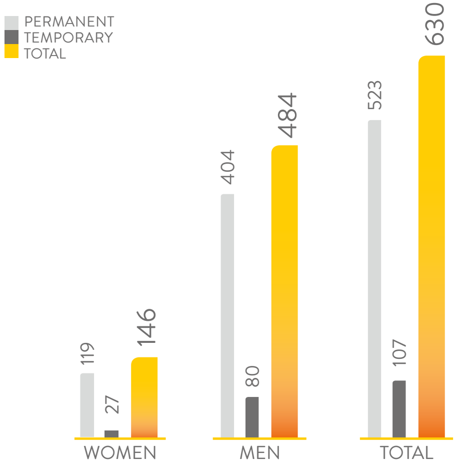
PRESENCE OF WOMEN IN ENUSA

	2012	2013	2014	2015	Δ%
% women on staff	**21.6%**	**22.5%**	**23.0%**	**22.6%**	**-0.4%**
MADRID	38.5%	39.1%	39.6%	39.2%	-0.4%
JUZBADO	12.9%	13.6%	14.7%	15.5%	0.7%
SAELICES EL CHICO	20.8%	22.7%	23.8%	23.8%	0%
UTE-RSU CASTELLÓN (*)	-	25%	21.4%	21.4%	0%
% women in management posts*					
MADRID	24%	26%	23.7%	25%	1.3%
JUZBADO	20.8%	18%	17.5%	17.7%	0.2%
SAELICES EL CHICO	40%	40%	40%	40%	0%
UTE-RSU CASTELLÓN	-	25%	25%	25%	0%
% women on Executive Committee	**20%**	**20%**	**22.2%**	**22.2%**	**0%**
% women on Board of Directors	**36.4%**	**36.4%**	**33.3%**	**41.7%**	**8.4%**

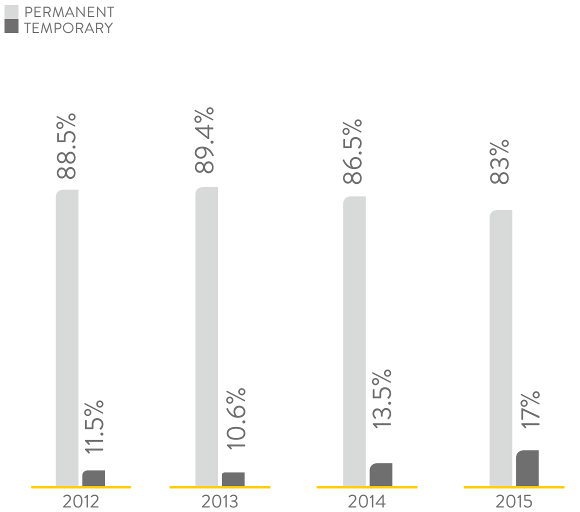
* % over total number of senior and middle management posts



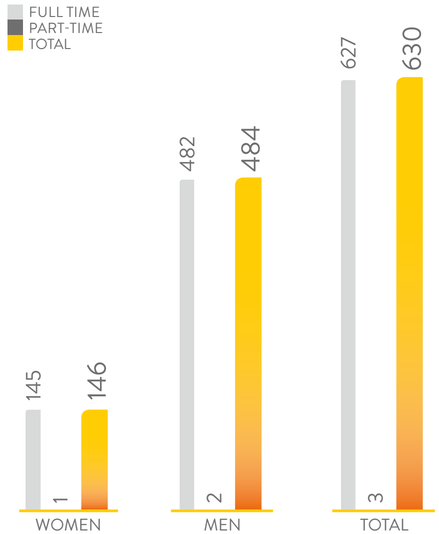
STAFF ACCORDING TO CONTRACT TYPE AND SEX 2015

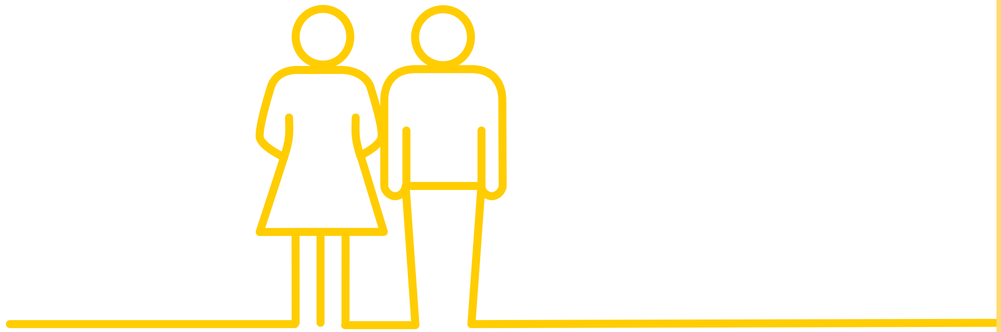


PERCENTAGE OF STAFF ACCORDING TO CONTRACT TYPE



Part time hiring, on the other hand, is not common. 99.5% of the staff works full time.





JOB PLACEMENT FOR PEOPLE WITH DISABILITIES

Article 42 of Royal Legislative Decree 1/2013 of November 29, which approves the Restated Text of the General Law on the rights of people with disabilities and their social inclusion, states that public and private enterprises that employ 50 or more workers will be required to have at least 2 people with disabilities for every 100 workers. However, on an exceptional basis, they may be exempted from this obligation provided they apply the alternative measures laid down in Royal Decree 364/2005 of April 8, which regulates the exceptional alternative to the quota of jobs reserved for people with disabilities.

In accordance with this legal obligation, in 2015 ENUSA, in addition to having seven workers with disabilities on the staff, made donations amounting to € 38,341 to the following associations/foundations:

ASSOCIATIONS/FOUNDATIONS	ACTIVITY	AMOUNT 2015
MADRID		15,337€
AFANIAS (Madrid)	Association for people with disabilities	7,669€
JUAN XXIII FOUNDATION (Madrid)	Integration of people with intellectual disabilities	7,668€
SALAMANCA		23,004€
ASDEM (Salamanca)	Salamanca multiple sclerosis association	7,668€
ASPACE (Salamanca)	Association of parents of persons with cerebral palsy and similar encephalopathies	7,668€
ASSOC. ASPRODES (Salamanca)	Provincial association of mentally handicapped persons of salamanca (viveros el arca)	7,668€
TOTAL		**38,341€**

COLLECTIVE BARGAINING AND TRADE UNION REPRESENTATION

The working conditions and productivity of 85.7% of the ENUSA workers are regulated by the specific Collective Bargaining Agreements of each work center, negotiated between the management and the different company workers' committees. The remaining 14.3% is personnel with individual contracts (PRI) who have a particular labor relationship with the company.

The three company work centers also have trade union representation, as seen in the following table.

TRADE UNION REPRESENTATION 2015

TRADE UNION	COMMUNITY OF MADRID		CASTILLA Y LEÓN						COMMUNITY OF VALENCIA		TOTAL	
			JUZBADO		SAELICES EL CHICO		TOTAL CYL					
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
USO	0	0%	3	23.1%	0	0%	3	21.4%	0	0%	3	13%
CC.OO.	0	0%	5	38.5%	1	100%	6	42.9%	0	0%	6	26.1%
UGT.	4	44.4%	5	38.5%	0	0%	5	35.7%	0	0%	9	39.1%
Others (1)	5	55.6%	0	0%	0	0%	0	0%	0	0%	5	21.7%
TOTAL	**9**	**100%**	**13**	**100%**	**1**	**100%**	**14**	**100%**	**0**	**0%**	**23**	**100%**

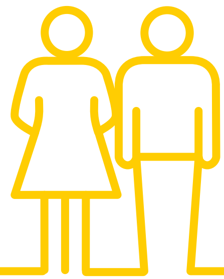
(1) CSI-CSIF, CITE, Independents, etc.

To facilitate communication between the employees and their representatives, the trade unions and workers' committees in each center have specific forums on the Intranet, as well as physical bulletin boards in the work centers and their own email accounts.

WAGE POLICY AND PRODUCTIVITY

ENUSA uses a job assessment system to ensure equal opportunities in employee hiring, payment and promotion. This system consists of a points-per-factor evaluation on the basis of which a qualitative hierarchy of values is established for each job post, allowing for impartiality when evaluating the requirements for performing the job and the wage compensation, regardless of the person who holds the job. The elements of this procedure are:

- Task Analysis and Assessment.
- Job Post Task Assessment System.
- Mixed Assessment Committee.
- Job Assessment Manual.



COMPARISON OF THE INTERPROFESSIONAL MINIMUM WAGE (SMI) WITH THE WAGE LEVELS OF ENUSA

"ENUSA WAGE LEVELS"	"ENUSA Wages Compared to SMI 2014*"	"ENUSA Wages Compared to SMI 2015*"
XIV	15.40%	15.36%
XIII	16.85%	16.81%
XII	18.46%	18.41%
XI	20.18%	20.12%
X	21.93%	21.87%
IX	23.72%	23.65%
VIII	26.63%	26.55%
VII	29.79%	29.71%
VI	33.23%	33.14%
V	37.08%	36.98%
IV	41.15%	41.04%
III	45.53%	45.41%
II	50.08%	49.94%
I	54.59%	54.44%

* The SMI corresponding to 2014 is of 9.034,20 €
* The SMI corresponding to 2015 is of 9.080,40€

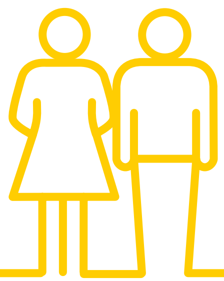
Not include the wage levels of Castellón by governed by the collective agreement in the Sector of public sanitation, road cleaning, irrigation, collection, treatment and elimination of waste, cleaning and conservation of sewer (Convention No. 99010035011996 code), and be completely different from the collective agreements of the centers of ENUSA (Madrid, Juzbado and Saelices el Chico).

Direct supervisors conduct quarterly performance assessments of the personnel who report to them to accurately track the staff activities and performance. These assessments take the following points into consideration:

- Strengths: positive behaviors, exceptional actions, achievement of targets, etc.
- Areas for improvement: deficiencies found in the subordinate's performance, proposed solutions, etc.
- Future prospects.
- Proposals for improvement: training recommendations.

Annual personnel assessment interviews are also held in order to boost productivity and check that the company strategy has been communicated and understood. There is also a Variable Collective Productivity Incentive to motivate the workers to directly participate in the company results. This incentive consists of an annual economic remuneration contingent on achievement of the targets set between the management and the workers' committees of the different work centers.

The Executive Committee members are also subject to annual evaluations, in this case by SEPI, the main shareholder of ENUSA, through a Standing Committee. The remuneration of committee members is composed of a fixed and a variable amount subject to achievement of the targets set for the year.



ENUSA SOCIAL BENEFITS

Staff access to the social benefits varies depending on seniority in the company and in some cases the type of employee contract. There is no general rule.

Study Aid for Children

ENUSA offers study aid to the children of employees with more than six months of seniority in the company.

ASSISTANCE FUND FOR EMPLOYEES' CHILDREN 2015

	MADRID	JUZBADO	SAELICES EL CHICO	TOTAL 2015	TOTAL 2014
Amount (€)	71,871.44	95,041.27	3,953.42	170,866.13	170,722.04
No. of beneficiares	142	171	7	320	327

Promotion of Child Bearing

ENUSA provides economic compensation as a bonus for each birth or legal adoption.

Orphan Allowances

In the event of death of a company worker, the company provides economic aid for the education of the children under 18 years of age.

Reconciliation of Family Life and Work

In ENUSA there is a policy of flexible hours and the possibility of requesting reduced working hours, which is individually agreed between the worker and the company, to support the reconciliation of personal and family life and work.

WORKERS WITH REDUCED WORKING HOURS

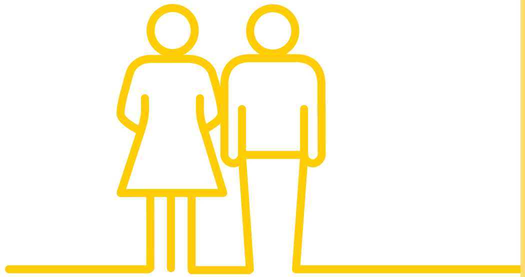
	2012		2013		2014		2015	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
MADRID	2	5	3	6	3	7	3	7
JUZBADO	2	3	1	4	1	3	2	5
SAELICES EL CHICO	0	0	0	0	0	0	0	0
UTE RSU - CASTELLÓN	--	--	0	0	0	0	0	0
TOTAL ENUSA	4	8	4	10	4	10	5	12
ETSA	0	2	2	0	2	0	2	0
ETSA-DOI	0	0	0	0	0	0	--	--
ENUSEGUR	0	0	0	0	0	0	--	--
MOLYPHARMA	0	1	1	0	0	0	--	--
EMGRISA	1	4	1	5	1	5	1	5
DESOTERMIA	0	0	0	0	0	0	--	--
TOTAL SUBSIDIEARIES	1	7	4	5	3	5	3	5
TOTAL ENUSA GROUP	**5**	**15**	**8**	**15**	**7**	**15**	**8**	**17**

Maternity and Paternity

During 2015, 20 workers (6 women and 14 men) took maternity or paternity leave. During the same year, 20 workers (5 women and 15 men) returned to work after maternity or paternity leave. All ENUSA workers who in 2015 were entitled to maternity/paternity leave have exercised that right.

The 2015 return-to-work and retention rates are as follows:

	WOMEN	MEN	TOTAL
Return-to-work rate	86%	100%	95%
Retention rate	100%	100%	100%



Other Social Benefits

- Extra-wage aids for meals and transportation.
- Accident insurance and/or death and permanent or total disability insurance.
- Pension plan that can be voluntarily joined by all company workers with a recognized seniority of one year in the case of permanent employees and two years in the case of temporary employees. The company's contributions to the pension plan have been discontinued since 2012 due to application of the personnel cost containment measures in the state's public sector provided in the successive National Budget Acts.
- 50% of the amount of any voluntary family medical insurance taken out by employees.
- Sick or accident leaves are not penalized, provided they are recognized by the Medical Service of the work center, and 100% of the actual salary is received.
- Permanent workers on the staff are entitled to receive a loan worth four monthly payments of their net salary.
- The company provides guarantees for its permanent workers to financial and loan institutions for buying or remodeling their homes.

Seniority Prizes

The company awards the loyalty of its workers after 20 and 25 years of seniority in the company with a social and monetary recognition.

02 TRAINING

The Training Action Plan reflects the strategic lines and different critical needs of safety, industrial risk prevention, quality and environment, together with the rest of the general and technical qualification actions.

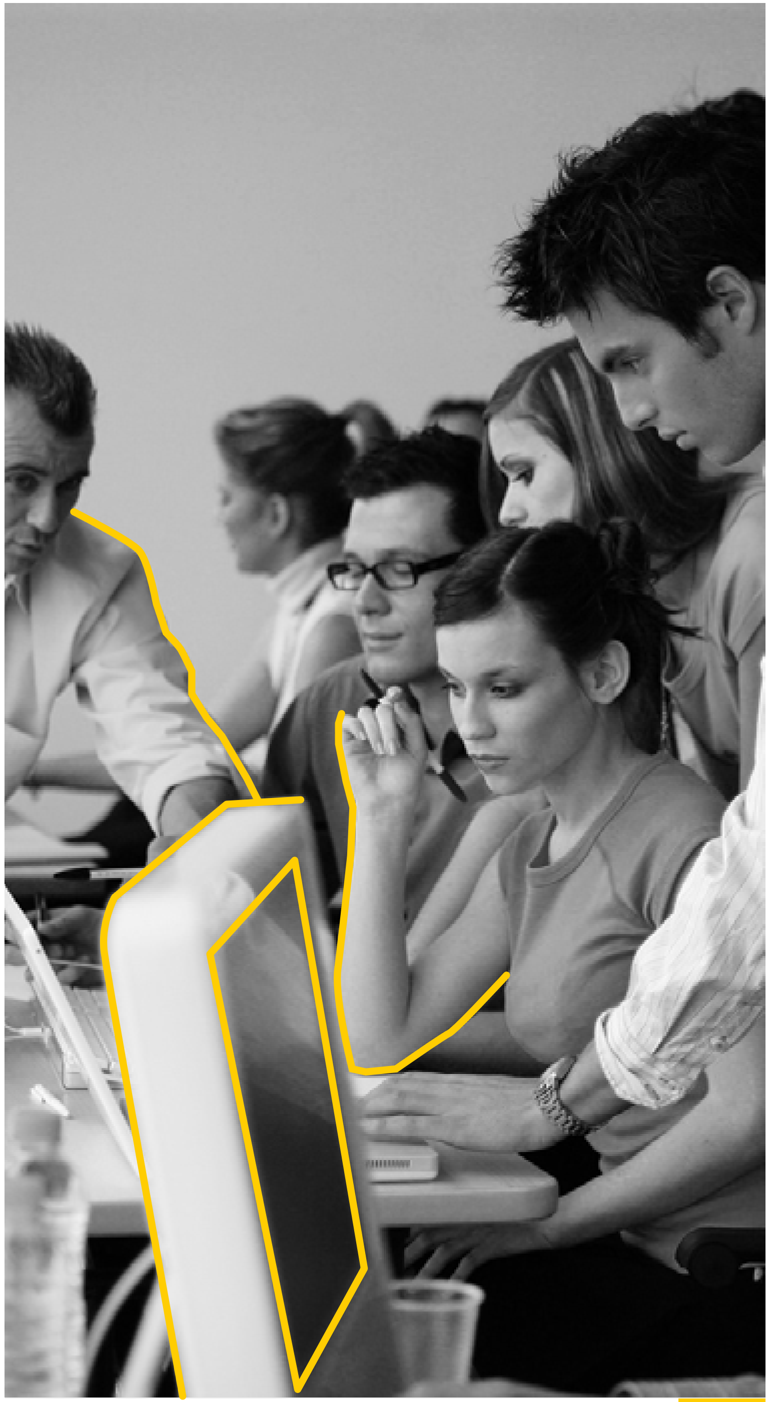
Objectives:

- To comply with the current legislation enforced by different official agencies, to acquire and maintain worker proficiency and the safety and prevention measures for performing their functions.
- To maintain and improve worker qualification, in accordance with our values and in line with the continuous improvement of our competitiveness in the sector.
- To increase flexibility and adaptation to new technological changes and scenarios.
- To optimize training by weighing actions in accordance with the needs and priorities of the job posts.

Training blocks that comprise the Plan:

1. Compulsory training actions: required by the legislation and regulations applicable to the sector. Defined and identified by the Safety, Industrial Risk Prevention, Quality and Environmental areas.
2. Management training actions: recommended for strategic development of the functions.
3. Technical training actions: required for adapting and updating the know-how and skills needed to perform the job functions.
4. Multidisciplinary training actions: advisable for adequate performance in the Organization.
5. Competency-based training actions: suitable for addressing future strategies and cultural and organizational changes.

The actions of the last four blocks and their recipients are identified and selected by the hierarchical heads of the areas to which they belong.



Many of the actions in both the compulsory and the rest of the blocks are provided by internal instructors, thus taking advantage of the expertise of the people in the Organization; those actions that require special conditions and that cannot be provided by our personnel are outsourced.

Following are tables that show the most important training-related indicators of the ENUSA Group.

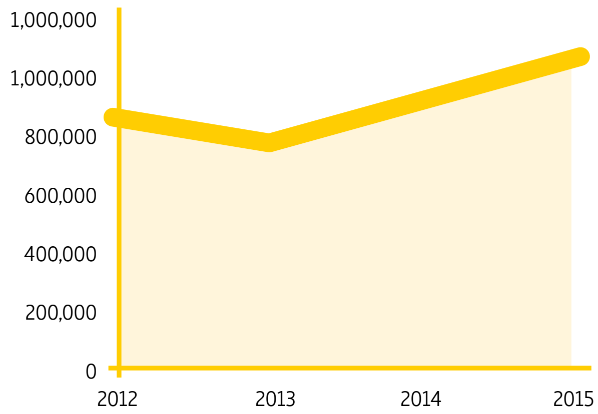
ENUSA GROUP TRAINING INDICATORS

	2012	2013	2014	2015
Total investment € (courses, transportation, accommodation, financial value of working hours spent on training)	855,498	772,933	907,676	1,053,036
Training cost (€) (Cash)	197,712	195,161	229,082	283,970
"Contributions from the European Social Fund and the Tripartite Foundation for On-the-Job Training (FORCEM)"	84,948	70,430	58,014	63,499
Training hours	23,352	19,633	23,320	25,101
Number of trainees	3,548	4,171	4,123	3,838
Number of courses	561	576	556	590

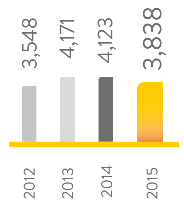
TRAINING ITEMIZED BY COURSES, TRAINEES, HOURS AND COST (ENUSA GROUP)

ENUSA GROUP	NO. COURSES	NO. TRAINEES	NO. HOURS	COST (CASH)
ENUSA	552	3,677	21,929	229,654
EMGRISA	27	115	1,881	42,036
ETSA	11	46	1,291	12,280
TOTAL	590	3,838	25,101	283,970

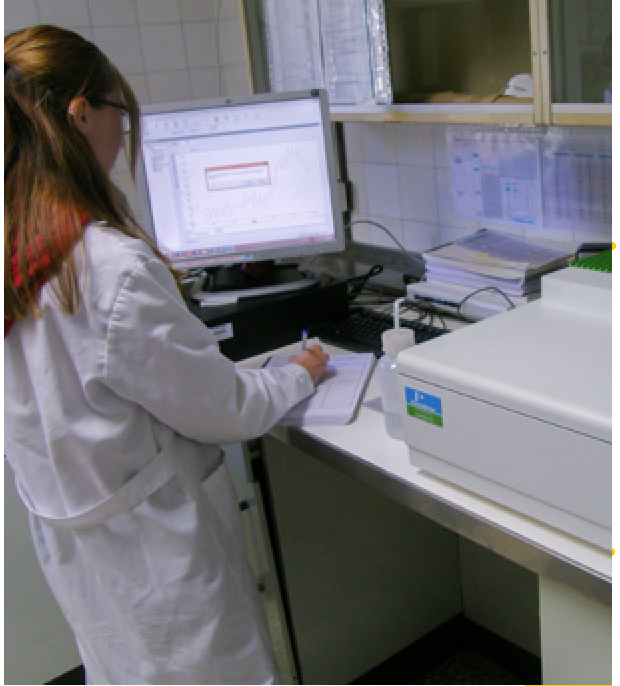
TOTAL INVESTMENT €



TRAINING HOURS



NUMBER OF TRAINEES



NUMBER OF COURSES GIVEN, BROKEN DOWN BY TRAINING PLANS

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Compulsory	422	9	3	434
Others (management, technical, multi-disciplinary & competency-based)	130	18	8	156
TOTAL	**552**	**27**	**11**	**590**

NUMBER OF TRAINEES BY PROFESSIONAL CATEGORY

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Managers, Senior Engineers & Degree Holders	1,308	79	8	1,395
Technical Engineers, Intermediate Degree Holders & Qualified Assistants	270	11	-	281
Technical & Administrative Personnel	1,038	17	7	1,062
Workers	1,061	8	31	1,100
TOTAL	**3,677**	**115**	**46**	**3,838**

DISTRIBUTION BY SEX OF TRAINED EMPLOYEES

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
Women	141	17	3	161
Men	472	30	43	545
TOTAL	**613**	**47**	**46**	**706**

TRAINING HOURS VERSUS WORKING HOURS

	ENUSA	EMGRISA	ETSA	TOTAL ENUSA GROUP
During working hours	20,583	1,041	497	22,121
Outside working hours	1,346	840	794	2,980
TOTAL	**21,929**	**1,881**	**1,291**	**25,101**

ENUSA GROUP ANNUAL TRAINING HOURS, BROKEN DOWN BY SEX AND PROFESSIONAL CATEGORY

PROFESSIONAL GROUPS	NO. PEOPLE		HOURS		"% HOURS OVER TOTAL"		"AVERAGE HOURS PER GROUP & OVER TOTAL"	
	706		25,101					
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Managers, Senior Engineers & Degree Holders	96	172	5,547	7,505	22.1%	29.9%	58	43.6
Technical Engineers, Intermediate Degree Holders & Assistants	9	41	166	1,927	0.7%	7.7%	18.4	47
Technical & Administrative Personnel	54	136	688	3,492	2.7%	13.9%	12.7	25.7
Workers	2	196	16	5,760	0.1%	22.9%	8	29.4
TOTAL	161	545	6,417	18,684	25.6%	74.4%		

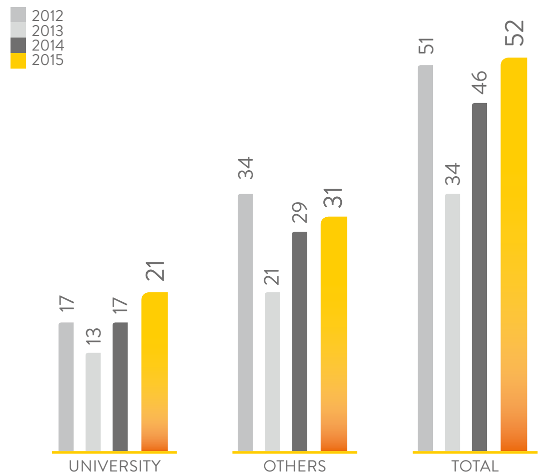
INTERNSHIP PROGRAM

The ENUSA Group is committed to helping improve the access of young people to the labor market. To this end, it collaborates with curricular and extracurricular internship programs through agreements with educational institutions. In the last decade, most of the intern students in ENUSA come from occupational training centers, thanks to the company's collaboration with these schools in order to help their students receive training in Work Centers during a three-month period in the Juzbado fuel assembly factory. There is also a significant number of students from the universities of Castilla-León, the region where the ENUSA manufacturing center and most of its staff is located.

ENUSA GROUP INTERNS 2015

ENTERPRISE	UNIVERSITY	OTHERS	TOTAL
TOTAL ENUSA	18	28	46
MADRID	2	1	3
JUZBADO	13	27	40
SAELICES	1	0	1
RSU	2	0	2
TOTAL SUBSIDIARIES	3	3	6
EMGRISA	3	3	6
ETSA	0	0	0
TOTAL	**21**	**31**	**52**

ENUSA GROUP INTERNS ACCORDING TO ORIGIN



03 OCCUPATIONAL HEALTH AND SAFETY

The health and safety of its workers is a top priority for ENUSA. Training, information, prevention and development of new processes will always result in less exposure of workers to the risks inherent in their job posts.

To meet the demanding requirements, it is essential to assure the absence of incidents or accidents that affect Nuclear Safety, Physical and Radiation Protection and Industrial Risk Prevention. For this reason, in 2015 a preliminary assessment of the Safety Culture was carried out, in which the entire factory staff has participated. The results obtained will enable us to develop the appropriate Improvement Action Plan.

In this respect, actions targeting the human factor are carried out with safety training techniques for operating equipment and installations and for responding to emergency situations, along with actions targeting the technical factor, which involve verifications of projects and modifications and inspections of the installations, as well as the working conditions.

After the Industrial Risk Prevention Act (LPRL) was enacted, ENUSA created the ENUSA Group Joint Industrial Risk Prevention Service. This service encompasses the four legally recognized preventive specialties (Industrial Safety, Industrial Hygiene, Occupational Medicine, and Ergonomics and Psycho-sociology), and it provides coverage to all the work centers and to some of the subsidiaries.

100% of ENUSA workers are represented on the Safety and Health Committee, whose mission is to control and provide advice on the company's safety and health program.

TRAINING IN HEALTH AND INDUSTRIAL RISK PREVENTION

In order to comply with the provisions of Article 19 of the Industrial Risk Prevention Act, the Prevention Service provides training on job post risk prevention based on the risk assessment that is performed. This legislation stipulates the obligation of ensuring that workers receive specific preventive training for the jobs they hold, both at the time they are hired and when the

job specifications or equipment are modified, or when the Prevention Service deems it advisable as a result of the detection of malpractice or the investigation of any accidents or incidents that may have occurred.

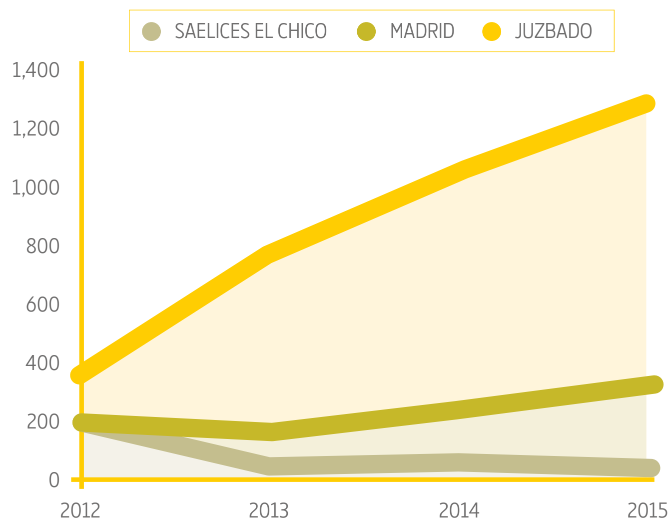
During 2015, ENUSA has provided to its employees a total of 3,805 training hours related to occupational health, safety, hygiene and ergonomics. As seen in the ENUSA Group Health and IRP Training table, both the number of attendees and the number of training hours have increased significantly over previous years.

ENUSA GROUP HEALTH AND IRP TRAINING

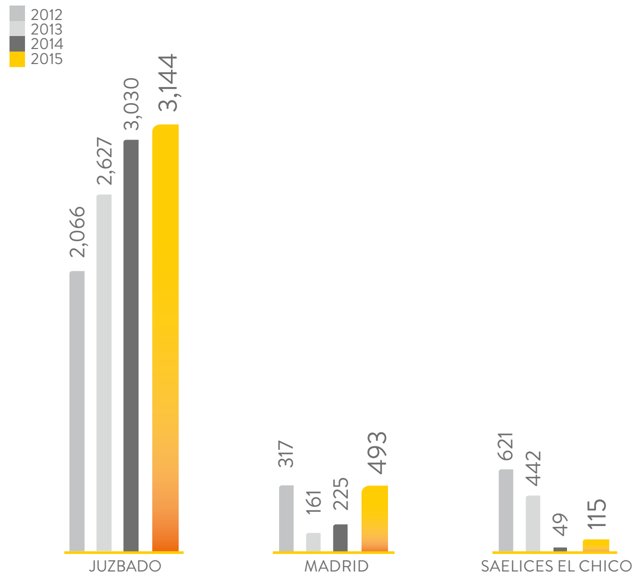
	2012		2013		2014		2015	
WORK CENTER	TRAINEES	HOURS	TRAINEES	HOURS	TRAINEES	HOURS	TRAINEES	HOURS
JUZBADO	360	2,066	770	2,627	1,043	3,030	1,283	3,144
MADRID	214	317	161	161	244	225	327	493
SAELICES EL CHICO	198	621	46	442	67	49	49	115
CASTELLÓN (*)	9	81	20	101	10	82	11	53
TOTAL ENUSA	781	3,085	997	3,331	1,364	3,386	1,670	3,805
EMGRISA	48	125	20	74	4	8	9	82
ENUSEGUR	12	18						
ETSA	34	102	0	0	26	39	17	17
MOLYPHARMA	48	130	50	50				
TOTAL SUBSIDIARIES	142	375	70	124	30	47	26	99
TOTAL ENUSA Group	**923**	**3,460**	**1,067**	**3,455**	**1,394**	**3,433**	**1,696**	**3,904**

(*) Data referred to the 85,69% share of ENUSA in the UTE

TRAINEES BY ENUSA WORK CENTERS



TRAINING HOURS BY ENUSA WORK CENTERS



In ENUSA there is no high incidence or risk of contracting an occupational disease. According to the provisions of Royal Decree 1299/2006 of November 10 and its table of occupational diseases, the company carries out activities included in Group 2A (exposure to ionizing radiation) and 2I (exposure to noise).

To prevent exposure-related diseases and as primary prevention, the following measures are taken:

- Specific risk-oriented training
  - Ionizing radiation: 3,419 hours in 2015 in 84 sessions attended by 792 people.
  - Noise: Training in IRP with a duration of 816 hours divided into 60 sessions attended by 335 people.

- Specific risk-oriented health monitoring, using the Health Monitoring Protocols of the Ministry of Health and Consumption with the periodicity and contents stipulated therein.
  - Ionizing radiation: 368 medical checkups in 2015
  - Noise: 115 medical checkups.

PREVENTION

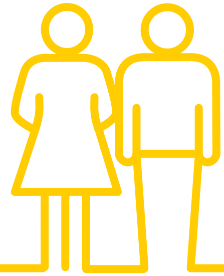
Preventive inspections are periodically carried out to detect the potential risks of accidents and incidents that could occur in the installations, equipment or tools as a result of unsafe design conditions or inappropriate worker practices, in order to correct them before they can cause any damage.

These actions, included in the Prevention Plan together with the Risk Assessments, Preventive Activity Planning, etc., confirm the major commitment made to effectively integrate prevention into the natural conduct of the different company businesses.

SAFETY AND RADIATION PROTECTION

Safety is another commitment of the company, the Management and all the workers, and it is considered as one of the factors always present in their activities. Thus special attention is paid to training, development of new processes, equipment and installation innovation, information to society and to stakeholders, and participation in technical congresses and societies.

The factory and its operation are subject to ongoing control by the competent authorities: the Spanish Nuclear Safety Council (CSN), EURATOM and the IAEA. Control by the CSN has focused on plant operation and by the international agencies on the uranium entering and exiting the plant and on operations during the process, to ensure that it is not diverted to illegal uses. In this respect, since the Provisional Operating License was obtained in 1985, it has been renewed on six occasions, the last time on July 5, 2006 for a period of 10 years.



RADIATION PROTECTION

The basic purpose of radiation protection is to protect the environment and the people who may be exposed to ionizing radiations due, in this case, to the factory activities, considering the current impact and the long-term effects.

Radiation protection is a complex science not only because of the difficult conceptual and technical aspects, but also because of how it is subjectively perceived by individuals and society. By applying the fundamental principles of radiation protection (justification, limitation and optimization) from the time the factory was in the project phase, the quality standards that have been achieved are now considered as an international reference.

The support that the Management has given at all times to the principles of radiation protection has resulted in the involvement of all the organizations and all the personnel to achieve levels of improvement that would be hard to attain with the mere application of technical innovations.

The new criteria implemented by international and national regulations have been surpassed thanks to the following:

- The use of the new technologies
- Continuous upgrading of metering and control equipment and instruments
- Incorporation of latest generation monitoring systems
- Development and application of new mathematical models
- Constant adaptation of the operating procedures, considering the factory's own operating experience and that of other facilities.

The radiation protection program covers the following aspects:

- Control of doses received by personnel.
- Classification of the workers and the different zones.
- Control of radiation rates and surface and ambient contamination in the areas.
- Control of radioactive sources.
- Monitoring and control of liquid and gaseous effluents.
- Control of solid wastes.
- Verification and calibration of metering equipment.
- Development of the dose optimization program (ALARA).
- Development of adequate protection standards and instructions.
- Continuous assessment of the risks associated with the equipment, systems and processes.
- Ongoing and periodic training of all exposed workers.
- Training of licensed personnel (operators and supervisors), members of emergency groups, and technical personnel of the Radiation Protection Organization.
- Development of the Environmental Radiation Monitoring Program.

The program results are objectively measured by the values of the external and internal doses received by the personnel, and by the activities being discharged via liquid and gaseous effluents and the doses that the public could potentially receive as a result of these emissions.

Surface contamination is controlled by portable gas equipment optimized for detection of alpha contamination, or else by stationary equipment with large gas flow probes installed in the throughway zones of the areas at risk of contamination. To ensure that the established limits are met, there is a program of weekly inspections of the areas with portable surface contamination metering equipment.

External Dosimetry

External irradiation occurs in the work stations where radioactive material accumulates, and it depends on the geometric arrangement of the source term with respect to the employee work positions. All factory employees who do work with a radiological risk are classified as exposed workers and, therefore, this control is required. For this purpose, an individual TLD dosimeter is assigned to each worker.

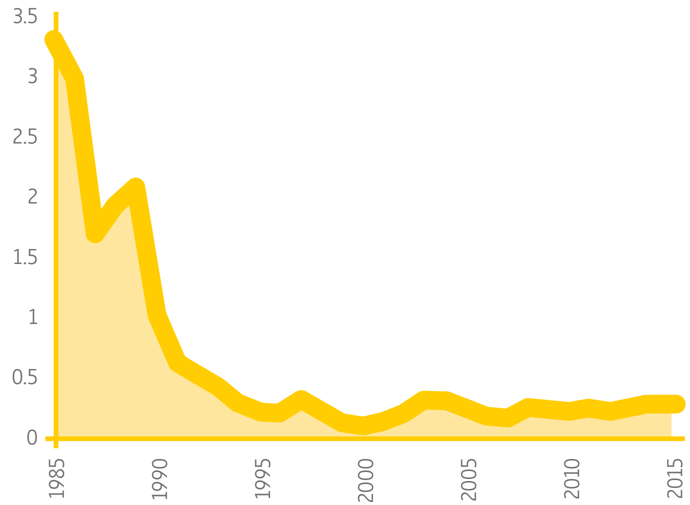
The evolution of external staff doses has experienced a downward trend over the years. Although production has gradually increased from average values of 150 tons of uranium in the early years to the 328 tons produced last year, the collective doses per ton have dropped and the average doses to workers have stayed below 1 mSv, the limit dose to the public. The maximum annual doses have thus been successfully kept below 5% of the limit for exposed workers.

Internal Dosimetry

The areas in the Juzbado factory where people work with potentially dispersible uranium oxide powder are classified as zones at risk of contamination and radiation, thus posing a risk of radioactive isotopes entering the organism which could result in an internal personnel dose.

The ambient contamination in these areas is monitored with the so-called Radiation Protection System, formed by particle sampling equipment with a centralized vacuum system and silicon barrier detectors. The system is also provided with a network composed of more than 150 continuous sampling points that are representative of the areas and workstations, from which the filters are removed every 8 or every 24 hours and the retained activity is measured with equipment in order to estimate the internal personnel dose.

In addition, portable continuous metering equipment is used as a complementary monitoring system in high risk operations, or for equipment and process evaluation and optimization analyses.



EVOLUTION OF DEEP COLLECTIVE DOSE HP (10)/TU

OCCUPATIONAL HEALTH

Medical Checkups

Section 1 of Article 22 of the Industrial Risk Prevention Act (LPRL) guarantees the periodic monitoring of the condition of workers' health based on the risks inherent in the job and applying the appropriate protocols.

The results of health monitoring are always communicated to the workers (Art. 22, section 3, LPRL) in a report. In accordance with the provisions of sections 3 and 4 of Article 22 of the LPRL, the privacy and dignity of the person are guaranteed in these checkups, which are not carried out without the worker's consent. The Management is always informed of a worker's aptness for his/her job post after a health monitoring procedure, whether periodic or done after a period of absence due to common illness or industrial accident.

There were more than 1,136 medical checkups in 2015. These checkups include the ordinary ones (413) and also checkups of newly hired staff members (39), workers who return to or change job posts (47), interns or personnel in practical training (23) and personnel of contractors that collaborate with the company (607).

The Health Monitoring area comprises:

- Basic Healthcare Unit of the Salamanca Work Center, formed by one occupational healthcare physician and three occupational healthcare nurses in the Juzbado Factory, and one full-time qualified nurse in the Saelices el Chico Center.

- A Medical Service in the Madrid Work Center, which reports to the Salamanca Basic Healthcare Unit and is formed by one part-time occupational healthcare physician (4-hour working day) and one part-time occupational healthcare nurse.

Healthcare

The Industrial Risk Prevention Act (LPRL), the Prevention Service Regulations and RD 843/2011, which regulates the healthcare activities of the Prevention Services, specify that the medical personnel of the Prevention Service should be familiar with the illnesses that may occur among the workers and be aware of absences from work for reasons of health. This is to identify whether there is any relation between the cause of the illness or absence and the risks to health that may be present in the workplaces.

The LPRL, the Regulation and RD 843/2011, which regulates the healthcare activities of the Prevention Services, also refer to the fact that the medical personnel of the Prevention Service must provide first aid and emergency care to workers who are victims of accidents or alterations in the workplace.

Other Occupational Health Activities

2015 also included the following actions:

- Recycling of 44 people in training and use of cardiopulmonary resuscitation techniques and automatic external defibrillators.
- A total of 5,140 medical consultations have been tended to.
- A total of 46 medical emergencies have been tended to.
- The "Cardiovascular disease prevention" program continues among ENUSA Group workers; this program began in 1995.
- A psychological test has been included in the periodic medical checkups of the personnel with access to radiological risk zones, in order to verify the psychological suitability of these people as per the provisions of RD 1308/2011, with a total of 250 assessments.
- An epidemiological study of the entire ENUSA staff has been carried out, to identify the most relevant, prevalent health problems among the workers of the ENUSA Group.
- The "ENUSA Healthy Company" Project has been launched in order to obtain accreditation as a Healthy Company in 2016.

INDUSTRIAL ACCIDENT RATE

The low accident rates obtained by ENUSA make it eligible to avail itself of the provisions of Royal Decree 404/2010 of March 31, which regulates the establishment of a system that reduces professional contingency contributions for companies that have made a special contribution to the reduction and prevention of industrial accidents.

In 2015, no case of occupational illness has been detected among the ENUSA Group workers.

ABSENTEEISM RATES DUE TO ILLNESS ENUSA 2015

	JUZBADO	MADRID	SAELICES EL CHICO
No. of employees (*)	384	191	21
Hours worked	592,020	304,476	31,544
Total no. sick leaves	64	39	6
Lost working days	1,959	715	365
Frequency rate	16.68	20.42	28.34
Seriousness rate	30.61	18.34	60.83
Disability rate	5.11	3.74	17.24

(*) Basic accrued data of staff employees (sum of final staffs for each month/number of months)

$$\text{FREQUENCY RATE} = \frac{\text{Total no. sick leaves}}{\text{No. workers}} \times 100$$

$$\text{SERIOUSNESS RATE} = \frac{\text{Lost working days}}{\text{Total no. sick leaves}}$$

$$\text{DISABILITY RATE} = \frac{\text{Lost working days}}{\text{No. workers}}$$

TOTAL NUMBER OF SICK LEAVES BY SEX AND WORK CENTER

	JUZBADO			MADRID			SAELICES EL CHICO		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total no. sick leaves	55	9	64	18	21	39	6	0	6

ACCIDENT RATES ENUSA 2015

	JUZBADO	MADRID	SAELICES EL CHICO
No. of employees (*)	384	191	21
Hours worked	592,020	304,476	31,544
Accidents w/ sick leave	8	0	0
Accidents w/o sick leave	21	3	0
Lost working days	248	0	0
Incidence rate	75.60	15.71	0
General frequency rate	48.98	9.85	0
Frequency rate w/ sick leave	13.51	0	0
Seriousness rate	0.42	0	0
Average disability duration	30.97	0	0
Absenteeism rate	0.65	0	0

(*) Basic accrued data of staff employees (sum of final staffs for each month/number of months)

$$\text{INCIDENTE RATE} = \frac{\text{No. Accidents}}{\text{No. workers}} \times 10^3$$

$$\text{GENERAL FREQ. R.} = \frac{\text{No. Accidents w/ sick leave + No. accidents w/o sick leave}}{\text{Total no. hours worked}} \times 10^6$$

$$\text{SERIOUSNESS R.} = \frac{\text{No. working days lost due to accident}}{\text{Total no. hours worked}} \times 10^3$$

$$\text{ABSENTEEISM RATE DUE TO ACCIDENT} = \frac{\text{No. working days lost due to accident}}{\text{No. accidents w/ sick leave}}$$

$$\text{AVERAGE DISABILITY DURATION} = \frac{\text{Working days lost due to accident}}{\text{Total no. workers}}$$

Nº OF ACCIDENTS BROKEN DOWN BY SEX AND WORK CENTER

	JUZBADO			MADRID		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Accidents w/ sick leave	7	1	8	0	0	0
Accidents w/o sick leave	21	0	21	1	2	3

Nº OF ACCIDENTS OF JUZBADO CONTRACTOR PERSONNEL

	CONTRACTOR PERSONNEL		
	MEN	WOMEN	TOTAL
Accidents w/o sick leave	3	0	3

ABSENTEEISM BY ILLNESS CASTELLÓN AND SUBSIDIARIES

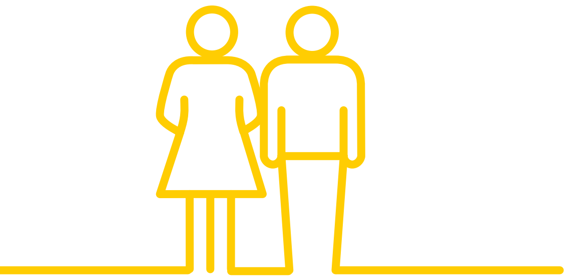
	UTE	EMGRISA	ETSA
Nº. of employees	13	52	42
Hours worked	22,694	84,455	77,435
Total no. sick leaves	6	8	3
Lost working days	120.82	126	17
Frequency rate	44.84	15.47	7.14
Seriousness rate	20.14	15.75	5.67
Disability rate	9.03	2.44	0.40

(*) Data referred to the 85,69% share of ENUSA in the UTE

ACCIDENT RATES CASTELLÓN AND SUBSIDIARIES

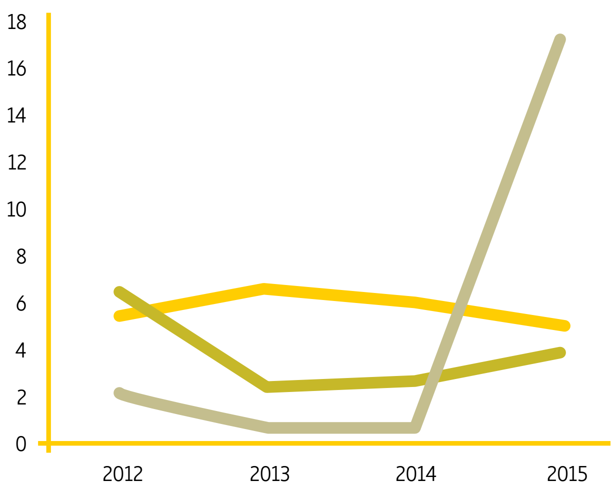
	UTE (*)	EMGRISA	ETSA
No. of employees	13.38	51.7	42
Hours worked	22,694	84,455	77,435
Accidents w/ sick leave	0	0	1
Accidents w/o sick leave	1	1	2
Lost working days	0	0	10
Incidence rate	74.74	19.34	71.43
General frequency rate	44.06	11.84	38.74
Frequency rate w/ sick leave	0	0	12.91
Seriousness rate	0	0	0.13
Average disability duration	0	0	10
Absenteeism rate	0	0	0.24

(*) Data referred to the 85,69% share of ENUSA in the UTE

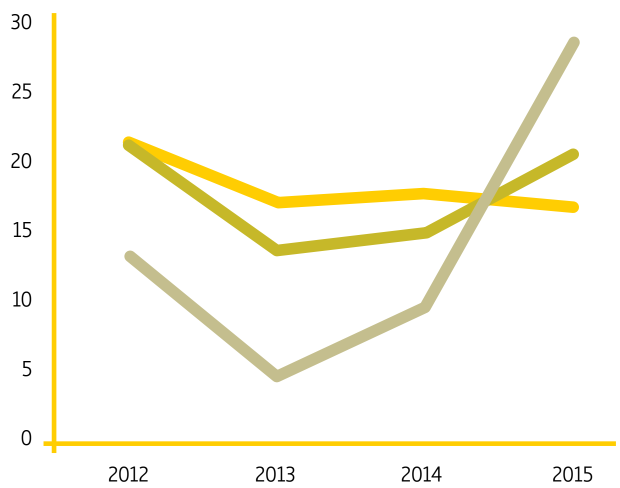


SAELICES EL CHICO · MADRID · JUZBADO

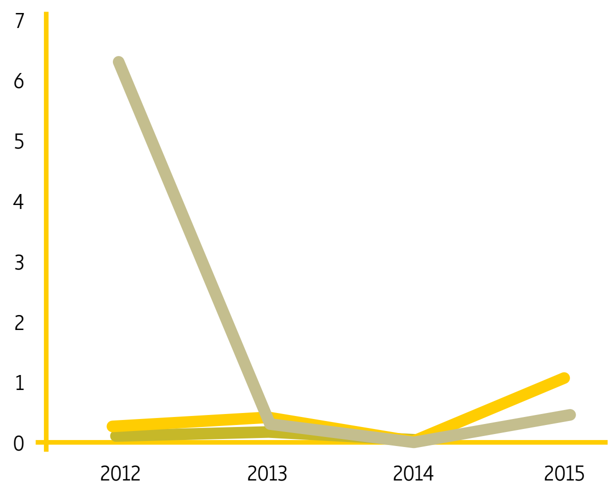
ABSENTEEISM RATES. PERIOD 2012-2015



FREQUENCY RATES. PERIOD 2012-2015



SERIOUSNESS RATES. PERIOD 2012-2015



04

CUSTOMERS

All the ENUSA organizations focus on offering our customers the most advanced products and services, paying special attention to quality, safety and the environment, identifying their needs and incorporating improvements that make it possible to satisfy the most demanding market requirements.

FUEL AREA CUSTOMERS

The activity of ENUSA in the nuclear fuel business focuses on the following areas:

- Uranium supply.
- Fuel design and manufacturing.
- Operating support engineering services and irradiated fuel management support services.
- Engineering services related to the future ATC [centralized temporary storage facility].
- Engineering services to support the design and licensing of irradiated fuel storage and transport casks.
- In-plant fuel services, both during refueling and for fuel stored in the spent fuel pool.
- R&D&I projects.

In 2015, there has been a higher number of engineering services provided in connection with spent fuel, its characterization and subsequent clearance for purposes of storage in the Individual Temporary Storage Facility (ATI) and subsequent transport to the Centralized Temporary Storage Facility (ATC). Because of their special importance, all the works related to the development of irradiated fuel clearance methodologies should be emphasized.

Also in this respect, several ATC-related engineering services have been undertaken; these also require a large number of very specialized resources.

In relation to these activities, in 2015 a cooperation agreement was signed with ENSA to provide support in the design and licensing of the fuel storage and transport casks. This agreement also

includes the application of ENUSA's methodological developments to increase the burnup of the fuel to be loaded in these casks.

ENUSA conducts all its businesses under a Quality Management System in accordance with standard ISO 9001:2008, which is regularly audited by the official certification organizations and also by all our customers (more information on pág. 225 Quality Section).

Fuel Sales

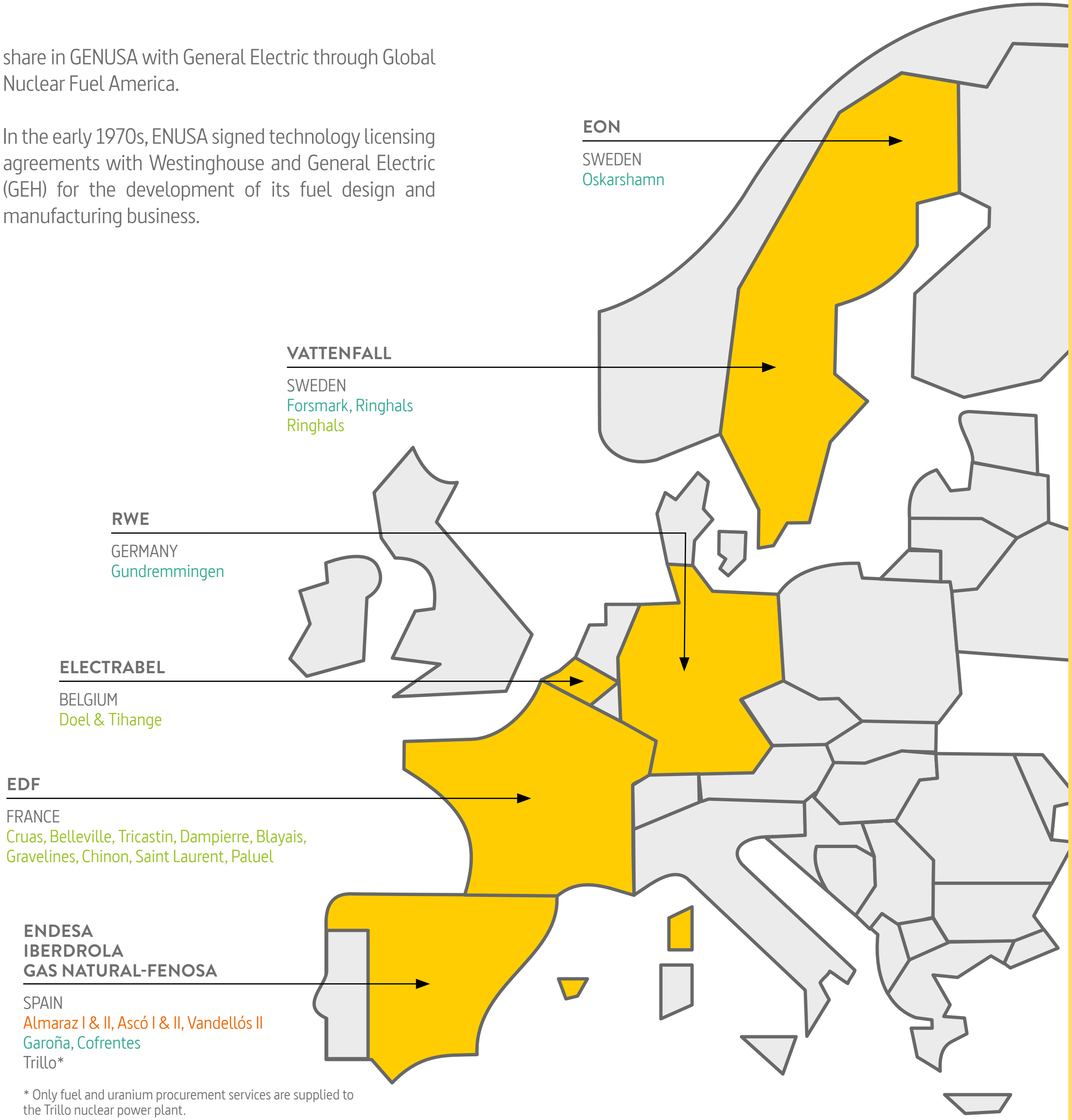
In 2015, the sales of fuel for nuclear power plants have amounted to nearly 380 tons of equivalent uranium (tU). Of this amount, more than 60% was exported. This means that almost 1100 fuel assemblies manufactured in Juzbado have been delivered.

ENUSA is part of the European Fuel Group (EFG) alliance with Westinghouse to market the products and services connected with the nuclear fuel for pressurized water reactors (PWR). For marketing in the boiling water reactor (BWR) fuel market, ENUSA has a share in GENUSA with General Electric through Global Nuclear Fuel America.

In the early 1970s, ENUSA signed technology licensing agreements with Westinghouse and General Electric (GEH) for the development of its fuel design and manufacturing business.

FUEL CUSTOMERS MAP

ENUSA
GENUSA
EFG



PWR MARKET

In 2015, almost 300 tons of enriched uranium (tU) have been sold for the PWR reactors of Spain, France, Belgium and Sweden.

In Spain, the company continues to regularly supply fuel to the Spanish PWR nuclear power plants. This year, more than 120 tons of enriched uranium (tU) – 240 fuel assemblies – have been supplied to the plants of Almaraz I and II, Ascó I and Vandellós II, in accordance with the contract signed in 2012. Consequently, the fuel supplied from the ENUSA factory in Juzbado is operating in the five Westinghouse-design PWR plants in Spain – Almaraz I and II, Ascó I and II and Vandellos II.

More than 130 tons of enriched uranium (tU) have been delivered to the French EDF plants. In addition, under the contract with Electrabel and Tractebel Engineering, nuclear fuel has been supplied for a refueling of 60 fuel assemblies at the DOEL-4 nuclear power plant (PWR).

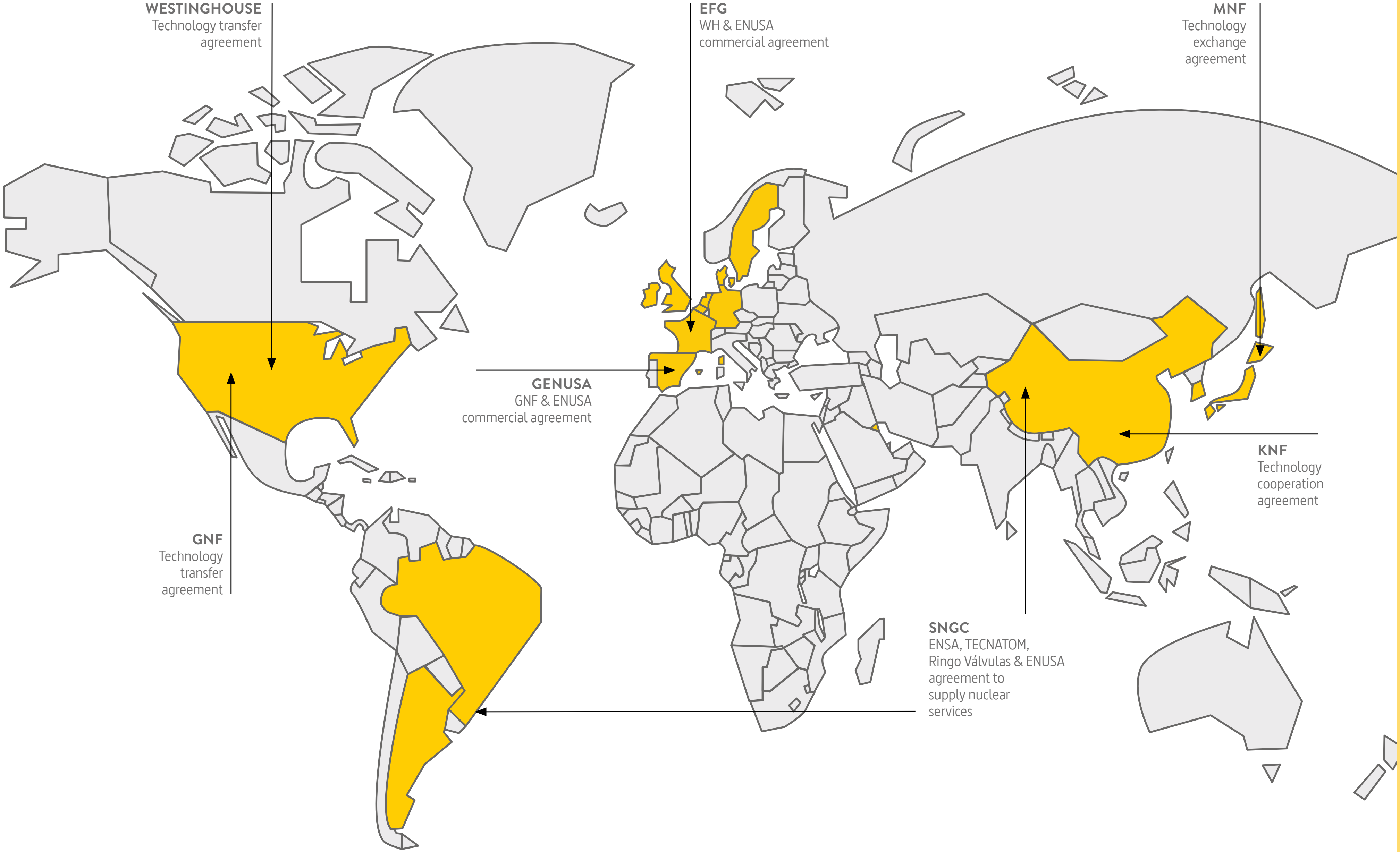
Finally, in the framework of the EFG, of note are the 8 demo assemblies delivered to Trillo NPP in Spain. These assemblies correspond to the agreement between CNAT and ENUSA for the supply and operational follow-up of these assemblies, which have been manufactured by ENUSA's partner in the EFG – Westinghouse – in its factory in Vasteras, Sweden.

ENUSA has continued to execute several engineering and services programs to analyze the performance of the product under the most demanding operating conditions, as well as the fine tuning of the most advanced design tools in response to changes that could be implemented in regulatory requirements.

It is important to mention the trust that ENUSA's customer Electrabel/Tractebel has in the company, which has been ratified with the request for loss of coolant accident (LOCA) analyses for the entire Belgian fleet. These analyses will be carried out over the next few years. These services will be provided in collaboration with Westinghouse – ENUSA's partner in the EFG.

As for the Swedish market, the last assemblies awarded under the contract for almost 15 enriched tU have been delivered, resulting in a total of 32 fuel assemblies for Ringhal-2 owned by Vattenfall.

COMMERCIAL & STRATEGIC ALLIANCES MAP



BWR MARKET

In the boiling water reactor (BWR) market, a total of 84 tons of enriched uranium (tU) have been sold in 2015, whereby GENUSA delivered 464 fuel assemblies.

The nuclear power plants receiving this fuel have been Oskarsham-3 (142 fuel assemblies) which belongs to the German electric utility E.ON, Forsmark-3 (118 fuel assemblies), Ringhals-1 (84 fuel assemblies) which belongs to the Swedish electric utility Vattenfall, and Cofrentes Nuclear Power plant (120 fuel assemblies) which belongs to Iberdrola.

Engineering and Fuel Services

As a complement to the manufacturing activities during 2015, a large number of Engineering Services have been provided to both national and European and American customers under contracts with Global Nuclear Fuel / General Electric Hitachi. More than 125,000 hours have been devoted to engineering services, including the design activities for the refuelings of the Spanish PWR nuclear reactors and engineering support to manufacturing.

The Fuel Services undertaken in the plants themselves are also increasing in number. This increase is primarily due to the consolidation of the agreements with the national PWR customers, which is resulting in a progressive increase in the scope of the services provided by ENUSA related to refueling services, the inspection of the spent fuel stored in the fuel pools and its characterization and clearance.

ENUSA has a series of partners and alliances to undertake the fuel services. On one hand is AIE ENUSA-ENWESA, the organization that provides the fuel services contracted by ENUSA in relation to plant operation with the support of its partners WTS (Westinghouse Technology Services) and ENWESA. On the other hand, TECNATOM is the technology partner with which ENUSA has undertaken the development of the SICOM equipment, the family of equipment for providing fuel characterization services and whose ownership is shared by the two companies. Some SICOM equipment has already been sold in China.

Another agreement that ENUSA has in the area of In-Plant Services is with the North American firm Dominion Engineering for the development of equipment for cleaning the fuel with ultrasound techniques and equipment designed to detect leaking assemblies.

Also of note are the new markets and customers that the company has approached in recent years, e.g. the Belgian nuclear power plants, some European BWR plants and the possibility of commencing activities in Trillo.

ENUSA is significantly increasing the number of customers and turnover in fuel services. This is clearly an expanding line of business and therefore the company will continue to pursue it in 2016, together with the development of new services related to spent fuel management.

Spent Fuel Management

2015 has also been a very important year in the area of spent fuel management. The activities include the support to the Spanish nuclear power plant managers for spent fuel characterization and clearance prior to loading in the storage casks to be sent to the Individual Temporary Storage Facility (ATI).

Spent fuel management involves engineering services and fuel service activities carried out in the nuclear power plants themselves. The engineering services primarily consist of the analysis of inspection results and the development of specific calculations and methodologies for final fuel clearance. The in-plant service activities include everything from fuel handling and inspection to loading the casks.

In 2015, the company has carried on with several development projects aimed at gaining a more in-depth understanding of spent fuel and in this way being able to provide more support to its customers in relation to their fuel disposal needs.

In view of the needs of the Spanish reactors, it is expected that the scope of all these activities is going to increase. Therefore ENUSA, as a fuel technologist, should pay special attention to this area in order to provide all the resources needed both by Engineering and Fuel Services and thus consolidate this business and be able to meet the demanding requirements that the customers will have.

Activities Related to the Centralized Temporary Storage Facility (ATC)

ENUSA is still keeping a close eye on all the activities related to the ATC that ENRESA plans to build in Villar de Cañas (Cuenca). This project is dependent on the decisions that the Administration may make, such that the technical and commercial activity is contingent on these decisions.

In 2015, the company has continued with the development of the collaboration projects already signed in previous years for the ATC project, e.g. “Nuclear engineering support services to the ATC Project Management” and other projects related to the design and licensing of the transport casks. This activity is normally undertaken for ENSA, a SEPI company, which is the manufacturer and designer of these casks.

In parallel, ENUSA maintains bilateral contacts in order to make known its capabilities in spent fuel (in which it is an international reference), design and manufacturing of fuel processing and handling equipment, personnel education and training, environmental radiation monitoring plans, spent fuel logistics, etc.

R&D&I

ENUSA is known for integrating the most innovative technology into its equipment and processes, in order to improve both the end product offered to its customers and the environmental safety and quality standards. R&D enables it to maintain the company dynamics and offer a product that is tailored to the requirements of each customer.

ENUSA allots more than 5% of its fuel sales to R&D and participates in a large number of national and international nuclear development projects and programs in collaboration with its licensing partners, other companies with which it has technology agreements, regulatory bodies and customers .

In 2015 the R&D&I activity with EDF has been significant, as several joint collaboration programs have been launched to track the performance of products with advanced features, as well as projects in the design area with a view to improving the tools and methodologies.

ENUSA also takes part in different R&D&I projects required to analyze the performance of the new fuel designs together with Fuel Services.

Internationalization

ENUSA has continued with its program to internationalize its businesses beyond the European geographical boundaries. Through the Spanish Nuclear Group for Cooperation (SNGC), a consortium formed in 2008 together with ENSA, TECNATOM and Ringo Válvulas, ENUSA continues to position itself in the new markets with a high potential in terms of their volume and suitability for Spanish companies.

In 2015, it has continued to identify opportunities in the Chinese market and other markets of interest.

In this respect, there are several proposals the company is working on. There are opportunities in relation to the factories of the China National Nuclear Corporation (CNNC) group which are expected to mature in the coming months, both for the Bautou factory and the Yibin factory.

The company has also submitted proposals for advanced fuel inspection equipment for American fuel manufacturers, specifically for the Global Nuclear Fuel (GNF) factory in Wilmington, North Carolina, and other opportunities are being pursued with Westinghouse.

Together with its partner TECNATOM, ENUSA has laid the foundations to reach a long-term collaboration agreement with Suzhou Nuclear Power Research Institute (SNPI), with the aim of making this enterprise belonging to the China Global Nuclear (CGN) group, which has several operating nuclear units and more than 13 projects under construction – not only in China but also with possibilities of implementing its technology in other continents – the point of entry for the company.

In 2016, the company will continue to pursue the process of internationalization by consolidating its presence in the Chinese and American markets, and at the same time it will follow up other emerging markets where there are business opportunities such as the Middle East, South Africa and India.

It is expected that, as a result of the international market research activities, more opportunities for the sale of both new fuel manufacturing and inspection equipment and spent fuel inspection and repair equipment will be identified.

Customer Satisfaction Surveys

To provide the best possible service and to know whether its customers are satisfied, ENUSA periodically conducts a series of surveys in accordance with its internal procedures. The methods it uses are as follows:

1. The degree of satisfaction is assessed by conducting **surveys** to ascertain the quality perceived by the customers, and action plans detailing the actions that should be taken for possible improvement are implemented.
2. A **self-assessment** is carried out with a questionnaire that contains the customers' key points, so that it is possible to anticipate possible dissatisfaction via corrective actions.
3. The possible dissatisfaction is analyzed, with analysis of the complaints and/ or **claims** that customers may make concerning specific events related to the services provided by ENUSA.

In 2015, ANAV has been surveyed regarding the refuelings supplied to the Ascó I and II and Vandellós II power plants, CNAT regarding Almaraz-1 and -2, and Vattenfall, in the framework of the EFG, regarding the supplies to Ringhals-2, -3 and -4.

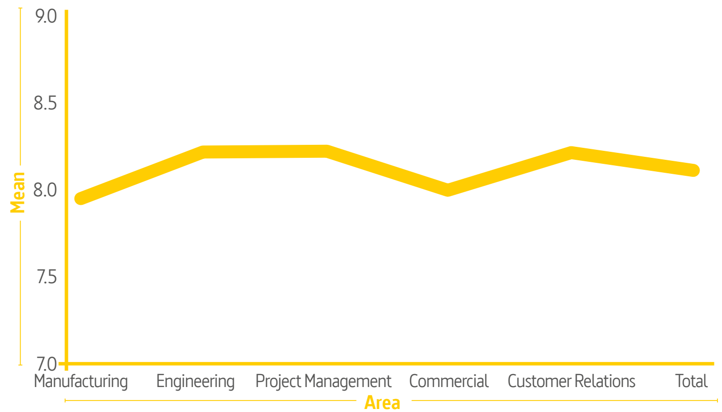
Thanks to these actions, ENUSA identifies the needs and opportunities related to each customer, and these are documented in the corresponding action plan which is mutually agreed internally with the ENUSA organizations involved in the process and with the customers.

During 2015 no complaint or claim has been received, although ENUSA is always very careful to fulfill all its contractual commitments and obligations with utmost rigor and reliability

CUSTOMER SATISFACTION SURVEYS' GRAPHIC

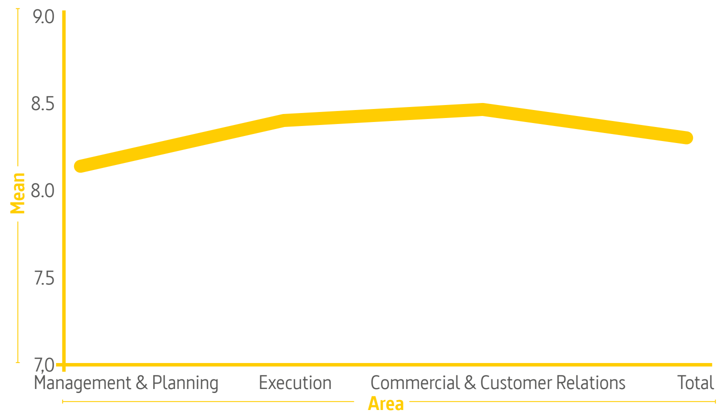
MEAN SCORE OF THE DIFFERENT AREAS

Refuelings



MEAN SCORE OF THE DIFFERENT AREAS

Services



ENVIRONMENTAL AREA CUSTOMERS

During 2015, the activities of the Technical Environmental Office (GTMA) have focused on two main courses of action: the provision of environmental services and the development of applications for energy derived from waste treatment. This year projects were launched in environmental research, development and technological innovation.

On the other hand, in 2015, and in collaboration with EMGRISA, proposals have been prepared with the EMGRISA environmental brand, in accordance with the Strategic Analysis of the ENUSA Group environmental business.

The most relevant activities carried out in each of the aforesaid areas are as follows:

Environmental Services

Just as in previous years, the provision of services has continued in two main fields of action: environmental radiation monitoring programs and support engineering services.

- Environmental Radiation Monitoring Programs
    - Water control program in the vicinity of the former Andújar uranium factory (FUA) in Jaén.
    - Long-term Institutional Monitoring Program of the reclaimed site at the LOBO-G Plant in La Haba (Badajoz).
    - Monitoring and Maintenance Programs of the reclamation works at the former uranium mines of Valdemascaño and Casillas de Flores, both in the province of Salamanca.
    - Radiological analyses of samples from the area of the former Creosoting base in Andujar, currently owned by ADIF, with EMGRISA.
- Support Engineering Services
    - Collaboration with the Saelices El Chico Environmental Center in preparing the necessary documentation for submitting a new permit application for dismantling and closing the installations of the Uranium Concentrate Manufacturing Quercus Plant; this application was submitted to the Administration in September 2015.
    - Collaboration with this Center to develop and follow up three pilot projects using Technosols for the treatment of acid mine water, which were being carried out throughout 2015. Regarding this matter of Technosols, a report has been prepared to compile the results obtained to date, as well as the technical documentation on the use of Technosols as a remediation measure for acid mine drainage at the uranium mining operations of Saelices El Chico and the economic appraisal and planning for these actions.

- Close contacts have been maintained with EMGRISA to submit joint monitoring program proposals, especially those with radiological contents, and also to present capabilities in environmental services. Nine biogas plant proposals for agro-industrial and animal husbandry sites have been presented with the Emgrisa trade name.

- Also with EMGRISA, technical supervision assistance has been provided in soil and groundwater recovery works at an old site where installations for recycling and manufacturing industrial oils were located, on plots 39/14, 112/14 and 79/114 in the municipal district of Pozuelo de Alarcón (Madrid). In the area of radiation protection, of note is the study to evaluate Radon exposure at the spa in Graena (Granada), in accordance with the requirements of article 62 of the Regulation on Health Protection against Ionizing Radiation (RPSRI).

- In collaboration with the Juzbado Fuel Assembly Factory, and in relation to the project to replace the fuel-oil boilers used in the HVAC and sanitary hot water system of the installations, the technical specifications, call for proposals and selection process have been prepared, along with a review of the construction project to replace these boilers with others that use as fuel the biogas produced in the plant. The aim is to achieve energy savings, increase energy efficiency and safety by eliminating fuel storage inside the factory installations, and at the same time reduce greenhouse gas emissions.

- In addition, the company has collaborated throughout the year with the "RSU Zonal Plan. Zone 1" UTE in various technical and administrative affairs.

New Developments

In the area of New Developments, the ENUSA agro-animal and agro-industrial waste Biomethanation Plant in Juzbado (Salamanca) continues to operate. In this plant, which has been operating uninterruptedly since early 2012, anaerobic digestion of the wastes is used to produce a gas – biogas that is rich in methane – which supplies a cogeneration motor and produces electric power and heat, while the pollution load of the wastes is reduced.

In 2015, the Plant has treated a total of 9,827 tons of agro-animal and agro-industrial wastes (75% purines and 25% cereal residue) and supplied a total of 1,657,934 kWh to the electric power distribution grid, whereby at the end of 2015 an accumulated total of 10,209,453 kWh has been dispatched to the grid. The effluents generated in the plant have been used as agronomic products on the cultivated fields near the plant.

Similarly, throughout 2015 tests have been successfully performed on biodigestion treatment with vegetable residues produced by the tobacco industry in the CETARSA installations in Talayuela (Cáceres). A Technical/Economic Viability Study has been performed for this company for a project to replace its boilers with others that run on the biogas generated in a biodigestion plant using its own wastes.

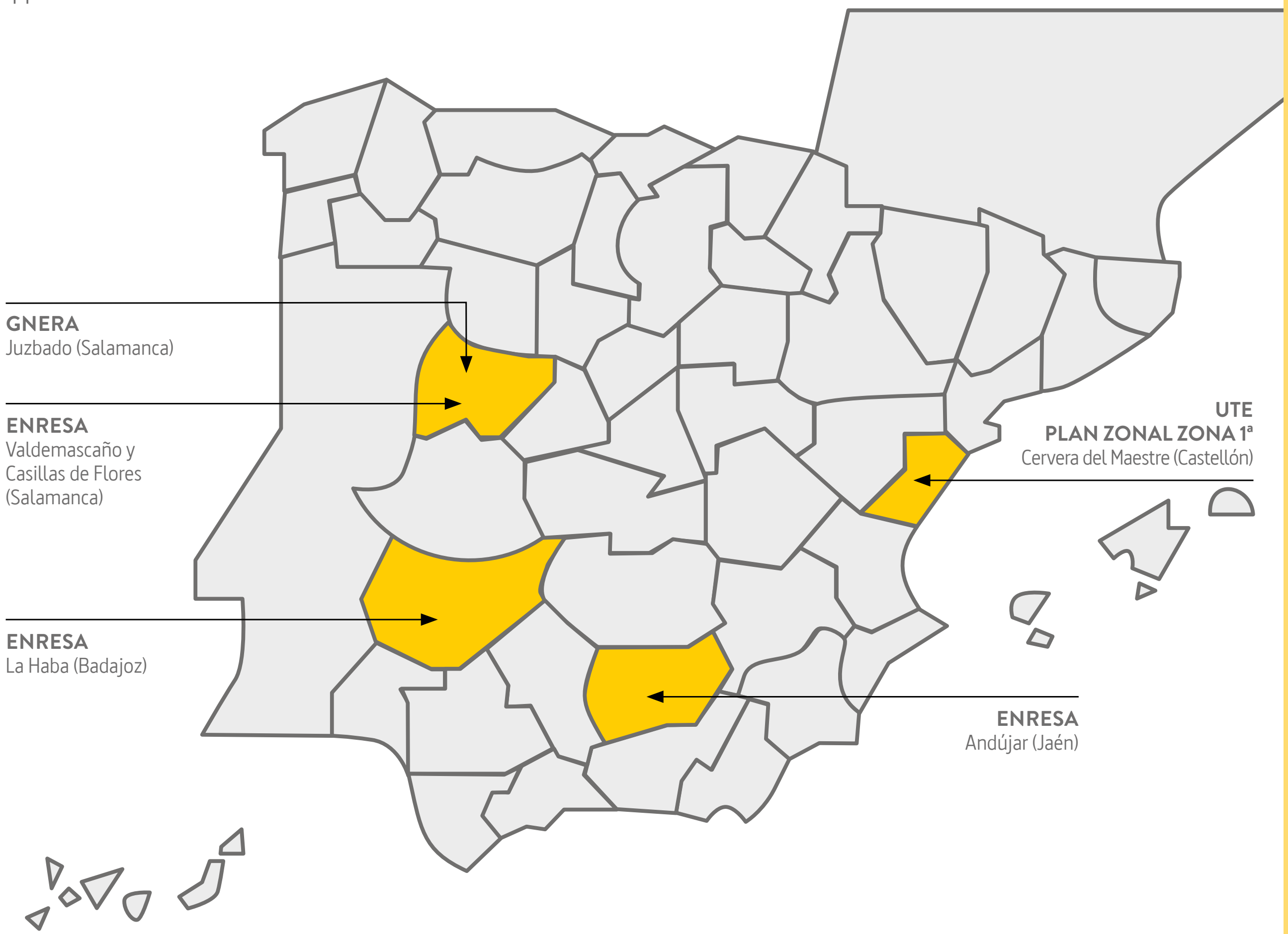
Another significant event for the Biogas Plant in 2015 is the agreement reached with Azucarera EBRO and the Agrarian Technology Institute of the Castilla-Leon regional government (ITACYL) to evaluate throughout 2016 the viability of using the beet stalks and leaves from the industrial-scale Toro sugar refinery in the ENUSA biogas plant, recycling the byproducts from the sugar industry (beet residues) via anaerobic digestion to obtain biogas for energy use. The digestate (agronomic product) obtained in the anaerobic digestion process will also be reused, mainly on sugar beet and other cereal crops in the region, thus recycling the nutrients.

During 2015, the Biomethanation Plant has successfully passed the different inspections and audits conducted by the Ministry of Industry, Energy and Tourism (MINETUR), the Agriculture and Animal Husbandry Council of the Castilla-Leon regional government and the National Markets and Competition Commission (CNMC). At the end of the year, the application for registration of the Biogas Plant as a "Hydrocarbon Factory" in the Territorial Registry of Special Taxes was submitted.

In the area of the agro-animal waste biodigestion technology, in 2015 the company has continued the work started the previous year to propose energy applications for providing a solution to the specific problems of energy supply, energy efficiency and environmental issues that affect animal husbandry operations and installations in the agro-industrial sector. Along these lines, nine bids have been submitted with the Emgrisa brand, as commented previously, which could represent new business opportunities in the months to come.

Finally, in the area of New Developments, a European LIFE Project for R&D&I in an ammonia recovery system has been submitted with ITACYL and the University of Valladolid. This is to ensure compliance with Royal Decree 261/1996 of February 16, on protection of water against pollution caused by nitrates from agricultural sources, thus improving vulnerable regions.

MAP OF GTMA CLIENTS



05

SUPPLIERS

VALUE CHAIN

The Nuclear Fuel Cycle is the series of operations required to manufacture the fuel for nuclear power plants, as well as to treat the spent fuel produced by plant operation. The so-called open cycle includes the mining, uranium concentrate production, conversion to UF6 and its enrichment (if necessary), manufacture of the fuel assemblies, their use in the reactor and storage of the irradiated fuel assemblies.

ENUSA actively takes part in all the phases of this value chain, purchasing all the components of the enriched uranium (uranium concentrates and conversion and enrichment services) for the Spanish Nuclear Power Plants on behalf of the owner electric utilities, manufacturing the fuel assemblies not only for the majority of the Spanish plants but also for many other European plants, and collaborating with its customers and ENRESA in the safe storage of the spent fuel.

MAIN SUPPLIERS

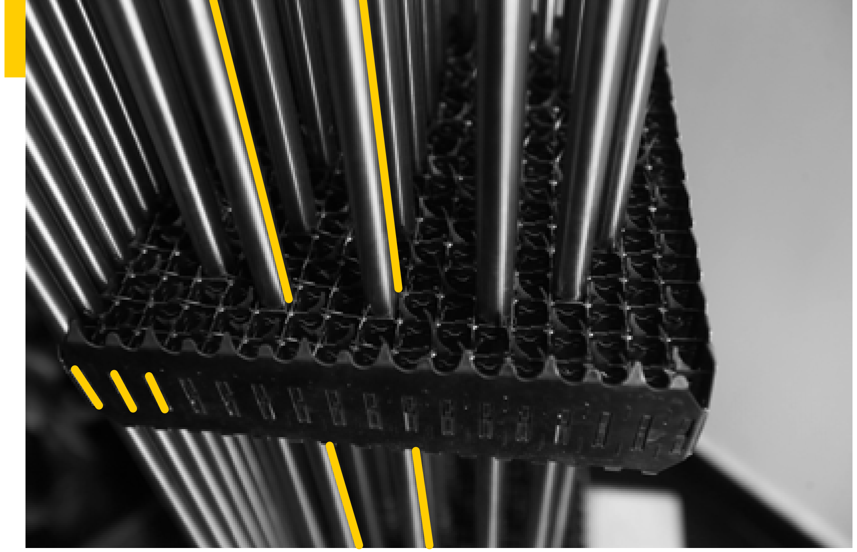
- Procurement

The Uranium Supply Management that supplies enriched uranium to the Spanish Nuclear Power Plants (NPPs) conducts an annual risk assessment of its suppliers from different perspectives, according to their potential impact on the safety of the supply. The assessment identifies the main risks and proposes measures to mitigate them. The assessment is also used to correct the procurement policies, as the case may be. In 2015, 10 suppliers have supplied the different enriched uranium components to the company.

- Manufacturing

In 2015, the purchases and investments of the Juzbado Factory have amounted to 56.47 million EUR, itemized as follows:

- National: 10.96 million EUR
  - Castilla-León: 3.89 million EUR
  - Salamanca: 2.31 million EUR
- Abroad: 45.51 million EUR



QUALITY IN SUPPLIERS

Only the suppliers included in the Approved Suppliers List (LSA) are authorized to supply quality-related goods and services.

These suppliers have been evaluated and approved in accordance with a rigorous procedure and they are reevaluated at least every three years to ensure that the conditions that originally justified their approval are being maintained.

The extent and depth of the evaluation process depend on the relative importance, complexity and quantity of the product or service to be acquired. The evaluation and selection of potential suppliers are based on one of the following criteria:

- Evaluation of the supplier's technical capability and its quality system by an audit according to requirements of nuclear standard UNE 73 401 or 10 CFR50 Appendix B.

- Quality System assessment (to identify compliance with the supply requirements), plus direct inspection or material supervision.

- Quality System Accreditation by another entity in accordance with standards ISO 9001, UNE 17025 or other applicable ones.

SOCIAL RESPONSIBILITY IN SUPPLIERS

One of the long-term goals of ENUSA is to extend its responsible practices to its suppliers. Therefore, the supplier qualification also takes into consideration the evaluation of the environmental management systems relative to the supplied products and services, as well as the supplier commitment to Social Responsibility and the conduct of their businesses in an ethical, principled and transparent manner.

This evaluation considers the level of supplier adherence to the ten principles of the United Nations Global Compact in the areas of human, labor and environmental rights.

In 2015, the company has drawn up a Code for Suppliers and Subcontractors of ENUSA Industrias Avanzadas, S.A. The purpose of this document, which will be implemented next year, is to ensure that the suppliers adhere and commit to basic principles of ethics and professional conduct.

06 QUALITY

For ENUSA, quality is a strategic factor and basic mainstay in all its activities that stems from a series of factors and elements in the company that, all together, result in the best products and services to satisfy its customers and that are produced safely for its workers and the environment and profitably for its shareholders.

A fundamental part of this system are the internal audits that are periodically performed to detect possible areas for improvement in ENUSA's activities, as well as the external audits conducted among its suppliers to certify that they meet the company quality requirements.

The following audits were carried out in 2015:

INTERNAL AUDITS PERFORMED	13 Quality Management
	1 Environmental Management
	4 Management
EXTERNAL AUDITS RECEIVED	10 Quality Management
	1 Environmental Management
SUPPLIER AUDITS	10

CONTINUOUS IMPROVEMENT

On the road to excellence, ENUSA continues to strive for Continuous Improvement, a basic tool that includes a series of techniques focusing on the analysis, rationalization and optimization of productive processes. This continuous improvement policy is essential in order to maintain the strategic lines in the fuel business and to assure growth and competitiveness.

At the organizational level, the Continuous Improvement Program is comprehensively managed and coordinated by the Quality Committee, which is formed by the heads of the ENUSA operating organizations. Reporting directly to this Committee are the Quality Improvement Groups (GMCs) of the Manufacturing, Design and Supply areas, which develop the quality objectives by creating Operating Groups (GOCs) and follow up their work and approve the improvement proposals.

With this structure and associated work method, the various organizations involved in Continuous Improvement can work in unison and pursue common goals.

At the end of 2015, ENUSA had 1 Master Black Belt dedicated full time to improvement activities, and 4 certified Black Belts and 41 certified Green Belts.

Throughout 2015, a total of 7 GOCs have been launched and another 9 completed in the Juzbado and Madrid Centers together.

The various improvement projects that have been under way throughout 2015 include the following GOCs: “Development of an E-learning scheme for internal engineering courses” and “Improved reliability of in-plant equipment”, as well as several work groups focused on obtaining an in-depth knowledge of the ceramics process.

On the institutional level, ENUSA holds the chairmanship of the AENOR Subcommittee SC3 for Statistical Methods.

QUALITY IN OUR PRODUCTS AND SERVICES

Fuel Area

The quality of products and services is vital for ENUSA and therefore our responsibility does not end with delivery of the product to the customer, but rather, for each stage of the fuel assembly cycle, there is an evaluation to ensure there is no risk to the health and safety of workers, customers and the general population.

Lifecycle of the fuel assembly:

1. Fresh fuel storage in the plant
2. Loading and unloading from the reactor core (normally 3 or 4 times over the lifetime of the fuel)
3. Operation in the core to generate energy (normally 3 or 4 cycles of 12 to 24 months each)
4. Spent fuel storage
5. Reprocessing (optional)

In view of the characteristics of the product we manufacture in ENUSA, 100% is subject to current regulations and procedures that require exhaustive information:

- The Nuclear Safety Council (CSN) in Spain and other regulatory bodies establish the requirements related to the safe operation of nuclear and radioactive facilities, which must not pose undue risks to people or the environment. The fuel assemblies should also meet these requirements in the different stages of their lifecycle.

- Instruction IS-02 and Safety Guideline 1.5 specify the documentation required by the CSN to assess the safety and proper execution of the nuclear fuel renovation processes, identifying the activities on which information must be sent to the CSN, the contents of that information and the recommended deadlines for submission.

- The quality systems are regulated by international standards such as UNE-73 401:1995 “Quality Assurance in Nuclear Facilities”, American Society of Mechanical Engineers (ASME) NQA-1-2008 “Quality Assurance Requirements for Nuclear Facility Applications” and UNE-EN ISO-9001 “Quality Management Systems. Requirements”.

Environmental Services

In order to assure the environmental services provided by ENUSA and as part of the activities involved in quality management, work has continued in 2015 on supplier certification, the metering equipment calibration program has been kept updated at all times, and work procedures have been drawn up for the activities that have required them. All the efforts made in this respect have been reflected in the high degree of satisfaction indicated by the customers of the GTMA in the different surveys that were conducted, as they have very satisfactorily judged the environmental services provided throughout 2015.

CERTIFICATIONS

From the very beginning, the ENUSA Group has paid special attention not only to the quality of its products and services, but also to the quality of their management in general. This is demonstrated by the quality and environment certifications obtained from independent accreditation entities.

Accreditations and Certifications 2015:

- AENOR has performed the follow-up audit of the Quality Management System certificate as per standard ISO 9001: 2008.

- AENOR has performed the follow-up audit of the Environmental Management System certificate as per standard ISO 14001:2004.

- AENOR has performed the renewal audit of the Environmental Management System as per European Regulation EMAS III.

- Accreditation of the radiochemical testing laboratory techniques is maintained, as per standard **ISO 17025:2005** by ENAC with no. **368/LE735**.

Affiliated Companies

Emgrisa:
- Follow-up audit: ISO 17020: 2012, by ENAC.
- Follow-up audit: ISO 9001: 2008, by SGS.
- Follow-up audit: ISO 14001: 2004, by SGS.
- Follow-up audit: OHSAS 18001: 2007, by SGS

Etsa:
- It maintains the ISO 9001:2008 and ISO 14001:2004 certifications, which passed the follow-up audit in 2014.

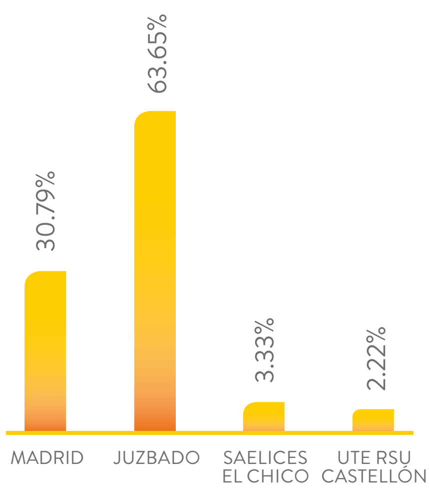
07

ADDING VALUE TO OUR COMMUNITIES

ENUSA has a close relationship with the province of Salamanca because two of its three work centers are located there: the Juzbado fuel assembly factory and the Saelices El Chico Center.

Between the two they employ more than 60% of the total staff, and most of the employees are natives of the Castilla-Leon region.

GEOGRAPHIC DISTRIBUTION OF THE STAFF, IN PERCENTAGES



Also from this autonomous region are most of the young people who benefit from ENUSA's internship and practical training program through agreements with different educational institutions, which is intended to help introduce them to the labor market (see section on "Training").

In order to contribute the greatest possible added value to the region's economy, ENUSA gives priority in its purchases and service contracts to companies based in Salamanca, always within the framework of Royal Legislative Decree 3/2011 of November 14, which approves the restated text of the Public Sector Contracts Act. In this way, it indirectly benefits the local economic fabric and, at the same time, there is a long-term transfer of best practices related to quality and the environment, since in many cases the suppliers have to meet certain requirements in this respect.

The following table shows the most significant data on the economic value added by ENUSA's presence in Salamanca:

ADDED VALUE OF ENUSA IN SALAMANCA (€)

	2012	2013	2014	2015
Suppliers	5,657,920.7	6,146,868.9	6,885,243.2	5,875,439.4
Customs	20,541,000	22,504,000	13,039,024	2,976,000
Taxes & Other Expenses	216,120.6	251,980.5	299,750.7	231,007.8
Travel Expenses	56,160	55,587	34,555	32,890
Payroll & SS	18,320,391.3	19,700,384.3	19,692,015.6	19,652,579
TOTAL	**44,791,592.5**	**48,658,820.6**	**39,950,588.5**	**28,767,916.2**

The following paragraphs provide more details of ENUSA's involvement in the conservation of the Salamanca historical heritage, the dissemination of its culture and the protection of its natural medium through several collaboration and sponsorship initiatives.

08 SOCIAL ACTION

ENUSA, aware of its corporate responsibility, has from the very beginning carried out activities that focus on creating a positive influence in the communities where it conducts its business – a business philosophy that has led it to pursue the best possible integration of its work both inside and outside the organization and to take an interest in the needs of the society where its centers are located.

Thus, instead of confining itself to providing certain products and services to its customers, ENUSA has always implemented management policies and actions in which values such as environmental protection, promotion of education and research, support for training, culture and contribution to social causes play a fundamental role.

SPONSORSHIP AND PATRONAGE

Throughout the year, ENUSA has continued to collaborate with entities such as Energy Without Borders and the Spanish Global Compact Association, as well as with other administrations, institutions, agencies and associations in its business sphere, to undertake sponsorship and patronage initiatives for supporting general interest projects.

Since 2013, ENUSA has a Sponsorship and Patronage plan in which the priority areas of action are annually defined and the suitability of the submitted projects is evaluated. Last year, it collaborated with the following general projects and organizations.

Cultural collaborations:

- General Foundation of the University of Salamanca.
- Friends of the Reina Sofia Museum Association.
- Ciudad Rodrigo Foundation 2006.
- Electra Teatro Universitario Association.

Academic collaborations:

- SEPI Foundation.
- IESE University of Navarra.
- Collaboration with the First Río Tormes Integrated Occupational Training Center (CIFP) Congress.
- World Nuclear Association University.

Collaborations with Non-Governmental Organizations

- Association against Leukemia (ASCOL)
- A.MI.SA
- Red Cross

Collaborations with local entities in vicinity of the ENUSA Industrias Avanzadas fuel assembly factory in Juzbado.

Membership in professional associations and organizations (national and international):

- Spanish Association of Accounting and Business Administration.
- Spanish Non-Destructive Testing Association.
- Spanish Association for Quality (AEC).
- Confederation of Salamanca Employers' Organizations (CONFAES).
- Spanish Energy Club.
- European Nuclear Society.
- FEDEPE (Spanish Federation for Women Executives, Entrepreneurs and Professionals).
- Spanish Nuclear Industry Forum.
- Spanish Radiation Protection Society.
- Spanish Nuclear Society.
- World Nuclear Association.
- World Nuclear Fuel Market.
- World Nuclear Transport Institute.

Corporate Voluntary Service Plan. In 2015, Corporate Social Responsibility has drawn up a Voluntary Service Plan that is expected to be implemented throughout 2016.

EVENTS

In 2015, ENUSA organized a guided tour for our workers to visit the two exhibits on display in the Reina Sofia National Museum and Art Center on occasion of the temporary closure of the Swiss Kunstmuseum Basel: "White Fire" and "Collectionism and Modernity".

In addition, we also went on the following guided tours at the invitation of the Friends of the Reina Sofia National Museum and Art Center Association:

- ENUSA workers:

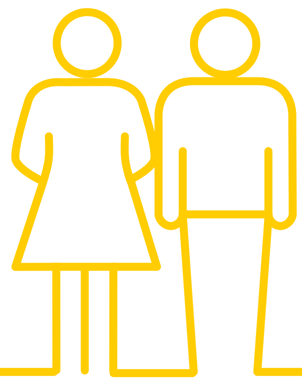
  - "Sculpture as Place", 1985-2010", Carl Andre, and "Tuiza. Las culturas de la jaima", Federico Guzmán.
  - Gandur collection. Works of the European post-war avant-garde (1946-1962).
  - New mediums in contemporary art
  - Constant. New Babylon

- Children of ENUSA workers between 5 and 16 years of age:

  - "White Fire"
  - "Abstraction in the Collection".

DISTINCTIONS

In 2015, Emgrisa was awarded the "El Suplemento 2015" prize in the Environmental Management category. This prize recognizes the company's work and activities in the environmental sector, and specifically for having its own resources and technology to undertake a wide range of studies, projects and works related to contaminated soils and groundwater, environmental consulting and management and management of different types of industrial wastes. The "El Suplemento" prizes are awarded annually and are sponsored by *Suplementos y Monográficos, S.L.*, with the philosophy of conveying to society the entrepreneurial spirit and effort of business projects undertaken in Spain and supporting the expertise of companies and professionals in a wide range of sectors.



09 COMMUNICATION WITH OUR STAKEHOLDERS

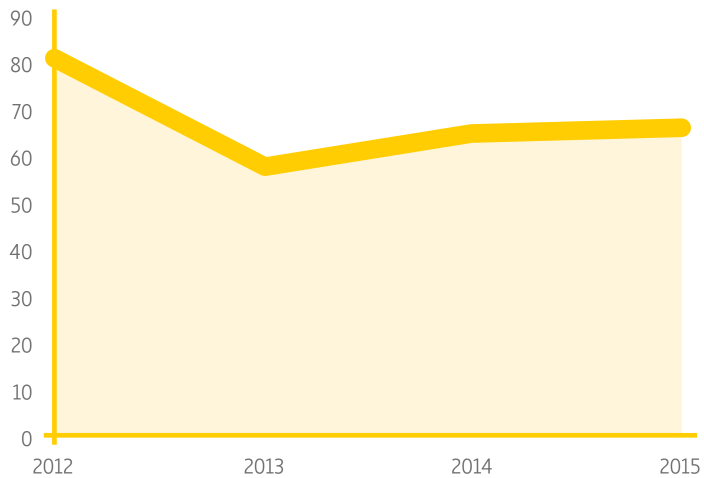
In ENUSA we strive every year to ensure close communication with our stakeholders. To do so, we have traditional channels already established in our communication policy, and we combine these with other emerging channels that have become so prevalent in today's society.

ENUSA communications in 2015...

INTERNAL COMMUNICATIONS

As one of our most consolidated channels of communication with staff, we have continued to send internal notices for employee information. These notices deal with strategic and business affairs, labor information and other kinds of social and cultural notices, etc.

INTERNAL COMMUNICATIONS SENT

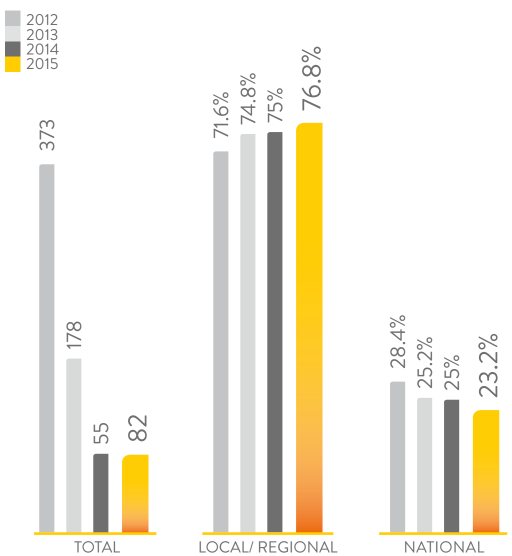


ENUSA IN THE MEDIA

If 2014 was the year for launching actions focused on content marketing as a formula to better inform Salamanca society about our business and work, 2015 has been the year for consolidating this course of action. Thus we have continued to visit the leading local radio shows and editorial offices of the written and digital media as a vehicle to convey all the values that support the activity and daily work of ENUSA.

In addition, we have maintained our presence in **Economic and Business Forums** in order to make the ENUSA brand recognizable in institutional, business and social events that deal with important current issues.

Nº OF PRESS MENTIONS



PRESENTATION OF THE NEW CORPORATE IDENTITY

The ENUSA Group began 2015 with a renewed visual identity. New approaches for new times, in which the group has adapted to strategic changes with a sense of modernity and immediacy. Our new visual identity offers an evolved image of the ENUSA Group brand that is updated for the current times and is more in tune with the current trends and values of the member companies. All this is without any disconnect from our stakeholders, as the imagetype and the color blue that we had in the former image have been maintained. Along these same lines, the parent company – ENUSA – and our subsidiary Emgrisa also renewed their logotypes.

UPDATING OF THE WEBSITE **www.enusa.es**

The debut of our image was accompanied by the debut of a new website – a functional site with a modern graphic appearance and much more dynamic and accessible than the previous one. Intuitive and more in tune with the times, and at first sight enables the user to find the required information.

The new site also includes sustainability and compliance with the law of transparency as a public enterprise. These sections contain information on good governance and our commitment to safety, the environment, quality and corporate responsibility.

We include a Press Room where press releases, images, videos, infographics and publications can be downloaded, and there is an agenda section to inform about events, congresses and conferences in which we take part, as well as the visits we receive in our facilities.

JUZBADO FACTORY AND MADRID CENTER SIGNPOSTING

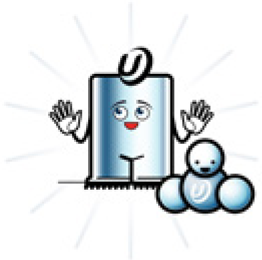
The actions stemming from the implementation of the new image included signposting works in the Juzbado factory and the Madrid Center. Different supports and materials were conceived to display the new logotype, along with screens for displaying corporate information.

SAFETY CULTURE CAMPAIGN

In keeping with our support for the different organizations that comprise ENUSA, in 2015 we launched the “Your Responsibility is My Safety” campaign. Two mascots have accompanied us in this campaign, headed by Performance Management, to raise awareness of the Safety Culture. With these two peculiar characters, we have been insisting in a nice, original way on the fundamental principles that govern the Safety Culture in the company.

FACTORY VISITS

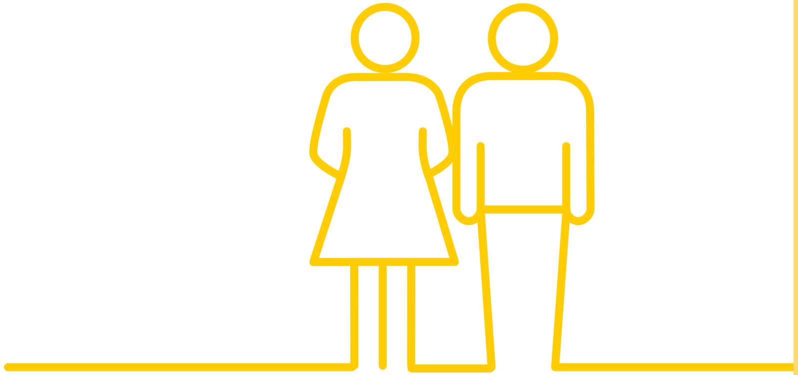
The ENUSA factory in Juzbado has always opened its doors to society and the cultural visits have been an excellent channel of external communication. We began 2015 in the same vein, although the number of visits has dropped significantly due to circumstances beyond ENUSA’s control, i.e. the application of physical security measures when the Government activated the country’s alert level and recommended that this activity be temporarily discontinued.



CONGRESSES, EXHIBITIONS AND TRADE FAIRS

- In April, ENUSA attended the **China International Exhibition on Nuclear Power Industry (NIC 2015)**. ENUSA's presence in this type of tradeshow is an example of the company's interest in the fast growing Chinese market, where it foresees major business opportunities. On this occasion, ENUSA debuted its new corporate image by displaying it on the information panels and its new promotional material. Just as in previous years, the Chinese exhibition is an important gathering for companies with interests in the Chinese nuclear sector and a great opportunity to establish commercial contacts.

- In October, ENUSA again took part in the **41st Annual Meeting of the Spanish Nuclear Society** which was held in La Coruña. A large number of ENUSA employees participated in this meeting, in the different work sessions.



In 2015 we continued to use our usual channels of communication and some recently implemented ones:

- "ENUSA Nuclear Fuel" news bulletin
- Welcome manual
- Corporate intranet
- Email account relin@enusa.es
- Corporate communications
- Corporate web
- B2B customer portal

What are our objectives for 2016?

- Leverage internal communication in the company.
- Increase our presence in the local and regional media.
- Continue to implement and signpost the brand in the work centers
- Support digital communication with the creation of different profiles in the social networks such as Linkedin, Slideshare and YouTube.

If you would like to contact ENUSA Communication, send an email to relin@enusa.es

ENVIRONMENTAL PERFORMANCE

01 JUZBADO FUEL ASSEMBLY FACTORY

Present in the town of Juzbado, province of Salamanca, since 1985, the ENUSA fuel assembly factory is one of the most innovative in Europe, as it is equipped with last generation technology that optimizes resources and protects the environment.

The center has a highly qualified, specialized staff that covers the full cycle of fuel production: uranium supply and storage and logistics of the components required for manufacturing, fuel production, control of the product quality level, equipment development for manufacturing of PWR, BWR and VVER products and management of the logistics and distribution to plants all around Europe.

The facility currently has a production capacity of 500 tons of uranium.

In 2015, 328 equivalent tons of uranium were produced via input into the process of 363 tons of uranium composed of 327 tons in the form of powder plus 11% in the form of material recovered during the manufacturing process.

Because of the industrial nature of its activity, the Salamanca facility is governed by strict control of the working conditions of its workers and the environment. This control conforms at all times to the recommendations and oversight of the competent authorities: the International Commission on Radiological Protection and the Spanish Nuclear Safety Council (CSN), which in turn reports to the Spanish Congress on the operations of nuclear and radioactive facilities.

ENUSA has a Quality and Environment Management Department which develops the implemented Environmental Management System, as well as a Radiation Protection Service where the Environmental Management division develops the facility's environmental operations.

The radiological impact of the facility is controlled through the Environmental Monitoring Program (PVA) that comprises an Environmental Radiation Monitoring Program (PVRA) and the Environmental Chemical Monitoring Program (PVQA), which will be described in detail hereinafter.

The center has six specialized laboratories that adhere to strict criteria of quality, independence, experience, professionalism, safety and environmental responsibility, as confirmed by the **ENAC technique certifications as per standard UNE-EN ISO 17.025 and by AENOR as per standard UNE-EN ISO 9.001**. These laboratories analyze samples from the manufacturing process, the factory monitoring programs and the personnel dosimetry process and conduct determinations of drinking water quality and discharge parameters.

ENVIRONMENTAL MANAGEMENT

From the time it was created, the Juzbado factory has strived to carry out its industrial activities in an environmentally friendly way and to always ensure the protection and conservation of its surroundings.

Since April 1999, the factory has implemented **an Environmental Management System certified by AENOR (No. CGM-99/031)**, pursuant to the requirements of **Standard UNE-EN ISO 14001:1996**. Furthermore, in July 2003, it adhered to **European Regulation 761/2001 EMAS** through assurance by **AENOR of its Environmental Management System (VDM-03/010)** and the **Environmental Declaration**, in accordance with the requirements of this Regulation. It is the first industrial facility in Salamanca and the fourth in Castilla-Leon that has obtained this assurance, a factor that evidences its high standards of excellence in environmental management and its strong commitment to environmental protection.

In 2005, ENUSA adapted the **Environmental Management System to the new Standard UNE-EN ISO 14001: 2004**, a process endorsed by certification of the System (No. GA-1999/0031), in accordance with the requirements of the new standard, in the external audit conducted by AENOR in May 2005.

Since 2010, the System has been adapted to the requirements of the new **European Regulation 1221/2009 EMAS III**. This is in keeping with the commitment to continuous improvement contained in the Environmental Policy and places the factory at levels of excellence insofar as Environmental Management is concerned.

The ENUSA Environmental Management System comprises the following elements:

- **Environmental Policy.** Public document which reflects the commitment of the ENUSA Management to the environment.
- **Organizational structure.** The Nuclear Fuel Operations and the Systems and Quality business units are responsible for maintenance of the Environmental Management System.
- **Record of legal requirements and other applicable requirements**.
- **Evaluation of direct and indirect environmental impacts caused by the factory's activities.**
- **Establishment of annual environmental targets and goals.**
- **Environmental Management Program.** Assignment of responsibilities and allotment of resources, with planning of the time and different activities required to execute it.
- **Worker training plan.** It is defined every year for all company personnel and covers three levels: raising awareness, improving qualification, and specific training for the job to be performed.
- **Operational control.** Monitoring of the environmental aspects of the factory, divided into two blocks: radiological control and non-radiological control.
- **Communication.** Primarily through the Environmental Declaration (validated as per the requirements of the EMAS regulation), and made available to the public on the ENUSA website (http://www.enusa.es/wp-content/uploads/2015/11/Declaracion-Ambiental-2014.pdf)
- **Periodic evaluation of compliance with legal requirements.**
- **Annual audits of the Environmental Management System, which is subject to two types of audits:** internal and external (both by the certification/assurance entity and by customers).
- **Annual review of the System by the Management.** Formal assessment of the status and compliance of the Environmental Management System in relation to the declared Environmental Policy.

OPERATIONAL CONTROL OF ENVIRONMENTAL ASPECTS OF THE FACTORY

The factory takes into account the factors that are assessed in a conventional industrial business and also, because of the specific features of its industrial activity as commented above, it considers a series of especially significant radiological parameters. For this reason, its Environmental Management System is based on both radiological and non-radiological operational control.

Radiological control

Monitoring of the Installation Working Conditions

ENUSA exhaustively controls the workstations and the possible exposure of its workers in order to guarantee the safety of the installations, check that the stipulated dose limits are met and minimize the doses by applying ALARA criteria. Personal dosimeters, ambient samplers and individual controls of internal contamination are used for this purpose; the work times and the doses received by all the workers are also evaluated. The results of the analyses carried out on the factory workers throughout 2015 have been much lower than the established limits.

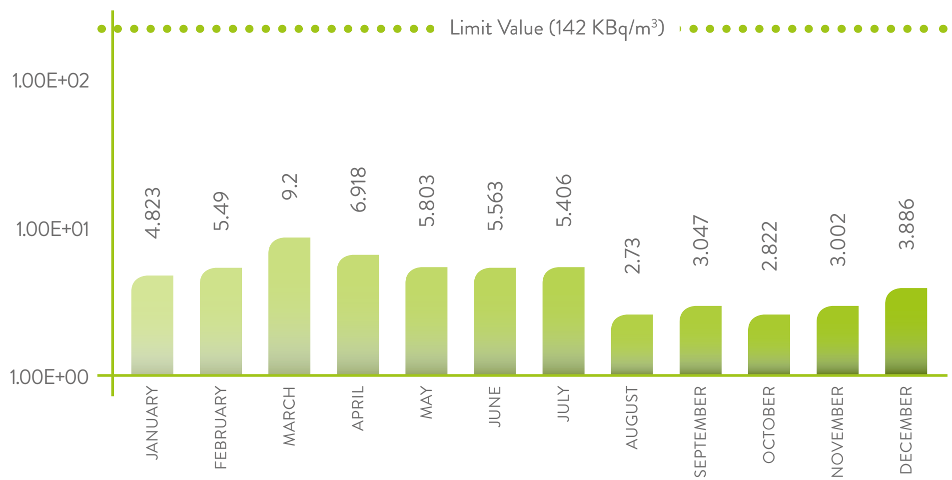
Radioactive Liquid Effluents

The factory discharges liquid effluents to the Tormes River. These discharges are controlled with a strict treatment system that ensures that their average concentration of overall alpha activity is within the limits set by current legislation. The discharged activity is less than the established limit, and the following measures are taken to ensure that limit:

- Limitation of water use in the factory ceramics zone.
- Application of treatment systems based on the use of decantation tanks, separation by centrifugation, press filters and power driven filters.
- Provision of a regulation pool.
- Control of the discharges to the river via a mixing basin, complying with the established instantaneous limit (142 kBq/m^3).

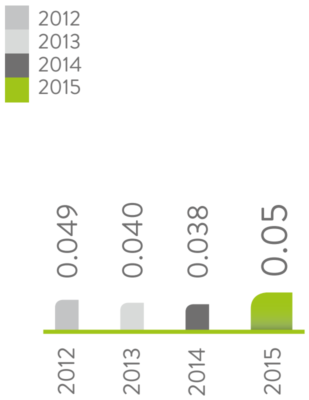
The following graphic shows the data for average monthly concentration (measured in KBq/m^3) of activity discharged to the Tormes River via liquid effluents during 2015, together with the authorized limit. As seen in this graphic, the recorded values are much lower than this limit:

RADIOACTIVE LIQUID EFFLUENTS 2015



On the other hand, if the values recorded in 2015 for total alpha activity are compared to the tons of uranium produced and their evolution is analyzed during the period from 2012-2015, an upward trend can be observed.

ALPHA ACTIVITY DISCHARGED TO RIVER (MBQ/T-U)

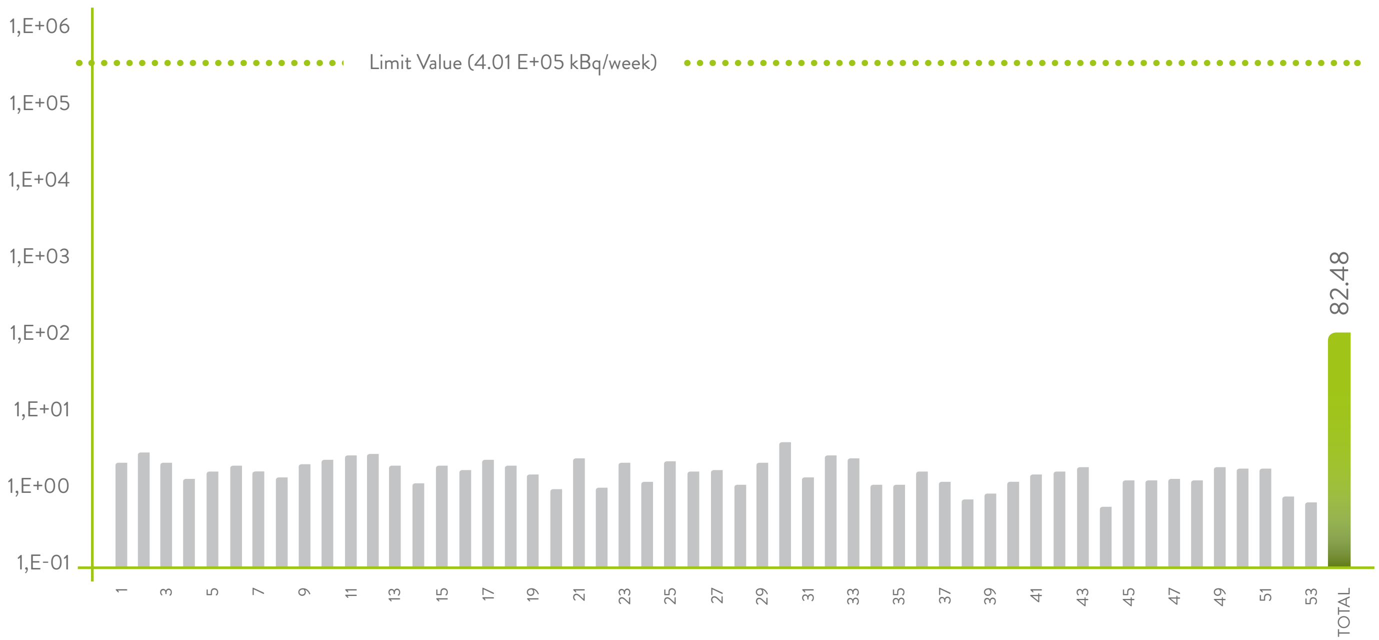


Radioactive Gaseous Effluents

The very design of the Juzbado manufacturing plant acts as effective protection against the risk of atmospheric releases of contaminating gaseous effluents. The facility has an **exhaust system** that controls the emission of gaseous effluents and ensures that the flow is towards the interior of the work zones by maintaining a depression inside the manufacturing plant; this system is equipped with a double filtering system provided with high efficiency filters in the final stage. In addition, a radiation protection system automatically controls the ambient activity in the different work zones and supplies periodic information on the activity and the emissions of gaseous effluents. In the event that the predefined warning values are exceeded, an alarm would be triggered so that actions can be immediately taken.

The graphic shows the data on total alpha activity released to the atmosphere during 2015 by weeks and the authorized activity limit for radioactive gaseous effluents (4.01E+05 kBq/week). The recorded values have been much lower than this limit:

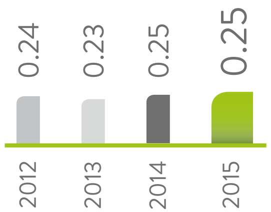
RADIOACTIVE GASEOUS EFFLUENTS



The following graphic shows the alpha activity released to the atmosphere by gaseous effluents per ton of uranium produced, compared to that released in the three previous years.

ALPHA ACTIVITY RELEASED TO THE ATMOSPHERE (KBQ/T-U)

2012
2013
2014
2015



Population Dose

The results obtained in 2015 from the analyses of liquid and gaseous effluents are well below the authorized limits. For the most exposed group, the results obtained show insignificant values with respect to the authorized limits – of the order of 2.10E-02% of the effective dose limit and 9.42 E-05% of the equivalent skin dose limit (considering that the limits stipulated in the Factory Operating Permit are 1.0E-01 mSv for the effective dose and 5.0E-00 mSv for the equivalent skin dose).

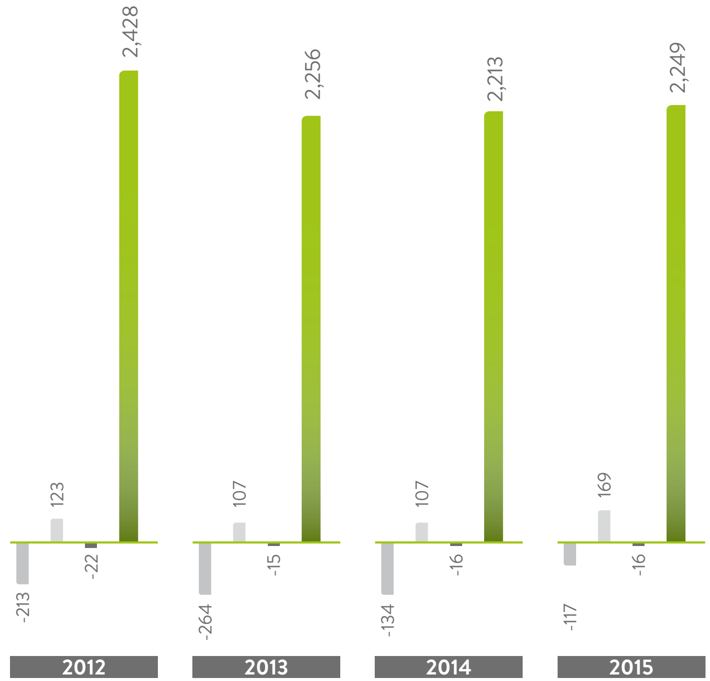
Radioactive Solid Wastes

These are non-conventional wastes, i.e. all those materials that come from the factory's ceramics zone (cleaning utensils, tools, rags, paper, plastics, etc.) that cannot be reused in the manufacturing process or decontaminated. They should be treated in such a way as to permit their transfer off the site under safe conditions and their subsequent acceptance by the agent responsible for their final destination.

In 2015, 169 220-liter drums containing newly generated radioactive wastes were produced. A total of 117 drums of radioactive wastes have been sent to the only authorized agent in Spain – ENRESA. In addition, 7931 kg of materials that can be managed by conventional means have been cleaned up, and 16 drums with empty plastic bags have been sent to SFL (England) for recycling.

Nº OF 220-LITER DRUMS OF RADIOACTIVE WASTES

Sent to ENRESA
Generated per year by manufacturing
Variation in inventories by internal and external reprocessing
Inventories in storage at year's end



Environmental Radiation Monitoring Program (PVRA)

The purpose of this program is to assess the potential environmental impact of the facility on the exterior due to discharges via liquid and gaseous effluents. It is defined on a yearly basis and is approved by the Nuclear Safety Council (CSN). The PVRA analyzes different radiological parameters, for which purpose different kinds of samples are collected (air, surface water, groundwater, public supplies, aquatic flora and fauna, plants, meat and milk, soils and sediments, etc.) at 76 sampling points located in a 10 km radius around the factory, encompassing the most representative habitats in the area.

The results of the 2015 campaign are very similar to those obtained since the facility started operating in 1985. No effect on the background radiation of the site has been detected, thanks to the low activity values of the liquid and gaseous effluent emissions from the factory.

Reportable Environmental Incidents in 2015

No reportable environmental incident has been recorded during this year.

Non-radiological control

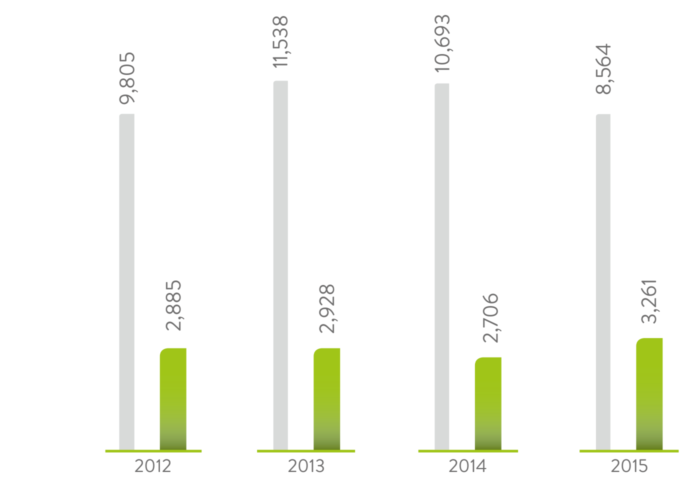
Liquid Effluents.

The analysis of liquid effluents is based on the criteria and standards provided in the discharge permit granted by the competent regulatory body - the Duero River Hydrographic Confederation. The factory has a non-radioactive liquid effluent treatment system to purify sanitary water, taking into account the limits stipulated in the discharge permit. The treatment system to purify sanitary water is composed of three stages: sanitary wastewater treatment plant, storage tanks and regulation (or discharge) catch basin.

In the catch basin, a sample is taken and the parameters regulated in the discharge permit (pH, detergents, chemical oxygen demand, suspended solids, and total phosphorus, total nitrogen and ammonia) are analyzed before incorporation into the Tormes River, in order to ensure compliance with the limits established in this permit. The downstream quality characteristics, once the mixing zone is reached, are also periodically determined, and the values obtained are compared to the characteristics of the river upstream of the facility.

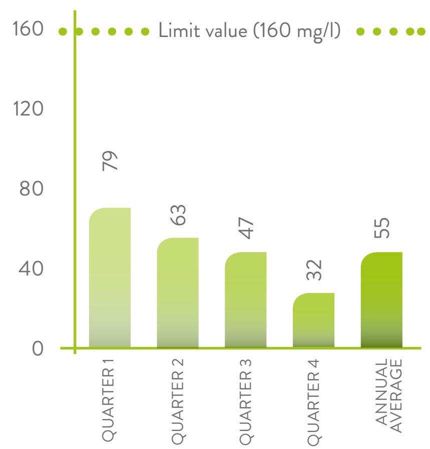
In 2015, the discharges to the Tormes River have complied with the limits established for the parameters specified in the current Discharge Permit.

DISCHARGE OF FACTORY WASTEWATER (M³)

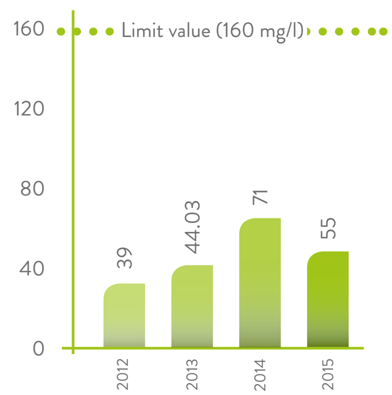


INCORPORATION OF COD INTO RIVER 2015

AVERAGE CONCENTRATION DISCHARGED TO RIVER (MG/L)



EVOLUTION OF THE AVERAGE CONCENTRATION DISCHARGED TO RIVER (MG/L)



Gaseous Effluents

The most significant non-radioactive atmospheric emissions from the factory come from the operation of the two steam boilers used for heating and production of hot sanitary water for the manufacturing plant. These boilers are subject to the controls stipulated by the legislation for this type of facility.

The measurements made in 2015 by a Collaborating Agency of the Administration (OCA) certify that the values recorded during the year are below the authorized limits.

ATMOSPHERIC EMISSIONS

PARAMETER		EQUIPMENT	2012	2013	2014	2015	AUTHORIZED LIMITS
SO_2	mg/m³N	Boiler 1	728	1,059	883	66	4,200 mg/m³N
		Boiler 2	1,056	1,109	916	78	
CO	ppm	Boiler 1	12	<10	9	9	1,445 ppm
		Boiler 2	21	<11	9	9	
Opacity	Bacharach Nº	Boiler 1	2	2	2	2	4 (Nº of Bacharach)
		Boiler 2	3	2	3	2	
NO_x	ppm	Boiler 1	359	360	261	265	---
		Boiler 2	412	366	301	287	

Conventional Wastes

In 2015, the factory has continued with the minimization measures implemented in recent years, e.g. introduction of specific contents on waste management in the initial basic training, specific training for Environmental Management System-related personnel, labeling of all waste segregation points, etc. The long-term results are being positive.

Conventional wastes include the following:

- **Hazardous**

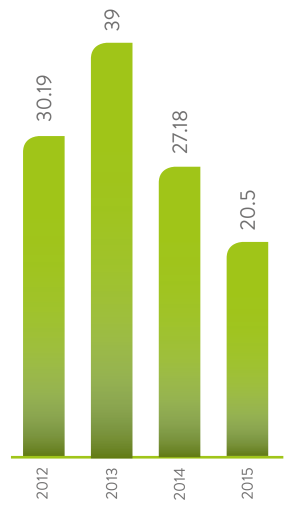
The factory differentiates the non-radioactive wastes that can be considered as hazardous in accordance with Royal Decree 952/1997 of June 20, which modifies R.D. 833/1988 (Regulation enacting the Basic Toxic and Hazardous Waste Act 20/1986 of May 14), and Order MAM/304/2002 of February 8, which publishes the European waste list. These wastes are delivered to an authorized agent (CETRANSA, except in the case of zircaloy shavings which are sent to MM&A, a company in Canada) to proceed with final treatment and disposal on a controlled basis. On the other hand, in the 2015 annual hazardous waste declaration sent to the Environment Council of the Castilla-Leon regional government, the company identifies each hazardous waste and the type and amount produced of each one.

HAZARDOUS WASTES

TYPE OF WASTE	DESCRIPTION	AMOUNT (kg)	TREATMENT
HAZARDOUS	Absorbents with Hydrocarbons	181	Wastes are delivered to an authorized agent
	Automobile batteries	2,515.5	
	Halogenated Organic Solvents	34.5	
	Empty Metal Containers	109	
	Empty Plastic Containers	114.5	
	Discarded Electrical and Electronic Equipment	422.5	
	Fiberglass	228.5	
	Fluorescent	16	
	Fuel oil with water	193	
	Photographic Developing Liquid (fixative)	139.5	
	Photographic Developing Liquid (developer)	178.5	
	Contaminated Materials	174.5	
	Bituminous mixtures	24	
	Batteries not button	143	
	Paints with Solvents	54	
	Powder fire extinguishers	344.5	
	Laboratory Products	563	
	Lubricant	1,416.5	
	Used Oils	119	
	Containers which contain remains of substances	22	
	Adhesive and Sealer Wastes	80	
	Expired organic waste	50	
	Polyester Resins	36	
	Sanitary wastes	20.5	
	TOTAL	7,179.5	

Sanitary

The sanitary wastes produced during 2015 in the Occupational Medicine Division of the Juzbado factory Prevention Service (20.5 kg) have been segregated and packaged for subsequent delivery to an authorized agent, in accordance with the provisions of current applicable legislation. Since 2015, the hazardous waste producer registry has been unified with the sanitary waste producer registry, and therefore the latter wastes can be included as another kind of hazardous waste. The datum has been kept separate for 2015 to provide this explanation, even though it has already been included in the above hazardous waste table.



SANITARY WASTES (KG)

Inert

The inert wastes generated in 2015 correspond to the sum of wastes from wood, scrap metal and rubble, and they have been managed for subsequent recycling and reuse by an authorized agent.

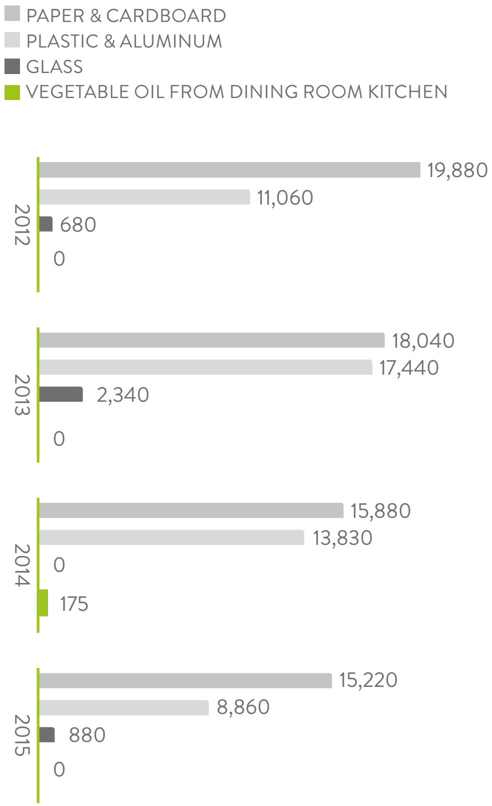
INERT WASTES (KG)

YEAR	WOOD	SCRAP METAL	RUBBLE	TOTAL
2012	60,840	30,900	14,120	105,860
2013	50,800	12,180	420,200	483,180
2014	34,840	7,793	74,160	116,793
2015	39,640	18,540	27,760	85,940

Assimilable to Urban

The fraction of municipal solid wastes currently accounts for 43% versus the 57% which that of urban-assimilable wastes would represent.

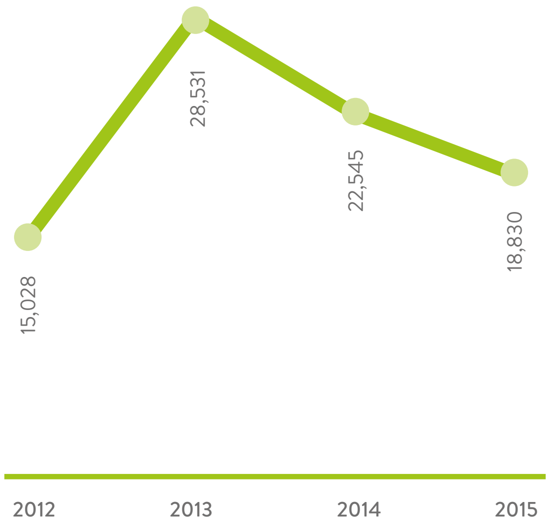
URBAN-ASSIMILABLE WASTES (Kg.)



Municipal Solid

The non-recyclable fraction (municipal solid wastes) was collected by the Ledesma Association service for subsequent management in the waste treatment center of Gomecello (disposed of in controlled waste dump).

MUNICIPAL SOLID WASTES (KG.)



Sludge

In 2015, 172,820 kg of sewage treatment plant sludge have been managed by composting treatment.

Computing Consumables

During 2015, a total of 69 kg of printer consumables have been collected for subsequent recycling and reuse.

Acoustic Pollution

During 2015, sound level measurements have been taken around the factory to check whether these levels comply with the allowable limits for noise emission to the exterior environment, in accordance with current applicable legislation. The results obtained show that the maximum allowable levels have not been exceeded, in spite of the fact that the new legislation in effect on acoustic pollution has reduced these values, and therefore it has not been necessary to take any corrective measures.

Environmental Chemical Monitoring Program (P.V.Q.A.):

Its purpose is to detect the environmental impact that the factory's activity can cause from a non-radiological point of view. It is defined on a yearly basis and is based on an analysis of 32 parameters in samples of water (surface and groundwater) collected from around the facility, as established by the discharge permit granted by the Duero River Hydrographic Confederation. The values recorded in 2015 have been below the authorized limits.

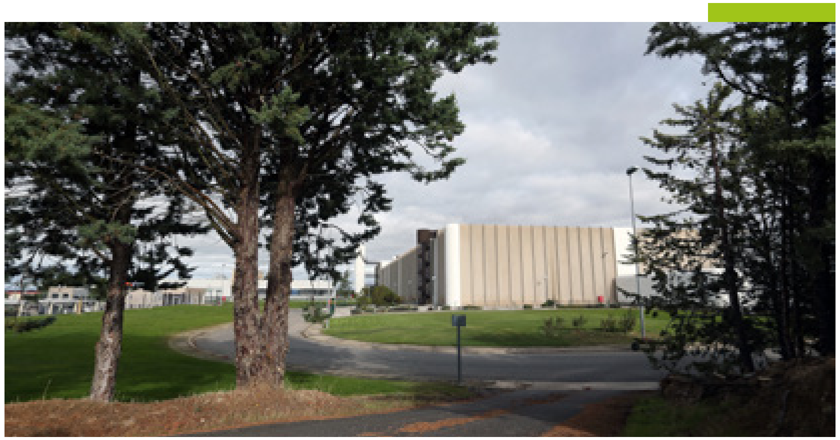
Other environmental performance indicators

Energy Consumption

- **Direct consumption**

DIRECT ENERGY CONSUMPTION (ITEMIZED BY PRIMARY SOURCES)

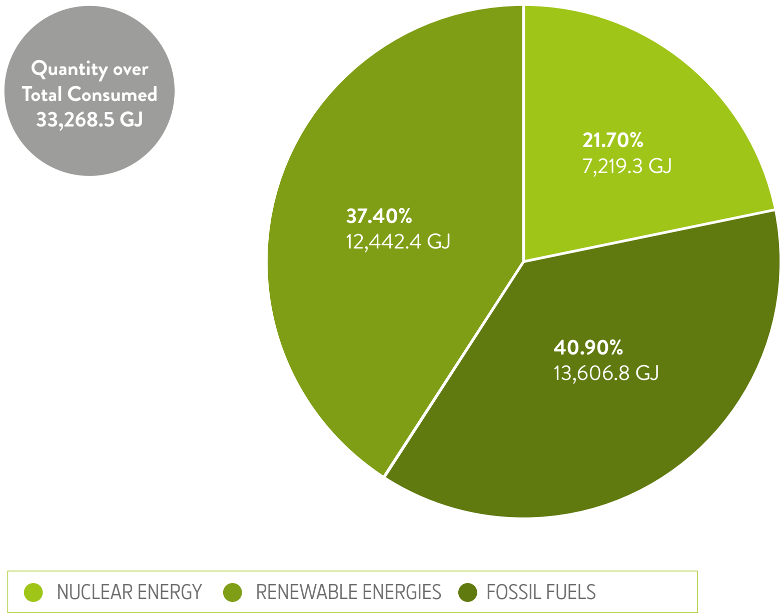
YEAR	PROPANE (KG)	FUEL-OIL (KG)	GASOIL (KG)	ELECTRICITY (KWH)
2012	24,330	199,280	15,300	10,094,257
2013	17,061	150,080	12,035	9,830,064
2014	19,438	149,920	11,620	9,887,207
2015	17,126	199,860	13,698	9,241,239



- **Indirect consumption**

Percentage of the electric power supply that comes from renewable, nuclear and other sources:

INDIRECT CONSUMPTION OF ENERGY FROM PRIMARY SOURCES



External energy consumption

2015				
DESCRIPTION	KILOMETERS TRAVELLED	AVERAGE ESTIMATED CONSUMPTION (L GASOIL/100KM)	TOTAL CONSUMPTION GASOIL (LITERS)	AMOUNT OF CO_2 EMITTED (2.7 KG CO_2 /L GASOIL) TN
Personnel transportation to factory and company trips	99,801	8	7,984	21.6
Employee transportation to factory	157,680	25	39,420	106.4
Package reception	308,935	25	77,234	208.5
Refueling in gas plant	63,571	30	19,071	51.49
Subcontracts; assimilable, inert & hazardous waste management (with vans)	2,603	8	208	0.56
Subcontracts; assimilable, inert & hazardous waste management (with trucks)	25,178	30	7,553	20.39
Subcontracts: MSW collection company	20,300.8	30	6,090	16.4
Component reception	20,936	30	6,281	17
Uranium powder reception	11,178	30	3,353	9.1
Product transport: fuel assemblies	139,600	30	41,880	113.1
Shipping of components or skeletons (with trucks)	49,437	30	14,831	40
Shipping of components or skeletons (with vans)	3,810	8	305	0.8
Shipping of empty containers	19,839	30	5,952	16.1
TOTAL CO_2 INDIRECTLY GENERATED	**922,868.8**	-	**230,163**	**621.4**

Energy intensity

The chosen activity unit is tons uranium equivalent (tn-U). The energy consumptions of electricity and fuels (propane, fuel oil and gasoil) are considered:

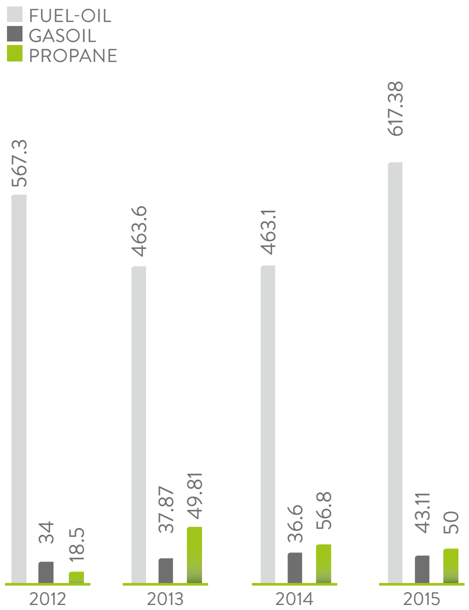
ENERGY INTESITY

PROPANE (Mwh)	GASOIL (Mwh)	FUEL OIL (Mwh)	ELECTRICITY (Mwh)	TOTAL (Mwh)	tn-U	ENERGY INTENSITY
218.88	136.11	2,231.66	9,241.24	11,827.89	328.47	36

Greenhouse Gas Emissions

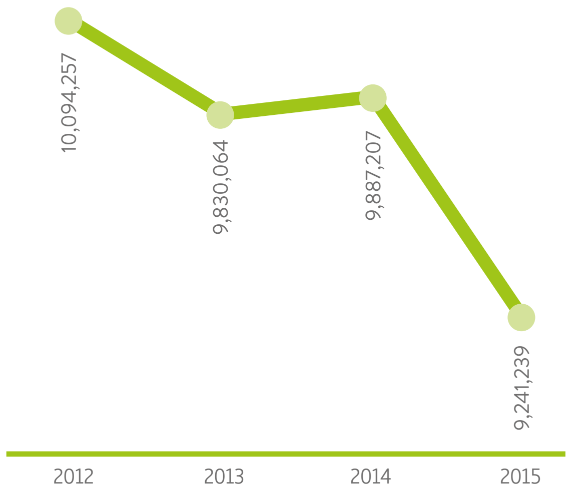
• Direct emissions

CO_2 EMISSIONS RESULTING FROM BURNING FUEL (TN)



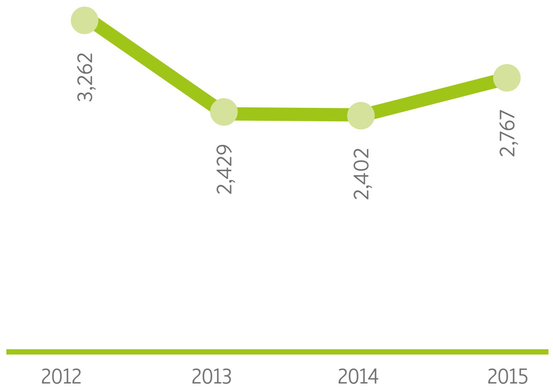
• Indirect emissions (from electricity consumption)

CONSUMPTION KWH



Nota: See the conversion factors in Appendix II.

CO_2 EQUIVALENT

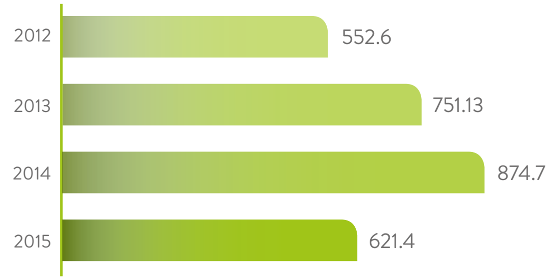


• Other indirect greenhouse gas emissions

Indirect greenhouse gas emissions primarily correspond to emissions of carbon dioxide due to the transport of both goods and services and personnel in relation to the normal operation of the facility.

The following table shows the emissions from the most significant transports related to the factory.

EVOLUTION OF OTHER INDIRECT GREENHOUSE GAS EMISSIONS



Biodiversity

Site of Community Importance (SCI)

There is a space in the vicinity of the Juzbado factory that is considered as a Site of Community Importance. Specifically, the area in question is SCI ES4150085 (banks of the Tormes River and tributaries), proposed by the Red Natura 2000. The surface area proposed as SCI encompasses the river waterway plus a width of 25 m on each side of each of the stretches. Its specific features are:

LIC CODE	ES4150085
Name	Banks of theTormes River and tributaries
Administrative region	Salamanca 69% and Ávila 31%
Rivers	Tormes River, Arroyo de la Corneja, Arroyo de Becedillas, Arroyo Moralejas and Arroyo Aravalle.
Hydrographic sub-basin	Tormes River
Hydrographic basin	Duero River
Latitude of center	40° 26’ 06” N
Long of center	5° 30’ 35” W
Average altitude	1213 m
Surface area	1834.49 ha.
Biogeographic region	Mediterranean

Foto realizada por Pedro Pablo Hernández

Based on the national topographic land map of the National Geographic Institute (1984), it is estimated that the surface area of Juzbado factory land included inside the SCI is 7.5 ha, with a described habitat of barely existent gallery forest and pastureland.

Protected or reclaimed habitats inside the SCI

CODE	APPENDIX I HABITATS (DIRECTIVE 92/43/CEE) DESCRIPTION
3260	Rivers, from plain to montane belts with vegetation of Ranunculion fluitantis and Callitricho-Batrachion
6420	Humid Mediterranean meadows of high grasses of Molinion- Holoschoenion
91B0	Thermophile ash groves of Fraxinus angustifolia
91E0	Alluvial forests of Alnus glutinosa and Fraxinus excelsior
92A0	Gallery forests of Salix alba and Populus alba

Species potentially found inside the SCI

It should be noted that the surface area affected by the facility corresponds to approximately 0.41% of the proposed total. The species are as follows:

FAUNA	PUBLICATION	EXTENT OF THREAT
MAMMELS		
Lutra lutra (Otter)	UICN red list	Near threatened
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
AMPHIBIANS		
Discoglossus galganoi (Iberian painted frog)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Salamandra salamandra (Common Salamandra)	UICN red list	Least concern
REPTILES		
Mauremys leprosa (Mediterranean turtle)	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Emys orbicularis (European pond turtle)	UICN red list	Near threatened
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Chalcides bedriagai (Eiberia skink)	UICN red list	Near threatened
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
BIRDS		
Circus aeruginosus (Western marsh harrier)	UICN red list	Least concern
	National Catalogue of Threatened Species 2011	LERPE
Gyps fulvus (Griffon vulture)	UICN red list	Least concern
	National Catalogue of Threatened Species 2011	LERPE
Milvus milvus (Red kite)	UICN red list	Near threatened
	National Catalogue of Threatened Species 2011	Endangered
Milvus migrans (Black kite)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Falco peregrinus (Peregrine falcon)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Elanus caeruleus (Black-winged kite)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Hieraaetus pennatus (Booted eagle)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	Special protection

Falco tinnunculus (Common kestrel)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Circaetus gallicus (Short-toed snake eagle)	UICN red list	Least concern
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
FISH		
Rutilus alburnoides (Tropidophoxinellus alburnoides)	UICN red list	Vulnerable
Cobitis taenia (Spined loach)	UICN red list	Least concern
Chondrostoma Polylepis (Iberian nase)	UICN red list	Least concern
Rutilus arcasii (Chondrostoma arcasii) (Bermejuela)	UICN red list	Vulnerable

FLORA	PUBLICATION	EXTEND OF THREAT
PLANTAS VASCULARES		
Veronica micrantha	2008 Spanish Vascular Flora Red List	Vulnerable
	Spanish Catalogue of Threatened Species RD 139/2011	LERPE
Festuca elegans	Spanish Catalogue of Threatened Species RD 139/2011	LERPE

*LERPE: List of specially protected species

Saving and efficiency initiatives and actions: energy saving measures based on conservation and improved efficiency.

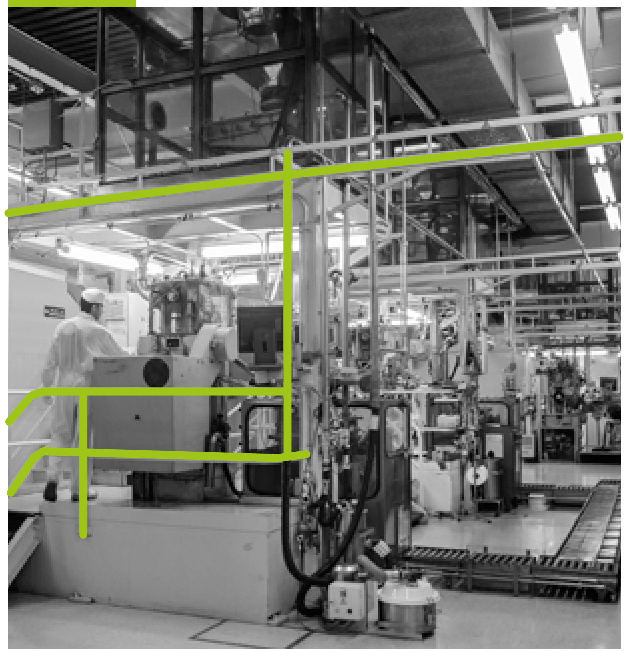
As a measure to ensure the reduction of energy consumption in 2015, a plan has been issued that includes a series of energy saving and efficiency measures in the factory, such as the replacement of 500 fluorescent light fixtures with fluorescent LEDs and the implementation of a new efficient printing system that reduces energy consumption and the amount of toner and paper used.

The implementation of the new LEDs, whose energy efficiency is significantly greater than that of the old fluorescent lamps, results in an approximately 50% decrease in energy consumption per lamp. Therefore, this indirectly decreases the emission of greenhouse gases, as the expenditure needed to cover the new needs is lower. The annual estimated saving is 180 GJ, thus preventing the emission of some 15 equivalent tons of CO_2.

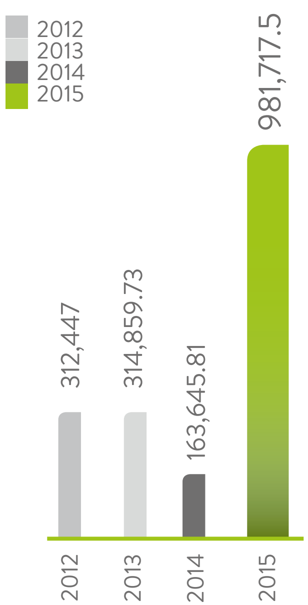
Presence detectors have also been installed for illuminating areas in the facility that are normally not in use.

In 2015, no modifications have been made to the energy requirements of the products and services sold.

ENVIRONMENTAL INVESTMENTS 2015		
EQUIPMENT	ENVIRONMENTAL IMPROVEMENT	TOTAL €
Safety systems, Gd extension (RP, fire protection system, water, electricity, gas, etc.)	Minimization of radioactive waste production, improved effluent and emission control	189,657.56
Change to LED lamps	Reduced consumption of natural resources	10,020
Bucket	Contamination prevention	608.95
Press feeders and and ultrasonic cleaning	Minimization of radioactive waste production	2,946.91
Improve reliability 100L mixer.	Minimization of radioactive waste production	15,956.92
Replace water network piping	Improved emission control	23,591.74
Adapt HVAC to CSN requirements	Improved emission control	738,935.42
TOTAL		981,717.50€



EVOLUTION OF ENVIRONMENTAL INVESTMENTS (€)



Other continuous improvement activities of the environmental management system

Description of some of the environmental investments:

1. Reduction of natural resources consumption:

In the framework of the Environmental Policy and in keeping with our company's commitment to reduce resource consumption, a series of actions have been taken during recent years.

One of the initiatives taken to reduce electric power consumption has been the replacement of light fixtures with fluorescent LEDs and the implementation of a new efficient printing system that reduces energy consumption and the amount of toner and paper used.

2. Improved control of emissions and discharges:

The capacity of the drain and retention system has been enlarged to be able to deal with the probable maximum flood in the 500-year return period.

The controlled zone ventilation and air conditioning system has been adapted to CSN requirements to improve the control of emissions.

3. Minimization of radioactive waste generation:

ENUSA's productive activity entails the generation of radioactive wastes associated with the fuel assembly manufacturing process. This fact is considered as a significant issue from an environmental perspective and therefore minimization of these wastes is one of the objectives set forth in the 2015 Environmental Management Program.

7.9 tons of material from the ceramics area have been decontaminated, and 16 drums with uranium-impregnated bags have been returned to the supplier for recovery and valorization.

In addition, improvements have been implemented in the production equipment, e.g. improved reliability of the 100-liter mixer and ultrasonic cleaning of press feeders, which minimize the amount of radioactive wastes generated.

Management improvements:

1. An interactive training tool has been implemented to provide factory access training to non-exposed workers.
2. A computer application has been developed for tracking the environmental targets and goals of the Environmental Management Program.
3. The methodology for drawing up the Environment Six Sigma indicators has been redefined to be more in keeping with reality.

Communication improvements:

The transmission of two monthly Environment messages during shift changes at equipment and system maintenance and production stations has been implemented.

Main successes, deficiencies, risks and opportunities in the environment area

SUCCESSES:

- Reduction of natural resources consumption
- Improved control of emissions and discharges
- Minimization of radioactive waste generation
- Minimization at source of municipal solid wastes
- Improved environmental performance of the facility

DEFICIENCIES:

There have been delays in achieving some objectives:

- Actions to reduce the consumption of natural resources (some equipment replacement and renovation).
- Improved emission control (some equipment replacement and renovation).
- Improved visual impact of the Factory (actions on wooded areas between the double and single fencing).

OPPORTUNITIES:

- Actions to improve control of the factory's impact on the surroundings
- Improve the facility's environmental performance.

RISKS

- Some occasional drawbacks in the end management of hazardous wastes (non-radioactive).

02 SAELICES EL CHICO CENTER

The Environmental Center encompasses the mining and industrial installations of Saelices El Chico, very near to the town of Ciudad Rodrigo. When the production activities ceased in December 2000, the activities to reclaim the mining operations and dismantle the radioactive installations of the industrial process started immediately, in accordance with the permits granted by the different official authorities in each case (the Ministry of Industry, Tourism and Trade, the Nuclear Safety Council, and the Mining Division of the Territorial Industry, Tourism and Trade Service and the Territorial Environment Service of the Castilla-Leon regional government).

The works carried out in 2015 have focused, to a different extent, on the two uranium concentrate manufacturing plants (Quercus and Elefante Plants) and the mining operations.

With regard to the Quercus Plant, in the month of September the application for the dismantling and decommissioning permit for Phase I of the dismantling was submitted, in compliance with the requirements of the competent authorities and in accordance with the provisions of RD 102/2014 of February 21 on the responsible, safe management of spent nuclear fuel and radioactive wastes. The mandatory documentation to accompany this application has been prepared throughout 2015 with the guidelines provided by the Nuclear Safety Council. The project refers to the first phase of the dismantling, which affects only part of the plant installations and structures since others, related to site water management, should be kept operational because of the existing problem linked to acid mine drainage on the site. In parallel with this mandatory documentation, established in the Nuclear and Radioactive Facility Regulation, an extension of the Environmental Impact Study that gave rise to the Quercus Plant Environmental Impact Declaration was also submitted, to reflect the changes made in environmental and radiological legislation and in the currently planned type of decommissioning.

Until approval is given to start the dismantling activities, the Monitoring and Maintenance Plan required by the Nuclear Safety Council will continue to be executed to ensure that proper safety conditions are maintained in the installations, both for the workers and public and for the environment. Furthermore, the liquid effluent treatment installations continue to operate, with

controlled discharge to public waterways once the suitable chemical and radiological quality is achieved. In this respect, the implemented water management strategy continues to be applied, in accordance with the recommendations of specialized consultants, with a series of specific actions to try to contain as far as possible the above mentioned problem.

At the Elefante Plant, the dismantling Monitoring and Control Program, begun in 2006, has continued in order to check the stability of the dismantled structures and make sure that their radiological impact is similar to the area's background radiation. No incident has been detected to date, and the results obtained in 2015 continue to demonstrate that both the radiological and environmental objectives are being achieved.

As for the former mining operations, execution of the Monitoring and Control Program of the reclaimed site continues; this program, which was implemented in 2014 after it was approved by the Nuclear Safety Council, broadens the monitoring and control activities begun in 2009. The inspections and controls of the past two years show that the reclamation objectives are being achieved, except for water quality due to the acid mine drainage as indicated above. As for site improvement activities, tests have been carried out with a view to the possible implementation of new plant species, especially trees (holm oak, chestnut, poplar, cork oak, ash, etc.) on remediated soils, in order to verify the degree of implementation, performance, etc.

In 2015, the activities begun in previous years, aimed at preventing, or at least minimizing, the generation of acid mine water and, accordingly, its impact on the environment, have continued: on one hand the use of soil conditioners in one of the old mine slagheaps to counteract its acidifying action, and on the other the application of technosols ("customized" artificial soils which are designed and manufactured with the composition and properties required by each impacted region, system and situation). The latter are deployed in two pilot projects consisting of a wetland on a mine water dike and application of technosols on soil degraded by the implementation of an oil slagheap. In addition, a third project has been launched at the end of the year for the recovery of deep water by the application of liquid solutions. Finally, possible complementary activities are being considered on a preliminary basis, based on bioremediation and bioattenuation of the acidic aquatic medium with bacteria.

With all these activities that have been completed or are currently under way or under study, the aim is to recover the natural spaces affected by the different mining activities in as short a time as possible, accounting for the particular features of the site.

ENVIRONMENTAL MANAGEMENT

Through proper environmental management, the Saelices El Chico Center ensures that the activities it carries out are as environmentally friendly as possible. The facility divides its management into radiological control and non-radiological control activities. The most relevant activities in 2015 in this respect were as follows:

Radiological control

Monitoring of the radiological conditions in the installations.

The doses received by the personnel have been much lower than the established limits, in line with previous years.

MONITORING OF THE RADIOLOGICAL CONDITIONS IN THE INSTALLATIONS

DOSE INTERVAL (MSV)	Nº OF USERS	% TOTAL	COLLECTIVE DOSE (MSV-P)
Background	22	88	0
Background – 1.00	3	12	0.94
1.00 – 2.00	0	0	0
Greater than 2.00	0	0	0
TOTAL	**25**	**100**	**0.94**

COMPARATIVE INDIVIDUAL DOSE MEAN IN DIFFERENT TYPES OF FACILITIES

INSTALLATIONS	Average individual dose (m Sv/year)			
	2011	2012	2013	2014
Nuclear power plants	1.3	1.01	1.36	0.97
Nuclear Fuel Cycle Facilities, Waste Repositories & CIEMAT	0.62	0.54	0.6	0.57
Radioactive Medical Facilities	0.59	0.63	0.63	0.63
Radioactive Industiral Facilities	1.29	1.32	1.05	0.89
Radioactive Research Facilities	1.36	0.32	0.34	0.3
Facilities being dismantled and decommissioned	1.35	2.01	3.08	3.72
Transport	2.18	2.37	2.24	2.14
Exposed Workers	1.3	0.74	0.78	0.71

Note: These data, which are included as reference, are in the CSN annual reports to Spain's Congress and Senate. When Enusa issues its 2014 Annual Report, the CSN has still not issued the report for the previous year, which is why the 2015 data are not included here.

Radioactive Liquid Effluents

As already indicated, ENUSA continues to treat and process the liquid effluents generated on the site so they will have the level of radiological quality required for controlled discharge to the Águeda River, in accordance with the existing permits. The effluents basically come from the runoff waters collected in the different hydraulic infrastructures on the site (dams, ponds, etc.). The treatment process, the effluents and the receiving waterway are periodically controlled and sampled to check that the stipulated limits are being met. In 2015, 235,485 m3 of effluents have been treated and discharged, which is less than the volume discharged the previous year. The volume of stored water at the end of the year was less than in 2014 because, even though the volume of effluents had decreased, the year's rainfall has been particularly low and therefore there was less runoff water. As for the radiological quality of the discharged waters, it has remained below the required limits, as has the repercussion on the receiving waterway.

Radioactive Gaseous Effluents

In the current shutdown phase there are no emissions from channeled sources, and the emissions from diffuse sources by dispersion of dust particles and ground emanation of Radon gas from large structures, such as slagheaps, lixiviation beds, material deposits, etc., are minimized by building cover layers over the reclaimed structures, which prevents erosion phenomena that could create dust and mitigates the atmospheric release of Radon gas.

Population Dose

The 2015 values continue to be very far from the authorized limits.

POPULATION DOSE

TYPE OD DISCHARTE	CRITICAL INDIVIDUAL	EFFECTIVE DOSE (MICROSV/A)
Gaseous effluents	1-year old children	3.73
Liquid effluents	1-year old children	1.10
Specific facility limit	300 microSv/a	
General limit	1000 microSv/a	

Solid Wastes

The mining and industrial operations generated solid wastes (mine and process wastes such as mineralurgical sludge). Furthermore, liquid effluent treatment produces gypsum from neutralization, which is deposited in the waste stacks for subsequent treatment. During the reclamation and dismantling activities, these materials are confined and closed off in stable structures on the site itself to prevent undue risks to the nearby population groups and environmental degradation in the areas near the operations. At present, the final treatment of the waste materials from the Quercus Plant is pending because, as indicated previously, this plant has still not been dismantled.

Environmental Radiation Monitoring Program (P.V.R.A.)

The purpose of this program is to establish the variations in the site's background radiation resulting from the activity and their evolution during the different phases of the facility's lifetime (production, reclamation, monitoring, etc.). Thanks to this program, the environmental radiological impact that may be caused by the installations can be evaluated. It is defined every year and takes into consideration the features of the site and the mining-industrial activities, and it includes the analysis of a series of radiological parameters in different kinds of samples collected at 77 control points located within a 10 Km radius around the facility. In 2015, the scope of the program has been slightly modified to account for the results historically obtained and the activities under way and planned for the short and medium term, although this has barely affected the essence of the program (some 1,000 samples on which approximately 2,500 determinations are made), and to date it is seen that the impact is very small or non-existent and no changes have been detected.

Non-radiological control

Liquid Effluents

The physicochemical quality of the liquid effluents is studied in order to verify that they comply with the limits imposed by the Duero River Hydrographic Confederation on both the discharges and the receiving waterway for non-radiological parameters (acidity, salts, metals, etc.). Because of the origin and composition of these discharges, special attention is paid to a series of parameters that are considered to be characteristic (pH, sulfates, ammonia and metals such as uranium and manganese). The limits established for the effluents have been met at all times, except for the pH values of the monthly external control samples in the months of January and February, which were low (unlike the results obtained in the daily control of this parameter, which were 7.6 and 7.1, respectively). On the other hand, the quality levels required for the Águeda River – the discharge receiver – have been observed. There were no discharges in the month of December.

LIQUID EFFLUENTS

RECEIVING WATERWAY						
PERIOD	PH		SULFATES (MG/L)		AMMONIA (MG/L)	
	Upstream	Down-stream	Upstream	Down-stream	Upstream	Down-stream
First quarter	6.5	6.9	2.3	4.3	0.31	0.25
Second quarter	7.5	7.4	4.5	14	0.21	0.37
Third quarter	6.3	6.7	4.1	11	0.21	0.41
Fourth quarter	6.9	6.4	4.8	38	0.81	0.49

Limits imposed on receiving waterway: pH: 6-9 Sulfates: 250 mg/l Ammonia: 1 mg/l

LIQUID EFFLUENTS					
Period	**pH**	**Sulfates (mg/l)**	**Ammonia (mg/l)**	**Uranium (mg/l)**	**Manganese (mg/l)**
January	6.0	2,187	5.7	0.009	0.054
February	6.1	2,247	5.2	0.006	0.052
March	7.2	2,236	5	0.008	0.048
April	7.5	2,228	4.9	0.009	0.051
May	6.6	2,230	5.5	0.011	0.063
June	6.4	2,246	5.7	0.010	0.100
July	6.9	2,270	6.1	0.012	0.100
August	6.9	1,918	4.4	0.040	0.200
September	6.8	2,335	7	0.021	0.070
October	6.7	2,035	7.1	0.013	0.080
November	7	1,834	6.1	0.010	0.067
December (*)	(*)	(*)	(*)	(*)	(*)
(*) No discharte					
Limits imposed on receiving waterway:	pH: 6.5 – 8.5	Sulfates: 2,500 mg/l	Ammonio: 10 mg/l	Uranium: 0.1 mg/l	Manganese: 0.4 mg/l

Conventional Wastes:

- **Hazardous**

In 2015, a shipment of hazardous waste containing Halon gas, a gaseous extinguishing agent removed from the Quercus plant fire protection extinguishing system and replaced by CO_2, was delivered to an authorized agent. The rest of hazardous wastes, because of the small amounts that are produced, are stored in the places designated in each case (oils, batteries, fluorescents, etc.) until they are delivered to an authorized agent.

- **Sanitary**

These wastes have been managed together with those from the Juzbado factory, after selection at source.

- **Municipal**

These wastes are managed through the “Puente de la Unión” association with which this service is contracted.

Environmental Monitoring Program (P.V.A.).

This program is developed in conformance with the Environmental Impact Declaration of the Quercus Plant. It includes the monitoring and control of the chemical quality of the Águeda river surface waters and of the ground waters (public supplies) in the population centers near the facility. It also analyzes air quality in terms of non-radioactive pollutants, and the aquatic biota and sediments of the Águeda river where it passes through the installations, to examine the metallic content and any variations that may occur between the control points located upstream and downstream of the liquid effluent discharge point. The results obtained in this program are similar to those of previous years.

Reportable Environmental Incidents in 2015.

No incident with environmental repercussions has occurred in 2015.

Other environmental performance indicators

Used Materials, by Weight or Volume

The activities to reclaim the natural spaces affected by mining activities use natural materials from the site itself and its surroundings (waste from the mining operation, slate, clay, vegetable soil, etc.). During 2015, no activities were carried out that required the procurement and use of these materials.

Energy Consumption

• Direct consumption

DIRECT ENERGY CONSUMPTION
(ITEMIZED BY PRIMARY SOURCES)

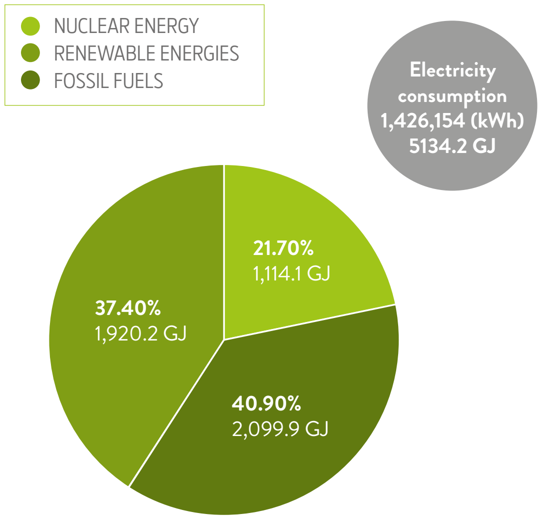
	GASOIL (KG)	ELECTRICITY (KWH)
2012	181,000	1,624,622
2013	61,000	1,881,139
2014	76,500	1,658,498
2015	58,388	1,426,154

Note: No propane or fuel-oil has been burned

• Indirect energy consumption

Percentage of the electric power supply that comes from renewable, nuclear and other sources:

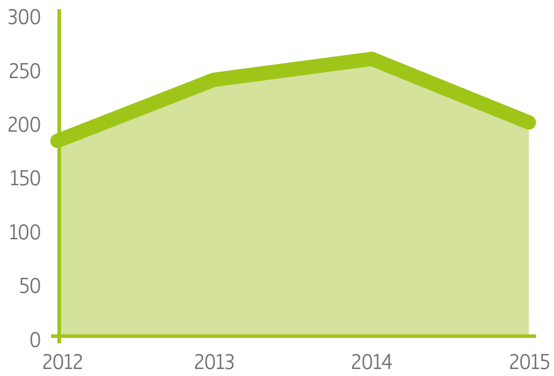
INDIRECT ENERGY % BY PRIMARY SOURCE IN 2015



Greenhouse Gas Emissions

• Direct Emissions

CO_2 EMISSIONS RESULTING FROM BURNING FUEL (TN)



• Indirect Emissions

INDIRECT CO_2 EMISSIONS (FROM ELECTRIC POWER CONSUMPTION)

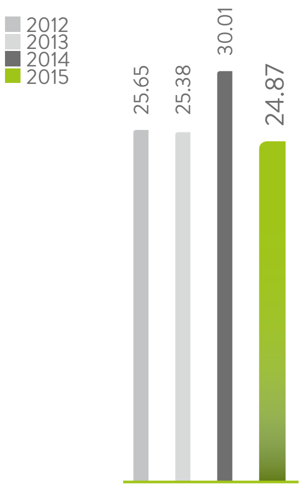
	CONSUMPTION (KWH)	EQUIVALENT CO_2
2012	1,624,622	464.64
2013	1,881,139	263.36
2014	1,658,498	232.18
2015	1,426,154	199,662

Nota: See the conversion factors in Appendix II.

• Other Indirect Emissions

The indirect greenhouse gas emissions primarily correspond to the emission of carbon dioxide resulting from the transport of both goods and services and personnel in relation to the normal operation of the facility. Following is a list of the most significant transports related to the factory.

EVOLUTION OF OTHER INDIRECT GREENHOUSE GAS EMISSIONS



Note: Data of 2015 calculated applying the factor of 8 Kg gasoil/100 Km y 2.7 Kg. CO_2/l gasoil

Water:

WASTEWATER DISCHARGE, ACCORDING TO NATURE AND DESTINATION (M3)

C. T. SAELICES	DESTINATION	TOTAL 2012	TOTAL 2013	TOTAL 2014	TOTAL 2015
Sanitary and industrial wastewater (*)	Agueda River	1,355	833	2,198	589
Process wastewater	Agueda River	309,805	388,062	291,149	235,485
		311,160	**388,895**	**293,347**	**236,074**

(*) Estimated as a fraction (60%) of the drinking water intake

Biodiversity:

The entire estate owned by ENUSA, with a surface area of 1,670 Ha., is located inside a Special Protection Area for Bird Life (ZEPA), and it is also an area of protection of the black stork.

The part of the estate owned by ENUSA that was affected by open pit mining between 1974 and 2000 was subjected to considerable deforestation and geomorphological alteration, as expected of this type of activity. This area was recovered between 2001 and 2008 by execution of the Dismantling Project of the Elefante Plant installations and the Reclamation Project of the space affected by the mining operations, approved by the competent authorities, which have applied appropriate preventive, corrective and compensatory measures. All this was done in spite of the fact that the plant communities and species existing in the area of action and bordering regions, which serve as bio-indicators of pollution, indicate that the former mining operations have had little influence because, in those productive and reclamation phases, the fauna moved out of the area but, once they were over, it has gradually returned thanks to the subsequent low level of activity and the environmental recovery of the zones affected by the dismantling and reclamation, which to date have not been turned over to other uses (livestock, agriculture, hunting, etc.) that interfere with the life of these species. The vegetation, on the other hand, has been recovering with the campaigns of reseeding and replanting that have been carried out on the basis of mainly scrubland species (bush species such as broom, rockrose, etc.), to support integration into the landscape.

Initiatives to mitigate the environmental impact of products and services, and extent of reduction of this impact

The Final Reclamation Project of the ENUSA Mining Operations in Saelices El Chico was concluded in 2008, and its ultimate purpose was to return the lands affected by the old mine to their former uses – fundamentally pastureland and forest – minimize the environmental impact and integrate them into the region's landscape. The original uses can be recovered, with the approval of the competent authorities, once the reclamation monitoring and control program has concluded, ensuring the good environmental condition of the site and achievement of the targets.

Environmental Expenses and Investments.

As in previous years, all the expenditure during 2015 (€3,602 million) can be considered as an environmental investment since it was fundamentally allocated to the treatment of contaminated water, the maintenance and control of the reclaimed areas, the performance of laboratory and field testing – together with complementary studies – for the current projects studying alternatives for the optimization of water management (soil behavior, soil conditioners, water characterization, intensification of natural evaporation, etc.), as well as the application of the monitoring and control programs established and approved by the different competent authorities. Compared to previous years, the specific actions in 2015 have amounted to €157,152 in equipment investments and €329,648 in soil remediation measures and development of the pilot projects being executed in the different areas and structures of the site.

ENVIRONMENTAL INVESTMENTS (THOUSANDS OF €)

03 ENUSA GROUP ENVIRONMENTAL INVESTMENT

EMGRISA

The Empresa para la Gestión de Residuos Industriales, S.A. (Emgrisa) is a company that provides professional services to the environmental sector. Its mission is to “Implement and provide our customers and society with solutions and tools to safely, efficiently and responsibly undertake their environmental commitments”.

This mission is supported by a series of values and principles which, from the environmental perspective, include the following:

- Commitment to our customers
- Ongoing experience and professionalism
- Dialogue and transparency with the parties
- Observance of the law
- Commitment to sustainability
- Initiative and continuous improvement

These values are developed and defined under the umbrella of its integrated management system, which is certified pursuant to standards ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 and which covers all the activities that the organization undertakes, which broadly include the following:

- Industrial waste management
- Contaminated soil characterization and treatment
- Environmental auditing and inspection services
- Research, development and fine tuning of all manner of procedures, devices, products, patents and models related to the aims indicated in the preceding paragraphs
- Provision of engineering, environmental consulting and technical assistance services

In this order, the commitment of Emgrisa to its values and principles entails an ongoing investment and effort. This effort is rewarded in different ways:

- Third party; by overcoming the external audit processes undertaken by the internationally accredited firm SGS TECNOS

- Second party, by effectively securing the loyalty of its customers in its traditional lines of business, and by recruiting new customers and collaborating companies in the new lines of development

- First party; with the successful implementation of new, more environmentally friendly productive processes, e.g. the hazardous waste crushing line, with obvious advantages for recycling and recovery, as well as reduction of consumptions and risks posed by management thereof, and replacement of part of the infrastructure with more efficient elements: vehicles, trucks and computing equipment.

In spite of these continuous accomplishments, Emgrisa is fully aware that all its efforts should be planned and aimed at fulfilling its vision as a company: “be a point of reference in the recovery and preservation of nature, to guarantee the right to enjoy a decent environment under an ongoing commitment to the satisfaction of customers and society, and supported by the development of a competitive organization”. And it is at this strategic level where EMGRISA draws up plans and programs which its human and professional capital turn into specific milestones and accomplishments associated with the organization’s performance.

At this strategic planning level, for 2015 Emgrisa defined, for the first time with a biannual scope, a program of targets and goals that, supported by and in relation to the auditing and training programs, set the short-term courses of action, not only in terms of the environmental performance to be attained but also the quality and improvement to be obtained in the area of prevention.

Emgrisa’s program of targets and goals not only includes the objectives to be achieved, but also the goals to be reached (milestones on the way), the planned timeframes, the defined responsibilities, the available resources and, when feasible, the indicator(s) of reference.

In this respect, the organization proposed and achieved the following environmental objective in 2015:

- Improve the environmental performance associated with key operations, focusing on the environmental aspects related to the fuel consumption of its transport operations, and electric power and paper consumption by its offices.

And it defined the following objective for the period of 2015 to 2016:

- Improve incorporation of the environmental factor into the organization’s processes, and

- Adapt the organization’s culture to expectations.

Both are in the process of development and implementation.

UTE TECONMA-AZAHAR ENVIRONMENT-ECODECO (UTE-RSU CASTELLÓN)

As it has being doing since the beginning of its activities in early 2012, the Castellón UTE-RSU is subject every year to a series of environmental controls, thus complying with the conditions specified in the Integrated Environmental Permits (AAI) for both the Cervera del Maestre Municipal Waste Treatment Plant and the Reject Repository.

The environmental controls carried out in 2015 are as follows:

Air

The atmospheric emissions and immissions from the different sources have been controlled, both in the Plant and the Repository, by an accredited ECMCA (environmental quality collaborating entity), and the recorded values were below the established limits.

For the Plant emission control, NH3, SH2, HCL, COT and HF particles are measured. Furthermore, the immission levels of NH3 and SH2 are measured, as required in accordance with the corresponding AAI, and the immission levels of particles and PS are measured on a voluntary basis as a complement to the above.

Just as in the Plant, the Reject Repository has been subject to environmental control of the immissions, and the recorded immission values and levels of particles (PST and PS), NH3 and SH2 are below the limits established in its Integrated Environmental Permit.

Water

In the reject repository, the controls on the groundwater of the different piezometers and the lixiviation pond located in the repository include the following:

- Daily control of the piezometer C-5 at the bottom of the repository (conductivity and temperature)
- Weekly control of the 8 repository piezometers (conductivity and temperature)
- Monthly control of the 8 repository piezometers (basic physicochemical analysis by an accredited ECMCA)
- Six-monthly control of the 8 repository piezometers (complete physicochemical analysis by an accredited ECMCA)

All the recorded values are below the established limits.

Leachates

On a quarterly basis in both facilities, a complete physicochemical analysis has been performed by an accredited ECMCA of the leachates collected in the lixiviation pond of the repository and the leachate collection tanks of the Plant. The measured values include DB05, COD, COT, conductivity, suspended solids, Cd, Cr, Hg, Cu, Zn, etc.

Just as for the groundwater, the obtained values are below the established limits.

The leachates of both facilities have been delivered to the appropriate authorized management agency for disposal thereof, thus meeting the requirement of “zero discharges” imposed by the pertinent permits.

Topography of the Reject Repository

As a control and supervision measure, a topographical survey was made of the vessel currently in operation, in order to ascertain the occupied volume and the remaining available volume.

Others

In accordance with the agreements between the UTE, the Cervera del Maestre City Council and the Waste Consortium of Castellón Zone I, the UTE facilities have been subject to a thorough Environmental Audit by a firm accredited for such purposes, which analyzed in detail all the possible impacts of the facilities on the environment.

04

MAIN ENVIRONMENTAL PERFORMANCE INDICATORS OF ENUSA INDUSTRIAS AVANZADAS, S.A.

Given the special characteristics of our business, our company is especially implicated in and committed to the environment and its conservation.

Climate change is one of the fundamental issues related to environmental conservation. The concern with this phenomenon will most likely lead to a greater demand for efficient, low emission energy solutions. For ENUSA Industrias Avanzadas S.A. climate change is an opportunity, if we bear in mind that nuclear energy can contribute around 20% to the reduction of emissions in the world's electric power system by 2050, and there is a consensus that the low emissions of greenhouse gases make it an option to help mitigate climate change. In addition, the absence of CO_2 emissions from the biogas plant is an opportunity for ENUSA's total emissions.

The most significant environmental performance indicators of ENUSA Industrias Avanzadas, S.A. are indicated in detail below. The work centers (manufacturing facility) and Saelices (environmental center), which both have radiological and non-radiological ambient controls, are extensively covered in detail in their respective sections and therefore this section only includes their totals. In the specific case of the Madrid work center, where the corporate headquarters and central offices of ENUSA are located, in addition to the data on paper, electricity, water and CO_2 emissions related to electric power consumption and business trips by employees, an estimate of the generated wastes is included.

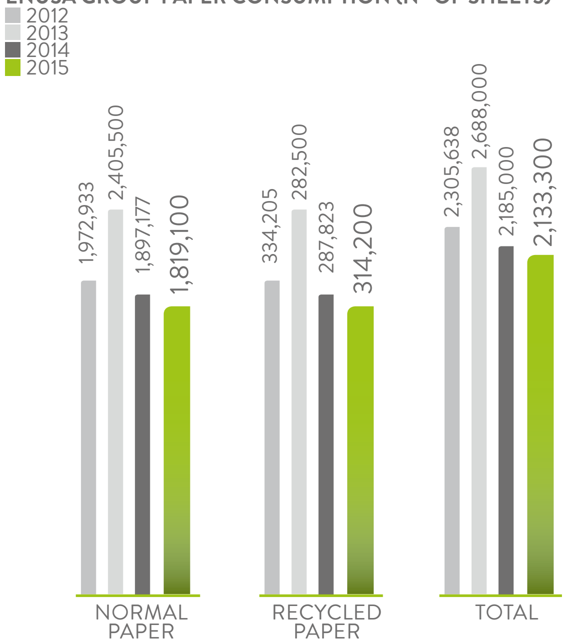
Of note is the fact that, in recent years, an effort has been made to decrease the use of printer paper and toner in order to improve eco-efficiency. A new document destruction and paper recycling initiative was launched in 2015 in order to implement responsible environmental management of all paper documentation, whether confidential or not, that is produced in the ENUSA Madrid offices and that must be destroyed pursuant to the provisions of the Personal Data Protection Act. In this way, we ensure that all the paper records we produce are suitably destroyed and revalorized. As a result, since it was implemented, nearly one million sheets of paper (4,793.96 Kg) have been recycled, thus avoiding the emission of 4,314.56 Kg of CO_2 equivalent to 32 800-Km automobile trips.

On the other hand, on occasion of this initiative, the waste management system has been modified in order to achieve adequate separation at source. Specifically, plastic bags have been banned from the workers' individual paper bins. Instead, both organic and plastic wastes must be placed in the containers provided for this purpose at the designated points for subsequent recycling and valorization. In addition, eliminating plastic bags from the workers' individual paper bins has resulted in a saving of around 20,000 units.

This section also includes the electric power, water and paper consumption of the ENUSA Group subsidiaries, thus providing a total sum of the consumption of these resources in the Group as a whole.

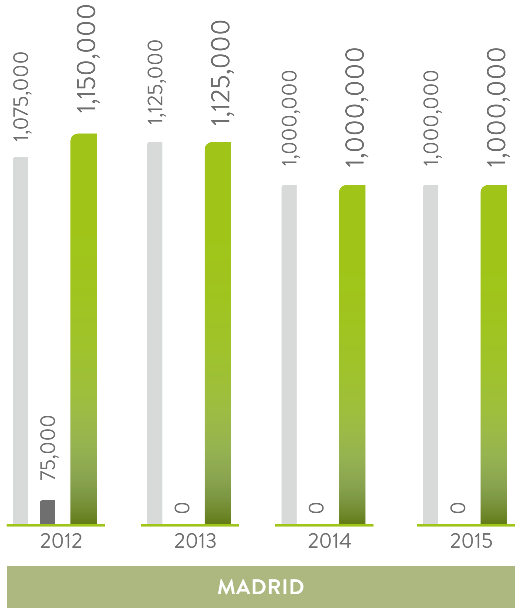
PAPER

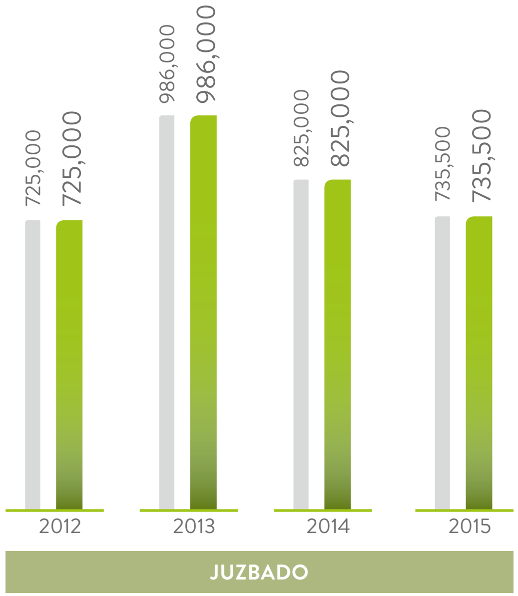
ENUSA GROUP PAPER CONSUMPTION (Nº OF SHEETS)

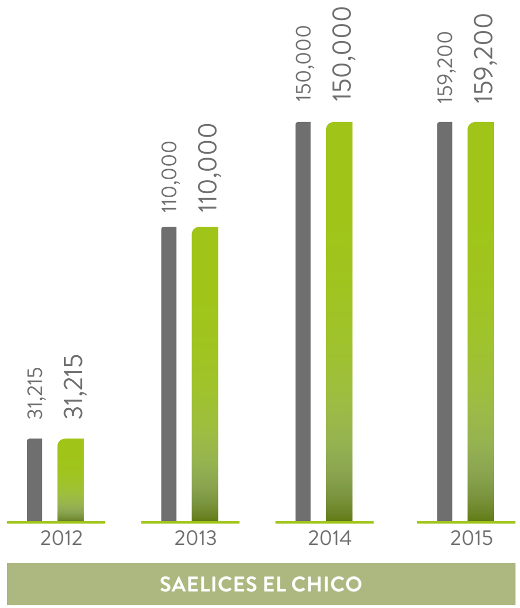


	NORMAL PAPER	RECYCLED PAPER	TOTAL 2015	TOTAL 2014	TOTAL 2013	TOTAL 2012
EMGRISA	3,132	153,468	156,600	139,500	172,500	206,000
ETSA-ENUSEGUR	45,468	1,532	47,000	33,000	92,000	114,000
MOLYPHARMA	N.A.	N.A.	N.A.	N.A.	163,000	58,000
TECONMA	N.A.	N.A.	N.A.	N.A.	N.A.	21,423
TOTAL SUBSIDIARIES	48,600	155,000	203,600	172,500	427,500	399,423
ENUSA	1,770,500	159,200	1,929,700	2,012,500	2,260,500	1,906,215
TOTAL ENUSA GROUP	1,819,100	314,200	2,133,300	2,185,000	2,688,000	2,305,638

N.A. Not applicable.





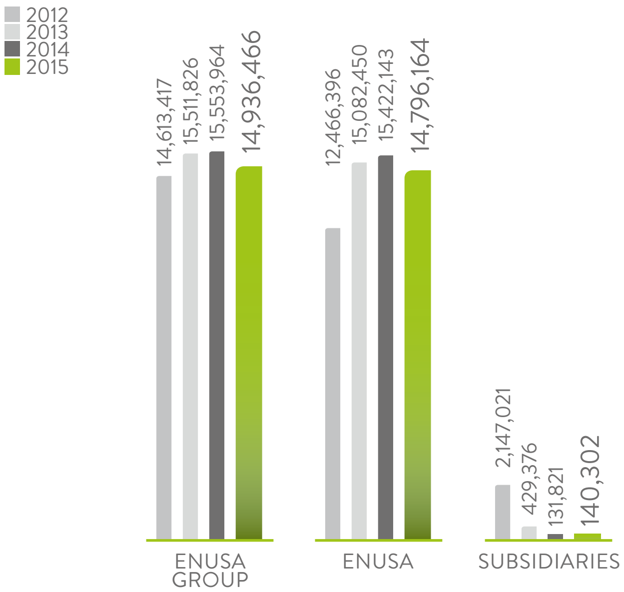


NORMAL
RECYCLED
TOTAL

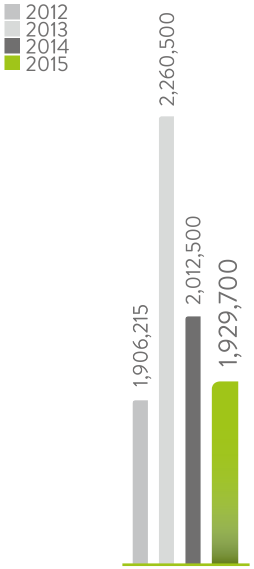
N.A. The data for the Castellón UTE-RSU are incorporated into Enusa Industrias Avanzadas, S.A. as of 2013

ELECTRICITY

ENUSA GROUP ELECTRIC POWER CONSUMPTION (kWh)



PAPER CONSUMPTION EVOLUTION IN ENUSA



ENUSA GROUP SUBSIDIARIES ELECTRIC POWER CONSUMPTION (kWh)

	2012	2013	2014	2015
EMGRISA	84,288	101,953	90,566	96,754
ETSA	57,419	39,829	41,255	43,548
ESTA-Doi	655	364	N.A.	N.A.
ENUSEGUR	443	167	N.A.	N.A.
MOLYPHARMA	331,668	287,063	N.A.	N.A.
TECONMA	1,672,548	N.A.	N.A.	N.A.
TOTAL SUBSIDIARIES	**2,147,021**	**429,376**	**131,821**	**140,302**

N.A. Not applicable. Company liquidated

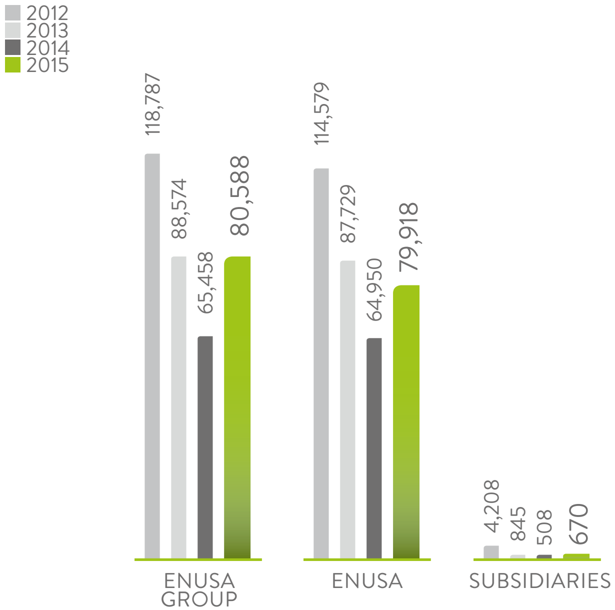
ENUSA ELECTRIC POWER CONSUMPTION BY WORK CENTERS (kWh)

	2012	2013	2014	2015
MADRID	747,517	719,690	687,104	629,769
JUZBADO	10,094,257	9,830,064	9,887,207	9,241,239
SAELICES EL CHICO	1,624,622	1,881,139	1,658,498	1,426,154
UTE RSU CASTELLÓN	N.A.	2,651,557	3,189,334	3,499,002
TOTAL	**12,466,396**	**15,082,450**	**15,422,143**	**14,796,164**

N.A. The data for the Castellón UTE-RSU are incorporated into Enusa Industrias Avanzadas, S.A. as of 2013

WATER

ENUSA GROUP WATER CONSUMPTION (m³)



ENUSA GROUP SUBSIDIARIES WATER CONSUMPTION (m³)

	2012	2013	2014	2015
EMGRISA	654	556	497	658
ETSA	22	14	11	12
ETSA-Doi	7	3	N.A	N.A
ENUSEGUR	N.D.	N.D.	N.A	N.A
MOLYPHARMA	204	272	N.A	N.A
TECONMA	3,321	N.D.	N.A	N.A
TOTAL SUBSIDIARIES	**4,208**	**845**	**508**	**670**
ENUSA	114,579	87,729	64,950	79,918
TOTAL ENUSA GROUP	**118,787**	**88,574**	**65,458**	**80,588**

ENUSA WATER CONSUMPTION BY DESTINATION AND WORK CENTER (m³)

	DRINKING WATER	IRRIGATION WATER	PROCESS WATER	TOTAL 2015
MADRID	1,618	0	0	1,618
JUZBADO	23,450	14,427	0	37,877
SAELICES EL CHICO	982	2,934	33,747	37,663
UTE RSU CASTELLÓN	110	580	2,070	2,760
TOTAL	**26,160**	**17,941**	**35,817**	**79,918**

WASTES

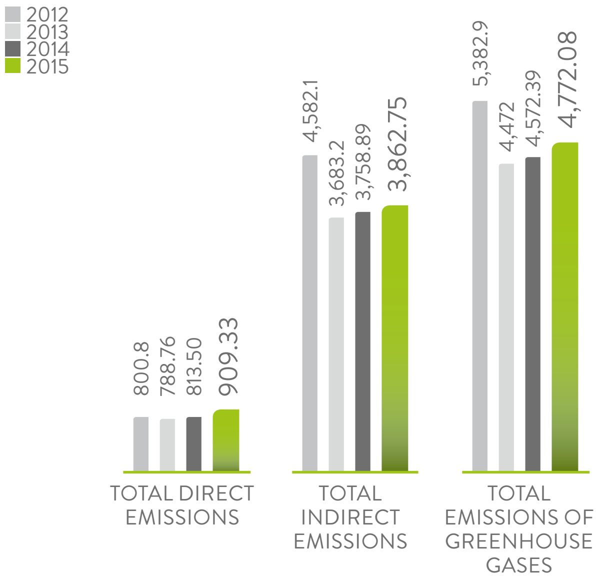
WASTES MANAGED BY ENUSA (kg)

	MADRID	JUZBADO	SAELICES EL CHICO	TOTAL 2015	TOTAL 2014	TOTAL 2013	TOTAL 2012	TOTAL 2011
Hazardous (Kg)	1,057	7,179.50	659	8,895.50	16,329	14,139	19,574	13,648
Sanitary (Kg)	N.S.P	20.50	0	20.50	27	39	30	28.76
Inert (Kg)	N.S.P	85,940	0	85,940	116,793	483,180	105,860	146,980
Recyclable urban-assimilable (Kg)	9,954	24,960	N.D.	34,914	40,085	37,820	31,620	29,390
Municipal solid (Kg)	3,051.18	18,830	N.D.	21,881.18	25,755	28,530	15,028	14,252

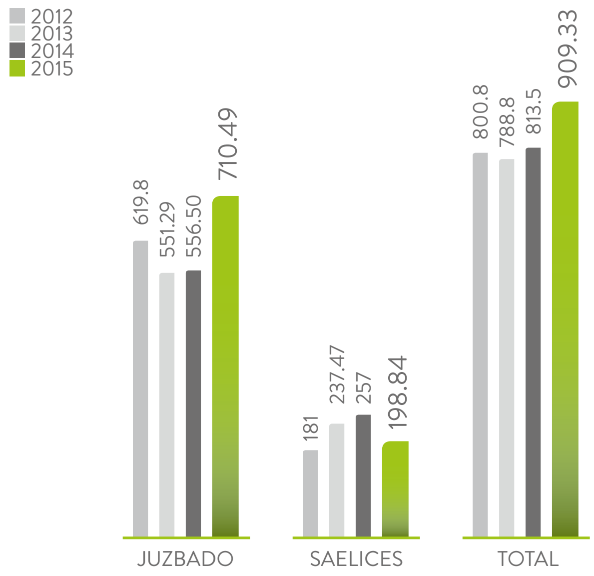
N.D. No data available
N.S.P. This type of waste not produced
Note: Saelices el Chico workplace health care waste have managed together with the factory in Juzbado, prior selection at origin.

CO_2 EMISSIONS

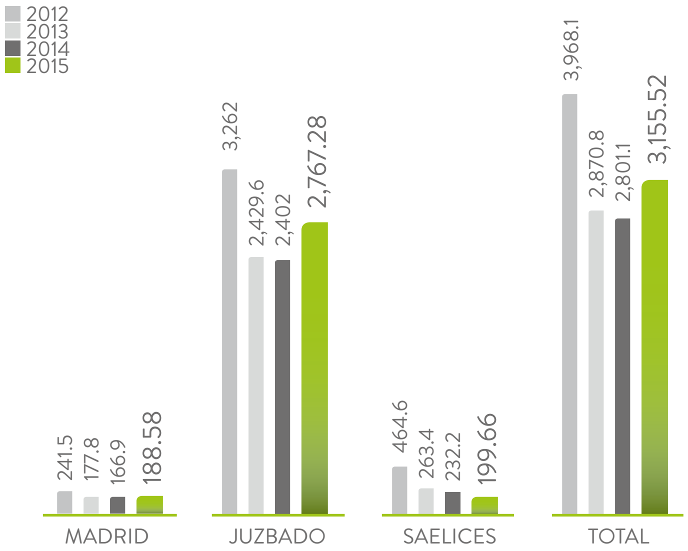
ENUSA CO_2 EMISSIONS (Tn)



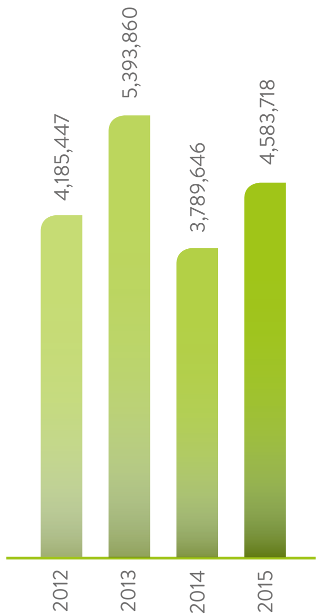
ENUSA DIRECT EMISSIONS (CO_2 Tn)



ENUSA INDIRECT EMISSIONS – ELECTRIC POWER CONSUMPTION (CO_2 Tn)



ENVIRONMENTAL EXPENSES AND INVESTMENTS OF ENUSA (€)



ENUSA INDIRECT EMISSIONS – PERSONNEL AND GOODS & SERVICES TRANSPORT (CO_2 Tn)

	2012	2013	2014	2015
MADRID	36.13	35.88	53.10	60.96
JUZBADO	552.6	751.13	874.70	621.40
SAELICES EL CHICO	25.65	25.38	30.01	24.87
TOTAL	**614.38**	**812.39**	**957.81**	**707.23**

APPENDICES

01 TABLE OF GRI INDICATORS

GENERAL STANDARD DISCLOSURES [G4-32]

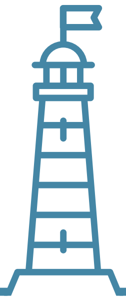
	STRATEGY AND ANALYSIS	PÁG.
G4-1	Statement from the CEO	4-5
G4-2	Key impacts, risks, and opportunities	4-5, 10, 35-40, 223, 254
	ORGANIZATIONAL PROFILE	**PÁG.**
G4-3	Name of the organization	18-19
G4-4	Primary brands, products, and services	18-19, 52-53
G4-5	Location of the organization's headquarters	18
G4-6	Number of countries where the organization operates or has significant operations	214, 216, 222
G4-7	Nature of ownership and legal form	18, 26
G4-8	Markets served	213-219, 220-222
G4-9	Scale of the organization (net sales, number of employees, etc.)	16, 46, 213-219, 220-222
G4-10	Number of employees by employment contract, employment type and region	190-196
G4-11	Percentage of total employees covered by collective bargaining agreements	197
G4-12	Description of the organization's supply chain	223-224
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	281
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	10, 11, 12-14, 40, 205-210, 236-237, 255-258
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	15, 229-230
G4-16	Major organizations to which the organization belongs and/or national and international entities that the organization supports	15, 229-230
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	**PÁG.**
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	18-19, 81-84, 103-104
G4-18	Process for defining the report content and the Aspect Boundaries	20-24

G4-19	Aspects identified in the process for defining report content	22
G4-20	Aspect Boundary within the organization. Specific limitations regarding the Aspect Boundary within the organization	20-24, 281
G4-21	Aspect Boundary outside the organization. Specific limitations regarding the Aspect Boundary outside the organization	20-24, 281
G4-22	Restatements of information provided in previous reports	283
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	281
	STAKEHOLDER ENGAGEMENT	**PÁG.**
G4-24	List of stakeholder groups engaged by the organization	23
G4-25	Basis for identification and selection of stakeholders with whom to engage	23
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	23-24, 197-198, 219, 231-234
G4-27	Key topics and concerns that have been raised through stakeholder engagement	23-24
	REPORT PROFILE	
G4-28	Reporting period for information provided.	20
G4-29	Date of most recent previous report	Year 2014
G4-30	Reporting cycle	20
G4-31	Contact point for questions regarding the report or its contents	2
G4-32	'In accordance' option, GRI Content Index and reference to the External Assurance Report	20, 275-280, 284
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	20, 284
	GOVERNANCE	
G4-34	Governance structure of the organization, including committees of the highest governance body	6-9
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	281
G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics	281
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	14, 281
G4-38	Composition of the highest governance body and its committees	6-9
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	6
G4-40	Nomination and selection processes for the highest governance body and its committees	7
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	7, 107
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	11
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	281
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics and actions taken in response	281
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	281

G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	281
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	281
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Director of Systems and Quality
G4-49	Process for communicating critical concerns to the highest governance body	281
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	282
G4-51	Remuneration policies for the highest governance body and senior executives	7, 107, 199
G4-52	Process for determining remuneration	7, 107, 199
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	7, 107, 199, 282
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees	Result: 4,60
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	There was no increment
	ETHICS AND INTEGRITY	
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	11-14
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	12-14
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	12-14

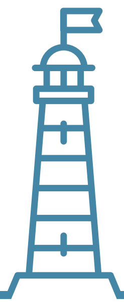
SPECIFIC STANDARD DISCLOSURES [G4-32]

CATEGORY: ECONOMIC		
G4-DMA	Generic Disclosures on Management Approach	27-34, 35-37, 40
	ASPECT: ECONOMIC PERFORMANCE	**PÁG.**
G4-EC1	Direct economic value generated and distributed	16, 42-50
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	38, 267, 282
G4-EC3	Coverage of the organization's defined benefit plan obligations	95, 102, 199-200
G4-EC4	Financial assistance received from government	103, 202
	ASPECT: INDIRECT ECONOMIC IMPACTS	**PÁG.**
G4-EC7	Development and impact of infrastructure investments and services supported	282
G4-EC8	Significant indirect economic impacts, including the extent of impacts	228



CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
	ASPECT: EMPLOYMENT	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	189-190
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	189-190
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	199-200
G4-LA3	Return to work and retention rates after parental leave, by gender	200
	ASPECT: OCCUPATIONAL HEALTH AND SAFETY	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	205-212
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	205
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	211-212
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	207
G4-LA8	Health and safety topics covered in formal agreements with trade unions	282
	ASPECT: TRAINING AND EDUCATION	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	201-202, 204
G4-LA9	Average hours of training per year per employee by gender, and by employee category	204
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	201-203
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	199
	ASPECT: DIVERSITY AND EQUAL OPPORTUNITY	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	198
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6-9, 195, 196-197

SUB-CATEGORY: SOCIETY		
	ASPECT: LOCAL COMMUNITIES	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	228-230
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	228-230, 236-238, 255-257, 282
G4-SO2	Operations with significant actual and potential negative impacts on local communities	236-237
	ASPECT: ANTI-CORRUPTION	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	12-14
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	12-14, 282
G4-SO4	Communication and training on anti-corruption policies and procedures	12-14
G4-SO5	Confirmed incidents of corruption and actions taken	282
	ASPECT: COMPLIANCE	**PÁG.**
G4-DMA	Generic Disclosures on Management Approach	12-14, 226-227, 236-237, 255-256
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	282
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
G4-DMA	Generic Disclosures on Management Approach	226-227
	ASPECT: CUSTOMER HEALTH AND SAFETY	**PÁG.**
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	226
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	282
	ASPECT: COMPLIANCE	**PÁG.**
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	282



CATEGORY: ENVIRONMENTAL		
G4-DMA	Generic Disclosures on Management Approach	30-32, 236-238, 253, 255-257
	ASPECT: ENERGY	**PÁG.**
G4-EN3	Energy consumption within the organization	246, 260, 270, 282
G4-EN4	Energy consumption outside of the organization	247
G4-EN5	Energy intensity	247
G4-EN6	Reduction of energy consumption	251
G4-EN7	Reductions in energy requirements of products and services	252
	ASPECT: BIODIVERSITY	**PÁG.**
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	249-251, 261
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	236-237, 249-251, 261, 262
G4-EN13	Habitats protected or restored	249-251, 261
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	249-251, 261
	ASPECT: EFFLUENTS AND WASTE	**PÁG.**
G4-EN22	Total water discharge by quality and destination	238, 242, 261
G4-EN23	Total weight of waste by type and disposal method	240, 243-245, 258, 259, 272
G4-EN24	Total number and volume of significant spills	282
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	282
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	282
	ASPECT: COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	**PÁG.**
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	282
	ASPECT: ENVIRONMENTAL EXPENDITURES AND INVESTMENTS	**PÁG.**
G4-EN31	Total environmental protection expenditures and investments by type	251-253, 262, 273

02 CLARIFICATIONS TO THE GRI INDICATOR TABLE

GENERAL STANDARD DISCLOSURES

Organizational profile

G4-13 In the reporting period covered by the annual report, there have been no significant changes in the organization's size, structure, ownership or the supply chain.

Identified material aspects and boundaries

G4-20, G4-21 According to the criteria adopted to prepare this annual report in keeping with GRI, the joint ventures and subsidiaries of the ENUSA Group have not been included (inclusion of only the parent or dominant company: ENUSA Industrias Avanzadas, S.A.).

G4-23 There have been no significant changes with respect to previous reporting periods in the scope, boundary or measurement methods applied in the annual report.

Governance

G4-35 The process of the highest governance body for delegating authority for economic, environmental and social topics is based on a structure of powers of attorney formally approved by this body, with the scope, restriction and limitations determined in each case.

G4-36 There are in the organization executive positions or positions with responsibility for economic, environmental and social topics. The chairman of the highest governance body has executive powers in these topics and, under his direct responsibility, appoints positions also with responsibility for such topics, and these post holders report directly to the chairman, and indirectly through the chairman, to the highest governance body.

On occasion, the post holders with responsibility for economic, environmental and social topics appointed by the chairman report directly to the highest governance body at the latter's request.

G4-37 The highest governance body delegates the processes to consult the stakeholders regarding economic, environmental and social topics in the Executive Committee, which in turn appoints positions with responsibility for such topics.

G4-43 To develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics, comprehensive reports of the most relevant events related to these topics are periodically drawn up. These comprehensive reports are submitted to the highest governance body, to which more detailed monographic presentations on specific economic, environmental and social topics are also given.

G4-44 The highest governance body's performance is evaluated by the shareholders on occasion of the annual approval of the organization's accounts. In that same process, this Annual Report is also approved and, therefore, performance in matters of sustainability is also evaluated. The evaluation is independent of the evaluated body. There have been no changes in the members of the highest governance body, or in its organizational practices, given that the evaluation of their performance has been considered to be correct.

G4-45, G4-46 The audit committee appointed by the highest governance body from among its members is entrusted with the functions of identifying and following up the impacts, risks and opportunities in the indicated areas, and of reporting on the application of due diligence processes and evaluating these processes and supervising their effectiveness. The audit committee subsequently reports to the highest governance body on the results of the discharge of these functions.

G4-47 The audit committee reviews the economic, environmental and social impacts, risks, and opportunities on at least a six-monthly basis, and it subsequently reports the results obtained to the highest governance body. On a monthly basis, the executive president of the organization reports to the highest governance body on such impacts, risks and opportunities. On an annual basis, the highest governance body reviews these same impacts, risks and opportunities on occasion of approval of the organization's annual report, which includes the economic, environmental and social topics.

G4-49 The executive president of the organization directly reports the concerns affecting the organization to the highest governance body on a monthly basis. On occasion of this monthly information, the executive president communicates the critical concerns, if any, to this body.

G4-50 All concerns that were considered as critical were communicated to the highest governance body in connection with the direct information that the executive president of the organization reports to it on a monthly basis.

G4-53 In 2015, the remunerations of Enusa personnel have been determined according to the legislation that regulates emoluments in the public business sector, and therefore the views of the stakeholders are not applicable.

SPECIFIC STANDARD DISCLOSURES

Economic dimension

G4-EC2 ENUSA does not have a specific plan to combat climate change, although there are several plans, including environmental monitoring and energy efficiency plans, that analyze parameters compatible with a specific plan.

G4-EC7 ENUSA Industrias Avanzadas, S.A. currently has no expenditure or investment in infrastructures not related to its economic activities.

Social dimension

G4-LA8 In the period covered by this report, no agreements have been signed with trade unions regarding health and safety affairs, as this topic is covered by the committees created for this purpose.

G4-SO1 In 2013, with the collaboration of ENUSA, the General Foundation of the University of Salamanca published a study on the “Socioeconomic impact of ENUSA in Salamanca”.

G4-SO3 In the process of drawing up the Organizational, Management and Control Model for crime prevention, the risks related to corruption in all the company’s work centers have been taken into account.

G4-SO5 In 2015 there have been no incidents of corruption detected.

G4-SO8 In 2015 there have been no fines or sanctions for noncompliance with laws and regulations.

G4-PR2 In 2015 there has not been any failure in compliance with legal or volunteer codes in relation to products and services in the health and safety during its life cycle.

G4-PR9 There have been no incidents of noncompliance with laws concerning the provision and use of products and services of the organization.

Environmental dimension

G4-EN3 277.7 kWh equals 1 GJ.

G4-EN24 No accidental discharges or spills have occurred in 2015.

G4-EN25 No international transports have been made of hazardous wastes, according to the classification of the Basel Convention, Annexes I, II, III and VIII.

G4-EN26 During 2015, no water body or habitat has been affected by discharges of water or runoff.

G4-EN29 In 2015 ENUSA has not been burdened by any sanction for non-compliance with environmental laws and regulations.

03 BASIS FOR CALCULATION OF THE INDICATORS

The economic dimension indicators have been prepared in accordance with the accounting principles provided in Royal Degree 1159/2010 of 17 September.

To calculate the social and environmental dimension indicators, the recommendations made by the GRI have been used.

With regard to the rates of absenteeism, accidents and occupational diseases, and frequency, seriousness and incidence indexes, the formulas used to calculate them are included next to the tables where the outcomes of these indexes are shown.

All indicators follow the same method of calculation as in previous reports, except those related to the indirect emissions of CO2. Until 2009, the conversion factor used for the calculation of indirect emissions, i.e. those derived from electricity consumption, was 0.14. To make it more accurate indicator, since 2010 the same calculation for Juzbado takes place through the weighted average contribution of the different electric power sources and the Conversion Factors to Primary Energy (PE) and the CO2 Emission Factor for Fuels, Thermal Uses and Electricity (IDEA) Therefore, for comparison with previous years, it is necessary to take into account the following conversión factors:

YEAR	Conversion Factors (t CO_2/MWh)
2010	0.1986
2011	0.2860
2012	0.3221
2013	0.247
2014	0.2429
2015	0.2994

04

EXTERNAL ASSURANCE REPORT

AENOR Asociación Española de Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 006/16

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

ENUSA INDUSTRIAS AVANZADAS, SA

Entitled ***ANNUAL REPORT 2015. GRUPO ENUSA***

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report.

This external assurance is in accordance with the **Exhaustive Option** of the G4 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 19th April 2016 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract – application nº 2016/20658/GRI/01 dated 26th January, 2016 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate ENUSA INDUSTRIAS AVANZADAS, SA in the "GRI Reports List" which is published in its Web http://www.globalreporting.org/GRIReports/GRIReportsList/.

Issued on: 27th April 2016

AENOR Asociación Española de Normalización y Certificación

Avelino BRITO
Chief Executive Officer

grupo enusa

Santiago Rusiñol, 12 - 28040 Madrid
Teléfono: 913 474 200
Fax: 913 474 215
www.enusa.es
relin@enusa.es