



IRSN

INSTITUT
DE RADIOPROTECTION
ET DE SÛRETÉ NUCLÉAIRE

ENHANCING NUCLEAR SAFETY

FINANCIAL REPORT 2013

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MANAGEMENT REPORT ON THE FY 2013 ACCOUNTS PRESENTED BY THE DIRECTOR GENERAL

CONTEXT

In the light of continued budget constraints and the increasing demands of civil society for better information about radiological risks, IRSN undertook a review of its overall strategy in 2013 in order to sustain its ability to target its programs and campaigns by identifying the activities to be given priority and the budget resources to be allocated to them.

RADIATION PROTECTION SUPPORT FOR PUBLIC AUTHORITIES

Public authorities are given support in a large number of areas, ranging from environmental issues, management of emergency situations and protection of workers.

IRSN continued its ongoing monitoring work within the field of radiation protection as part of its objectives in 2013. It was consequently heavily involved in the radiological monitoring of the region and undertook the processing and utilisation of the exposure monitoring data on workers and patients exposed to ionising radiation. More specifically, IRSN continued to fine tune the conditions and methods appropriate for the implementation of its strategy for environmental surveillance, both in Metropolitan France by the deployment of the new cover of the Téléray system and in Polynesia through the introduction of a multi-pollution lagoon surveillance network. And, for the first time in the Centre region it also arranged a presentation of the radioactivity monitoring system to the region's local elected representatives and stakeholders.

In order to improve crisis management and to incorporate the lessons learned from the Fukushima accident, it has proved necessary to build up the organisational and operational arrangements to guarantee a rapid and effective response to any emergency radiological or post-accident situation. This is primarily a matter for the national organisations and bodies, but will also require cooperation at an international level. As part of this IRSN has been involved in a number of national and

international crisis exercises aimed at testing the organisations and the action taken in various situations.

Finally, IRSN was able to assist with the drafting of public policies by its contribution to the preparatory work for the third Cancer plan under the aegis of the French National Cancer Institute (INCA) and with the national debate on the transition of energy via its involvement with the advisory committee.

EXPERT ASSISTANCE IN SUPPORT OF NUCLEAR SAFETY AUTHORITIES

Since the Fukushima-Daiichi nuclear accident, the Institute has devoted a significant portion of its expertise in safety matters to an assessment of the proposals advanced by the operators of civil and defense facilities aimed at reinforcing the capability of their facilities for coping with the extreme stresses that produced the disaster in Japan.

In 2013 IRSN examined the ways of adapting the hardened safety core to the facilities that had been identified as high priority following the complementary safety assessments (CSA's), including nuclear power reactors. The Institute also finalised the conclusions of its evaluation of the CSA's in respect of the facilities presenting the least risk in July 2013.

Several other assessments were conducted at the same time, in particular concerning the safety review associated with the third ten-year inspection program of 1,300 MWe reactors and the detailed design of Flamanville 3.

RESEARCH

There were three main approaches to research activities in 2013:

- a broad review of the Institute's research priorities which was the subject of a presentation to the Research Steering Committee, producing in particular proposals for an approach that would be consistent with the principles of excellence, subsidiarity, optimisation, innovation and prudence that are deemed to be fundamental,

- increasing the Institute's involvement in partnership projects, either in European programs and platforms or proposals in connection with calls for projects organised by the French National Research Agency (ANR), in particular as part of future investment programs dedicated to safety and radiation protection.

On this last point IRSN made a formal commitment in 2013 in a form of a loan of 40M€ over 6 years on average in 14 projects, 7 of which are to be coordinated by IRSN. The ANR will thus finance around 30% of all the work conducted by the Institute in this field.

2013 saw the passing of important milestones for the programs in progress:

- a number of programs or trials conducted under the aegis of the OECD have been completed in the field of nuclear safety, for example in respect of the modelling of the "source term";
- significant investments in support of research programs, some of which are at an advanced stage (CABRI on fuel, Pearl on the re-flooding of a degraded reactor core, MIRCOM microprobe line, etc.) and others at the start-up phase (contaminated animal facility PARISII, PERSEE loop on the purification and containment systems);
- the publication of the first results of the epidemiological study on workers exposed to ionising radiation on the basis of the national cohort formed from workers from the CEA, Areva and EDF.

Lastly the research activities in 2013 were recorded in around 230 publications, a particularly high number.

OPENING UP TO SOCIETY AND TRANSPARENCY

The Institute is continuing its commitment to openness and transparency which it established with its first charter for opening up to society. Apart from its many collaborations with Ancli, the National Association of Local Information Committees, particularly in view of the growing authority of the LIC's, it took an active part in the provision of information in connection with the CIGEO project for a facility for deep reversible disposal of radioactive waste in Meuse/Haute-Marne borne by Andra. It continued its involvement in the prevention of the health risks associated with radon and participated, for example, in the finalisation of the work relating to former uranium mines in the Limousin with the multi-disciplinary expert group, GEP Mines.

The new IRSN code of conduct and ethical charter was approved by the Board of Directors in June 2013 and reiterates the basic principles to which the Institute and its employees are committed: quality of the expertise provided and the data produced, transparency and openness vis-à-vis society, independence and neutrality.

The policy of publishing IRSN's statements has been expanded in consultation with ASN, the Nuclear Safety

Authority. Apart from the campaigns conducted jointly with ASN, IRSN published nearly 70 technical notices and reports produced at the request of the Authority on its website and produced 15 new information files and nearly 30 video presentations of an educational nature on nuclear and radiological risks.

Finally, in coordination with the French Embassy in Japan, the Institute organised a press trip for French journalists to visit the site of the Fukushima power plant in December 2013.

INTERNATIONAL

IRSN is continuing its significant involvement in the European and international networks and is taking the lead in the promotion of nuclear safety and radiation protection.

As 2013 is a year of transition between the 7th and the 8th PCRD (Framework Program for Research and Development), IRSN gathered its forces to respond to the last invitation to tender of the 7th PCRD. Out of the 10 projects in which the Institute has an involvement, nine have been accepted. The Institute is also heavily involved in the preparation of the Euratom sub-program of the 8th PCRD (Framework Program for Research and Development) entitled HORIZON 2020, marked in particular by the signing of a "Memorandum of understanding" by the research platforms MELODI, European Radioecology Alliance, NERIS and EURADOS in Brussels on 5th December 2013 to confirm their common commitment to the consolidation and the implementation of a strategic vision for research into radiation protection in Europe.

Finally, the publication in 2013 by the European network of TSO ETSON of the first technical guides intended to promote best practices in the assessment of nuclear safety to which IRSN has made a significant contribution is a strong indication of the progress made in terms of coordination.

FISCAL YEAR BUDGET EXECUTION

The main issues arising in the implementation of the budget, compared with the budget projections for the 2013 financial year are as follows:

- the subsidy in respect of the 190 program was paid in full;
- the Institute's self-generated revenue fell by 7.0 M€, offset by a fall in operating expenses, not including staff expenditure, of 12.1 M€, excluding requests for carry-overs and excluding expenditure on the program for the dismantling of the PHEBUS facility, financed by special earmarked funds;
- Staff expenditure was down 3.7 M€, with an average full time equivalent worked (FTE) at the end of December 2013 of 1,699.3 FTE, against a second amending budget of 1,710 FTE, i.e. a variation of -10.7 FTE. However the number of employees FTE at the end of December 2013 was higher than 1,702.8 FTE ;
- the extraordinary revenue of 6.8 M€, corresponding to a reimbursement to IRSN of an over-payment levied by the

tax authorities for 2010 employment tax, was collected plus interest on arrears (0.7 M€);

- the reimbursement from the special funds earmarked for dismantling in respect of the work completed in 2012 was 3.4 M€.

The implementation of the budget during 2013 included a vast investment program totalling 38 M€ after incorporation of operations carried over from the preceding year, including the Institute's property project. Not all of these investments could be completed during the financial year and a proposal to carry over 14.2 M€ for operations in progress to 2014 will be put forward.

Also, some works financed both from the investment budget and the operations budget could not be achieved to the extent originally projected and a proposal to carry over the portion of the operating budget relating to this expenditure, in the region of 10.9 M€, will also be put forward, consisting essentially of:

- CABRI renovation sub-contracting expenditure of 5.1 M€;
- the portion of the operating budget relating to the ANR, property, IRMA, PERSEE, PARISII projects totalling 5.8 M€;

The total carry-overs that will be requested under the first amending budget (BM1) for 2014 thus correspond to an overall amount of 25.0 M€.

The balance of expenditure and resources was +11.8 M€ in 2013, compared with a projected -19.5 M€.

| In €M | EXECUTION | | | | DIFFERENCE 2012/2011 | PROJECTION 2013 |
|--------------------|--------------|--------------|--------------|---------------|-------------------------|--------------------|
| | 2011 | 2012 | 2013 | | | |
| Total resources | 292.1 | 319.5 | 306.6 | -4.0% | 313.1 | |
| Total expenditures | 282.0 | 305.0 | 294.8 | -3.3% | 332.6 | |
| BALANCE | +10.1 | +14.5 | +11.8 | -18.7% | -19.5 | |

The 2013 budget execution rate was 88.6% namely a variation of 37.8 M€, of which 25.0 M€ corresponds to delays in the realisation of certain investments or specific expenses set out above.

Excluding these time differences, the budget execution rate would be 96.2%.

| In €M | EXECUTION | | | | DIFFERENCE 2012/2011 | PROJECTION 2013 |
|---|--------------|--------------|--------------|---------------|-------------------------|--------------------|
| | 2011 | 2012 | 2013 | | | |
| Result | -6.2 | +38.8 | +21.5 | -44.6% | +10.4 | |
| Cash from operations | +12.5 | +40.9 | +36.0 | -11.9% | +17.0 | |
| VARIATION IN WORKING CAPITAL | +10.1 | +14.5 | +11.8 | -18.3% | -19.5 | |

The financial year closed with a surplus of 21.5 M€ compared with a profit of 38.8 M€ in 2012. The difference between the budget projection revised by the second amending budget (BR2), namely a profit of 10.4 M€, and the accounts closed as at

December 31, 2013 is +11.1 M€ which is the result of the balance between:

- the fall in estimated income of 2.8 M€,
- the fall in estimated charges of 13.9 M€.

The Institute's financing generated from its own operations, budgeted at 17.0 M€ at the time of the BR2, amounted to 36.0 M€, i.e. +19.0 M€.

This self-generated funding was supplemented by a refund of 4.5 M€ from the special fund earmarked for dismantling and other resources of 0.2 M€.

The resulting total resources financed expenditure of 28.9 M€ for the acquisition of tangible, intangible and financial assets and the repayment of financial debts. The total thus generated an injection of 11.8 M€ to working capital compared to a projected withdrawal of 19.5 M€ in the BR2.

The injection of 11.8 M€, raised the working capital to 61.7 M€ by the end of the 2013 financial year.

SPECIAL EARMARKED FUNDS

Historically, IRSN has responsibility for clean-up and dismantling operations in three specific areas - the PHEBUS and CABRI research reactors operated by the CEA, the facilities classified for environmental protection (ICPE) that belong to it, and various surplus equipment that is considered radioactive waste. The cost of clean-up and dismantling operations for which IRSN is responsible was updated in 2012 when it was estimated at 77.9 M€.

With regard to the clean-up and dismantling of the PHEBUS facility, the agreement signed with the CEA locks in IRSN's prospective expenditure over the coming years. Total expenses payable by IRSN were €38.9 million at 2011 value, of which €17 million were over the 2012-2017 period, for a smoothed annual cost of €3 million until 2016 and €2 million in 2017.

In 2011, a new operation, the clean-up of the Feurs site was brought within the scope of the special earmarked funds. The total cost of the project for which IRSN is responsible was estimated at 11.3 M€, of which the special fund, which was topped up to that level, will finance the expenses as they progress over the coming financial years.

Situation - 31.12.13

With regard to the clean-up and dismantling of the Basic Nuclear Installations, INB, the Institute has set itself the objective of maintaining a special fund amount sufficient to reimburse the year N operations at the end of year N, agreed on the basis of evidence in N+1. The cost of the anticipated operations associated with the clean-up of the Feurs and Pierrelatte sites has been financed.

INCOME STATEMENT

INCOME

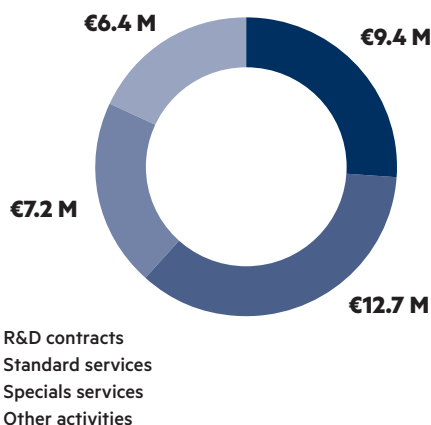
| In €M | 2013 | 2012 | DIFFERENCE |
|-------------------------|--------------|--------------|-------------|
| Revenue | 35.8 | 36.1 | -0.3 |
| Operating grant | 203.8 | 206.9 | -3.1 |
| Operators' contribution | 53.0 | 48.2 | +4.9 |
| Other operating income | 8.4 | 15.6 | -7.2 |
| Operating income | 301.0 | 306.7 | -5.7 |
| Investment income | 0.1 | 0.1 | -0.1 |
| Exceptional income | 22.3 | 17.6 | +4.6 |
| TOTAL INCOME | 323.3 | 324.5 | -1.2 |

The Institute's income fell overall by 1.2 M€ between 2012 and 2013.

Operating revenue totalled 301.0 M€, a fall of 5.7 M€, or -1.9% compared with the previous financial year, and consisted of:

- the public service grant paid by MEDDE under the Budget Program 190, of 199.3 M€, compared with 202.0 M€ in 2012. The difference between the 2012 and 2013 is therefore -2.7 M€ resulting from:
 - the 2012 difference in implementation of +2.9 M€ corresponding to an additional freeze in the Revised Finance Act, LFR;
 - the difference between the budgets entered in the Initial Finance Act of 2012 (LFI 2012) and LFI 2013 of -5.6 M€ in net value of the contingency reserves;
 - the subsidy granted under the agreement with the Ministry of Defense in connection with the 212 Budget Program, of 34 M€, slightly down by 0.3 M€;
 - other grants from local government authorities which were down 0.1 M€ compared with 2012;
- the contribution from INB operators which increased by 4.9 M€, from 48.2 M€ in 2012 to 53.0 M€ in 2013;
- 8.4 M€ in other operating income, a net decline of 7.2 M€ compared with the previous financial year. This income was essentially derived from writing back of reserves for 6.8 M€, against 14.7 M€ in 2012 (cf. Note 20 of the financial appendix), and from industrial property dues of 1.0 M€ (against 0.8 M€ in 2012);
- and finally the turnover, down slightly by 0.3 M€, or -0.8%, to 35.8 M€, resulting from our consultancy service, co-funding of research programs or other services provided.

BREAKDOWN OF SALES INCOME 2013



Turnover falls into four main categories:

- Catalogue services, which increased from 12.5 M€ in 2012 to 12.7 M€ in 2013. They relate primarily to the activities of the IRSN Dosimetry Laboratory at 10.6 M€ (+0.5 M€), revenue associated with radio-toxicology analyses which were unchanged at 0.8 M€, and training services at 0.7 M€ (0.1 M€).
- Research co-funding contracts totalled 9.4 M€, a slight increase of 0.1 M€ compared with the previous financial year. EDF (3.5 M€), Areva (1.9 M€) and the European Union (1.5 M€) are still the principal partners.
- Specific services include various non-co-funded services and studies, to the sum of 7.2 M€, including 2.1 M€ (+0.3 M€) carried out for RISKAUDIT, 1.0 M€ (-0.8 M€) for the CEA, 1.1 M€ (0.1 M€) for EDF and 0.1 M€ (-0.5 M€) for Areva. This category of services posted a turnover in net decline in 2013 compared with the previous financial year (-1.7 M€), mainly due to the combined effect of the increase in turnover achieved by the business unit responsible for international services (+1.0 M€), the fall in the corresponding agreement with the CEA (-0.4 M€), the erosion of turnover on source consultancy programs (-0.4 M€) and the drafting and interpretation of experimental programs in neutron research (-0.3 M€).
- The other activities generated a turnover of 6.4 M€ against 5.4 M€ in 2012 and refer primarily to invoicing for seconded staff which increased by 1.0 M€.

Investment income remained stable at 0.1 M€, between 2012 and 2013 and was negligible in spite of a structurally positive cash position throughout the year, because of the low investment rates for which the Institute is eligible.

Extraordinary income increased by 4.6 M€, mainly due to the refund of 7.5 M€ for an overpayment collected by the tax authorities relating to employment tax and including interest for arrears.

EXPENDITURE

| In €M | 2013 | 2012 | Difference |
|---------------------------|--------------|--------------|--------------|
| Purchases | 121.7 | 120.2 | +1.5 |
| Personnel | 133.1 | 126.7 | +6.4 |
| Taxes & duties | 7.3 | 7.2 | +0.1 |
| Depreciation & provisions | 31.6 | 25.9 | +5.7 |
| Other operating expenses | 2.9 | 2.9 | -0.1 |
| Operating expenses | 296.6 | 283.1 | +13.6 |
| Financial charges | 0.6 | 0.8 | -0.1 |
| Exceptional charges | 4.6 | 1.8 | +2.7 |
| TOTAL EXPENSES | 301.8 | 285.7 | +16.2 |

The Institute's expenditure rose overall by 16.2M€ between 2012 and 2013.

Operating expenses totalled 296.6M€, a rise of 13.6M€, or +4.8% compared with the previous year and can be broken down as follows:

- Purchases of goods and services rose by 1.5M€ between 2012 and 2013, i.e. +1.2%, totalling 121.7M€.
- Core activity subcontracting rose to 53.4M€ in 2013, i.e. +2.5M€.
- General subcontracting increased by 0.5M€ to 23.7M€ in 2013.
- Purchases of supplies and equipment not held in stock fell by 0.9M€.
- Travel and assignment expenses fell by 0.1M€.
- Other external expenses fell by 0.5M€.
- Personnel expenses increased by 6.4M€ to 133.1M€ in 2013. The average number of employees over 2013 was 1,699.3 FTE worked against 1,650.5 FTE in 2012, i.e. a variation of +48.8 FTE worked on average between the two financial years. For the record, the BR2 2013 budget provides for an average of 1,710 FTE over the year: the budget projection was therefore not realised and the average employment was 10.7 FTE below. However at the end of December 2013 there were 1,702.8 employees (FTE) which came close to the target.
- Taxes and duties at 7.3M€, were up slightly by 0.1M€.
- Depreciations and provisions were up 5.7M€ compared with last year, particularly those relating to dismantling assets, which rose by 1.6M€, due to the upgrading of these assets over the 2012 financial year.
- Other operating expenses totalled 2.9M€, more or less unchanged compared to the previous year. They mainly relate to fees for concessions, patents and licences (2.2M€ including 0.5M€ involving MICROSOFT and 0.2M€ for the SAP tool).

Financial charges fell slightly by 0.1M€. They primarily consisted of interest paid on loans to finance the registered office and the property project in progress.

Exceptional expenditure rose by 2.7M€, as a result of the combined effect of:

- the elimination in 2013 of the charge of 1.4M€ recorded in 2012, for the record relating to the net book value of assets

written off in 2012 following a physical inventory of fixed assets;

- the recording of special depreciation allowances for tax purposes of 4.3M€, as a result of the delay in putting property acquired by the Institute into operation having led to a depreciation on replacement value that was higher than the depreciation for tax purposes to be declared to the tax office.

RESULTS, FINANCING AND MANAGEMENT BALANCES

| In €M | 2013 | 2012 | Difference 2013/2012 |
|------------------------------|-------|-------|----------------------|
| Result | +21.5 | +38.8 | -17.3 |
| Cash provided by operations | +36.0 | +40.9 | -4.9 |
| Variation in working capital | +11.8 | +14.5 | -2.7 |

2013 FY result is positive, at +21.5M€, compared with a profit of +38.8M€ in 2012, resulting from a fall in income of 1.2M€, combined with a 16.2M€ increase in expenses.

After restatements IRSN's capacity to generate financing from operations reached 36.0M€, that is to say a fall of 4.9M€ compared with 2012.

Cash generated from operations as at December 31, 2013 was supplemented by:

- resources associated with the special fund of which 4.5M€ was utilised to cover dismantling expenses;
- and other resources totalling 0.2M€, including in particular the repayment of loans to employees, as well as interest accruing on loans.

Furthermore 28.9M€ was used as follows:

- acquisitions of tangible and intangible assets over the financial year of 23.3M€;
- an allocation to financial assets of 3.4M€ (of which 3.3M€ corresponds to the additional financing of the special fund essentially for the dismantling of the PHEBUS facility);
- repayment of financial debts of 2.1M€.

The net contribution to working capital is consequently +11.8M€ for the 2013 financial year.

| In €M | Level 2013 | Level 2012 | Difference 2013/2012 |
|-----------------------------|------------|------------|----------------------|
| Working capital | 61.7 | 49.9 | +11.8 |
| Working capital requirement | -70.3 | -45.2 | -25.1 |
| Cash and cash equivalents | 132.0 | 95.1 | +36.9 |

The variation in working capital projected at the time of the 2nd amending budget of the 2013 budget was a withdrawal of 19.5M€, bringing the working capital to 30.3M€, consisting of the following:

| | |
|--|----------|
| -Deferred investments / CABRI project / property project from 2012 to 2013 | -23.0 €M |
| -Financing of ANR projects | -3.8 €M |
| -Difference in staff profit sharing | -0.4 €M |
| -Waste treatment of litter Pierrelatte | -0.4 €M |
| -Write-back on sources | -0.4 €M |
| -Transactions allocated to working capital (impact of change of method) | +8.4 €M |
| TOTAL | -19.5 €M |

The year-end contribution for 2013 totalled 11.8M€, a difference of +31.4 M€ compared with BR2 which takes the following into account:

| | |
|---|----------|
| -Investments proposed for carry-over to 2014 ⁽¹⁾ | +14.2M€ |
| -Work not completed on the CABRI project, proposed for carry-over to 2014 | +5.1 €M |
| -Work on other projects in progress, proposed for carry over to 2014 | +5.8 €M |
| -Savings on personnel budget (volume and rate differential) | +3.7 €M |
| -Other savings | +2.7 €M |
| TOTAL | +31.4 €M |

Investment expenditure or expenditure for specific carry-overs on projects not completed in 2013 are proposed for carry-over to 2014 in connection with first amending budget, BM1, to the 2014 budget.

A contribution of 11.8M€, brought working capital to 61.7M€ by the end of 2013. The withdrawals potentially deferred to 2014 amount to 27.1M€ and correspond to:

- the carry-over of investments in progress and the carry-over of additional operations such as the CABRI project, to the sum of 25.0M€;
- the writing back of the provision set up for staff profit sharing for 2.1M€;

These are added to:

- the withdrawal of 14.2M€ from working capital appearing in the initial 2014 budget;
- the adjustment of the subsidy under Budget Program 190 of 0.6 M€ in LFI 2014.

If the first amending budget to the 2014 is approved the available working capital balance would total 19.7M€.

The working capital requirement was established at -70.3M€ at the end of 2013. The -25.1M€ variation in the working capital requirement is partly due to the variation in the operational working capital requirement of 21.2M€ and the variation in the non-operational working capital requirement of -3.9M€. It should be pointed out that the Institute's working capital requirement is structurally negative because of the way the SCSP public service grant and the operators' contributions are paid. Furthermore a significant part of our expenses are derived from charge backs by CEA, which produces an additional de facto delay in disbursements.

Cash thus stood at 132.0M€ at the end of 2013, i.e. +36.9M€

compared with the end of 2012. This variation is due to the difference between the 11.8M€ contribution to working capital and the -25.1M€ difference in the working capital requirement.

BALANCE SHEET

ASSETS

Net fixed assets increased by 16.5M€ to 205.4M€, essentially due to the value of land made available to the Institute by the Government (+22.7M€), in application of the Instruction of December 18, 2012 (BOFIP-GCP (Public Sector Accounting Standards Board) 13 004 of January 31, 2013) relating to the accounting of the external financing of assets.

Current assets stood at 186.5M€, an increase of 35.5M€ compared with last year, due in particular to a fall in trade receivables of 1.3M€, combined with growth in the cash position of 36.9M€.

LIABILITIES

With a profit of 21.5M€ and a transfer 70M€ from the capital grants heading to the allowances heading in compliance with the Instruction relating to the accounting rules for the external financing of assets, the Institute's net position improved to 177.6M€ as at December 31, 2013, compared with 77.9M€ at the end of the previous financial year. Furthermore the special depreciation allowances for tax purposes have been entered at 4.3M€ as at December 31, 2013, because of a discrepancy between the tax depreciation period normally recorded and the useful lifetime and therefore the period for depreciation on replacement value of certain assets. The contingency and loss provisions stood at 68.1M€, down 3.5M€ compared with their balance as at December 31, 2012. This reduction is due in particular to the utilisation of the provision set up to cover the clean-up and dismantling of the Feurs and PHEBUS facilities. Long-term capital rose by 30.4M€ and stood at 251.6M€ as at December 31, 2013.

Debt increased 21.7M€, from 118.7M€ last year to 140.4M€ on December 31, 2013, due to the combined effect of the increase in operating debt (+19.8M€) and other liabilities (+3.9M€), and the fall in financial debts (-2.1M€).

The balance sheet total for the fiscal year ending December 31, 2013 stood at 392.0M€.

2014 OUTLOOK

Reduction of financial and human resources

During its 2014 financial year IRSN will have to allow for a reduction in resources - a reduction of 20M€ in the grant from the Ministry of Ecology, Sustainable Development and Energy (MEDDE), set at 186.4M€ and a reduction in the authorised employment ceiling of 36 FTE, as part of the Government's policy of controlling public expenditure. Furthermore a general increase in the amount of the contingency reserve applies

(1) List of the principal projects commenced where progress has been delayed: PARISII, MIRCOM, PERSEE, IRMA, company restaurant.

to this grant (+1% of expenditure excluding workforce). The contribution paid by the operators of basic nuclear installations is at this stage being maintained at a level equivalent to that of the previous year, namely 53 M€.

This environment of budgetary constraints has obliged IRSN to adapt the implementation of its 2014 program of operations to the available resources, still keeping to its program objectives as defined in its 2013-2016 medium-term plan and meeting its existing national and international contractual commitments on research.

Support for public authorities, dominated by post-Fukushima action

IRSN has for several years been going about its business in a climate of a growing demand for information and consultation from the public authorities as well as the health and safety authorities and nuclear safety organisations, focusing on the major projects in progress, but also, since 2011, on the action taken in response to the Fukushima accident. As in 2012 and 2013, activities in 2014 will therefore be dominated by the action to be taken post-Fukushima and this will involve all the various aspects of IRSN's operations, whether in research and studies, consultation services in support of safety and security authorities or even in support of public policies and particularly with regard to nuclear crisis management.

The technical support given to the Nuclear Safety Authority will mean making provision for the additional stipulations set by the Nuclear Safety Authority at the beginning of 2014 for the implementation of post-Fukushima measures (hard cores) across all the facilities. Furthermore the preparatory work prior to activation of the EPR reactor in Flamanville, and the work relating to the CIGEO project for deep disposal of high-level and intermediate-level long-lived waste, will be continued and intensified in view of the deadlines that have been set. On the subject of the ten-yearly safety reviews of nuclear facilities, the commencement of the work associated with the 4th ten-year inspection program of the 900 MWe reactors should be mentioned. When it comes to the technical support given to the DSND, the French Representative in charge of Nuclear Safety and Radiation Protection for Defense-related Activities and Facilities, apart from the regular assessment of military nuclear facilities and secret basic nuclear facilities (INBS), IRSN will also be expected to act in response to the complementary safety assessments.

As regards protection against malicious acts, the extension of the regulatory remit to cover the prevention of acts of sabotage as well as the strengthening of requirements has led to an initiative to bring the protection systems of French facilities into compliance launched in 2012 with a fixed time limit of five years. This initiative primarily involves the operators who will have to reassess their systems for protecting their facilities, review their authorisation systems and in particular set up new studies on malicious activity to provide evidence

of achievement of the new objectives set, but it also constitutes a high priority for IRSN which will have to evaluate all the arrangements proposed as part of its technical support to the Safety Authority.

Research to promote nuclear safety

In order to successfully perform its role as a public expert in nuclear and radiological risks IRSN must ensure that it keeps up to date with the necessary knowledge at all times, through "feedback from experience" on the operation of nuclear facilities as well as through research. The Institute's research programs have the following objectives: recognising the factors that affect the facilities' susceptibility to the risks, understanding the phenomena that might be the potential causes of major accidents, improving the effectiveness of possible responses, development of the knowledge on which the protective action is based, and perfecting the operational tools and techniques that IRSN needs to perform its functions (metrology of ionising radiation, databases, calculation and modelling tools, etc.).

These programs, most of which benefit from funding from foreign partners, frequently require experimental resources which have very high investment and operating costs when ionising radiation or radioactive substances are brought into play. The investments of some of these programs are at an advanced stage (CABRI on fuel, PEARL on the re-flooding of a degraded reactor core, renovation of the National Network of Radioactive Measurements, MIRCOM microprobe line, etc.); others are at the start-up phase (contaminated animal facility PARISII, PERSEE loop on the purification and containment systems, programs accepted by the ANR in 2013 concerning nuclear safety and radiation protection, etc.); finally, taking into account the constraints on the Institute's resources, the launch of certain new programs will be delayed, in particular the panoramic irradiator for research on radiation protection.

Openness to society and transparency

IRSN will continue to be available to provide the stakeholders in society with the necessary clarification of the risks and the way they are assessed in the major cases involving the nuclear industry: EPR and CIGEO projects ; extension of the operating life of the EDF reactors.

Continuation of the property project and the action to improve the management processes

IRSN will continue the implementation of its long-term property strategy in 2014, for example with the initial work on the relocation of building A on the Le Vésinet site and the selection of a partner for the construction of building O1 on the Fontenay-aux-Roses site. Peripheral to the property strategy, the transfer of part of the teams from the CEA site back to the IRSN site at Fontenay-aux-Roses was incorporated (Lutèce project) at the CEA's request.

FINANCIAL STATEMENTS

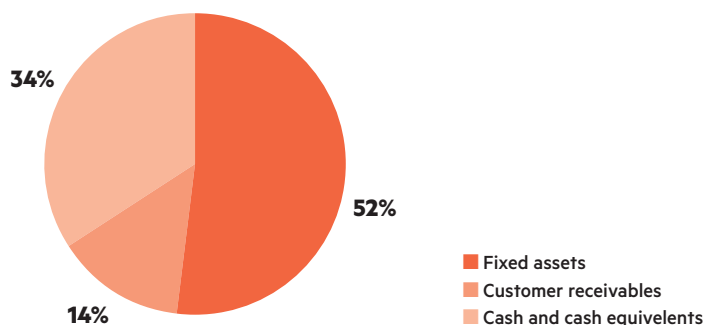
Income statement p. 13
Balance sheet - assets p. 14
Balance sheet - liabilities p. 15
Flow of funds statement p. 16
Income statement subtotals p. 17
Budget versus actual report p. 18

INCOME STATEMENT

| In € thousands | Notes | 31/12/2013 | 31/12/12 | 31/12/12 |
|--|---------------|----------------|----------------|----------------|
| OPERATING INCOME | | | | |
| Revenue | Note 2 | 35,772 | 36,067 | 36,233 |
| Research work | | 9,425 | 9,329 | 9,649 |
| Service provision | | 19,914 | 21,375 | 21,503 |
| Other services | | 6,433 | 5,363 | 5,080 |
| Operating grant | Note 3 | 203,756 | 206,894 | 198,904 |
| Operators' contribution | Note 3 | 53,045 | 48,190 | 33,375 |
| Write-backs on depreciation and provisions | | 6,753 | 14,690 | 13,066 |
| Expense transfer | | 554 | 30 | 204 |
| Other operating income | | 1,099 | 851 | 1,336 |
| TOTAL I | | 300,979 | 306,721 | 283,118 |
| OPERATING EXPENSES | | | | |
| Outside expenses for the fiscal year | Note 4 | 121,740 | 120,235 | 112,890 |
| Taxes, duties, and similar payments | Note 5 | 7,272 | 7,209 | 7,111 |
| Personnel expenses | Note 6 | 133,107 | 126,724 | 125,946 |
| Contributions to depreciation and provisions | Note 7 | 31,602 | 25,947 | 42,098 |
| Other operating expenses | | 2,883 | 2,936 | 4,421 |
| TOTAL II | | 296,604 | 283,051 | 292,466 |
| OPERATING INCOME | | 4,375 | 23,670 | - 9,348 |
| INVESTMENT INCOME | | | | |
| From controlled entities | | - | - | - |
| Other investment income | | 13 | 19 | 19 |
| Foreign exchange gains | | 61 | 22 | 18 |
| Gains on sales of short-term investments | | 2 | 87 | 717 |
| TOTAL III | | 76 | 128 | 754 |
| FINANCIAL CHARGES | | | | |
| Interest on borrowing and debts | | 623 | 720 | 848 |
| Interest on current accounts and deposits | | 6 | 10 | 13 |
| Foreign exchange losses | | 14 | 40 | 24 |
| Provision for financial expenses | | 2 | 3 | - |
| TOTAL IV | | 646 | 773 | 885 |
| FINANCIAL INCOME | NOTE 8 | - 570 | - 644 | - 131 |
| INCOME BEFORE INCOME TAXES | | 3,806 | 23,026 | - 9,479 |
| EXCEPTIONAL INCOME | | | | |
| Management operations | | 7,646 | 6,894 | 1,304 |
| Capital transactions | | 14,613 | 10,727 | 10,330 |
| incl. capital grants recorded in income statement | | 14,566 | 10,524 | 10,250 |
| TOTAL V | | 22,259 | 17,621 | 11,634 |
| EXCEPTIONAL EXPENSES | | | | |
| Management operations | | 320 | 168 | 450 |
| Capital transactions | | 4 | 1,681 | 7,943 |
| Tax-exempt depreciation allowance | | 4,258 | - | - |
| TOTAL VI | | 4,582 | 1,849 | 8,393 |
| EXCEPTIONAL INCOME | NOTE 9 | 17,676 | 15,772 | 3,242 |
| Income tax | | - | - | - |
| FISCAL YEAR INCOME | | 21,482 | 38,798 | - 6,237 |

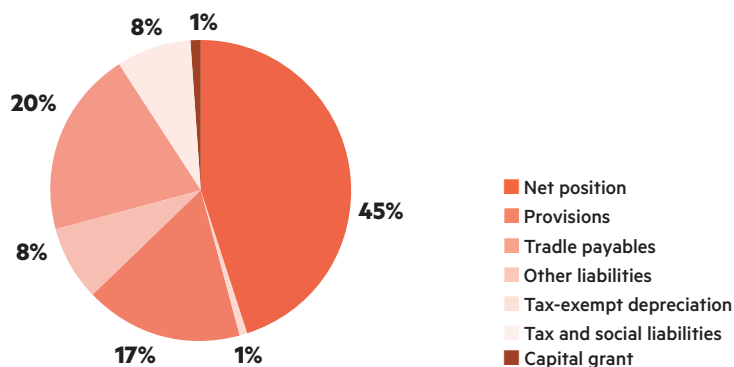
BALANCE SHEET - ASSETS

| In € thousands | Notes | 31/12/2013 | | | 31/12/2012 | 31/12/2011 |
|--|---------|----------------|---------------------------|----------------|----------------|----------------|
| | | Gross | Depreciation & provisions | Net | Net | Net |
| FIXED ASSETS | | | | | | |
| <i>Intangible assets</i> | Note 10 | 28,531 | -19,213 | 9,318 | 7,877 | 5,611 |
| <i>Startup costs</i> | | 2 | -2 | - | - | - |
| <i>Concessions, patents, licenses and software</i> | | 26,095 | -19,211 | 6,884 | 1,518 | 1,057 |
| <i>Intangible assets in progress</i> | | 2,434 | - | 2,434 | 6,359 | 4,554 |
| <i>Tangible assets</i> | Note 10 | 367,718 | -187,591 | 180,127 | 163,873 | 163,871 |
| <i>Land</i> | | 26,645 | -208 | 26,437 | 3,719 | 3,728 |
| <i>Constructions</i> | | 79,803 | -34,805 | 44,998 | 35,298 | 39,118 |
| <i>Technical facilities, equipment and tools</i> | | 199,018 | -116,037 | 82,981 | 83,432 | 75,941 |
| <i>Other tangible assets</i> | | 49,289 | -36,541 | 12,748 | 9,752 | 8,665 |
| <i>Tangible assets in progress</i> | | 12,962 | - | 12,962 | 31,673 | 36,419 |
| <i>Financial assets</i> | Note 11 | 16,014 | - | 16,014 | 17,203 | 6,395 |
| <i>Special dismantling fund</i> | | 15,223 | - | 15,223 | 16,445 | 5,742 |
| <i>Loans</i> | | 659 | - | 659 | 628 | 619 |
| <i>Other financial assets</i> | | 132 | - | 132 | 130 | 34 |
| TOTAL I | | 412,263 | -206,805 | 205,458 | 188,953 | 175,876 |
| CURRENT ASSETS | | | | | | |
| <i>Inventory and work in progress</i> | | - | - | - | - | - |
| <i>Prepayments and advances on orders</i> | | 188 | - | 188 | 268 | 179 |
| <i>Accounts receivable</i> | Note 12 | 54,388 | -84 | 54,304 | 55,605 | 49,748 |
| <i>Customer receivables and related accounts</i> | Note 13 | 42,560 | -84 | 42,476 | 39,636 | 34,886 |
| <i>Related receivables</i> | Note 14 | 11,828 | - | 11,828 | 15,969 | 14,862 |
| <i>Other receivables</i> | | - | - | - | - | - |
| <i>Investment accounts</i> | Note 15 | 122,002 | - | 122,002 | 88,000 | 77,417 |
| <i>Cash</i> | Note 15 | 10,002 | - | 10,002 | 7,076 | 11,506 |
| <i>Prepaid expenses</i> | | - | - | - | - | - |
| TOTAL II | | 186,580 | -84 | 186,496 | 150,949 | 138,851 |
| <i>Foreign currency gains or losses</i> | | 3 | - | 3 | 3 | - |
| OVERALL TOTAL | | 598,846 | -206,889 | 391,957 | 339,905 | 314,727 |



BALANCE SHEET - LIABILITIES

| In € thousands | Notes | 31/12/2013 | 31/12/2012 | 31/12/2011 |
|--|---------|----------------|----------------|----------------|
| EQUITY | | | | |
| Allowances | Note 16 | 90,265 | 12,044 | 4,184 |
| Reserves | | 90,783 | 90,783 | 90,783 |
| Retained earnings | Note 17 | -24,894 | -63,692 | -57,455 |
| Fiscal year profit or loss | | 21,482 | 38,798 | -6,237 |
| Subtotal: Net position | | 177,636 | 77,933 | 31,275 |
| Capital grant | Note 18 | 1,539 | 71,587 | 82,111 |
| Tax-regulated provisions | | - | - | - |
| Tax-exempt depreciation | Note 19 | 4,258 | - | - |
| TOTAL I | | 183,432 | 149,520 | 113,387 |
| CONTINGENCY AND LOSS PROVISION | | | | |
| Note 20 | | | | |
| Contingency provision | | 358 | 199 | - |
| Provision for taxes due | | - | - | 95 |
| Loss provision | | 67,770 | 71,458 | 77,553 |
| TOTAL II | | 68,128 | 71,657 | 77,648 |
| LIABILITIES | | | | |
| Note 21 | | | | |
| Debts | | 15,528 | 17,597 | 20,143 |
| Bank borrowings | Note 22 | 15,528 | 17,597 | 20,143 |
| Various debts and liabilities | | - | - | - |
| Operating liabilities | | 108,500 | 88,998 | 92,216 |
| Prepayments and advances on orders | | 255 | - | - |
| Trade notes and accounts payable | Note 23 | 76,451 | 56,125 | 61,930 |
| Tax and social liabilities | Note 24 | 31,720 | 32,754 | 30,180 |
| Other operating liabilities | | 74 | 119 | 105 |
| Other liabilities | | 16,037 | 12,133 | 11,334 |
| Amounts payable on fixed assets and related accounts | | 8,478 | 7,721 | 5,557 |
| Other liabilities | Note 25 | 7,559 | 4,412 | 5,777 |
| Deferred income | | 331 | - | - |
| TOTAL III | | 140,397 | 118,727 | 123,693 |
| OVERALL TOTAL | | 391,957 | 339,905 | 314,727 |



FLOW OF FUNDS STATEMENT

| In € thousands | Fiscal year 2013 | Fiscal year 2012 | Fiscal year 2011 |
|--|------------------|------------------|------------------|
| SOURCES OF CASH | | | |
| Fiscal year net profit or loss | 21,482 | 38,798 | - 6,237 |
| Increase/decrease in depreciation | 35,861 | 25,949 | 42,098 |
| Increase/decrease in impairments and provisions | - 6,753 | - 14,690 | - 13,066 |
| Portion of capital grant recorded in income statement | - 14,566 | - 10,524 | - 10,250 |
| Losses/gains on disposal of assets | - | 1,321 | - 13 |
| Non-cash exceptional charge / Non-cashable excep. income | 4 | - | - |
| CASH PROVIDED BY OPERATIONS | 36,027 | 40,854 | 12,532 |
| Disposal of assets | - | 62 | - |
| Other sources | 4,621 | 6,511 | 3,014 |
| Increase in equity | - | 7,860 | 16,827 |
| Increase in other capital | - | 5,784 | - |
| Increase in long-term debt | 74 | 91 | 105 |
| TOTAL SOURCES OF CASH (A) | 40,723 | 61,162 | 32,478 |
| USES OF CASH | | | |
| Acquisition of tangible and intangible assets | 23,303 | 26,689 | 18,213 |
| Acquisition of financial assets | 3,431 | 17,320 | 123 |
| ACQUISITIONS OF FIXED ASSETS | 26,735 | 44,009 | 18,336 |
| Deferred charges | - | - | - |
| Long-term debt paid | 2,142 | 2,638 | 4,063 |
| Reductions in equity | - | - | - |
| Decrease in other capital | - | - | - |
| TOTAL USES OF CASH (B) | 28,877 | 46,647 | 22,399 |
| VARIATION IN WORKING CAPITAL (C=A-B) | 11,846 | 14,516 | 10,079 |
| + Variation in current operating assets | - 1,345 | 5,945 | - 1,654 |
| - Variation in operating liabilities | 19,833 | - 3,217 | - 10,297 |
| VARIATION IN WORKING CAPITAL REQUIREMENTS FROM OPERATIONS | - 21,178 | 9,162 | 8,644 |
| + Variation in other debit balances | - | - | - |
| + Variation in other credit balances | 3,905 | 799 | 2,538 |
| VARIATION IN WORKING CAPITAL REQUIREMENTS NOT FROM OPERATIONS | - 3,905 | - 799 | - 2,538 |
| VARIATION IN WORKING CAPITAL REQUIREMENTS (D) | - 25,082 | 8,363 | 6,106 |
| VARIATION IN CASH (E=C-D) | 36,928 | 6,152 | 3,973 |
| Cash at start of the period | 95,076 | | |
| Cash at end of the period | 132,004 | | |
| Cash variation | 36,928 | | |

WORKING CAPITAL AND WORKING CAPITAL REQUIREMENT

Overall, of the total difference of 31.4 M€ between the withdrawal from working capital projected in the second amending budget (BR2) and the actual contribution in 2013, 28.7 M€ can be explained by:

- an ongoing volume of operations not completed in 2013 and proposed for carry-over to 2014, amounting to 25.0 M€, including the delay to the CABRI project for the sum of 5.1 M€;
- a saving on the staff budget (volume and rate differential) in the region of 3.7 M€.

The balance can be explained by savings achieved on the operations budget.

On the subject of the working capital requirement, liabilities excluding borrowings increased by 23.7 M€ and current assets fell by 1.3 M€: this caused an increase in the WCR of -25.1 M€, swelling the cash position as at 31 December 2013.

INCOME STATEMENT SUBTOTALS

| In € thousands | Fiscal year 2013 | Fiscal year 2012 | Fiscal year 2011 |
|--|------------------|------------------|------------------|
| Revenue | 35,772 | 36,067 | 36,233 |
| - Purchase cost of goods | - | - | - |
| + Operating grants | 203,756 | 206,894 | 198,904 |
| + Operators' contribution | 53,045 | 48,190 | 33,375 |
| FISCAL YEAR PRODUCTION | 292,573 | 291,151 | 268,512 |
| - Outside expenses | 121,740 | 120,235 | 112,890 |
| ADDED VALUE | 170,834 | 170,916 | 155,622 |
| - Taxes | 7,272 | 7,209 | 7,111 |
| - Personnel expenses | 133,107 | 126,724 | 125,946 |
| OPERATING INCOME BEFORE INTEREST | 30,455 | 36,983 | 22,565 |
| + Write-backs, expense transfer | 7,307 | 14,719 | 13,270 |
| + Other income | 1,099 | 851 | 1,336 |
| - Depreciation and provisions | 31,602 | 25,947 | 42,098 |
| - Other expenses | 2,883 | 2,936 | 4,421 |
| OPERATING INCOME | 4,375 | 23,670 | - 9,348 |
| + Investment income | 76 | 128 | 754 |
| - Financial charges | 646 | 773 | 885 |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES | 3,806 | 23,026 | - 9,479 |
| + Exceptional income | 22,259 | 17,621 | 11,634 |
| - Exceptional charges | 4,582 | 1,849 | 8,393 |
| EXCEPTIONAL INCOME | 17,676 | 15,772 | 3,242 |
| - Income tax | - | - | - |
| FISCAL YEAR INCOME | 21,482 | 38,798 | - 6,237 |

BUDGET VERSUS ACTUAL REPORT

INCOME STATEMENT

| In € thousands | 2013 actual | 2013 budget |
|---------------------------------------|----------------|----------------|
| REVENUE | | |
| Sales and service contracts | 35,772 | 42,816 |
| Government grants | 203,756 | 203,156 |
| Other operating income | 54,697 | 53,702 |
| Investment income | 76 | - |
| Exceptional revenue | 7,646 | 6,355 |
| Internal operations | 21,366 | 20,048 |
| TOTAL REVENUE | 323,314 | 326,076 |
| EXPENDITURE | | |
| Personnel expenses* | 138,775 | 142,467 |
| Other operating expenses | 127,196 | 146,534 |
| Internal operations | 35,861 | 26,726 |
| TOTAL EXPENDITURE | 301,832 | 315,727 |
| FISCAL YEAR INCOME | 21,482 | 10,350 |
| TOTAL INCOME STATEMENT BALANCE | 323,314 | 326,076 |

* Personnel expenses are personnel costs and the cost of taxes on remuneration

The book profit achieved in 2013 was 21.5M€ compared against a projected profit in the 2nd budget amendment (Board meeting in June 2013) of 10.4M€ namely a difference of 11.1M€ of which 2.8M€ was a reduction in income and 13.9M€ a reduction in expenses.

REVENUE

Revenue for activities that can be invoiced by the Institute shrank by 7.0M€ compared with the budget projection. This was due in particular to the fall in turnover recorded by the business unit responsible for international services (-1.9M€) due to a sluggish market, the lack of return from the CABRI project in 2013 (2.0M€) resulting from a further delay in completion, a lower number of seconded staff (-0.8M€). This reduction in resources is offset in expenditure.

The public service grant (P190) was more or less as projected. The collection of fees on our software was higher than the projected figure of 0.4M€. Exceptional income increased by 1.3M€ (mainly due to arrears interest on the overpayment to the tax authority for 2010 employment tax), while financial income was slightly higher by 0.1M€ (Treasury interest rates

are now almost zero). The contribution from operators was more or less unchanged, showing a slight variation of +0.1M€. It should be noted that there was also a variation in two non-budgetary revenue items, the portion of grants entered in the income statement, up 4.6M€, and the writing back of provisions, down 3.3M€. The latter two transactions were withdrawn from the calculation of the ability to generate own funds and therefore have no impact on working capital.

EXPENDITURE

The total value of purchases (accounts 60, 61 and 62), budgeted at €143.3 million, was in fact €120.2 million, a difference of €23.1 million. In particular this was made up of:

- 2.0 M€ for projects partially funded by the ANR that have not yet been started, because the agency's decisions had been deferred in the course of 2013. For the record, in connection with the Research on nuclear safety and radiation project (RSNR) call for projects under the investment for the future program, the ANR adopted 14 projects involving the Institute, with it acting as coordinator for 7 of them;

- 5.1 M€ for the CABRI project due to the delay in the completing the works;
- 2.4 M€ for dismantling work not completed on the Feurs site;
- 6.8 M€ for non-capital expenditure forming an integral part of the (MIRCOM, PERSEE, PARISI, company restaurant, ect.) projects.

The balance of 3.9 M€ corresponds in particular to the non-expenditure resulting from the fall in turnover of 3.6 M€.

The staff budget (accounts 64 + accounts 631 and 633), projected at 142.5 M€, totalled 138,8 M€, i.e. a difference of 3.7 M€ which can be explained by a difference in volume due to delays in recruitment.

As far as other expenses are concerned the increase in depreciations once fixed assets under construction had been put into service should be mentioned.

FLOW OF FUNDS STATEMENT

In € thousands

| TRANSFER OF RESULT TO CASH PROVIDED BY OPERATIONS | 2013 actual | 2013 budget |
|--|--------------------|---------------|
| FISCAL YEAR INCOME | 21,482 | 10,350 |
| + Loss on sale of assets | - | - |
| + Depreciation and provisions | 35,861 | 26,726 |
| + Charge exceptionnelle non décaissable | 4 | - |
| - Gains on sale of assets | - | - |
| - Gains from offsetting depreciation | - | - |
| - Portion of grants recorded in result | -14,566 | -10,000 |
| - Write-backs on depreciation and provisions | -6,753 | -10,048 |
| - Non-cashable exceptional income | -1 | - |
| CASH PROVIDED BY OPERATIONS | 36,027 | 17,028 |

| SUMMARY STATEMENT OF CHANGES IN FINANCIAL POSITION | 2013 actual | 2013 budget |
|--|--------------------|-----------------|
| CASH PROVIDED BY OPERATIONS | 36,027 | 17,028 |
| SOURCES OF CASH | | |
| Equity | - | - |
| Government capital grants | - | - |
| Dismantling provision | - | - |
| Disposal of fixed assets | - | - |
| Other sources (excl. internal operations) | 4,621 | 7,027 |
| Increase in long-term debt | 74 | - |
| TOTAL SOURCES OF CASH | 40,723 | 24,055 |
| USES OF CASH | | |
| Acquisition of tangible and intangible assets | 23,303 | 38,141 |
| Financial assets | 3,431 | 3,385 |
| Long-term debt paid | 2,142 | 2,052 |
| TOTAL USES OF CASH | 28,877 | 43,578 |
| CONTRIBUTION TO (+) OR DEDUCTION FROM (-) WORKING CAPITAL | + 11,846 | - 19,523 |

REVENUE

Apart from the funds generated from own operations, which are increasing due to improving profits and a sharp increase in the amount of depreciations, attention should be drawn to a contribution from the special funds for clean up and dismantling, reduced because of a time difference in the work on the Feurs site.

EMPLOYMENT OF FUNDS

The financial assets (special fund, deposits and guarantees and loans to staff) and the repayment of financial debts (bank loans) do not give rise to any comment and at 0.1M€ are more or less consistent with projections.

The figure for acquisition of intangible and tangible assets was 23.3M€ compared with a projected figure of 38.1M€, namely a difference of 14.8M€. For the record this projection includes a carry-over from 2012 of 22.4M€ approved by the Board of Directors.

APPENDIX TO THE ANNUAL ACCOUNTS

Notes on the income statement p. 25

Notes on the balance sheet p. 28

NOTE 1 - ACCOUNTING PRINCIPLES AND VALUATION METHODS

The IRSN's financial statements for the fiscal year 2013 were prepared in accordance with the following standards, principles and methods:

- the 1999 general chart of accounts, approved by Order of June 22, 1999 and amended by various regulations of the Accounting Regulation Committee following this approval;
- the provisions of Decree No 83-1020 of November 29, 1983 passed in application of Law No 83-353 of April 30, 1983;
- Instruction No 02-060-M95 of July 18, 2002 on the budgetary, financial and accounting regulation of national public establishments of an industrial and commercial nature.

When valuing certain assets and liabilities, derogations were used where the application of the accounting requirements in these texts was considered inappropriate for giving a faithful picture of the activity and assets, given their specific nature. Therefore some assets controlled by the Institute but owned by the State or another public institution are not included in the Institute's accounts if they are not reciprocated in the accounts of the owners.

COMPARABILITY OF THE ACCOUNTS

These amendments do not affect the result for the year. Following a technical error in respect of depreciations at the end of the previous financial year, a correction was made to the 2013 financial year with an impact of 3,500 € in the income statement (extraordinary charges).

VALUATION PRINCIPLES AND METHODS (OPTIONS, DEROGATIONS, EXCEPTIONS)

Tangible and intangible assets

Valuation of the entry cost

Tangible and intangible assets are valued at the historic purchase or production cost excluding financial charges and administration costs. Intangible assets include patents, licenses and software purchased, as well as software created or developed. The value of nuclear installations run by the CEA for which IRSN provides the investment finance (CABRI experimental nuclear reactor) is not included in the assets but is treated as an operating cost.

Some equipment (nuclear installations run by the CEA and classified environmental protection facilities - ICPEs) used by IRSN are entered as tangible assets under 'Dismantling assets' as a double entry counterpart of the provision for the estimated total cost of end-of-cycle operations, as soon as the installation is taken into active service. This asset forms an integral part of the cost price of the corresponding facilities and is depreciated in accordance with the

depreciation schedules drawn up for each facility. These assets are valued, in symmetry with the corresponding provisions, on the basis of updated data.

The assets provided by the Government under usage agreements have been valued in the accounts on the basis of valuation at fair value determined in 2013 by France Domaine.

External financing of assets has been managed in application of instruction of December 18, 2012 (BOFIP-GCP 13,005 of January 31, 2013).

Research and development costs, regardless of outcome, are treated as expenditure for the fiscal year.

Depreciation

Intangible assets are depreciated over their economic useful life or according to their probable conditions of use, on a straight-line basis and at the rates applied to these categories of asset, not exceeding a period of five years.

Tangible assets are depreciated in accordance with depreciation schedules drawn up on the basis of the economic useful lifetime or according to the probable conditions of use of the asset, on a straight-line basis and at the rates usually applied to these asset categories. Depreciation in the 'Land' row corresponds to the depreciation of the development on these investments.

The main depreciation times used for new equipment are as follows:

- Infrastructure: 10 years.
- Heavy-duty buildings: 20 to 30 years.
- Light buildings: 10 to 20 years.
- General installations: 10 years.
- Fixtures: 5 to 10 years.
- Equipment: 5 to 7 years.
- Tools: 3 to 5 years.
- Furniture, small equipment items and computer equipment: 2 to 5 years.

For second-hand assets, the depreciation times are reduced by half.

The special depreciation allowance for tax purposes is used as required.

IRSN uses the component-based approach for investments where this is necessary.

Impairment

Intangible and tangible assets are subject to impairment where events or circumstances make their value in use less than the net accounting value over the long term..

Financial assets

Financial assets are valued at their historic cost (fixed deposit account).

Inventory and work in progress

Given the insignificance of this item, IRSN does not estimate the value of inventories of materials or supplies of consumables. These purchases are treated entirely as expenditure for the fiscal year.

Work in progress and finished products for research contracts or service orders are treated as accrued income.

Receivable

Receivables are depreciated on a case-by-case basis depending on the risk of non-recovery.

Investment in transferable securities

IRSN places its surplus cash only in fixed term deposit accounts or interest-bearing accounts and does not hold any transferable securities.

Contingency and loss provision

A provision is set up in cases where there is an obligation towards a third party on the account-closing date. This obligation may be legal, contractual or implicit and it must be subject to a probable outflow of resources to the third party which IRSN can estimate with an adequate degree of reliability.

No provision is made for contingent liabilities that correspond to an obligation that is neither certain nor likely on the account-closing date. Information is provided in the Appendix if they are significant.

No provision is made for IRSN's commitments towards its staff as regards severance pay on retirement and other post-employment commitments (unemployment insurance); instead these are listed as off-balance sheet commitments.

The provision associated with the cleanup and dismantling of facilities used by IRSN corresponds to the total cost of the operation where IRSN is the facility operator (ICPEs) or to the portion attributable to it due to its participation in a program in which the CEA is the nuclear operator (basic nuclear installations). In view of the immediacy of the degradation these provisions are made as soon as the facility commences active operation (CRC Regulation No 2004-06 and CNC Notice No 2005-H). Provisions are offset on the assets side of the balance sheet under the contra-entry 'Dismantling assets'.

Debts

IRSN's commitments towards its staff for expired paid leave not taken, paid leave accrued but not yet taken within the period, and leave entitlement recorded by the staff in an accumulated leave time savings account are recorded as debts at their gross value plus any social security contributions and tax charges payable by the employer. Because of the random nature of its expiry times for utilisation, time accruing under the individual training right is however listed as an off-balance sheet commitment.

NOTES ON THE INCOME STATEMENT

NOTE 2 - TURNOVER

Turnover corresponds to the research and services invoiced by IRSN to third parties within the context of its programs or service provision. Sales are booked on completion of the work in most cases, but for some multiannual contracts they are booked in advance.

| In € thousands | Notes | Fiscal year 2013 | Fiscal year 2012 |
|------------------------------------|-------|------------------|------------------|
| Research and development contracts | | 9,425 | 9,329 |
| Standard services | (a) | 12,742 | 12,490 |
| Special services | | 7,172 | 8,885 |
| Other activities | (b) | 6,433 | 5,363 |
| TOTAL | | 35,772 | 36,067 |

(a) Including passive dosimetry work, services associated with continuing professional training (e.g. registration for CAMARI examinations).

(b) The other activities are mainly invoicing for the secondment of staff to the Nuclear Safety Authority

NOTE 3 - BUDGETARY OPERATING REVENUE

This item includes the public service grants received from the Government and the income from the contribution (see Article 96 of the 2010 Revised Budget Act) paid by the operators of basic nuclear installations for the fiscal year and allocated to the financing of operating expenses for the fiscal year.

| In € thousands | Notes | Fiscal year 2013 | Fiscal year 2012 |
|--------------------------------|-------|------------------|------------------|
| Government operating grants | | | |
| Ministry of Ecology | (a) | 199,257 | 202,012 |
| Ministry of Defense | (b) | 3,440 | 3,656 |
| Grants from public authorities | | 1,059 | 1,226 |
| Other operating grants | | - | - |
| Operators' contribution | (c) | 53,045 | 48,190 |
| TOTAL | | 256,801 | 255,084 |

(a) The grant paid under the 190 program by the Ministry of Ecology was reduced by 2.8 M€ between 2012 and 2013.

(b) This grant is intended for financing expertise in nuclear propulsion for the Ministry of Defense.

(c) The contribution was established as from the fiscal year 2011 and is paid by the operators of basic nuclear installation, a list of whom is drawn up by the Nuclear Safety Authority. For 2013, the main contributors are EDF, the CEA and Areva.

NOTE 4 - EXPENSES FOR THE FISCAL YEAR

Expenses for the fiscal year are broken down as follows:

| In € thousands | Fiscal year 2013 | Fiscal year 2012 |
|--|------------------|------------------|
| SUBCONTRACTING PURCHASES | 53,436 | 50,962 |
| Research purchases (CEA) | 27,560 | 30,116 |
| Research purchases | 16,500 | 12,947 |
| Service purchases | 9,376 | 7,899 |
| PURCHASES OF MATERIALS AND SUPPLIES NOT STOCKED | 9,645 | 10,520 |
| Purchases of equipment and works | 1,041 | 1,081 |
| Other purchases of materials and supplies not stocked | 8,603 | 9,440 |
| OUTSIDE SERVICES | 58,659 | 58,752 |
| External subcontracting | 23,711 | 23,214 |
| Rental and hire costs | 1,742 | 1,380 |
| Maintenance and repairs | 14,117 | 12,942 |
| Insurance | 369 | 384 |
| Documentation | 2,098 | 1,621 |
| Temporary workers | 3,075 | 3,665 |
| Fees | 674 | 712 |
| Advertising and publications | 227 | 150 |
| Transport | 420 | 430 |
| Travel and entertainment expenses | 7,642 | 7,769 |
| Postage and telecommunication costs | 2,589 | 2,866 |
| Bank charges | 29 | 32 |
| Other | 1,966 | 3,588 |
| TOTAL | 121,740 | 120,235 |

NOTE 5 - TAXES, DUTIES, AND SIMILAR PAYMENTS

Taxes, duties and similar payments are broken down as follows:

| In € thousands | Fiscal year 2013 | Fiscal year 2012 |
|--|------------------|------------------|
| ON REMUNERATION | 5,668 | 5,505 |
| Employment tax | 1,776 | 1,769 |
| Apprenticeship tax | 799 | 726 |
| Travel payments | 1,983 | 1,953 |
| Other taxes and duties on remuneration | 1,110 | 1,058 |
| OTHER TAXES, DUTIES, AND SIMILAR PAYMENTS | 1,604 | 1,704 |
| Real estate taxes | 492 | 442 |
| Office taxes | 125 | 171 |
| Company vehicle taxes | 178 | 178 |
| Non-recoverable taxes over a combined perimeter | 386 | 374 |
| Other | 422 | 539 |
| TOTAL | 7,272 | 7,209 |

NOTE 6 - PERSONNEL EXPENSES

Personnel expenses can be analyzed as follows:

| In € thousands | Fiscal year 2013 | Fiscal year 2012 |
|-------------------------------|------------------|------------------|
| Wages and salaries | 90,533 | 86,202 |
| Social security contributions | 42,574 | 40,523 |
| TOTAL | 133,107 | 126,724 |

The entitlements accrued by employees in respect of paid leave and accumulated leave time saving accounts (CET) have been recorded in full under expenses payable at their gross value plus estimated costs.

NOTE 7 - DEPRECIATION AND PROVISIONS AND WRITE-BACKS OF DEPRECIATION AND PROVISIONS

Depreciation and provisions and write-backs on depreciation and provisions can be broken down as follows:

| In € thousands | DEPRECIATION & PROVISIONS | | WRITE-BACKS | |
|-------------------------------------|---------------------------|------------------|------------------|------------------|
| | Fiscal year 2013 | Fiscal year 2012 | Fiscal year 2013 | Fiscal year 2012 |
| ON FIXED ASSETS | | | | |
| Depreciation of intangible assets | 1,832 | 870 | - | - |
| Depreciation of tangible assets | 26,512 | 22,168 | - | - |
| ON CURRENT ASSETS | | | | |
| Impairments of customer receivables | 69 | 8 | 33 | 12 |
| PROVISIONS | | | | |
| Contingency and loss provision | 3,191 | 2,904 | 6,720 | 14,678 |
| TOTAL | 31,604 | 25,949 | 6,753 | 14,690 |

NOTE 8 - FINANCIAL RESULT

The financial result presented below was -0.6 M€ in 2013 more or less unchanged compared with last year.

| In € thousands | Notes | Fiscal year 2013 | Fiscal year 2012 |
|--|-------|------------------|------------------|
| INVESTMENT INCOME | | 76 | 128 |
| Income from sales of investment securities | | 2 | 87 |
| Income from other receivables | | 13 | 16 |
| Foreign exchange gains | | 61 | 22 |
| Other investment income | | - | 3 |
| FINANCIAL CHARGES | | 646 | 773 |
| Interest on borrowing and debts | (a) | 623 | 720 |
| Interest on current accounts and deposits | | 6 | 10 |
| Foreign exchange losses | | 14 | 40 |
| Provision for financial expenses | | 2 | 3 |
| FINANCIAL INCOME | | - 570 | - 644 |

(a) This item includes interest paid on loans contracted.

NOTE 9 - EXTRAORDINARY INCOME

The extraordinary income for 2013 was 17.7 M€ and can be broken down as follows:

| In € thousands | Notes | Fiscal year 2013 | Fiscal year 2012 |
|---|-------|------------------|------------------|
| EXCEPTIONAL INCOME | | 22,259 | 17,621 |
| Exceptional revenue from management operations | (a) | 7,646 | 6,894 |
| Portion of capital grant recorded in income statement | (b) | 14,566 | 10,524 |
| Gains on sales of assets | | - | 62 |
| Capital grants strictly for the period | | 46 | 140 |
| EXCEPTIONAL CHARGES | | 4,582 | 1,849 |
| Exceptional charges on management operations | | 320 | 168 |
| Net accounting value of assets disposed of | | - | 1,383 |
| Other exceptional charges | | 4 | 298 |
| Tax-exempt depreciation allowance | (c) | 4,258 | - |
| EXCEPTIONAL INCOME | | 17,676 | 15,772 |

(a) The variation in extraordinary income on management operations is due mainly to the reimbursement of an excess amount levied for employment tax.

(b) This item corresponds to the deduction made from 'capital grants received' in line with the lifetime or length of use of the capital assets financed.

(c) Following the shortening of the period of depreciation on replacement value of certain assets in 2013, IRSN recorded special depreciation allowances for tax purposes of 4.3 M€.

NOTES ON THE BALANCE SHEET

ASSETS

NOTE 10 - INTANGIBLE AND TANGIBLE ASSETS

The intangible and tangible asset flows, together with the corresponding depreciations and provisions, are as follows:

| In € thousands | 31/12/2012 | Increases | Decreases | 31/12/2013 |
|--|----------------|---------------|----------------|----------------|
| INTANGIBLE ASSETS | | | | |
| GROSS VALUE | 25,258 | 9,227 | 5,954 | 28,531 |
| <i>Startup costs</i> | 2 | - | - | 2 |
| <i>Concessions, patents, licenses and software</i> | 18,897 | 7,198 | - | 26,095 |
| <i>Intangible assets in progress</i> | 6,359 | 2,029 | 5,954 | 2,434 |
| DEPRECIATION | 17,381 | - | -1,832 | 19,213 |
| <i>Startup costs</i> | 2 | - | - | 2 |
| <i>Concessions, patents, licenses and software</i> | 17,379 | - | -1,832 | 19,211 |
| <i>Intangible assets in progress</i> | - | - | - | - |
| SUBTOTAL | 7,877 | 9,227 | 7,786 | 9,318 |
| TANGIBLE ASSETS | | | | |
| GROSS VALUE | 325,047 | 93,474 | 50,802 | 367,718 |
| <i>Land</i> | 3,886 | 45,499 | 22,739 | 26,645 |
| <i>Constructions</i> | 65,348 | 14,455 | - | 79,803 |
| <i>Technical facilities, equipment and tools</i> | 181,099 | 18,048 | 129 | 199,018 |
| <i>Other tangible assets</i> | 43,040 | 7,048 | 799 | 49,289 |
| <i>Tangible assets in progress</i> | 31,673 | 8,424 | 27,135 | 12,962 |
| DEPRECIATION | 161,174 | -114 | -26,531 | 187,591 |
| <i>Land</i> | 167 | - | -41 | 208 |
| <i>Constructions</i> | 30,051 | - | -4,755 | 34,805 |
| <i>Technical facilities, equipment and tools</i> | 97,668 | -3 | -18,373 | 116,037 |
| <i>Other tangible assets</i> | 33,288 | -110 | -3,363 | 36,541 |
| <i>Tangible assets in progress</i> | - | - | - | - |
| SUBTOTAL | 163,873 | 93,587 | 77,333 | 180,127 |
| TOTAL | 171,750 | | | 189,445 |

Fixed assets include assets recorded as a balancing entry to offset provisions, that are not entered in the income statement, set up for the dismantling of facilities used by the Institute for a gross amount of 77.9M€, depreciated for 41.8M€. The

balance of 36.1M€ is lower than the balance of the provision set up in exactly the same way, of 53.9M€, corresponding to the level of dismantling actually performed.

NOTE 11 - FINANCIAL ASSETS

The financial assets of 16.0 M€ include guarantees and deposits paid, loans to staff and the special fund earmarked for the clean-up and dismantling of the facilities used by the Institute, with an injection of 3.3 M€, and used to the sum of 4.5 M€ over the 2013 financial year, 11 M€ of which relating to the decontamination of the Feurs site.

| In € thousands | 31/12/2013 | 31/12/2012 |
|---------------------------------|---------------|---------------|
| <i>Special dismantling fund</i> | 15,223 | 16,445 |
| <i>Loans</i> | 659 | 628 |
| <i>Other financial assets</i> | 132 | 130 |
| TOTAL | 16,014 | 17,203 |

NOTE 12 - MATURITY OF RECEIVABLES

At the closing of the year, the situation is as follows:

| In € thousands | 31/12/2013 Gross | Maturing in less than 1 year | Maturing in more than 1 year |
|--|---------------------|---------------------------------|---------------------------------|
| FIXED ASSET RECEIVABLES | | | |
| <i>Loans</i> | 659 | 3 | 656 |
| <i>Other financial assets</i> | 132 | - | 132 |
| CURRENT ASSET RECEIVABLES | | | |
| <i>Doubtful and disputed trade receivables</i> | 100 | 100 | - |
| <i>Other customer receivables</i> | 42,460 | 42,460 | - |
| <i>Other accounts receivable</i> | 11,828 | 11,828 | - |
| <i>Other receivables</i> | - | - | - |
| TOTAL | 55,178 | 54,391 | 787 |

NOTE 13 - CUSTOMER RECEIVABLES

At the end of the financial year customer receivables were showing a net balance of 42.5 M€:

| In € thousands | 31/12/2013 | 31/12/2012 |
|--|---------------|---------------|
| GROSS VALUE | 42,560 | 39,684 |
| <i>Customers - sales of goods or services</i> | 22,616 | 20,605 |
| <i>Customers - holdbacks</i> | 31 | 31 |
| <i>Doubtful and disputed trade receivables</i> | 100 | 55 |
| <i>Customers - invoices to be prepared</i> | 19,813 | 18,994 |
| IMPAIRMENT PROVISION | - 84 | - 48 |
| <i>Provision for impairment of customer accounts</i> | - 84 | - 48 |
| TOTAL | 42,476 | 39,636 |

NOTE 14 - OTHER RECEIVABLES

The other receivables can be broken down as follows:

| In € thousands | 31/12/2013 | 31/12/2012 |
|--|---------------|---------------|
| <i>Prepayments and advances to personnel</i> | 115 | 146 |
| <i>Accrued income</i> | - 5 | 33 |
| <i>TVA</i> | 11,032 | 14,430 |
| <i>Government - accrued income</i> | 285 | 281 |
| <i>Other debtors</i> | 401 | 1,080 |
| <i>Other receivables</i> | - | - |
| TOTAL | 11,828 | 15,969 |

NOTE 15 - CASH POSITION

This item shows the position of all bank deposits and investments at the closing of the year:

| In € thousands | 31/12/2013 | 31/12/2012 |
|------------------------------|----------------|---------------|
| INVESTMENT SECURITIES | 122,002 | 88,000 |
| <i>Term accounts</i> | - | - |
| <i>Investment accounts</i> | 122,002 | 88,000 |
| CASH | 10,002 | 7,076 |
| TOTAL | 132,004 | 95,076 |

LIABILITIES

NOTE 16 - ALLOWANCES

Allowances' recorded a balance of 90.3 M€ as at December 31, 2013 which can be broken down as follows:

| In € thousands | Notes | 31/12/2013 | 31/12/2012 |
|---|-------|-----------------|---------------|
| ALLOWANCES | | | |
| <i>Funds not associated with specific assets - Govt.</i> | (a) | 7,860 | - |
| <i>Allowance fund</i> | | - | 4,184 |
| <i>Original value of government finance - depreciated asset</i> | | - | 7,860 |
| <i>Asset funds made available - Govt.</i> | (b) | 26,923 | - |
| <i>Original value of asset-related funds - Govt.</i> | (b) | 111,944 | - |
| SUBTOTAL | | 146,728 | 12,044 |
| ADDITIONAL ALLOWANCES | | | |
| <i>Write-back of asset funds made available - Govt.</i> | | - 416 | - |
| <i>Write-back of other asset funds</i> | (b) | - 56,047 | - |
| SOUS-TOTAL | | - 56,462 | - |
| TOTAL | | 90,265 | 12,044 |

(a) The items relates to the exceptional allocation of 2012 associated with the sale of land at the Le Vésinet site, reclassified in 2013.

(b) The assets allocated by the Government under the usage agreements were valued in the accounts as at December 31, 2013.

(c) The financing and the write back of financing of the assets was supplemented by transfer from the capital grants heading during the financial year in application of the instruction of December 18, 2012 (BOFIP-GCP 13 005 of January 31, 2013).

NOTE 17 - RETAINED EARNINGS

The variation in the "retained earnings" heading corresponds to the allocation of the profit from the previous year of 38.8 M€.

NOTE 18 - CAPITAL GRANTS

This is essentially an issue of how the external financing of assets is treated in the accounts. Grants received from sources other than the Government and allocated to the financing of assets are recorded and written back as the corresponding assets are depreciated. During 2013, external financing allocated to assets and received from the Government were transferred to allowances in application of the instruction of December 18, 2012 (BOFIP-GCP 13 005 of January 31, 2013).

| In € thousands | Notes | 31/12/2013 | 31/12/2012 |
|--|-------|--------------|---------------|
| <i>Government capital grants</i> | | - | 147,131 |
| <i>Other capital grants</i> | | - | 108 |
| <i>Original value of asset-related funds - Public authorities and national public bodies</i> | (a) | 35,295 | - |
| <i>Write-back of asset-related funds - Public authorities and national public bodies</i> | (a) | - 33,756 | - |
| <i>Capital grants recorded in income statement</i> | | - | - 75,652 |
| TOTAL | | 1,539 | 71,587 |

(a) see note 16 (b).

NOTE 19 - SPECIAL DEPRECIATION ALLOWANCES FOR TAX PURPOSES

In 2013, the Institute reduced the depreciation term of certain assets, which was reflected by the entry in the accounts of special depreciation allowances amounting to 4.3M€.

NOTE 20 - CONTINGENCY AND LOSS PROVISION

Contingency and loss provision varied as follows during the year:

| In € thousands | Notes | Write-backs for the fiscal year | | | | 31/12/2013 |
|--|-------|---------------------------------|--------------------------------|------------------|----------------------|---------------|
| | | 31/12/2012 | Allocations in the fiscal year | (provision used) | (provision not used) | |
| PROVISION FOR DISPUTES | | 196 | 259 | 100 | - | 356 |
| <i>Employment disputes</i> | | 96 | 42 | - | - | 138 |
| <i>Other disputes</i> | | 100 | 218 | 100 | - | 218 |
| PROVISION FOR FOREIGN EXCHANGE LOSSES | | 3 | 2 | 3 | - | 2 |
| LOSS PROVISION | (a) | 71,458 | 2,930 | 6,104 | 513 | 67,770 |
| <i>Dismantling</i> | | 57,280 | - | 3,373 | - | 53,907 |
| <i>Cleanup</i> | | 11,873 | - | 1,209 | - | 10,665 |
| <i>Customer risk</i> | | - | 467 | - | - | 467 |
| <i>Individual Outplacement Pierrelatte</i> | | - | 9 | - | - | 9 |
| <i>AGEFIPH</i> | | 269 | 320 | - | - | 589 |
| <i>Employee profit-sharing</i> | | 2,036 | 2,134 | 1,523 | 513 | 2,134 |
| TOTAL | | 71,657 | 3,191 | 6,207 | 513 | 68,128 |

(a) The allocation for the year essentially includes 2134 K€ for staff profit sharing, 320 K€ for the AGEFIPH contribution and 467 K€ for covering the risks on customer receivables. The write-backs consist in particular of:

- utilisation of the provision for dismantling the PHEBUS facility to the sum of 3373 K€;
- use of the cleanup provision of 1,209 k€ primarily for the Feurs site;
- and the operation associated with writing back of a reserve for profit sharing of which only a part was utilised (1523 K€).

NOTE 21 - DEBT MATURITIES

At the end of the financial year the situation is as follows:

| In € thousands | 31/12/2013 | | | |
|---|----------------|------------------------------|------------------------------|-------------------------------|
| | Gross | Maturing in less than 1 year | Maturing in 1 year & 5 years | Maturing in more than 5 years |
| <i>Bank borrowings</i> | 15,528 | 780 | 2,038 | 12,710 |
| <i>Prepayments and advances received</i> | 255 | 255 | | |
| <i>Trade notes and accounts payable</i> | 76,451 | 76,451 | | |
| <i>Tax and social liabilities</i> | 31,720 | 31,720 | | |
| <i>Other operating liabilities</i> | 74 | 74 | | |
| <i>Liabilities relating to fixed assets</i> | 8,478 | 8,478 | | |
| <i>Other liabilities</i> | 7,559 | 7,559 | | |
| TOTAL | 140,065 | 125,318 | 2,038 | 12,710 |

NOTE 22 - BANK BORROWINGS

As at 31.12.13, the borrowing situation is as follows:

| In € thousands | 31/12/2012 | Repayments | 31/12/2013 |
|------------------------------|---------------|------------|---------------|
| Caisse d'Epargne Loan 1 | 970 | - 970 | - |
| Caisse d'Epargne Loan 2 | 965 | - 640 | 325 |
| BNP-PARIBAS Loan | - | - | - |
| Crédit Agricole Loan | 15,571 | - 442 | 15,129 |
| Accrued interest not yet due | 91 | - | 74 |
| TOTAL | 17,597 | | 15,528 |

NOTE 23 - TRADE PAYABLES

Trade payables at the end of the financial year can be broken down as follows:

| In € thousands | 31/12/2013 | 31/12/2012 |
|---|---------------|---------------|
| Suppliers - Purchases of goods and services | 7,675 | 6,695 |
| Suppliers - Holdback | 190 | 64 |
| Suppliers - Expenses payable | 68,586 | 49,366 |
| TOTAL | 76,451 | 56,125 |

NOTE 24 - TAX AND SOCIAL WELFARE LIABILITIES

At the end of the financial year, the accounting situation is as follows:

| In € thousands | 31/12/2013 | 31/12/2012 |
|------------------------------|---------------|---------------|
| Employee-related liabilities | 13,452 | 12,658 |
| Social organizations | 10,502 | 12,849 |
| TVA | 6,499 | 6,028 |
| Other taxes and duties | 1,267 | 1,219 |
| TOTAL | 31,720 | 32,754 |

NOTE 25 - OTHER LIABILITIES

The significant elements of this item are as follows:

| In € thousands | 31/12/2013 | 31/12/2012 |
|---|---------------|---------------|
| AMOUNTS PAYABLE ON FIXED ASSETS AND RELATED ACCOUNTS | 8,478 | 7,721 |
| Suppliers of fixed assets | 1,301 | 2,036 |
| Suppliers of fixed assets - Holdback | 508 | 430 |
| Suppliers of fixed assets - national provident funds | 5,001 | - |
| Suppliers of fixed assets - Charges payable | 1,669 | 5,255 |
| OTHER LIABILITIES | 7,559 | 4,412 |
| TOTAL | 16,037 | 12,133 |

NOTE 25 - AUTRES INFORMATION

POST-CLOSING EVENTS

None.

SITUATION WITH REGARD TO CORPORATION TAX

IRSN has a loss to carry over.

OFF-BALANCE SHEET COMMITMENTS

- Retirement commitments (calculation in accordance with IAS 19): 17.2 M€ gross, i.e. 25.6 M€ including an estimate of social-security costs.
- Commitments associated with the individual training right (DIF): 6.8 M€.
- Leasing: none.
- Other off-balance sheet commitments received: 87 bank guarantees to cover retention monies paid to suppliers of which 81 denominated in euro to the sum 1.5 M€ and 6 in yen to the sum of 104 millions yen.
- The establishment provides an unemployment (mortgage payment) guarantee for its employees. Benefits paid out under this scheme came to 0.475 M€ in 2013.

WORKFORCE

The paid workforce in the employment of the Institute as at 31 December 2013 was 1,771 private individuals. This figure can be broken down as follows:

| | |
|---------------------------------------|-------|
| • Permanent managerial contracts: | 1,234 |
| • Permanent non-managerial contracts: | 415 |
| • Fixed-term contracts: | 122 |

IRSN

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