



in

$$n \begin{pmatrix} v \\ A_T I \end{pmatrix}^* N =$$

The word **INNOVATIONS** has another two words in it —**IN + OVATIONS**. For us, being **IN** means going in the right direction, taking part in the long-term global trend of developing and building smart grids, smart buildings, smart technologies.

The word **OVATIONS** (ovatio in Latin) meant honors received by victorious commanders in the Roman Republic. These honors or acknowledgements of gratitude go to all our enthusiastic and smart colleagues who come up with excellent ideas and work hard for them. It is mainly thanks to them that CEZ Group is what it is today—an energetic leader coming up with new solutions.

And so... if we split **INNOVATIONS** into **IN + OVATIONS**, we get a precise mathematical formula. If we combine the state of the art in technology and a constant flow of new energy that our employees pour into their projects, we get a formula for our future.

The future of energy

$$\begin{aligned}
 & \frac{\sqrt{P2G}}{CH_4/H_2} \times \left(\text{img: woman with CH}_4 \text{ balloon} \right) + \frac{3,535^2}{ET} \left(\text{img: woman with large arrow} \right) + S_c \left(\text{img: woman with megaphone} \right) \\
 & \left(\text{img: woman with smartphone} \right) \frac{2015}{SMS} + \left(\text{img: man with stack of papers} \right) + 20 \times T^E \\
 & TN_{PP} \left(\text{img: man with laptop} \right) \times D_G^2 \left(\text{img: man with ring} \right) + \left(\text{img: woman driving} \right) E^m \\
 & \left(\text{img: man with balloon} \right) \frac{SE}{R_s} + \left(\text{img: woman with guitar} \right) E + H = \text{formula of the future}
 \end{aligned}$$

EBITDA
CZK 65.1bn

Adjusted Net Income
CZK 27.7bn

Return on Equity, Net (ROE)
7.8%

Operating Revenues
CZK 210bn

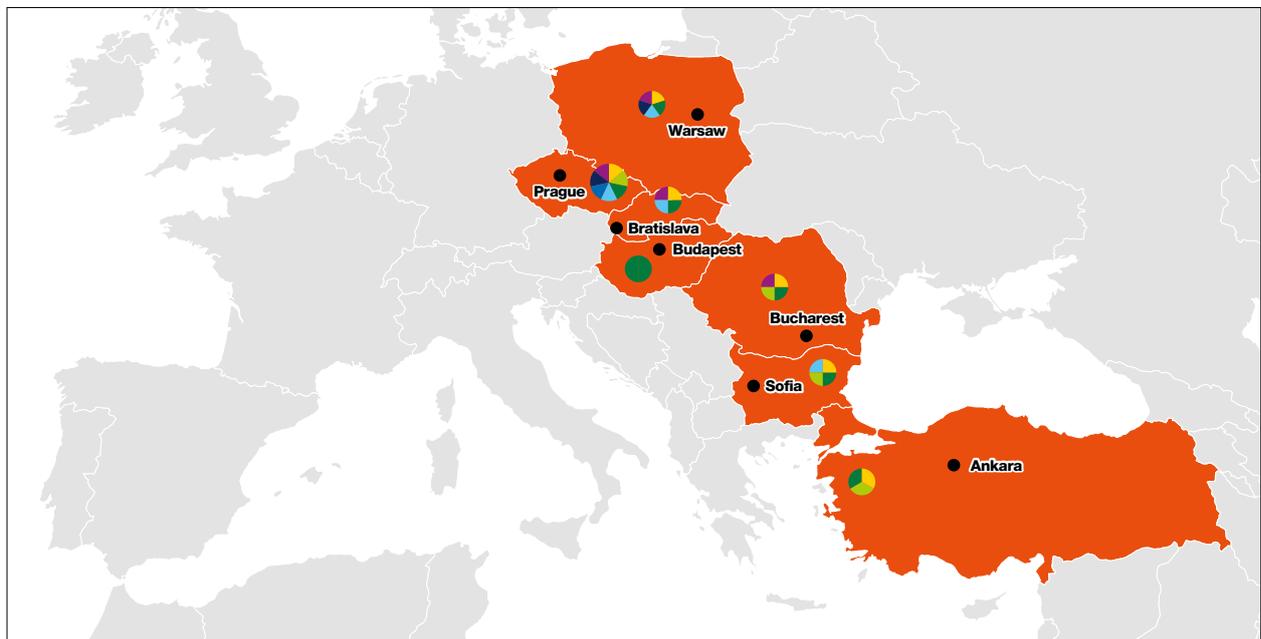
CEZ GROUP'S PROFILE

Headquartered in the Czech Republic, CEZ Group is an integrated energy conglomerate with operations in a number of Central and Southeastern European countries and Turkey. The Group's core business is the generation, distribution, trade in and sale of electricity and heat, trade in and sale of natural gas, and coal extraction. CEZ Group companies employ almost 26,000 people.

The largest shareholder of the parent company, ČEZ, a. s., is the Czech Republic with a nearly 70% stake in the Company's share capital (as at December 31, 2015). ČEZ, a. s. shares are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices.

CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society as a whole; its goal is to bring innovations for resolving energy needs and to help improve quality of life. Its strategy reflects the major transformation of Europe's energy market. CEZ Group wants to operate its power assets as efficiently as possible and adapt to the growing share of decentralized and zero-emission generation. Another of its priorities is to offer its customers a wide range of products and services in synergy with the sale of electricity and gas. Its third priority is to invest actively in promising energy assets with a focus on the Central European region and in support for advanced technologies in an early stage of development.

CEZ Group's Presence in the Energy Sector by Territory



Electricity	Natural gas	Heat
■ Generation	■ Sales to end customers	■ Generation
■ Distribution		■ Distribution
■ Sales to end customers		■ Sales to end customers

CEZ Group companies in the Czech Republic extract and sell coal, generate and distribute electricity and heat, trade in electricity and other commodities, sell electricity, heat, and natural gas to end customers, and provide other services. Their power generation portfolio consists of nuclear, coal-fired, gas, hydroelectric, photovoltaic, wind, and biogas facilities.

CEZ Group's activities abroad consist mainly of electricity distribution, generation, trading, and sale. CEZ Group is the owner or co-owner of generation and distribution assets in Poland, Romania, Bulgaria, Turkey, and Slovakia. CEZ Group's subsidiaries in the Netherlands and Ireland are ownership intermediaries and companies providing financing.

In many European countries, CEZ Group trades in electricity and other commodities on wholesale markets. Besides the Czech Republic, CEZ Group sells electricity or natural gas to end customers in Romania, Bulgaria, Turkey, Hungary, Poland, and Slovakia, in particular.

At the same time, CEZ Group's business activities are governed by strict ethical standards that include responsible behavior toward employees, society, and the environment. In its business activities, CEZ Group embraces the principles of sustainable development, supports energy efficiency, promotes new technologies, and creates an environment for employees' professional growth. Its corporate culture emphasizes safety, continuous growth in internal efficiency, support for innovations, and improvement both in its business segments and by employees in order to increase CEZ Group's value in a changing environment.

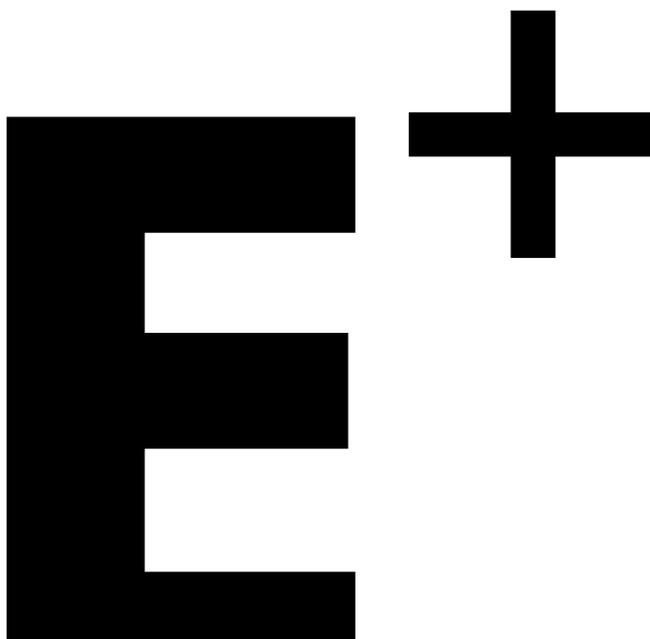


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To read such a code, you need a mobile phone with a camera and "QR code reader" software installed, and to view a web page you also need an Internet connection.

Aim the device at the QR code and the reader will decode it and give you access to the information it contains.



STATUTORY DECLARATION BY PERSONS RESPONSIBLE FOR THE CEZ GROUP ANNUAL REPORT

Statutory Declaration

With the use of all reasonable care, to the best of our knowledge the consolidated Annual Report provides a true and fair description of the financial situation, business activities, and results of operations of the issuer and its consolidated group for the year 2015 and of the outlook for the future development of the financial situation, business activities, and results of operations of the issuer and its consolidated group, and no facts have been omitted that could change the meaning of this report.

Prague, April 18, 2016



Daniel Beneš
Chairman of the Board of Directors, ČEZ, a. s.



Martin Novák
Vice-Chairman of the Board of Directors, ČEZ, a. s.

INFORMATION ON THE INDEPENDENT AUDITOR'S REPORTS

In connection with the audit of the consolidated and individual financial statements of ČEZ, a. s., the independent auditor acquainted themselves with information contained in the Annual Report and reviewed its consistency with the financial statements and other facts known to them.

Due to an amendment made to the Czech Auditors Act, the independent auditor's opinion on the Annual Report is not given in a separate report, as was the case in the past years, but it is included in the independent auditor's reports on the financial statements. The Independent Auditor's Report on the Consolidated Financial Statements can be found on page 212 and the Independent Auditor's Report on the individual Financial Statements can be found on page 274.



INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER OF ČEZ, a. s.

Dear shareholders,

Please allow me to start with a brief reflection on the development of the whole energy sector. What we have been advising of for several years is proving true: changes in the energy market are having a massive impact on Europe's traditional energy companies, including CEZ Group. Technological advancement, but especially public support, have ignited quick development of renewable energy sources in Europe. A major role in the development is played by Europe's regulatory environment. There are stricter demands on emission reduction and the efficiency of power generation facilities. The process of energy decentralization forges ahead as customers' orientation is changing toward comprehensive services, making use of energy auto-production. Small, midsize, and large consumers are turning into producers as well, becoming "prosumers". What does not change, however, is shareholders requesting a stable dividend.

The trend of declining prices of energy commodities continued. The wholesale price of electricity on the exchange dropped under 30 EUR/MWh during 2015 and even approached the 20 EUR/MWh mark in early 2016. This is a value that was hard to imagine just a few years ago and that even poses a threat to the financial stability of a number of European, especially German energy companies. For the most part, this is due to a significant drop in coal and gas prices on global markets resulting from technological development and stagnant demand. Another factor is high support for renewable energy sources in the EU and especially in Germany, our neighbor whose market is closely tied to that of the Czech Republic.

CEZ Group achieved very good financial results in 2015 in spite of all those factors. The 2015 net income adjusted for extraordinary effects, which is the basis for dividend proposal, was CZK 27.7bn. This exceeds original expectations by more than CZK 700m despite a further decline in the realization prices of generated electricity. Positive effects included the refund of a portion of gift tax on CO₂ emission allowances paid for 2011 and 2012 and successful fulfillment of our program of savings and pro-growth measures. By contrast, negative effects on the results were derived from a loss of income due to unscheduled outages at the Dukovany Nuclear Power Plant and extended regular outages at the Temelín Nuclear Power Plant. CEZ Group managed to cut fixed operating costs by CZK 2.9bn in 2015 while increasing its total revenues to CZK 210.2bn, i.e. by 4% year-on-year. This was primarily thanks to increased sales of electricity, gas, and heat to end customers. EBITDA was CZK 65.1bn, decreasing by 10% year-on-year. Still, CEZ Group managed in 2015 to generate operating cash flow CZK 1.9bn greater than in 2014 and cut its net debt by CZK 16bn. In the context of developments in the energy market as a whole, CEZ Group remains one of a few stable energy companies with a very low level of debt, as confirmed by its high Standard & Poor's credit rating of A- with a stable outlook. We continue to keep our position of a reliable leader in Central Europe's energy markets and are on the lookout for new opportunities in conventional energy as well as new energy focusing on renewables and decentralized generation.

Back in 2014, we presented an updated strategy for CEZ Group, which was a reaction to the changes and trends in the energy market and which we have been successfully implementing. Developments in the European energy sector in 2015 fully confirmed the legitimacy of ČEZ's conservative financial policy and the correctness of the updated strategy oriented toward operational efficiency, modern decentralized energy, and end customers. In 2015, we strengthened and rearranged our internal capacities and resources toward development activities and defined our strategic financial ambitions for 2020. Together with that change we bolstered segment management. We rearranged our capacities based on lines of business, replacing the previous country-based arrangement. This made each business segment directly responsible for results achieved across all countries we operate in. The objective of the Operations team, led by Martin Novák, Vice-Chairman of the Board of Directors, is to continually improve efficiency and flexibility in the operations of traditional assets, improve the internal efficiency of the whole CEZ Group, and contribute an additional CZK 3bn to EBITDA by 2020. The task of the Development team, led by Tomáš Pleskač, a member of the Board of Directors, is to ensure future growth for CEZ Group based on decentralized energy and renewables, expand the portfolio of innovative products and services for end customers, carry out acquisitions and investments in the Czech Republic and in countries with a stable regulatory environment, and contribute an additional CZK 6bn to EBITDA by 2020.

I consider it highly positive that CEZ Group is successfully fulfilling one of the main pillars of its new strategy, namely developing new products and services tailored to our customers' changing requirements. Examples include the sale of CHP units, where we are the Czech market leader, our offer of energy services, or turnkey deliveries of smart energy solutions, including our "Rooftop Photovoltaics" and "ČEZ WITHOUT WORRIES" products. Our customers appreciate this, as confirmed by customer satisfaction increasing from 77% to 84%. We closely watch developments in innovations. We want to participate in technological advancement and benefit from the opportunities it offers. In 2015 we announced our entry into German technology companies Sonnenbatterie and SunFire. This is the type of investment we are seeking intensively and plan to keep on making.

In view of the development of the European energy market, 2016 will be another year highly affected by low prices of energy commodities and regulatory developments. Therefore, our main task remains to be the protection of ČEZ's key value, namely conventional power, based on electricity generation at coal-fired, nuclear, and hydro power plants. In the long term, however, CEZ Group's development activities in new energy, smart distribution grids, and the sale of comprehensive services will be no less important. CEZ Group is ready to invest a total of CZK 50–60bn in this strategy in 2016–2020.



Daniel Beneš
Chairman of the Board of Directors
and Chief Executive Officer, ČEZ, a. s.

15
CEZ

SELECTED INDICATORS OF CEZ GROUP

Selected Indicators of CEZ Group in Accordance With IFRS

	Unit	2011	2012	2013	2014	2015	2015/2014 Index (%)
Installed capacity	MW	15,111	15,761	15,166	16,038	15,920	99.3
Electricity generated (gross)	GWh	69,209	68,792	66,625	63,124	60,917	96.5
Electricity sold ¹⁾	GWh	42,846	41,829	36,511	35,139	37,933	108.0
Heat sold	TJ	14,858	19,089	24,633	21,276	22,256	104.6
Gas sold ¹⁾	GWh	3,513	5,894	6,108	5,417	6,824	126.0
Workforce headcount as at December 31	persons	31,420	31,250	26,582	26,255	25,866	98.5
Operating revenues	CZK millions	204,816	211,874	216,731	201,751	210,167	104.2
of which: Sales of electricity and related services	CZK millions	181,793	186,646	189,356	173,819	182,105	104.8
EBITDA	CZK millions	87,380	85,776	81,994	72,498	65,104	89.8
EBIT	CZK millions	61,250	57,041	45,690	36,946	28,961	78.4
Net income	CZK millions	40,753	40,135	35,207	22,432	20,547	91.6
Adjusted net income ²⁾	CZK millions	41,214	41,299	38,178	29,454	27,657	93.9
Earnings per share—basic	CZK/share	76.3	77.6	67.2	41.9	38.8	92.6
Dividend per share (gross) ³⁾	CZK/share	50.0	45.0	40.0	40.0	40.0	100.0
Net cash provided by operating activities	CZK millions	61,631	64,249	71,997	70,675	72,579	102.7
Capital expenditures (CAPEX) ⁴⁾	CZK millions	(51,113)	(50,176)	(43,586)	(34,412)	(31,494)	91.5
Financial investments ⁵⁾	CZK millions	(72)	(4,962)	(948)	(35)	–	–
Total assets	CZK millions	598,301	635,823	640,394	627,870	602,686	96.0
of which: Property, plant, and equipment ⁶⁾	CZK millions	386,837	419,289	425,662	426,542	421,364	98.8
Equity (including non-controlling interests)	CZK millions	232,190	253,893	262,766	265,851	272,155	102.4
Net debt	CZK millions	156,197	161,030	156,426	147,245	131,223	89.1
Return on invested capital (ROIC)	%	12.4	10.5	7.9	6.3	5.0	79.2
Return on equity, net (ROE)	%	18.2	17.4	14.1	8.6	7.8	90.4
Net debt / EBITDA	1	1.79	1.88	1.91	2.03	2.02	99.2

¹⁾ Sales to end customers (outside CEZ Group).

²⁾ Adjusted net income excludes extraordinary effects that are generally unrelated to ordinary financial performance in a given year (most importantly fixed asset impairments).

³⁾ Declared in a given year to be paid out of the previous year's income.

⁴⁾ Additions to property, plant and equipment and intangibles.

⁵⁾ Acquisition of subsidiaries and joint ventures, net of cash acquired (in the acquisitions).

⁶⁾ Property, plant and equipment (including nuclear fuel and construction work in progress).

Credit Rating

Standard & Poor's Credit Market Services Europe Limited reaffirmed its long-term credit rating of A– with a stable outlook on December 11, 2015, which remained unchanged in 2015. On February 26, 2016, Standard & Poor's undertook a revision of European energy companies' credit ratings in connection with continued decline in power prices. ČEZ's rating, including the outlook, was reaffirmed during the revision. Moody's Investors Service Ltd. lowered its long-term credit rating by one notch to A3 with a stable outlook (from the previous A2 with a negative outlook) on June 23, 2015. On February 12, 2016, Moody's Investors Service Ltd. announced that due to continued decline in power prices, it was starting a revision of the credit ratings of some European energy companies, whose credit rating was placed on review for downgrade. On April 6, 2016, Moody's Investors Service Ltd. lowered its long-term credit rating of ČEZ, a. s. by one notch to Baa1 with a stable outlook (from the previous A3 with a stable outlook).

Both credit rating agencies are included in the list of credit rating agencies pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council and Regulation (EU) No. 462/2013 of the European Parliament and of the Council. When selecting credit rating agencies, ČEZ, a. s. complies with Article 8d of the above-mentioned Regulation.


$$\frac{\sqrt{\text{P2G}}}{\text{CH}_4/\text{H}_2} \neq$$

Power-to-Gas Technology Converts Electricity to Gas

Scientists constantly look for new ways of making the most of electricity and heat generation facilities. Power-to-Gas (P2G) technology can convert electricity into methane or hydrogen and feed them to natural gas distribution systems. When surplus energy is generated, the technology accumulates electricity generated from renewable sources, especially solar installations and wind turbines. This allows using renewables to generate environmentally friendly electricity even during periods of low consumption. **IN** In 2015, CEZ Group acquired a minority stake in SunFire, which focuses on the P2G concept. Its flagship product is a fuel cell that works both ways—it converts electricity into hydrogen and other gases or synthetic fuels, and can also convert them back into electricity or heat. **OVATIONS** By investing in SunFire, we boosted our activities in decentralized energy and renewable energy sources. Along with the other techniques we already use, the P2G technology will help us further reduce CO₂ emissions to the air. **INNOVATIONS**



Sci-Fi ()²

A stake in SunFire that we acquired in 2015 allows us to support the advancement of new technologies focusing on renewable energy storage.



SHARES

The shares of five companies within CEZ Group are publicly traded.

1. ČEZ, a. s.

As at December 31, 2015, the stated capital of ČEZ, a. s. totaled CZK 53,798,975,900. The Company's stated capital consisted of 537,989,759 shares with a nominal value of CZK 100.

Shares

Security	ISIN	Issue date	Volume	Issued as	Form	Face value	Market	Traded since
Registered share	CZ0005112300	Feb 15, 1999	CZK 53.8bn	Dematerialized	Bearer	CZK 100	PSE	Jun 22, 1993
							PSE Prime Market	Jan 25, 1994
							RM-System	Feb 23, 1999
							WSE	Oct 25, 2006

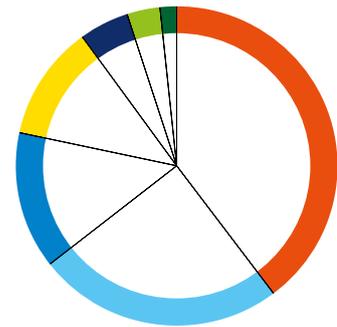
Structure of Shareholders—by Entity Type (%)

	as at December 31, 2014		as at December 31, 2015	
	Stake in stated capital	Share in voting rights	Stake in stated capital	Share in voting rights
Legal entities, total	93.31	93.26	91.22	91.16
of which: Czech Republic	69.78	70.29	69.78	70.27
ČEZ, a. s.	0.72	–	0.70	–
Other legal entities	22.81	22.97	20.74	20.89
Private individuals, total	6.69	6.74	8.78	8.84

Source: Central Securities Depository.

Structure of Identified Institutional Shareholders—by Geography

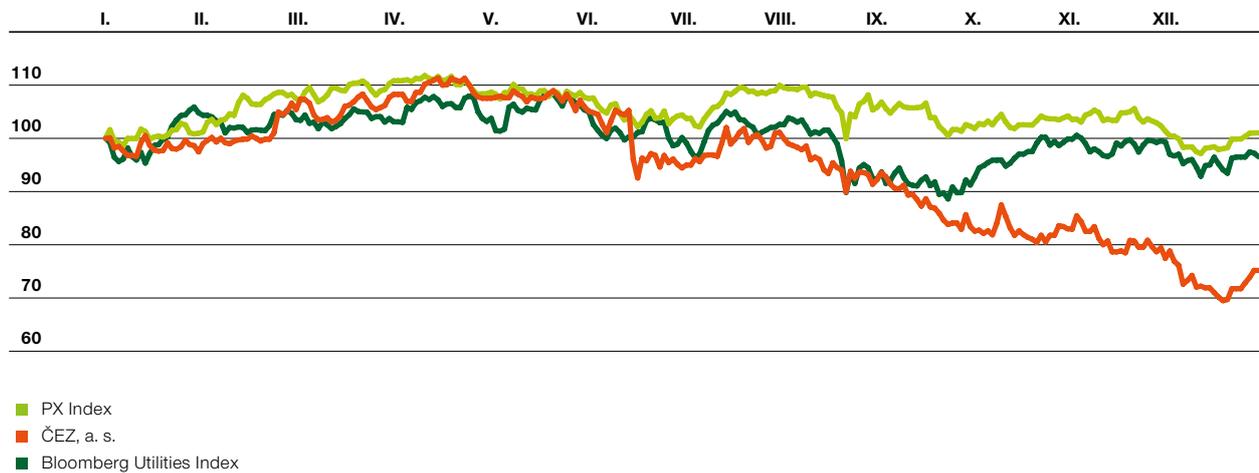
	%
North America	39.8
Continental Europe (other than the Czech Republic and the Republic of Poland)	24.8
Republic of Poland	13.8
United Kingdom and Ireland	11.7
Asia and Australia	5.0
Czech Republic	3.5
Middle East	1.4
Total	100.0



Explanation of Methodology

The data in the table is based on a questionnaire survey conducted by Ipreo among institutional investors and managers of securities. The survey managed to identify the holders of 82% of the overall number of shares held by institutional investors. The figures in the table represent percentages of the total number of identified institutional shareholders. Shares owned by the Czech Republic, treasury shares, and shares held by individuals are not included in the results.

ČEZ, a. s. Share Prices in 2015, Compared With the Bloomberg Utilities Index and PX Index (%)



Stock-Related Indicators

	Unit	2014	2015	2015/2014 Index (%)
Net earnings per share—basic (EPS) ¹⁾	CZK/share	41.9	38.8	92.6
Dividend per share (gross) ²⁾ (DPS)	CZK/share	40.0	40.0	100.0
Dividends declared	CZK billions	21.4	21.4	100.0
Dividend as percentage of previous year's adjusted consolidated net income	%	56.0	72.6	129.6
Share price—year's high	CZK	663.0	658.0	99.2
Share price—year's low	CZK	490.0	410.7	83.8
Share price—at year end (as at December 31)	CZK	591.0	444.3	75.2
ČEZ stock trading volume on the PSE	CZK billions	62.1	60.7	97.7
ČEZ stock volume as percentage of overall PSE trading volume	%	39.2	35.2	89.8
Number of registered shares (as at December 31)	thousands	537,990	537,990	100.0
Number of treasury shares (as at December 31)	thousands	3,875	3,755	96.9
Number of shares in circulation (as at December 31)	thousands	534,115	534,235	100.0
Price to earnings ratio (P/E)	1	14.1	11.4	81.1
Book value per share (BVPS)	CZK	489.2	501.5	102.5
Price to book value ratio (P/BV)	%	120.8	88.6	73.3
Total shareholder return (TSR)	%	22.1	(18.0)	-
Market capitalization (as at December 31)	CZK billions	315.7	237.4	75.2

¹⁾ Consolidated net earnings per share attributable to parent company shareholders.

²⁾ Dividend before tax.

Dividend Payments to Shareholders and Dividend Policy

The General Meeting held on June 12, 2015 decided to pay company shareholders a dividend for 2014 in the amount of CZK 40 per share before tax. Entities that were shareholders of ČEZ, a. s. on the record date, i.e. June 18, 2015, are entitled to the dividend. The dividends became payable on August 3, 2015 and can be claimed until August 1, 2019. The number of shares for which the dividend is paid was 534,234,738 as at June 18, 2015.

Since 2015, ČEZ, a. s. has been applying a dividend policy that anticipates paying out 60–80% of consolidated net income adjusted for extraordinary effects generally unrelated to ordinary financial performance in a given year. The dividend for 2014 corresponded to 73% of the consolidated adjusted net income in 2014.

D 60–80

ČEZ, a. s. Shareholder and Investor Relations

ČEZ has long been building relations with shareholders and other capital market participants by means of open and regular communication. It publishes quarterly communications on its financial performance and fulfillment of CEZ Group's strategic goals on dates that are announced in advance. It also informs of material new facts that might affect the share price on an ad hoc basis. In accordance with good practice, it also maintains an active dialog with capital market participants through personal meetings with analysts and representatives of institutional investors during roadshows in the Czech Republic, the United Kingdom, the United States, Poland, Austria, Germany, the Scandinavian countries, Switzerland, and the Benelux countries. ČEZ representatives attend major investor conferences in those geographies. Active dialog is also helped by the fact that investment recommendations on ČEZ shares are published regularly by 25 banks and brokerage firms.

2. ČEZ OZ uzavřený investiční fond a.s.

The company's shares were admitted to trading on the Prague Stock Exchange's regulated market with effect from December 31, 2015. Their ISIN is CZ0008041787. Admitted to trading was an issue of 5,310,498 shares, i.e. 15% of the total number of the company's shares, from the stake of ČEZ, a. s. As at the date of admission to trading, ČEZ, a. s. held a 99.60% stake in the company; other shareholders were ČEZ Obnovitelné zdroje, s.r.o. with a 0.39% stake and ČEZ Korporátní služby, s.r.o. with a 0.02% stake in the company's capital.

3. Akenerji Elektrik Üretim A.S.

The company's shares are traded freely on the stock exchange. A portion of shares representing a 25.3% stake in its stated capital has been freely traded on the Istanbul stock exchange since July 3, 2000. Their ISIN is TRAAKENR91L9. The shares are not traded on any other public markets. ČEZ, a. s. held a 37.4% stake in the company's stated capital as at December 31, 2015.

4. CEZ Elektro Bulgaria AD

The company's shares have been traded on the BSE stock exchange (Българска Фондова Борса) since October 29, 2012. Their ISIN is BG1100024113. The shares are not traded on any other public markets. As at December 31, 2015, ČEZ, a. s. held a 67% stake and the second largest shareholder, the Chimimport group, held a 26.92% stake in the company's stated capital.

5. CEZ Razpredelenie Bulgaria AD

The company's shares have been traded on the BSE stock exchange (Българска Фондова Борса) since October 29, 2012. Their ISIN is BG1100025110. The shares are not traded on any other public markets. As at December 31, 2015, ČEZ, a. s. held a 67% stake and the second largest shareholder, the Doverie group, held a 11.96% stake in the company's stated capital.

SELECTED EVENTS

Selected Events of 2015

January

- Operation of the coal-fired power plant in Varna, Bulgaria was suspended;
- CEZ Group's Code of Conduct was published as a comprehensive summary of the rules of ethical conduct, with a focus on external relations, employee relations, the environment, occupational safety and health, and security of CEZ Group.

March

- An extraordinary drill exercise with a secret scenario was successfully performed at the Temelín Nuclear Power Plant, the objective of which was to test reactions to an unplanned situation;
- "ČEZ WITH REWARD" was introduced as a new product in the gas supply segment.

April

- The International Court of Arbitration of the ICC in Paris dismissed an overwhelming majority of claims brought against ČEZ by Romanian company Electrica (and its successor in the case, Societatea de Administrare a Participațiilor în Energie S.A.) for ČEZ's alleged breach of obligations from privatization agreements;
- The second coordinated exercise in the restoration of the Czech Republic's electricity system following a major power outage (blackout) took place.

May

- ČEZ, a. s. decided not to exercise its first option to sell the Počeradý Power Plant to Vršanská uhelná a.s., a mining company from the Czech Coal group, on June 30, 2015;
- ČEZ, a. s. updated its dividend policy, increasing the dividend payout ratio to 60–80% of consolidated net income adjusted for extraordinary effects;
- The OSART 2015 Corporate Follow-Up Mission took place, verifying that most findings from the OSART 2013 Mission had been resolved; the remaining three findings were found to show sufficient progress;
- The government of the Czech Republic approved the updated State Energy Policy, which anticipates, among other things, greater diversification of sources and preservation of the existing full independence in heat and electricity supply;
- The project "Teplice District Heating—Reducing Heating Costs and Emissions in Teplice" (a district heating system) was named Project of the Year 2014 in the "Development of Heat Supply Systems" category.

June

- The 23rd Annual General Meeting of ČEZ, a. s. was held, adopting a decision to pay a dividend of CZK 40 per share;
- CEZ Group announced its plan to reduce its greenhouse gas emissions to zero by 2050;
- Based on a court decision, ČEZ Prodej received a total of CZK 1.1bn from Správa železniční dopravní cesty (Railway Infrastructure Administration) on account of a 2010 electricity supply contract;
- ČEZ received CZK 4.6bn from CEZ Silesia B.V. as part of the restructuring of CEZ Group's assets in Poland aiming to reduce ČEZ's financial exposure.

July

- Under the 2014 Settlement Agreement worth EUR 95m, the Albanian government duly paid another installment of EUR 21.75m (approx. CZK 0.6bn), having paid a total of EUR 31.75m since the start of payments;
- CEZ Group acquired a minority stake in Sonnenbatterie GmbH (renamed to sonnen GmbH on December 14, 2015), the world leader in the production of battery energy storage systems, together with the right to participate in the German company's strategic decision-making.

September

- A temporary accreditation was approved for the Fântânele and Cogeașca wind farms in Romania, on the basis of which the allocation of green certificates was resumed for electricity generated after September 2, 2015; the temporary accreditation is valid for 12 months;
- Special checks of all X-ray images of heterogeneous welds started at the Dukovany Nuclear Power Plant; as a result, the power plant's Units 2 and 3 were shut down and the outage of Unit 1 was extended;
- Environmental and other upgrades were finished at the Dětmarovice Power Plant; they will result in reducing its emissions of nitrogen oxides by around 50%;
- The Czech Energy Alliance was established, associating 14 leading Czech engineering companies; the Alliance's goal is to ensure increased competitiveness of its members in foreign markets and the development of expertise of Czech companies, especially suppliers of nuclear equipment; its membership includes ŠKODA PRAHA a.s. from CEZ Group;
- A contract to sell the Akocak, Turkey hydro power plant, was signed.

October

- The government of the Czech Republic approved adjustments of brown coal mining limits at the Bílina Mine; this will allow Severočeské doly, a member of CEZ Group, to extract up to 150 million tons of additional coal and the mining can go on until 2055;
- ČEZ announced a new method of company management with effect from January 1, 2016 in reaction to the deepening trends in the energy sector; its goal is to strengthen segment management and direct more capacities toward development activities; operating and development activities will be headed by two top-level teams: Operations and Development;
- CEZ Group expanded its range of products to include rooftop photovoltaic systems, which includes complete system installation including the design and financing, fully handled paperwork, and operational service for customers;
- The National Center for Energy Savings (NCES) was established; its main mission is to provide comprehensive consultancy concerning energy savings in order to help achieve the Czech Republic's goals in this field; it was co-founded by ČEZ, a. s.

November

- Refund of a portion of gift tax on emission allowances was received, amounting to CZK 3.8bn paid by ČEZ and other CEZ Group members in 2011 and 2012;
- A Notice of Dispute was sent to the government of Bulgaria to officially notify it of an intent to initiate an international investment arbitration on grounds of a number of interventions by Bulgarian authorities injuring CEZ Group companies' business in the country and as a result of a long-term, non-improving critical situation in the country's energy market unless the current situation is improved speedily;
- CEZ Group acquired a minority stake in SunFire GmbH, a German company developing and introducing into industrial production energy technologies that help reduce CO₂ emissions and develop decentralized energy facilities;
- Environmental and other upgrades to the operations of the Počeradý Power Plant were finished; they will result in reducing the power plant's emissions of nitrogen oxides by up to 60%.

December

- An extension to the existing operating license for Unit 1 of the Dukovany Nuclear Power Plant was issued by SÚJB for until the end of March 2016;
- ČEZ submitted a tentative offer to buy the German assets of the Swedish company Vattenfall;
- CEZ Group pledged to improve its energy efficiency and reduce CO₂ unit emissions from electricity generation in the Czech Republic by 46% before 2020 as compared to 2001;
- A framework contract was made with Aquila Capital, a German group that will seek opportunities for CEZ Group to invest in wind farms in Germany; the contract defines terms and conditions for future potential acquisitions of up to 120 MW of installed capacity;
- Environmental upgrades to the operations of the Mělník I Power Plant were finished; they included measures to curb emissions and dust;
- Unit 3 of the Dukovany Nuclear Power Plant resumed operation.

Selected Events of 2016 Until the Annual Report Closing Date

February

- Units 1 and 2 of the Dukovany Nuclear Power Plant resumed operation;
- ČEZ's credit rating of A- with a stable outlook reaffirmed by Standard & Poor's;
- ČEZ became a partner of Rockstart, a Dutch startup accelerator, where it will become a minority stakeholder in three portfolios with a total of 30 innovative companies under the Smart Energy program in 2016 to 2018; supported projects aim at innovations intended to make more efficient use of energies.

March

- CEZ Group organized the first ČEZ Energy Services Forum, at which it presented the ČEZ ESCO brand to three hundred business, municipality, and institutional customers;
- An operating license was received for Unit 1 of the Dukovany Nuclear Power Plant for an indefinite period of time; the validity of the license is conditional on meeting a number of operating conditions.

DEVELOPMENTS IN RELEVANT ENERGY MARKETS

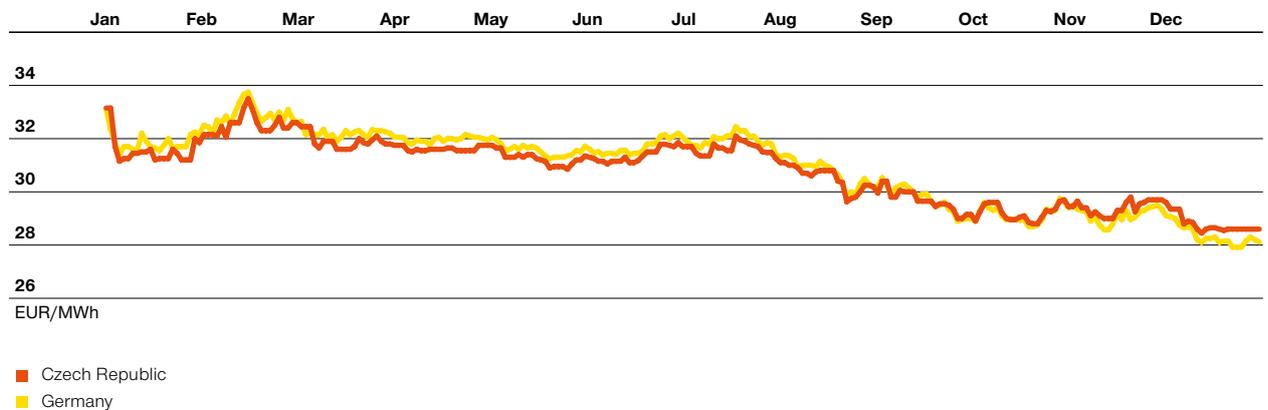
Commodity Prices, Year-on-Year Change

2016 Forward Contracts

	Unit	December 31, 2014	December 31, 2015	2015/2014 Price change (%)
Electricity price in the Czech Republic (baseload)	EUR/MWh	33.2	28.6	(13.7)
Electricity price in Germany (baseload)	EUR/MWh	33.1	28.1	(15.1)
Coal price	USD/t	66.1	44.3	(32.9)
Natural gas (NCG) price	EUR/MWh	21.6	15.9	(26.2)
Crude oil price	USD/bbl	69.7	48.4	(30.5)
Emission allowance price	EUR/t	7.5	8.4	12.2

Electricity

Electricity Prices (2016 Year Band)

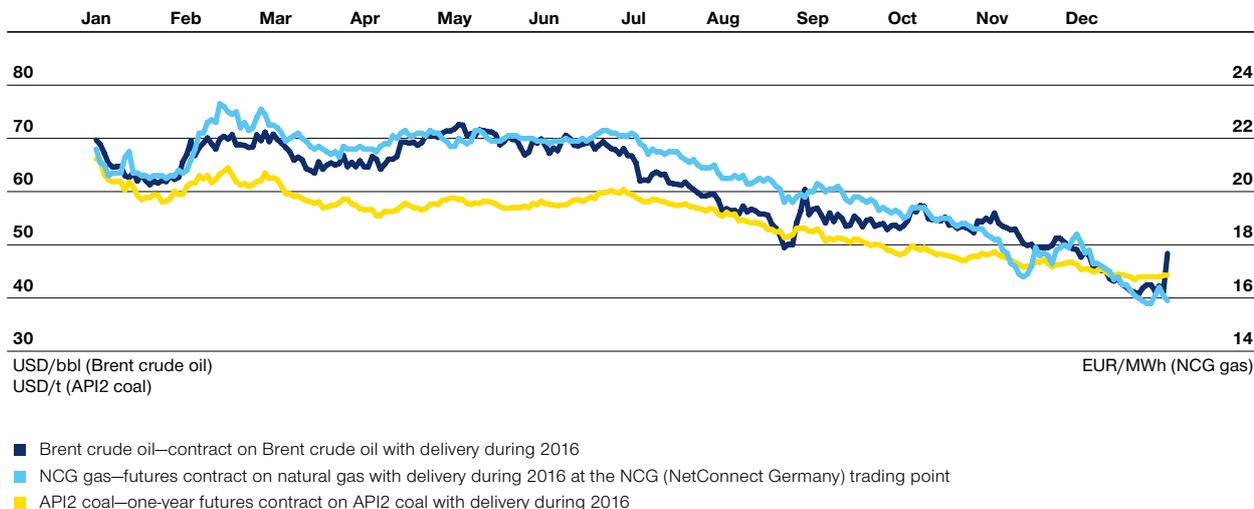


In 2015, electricity prices in the Central European market continued to be substantially affected by changes in the prices of commodities that determine variable costs of electricity generation. The price of electricity is affected the most by the price of coal and the price of emission allowances, and to a degree by the price of gas. Electricity prices were also influenced by continued growth in the installed capacity of renewable energy sources, especially in Germany.

Massive drops in the prices of coal (33%) and the prices of natural gas (26%) were only partially offset by an increase in the price of emission allowances (12%), which was reflected in electricity prices. At the end of the year, electricity was traded at levels of EUR 28 per MWh, i.e. 15% down year-on-year. Electricity prices thus fell to a 12-year low.

Coal, Crude Oil, and Natural Gas

Coal, Crude Oil, and Natural Gas Prices (2016 Forward Contracts)

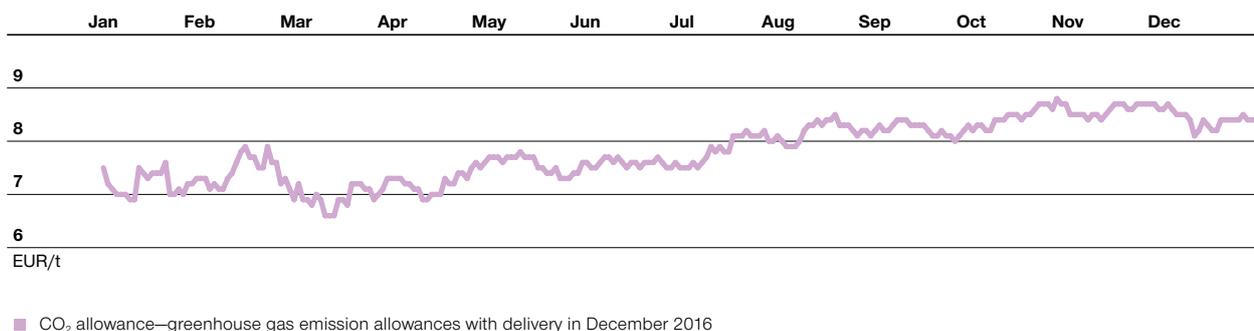


The prices of hard coal continued to decline in 2015, as we have been witnessing since 2011. Over the five years, the prices dropped from USD 150 to around USD 44 per ton. Coal prices were significantly affected by declining demand in China, where imports dropped by around 30%.

Forward gas prices were falling in 2015, reaching 16 EUR/MWh. This trend can be attributed to decreased gas consumption in Europe and the current slight increase in deliveries. Declining oil prices also played a role as a significant portion of contracts tie the price of gas to the price of oil.

Emission Allowances

Prices of Emission Allowances (2016 Forward Contracts)



The prices of emission allowances grew progressively during 2015, closing 12% up year-on-year. The main positive catalyst was the European Parliament’s approving the Market Stability Reserve in July.

Changes in 2016

The beginning of 2016 was characterized by slumps on financial and commodity markets. The prices of emission allowances were dropping sharply in the first six weeks of 2016 to a final level of around EUR 5, losing almost 40% in value. While coal prices were rather stable, natural gas prices declined by around 20%. These factors then influenced electricity prices, which dropped by EUR 5; at the end of February, electricity was traded at around 21 EUR/MWh.

The Nation's Energy Test is a special application we launched in 2015 to improve energy literacy among the residents of the Czech Republic.

$$\left(\right) + \frac{3,535^2}{ET} =$$



Nation's Energy Test Teaches How to Reduce Consumption

2,077

People love to get new information. And so they fill in a quiz in a newspaper or a magazine from time to time to test their knowledge in various fields. They gather new experience and improve, for example, their financial or information literacy in this way. **IN** The Nation's Energy Test that we launched at www.energetickytest.cz in 2015 helps users discover the mistakes they make at home. It uses an entertaining form to show opportunities for cutting down electricity consumption. **OVATIONS** Our specially compiled test is another way in which we want to improve energy literacy and reduce wasting of electricity in the Czech Republic. At the same time, our continuous assessment of results showed us that the average Czech household can save CZK 2,077 on energy per year with no investment at all. A regional comparison shows that the best energy savers are the citizens of the capital city of Prague; by contrast, there is a lot of room for improvement in the Liberec Region. In total, visitors to the application could save CZK 12.5m if they followed the tips displayed every time they answer a question. **INNOVATIONS**



GOVERNING BODIES OF ČEZ, a. s.

(A Standalone Section of the Annual Report Pursuant to Section 118(4)(j) of Act No. 256/2004 Sb.)

ČEZ, a. s. is a joint-stock company that was incorporated in the Commercial Register on May 6, 1992. Its core businesses are electricity generation, distribution, and trading, heat generation and distribution, gas trading, and related activities. The Company is headquartered in Prague, Czech Republic, at Duhová 2/1444, 140 53 Prague 4. The Company's website is located at www.cez.cz. The Company conforms to Act No. 90/2012 Sb., on Commercial Companies and Cooperatives (Business Corporations Act) as a whole.

In 2015 the Company had the following governing bodies:

- General Meeting;
- Supervisory Board;
- Audit Committee;
- Board of Directors.

General Meeting

The Company's supreme governing body is the General Meeting, the regular sessions of which are held at least once in each accounting period, no later than six months after the last day of the previous accounting period.

The exclusive powers of the General Meeting include, in particular, the following:

- Making decisions on amending the Company's bylaws;
- Making decisions on changes to the share capital and on issuing convertible or priority bonds;
- Electing and removing members of the Supervisory Board, approving contracts of service on the Supervisory Board and amendments thereto;
- Approving ordinary or extraordinary financial statements, consolidated financial statements, as well as interim financial statements, if required by law; making decisions on the allocation of earnings or other own resources or the settlement of a loss;

- Making decisions on the provision of consideration within the meaning of Section 61 of the Business Corporations Act to members of the Supervisory Board and members of the Audit Committee;
- Making decisions on filing an application for admission or withdrawal of the Company's corporate securities to or from trading on a European regulated market;
- Taking a decision on Company dissolution with liquidation, appointing and removing a receiver, approving a proposal for the distribution of the liquidation balance;
- Approving the assignment, pledge, or lease of an enterprise or such a part thereof that would result in a substantial change to the enterprise structure or a substantial change to the Company's scope of business or activities;
- Approving a subordination agreement, a profit transfer agreement, or a silent partnership agreement, including approval of amendments thereto and termination thereof;
- Making decisions on the amount of funds that the Company may use for sponsorship donations over a defined period;
- Making decisions on changes to the class or form of shares and on changes in rights associated with a certain class of shares;
- Excluding or restricting preferential rights to acquire convertible and/or priority bonds and to subscribe new shares;
- Making decisions on stock mergers;
- Making decisions on the Company's business policy and changes thereto;
- Discussing the Board of Directors' Report on the Company's Business Activities and Assets;
- Making decisions on the appointment of an auditor to conduct the mandatory audit;
- Electing and removing members of the Audit Committee and approving contracts on service on the Audit Committee.



Attendance at the General Meeting

The General Meeting may be attended by any person that is registered as a shareholder, shareholder's proxy, administrator, or person entitled to execute rights associated with a share in the statutory register of investment instruments (Central Securities Depository) on the record date. The record date for attendance at the General Meeting is the seventh day preceding the date on which the General Meeting is held. Furthermore, the General Meeting is attended by members of the Board of Directors, the Supervisory Board, and the Audit Committee. The General Meeting may also be attended by individuals that can reasonably give their opinion on items on the General Meeting's agenda, such as the Company's auditors or advisers, and individuals that make arrangements for the General Meeting.

Procedure at the General Meeting

The Chairman of the General Meeting must make sure that all proposals, counterproposals, and requests for explanation put forward by shareholders are brought to the floor provided that they relate to an agenda item and the shareholder in question so insists. A shareholder may request and shall receive at the General Meeting an explanation of matters related to the Company or entities controlled by the Company if such an explanation is needed for reviewing the contents of items on the General Meeting's agenda or for exercising the shareholder's rights at the General Meeting, unless no answer need be given under the law. Explanations may be provided as a summary answer to multiple questions with similar contents. Explanations of matters related to the current General Meeting are provided by the Company to a shareholder right at the General Meeting. If that is not possible due to the complexity of the explanation, the Company will provide the explanation to the shareholder within 15 days of the date on which the General Meeting is held.

Decision Making at General Meetings

The General Meeting constitutes a quorum if the present shareholders hold shares whose cumulative face value exceeds 30% of the Company's stated capital.

The General Meeting makes decisions by a simple majority of the votes of the shareholders present, unless a different majority is required by law or the Company's bylaws. Each Company share with a face value of CZK 100 carries one vote.

In addition to other cases required by law, a majority of at least two-thirds of the votes of the shareholders present is required for the General Meeting to make decisions on:

- A change to the Company's bylaws or a decision resulting in a change to the bylaws;
- Authorization for the Board of Directors to increase the stated capital;
- Possibility to set off a pecuniary claim payable by the Company against a claim for payment of the issue price;
- Issuance of convertible bonds and priority bonds;
- Dissolution of the Company through liquidation and on distribution of the liquidation balance;
- Approving assignment, pledge, or lease of an enterprise or such a part thereof that would result in a substantial change to the enterprise structure or a substantial change to the Company's scope of business or activities.

In addition to other cases required by law, a majority of at least three-quarters of the votes of the shareholders present is required for the General Meeting to make decisions on:

- Excluding or restricting preferential rights to acquire convertible and/or priority bonds;
- Allowing the allocation of earnings to persons other than shareholders in compliance with law and the Company's bylaws;
- Excluding or restricting a shareholder's preferential right in an increase of the stated capital by subscribing new stock;
- Approving a subordination agreement or a change thereto;
- Approving an earnings allocation agreement or a change thereto;
- Increase of the stated capital through non-monetary contributions.

General Meeting decisions to change the class or form of shares, to change the rights associated with a certain class of shares, to restrict transferability of shares, or to withdraw shares from trading on a European regulated market require approval by at least three-quarters of votes of the present shareholders holding such shares. Additionally, General Meeting decisions on stock mergers require approval by all shareholders whose shares are to be merged.

The minutes of the General Meeting together with General Meeting announcements and attendance lists, including submitted powers of attorney, are kept in the Company archives for the duration of the Company.

General Meeting in 2015

The 23rd Annual General Meeting of ČEZ, a. s. was held on June 12, 2015. Among other things, the General Meeting:

- Heard the Board of Directors' Report on the Company's Business Activities and Assets for 2014, the Summary Explanatory Report pursuant to Section 118(8) of the Capital Market Undertakings Act, conclusions from the Related Parties Report for 2014, the Supervisory Board's Report on the Results of Inspection Activities, and the Audit Committee's Report on the Results of its Activities;
- Approved the financial statements of ČEZ, a. s. and the consolidated financial statements of CEZ Group for the year 2014;
- Approved the distribution of the 2014 profit of ČEZ, a. s. amounting to CZK 20,910,256 thousand and a portion of retained earnings amounting to CZK 609,334 thousand as follows:
 - Share in profit awarded to shareholders ("dividend"): CZK 21,519,590 thousand;
 - Share in profits awarded to members of the governing bodies ("bonus"): CZK 0;

The above-mentioned amount of the dividend is calculated from the total number of shares issued by the Company.
- Appointed Ernst & Young Audit, s.r.o as the auditor to perform the statutory audit for the accounting period of the calendar year of 2015;
- Approved the 2016 donorship budget at CZK 155m;
- Removed Lubomír Charvát from the Supervisory Board of ČEZ, a. s.;
- Elected Petr Blažek and Jan Sixta to the Supervisory Board of ČEZ, a. s.;
- Confirmed Robert Šťastný as a member of the Supervisory Board of ČEZ, a. s.;
- Removed Alena Kochová from the Audit Committee;
- Elected Ivan Pilip and Jan Vaněček as members of the Audit Committee of ČEZ, a. s.;
- Approved contracts of service on the Supervisory Board made between ČEZ, a. s. and Petr Blažek, Jiří Borovec, Zdeněk Černý, Vladimír Hronek, Lubomír Charvát, Drahošlav Šimek, Robert Šťastný, Jiří Tyc, Vladimír Vlk, and Lukáš Wagenknecht;
- Approved contracts of service on the Audit Committee made between ČEZ, a. s. and Andrea Káňová and Lukáš Wagenknecht;
- Granted its approval to contribution of the part of the enterprise of ČEZ, a. s. represented by the Vítkovice Heating Plant organizational unit to the stated capital of Energocentrum Vítkovice, a. s.;
- Granted its approval to contribution of the part of the enterprise of ČEZ, a. s. represented by the Tisová Power Plant organizational unit to the stated capital of Elektrárna Tisová, a.s.

Supervisory Board

Position and Powers of the Supervisory Board

The Supervisory Board is the Company's control body supervising the exercise of the powers of the Board of Directors and the Company's activities. It presents the results of its activities to the General Meeting.

In addition to other matters specified by law or the Company's bylaws, the Supervisory Board is competent in particular to:

- Check compliance with generally binding legal regulations, the Company's bylaws and resolutions of the General Meeting;
- Check how the Board of Directors executes ownership rights in legal entities that the Company has a stake in;
- Review ordinary, extraordinary, consolidated, and, where applicable, also interim financial statements, proposals for earnings allocation or loss settlement, and the Related Parties Report, and present its comments to the General Meeting;
- Discuss quarterly financial results, half-year and annual reports and, where applicable, other reports pursuant to the Capital Market Undertakings Act, and annual reports pursuant to the Accounting Act;
- Propose an auditor to conduct the statutory audit to the General Meeting, taking account of the Audit Committee's recommendation; if it proposes an auditor other than the one recommended by the Audit Committee, it must duly justify such a proposal to the General Meeting;
- Present its comments, recommendations, and proposals to the General Meeting and the Board of Directors;
- Elect and remove members of the Board of Directors;
- Approve contracts of service on the Board of Directors and consideration for members of the Board of Directors;
- Decide on the defining and evaluation of individual assignments for managers that are also members of the Board of Directors.

The Supervisory Board grants the Board of Directors prior consent for the implementation of certain decisions. These include, inter alia, decisions regarding:

- Acquisition, alienation, pledging, or lease of immovable and/or movable property (except for inventories and securities held for liquidity-management purposes) that are to be, or are, included in the Company's assets and whose book value exceeds CZK 500m;
- Company capital projects with a value exceeding CZK 500m;
- Operations with the Company's stakes in other legal entities in certain cases, e.g. if the value of the stake exceeds CZK 500m;
- Transfers and pledging of treasury stock;
- Staffing of the supervisory boards of companies in whose stated capital ČEZ, a. s. has a stake exceeding CZK 500m or companies for which the Supervisory Board has reserved prior consent;
- Draft contract with the auditor appointed by the General Meeting to conduct the mandatory audit;
- Alienation of real property if the market or appraisal price of the real property exceeds CZK 100m;
- Granting of a loan (credit) to a third party or the acceptance of any company guaranty for a third-party debt that in each individual case exceeds CZK 200m;
- Acceptance of a long-term loan (credit) from a third party for a period of more than one year and other similar long-term financial operations (except hedging operations) exceeding CZK 500m;
- Issue of bonds other than those for which the consent of the General Meeting is required;
- Granting of Company stock options;
- Conclusion of a contract under which the Company is to acquire or alienate assets whose value during one accounting period exceeds one-third of the Company's share capital as shown by the last consolidated financial statements;
- Enabling the conduct of due diligence (legal, financial, technical, and/or environmental audit) of ČEZ, a. s. or any of its organizational units;
- Conclusion of management contracts with division directors that are not members of the Board of Directors and appointment of the chief executive officer;
- Defining and evaluation of individual assignments for division directors that are not members of the Board of Directors;
- Distribution of tender specifications to tenderers for public contracts pursuant to the Public Procurement Act if the anticipated value of the contract is greater than one-third of the Company's share capital as shown by the last consolidated financial statements.

Composition and Activities of the Supervisory Board

The Supervisory Board has 12 members. All members are elected and removed by the General Meeting. The Supervisory Board elects and removes its Chairman and two Vice-Chairmen. The term of office of members of the Supervisory Board is four years and the members may be re-elected. If the number of members of the Supervisory Board has not dropped by more than half, the Supervisory Board may appoint substitute members until the next General Meeting session. The term of office of a substitute Supervisory Board member is included in the total term of office of the member of the Supervisory Board. The business address of members of the Supervisory Board is at the Company's registered office: Duhová 2/1444, 140 53 Prague 4.

Decision Making in the Supervisory Board

The Supervisory Board constitutes a quorum if a simple majority of all its members (i.e. at least 7 members) is present. Voting is by show of hands unless otherwise provided. The Supervisory Board makes decisions by a simple majority of the votes of all its members unless the Company's bylaws stipulate otherwise. Each member has one vote when making decisions. The Supervisory Board's meetings are governed by its Rules of Procedure, which are adopted and amended by a two-thirds vote of all Supervisory Board members.

Supervisory Board meetings are held usually once a month. The Chairman of the Supervisory Board must always call a Supervisory Board meeting if a Supervisory Board member or the Board of Directors requests so or if shareholders defined in Section 365 of the Business Corporations Act request that the performance of the Board of Directors be reviewed pursuant to Section 370 of the Business Corporations Act. Such a request must be in writing and must include an urgent reason for convening the meeting.

A record is made of the course of each Supervisory Board meeting and the resolutions adopted. The record lists the names of the members of the Supervisory Board who voted against each decision or abstained from voting; unlisted members are deemed to have voted in favor of the decision. In necessary cases that allow no delay, it is possible to take a vote outside a meeting (by letter) in written form or using technical means. In such a case, the resolution is adopted if at least two-thirds of all members took part in the vote and a simple majority of all members voted in favor of the resolution.

The Supervisory Board may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion. In 2015, 13 meetings were held: 11 regular meetings and 2 extraordinary meetings.

Members of the Supervisory Board

Václav Pačes

Chairman of the Supervisory Board since June 27, 2014;
Vice-Chairman of the Supervisory Board from May 29, 2013 to June 26, 2014;

Member of the Supervisory Board since March 20, 2013

A professor of biochemistry and a graduate of the Faculty of Natural Sciences, Charles University, Prague. Prof. Pačes defended his dissertation at the Institute of Organic Chemistry and Biochemistry of the Czechoslovak Academy of Sciences. He gained managerial and professional experience in positions such as President of the Academy of Sciences of the Czech Republic, Director of the Institute of Molecular Genetics of the Academy of Sciences of the Czech Republic, and Chairman of the government-appointed Independent Energy Commission.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- HANUŠ GOLDSCHIEDER FOUNDATION FOR CZECH GOLF—member of the Board of Trustees since June 1, 2011 (four-year term);
- University of Economics, Prague—member of the Board of Trustees since March 1, 2012 (six-year term);
- STAR Research & Innovation Cluster, z. ú.—member of the Board of Trustees since June 1, 2015 (four-year term).

Petr Blažek

Vice-Chairman of the Supervisory Board since June 26, 2015;
Member of the Supervisory Board since June 12, 2015

A graduate of the Faculty of International Relations, University of Economics, Prague.

He gained managerial and professional experience in such positions as Deputy Director for Operations at the Královské Vinohrady University Hospital, Business Development Manager of Česká pošta, s.p., and Director of the Strategic Companies and Investment Incentives Department at the Ministry of Finance of the Czech Republic.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- MERO ČR, a.s.—Vice-Chairman of the Supervisory Board since July 14, 2014, member of the Supervisory Board since June 27, 2014 (five-year term);
- MERO GERMANY AG—Chairman and member of the Supervisory Board since October 23, 2014 (five-year term);
- ČEPRO, a.s.—Vice-Chairman of the Supervisory Board since July 18, 2014, member of the Supervisory Board since June 27, 2014 (five-year term);
- Český Aeroholding, a.s.—member of the Supervisory Board since June 27, 2014 (five-year term);
- KORADO, a.s.—member of the Supervisory Board since July 1, 2013 (five-year term);
- VIPAP VIDEM KRŠKO d.d.—member of the Supervisory Board since June 27, 2014 (five-year term).

- BH CAPITAL, a.s. v likvidaci (company in liquidation)—member of the Supervisory Board in 2015;
- CENTRUM - F, a.s. v likvidaci (company in liquidation)—Vice-Chairman and member of the Supervisory Board in 2014–2016 (until January 17, 2016);
- Exportní garanční a pojišťovací společnost, a.s.—member of the Supervisory Board in 2014–2016 (until February 25, 2016).

Vladimír Hronek

Vice-Chairman of the Supervisory Board since March 20, 2013, re-elected on February 27, 2015;

Member of the Supervisory Board elected by employees since September 30, 2010;

re-elected by the General Meeting on June 27, 2014 with effect from October 1, 2014 (term ends April 11, 2017)

A graduate of the Industrial School of Electrical Engineering, Prague. He gained professional experience in such positions as member and Vice-Chairman of the CEZ Group European Works Council.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- CEZ Group European Works Council—Vice-Chairman in 2011–2015, member in 2007–2015.

Zdeněk Černý

Member of the Supervisory Board since June 27, 2014

A graduate of the Faculty of Law, Charles University, Prague and a Commercial Law MBA program, Ústav práva a právní vědy, o.p.s., Prague.

He gained managerial and professional experience in such positions as member of the Supervisory Board of UNIPETROL, a.s., member and Chairman of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s., Chairman of the ECHO Labor Union and member of the Supervisory Board of CEZ Group's ČEZ Energetické služby, s.r.o.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- UNIPETROL, a.s.—member of the Supervisory Board since January 29, 1999, last re-elected June 30, 2013 (three-year term);
- ČESKÁ RAFINÉRSKÁ, a.s.—Chairman of the Supervisory Board from September 21, 2011 to April 27, 2014 and since June 11, 2014, member of the Supervisory Board since April 27, 2011, re-elected April 28, 2014 (three-year term).

Radek Mucha

Member of the Supervisory Board elected by employees since April 11, 2013

A graduate of the Industrial School of Electrical Engineering, Mohelnice.

He gained professional experience in such positions as Occupational Safety and Health Coordinator at ČEZ, a. s. and member of the CEZ Group European Works Council.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- CEZ Group European Works Council—Council member in 2008–2013.

Jiří Novotný

Member of the Supervisory Board elected by employees since April 11, 2013

A graduate of the Industrial School of Mechanical Engineering, Loket u Sokolova.

He gained professional experience in such positions as equipment care and maintenance control process engineer at Chemické závody Sokolov, státní podnik and unit operator, maintenance foreman, and process engineer at ČEZ, a. s., as well as member of the CEZ Group European Works Council.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- Labor Union of Power Industry and Mining Employees—member of the Steering Committee since June 28, 2006, last re-elected February 27, 2013 (four-year term).
- CEZ Group European Works Council—Council member in 2011–2015.

Petr Polák

Member of the Supervisory Board since February 25, 2016

A graduate of the Nottingham Trent University (B.I.B.S.), United Kingdom—MBA Senior Executive.

He gained managerial and professional experience in such positions as Chief Information Officer at EKO-KOM, a.s. and member of the Supervisory Board at ČESKÝ TELECOM, a.s. and Česká pošta, s.p.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

Jan Sixta

Member of the Supervisory Board since June 12, 2015

A graduate of the Faculty of Law, Charles University, Prague. He gained managerial and professional experience in various public offices, in particular as Senior Director of the Legislative and Legal Section and Deputy Minister for Public Investment and Legislation, Ministry of Regional Development of the Czech Republic; Deputy Minister, Administrative Section, Ministry of Agriculture of the Czech Republic; First Deputy Minister for Internal Security, Ministry of the Interior of the Czech Republic; and Director of the Ministry and Minister's Cabinet Administration Section, Ministry of Finance of the Czech Republic. He has been the State Secretary at the Ministry of Finance of the Czech Republic since 2015.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- Zdravotní pojišťovna Ministerstva vnitra České republiky—member of the Board of Trustees since May 22, 2014.
- Lesy České republiky, s.p.—member of the Supervisory Board in 2013–2014;
- Česká pošta, s.p.—member of the Supervisory Board in 2012–2015;
- Budějovický Budvar, národní podnik, Budweiser Budvar, National Corporation, Budweiser Budvar, Entreprise Nationale—Vice-Chairman and member of the Supervisory Board in 2013–2014, Vice-Chairman in the Strategy Committee in 2013–2014.

Drahošlav Šimek

Member of the Supervisory Board elected by employees since June 29, 2006;

re-elected by employees from September 30, 2010, re-elected by the General Meeting on June 27, 2014 with effect from October 1, 2014 (term ends April 11, 2017)

A graduate of the Secondary Vocational School, Domažlice (electrician) and the Secondary Vocational School, Chomutov (workshop fitter).

He gained professional experience e.g. as a unit technician at the Dukovany Nuclear Power Plant and member of the CEZ Group European Works Council.

Number of ČEZ, a. s. shares as at December 31, 2015: 2,230.

- Local unit of the Czech Union of Power Industry Employees, Union of Dukovany Power Plant Shift Employees—Chairman since May 1, 2012 (four-year term);
- CEZ Group European Works Council—Council member since June 28, 2011, re-elected April 8, 2015 (four-year term).
- Local unit of the Czech Union of Power Industry Employees, Union of Dukovany Power Plant Shift Employees—Vice-Chairman in 1995–2012.

Robert Šťastný

Member of the Supervisory Board since September 29, 2014

A graduate of the Faculty of Law, Masaryk University, Brno. He gained managerial and professional experience e.g. as a senior officer at the Road Safety department of the Ministry of Transport of the Czech Republic and in the engineering industry.

Number of ČEZ, a. s. shares as at December 31, 2015: 20.

Jiří Tyc

Member of the Supervisory Board since June 27, 2014

A graduate of the Faculty of Mechanical Engineering, Czech Technical University, Prague.

He gained managerial and professional experience in such positions as nuclear unit operator and manager at ČEZ, a. s.—Dukovany Nuclear Power Plant, shift engineer and equipment care manager at ČEZ, a. s.—Temelín Nuclear Power Plant, and director of the Temelín division of ČEZ ENERGOSERVIS spol. s r.o.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- Osvětová beseda, obecně prospěšná společnost—member of the Supervisory Board since May 5, 2012, re-elected March 31, 2015 (three-year term).

■ Current membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures

■ Membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures terminated in the past five years

Lukáš Wagenknecht

Member of the Supervisory Board since June 27, 2014

A graduate of the economic policy and administration program of the Faculty of Economics and Administration, Pardubice University.

He gained managerial and professional experience in various positions such as in the internal audit department of the Ministry of the Interior of the Czech Republic, FOXCONN CZ s.r.o., Regional Council of the Central Bohemia Cohesion Region, and Dopravní podnik hl.m. Prahy, akciová společnost. He has also served as Vice-President of the Czech Institute of Internal Auditors, z.s., manager of Enterprise Risk Services at Deloitte Audit s.r.o., and First Deputy Minister of Finance of the Czech Republic.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- Kordex System s.r.o.—partner since February 2, 2010;
- “Centrum of Excellence for Good Governance”—Chairman of the Board of Trustees since September 11, 2012;
- Exportní garanční a pojišťovací společnost, a.s.—member of the Audit Committee since June 19, 2014;
- Český institut interních auditorů, z.s.—member of the Board since March 26, 2015.
- Exportní garanční a pojišťovací společnost, a.s.—member of the Supervisory Board in 2014;
- České dráhy, a.s.—member of the Steering Committee in 2014–2015, Chairman of the Audit Committee in 2015.

Members of the Supervisory Board Whose Membership Terminated in 2015 or Before the Annual Report Closing Date:

Jiří Borovec

Vice-Chairman and member of the Supervisory Board from June 27, 2014 to June 11, 2015

Lubomír Charvát

Member from June 27, 2014 to June 12, 2015

Vladimír Vlk

Member from June 27, 2014 to February 25, 2016

Supervisory Board Committees

Within its powers, the Supervisory Board may set up committees that serve as advisory bodies to the Supervisory Board in selected areas of expertise. Only Supervisory Board members may become members of such committees. Members of such committees are elected and removed by the Supervisory Board. The term of a member of a Supervisory Board committee ends at the latest on the date of termination of their membership in the Supervisory Board unless they are removed or resign from the committee on an earlier date. Each committee elects its Chairman and Vice-Chairman. Supervisory Board committees meet as needed but no less than once per quarter.

Decision Making in Supervisory Board Committees

The position, powers, and composition of each Supervisory Board committee are stipulated in its Statute and Rules of Procedure, which are approved by the Supervisory Board. Each committee constitutes a quorum if all its members have been properly invited and a simple majority of all its members is present at the meeting. If the person chairing a meeting finds the committee lacking a quorum, they may call a new committee meeting to be held within three days with the same agenda. The consent of a simple majority of all committee members is required to pass a resolution. Voting is by show of hands unless the committee decides to take a secret vote on an item on the agenda. Voting by show of hands is conducted by raising hands. Each committee member has one vote. First, a vote is taken on the proposal submitted by its sponsor. If the proposal is passed by the necessary majority, other proposals on the matter in question are not voted on; however, each committee member may propose a supplementary resolution that does not contradict the resolution passed on the matter in question, which is to be voted on separately. Minutes are taken of committee meetings, which must be archived for as long as the Company exists.

Supervisory Board Strategy Committee

The committee's mission is to facilitate the Supervisory Board's decision-making process in matters concerning the Company's strategic development. To that end, the Committee reviews, in particular, proposals for major business activities in the following areas:

- Capital, acquisition, and divestment projects (in particular, purchases and sales of major assets and/or shareholdings in the Czech Republic and abroad);
- Establishment or dissolution of ČEZ, a. s. subsidiaries;
- Construction of new generating facilities;
- Reduction/sale/renovation of production capacities.

Members of the Supervisory Board Strategy Committee:

Jiří Tyc

Committee Vice-Chairman from June 26, 2015;
Committee member since August 29, 2014

Petr Blažek

Committee member since June 26, 2015

Jiří Novotný

Committee member since August 29, 2014

Václav Pačes

Committee member since April 30, 2013, re-elected from September 29, 2014;
Committee Chairman from August 22, 2013 to September 29, 2014

Petr Polák

Committee member since February 25, 2016

- Current membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures
- Membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures terminated in the past five years

Members of the Supervisory Board Strategy Committee whose membership terminated in 2015 or before the Annual Report closing date:

Jiří Borovec

Committee Chairman from September 29, 2014 to June 11, 2015;
Committee member from August 29, 2014 to June 11, 2015

Vladimír Vlk

Committee Chairman from June 26, 2015 to February 25, 2016;
Committee Vice-Chairman from September 29, 2014 to June 25, 2015;
Committee member from August 29, 2014 to February 25, 2016

Supervisory Board Personnel Committee:

As part of its activities, the Committee, in particular:

- Proposes the Supervisory Board's personnel policy in relation to the Board of Directors;
- Gives its opinion on proposals for electing and removing members of the Board of Directors;
- Is responsible for submitting nominations of candidates for Board of Directors membership to the Supervisory Board for approval;
- Makes recommendations to the Supervisory Board for giving its opinion on the appointment and manner of remuneration of the Chief Executive Officer and members of the Board of Directors that are employees of the Company;
- Makes recommendations to the Supervisory Board on the Board of Directors' proposals regarding appointments to the supervisory boards of companies in whose stated capital ČEZ, a. s. has a stake exceeding CZK 500m.

Members of the Supervisory Board Personnel Committee:

Vladimír Hronek

Committee Chairman since October 20, 2014;
Committee Vice-Chairman from April 30, 2013 to October 19, 2014;
Committee member since December 2, 2010

Zdeněk Černý

Committee Vice-Chairman from October 20, 2014;
Committee member since August 29, 2014

Radek Mucha

Committee member since April 30, 2013

Jan Sixta

Committee member since June 26, 2015

Robert Šťastný

Committee member since June 26, 2015

Members of the Supervisory Board Personnel Committee whose Membership Terminated in 2015 or Before the Annual Report Closing Date:

Lubomír Charvát

Committee member from August 29, 2014 to June 12, 2015

Audit Committee

Position and Powers of the Audit Committee

Without prejudice to the responsibilities of members of the Board of Directors and the Supervisory Board, the Audit Committee:

- Monitors the efficiency of internal control and the risk management system;
- Monitors the efficiency of internal audit and ensures its functional independence;
- Monitors the process of compiling financial statements and consolidated financial statements;
- Recommends an auditor to conduct the statutory audit to the Supervisory Board;
- Reviews the independence of the statutory auditor and audit firm and the provision of complementary services by the statutory auditor and audit firm;
- Monitors the statutory audit process.

The external auditor notifies the Audit Committee, on an ongoing basis, of material facts ensuing from the mandatory audit, in particular any fundamental shortcomings in internal controls in relation to the compilation of financial statements or consolidated financial statements. Members of the Audit Committee attend the Company's General Meetings and are required to present the results of their activities to the General Meeting.

Composition and Activities of the Audit Committee

The Audit Committee has five members, who are elected and removed by the General Meeting from among the members of the Supervisory Board or third parties. Members of the Audit Committee may not be members of the Board of Directors or Company proxies. A majority of the Audit Committee members must be independent and professionally qualified. At least one member of the Committee must be a person that is or was a statutory auditor or a person whose expertise and/or prior practice in accounting qualify them to duly perform the duties of an Audit Committee member. This member must always be independent. The Audit Committee elects its Chairman (who must be independent) and Vice-Chairman. The term of each member of the Audit Committee is four years. The General Meeting may elect up to three substitute members of the Audit Committee, defining their order, and may change the order of already elected substitute members.

The business address of members of the Audit Committee is at the Company's registered office: Duhová 2/1444, 140 53 Prague 4.

Decision Making in the Audit Committee

The Audit Committee constitutes a quorum if a simple majority of all its members is present. Each member has one vote when making decisions. The Audit Committee makes decisions by a simple majority of the votes of all its members.

The Audit Committee's meetings are governed by its Rules of Procedure, which are adopted and amended by a two-thirds vote of all its members. In necessary cases that allow no delay, the Chairman or Vice-Chairman of the Audit Committee may call a vote outside a meeting (by letter). The proposal for the Audit Committee's resolution must be sent to all its members. In such a case, the resolution is adopted if at least two-thirds of all members took part in the vote and a simple majority of all members voted in favor of the resolution.

The Audit Committee may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion. Audit Committee meetings are held as necessary.

Four regular meetings were held in 2015.

Members of the Audit Committee

Jan Vaněček

Chairman of the Committee since September 25, 2015;

Member of the Audit Committee since June 12, 2015

A graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague, and the ACCA/FCCA—Chartered Certified Accountant international professional training program in Prague.

He gained managerial and professional experience in such positions as Audit Senior at Arthur Andersen and Chief Financial Officer for the Czech Republic at U.S. company Cinergy.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- pinn partners s.r.o.—Managing Director and partner since September 11, 2008;
- CP Praha s.r.o.—Vice-Chairman of the Supervisory Board since December 14, 2011, member of the Supervisory Board since November 23, 2011 (five-year term).
- i4wifi a.s.—member of the Supervisory Board in 2014 and 2015.

Lukáš Wagenknecht

Vice-Chairman of the Audit Committee since July 10, 2014;

Member of the Audit Committee since June 27, 2014

For personal details, see his entry under Supervisory Board.

Andrea Káňová

Member of the Audit Committee since June 27, 2014

A graduate of the Faculty of International Relations, University of Economics, Prague.

She gained managerial and professional experience in such positions as Head of Risk Management at Deloitte Audit s.r.o. and in the independent European Affairs department of the Chancellery of the Senate of the Parliament of the Czech Republic.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- Český Aeroholding, a.s.—member of the Audit Committee since July 2014;
- Česká exportní banka, a.s.—member of the Audit Committee since November 2014.
- Český institut interních auditorů, z.s. —member of the Board in 2013–2014.

Radek Neužil

Member of the Audit Committee since June 19, 2013

A graduate of the Faculty of Mechanical Engineering, Brno University of Technology (major in economics and machinery production management) and Faculty of Law, Masaryk University, Brno (LL.M.—Master of Laws).

He gained managerial and professional experience in such positions as Secretary of the Chamber of Tax Advisers of the Czech Republic; Chairman of the Supervisory Board and later Managing Director of Daňová akademie s.r.o.; member of the Executive Board and Chairman of the Committee for Cooperation and Coordination in Audit, Public Audit Oversight Board; member of the Departmental Coordination Subgroup for Accounting and Statutory Audit, Ministry of Finance of the Czech Republic; and member of the Accounting and Audit Policies and Development Commission, Audit and Tax Advisory Section, Ministry of Finance of the Czech Republic.

Number of ČEZ, a. s. shares as at December 31, 2015: 476.

- Charles University in Prague—member of the Board of Trustees since October 14, 2011 (six-year term);
- O2 Czech Republic a.s.—Vice-Chairman of the Audit Committee since March 12, 2014 (five-year term);
- PASKI CLUB, v.o.s.—partner since October 4, 1995;
- Paski club (association)—Vice-Chairman since March 3, 1994 (undefined term duration);
- Eláán (association)—Chairman since July 4, 2002 (undefined term duration).
- Daňová akademie s.r.o. v likvidaci (company in liquidation)—Chairman and member of the Supervisory Board in 2008–2011, Managing Director in 2011–2012;
- Public Audit Oversight Board—member of the Executive Board and Chairman of the Committee for Cooperation and Coordination in Audit in 2009 to 2015.

Ivan Pilip

Member of the Audit Committee since June 12, 2015

A graduate of the Faculty of International Trade, University of Economics, Prague and the Complutense University, Madrid (Spain); (one-year graduate study).

He gained managerial and professional experience in such positions as the Minister of Finance of the Czech Republic; Deputy, member of the Budget Committee and the Financial and Capital Markets Subcommittee, and Chairman of the Committee on the Banking Sector of the Parliament of the Czech Republic; and Vice-President of the European Investment Bank.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

- CASLA o.p.s.—member of the Board of Trustees since May 1, 2014;
- Bourdon, a.s.—member of the Board of Directors since February 1, 2012;
- Nemocnice Pardubického kraje, a.s. (formerly Pardubická krajská nemocnice, a.s.)—member of the Supervisory Board since February 10, 2012, Vice-Chairman of the Supervisory Board since January 8, 2015;
- VANTROPA s.r.o.—Managing Director since March 23, 2010, partner since April 21, 2010;
- Runway-sun s.r.o.—Managing Director since February 3, 2010, partner since 2010;
- Conseille s.r.o.—partner since September 22, 2009;
- Trnová 1 s.r.o.—partner since December 28, 2007;
- NIKOLAJKA CITY PARK, s.r.o.—partner since March 14, 2003;
- RPDV CZ, s.r.o.—partner since June 25, 2012 (stake held jointly with L. Pilipová).
- RPDV CZ, s.r.o.—Managing Director and partner in 2010 and 2011;
- Nemocnice Pardubického kraje, a.s.—member of the Supervisory Board from 2012, Vice-Chairman and Chairman of the Supervisory Board in 2014. The following companies were merged into Nemocnice Pardubického kraje, a.s. as at December 31, 2014: Chrudimská nemocnice, a.s.; Litomyšlská nemocnice, a.s.; Svitavská nemocnice, a.s.; Orlickoústecká nemocnice, a.s.;
- Residence Nábřeží s.r.o.—Managing Director in 2009–2015.

Members of the Audit Committee Whose Membership Terminated in 2015 or Before the Annual Report Closing Date:

Ján Dzvonič

Chairman of the Audit Committee from March 8, 2012 to June 1, 2015;

Member of the Audit Committee from June 1, 2011 to June 1, 2015

Alena Kochová

Member of the Audit Committee from June 19, 2013 to June 12, 2015;

(appointed the Audit Committee's independent expert from July 10, 2014 to June 12, 2015)

Remuneration of Members of the Supervisory Board and Members of the Audit Committee

Remuneration of members of the Supervisory Board and Audit Committee, including all consideration, is subject to General Meeting approval. The Company enters into a service contract with each member of the Supervisory Board or of the Audit Committee in compliance with resolutions passed by the General Meeting.

Members of the Supervisory Board and of the Audit Committee receive the following remuneration and benefits:

- **Remuneration of a member of the Supervisory Board**—Paid regularly every month. If a member of the Supervisory Board cannot temporarily perform activities associated with service on the Supervisory Board due to sickness, they remain entitled to the full monthly remuneration for the first 30 calendar days of their inability to perform activities associated with service on the Supervisory Board due to the above reasons. If such inability to perform activities

associated with service on the Supervisory Board lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member cannot serve on the Supervisory Board, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.

- **Remuneration of a member of the Audit Committee**—Paid regularly after the end of every calendar month. If a member of the Audit Committee temporarily cannot perform activities associated with service on the Audit Committee due to sickness, they remain entitled to the full monthly remuneration for the first 30 calendar days of their inability to perform activities associated with service on the Audit Committee due to the above reasons. If such inability to perform activities associated with service on the Audit Committee lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member cannot serve on the Audit Committee, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.
- **Bonus**—Paid to members of the Supervisory Board based on the General Meeting's decision. The amount of the bonus for individual members of the Supervisory Board is determined pursuant to rules approved by the General Meeting.
- **Insurance**—Members of the Supervisory Board are entitled to endowment life insurance to be taken out at the Company's expenses. Upon termination of office or the Company's withdrawal from the endowment life insurance contract, the policy is transferred to the member of the Supervisory Board free of charge.
- **Company car**—A member of the Supervisory Board may be provided with a car to be used when discharging their duties. If a member of the Supervisory Board uses their private car to discharge their duties, the costs associated with such use are reimbursed by the Company in compliance with applicable law. A member of the Audit Committee may use their private car to discharge their duties. In such a case, travel costs are reimbursed in compliance with applicable law.
- **Reimbursement of travel expenses**—When traveling on business, members of the Supervisory Board receive meal and per diem allowances at rates above those set forth for Company employees by internal rules, reimbursement for other expenses at face value, and insurance premium. Members of the Audit Committee traveling on business are provided with a meal allowance at the same level as Company employees, reimbursement for other expenses at face value and insurance premium. For work-related travel abroad, per diem is provided in the maximum amount stipulated by the Labor Code.

Members of the Supervisory Board and the Audit Committee who are not permitted to earn remuneration by law do not receive any monthly remuneration or any other consideration or reimbursement that may not be provided under law.

- Current membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures
- Membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures terminated in the past five years

Board of Directors

Position and Powers of the Board of Directors

The Board of Directors is a statutory representation body that manages the Company and whose members act on the Company's behalf. It makes decisions on all Company matters unless they are reserved for the General Meeting, the Supervisory Board, or another body by law or the Company's bylaws. The Board of Directors may delegate decisions on certain matters to individual members of the Board of Directors and, by means of internal rules approved by the Board of Directors, to Company employees. Such delegation does not relieve members of the Board of Directors of their responsibility for overseeing how Company matters are managed. The Board of Directors obeys the principles and directions approved by the General Meeting as long as they are in compliance with the law and the Company's bylaws.

The Board of Directors is competent, in particular, to:

- Take care of business management and proper bookkeeping;
- Call a General Meeting, make organizational arrangements for it, and present to it, in particular, the following:
 - Draft company business policy and draft amendments thereto;
 - Draft amendments to the Company's bylaws;
 - Proposals to increase/decrease the stated capital as well as to issue convertible and/or priority bonds;
 - Annual, extraordinary, consolidated, and/or interim financial statements;
 - Proposals for earnings allocation including the amount, manner of pay-out, and due date of dividends, the amount of Board members' bonuses, and allocations to funds, or the manner of settlement of Company losses;
 - Annual Report on the Company's business activities and assets;
 - Proposal for Company dissolution;
 - Summary explanatory report pursuant to Section 118(8) of the Capital Market Undertakings Act;
 - Nominations of candidates for the election of one-third of Supervisory Board members from among Company employees (including proposals for removal);
- Implement resolutions of the General Meeting;
- Grant and revoke the power to sign on behalf of the Company;
- Approve and amend the Signature Rules of ČEZ, a. s. and, with the consent of the labor organizations operating within the Company, the Work Rules of ČEZ, a. s.;
- Remove Company executives pursuant to Section 73 of the Labor Code;
- Sign service contracts with members of Company governing bodies on behalf of the Company.

Composition and Activities of the Board of Directors

The Board of Directors has 7 members, who are elected and removed by the Supervisory Board. The Board of Directors elects and removes its Chairman and Vice-Chairman. The term of office of each member is four years and members may be re-elected. The business address of members of the Board of Directors is at the Company's registered office: Duhová 2/1444, 140 53 Prague 4.

Board of Directors meetings shall be held at least once a month. In 2015, a total of 36 meetings were held: 27 regular meetings and 9 extraordinary meetings.

Decision Making in the Board of Directors

The Board of Directors constitutes a quorum if a simple majority of all its members is present. Each member has one vote. The Board of Directors makes decisions by a simple majority of the votes of all its members. The Board of Directors' meetings are governed by its Rules of Procedure, which are adopted and amended by a two-thirds vote of all Board of Directors members. A record is made of the course of each Board of Directors meeting and the resolutions adopted, which must list the names of the members of the Board of Directors who voted against each decision or abstained from voting. Unlisted members are deemed to have voted in favor of the resolution unless stated otherwise. In necessary cases that allow no delay, the Chairman or, if absent, the Vice-Chairman of the Board of Directors may call a vote outside a meeting (by letter). The proposal for the Board of Directors' resolution must be sent to all its members. In such a case, the resolution is adopted if at least two-thirds of all members took part in the vote and a simple majority of all members voted in favor of the resolution. The Board of Directors may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion.

Description of the Activities, Competence, and Decision-Making Powers of Members of the ČEZ, a. s. Board of Directors

The office of member of the ČEZ, a. s. Board of Directors involves the exercise of all rights and obligations that are associated with the office pursuant to applicable law, the Company's bylaws, the Rules of Procedure of the Board of Directors, resolutions of the Company's governing bodies, contracts of service on the Board of Directors, and the Company's internal regulations. In particular, members of the Board of Directors are required to carry out their activities for the Company in person and to the best of their knowledge and ability, to cooperate with the other members of the Board of Directors, and to protect the Company's interests to the greatest extent possible. The Board of Directors can assign specific tasks to a member in the manner set forth in the Rules of Procedure of the Board of Directors.

In business management, the Board of Directors makes decisions on the following, in particular:

- Using money from the reserve fund, unless otherwise provided by law;
- Raising the Company's stated capital pursuant to Section 474 of the Business Corporations Act and Article 30 et seq. of the bylaws and, in that context, issuing Company shares as dematerialized bearer securities;
- Draft purchase contracts concerning electricity, heat, natural gas, and greenhouse gas emission allowances; distribution, transmission, and auxiliary services; commodity derivatives and commodity trade services, if so indicated in the Signature Rules of ČEZ, a. s.;
- Capital projects and implementation thereof if so indicated in the Signature Rules of ČEZ, a. s.;
- Acceptance of a long-term loan (credit) for a period of more than one year and other similar long-term financial operations of the Company, except hedging operations, if so indicated in the Signature Rules of ČEZ, a. s.;

- Contents of annual reports pursuant to the Accounting Act and half-year and annual reports pursuant to the Capital Market Undertakings Act;
- Making agreements on the establishment of a business corporation or association, on the Company's acquisition of a stake in another legal entity, and on the dissolution of a business corporation or association or on the sale of the Company's stake in another legal entity;
- Alienation or lease of real estate, if so indicated in the Company's bylaws or the Signature Rules of ČEZ, a. s.

The Board of Directors must seek the Supervisory Board's prior approval to make some of its decisions. These include, in particular, decisions regarding:

- Acquisition, alienation, pledging, or lease of immovable and/or movable property (except for inventories and securities held for liquidity-management purposes) that are to be, or are, included in the Company's assets and whose book value exceeds CZK 500m;
- Company capital projects with a value exceeding CZK 500m;
- Operations with stakes in other legal entities, based in the Czech Republic or abroad, under the terms and conditions specified in the Company's bylaws;
- Transfers and pledging of treasury stock;
- Staffing of the supervisory boards of companies in whose capital the Company has a stake exceeding CZK 500m. The Supervisory Board may reserve, by its resolution, the right of prior consent even with regard to a company where the stake in the stated capital does not exceed CZK 500m;
- Draft contract with the auditor appointed by the General Meeting to conduct the mandatory audit;
- Alienation of real property if the market or appraisal price of the real property exceeds CZK 100m;
- Granting a loan to a third party or the Company's providing a guaranty for a third-party debt that in each individual case exceeds CZK 200m. A controlled entity is not deemed a third party;
- Acceptance of a long-term loan from a third party for a period of more than one year or another similar long-term financial operation (except a hedging operation) exceeding CZK 500m. A controlled entity is not deemed a third party;
- On issuing bonds other than those for which the approval of the General Meeting is required within the meaning of Section 421(2)(d) of the Business Corporations Act;
- Granting of Company stock options where the law permits the Board of Directors to do so;
- Company transformation pursuant to law;
- Concluding a contract under which the Company is to acquire or alienate assets if the value of the acquired or alienated assets during one accounting period exceeds one-third of the Company's equity as shown by the last consolidated financial statements;
- Enabling the conduct of due diligence (legal, commercial, technical, and/or environmental audit) of the Company and/or any of its organizational units;
- Concluding management contracts with Company division directors that are not members of the Board of Directors and appointing the chief executive officer;

- Defining and evaluating individual assignments for Company division directors that are not members of the Board of Directors;
- Distribution of tender specifications to tenderers for public contracts pursuant to the Public Procurement Act if the anticipated value of the contract is greater than one-third of the Company's share capital as shown by the last consolidated financial statements.

The Board of Directors must submit certain matters to the Supervisory Board for review and seek the Supervisory Board's opinion. This applies to, in particular:

- Approval of and amendment to the Organizational Rules of ČEZ, a. s.;
- Approval of rules for the creation and use of Company funds;
- Draft of annual capital and operating budgets;
- Proposals for substantial changes in the Company's organizational structure;
- Proposal for the Company's strategy or a substantial update thereto under the business policy approved by the General Meeting;
- Draft of business plan of the Company;
- Draft of business policies (including amendments thereto) of controlled entities with a stated capital exceeding CZK 500m;
- Contents of tender specifications pursuant to the Public Procurement Act if the anticipated value of the contract is greater than one-third of the equity as shown by the latest consolidated financial statements;
- Proposals to be presented by the Board of Directors to the General Meeting; however, it is sufficient to just notify the Supervisory Board of proposals that the Board of Directors is required to present to the General Meeting by law.

No later than by May 15 of each calendar year, the Board of Directors submits to the Supervisory Board for review the annual and consolidated financial statements together with proposals for profit distribution, the Board of Directors' report pursuant to Section 82 of the Business Corporations Act, the manner of payment and due date of dividends, the amount of Board member bonuses, or a proposal for settlement of the Company's losses. In addition, the Board of Directors submits to the Supervisory Board any extraordinary and interim financial statements for its review.

Pursuant to the Company's bylaws, the Board of Directors must notify some of its decisions to the Supervisory Board.

The Board of Directors may entrust its members with powers according to a certain field of management and function in the organization structure, as defined in the Organizational Rules. In such a case, the member of the Board of Directors is authorized, within the scope of the entrusted powers, to manage the Company division or department in question. In conjunction with such authorization, the member of the Board of Directors is also entitled to use the title of the position so delegated (Chief Executive Officer, division head). When acting on behalf of the Company in legal matters (e.g. signing contracts), they always use the title "member/Vice-Chairman/Chairman of the Board of Directors".

Members of the Board of Directors



Daniel Benes
Chairman of the Board of Directors
and Chief Executive Officer



Martin Novák
Vice-Chairman of the Board of Directors
and Chief Financial Officer



Tomáš Pleskač
Member of the Board of Directors
and Chief Renewables and Development Officer



Pavel Cyrani
Member of the Board of Directors
and Chief Sales Officer



Ivo Hlaváč
Member of the Board of Directors
and Chief External Relations and Regulation Officer



Michaela Chaloupková
Member of the Board of Directors
and Chief Administrative Officer



Ladislav Štěpánek
Member of the Board of Directors
and Chief Generation Officer

Members of the Board of Directors

Daniel Beneš

Chairman of the Board of Directors since September 15, 2011, re-elected with effect from December 17, 2013;

First Vice-Chairman of the Board of Directors from May 21, 2008 to June 29, 2010;

Vice-Chairman of the Board of Directors from May 10, 2006 to May 20, 2008 and from June 29, 2010 to September 15, 2011;

Member of the Board of Directors continuously since December 15, 2005, re-elected with effect from December 17, 2013

A graduate of the Technical University of Ostrava, Faculty of Mechanical Engineering, and the Brno International Business School Nottingham Trent University (MBA).

He gained managerial and professional experience in such positions as Procurement Director, Chief Administration Officer, and Chief Operating Officer of ČEZ, a. s.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

Number of ČEZ, a. s. stock options as at December 31, 2015: 600,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 600,000.

- Technical University of Ostrava—member of the Board of Trustees since August 14, 2009, re-elected October 1, 2015 (six-year term);
- Confederation of Industry of the Czech Republic—member of the Board of Directors and Vice-President since April 28, 2015 (four-year term);
- Czech Association of Energy Sector Employers—member of the Board of Directors since December 6, 2012 (five-year term);
- ČEZ Foundation—Chairman of the Board of Trustees since May 31, 2007, member of the Board of Trustees since March 26, 2007, last re-elected for the term starting July 16, 2015 (two-year term).
- University of South Bohemia, České Budějovice—member of the Board of Trustees in 2011–2014;
- Jadrová energetická spoločnosť Slovenska, a. s.—Vice-Chairman and member of the Supervisory Board in 2009–2013.

Martin Novák

Vice-Chairman of the Board of Directors since October 20, 2011, re-elected with effect from May 22, 2012;

Member of the Board of Directors since May 21, 2008, re-elected with effect from May 22, 2012, re-elected with effect from May 23, 2016

A graduate of the University of Economics, Prague, Faculty of International Relations, majoring in international trade and business law. In 2007, he completed an Executive Master of Business Administration (MBA) program at the KATZ School of Business, University of Pittsburgh, specializing in the power industry. He has been a member of the Chamber of Tax Advisers since 1996.

He gained managerial and professional experience particularly during his almost ten-year career in the oil refining industry and fuel production and distribution. In recent years he served as manager in ConocoPhillips' global headquarters in Houston, Texas as well as its London regional office. He also worked at ConocoPhillips Czech Republic, s.r.o. where he served as Director of Finance with responsibility for Central & Eastern Europe (in this position he also served as statutory representative for several regional branches of ConocoPhillips), and at ČEZ, a. s. as Director of Accounting.

Number of ČEZ, a. s. shares as at December 31, 2015: 3,255.

Number of ČEZ, a. s. stock options as at December 31, 2015: 200,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 200,000.

- Burza cenných papírů Praha, a.s.—member of the Supervisory Board since June 3, 2014 (five-year term).

Tomáš Pleskač

Member of the Board of Directors since January 26, 2006, re-elected with effect from January 28, 2014;

Second Vice-Chairman of the Board of Directors from May 21, 2008 to June 29, 2010;

Vice-Chairman of the Board of Directors from February 11, 2008 to May 20, 2008

A graduate of the Faculty of Business and Economics, University of Agriculture, Brno; MBA from Prague International Business School.

He gained managerial and professional experience in such positions as Chief Financial Officer for Severomoravská energetika, a. s. and Deputy Director for Finance for the Dukovany Nuclear Power Plant.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

Number of ČEZ, a. s. stock options as at December 31, 2015: 180,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 240,000.

- Akenerji Elektrik Üretim A.S. (Turkey)—Vice-Chairman of the Board of Directors since June 20, 2012, member of the Board of Directors since May 13, 2009 (term ends June 27, 2016);
- Akcez Enerji A.S. (Turkey)—Vice-Chairman of the Board of Directors since January 1, 2015, member of the Board of Directors since July 1, 2013, re-elected March 22, 2016 (three-year term).
- Mitteldeutsche Braunkohlengesellschaft mbH—member of the Supervisory Board in 2009–2012 (company sold);
- CM European Power International B.V. (Netherlands)—Chairman of the Board of Directors in 2011–2015, Vice-Chairman of the Board of Directors in 2008–2011, member of the Board of Directors in 2008–2015.

■ Current membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures

■ Membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures terminated in the past five years

Pavel Cyrani

Member of the Board of Directors since October 20, 2011, re-elected with effect from October 21, 2015

A graduate of the University of Economics, Prague, majoring in international trade, and the Kellogg School of Management in Evanston, Illinois (USA), where he was awarded an MBA in Finance.

He gained managerial and professional experience primarily in ČEZ, a. s., where he has served since 2006 as Head of Planning & Controlling, Head of Asset Management, and later, since 2011, as a member of the Board of Directors, Chief Strategy Officer, and Chief Sales Officer. Prior to joining ČEZ, he worked at McKinsey & Company.

Number of ČEZ, a. s. shares as at December 31, 2015: 216.

Number of ČEZ, a. s. stock options as at December 31, 2015: 240,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 240,000.

- ČEZ Energo, s.r.o.—member and Chairman of the Supervisory Board since June 11, 2014.
- Loyalty Consulting s.r.o. (Expat Support s.r.o. since April 7, 2015)—Managing Director and partner in 2003–2012;
- Dalkia Česká republika, a.s. (Veolia Energie ČR, a.s. since January 1, 2015)—member of the Supervisory Board in 2010–2012;
- CM European Power International B.V.—member of the Board of Directors in 2011–2015.

Ivo Hlaváč

Member of the Board of Directors since December 19, 2013

A graduate of the Faculty of Arts, Palacký University in Olomouc, and specialized programs at École nationale d'administration in Paris (France) and the Geneva Centre for Security Policy in Geneva (Switzerland).

He gained managerial and professional experience in such positions as senior manager for the energy industry at Deloitte, First Deputy Minister of Regional Development, First Deputy Minister of Agriculture, Deputy Minister of the Environment for technical environmental protection of the Czech Republic, and Head of Public Affairs at ČEZ, a. s.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

Number of ČEZ, a. s. stock options as at December 31, 2015: 180,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 180,000.

- Povodí Ohře, státní podnik—Vice-Chairman of the Supervisory Board in 2011–2013.

■ Current membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures

■ Membership in governing bodies outside CEZ Group or in CEZ Group affiliates and/or joint ventures terminated in the past five years

Michaela Chaloupková

Member of the Board of Directors since October 20, 2011, re-elected with effect from October 21, 2015

A graduate of the Faculty of Law, University of West Bohemia, Pilsen, and an Executive Master of Business Administration (MBA) program at the KATZ School of Business, University of Pittsburgh, specializing in the energy sector.

She gained managerial and professional experience primarily at Stratego Invest a.s. (later i-Tech Capital, a.s.), where she served as Head of Controlling and Vice-Chairwoman of the Board of Directors, as well as in executive positions in Procurement and Human Resources at ČEZ, a. s.

Number of ČEZ, a. s. shares as at December 31, 2015: 0.

Number of ČEZ, a. s. stock options as at December 31, 2015: 240,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 240,000.

Ladislav Štěpánek

Member of the Board of Directors since June 27, 2013

A graduate of the Faculty of Mechanical Engineering, Czech Technical University, Prague.

He gained managerial and professional experience in such positions as Head of the Office of the Chief Executive Officer and the Board of Directors, and Head of Fuel Cycle at ČEZ, a. s.

Number of ČEZ, a. s. shares as at December 31, 2015: 15,000.

Number of ČEZ, a. s. stock options as at December 31, 2015: 180,000.

Number of ČEZ, a. s. stock options as at March 31, 2016: 180,000.

There are no members of the Board of Directors whose membership terminated in 2015 or before the Annual Report closing date.

Working Commissions, Teams, and Committees of the Board of Directors

The Board of Directors may set up working commissions, teams, and committees to facilitate its work. Pursuant to Article 17(1) of the Bylaws of ČEZ, a. s., a decision was made in 2015 to create an Operations team and a Development team, coordinated by the respective member of the Board of Directors appointed to lead each team.

The Operations team is a team within the Board of Directors that has coordination authority over matters relating to mining, electricity generation, heat generation and distribution, finances, human resources, and procurement. The team is led by the Vice-Chairman of the Board of Directors, the Chief Financial and Operations Officer. Members of the team are also the member of the Board of Directors in charge of the Administrative Division and the member of the Board of Directors in charge of the Generation Division.

The Development team is a team within the Board of Directors that has coordination authority over matters relating to sales, trading, customer solutions, innovations, distribution, regulation, public affairs, foreign country management units, mergers and acquisitions, and renewables. The team is led by a member of the Board of Directors, the Chief Renewables and Development Officer. Members of the team are also the member of the Board of Directors in charge of the Sales Division and the member of the Board of Directors in charge of the External Relations and Regulation Division.

Remuneration of Members of the Board of Directors

In compliance with the Civil Code, Act No. 89/2012 Sb., and the Business Corporations Act, No. 90/2012 Sb., all service-related arrangements between the Company and a member of the Board of Directors are included in a service contract and/or amendments thereto. They incorporate all provisions on remuneration (i.e. stock option agreements, provisions on endowment life insurance, non-compete clause, etc.). Service contracts with members of the Board of Directors, including any consideration, are subject to approval by the Supervisory Board.

Members of the Board of Directors are appointed to manage the individual divisions.

Members of the Board of Directors receive the following remuneration and benefits:

- **Monthly remuneration of a member of the Board of Directors**—Paid regularly after the end of every calendar month. If a member of the Board of Directors cannot temporarily perform activities associated with service on the Board of Directors because of sickness or maternity/parental leave, they remain entitled to the full monthly remuneration for the first 30 calendar days. If such inability to perform activities associated with service on the Board of Directors lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the Board of Directors member cannot perform activities associated with service on the Board of Directors, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.
- **Annual remuneration**—Provided to members of the Board of Directors in addition to monthly remuneration; dependent on the fulfillment of criteria set by the Supervisory Board, which also assesses the fulfillment. Each month, together with the member's pay, advances toward the annual bonus are paid. The aggregate total of the advances may not exceed 45% of the maximum annual remuneration.
- **Target-based remuneration**—A member of the Board of Directors may receive target-based remuneration of up to six times the amount of their monthly remuneration for the accomplishment of specific tasks assigned by the General Meeting. Details, including the amount and payment date of target-based remuneration, are specified by the Supervisory Board, subject to principles laid down by the General Meeting.
- **Bonus**—Paid to members of the Board of Directors by General Meeting decision. The amount of the bonus for individual members of the Board of Directors is set pursuant to rules approved by the General Meeting.
- **Stock options**—A member of the Board of Directors is entitled to options on the Company's common stock under the conditions set forth in the stock option agreement that is part of the service contract with the member of the Board of Directors.
- **Insurance**—Members of the Board of Directors have endowment life insurance, accident insurance, and third-party liability insurance taken out at the Company's expense. Upon termination of office or the Company's withdrawal from the endowment life insurance contract, the endowment policy is transferred to the member of the Board of Directors free of charge.
- **Company car**—Members of the Board of Directors are entitled to a company car for business and personal use. Company cars provided for personal and business use are subject to taxation; fuel consumption for personal use is paid for by the member of the Board of Directors through income deductions. If a member of the Board of Directors uses their own car to discharge their duties, the costs associated with such use are reimbursed by the Company in compliance with applicable law.
- **Severance pay**—In the event of termination of office (other than the member's resignation) before the expiration of their four-year term, a member of the Board of Directors is entitled to severance pay. The method of calculation and payment conditions of severance pay are set forth in their contract.
- **Reimbursement of travel expenses**—When traveling on business, members of the Board of Directors receive meal and per diem allowances at rates above those set forth for Company employees by internal rules, reimbursement for other expenses at face value and insurance premium.
- **Benefits**—Members of the Board of Directors receive premium health care and other benefits matching those provided to Company employees under the applicable collective agreement.
- **Cash compensation for compliance with the Board member's obligation under the non-compete clause**—With regard to the nature of information, knowledge, and expertise gained by a member of the Board of Directors during their service on the Board of Directors, the Company undertakes to provide the member with a cash compensation upon its termination, for the period and under the conditions set forth in their contract.

Committees of Members of the Board of Directors

Each member of the Board of Directors may set up working commissions, teams, and committees in their appointed area. Other members of the Board of Directors involved in the matters in question and relevant Company employees may participate in their work.

The following were the key committees in 2015:

- **The Committee for ČEZ, a. s. Plant Safety** assesses the overall level and condition of plant safety at ČEZ, a. s. It assesses the quality and safety aspects of the corporate culture, current and potential safety problems, quality issues, and optimal solutions thereto. The committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **The CEZ Group Security Committee**, which was formed in conjunction with the establishment of a new primary area of management and security, deals with matters such as CEZ Group security policies, strategies, and objectives; threats; risks; analyses of security incidents; proposed security requirements; corrective measures and the priorities/conditions for their implementation. The committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **The Risk Committee** develops and administers the integrated risk management system in accordance with CEZ Group's strategy, manages venture capital, continually monitors the overall impact of risks, and oversees risk management within CEZ Group. The Risk Committee is an advisory body to the member of the Board of Directors appointed to manage Finance (Chief Financial Officer).

PERSONS WITH EXECUTIVE AUTHORITY AT ČEZ, a. s.

Persons with executive authority at ČEZ, a. s., as defined by the Capital Market Undertakings Act, are members of the Board of Directors, members of the Supervisory Board, and members of the Audit Committee.

Members of the Board of Directors have been authorized by their service contracts to manage their respective divisions and exercise the rights and perform the duties of the employer in relation to the employees of the divisions, including the Chief Executive Officer's division. Members of the Board of Directors may also be authorized by the Board of Directors to manage the matters of Czech and foreign companies within CEZ Group.

Description of the Delegated Powers of Members of the Board of Directors as at January 1, 2016

Daniel Beneš—Chief Executive Officer

Chairman of the Board of Directors in charge of the CEO division

The Chief Executive Officer is responsible for the fulfillment of tasks assigned by the Board of Directors in its resolutions and has the authority to take decisions on Company matters that are not reserved for the General Meeting, the Supervisory Board, or another Company body, and that are within the decision-making authority of the Board of Directors and were not expressly placed within the decision-making authority of other members of the Board of Directors or the Board of Directors as a whole.

In particular, the Chief Executive Officer coordinates the activities of division heads and the activities of teams established at the level of the Board of Directors. Furthermore, he manages CEO division departments as the supreme authority and manages activities relating to CEZ Group's strategy, management system, communication and marketing, legal and corporate compliance, corporate governance, CEZ Group security, and the CEZ Group Safety Inspectorate.

He manages the matters of subsidiaries relating to coal mining and sales.

Division Heads

Martin Novák—Chief Financial Officer

Chief Operations Officer and Vice-Chairman of the Board of Directors in charge of Finance

Responsible for economic and financial management, financing, investor relations, risk management, controlling, accounting, tax matters, shareholding management, mining management, and the management of the segment of ancillary services.

He manages the matters of subsidiaries relating to information technology and corporate services.

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Tomáš Pleskač—Chief Renewables and Development Officer
Member of the Board of Directors in charge of Renewables and Development

Responsible for securing and developing opportunities in renewables, for the operation of existing renewables in the Czech Republic and abroad, and for supporting mergers and acquisitions within the authority of other divisions.

He manages the matters of Czech and foreign subsidiaries oriented toward securing and developing opportunities in “new energy”, i.e. clean technologies and innovative business models and renewables.

Pavel Cyrani—Chief Sales Officer

Member of the Board of Directors in charge of Sales

Responsible for the trading and sales of electricity, gas, and other commodities as well as for the provision of services to end customers, including covering end customers’ comprehensive energy needs in the Czech Republic and abroad.

Responsible for the management of projects to prepare the construction of new nuclear units at the Dukovany and Temelín power plants.

He manages the matters of Czech and foreign subsidiaries relating to the sales of electricity, natural gas, and mobile phone services to end customers, including customer service. In addition, he manages the matters of subsidiaries relating to developing energy services and power plant construction. In trading, he is responsible for the management of trade agencies abroad.

Ivo Hlaváč—Chief External Relations and Regulation Officer
Member of the Board of Directors in charge of External Relations and Regulation

Responsible for the management of public affairs in the Czech Republic and abroad. Responsible for the management of the distribution segment—distribution companies and services in the Czech Republic and abroad. Also responsible for the coordination of all segments abroad and for the efficient operation of country management units.

He manages the matters of Czech and foreign subsidiaries relating to the distribution of electricity to end customers and maintenance and repairs of distribution networks.

Michaela Chaloupková—Chief Administrative Officer

Member of the Board of Directors in charge of Administration

Responsible for procurement and sales (other than the procurement and sales of electricity, heat, certain process materials, and financial services). In addition, she is responsible for the management of human resources and activities relating to corporate social responsibility and the ombudsman function.

Ladislav Štěpánek—Chief Generation Officer

Member of the Board of Directors in charge of Generation

Responsible for safe and efficient use and development of generation (generation-related) assets of the generation segment in the Czech Republic and abroad in the generation of electricity and provision of ancillary services as well as in the generation and distribution of heat.

Responsible for handling the construction and comprehensive renovation of new and existing conventional units in the Czech Republic and providing technical support for acquisition projects. He manages the matters of Czech and foreign subsidiaries relating to electricity and heat generation, service activities, power plant upgrades and construction, and research on nuclear energy in the Czech Republic.

SUPPLEMENTARY INFORMATION ON PERSONS WITH EXECUTIVE AUTHORITY AT ČEZ, a. s.

Information on Cash and In-Kind Income (Gross Amounts), Loans, and Securities

	Unit	Supervisory Board	Audit Committee	Board of Directors
Information on cash and in-kind income				
Base salary ¹⁾	CZK thousands	2,235	-	-
Bonus linked to Company performance and salary compensation ¹⁾	CZK thousands	130	-	59,554
Remuneration to members of Company governing bodies	CZK thousands	6,671	535	58,052
2014 bonus paid to members of governing bodies	CZK thousands	-	-	-
Severance pay and cash settlement	CZK thousands	-	-	-
Other cash income	CZK thousands	8,171	-	5,250
of which: Supplemental pension insurance contributions ¹⁾	CZK thousands	62	-	92
Endowment life insurance	CZK thousands	7,991	-	4,776
Use of employee personal account ¹⁾	CZK thousands	85	-	161
Life jubilee bonus ¹⁾	CZK thousands	-	-	-
Domestic business travel reimbursement above limit	CZK thousands	-	-	13
International business travel reimbursement above limit	CZK thousands	16	-	153
Other cash income	CZK thousands	17	-	55
Other in-kind income ¹⁾	CZK thousands	797	-	2,202
of which: Company car for business and personal use	CZK thousands	791	-	2,165
Mobile telephone for business and personal use	CZK thousands	6	-	37
Mobility program	CZK thousands	-	-	-
Other in-kind income	CZK thousands	-	-	-
Income from entities controlled by the issuer	CZK thousands	1,642	-	11,473
of which: Remuneration to members of governing bodies of controlled companies	CZK thousands	-	-	10,318
Endowment life insurance	CZK thousands	-	-	1,155
Company car for business and personal use ¹⁾	CZK thousands	-	-	-
Other cash and in-kind income	CZK thousands	1,642	-	-
Information on loans and securities				
Loans originated by the issuer	CZK thousands	-	-	-
Loans originated by entities controlled by the issuer	CZK thousands	-	-	-
Number of options held at December 31, 2014	pcs	-	-	1,826,508
Average option price	CZK	-	-	632.91
Number of options to which a claim arose in 2015	pcs	-	-	550,000
Average option price	CZK	-	-	529.71
Number of shares on which option was exercised	pcs	-	-	(100,000)
Average option price	CZK	-	-	563.70
Resulting in-kind income taxed	CZK millions	-	-	8
Number of shares on which option expired or was otherwise terminated	pcs	-	-	(456,508)
Average option price	CZK	-	-	740.20
Number of options held at December 31, 2015	pcs	-	-	1,820,000
Average option price	CZK	-	-	578.61
Number of Company shares at December 31, 2015 held by members of governing bodies and other persons with executive authority ²⁾	pcs	2,250	476	18,471

¹⁾ Cash and in-kind income of Supervisory Board members in these items includes income from their present and/or past employment with the Company.

²⁾ Figures are for all persons who were members of governing bodies at December 31, 2015.

Convictions for Fraud-Related Crimes During the Past Five Years

No member of the Supervisory Board, Audit Committee, or Board of Directors has been convicted of a fraud-related crime.

Insolvency Proceedings, Receiverships, and/or Liquidations During the Past Five Years

Petr Blažek was member of the Supervisory Board of BH CAPITAL, a.s. v likvidaci (company in liquidation) in 2015 and Vice-Chairman and member of the Supervisory Board of CENTRUM - F, a.s. v likvidaci (company in liquidation) in 2014–2016 (company liquidation was completed in January 2016).

Jan Vaněček has been Vice-Chairman of the Supervisory Board (since December 14, 2011) and member of the Supervisory Board (since November 23, 2011) of CP Praha s.r.o.—the company is subject to insolvency proceedings initiated at the request of a creditor.

Radek Neužil was Chairman and member of the Supervisory Board of Daňová akademie s.r.o. v likvidaci (company in liquidation) in 2008–2011 and its Managing Director in 2011–2012.

Ivan Pilip was the Managing Director of Residence Nábřeží s.r.o. in 2009–2015. The company was bankrupt from 2012 to 2015. After the bankruptcy proceedings were canceled, the company was struck off the Commercial Register in March 2016.

Martin Novák was a member of the Board of Directors of BYTOVÉ DRUŽSTVO VYHLÍDKA, družstvo v likvidaci (housing cooperative in liquidation) in 2006–2013. The liquidation was successfully completed.

Official Public Charges or Penalties by Governance or Regulatory Bodies (Including Designated Professional Bodies) and Disqualification by Court From Service on the Administrative, Managing, or Supervisory Bodies of Any Issuer or Service in the Management or Performance of Activities of Any Issuer in at Least the Past Five Years

No member of the Supervisory Board, Audit Committee, or Board of Directors has been publicly charged or disqualified from service by a court of law.

Information on Employment Contracts With the Issuer and/or its Subsidiaries Along With a Description of Benefits Received Upon Termination of Employment

Non available.

Potential Conflicts of Interest

No person with executive authority has any conflict of interest in connection with their role at ČEZ, a. s.

Agreements on Selection for an Existing Position on the Supervisory Board or the Board of Directors With Major Shareholders or Other Entities

There is no prior agreement on the selection of a person with executive authority for their current position. Members of the Supervisory Board and the Audit Committee are elected and removed by the General Meeting.

Agreement With the Issuer Concerning Restrictions on Disposal of its Securities

Under their stock option agreements, beneficiaries of the stock option plan having called an option must keep on their account with the central registrar of securities as many shares of Company stock obtained under that call as corresponds to 20% of the profit realized on the call date until the termination of the stock options plan.

Appreciation of the shares on a public market on the call date may be no more than 100% over the purchase price applicable to the option grant in question. A call to transfer the shares may be made no earlier than two years and no later than by the middle of the fourth year after the grant date.

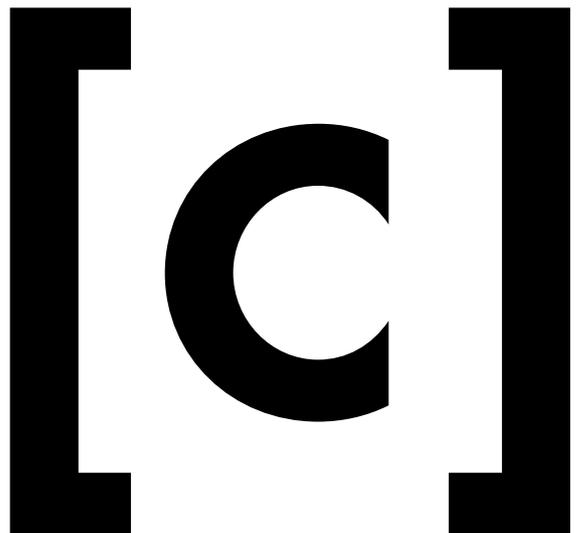
ČEZ, a. s., as the managing entity, leads the CEZ Concern, which also includes the following managed entities: ČEZ Distribuční služby, s.r.o., ČEZ Energetické produkty, s.r.o., ČEZ Energetické služby, s.r.o., ČEZ ESCO, a.s., ČEZ ICT Services, a. s., ČEZ Obnovitelné zdroje, s.r.o., ČEZ Prodej, s.r.o., ČEZ Korporátní služby, s.r.o., ČEZ Teplárenská, a.s., ČEZ Zákaznické služby, s.r.o., Elektrárna Dětmorovice, a.s., Elektrárna Počeradý, a.s., ČEZ Bohunice a.s., ČEZ ENERGOSERVIS spol. s r.o., Elektrárna Mělník III, a. s., Elektrárna Tisová, a.s., Energetické centrum s.r.o., Energocentrum Vítkovice, a. s., Energotrans, a.s., Telco Pro Services, a. s., Areál Třeboradice, a.s., ČEZ Nová energetika, a.s., Severočeské doly a.s., PRODECO, a.s., SD - Kolejová doprava, a.s., Revitrans, a.s., ČEZ Inženýring, s.r.o., and MARTIA a.s.

The common interest of CEZ Concern members is promoting and fulfilling the Concern's interests on a long-term basis through the exercise of unified Concern management. As part of Concern management, the managing entity may give binding instructions to the managed entities. General and operating Concern tools may be issued to that end. General Concern tools are CEZ Group's common documents and the managing entity's internal documents that are also intended for the managed entities. Operating Concern tools are Concern instructions given on an ad hoc basis.

Fundamental documents having Concern-wide application are Concern Management Policies governing primarily the areas and activities that should be subject to Concern management, as well as Concern interests. Apart from their common general part, Concern Management Policies are always structured and published for respective areas under the authority of individual members of the ČEZ Board of Directors.

Under Concern management, binding instructions can be given to managed entities if the following conditions are met:

- The instruction is in line with declared Concern interests;
- It is not unlawful to execute the instruction;
- The execution of the instruction will not render the managed entity bankrupt;
- Any detriment to the managed entity resulting from the execution of the instruction will be in the interest of ČEZ or another member of the Concern;
- The managed entity was or will be compensated within the Concern for any detriment resulting from the execution of the instruction with adequate consideration or other demonstrable benefits arising from membership in the Concern.



CORPORATE GOVERNANCE COMPLIANCE

Our corporate governance follows the recommendations of the Corporate Governance Code based on the OECD 2004 Principles; ČEZ, a. s. took part in the drafting of the Code in the Czech Republic and complies with its provisions in all material respects. The Code can be found on the website of the Ministry of Finance of the Czech Republic at www.mfcr.cz/cs/archiv/transformacni-institute/agenda-byvaleho-fnm/sprava-majetku/kodex-spravy-a-rizeni-spolecnosti-corpor/kodex-spravy-a-rizeni-spolecnosti-zaloze-14620 ¹.

The Company puts much emphasis on respecting all statutory rights of shareholders, including the equal treatment of shareholders in a similar position. In compliance with the Company's bylaws, decisions on all fundamental corporate changes are taken by shareholders at a General Meeting. The Company strictly adheres to the principle of disclosure and transparency not only in relation to convening a General Meeting but also in relation to informing of corporate events, including financial results, business plans, and relations with related parties. The Company follows the principle of timely and accurate disclosure of material information.

Members of the Company's governing bodies act with due care, thoughtfully, knowledgeably, and in compliance with law.

The authority and responsibility of each governing body of the Company is clearly defined in the Company's bylaws. More detailed information on the Company's governing bodies, a description of how they are established, their authority and current composition, a description of how their members are remunerated, and a list of Supervisory Board committees can be found in the chapter on Governing Bodies of ČEZ, a. s. in this Annual Report.

Where the Code is outdated, the Company follows the rules stipulated by applicable law, in particular the Business Corporations Act, Civil Code, Corporate Criminal Liability Act, and Capital Market Undertakings Act. The Company also respects the principles of good corporate governance set forth at European Union level.

As an issuer of securities admitted to trading on the Warsaw Stock Exchange (WSE), ČEZ, a. s. is required to comply with the Code published by that stock exchange. The text of the current WSE Code in Polish and English can be found on the Warsaw Stock Exchange's website at https://static.gpw.pl/pub/files/PDF/RG/DPSN2016__GPW.pdf ² and https://www.gpw.pl/pub/files/PDF/RG/DPSN2016_EN.pdf ³, respectively.



1 www



2 pdf



3 pdf

In its activities, ČEZ, a. s. takes into account all material rules of the WSE Code; nevertheless, ČEZ's practices departed from the provisions of the WSE Code in 2015 in the following cases for the reasons set out below:

- Concerning the replacement of the audit firm auditing its financial statements, the Company adheres to the applicable Auditors Act, No. 93/2009 Sb., which regulates these matters comprehensively; therefore, ČEZ, a. s. deems it unnecessary to set rules on the matter in an internal directive that would have to be published on the Company website, as required by the WSE Code;
- The Company does not yet pursue a diversity policy applicable to members of the Company's upper management and governing bodies as required by the Code; however, no direct or indirect discrimination is allowed. An applicant's education, expertise, qualifications, and skills are the determinant factors in hiring. ČEZ, a. s. is also one of the first signatories of the European Diversity Charter and does not debar any applicants, as results from the diversity policy principles;
- The Company does not publish explanations provided by it at a shareholder's request on the Company's website. Such explanations are included in the minutes of the General Meeting, which are available to shareholders upon request;
- The Company does not publish any audio/video recording of its General Meeting. Detailed minutes of the General Meeting are available to shareholders upon request;
- The WSE Code makes the participation of Board of Directors members in another company's bodies conditional on the Supervisory Board's approval. Pursuant to applicable law, members of the Company's Board of Directors may not be members of the statutory representation body of a company with an identical or similar line of business. Additionally, members of the Company's Board of Directors have an obligation to disclose any conflict of interest to other members of the Board of Directors, the Supervisory Board, or the General Meeting;
- The Company has no means to ensure compliance with the WSE Code's requirement that the chairman of the Audit Committee and at least 2 members of the Supervisory Board be independent, as members of the Audit Committee and the Supervisory Board are elected by the General Meeting and candidates are proposed by shareholders;
- The Company has not set up internal processes for Supervisory Board members' providing a declaration of independence; nonetheless, the Company has established measures to prevent a conflict of interest. Members of the Supervisory Board have an obligation to disclose any conflict of interest to other members of the Supervisory Board and the General Meeting pursuant to applicable law;
- The Supervisory Board's report for the General Meeting meets requirements for its contents specified by the WSE Code, with the exception of: an evaluation of the Company's system of internal controls and an evaluation of its sponsorship activities, which, however, the Supervisory Board is kept informed of; an evaluation of the fulfillment of the obligation to provide information concerning the Company's compliance with corporate governance principles, which, however, the General Meeting is informed of by the Company's Board of Directors; and compliance with the requirement for Supervisory Board members' independence. The Supervisory Board's report contains all information required by law, which is deemed sufficient by the Company;
- The Company does not meet the WSE Code's requirement of providing a public real-time broadcast of its General Meeting, because the Company's policy, which is in compliance with applicable law, is based on allowing only its shareholders to attend its General Meetings;
- The media can attend a General Meeting, as required by the WSE Code, but the Company's bylaws require that their attendance be approved by the General Meeting unless they are Company shareholders;
- Dividend payment is always dealt with on an ad hoc basis, in a decision of the General Meeting. The WSE Code's requirement that the period between the record date and the dividend due date be no longer than 15 days cannot be met for technical reasons concerning dividend payment;
- The WSE Code's requirement that the Supervisory Board grant its approval to making a significant agreement between the Company on the one part and a shareholder having a share in voting rights of 5% or more or a related party on the other part is not met; nonetheless, the Supervisory Board reviews the related parties report, which includes a list of the Company's contracts with related parties, including the Company's majority shareholder;
- The Company has not adopted an internal regulation concerning conflicts of interest, as required by the WSE Code, because it deems the applicable legal regulation sufficient;
- The Company meets the WSE Code's requirement concerning information on the Company's remuneration policy by means of its annual reports, which include information on remuneration provided to the Board of Directors. This is in compliance with applicable law, which the Company deems sufficient.

APPROACH TO RISKS IN RELATION TO FINANCIAL REPORTING

Pursuant to the Accounting Act, ČEZ, a. s. keeps its books in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The obligation under the Income Tax Act to also report figures without the influence of International Accounting Standards is met by maintaining a parallel general ledger pursuant to Czech Accounting Standards (CAS). Outputs from the CAS general ledger are used mainly for tax purposes.

The books of selected subsidiaries are kept by ČEZ Korporátní služby, s.r.o. in accordance with Czech Accounting Standards and, at the same time, accounting data according to IFRS is collected for consolidation, evaluation, and planning purposes. The dual (CAS and IFRS) general ledger functionality is implemented for most of these selected subsidiaries as well.

Accounting processes at ČEZ and in the selected subsidiaries are governed by shared internal regulations, which are issued by ČEZ, a. s. and applicable also to such subsidiaries, or by internal regulations issued by the parent company or the subsidiaries individually but based on unified rules. The principles contained in these internal regulations are elaborated on in operating procedures and guidelines describing specific parts of the accounting process.

Unified accounting policies followed at ČEZ and its subsidiaries are defined in the CEZ Group Accounting Standards in full compliance with generally applicable accounting standards. The standards are further supplemented with a set of auxiliary guidelines focusing in more detail on specific areas of the accounting process. Consolidation rules and other general principles used to prepare CEZ Group consolidated financial statements are specified in the Rules of Consolidation.

The circulation of accounting documents is governed by an individually issued internal regulation. As a rule, any accounting record may only be posted on the basis of approved supporting documents. Approval takes place either in writing for documents delivered to the accounting department in hard copy, or online through the approval process in the SAP enterprise information system. The scope of each approving officer's signature authority is set forth in the management directives of the company in question.

In terms of organization, the accounting function is separated from the process of managing business partners, including the administration of bank accounts and payment of posted liabilities. This rules out any possibility of a single employee entering a business partner in the database, posting an amount payable to that partner, and issuing a payment order. Liabilities are paid only when approved by an employee authorized to carry out the business transaction and an employee authorized to confirm actual performance.

Only users with appropriate privileges have access to the accounting system. Access privileges for the system are granted by means of a software application and subject to approval by a superior and by the owner of the accounting process. Access is authorized according to the employee's job position. Only employees of the relevant accounting department have privileges for active operations (posting) in the accounting system. All logins to the accounting system are recorded in a database and can be searched retroactively. The accounting system allows identifying the user that created, changed or reversed any accounting record. Taking an inventory of assets and liabilities is an integral part of the system of accounting controls. The inventory-taking process verifies whether all predictable risks and potential losses associated with the assets have been reflected in the accounts, whether the assets are properly protected and maintained, and whether records of assets and liabilities are true.

The correctness of the accounts and financial statements is checked by the accounting unit on an ongoing basis. In addition, it is checked by an external auditor who carries out the audit of individual and consolidated financial statements as at the balance sheet date, i.e. December 31 of a given year.

Selected accounting areas are also subject to an internal audit to verify whether the procedures used are in compliance with applicable law and the Company's internal regulations. Where discrepancies are found, corrective measures are immediately proposed and implemented in the shortest possible time.

The effectiveness of the system of internal controls at ČEZ, a. s., the process of compiling individual financial statements of ČEZ, a. s. and consolidated financial statements of CEZ Group, and the process of external audit of those financial statements are also checked by the Audit Committee, which conducts these activities as a Company governing body without prejudice to the responsibilities of members of the Board of Directors and the Supervisory Board.

SUMMARY REPORT PURSUANT TO SECTION 118(8) OF THE CAPITAL MARKET UNDERTAKINGS ACT, ON CERTAIN ASPECTS OF THE EQUITY OF ČEZ, a. s.

The summary explanatory report pursuant to Section 118(8) of the Capital Market Undertakings Act is based on the requirements set forth in Section 118(5)(a) through (l) of said Act.

a) Information Concerning the Structure of the Company's Equity

Equity Structure as at December 31, 2015

Stated capital	CZK 53,798,975,900
Treasury stock	(CZK 4,246,170,779)
Retained earnings and additional paid-in capital	CZK 171,016,454,704
Total equity	CZK 220,569,259,825

As at December 31, 2015, the Company's stated capital recorded in the Commercial Register totaled CZK 53,798,975,900. It consisted of 537,989,759 shares with a nominal value of CZK 100 each. The issue price of all shares had been paid up in full. All the shares had been issued as dematerialized bearer securities and had been admitted to trading on a European regulated market.

The Company's stated capital is divided exclusively into common shares, with no special rights attached. All of the Company's shares have been admitted to trading on the Prague Stock Exchange in the Czech Republic and the Warsaw Stock Exchange in the Republic of Poland.

b) Information Concerning Restrictions on the Transferability of Securities

The transferability of the Company's securities is not restricted.

c) Information Concerning Significant Direct and Indirect Shares in the Company's Voting Rights

As at December 31, 2015, the following entities were recorded as having stakes of at least 1% in the stated capital of ČEZ, a. s.:

- Czech Republic, represented by the Ministry of Finance of the Czech Republic, having a total stake of 69.78% in the stated capital.
- Clearstream Banking, S.A., having a stake of 2.99% in the stated capital;
- Nortrust Nominees Limited, having a stake of 1.84% in the stated capital;
- State Street Bank and Trust Co., having a stake of 1.44% in the stated capital;
- Chase Nominees Limited, having a stake of 1.29% in the stated capital.

These entities have rights pursuant to Section 365 et seq. of the Business Corporations Act.

d) Information Concerning Owners of Securities With Special Rights, Including Description of Such Rights

No special rights are attached to any of the Company's securities.

e) Information Concerning Restrictions on Voting Rights

The voting right attached to the Company's shares is not restricted. Pursuant to Section 309(1) of the Business Corporations Act, the Company does not exercise the voting rights attached to treasury shares that it acquired on the basis of a General Meeting resolution. As at December 31, 2015, ČEZ, a. s. held 3,755,021 treasury shares corresponding to a 0.70% stake in its stated capital.

f) Information Concerning Agreements Between Shareholders That May Impede the Transferability of Shares or Voting Rights

ČEZ is not aware of any agreements between its shareholders that might impede the transferability of its shares or voting rights.

g) Information Concerning Special Rules Specifying the Election and Removal of Members of the Statutory Representation Body and Amendment to the Company's Bylaws

Pursuant to the Company's bylaws, members of the Board of Directors are elected and removed by the Supervisory Board by a simple majority of the votes of all its members. The bylaws may be amended by the General Meeting by a qualified, two-thirds majority of the votes of the shareholders present at the General Meeting. No special rules specifying the election and removal of members of the statutory representation body and amendment to the Company's bylaws are applied.

h) Information Concerning Special Authority of the Company's Statutory Representation Body

The Company's Board of Directors has no special powers.

i) Information Concerning Significant Contracts Relating to Change in Control Over the Company as a Result of a Takeover Bid

ČEZ, a. s. has entered into significant contracts that will become effective, change, or expire if control over ČEZ changes as a result of a takeover bid. These are the 7th, 11th, 12th, 13th, 14th, 19th, 20th, 21st, 23rd, 24th, and 30th Eurobond issues; the 1st, 2nd and 4th Namensschuldverschreibung issues; the 1st and 2nd US bond issues; the issue of convertible bonds of February 4, 2014; the ČEZ, a. s. Promissory Note Issue Program; loan agreements with the European Investment Bank for EUR 100m signed in 2010, for EUR 180m signed in 2011, for EUR 100m signed in 2012, for EUR 200m signed in 2014; and a EUR 200m guarantee agreement with the European Investment Bank made for the benefit of a Romanian subsidiary in 2010. In all of these contracts, the counterparty would be entitled, but not required, to demand early repayment should there be a change in the controlling entity of ČEZ.

At the same time, however, the right to early repayment may only be exercised if Standard & Poor's or Moody's publicly declares or notifies ČEZ in writing that it has reduced ČEZ's credit rating due, in full or in part, to the change in controlling entity. A downgrade of the existing credit rating is defined as any change from investment grade to non-investment grade, any downgrade of original non-investment grade, or non-determination of investment grade if no rating was given at all. The above downgrades would have to take place in the period from the public disclosure of the step that could result in change in the controlling entity to 180 days after the announcement of the change in the controlling entity.

The counterparty would not be allowed to exercise its right to early repayment if, following the actual change in the controlling entity, the credit rating agency re-evaluated its position and restored ČEZ's investment grade or original non-investment grade rating within the period defined above. The contractual provisions on change in control over ČEZ should be seen in the context of ČEZ's credit ratings, which in 2015 were A- (with a stable outlook) by Standard & Poor's and A3 (with a stable outlook) by Moody's, i.e. 4 grades above the credit rating agencies' highest non-investment-grade ratings. The change-of-rating condition does not apply to the loan and guarantee agreements with the European Investment Bank, worth EUR 780m in total, under which the counterparty's right becomes effective as soon as control over ČEZ, a. s. changes.

j) Information Concerning Contracts Binding the Company in Relation to a Takeover Bid

ČEZ, a. s. has not entered into any contracts with members of its Board of Directors or its employees in which the Company would undertake to provide performance in case their service or employment is terminated in relation to a takeover bid.

k) Information Concerning Programs That Allow Acquiring the Company's Corporate Securities

At ČEZ, remuneration of top managers includes an incentive program that allows them to acquire Company shares. Members of the Board of Directors and selected managers were/are entitled to options on the Company's common shares under the conditions set forth in a stock option agreement. Under the stock options rules, approved by the General Meeting in May 2008, members of the Board of Directors and selected managers receive options on a certain number of Company shares every year as long as they remain in office. The purchase price per share is determined as the weighted average of prices at which Company shares were traded on the regulated market in the Czech Republic during one month before the annual option date. Stock option beneficiaries may call on the Company to transfer shares up to the number corresponding to a given option grant, no earlier than two years and no later than in the middle of the fourth year after every option grant. The stock options are restricted in that the appreciation of the Company's shares may be no more than 100% over the purchase price and the option beneficiary must keep on their asset account as many shares of Company stock obtained under that call as corresponds to 20% of the profit realized on the call date until the termination of the stock options plan.

In 2015, there were 5 persons among employees and members of the Board of Directors who owned shares of stock obtained through the stock option plan. Only one person exercised their right to attend the General Meeting of ČEZ, a. s. as a Company shareholder and their right to vote at the General Meeting. All the persons exercised their right to dividend. The above-mentioned persons did not exercise any other rights associated with the ownership of Company shares. According to information submitted to the Company for the purposes of preparing this report, no beneficiary of the stock option plan transferred any separately transferable right attached to their shares to any third party.

l) Information Concerning Payments to the State for Mining Rights If the Issuer's Crucial Activity Is in the Mining Industry

The crucial business activity of ČEZ, a. s. is not in the mining industry.

CEZ GROUP

STRATEGIC OBJECTIVES

Europe's energy sector in 2015 continued to be burdened with market and regulatory uncertainties and declining commodity prices, resulting in further decreases in electricity prices on the wholesale market. Renewables, decentralized solutions, and comprehensive customer products are increasingly coming to the fore.

The development in 2015 thus fully validated the assumptions behind the strategy of ČEZ, which reacted to these trends already in the fall of 2014, when it also updated its mission and vision. CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society as a whole. Its vision is to bring innovations for resolving energy needs and to help improve quality of life.

The practical fulfillment of CEZ Group's strategy pivots on three strategic priorities:

- I. Be among the best in the operation of conventional power facilities and proactively respond to the challenges of the 21st century
- II. Offer customers a wide range of products and services addressing their energy needs
- III. Strengthen and consolidate our position in Central Europe

Under the three strategic priorities, CEZ Group concentrates primarily on the following activities:

I. Be Among the Best in the Operation of Conventional Power Facilities and Proactively Respond to the Challenges of the 21st Century

- Focus on operational efficiency as a prerequisite for further existence in both conventional and new energy;
- Ensure long-term operation of the Dukovany Nuclear Power Plant;
- Complete the renovation of brown coal-fired power plants;
- Phasing out older condensing units;
- Develop new unit projects at Temelín and Dukovany depending on changes in the Czech state's attitude to nuclear energy development;
- Continually improve the efficiency of the distribution grid.

II. Offer Customers a Wide Range of Products and Services Addressing Their Energy Needs

- Achieve the top level in electricity and gas sales and customer care;
- Develop additional products and make use of synergies with energy commodities;
- Launch new business models—from equipment deliveries to electricity generation and supply at the customer's point of consumption, including financing and related services;

- Invest in early opportunities and technologies to allow CEZ Group to establish promising positions in the future energy environment;
- Prepare distribution grids for operation under the conditions of increasingly decentralized generation.

III. Strengthen and Consolidate Our Position in Central Europe

- Strive to acquire assets and companies in the distribution, renewables, and conventional segments; sales companies that deliver energy and related products to end customers; and companies developing new products and services that are promising from the perspective of future decentralized energy;
- Optimize capital and ownership structure, possibly divesting selected assets in order to reduce risk exposure in selected regions;
- Structure transactions so that they use as little of CEZ Group's debt capacity as possible;
- Focus on regions with a stable regulatory environment. In renewables, our intention is to increase installed capacity to three times the current capacity over 8 years; the target countries are Poland, Germany, France, and the United Kingdom. Other primary areas in which CEZ Group expects to be investing in the neighboring countries in the next years are, in particular, decentralized solutions, heat assets, and regulated sectors.

To accelerate the fulfillment of our strategy and to direct more capacities and resources toward development activities, we changed our method of management and established the Operations and Development teams with effect from January 1, 2016.

The Operations team focuses on efficient use of CEZ Group's conventional energy assets, mining, and ancillary services. The Development team is an umbrella unit for renewables and decentralized energy and activities in distribution and sales. The management change also involved bolstering segment management across the countries that CEZ Group operates in. A segment is a functionally autonomous part of CEZ Group that serves a single part of the value chain in the energy sector and is within the purview of individual members of the ČEZ, a. s. Board of Directors. As part of the change to the management of CEZ Group, segments became the primary units fully responsible for activities across countries and for achieving the ambitious financial targets with effect from January 1, 2016. Moreover, they allow better sharing of relevant best practices regardless of geographic boundaries.

**Customer Research Helps
Improve CEZ Group's
Services**



38 < 115 =



Listening to our customers, hitting the nail on the head, scoring a bull's-eye... These are some sayings expressing companies' customer care efforts. Meeting customers' wishes is a priority of every sales strategy. **IN** We measure and evaluate our customers' satisfaction and get valuable customer feedback throughout the year. In 2015, we took some steps based on the information we obtained: for example, we cut the waiting time on our voice line from 115 to 38 seconds, we improved our ČEZ ON-LINE web application, we introduced our text and e-mail notification service informing about planned outages, we offered customer service on social media, we expanded the options of our payment tools and consulting, and we offered an additional customer care line number in the Czech Republic. Free Wi-Fi connection at our customer care centers has already become a matter of course. **OVATIONS** By measuring about 40,000 customers, we found 84% satisfaction with the level of our care. This motivates us to further improve the quality of our services in the future. **INNOVATIONS**

Improving the customer experience is our top priority; that is why we kept introducing new improvements in 2015.

84%

REPORT ON OPERATIONS

CEZ GROUP FINANCIAL PERFORMANCE

As at December 31, 2015, the consolidated CEZ Group comprised a total of 107 companies, with 92 companies fully consolidated and 15 joint ventures consolidated using the equity method.

CEZ Group Consolidated Unit as at December 31, 2015

As at December 31, 2015, the companies of the consolidated entity of CEZ Group were classified into seven operating segments:

Power Production & Trading Central Europe

ČEZ, a. s.	ČEZ Obnovitelné zdroje, s.r.o.
A.E. Wind sp. z o.o.	ČEZ OZ uzavřený investiční fond a.s.
Areál Třeboradice, a.s.	ČEZ Recyklace, s.r.o.
Baltic Green Construction sp. z o.o.	ČEZ Teplárenská, a.s.
Baltic Green I sp. z o.o.	Eco-Wind Construction S.A.
Baltic Green II sp. z o.o.	Elektrárna Dětmorovice, a.s.
Baltic Green III sp. z o.o.	Elektrárna Dukovany II, a. s.
Baltic Green IV sp. z o.o.	Elektrárna Mělník III, a. s.
Baltic Green V sp. z o.o.	Elektrárna Počerady, a.s.
Baltic Green VI sp. z o.o.	Elektrárna Temelín II, a. s.
Baltic Green VII sp. z o.o.	Elektrárna Tisová, a.s.
Baltic Green VIII sp. z o.o.	Elektrownie Wiatrowe Lubiechowo sp. z o.o.
CEZ Deutschland GmbH	Energetické centrum s.r.o.
CEZ Chorzów S.A.	Energocentrum Vítkovice, a. s.
CEZ MH B.V.	Energotrans, a.s.
CEZ Poland Distribution B.V.	Farma Wiatrowa Leśce sp. z o.o.
CEZ Produkty Energetyczne Polska sp. z o.o.	Farma Wiatrowa Wilkołaz-Bychawa sp. z o.o.
CEZ Silesia B.V.	MARTIA a.s.
CEZ Skawina S.A.	Mega Energy sp. z o.o.
CEZ Srbija d.o.o.	Tepelné hospodářství města Ústí nad Labem s.r.o.
CEZ Towarowy Dom Maklerski sp. z o.o.	CM European Power International B.V.*
CEZ Trade Romania S.R.L.	CM European Power Slovakia, s. r. o.*
ČEZ Bohunice a.s.	ČEZ Energo, s.r.o.*
ČEZ Energetické produkty, s.r.o.	Jadrová energetická spoločnosť Slovenska, a. s.*
	JESS Invest, s. r. o.*

Power Production & Trading Southeast Europe

Bara Group EOOD
 CEZ Bulgarian Investments B.V.
 Free Energy Project Oreshets EAD
 M.W. Team Invest S.R.L.
 Ovidiu Development S.R.L.
 Taidana Limited
 TEC Varna EAD
 TMK Hydroenergy Power S.R.L.
 Tomis Team S.A.
 Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.*
 Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.*
 Akenerji Elektrik Üretim A.S.*
 AK-EL Kemah Elektrik Üretim ve Ticaret A.S.*
 AK-EL Yalova Elektrik Üretim A.S.*
 Egemer Elektrik Üretim A.S.*

Distribution & Sale Central Europe

CEZ Magyarország Kft.
 CEZ Slovensko, s.r.o.
 CEZ Trade Polska sp. z o.o.
 ČEZ Distribuce, a. s.
 ČEZ ESCO, a.s.
 ČEZ Prodej, s.r.o.

Distribution & Sale Southeast Europe

CEZ Distributie S.A.
 CEZ Elektro Bulgaria AD
 CEZ Razpredelenie Bulgaria AD
 CEZ Trade Bulgaria EAD
 CEZ Vanzare S.A.
 Shared Services Albania Sh.A.
 Akcez Enerji A.S.*
 Sakarya Elektrik Dagitim A.S.*
 Sakarya Elektrik Perakende Satis A.S.*

Mining Central Europe

CEZ International Finance B.V.
 Severočeské doly a.s.
 LOMY MOŘINA spol. s r.o.*

Other Central Europe

Centrum výzkumu Řež s.r.o.
 CEZ Finance Ireland Ltd.
 CEZ International Finance Ireland Ltd.
 CEZ Polska sp. z o.o.
 ČEZ Distribuční služby, s.r.o.
 ČEZ Energetické služby, s.r.o.
 ČEZ ENERGOSERVIS spol. s r.o.
 ČEZ ICT Services, a. s.
 ČEZ Inženýring, s.r.o.
 ČEZ Korporátní služby, s.r.o.
 ČEZ Nová energetika, a.s.
 ČEZ Zákaznické služby, s.r.o.
 EGP INVEST, spol. s r.o.
 EVČ s.r.o.
 PRODECO, a.s.
 Revitrans, a.s.
 SD - Kolejová doprava, a.s.
 ŠKODA PRAHA a.s.
 ŠKODA PRAHA Invest s.r.o.
 Telco Pro Services, a. s.
 ÚJV Řež, a. s.

Other Southeast Europe

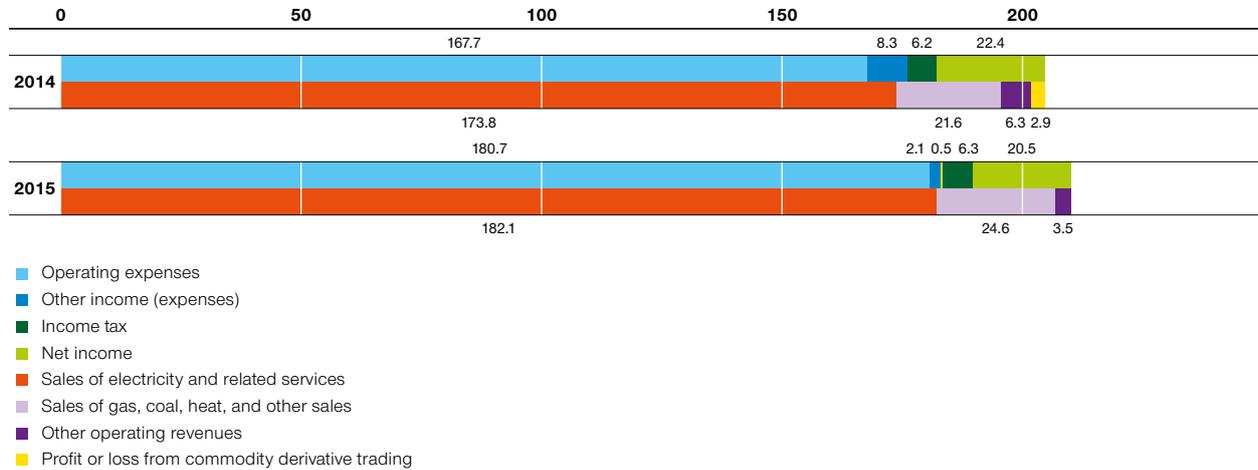
CEZ Bulgaria EAD
 CEZ ICT Bulgaria EAD
 CEZ Romania S.A.
 CEZ Ukraine LLC

* joint venture

CEZ Group Financial Performance Results

Revenues, Expenses, and Income

CEZ Group Net Income Breakdown (CZK Billions)



Earnings before depreciation and amortization, allowances, sale of property, plant and equipment and intangibles and depreciation of permanently stopped investment projects (EBITDA) decreased by CZK 7.4bn year-on-year to CZK 65.1bn. Net income (after-tax income) decreased by CZK 1.9bn year-on-year to CZK 20.5bn.

The main causes of the year-on-year decrease in net income included primarily a decrease in the realization prices of generated electricity and a change in production volume and structure. A negative effect on the year-on-year comparison was produced by some events in 2014: the settlement agreement with Albania and termination of the long-term contract with CA-CIB.

A positive year-on-year effect was produced by the refund of a portion of gift tax on emission allowances for 2011 and 2012, cuts in fixed operating costs, the effect of MOL stock revaluation in 2014, and the repayment of debts (from 2010) by Správa železniční dopravní cesty (SŽDC).

Adjusted net income decreased by CZK 1.8bn year-on-year primarily due to lower after-tax income. The amount of adjustment for extraordinary effects that are generally unrelated to ordinary financial performance in a given year barely changed year-on-year. Such extraordinary effects are, for example, fixed asset impairment and goodwill write-offs, profit/loss from the sale of assets or subsidiaries, or other extraordinary effects.

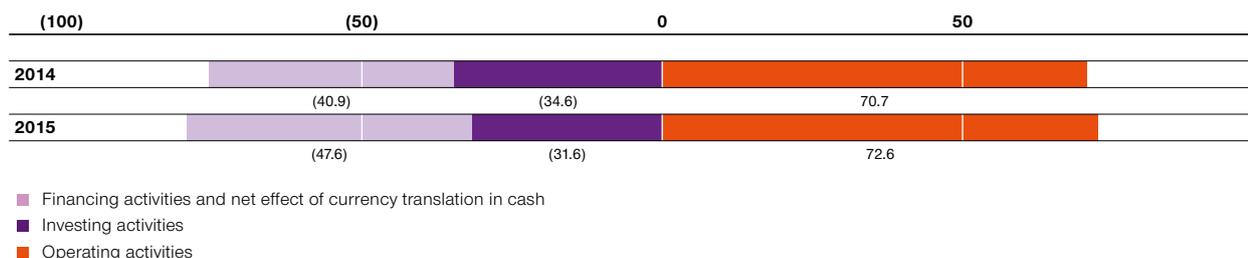
Operating revenues increased by CZK 8.4bn year-on-year primarily due to revenue from sales of electricity and related services (CZK +8.3bn). Revenue from sales of gas, coal, heat, and other sales (CZK +2.9bn) increased year-on-year primarily due to an increase in the amount of gas sold. Conversely, other operating revenues decreased (CZK -2.8bn) primarily due to the effect of the settlement agreement with Albania in 2014.

A negative effect on the year-on-year comparison was produced by commodity derivative trading (CZK -3.4bn) due to changes in commodity market prices and the termination of the long-term contract with CA-CIB in 2014.

Operating expenses increased by CZK 13.0bn year-on-year primarily in relation to increased purchase costs of electricity and related services (CZK -15.1bn). Conversely, cuts in fixed operating costs (CZK +2.9bn) had a positive effect year-on-year. Depreciation and amortization increased year-on-year (CZK -0.9bn) due to reclassifying completed investments as fixed assets, primarily due to putting the Počerady CCGT plant into operation in late 2014. Other income (expenses) increased the earnings by CZK 6.2bn year-on-year, primarily due to the refund of gift tax on emission allowances for 2011 and 2012 (CZK +3.8bn) and due to MOL stock revaluation in 2014 (CZK +1.8bn). Income tax increased by CZK 0.1bn.

Cash Flows

CEZ Group Cash Flows (CZK Billions)



Cash flows from operating activities increased by CZK 1.9bn year-on-year. There was a positive effect of lower income tax paid (CZK +3.0bn) and lower interest paid, net of capitalized interest (CZK +0.9bn). Earnings before taxes adjusted for non-cash operations decreased by CZK 2.1bn year-on-year. Changes in working capital had a positive effect year-on-year (CZK +0.1bn). The main cause of the positive change in working capital was a year-on-year decrease in term deposits with more than 6-month maturity and liquid securities (CZK +4.3bn) and year-on-year change in net receivables and payables from derivatives incl. options (CZK +0.9bn). A negative effect was produced by year-on-year change in net trade receivables and payables including advances and accruals/deferrals (CZK -4.2bn) and year-on-year change in inventories of emission allowances (CZK -1.5bn). Conversely, other working capital items (CZK +0.7bn) increased cash provided by operating activities.

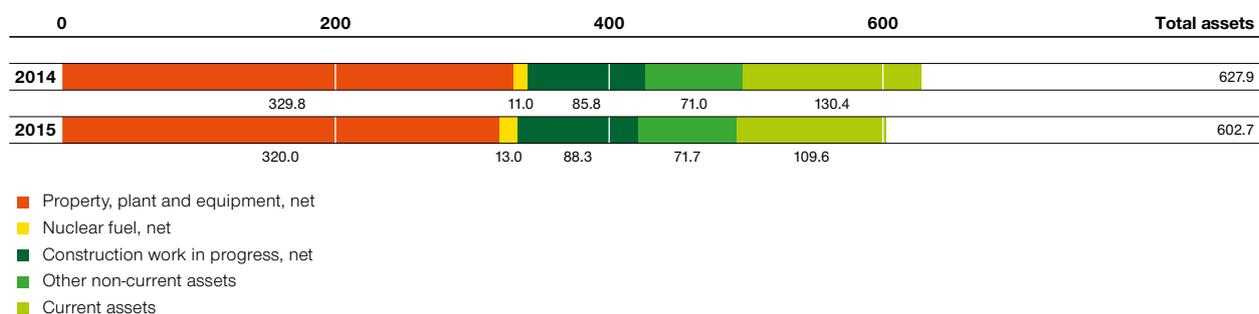
Cash used in investing activities decreased by CZK 3.1bn year-on-year, primarily due to a year-on-year decrease in capital expenditure (CAPEX) on property, plant, and equipment and intangibles (CZK +2.9bn), year-on-year change in liabilities attributable to capital expenditure (CZK +1.5bn), and year-on-year increase in liability payment on account of the sale of the Chvaletice Power Plant (CZK +0.2bn). The opposite effect was produced by a year-on-year decrease in proceeds from sales of fixed assets (CZK -0.9bn) and year-on-year increase in acquisition of long-term financial assets (CZK -0.6bn).

Cash used in financing activities, including the net effect of currency translation in cash, increased by CZK 6.7bn year-on-year. The main reason was a year-on-year increase in the balance of proceeds from and repayments of borrowings (CZK -6.8bn).

Structure of Assets, Equity and Liabilities

The value of CEZ Group's consolidated assets, equity and liabilities decreased by CZK 25.2bn to CZK 602.7bn in 2015.

Structure of CEZ Group Assets as at December 31 (CZK Billions)



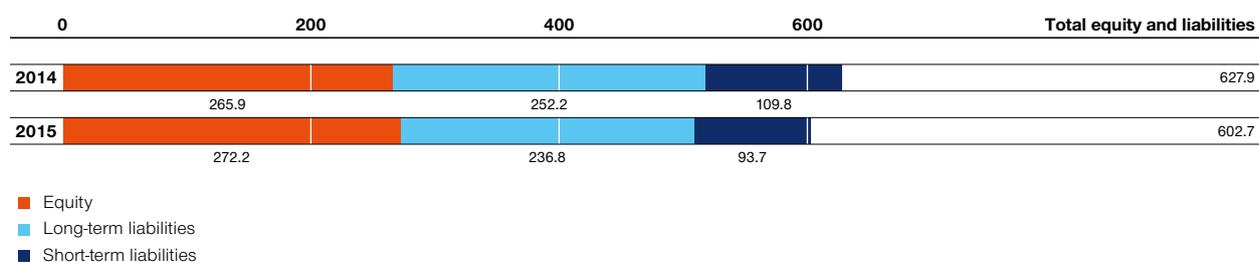
Non-current assets decreased by CZK 4.5bn to CZK 493.1bn.

The value of property, plant, and equipment, nuclear fuel, and construction work in progress decreased by CZK 5.2bn. A decrease in net property, plant, and equipment of CZK 9.8bn was partially offset by an increase in construction work in progress of CZK 2.6bn and an increase in nuclear fuel inventory of CZK 2.0bn.

An increase in other non-current assets of CZK 0.7bn was most significantly affected by an increase in available-for-sale securities of CZK 2.1bn primarily due to the positive revaluation of MOL Nyrt. shares to their fair value and an increase in long-term receivables from derivative trading of CZK 1.5bn. A negative effect was produced by a decrease in the value of investment in joint ventures of CZK 3.0bn, resulting primarily from lower profits of joint ventures in Turkey due to a negative exchange rate change; other items in other non-current assets increased by CZK 0.1bn.

Current assets decreased by CZK 20.7bn to CZK 109.6bn in 2015. Cash and cash equivalents decreased by CZK 6.6bn, net receivables (primarily trade receivables) by CZK 4.9bn, liquid securities and short-term deposits by CZK 4.7bn, and short-term receivables from derivative trading including options by CZK 2.0bn. In addition, there was a decrease in inventories of emission allowances of CZK 1.6bn and income tax receivables of CZK 1.2bn.

Structure of CEZ Group Equity and Liabilities as at December 31 (CZK Billions)



Equity, including non-controlling interests, increased by CZK 6.3bn to CZK 272.2bn.

Net income generated in 2015 increased equity by CZK 20.5bn, while awarded dividends (excluding dividends on treasury shares) decreased equity by CZK 21.3bn. Other comprehensive income increased equity by CZK 7.0bn, primarily in cash flow hedging by CZK 9.7bn and in available-for-sale securities by CZK 1.3bn. By contrast, other comprehensive income was decreased by foreign exchange translation differences of CZK 2.3bn and deferred income tax associated with other comprehensive income of CZK 1.8bn. Long-term liabilities decreased by CZK 15.4bn to CZK 236.8bn primarily due to a change in issued bonds of CZK 19.5bn, long-term derivative liabilities of CZK 3.9bn, and other long-term liabilities of CZK 0.9bn. The decrease in long-term liabilities was partially offset by an increase in long-term bank loans of CZK 4.2bn, increase in nuclear provisions of CZK 2.8bn, and increase in deferred tax liability of CZK 1.4bn.

A decrease in short-term liabilities by CZK 16.1bn to CZK 93.7bn was primarily due to a decrease in the current portion of long-term debt, including short-term loans, of CZK 11.4bn. In addition, trade payables including advances decreased by CZK 3.5bn, emission allowance provisions by CZK 1.8bn, and unbilled goods and services by CZK 1.3bn. By contrast, income tax payables increased by CZK 0.8bn and short-term payables from derivative trading including options increased by CZK 0.6bn.

Comprehensive Income

Net comprehensive income increased by CZK 3.0bn to CZK 27.5bn year-on-year.

Net income decreased by CZK 1.9bn year-on-year; however, other comprehensive income, increasing by CZK 4.8bn, had a positive effect.

Other comprehensive income was positively affected primarily by cash flow hedging and available-for-sale securities (CZK 9.3bn); by contrast, it was decreased year-on-year primarily by foreign exchange translation differences in equity (CZK -3.2bn) and deferred tax associated with other comprehensive income (CZK -1.4bn).

CEZ Group Net Debt (CZK Billions)

	2014	2015
Long-term debt, net of current portion	160.9	145.6
Current portion of long-term debt	15.7	11.7
Short-term borrowings	7.6	0.2
Financial debt	184.1	157.5
Cash and cash equivalents	(20.1)	(13.5)
Highly liquid financial assets	(16.8)	(12.8)
Net debt	147.2	131.2
EBITDA	72.5	65.1
Net debt / EBITDA	2.03	2.02

Financial Performance Results of CEZ Group Segments

The biggest segment, Power Production & Trading Central Europe, saw its EBITDA decrease by CZK 8.6bn. The main reasons behind a decrease in EBITDA in the Czech Republic are primarily lower realization prices of generated electricity, including the effects of hedges (CZK -5.6bn), the effect of change in production volume and structure (CZK -2.7bn), the impact of the settlement agreement with Albania in 2014 (CZK -2.6bn), the termination of the long-term contract with CA-CIB in 2014 (CZK -1.6bn), and lower revenue from ancillary services (CZK -0.7bn). Conversely, lower fixed operating costs due to economy measures (CZK +2.4bn) and lower additions to provisions for emission allowances and revenues from sales of emission allowances (CZK +1.2bn in total) had a positive effect. An increase in EBITDA in Poland of CZK +0.5bn is due to higher electricity and heat generation and reversal of provisions for disposal of assets at the Skawina Power Plant.

Electricity generation in the Czech Republic decreased by 1.7 TWh (-2.8%) year-on-year. There was a decrease in generation at nuclear power plants (-3.5 TWh). It was caused by unscheduled outages at the Dukovany Nuclear Power Plant, primarily due to weld inspections, and by extended planned outages and unscheduled outages at the Temelín Nuclear Power Plant. In contrast, a 1.2 TWh increase in generation from coal was attributable to the comprehensive renovation of the Prunéřov Power Plant (pilot operation started), higher generation at the Počerady Power Plant (due to a conversion contract made with Vršanská uhelná a.s.), and the start of pilot operation of the new Ledvice Power Plant unit. The Počerady CCGT plant also increased its production by 0.4 TWh. Power plants in Poland increased electricity generation by 0.3 TWh (12.1%).

Sales of heat generated by CEZ Group's plants in the Czech Republic increased by 0.5 thousand TJ (3.2%) due to colder weather in January and December 2015. Likewise, heat sales in Poland increased by 0.5 thousand TJ (9.9%).

The Distribution & Sale Central Europe segment achieved a year-on-year increase in EBITDA of CZK 2.8bn. EBITDA in sales in the Czech Republic and Slovakia increased by CZK 3.0bn year-on-year, with positive effects including primarily those of higher settlement of unbilled electricity and the payment of SŽDC debts from 2010 to ČEZ Prodej based on a court decision in 2015. The EBITDA of distribution in the Czech Republic decreased by CZK 0.2bn, primarily due to using up remaining correction factors from RES in 2014; conversely, it was positively affected by a higher amount of distributed electricity as well as lower fixed operating costs in 2015. The amount of electricity sold to end customers of the Distribution & Sale Central Europe segment increased by 2.0 TWh (8.9%) year-on-year; the amount of electricity distributed to end customers increased by 0.6 TWh (1.9%). Sales of gas to end customers in the Czech Republic and Slovakia increased by 1.4 TWh (25.6%) year-on-year primarily due to acquisition of new customers.

The Mining Central Europe segment achieved a year-on-year increase in EBITDA of CZK 0.2bn primarily due to cuts in fixed operating costs. By contrast, there was a negative effect of lower revenues from sales of thermal coal due to lower demand.

The EBITDA of the Other Central Europe segment decreased by CZK 1.5bn year-on-year. The impact of economy measures adopted by customers caused a decrease in revenues and margins from intra-group services, primarily for ČEZ Distribuční služby and ČEZ ICT Services. There was also a decrease in income from projects executed by ŠKODA PRAHA Invest.

The EBITDA of the Power Production & Trading Southeast Europe segment increased slightly year-on-year, by CZK 0.02bn.

A CZK 0.6bn increase in EBITDA in Bulgaria was due to the suspension of operation of the Varna Power Plant since January 1, 2015.

A negative change in Romania (CZK -0.6bn) was primarily due to suspension of green certificate allocation to the Cogelac wind farm from October 2014 to September 2015, as well as additions to a provision for potential additional taxes on wind farm real estate.

The Distribution & Sale Southeast Europe segment improved its EBITDA slightly year-on-year, by CZK 0.03bn. Romanian companies' EBITDA increased by CZK 0.2bn primarily due to higher margin on distributed electricity and lower fixed costs, which were offset, in year-on-year comparison, by a negative effect of extraordinary 2014 income resulting from repayment agreements with the state postal service and railways. EBITDA in Bulgaria decreased by CZK 0.1bn due to debt offset with the state-owned company NEK in 2014. Conversely, higher margins on both distributed and sold electricity, lower additions to provisions, and cuts in operating costs in 2015 had a positive effect.

Electricity sales in Romania increased by 0.3 TWh (9.6%) year-on-year; the amount of electricity distributed to end customers increased slightly, by 0.1 TWh (1.6%). The amount of electricity sold in Bulgaria increased by 0.3 TWh (3.4%) year-on-year. The amount of electricity distributed to end customers increased as well, by 0.2 TWh (0.8%).

The year-on-year difference in elimination (CZK -0.3bn) is attributable to the impact of inter-segment trading in emission allowances in the past years and external emission allowance sales in 2014.

Segments by Their Contributions to Overall CEZ Group Financial Performance

	Operating revenues other than intersegment revenues (CZK millions)	Operating intersegment revenues (CZK millions)	Total operating revenues (CZK millions)	EBITDA (CZK millions)	EBIT (CZK millions)	Income tax (CZK millions)	Net income (CZK millions)	CAPEX (CZK millions)	Workforce headcount as at December 31 (persons)
Power Production & Trading CE									
2014	57,327	35,888	93,215	39,523	22,792	(3,222)	27,604	21,122	7,443
2015	56,331	36,359	92,690	30,882	9,707	(1,500)	25,390	17,601	7,448
Distribution & Sale CE									
2014	100,310	4,909	105,219	19,290	15,463	(2,798)	12,266	7,712	1,493
2015	108,064	3,476	111,540	22,069	18,012	(3,326)	14,415	7,527	1,780
Mining CE									
2014	4,743	5,415	10,158	4,163	1,856	(352)	2,168	2,474	2,899
2015	4,676	5,026	9,702	4,315	1,902	(365)	2,296	1,776	2,681
Other CE									
2014	3,029	29,350	32,379	4,666	2,621	(559)	2,048	14,522	9,098
2015	2,946	21,721	24,667	3,204	1,527	(416)	1,860	8,797	8,925
Power Production & Trading SEE									
2014	1,526	1,210	2,736	606	(7,444)	899	(8,406)	60	344
2015	1,581	442	2,023	628	(2,894)	(129)	(4,970)	323	94
Distribution & Sale SEE									
2014	34,784	448	35,232	3,869	1,347	(132)	1,235	1,813	3,871
2015	36,544	275	36,819	3,901	685	(606)	(503)	2,134	3,919
Other SEE									
2014	32	2,142	2,174	84	14	(3)	46	673	1,107
2015	25	1,945	1,970	125	42	(7)	25	767	1,019
Elimination									
2014	-	(79,362)	(79,362)	297	297	(57)	(14,529)	(13,964)	-
2015	-	(69,244)	(69,244)	(20)	(20)	2	(17,966)	(7,431)	-
Consolidated									
2014	201,751	-	201,751	72,498	36,946	(6,224)	22,432	34,412	26,255
2015	210,167	-	210,167	65,104	28,961	(6,347)	20,547	31,494	25,866

CE = Central Europe
SEE = Southeast Europe



Selected Information on CEZ Group Segments Structured in Accordance With the Method of Management Applied Since January 1, 2016

Segment	Unit	Czech Republic	Poland	Bulgaria	Romania	Other
Generation—Traditional Energy						
Electricity generation	GWh	56,292	2,944	-	-	-
Heat supply	TJ	17,260	4,996	-	-	-
Installed capacity	MW	13,149	681	1,260	-	-
Identifiable assets	CZK millions	249,119	7,331	182	-	-
EBITDA	CZK millions	27,243	1,874	(116)	2	(3)
Generation—New Energy						
Electricity generation	GWh	338	-	6	1,336	-
Heat supply	TJ	-	-	-	-	-
Installed capacity	MW	201	-	7	622	-
Identifiable assets	CZK millions	11,421	-	363	16,429	-
EBITDA	CZK millions	1,661	(67)	18	761	-
Distribution						
Electricity distribution	GWh	42,754	-	10,498	9,622	-
Identifiable assets	CZK millions	83,730	-	9,358	12,894	-
EBITDA	CZK millions	16,478	-	1,205	2,359	-
Sales						
Sales of electricity	GWh	19,833*	1,612	9,685	3,470	3,332
Sales of natural gas	GWh	4,716	-	-	75	2,033
Identifiable assets	CZK millions	364	-	2	-	-
EBITDA	CZK millions	6,408	74	220	121	75
Mining						
Identifiable assets	CZK millions	21,480	-	-	-	-
EBITDA	CZK millions	4,325	-	-	-	-
Other						
Identifiable assets	CZK millions	9,562	11	114	67	-
EBITDA	CZK millions	2,349	33	76	49	(32)

* Does not include sales within CEZ Group.

Commercial and Financial Outlook for 2016

At March 15, 2016, CEZ Group expected consolidated operating income before depreciation and amortization, allowances including goodwill write-off, and sales of fixed assets (EBITDA) to amount to CZK 60bn in 2016.

The expectations reflect, in particular, the ongoing trend of decreasing wholesale electricity prices, the course of energy sector regulation in Europe, and an expected increase in the generation of both conventional and new electricity.

The major causes of the year-on-year change in the financial results are listed below to indicate CEZ Group's expected economic situation in 2016.

EBITDA is expected to decrease by CZK 5.1bn year-on-year (i.e. by 7.8% of the actual 2015 figure).

An expected decrease of CZK 3.4bn in the Generation—Traditional Energy segment EBITDA reflects the negative effects of market and regulation (CZK -7.4bn), primarily the effect of decreased electricity realization prices including currency hedging (CZK -5.7bn), lower allocation of emission allowances (CZK -0.9bn), and lower revenues from ancillary services for ČEPS (CZK -0.5bn); conversely, there is a positive effect of increased production at coal-fired and nuclear power plants and other effects (CZK +4.0bn). The Mining segment is expected to grow by CZK 0.2bn year-on-year. The Generation—New Energy segment expects a year-on-year increase of CZK 1.4bn due to resumed allocation of green certificates for Fântânele Vest and Cogeaalac and higher production. The Distribution segment expects a year-on-year decrease of CZK 0.8bn primarily due to a negative effect of correction factors in Romania. The Sales segment expects a year-on-year decrease of CZK 2.5bn primarily due to extraordinary income from the repayment of SŽDC's debt in 2015, the settlement of unbilled electricity in the Czech Republic in 2015, and a lower gross margin in foreign sales companies. The segments are already presented in this paragraph according to the structure effective from January 1, 2016.

Adjusted net income¹⁾ expected by CEZ Group is at the level of CZK 18bn (i.e. CZK 9.7bn less than in 2015). Adjusted net income¹⁾ in 2015 reached CZK 27.7bn, with the achieved consolidated net income of CZK 20.5bn adjusted for the effect of fixed asset impairment. Risks to the above prediction of 2016 income, as seen by CEZ Group, are lower availability of generating facilities in the Czech Republic (in particular new and renovated coal-fired plants) and developments in regulatory and legislative conditions for the energy sector in Europe.

The adjusted 2016 net income of the parent company, ČEZ, a. s., is expected to be approximately CZK 10bn, the bulk of which consists of anticipated dividends from subsidiaries of ČEZ, a. s.

Capital expenditure expected by CEZ Group in 2016 is approximately CZK 34bn with a majority planned to be invested in production and distribution assets in the Czech Republic.

No major changes are expected in the overall structure of assets from which the income for 2016 will be generated. Concerning cash flows, CEZ Group anticipates that it will be able to cover planned investment and financial expenditures, including dividends, from cash flows generated by operating activities. For this reason, no major change in CEZ Group's net debt is expected in 2016.

¹⁾ Adjusted net income does not reflect extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-offs, or profit/loss from sale of assets or subsidiaries).

CEZ Group Financing

Solvency in 2015

CEZ Group's solvency in 2015 was good and the companies of CEZ Group did not show any insufficiencies when settling their liabilities.

In 2015, CZK 21.2bn was paid in dividends for 2014 (i.e. dividends on 99.2% of shares), and another approximately CZK 0.1bn was paid in dividends for the previous years.

In the eurozone, the year 2015 was influenced by quantitative easing, which resulted not only in interest rates in the EUR and CZK interbank markets dropping to negative figures but also in significantly greater competition among banks in loan markets, including markets in those countries where ČEZ is present. CEZ Group took advantage of the situation to finance selected subsidiaries at local level, with no recourse to the parent company (repayment commitment by ČEZ, a. s.). This is how funding of PLN 700m (approx. CZK 4.7bn) was obtained for Elektrociepłownia Chorzów ELCHO S.A. (now CEZ Chorzów S.A.) on March 26, 2015 with a repayment period of 7 years. In addition, on October 20, 2015 CEZ Distribuție S.A. signed a loan agreement for RON 600m (approx. CZK 3.7bn) with a 7-year repayment period and, simultaneously, a revolving loan of RON 75m (CZK 0.5bn). ČEZ, a. s. took advantage of its fairly good liquidity and an expectation of growth in U.S. interest rates to pull USD 411.4m (approx. CZK 10.4bn) worth of bonds maturing in 2022 from the market. This will save the difference between interest expense on the repurchased bonds and interest income from cash held.

Since one of the banks providing committed credit lines under a long-term bill-of-exchange program decided to leave the Czech Republic, ČEZ, a. s. made an agreement on the termination of the credit facility with the bank and then largely replaced the terminated facility with another bank's credit facility under a bill-of-exchange program. Except for this case, all committed credit lines under a bill-of-exchange program that expired in 2015 were renewed without any problems.

As at December 31, 2015, the volume of long-term bank and other loans stood at CZK 22,570m. Loans provided by the European Investment Bank accounted for CZK 17,802m of this figure.

The average repayment period of CEZ Group's financial debts in 2015 was more than 8 years. ČEZ, a. s. used almost no committed credit lines at the end of 2015.

List of Bonds Outstanding as at December 31, 2015 Issued by CEZ Group

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Issued as
7th Eurobond issue ¹⁾	ČEZ, a. s.	XS0384970652	Sep 17, 2008	JPY 12bn	3.005%	2038	Dematerialized bearer
12th Eurobond issue ¹⁾	ČEZ, a. s.	XS0447067843	Sep 8, 2009	JPY 8bn	2.845%	2039	Dematerialized bearer
13th Eurobond issue ²⁾	ČEZ, a. s.	XS0458257796	Oct 19, 2009	EUR 750m	5.00%	2021	Dematerialized bearer
14th Eurobond issue	ČEZ, a. s.	XS0462797605	Nov 4, 2009	EUR 50m	6M Euribor + 1.25%	2019	Dematerialized bearer
19th Eurobond issue	ČEZ, a. s.	XS0502286908	Apr 16, 2010	EUR 750m	4.875%	2025	Dematerialized bearer
20th Eurobond issue ³⁾	ČEZ, a. s.	XS0521158500	Jun 28, 2010	EUR 750m	4.500%	2020	Dematerialized bearer
1st NSV (Namensschuldverschreibungen) issue	ČEZ, a. s.	XF0000NS9FM8	Nov 29, 2010	EUR 40m	4.500%	2030	Global Depository Receipt
2nd NSV (Namensschuldverschreibungen) issue	ČEZ, a. s.	XF0000NS9TZ1	Jan 31, 2011	EUR 40m	4.75%	2023	Global Depository Receipt
21st Eurobond issue ⁴⁾	ČEZ, a. s.	XS0592280217	Feb 17, 2011	JPY 11.5bn	2.160%	2023	Dematerialized bearer
22nd Eurobond issue	ČEZ, a. s.	XS0622499787	May 3, 2011	CZK 1.25bn	4.600%	2023	Dematerialized bearer
23rd Eurobond issue ⁵⁾	ČEZ, a. s.	XS0630397213	May 27, 2011	EUR 339.782m	3.625%	2016	Dematerialized bearer
24th Eurobond issue ⁶⁾	ČEZ, a. s.	XS0635263394	Jun 21, 2011	EUR 100m	2.15% * CPI Index Ratio	2021	Dematerialized bearer
25th Eurobond issue	ČEZ, a. s.	XS0713866787	Dec 5, 2011	EUR 50m	4.102%	2021	Dematerialized bearer
3rd NSV (Namensschuldverschreibungen) issue	ČE Z, a. s.	XF0000B03489	Apr 2, 2012	EUR 40m	4.7%	2032	Global Depository Receipt
1st US bond issue ^{4), 7), 8)}	ČEZ, a. s.	US157214AA57	Apr 3, 2012	USD 288.594m	4.25%	2022	Dematerialized bearer
2nd US bond issue ^{4), 7)}	ČEZ, a. s.	US157214AB31	Apr 3, 2012	USD 300m	5.625%	2042	Dematerialized bearer
26th Eurobond issue	ČEZ, a. s.	XS0814711775	Aug 8, 2012	EUR 50m	4.375%	2042	Dematerialized bearer
27th Eurobond issue	ČEZ, a. s.	XS0818793209	Aug 20, 2012	EUR 50m	4.5%	2047	Dematerialized bearer
28th Eurobond issue ⁹⁾	ČEZ, a. s.	XS0822571799	Sep 3, 2012	EUR 80m	4.383%	2047	Dematerialized bearer

¹⁾ Proceeds from the issue in Japanese yen were swapped for euro through a credit linked swap.

²⁾ Eurobonds in the amount of EUR 60m and then EUR 90m were issued in February 2010 and added to the EUR 600m issue of October 19, 2009. The volume of the issue increased to EUR 750m.

³⁾ Eurobonds in the amount of EUR 250m were issued in December 2010 and added to the EUR 500m issue of June 28, 2010. The volume of the issue increased to EUR 750m.

⁴⁾ Proceeds of issue converted to EUR via a swap.

⁵⁾ Issue partially bought back in April 2014; original volume of issue was EUR 500m.

⁶⁾ Using a swap, the inflation-linked coupon was fixed at a value that ensures an effective fixed interest expense for ČEZ regardless of changes in inflation.

⁷⁾ The issue was sold within a non-public bond offer to qualified institutional buyers pursuant to Rule 144A of the United States Securities Act of 1933, as amended ("Securities Act"), and outside the United States to certain non-U.S. entities pursuant to Regulation S of the Securities Act.

⁸⁾ Issue partially bought back in November 2015; original volume of issue was USD 700m.

⁹⁾ Eurobonds in the amount of EUR 20m were issued in November 2012 and added to the EUR 60m issue of September 3, 2012. The volume of the issue increased to EUR 80m.

Face value	Manager	Administrator	Market	Traded since	Issue rating (S&P/Moody's)
JPY 1,000,000,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Sep 17, 2008	A-/A2
JPY 1,000,000,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Sep 8, 2009	A-/A2
EUR 50,000	BNP Paribas Société Générale The Royal Bank of Scotland plc Erste Group Bank AG	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Oct 19, 2009	A-/A2
EUR 50,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Nov 4, 2009	A-/A2
EUR 50,000	Bayerische Landesbank Erste Group Bank AG HSBC Bank plc Société Générale UniCredit Bank AG	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Apr 16, 2010	A-/A2
EUR 50,000	Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch Erste Group Bank AG The Royal Bank of Scotland plc	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Jun 28, 2010	A-/A2
EUR 500,000	-	-	-	-	-/-
EUR 500,000	-	-	-	-	-/-
JPY 100,000,000	Credit Agricole Corporate and Investment Bank	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Feb 17, 2011	A-/A2
CZK 5,000,000	Česká spořitelna, a.s.	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	May 3, 2011	A-/A2
EUR 100,000	Banka IMI S.p.A. BNP Paribas Erste Group Bank AG HSBC Bank plc UniCredit Bank AG Commerzbank Aktiengesellschaft	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	May 27, 2011	A-/A2
EUR 100,000	Barclays Bank plc	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	-	-	A-/A2
EUR 100,000	UBS Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Dec 5, 2011	-/-
EUR 1,000,000	Commerzbank AG	-	-	-	-/-
USD 200,000	Barclays Bank plc Citigroup Global Markets Inc. Goldman Sachs International SG Americas Securities, LLC	Citibank, N.A., London Branch	Bourse de Luxembourg	Apr 3, 2012	A-/A2
USD 200,000	Barclays Bank plc Citigroup Global Markets Inc. Goldman Sachs International SG Americas Securities, LLC	Citibank, N.A., London Branch	Bourse de Luxembourg	Apr 3, 2012	A-/A2
EUR 100,000	UBS Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Aug 8, 2012	A-/A2
EUR 100,000	UBS Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Aug 20, 2012	A-/A2
EUR 100,000	UniCredit Bank AG	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Sep 3, 2012	A-/A2

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Issued as
4th NSV (Namensschuldverschreibungen) issue ¹⁰⁾	ČEZ, a. s.	XFCA00H08349 XFCA00H08356 XFCA00H08364	Dec 10, 2012	EUR 61m	4.27%	2047	Global Depository Receipt
5th NSV (Namensschuldverschreibungen) issue ¹¹⁾	ČEZ, a. s.	XS0920182374 XS0920710570	Mar 26, 2013	EUR 30m	3.55%	2038	Global Depository Receipt
30th Eurobond issue	ČEZ, a. s.	XS0940293763	Jun 5, 2013	EUR 500m	3.00%	2028	Dematerialized bearer
Issue of guaranteed bonds convertible into MOL shares ¹²⁾	CEZ MH B.V.	XS1027633434	Apr 2, 2014	EUR 470.2m	0%	2017	Dematerialized bearer
31st Eurobond issue	ČEZ, a. s.	XS1144490080	Nov 27, 2014	EUR 45m	3M Euribor + 0.35%	2017	Dematerialized bearer

¹⁰⁾ The volume of the issue was divided into three receipts.

¹¹⁾ The volume of the issue was divided into two receipts.

¹²⁾ Bond issue guaranteed by ČEZ, a. s.

ČEZ, a. s. has not issued any bonds convertible into its own shares. Under the issue terms, the bonds are not guaranteed by the State or by any bank.

A portion of the 1st US bond issue was bought back in November 2015.

The entire 8th Eurobond issue was bought back in December 2015.

List of Outstanding Bonds Issued by CEZ Group in 2016 or Before the Annual Closing Date

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Issued as
32nd Eurobond issue ¹⁾	ČEZ, a. s.	XS1354388982	Feb 5, 2016	EUR 200m	3M Euribor + 0.55%	2018	Dematerialized bearer

¹⁾ Eurobonds in the amount of EUR 15m were issued on February 9, 2016 and added to the EUR 86m issue of February 5, 2016. Eurobonds in the amount of EUR 99m were issued on March 14, 2016 and added to the previous issues. The volume of the issue increased to EUR 200m.

Face value	Manager	Administrator	Market	Traded since	Issue rating (S&P/ Moody's)
EUR 500,000	UniCredit Bank AG	-	-	-	-/-
EUR 1,000,000	Citigroup Global Markets Limited	-	-	-	-/-
EUR 100,000	Commerzbank Aktiengesellschaft Deutsche Bank AG, London Branch Erste Group Bank AG ING Bank N.V. The Royal Bank of Scotland plc Banca IMI S.p.A. Crédit Agricole Corporate and Investment Bank	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Jun 5, 2013	A-/A2
EUR 100,000	Barclays Bank Plc. Deutsche Bank AG, London Branch HSBC Bank plc Société Générale Corporate & Investment Banking	The Bank of New York Mellon London Branch	Börse Frankfurt Freiverkehr (Open Market)	Apr 2, 2014	A-/A2
EUR 100,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Nov 27, 2014	A-/A2

Face value	Manager	Administrator	Market	Traded since	Issue rating (S&P/ Moody's)
EUR 100,000	Mitsubishi UFJ Securities International plc Citigroup Global Markets Ltd. HSBC Bank plc	Deutsche Bank Luxembourg S.A. Deutsche Bank AG	Bourse de Luxembourg	Feb 5, 2016	A-/A3

Customers Receive Texts Informing About Planned Outages

People quickly became accustomed to heat, light, and other benefits of being connected to the grid. Power outages thus can be an unpleasant surprise. However, if people are made aware of them, they can get ready. Companies can use backup power supplies; for families, a planned power outage can be a reason for taking that long-planned trip to a famous Czech landmark. ČEZ Distribuce regularly provides electricity customers with detailed, specific information on currently planned outages to support the individual notification service. **IN** We take advantage of the possibilities provided by advanced technology to offer better services. One of the advantages is sending free texts or e-mails with information about the dates and times of planned power outages. Customers can choose the form of notification they prefer. **OVATIONS** We keep in touch with our customers so that they do not have to worry about losing the level of comfort they are accustomed to. They just need to order the service. ČEZ Distribuce will take care of everything else, such as making sure that power outages will last just for the time necessary and affect as few customers as possible. **INNOVATIONS**



2015

SMS



$$+ \left(\begin{array}{l} \text{A new customer service} \\ \text{introduced in 2015 sends} \\ \text{free texts or e-mails} \\ \text{with information about} \\ \text{the dates and times of} \\ \text{planned power outages.} \end{array} \right)^3 = \bigcirc$$

CEZ GROUP CAPITAL EXPENDITURES

Capital Expenditures (CZK Millions)

	2014	2015
Additions to property, plant and equipment and other non-current assets, including capitalized interest	35,798	31,909
Additions to property, plant and equipment	33,412	30,573
of which: Nuclear fuel procurement	3,376	4,829
Additions to intangibles	1,000	921
Additions to long-term financial assets	41	609
Change in balance of liabilities attributable to capital expenditure	1,345	(194)
Financial Investments*	35	-
Capital expenditures, total	35,833	31,909

* Acquisition of subsidiaries and joint ventures, net of cash acquired.

Additions to Property, Plant and Equipment and Intangibles (CAPEX), by Type (CZK Millions)

	Central Europe		Southeast Europe		Total	
	2014	2015	2014	2015	2014	2015
Nuclear plants (including fuel procurement)	7,758	8,894	-	-	7,758	8,894
Coal and CCGT power plants	11,852	8,426	-	-	11,853	8,426
of which: New-build	5,297	3,153	-	-	5,297	3,153
Renewal and other	6,555	5,272	-	-	6,556	5,272
Hydro plants other than renewables	228	93	-	-	228	93
Renewables	14	84	125	172	139	256
Electricity distribution	7,712	7,583	1,813	2,016	9,525	9,599
Heat distribution	345	197	-	-	345	197
Mining	2,474	1,850	-	-	2,474	1,850
Information systems	815	1,005	79	356	895	1,361
Other	1,171	704	24	113	1,195	818
Total	32,370	28,837	2,042	2,657	34,412	31,494

CAPEX Outlook for 2016–2020**Planned CEZ Group CAPEX, by Type (CZK Billions)**

	2016	2017	2018	2019	2020
Generation	16.3	13.8	15.3	12.9	11.0
of which: Czech Republic	15.8	11.5	10.8	9.9	10.6
Abroad	0.5	2.3	4.5	2.9	0.3
Distribution and Sales	10.9	12.9	12.8	12.9	13.0
Mining	2.2	2.3	3.4	3.0	2.7
Other CAPEX	4.7	3.9	3.7	3.6	3.9
Total CAPEX	34.2	32.8	35.2	32.4	30.5



(CE) + (SE)

CEZ GROUP COMMODITIES PROCURED AND SOLD

Electricity Procured and Delivered

Electricity Procured and Sold (GWh)

	2014	2015	2015/2014 Index (%)
Electricity procured	56,754	54,300	95.7
Generation	63,124	60,917	96.5
In-house and other consumption, including pumping in pumped-storage plants	(6,370)	(6,617)	103.9
Sold to end customers	(35,139)	(37,933)	108.0
Wholesale balance	(16,744)	(11,557)	69.0
Sold in the wholesale market	(184,612)	(206,414)	111.8
Purchased in the wholesale market	167,869	194,857	116.1
Grid losses	(4,872)	(4,810)	98.7

Electricity Generation, by Source of Energy (GWh)

	Czech Republic		Republic of Poland		Republic of Bulgaria		Romania		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Nuclear	30,324	26,840	-	-	-	-	-	-	30,324	26,840
Coal	25,342	26,579	2,248	2,511	944	-	-	-	28,534	29,090
Hydro	2,052	2,153	10	11	-	-	90	50	2,152	2,214
Biomass	277	369	369	422	-	-	-	-	646	791
Photovoltaic	125	135	-	-	5	6	-	-	131	141
Wind	9	9	-	-	-	-	1,166	1,286	1,176	1,295
Natural gas	160	542	-	-	-	-	-	-	160	542
Biogas	2	3	-	-	-	-	-	-	2	3
Total	58,291	56,630	2,627	2,944	949	6	1,256	1,336	63,124	60,917

Electricity Sold to End Customers (GWh)

	Czech Republic		Republic of Poland		Republic of Bulgaria		Romania		Other countries		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Large end customers	9,901	10,359	402	1,612	2,691	3,238	670	940	2,476	3,105	16,140	19,255
Retail—commercial	2,544	2,384	-	-	2,401	2,162	926	885	70	93	5,941	5,525
Retail—residential	7,082	7,089	-	-	4,275	4,285	1,569	1,645	132	133	13,058	13,153
Total	19,527	19,833	402	1,612	9,366	9,685	3,165	3,470	2,678	3,332	35,139	37,933

Heat

Heat Supplied and Sold (TJ)

	Heat supplied for heating purposes		External heat sales (outside CEZ Group)	
	2014	2015	2014	2015
Czech Republic	21,037	21,494	16,729	17,260
Republic of Poland	4,643	5,092	4,545	4,996
Central Europe, total	25,680	26,586	21,274	22,256
Republic of Bulgaria	2	-	2	-
Southeast Europe, total	2	-	2	-
CEZ Group, total	25,682	26,586	21,276	22,256

Natural Gas

Natural Gas Procured and Sold (GWh)

	2014	2015	2015/2014 Index (%)
Purchasing	77,288	96,930	125.4
Removed from storage	2,082	3,091	148.5
Sold	(75,920)	(95,690)	126.0
of which: Trading	(70,151)	(88,482)	126.1
External large end customers	(1,494)	(2,379)	159.2
Medium-sized end customers	(483)	(577)	119.5
Small end customers	(689)	(816)	118.5
Residential	(2,751)	(3,053)	111.0
OTE	(351)	(384)	109.4
Placed in storage	(2,611)	(2,589)	99.2
Consumed in-house	(839)	(1,742)	207.6

FINANCIAL PERFORMANCE OF ČEZ, a. s.

The core businesses of ČEZ, a. s. are electricity generation and trading, heat generation and distribution, and trading in gas and other commodities.

EBITDA declined CZK 5.7bn year-on-year, to CZK 23.9bn. Net profit grew year-on-year by CZK 7.2bn to CZK 28.1bn.

The main causes of the year-on-year increase in net income included primarily lower additions to allowances on financial assets, higher dividends received from CEZ Group companies, the refund of a portion of gift tax on emission allowances for 2011 and 2012, and cuts in fixed operating costs.

A negative effect on the year-on-year comparison was produced primarily by a decrease in commodity realization prices, a change in production volume and structure, the settlement agreement with Albania, and the termination of the long-term contract with CA-CIB in 2014.

Key Figures of ČEZ, a. s., in Accordance With IFRS

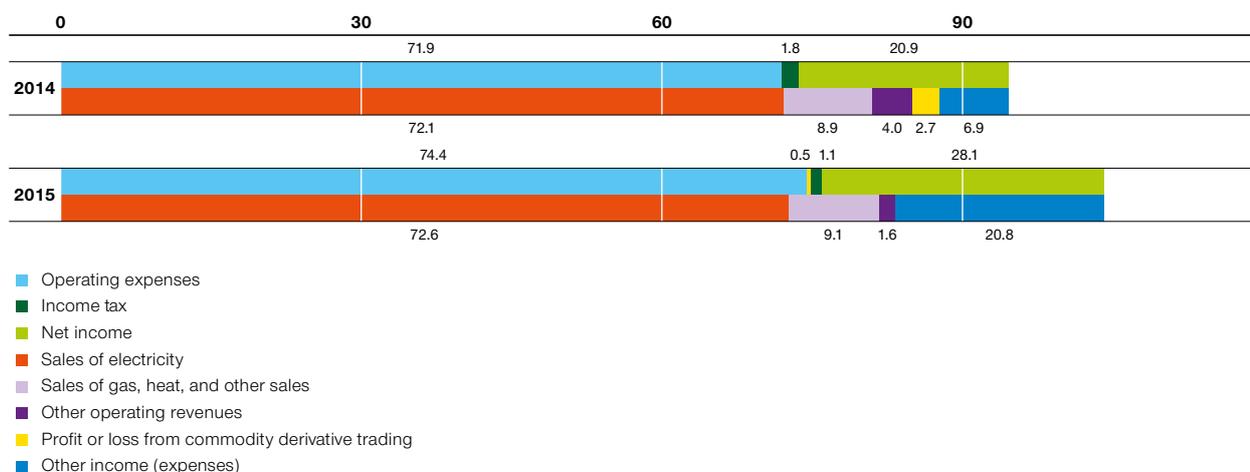
	Unit	2014	2015	2015/2014 Index (%)
Installed capacity	MW	11,111	10,815	97.3
Electricity generated (gross)	GWh	49,461	46,495	94.0
Heat sold (including sales within CEZ Group)	TJ	10,038	9,964	99.3
Workforce headcount as at December 31	persons	5,373	5,019	93.4
Operating revenues	CZK millions	85,033	83,320	98.0
EBITDA	CZK millions	29,657	23,918	80.6
Net income	CZK millions	20,910	28,115	134.5
Dividend per share (gross) ¹⁾	CZK/share	40.0	40.0	100.0
Net cash provided by operating activities	CZK millions	54,808	59,436	108.4
Capital expenditures (CAPEX)	CZK millions	20,168	16,754	83.1
Total assets	CZK millions	537,183	518,380	96.5
Equity	CZK millions	206,132	220,569	107.0
Net Debt	CZK millions	140,836	121,014	85.9
Return on assets (ROA), net	%	3.8	5.3	140.2
Return on equity (ROE), net	%	10.2	13.2	129.2

¹⁾ Declared in a given year to be paid out of the previous year's income.

ČEZ, a. s. electricity generation in 2015 was 46.5 TWh, down 3.0 TWh from the 2014 value. The decrease was caused primarily by lower production at nuclear power plants (3.5 TWh) due to unscheduled outages and extended scheduled outages (most importantly for weld inspections at the Dukovany Nuclear Power Plant), as well as by decreased generation from coal (0.1 TWh) primarily due to spinning off the Tisová Power Plant. By contrast, generation from natural gas increased by 0.4 TWh (to cover for other facilities' outages) and hydro generation increased by 0.1 TWh.

Trends in Revenues, Expenses, and Profits

Net Income Breakdown of ČEZ, a. s. (CZK Billions)



Operating revenues decreased by CZK 1.7bn year-on-year primarily due to the effect of the settlement agreement with Albania in 2014. A negative effect on the income of ČEZ, a. s. was produced by commodity derivatives (CZK -3.2bn), including the termination of the long-term contract with CA-CIB in 2014.

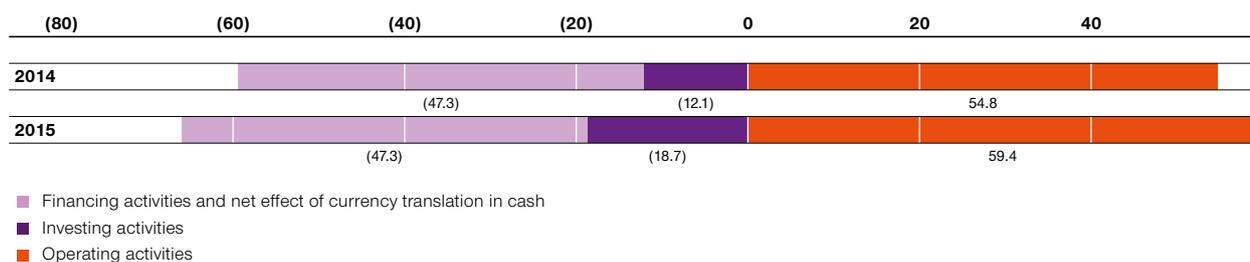
Operating expenses increased by CZK 2.5bn year-on-year primarily in relation to increased purchase costs of electricity and related services (CZK -5.4bn) and higher depreciation and amortization (CZK -1.2bn) primarily due to putting the Počerady CCGT plant into operation in late 2014. Conversely, a positive year-on-year effect was that of cuts in fixed operating costs (CZK +2.4bn) and lower expenses on emission allowances (CZK +2.1bn) primarily due to lower additions to emission allowance provisions.

Other income (expenses) increased net income by CZK 13.9bn year-on-year due to lower additions to allowances on loans to companies within CEZ Group and equity stakes (CZK +4.5bn), higher dividends received (CZK +4.4bn), and the refund of a portion of gift tax on emission allowances from 2011 and 2012 (CZK +3.8bn).

Income tax decreased by CZK 0.7bn year-on-year.

Cash Flows

ČEZ, a. s. Cash Flows (CZK Billions)



Cash flows from operating activities increased by CZK 4.6bn year-on-year, primarily due to a year-on-year decrease in income tax paid (CZK +2.0bn), a year-on-year change in working capital (CZK +1.6bn), a year-on-year change in the balance of interest income and expenses, net of capitalized interest (CZK +0.7bn), and a year-on-year increase in dividends received (CZK +0.9bn). By contrast, earnings before taxes adjusted for non-cash operations decreased year-on-year (CZK -0.6bn).

The main cause of the positive CZK 1.6bn change in working capital was primarily a year-on-year decrease in liquid securities and term deposits (CZK +3.4bn) and a year-on-year decrease in inventories and fossil fuels (CZK +1.3bn). By contrast, a negative effect was produced by year-on-year change in net trade receivables and payables including advances and accruals/deferrals (CZK -2.6bn) and year-on-year change in inventories of emission allowances (CZK -0.8bn).

Cash used in investing activities increased by CZK 6.6bn year-on-year, primarily due to higher loans granted and lower repayments of loans granted within CEZ Group (CZK -12.8bn). By contrast, a positive effect on the year-on-year comparison was produced by lower capital expenditure on property, plant, and equipment and intangibles (CZK +3.4bn), a positive change in liabilities attributable to capital expenditure (CZK +1.6bn), and a year-on-year decrease in investments in subsidiaries (CZK +1.2bn).

Cash used in financing activities and the net effect of currency translation in cash increased year-on-year primarily due to a higher growth in liabilities from CEZ Group cash pooling (CZK +1.5bn) and a year-on-year increase in other long-term liabilities (CZK +0.2bn). Conversely, year-on-year change in the balance of loans and repayments (CZK -1.6bn) had a negative effect.

Structure of Assets, Equity and Liabilities

The value of assets equity and liabilities decreased by CZK 18.8bn year-on-year, to CZK 518.4bn.

Fixed assets rose by CZK 2.9bn to CZK 432.7bn.

The value of property, plant and equipment, nuclear fuel, and construction work in progress barely changed year-on-year. A decrease in net property, plant and equipment of CZK 5.9bn was offset by an increase of CZK 4.0bn in construction work in progress, including advance payments, and an increase of CZK 1.9bn in nuclear fuel inventory.

Other non-current assets increased by CZK 2.9bn primarily due to an increase in long-term loans to companies within CEZ Group (CZK +1.8bn) and long-term receivables from derivatives (CZK +1.5bn). An increase in equity stakes (CZK +1.1bn) was offset by additions to impairment adjustments on equity stakes in subsidiaries (CZK -2.0bn). Financial assets with limited disposal rights increased year-on-year (CZK +0.6bn).

Current assets decreased by CZK 21.7bn to CZK 85.7bn in 2015, primarily due to a decrease in cash and cash equivalents (CZK -6.5bn), net receivables (CZK -5.2bn), liquid securities and term deposits (CZK -3.9bn), and emission allowances (CZK -2.3bn). In addition, there was a decrease in short-term receivables from derivative trading (CZK -2.0bn) and income tax receivables (CZK -1.4bn).

Equity increased by CZK 14.4bn year-on-year to CZK 220.6bn. Net income generated in 2015 contributed CZK 28.1bn to the increase in equity. Dividends decreased equity by CZK 21.3bn. Changes in equity, including deferred income tax associated with other comprehensive income, increased equity by CZK 7.5bn.

Long-term liabilities decreased by CZK 18.3bn to CZK 189.7bn primarily due to a decrease in liabilities from bonds issued (CZK -19.4bn) and long-term liabilities from derivative trading (CZK -3.9bn). By contrast, there was an increase in nuclear provisions (CZK +2.8bn), deferred tax liability (CZK +1.5bn), and long-term bank loans (CZK +1.0bn).

Short-term liabilities decreased by CZK 15.0bn to CZK 108.1bn due to a decrease in the current portion of long-term debt, including short-term bank loans (CZK -11.9bn), a decrease in unbilled goods and services (CZK -2.9bn), provision on emission allowances (CZK -2.3bn), and liabilities to companies in CEZ Group (CZK -1.8bn). These decreases were partially offset by higher liabilities from cash pooling (CZK +3.8bn).

Comprehensive Income

Net comprehensive income increased by CZK 13.5bn year-on-year to CZK 35.7bn due to a year-on-year increase of CZK 7.2bn in net income and a year-on-year increase of CZK 6.3bn in other comprehensive income.

Other comprehensive income was positively affected primarily by cash flow hedging, which increased other comprehensive income by CZK 8.9bn year-on-year. By contrast, deferred income tax associated with other comprehensive income and year-on-year change in available-for-sale securities recognized in equity decreased other comprehensive income by CZK 2.6bn.

Treasury Shares

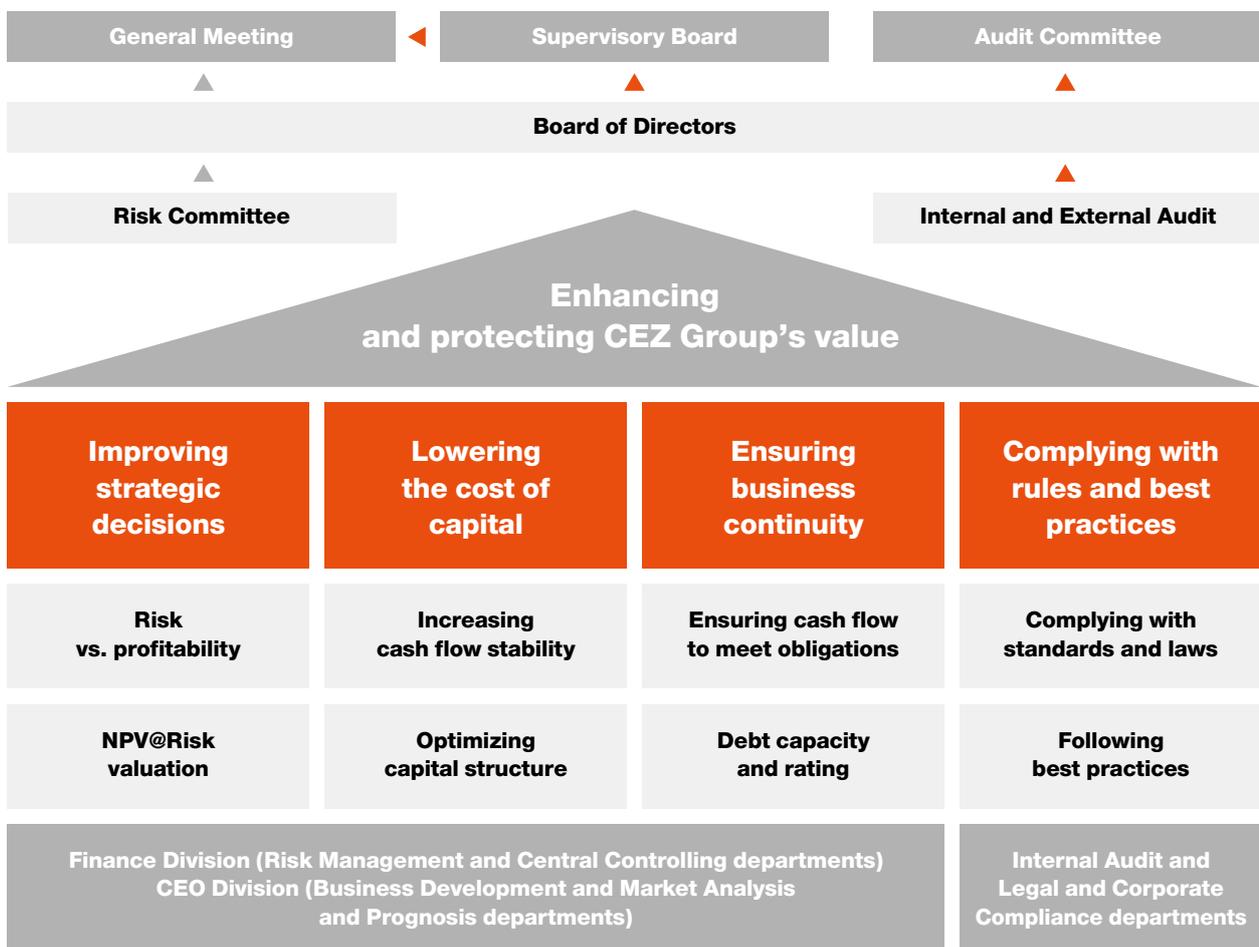
At the beginning of 2015, there were 3,875,021 treasury shares with a nominal value of CZK 387,502,100, i.e. 0.72% of the stated capital, on ČEZ's asset account with the Central Securities Depository.

During H1 2015, ČEZ used 120,000 shares to satisfy the claims of 3 beneficiaries under the Company's stock option plan. The average selling price was CZK 565.54 per share. The total amount received for the transfer of shares to the beneficiaries was CZK 67.9m (including interest).

As at December 31, 2015, the above-mentioned asset account contained 3,755,021 treasury shares with a nominal value of CZK 375,502,100, i.e. 0.70% of the stated capital.

RISK MANAGEMENT AT CEZ GROUP

A risk management system and a system of internal controls are developed continually at CEZ Group. The two areas are audited on an ongoing basis by Internal Audit, who also make sure all processes are in compliance with best practices and internal and external regulations and standards. The principal functions, objective, and reporting method of risk management at CEZ group are illustrated by the following chart:



Risk Management

The aim of the risk management system is to protect the value of CEZ Group while taking on an acceptable level of risk. Centralized risk management is based on the perception of risk as a measurable degree of uncertainty (potential deviation between actual and planned developments), expressed in Czech crowns at a chosen uniform confidence level (enabling various types of risk to be compared and priorities to be set accordingly). Centralized risk management relies on tools and models for managing and quantifying risks in one-year and medium-term time frames. Together with CEZ Group's budget, the ČEZ Board of Directors approves the Profit at Risk, an overall risk limit expressing CEZ Group's inclination to risk for a given year. The limit is allocated to individual risks and organizational units on an ongoing basis. Rules, responsibilities, and structure of limits for managing partial risks are discussed by the Risk Committee (an advisory board to the member of the Board of Directors responsible for risk management—Chief Financial Officer), which subsequently monitors the overall impact of risks on CEZ Group, including the utilization of CEZ Group's debt capacity and fulfillment of rating requirements. Risks having the form of specific threats and/or events are managed in a decentralized manner, with only the most significant of them being reported centrally, in a unified fashion, within the process of updating the CEZ Group business plan.

The tools and processes used at CEZ Group allow:

- Measuring the objective susceptibility of internal resources to changes in market and credit risks using selected Basel II principles as used in the banking industry;
- Managing the degree of fixation of future cash flows, thereby minimizing the potential danger to the fundamental value of CEZ Group;
- Making decisions on acquisitions and investments in the context of real debt capacity;
- Monitoring compliance with requirements stipulated by creditors and credit rating agencies for debt indicators in the medium term, thereby minimizing the risk of downgrading;
- Updating the strategy in accordance with the anticipated financial capacity of CEZ Group.

CEZ Group uses a unified system for categorizing risks according to their primary causes:

1. Market Risks

- Commodity risks to generation margin associated with the operation of power plants (managed through running sales of nuclear electricity or by fixing the gross margin of coal-fired power plants for the next 3–6 years, through long-term electricity sales contracts, and through operative management of the overall CO₂ position);
- Commodity risks resulting from trading in electricity, emission allowances, natural gas, hard coal, crude oil, and oil products (managed by setting financial limits on deviation from plans, position limits, and rules);
- Currency and interest rate risks hedged by maintaining well-balanced operating, investing, and financing cash flows denominated in foreign currencies while utilizing standard financial instruments in accordance with risk limits and rules for fixing generation revenues on a running basis within a five-year timeframe;
- Volume risk to generation at renewable sources abroad.

2. Credit Risks

- Credit risks of CEZ Group's business and financing partners are managed through individual limits; due to the ongoing uncertainty in Europe, conservative rules are still in place for entering into business transactions. Strict credit rules apply to making long-term contracts to ensure the margin of generating facilities in the Czech Republic;
- Credit risks of end customers for electricity and gas are managed through payment terms based on customer credibility (the trend of improving customer credibility continued in all segments in 2015, resulting in a reduction in total realized losses from overdue receivables; all the while integration of credibility systems for newly offered products of ČEZ Prodej, s.r.o. continues).

3. Operational Risks

- The risk that the actual output of nuclear and Czech coal-fired power plants will deviate from the plan is quantified and reported on a monthly basis, and the long-term results are utilized in optimizing the scope of maintenance;
- A significant operational risk is posed by the finishing renovation of coal-fired plants in the Czech Republic; risks involved in the preparation and implementation of these CAPEX projects are quantified in a uniform manner and reported quarterly using unified Group methodology.

4. Business Risks

- Strategic, regulatory, and legislative business risks are assessed on an ongoing basis and taken into account when updating acquisition and investment strategies with the aim of respecting the developments in CEZ Group's debt and financial capacities;
- CEZ Group also faces risks of new taxes and/or decisions by EU antimonopoly and regulatory bodies as well as political risks in all countries it operates in.

Insurance

A number of risks in CEZ Group companies are dealt with through an insurance program that is provided substantially by ČEZ, a. s. The most important insurance policies include:

- Nuclear plant third-party liability insurance pursuant to the Atomic Energy Act; there are separate insurance policies for the Dukovany Nuclear Power Plant and the Temelín Nuclear Power Plant; each policy is for the statutory limit of CZK 2bn; the insurers are Česká pojišťovna a.s., representing the Czech Nuclear Insurance Pool, and the European Liability Insurance for the Nuclear Industry;
- Liability insurance for nuclear material transports pursuant to the Atomic Energy Act; the insurance covers transports of nuclear fuel for both nuclear power plants to the statutory limit of CZK 300m; the insurers are Česká pojišťovna a.s., representing the Czech Nuclear Insurance Pool, and the European Liability Insurance for the Nuclear Industry;
- Property insurance for the nuclear power plants, covering damage arising from natural hazards and mechanical risks, including damage arising from a nuclear accident; the insurers are Česká pojišťovna a.s., representing the Czech Nuclear Insurance Pool, and European Mutual Association for Nuclear Insurance; Property insurance for coal-fired, CCGT, and hydro power plants providing coverage against natural hazards and mechanical risks; erection all-risk policies are taken out for projects for the renovation of the ČEZ coal-fired portfolio, including insurance against loss of profit due to construction delay;
- Insurance for the property of ČEZ Distribuce, a. s.;
- Insurance for the property of Severočeské doly a.s.;
- Insurance for the property of selected CEZ Group companies;
- General liability insurance, which covers CEZ Group companies against financial losses that may result from damage inflicted on a third party due to the company's operations and/or defective product;
- Liability insurance for members of the Company's statutory governance and supervisory bodies; the insurance covers subsidiaries too.

Subsidiaries in the Republic of Bulgaria take out property insurance and insurance against occupational injuries and diseases to comply with the provisions of licenses granted for electricity generation and distribution. In Romania, standard property and mechanical risk insurance is taken out for the Fântânele and Cogeaalac wind parks, including coverage against interruption of operation. The power plants in Chorzów, Poland and Skawina, Poland have insurance covering property and mechanical risks, including interruption of operation. CEZ Group standards are applied to other companies, territories, and risks in relation to CEZ Group's insurance program and applicable legislation.

Internal Audit

ČEZ, a. s. Internal Audit gives the Company's management and governance bodies assurance that the internal management and control system is functional and all significant risks are managed adequately. By doing so, it helps achieve CEZ Group's goals and initiates improvement of activities and mitigation of business risk. ČEZ, a. s. Internal Audit unit reports directly to the Company's Board of Directors; it also submits the results of its auditing activities to the Audit Committee of ČEZ, a. s. and to the statutory governance bodies of respective subsidiaries within CEZ Group. The Director of Internal Audit at ČEZ, a. s. has direct access to and attends meetings of the Board of Directors and participates as a guest in meetings of the Committee for ČEZ Plant Safety, the Risk Committee, and the Group Security Committee. The unit's independence and the compliance of its activities with the Standards of Professional Internal Audit Practice were verified by an external quality assessment in late 2011.

Internal Audit's activity plan is prepared on the basis of an assessment of the level of risk involved in individual processes, making use of suggestions provided by CEZ Group managers and integrating follow-up audits. A total of 39 audits were conducted in 2015: 14 at ČEZ, a. s. and 25 at subsidiaries, including 9 audits in foreign shareholdings, where audits are conducted by the Internal Audit of ČEZ, a. s. under a contract. Audit activities within CEZ Group are coordinated with the separate audit units that have been established in certain CEZ Group companies (ČEZ Distribuce, a. s., Severočeské doly a.s., separate audit units have also been established in Bulgaria, Romania, and in Turkey). Audit outputs are reports documenting all objective findings and making recommendations where shortcomings are identified. The outputs are discussed with the management of the audited entities, which subsequently take corrective measures. Internal Audit keeps checking on the implementation of corrective measures, using follow-up audits where appropriate.

The results of audit activities, including any amendments to the audit plan, are reported in summary form to the Board of Directors and the Audit Committee of ČEZ, a. s. quarterly. In the event of serious findings or shortcomings the correction of which is beyond the audited entity's authority, resolutions on correction are adopted by the Board of Directors of ČEZ, a. s.

20 x T^E + (We support technical education and engineering graduates, to whom we offer interesting careers at all CEZ Group companies.) =

Supporting Technical Education is CEZ Group's Priority





C³

Progress is unstoppable. Literally every day brings interesting discoveries, inventions, and procedures that people quickly put into practice. Companies are preparing for new possibilities and opportunities to be able to maintain their business continuity. That is why it is important to participate in the education of engineers who will someday manage power plants, heating plants, and other, not yet invented workplaces of the future. **IN** We have been supporting technical education for more than twenty years. We collaborate with the Union of Czech Mathematicians and Physicists and help prepare Mathematics and Physics Olympiads for talented students in the Czech Republic. When in high school, they can participate in our Energy and Nuclear School-Leaving Exams or Summer University projects to learn something more about energy in practice than what is on the curriculum. We organize a contest named I Know Why for elementary and high school students. We hold meetings of the World of Energy Club for technical education teachers that introduces them to new ways of teaching physics in an attractive manner. **OVATIONS** We provide schools throughout the Czech Republic with essential knowledge, interesting information, and an offer of practical training. Our experienced specialists participate in teaching technical classes. We also support schools financially. We help shape a new generation. **INNOVATIONS**

SAFETY MANAGEMENT IN CEZ GROUP

Safety Management

CEZ Group's management system is based on requirements stipulated by binding national legislation and recommendations made by international organizations. At ČEZ, a. s., the management system is perceived as consisting of the following key elements: the Company process model; the organization structure, including the specification of responsibilities and powers; and the system of internal regulations and operating documents. The entire management system is regularly reviewed through an established system of internal controls. Based on the outputs of periodic reviews, measures are taken for the purpose of continual improvement. The Board of Directors of ČEZ, a. s. fully accepts its responsibility for ensuring the safety and security of generating facilities and protecting individuals, the public, and the environment within the meaning of both applicable law and the Czech Republic's international commitments.

CEZ Group's internal regulations give priority to safety and security in all processes and activities. The established safety system is subject to regular internal checks at three levels: self-evaluation, checks by safety departments, and checks at the headquarters level by the CEZ Group Safety Inspectorate. The safety management system at CEZ Group is structured into graduated safety segments according to prevailing risks. An integral part of safety and environmental management is the use of systems certified according to ISO 14001, the Safe Enterprise program, and/or OHSAS standards (a set of rules enabling continued occupational safety and health). The management system is assessed by means of established internal integrated EMS (environmental management system) and OSH (occupational safety and health) audits, process assessments, evaluation of requirements for the management system, a system of self-evaluation, and reviews of the integrated management system. At the same time, continual checks are conducted to determine the level of fulfillment of stipulated goals and stakeholders' requirements, including requirements of the public.

In 2015, an energy management system (EnMS) was introduced and certified according to ISO 50001 in ČEZ, a. s. and selected subsidiaries holding electricity and heat generation licenses.

The system is aimed at reducing energy intensity, improving energy efficiency and energy use and consumption, and achieving optimum performance of plants, buildings, and sites while minimizing energy costs and greenhouse gas emissions as well as other environmental impacts.

Based on self evaluation, benchmarking, as well as comparison with best industry practices new assessment in respect of management areas was introduced as an integral part of process assessment in 2015. This ensures a greater level of detail as well as a broader context for process assessment.

In relation to an update of the principles of corporate culture, ČEZ's Safety and Environmental Protection Policy was updated in 2015. The Policy's text is based on the following pillars allowing compliance with high safety standards: management system; technology; and people. The updated Safety and Environmental Protection Policy reflects changes corresponding to development in safety management not only in the nuclear energy sector but also in the business environment in the Czech Republic and worldwide. This involves, in particular, strengthening the position of environmental protection, clear declaring zero tolerance of alcohol and other addictive substances in the workplace, taking account of the evermore important role of corporate social responsibility, and making a shift in our understanding of the principle of continual improvement toward greater emphasis on system development. The text of the Safety and Environmental Policy incorporates the Management Quality Policy, which was thus withdrawn.

The Policy is binding for ČEZ, a. s. and will be adopted by the CEZ Group companies under segment's safety management.

Most of a total of 84 actions under the National Action Plan of the Czech Republic and the Safety Enhancement Programs of the Dukovany Nuclear Power Plant and Temelín Nuclear Power Plant were completed. 11 of such actions were completed during 2015. The focus of those actions gradually shifted from the completion of technical measures to staff preparation and training and the completion of necessary operating documents. Technical measures completed at the Dukovany Nuclear Power Plant included enhancing the resistance of the corporate fire brigade building to extreme climatic effects, installing third pumps for emergency steam generator supply at all units, as well as expanding the emergency parameter monitoring system for emergency conditions in the spent fuel storage pools. Also the construction of new forced-draft towers for residual heat removal from the reactors of Units 1 and 2 was completed. Last but not least, completed projects included the installation of additional hydrogen recombinators in gas-tight enclosures at both power plants for hydrogen removal in case of a serious accident (with fuel melting). This finished the full set of identified measures to enhance the power plants' safety. The power plants became more resistant to phenomena occurring during the 2011 events at the Fukushima, Japan nuclear power plant, and more capable of handling serious conditions not included in the original design.

Systematic and periodic verification of the operability of mobile means for alternative interventions was introduced at both sites in 2015. A program of staff skills exercises based on predefined scenarios was also started, including e.g. the reconnaissance of a seriously damaged site after a beyond-design-basis earthquake or aerial assault or the use of mobile diesel generators for alternative power supply of important power plant components. In addition, staff checklists for the installation and commissioning of mobile means and the management of beyond-design-basis conditions at the power plant were finished. Also, all related emergency response documents were updated at both power plants, including instructions for handling serious accidents.

An OSART Follow-Up Corporate Mission was conducted in ČEZ, a. s. in May to review how IAEA expert findings from the fall of 2013 were followed up on. The OSART Corporate Mission of October 2013 made 3 recommendations and 6 suggestions for improvement in nuclear power plant safety management. A year and a half later, the follow-up mission found 6 of the 9 findings resolved and 3 showing satisfactory progress toward resolution. The corporate functions of independent oversight, communication, human resources, maintenance, and procurement fully implemented the mission's recommendations and their application of a safety management system is in compliance with the IAEA's recommendations. The corporate management and technical support functions just need to complete initiated changes. The Uniform Nonconformity and Event Monitoring System (UNEMS) has been in live operation since January 1, 2015. In compliance with the requirements of nuclear legislation, the system allows making, handling, categorizing, and evaluating records in a uniform manner not only in ČEZ, a. s. but also in all 17 companies integrated in CEZ Group's uniform safety management. The system can provide timely notification to all management levels using automatic text messages and e-mails.

Nuclear Plants Operational Safety

The nuclear units owned by ČEZ, a. s. were operated in compliance with applicable nuclear energy legislation in 2015, fulfilling the conditions of valid licenses. The operation of the nuclear power plants is characterized by a minimum environmental impact and a minimum radiation burden for the staff and population.

A cooperation exercise of ČEZ, a. s., the Czech Police, and the Czech Army named "Safeguard Temelín 2015" took place at the Temelín Nuclear Power Plant in June, focusing primarily on averting an aerial attack. An extensive cooperation exercise named "Zone 2015—Simulated Accident Exercise" took place at the Temelín Nuclear Power Plant in September to test cooperation between all Czech disaster management units. The first ever WANO Peer Review based on the new Performance Objectives and Criteria took place at the Temelín Nuclear Power Plant in late November and early December. The mission found the power plant in good condition and proposed 14 areas for improvement. It also identified 3 power plant strengths.

In June 2015, a leak was identified between steam generator circuits during the start-up of Unit 2 after an outage at the Temelín Nuclear Power Plant. A Level 1 Emergency was declared in connection with this event. The unit was cooled down and shut down again. The Temelín Nuclear Power Plant's radiation control measuring systems that monitor absorbed dose rates in the environment around its units showed the usual values during the leak, corresponding to the inherent natural background at Temelín. The event was classified as INES Level 1. There was no loss of cooling, no event involving criticality, and no damage to fuel assemblies. Corrective actions were taken to address the cause of the event based on event analysis.

The Dukovany Nuclear Power Plant was finishing its safety review and preparation of an application to SÚJB for a renewed operating license for its Unit 1 during 2015.

In June 2015, a leak of the secondary medium was identified at the Dukovany Nuclear Power Plant at a heterogeneous weld on a super-accident steam generator feed pipe connection at Unit 4. As a result, a decision was made in September 2015 to carry out a special inspection of all X-ray images of heterogeneous welds. The inspection showed that weld documentation was not conclusive in some cases, so it was decided to perform preventive X-ray retesting, which required shutting down Units 2 and 3. Unit 4 remained in operation based on the performed safety assessment of its condition. Consequently, it was the only unit in operation at the Dukovany Nuclear Power Plant from September 19, 2015 to December 28, 2015.

The Dukovany Nuclear Power Plant's Unit 1 was shut down from August 2015 to February 2016 while capital projects aimed at safety enhancement resulting from stress tests were being completed; for example, the building's seismic resistance was increased, selected welds were reinspected and repaired, and a unique strength test of the gas-tight enclosures was performed, proving their very good condition. Unit 2 was out of operation from September 2015 to February 2016; Unit 3 was shut down from September to December 2015. Inspections of Unit 4 took place during a planned outage starting in February 2016. The only unit in operation at the Dukovany Nuclear Power Plant from February 6, 2016 to February 13, 2016 was Unit 3.

On the grounds of the findings from the Dukovany Nuclear Power Plant, X-ray image documentation was checked and welded joint documentation was subsequently reviewed at the Temelín Nuclear Power Plant, too. Even though similar nonconformities were found, its two units remain in operation on the basis of the performed safety assessment and the fact that safety-relevant equipment is checked using other inspection methods. Repeated inspections will be conducted during operation and schedule outages.

Nuclear Power Plants Safety Indicators in 2015

Indicator	Number of Events*	
	Dukovany Nuclear Power Plant	Temelín Nuclear Power Plant
INES 0 events	7	14
INES 1 events	2	1

* Based on data from February 19, 2016.

Supplier Audits

Suppliers of safety-relevant items and services are subject to repeated customer audits carried out by ČEZ, a. s. Customer audits examine the extent to which the suppliers comply with the requirements of nuclear legislation. The quality of the suppliers' work is monitored and evaluated according to predefined criteria on an ongoing basis.

There were 81 customer audits conducted in 2015, including 30 audits conducted jointly with CEZ Group's primary suppliers. As at December 31, 2015, the Company had 198 qualified suppliers of items relevant to nuclear safety and radiation protection pursuant to the requirements of SÚJB Decree No. 132/2008 Sb.

CEZ GROUP IN THE CZECH REPUBLIC

Business Environment

The year 2015 brought an important element of stability to the energy sector in the Czech Republic—the Czech Government's approval of the following national strategy documents:

- Updated State Energy Policy (USEP) in May;
- National Action Plan for Nuclear Energy (NAP NE) in June;
- National Action Plan for Smart Grids (NAP SG) in March;
- National Action Plan for Clean Mobility (NAP CM) in November.

The USEP is a key national strategic document for the energy sector, providing strategic specifications for the development of the Czech energy sector until 2040. The USEP's mission is to ensure reliable, safe, and environmentally-friendly supply of energy to meet the needs of the population and national economy and to make sure that the Czech Republic has access to an uninterrupted supply of energy even in case of emergency. The USEP also takes into consideration the targets of the European Union's climate and energy policy. The approval to the USEP is a step toward creating a more stable and more predictable environment in the energy sector; however, only ensuing follow-up tasks will shape the direction taken by CEZ Group in the future.

In terms of the anticipated utilization of individual types of energy sources, a positive signal is given especially by the fact that the emphasis put on decarbonization and the expected remaining service life of coal-fired facilities in the period until 2040 is in line with CEZ Group's expectations and assumptions. The USEP anticipates that most electricity will be generated at nuclear facilities, with renewables in second place and brown coal in third place. The biggest role among renewables should be played by biomass (same as today even though its share should decrease), followed by biogas and biofuels.

Where the free market is efficient, the USEP anticipates that it will be in operation and uses market mechanisms. All the while, the government does not rely only on short-term market signals in such areas as energy infrastructure, science and research, and energy expert education; rather, it strives to define the state's regulatory roles in such areas. In particular, the USEP proposes greater diversification of sources and intent to preserve the existing full independence in heat and electricity supply but without any major exports of generated energy. This can only be achieved by further developing nuclear energy in the Czech Republic; this is discussed in detail by the NAP NE. As a follow-up document to the USEP, the NAP NE describes options for and risks to future development of nuclear energy in the Czech Republic. It envisages building new nuclear units at both the Dukovany and Temelín sites, while the number and location of units are to be detailed at a later date. In the NAP NE, the government set the goal to define an investment and business model for the construction of new nuclear power

plants by the end of 2016; the model should specify which solution for the construction of new nuclear power plants is acceptable for the state, the contractor, and the client.

The creation of the NAP SG was driven most importantly by the need to ensure integration of large amounts of electricity generated by intermittent sources into the Czech Republic's electricity system and the expected increase in generation also at small facilities connected to the distribution grid. This cannot be handled without embracing a new management method for the electricity system and smart grids. The NAP SG envisages gradual introduction of smart distribution grids and other measures in several stages. Investments in smart grids are investments in infrastructure and will be reflected in the regulated component of the price of electricity, so the manner and speed of smart grid introduction will have to be matched with benefits for consumers.

The NAP CM is based on a EU directive that defines member states' obligation to develop an appropriate infrastructure of charging and filling stations for electromobility and natural gas. The NAP CM specifies requirements for the construction of filling and charging stations between 2020 and 2030. The document therefore includes not only an analysis of the current situation and future development of the market but also a number of measures that are desirable to progressively implement in the next years to successfully increase the number of electric and alternative fuel vehicles and build the necessary infrastructure. A key principle in the NAP CM is the principle of technological neutrality, i.e. not focusing public support on a single type of alternative fuels.

The Czech power market is fully liberalized. Access to the transmission and distribution grids is regulated. The wholesale electricity market in the Czech Republic is part of a larger Central European market, thanks primarily to extensive cross-border transmission capacities between the Czech Republic and the transmission grids of other countries. Prices in the wholesale market are determined on the POWER EXCHANGE CENTRAL EUROPE (PXE) and through bilateral contracts; however, the most prominent role in price determination is played by the German market and its EEX exchange in Leipzig. Trading in electricity on the Czech Republic's power exchange ranges from yearly to daily contracts. Anonymous trading on a daily basis is also possible on the organized markets of OTE, a.s., which offer daily as well as intraday trading.

Around 30 traders have been actively operating on the wholesale market for several years and there were four electronic broker platforms with varying levels of liquidity in operation at the end of 2015.

The day-ahead electricity market in the Czech Republic is coupled with the markets in Hungary, the Slovak Republic and Romania.

Starting from 2011, offering of capacity on individual cross-border transmission lines was coordinated by a joint auction house run by a group of transmission grid operators, CAO (Central Allocation Office GmbH headquartered in Freising, Germany), for all of the Czech Republic's borders except the Czech-Slovak border. The capacity there is allocated on a daily basis along with traded electricity through spot power exchanges, thanks to the market coupling arrangement. During the year, CAO merged with CASC (Capacity Allocation Service Company) to form a single auction house, JAO (Joint Allocation Office), for the allocation of cross-border transmission capacities in all EU member states where auctions are used.

In 2015, ČEZ, a. s. reaffirmed its role as an active trader in the European context, and especially within Central and Southeast Europe. Besides electricity, in which it trades in sixteen countries, it also trades in natural gas, hard coal, and emission allowances. It was the provider of ancillary services for transmission grid operators in the Czech Republic. CEZ Group is an advocate of market liberalization and endeavors to contribute to increased market transparency through its activities. In 2015, it reaffirmed this position in the formulation of new rules for the allocation of cross-border transmission capacities in Central Europe. It also strives to support its positions through its memberships in professional associations such as EURELECTRIC, EFET, and IETA.

The principal trading channels for the forward market are the PXE and the OTC market (broker platforms and bilateral contracts); organized short-term trading (OKO) arranged by OTE, a.s. has remained the principal trading channel for the spot market.

Ancillary services are purchased by the transmission system operator at auctions as a wide range of products for various periods of time. In this segment, the Czech market is one of the most competitive in Europe, with independent producers outside of CEZ Group offering more than half of the necessary capacity of ancillary services. In terms of technical units, ČEZ, a. s. share in supplies of ancillary services in 2015 was 41% (compared to 46% in 2014).

There are around 55 traders actively involved in the retail market for electricity supplies to end customers, with more than 100 connection points registered with OTE, a.s. The number of residential customers switching electricity suppliers peaked in 2012 and has decreased every year since then. According to OTE, a.s. data, there were a total of 277,635 supplier switches at all voltage levels in 2015 (approximately 4.8% of connection points switched electricity supplier); the 2014 figure was 333,542 (approximately 5.8% of connection points).

With the fully liberalized and transparent wholesale electricity market in the Czech Republic (functional PXE exchange), the potential of other producers outside CEZ Group, and the transmission capabilities of cross-border lines, more than half of electricity consumption in the Czech Republic can be covered by producers other than ČEZ, a. s. CEZ Group's share of the market in electricity deliveries to end customers is then around 28% in the segment of large customers (connected at the high-voltage and medium-voltage levels), around 30% in the commercial retail segment, and around 49% in the residential retail segment.

In the electricity distribution area, all prices are regulated by the Energy Regulatory Office. The Office issued price decisions stipulating prices of related service in the electricity sector and other regulated prices, stipulating prices of related service in the electricity sector for low-voltage grid customers, and specifying support for promoted energy sources. There were 3,608,324 connection points connected to the distribution grid of ČEZ Distribuce, a. s. as at December 31, 2015. As for renewable energy sources, the largest number of facilities connected to the distribution grid of ČEZ Distribuce, a. s. are photovoltaic power plants; there were 17,330 such plants with a total installed capacity of 1,013 MW as at December 31, 2015.

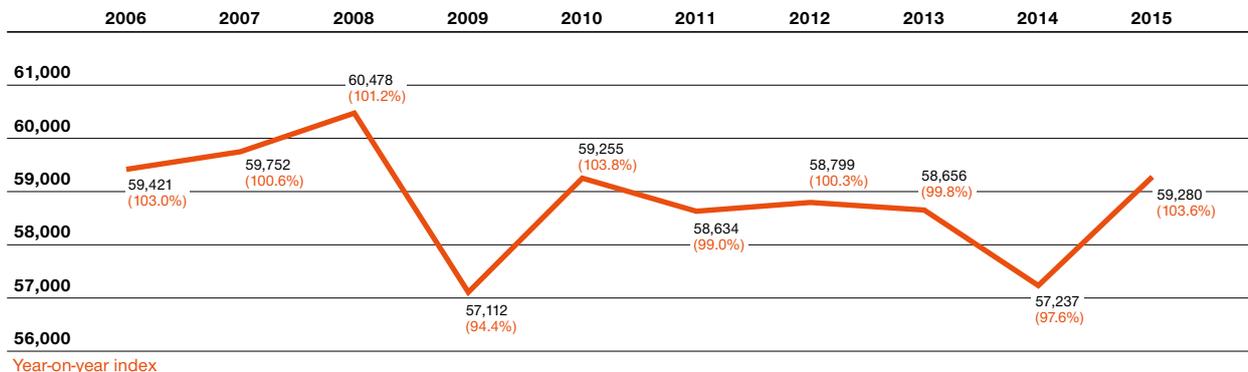
The amount of electricity that flowed into the distribution grid of ČEZ Distribuce, a. s. in 2015 was 43,913 GWh, i.e. 582 GWh more than in the previous year. The biggest percentage of that amount (54.15%) was electricity originating from the network of ČEPS, a.s.; its volume was 23,778 GWh, which was 684 GWh more than in the previous year.

While the overall cross-border export capacity remained the same, the average wholesale price spread between the Czech Republic and Germany increased from 0.20 EUR/MWh (difference between the OKO and EPEX spot markets) in 2014 to 0.70 EUR/MWh in 2015. Thus, electricity was again slightly more expensive in the Czech Republic.

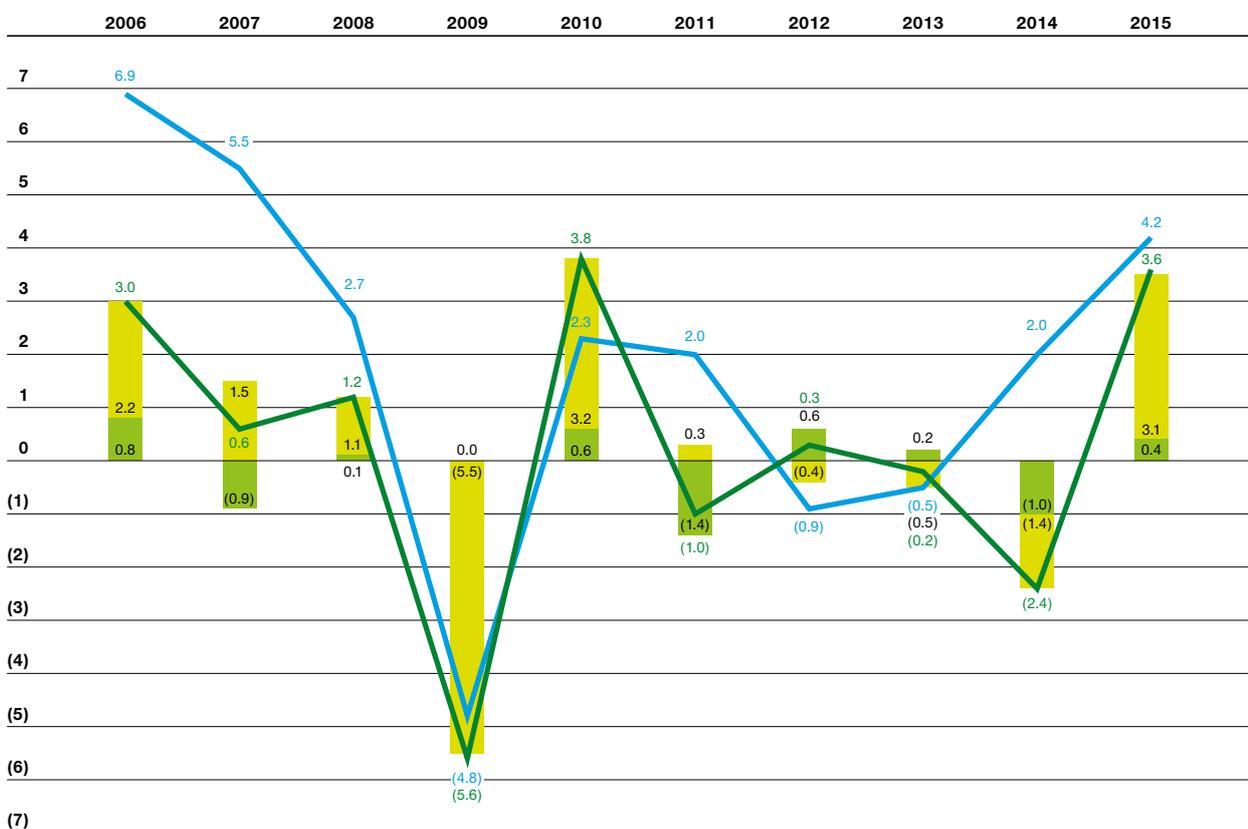
The natural gas market in the Czech Republic is also fully liberalized and operates on the same fundamental principles as the electricity market. Although it was liberalized later than the electricity market, the development of a competitive environment has been much faster thanks to all key players' experience. The two markets exhibited comparable levels of competition in 2015. Market convergence is evident in the behavior of most active traders, who offer their customers both commodities—and more and more customers have both electricity and natural gas supplied by the same supplier. Through its member company ČEZ Prodej, CEZ Group further reinforced its position as a major gas supplier in 2015. It supplied gas to 384,204 connection points at the end of 2015 (as compared to 347,359 connection points at the end of 2014) and is the largest alternative gas supplier in the Czech Republic. Similarly to the electricity market, there are around 54 active traders (traders that have over 100 connection points registered with OTE, a.s.) on the retail market in gas supplies to end customers. There were 177,750 gas supplier switches throughout the Czech Republic in 2015, with the number decreasing for four years in a row. This means that approximately 4.3% of connection points changed their supplier of natural gas in 2015, which is approximately 0.5 percentage point less than with electricity switches; in 2014, gas switches were 1.0 percentage point lower than electricity switches.

Selected Indicators in the Czech Republic

Demand for Electricity in the Czech Republic (GWh)



Comparison of Gross Domestic Product and Demand for Electricity in the Czech Republic (Year-on-Year Change in %)



■ GDP growth ■ Contribution to growth in demand from residential customers
■ Demand for electricity ■ Contribution to growth in demand from customers other than residential

Electricity Generated in the Czech Republic, Gross (GWh)



■ CEZ Group in the Czech Republic
■ Other producers in the Czech Republic

Brief Forecast of Energy Sector Development in the Context of CEZ Group

The European energy sector is facing a period of major changes and increased pressure on the wholesale price of electricity. The European Union's policy continues to endeavor to reduce emissions in electricity generation. The prices of global energy commodities are falling to many-year lows. New technologies are creating additional business models in the energy sector. At the global level, there was a change in climate protection. The Paris Agreement, a global agreement on reducing the impacts of climate change, was reached in December 2015. While the Agreement does not include any detailed schedule or binding targets for countries' emissions, it is still an ambitious plan overall with its general goal of limiting global warming well below 2 degrees Celsius above pre-industrial levels before 2100.

The European Union's long-term goal remains fighting climate change as well as decreasing dependence on energy imports. Therefore, the EU set ambitious targets for 2030 in late 2014. By 2030, CO₂ emissions are to be reduced by 40% from 1990 levels, the share of renewables is to increase from today's 15% to 27% of consumed energy (i.e. not only electricity), and energy efficiency is to increase, indicatively, by 27%. Achieving these targets will affect the energy sector profoundly.

The EU's main tool for emission reduction is trading in emission allowances within the EU ETS (EU Emissions Trading System). However, today's low prices of emission allowances in the EU ETS fail to drive investment in low-emission technologies or the substitution of environmentally unfriendly fuels. The decrease in the prices of emission allowances is a result of an increasing surplus caused by a downturn in economic activity in the previous years. A reform to the system was therefore approved to increase its resistance to big shocks by adjusting the supply of emission allowances at auctions. The Market Stability Reserve will be launched in 2019 and should lead to a progressive increase in the price of emission allowances. Nevertheless, the EU ETS remains fragile due to an overlap with the goals to increase renewable generation and to boost energy efficiency.

Renewable energy sources covered more than 25% of European energy consumption in 2015 and their share will keep increasing. It should be 47% by 2030. This will mean less space for conventional energy. Increased generation at photovoltaic plants will cause a further decrease in the prices of electricity during existing peaks. Unstable, weather-dependent delivery will require large flexible capacity in power plants or higher flexibility on the side of consumption, and will undoubtedly contribute to development in electricity storage technologies.

The market deformed by the constant creation of new regulatory measures lacks the necessary stability for making long-term, market-based investment decisions. Thousands of megawatts of conventional capacities are shut down throughout Europe due to economic uncompetitiveness. A number of European countries are thus considering the introduction of capacity markets to ensure sufficient capacity supply. Such markets are based on remunerating power plants for their available capacity rather than generated electricity. The United Kingdom has already introduced a capacity market, justifying it by demonstrable future lack of reserve capacity and notifying it successfully to the European Commission. However, prices achieved at UK capacity auctions are low and provide very little incentive for new construction so far.

Global commodity markets keep experiencing technological revolution concerning the extraction of oil and shale gas. The success of the extraction technology in the U.S. was directly reflected in a drop in oil prices, which fell to a 12-year low. The Organization of the Petroleum Exporting Countries (OPEC) gave up its price-affecting policy and believes that the lower oil prices will slow down the development of shale extraction. The slump in oil prices was reflected in dropping prices of other energy commodities—hard coal and natural gas. The market price of coal is significantly affected, among other things, by China's declining demand for coal imports. In the long-term, coal consumption will also be curtailed by ever more strict regulation of emissions. In light of recent investments in increasing mining and transportation capacities worldwide and the slow growth in global demand, world markets will remain sufficiently supplied in the next few years.

A key factor for the energy sector's future is technological advancement. Significant progress has been made especially in renewable energy generation in recent years. Capital expenditures on photovoltaic plants have dropped by more than 70% during the past five years and further decrease is expected by 2025. Likewise, costs have been decreasing and parameters have been improving in other types of renewable energy sources, small CHP units, or energy storage technologies. Technological advancement will result in increasing energy decentralization at the expense of large facilities. The development of distributed generation will be driven more and more by cost competitiveness rather than subsidies as before. At the same time, distributed generation will bring about new business opportunities for energy companies.

Mining

Severočeské doly a.s.

Mining activities and coal extraction constitute the core business of Severočeské doly a.s. (www.sdas.cz). The company maintained its position as the largest Czech brown coal company in terms of coal production volume in 2015. However, since a majority of its production is intended for in-house consumption within CEZ Group, Severočeské doly a.s. is one of the smaller players in the free coal market. Coal is extracted in the Nástup Tušimice Mines and Bílina Mine.

The Bílina Mine, operating in the Teplice-Bílina area, extracts coal with a high calorific value and low content of harmful substances. It supplies thermal coal primarily to the Mělník and Ledvice power plants and the Trmice heating plant. Their 2015 production was 9.4m tons of coal. This required removing 55.3m cubic meters of overburden. An important item in the company's portfolio is the Bílina sorted coal, of which it supplied 1.9m tons.

The Nástup Tušimice Mines extract brown coal in the westernmost part of the Ústí nad Labem Region between the communities of Černovice, Spořice, Droužkovice, and Březno. Their 2015 production was 11.6m tons of coal. Most of the production was delivered to local power plants at Tušimice and Prunéřov, with some deliveries to power plants in the Mělník site. Outside CEZ Group, deliveries were made to the Komořany Heating Plant and the Opatovice Power Plant. The amount of overburden removed reached 22.3m cubic meters.

Coal Sales

Severočeské doly a.s. sold a total of 21m tons of fuel in 2015, registering a year-on-year decrease of 0.6m tons.

Coal Sales, by Customer (Millions of Tons)



- Members of CEZ Group
- Power plants and heating plants (over 50 MW)
- Other dealers' networks, including plants up to 50 MW
- Export

Capital Expenditures in 2015

Severočeské doly spent CZK 1.8bn on capital construction in 2015. The major part of its CAPEX program consisted of projects ensuring the progress of extraction in the two mines. The capital projects consisted primarily in deliveries, renovation, and upgrades of mining technology and dressing and crushing plants and construction of stability measures and water management structures.

Brown Coal Mining Outlook for 2016

Severočeské doly a.s. plans to produce 23.6m tons of coal in 2016. Fuel deliveries will be determined primarily by the needs of coal-fired power plants, which are in turn based on demand for electricity and also related to winter temperatures.

LOMY MOŘINA spol. s r.o.

ČEZ, a. s. holds a 51.05% stake in LOMY MOŘINA spol. s r.o. The company's core business consists of the quarrying and processing of construction aggregate as well as high-percentage limestones utilized in flue-gas desulfurization (FGD) systems. The company is a major supplier of limestone for use in the FGD systems of CEZ Group's coal-fired power plants, to which it supplies approximately 600,000–750,000 tons of limestone per year, covering approximately 70% of their annual demand. In 2015, the share was approximately 60% and supplies to ČEZ, a. s. power plants totaled approximately 630,000 tons of limestone. The forecast for 2016 is 650,000 tons. Customers purchasing construction aggregate, the company's other important commodity, are entities outside CEZ Group and the company sells them around 250,000-450,000 tons of the material per year. Verified limestone reserves provide good prospects for sustained, long-term extraction operations.

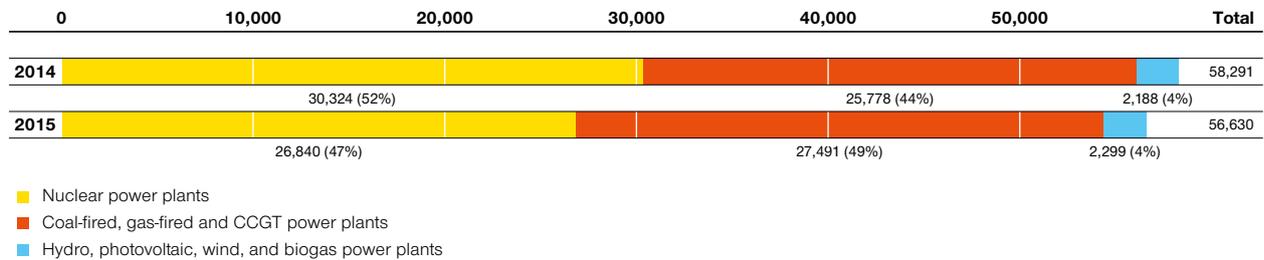


Production

Electricity Generation

In 2015, CEZ Group's power plants in the Czech Republic generated a total of 56,630 GWh of electricity, which is 1,661 GWh (-2.8%) less than in 2014.

Electricity Generated by CEZ Group in the Czech Republic, Gross (GWh)



The biggest decrease in production of 3,484 GWh (-11.5%) occurred at nuclear power plants due to extended scheduled and unscheduled outages at the Temelín Nuclear Power Plant and Dukovany Nuclear Power Plant. By contrast, coal-fired power plants generated by 1,330 MWh (+5.2%) more electricity than in the previous year. This was caused by increased production at the Počerady Power Plant (conversion contract with Vršanská uhelná) and the start of pilot operation of the Prunéřov II Power Plant after its comprehensive renovation. Generation from natural gas in 2015 increased by 382 MWh (+239.2%) year-on-year and the production of pumped-storage hydro plants increased by 224 MWh (+21.3%).

Heat Generation

A total of 17,260 TJ of heat generated by CEZ Group's facilities in the Czech Republic was delivered to customers in 2015. This was a year-on-year increase of 531 TJ (+3.2%) in deliveries, due to colder weather in January 2015.

The largest district heating system supplied by heat from CEZ Group heating plants is the system of the capital of Prague. Heat for Prague is generated at the Mělník site primarily by the Mělník I heating plant owned by Energotrans, a.s. and is supplied to an interconnection point at the edge of Prague through a hot-water transmission pipe. The transmission pipe is operated by ČEZ Teplárenská, a.s. The major customer, purchasing heat for Prague and Neratovice, is Pražská teplárenská a.s., to which almost 9,236 TJ of heat was sold in 2015.

To increase the reliability and variability of heating facilities delivering heat for capital of Prague as well as Neratovice, Mělník, and Horní Počaply, an interconnecting pipe was built between Energotrans facilities (Mělník I) and the Mělník II Power Plant in 2015. An investment in the reduction of emissions of nitrogen oxides and dust made in 2015 at the Mělník I heating plant will ensure compliance with future legal requirements for the generation and supply of heat to Prague and other customers in the next years.

Capital Construction

CEZ Group invested a total of CZK 17.3bn in electricity and heat generation including heat distribution in the Czech Republic in 2015.

Nuclear Power—Existing Facilities

The Dukovany and Temelín nuclear power plants continued implementing projects to fulfill requirements from the National Action Plan for Nuclear Safety Enhancement, drawn up after the events in the Fukushima, Japan nuclear power plant. These included, for example, enhancing the robustness of the reactor and turbine buildings at Dukovany and enhancing the robustness of the containment for the purposes of post-accident hydrogen removal at Temelín. The Dukovany Nuclear Power Plant carried out capital projects relating to the planned extension of its operation beyond 2015; these included, in particular, renovating some instrumentation and control systems, improving the seismic resistance of load-bearing structures at Units 1 and 2, and supplementing the EPS Cerberus fire alarm system to meet new requirements.

New Nuclear Units at Dukovany and Temelín

As a follow-up to the updated State Energy Policy of the Czech Republic, an interdepartmental government work group prepared a nuclear energy development plan, which was discussed and approved by the Czech Government as the National Action Plan for Nuclear Energy (NAP NE) on June 3, 2015. The plan recommends preparing projects for the construction of two units at Temelín and two units at Dukovany up to the moment of obtaining a building permit, which is envisaged to occur in 2026 for both sites. The number of the units and their building sequence will be decided by that time. The NAP NE also envisages alternative investing and financing arrangements for nuclear units. Currently underway is the process of spinning off the construction projects into two separate subsidiaries established to this end. Also underway is the comment procedure for Annex 1 to the Feasibility Study, concerning the limits and restrictions of the Dukovany site, primarily with respect to the maximum installed unit capacity. Regarding the preparation of a Project Notice under the EIA Act, there is a continued demarcation dispute between the Ministry of the Environment of the Czech Republic and the Ministry of Regional Development of the Czech Republic as to which of the ministries should issue the statement of project compliance with zoning planning documentation. Necessary preparations continued at Temelín, in particular the implementation of conditions defined in the issued EIA statement and the issued sitting permit.

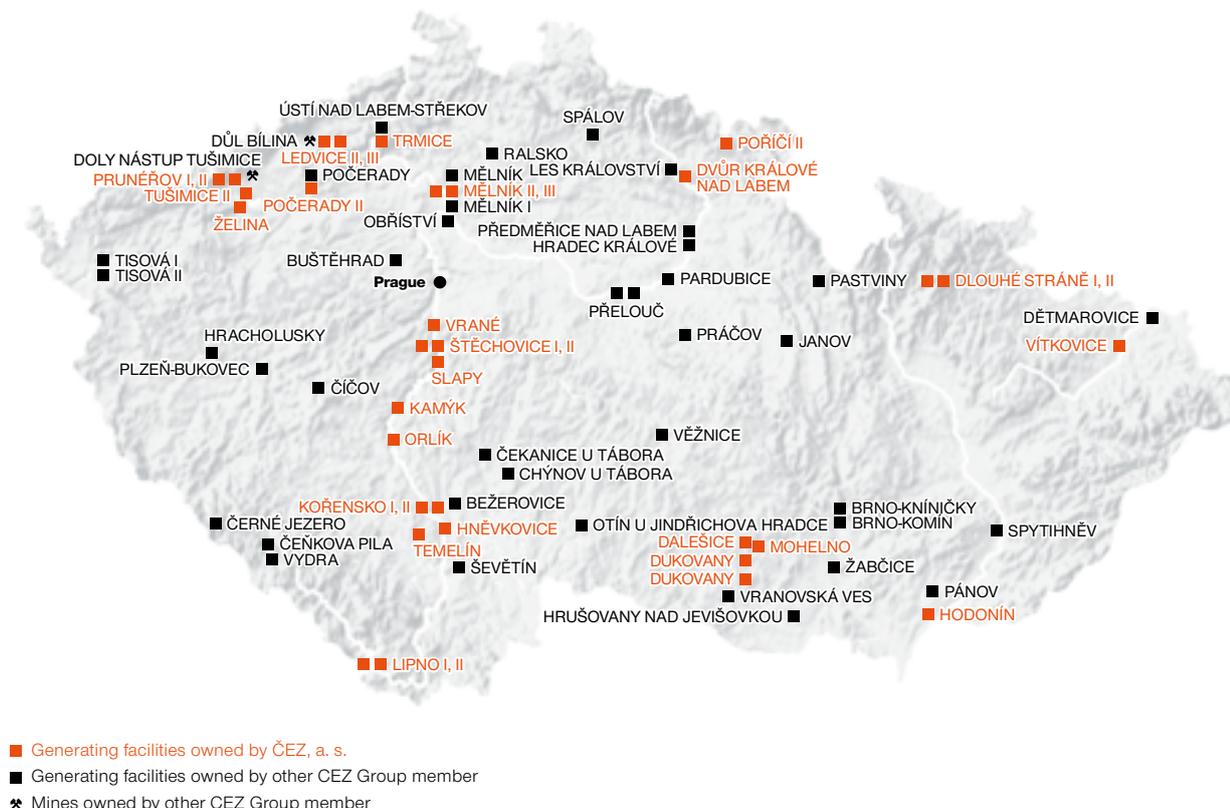
Conventional Power

In 2015, work was completed on projects relating to the reduction of nitrogen oxides emissions (DeNOx) at the Dětmarovice, Mělník I and Počeradý (coal-fired) power plants and the preparation of a similar project was approved as part of environmental upgrades at the Trmice Heating Plant. The new 660MW unit at the Ledvice Power Plant was being activated and adjusted and identified shortcomings were rectified; its pilot operation was started. Pilot operation was also started as part of the comprehensive renovation of the Pruněřov Power Plant.

Installed Capacity

At the end of 2015, CEZ Group owned generating facilities with a total installed capacity of 13,350.6 MW in the Czech Republic. A decrease of 119 MW from 2014 was due to the decommissioning of turbine generators 5 and 6 (each with a capacity of 56 MW) at the Mělník I plant owned by Energotrans, a.s. In addition, the Tisová I and II plants were spun off from ČEZ, a. s. into a separate company, Elektrárna Tisová, a.s. During the spin-off, the installed capacity of Tisová II Unit 6 was decreased by 7 MW.

Location of CEZ Group's Generating Facilities in the Czech Republic



List of CEZ Group Power Plants and Heating Plants in the Czech Republic as at December 31, 2015

Nuclear Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Dukovany	ČEZ, a. s.	4 x 510	1985–1987, renovated in 2009, 2010, 2011, 2012
Temelín	ČEZ, a. s.	2 x 1,125	2002–2003
Nuclear power plants, total		4,290.0	

Combined Cycle Gas Turbine Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned
Počerady II	ČEZ, a. s.	Gas	2 x 284.75; 1 x 275.4	2014
CCGT plants, total			844.9	

Coal-Fired Power Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned	Desulfurized since
Dětmárovice	Elektrárna Dětmárovice, a.s.	Hard coal, brown coal	4 x 200	1975–1976	1998
Ledvíce II	ČEZ, a. s.	Brown coal	2 x 110	1966	1996
Ledvíce III	ČEZ, a. s.	Brown coal	1 x 110	1968	1998
Mělník II	ČEZ, a. s.	Brown coal	2 x 110	1971	1998
Mělník III	ČEZ, a. s.	Brown coal	1 x 500	1981	1998
Počerady	Elektrárna Počerady, a.s.	Brown coal	5 x 200	1970–1971, 1977	1994, 1996
Pruněřov I	ČEZ, a. s.	Brown coal	4 x 110	1967–1968	1995
Pruněřov II ¹⁾	ČEZ, a. s.	Brown coal	5 x 210	1981–1982	1996
Tisová II	Elektrárna Tisová, a.s.	Brown coal	1 x 105	1961	1997
Tušimice II	ČEZ, a. s.	Brown coal	4 x 200	1974–1975, comprehensive renovation in 2007–2012	1997
Coal-fired power plants, total			5,245.0		

¹⁾ Comprehensive renovation of 3 units underway since September 1, 2012.

Heating Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned	Desulfurized since
Dvůr Králové nad Labem	ČEZ, a. s.	Brown coal	1 x 3.5; 1 x 3.8	1955, 2011	1997
Hodonín	ČEZ, a. s.	Brown coal	1 x 50; 1 x 57	1954–1958	1996–1997
Mělník I	Energotrans, a.s.	Brown coal	4 x 60	1959–1961	1995
Otín u Jindřichova Hradce	Energetické centrum s.r.o.	Biomass	1 x 5.6	2008	
Poříčí II	ČEZ, a. s.	Hard coal, brown coal	3 x 55	1957–1958	1996, 1998
Tisová I	Elektrárna Tisová, a.s.	Brown coal	3 x 57; 1 x 12.8	1959–1960	1996–1997
Trmice	ČEZ, a. s.	Brown coal	2 x 20; 3 x 16; 1 x 1	1970, 2013	1997
Vítkovice	ČEZ, a. s.	Hard coal	2 x 16; 1 x 25; 1 x 22	1983–1995	
Heating plants, total			876.7		

Hydro Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Accumulation and run-of-river hydro power plants			
Kamýk	ČEZ, a. s.	4 x 10	1961
Lipno I	ČEZ, a. s.	2 x 60	1959
Orlík	ČEZ, a. s.	4 x 91	1961–1962
Slapy	ČEZ, a. s.	3 x 48	1954–1955
Střekov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	3 x 6.5	1936
Štěchovice I	ČEZ, a. s.	2 x 11.25	1943–1944
Vrané	ČEZ, a. s.	2 x 6.94	1936
Accumulation and run-of-river hydro power plants, total		723.9	
Small hydro power plants			
Brno-Kníničky	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 3.1	1941
Brno-Komín	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 0.106; 1 x 0.140	1923, renovated in 2008
Čeňkova Píla	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 0.096	1912
Černé jezero	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 1.5; 1 x 0.04; 1 x 0.37	1930, 2004, 2005
Dlouhé Stráně II	ČEZ, a. s.	1 x 0.163	2000
Hněvkovice	ČEZ, a. s.	2 x 4.8	1992
Hradec Králové	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	3 x 0.25	1926
Hracholusky	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 2.55	1964
Kořensko I	ČEZ, a. s.	2 x 1.9	1992
Kořensko II	ČEZ, a. s.	1 x 0.94	2000
Les Království	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 1.105	1923, renovated in 2005
Lipno II	ČEZ, a. s.	1 x 1.5	1957
Mělník	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 0.590	2010
Mohelno	ČEZ, a. s.	1 x 1.2; 1 x 0.56	1977, 1999
Obríství	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 1.679	1995
Pardubice	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 1.998	1978, renovated in 2012
Pastviny	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 3	1938, renovated in 2003
Plzeň-Bukovec	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 0.315	2007
Práčov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 9.75	1953, renovated in 2001
Předměřice nad Labem	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	1 x 2.6	1953, renovated in 2009
Přelouč	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 0.68; 2 x 0.49	1927, renovated in 2005
Spálov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 1.2	1926, renovated in 1999
Spytihněv	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 2	1951, renovated in 2009
Vydra	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 3.2	1939
Želina	ČEZ, a. s.	2 x 0.315	1994
Small hydro power plants, total		66.3	
Pumped-storage hydro power plants			
Dalešice	ČEZ, a. s.	3 x 120; 1 x 115	1978
Dlouhé Stráně I	ČEZ, a. s.	2 x 325	1996
Štěchovice II	ČEZ, a. s.	1 x 45	1947–1949, renovated in 1996
Pumped-storage hydro power plants, total		1,170.0	
Hydro power plants, total		1,960.2	

¹⁾ Generation license holder is ČEZ Obnovitelné zdroje, s.r.o.

Photovoltaic Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Bežerovice	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	3.013	2009
Buštěhrad	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2.396	2010
Čekanice u Tábora	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	4.48	2009
Dukovany	ČEZ, a. s.	0.01	1998, 2003
Hrušovany nad Jevišovkou	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	3.802	2009
Chýnov u Tábora	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2.009	2009
Pánov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2.134	2010
Přelouč	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	0.021	2009
Ralsko	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	55.762	2010
Ševětín	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	29.902	2010
Vranovská Ves	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	16.033	2010
Žabčice	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	5.6	2009
Photovoltaic power plants, total		125.2	

Wind Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Janov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 2	2009
Věžnice	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	2 x 2.08	2009
Wind power plants, total		8.2	

Biogas Stations

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned
BPS Čičov	ČEZ OZ uzavřený investiční fond a.s. ¹⁾	Biogas	1 x 0.526	2011
Biogas stations, total			0.5	

¹⁾ Generation license holder is ČEZ Obnovitelné zdroje, s.r.o.

Corporate Segment Reporting as Effective From 2016—Czech Republic

	Unit	Generation— Traditional Energy	Generation— New Energy	Total 2015
Electricity generation	GWh	56,292	338	56,630
Heat supply	TJ	17,260	-	17,260
Identifiable assets	CZK millions	249,119	11,421	260,540
Installed capacity	MW	13,149	201	13,351

Fuel

Nuclear Fuel

Nuclear fuel for the Dukovany Nuclear Power Plant is sourced under a long-term contract with Russian company OAO TVEL, which not only fabricates the fuel but also provides conversion and enrichment services as well as some of the base raw material (uranium). In 2013, the EURATOM Supply Agency approved an amendment to the fuel contract, securing nuclear fuel until 2028 (including an option). After the completion of a development program and licensing for a new type of fuel (GD2M+) in 2014, the new fuel was delivered for the first time still in 2014 and used to refuel Unit 1. The new fuel continued to be delivered in 2015 and will gradually replace also all fuel in the inventory.

The Temelín Nuclear Power Plant also continued to operate with OAO TVEL fuel in both units. The TVSA-T fuel that both units are currently running on allowed switching to operation with an increased output of 104% and has the potential to enable safe operation of the units in a work cycle of four to, in part, five years. The process of developing and licensing modifications to the fuel design (TVSA-T mod. 1) was initiated in 2014 in order to further improve the operational reliability and optimize the production of the fuel. The TVSA-T mod. 1 fuel was licensed by the State Office for Nuclear Safety (SÚJB) in 2015 and will be loaded to the reactors over time, starting in 2016.

In addition, a contract amendment was signed with the nuclear fuel supplier for developing and licensing a new advanced type of fuel with increased uranium content to allow a further increase in fuel use efficiency. The development process is planned for the years 2015–2018. Initial design work was performed, necessary contracts with Czech design firms were made, and necessary communication with the State Office for Nuclear Safety took place in 2015.

Raw uranium and its processing (conversion and enrichment services) for nuclear fuel fabrication were sourced under long-term contracts. Nearly one-third of overall uranium needs is still covered on a long-term basis by supplies from the domestic uranium producer DIAMO, státní podnik, with the remainder purchased from international suppliers and through direct fuel deliveries from the manufacturer (mostly for the Dukovany Nuclear Power Plant). There are contracts covering overall uranium, conversion, and enrichment needs until circa 2020.

Desirable diversification of the supply base is maintained as recommended by the supply management policy of the EURATOM Supply Agency. In order to mitigate the risk of an interruption or other threats to timely supplies of nuclear fuel, ČEZ, a. s. decided to increase the share of fuel fabricated at its power plant sites while decreasing the strategic inventory of uranium in various stages of processing kept by its suppliers.

The first complete reserve batch of nuclear fuel was fabricated at the Temelín Nuclear Power Plant in 2015; another will be made during 2016.

A contract amendment was concluded and notified to the EURATOM Supply Agency whereby the fuel inventory at the Dukovany Nuclear Power Plant will be increased by 4 batches in the next years.

Solid Fossil Fuels and Sorbents

The highest share of solid fuels supplied to CEZ Group's coal-fired power plants in the Czech Republic in 2015 consisted of brown coal with a total amount of 22.74m tons (94% of coal supplied). The top suppliers of brown thermal coal for ČEZ, a. s. in 2015 included Severočeské doly a.s., Vršanská uhelná a.s., and Sokolovská uhelná, právní nástupce, a.s. The bulk of the coal, 15.33m tons (67%), was supplied by Severočeské doly.

Long-term coal supply contracts have been made with Severočeské doly a.s. (in effect until 2052—sales pre-contract), Sokolovská uhelná, právní nástupce, a.s. (in effect until 2027—sales contract), and Vršanská uhelná a.s., in effect until 2062 or until the exhaustion of the Vršany mine.

A new medium-term sales contract (for 2016–2020) was made with Severočeské doly a.s. in Q4 2015.

The amount of hard coal supplied to CEZ Group's power plants in the Czech Republic was 1.38m tons. The bulk of it, 0.9m tons (65%), was supplied by OKD, a.s.; the remaining 0.48m tons (35%) was imported from Poland. Hard coal supplies take place under one-year purchase contracts.

Deliveries of sorbents for flue gas desulfurization at CEZ Group's coal-fired power plants in the Czech Republic are made under long-term contracts with LOMY MOŘINA spol. s r.o., Vápenka Čertovy schody a.s., KOTOUČ ŠTRAMBERK, spol. s r.o., Krkonošské vápenky Kunčice, a.s., and VÁPENKA VITOŠOV s.r.o. Sorbent deliveries in 2015 totaled 1.071m tons.

Biomass Combustion and Co-Firing

Biomass consumption within CEZ Group in the Czech Republic totaled 453,148 tons in 2015.

Biomass was burnt at the Hodonín Power Plant (259,857 tons), Poříčí Power Plant (142,798 tons), and Dětmarovice Power Plant (3,838 tons).

Energetické centrum s.r.o. used a total of 46,655 tons of phytomass in its heating plant in Otín near Jindřichův Hradec in 2015.

Natural Gas

A long-term contract for natural gas deliveries has been made with RWE.

Electricity Generation Outlook

Nuclear Power Plants

Standard refueling-related outages are planned for the Temelín Nuclear Power Plant in 2016. The drainage system of the high-pressure part of the turbine generator will be reconstructed during an outage of Unit 1. The reconstruction is expected to increase the achievable capacity of Unit 1 by 1–2 MW_e. The Dukovany Nuclear Power Plant finished weld inspections at Units 1 and 2 in February 2016 and the operation of the units was resumed. Inspections of welds at Unit 4 followed. Projects resulting from the outcomes of stress tests will be undertaken during refueling outages, including, among other things, enhancing the robustness of selected structures against extreme climatic conditions and earthquakes. Another planned capital project is the renovation of an instrumentation and control system for the power plant's non-nuclear equipment. Last but not least, documentation for extension of the long-term operating license of Unit 2 will be submitted to the authorities.

The nuclear power plants are expected to increase their production by 3.1 TWh over the year 2015, which was significantly affected by weld inspections in the Dukovany Nuclear Power Plant and the related outage.

Coal-Fired and Gas-Fired Power Plants

Major capital projects initiated in the past period will continue in CEZ Group's coal-fired power plants in 2016, in particular the comprehensive renovation and construction of units. A major milestone in 2016 will be the commissioning of a new 660 MW coal-fired unit at the Ledvice Power Plant. Service experience gathered in 2015 will enable optimizing the utilization of the Počerady II CCGT plant.

Fossil power plants, including the CCGT plant, are expected to increase their production by 3.4 TWh over the actual figure of 2015, which was affected by postponement of unit renovation, construction of new units, as well as environmental upgrades of the Počerady I, Dětmárovice, and Mělník I power plants. The environmental upgrade (denitrification) enables to make full use of the plants after the introduction of stricter limits for nitrogen oxides with effect from 2016.

Hydro Power Plants

Major repairs are planned for the Lipno I, Slapy, Orlik, Dalešice, and Dlouhé Stráně hydro power plants. The hydro power plants are expected to generate around 0.17 TWh more than they actually did in the year 2015, which was characterized by lower availability as well as low flow rates. The utilization of the Dalešice and Dlouhé Stráně pumped-storage power plants is also planned to grow.

Heat Generation Outlook

Heat production in 2016 is expected to be similar to that of 2015 at all sites in question. The capital projects (environmental upgrades of the Mělník I and Dětmárovice power plants) undertaken in 2015 ensure compliance with future legal requirements for the generation and supply of environmentally clean heat from CEZ Group's generating facilities in the next years.

Trading in Electricity and Other Energy Commodities

Trading in electricity and other energy commodities in each European country where CEZ Group operates is organized centrally by the parent company ČEZ. This involves the following activities:

- Selling electricity generated by corporate plants on wholesale markets;
- Selling ancillary services provided by CEZ Group's plants;
- Procuring electricity and natural gas for resale to end customers, procuring emission allowances for in-house consumption;
- Proprietary trading.

When operating on the markets of individual countries, CEZ Group companies must respect the specific situation resulting from local energy legislation, the status of electricity market liberalization, the balance between supply and demand, the possibilities of cross-border supplies, and other factors.

In 2015, ČEZ, a. s. was selling electricity for 2016 through 2021 using mainly standard products (annual, quarterly, monthly) on the OTC market or exchanges, and during the year 2015 itself also on spot exchanges and intraday platforms. On wholesale markets, ČEZ, a. s. made hedges for future sales of electricity generated in-house until 2024, hedges for future provisioning of electricity for end customers, and purchases of electricity in case of corporate plant outages.

ČEZ, a. s. continued to sell the ancillary services provided by its power plants mostly to the transmission grid operator, ČEPS, a.s.

Proprietary Trading

The main purpose of proprietary trading is to make an additional profit by taking advantage of arbitrage opportunities or other forms of speculative trading on wholesale markets.

Proprietary trading involves mainly commodities that are traditional for ČEZ, a. s., such as electricity or emission allowances, which are traded both on OTC markets and on energy exchanges, e.g. the European Energy Exchange (EEX) in Leipzig. Other traded commodities included natural gas in the form of futures products on the Intercontinental Exchange (ICE) in London, the European EEX, and other trading platforms. Last but not least, ČEZ, a. s. trades in hard coal using futures-type products on ICE in London and the OTC market in commodity coal swaps. ČEZ, a. s. also traded in options with electricity, EUAs, and hard coal as their underlying assets in 2015.

There are specific risk management frameworks for all trading and dealing activities, which define allowed products, time frames, counterparties, and especially market and credit rules and limits on the basis of stop-loss orders (closing a position when a certain loss is made), value at risk, current credit exposure, and future credit exposure. Adherence to the limits is reviewed daily and any excesses are dealt with according to the applicable risk management framework.

In addition, proprietary trading has been regulated by the European Union since 2011 as a result of wholesale market regulation (see Developments in the Legislative Framework for the Energy Industry in the Czech Republic).

Innovation Projects

CEZ Group continued with innovation in 2015. In addition to continued projects and activities of a long-term nature so typical of this area, additional new opportunities were analyzed and new trends were investigated on an ongoing basis. CEZ Group continues to see the development of innovative technologies as an opportunity that is associated with the overall transformation of the energy sector and with the trend for reducing emissions of pollutants, especially greenhouse gases, while improving energy security in EU member states.

Electromobility

The Electromobility project completed its second stage in 2015. Additional charging stations were installed, bringing the number of charging stations for electric vehicles operated at the end of 2015 to a total of 54, including 10 ultra-fast charging stations (DC charging stations). Contracts made for additional locations will allow resuming the construction of charging stations after the completion of a public procurement procedure in Q2 2016.

During 2015, the Electromobility project started to offer electric vehicle users additional services, such as concluding customer contracts (at selected CEZ Group Customer Care Centers), as well as residential and corporate charging technology, such as wall boxes and cables. The project's website was changed to make the offer more comprehensible and to improve user experience.

The number of project partners grew both among public and regional authorities (e.g. the Ministry of Transport of the Czech Republic and the Pardubice Region) and among organizations participating in the construction of charging stations.

CEZ Group, in collaboration with ARRIVA PRAHA s.r.o. and PASSERINVEST GROUP, a.s., put into regular operation two electric buses serving lines 103103 and 103123, connecting the BB Center where ČEZ's headquarters are located with the nearby metro station Budějovická. The electric buses on these lines cover more than 42,000 kilometers a year.

CEZ Group, together with other entities, also took an active part in the preparation of background analyses used for the formulation of the National Action Plan for Clean Mobility, which was approved by the Czech Government in late 2015.

Smart Region

For the Smart Region project, the year 2015 was characterized mostly by work on activities relating to the verification and testing of deployed technologies and proposed solutions. After a successful completion of voltage unification at 35 kV, the actual islanding was tested, first with a smooth transition and then also as a black start. A U/Q control solution was tested on a CHP unit, confirming its positive effects on voltage stabilization in the distribution grid. Created telecommunications connectivity was monitored and evaluated on an ongoing basis.

A presentation room was opened in Vrchlabí to present the Smart Region project activities. The room shows installed technologies and, most significantly, a real-world offline control system which was commissioned and tested with all its functionalities.

The Smart Region project attracts considerable interest and was presented during several internal, national, and international excursions. For the GRID4EU project, in which ČEZ Distribuce takes part together with five other European distribution system operators and 21 other partners, 2015 was a year when project activities were being finalized. Key performance indicators (KPIs) were evaluated and a Cost-Benefit Analysis of the individual functionalities was prepared on the basis of testing.

Testing and evaluation of the success and functionality of proposed solutions took place in all of the six GRID4EU demonstration projects. In addition to demonstration activities, ČEZ Distribuce collaborated with GRID4EU partners e.g. on the preparation of guidelines that will allow deploying the proposed solutions at locations other than where they were demonstrated. The GRID4EU project officially ended in January 2016; its outputs are available at: www.grid4eu.eu .

Investments in New Technologies

ČEZ Nová energetika, under the brand name of INVEN CAPITAL, seeks opportunities for investment in smaller to midsize innovative and growing businesses engaged in clean technologies, flexible energy storage systems, innovations in distribution, as well as data utilization in the energy and telecommunications sectors. It focuses primarily on growth investment opportunities in later-stage growth with a sound business model proven by sales and with growth potential. The company's goal is to produce long-term values by actively collaborating with the management of the businesses it invests in and actively supporting organic (i.e. fueled by the businesses' own activities) or acquisition-based growth. Companies in the portfolio of ČEZ Nová energetika can take advantage of CEZ Group's deep expert knowledge of the energy sector, client base, and technology synergies for their further development.

In July 2015, ČEZ Nová energetika announced its entry into sonnen GmbH (formerly Sonnenbatterie GmbH), a Bavarian manufacturer of smart battery systems focusing on the storage of energy from solar panels and other renewable energy sources. The investment had the form of increasing the company's stated capital, together with other investors.

ČEZ Nová energetika's another activity in decentralized energy was the acquisition of a minority stake in SunFire, a German company whose main product is a fuel cell technology that can convert fuel into electricity and heat but also turn electricity back into hydrogen and other gases (Power-to-Gas) or a mixture of hydrocarbons called "blue crude" using the Fischer-Tropsch process (Power-to-Liquids). This technology represents a major step toward consumers' greater energy self-supply and toward improved efficiency in the utilization of energy sources.

Investments in Startups

In 2015, ČEZ, a. s. became the main partner of the Czech ICT Incubator project, which sends Czech startup entrepreneurs to the prestigious Runway incubator in Silicon Valley, California for three to four months.

In 2016, ČEZ began cooperating with Rockstart, a Dutch startup accelerator, on its Smart Energy program supporting projects aimed at innovations intended to make more efficient use of energies. ČEZ's investment has the form of providing a convertible loan to the Smart Energy fund created in a given year, every year from 2016 to 2018. Thereby, it will become entitled to a minority stake in three portfolios with a total of 30 businesses—energy startups. This will allow ČEZ to profit from any future appreciation of the businesses without running the risk of additional costs. At the same time, it will be able to become familiar with innovative, state-of-the-art energy solutions.



Distribution and Sales

Electricity Distribution

Electricity in approximately $\frac{5}{8}$ of the Czech Republic is distributed by ČEZ Distribuce, a. s., which arranged for 33,310 GWh of electricity to be supplied to end customers in 2015. A year-on-year increase of 614 GWh was caused primarily by an increase of 495 GWh in demand for electricity at the medium-voltage level and 179 GWh at the low-voltage level due to lower temperatures in winter months year-on-year. By contrast, there was a year-on-year decrease of 60 GWh at the high-voltage level.

Capital Construction

The principal objective of investing in power system renovation and development is improving the quality, reliability, and safety of the distribution grid, along with development in automated grid control.

CEZ Group's capital expenditures on distribution in the Czech Republic were CZK 7.6bn in 2015. The capital expenditures went into grids at all voltage levels, including transformer stations reconstructions. Capital expenditure on construction projects initiated by customers totaled CZK 2.1bn. In new technologies, the year 2015 was dominated by finishing work on the Vrchlabí Smart Region project. The most important CAPEX projects included the construction of a new 110/22kV transformer station at Bavoryně, reconstruction of 110kV and LV transformer stations at Albrechtice, Plzeň Škoda Central Power Station III, Přeštice, and Milovice, as well as reconstruction of high-voltage lines connecting the transformer stations of Pečky and Nymburk and Bohemia Center and Pečky, and lines interconnecting the transformer nodes of Opočíněk–Chvaletice power plant–Týnec nad Labem.

Electricity Distribution Outlook for 2016

In 2016, ČEZ Distribuce, a. s. expects to supply 33.3 TWh of electricity to customers.

CEZ Group's distribution segment in the Czech Republic is currently undergoing major structural reorganizations in reaction to the legislative and regulatory requirements getting stricter in the Czech Republic and the European Union. The project, which merges the distributor with its service companies, is also aimed at operational efficiency with an impact on cuts in operating costs. The second phase of the project, out of a total of three, will be finished in 2016.

The customer base service will also undergo significant changes. ČEZ Distribuce, a.s. will get its own service facilities for both residential clients and municipalities. The service will newly be custom-tailored to distribution needs and there will be a completely new approach to municipality administrations. This step is expected to enhance quality of service, ensure compliance with the law, and improve relations with clients.

Growing Importance of the Distribution Segment

In the context of the situation in the energy sector, ČEZ Distribuce, a.s. represents a stable and important element of CEZ Group's activities. Its specific position of a regulated company makes it less vulnerable to turbulent changes in the energy market. It has a long track record of stable financial performance and its importance is also growing in light of the new trends in the energy sector. In this respect, ČEZ Distribuce will be facing a major challenge of strengthening and developing the distribution grid. The main reason is an expected increase in decentralized generation and the related demands on connecting small renewable energy sources, called "micro-sources", which can be connected in a "simplified" mode starting from 2016. ČEZ Distribuce, a.s. will react to this by adapting its processes and redirecting its operating costs and investments.

Sales

CEZ Group offered end customers in the Czech Republic the following commodities and related services in 2015:

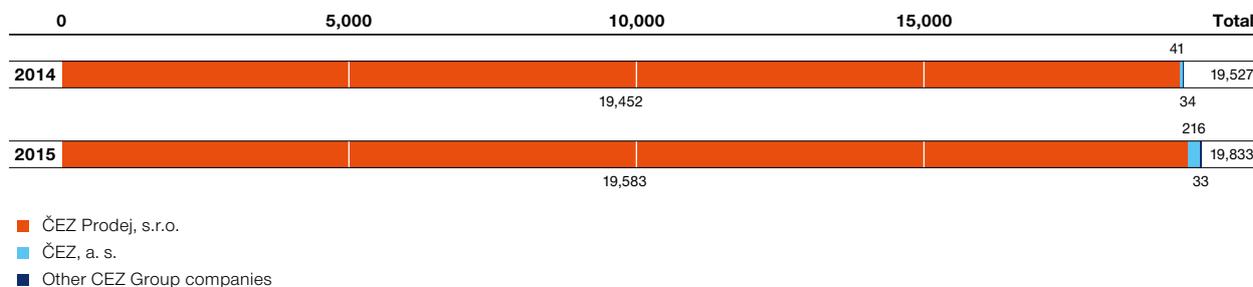
- Electricity (ČEZ Prodej, s.r.o., ČEZ, a. s., Elektrárna Počeradý, a.s., Elektrárna Dětmarovice, a.s., Elektrárna Tisová, a.s., Energotrans, a.s., and Energetické centrum, s.r.o.);
- Natural gas (ČEZ Prodej, s.r.o., ČEZ Energetické služby, s.r.o.);
- Heat / thermal energy (ČEZ, a. s., ČEZ Teplárenská, a.s., Energetické centrum, s.r.o., ČEZ Energetické služby, s.r.o., Energotrans, a.s., Elektrárna Počeradý, a.s., Elektrárna Dětmarovice, a.s., Elektrárna Tisová, a.s.);
- Electricity distribution (ČEZ Distribuce, a. s.).

Customers in the Czech Republic can order electricity and natural gas as the commodity alone (Electricity / Natural Gas Supply Contract) and purchase distribution services directly from a competent distributor under a separate Distribution Service Contract. However, the much more frequent form is "integrated supply" under an Integrated Supply Contract for the commodity in question, under which ČEZ Prodej, s.r.o. not only supplies the commodity to the customer but also arranges for the provision of distribution services by a distributor according to the rules specified by law.

Sales of Electricity to End Customers

The retail electricity market (market in electricity supplies to end customers) is fully liberalized in the Czech Republic. The active approach of several dozens of electricity traders makes for a highly competitive environment comparable to developed European markets. The CEZ Group company in charge of selling electricity to end customers in the Czech Republic is ČEZ Prodej, s.r.o., which, despite ongoing fierce competition, maintains its leading position in the market in all customer segments—large customers, commercial retail, and residential customers.

Electricity Sold by CEZ Group to End Customers in the Czech Republic (GWh)



In 2015, ČEZ Prodej, s.r.o. supplied an aggregate total of 19,583 GWh of electricity to its customers, which represents a market share of 33.5%. This was an increase of 131 GWh over 2014. The year-on-year increase in supplies was due to economic recovery, which increased demand for electricity in spite of an extremely warm year 2015.

Sales of Natural Gas

At CEZ Group, gas sales to end customers in the Czech Republic are handled primarily by ČEZ Prodej, s.r.o., which offers all customers (large customers, medium customers, small customers, and residential customers) a complete portfolio of natural gas products. Since its successful entry into the natural gas market, CEZ Group has been strengthening its market share in the residential category in which it acquired more than 33,700 new connection points in 2015. This growth is completely unique in the context of a significant reduction in the overall number of supplier switches in the past years.

ČEZ Prodej, s.r.o. provides end customers with high-quality services and an excellent level of after-sale care as well as a favorably priced commodity. Prices of CEZ Group's supplies of natural gas to large end customers are derived from the most favorable prices and products in the wholesale market at the moment. Residential and small business customers that want to have their natural gas supplied by ČEZ Prodej, s.r.o. are offered a wide range of favorably priced products they can choose from according to their needs.

In 2015, ČEZ Prodej, s.r.o. supplied its end customers with an aggregate total of 5.4 TWh of natural gas (including 4.7 TWh supplied to end customers outside CEZ Group), representing a 6.6% share of all supplies to end customers and around 11.3% share of the residential segment. Its total market share thus grew by 0.7 percentage point over 2014. Besides ČEZ Prodej, s.r.o., considerably smaller amounts of natural gas are sold to end customers by ČEZ Energetické služby, s.r.o., which supplied 73 GWh of natural gas in 2015 (including 20 GWh to end customers outside CEZ Group).

Sales of Other Products and Services

ČEZ Prodej, s.r.o. is one of the largest mobile virtual network operators (MVNOs) in the Czech Republic; the number of its active customers exceeded 72,000. ČEZ Prodej, s.r.o. is a fully-fledged MVNO with its own offer of products; in other words, it does not merely resell the products of existing operators. In terms of the scope of its services, it belongs to the medium-sized MVNO category. The most attractive features include users' ability to choose packages according to their individual needs without any commitment as well as unlimited calls. Customers purchasing electricity or natural gas from ČEZ Prodej, s.r.o. get free text messages in the home network.

Offer in Decentralized Energy

ČEZ ESCO, a.s., a member of CEZ Group, consolidates the Group's expert and sales capacity in energy savings, decentralized sources, lighting, and other energy products. It concentrates on creating personalized offers for business customers, small and midsize companies, and the public sector. It offers solutions to customers' energy needs especially at decentralized level with emphasis on new technologies, efficient use of energy, and integrated product offers. The individual products are provided by ČEZ Prodej, ČEZ Energo, ČEZ Energetické služby, EVČ, ENESA, and other companies, which are gradually integrated into the ČEZ ESCO group.

In photovoltaics (PV), CEZ Group announced its offer of turnkey rooftop solar energy systems for both businesses and residential customers at the end of October 2015. First installations have already been made and we are expecting a progressive growth in the order of hundreds of percent. Importantly, the product is consistent with the Ministry of the Environment of the CR's New Green for Savings program, which allows prospective rooftop PV owners get a subsidy for their project.

EPC projects (Energy Performance Contracting; energy services with guaranteed performance), under which investment in the customer's installation is covered by resulting energy savings and which are executed by ENESA, continued for example with heating optimization at engineering company BUZULUK in Komárov, energy upgrades of the National Theater's studios, or an extensive savings program for the Prague Congress Center. In November 2015, the city council of Jablonec nad Nisou approved a contract for the energy renovation of 15 schools and sports facilities, which will use ENESA's EPC methodology.

Electricity and Natural Gas Sales Outlook for 2016

Sales of Electricity to End Customers

CEZ Group expects to sell roughly the same amount of electricity in all key segments in 2016 as it sold in 2015. Only the large customer segment will experience a slight decrease in supplies due to several major customers leaving. In the small customer segment, the amount of supplies and the market share are expected to stabilize in spite of the highly competitive environment, primarily due to our optimized retention activities, continued acquisition of new customers, and proactive expansion of our range of products. Considering the level of market liberalization, it can be generally expected that the number of customers that will switch their commodity supplier in 2016 will be similarly low as in 2015 if not lower.

Sales of Natural Gas

On the market in natural gas, CEZ Group expects to deliver to their customers in the Czech Republic around 0.68 TWh of gas more in 2016 than it did in 2015. It expects growing sales especially in the residential and corporate client segments.

Offer in Decentralized Energy

ČEZ ESCO plans to create a new-generation sales organization in 2016, which will become a modern leader in decentralized energy based on high flexibility, extensive innovativeness, and strong stability. It will unify the sales of commodities, products, and services, creating, in combination with its subsidiaries, a comprehensive service model with the highest value added for the customer. ČEZ ESCO and ČEZ Prodej will continue to closely cooperate in the offer of commodities, energy products, and services. Once the acquisitions it started are finished successfully, ESCO will focus on seeking additional acquisitions that will help, together with new products, to achieve the company's strategic goals.

ČEZ ESCO comprehensively presented its range of offerings to customers at the first ČEZ Energy Forum held in Karlín, Prague in March 2016 and attended by three hundred business, municipality, and institutional representatives.

Emergency Briefcases Monitor Nuclear Power Plant Parameters



TN
PP

= (Emergency briefcases serving as backup monitoring devices attracted the interest of the international mission to the Temelín Nuclear Power Plant in 2015.) **-**



Small ideas can be inconspicuous but serve a great purpose. The unfortunate events at the Fukushima, Japan nuclear power plant made experts from the Temelín Nuclear Power Plant think about a method for monitoring crucial parameters in case standard procedures cannot be used. **IN** We bought nine special emergency briefcases that allow us to monitor important indicators, such as water temperature and pressure in the reactor or the amount of water in steam generators. The 10kg devices are easy to carry around and can be handled by an adult person without difficulties. **OVATIONS** The emergency briefcases are battery-powered, so they are independent of electric power supply. In a case of emergency, they can measure the necessary values for up to three days. **INNOVATIONS**

9 x $\left(\frac{\text{Bar}}{\text{C}^\circ} \right)$

CEZ GROUP IN THE REPUBLIC OF POLAND

Business Environment

The Polish power market is almost fully liberalized. The only regulated item is the level of household electricity tariffs, i.e. distribution and trading fees. Prices in the heat market are based on a tariff system and each change in prices requires approval by the Energy Regulatory Office.

As part of preparation for the third allocation period for greenhouse gas emission allowances, Poland was granted an exemption and option to allocate free-of-charge emission allowances for electricity generation in exchange for investments in upgrades to existing facilities in 2013–2020, with the aim of reducing greenhouse gas emissions. In addition, Poland will get free-of-charge allowances for heat production in the same period.

Combined heat and power generation in Poland is supported through a system of red, yellow, and purple certificates, depending on whether heat is generated from coal or gas. The system will be in place until 2018. There is no information available yet on the area of support in question after 2018.

Generation of renewable energy is supported through a system of green certificates. An act on renewable energy sources passed in March 2015 specifies further details of support for biomass co-firing and support for wind energy and other renewables. The Renewables Act introduced a new support mechanism, an auction system (the applicable provisions were to enter into effect on January 1, 2016) aimed at reducing the cost of support for the generation of renewable energy. Support for biomass co-firing is reduced in favor of wind and solar power.

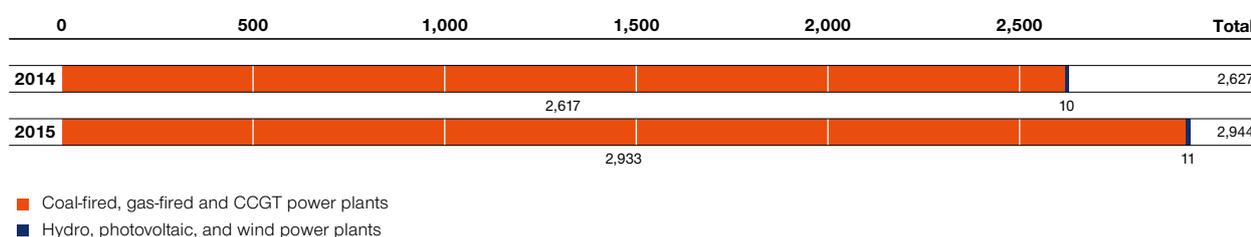
Because there was a delay in the process of notification of the Renewables Act, the Polish parliament decided in December 2015 to postpone the effect of the Act in respect of the auction system for 6 months, i.e. until July 1, 2016. Accordingly, an amendment to the Renewables Act gives the Energy Regulatory Office time until September 28, 2016 to publish the date of the first auction, which will then take place at least 30 days after the announcement. The first auction is expected in Q4 2016.



CEZ Group Operations

Electricity Generation

Electricity Generated in the Republic of Poland, Gross (GWh)



In 2015, CEZ Group power plants in the Republic of Poland generated 2,944 GWh of electricity, which means a year-on-year increase of 317 GWh (12.1%). The higher production of electricity was primarily due to the necessity to use up excessive coal (40,000 tons) at the Chorzów Power Plant and lower production of heat due to a mild winter, which allowed allocating the capacity to electricity generation. The Chorzów Power Plant used biomass in addition to coal to generate electricity. Biomass combustion at the Chorzów Power Plant generated 422 GWh of electricity in 2015, i.e. 54 GWh (14.5%) more than in 2014. The Skawina Power Plant did not generate any electricity by biomass co-firing in 2015 due to unfavorably developing market conditions. A turbine upgrade enabled the Skawina Power Plant to increase production.

The Skawinka small hydro Power Plant generated 5.2 GWh of electricity in 2015; the small hydro Power Plant at Borek Szlachecki, commissioned in May 2013, generated 5.5 GWh of electricity.

Heat Generation

The Polish power plants of CEZ Group sold a total of 4,996 TJ of heat in 2015, with the Skawina Power Plant accounting for 2,533 TJ and the Chorzów Power Plant for 2,464 TJ.

The Skawina Power Plant supplied heat to one distribution company, MPEC (Miejskie Przedsiębiorstwo Energetyki Ciepłej S.A. w Krakowie), which supplies heat to Cracow, and to three end customers. The Chorzów Power Plant supplied heat to three distribution companies. As in the past, the dominant customer was Tauron Ciepło Sp. z o.o. in Katowice, which supplies heat to the cities of Katowice, Chorzów, Świętochłowice, and Siemianowice Śląskie. The capacity of heat deliveries to the system of Tauron Ciepło Sp. z o.o. was increased by 95 MW_t in 2015.

Capital Construction

Capital expenditures in Poland totaled CZK 0.5bn in 2015.

An overhaul and an upgrade of turbine TG6 were completed at the Skawina Power Plant.

Eco-Wind Construction S.A. continues to develop an optimized portfolio of wind park projects. The decision to postpone the new support system for renewables will affect the most advanced projects whose construction depends on the first auction taking place, which is likely to be postponed until Q4 2016. The first building permit for the Krasin wind farm entered into legal effect on February 20, 2016.

Installed Capacity

As at December 31, 2015, CEZ Group companies owned generating facilities with a total installed capacity of 680.9 MW in Poland: coal-fired power plants with 678.4 MW and hydro power plants with 2.5 MW.

Location of CEZ Group's Generating Facilities in the Republic of Poland



List of CEZ Group Power Plants in the Republic of Poland

Coal-Fired Power Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned	Desulfurized
Chorzów	CEZ Chorzów S.A.	Hard coal	2 x 119.2	2003	¹⁾
Skawina	CEZ Skawina S.A.	Hard coal	4 x 110	1957	2008
Coal-fired power plants, total			678.4		

¹⁾ Chorzów has complied with SO_x limits since commissioning.

Small Hydro Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Skawina/Skawinka	CEZ Skawina S.A.	1 x 1.6	1961
Skawina/Borek Szlachecki	CEZ Skawina S.A.	1 x 0.885	2013
Small hydro power plants, total		2.5	

Corporate Segment Reporting as Effective From 2016—Republic of Poland

	Unit	Generation— Traditional Energy	Generation— New Energy	Total 2015
Electricity generation	GWh	2,944	-	2,944
Heat supply	TJ	4,996	-	4,996
Identifiable assets	CZK millions	7,331	-	7,331
Installed capacity	MW	681	-	681

Solid Fossil Fuels and Sorbents

In 2015, the Skawina and Chorzów power plants consumed a total of approx. 1,386,000 tons of hard coal, sourced from mining companies in their vicinity. The Chorzów Power Plant purchases coal under a long-term contract with Kompania Węglowa S.A. The Skawina Power Plant purchased coal from Kompania Węglowa S.A., Katowicki Holding Węglowy S.A., PG Silesia Sp. z o.o., and Jastrzębska Spółka Węglowa S.A. in 2015.

The Polish power plants also utilize biomass as a power generation fuel. The Chorzów Power Plant consumed approximately 288,100 tons of biomass in 2015.

Electricity Generation Outlook for 2016

In 2016, CEZ Group power plants in Poland are projected to generate 3.2 TWh of electricity.

Sales of Electricity and Natural Gas

Electricity is sold by CEZ Trade Polska sp. z o.o. as another line of business along with support for electricity trading. Electricity supplies to large and commercial retail end customers in 2015 totaled 1,612 GWh, i.e. 1,210 GWh more year-on-year. The increase was enabled by successful acquisition of new customers.

The company also obtained a license and met other conditions for selling natural gas in 2015. It also made the first sales contracts for natural gas with large end customers.

Electricity and Natural Gas Sales Outlook for 2016

The total amount of electricity supplied in 2016 is expected to be similar to that of 2015. The company also started to supply natural gas to large end customers on January 1, 2016 and will continue to sell electricity and gas in order to increase its market share during 2016.

Heat Sales Outlook for 2016

Heat sales are expected to total 5.8 thousand TJ in 2016.

CEZ GROUP IN THE REPUBLIC OF BULGARIA

Business Environment

Households and businesses connected to the low-voltage grid are supplied at regulated prices using a system of quotas in accordance with the Energy Act and decisions of the regulator—the Energy and Water Regulatory Commission (EWRC). Electricity producers started to offer electricity using electronic tenders, which help create an electricity spot market in the country. The Independent Bulgarian Energy Exchange (IBEX) started its test operation on December 8, 2015 and full operation on January 19, 2016. Amendments to the Energy Act entered into effect on March 6, 2015, bringing about changes such as a new method for appointing regulatory authority members—they are now appointed by the parliament rather than by the government as previously. The change was made in order to ensure a higher level of independence and professionalism of regulatory authority members.

An amendment to the Energy Act terminated support for RES projects other than hydro sources with an installed capacity under 1.5 MW and photovoltaic installations with an installed capacity of up to 30 kW in the spring of 2015. The change in RES support impacts a Bara Group EOOD project for the construction of a biomass power plant with an installed capacity of 1.7 MW. Construction began in 2013, when the law guaranteed preferential prices for RES electricity purchases in the form of a feed-in tariff, amounting to around 200 EUR/MWh.

CEZ Group Operations

Electricity Generation

The Varna Power Plant generated 944 GWh of electricity in 2014 and no electricity in 2015 because its operation was suspended on January 1, 2015 due to non-compliance with environmental limits set down in the integrated permit.

The photovoltaic power plant in Oreshets supplied 6.3 GWh of electricity to the grid. The completed Bara biomass gasification power plant was not put into commercial operation in 2015 due to a change in support as the amended law canceled support in the form of a feed-in tariff for biomass-to-electricity projects.

Heat Generation

No heat was generated in 2015 due to the suspended operation of the Varna Power Plant.

Capital Construction

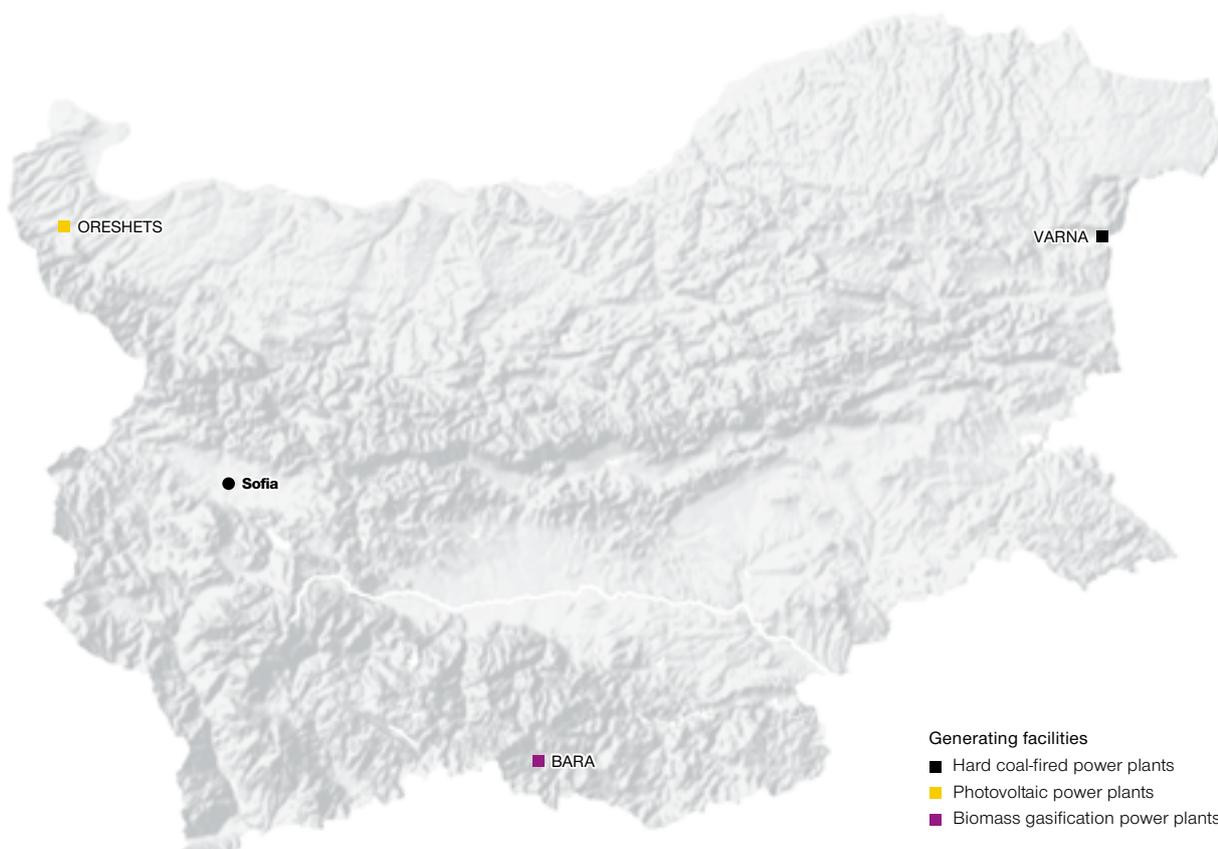
The construction of a biomass gasification combined heat and power plant (BCHP) with an installed capacity of 1.7 MW was finished at Bara Group EOOD in 2015. CZK 0.15bn was invested in the project in 2015. The capital expenditure is made in connection with the obligation to invest in renewables in Bulgaria, set down in the contract for the purchase of the coal-fired Varna Power Plant.



Installed Capacity

CEZ Group has an installed capacity of 1,266.7 MW in Bulgaria: 1,260 MW in the Varna coal-fired Power Plant, 5 MW in the Oreshets photovoltaic Power Plant, and 1.7 MW in the Bara Group's biomass gasification power plant.

Location of CEZ Group's Generating Facilities in the Republic of Bulgaria



List of CEZ Group Power Plants in the Republic of Bulgaria

Coal-Fired Power Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned
Varna	TEC Varna EAD	Hard coal	6 x 210	1968–1969, 1977–1979
Coal-fired power plants, total			1,260.0	

Varna Power Plant Units 4, 5, and 6 have been shut down since January 1, 2013, January 1, 2014, and January 1, 2015, respectively, due to non-compliance with environmental limits set down in the integrated permit; Units 1, 2, and 3 are operating under a derogation regime, with limited operating hours per year.

The operation of the shut down units would only be possible if a costly environmental upgrade is made to the power plant. However, the operation of all units is also conditional on a reconstruction of the fly ash and slag repository to comply with European directives. The situation in Bulgaria's energy sector and the current state of related legislation do not allow making a positive return on investment in necessary adjustments. Analyses of possible uses are currently performed and negotiations are held with parties interested in leasing or buying the power plant.

Photovoltaic Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Oreshets	Free Energy Project Oreshets EAD	5.0	2012
Photovoltaic power plants, total		5.0	

Biomass Gasification Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Bara	Bara Group EOOD	1.7	2015
Biomass gasification power plants, total		1.7	

Corporate Segment Reporting as Effective From 2016—Republic of Bulgaria

	Unit	Generation— Traditional Energy	Generation— New Energy	Total 2015
Electricity generation	GWh	–	6	6
Heat supply	TJ	–	–	–
Identifiable assets	CZK millions	182	363	545
Installed capacity	MW	1,260	7	1,267

Electricity and Heat Generation Outlook for 2016

No electricity and heat are planned to be generated at the Varna Power Plant in 2016 due to its suspended operation and no generation is planned at the Bara Power Plant due to the cancellation in support. It is planned for the Oreshets Power Plant to generate 6 GWh.

Distribution and Sales

Distribution

Based on the effective amendment to the Energy Act, the Energy and Water Regulatory Commission (EWRC) issued a decision dated June 29, 2015 by which it postponed the beginning of the next regulatory period for 1 month, until August 1, 2015. The tariff decision valid from August 1, 2015 represented a reduction of 1.99% in the end-customer price. On November 1, 2015, the EWRC issued an extraordinary price decision with effect from November 1, 2015, which represents an additional 0.8% reduction in the end-customer price.

Other changes in the Energy Act bring about the creation of an "Energy Safety Fund", which should help decrease the deficit of the state-owned energy company NEK. All electricity producers, importers, and distributors will be required to contribute to it. Analysts consider this an ad hoc solution to the state-owned company's difficult situation nearing bankruptcy. In spite of that, the Bulgarian parliament approved it together with other measures aiming to reduce NEK's expenses related to the purchasing of renewable electricity.

An amendment to the Energy Market Rules entered into effect on November 20, 2015. New rules were adopted for opening the market to low-voltage customers, in particular distribution companies, which are allowed to create and use consumption profiles for their customers. The profiles must be presented to the EWRC and published before they are implemented. Distribution and sales companies must jointly create profile use guidelines, which must be mandatorily published. Within 6 months of the date of effect of the amendment to the Energy Market Rules, the EWRC will publish instructions for customers switching to the open market.

CEZ Razpredelenie Bulgaria AD distributed 9,272 GWh of electricity to end customers in its distribution area in 2015, which was an increase of 189 GWh (2.1%) year-on-year. The main reason was a slight increase in the consumption of corporate customers at the medium-voltage level, corporate customers at the low-voltage level, and a slight increase in residential consumption.

Capital Construction

Total capital expenditures on distribution were CZK 0.95bn in 2015. They were aimed primarily at improving distribution grid quality, replacing electric meters, critical infrastructure in Sofia, and new connections to the distribution grid. In addition, CZK 0.38bn was spent on mandatory buyouts of distribution assets. Capital expenditure in 2016 will be aimed at the same areas.

Sales

On March 19, 2014, the EWRC initiated a new procedure for revoking the electricity trading license of CEZ Elektro Bulgaria. The initiation of the procedure is the result of Bulgarian authorities' long-term inactivity in matters concerning RES support regulation in 2012 and 2013. There is no current progress in the procedure in spite of constant appeals for cessation, including interventions by the European Commission.

The sales company CEZ Elektro Bulgaria AD sold a total of 6,810 GWh of electricity to end customers in 2015, which was a decrease of 583 GWh (7.9%) year-on-year. The decrease was due to lower sales to corporate customers at the medium-voltage and low-voltage levels, with some of them switching to a different seller on the free market.

CEZ Trade Bulgaria EAD sold 2,876 GWh of electricity to end customers on the free market in 2015, i.e. 902 GWh (45.7%) more year-on-year. The increase was due to successful acquisition of new customers switching from the regulated market to the free market.

Electricity Distribution and Sales Outlook for 2016

CEZ Group expects an increase in the amount of distributed electricity for 2016 due to an increase in residential consumption. As for electricity sales, it expects a decrease in the corporate segment in comparison with 2015 in connection with customers being allowed to switch to another electricity seller due to liberalization.

Business Environment

The legal framework of the energy sector is similar to the model common in other EU member states. Individual functions have already been legally separated (unbundled) and partially privatized. Most generation assets are concentrated in state-owned companies. Besides the state-owned companies Hidroelectrica, Nuclearelectrica, and Termoelectrica, major producers also include several private entities, of which the largest ones are the Fântânele and Cogeaalac wind parks owned by CEZ Group companies. Certain municipal and local heating plants are under municipal ownership. The transmission grid is managed by Compania Națională de Transport al Energiei Electrice "TRANSELECTRICA" S.A.

The distribution sector has the highest level of private ownership. Five distribution regions are served by distribution companies that were privatized to foreign investors, including CEZ Group.

Regulatory activity is carried out by Autoritatea Națională de Reglementare în domeniul Energiei (ANRE). The energy market in Romania is undergoing gradual liberalization. Full market liberalization for the commercial customer segment was completed in 2013; for the residential segment it is to be completed in 2017. Liberalization of the sales segment continued during 2015 according to the specified schedule.

A major portion of production is traded in the form of either annual contracts or daily deliveries. The administrator of the electricity market is Societatea Comercială Operatorul Pieței de Energie Electrică și Gaze Naturale—OPCOM S.A.

Romania gained access to the wholesale electricity market of the Czech Republic, Hungary, and Slovakia in November 2014. The wholesale electricity markets of the participating countries are coupled within a common platform.

Renewable generation in Romania is supported through "green certificates". The Romanian government amended the renewables support program in July 2013, with the result that the negotiability of a portion of allocated green certificates was suspended. Wind parks can temporarily trade in just one of two certificates allocated per generated MWh. The withheld certificates should be traded by wind parks from January 1, 2018 until the end of 2020.



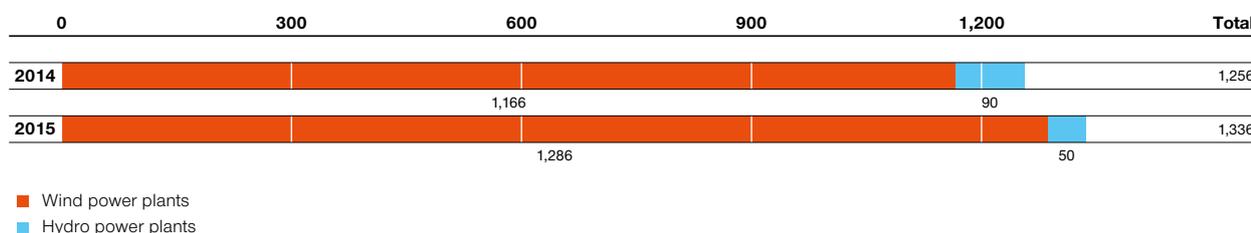
CEZ Group Operations

Electricity Generation

Pursuant to Act No. 220/2008 on support for renewable energy sources, a separate approval by (individual notification to) the European Commission is required for facilities with an installed capacity greater than 125 MW to obtain support in the form of green certificates. This obligation applies to a part of the Fântânele wind park (Fântânele Vest—262.5 MW installed capacity) and the Cogeaalac wind park (252.5 MW installed capacity). The Fântânele Vest and Cogeaalac wind parks received a temporary two-year accreditation for the period until the approval of the individual notification. However, it expired and the power plants received no support from November 2013 and October 2014, respectively. The situation when the parks did not receive any support due to a delay in the process of approval of the individual notification by the European Commission was resolved by an amendment to Act No. 220/2008 on support for renewable energy sources, which entered into effect on June 3, 2015 and was published in the Official Gazette under No. 122/2015.

Following the amendment, the regulatory authority issued an implementing ordinance on July 1, 2015, on the basis of which it approved temporary accreditation for the Fântânele Vest and Cogeaalac wind parks on September 2, 2015. The temporary accreditation re-enabled the power plants to receive support in the form of green certificates. Since the date of approval, the power plants have received one certificate per MWh; the other certificate remains deferred until 2018–2020. The above-mentioned accreditation is valid for 12 months.

Electricity Generated in Romania, Gross (GWh)

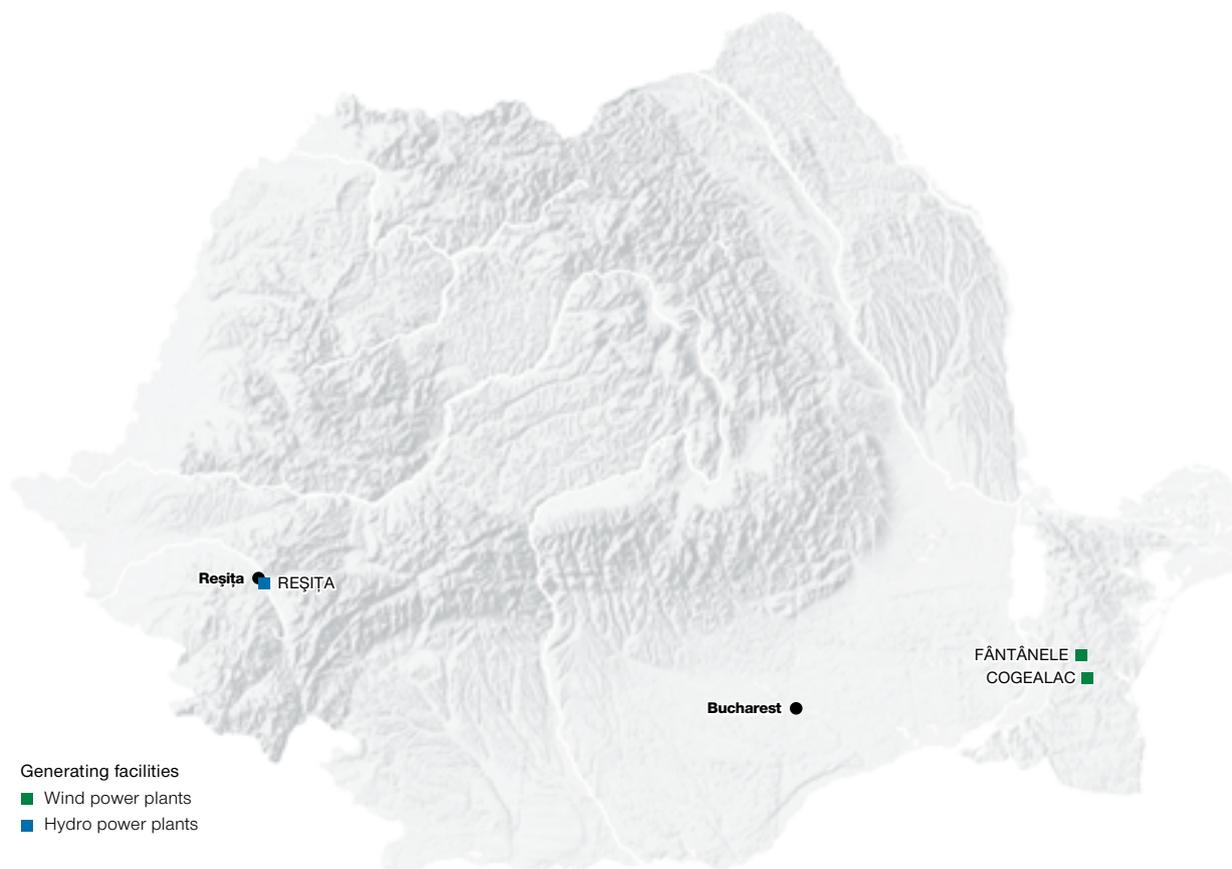


The total 2015 production increased by 80 GWh over 2014. A 120GWh year-on-year increase in generation at the Fântânele and Cogeaalac wind parks was primarily due to an optimized wind turbine configuration. Upgraded hydro facilities at Reșița site generated 50 GWh, which was 40 GWh less than in the previous year. The decrease in generation was due to unplanned equipment outages and a summer with minimum precipitation.

Capital Construction

Minor capital expenditures went mostly into the infrastructure of the Fântânele and Cogealac wind parks in 2015. Total 2015 capital expenditures on electricity generation were CZK 0.02bn.

Location of CEZ Group's Generating Facilities in Romania



Installed Capacity

List of CEZ Group Power Plants in Romania

Hydro Power Plants—Reșița Site

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Brezova	TMK Hydroenergy Power S.R.L.	0.656	1977, renovated in 2013
Crainicel 1	TMK Hydroenergy Power S.R.L.	4.160	1950, renovated in 2013
Crainicel 2	TMK Hydroenergy Power S.R.L.	9.200	1997, renovated in 2013
Grebla	TMK Hydroenergy Power S.R.L.	7.968	1970, renovated in 2013
Small hydro power plants, total		21.984	

Wind Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Cogealac	Ovidiu Development S.R.L.	252.5	2012
Fântânele	Tomis Team S.R.L. M.W. Team Invest S.R.L.	347.5	2010
Wind power plants, total		600.0	

Corporate Segment Reporting as Effective From 2016—Romania

	Unit	Generation— Traditional Energy	Generation— New Energy	Total 2015
Electricity generation	GWh	-	1,336	1,336
Heat supply	TJ	-	-	-
Identifiable assets	CZK millions	-	16,429	16,429
Installed capacity	MW	-	622	622

Electricity Generation Outlook for 2016

CEZ Group expects to generate 0.8 TWh of electricity in the Fântânele wind park and 0.5 TWh in the neighboring Cogeaalac park in 2016. The Reșița hydro plants system should generate 0.1 TWh of electricity.

Distribution and Sales**Distribution**

The regulatory authority ANRE increased distribution tariffs for all voltage levels year-on-year with effect from January 1, 2015. The increase is 4.6% at the HV level, 4.5% at the MV level, and 0.16% for customers at the LV level. For CEZ Distribuție S.A. this means an average tariff increase of 1.59%. Simultaneously, the Romanian regulatory authority made an extraordinary change to the tariff ordinance, by which it decreased the regulated return on distribution assets from original 8.52% to 7.70%.

The regulatory authority published a new decision on tariffs for end customers with regulated electricity prices effective from July 1, 2015.

In the second half of December 2015, the Romanian regulatory authority published tariffs for the regulated sector of distribution and sales with effect from January 1, 2016. The Romanian regulatory authority decreased CEZ Distribuție's average distribution tariff by 11%. It decreased the tariffs of other distribution companies in a similar manner despite the fact that the distribution tariff calculation methodology effective at the beginning of the regulatory period set the limit of a year-on-year change in an average tariff to $\pm 7\%$. However, the regulatory authority changed the tariff calculation methodology just before its new price decision, removing the 7% limit by its unilateral decision. CEZ Distribuție filed a complaint against the above-mentioned decision to a court and simultaneously an appeal to ANRE on January 18, 2016. The regulatory authority dismissed the appeal.

The amount of electricity distributed to end customers by CEZ Distribuție S.A. in 2015 was 6,419 GWh, which was a year-on-year increase of 103 GWh. This was mainly due to higher consumption by both residential and commercial customers at the low-voltage level.

Capital Construction

Capital expenditures on distribution in 2015 were primarily aimed at improving the parameters of the distribution grid at all voltage levels. Their total value was CZK 1.2bn in 2015.

Sales

CEZ Vanzare S.A. sold 3,470 GWh of electricity to end customers in 2015, which was a year-on-year increase of 305 GWh. This was due to an increase in the consumption of residential customers and large industrial enterprises as well as the effect of newly acquired large end customers.

Electricity Distribution and Sales Outlook for 2016

The amount of electricity distributed to end customers in 2016 is expected to be 6.3 TWh. Electricity sales to end customers are expected to amount to 3.2 TWh.

CEZ GROUP IN THE REPUBLIC OF TURKEY

Business Environment

Almost a year of political instability and markets' expectations that the Fed will increase dollar interest rates were reflected in the Turkish lira weakening considerably against the U.S. dollar, going down by approximately 20%. The effect of the weakened Turkish lira on the Group's generation part was partially offset by sales of renewable electricity within the YEKDEM (support mechanism for renewable electricity purchases). Prices in the YEKDEM system are in USD, acting as natural hedging against foreign exchange losses resulting from the depreciation of Turkish lira. To provide hedging against foreign exchange losses, renewable electricity will continue to be sold within the YEKDEM system in 2016.

Business conditions in the electricity sector in 2015 were considerably affected by greater precipitations, which resulted in higher electricity generation at hydro power plants and subsequently in pressure on decline in electricity prices. By contrast, the growing Turkish economy increased demand for electricity by 3.4%.

In electricity distribution and sales, the full unbundling of the distribution and sales functions was completed in 2015. In the context of market liberalization, the minimum electricity consumption limit for choosing the supplier was further reduced. This step gave a wide range of entities, including some households, the right to choose their supplier.

CEZ Group Operations

Electricity Generation and Trading

Electricity was generated by Akenerji Elektrik Üretim A.S. (Akenerji), controlled by ČEZ and its Turkish partner Akkök, as well as Akenerji's subsidiaries Egemer Elektrik Üretim A.S., Akkur Enerji Üretim ve Sanayi A.S. (merged with Akenerji at July 31, 2015), and Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S. (merged with Akenerji at December 24, 2015). Akenerji owns 1 wind park, 7 hydro power plants (after merging with Akkur and Mem and selling the Akocak plant), and 2 CCGT power plants. The CCGT plants were decommissioned in 2014 and the company is working on selling them. A contract to sell the Akocak hydro power plant was signed in 2015 and the sale was completed in January 2016. The Egemer CCGT plant is operated by a subsidiary, Egemer Elektrik Üretim A.S.

The Akenerji Group generated a total of 4,611 GWh of electricity in 2015. A significant increase in electricity generation (2,742 GWh) over the previous year was made possible by putting the Egemer Power Plant into operation and by generating more electricity at hydro power plants having enough water, generating approximately 40% more than their long-term average.

The Akenerji group reached an all-time high in electricity sales in 2015, selling 10.7 TWh, i.e. 73% more than in 2014 (when 6.2 TWh was sold).

Capital Construction

TRY 3.2m (approx. CZK 0.03bn) was invested in electricity generation, in particular in the completion and fine-tuning of the Egemer Power Plant.

Location of CEZ Group's Generating Facilities in Turkey



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List of Power Plants Co-Owned by CEZ Group in the Republic of Turkey

Gas-Fired Power Plants

Plant	Owner	Type of fuel	Installed capacity (MW) as at December 31, 2015	Year commissioned
Egemen	Egemen Elektrik Üretim A.S.	Natural gas	2 x 292.09 1 x 319.82	2014
Gas-fired power plants, total			904.0	

Wind Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Ayyıldız RES	Akenerji Elektrik Üretim A.S.	5 x 3	2009
Wind power plants, total		15.0	

Hydro Power Plants

Plant	Owner	Installed capacity (MW) as at December 31, 2015	Year commissioned
Akocak	Akenerji Elektrik Üretim A.S.	2 x 40.5	2010
Bulam	Akenerji Elektrik Üretim A.S.	2 x 3.515	2010
Burç Bendi	Akenerji Elektrik Üretim A.S.	3 x 9.11	2010
Fekeler I	Akenerji Elektrik Üretim A.S.	2 x 14.7	2012
Fekeler II	Akenerji Elektrik Üretim A.S.	2 x 34.79	2010
Gökkaya	Akenerji Elektrik Üretim A.S.	2 x 14.27	2012
Himmetli	Akenerji Elektrik Üretim A.S.	2 x 13.49	2012
Uluabat	Akenerji Elektrik Üretim A.S.	2 x 50	2010
Hydro power plants, total		369.9	

Note: The power plants in Turkey are owned by associates. Their installed capacity is not included in CEZ Group's total installed capacity.

Electricity Generation Outlook for 2016

The total amount of generated electricity is expected to be 4.97 TWh. A year-on-year increase is derived from the Egemen Power Plant's expected higher production.

Distribution and Sales to End Customers

Distribution

Electricity is distributed in Turkey by regulated regional distribution companies. One of them is Sakarya Elektrik Dağıtım A.S. (SEDAŞ), controlled by ČEZ and its Turkish partner Akkök. The amount of electricity distributed to end customers in 2015 was 8,454 GWh, increasing by 394 GWh year-on-year thanks to growing demand by households as well as by customers among industrial enterprises.

Capital Construction

CZK 0.7bn was invested in distribution. The investments were directed mostly toward increasing grid capacity and efficiency.

Sales

Sakarya Elektrik Perakende Satış A.S. (SEPAŞ), a sales company operating mostly in the distribution area of SEDAŞ, sold 7,612 GWh of electricity to end customers in 2015. This was a slight decrease from the year 2014 (7,693 GWh). It was caused by eligible customers migrating between SEPAŞ and wholesale suppliers depending on changes in the market price.

Electricity Distribution and Sales Outlook for 2016

We are expecting 8.3 TWh of electricity to be distributed and 6.8 TWh of electricity to be sold in 2016.

CEZ GROUP IN OTHER COUNTRIES OF PRESENCE

Slovak Republic

Electricity and Heat Generation

Process steam and electricity are produced by CM European Power Slovakia, s. r. o. (one of several ČEZ and MOL joint ventures). The customer is the Slovnaft refinery belonging to the MOL group. CM European Power Slovakia, s. r. o. generated 370 GWh of electricity and 4,540 TJ of heat in 2015.

CM European Power Slovakia, s. r. o. purchases heating oil and refinery gas from the Slovnaft refinery.

Sales of Electricity and Natural Gas

Electricity and gas are sold by CEZ Slovensko, s.r.o. The company supplied electricity and gas to the segments of large end customers and small end customers, i.e. households and small and medium-sized businesses in 2015. End customers in all segments were delivered 1,822 GWh of electricity and 2,033 GWh of natural gas in 2015.

Electricity and Natural Gas Sales Outlook for 2016

Expectations for 2016 include a volume of supplies in the large end customer segment similar to that of 2015 and possible growth of volume in the small end customer segment depending on developments in price regulation. We will continue to actively pursue growth in our market share.

Capital Expenditures

The denitrification project for the heating plant at the Slovnaft site was reconsidered in 2015; the company had boilers 4 and 5 denitrified and asked for inclusion of a portion of its production capacity, boilers 7 and 8, in the cold reserve. This placed the heating plant under the limit required for denitrification (500 MW) and the denitrification project was executed on a smaller scale.

New Nuclear Power Plant at Jaslovské Bohunice

More than 97% of the priority area has been acquired. A local company belonging to CEZ Group is actively participating in the creation of planning documentation in the municipality of Jaslovské Bohunice, primarily for the purposes of completing land acquisition. A public meeting discussing proposed activities at the level of affected municipalities took place in Veľké Kostoľany on September 23, 2015. Public discussions and foreign consultations took place in Győr (Hungary), Vienna (Austria), Munich (Germany), and Kyiv/Kiev (Ukraine) from October to December. The Czech Republic and Poland did not ask for public discussion or consultation and sent their opinions in writing. Tender specifications are partially completed and will continue to be prepared in 2016. Regulation, financing, and return risks continue to be present in the project.

On April 15, 2016, the Ministry of the Environment of the Slovak Republic issued a favorable final opinion on the new nuclear power plant project, which completed the EIA process.

Hungary

Sales of Electricity

Electricity was sold through CEZ Magyarország Kft., which supplied 1,510 GWh of electricity to large end customers in 2015, i.e. 354 GWh more year-on-year. This strengthened the company's position as a leading alternative supplier of electricity to this customer segment.



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Electricity Sales Outlook for 2016

The total volume delivered in 2016 is expected to be similar to that of 2015. We will continue to actively pursue growth in our market share.

Shares of MOL Nyrt.

CEZ MH B.V., a member of CEZ Group, holds a 7.3% equity stake in the Hungarian petrochemical company MOL Nyrt. The market capitalization of the shares traded on the Budapest stock exchange was approximately CZK 9.4bn as at December 31, 2015. After MOL's option to purchase the stake expired, CEZ MH B.V. issued convertible bonds on February 4, 2014 whose owners will be able to exchange them for MOL Nyrt. shares at EUR 61.25 as of January 25, 2017.

Republic of Serbia

CEZ Group operates on the wholesale electricity market in Serbia. Acquisition activities have been wound down since 2010.

Kingdom of the Netherlands

CEZ Group has no actual energy-related business activities in the Kingdom of the Netherlands. The Dutch subsidiaries are holding and/or financing companies used to finance projects within CEZ Group.

Ireland

CEZ Group has no energy-related business activities in Ireland. The principal business of its local subsidiaries is related to CEZ Group's financing. CEZ Finance Ireland Ltd. is in liquidation.

Federal Republic of Germany

CEZ Group is interested in the following areas of investment:

- Strategic projects in renewable energy sources, primarily onshore wind turbines and potentially offshore wind parks and other technologies;
- Decentralized, innovative energy services and products, so far represented by a stake in sonnen GmbH (formerly Sonnenbatterie GmbH), a company developing, manufacturing, and selling smart battery energy storage systems, and in SunFire GmbH, a company developing and introducing into industrial production energy technologies that help reduce CO₂ emissions and develop decentralized energy facilities.

Having carefully considered all opportunities and risks, ČEZ, a. s. decided not to make a firm offer on the selected assets of Vattenfall. Vattenfall's brown coal assets are among the most advanced and effective conventional facilities in Germany. The brown coal assets were for sale together with 10 hydro power plants with an installed capacity of 2.8 GW. The main reason for not making the firm offer was the deepening unfavorable development of wholesale electricity prices, which impact conventional power plants' financial indicators and service life, and lingering uncertainty over a premature scale-down of coal-fired facilities in Germany. However, ČEZ, a. s. is still ready to discuss other terms and variants of the sale.

CEZ Group signed a framework agreement on cooperation with Alceda Asset Management GmbH and Aquila Capital Investment GmbH (the "Aquila group") on December 23, 2015. The Aquila group undertook to seek opportunities for CEZ Group to acquire wind parks in Germany in order to allow CEZ Group to invest in wind power plants of up to 120 MW in capacity, in a timeframe of five years.

CEZ Deutschland GmbH operated in Germany in 2015. It is engaged in electricity trading as well as providing support for seeking and acquiring wind power plants projects.

Republic of Albania

ČEZ, a. s. held 100% stakes in Shared Services Albania Sh.A. and CEZ Trade Albania Sh.P.K. The companies went into liquidation; CEZ Trade Albania Sh.P.K. ceased to exist in November 2015 and the liquidation of Shared Services Albania Sh.A. is expected to end in H1 2016.

The 2014 settlement agreement with the Albanian government is being fulfilled according to the specified schedule. Until October 16, 2014 (when the agreement entered into effect), ČEZ, a. s. held a stake in the distribution and sales company Operatori i Shpërndarjes së Energjisë Elektrike sh.a. (named CEZ Shpërndarje Sh.A. until July 23, 2014) but had no actual control over the stake. While arbitration was conducted against the state of Albania on grounds of its failure to protect the investment in the company (started in May 2013), difficult negotiations with the Albanian party led to a settlement agreement, which entered into effect in October 2014. Albania duly paid another yearly installment of CZK 0.6bn in July 2015. The remaining amount will be paid up by 2018 in yearly installments, which are covered by a guarantee of a renowned European bank.

Bosnia and Herzegovina

The final transfer of the stake in NERS d.o.o. in February 2015 completed the execution of the award of the International Court of Arbitration of the International Chamber of Commerce in Paris with the place of arbitration in Vienna, which upheld the claim of ČEZ, a. s. on grounds of a breach of the Implementation Agreement for the Gacko project in the Republic of Serbia in Bosnia and Herzegovina and non-acceptance of the put-option by MH ERS. The Implementation Agreement definitively ceased to exist. CEZ Bosna i Hercegovina d.o.o. was in liquidation from 2013 and was dissolved on February 5, 2015.

Republic of Cyprus

CEZ Group had no energy-related business activities in Cyprus. Taidana Limited, wholly owned by Tomis Team S.A., was dissolved in February 2016.

People's Republic of China, Mongolia, Ukraine, and Other Countries

A memorandum of cooperation was signed in March 2016 by the Czech Energy Alliance, led by ŠKODA PRAHA and associating 13 other leading Czech engineering companies, and Chinese nuclear companies CGN and CEFC. This will facilitate the Czech companies' subcontracting with the Chinese nuclear companies; ŠKODA PRAHA will in turn support the Chinese party in certifying its Generation III+ reactor project to European requirements.

ŠKODA PRAHA a.s. signed a cooperation agreement with Chinese company Pinggao Group Co., Ltd., under which it will develop projects for clean technologies, grid construction, and the construction of power plants, especially photovoltaic installations and wind turbines, in Central and Eastern Europe, Ukraine, Mongolia, and China. Total investments can reach tens of billions of CZK. A subsidiary, CEZ Ukraine LLC, currently exists in Ukraine but does not pursue any activities.

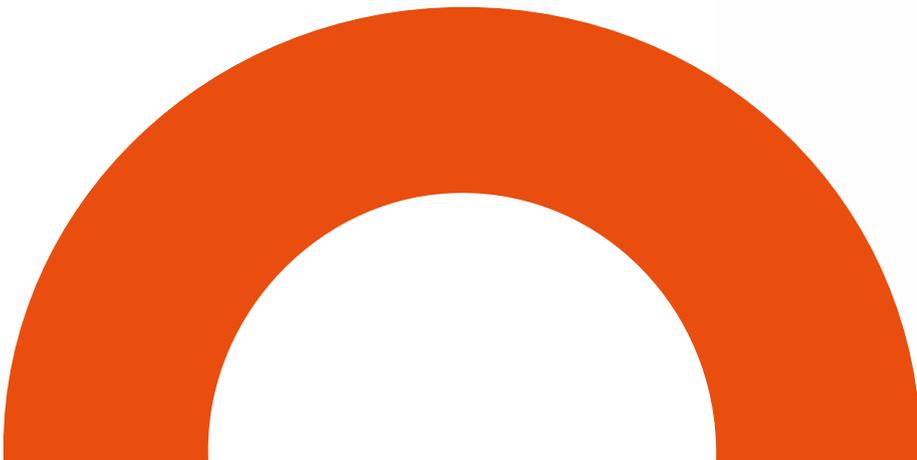
In addition, the previously signed Memorandum of Cooperation in nuclear energy and renewable energy sources was reaffirmed by CGN and ČEZ.

New Diesel Generators Will Come to the Rescue in Case of a Blackout

Having a good plan is crucial for success, but having a backup plan as a lifebuoy—that's almost certainty. It is important to prepare for emergencies in advance in order to immediately know, when the time comes, what to do first, what to do next, and how to reach the goal. **IN** We tested the first mobile diesel generators as backup power supplies in case of a blackout at the Temelin Nuclear Power Plant. We connected them to the water pumping system for reactor cooling. This is the top priority in case of a failure or accident. The advantage of the backup equipment is that it is not connected to the local power plant but has its own supply cables. **OVATIONS** The alternative power supplies tested well, so we purchased additional ones for the Dukovany Nuclear Power Plant in 2015. **INNOVATIONS**



DG²=





DNPP

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We purchased diesel generators as backup power supplies also for the Dukovany Nuclear Power Plant in 2015.

RESEARCH AND DEVELOPMENT

CEZ Group companies reported total 2015 expenditures on research and development amounting to CZK 827.6m. The expenditures of ČEZ, a. s. include a reactor vessel material surveillance program, which is aimed at obtaining information on the current state of reactor pressure vessels and providing a scientific basis for predicting their useful lifetimes.

CEZ Group Expenditures Relating to Research and Development in 2015 (CZK Millions)

Company	R&D expenditure	Of which subsidized
ČEZ, a. s.	234.4	-
Centrum výzkumu Řež s.r.o.	396.1	384.4
ČEZ Distribuce, a. s.	13.4	0.5
ČEZ Energetické produkty, s.r.o.	2.3	1.4
PRODECO, a.s.	6.0	-
ÚJV Řež, a. s.	169.5	84.2
Severočeské doly a.s.	5.9	-
Total	827.6	470.5

ČEZ, a. s.

ČEZ, a. s. has a coordinated system of research and development in place across the whole company, which allows defining key activities with an optimum form of solution. It focuses on areas and themes with significant application potential. Thanks to this, ČEZ is becoming a major holder of expertise on innovative energy technologies in the Czech Republic.

International Collaborations and Technology Platforms

ČEZ, a. s. is a member of Electric Power Research Institute, Inc. (EPRI) in the segments of nuclear energy and energy using fossil fuels, and VGB PowerTech e.V. where its participation focuses on conventional power and partially on renewables. ČEZ, a. s. is also a member of several European technology platforms and European industrial initiatives; it has a strong position in nuclear energy, as documented by its participation in the Sustainable Nuclear Energy Technology Platform (SNETP), the NUGENIA association, or the European Sustainable Nuclear Industrial Initiative (ESNII) focusing on new reactor systems. As for Czech technology platforms, ČEZ, a. s. is actively engaged in particular in the “Czech Republic Sustainable Energy” Technology Platform, whose Executive Committee has long been chaired by a representative of company ČEZ.

Nuclear Energy

As part of its membership in the EPRI nuclear section, company ČEZ makes intensive use of know-how derived from projects whose specifications are approved by EPRI members—nuclear power plant operators. The EPRI R&D portfolio covers a wide range of areas, from fuel reliability, corrosion of materials, and safety aspects to new nuclear technologies.

Projects executed by Czech organizations included successfully completed projects focusing on the diagnostics of inaccessible piping, fatigue life evaluation and forecast for welded joints in primary medium environments at nuclear power plants, or technologies for and optimization of radioactive waste management systems.

Energy Using Fossil Fuels

ČEZ, a. s. obtains a great deal of information from its membership in EPRI, programs focusing on the service life and behavior of materials used in coal-fired facilities, as well as programs oriented to turbines and generators.

Noteworthy domestic activities included collaboration on a project aimed at minimizing mercury emissions to the environment.

Renewable Energy Sources and Energy Accumulation

Efforts in 2015 were focused on hydro power, with an innovative vortex turbine in a late stage of manufacture; the turbine will be installed on the Tušimice site. Company ČEZ continually evaluates promising directions and applications of energy storage technologies in conjunction with, among other things, the development of distributed energy as well as the ongoing development of electricity generation from intermittent renewable sources.

Projects Supported by National Public Funds

ČEZ, a. s. is an active participant in projects supported by the Technology Agency of the Czech Republic as an industrial partner. Projects that were successfully finished in 2015 included a project to develop a probe for continuous measurement of the dew point of flue gases (usable in coal-fired power plants) and a project for boric acid regeneration using membrane processes (potentially applicable in nuclear power plants). An ongoing project aims to map the potential of biomass as an energy source for covering local, regional, or nationwide fuel needs. In addition, there were two comprehensive projects under the Competence Centers program. The goal of the project entitled “Center for Reliable Energy Research and Experimental Development” is to help increase the efficiency, service life, operational reliability, safety, and effectiveness of both coal-fired and nuclear power plants. The project named “Waste-to-Energy Competence Center” aims to prepare detailed engineering and economic designs for a set of cost-effective and efficient waste combustion facilities and to gain information on waste logistics.

Centrum výzkumu Řež s.r.o. (CVŘ)

CVŘ is a research organization focusing on research, development and innovation in the energy sector, in particular nuclear energy. It has considerable research and experimental infrastructure available for these purposes, including the LVR-15 and LR-0 research reactors and in-pile loops. The research infrastructure is greatly enhanced by the implementation of a large capital project named SUSEN (Sustainable Energy) under the Research and Development for Innovation Operational Program of the European Regional Development Fund.

Research and Development for Operated Nuclear Reactors and Nuclear Fuel Cycle

There are construction projects underway for building a unique complex of new hot-water chambers which will be available for testing irradiated materials, as well as equipment for researching and testing component robustness in the event of a loss-of-coolant accident (LOCA), and waste treatment (compaction, solidification) equipment. CVŘ collaborates on research for deep geological repositories and creates a knowledge environment aimed at providing SÚJB with scientific and technical support in the field. A computational model is systematically built at CVŘ for the purposes of independent assessment for safety analyses of selected serious accident scenarios at nuclear power plants. Its outputs are time-dependent thermal-hydraulic parameters and source terms of the analyzed accident scenarios, which will be used to verify accident handling actions and procedures.

Research into Generation IV Nuclear Reactors

CVŘ participates in international research into most advanced reactor designs. Material loops will be installed in Řež—some of them in-pile—for supercritical and ultra-critical water, high-temperature He, supercritical CO₂, and liquid salt environments; experiments in a liquid metal environment are already underway.

Research into Nuclear Fusion

Testing equipment was built for components of the ITER thermonuclear reactor that will be in contact with plasma—in particular, primary first wall (PFW) panels, internal divertor targets, and Faraday antennas for radio-frequency heating. A specific test facility named the TBM Platform is built at CVŘ under the SUSEN project; on a scale of 1:1, it will truthfully simulate a part of the ITER building as well as individual technological modules with TBM systems and subsystems complete with all major interfaces and a biological shielding plug. The research projects are undertaken under the auspices of European consortium EUROfusion and Fusion for Energy (F4E).

ČEZ Distribuce, a. s.

Activities focused on the implementation of pilot projects for new technologies in medium- and low-voltage grids, especially in the Vrchlabí Smart Region, which is part of the large Grid4EU project supported by the European Commission. Other projects concerned testing communications technologies for Smart Grids on 35kV overhead lines, detecting faults in insulated medium-voltage conductors, stabilizing voltage by regulating generating facilities' reactive energy, verifying the possibility of optimizing local consumption against local generation in a distribution system, as well as a pilot project for monitoring the quality of electricity and the condition of medium- and low-voltage power elements in transformer stations and testing the transmission of measured values and conditions to parent systems. Other implemented projects evaluated the reliability of individual distribution system elements (element reliability) and the operation, usability and effect of renewable energy sources on the Czech Republic's electricity system. Attention was also paid to voltage stabilization in medium- and low-voltage distribution grids with a high share of renewable energy sources and distributed generation, with a view to assessing their effect and impacts on voltage quality.

ČEZ Energetické produkty, s.r.o.

Basic production verification tests were completed for road panels made of a specially designed mixture based on coal-combustion by-products under a granted patent (2015—ČEZ Energetické produkty; University of Chemistry and Technology, Prague; Czech Technical University, Prague). The road panels received product certification—B-FPC Road Panels.

The project investigating the “Possibilities of Industrial Application of Fluid Fly Ash From Low-Temperature Combustion in the Manufacture of Construction Materials”, supported by the Czech Ministry of Industry and Trade, was duly completed on schedule in 2015. Its goal was to improve the utilization of fluid fly ash from low-temperature combustion in the manufacture of construction materials, e.g. as an additive to lightweight aggregate. In connection with this project, some measures for the operation of CEZ Group's conventional power plants were prepared in order to improve fly ash distribution toward utilization in the construction industry. The project outcomes are characterized by developing new formulations which are put into practice as new products in the construction industry.

PRODECO, a.s.

PRODECO, a.s. is a European leader in heavy engineering; it is a major supplier of mining machinery for the extraction of coal and other mineral resources. Development work was undertaken in 2015 for design documents for a new type of mobile conveyors. The solution is unique in many aspects, eliminating the shortcomings of a similar machine used at the Bílina Mine. The machine based on the design documents will be delivered in 2017.

ÚJV Řež, a. s. (ÚJV)

Since its foundation in 1955, ÚJV Řež, a. s. (formerly Ústav jaderného výzkumu Řež a.s.) has been an important organization in the European research environment. In the field of science and research, it focuses primarily on services for the operators and manufacturers of power installations, especially nuclear power plants, radioactive waste storage and disposal, and radiopharmaceuticals. Internationally, ÚJV collaborates intensively on projects supported by the European Commission (most importantly those concerning nuclear fission—the Seventh Framework Program and newly Horizon 2020) as well as IAEA and OECD/NEA. These concern material qualification, improving the safety of nuclear power plants with VVER reactors, safe supply of nuclear fuel (the ESSANUF project), or matters relating to serious accidents—the coolability of melt in a VVER-1000 reactor pressure vessel (the IVMR project).

ÚJV participates actively in the NUGENIA European association and the Visegrad Initiative for Nuclear Cooperation (VINCO). ÚJV contributes considerably to research projects supported by national grant providers—the Czech Ministry of Industry and Trade (research and development in radioactive waste management technologies and systems in relation to new nuclear installations), the Czech Ministry of the Interior (one of the most important projects is “A New Method for Measuring the Response of Containment Structure for Ensuring Nuclear Power Plant Safety in Case of Serious Accidents”), and most importantly the Technology Agency of the Czech Republic. ÚJV Řež worked on more than thirty such research projects, including research and development of an advanced hydrogen production technology using high-temperature electrolysis, methods and technologies for capturing flue gas CO₂ and the design of a technical solution for the Czech Republic's conditions, the effect of work medium on structural materials used in steam pipes for energy generating units, development of pilot equipment for the monitoring of mercury emission reduction in large and midsize generating facilities, or development of a visualizer of the course of a severe nuclear power plant accident for serious accident response training. In order to increase the concentration and improve the effectiveness of the management of research and development, ÚJV Řež is put in charge of research subsidiaries: Výzkumný a zkušební ústav Plzeň s.r.o. in equipment research and testing for the energy sector and transportation systems, and Centrum výzkumu Řež s.r.o. in research and development activities in nuclear energy.

Severočeské doly a.s.

Company Severočeské doly a.s. does not have its own research and development capacities and uses external suppliers for such activities. The most significant activities in 2015 included:

- In mining technology: dust removal in coal mining and processing—the project concerns dust removal at conveyor system transfer points using rotary atomizers, transfer point enclosures, and coal dust evacuation into containers;
- In mining engineering: increasing the capacity of an internal waste soil dump at the Bílina Mines—the started project is aimed at increasing storage capacity for overburden soils at an internal dump, which should be up to 250 m high in the future. The purpose of the project is to create a three-dimensional hypoplastic model, which will be used to compute shape optimization for the internal dump with respect to stability and maximum dump space utilization. The computation uses the numerical finite element method with nodal points in space. What is unique is the extent of the computational model, which will ultimately be able to handle an entire area of 4.5 km x 6 km.

CEZ GROUP DONORSHIP

Social responsibility permeates all fields of activities of CEZ Group, which is a long-term supporter of education, culture, sports, environmental protection, and community life through corporate donorship and sponsoring in localities where it operates.

Donorship

In 2015, CEZ Group continued with its donorship activities, which allow it to regularly defend the first place in the Top Corporate Donor category of the TOP Responsible Corporation competition, organized by the Business for Society platform. CEZ Group also involves its employees in corporate donorship on a long-term basis; in 2015, its employees donated money to people in need for the ninth time through the Granting Wishes, Thinking About Others project.

Financial Donorship

CEZ Group companies donated CZK 325.1m in 2015, with direct donations accounting for CZK 150.3m and contributions to the CEZ Foundation amounting to CZK 174.8m.

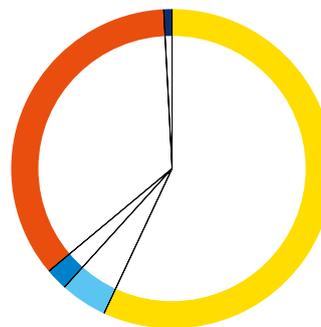
Direct Donations by CEZ Group Companies (CZK Millions)

ČEZ, a. s.	69.5
Other CEZ Group companies	80.8
CEZ Group, total	150.3

CEZ Group companies allocate financial donations in the spirit of the motto "We Help Where We Operate," donating to regions to support especially regional development projects but also social, cultural, sports, and educational projects, and projects improving the environment.

Direct Donations by ČEZ, a. s., by Area

Area	CZK millions	%
Municipal infrastructure and regional development	39.7	57.1
Culture and environment	3.2	4.6
Education, science, and youth	1.6	2.3
Sports	24.5	35.3
People in need and people with disabilities	0.5	0.7
Total	69.5	100.0



List of Entities Supported by ČEZ, a. s.

For a file with a list of entities supported by ČEZ, a. s. in 2015 and the form of support, refer to www.cez.cz/dary.

CEZ Foundation

Contributions by CEZ Group Companies to CEZ Foundation (CZK Millions)

Company	Contribution
ČEZ, a. s.	50.0
ČEZ Distribuce, a. s.	75.0
ČEZ Distribuční služby, s.r.o.	25.0
ČEZ Prodej, s.r.o.	21.6
ČEZ Zákaznické služby, s.r.o.	3.2
Total	174.8



CEZ Foundation Activities

Over its thirteen-year history, the CEZ Foundation (www.nadacecez.cz) has supported more than 6,600 public benefit projects with donations totaling CZK 1.98bn.

In 2015, it supported 963 projects with CZK 182.8m under programs responding to society's current needs. These were regularly opened grant programs:

Orange Playgrounds—support for building and renewing children's playgrounds and sports fields.

Support for Regions—support for activities that help improve the life of local people in municipalities throughout the Czech Republic, particularly those concerning health care, children and youth, social work, science and education, protection of human health and human rights, culture, and the environment.

Orange Stairs—support for accessibility modifications enabling students and teachers with disabilities to integrate into the learning process.

Orange Classroom—support for the purchase of equipment and aids that help make physics and technical classes better and more attractive.

Trees—support for planting rows of trees, primarily new and renewed avenues of trees and roadside trees.

Orange Crosswalk—support for lighting at crosswalks.

Employee Grants—support for nonprofit organizations that employees from CEZ Group companies in the Czech Republic volunteer at.

An important element for involving the public in the Foundation's activities was the launch of the **EPP—Move to Help** mobile app.

The app allows users to generate points by being physically active and to give the points to offered nonprofit projects, which will then receive financial support from the CEZ Foundation.

The app was supported and promoted by the **Move to Help LIVE!** project, which offered visitors to various cultural, social, and sports events the opportunity to support local nonprofit organizations by pedaling for one minute on a specially outfitted stationary bicycle.

For the seventh time, the CEZ Foundation was a partner of **"Granting Wishes, Thinking About Others,"** a charitable project of CEZ Group, employees of CEZ Group companies, and the CEZ Foundation. In 2015, aid was provided to eight shelters.

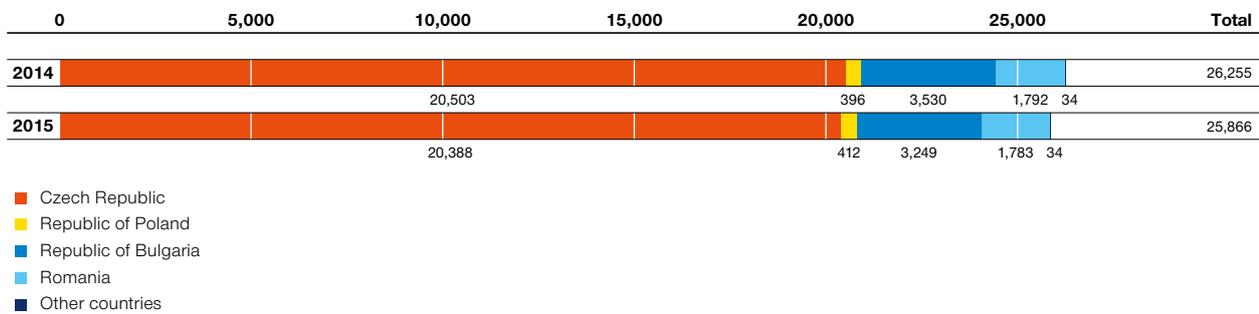


HUMAN RESOURCES

Headcount Changes

As at December 31, 2015, companies within the consolidated CEZ Group employed 25,866 people, i.e. 389 (1.5%) people less than at the same date in 2014.

Workforce Headcount as at December 31, by Location

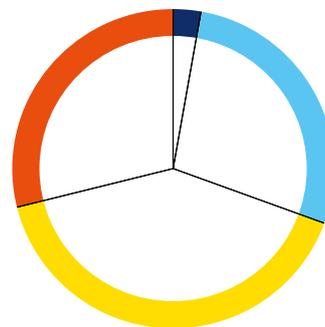
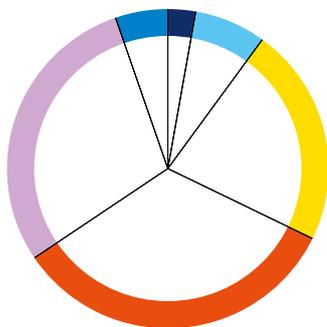


Workforce by Age as at December 31, 2015

Age Group	%
Up to 25 years	3
26-30 years	7
31-40 years	22
41-50 years	33
51-60 years	29
61 and more years	5
Total	100

Workforce by Highest Level of Education Achieved as at December 31, 2015

Education Level	%
Primary	3
Apprenticeship	28
Secondary	41
University	29
Total	100



Strategic Recruitment

The labor market underwent radical changes in 2015, characterized by a continuously decreasing number of job seekers and an increasing number of vacancies. At the same time, a significant discrepancy was apparent between demand and supply in technical positions requiring technical education. As a logical result of these conditions, companies in general increased their activities targeted at school leavers and potential employees. In spite of this situation, and a decrease in the average number of suitable candidates, CEZ Group managed to fill advertised vacancies as required.

Its ability to get new employees was contributed to by activities relating to building the employer brand and cooperating with partner schools and students. Newly defined messages were communicated in 2015 to present CEZ Group as an attractive employer. Work with the young generation continues to be based on a partner network of high schools and technical colleges and universities. In addition to nuclear, energy, and distribution extracurricular programs and the Summer University, offered as standard, an Innovation Marathon was newly organized for college and university students at the end of the year. In spite of all these activities, CEZ Group's position in employer attractiveness rankings, which are based on college and university students' votes and published regularly, deteriorated in 2015.

A steady part of strategic recruitment activities is supporting technical education. Although a long-term agreement on general partnership in Mathematics and Physics Olympiads ended in 2015, an extension of this collaboration was agreed with the Union of Czech Mathematicians and Physicists. The second year of the "I Know Why" contest, relating to physics popularization, ended in the spring. It brought about 300 new videos describing physical phenomena and principles through the eyes of elementary and high school students.

The year 2015 was also characterized by increased activities relating to staff renewal in distribution. The number of positions intended for high school graduates (in power engineering) doubled in comparison with 2014. Having evaluated the program's effect and in view of the trend in age structure, CEZ Group is getting ready to further increase its requirements in 2016.

Training Program

The line of business and strategic objectives of CEZ Group place high demands on the expertise, skills, and experience of its employees. Its staff development activities therefore involve:

- Providing an exceptionally wide range of training to allow staff to meet qualification requirements as well as to gain necessary skills beyond required qualifications;
- Continually updating and developing a portfolio of in-class, e-learning, and combined training courses;
- Implementing a number of custom-tailored programs, such as the "New Manager—Leading People" systematic development activity for employees newly holding a managerial position;

- Providing the ČEZ Potentials one-year trainee development program for new talented university graduates, for 12 years already;
- Promoting the sharing of important knowledge and experience (knowledge management) by implementing new elements for sharing, for example, professional meetings and expert seminars between ČEZ, ÚJV Řež, and Slovenské elektrárne, and interconnecting knowledge databases with nuclear power plant operators (WANO).

In the area of CEZ Group's nuclear operations, continuous improvement of specialized training and specific employee skills is a prerequisite for the safe and reliable operation of nuclear power plants. The high level of employee training for nuclear activities was confirmed by an international WANO Peer Review of the Temelín Nuclear Power Plant in 2015. In accordance with outputs from an employee survey and the CEZ Group Management Meeting 2014 and as a follow-up to the fulfillment of the corporate culture action plan and main goals of the Performance and Enterprise strategic program, activities carried out in 2015 included corporate management development for directors and managers under the Management Growth Program—People Development Forum (a joint platform for CEZ Group's top management to discuss development and career opportunities for program participants), the Management Academy (a workshop developing managerial competences), and appraisal differentiation workshops.

A pilot project for internal and inter-company mentoring and internal coaching was launched in 2015.

Social Policy

At CEZ Group, social policy consists of a wide range of activities and benefits, both monetary and non-monetary, provided to employees under collective agreements negotiated between employers and labor unions. Employees earn wages in accordance with CEZ Group's long-term financial performance and its position in the labor market. CEZ Group companies have a shortened, 37.5-hour work week, one additional week of paid vacation is provided beyond the statutory minimum, and employees get paid leave beyond the scope required by law. CEZ Group companies also provide employees with an extra wide range of perks such as personal accounts intended primarily for recreation and leisure-time activities; health care, including preventive health programs (Health Days); contributions to supplemental pension insurance, life insurance, employee meal plans; contributions during the first three days of sick leave; special bonuses for jubilees and on retirement; and one-shot social aid in case of an emergency. CEZ Group companies also take care of their retired employees (CEZ Group Seniors Endowment Fund, pensioners' clubs).

The fundamental principles of CEZ Group's remuneration and social policy in the Czech Republic apply to acquisitions abroad as well.

Relations With Labor Unions

There were a total of 28 local labor unions operating at ČEZ, a. s. in 2015, organizing approximately 1,500 employees, i.e. approx. 30% of the company's total workforce.

Selected major CEZ Group subsidiaries in the Czech Republic had a total of 42 local labor unions, organizing approximately 3,100 employees, i.e. 47% of the employee headcount.

Thirty-three of these local labor unions were members of four associations with regional scope of activity.

The above-mentioned local unions are members the ECHO Labor Union, the Czech Union of Power Industry Employees (CUPIE), and the KOVO Trade Union. ČEZ, a. s. is a member of the Czech Association of Energy Sector Employers, which negotiates a higher-level collective agreement with CUPIE and ECHO. Amendment No. 2 to this collective agreement, in force until the end of 2016, was made in 2015.

Regular meetings were held between the employer and labor union representatives in 2015 in order to provide information to labor unions and to discuss organizational changes and other topics specified by the Labor Code and the collective agreement. Collective bargaining in 2015 concerned amendments to all collective agreements in force, dealing primarily with wages, salaries, and benefits. The collective bargaining culminated in December in the signing of Amendment No. 13 to the collective agreement at ČEZ, a. s. and the signing of amendments to collective agreements at selected subsidiaries. A total of 14 labor unions operated within the Severočeské doly group.

Severočeské doly a.s. and its subsidiaries PRODECO, a.s., Revitrans, a.s., and SD - Kolejová doprava, a.s. have collective agreements, including Amendment No. 1 to the collective agreement, effective until December 31, 2017.

CEZ Group's production and distribution companies abroad usually have union memberships exceeding 70% of the workforce. In Poland, a total of 4 labor organizations operated within CEZ Group in 2015. The principal subject matter of collective agreements were salary raises in 2016. Bargaining at CEZ Skawina S.A. was started in early 2015 and a collective agreement was signed in December 2015 for 3 years with effect from January 1, 2016. The collective agreement for Chorzów Power Plant employees is effective until the end of 2016.

There was 1 labor union operating at the Varna Power Plant in Bulgaria. The collective agreement is effective until the end of 2017.

CEZ Razpredelenie Bulgaria AD had 4 labor unions, CEZ Bulgaria EAD also had 4 labor unions, and CEZ Elektro Bulgaria AD had 2 labor unions operating at the company. The collective agreements at these companies are valid until December 31, 2017.

In Romania, collective agreements are made at CEZ Distribuție S.A., CEZ Romania S.A., CEZ Vanzare S.A., and TMK Hydroenergy Power S.R.L. A new two-year collective agreement was signed at CEZ Vanzare with effect from January 1, 2016. TMK Hydroenergy Power has a collective agreement effective until December 31, 2016. CEZ Romania's collective agreement was renewed until December 31, 2016. CEZ Distribuție has a collective agreement effective until March 31, 2018.

The CEZ Group European Works Council has been operating in CEZ Group since 2007; it is currently composed of 23 employee representatives from the Czech Republic, Poland, Bulgaria, and Romania. Negotiations concern primarily CEZ Group's strategies, financial performance, and happenings in CEZ Group's foreign shareholdings.

Business Ethics Principles

Every day, CEZ Group is confronted with a high rate of changes in global and European business conditions, whether in technologies, commodities, economic relations, or regulatory requirements—and naturally, in our customers' needs and requests. However, there is an aspect of CEZ Group that remains the same in this environment: permanent concern for fair business and human relations as an indispensable basis for trust inside and outside CEZ Group.

CEZ Group kept developing its corporate culture in the area of ethical business conduct in 2015. Its "Ethical Behavior Policy" entered into effect at the beginning of 2015 as a strategic document that specifies the Code of Conduct and rules for compliance with the Code of Conduct to define general rules of ethical conduct and their uniform interpretation and application to employees, suppliers, as well as partners. As a follow-up to the document, CEZ Group launched its own Ethics (Whistleblower) Hotline, which allows CEZ Group's employees and partners as well as third parties to report any suspected dishonest or unethical behavior, i.e. behavior in violation of professional standards or a breach of the Code of Conduct. Such reports may be made anonymously. CEZ Group's Ethics Hotline was used actively in 2015 and produced the first useful findings for further advancement of corporate culture and improvement in corporate processes, as well as suggestions for investigating and addressing specific cases of individuals' misconduct.

In the area of anti-corruption measures, a procedure for identifying and reporting employees' potential conflict of interest with their secondary activities was introduced and will be expanded gradually into all CEZ Group companies during 2016. Furthermore, a guideline defining the rules and criteria for accepting and providing gifts and entertainment was prepared; when it is approved and enters into force in 2016, it will significantly reduce the risk of decisions adopted at all levels of CEZ Group management being influenced by individuals' private interests to the detriment of CEZ Group's interests. In the area of competition, a guideline defining the rules and procedures for adherence to competition rules was prepared; when it is approved and enters into force in 2016, it will increase the standard of CEZ Group management in the matters in question.

By doing all of this, ČEZ, a. s. wants to help, alongside other leading companies, promote an environment of ethics in the Czech Republic.



E-mobility Is the Hope for World Roads in the 21st Century

Em+ ()

We put new public charging stations into operation in 2015, bringing the number of units serving electric vehicles throughout the Czech Republic to 54.



Man has always wanted to master speed and time, so it was only natural that the first electric car was created with the advancement of electricity, long before internal combustion engine vehicles. Electric vehicles prevailed until the early 20th century. However, history favored gasoline and diesel. Only since the beginning of the 21st century has electric mobility been gaining popularity. And CEZ Group is part of this. Energy companies have everything that is needed for the development of this phenomenon. **IN** Through our ČEZ Electromobility project, we are operating 54 public charging stations in the Czech Republic, including 10 fast-charging stations, which we continued to put into operation in 2015. We have a special website for users, www.elektromobilita.cz, showing an up-to-date map of locations with charging stations and a lot of other information. **OVATIONS** A ride in an electric car has specific characteristics—it is quiet, smooth, and fluent. By supporting this type of propulsion, we help reduce the levels of noise and dust in cities, where most electric vehicles are used. You can even ride an electric bus when going to ČEZ's headquarters in Prague. Using electric vehicles means reduced operating costs—the owner of such a vehicle saves more than 60% of the fuel costs of a comparable internal combustion engine vehicle. **INNOVATIONS**

$$= \frac{54^s}{CR} = -60\%$$

DEVELOPMENTS IN THE LEGISLATIVE FRAMEWORK FOR THE ENERGY SECTOR IN THE CZECH REPUBLIC

Legislation in the Czech Republic

On January 1, 2014, Act No. 89/2012 Sb., Civil Code, entered into effect, replacing the previously applicable civil code (Act No. 40/1964 Sb., Civil Code) and becoming the new principal body of law regulating private legal relations in the Czech Republic. Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act) entered into effect on the same date, replacing Act No. 513/1991 Sb., Commercial Code. January 1, 2014 was also the date of effect of Act No. 91/2012 Sb., on private international law. This recodification of private law in the Czech Republic is accompanied by the adoption of associated legal regulations, currently Act No. 87/2015 Sb., amending some acts in connection with the effect of private law recodification, which are aimed at incorporating the law contained in the recodification acts in other related legal regulations. In reaction to the change in the fundamental bodies of private law regulating the economic and commercial aspects of its business activities, CEZ Group continued taking steps during 2015 to properly implement the requisite measures in compliance with the applicable provisions of the above-mentioned acts. In addition, ČEZ, a. s. as an issuer of securities admitted to trading on a public market is also governed by Act No. 256/2004 Sb., on capital market undertakings. Act No. 137/2006 Sb., on public procurement, which was amended by Act No. 40/2015 Sb., amending Act No. 137/2006 Sb., on public procurement, as amended, applies to the selection of contractors by ČEZ, a. s. under the conditions defined therein. Both acts, Act No. 256/2004 Sb. and Act No. 137/2006 Sb., were amended by Act No. 375/2015 Sb., amending some acts in connection with the adoption of the act on remedial procedures and solutions for the financial market crisis and in connection with amendment to the deposit guarantee system (with effect from January 1, 2016).

Alongside this general legal framework, there is energy legislation that is also crucial for CEZ Group and whose basis is formed by the following:

- Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in the energy sectors and on amendments to some acts (Energy Act);
- Act No. 18/1997 Sb., on the peaceful use of nuclear energy and ionizing radiation and on modifications and amendments to some acts (Atomic Energy Act);
- Act No. 406/2000 Sb., on energy management;
- Act No. 165/2012 Sb., on supported energy sources and on amendments to some acts.

In addition to these four core regulations, energy business—especially electricity and heat generation—is increasingly affected by environmental legislation. The following regulations can be regarded as crucial in that area:

- Act No. 201/2012 Sb., on air protection;
- Act No. 695/2004 Sb., on conditions for trading in greenhouse gas emission allowances and on amendments to some acts;
- Act No. 383/2012 Sb., on conditions for trading in greenhouse gas emission allowances;
- Act No. 76/2002 Sb., on integrated prevention and pollution control, on the integrated pollution register, and on amendment to some acts (Integrated Prevention Act).

The following amendments to these laws were adopted during 2015:

- Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in the energy sectors and on amendments to some acts (Energy Act) and Act No. 165/2012 Sb., on supported energy sources and on amendments to some acts, were amended by Act No. 131/2015 Sb.—an extensive amendment to the two acts reflecting the necessity to implement EU legislation and necessary changes relating to the private law codification (primarily effective from January 1, 2016);
- Act No. 406/2000 Sb., on energy management, was amended by Act No. 103/2015 Sb., transposing Directive 2012/27/EU on Energy Efficiency (with effect from July 1, 2015);
- Act No. 201/2012 Sb., on air protection, was amended by Act No. 382/2015 Sb., introducing fuel suppliers' obligation to secure minimum amounts of biofuels in fuels with a security deposit (with effect from January 1, 2016);
- Act No. 76/2002 Sb., on integrated prevention, was amended by Act No. 39/2015 Sb. in connection with an amendment to Act No. 100/2001 Sb. (with effect from April 1, 2015).

Secondary legislation implementing the above acts or amending other implementing regulations was also promulgated in 2015:

- For Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in the energy sectors and on amendments to some acts (Energy Act):
 - New Decree No. 194/2015 Sb., on the method of price regulation and procedures for price regulation in the electricity and heating sectors (with effect from January 1, 2016);
 - New Decree No. 195/2015 Sb., on the method of price regulation and procedures for price regulation in the gas sector (with effect from January 1, 2016);
 - New Decree No. 196/2015 Sb., on the method of price regulation and procedures for the regulation of prices of market regulator activities in the electricity and gas sectors (with effect from January 1, 2016);
 - Amendment to the decree on the state of emergency in the gas sector by Decree No. 215/2015 Sb. (with effect from September 10, 2015);
 - Amendment to the decree on the preparation of statements on gas procured and sold and the scope of gas sector data submitted to the market operator by Decree No. 216/2015 Sb. (with effect from September 10, 2015);
 - New Decree No. 262/2015 Sb., on regulatory reporting (with effect from January 1, 2016);
 - New Decree No. 349/2015 Sb., on Gas Market Rules (with effect from January 1, 2016);
 - New Decree No. 408/2015 Sb., on Electricity Market Rules (with effect from January 1, 2016);
 - New Decree No. 405/2015 Sb., on the method of apportionment of heat supply costs with shared heat consumption measurement (with effect from January 1, 2016);
 - Government Order No. 392/2015 Sb., stipulating the amount of the fee for Energy Regulatory Office activities (with effect from January 1, 2016).

- For Act No. 406/2000 Sb., on energy management:
 - Amendment to the decree on the energy intensity of buildings by Decree No. 230/2015 Sb. (with effect from December 1, 2015);
 - Amendment to the decree on energy specialists by Decree No. 234/2015 Sb. (with effect from September 29, 2015);
 - New Government Order No. 232/2015 Sb., on the state energy policy and on the territorial energy policy (with effect from September 29, 2015).
- For Act No. 165/2012 Sb., on supported energy sources and on amendments to some acts:
 - Government Order No. 283/2015 Sb., specifying public funds pursuant to Section 28(3) of the act on supported energy sources for the year 2016 (with effect from January 1, 2016);
 - New Decree No. 296/2015 Sb., on technical and economic parameters for the determination of purchase prices for electricity generation and green bonuses for heat and on the determination of the service life of renewable electricity and renewable heat generation facilities (Decree on Technical and Economic Parameters); (with effect from January 1, 2016);
 - New Decree No. 390/2015 Sb., on the specification of agricultural production as the main line of business and on the keeping of records in the list of producers having agricultural production as the main line of business (with effect from January 1, 2016);
 - New Government Order No. 402/2015 Sb., on support of electricity and heat from supported energy sources (with effect from December 28, 2015);
 - New Decree No. 403/2015 Sb., on guarantees of origin for electricity from renewable energy sources and electricity from high-efficiency combined heat and power generation (with effect from January 1, 2016);
 - New Decree No. 404/2015 Sb., on compensation of the price of electricity generated from renewable energy sources in another member state of the European Union (Compensation Decree); (with effect from January 1, 2016).
- For Act No. 201/2012 Sb., on air protection:
 - Decree No. 406/2015 Sb., amending Decree No. 415/2012 Sb., on the permissible level of pollution and its determination and on the implementation of some other provisions of the act on air protection, as amended by Decree No. 155/2014 Sb. (with effect from January 1, 2016).
- For Act No. 18/1997 Sb., Atomic Energy Act:
 - Government Order No. 337/2015 Sb., amending Government Order No. 416/2002 Sb., stipulating the amount of the levy and the manner of its payment by radioactive waste originators to the nuclear account and the annual amount of contribution to municipalities and the rules for providing it, as amended (with effect from December 20, 2015).

Legislation of the European Union

The EU legal framework and changes thereto are applicable to the Czech Republic as a member state of the European Union. When amending their national laws, member states are required to implement (in the case of directives) or directly comply with (in the case of regulations and decisions) EU legislation.

At this level, 2015 was another year in which amendments and new legislation were adopted that are significant for CEZ Group's business activities:

- Commission Delegated Regulation (EU) 2015/2402 of October 12, 2015 reviewing harmonized efficiency reference values for separate production of electricity and heat in application of Directive 2012/27/EU of the European Parliament and of the Council and repealing Commission Implementing Decision 2011/877/EU;
- Commission Regulation (EU) 2015/1222 of July 24, 2015 establishing a guideline on capacity allocation and congestion management (Text with EEA relevance);
- Commission Regulation (EU) 2015/1189 of April 28, 2015 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for solid fuel boilers (Text with EEA relevance);
- Commission Delegated Regulation (EU) 2015/1187 of April 27, 2015 supplementing Directive 2010/30/EU of the European Parliament and of the Council with regard to energy labeling of solid fuel boilers and packages of a solid fuel boiler, supplementary heaters, temperature controls, and solar devices (Text with EEA relevance);
- Commission Regulation (EU) 2015/703 of April 30, 2015 establishing a network code on interoperability and data exchange rules (Text with EEA relevance);
- Directive (EU) 2015/2193 of the European Parliament and of the Council of November 25, 2015 on the limitation of emissions of certain pollutants into the air from medium combustion plants (Text with EEA relevance);
- Directive (EU) 2015/1513 of the European Parliament and of the Council of September 9, 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Text with EEA relevance);

- Commission Directive (EU) 2015/1480 of August 28, 2015 amending several annexes to Directives 2004/107/EC and 2008/50/EC of the European Parliament and of the Council laying down the rules concerning reference methods, data validation and location of sampling points for the assessment of ambient air quality (Text with EEA relevance);
- Commission Regulation (EU) 2015/2341 of December 15, 2015 amending Directive 2004/17/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the award of contracts;
- Commission Regulation (EU) 2015/2282 of November 27, 2015 amending Regulation (EC) No. 794/2004 as regards the notification forms and information sheets;
- Council Directive (EU) 2015/2376 of December 8, 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

Regulation of the Electricity and Natural Gas Wholesale Markets

Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of October 25, 2011 on wholesale energy market integrity and transparency ("REMIT"), which entered into effect on December 28, 2011, introduced regulation of the wholesale energy market at EU level. Market participants are required to publicly disclose certain inside information concerning their business in an effective and timely manner, prohibited to use abusive practices in trading, and required to register their business in a register of participants and report transactions in the wholesale energy market. Market participants' fulfillment of obligations arising from the Regulation is overseen by the Agency for the Cooperation of Energy Regulators ("ACER") and the Energy Regulatory Office.

Disclosures of internal information include information relevant to the outages, capacity, and use of facilities for production, consumption, or transmission of electricity or natural gas. CEZ Group discloses such information on a specialized information portal run by the EEX at www.eex-transparency.com/homepage/power/czech-republic ¹. The disclosure concerns all CEZ Group facilities in the Czech Republic, including spun-off facilities. Information on CEZ Group facilities abroad is provided on the relevant national websites at: www.cez.bg/bg/za-nas/kompaniite-v-balgariya/tets-varna/remit.html ²; www.cezpolska.pl/pl/cez-w-polsce/ec-elcho-s-a/remit.html ³; www.cezpolska.pl/pl/cez-w-polsce/elektrownia-skawina-s-a/remit.html ⁴.

The Energy Regulatory Office launched the National Register of Market Participants in late 2014 and all market participants engaged in reportable transactions are required to register in it. CEZ Group companies were registered over time in compliance with REMIT. CEZ Group has been reporting all wholesale electricity and gas transactions entered into on the organized markets to ACER since October 2015 and bilateral transactions entered into outside the organized markets pursuant to REMIT since April 2016.

Regulation (EU) No. 648/2012 of the European Parliament and of the Council of July 4, 2012 on OTC derivatives, central counterparties, and trade repositories ("EMIR") entered into force on August 16, 2012. Its objective is to mitigate risks arising from trading in OTC derivatives. In compliance with EMIR, ČEZ calculates its open derivative OTC position daily and is currently classified as a "Non-Financial Counterparty Minus" under the clearing threshold. Since February 2014, ČEZ has been reporting all commodity, interest rate, and currency derivative transactions with financial settlement to a trade repository. ČEZ chose REGIS-TR for discharging these obligations.

Nota bene: This chapter contains selected information regarding legislation and was drawn up with the greatest possible care. However, it cannot be regarded as qualified legal advice. ČEZ, a. s. may not be held liable for any legal step taken or refrained from on the basis of the provided overview.



1 www



2 www



3 www



4 www

A black and white photograph of a man in profile, wearing glasses and a white button-down shirt. He is balancing a basketball on the tip of his right index finger. The background is plain white, and a soft shadow of the man is cast behind him. In the bottom left corner, there is a large, stylized orange arrow pointing to the right.

**Rockstart Startup
Accelerator Puts
Young Companies on
the Fast Track**

$$\left(\frac{SE}{R_s} \right)$$



Sometimes unusual thoughts, ideas, and activities need help in order not to be crushed by the pressure of stereotypes. That is where accelerators come into play, to create favorable conditions for faster development of new companies, interesting technologies, and fresh solutions. Support of startups is a global trend that brings about exceptional projects.

IN We joined the Smart Energy program of the Dutch startup accelerator Rockstart under which we will acquire, over three years, minority stakes in thirty young companies engaged in more efficient uses of energy. The project offers support to applicants from all over the world. Every year, it selects the ten most promising companies from 150–300 new applicants and provides them with mentoring, legal and financial aid, professional services, and assistance to further their business. Six months of hard work accelerate the budding activities and turn them into competitive projects. Thus, ambitious businesses can find additional investors that will launch their ideas with lightning speed to the world of big projects. **OVATIONS** Innovations push us forward. They separate us from our competitors and help us transform the world around us. That is why we are seeking courageous solutions that allow us to be part of the dynamic world of startups and strengthen the culture of innovation within our company. **INNOVATIONS**


$$+ \left(\begin{array}{c} \text{We joined the Smart} \\ \text{Energy program of} \\ \text{Rockstart, a Dutch startup} \\ \text{accelerator that supports} \\ \text{projects focusing on} \\ \text{innovations that allow} \\ \text{making more efficient use} \\ \text{of energy.} \end{array} \right) = 30$$

ENVIRONMENTAL PROTECTION

As part of environmental protection, we systematically monitor and assess risks and minimize environmental impacts under the integrated prevention system.

Greenhouse Gas Emission Allowances

Czech Republic

The Czech Republic, along with another 8 member states of the European Union, is exempted from the obligation to allocate greenhouse gas emission allowances for electricity generation solely at auctions from 2013 on. Its application for partially free allocation of allowances for electricity generation (derogation) from September 2011 was approved by the European Commission. Allowances for electricity and heat generation in the Czech Republic in 2015 were allocated in 2015 (heat allowances in February and electricity allowances in September). Under the derogation, CEZ Group can get 70.2m tons of emission allowances (not including emission allowances for Elektrárna Chvaletice a.s., which is no longer part of CEZ Group) in the Czech Republic in 2013–2020 in exchange for investments in reducing greenhouse gas emissions. The investments must at least equal the value of the emission allowances allocated for free under the derogations. The value of the emission allowances is determined on the basis of their market prices in the previous year.

In 2015, CEZ Group submitted to the Ministry of the Environment of the Czech Republic its Report on Investments for the period from October 1, 2014 to September 30, 2015, in which independent financial and energy auditors confirmed that the Group had invested over CZK 1.3bn in clean, environmentally friendly technologies. CEZ Group has thus invested more than CZK 34bn under the derogations.

Republic of Poland

The application for partially free allocation of allowances for electricity generation in Poland, where CEZ Group also operates, was also approved by the European Commission but allowances for electricity generation in 2015 will be allocated in 2016. Heat allowances were allocated in February 2015.

Overview by CEZ Group Companies

Emission Allowances Allocated and CO₂ Produced in 2015 (Tons)

	Emission allowances allocated	CO ₂ produced
ČEZ, a. s.	8,453,507	16,542,945
ČEZ Teplárenská, a.s.	7,470	18,038
Elektrárna Dětmarovice, a.s.	1,243,031	2,351,694
Elektrárna Počeradky, a.s.	2,344,789	5,135,530
Elektrárna Tisová, a.s.	605,933	411,499
Energetické centrum s.r.o.	4,571	621
Energotrans, a.s.	883,635	1,568,591
Total Czech Republic	13,542,936	26,028,918
Total Republic of Poland	240,144*	2,646,203
Total Republic of Bulgaria	-	-
Total	13,783,080	28,675,122

* Without emission allowances for electricity.

Air Protection

Czech Republic

The generation of electricity and heat from fossil sources, and the extraction of such sources alone, are associated with emissions of pollutants to the air. The extraction of brown coal releases dust particles; the combustion of fossil fuels results, in particular, in the emissions of sulfur dioxide, nitrogen oxides, carbon monoxide, and dust.

To decrease the amounts of pollutants released to the air, combustion facilities operated by CEZ Group are fitted with emission reduction equipment.

To decrease the amount of sulfur oxides, most facilities use a highly efficient flue gas desulfurization method based on limestone wet scrubbing; smaller facilities use a semi-dry method in which pollutants from flue gases are absorbed on lime suspension particles and particles of the resulting product are then dried by the heat in flue gases. Sulfur oxides from fluidized bed boilers are captured directly in the combustion chamber by dosing limestone to the furnace. At some combustion units (especially fluidized bed boilers), emissions of sulfur dioxide are reduced by replacing fossil fuels with biomass combustion or co-firing.

Dust particles are captured by electrostatic precipitators or bag filters; the efficiency of separation of these pollutants is around 99%. Environmental projects for reducing nitrogen oxides emissions through a combination of primary and secondary measures were completed at the Počerady, Mělník I, and Dětmarovice power plants in 2015. The project for reducing nitrogen oxides emissions at the Mělník I power plant was accompanied by parallel measures to reduce dust emissions. The method applied at the Dětmarovice power plant was used for the first time in the Czech Republic.

In 2015, emission limits were met at all CEZ Group coal-fired power plants, the cumulative emission ceiling of ČEZ, a. s. was complied with, and all other technical conditions for operation relating to air protection, as imposed on the facilities in the operating licenses granted by competent administrative authorities, were fulfilled.

Emissions from coal-fired power plants are monitored continually; the quality of air near coal-fired power plants and coal mines is evaluated. Pollution measurement data is included in the ISKO database run at national level by the Czech Hydrometeorological Institute. When operating its coal-fired power plants and heating plants, CEZ Group monitors their effect on air pollution on a long-term and systematic basis using its own air pollution measurement network. In 2015 it operated 11 air pollution monitoring stations located near coal-fired power plants and heating plants and measuring gaseous pollutants (SO₂, NO_x), with 5 of the monitoring stations also measuring suspended dust particles (PM₁₀, PM_{2.5}). The public is kept informed about the results of the pollution monitoring conducted in connection with the operation of combustion plants on a website.

Dust particle emissions in the operations of brown coal mines are kept to a minimum by covering the belt conveyors and transfer points of driving stations, minimizing the mine's active areas that are a potential source of dust, cleaning up and reclaiming land affected by mining in line with the overall clean-up and reclamation plan, and sprinkling roads during dry summer months. Monitoring stations are located in the municipalities affected by mine operations, providing continuous measurement of dust pollution, in particular suspended PM₁₀ particles, with remote data transmission, operated by an independent accredited laboratory. The results of the measurement are provided to the affected municipalities and governmental agencies in the form of data messages at regular monthly intervals.

Republic of Poland

Both of CEZ Group's combustion facilities complied with emission limits in 2015.

Republic of Bulgaria

No release of pollutants occurred at the Beglik fly-ash disposal site or the Varna power plant site. The Varna power plant was shut down in 2015, did not generate any electricity, and therefore did not produce any greenhouse gases.

Water Protection

Surface water is used by CEZ Group's thermal and nuclear power plants and heating plants mostly for aftercooling and thus increasing the efficiency of electricity generation. Water withdrawal and wastewater discharge are subject to conditions set down in integrated permits issued by competent authorities or in the decisions of water authorities. In 2015, all of CEZ Group's generating facilities met the technical conditions for their operation relating to water protection as laid down in their operating licenses.

Protection of water against the potential negative effects of facility operations is ensured pursuant to the Water Act. Where substances hazardous to water are handled, measures are taken to prevent such substances from getting into groundwater, surface water, or sewage systems.

The drought experienced by the Czech Republic in 2015, culminating in mid-August, significantly affected electricity generation at the coal-fired Poříčí Power Plant. Flow rates in the Úpa River, the power plant's source of water, decreased considerably due to minimum precipitations and the power plant had to restrict its output to a level ensuring just the necessary supplies of heat and hot water to the supplied area. Lack of water also temporarily restricted generation at the Hodonín Power Plant.

No harmful substances were released by any generating facility into surface water or groundwater in 2015.

CEZ Group utilizes the natural energy of surface water at hydroelectric and pumped-storage plants. Running surface water through turbines does not get polluted. Groundwater is used to a minimum extent, just for the production of drinking water.

The Nástup Tušimice Mines owned by Severočeské doly finished an upgrade of their treatment plant for water contaminated by coal dust, which also allows using the treated water as service water at the mine site.

Soil Protection

In 2015, land reclamation continued in the vicinity of CEZ Group's conventional power plants (dumps, sludge lagoons, etc.). In 2015, over 6.6m tons of certified power generation by-products (PGBPs) were utilized in land reclamation. Coal combustion by-products suitable for land reclamation include, in particular, fly ashes and their mixtures with boiler slag and flue gas desulfurization (FGD) products. FGD gypsum from wet-limestone scrubbing is also used as a raw material for drywall manufacturing; 288,122 tons of fly ashes were used for this in 2015, saving a considerable amount of natural materials. A total of 1,360,639 tons of CCBs (coal combustion by-products) were used in construction and land reclamation outside CEZ Group.

Fauna Protection and Support

Czech Republic

In light of the statutory obligation of ČEZ Distribuce to secure all medium-voltage power lines against bird injuries by 2024, steps to map the overall safety of such lines are being prepared at the moment. An interdepartmental working group including a representative of ČEZ Distribuce was established under the auspices of the Ministry of Industry and Trade and the Ministry of the Environment of the Czech Republic in 2015. The working group's work resulted in an agreement on a systematic, nationwide, and unified approach, clearly specifying standard avian protection elements to be used on medium-voltage power lines; an outcome of this is a Guidance Document of the Ministry of the Environment of the Czech Republic. The working group will continue its work in 2016; specifically, it will investigate bird collisions with power lines and nesting on distribution system structures.

No increase in bird injuries caused by electrocution or collision with overhead lines was registered during 2015.

CEZ Group places permanent emphasis on environmental care and protection in the vicinity of its sites. Biological surveys of the area around the Dukovany Nuclear Power Plant were completed in 2015, providing a list of significant species of fauna and flora found in the power plant's vicinity, including proposals for protective and compensatory measures. They confirmed a favorable situation in all areas in question, with no sign of negative trends or circumstances.

Support for the nesting of the peregrine falcon continued in 2015 at the sites of some coal-fired power plants as well as at the Dukovany Nuclear Power Plant. Since the first falcon nest box in the Czech Republic was installed at a cooling tower walkway at the Tušimice Power Plant in 2011, 33 young falcons were reared on tall power plant structures, stacks, and cooling towers, i.e. almost a half of the total number of chicks born on all Czech industrial structures. Nesting conditions are also created for sand martins, which are found at the disposal sites of some coal-fired power plants.

Severočeské doly kept putting up nest boxes, whose occupancy rate ranged from 30% at the internal dump of the Bílina Mines to 90% at the Nástup Tušimice Mines. It also built 7 new mounds for lizard breeding at the site of the Nástup Tušimice Mines; the functionality of the existing mounds was demonstrated at the Bílina Mine, especially for insects and smaller vertebrates. Repeated checks on small ponds that were built for amphibian breeding in order to increase biodiversity documented quick inhabitation. Valuable bird species, such as the tawny pipit, the northern wheatear, or the ortolan bunting continue to be found at both sites.

Republic of Bulgaria

Power poles in the localities of Dupnica and Sofia East-2 were retrofitted with 538 avian protection devices during 2015.

Romania

In collaboration with the Romanian Ornithological Society (SOR), 7 artificial nests for the endangered saker falcon were installed on 110kV line poles in 2015. Regular monitoring of dead birds and bats was carried out in the vicinity of wind turbines, determining the cause of death. No connection was found with the operation or even the existence of the wind turbines in any case.

Noise Protection

Czech Republic

Noise sources include power plants and heating plants as well as open-pit mines, especially the operation of turbine-generator units, cooling systems, long-distance belt conveyors, and large-scale mining machinery.

By taking noise abatement and operational measures, the Tisová Power Plant and the Dvůr Králové Heating Plant managed to reduce noise loads to statutory limits. Additional noise abatement measures are taken elsewhere. Based on a review concluding that noise was reduced to a reasonably achievable level and did not pose a risk to human health, an exemption from noise limits was granted for the operation of the Vítkovice and Poříčí heating plants. Other generating facilities meet noise limits according to the conditions defined in their valid licenses.

Severočeské doly performs regular monthly monitoring in all affected municipalities in the vicinity of its two mines and submits its results to the municipalities and governmental agencies in the form of data messages. However, noise level is also affected by road and railroad transportation. Measurements are performed in the evening by an independent accredited laboratory.

To meet the conditions set in a new favorable EIA opinion for the operation of the Nástup Tušimice Mines' open-pit mine in 2014–2029, which can be described as strict, Severočeské doly will continue to invest considerable amounts of money in the enhancement of protective measures, addressing in particular the negative impacts of noise and dust emissions from mining activities on the mine's neighborhood.

A massive protective earth embankment was completed at the edge of the open-pit mine, between the actual working district and the municipality of Březno near Chomutov. The protective earth embankment with insulating greenery has a total length of 560 m, a maximum height of 14 m, and a rock-fill body volume of approximately 288,000 m³. Furthermore, a protective embankment was built of straw bales with a length of 750 m.

Republic of Bulgaria

CEZ Razpredelenie took noise abatement measures based on measurements that it performed in collaboration with local sanitation authorities in Sofia and Kyustendil. Repeated measurements then showed that noise limits were no longer exceeded. An accredited laboratory measured noise in the vicinity of Section 2 of the Beglik fly-ash disposal site in 2015, where land reclamation has been underway since January 1, 2015. No violation of noise limits was found.

Republic of Poland

The Chorzów and Skawina power plants meet required noise limits. Noise produced by the Chorzów power plant is just below the permitted limit at night, which must be taken into account in plant operation.

Romania

Noise generated by the wind turbines is monitored regularly. No violations of noise standards were registered.

Impact of Hydro Plant Operations on Ecosystems

CEZ Group's hydro plants in the Czech Republic meet all requirements imposed by applicable environmental legislation. In addition, their operations are managed in strict compliance with the operation rules of competent River Authorities. Requirements concerning territorial protection of nature apply to the greatest extent to the operations of hydro power plants located in national parks (NP) or protected landscape areas (PLA). The former category comprises the Vydra and Čeňkova Pila small hydro power plants (Bohemian Forest NP); the latter category includes the Dlouhé Stráně pumped-storage power plant (Jeseníky PLA), the Střekov hydro power plant (České Středohoří PLA), and the small hydro power plants of Práčov (Železné Hory PLA) and Černé Jezero (Bohemian Forest PLA). Because of the specific nature of pumped-storage operation, special attention is paid primarily to the Dlouhé Stráně pumped-storage power plant. A monitoring program assessing the impact of its operation on the quality of water in the Divoká Desná River has been in place since the power plant's commissioning in 1996. The results of monitored water quality indicators meet legislative requirements. The potential impacts of the Dalešice and Mohelno power plants are also monitored as they are located in the vicinity of the Jihlava River Valley Special Area of Conservation. Its main object of protection is the deeply recessed river valley and its ecosystems with very high species diversity and the occurrence of a high number of endangered species of plants and animals. The power plants' effect manifests itself the most in the changed hydrologic regime of the Jihlava River downstream of the reservoir dam. The existence of power generation facilities on the territories of national parks and protected landscape areas also brings about certain related minor restrictions for the power plants as such. For instance, the most visited site of Dlouhé Stráně, which attracts more than 80,000 visitors every year, must regulate the number of people per group and the buses that shuttle the visitors must meet strict environmental limits. In view of a real risk of the zebra mussel, an invasive species, spreading to aquatic ecosystems in water streams and reservoirs and the related threat it potentially poses to hydro power plants' operations, an expert study of this problem was prepared in collaboration with experts from Palacký University in Olomouc. This should be followed in 2016 by a hydrobiological survey and an assessment of the risk of the mussel "colonizing" the aquatic ecosystems, waterworks and hydro plants in question. Undesirable spreading of this non-native but highly invasive mussel species usually results in major negative changes in aquatic ecosystems, with loss of native species of bivalves and other organisms. However, large build-ups of zebra mussel colonies can also make waterways impassable and clog water pipes, disrupting the safe operation of power plants and other facilities.

Utilization of Renewable and Non-Renewable Energy Sources

In 2015, 49% of electricity in CEZ Group was generated from fossil—non-renewable—sources, nuclear units generated 44%, and the energy mix is complemented by renewable sources, which accounted for 7%.

The renewable source with the most natural energy is water power, whose share in renewable electricity generation was 44%.

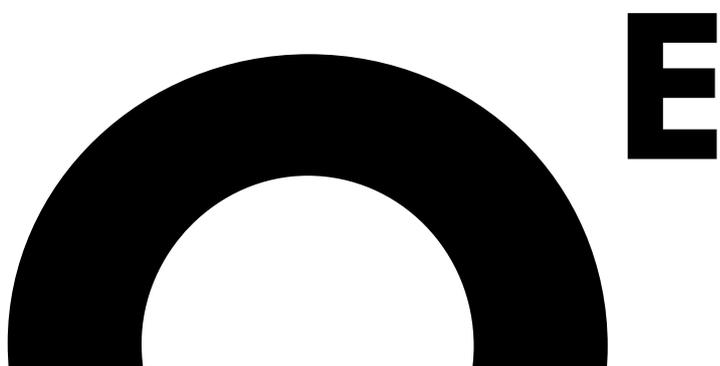
The second most important item in CEZ Group's renewable generation portfolio is energy generated by wind turbines, especially thanks to the operation of the Fântânele and Cogeaalac onshore wind farms in Romania.

Six CEZ Group facilities combust biomass to generate electricity: Poříčí Power Plant, Dvůr Králové Heating Plant, Hodonín Power Plant, Dětmarovice Power Plant, Jindřichův Hradec Energy Center, and Chorzów Power Plant in Poland. Most of the combusted biomass consists of wood chips and other plant products of forest and farm origin. The share of biomass in renewable electricity generation was 18%.

Consumption and Emissions

CEZ Group Consumption and Emissions in the Czech Republic

	Unit	2014	2015	2015/2014 Index (%)
Total water consumption	thousands of m ³	521,849	532,394	102.0
of which: Surface water	thousands of m ³	521,584	532,265	102.0
Groundwater	thousands of m ³	265	128	48.4
Emissions and specific emissions of air pollutants				
Particulate matter	tons	1,722	1,760	102.2
Sulfur dioxide	tons	37,785	33,373	88.3
Nitrogen oxides	tons	31,091	28,658	92.2
Carbon monoxide	tons	5,259	5,720	108.8
Carbon dioxide	tons	24,736,722	26,028,918	105.2



CHANGES IN CEZ GROUP OWNERSHIP INTERESTS

Year 2015

Czech Republic

- January 1—The name of Dalkia Česká republika, a.s. was changed to Veolia Energie ČR, a.s.;
- April 1—Energocentrum Vítkovice, a. s. was established as a wholly owned subsidiary of ČEZ, a. s.;
- April 27—ČEZ ESCO, a.s. purchased a 75% stake in EVČ s.r.o. from ČEZ Energetické služby, s.r.o.;
- July 1—SINIT,a.s. ceased to exist by a merger by acquisition with Telco Pro Services, a. s. as the acquiring company;
- July 16—Registration of an increase in the stated capital of ČEZ ESCO, a.s. through a noncash consideration consisting of ČEZ, a. s.'s 100% stake in ČEZ Energetické služby, s.r.o. and 50.1% stake in ČEZ Energo, s.r.o., and a cash consideration of CZK 81m. ČEZ ESCO, a.s. thus became the sole member of ČEZ Energetické služby, s.r.o.;
- September 15—The ownership structure of in PROJEKT LOUNY ENGINEERING s.r.o. changed; CEZ Group's stake increased from 59.94% to 80%; ČEZ Energetické produkty, s.r.o. sold a 19.9% stake to ČEZ Inženýring, s.r.o.; at the same time, ČEZ Inženýring, s.r.o. purchased another 20.1% stake in the company from other holders—natural persons; ČEZ Energetické produkty, s.r.o. and ČEZ Inženýring, s.r.o. now each own a 40% stake;

- October 1—ČEZ, a. s. contributed the Tisová Power Plant part of its enterprise to Elektrárna Tisová, a.s.;
- November 19—EVČ s.r.o. sold a 50% stake in BES s.r.o. to the other member—Teplárne s. r. o., a foreign corporation;
- December 10—ČEZ, a. s. sold a 6.35% stake in the shares of ČEZ Nová energetika, a.s. to ČEZ Teplárenská, a.s.;
- December 23—Elektrárna Dukovany II, a. s. was established as a wholly owned subsidiary of ČEZ, a. s.;
- December 23—Elektrárna Temelín II, a. s. was established as a wholly owned subsidiary of ČEZ, a. s.

Republic of Albania

- January 1—Shared Services Albania Sh.A. went into liquidation;
- November 17—CEZ Trade Albania Sh.P.K. was struck off the register and ceased to exist.

Republic of Bulgaria

- April 29—CEZ ICT Bulgaria EAD was established as a wholly owned subsidiary of CEZ Razpredelenie Bulgaria AD.

Bosnia and Herzegovina

- February 5—A court decided that CEZ Bosna i Hercegovina d.o.o. would be dissolved.

Kingdom of the Netherlands

- December 30—CEZ Chorzow B.V. ceased to exist by a merger with CEZ Silesia B.V.

Republic of Poland

- January 8—CEZ Finance Polska sp. z o.o. established as a wholly owned subsidiary of CEZ Polska sp. z o.o.;
- January 30—The legal form of Elektrociepłownia Chorzów ELCHO sp. z o.o. was changed to joint-stock company (legal form designation: S.A.);
- February 10—A change was made in the ownership structure of the Polish electricity companies Elektrociepłownia Chorzów ELCHO S.A. and Elektrownia Skawina S.A. within CEZ Group; on February 27, this was followed by a change in the ownership structure of CEZ Polska sp. z o.o. and on March 31 there was another change in the ownership structure of Elektrociepłownia Chorzów ELCHO S.A.; all three companies remain wholly owned subsidiaries of CEZ Group;
- April 7—The name of Elektrownia Skawina S.A. was changed to CEZ Skawina S.A.;
- April 15—A change was made in the ownership structure of Eco-Wind Construction S.A. as 25% of its shares were acquired from original owners; 100% of shares of Eco-Wind Construction S.A. are now owned by CEZ Poland Distribution B.V.;
- May 8—The name of Elektrociepłownia Chorzów ELCHO S.A. was changed to CEZ Chorzów S.A.;
- July 28—Baltic Green Construction sp. z o.o. was established and is owned by CEZ Poland Distribution B.V. (99%) and CEZ Silesia B.V. (1%);
- August 25—A change was made in the ownership structure of the Polish project companies; the ownership of Baltic Green I sp. z o.o., Baltic Green II sp. z o.o., Baltic Green III sp. z o.o., Baltic Green V sp. z o.o., and Baltic Green VI sp. z o.o. was transferred from Baltic Green VII sp. z o.o. to Baltic Green Construction sp. z o.o.; the ownership of Baltic Green VIII sp. z o.o. was transferred from Eco-Wind Construction S.A. to Baltic Green Construction sp. z o.o.;
- September 8—CEZ Finance Polska sp. z o.o. ceased to exist by a merger with CEZ Chorzów S.A.;
- October 7—The ownership structure of A.E. Wind sp. z o.o. changed; the stake held by Eco-Wind Construction S.A. decreased from 100% to 0.40%; Baltic Green Construction sp. z o.o. became the majority stakeholder with a stake of 99.60%;
- December 30—A merger of CEZ Chorzow B.V. and CEZ Silesia B.V. changed the ownership structure of CEZ Polska sp. z o.o. The 62% stake held by CEZ Chorzow B.V. was thus transferred to CEZ Silesia B.V.

Romania

- October 19—The legal form of Tomis Team S.R.L. was changed to joint-stock company (legal form designation: S.A.).

Federal Republic of Germany

- July 21—ČEZ Nová energetika, a.s. acquired a 14% stake in PROSOL Invest Beteiligungs GmbH, a German company that is the sole member of Sonnenbatterie GmbH (renamed to sonnen GmbH on December 14), a manufacturer of battery energy storage systems for residential customers using rechargeable lithium iron phosphate batteries;
- November 10—ČEZ Nová energetika, a.s. acquired a 7.8% stake in SunFire GmbH, a German company developing new fuel cell technologies.

Republic of Turkey

- February 13—The stake of Akenerji Elektrik Üretim A.S. in Egemer Elektrik Üretim A.S. was increased to 100%;
- July 31—Akkur Enerji Üretim Ticaret ve Sanayi A.S. ceased to exist by a merger with Akenerji Elektrik Üretim A.S.;
- December 24—Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S. ceased to exist by a merger with Akenerji Elektrik Üretim A.S.

2016 Until the Annual Report Closing Date**Czech Republic**

- January 12, 2016—The contribution of a part of the enterprise, the Vítkovice Heating Plant, increased the stated capital of Energocentrum Vítkovice, a.s. to CZK 57m;
- February 10, 2016—ČEZ ESCO, a.s. acquired a 100% stake in juwi, s.r.o. (renamed to ČEZ Solární, s.r.o. on March 7, 2016), a company providing customers with individualized photovoltaic system installation and maintenance services;
- January 4, 2016—ČEZ ESCO, a.s. acquired a 49% stake in ENESA, a.s. from EVČ, s.r.o.; on January 6, 2016, ČEZ ESCO, a.s. acquired a 26% stake in ENESA, a.s. from other shareholders.

Republic of Cyprus

- February 6—Taidana Limited ceased to exist.

Kingdom of the Netherlands

- April 8, 2016—CEZ ESCO Poland B.V., a Dutch company having its registered office in Amsterdam, was established as a wholly owned subsidiary of CEZ Poland Distribution B.V.

Republic of Poland

- March 31—Baltic Green Construction sp. z o.o. became the 100% owner of A.E. Wind sp. z o.o.;
- March 31—The legal form of A.E. Wind sp. z o.o. was changed to joint-stock company (legal form designation: S.A.).

Romania

- March 31—Minor changes were made to the stakes of the existing owners (ČEZ, a. s. and CEZ Poland Distribution B.V.) in Ovidiu Development S.R.L. and Tomis Team S.A.; both companies remain wholly owned by CEZ Group companies.

LITIGATION AND OTHER PROCEEDINGS INVOLVING CEZ GROUP COMPANIES

Litigation

Czech Republic

1. ČEZ, a. s. registers suits related to the implementation of squeeze-outs:
 - A suit seeking review of the adequacy of consideration and award of the right to a different amount of consideration in the process of a squeeze-out in Severočeské doly a.s. The proceedings are pending before the court of first instance. Should the complainants win the suit, the total additional payment could be up to CZK 1,800m. The outcome of the proceedings is impossible to predict.
 - A suit against ČEZ Teplárenská, a.s. seeking review of the adequacy of consideration and award of the right to a different amount of consideration in the process of a squeeze-out in United Energy, a.s. The proceedings are pending before the court of first instance; in January 2015, a decision was made to resume the proceedings after a suit concerning the nullification of a general meeting was concluded. The possible impact of this suit on ČEZ Teplárenská, a.s. or ČEZ, a. s. is impossible to determine at this phase of the proceedings.
 - An action seeking nullification of the resolution of the General Meeting of United Energy, a.s. (ČEZ Teplárenská, a.s. is the successor) deciding on squeeze-out was dismissed upon final judgment.
2. In insolvency proceedings against Lignit Hodonín, s.r.o., ČEZ, a. s. submitted a claim for over CZK 115m, CZK 23m of which is loss arising from failure to pay for electricity supplied. The remainder of the claim is formed from sanction claims ensuing from signed contracts. The submitted claim was recognized in full. The bankruptcy proceedings were cancelled in September 2013 due to the bankrupt's estate being absolutely insufficient to settle the creditors' claims. Thus the claim submitted by ČEZ, a. s. was not settled at all. Additionally, the receiver filed a suit against ČEZ, a. s. in August 2010 for damages amounting to CZK 196.2m, allegedly resulting from abuse of a dominant position in determining the purchase price of brown coal deliveries and the amount of the maximum discount for faulty performance. ČEZ, a. s. denies the claim in full. By a resolution of the Municipal Court in Prague from May 2012, a new claimant entered into the proceedings, namely UVR Mníšek pod Brdy a.s., which bought the debtor's enterprise. Subsequently, the claim in dispute was assigned several times. At the moment, the holder of the claim is FORMOSANA LIMITED, which acts as the claimant in the proceedings. The outcome of the proceedings is impossible to predict.
3. ČEZ, a. s. also faces 21 lawsuits initiated by the same claimant, Lesy České republiky, s.p. All the suits have the same grounds, namely a claim for compensation of damage caused by the operations of ČEZ, a. s. to forest crops in 1997 and 1999–2013. The oldest suit is from 1999 and the latest one is from 2015. The total amount claimed is CZK 282m plus accessories thereof.
4. In July 2013, Mr. Vladimír Juha filed an action against ČEZ, a. s. with the Municipal Court in Prague, in which (after action extension) he is seeking payment of a total of EUR 4m with accessories thereof. The claims in dispute allegedly arose from a consulting services contract made between ČEZ, a. s. and Boston Capital Services Ltd. in 2009 in connection with the CET Galati project in Romania. Boston Capital Services' claims arising from said contract were allegedly assigned to Mr. Juha by an agreement from 2010. Based on Mr. Juha's notice of claim assignment, the court issued a resolution permitting that Mr. Juha be replaced in the case by the Slovakia-based M 8 Slovakia, spol. s r. o. The court of first instance dismissed the action in full. The case is now in the appellate stage initiated by the counterparty's appeal. No verdict has been reached in the appellate procedure yet, it is in the decision-making phase before the court of first instance.
5. On May 3, 2013, ČEZ Distribuce, a. s. was served an action of SPR a.s., seeking payment of CZK 10m with accessories thereof. The claimant's additional submissions successively increased the amount claimed to approx. CZK 130m. The claimant deems its claim to be the damage that it allegedly incurred due to a breach of obligations by ČEZ Distribuce, a. s. in relation to the connection of the Dubí photovoltaic power plant to the distribution grid. The case is pending; its outcome is impossible to predict.

6. An action seeking payment of CZK 303m with accessories thereof, dated August 31, 2015, was filed with the District Court in Děčín by UNIPETROL RPA, s.r.o. as the claimant. The claimant is seeking the recovery of unjust enrichment by ČEZ Distribuce, a. s. as the defendant, consisting in the electricity distribution price component to cover costs associated with electricity support being allegedly incorrectly billed, but duly paid by UNIPETROL RPA, s.r.o., in relation to local (in-house) electricity consumption. The claimant believes that it was not supposed to pay the electricity distribution price component to cover costs associated with electricity support from January 1 to October 1, 2013 and that it was billed for said price component without legal title by ČEZ Distribuce, a. s. The case is pending; its outcome is impossible to predict.
7. An action seeking payment of CZK 394m with accessories thereof, dated August 31, 2015, was filed with the District Court in Děčín by ArcelorMittal Ostrava a.s. as the claimant. The claimant is seeking the recovery of unjust enrichment by ČEZ Distribuce, a. s. as the defendant, consisting in the electricity distribution price component to cover costs associated with electricity support being allegedly incorrectly billed, but duly paid by ArcelorMittal Ostrava a.s., in relation to local (in-house) electricity consumption. The claimant believes that it was not supposed to pay the electricity distribution price component to cover costs associated with electricity support from January 1, 2013 to October 1, 2013 and that it was billed for said price component without legal title by ČEZ Distribuce, a. s. The case is pending; its outcome is impossible to predict.
8. On March 18, 2016, ČEZ Distribuce, a. s. filed an action against OTE, a.s. with the District Court for Prague 8, seeking the recovery of unjust enrichment of CZK 1,857,839,498 (with accessories thereto) consisting in the electricity distribution price component to cover costs associated with electricity support being incorrectly billed, but duly paid by ČEZ Distribuce, a. s., in relation to local (in-house) electricity consumption in the period of January to October 2013 (hereinafter "Contribution"). The action results from ambiguous regulation in the period in question, as it is not certain whether or not ČEZ Distribuce, a. s. was required to collect the Contribution from its customers (and transfer it to OTE, a.s.). ČEZ Distribuce, a. s. filed the action to prevent the expiration of the period of limitation applicable to the claim. The case is pending; its outcome is impossible to predict.
9. Since January 2013, ČEZ Prodej, s.r.o. has been involved in a lawsuit with Správa železniční dopravní cesty, státní organizace (SŽDC), in which it is seeking CZK 857m in damages. The suit is heard by the Municipal Court in Prague with ČEZ Prodej, s.r.o. as the claimant. The ground of the suit is a breach of an electricity supply contract by SŽDC, consisting in failure to take deliveries of the agreed amount of electricity in 2011, and the resulting damage.
10. Since March 2012, ČEZ Prodej, s.r.o. has been involved in a lawsuit with VÍTKOVICE, a. s., heard by the Regional Court in Ostrava, in which it is seeking CZK 385m in damages as a result of a breach of an electricity supply contract in 2011 and CZK 10m as a payment for electricity consumed but unpaid for in 2011. A compulsory payment order was issued in the case, against which the defendant filed a protest; the case has not been decided yet.
11. In insolvency proceedings against PLP a.s., Teplárna Trmice, a.s. submitted an unsecured claim for CZK 191m, formed from losses arising from failure to pay for electricity, heat, and raw water supplied, and a claim for CZK 59m arising from the penalty requested. Both claims were recognized in review hearings that took place in H1 2011. In March 2013, an enterprise sale contract was signed as part of the realization of the debtor's assets in the insolvency proceedings. The enterprise of the debtor, PLP a.s., was realized for USD 10m. The proceeds were rendered to the secured creditor in July 2013. The amount of settlement for Teplárna Trmice, a.s. in the insolvency proceedings in question, which have not been completed yet, has been zero so far.

12. There is a dispute between ČEZ, a. s. and Sokolovská uhelná, právní nástupce, a.s. (SU) over the amount and price of brown coal supplied by SU for ČEZ, a. s. under a long-term purchase contract (valid until coal reserves in SU mines are depleted or until the end of 2027). SU is questioning the validity of said long-term purchase contract, or more precisely the validity of clauses concerning the purchase price and the amount to be supplied, and claims that ČEZ is acting unlawfully when enforcing said contract. ČEZ, a. s. initiated several lawsuits against SU in connection with the dispute. One of the lawsuits is heard by the Regional Court in Pilsen and ČEZ, a. s. is seeking the recovery of unjust enrichment (overpayment) received by SU in connection with payments for brown coal deliveries from January to May 2011, amounting to approx. CZK 56m with accessories thereof. Another lawsuit is heard by the District Court in Sokolov and ČEZ, a. s. is seeking the recovery of unjust enrichment (overpayment) received by SU in connection with payments for brown coal deliveries from June to December 2011, amounting to approx. CZK 77m with accessories thereof. Neither the Regional Court in Pilsen nor the District Court in Sokolov has yet decided on the respective case. In addition, ČEZ, a. s. filed a lawsuit with the District Court in Sokolov claiming approx. CZK 342m with accessories thereof as a contractual penalty based on a ship-or-pay obligation in relation to brown coal deliveries in 2011. The case has not been decided yet either. Furthermore, ČEZ, a. s. filed an action against SU with the District Court in Sokolov in March 2015, seeking approx. CZK 206m with accessories thereof in damages arising from ČEZ's being forced to pay the cost of transportation of thermal brown coal to the Tisová Power Plant from January 2012 to December 2014, while the cost should have been paid by SU under the Long-Term Thermal Brown Coal Sales Contract. The case is heard by the District Court in Sokolov and has not been decided yet. In late 2015, ČEZ, a. s. filed a lawsuit with the District Court in Sokolov claiming approx. CZK 430m with accessories thereof as a contractual penalty based on a ship-or-pay obligation in relation to brown coal deliveries in 2012. The case has not been decided yet. In connection with the above, ČEZ, a. s. also was or is the subject of proceedings conducted by the Office for the Protection of Competition and the Specialized Tax Office; the Specialized Tax Office case is now at the stage of review by administrative courts. Furthermore, SU filed an action against ČEZ in February 2016, claiming approx. CZK 1,054m with accessories thereto. SU claims that ČEZ was acting unlawfully when paying a price lower than the allegedly usual price for brown coal deliveries in 2010 through 2013. It claims price top-up and a contractual penalty. This case is currently heard by the District Court in Sokolov and has not been decided yet.
13. In insolvency proceedings against Modřany Power, a.s. (MoPo), ŠKODA PRAHA Invest s.r.o. submitted claims relating to the execution of projects for the construction of a new 660MW_e unit at the Ledvice Power Plant, the comprehensive renovation of the Prunéřov II Power Plant, and the construction of a new 880MW_e CCGT unit at the Počeradý Power Plant, as well as projects at the Dukovany Power Plant. Specifically, these are unconditional claims arising from contractual penalties for the late delivery of a portion of the work, totaling CZK 348m; conditional claims arising from potential defects occurring during the warranty period, up to a possible total of CZK 4.4bn; and conditional claims concerning the payment of contractual penalties and the repayment of a sum paid for additional work in the Počeradý Power Plant project in case the award of the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic, file ref. Rsp 502/15, is reversed, totaling approx. CZK 314m. During a review hearing held on March 18, 2016, MoPo and the receiver denied the authenticity and the amounts of all the submitted unconditional claims arising from contractual penalties for the late delivery of portions of the work, totaling CZK 348m, as well as all the submitted conditional claims concerning the payment of contractual penalties and the repayment of a sum paid for additional work in the Počeradý Power Plant project amounting to approx. CZK 314m.
14. In connection with contracts for work concerning piping delivery and installation, made between ŠKODA PRAHA Invest s.r.o. and MoPo under the project for the comprehensive renovation of the Prunéřov II Power Plant, MoPo filed an action with the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic on March 24, 2016, seeking the payment of the price of executed additional work of approx. CZK 49.5m (inclusive of VAT). Furthermore, in amendments to contracts for work concluded in April 2015 in connection with the project for the comprehensive renovation of the Prunéřov II Power Plant, the parties declared that they are in dispute over MoPo's claims for the reimbursement of the costs of postponing the preliminary acceptance date, totaling approx. CZK 111m.
15. In connection with contracts for work concerning piping delivery and installation, made between ŠKODA PRAHA Invest s.r.o. and MoPo under the project for the construction of a new 660MW_e unit at the Ledvice Power Plant, the parties, at a meeting held on June 18, 2015, agreed that they were in dispute over MoPo's claims for the reimbursement of the costs of postponing the preliminary acceptance date, totaling approx. CZK 135m. Furthermore, in its letter dated February 25, 2016, MoPo disputed the legitimacy of ŠKODA PRAHA Invest s.r.o. cashing and using money from performance bonds (secured by MoPo), totaling approx. CZK 179m.

Poland

16. In 2009, Agrowind Kończewo sp. z o.o. (AWK) filed a lawsuit against seven companies jointly and severally, one of which is Eco-Wind Construction S.A. (EWC), seeking PLN 22,653,583 plus interest in compensation because the companies frustrated the installation of wind turbines and transformer stations on land that the claim alleges was held by AWK. As at December 4, 2014, the claim was increased to a total of PLN 112,712,952 plus interest (approx. CZK 734m). Both parties have had expert opinions prepared and the expert opinions will be heard by a court. The lawsuit can be expected to last for up to several years.

Turkey

17. From 2011 and 2013, respectively, Sakarya Elektrik Dağıtım A.S. (SEDAŞ) and Sakarya Elektrik Perakende Satış A.S. (SEPAŞ) filed appeals against the administrative decisions of the Turkish energy market regulator (EPDK) that were the basis for reducing the portion of the companies' controllable operating costs that was automatically recognized in tariffs. The level of SEDAŞ's and SEPAŞ's operating costs is defined by EPDK's decision. The level of both companies' controllable operating costs was gradually reduced by EPDK's decisions, which the companies appealed against and strived to get cancelled. On December 18, 2012, one of the disputes was decided by the administrative court in Ankara in favor of SEDAŞ. EPDK appealed against the first instance decision to the Supreme Administrative Court of Turkey and no decision on the appeal has been taken yet.
18. Distribution and sales companies in Turkey are facing lawsuits concerning a refund of the costs of technical and non-technical losses paid for by the companies' customers. For Sakarya Elektrik Dağıtım A.S. (SEDAŞ) and Sakarya Elektrik Perakende Satış A.S. (SEPAŞ), the total amount of money in currently pending suits is immaterial. Turkey's Ministry of Energy and Natural Resources is working on a new version of an amendment to the Energy Act after the original version was rejected by the parliament. The amendment modifies the existing legislation so that no additional liabilities arise for distribution and sales companies from potential disputes over the billing of technical and non-technical losses.

Romania

19. In April 2015, the International Court of Arbitration of the International Chamber of Commerce in Paris dismissed an overwhelming majority of claims brought against ČEZ by Romanian company Societatea de Administrare a Participațiilor în Energie S.A. In the arbitration, Electrica and subsequently Energie claimed more than EUR 81m for alleged breach of ČEZ's obligations arising from privatization agreements from 2005 and 2009, under which Romanian distribution company Electrica Oltenia was privatized to ČEZ. ČEZ argued and duly evidenced in the arbitration that it had met an overwhelming majority of its liabilities and obligations under the privatization agreements, which was subsequently confirmed by the arbitral tribunal. The tribunal admitted only a bare minimum of the claimant's claims, which are not even of material nature.
20. Lawsuits that arose in connection with the construction of the Fântânele and Cogeașca wind parks in Romania still continue. The most significant suit concerning the ownership of land under a transformer station is suspended. In a related suit, the appellate court largely acknowledged the wind farm's ownership of the land in March 2016.

Bulgaria

21. In 2014 and 2015, CEZ Razpredelenie Bulgaria AD, CEZ Elektro Bulgaria AD, and TEC Varna EAD appealed against many decisions of the regulator, Energy and Water Regulatory Commission (EWRC), stipulating prices of electricity, prices of access to the distribution network for producers of renewable electricity purchased at preferential prices, and obligatory compensation to producers of renewable electricity. Court hearings are underway.
22. CEZ Razpredelenie Bulgaria AD and CEZ Elektro Bulgaria AD appealed against decree No. 1 of April 5, 2013, whereby the regulator stipulated regulated electricity prices. The court revoked parts of Article 10 of said decree as applied for by the companies. The regulator filed an appeal against this decision. By decision from February 23, 2016 the Supreme Administrative court had finally repealed art. 10(2)(2) and (6) of the Ordinance No. 1 for regulation of the electricity prices related to the lack of recognition of the expenses for balancing and for reactive energy in the electricity prices. The decision of the court has been promulgated in the Official Gazette on March 15, 2016 and is in force.

23. In March 2014, the National Energy Company EAD (NEK) commenced arbitration against CEZ Elektro Bulgaria AD before the Arbitration Court at the Bulgarian Chamber of Commerce and Industry. The dispute involves claims amounting to BGN 10m (approx. CZK 140m) for electricity deliveries in 2011–2012. CEZ Elektro Bulgaria AD considers the debt non-existent and the claim unsubstantiated. Another hearing was held on February 16, 2015; the arbitration court ordered a new expert review. The next hearing is scheduled for May 18, 2016.
24. In March 2014, NEK also filed a petition with the Sofia City Court against CEZ Razpredelenie Bulgaria AD. NEK claims payment for electricity supplies in 2011 and 2012 in the amount of BGN 5.9m (approximately CZK 84m). CEZ Razpredelenie Bulgaria AD responded by submitting objections to NEK's action. During a closed hearing held on June 1, 2015, the court disallowed NEK's claim; instead, it summoned ESO EAD, the transmission system operator, as claimant. The case is still pending.
25. As a result of a regulatory audit of compliance with distribution license conditions in the period of July 1, 2008 to November 30, 2013, conducted by the EWRC, CEZ Razpredelenie Bulgaria AD was served 981 administrative decisions on a breach of obligations, which the company submitted written objections to. On the basis of the objections submitted, CEZ Razpredelenie Bulgaria AD subsequently received 206 penalty decisions issued by the EWRC, claiming BGN 20,000 (approx. CZK 283,000) per breach. The company duly appealed against all of the penalty decisions. As at the Annual Report closing date, there are 49 final court decisions: 30 of them confirmed the imposed penalties, and the penalties were paid by the company; 19 of them definitely dismissed the penalties. Other cases are still pending.
26. There were ongoing proceedings on infringements of the Competition Protection Act and Articles 101 and 102 of the Treaty on the Functioning of the European Union (cartel agreements consisting in concerted practices and abuse of a dominant position) by CEZ companies and other companies in connection with the opening of the electricity market, initiated by the Commission for Protection of Competition (CPC) in 2013. A hearing was held on October 22, 2014 and the CPC requested additional information and documents from CEZ Razpredelenie Bulgaria AD and CEZ Trade Bulgaria EAD in July 2015. The CPC has not taken any further action or issued any decision since then. In addition, the CPC initiated several other procedures against CEZ Razpredelenie Bulgaria AD in 2014 and 2015.
27. On September 17, 2015, the National Energy Company EAD (NEK) brought an action against CEZ Elektro Bulgaria AD on the grounds of its alleged receivable for unpaid electricity from January–February 2014. The amount claimed is BGN 6.4m (approx. CZK 88.2m), including penalty interest. CEZ Elektro Bulgaria AD lodged an objection to the action for its groundlessness, as it had set off its receivables from the claimant against the claimants' receivables. The case is still pending.

Small CHP Units Generate Two Commodities—Electricity and Heat

A thrifty person thinks about how they can make the best use of the resources and energy they have available. Small combined heat and power (CHP) units can generate electricity and heat, i.e. two commodities, at the same time, meeting the requirement for as much fuel efficiency as possible. Unlike conventional power plants, they use the heat produced during electricity generation for heating or for making hot water. This saves fuel and money to buy fuel. **IN** CHP units feature high efficiency in utilizing fuel energy, often more than 90%. Therefore, they are primarily intended for large customers that need to address their high electricity and heat consumption needs. **OVATIONS** In the past years, we invested in the development of small CHP units that are now operated throughout the Czech Republic. We are currently operating 97 such units and preparing additional ones as required by our customers. We thus help reduce the emissions of greenhouse gases and dust. **INNOVATIONS**



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E+H



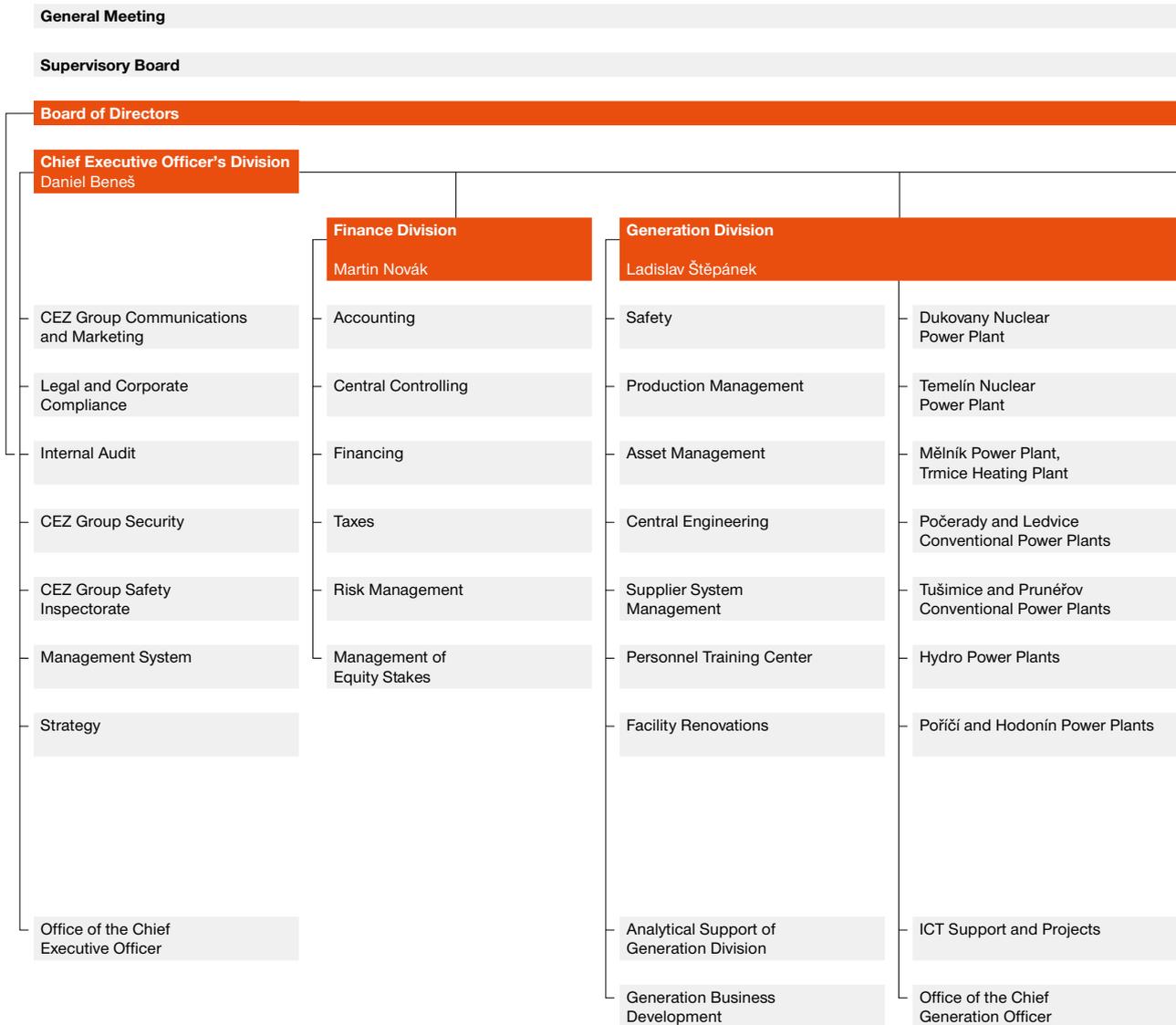
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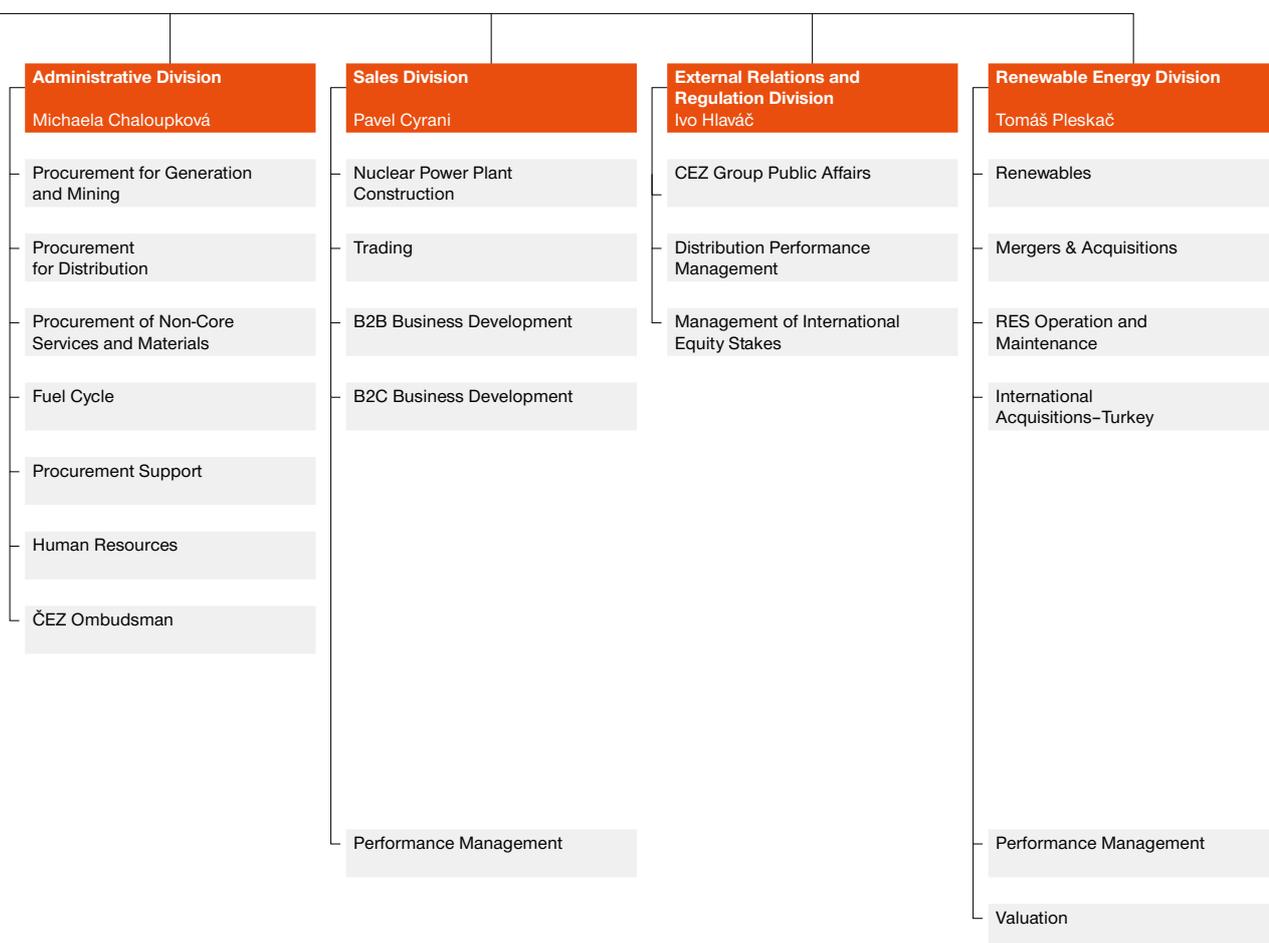
Developing and upgrading small CHP units was one of the priorities we turned our attention to in 2015.

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BASIC ORGANIZATION CHART OF ČEZ, a. s. AS AT APRIL 18, 2016



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CEZ Group 2015 Annual Report—electronic version in Czech and English	May 2, 2016
CEZ Group 2015 Annual Report—printed version in Czech	May 2, 2016
CEZ Group non-audited consolidated financial figures for Q1 2016	May 10, 2016
Interim consolidated financial statements	
Press conference	
Conference call (in English)	
ČEZ, a. s. non-audited financial figures for Q1 2016	May 10, 2016
CEZ Group 2015 Annual Report—printed version in English	May 12, 2016
CEZ Group non-audited consolidated financial figures for H1 2016	Aug 9, 2016
Interim consolidated financial statements	
Press conference	
Conference call (in English)	
ČEZ, a. s. non-audited financial figures for H1 2016	Aug 9, 2016
CEZ Group 2016 Half-Year Report	Aug 31, 2016
CEZ Group non-audited consolidated financial figures for Q1–Q3 2016	Nov 8, 2016
Interim consolidated financial statements	
Press conference	
Conference call (in English)	
ČEZ, a. s. non-audited financial figures for Q1–Q3 2016	Nov 8, 2016

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Glossary of Selected Terms and Abbreviations

Term	Comments
EIA	Environmental Impact Assessment
ICC	International Chamber of Commerce
Identifiable assets	Total property, plant and equipment (nuclear fuel and construction work in progress included)
INES	International Nuclear Event Scale An international scale rating the significance of nuclear events. Used since March 1990. Events are rated at seven levels. Events that have no safety significance and are rated at Level 0 (below the scale), are called “deviations”. According to IAEA guidelines, it is not appropriate to use INES to compare safety performance between facilities, operators, or countries. Procedures for notifying the public of the less significant events can differ and it is difficult to ensure uniformity in the assessment of events below the scale, at Level 0, and at Level 1.
Horizon 2020	European Union Framework Program for Research and Innovation in 2014–2020, defining a framework for EU support of research and innovation activities.
IAEA	International Atomic Energy Agency An independent intergovernmental organization within the United Nations family for science and technology in the peaceful use of nuclear energy in accordance with the Nuclear Non-Proliferation Treaty.
NEA	Nuclear Energy Agency An intergovernmental agency that facilitates cooperation among countries with advanced nuclear technology infrastructures to seek excellence in nuclear safety, technology, science, environment, and law.
OECD	Organisation for Economic Co-operation and Development
OTC	Over-the-Counter A term for off-exchange trading in securities and other financial instruments. Trading is done directly between two parties that negotiate the individual terms of each transaction.
RES	Renewable Energy Sources Energy resources that can be naturally replenished, either partially or in full. They include, in particular, solar, wind, and hydro energy, biomass, and biogas.
SÚJB	State Office for Nuclear Safety (Státní úřad pro jadernou bezpečnost)
SUSEN	Sustainable Energy The Sustainable Energy project was approved by the European Commission in December 2011. It boosts research infrastructure in the Czech Republic’s energy sector and provides a significant stimulus for building up teams and knowledge in energy technologies.
U/Q regulation	The purpose of U/Q regulation is to reduce voltage fluctuation resulting from variable generation. The control center of ČEZ Distribuce, a. s. sends required voltage values to communications units (RTU) of power plants. Generating facilities adjust their reactive power supply/consumption depending on the difference between the required and measured values of voltage at the interconnection point, helping to maintain a stable voltage in the distribution grid.
Wall box	A terminal device with sufficient protection allowing regular, long-term, and safe charging of an electric vehicle, which may offer additional features such as charging data collection and visualization or remote control. A wall box may be fitted with an outlet (usually a standardized connector for electric vehicles) or a cable with a plug compatible with the user’s vehicle.

List of Units and Abbreviations Used

Unit	Comments
Term	Term of office
OU	Organizational unit
t	Metric ton; a unit of mass
TJ	Terajoule; a unit of work (energy)
V	Volt; a unit of electric potential (voltage)
W	Watt; a unit of power
Wh	Watt-hour, a unit of work

Method Used to Calculate Key Indicators of CEZ Group

Indicator	Calculation
Net Debt	Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets)
Dividend per Share (Gross)	Dividend granted in the current year, before taxes, on outstanding shares (paid in the year in question from the previous year's profit)
EBIT (Operating Income)	Income Before Income Taxes and Other Income (Expenses)
EBITDA (Operating Income Before Depreciation and Amortization, Impairment, and Asset Sales)	Income Before Income Taxes and Other Income (Expenses) + Depreciation and Amortization +/- Impairment and Gain (Loss) on Sale of Property, Plant and Equipment and Intangibles ¹⁾
Invested Capital	Property, Plant and Equipment + Non-Current Intangible Assets + Net Working Capital
Return on Assets (ROA), Net	Net Income Attributable to Parent Company Shareholders / Average Total Assets
Return on Invested Capital (ROIC)	EBIT * (1 – Income Tax / EBIT) / (Average Invested Capital)
Return on Equity (ROE), Net	Net Income Attributable to Parent Company Shareholders / Average Equity

¹⁾ Including write-off of canceled investments.

Method Used to Calculate Key Indicators of ČEZ, a. s. if Different From the Definition Used for CEZ Group

Indicator	Calculation
Return on Assets (ROA), Net	Net Income / Average Total Assets
Return on Equity (ROE), Net	Net Income / Average Equity

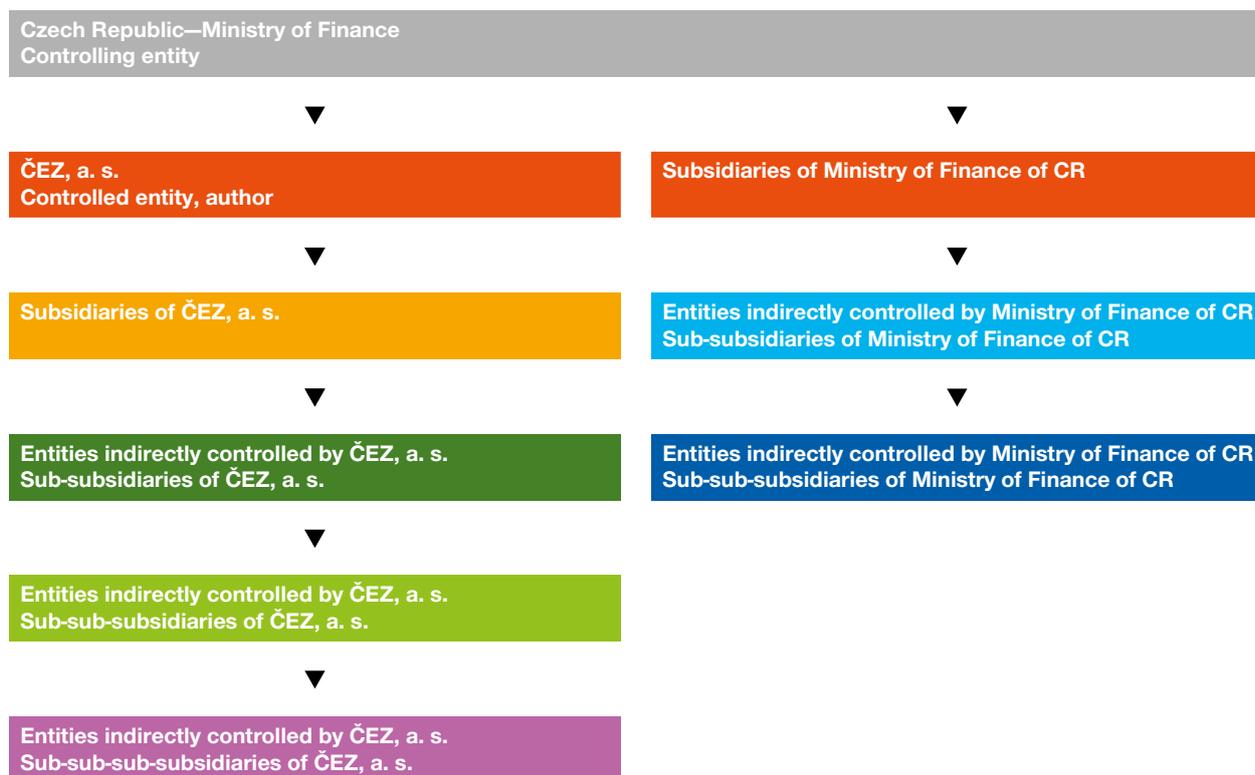
Average Value = (Value at the End of Previous Year + Value at the End of Current Year) / 2

Totals and subtotals in this Annual Report can differ from the sum of partial values due to rounding.

REPORT ON RELATIONS BETWEEN THE CONTROLLING ENTITY AND THE CONTROLLED ENTITY AND BETWEEN THE CONTROLLED ENTITY AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY FOR THE ACCOUNTING PERIOD OF 2015

The Board of Directors of ČEZ, a. s., ID No. 45274649, having its registered office at Prague 4, Duhová 2/1444, ZIP code 140 53, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1581, has prepared the following report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity (the "Related Parties Report") within the meaning of Section 82 of Act No. 90/2012 Sb., on business corporations, for the accounting period of January 1, 2015 through December 31, 2015 (the "period in question").

1. Structure of Relations Between the Controlling Entity and the Controlled Entity and Between the Controlled Entity and Entities Controlled by the Same Controlling Entity



Controlled Entity and Author of the Related Parties Report

ČEZ, a. s.

ID No.	45274649
Registered office	Prague 4, Duhová 2/1444, ZIP code 140 53
Registered in the Commercial Register	kept by the Municipal Court in Prague, Section B, File 1581

Controlling Entity

Czech Republic—Ministry of Finance

Name	Ministry of Finance of the Czech Republic
ID No.	00006947
Registered office	Prague 1, Letenská 525/15, ZIP code 118 10

As at December 31, 2015, the controlling entity owned shares corresponding to a 69.78% stake in the stated capital of ČEZ, a. s.

Entities Controlled and Managed by ČEZ, a. s.

ČEZ, a. s. is the controlling entity of companies belonging to CEZ Group. CEZ Group includes the CEZ Concern, which is headed by ČEZ, a. s. as the managing entity and the members of which were the following managed entities in 2015: ČEZ Distribuční služby, s.r.o.; ČEZ Energetické produkty, s.r.o.; ČEZ Energetické služby, s.r.o.; ČEZ ICT Services, a. s.; ČEZ Obnovitelné zdroje, s.r.o.; ČEZ Prodej, s.r.o.; ČEZ Korporátní služby, s.r.o.; ČEZ Teplárenská, a.s.; ČEZ Zákaznické služby, s.r.o.; Elektrárna Dětmarovice, a.s.; Elektrárna Počerady, a.s.; ČEZ Bohunice a.s.; ČEZ ENERGOSERVIS spol. s r.o.; Energetické centrum s.r.o.; Energotrans, a.s.; Elektrárna Mělník III, a. s.; Elektrárna Tisová, a.s.; Telco Pro Services, a. s.; Areál Třeboradice, a.s.; ČEZ Nová energetika, a.s.; Severočeské doly a.s.; PRODECO, a.s.; SD - Kolejová doprava, a.s.; Revitrans, a.s.; ČEZ Inženýring, s.r.o.; and MARTIA a.s.

Another 2 controlled entities became members of the CEZ Concern with effect from January 1, 2016, namely ČEZ ESCO, a.s. and Energo centrum Vítkovice, a. s.

Other Entities Controlled by the Same Controlling Entity

Based on information provided to the Company by the Ministry of Finance of the Czech Republic, the ČEZ, a. s. Board of Directors has prepared a diagram showing the structure of relations between entities controlled by the same controlling entity, which also shows the structure of entities controlled and/or managed by ČEZ, a. s.

The diagram showing the structure of relations in the group of businesses controlled by the Ministry of Finance of the Czech Republic constitutes Annex 1 to the Related Parties Report. An alphabetical list of the companies included in the group of businesses controlled by the Ministry of Finance of the Czech Republic displayed in the diagram constitutes Annex 2 to the Related Parties Report.

2. Role of the Controlled Entity

ČEZ, a. s. is the parent company of CEZ Group. The core business as well as role of companies within CEZ Group is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. ČEZ, a. s. is a crucial state-controlled energy company. Its primary task is to ensure safe and reliable fulfillment of the energy needs of its customers and society at large.

ČEZ, a. s. also intermediates the controlling entity's control over the other companies within CEZ Group.

3. Method and Means of Control

The Czech Republic—Ministry of Finance controls ČEZ, a. s. by being its majority shareholder and thus also holding a majority share in voting rights. In view of the share in voting rights, the Czech Republic—Ministry of Finance can enforce the appointment or removal of most members of the supervisory and/or statutory representation body of the controlled entity.

4. List of Acts Pursuant to Section 82(2)(d) of Act No. 90/2012 Sb., on Business Corporations

In the period in question, ČEZ, a. s. did not perform any acts that would have been performed at the instigation or in the interest of the controlling entity or entities controlled by it concerning assets exceeding 10% of the equity of ČEZ, a. s. as identified by its latest financial statements.

5. List of Mutual Contracts

The Board of Directors of ČEZ, a. s. has prepared a list of mutual contracts¹⁾ effective between ČEZ, a. s. and the controlling entity and other entities controlled by the same controlling entity in 2015, which constitutes Annex 3 to the Related Parties Report. The list does not include further details on contractual relations in order to keep trade secrets and meet the contractual obligation of confidentiality of information.

¹⁾ Each contract is defined by its name, date of contract and/or contract number, and the subject matter of the contract if not identified by the name of the contract. Contracts made solely in English are listed under their name in English with their subjects matter identified in parentheses.

6. Assessment of Whether the Controlled Entity Incurred a Loss and Assessment of Its Settlement Pursuant to Section 71 and Section 72 of Act No. 90/2012 Sb., on Business Corporations

All described contractual relations were established under standard contractual terms and conditions when the agreed and provided performance or consideration corresponded to the conditions of a standard business relation, and ČEZ, a. s. did not incur any related loss that should be settled pursuant to Section 71 and Section 72 of Act No. 90/2012 Sb., on business corporations.

7. Conclusion

Based on information available, the Board of Directors of ČEZ, a. s. assessed the advantages and disadvantages arising from the position of ČEZ, a. s. as described above and came to the conclusion that ČEZ, a. s. did not derive any special advantages and/or disadvantages or risks from its position, especially with respect to minimum links with other entities controlled by the Czech Republic—Ministry of Finance due to their significantly different main lines of business. After careful consideration, the Board of Directors of ČEZ, a. s. declares that it is not aware of any risks resulting from relations between the above described entities against which standard safeguards would not be in place.

The Related Parties Report was prepared on the basis of all information available. In spite of reasonably made efforts that may be fairly expected from the author, the companies listed below did not provide requested information:

Severočeské mlékárny, a.s. Teplice;

Ormlilk, a.s.v likvidaci (company in liquidation);

HOLDING KLADNO a.s.“v likvidaci“ (company in liquidation);

CENTRUM - F, a.s. v likvidaci (company ceased to exist on January 21, 2016);

Hotelinvest a.s. (company ceased to exist on May 12, 2015);

STROJÍRNY TATRA PRAHA,a.s.v likvidaci (company in liquidation);

BOHEMIA CRYSTALEX TRADING a.s. (company ceased to exist on December 18, 2015).

The Related Parties Report was submitted to the Supervisory Board of ČEZ, a. s. for review within the meaning of Section 83(1) of Act No. 90/2012 Sb., on business corporations.

Annexes:

1. Relation Structure Diagram (see insert under back cover flap)
2. Alphabetical List of Companies (see insert under back cover flap)
3. List of Mutual Contracts

Annex 3 List of Mutual Contracts

Company	Contract number	Contract title, date
A.E. Wind sp. z o.o.	No. 2012/4	Loan Facility Agreement of March 9, 2012 (Agreement Subject: Loan)
A.E. Wind sp. z o.o.	No. 2015/2	Loan Facility Agreement of April 16, 2015 (Agreement Subject: Loan)
Akcez Enerji A.S.		Individual Agreement on the Provision of Services No. I of July 1, 2013 (Agreement Subject: Provision of Services)
Akcez Enerji A.S.		Individual Agreement on the Provision of Services No. II of July 1, 2013 (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.S.	4100503098	Rental Agreement for Non-Residential Facilities of February 28, 2011
Akenerji Elektrik Üretim A.S.	5600001690	Frame Agreement on Provision of Services of May 10, 2010
Akenerji Elektrik Üretim A.S.	5600001692	Individual Agreement on the Provision of Services No. II of May 10, 2010 (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.S.	5600001691	Individual Agreement on the Provision of Services No. I of May 10, 2010 (Agreement Subject: Provision of Services)
Areál Třeboradice, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of August 23, 2013
Baltic Green Construction sp. z o.o.	No. 4/2015	Loan Facility Agreement of August 20, 2015 (Agreement Subject: Loan)
Baltic Green VII sp. z o.o.	No. 2015/3	Loan Facility Agreement of April 16, 2015 (Agreement Subject: Loan)
Bara Group EOOD		Agreement on Provision of Advisory Services of July 1, 2014 (Agreement Subject: Advisory Services in Connection with Biomass Power Plant Building)
Centrum výzkumu Řež s.r.o.	4101269581	Agreement on Developing Mathematical Model and Monitoring of Defectoscopic Defects
Centrum výzkumu Řež s.r.o.	4400029974	Agreement on Monitoring of Gamma Radiation Field and Neutrons for Official Concrete Samples of Dukovany Power Plant
Centrum výzkumu Řež s.r.o.	4400031372	Agreement on Completion of Pilot Device with UV Radiation
Centrum výzkumu Řež s.r.o.	4400032661	Agreement on Water Preparation System Measuring (ELE)
CEZ Bulgaria EAD	HS30023140	Frame Agreement on the Provision and Coordination of Services of June 25, 2007 (Agreement Subject: Provision of Services - Services Concerning Organization and Administration, Regulation Advisory, Public Relations, Customer Services, Property Proceedings, Finances, Controlling and Reporting, Human Resources, Information and Telecommunication Technologies, Purchases and Logistics, Transportation, and Project Management)
CEZ Bulgaria EAD	HS30023141	Individual Agreement on the Provision of Services No. I of June 25, 2007 (Agreement Subject: Provision of Services - Services Concerning Information Collection and Marketing Surveys, Completion of Checking and Organization Processes, Network Expansion, Technical Recovery, Power Meter Data/Condition Reading, Technical Inspection, Regulatory Management, Internal Audit, Assistance/Cooperation During Negotiations with Unions)
CEZ Bulgaria EAD	5600002751	Individual Agreement on Provision of Services No. II of December 1, 2011 (Agreement Subject: Provision of Services - Services Concerning Administration Service, Finances, Treasury, Controlling, Financial Accounting, Power Economics, Rate Calculation, Network Control Engineering Services, Legal Services, Human Resources, Insurance Control, Purchases and Logistics, Project Management, and Tax Services)
CEZ Bulgaria EAD	HS30023143	Individual Agreement on Provision of Services No. III of June 25, 2007 (Agreement Subject: Provision of Services - IT Services, SAP)
CEZ Bulgaria EAD	HS30023144	Individual Agreement on Provision of Services No. IV of June 25, 2007 (Agreement Subject: Provision of Services - Services Concerning Remote Reading/Sensing of Data/Condition of Power Meters Connected to Medium Voltage, Data/Condition Processing, Invoicing Data Supply, Data Processing/ Administration in Converge, and Regular Provision of Selected Profiles)
CEZ Bulgaria EAD	HS30031716	Individual Agreement on Provision of Services No. V of December 3, 2007 (Agreement Subject: Provision of Services - Maintenance of WAN/LAN Data Network and Data Network Monitoring)
CEZ Bulgaria EAD		Individual Agreement on Provision of Services No. VI of December 10, 2008 (Agreement Subject: Provision of Services, Access to Internet / Intranet of Applications and Modules in Web Portals, Internet Applications and Presentations)
CEZ Bulgaria EAD	4100088819	Individual Agreement on Provision of Services No. VII of November 5, 2010 (Agreement Subject: Provision of GPS Fleetware Services - Car Monitoring and Tracking)
CEZ Bulgaria EAD	4101263303	Agreement on Provision of Legal Services of September 9, 2015 (Agreement Subject: Provision of Legal Services)
CEZ Bulgarian Investments B.V.		Agreement on Provision of Services of December 20, 2011 (Agreement Subject: Provision of Services)
CEZ Bulgarian Investments B.V.		The Mutual Credit Facility Agreement of March 1, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Deutschland GmbH	2012/8	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Distributie S.A.		Agreement on the Issuance of Guarantees of April 5, 2013 (Agreement Subject: Provision of Guarantees)
CEZ Distributie S.A.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2014
CEZ Hungary Ltd.		The Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Hungary Ltd.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of June 1, 2006
CEZ Hungary Ltd.		ISDA 2002 Master Agreement of September 30, 2013
CEZ Hungary Ltd.		EECS Certificates Master Agreement (EFET) of October 15, 2014
CEZ Hungary Ltd.		Full Supply Agreement of October 15, 2009
CEZ Hungary Ltd.	4100060555	Individual Agreement on Provision of Services of June 10, 2008 (ICT Services)
CEZ Hungary Ltd.	5600004735	Agreement on Provision of Services of December 20, 2013 (Trading Services)
CEZ Hungary Ltd.		Agreement on Provision of Services in Connection with Power Wholesale Trading in Hungary of April 14, 2010
CEZ Hungary Ltd.	4100303593	Agreement on Provision of Services in Connection with Potential CCGT Investments in Hungary of May 2, 2011
CEZ Hungary Ltd.		License Agreement (Provision of the Right to Use ČEZ Trademarks on Hungary's Territory) of December 30, 2014
CEZ Hungary Ltd.		Agreement on Issuance of Guarantees of August 30, 2006
CEZ Chorzow B.V.		Agreement on Provision of Services of December 20, 2011 (Agreement Subject: Provision of Services)
CEZ Chorzow B.V.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)

Company	Contract number	Contract title, date
CEZ Chorzów S.A.	XVIII/857	General Agreement on Power Supply and Consumption (EFET) of November 30, 2006
CEZ Chorzów S.A.	ELC/U/13/000022	Agreement on Provision of Services in Connection with Power Wholesale Trading in Poland of October 30, 2013
CEZ Chorzów S.A.	ELC/U/14/000095	Confidentiality Undertaking of October 2, 2014 (Agreement Subject: Confidential Information Protection)
CEZ Chorzów S.A.		Allowances Appendix to the General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of November 30, 2006
CEZ ICT Bulgaria EAD	HS30031716	Individual Agreement on Provision of Services No. V of December 15, 2015 (Agreement Subject: Provision of Services - Maintenance of WAN/LAN Data Network and Data Network Monitoring)
CEZ International Finance B.V.		Agreement on Provision of Services of December 23, 2011 (Agreement Subject: Provision of Services)
CEZ International Finance B.V.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ International Finance Ireland Ltd.		The Mutual Credit Facility Agreement of October 26, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ International Finance Ireland Ltd.		Agreement on Provision of Services of December 23, 2012 (Agreement Subject: Provision of Services)
CEZ MH B.V.		Agreement on Provision of Services of December 27, 2011 (Agreement Subject: Provision of Services)
CEZ MH B.V.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ MH B.V.		Loan Facility Agreement CEZ MHBV 2014/1 (Agreement Subject: Loan)
CEZ Poland Distribution B.V.		Agreement on Provision of Services of December 23, 2011 (Agreement Subject: Provision of Services)
CEZ Poland Distribution B.V.		Agreement on Provision of Advisory Services Signed of December 29, 2014 (Agreement Subject: Provision of Advisory Services)
CEZ Poland Distribution B.V.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Polska sp. z o.o.		The Mutual Credit Facility Agreement of November 24, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Polska sp. z o.o.	CP/U/14/000026	Rental Agreement for Non-Residential Facilities of April 16, 2014 (Agreement Subject: Office Rental)
CEZ Polska sp. z o.o.	00_CP/027/0861/13	Appendix No. 4 to Individual Agreement on Provision of Services No. II of December 22, 2012
CEZ Polska sp. z o.o.		Agreement on Provision of Services (Internal Audit) of September 2008
CEZ Polska sp. z o.o.	00_CP/61/1509/09	Agreement on Provision of Services of September 22, 2009 (ICT Services)
CEZ Polska sp. z o.o.	5600005695	Agreement on Advisory Services in the Wind Project Area of April 3, 2015
CEZ Romania S.A.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Romania S.A.	4100020296	Agreement on Provision of Services of July 22, 2008 (Agreement Subject: GPS Rental)
CEZ Romania S.A.		Amendment No. 4 to Individual Agreement on Provision of Services No. III of July 29, 2013 (Agreement Subject: Provision of IT Services)
CEZ Silesia B.V.		Agreement on Provision of Services of December 27, 2011 (Agreement Subject: Provision of Services)
CEZ Silesia B.V.		The Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Skawina S.A.	1012/2006	General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of July 1, 2006
CEZ Skawina S.A.	1012/2006	Allowances Appendix to the General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of July 1, 2006
CEZ Skawina S.A.		General Sales Agreement of January 19, 2015
CEZ Skawina S.A.	SK/00135/02033/11	Agreement on Provision of Services in Connection with Power Wholesale Trading in Poland of March 22, 2011
CEZ Slovensko, s.r.o.		The Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Slovensko, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of January 26, 2012
CEZ Slovensko, s.r.o.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of December 1, 2007
CEZ Slovensko, s.r.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of June 1, 2010
CEZ Slovensko, s.r.o.		EECS Certificates Master Agreement (EFET) of November 21, 2014
CEZ Slovensko, s.r.o.		24 Agreement on Single Delivery of Guarantees of Origin
CEZ Slovensko, s.r.o.		Full Supply Agreement of December 22, 2015
CEZ Slovensko, s.r.o.		Agreement on Access to Virtual Gas Reservoir and Gas Storage of February 12, 2014
CEZ Slovensko, s.r.o.		Agreement on Access to Virtual Gas Reservoir and Gas Storage of March 31, 2015
CEZ Slovensko, s.r.o.	5600002650	Agreement on Provision of Services of June 10, 2008 (ICT Services)
CEZ Slovensko, s.r.o.	5600003070	General Agreement on Provision of Services of January 2, 2012 (Financial Services, Risk Management Services, Trading Services)
CEZ Slovensko, s.r.o.		Agreement on Provision of Services in Connection with Power Wholesale Gas Trading in the Slovak Republic of August 12, 2013
CEZ Slovensko, s.r.o.		License Agreement (Provision of the Right to Use ČEZ Trademarks on Slovakia's Territory) of December 30, 2014
CEZ Slovensko, s.r.o.		Agreement on Issuance of Guarantees of December 21, 2007
CEZ Srbija d.o.o.		Agreement on Issuance of Guarantees of November 5, 2006
CEZ Srbija d.o.o.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of August 1, 2007
CEZ Srbija d.o.o.	4100012777	Agreement on Provision of Services of June 19, 2008 (ICT Services)
CEZ Srbija d.o.o.		License Agreement (Provision of the Right to Use ČEZ Trademarks on Serbia's Territory) of December 30, 2014
CEZ Srbija d.o.o.		Agreement on Business Cooperation in Electricity Trading of October 20, 2008
CEZ Towarowy Dom Maklerski sp. z o.o.		Agreement on Provision of Brokerage Services on Markets Organized by TGE (Towarową Giełdą Energii, Polish Commodity Exchange) of July 30, 2014
CEZ Trade Bulgaria EAD		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of November 1, 2007
CEZ Trade Bulgaria EAD		Agreement on Business Cooperation in Electricity Trading of July 16, 2008
CEZ Trade Polska sp. z o.o.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of December 15, 2007
CEZ Trade Polska sp. z o.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of August 1, 2015
CEZ Trade Polska sp. z o.o.		Allowances Appendix (Power) to the General Agreement on Power Supply and Consumption (EFET) of November 1, 2015

Company	Contract number	Contract title, date
CEZ Trade Polska sp. z o.o.		Full Supply Agreement of December 21, 2009
CEZ Trade Polska sp. z o.o.		Agreement on Provision of Services in Connection with Wholesale Electricity Trading in Poland of June 8, 2010 (Supporting Services)
CEZ Trade Polska sp. z o.o.	5600004736	Agreement on Provision of Services of December 20, 2013 (Trading Services)
CEZ Trade Polska sp. z o.o.		General Agreement on Market Operating Services of December 29, 2008 (Reports on Power Supply/Consumption Provided to Transmission Network Operator)
CEZ Trade Polska sp. z o.o.	5600006070	Agreement on Provision of Services of July 23, 2015 (ICT Services)
CEZ Trade Polska sp. z o.o.		Agreement on Issuance of Guarantees of June 9, 2008
CEZ Trade Polska sp. z o.o.		Guarantee Agreement of August 1, 2007 for Polish Energy Regulator (URE)
CEZ Trade Romania S.R.L.		Agreement on the Issuance of Guarantees of June 10, 2007
CEZ Trade Romania S.R.L.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of March 1, 2009
CEZ Trade Romania S.R.L.		Agreement on Provision of Services in Connection with Wholesale Electricity Trading in Romania of January 29, 2015
CEZ Trade Romania S.R.L.		Agreement on Provision of Services Related to Balancing of Electricity Trading in Romania of December 27, 2012
CEZ Vanzare S.A.	91_1	Agreement on the Issuance of Guarantees of January 23, 2013 (Agreement Subject: Provision of Guarantees)
CEZ Vanzare S.A.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of September 1, 2010
CEZ Vanzare S.A.		Full Supply Agreement of Power of September 1, 2010
CEZTel, a.s., v likvidaci (in Liquidation)	5600006023	Agreement on Provision of Services (Web Administration)
CM European Power International B.V.		Loan Facility (Agreement Subject: Back-to-Back Loans for Financing of Tranche under Loan Facility No. 0545878/01CRZ)
CM European Power Slovakia s.r.o.	0545878/01CRZ	Loan Facility (Agreement Subject: Loan)
ČEPRO, a.s.	4400032764	Agreement on Transportation of Cars with TOLEX (EDU)
ČEPRO, a.s.	4400032765	Rental Agreement for Tank Cars for TOLEX Transportation
ČEPRO, a.s.	5600006557	Purchase Agreement (Gasoline - BA98)
ČEPRO, a.s.	5600006558	Purchase Agreement (Gasoline - BA98)
ČEPRO, a.s.	4101163705	Agreement on Gasoline (BA-98) Exchange
ČEPRO, a.s.	4101190024	Agreement on Supply of Automobile Gasoline (ETE)
ČEPRO, a.s.	4101263599	Agreement on Gasoline (BA-98) Exchange (EDU)
ČEPRO, a.s.	4101286089	Purchase Agreement (TOLEX)
ČEPRO, a.s.	4400011154	Agreement whose Subject Consists in Consumption from Supplier Consignment, Including Costs Associated with Diesel Fuel Supplied to the Temelin and Dukovany Nuclear Power Plants
ČEZ Bohunice a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010, as Amended
ČEZ Bohunice a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010, as Amended
ČEZ Bohunice a.s.		Agreement on Stock Subscription of July 2, 2009
ČEZ Bohunice a.s.		Agreement on Provision of Services of November 3, 2009
ČEZ Bohunice a.s.		Agreement on Stock Subscription of October 12, 2010
ČEZ Bohunice a.s.	5600001497	Agreement on Provision of Services of February 10, 2010, as Amended
ČEZ Bohunice a.s.		Agreement on Personal Data Processing of June 28, 2011
ČEZ Bohunice a.s.	5600006022	Agreement on Provision of Services
ČEZ Distribuce, a. s.	5600002176	License Agreement on the Use of the Right to Use Trademark No. 33_2011_008 of December 30, 2010
ČEZ Distribuce, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Distribuce, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 26, 2013
ČEZ Distribuce, a. s.		4 Agreements on Credit Facilities No. 2012/9, 2014/2, 2015/1, and 2015/6
ČEZ Distribuce, a. s.		2 Agreements on Provision of Distribution Services of December 19, 2014 and December 31, 2014, as Specified in Appendices
ČEZ Distribuce, a. s.	4101100770	General Agreement on Location Swap and Provision of Regulation During Power Supply to the Poříčí Separated Island of December 31, 2014
ČEZ Distribuce, a. s.		General Agreement on the Poříčí Island Emergency Assistance of December 31, 2014
ČEZ Distribuce, a. s.	4101245122	Agreement on Provision of Regulation Services During Power Supply to the Střelná Separated Island of December 19, 2014
ČEZ Distribuce, a. s.	4101107323	Agreement on Provision of Supporting Services in Voltage and Idle Power Regulation of December 15, 2014
ČEZ Distribuce, a. s.	4101098783	Agreement on Consumption of Power from Distribution Network of ČEZ, a.s., Vítkovice Heating Plant
ČEZ Distribuce, a. s.		14 Rental Agreements
ČEZ Distribuce, a. s.	4100452562	Purchase Agreement (Agreement Subject: Field Equipment Purchase (Slapy Power Plant))
ČEZ Distribuce, a. s.	4100573198	Agreement on Easement on New Investments into Distribution Network
ČEZ Distribuce, a. s.		Agreement on Provision of Services in Safety and Protection of Health at Work, fire protection, environmental protection No. 33_2012_016 of February 27, 2012, as Specified in Appendices
ČEZ Distribuce, a. s.	33_20100101_01	Agreement on Provision of Services (Internal Audit) No. 33_20100101_01 of February 10, 2010, as Specified in its Appendix, of September 22, 2014
ČEZ Distribuce, a. s.	279281	Agreement on Surface Water Supply (LABE)
ČEZ Distribuce, a. s.		24 Agreements on Connection to Distribution Network
ČEZ Distribuce, a. s.	4400019020	Agreement on Securing Segmentation Centre Operation
ČEZ Distribuce, a. s.	33_20101122_01	Agreement on Personal Data Processing Concluded Following Agreement on Provision of Services of November 29, 2010
ČEZ Distribuce, a. s.	33_2013_001	General Agreement on Cession of Receivables in ČEZ Group No. 33_2013_001 of January 1, 2013
ČEZ Distribuce, a. s.		Agreement on Joint Acting of Clients During their "Office Supplies" Contract Awarding
ČEZ Distribuce, a. s.	30023622	Confidentiality Agreement
ČEZ Distribuce, a. s.	30030167	Distribution Agreement
ČEZ Distribuce, a. s.		Realization Agreement on Joint Acting During Awarding Public Contract "Implementation Agreement Restoration and Repairs of HDO Control Systems"

Company	Contract number	Contract title, date
ČEZ Distribuce, a. s.	4100402566	Advisory Services Provided During Calculations of Line Differential Protection Settings
ČEZ Distribuce, a. s.	4100646874	Cooperation Agreement (Exchange and Sharing of Data and Information, Including Setting of Mutual Cooperation during the VaV Project)
ČEZ Distribuční služby, s.r.o.	22-4400000007	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Distribuční služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010
ČEZ Distribuční služby, s.r.o.	4400009291	Agreement on Provision of Services (Tax, Personnel, Financial Services, Internal Audit and Monitoring Services, Purchase Process Services, Internal Communication, Quality Management and Control System, Controlling, Risk Management, and Information Security Management) of February 10, 2010
ČEZ Distribuční služby, s.r.o.	4100801152	Agreement on Integration of Optical Elements into Power Meters (TETR)
ČEZ Distribuční služby, s.r.o.	4101153965	Agreement on Downtime Reviews
ČEZ Distribuční služby, s.r.o.	2200140009	Realization Agreement on Joint Acting During Awarding Public Contract „Power Meter Reading - 2015-2019“ of May 12, 2014 (Contracting Parties are ČEZ Distribuční služby, s.r.o., ČEZ, a. s., and ČEZ Distribuce, a. s.)
ČEZ Distribuční služby, s.r.o.	4400018682	General Agreement on Provision of Power Equipment Operation Services of December 28, 2010
ČEZ Distribuční služby, s.r.o.	DE/00286935	Agreement on Inspection Activities (Diagnostic Measuring, Tests, and Opinions) of August 1, 2007
ČEZ Distribuční služby, s.r.o.		General Agreement on Cession of Receivables in ČEZ Group of January 1, 2013
ČEZ Distribuční služby, s.r.o.	4400024043	Agreement on Provision of Services (Converge System Administration) of January 27, 2012
ČEZ Distribuční služby, s.r.o.	4400024087 / 4101100199	Agreement on Provision of Heat Meter Reading and Heat Consumption Site Data Processing Services of December 29, 2010
ČEZ Distribuční služby, s.r.o.	4400025800 / 4101070021	General Agreement on Provision of Services Abroad of July 10, 2007
ČEZ Distribuční služby, s.r.o.	4400029542	General Agreement on Provision of Services Abroad of January 28, 2015
ČEZ Distribuční služby, s.r.o.	5600000738	General Agreement on Operation of Technological Equipment of the R8/II and R8/I Switching Stations of June 2, 2009
ČEZ Distribuční služby, s.r.o.	5600005580	Agreement on Electric Car Rental During the E-Mobility Project of January 29, 2015, Peugeot Vehicle Rental
ČEZ Distribuční služby, s.r.o.	5600005581	Agreement on Electric Car Rental During the E-Mobility Project of January 29, 2015, Nissan e-NV200 Vehicle Rental
ČEZ Distribuční služby, s.r.o.	5600001331	General Agreement on Provision of Services in Preventive Maintenance, Repairs, Operation and Troubleshooting of Electrical Equipment at Hydraulic Power Plant Localities of October 30, 2009.
ČEZ Distribuční služby, s.r.o.		Agreement on Keeping List of Personnel with Access to Internal Information of ČEZ, a. s. of August 9, 2010.
ČEZ Distribuční služby, s.r.o.		Agreement on Confidential Information Protection and Personal Data Processing of September 22, 2014 (Contracting Parties are ČEZ Distribuční služby, s.r.o., ČEZ, a. s., ČEZ Distribuce, a. s., and ČEZ Zákaznické služby, s.r.o.)
ČEZ Distribuční služby, s.r.o.	2200150038	Agreement on Joint Acting of Clients During their Public Contract Awarding (Client Agreement), Public Contract “Supply of Service Vehicles”
ČEZ Distribuční služby, s.r.o.		Agreement on Joint Acting of Clients During their Public Contract Awarding (Client Agreement) of August 11, 2015, Public Contract “Office Supplies”
ČEZ Distribuční služby, s.r.o.	4101070022	Partial Agreement on Provision of Services Abroad – Reading Services in Bulgaria of August 29, 2007
ČEZ Distribuční služby, s.r.o.	4400031454	Agreement on Electromobility Service Provision of January 29, 2015
ČEZ Distribuční služby, s.r.o.	4101070023	Partial Agreement on Provision of Services Abroad – Advisory Services of July 17, 2007
ČEZ Distribuční služby, s.r.o.	5600006000	Agreement on Provision of Services (Websites) of June 15, 2015
ČEZ Distribuční služby, s.r.o.	4101106587	Agreement on Calibrations
ČEZ Distribuční služby, s.r.o.	5600002172	License Agreement on Provision of the Right to Use Trademarks of December 30, 2010
ČEZ Energetické produkty, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of June 30, 2008
ČEZ Energetické produkty, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010
ČEZ Energetické produkty, s.r.o.	ELE/20150094	Agreement on Power Supply, ELE, of December 29, 2014
ČEZ Energetické produkty, s.r.o.	EME/20140036	Agreement on Power Supply, EMĚ, Stock, of December 12, 2014
ČEZ Energetické produkty, s.r.o.	69978400_1	Agreement on Thermal Energy Supply, EMĚ, Central Shops, of December 19, 2014
ČEZ Energetické produkty, s.r.o.	69978500_1	Agreement on Thermal Power Supply, ELE, of December 23, 2014
ČEZ Energetické produkty, s.r.o.	69978300_1	Agreement on Thermal Power Supply, EPR, of December 19, 2014
ČEZ Energetické produkty, s.r.o.	OVHOS10152747	Agreement on Ash Chemical Analyses EPC of December, 11, 2015
ČEZ Energetické produkty, s.r.o.		4 Agreements on Provision of Works Associated with Rear Fuel Cycle (ETI) of December 1, 2008 - 4400003784, of December 15, 2008 (ELE) - 4400004269, of December 15, 2008 (ETU, EPR) - 4400003860, of January 1, 2009 - 4400004326
ČEZ Energetické produkty, s.r.o.	4100029620	Agreement on Provision of Works Associated with Rear Fuel Cycle – Waste Pond Shaping, Technical Reclamation and Biological Reclamation for the Mělník Power Plant of January 1, 2009
ČEZ Energetické produkty, s.r.o.	4400005140	Agreement on Provision of Services Associated with Fly Ash Mining, Loading, and Removal of March 31, 2009
ČEZ Energetické produkty, s.r.o.	4400008252	Agreement on Provision of Services Abroad of December 14, 2009
ČEZ Energetické produkty, s.r.o.	TU/4100266998	Agreement on Termination and Reclamation of the Vysočany Waste Pond (ETU) of March 14, 2011
ČEZ Energetické produkty, s.r.o.	4100380920	Agreement on Technical Reclamation and Landscaping (EHO) of September 15, 2011
ČEZ Energetické produkty, s.r.o.		Agreement on Personal Data Processing of July 11, 2011
ČEZ Energetické produkty, s.r.o.	TU/4100419693	Agreement on Reclamation of the Tušimice Waste Pond of November 30, 2011
ČEZ Energetické produkty, s.r.o.	4100525309	Agreement on Fučík Stabilizer Storage - Part 2 of June 20, 2012
ČEZ Energetické produkty, s.r.o.	4100770297	Agreement on BR KORIDOR III 2013-2017 of July 25, 2013
ČEZ Energetické produkty, s.r.o.	TU/4100751524	Agreement on Fences of June 10, 2013
ČEZ Energetické produkty, s.r.o.	4101004790	Agreement on Fučík Reclamation, Filling IV Corridor of September 8, 2014
ČEZ Energetické produkty, s.r.o.	4100976670	Agreement on Biokoridor II - Part 5, Borrow Pit 5 Mining at the Debrné Waste Pond
ČEZ Energetické produkty, s.r.o.	4400028237	Agreement on EGS Removal from Main Warehouse after BB350A Accident at Severní lom (EPR) of August 26, 2014
ČEZ Energetické produkty, s.r.o.	4100990826	Agreement on B9, 10, and 11 Desulphurization Equipment Modifications (EMĚ) of September 16, 2014
ČEZ Energetické produkty, s.r.o.	4101066205	Agreement on Concrete Footing Removal (ETU) of December 10, 2014
ČEZ Energetické produkty, s.r.o.		4 Agreements on Fuel Management of EPR, ETU, ELE, ETI, and EMĚ of March 8, 2015, March 17, 2015, and March 31, 2015

Company	Contract number	Contract title, date
ČEZ Energetické produkty, s.r.o.	4400030070	Agreement on Spilling Tower Disassembly (ETU) of March 27, 2015
ČEZ Energetické produkty, s.r.o.	4101156617	Agreement on Desulphurization, Hydrocyclone EME B9 Installation of April 15, 2015
ČEZ Energetické produkty, s.r.o.	4101154125	Agreement on EHO - BR Cassettes K2, K3, K4, ZBROD JIH of April 27, 2015
ČEZ Energetické produkty, s.r.o.	4101184566	Agreement on Technical Landscaping Zbrod - North (EHO) of June 25, 2015
ČEZ Energetické produkty, s.r.o.	4101235218	Agreement on Pumping Water from Residual Pond upon ELE2 Shutdown of September 10, 2015
ČEZ Energetické produkty, s.r.o.	4400032217	Agreement on Accredited Measuring During Containment Integrity Verification Testing of October 15, 2015
ČEZ Energetické produkty, s.r.o.	4101261949	Agreement on Connecting Cooling Circuit IV and V Pumps of October 23, 2015
ČEZ Energetické produkty, s.r.o.	4400032758	Agreement on Scrap Yard Securing of January 15, 2015
ČEZ Energetické produkty, s.r.o.	4101271364	Agreement on Emergency Slag Floating to Waste Pond II/13 of November 25, 2015
ČEZ Energetické produkty, s.r.o.	4101286501	Agreement on Density Measuring Reconstruction, EMĚ, of December 17, 2015
ČEZ Energetické produkty, s.r.o.	5600000192	Agreement on Warehouse Goods Sale of April 30, 2008
ČEZ Energetické produkty, s.r.o.	69927300_1	Agreement on ETI Thermal Energy Supply of May 1, 2008
ČEZ Energetické produkty, s.r.o.	4100020375	Agreement on Provision of Safety and Protection of Health at Work and fire protection Services and Technical-Organizational Services of October 13, 2008
ČEZ Energetické produkty, s.r.o.	5600000875	Purchase Agreement (Purchase of VEP and its Associated Services) of April 1, 2009
ČEZ Energetické produkty, s.r.o.	69928300_1	Agreement on Thermal Energy Supply of October 1, 2009
ČEZ Energetické produkty, s.r.o.	44000093000	Agreement on Provision of Services of February 7, 2010
ČEZ Energetické produkty, s.r.o.	PC/00261628	Agreement on Subrogation and Cession of Duties of March 14, 2011
ČEZ Energetické produkty, s.r.o.	69959600_1	Agreement on Thermal Energy Supply of March 1, 2012
ČEZ Energetické produkty, s.r.o.	69968400_1	Agreement on ETU and EPR Thermal Energy Supply of May 6, 2013
ČEZ Energetické produkty, s.r.o.	000320_2011	Rental Agreement, Composting Facility, EHO, of April 29, 2011
ČEZ Energetické produkty, s.r.o.	001111_2014	Rental Agreement, EHO, of September 5, 2014
ČEZ Energetické produkty, s.r.o.	001139_2014	Pooled Rental Agreement, Rental of ČEZ, a. s. II, of October 17, 2014
ČEZ Energetické produkty, s.r.o.	5690002698	Agreement on Fin. Share in Repairs and Maintenance of Service Road, EDĚ, of November 23, 2011
ČEZ Energetické produkty, s.r.o.	5600004760	License Agreement on the Use of the Trademark Right of December 31, 2013
ČEZ Energetické produkty, s.r.o.	5600000412	Agreement on Power Supply and Consumption from OJ Distribution Network, Hodonín Locality, of July 1, 2008
ČEZ Energetické služby, s.r.o.	5600005741	License Agreement on Provision of the Right to Use Trademarks of January 1, 2014
ČEZ Energetické služby, s.r.o.		Agreement on Natural Gas Supply, Agreement Number ČEZTEVI_ZP2015_01, of January 1, 2015
ČEZ Energetické služby, s.r.o.	4101210385	Agreement on DSND OC Nový Smíchov Charging Station Repair
ČEZ Energetické služby, s.r.o.	4101208957	Agreement on Technical Support of Remote Control and DS Data Communication
ČEZ Energetické služby, s.r.o.	4101250947	Agreement on Station Mechanical Modification, Modem Fastening, and Testing
ČEZ Energetické služby, s.r.o.	4101254954	Agreement on Disassembly, Modification, and Repair of Stations Mladá Boleslav (ŠKODA AUTO), ČEZ Garage Duhová, Karviná and Zlín Localities
ČEZ Energetické služby, s.r.o.	4101256091	Agreement on Acquisition of Charging Stations for the Ostrava-Klimkovice and Zlín OC Zlaté jablko Charging Stations
ČEZ Energetické služby, s.r.o.	4101259553	Agreement on Installation of Modem and External Antennas in Cerhenice
ČEZ Energetické služby, s.r.o.	4101259559	Agreement on Technical Documentation + Inspection Report of ČEZ Duhová - Garage
ČEZ Energetické služby, s.r.o.	4101254425	Agreement on Technical Assistance During Inspection and Expert Activities
ČEZ Energetické služby, s.r.o.	4400029152	Agreement on TG9 - Inspections, Diagnostics and Repairs of Turbines and Accessories
ČEZ Energetické služby, s.r.o.	4400029121	Agreement on TG8 - Steam Seal Inspections
ČEZ Energetické služby, s.r.o.	4101133721	Agreement on Conveyor Renovation
ČEZ Energetické služby, s.r.o.	4400004551	Agreement on Lifting Equipment Inspections
ČEZ Energetické služby, s.r.o.	4101040464	Agreement on Supply of Spirals for Dredging Pumps
ČEZ Energetické služby, s.r.o.	4400030014	Agreement on Lubrication of Technological Equipment Blocks No. 21 and 22
ČEZ Energetické služby, s.r.o.	4101150655	Agreement on Renovation of 1 MOVI-V-50/05 Feed Pump
ČEZ Energetické služby, s.r.o.	4101166475	Agreement on Renovation of Spare Parts for 1 Variator
ČEZ Energetické služby, s.r.o.		4 Agreements on Charging Station Installations at Localities No. 15410100, 15410099, 15410116, and 15410157
ČEZ Energetické služby, s.r.o.	4101181841	Agreement on 1 ND Conveyor, Electric Driving Drum
ČEZ Energetické služby, s.r.o.	4400030833	Agreement on Elimination of Safety Defects of EVI Steel Structures
ČEZ Energetické služby, s.r.o.	4101259895	Agreement on Renovation of Equipment - Horizontal Variator
ČEZ Energetické služby, s.r.o.	4500018222	Agreement on Repair of 1 250 NBB Dredging Pump
ČEZ Energetické služby, s.r.o.	4101279375	Agreement on Transportation and Installation of RDS and URDS at their Installation Locations, Including Spraying of 3 Parking Spots
ČEZ Energetické služby, s.r.o.	4101290042	Agreement on Operation, Maintenance, and Repairs of Power Supply Equipment
ČEZ Energetické služby, s.r.o.	4101279317	Agreement on Installation of Concrete Foundation and Charging Station for Electric Cars - Žižkovská Tower
ČEZ Energetické služby, s.r.o.	4101279358	Agreement on Transportation and Installation of Charging Station at OC FORUM Nová Karolína
ČEZ Energetické služby, s.r.o.	4490025837	Agreement on Provision of Maintenance Services
ČEZ Energetické služby, s.r.o.	4101064207	Agreement on ETU - Architectural Lighting of the Tušimice Power Plant
ČEZ Energetické služby, s.r.o.	4101006698	Rental Agreement for Tooling Necessary for Grinding Works on Steam Pipelines
ČEZ Energetické služby, s.r.o.	4400027717	Maintenance Agreement - Pruněfov Power Plant
ČEZ Energetické služby, s.r.o.	12410076	Agreement on Power Supply
ČEZ Energetické služby, s.r.o.	4490010221	Agreement on Sewer Connections Cleaning with Pressure Vehicle
ČEZ Energetické služby, s.r.o.	09410028	Agreement on Waste Water Supply
ČEZ Energetické služby, s.r.o.	09410067	Agreement on Recycled Water Supply
ČEZ Energetické služby, s.r.o.	09410029	Agreement on Drinking Water Supply
ČEZ Energetické služby, s.r.o.	09410066	Agreement on Process Water Supply
ČEZ Energetické služby, s.r.o.	09410032	Agreement on Compressed Air Supply
ČEZ Energetické služby, s.r.o.	4400005012	Agreement on Use of Crane and Lifting Equipment
ČEZ Energetické služby, s.r.o.	4100024344	Agreement on Completion of Handling, Transportation, and Binding Works and Crane Operation
ČEZ Energetické služby, s.r.o.	4400004275	Agreement on Maintenance of Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004277	Agreement on Maintenance of Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004276	Agreement on Maintenance of Technological Equipment

Company	Contract number	Contract title, date
ČEZ Energetické služby, s.r.o.	4400004280	Agreement on Maintenance of Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004274	Agreement on Maintenance of Fuel Management Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004278	Agreement on Maintenance of Building Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004365	Agreement on Maintenance of Electrical Technological Equipment
ČEZ Energetické služby, s.r.o.	4400004923	Agreement on General Repair of Boiler Mills No. 9, 10, and 11 (OJ Heat Plant, Vítkovice Locality)
ČEZ Energetické služby, s.r.o.	4490004279	Agreement on Maintenance of Heating Industry Technological Equipment
ČEZ Energetické služby, s.r.o.		2 Agreements on Inspections, Tests, and Checks of Restricted Pressure and Gas Equipment, SoD Numbers 4400004376 and 4400004406
ČEZ Energetické služby, s.r.o.	4490004366	Agreement on Maintenance of Control and Regulation System Technological Equipment
ČEZ Energetické služby, s.r.o.	4101178570	Agreement on Provision of Media Services
ČEZ Energetické služby, s.r.o.	5600001490	Agreement on Provision of Services, Including Appendices No. 1-8
ČEZ Energetické služby, s.r.o.	4101240332	Agreement on New Consumption Site Establishment
ČEZ Energetické služby, s.r.o.	4101110988	Supplement No. 1 to Agreement on Thermal Energy Supply 69975700_1
ČEZ Energetické služby, s.r.o.	4101098714	Heat Order – TUV 2015
ČEZ Energetické služby, s.r.o.	4101101703	Order of Power for Own Consumption
ČEZ Energetické služby, s.r.o.	4101101700	Heat Order – TVS 2015
ČEZ Energetické služby, s.r.o.	4101101687	Heat Order – HVS 2015
ČEZ Energetické služby, s.r.o.	4101110988	Order of Thermal Energy Supply for Rented Facilities
ČEZ Energetické služby, s.r.o.	4101112306	Order of Non-Residential Facilities Rental at TEVI
ČEZ Energetické služby, s.r.o.	4101116484	Order of Non-Residential Facilities Rental at Pruněřov Power Plant
ČEZ Energetické služby, s.r.o.		3 Orders of the Inspection Body Personnel Training Course at ČEZ, a.s., Numbers 4101145707, 4101176722, and 4101237370
ČEZ Energetické služby, s.r.o.	4101146548	Order of Psychological Examination for Independent Entry into Guarded Areas of Temelín and Dukovany Nuclear Power Plants
ČEZ Energetické služby, s.r.o.	4101178570	Order of Editing and Updating of Web Profile at www.cez.cz/cezes
ČEZ Energetické služby, s.r.o.	4101240332	Order of EE-VN Supply for Compressor Room in Centre-I.
ČEZ Energetické služby, s.r.o.	4101267197	Order of Services Associated with Support of Operation of MVE Mělník per its Original Agreement with MARTIA, a.s., No. 72200055
ČEZ Energetické služby, s.r.o.	4101269405	Order of Entrance Psychological Tests for Employees of ČEZ Energetické služby, s.r.o.
ČEZ Energetické služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Energetické služby, s.r.o.		Agreement on Issuance of Guarantees of November 11, 2014
ČEZ Energetické služby, s.r.o.		Agreement on issuance of guarantees of September 15, 2014, as Specified in Appendices
ČEZ Energetické služby, s.r.o.		Agreement on Power Supply of November 12, 2012
ČEZ Energetické služby, s.r.o.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of July 4, 2014
ČEZ Energetické služby, s.r.o.		Allowances Appendix (Power) to the General Agreement on Power Supply and Consumption (EFET) of July 4, 2014
ČEZ Energo, s.r.o.	5600002820	License Agreement on Provision of the Right to Use Trademarks
ČEZ Energo, s.r.o.	4100799218	Agreement on Thermal Energy Supply - Ostrava Heating Plant, of August 9, 2013
ČEZ Energo, s.r.o.		Rental Agreement for Non-Residential Facilities of Ostrava Heating Plant of October 1, 2013
ČEZ Energo, s.r.o.	5600004492	Agreement on Operation Support - Ostrava Heating Plant, of January 1, 2014
ČEZ Energo, s.r.o.		Agreement on Provision of Services - Websites, of January 1, 2015
ČEZ Energo, s.r.o.		Agreement on Provision of Services of December 17, 2014
ČEZ Energo, s.r.o.	4100879970	Study of Economic Potential of December 23, 2013, Island Operation
ČEZ Energo, s.r.o.	4101239320	Agreement on Pump Purchase of September 10, 2015
ČEZ Energo, s.r.o.		Agreement on Natural Gas Supply and Consumption of June 20, 2014
ČEZ Energo, s.r.o.		Agreement on Power Supply in 2015 and Acceptance of Commitment to Supply Power to Distribution Network of January 1, 2015
ČEZ Energo, s.r.o.		Agreement on Provision of Operative Power Supply in 2015 of January 1, 2015
ČEZ ENERGOSERVIS spol. s r.o.		28 Partial Agreements whose Subjects are Technological Equipment Maintenance
ČEZ ENERGOSERVIS spol. s r.o.		14 Partial Agreements Based on which Stress Tests were Completed
ČEZ ENERGOSERVIS spol. s r.o.	ES/115/2012	Modification of Diesel Engine Lubricator Piping and Water Venting Piping of Blocks 3 and 4
ČEZ ENERGOSERVIS spol. s r.o.	ES/081/2013	Replacement of Cooling Water Circuits in ETE Engines
ČEZ ENERGOSERVIS spol. s r.o.	ES/097/2013	Air Tank Connection Replacement
ČEZ ENERGOSERVIS spol. s r.o.	ES/129/2013	Design Support of Leak Elimination through Furmanite Method at EDU and ETE
ČEZ ENERGOSERVIS spol. s r.o.	ES/034/2014	Replacement of Oil Sets of Generator Sealing Oils
ČEZ ENERGOSERVIS spol. s r.o.	ES/077/2014	Electric Motor Overhauls
ČEZ ENERGOSERVIS spol. s r.o.	ES/083/2014	Repair of Suction Piping in Cooling Water Sump through its Replacement
ČEZ ENERGOSERVIS spol. s r.o.	ES/089/2014	Modification of Rotary Film Evaporator
ČEZ ENERGOSERVIS spol. s r.o.	ES/112/2014	Provision of Access to Diagnostic Sensors for Calibration Purposes
ČEZ ENERGOSERVIS spol. s r.o.	ES/114/2014	Technical Assistance During Coordination of Works in Containment
ČEZ ENERGOSERVIS spol. s r.o.	ES/116/2014	Noise Level Reduction Securing
ČEZ ENERGOSERVIS spol. s r.o.	ES/121/2014	Measures to Prevent Items Falling from Galleries
ČEZ ENERGOSERVIS spol. s r.o.	ES/041/2014	Replacement of 3 Current Pipes
ČEZ ENERGOSERVIS spol. s r.o.	ES/002/2015	Modernization - Completion of Deviation No. 02/5978
ČEZ ENERGOSERVIS spol. s r.o.	ES/003/2015	Exhaust Tube Oil Capturing
ČEZ ENERGOSERVIS spol. s r.o.	ES/004/2015	Accommodation at the Blanice Hotel
ČEZ ENERGOSERVIS spol. s r.o.	ES/005/2015	Accommodation at the Otava Hostel
ČEZ ENERGOSERVIS spol. s r.o.	ES/014/2015	Piping Pressure Surges upon Pump Shutdown
ČEZ ENERGOSERVIS spol. s r.o.	ES/022/2015	Horizontal Protection System
ČEZ ENERGOSERVIS spol. s r.o.	ES/023/2015	Lift-Based Transports from Corridor
ČEZ ENERGOSERVIS spol. s r.o.	4400029715	Repairs of Inflow and Outflow Screens
ČEZ ENERGOSERVIS spol. s r.o.	ES/033/2015	Box Operation and Handling
ČEZ ENERGOSERVIS spol. s r.o.	ES/055/2015	Set of Low Seats for Generator Stator
ČEZ ENERGOSERVIS spol. s r.o.	ES/056/2015	Piping Wall Thickness Measuring

Company	Contract number	Contract title, date
ČEZ ENERGOSERVIS spol. s r.o.	ES/057/2015	Construction Modifications for Transport Car Entry
ČEZ ENERGOSERVIS spol. s r.o.	ES/060/2015	Elimination of Enormous Drainage Erosion Damage
ČEZ ENERGOSERVIS spol. s r.o.	ES/063/2015	Technical Assistance During Coordination of Works in Containment During Downtimes in 2016
ČEZ ENERGOSERVIS spol. s r.o.	ES/066/2015	Static Evaluation of Steel Structures
ČEZ ENERGOSERVIS spol. s r.o.	ES/070/2015	Safe Access
ČEZ ENERGOSERVIS spol. s r.o.	ES/072/2015	Removal of "V" Flange Joints at Pump Suction and Discharge
ČEZ ENERGOSERVIS spol. s r.o.	ES/073/2015	Equipment Disposal
ČEZ ENERGOSERVIS spol. s r.o.	ES/074/2015	Replacement of Power Meters 2TL04D01, 02, and 2TL05D02, 03 with New Ones
ČEZ ENERGOSERVIS spol. s r.o.	ES/076/2015	Replacement of Cooling Water Paths
ČEZ ENERGOSERVIS spol. s r.o.	ES/077/2015	Release of H2 Sample at Generator Hydrogen Purity Analyzer into Atmosphere
ČEZ ENERGOSERVIS spol. s r.o.	ES/079/2015	Roofing (Covering) of Bitumen Operation
ČEZ ENERGOSERVIS spol. s r.o.	4400031247	shaft seal repair
ČEZ ENERGOSERVIS spol. s r.o.	ES/088/2015	Starting Air System Replenishment
ČEZ ENERGOSERVIS spol. s r.o.	ES/089/2015	Shaft Seal Repair
ČEZ ENERGOSERVIS spol. s r.o.	ES/092/2015	Securing of Suction of Diesel from Inserted Tanks
ČEZ ENERGOSERVIS spol. s r.o.	4400032144	Plastic Label Processing and Engraving
ČEZ ENERGOSERVIS spol. s r.o.	ES/105/2015	Biofouling Monitoring
ČEZ ENERGOSERVIS spol. s r.o.	ES/109/2015	Securing of Emergency Steam Source - Study Completion
ČEZ ENERGOSERVIS spol. s r.o.	ES/125/2015	Emergency Sump Level Measuring, NEMES Modification, Field 17 Indication
ČEZ ENERGOSERVIS spol. s r.o.	ESLC/603/2015	Securing of TETR Readiness
ČEZ ENERGOSERVIS spol. s r.o.	N/001/2015	Agreement on Thermal Energy Supply
ČEZ ENERGOSERVIS spol. s r.o.	N/002/2015	Březí Rental Agreement
ČEZ ENERGOSERVIS spol. s r.o.	N/005/2015	Agreement on Thermal Energy Supply
ČEZ ESCO, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of December 8, 2014
ČEZ ESCO, a.s.		License Agreement on Provision of the Right to Use Trademarks of November 25, 2014
ČEZ ESCO, a.s.		Agreement on Transfer of some of the Employer's Activities of February 1, 2015
ČEZ ESCO, a.s.		Agreement on Provision of Services of January 1, 2015
ČEZ ESCO, a.s.		Appendix No. 1 to Agreement on Provision of Services of October 1, 2015
ČEZ ESCO, a.s.	2015_030_05	Agreement on Provided Information Confidentiality
ČEZ ESCO, a.s.		Agreement on Subrogation and Cession of Agreement Obligations of February 1, 2015
ČEZ ESCO, a.s.		Agreement on Agreement Cession of June 22, 2015
ČEZ ESCO, a.s.		Agreement on Stock Subscription of June 29, 2015
ČEZ ESCO, a.s.		Agreement on Business Share Deposits of June 29, 2015
ČEZ ICT Services, a. s.		The Mutual Credit Facility Agreement of August 27, 2012 (Agreement Subject: Mutual Credit Facilities)
ČEZ ICT Services, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ ICT Services, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010
ČEZ ICT Services, a. s.	4100181813	Rental Agreement
ČEZ ICT Services, a. s.	4100188810	Rental Agreement
ČEZ ICT Services, a. s.	4100197685	Rental Agreement
ČEZ ICT Services, a. s.	4100197691	Heat Supply
ČEZ ICT Services, a. s.	4100197694	Rental Agreement
ČEZ ICT Services, a. s.	4100197700	Rental Agreement
ČEZ ICT Services, a. s.	4100201689	Rental Agreement
ČEZ ICT Services, a. s.	4100204437	Rental Agreement
ČEZ ICT Services, a. s.	4100226885	Rental Agreement
ČEZ ICT Services, a. s.	4100230082	Rental Agreement
ČEZ ICT Services, a. s.	4100464503	Heat Supply
ČEZ ICT Services, a. s.	4100464851	Rental Agreement
ČEZ ICT Services, a. s.	4100465399	Heat Supply
ČEZ ICT Services, a. s.	4100465463	Heat Supply
ČEZ ICT Services, a. s.	4100465515	Heat Supply
ČEZ ICT Services, a. s.	4100465542	Heat Supply
ČEZ ICT Services, a. s.	4100465555	Heat Supply
ČEZ ICT Services, a. s.	4100465621	Heat Supply
ČEZ ICT Services, a. s.	4100467488	Rental Agreement
ČEZ ICT Services, a. s.	4100467788	Rental Agreement
ČEZ ICT Services, a. s.	4100470187	Rental Agreement
ČEZ ICT Services, a. s.	4100472347	Power Consumption
ČEZ ICT Services, a. s.	4100472366	Rental Agreement
ČEZ ICT Services, a. s.	4100478425	Rental Agreement
ČEZ ICT Services, a. s.	4100478447	Rental Agreement
ČEZ ICT Services, a. s.	4100478475	Rental Agreement
ČEZ ICT Services, a. s.	4100478489	Rental Agreement
ČEZ ICT Services, a. s.	4100478527	Rental Agreement
ČEZ ICT Services, a. s.	4100478557	Rental Agreement
ČEZ ICT Services, a. s.	4100478566	Rental Agreement
ČEZ ICT Services, a. s.	4100686798	Rental Agreement
ČEZ ICT Services, a. s.	4100698200	Heat Supply
ČEZ ICT Services, a. s.	4100698302	Heat Supply
ČEZ ICT Services, a. s.	4100702763	Heat Supply
ČEZ ICT Services, a. s.	4100702769	Heat Supply

Company	Contract number	Contract title, date
ČEZ ICT Services, a. s.	4100766175	Heat Supply
ČEZ ICT Services, a. s.	4100773622	Heat Supply
ČEZ ICT Services, a. s.	4100804289	Heat Supply
ČEZ ICT Services, a. s.	4100848362	Transportation Services
ČEZ ICT Services, a. s.	4100849708	Rental Agreement
ČEZ ICT Services, a. s.	4100871029	Rental Agreement
ČEZ ICT Services, a. s.	4100871057	Rental Agreement
ČEZ ICT Services, a. s.	4100872622	Rental Agreement
ČEZ ICT Services, a. s.	4100875649	Rental Agreement
ČEZ ICT Services, a. s.	4100875771	Rental Agreement
ČEZ ICT Services, a. s.	4100884118	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884142	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884143	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884144	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884145	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884146	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884147	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884148	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100884149	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100888337	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4100888563	Rental Agreement
ČEZ ICT Services, a. s.	4100891309	Rental Agreement
ČEZ ICT Services, a. s.	4100894825	Rental Agreement
ČEZ ICT Services, a. s.	4100901203	Rental Agreement
ČEZ ICT Services, a. s.	4101027840	Rental Agreement
ČEZ ICT Services, a. s.	4101091922	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4101119798	Order Agreement STO_EPS
ČEZ ICT Services, a. s.	4101129461	Psychological Examination
ČEZ ICT Services, a. s.	4101129964	Rental Agreement
ČEZ ICT Services, a. s.	4101134609	Psychological Examination
ČEZ ICT Services, a. s.	4101140243	Catering Services
ČEZ ICT Services, a. s.	4101142236	Catering Services
ČEZ ICT Services, a. s.	4101144962	Psychological Examination
ČEZ ICT Services, a. s.	4101162850	Psychological Examination
ČEZ ICT Services, a. s.	4101175432	Provision of Maintenance Services
ČEZ ICT Services, a. s.	4101177743	STO and EPS Services
ČEZ ICT Services, a. s.	4101177820	STO and EPS Services
ČEZ ICT Services, a. s.	4101182594	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101184172	STO and EPS Services
ČEZ ICT Services, a. s.	4101191854	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101229989	Mandate Agreement
ČEZ ICT Services, a. s.	4101236704	Psychological Examination
ČEZ ICT Services, a. s.	4101249889	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101260127	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101262631	Psychological Examination
ČEZ ICT Services, a. s.	4101274997	Training
ČEZ ICT Services, a. s.	4101293631	Material Supply
ČEZ ICT Services, a. s.	4101301259	Psychological Examination
ČEZ ICT Services, a. s.	4101302209	Property Purchase
ČEZ ICT Services, a. s.	4400009487	Corporate Services
ČEZ ICT Services, a. s.	4400013288	Corporate Services
ČEZ ICT Services, a. s.	4400023852	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	560004330	License Agreement of October 1, 2013
ČEZ ICT Services, a. s.	4400032919	Website Provision
ČEZ ICT Services, a. s.	5600005941	Provision of Data Centre Operation Services
ČEZ ICT Services, a. s.	5600006053	Agreement on Future Agreement on Easement Establishment
ČEZ ICT Services, a. s.	4100931514	Maintenance Works
ČEZ ICT Services, a. s.	4100933712	Provision of ICT Services
ČEZ ICT Services, a. s.	4100952916	Provision of ICT Services
ČEZ ICT Services, a. s.	4100969411	Provision of ICT Services
ČEZ ICT Services, a. s.	4100973949	Provision of ICT Services
ČEZ ICT Services, a. s.	4101010326	Provision of ICT Services
ČEZ ICT Services, a. s.	4101045925	Provision of ICT Services
ČEZ ICT Services, a. s.	4101076107	Installation
ČEZ ICT Services, a. s.	4101101196	Provision of ICT Services
ČEZ ICT Services, a. s.	4101125036	HW Supply
ČEZ ICT Services, a. s.	4101142742	Material Supply
ČEZ ICT Services, a. s.	4101143802	Provision of ICT Services
ČEZ ICT Services, a. s.	4101160025	Provision of ICT Services
ČEZ ICT Services, a. s.	4101176955	Provision of ICT Services
ČEZ ICT Services, a. s.	4101206793	Provision of ICT Services
ČEZ ICT Services, a. s.	4101236150	Provision of ICT Services
ČEZ ICT Services, a. s.	4101275878	Provision of ICT Services

Company	Contract number	Contract title, date
ČEZ ICT Services, a. s.	4101283549	Provision of ICT Services
ČEZ ICT Services, a. s.	4101290929	Provision of ICT Services
ČEZ ICT Services, a. s.	4101293730	Provision of ICT Services
ČEZ ICT Services, a. s.	4400006350	Provision of ICT Services
ČEZ ICT Services, a. s.	4400010870	Provision of ICT Services
ČEZ ICT Services, a. s.	4400012688	Maintenance Works
ČEZ ICT Services, a. s.	4400015101	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022101	Maintenance Works
ČEZ ICT Services, a. s.	4400022115	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022117	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022119	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022144	Provision of ICT Services
ČEZ ICT Services, a. s.	4400025654	Provision of ICT Services
ČEZ ICT Services, a. s.	4400027773	Provision of ICT Services
ČEZ ICT Services, a. s.	4400027930	Provision of ICT Services
ČEZ ICT Services, a. s.	4400028994	Cabling Supply
ČEZ ICT Services, a. s.	4400029154	Maintenance Works
ČEZ ICT Services, a. s.	4400030022	Cabling Supply
ČEZ ICT Services, a. s.	4400030025	Installation
ČEZ ICT Services, a. s.	4400033124	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033193	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033194	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033195	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033202	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033203	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033204	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033205	Provision of ICT Services
ČEZ ICT Services, a. s.	5600000620	Provision of Safety and Protection of Health at Work and Fire Protection Services
ČEZ ICT Services, a. s.	5600002300	Rental Agreement
ČEZ ICT Services, a. s.	5600005613	Order Agreement (STO and EPS)
ČEZ ICT Services, a. s.	5600005750	Provision of ICT Services
ČEZ ICT Services, a. s.	4100901203	Rental Agreement
ČEZ ICT Services, a. s.	4101027840	Rental Agreement
ČEZ ICT Services, a. s.	4101091922	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	4101119798	Order Agreement STO_EPS
ČEZ ICT Services, a. s.	4101129461	Psychological Examination
ČEZ ICT Services, a. s.	4101129964	Rental Agreement
ČEZ ICT Services, a. s.	4101134609	Psychological Examination
ČEZ ICT Services, a. s.	4101140243	Catering Services
ČEZ ICT Services, a. s.	4101142236	Catering Services
ČEZ ICT Services, a. s.	4101144962	Psychological Examination
ČEZ ICT Services, a. s.	4101162850	Psychological Examination
ČEZ ICT Services, a. s.	4101175432	Provision of Maintenance Services
ČEZ ICT Services, a. s.	4101177743	STO and EPS Services
ČEZ ICT Services, a. s.	4101177820	STO and EPS Services
ČEZ ICT Services, a. s.	4101182594	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101184172	STO and EPS Services
ČEZ ICT Services, a. s.	4101191854	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101229989	Mandate Agreement
ČEZ ICT Services, a. s.	4101236704	Psychological Examination
ČEZ ICT Services, a. s.	4101249889	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101260127	Supply of Personal Protective Equipment
ČEZ ICT Services, a. s.	4101262631	Psychological Examination
ČEZ ICT Services, a. s.	4101274997	Training
ČEZ ICT Services, a. s.	4101293631	Material Supply
ČEZ ICT Services, a. s.	4101301259	Psychological Examination
ČEZ ICT Services, a. s.	4101302209	Property Purchase
ČEZ ICT Services, a. s.	4400009487	Corporate Services
ČEZ ICT Services, a. s.	4400013288	Corporate Services
ČEZ ICT Services, a. s.	4400023852	Provision of Telecommunication Services
ČEZ ICT Services, a. s.	560004330	License Agreement of October 1, 2013
ČEZ ICT Services, a. s.	4400032919	Website Provision
ČEZ ICT Services, a. s.	5600005941	Provision of Data Centre Operation Services
ČEZ ICT Services, a. s.	5600006053	Agreement on Future Agreement on Easement Establishment
ČEZ ICT Services, a. s.	4100931514	Maintenance Works
ČEZ ICT Services, a. s.	4100933712	Provision of ICT Services
ČEZ ICT Services, a. s.	4100952916	Provision of ICT Services
ČEZ ICT Services, a. s.	4100969411	Provision of ICT Services
ČEZ ICT Services, a. s.	4100973949	Provision of ICT Services
ČEZ ICT Services, a. s.	4101010326	Provision of ICT Services
ČEZ ICT Services, a. s.	4101045925	Provision of ICT Services
ČEZ ICT Services, a. s.	4101076107	Installation
ČEZ ICT Services, a. s.	4101101196	Provision of ICT Services

Company	Contract number	Contract title, date
ČEZ ICT Services, a. s.	4101125036	HW Supply
ČEZ ICT Services, a. s.	4101142742	Material Supply
ČEZ ICT Services, a. s.	4101143802	Provision of ICT Services
ČEZ ICT Services, a. s.	4101160025	Provision of ICT Services
ČEZ ICT Services, a. s.	4101176955	Provision of ICT Services
ČEZ ICT Services, a. s.	4101206793	Provision of ICT Services
ČEZ ICT Services, a. s.	4101236150	Provision of ICT Services
ČEZ ICT Services, a. s.	4101275878	Provision of ICT Services
ČEZ ICT Services, a. s.	4101283549	Provision of ICT Services
ČEZ ICT Services, a. s.	4101290929	Provision of ICT Services
ČEZ ICT Services, a. s.	4101293730	Provision of ICT Services
ČEZ ICT Services, a. s.	4400006350	Provision of ICT Services
ČEZ ICT Services, a. s.	4400010870	Provision of ICT Services
ČEZ ICT Services, a. s.	4400012688	Maintenance Works
ČEZ ICT Services, a. s.	4400015101	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022101	Maintenance Works
ČEZ ICT Services, a. s.	4400022115	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022117	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022119	Provision of ICT Services
ČEZ ICT Services, a. s.	4400022144	Provision of ICT Services
ČEZ ICT Services, a. s.	4400025654	Provision of ICT Services
ČEZ ICT Services, a. s.	4400027773	Provision of ICT Services
ČEZ ICT Services, a. s.	4400027930	Provision of ICT Services
ČEZ ICT Services, a. s.	4400028994	Cabling Supply
ČEZ ICT Services, a. s.	4400029154	Maintenance Works
ČEZ ICT Services, a. s.	4400030022	Cabling Supply
ČEZ ICT Services, a. s.	4400030025	Installation
ČEZ ICT Services, a. s.	4400033124	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033193	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033194	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033195	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033202	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033203	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033204	Provision of ICT Services
ČEZ ICT Services, a. s.	4400033205	Provision of ICT Services
ČEZ ICT Services, a. s.	5600000620	Provision of Safety and Protection of Health at Work and Fire Protection Services
ČEZ ICT Services, a. s.	5600002300	Rental Agreement
ČEZ ICT Services, a. s.	5600005613	Order Agreement (STO and EPS)
ČEZ ICT Services, a. s.	5600005750	Provision of ICT Services
ČEZ ICT Services, a. s.		Agreement on assignment of Agreement dated February 6, 2015, on basis of which the rights and obligations arising from Individual Agreement o Providence of Services on systems of technical protection and fire electric signalisation signed on March 1, 2013 between ČEZ ICT Services, a.s. and Elektrárna Dětmarovice, a.s., were assigned
ČEZ Inženýring, s.r.o.		Agreement on Provision of Technical Support and Services of June 30, 2014, Including Appendices 1 and 2
ČEZ Inženýring, s.r.o.		Agreement on Work of May 13, 2014
ČEZ Inženýring, s.r.o.		Agreement on Transfer of some of the Employer's Activities of June 30, 2014, Including Appendix 1
ČEZ Inženýring, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of June 23, 2014
ČEZ Inženýring, s.r.o.		Agreement on Provision of Services, Provision of Tax, Personnel, Financial, Purchasing, Internal Communication, Control Quality and System, Controlling, Risk Management, Information Security, Safety and Protection of Health at Work, Fire Protection, and Environmental Protection Services of October 27, 2014, Including Appendix 1
ČEZ Inženýring, s.r.o.		Order of Completion of Internal Audit No. 15/5/19 of June 5, 2015
ČEZ Inženýring, s.r.o.		Rental Agreement, Rental of Office Space in Prague, of October 7, 2014, Including Appendices 1 and 2
ČEZ Inženýring, s.r.o.		Rental Agreement, Rental of Office Space in Ledvice, of August 20, 2014, Including Appendix 1
ČEZ Inženýring, s.r.o.		Rental Agreement, Rental of Office Space at Individual Power Plants and Heating Plants of October 17, 2014, Including Appendices 1-5
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Hodonín Power Plant of July 28, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Poříčí Power Plant of July 28, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Dvůr Králové nad Labem Heating Plant of July 28, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Ledvice Power Plant of August 29, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Prunéřov Power Plant of August 20, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Tušimice Power Plant of October 29, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Mělník Power Plant of September 30, 2014
ČEZ Inženýring, s.r.o.		Agreement on Thermal Energy Supply to Rental Facilities at Počeradý Power Plant of December 19, 2014
ČEZ Inženýring, s.r.o.		Agreement on Provision of Services (Websites) of December 7, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Processing of Received and Mailed Correspondence of January 2, 2007
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Non-Residential Facilities, Parking Spots, and Real Estate of January 2, 2007
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Registry and Archiving Services of January 2, 2007
ČEZ Korporátní služby, s.r.o.		General Agreement on Provision and Securing of Services and Leases of September 1, 2005
ČEZ Korporátní služby, s.r.o.		Agreement on Administration of Non-Technological and Technological Assets, Supporting Services, and Car Transportation-Related Services of September 1, 2005
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Services of Technical Protection Systems and Electric Fire Alarm Systems of February 26, 2010

Company	Contract number	Contract title, date
ČEZ Korporátní služby, s.r.o.		Agreement on the Provision of Residual REAS Real Estate Administration Services of January 14, 2008
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Non-Residential Facilities of December 31, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Securing Canteen Services of May 1, 2007
ČEZ Korporátní služby, s.r.o.		Agreement on Following Shared Documentation of ČEZ-ETE of May 14, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Following Internal Regulations of ČEZ-ETE of March 31, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Movable Assets Rental of September 20, 2009
ČEZ Korporátní služby, s.r.o.		2 Agreements on Personal Data Processing of February 1, 2006, of June 28, 2011
ČEZ Korporátní služby, s.r.o.		Agreement on Full Service Leasing of November 16, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Joint Activities During Supplier Selection of September 30, 2004
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Services Tax, Accounting, Personnel, Financial, Internal Audit and Monitoring, Purchase Process, Internal Communication, Control Quality and System, Controlling and Reporting Methodologies, ICT Advisory, Information Security Management, Physical Protection Management, Safety and Protection of Health at Work, Fire Protection, and Emergency Preparedness and Protection Services of February 10, 2010
ČEZ Korporátní služby, s.r.o.		Agreement on Securing Operation of Ledvice Information Centre of December 7, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Rental Cars of November 25, 2009
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Printing and Reprographic Services of February 26, 2009
ČEZ Korporátní služby, s.r.o.		2 Agreements on Bus Evacuation Reserve for Emergency Situations of August 4, 2005 and August 5, 2005
ČEZ Korporátní služby, s.r.o.		Agreement on Car Fleet Administration of June 28, 2007
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Space, Parking Spots, and Internal Equipment of November 15, 2007
ČEZ Korporátní služby, s.r.o.		Agreement on Credit Facility of June 27, 2006
ČEZ Korporátní služby, s.r.o.		Agreement on Mutual Credit Facilities of June 29, 2006
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Non-Residential Facilities and Parking Spots of January 1, 2014
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Non-Residential Facilities for Power Plants and Heating Plants of February 23, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Securing Catering Services of July 14, 2015
ČEZ Korporátní služby, s.r.o.	4400029873	Agreement on Power Supply of July 7, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Subrogation of February 2, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Accounting Services of December 18, 2012
ČEZ Korporátní služby, s.r.o.		Agreement on Office Rental of May 12, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Electromobility Service Provision of April 20, 2015
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Parking Spots of August 14, 2014
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Non-Residential Facilities of April 11, 2011
ČEZ Korporátní služby, s.r.o.		Agreement on Transportation Means Rental of January 1, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Web Media Services of June 24, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Partial Subrogation and Cession of Obligations Deriving from Service Agreement of December 19, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Public Contracts of April 27, 2015
ČEZ Korporátní služby, s.r.o.		2 Rental Agreements for Non-Residential Facilities of November 11, 2015 and November 2, 2015
ČEZ Korporátní služby, s.r.o.		Rental Agreement for Land for Installation and Operation of Electric Car Charging Station of July 30, 2015
ČEZ Korporátní služby, s.r.o.	5600002177	License Agreement of December 30, 2010
ČEZ Korporátní služby, s.r.o.		Agreement on Real Estate Purchase of December 15, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Securing Coordinated Acting During Awarding of Public Contracts of May 29, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Rental and Sublease of Business Facilities of January 19, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Movable Assets Sale of November 28, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Provision of Personnel Services of December 18, 2012
ČEZ Korporátní služby, s.r.o.		Agreement on Thermal Energy Supply
ČEZ Korporátní služby, s.r.o.		23 Agreements on Thermal Energy Supply
ČEZ Korporátní služby, s.r.o.		Agreement on Work, Pořičí Power Plant, of January 13, 1997
ČEZ Korporátní služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Korporátní služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010
ČEZ Korporátní služby, s.r.o.	4400029912	Agreement on Power Supply of March 28, 2014
ČEZ Korporátní služby, s.r.o.		Agreement on Issuance of Guarantees of April 20, 2007
ČEZ Nová energetika, a.s.		Agreement on Credit Facility - Appendix No. 1 of November 9, 2015
ČEZ Nová energetika, a.s.	5600005630	License Agreement of September 1, 2013
ČEZ Nová energetika, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of September 23, 2013
ČEZ Nová energetika, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of June 23, 2015
ČEZ Nová energetika, a.s.		Agreement on Credit Facility of July 1, 2015
ČEZ Nová energetika, a.s.	5600005950	Agreement on Provision of Services
ČEZ Nová energetika, a.s.		Agreement on Stock Subscription of April 2, 2015
ČEZ Nová energetika, a.s.		Agreement on Authorizing Another Party to Complete Individual Activities that Include Investment Fund Administration of April 13, 2015
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Power Supply of October 16, 2014
ČEZ Obnovitelné zdroje, s.r.o.	4100326171	Agreement on Provision of Services
ČEZ Obnovitelné zdroje, s.r.o.	4100467844	Agreement on Vydra 2 Business Plan Analysis
ČEZ Obnovitelné zdroje, s.r.o.	4100530374	Agreement on Turbine Hydr. Circuit Assessment
ČEZ Obnovitelné zdroje, s.r.o.	4100721715	Agreement on Mělník Easement
ČEZ Obnovitelné zdroje, s.r.o.	4100900376	Agreement on "Vydra MVE Business Plan Completion" Work
ČEZ Obnovitelné zdroje, s.r.o.	4400012092	Agreement on Provision of Services
ČEZ Obnovitelné zdroje, s.r.o.	4400013229	Agreement on Provision of Services

Company	Contract number	Contract title, date
ČEZ Obnovitelné zdroje, s.r.o.	4400013240	Agreement on Provision of Services
ČEZ Obnovitelné zdroje, s.r.o.	4400014243	License Agreement on Trademarks
ČEZ Obnovitelné zdroje, s.r.o.	4400015933	Agreement on Provision of Services
ČEZ Obnovitelné zdroje, s.r.o.	4400020869	Agreement on Cooperation During MVE Mělník Operation
ČEZ Obnovitelné zdroje, s.r.o.	4400032623	Agreement on Provision of Services (Websites)
ČEZ Obnovitelné zdroje, s.r.o.	4400027501	Rental Agreement for Non-Residential Facilities
ČEZ OZ uzavřený investiční fond a.s.	5600003200	License Agreement on the Use of the Trademark Right of September 1, 2012
ČEZ OZ uzavřený investiční fond a.s.		Agreement on Mutual Credit Facilities Concerning Agreement on Provision of Real Multilevel Flexi Cash-Pooling (ČS) of November 25, 2011, Including Appendices 1-4
ČEZ OZ uzavřený investiční fond a.s.	5600003042	Provision of Financial Services and Internal Audit, Including Appendices 1 - 5
ČEZ OZ uzavřený investiční fond a.s.	001102_2012	Agreement on MVE Mělník Easement Establishment
ČEZ OZ uzavřený investiční fond a.s.	5600005985	Agreement on Provision of Services
ČEZ OZ uzavřený investiční fond a.s.	5600006621	Agreement on Outsourcing (Agreement Subject: Provision of Services), Including App. 1 - 2
ČEZ Prodej, s.r.o.		License Agreement on Provision of the Right to Use Trademarks of September 15, 2014
ČEZ Prodej, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Prodej, s.r.o.	4400026636	Order Agreement of March 13, 2014
ČEZ Prodej, s.r.o.		Agreement on Provision of Electromobility Services
ČEZ Prodej, s.r.o.		Agreement on Electric Car Rental During the E-Mobility Project
ČEZ Prodej, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of August 20, 2010
ČEZ Prodej, s.r.o.		General Agreement on Origin Guarantees Transfer
ČEZ Prodej, s.r.o.		Agreement on Bank Guarantee Issuance of December 11, 2009, as Specified in Appendices
ČEZ Prodej, s.r.o.		Agreement on Mutual Credit Facilities (ČSOB) of June 29, 2006
ČEZ Prodej, s.r.o.		Agreement on Mutual Credit Facilities Concerning Agreement on Provision of Real Multilevel Cash-Pooling (ČS), June 29, 2006
ČEZ Prodej, s.r.o.		Agreement on Securing Full Supply of Power of August 29, 2008, as Specified in Appendices
ČEZ Prodej, s.r.o.		Agreement on Securing Full Supply of Gas of December 22, 2009, as Specified in Appendices
ČEZ Prodej, s.r.o.		Agreement on Provision of Services of February 10, 2010, as Specified in Appendices, Trading Services
ČEZ Prodej, s.r.o.		Agreement on Securing Supply Safety Standard in 2014-2015 of September 19, 2014
ČEZ Prodej, s.r.o.		Agreement on Securing Supply Safety Standard in 2015-2016 of September 30, 2015
ČEZ Prodej, s.r.o.		Agreement on Power Supply No. 1 DZ (Dual Customer) Between Imbalance Settlement Subjects of December 31, 2013, as Specified in Appendix No. 1 for 2015
ČEZ Prodej, s.r.o.		Agreement on Power Supply No. 2 KVET Between Imbalance Settlement Subjects of December 29, 2010, as Specified in Appendix No. 4 for 2015
ČEZ Prodej, s.r.o.		The Mutual Credit Facility Agreement of March 1, 2011 (Agreement Subject: Mutual Credit Facilities)
ČEZ Prodej, s.r.o.	4400028708	Agreement on Integrated Gas Supply Services of November 24, 2014
ČEZ Recyklace, s.r.o.	5600006556	Agreement on Provision of Website Editing and Updating Services of January 1, 2015
ČEZ Recyklace, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 24, 2014
ČEZ Recyklace, s.r.o.	4400029589	Agreement on Obligation to Operate EDU Solar Power Plants of October 1, 2015
ČEZ Teplárenská, a.s.		7 Agreements on Thermal Energy Supply
ČEZ Teplárenská, a.s.	4400019297	Agreement on Provision of Services of December 21, 2009, as Specified in Appendices
ČEZ Teplárenská, a.s.	4400017657	Mandate Agreement
ČEZ Teplárenská, a.s.	5600004162	License Agreement on Provision of the Right to Use Trademarks of September 19, 2013
ČEZ Teplárenská, a.s.	000076_2012	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Teplárenská, a.s.		7 Agreements on Power Supply (for Poříčí, Habartov, Bukovany, Vítkovice, Hodonín, and Ledvice Power Plants)
ČEZ Teplárenská, a.s.		6 Agreements on Non-Residential Facilities Rental (Tušimice, PJ, VPJ Hodonín, Poříčí, Tisová, Vítkovice, and Říčany)
ČEZ Teplárenská, a.s.		9 Agreements on Thermal Energy Supply (Ledvice-Bílina, Tisová, Poříčí, Hodonín, Mělník, Vítkovice, Tušimice Pruněřov, and Ledvice)
ČEZ Teplárenská, a.s.		10 Agreements on Thermal Energy Supply for Own Consumption (Tušimice, Tisová, Poříčí, Kladská, Trutnov, Hodonín, Vítkovice, Trmice, and Ledvice)
ČEZ Teplárenská, a.s.	001128_2011	Agreement on Personal Data Processing of April 8, 2011
ČEZ Teplárenská, a.s.		Agreement on Drinking Water Supply - Tisová, of December 28, 2012
ČEZ Teplárenská, a.s.	4100936354	Rental of Heat Exchange Station Technological Equipment at Prague Michle of April 28, 2014
ČEZ Teplárenská, a.s.	001038_2014	Agreement on Transfer of some of the Employer's Activities (EHO) of June 30, 2014
ČEZ Teplárenská, a.s.	41010293446	Agreement on Land Rental - Ústí nad Labem of November 11, 2014
ČEZ Teplárenská, a.s.	4101034587	Agreement on Natural Gas Supply (Ledvice) of November 28, 2014
ČEZ Teplárenská, a.s.	4101050489	Agreement on Demineralized Water Supply - Ledvice, of November 10, 2014
ČEZ Teplárenská, a.s.	4101050560	Agreement on Drinking Water Supply, Waste Water Drainage and Treatment - Ledvice of November 30, 2014
ČEZ Teplárenská, a.s.	4101075916	Agreement on Ammonia Water Supply - Ledvice of December 5, 2014
ČEZ Teplárenská, a.s.		8 Agreements on Work T-shirts, Overalls, Hard Hats, and Footwear Supply
ČEZ Teplárenská, a.s.	4101164407	Agreement on Steel Round Bar (12 mm Diameter) Supply of April 24, 2015
ČEZ Teplárenská, a.s.	4101209658	Agreement on Easement Establishment - TN Habartov of May 28, 2015
ČEZ Teplárenská, a.s.	4101220993	Agreement on Easement Establishment, Access to Heat Exchanger Station - Poříčí of October 2, 2015
ČEZ Teplárenská, a.s.	4400019264	Agreement on Provision of Services of February 10, 2010
ČEZ Teplárenská, a.s.	4400019290	Agreement on Work, Laboratory Fuel Analyses of December 21, 2007
ČEZ Teplárenská, a.s.	5600001112	Agreement on Provision of Services (Technological Equipment Operation and Minor Maintenance) of December 14, 2009

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ČEZ Teplárenská, a.s.	4400026367	Agreements on Safety and Protection of Health at Work Coordinator Services of March 10, 2014
ČEZ Teplárenská, a.s.	4400026743	Agreement on IS ENERGIS Infrastructure Expansion of June 10, 2014
ČEZ Teplárenská, a.s.	4400028522	Agreement on the Ledvice Gas Boiler Room Operation of November 26, 2014
ČEZ Teplárenská, a.s.	4400030836	Agreement on Provision of Services, Media Services, of June 30, 2015
ČEZ Teplárenská, a.s.	4400031149	Agreement on PK ELE Feed Water Laboratory Analyses of July 1, 2015
ČEZ Teplárenská, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group, of January 20, 2015
ČEZ Teplárenská, a.s.	4400027760	Agreement on Heating Plant Operation (EHO)
ČEZ Teplárenská, a.s.	4400027762	Agreement on Equipment Maintenance Administration and Control (EHO)
ČEZ Teplárenská, a.s.	4400027063	Rental Agreement for Non-Residential Facilities
ČEZ Zákaznické služby, s.r.o.	5600002178	License Agreement on the Use of the Trademark Right of December 30, 2010
ČEZ Zákaznické služby, s.r.o.		Agreement on Provision of Services of August 31, 2010 (Delivery Printing and Enveloping)
ČEZ Zákaznické služby, s.r.o.		Agreement on Provision of Services of February 10, 2010 (Provision of tax, Personnel, Financial, Internal Audit and Monitoring, Purchase Process, Internal Communication, Control System, Information Security, and Controlling Services)
ČEZ Zákaznické služby, s.r.o.		Agreement on Personal Data Processing of July 22, 2011
ČEZ Zákaznické služby, s.r.o.		Agreement on Cession of December 31, 2015 (Cession of Agreement Bisnode Česká republika, a.s.)
ČEZ Zákaznické služby, s.r.o.		Agreement on Provision of Services of July 22, 2015 (Internet Profile Editing and Updating)
ČEZ Zákaznické služby, s.r.o.		Agreement on Issuance of Guarantees of November 30, 2009
ČEZ Zákaznické služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
ČEZ Zákaznické služby, s.r.o.	4400014649	Agreement on Provision of Billing Services of January 1, 2009
ČEZ Zákaznické služby, s.r.o.		Agreement on Provision of Services of December 30, 2005
ČEZ Zákaznické služby, s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of April 7, 2014
Eco-Wind Construction S.A.	No.2012/2	Loan Facility Agreement of February 3, 2012 (Agreement Subject: Loan)
EGP INVEST, spol. s r.o.	4100860855	Agreement on Author Supervision, Seismic Reinforcement of HVB I Supporting Structures of December 5, 2013, July 22, 2014
EGP INVEST, spol. s r.o.	4100719466	Agreement on Reinforcement of HVB I Machine Room Facility Against Extreme Impacts of April 15, 2013, December 12, 2013, June 8, 2015, and August 31, 2015
EGP INVEST, spol. s r.o.	4100921421	Agreement on Reinforcement of HVB I, II Reactor Room - Execution Documentation on Extreme Impacts of March 17, 2014
EGP INVEST, spol. s r.o.	4100985958	Agreement on Seismic Reinforcement of HVB I, II Supporting Structures - Operative Scheme of July 10, 2014
EGP INVEST, spol. s r.o.	4101016310	Agreement on Technical Assistance During KO EPR II Project of August 29, 2014, August 27, 2015
EGP INVEST, spol. s r.o.	4101040944	Agreement on Reinforcement of HVB I, II Machine Room Against Extreme Impacts - Execution Documentation for Building Permit of October 20, 2014
EGP INVEST, spol. s r.o.	4101045836	Agreement on Seismic Reinforcement of HVB II Supporting Structures - Agreement on Author Supervision of October 27, 2014
EGP INVEST, spol. s r.o.	440028120	Agreement on Reconstruction of Raised Floors in EDU Facilities of August 15, 2014, February 18, 2015
EGP INVEST, spol. s r.o.	4101076263	Agreement on Seismic Reinforcement of Underslung Cable Channels - Execution Documentation for Contract Award of December 12, 2014
EGP INVEST, spol. s r.o.	4101079676	Agreement on Production of Project Documentation for Building Permit (PDSP) and Project Documentation for PDPS Construction Completion, EDU Hydrogen Storage, of January 21, 2015
EGP INVEST, spol. s r.o.	4101106819	Agreement on Building 20 Parking Spots at Facility 640/1-01 - Social Facility, Dukovany Nuclear Power Plant, of February 2, 2015
EGP INVEST, spol. s r.o.	4101136906	Agreement on Facility Reinforcement Against Extremely Heavy Snow Impacts and Earthquake - Author Supervision (EDU) of March 13, 2015
EGP INVEST, spol. s r.o.	90016171	Agreement on Power Plant's Layout Diagrams of March 17, 2015
EGP INVEST, spol. s r.o.	4101176613	Agreement on Seismic Reinforcement of HVB I Supporting Structures - Re-evaluation of Building Documentation of June 1, 2015
EGP INVEST, spol. s r.o.	4101178136	Agreement on Security Stormwater Overflows of June 8, 2015
EGP INVEST, spol. s r.o.	4101199739	Agreement on Reinforcement of HVB I Reactor Room Facilities Against Extreme Impacts - OK Conversion per Model 12/2014 of June 26, 2015
EGP INVEST, spol. s r.o.	4101197752	Agreement on Reinforcement of HVB II Machine Room Facility Against Extreme Impacts - Calculation Model Update of July 1, 2015
EGP INVEST, spol. s r.o.	4101225673	Agreement on Backup Emergency Control Centre for EDU Locality - LVD Moravský Krumlov Premises Situation of August 20, 2015
EGP INVEST, spol. s r.o.	4101221804	Agreement on Reconstruction of Central Maintenance Shop Skylights (Facilities 1-6) - Author Supervision of August 20, 2015
EGP INVEST, spol. s r.o.	4101277601	Agreement on Technical Support of Safe Movement on Flat Roofs of EDU Facilities of November 26, 2015
EGP INVEST, spol. s r.o.	4101280404	Agreement on Seismic Reinforcement of Underslung Cable Channels - Author Supervision of November 30, 2015
EGP INVEST, spol. s r.o.	4101128849	Agreement on Backup Emergency Control Centre for EDU Locality - Author Supervision of March 4, 2015
EGP INVEST, spol. s r.o.	4100482486	Agreement on Solving Extreme Humidity in TVD Channels (Important Technical Water) and Š1 Shafts of February 24, 2012, October 31, 2012, and June 3, 2013
Elektrárna Dětmarovice, a.s.	5600005241	License Agreement on Provision of the Right to Use Trademarks of October 16, 2014
Elektrárna Dětmarovice, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of September 25, 2012
Elektrárna Dětmarovice, a.s.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of December 10, 2012
Elektrárna Dětmarovice, a.s.		2 General Agreements on Provision of Services Concerning Transfers of Contracts on Provision of Supporting Services, as Specified in Appendix No. 1 of July 15, 2014 and December 29, 2015
Elektrárna Dětmarovice, a.s.		Allowances Appendix (Power) to the General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of December 10, 2012
Elektrárna Dětmarovice, a.s.		Agreement on Provision of Services, as Specified in Appendices No. 3 and 4 (Trading Services) of October 1, 2012, Provision of Tax, Personnel, Financial, Purchase Process, Internal Communication, Security and Quality Management, Controlling and Reporting Methodologies, Risk Management, Physical Protection Management, EDĚ Trading, Safety and Protection of Health at Work, Fire Protection and Environmental Protection, Central Engineering, Maintenance, Thermal Energy and Power Sale, and Optimization of Production Source Operation Services

Company	Contract number	Contract title, date
Elektrárna Dětmorovice, a.s.		2 Agreements on Accepting Responsibility for Discrepancy, Recharging of Discrepancy Payments and Regulation Energy of February 20, 2014, of December 2, 2015
Elektrárna Dětmorovice, a.s.		7 Agreements on Completion of Technical Compensation for Provision of Supporting Services
Elektrárna Dětmorovice, a.s.		Agreement of Job Agency with User on Temporary Agency's Employee Assignment of April 10, 2015
Elektrárna Dětmorovice, a.s.		Agreement on Acknowledging and Compensation of Advisory Service Costs Associated with EU Structural Funds of December 22, 2015
Elektrárna Dětmorovice, a.s.		Agreement on Provision of Internet Profile Editing and Updating Services of December 11, 2015
Elektrárna Dětmorovice, a.s.		Rental Agreement for Non-Residential Facilities, as Specified in Appendices No. 1 and 2 of February 1, 2013
Elektrárna Dětmorovice, a.s.		Agreement on Thermal Energy Supply of April 11, 2013
Elektrárna Dětmorovice, a.s.		Agreement on Provision of Services at the Level of Laboratory, Water Manager, and Production Engineer to EVI, as Specified in Appendix No. 1 of May 7, 2014
Elektrárna Dětmorovice, a.s.		Rental Agreement for Non-Residential Facilities of February 1, 2013, as Specified in Appendices No. 1 to 6
Elektrárna Dětmorovice, a.s.		General Agreement on Work "Maintenance of Land and Roads on Premises of Dětmorovice Power Plant, a.s." of April 30, 2014, as Specified in Appendix No. 1
Elektrárna Dětmorovice, a.s.		Rental Agreement, Garage and Office Rental of April 27, 2015
Elektrárna Dětmorovice, a.s.		Agreement on Thermal Energy Supply of February 28, 2013, as Specified in Appendices No. 1 - 5
Elektrárna Dětmorovice, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of January 21, 2013
Elektrárna Mělník III, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of September 25, 2012
Elektrárna Mělník III, a. s.	5600003421	Agreement on Provision of Services of October 1, 2012, as Specified in Appendices
Elektrárna Mělník III, a. s.	5600006003	Agreement on Provision of Services (Website Administration) of June 1, 2015
Elektrárna Počerady, a.s.	940095_2013	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of April 24, 2012
Elektrárna Počerady, a.s.	940096_2013	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of January 17, 2013
Elektrárna Počerady, a.s.	940031_2013	Agreement on Provision of Services of May 2, 2012 (Tax, Personnel, Financial, Purchase Process, Internal Communication, Quality and Management System, Controlling and Reporting, Risk Management, Physical Protection Management, Trading, Safety and Protection of Health at Work, Fire Protection and Environmental Protection, Central Engineering, Maintenance, Thermal Energy and Power Sale, and Sorbent Purchase Services)
Elektrárna Počerady, a.s.	940074_2013	Agreement on Re-working (EPC's Commitment to Produce and Sell Power to ČEZ, a. s.) of October 1, 2012
Elektrárna Počerady, a.s.	940052_2014	General Agreement on Provision of Services Concerning Transfers of Contracts on Provision of Supporting Services of August 6, 2014
Elektrárna Počerady, a.s.	940047_2013	Agreement on Securing Activities Associated with Operation, Administration, and Fire Protection Technology of ČEZ, a. s. at Počerady Locality of December 4, 2012
Elektrárna Počerady, a.s.	4400021373	Agreement on Provision of Supplies (Chemical Services, Operation of Sewerage and Waste Water Treatment Plant, Operating Media Supplies, Compressed Air) of November 26, 2012
Elektrárna Počerady, a.s.	940059_2013	Agreement on Provision of Operating Media Supplies (Cooling Water, Filtered Water, Demineralized Water, Chemicals, and Compressed Air) of December 13, 2012
Elektrárna Počerady, a.s.	940027_2015	Agreement on Provision of Services of Technical Protection Systems and Electric Fire Alarm Systems (STO and EPS) of April 30, 2015
Elektrárna Počerady, a.s.	940072_2014	Agreement on Provision of Services - Websites of June 24, 2015
Elektrárna Počerady, a.s.	940043_2015	Agreement on Loaned NT Rotor 200 MW of August 24, 2015
Elektrárna Počerady, a.s.	940063_2014	Rental Agreement on Non-Residential Facilities, Including Rental-Related Services of November 27, 2014
Elektrárna Počerady, a.s.	4101094376	Agreement on EPC Coal Consumption in 2015
Elektrárna Počerady, a.s.	4101094644	Agreement on EPC Natural Gas in 2015
Elektrárna Počerady, a.s.	940006_2014	License Agreement on the Use of the Trademark Right of December 20, 2013
Elektrárna Počerady, a.s.	940041_2014	Agreement on Issuance of Guarantees of June 3, 2014
Elektrárna Tisová, a.s.		Agreement on Deposit of Part of Production Plant of September 14, 2015
Elektrárna Tisová, a.s.		Agreement on Re-working (ETI's Commitment to Produce and Sell Power to ČEZ, a. s.) of September 30, 2015
Elektrárna Tisová, a.s.		General Agreement on Provision of Services Concerning Transfers of Contracts on Provision of Supporting Services of December 30, 2015
Elektrárna Tisová, a.s.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of October 1, 2015
Elektrárna Tisová, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of September 26, 2012
Elektrárna Tisová, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of September 22, 2015
Elektrárna Tisová, a.s.	4400032332	Agreement on Provision of Services (Tax, Personnel, Financial, Purchase Process, Internal Communication, Control System, Controlling and Reporting, Risk Management, Physical Protection, Trading, Safety and Protection of Health at Work, Central Engineering, Maintenance, Thermal Energy and Power Sale, and Sorbent Supplies Services) of October 1, 2012, as Specified in Appendices
Elektrárna Tisová, a.s.	4101283665	Rental Agreement for Non-Residential Facilities of November 24, 2015
Elektrárna Tisová, a.s.	4101284956	Agreement on Thermal Energy Supply of November 12, 2015
Elektrárna Tisová, a.s.	4400032395	Agreement on Provision of Services of Technical Protection Systems and Electric Fire Alarm Systems of October 27, 2015
Elektrárna Tisová, a.s.	4400032920	Agreement on Tisová Website Development
Elektrárna Tisová, a.s.		9 Agreements on Supply of Goods
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	No.2012/5	Loan Facility Agreement of 03/09/2012 (Agreement Subject: Loan)
Energetické centrum s.r.o.	5600004462	License Agreement on Provision of the Right to Use Trademarks of December 22, 2013
Energetické centrum s.r.o.	4100509684	Agreement on Service Vehicle Rental
Energetické centrum s.r.o.	4101232014	Agreement on Service Vehicle Rental
Energetické centrum s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of May 28, 2012
Energetické centrum s.r.o.		Agreement on Credit Facility of April 29, 2011
Energocentrum Vítkovice, a. s.		Agreement on Deposit of Part of Production Plant of December 17, 2015

Company	Contract number	Contract title, date
Energocentrum Vítkovice, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of May 25, 2015
Energocentrum Vítkovice, a. s.		Agreement on Stock Subscription of December 16, 2015
Energocentrum Vítkovice, a. s.		Agreement on Re-Work of December 21, 2015
Energocentrum Vítkovice, a. s.	5600006470	Agreement on Provision of Services of June 1, 2015
Energocentrum Vítkovice, a. s.	5600006024	Agreement on Provision of Services (Website Administration) of June 15, 2015
Energotrans, a.s.		Agreement on Provision of Services of June 29, 2012, Including Appendices (Tax, Personnel, Financial, Purchase Process, etc. Services)
Energotrans, a.s.		Rental Agreement for Non-Residential Facilities and Land of January 1, 2015
Energotrans, a.s.		Agreement on Allocation of Earnings, Including Appendix No. 1
Energotrans, a.s.		Rental Agreement (Non-Residential Facilities of EMĚ II) Including Appendices of June 1, 2014
Energotrans, a.s.		Rental Agreement (Prague Duhová Offices) Including Appendices of July 1, 2014
Energotrans, a.s.		Agreement on Provision of Works and Services, Including Appendices and Valid Supplement No. 2
Energotrans, a.s.		Rental Agreement on Land Rental of July 1, 2015
Energotrans, a.s.		Rental Agreement (Prague Duhová Offices) Including Appendices of July 1, 2014
Energotrans, a.s.		Rental Agreement (Non-Residential Facilities of EMĚ II) Including Appendices of June 1, 2015
Energotrans, a.s.		Agreement on Provision of Works and Services, Including Appendices and Valid Supplement No. 2 of January 1, 2001
Energotrans, a.s.		Agreement on Cooperation in Preparation and Completion of Work "Collection and Drainage of Slag from EMĚ III, II and ET" of November 20, 2012
Energotrans, a.s.		Agreement on Thermal Energy Supply – Connecting EMĚ II to EMĚ I (ET) (Purchase of Heat to be Sold) of September 17, 2013
Energotrans, a.s.		Services Concerning Inspections of Block Chemical Modes and ET Desulphurization of November 20, 2013
Energotrans, a.s.		Purchase Agreement (TE in Heat-Transfer Medium) Including Price Agreements of January 1, 2005
Energotrans, a.s.		Agreement on Thermal Energy Supply, Including Appendices, of September 1, 2014
Energotrans, a.s.		Purchase Agreement on Brown Energy Coal Sale in 2015 of January 1, 2015
Energotrans, a.s.		Rent of EMĚ I Pumping Station of December 1, 2015
Energotrans, a.s.		Agreement on Operation, Maintenance, and Inspections of Equipment, Cleaning and Administration of Fire Extinguishers of EMĚ 1 Pumping Station of December 1, 2015
Energotrans, a.s.		Agreement on Securing Raw Water Supply of December 1, 2015
Energotrans, a.s.		Agreement on Securing of Activities in Technology of ČS 1, 2, and Inflow Facility, Including Appendices, of April 1, 2015
Energotrans, a.s.		Agreement on Provision of Services, Operation of MaR Mechanics of October 1, 2015
Energotrans, a.s.		Agreement on Provision of Services (Media Services) of January 1, 2015
Energotrans, a.s.		Agreement on Securing Safety and Protection of Health at Work and Fire Protection Services of March 2, 2015
Energotrans, a.s.		Agreement on Provision of Services (Ash Chemical Analyses) of July 1, 2015
Energotrans, a.s.		Agreement on Joint Usage of Dining Facilities, Including Appendices, of June 1, 2014
Energotrans, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of July 26, 2012
Energotrans, a.s.		Agreements on Completion of Technical Compensation for Provision of Supporting Services of May 1, 2015 and July 1, 2015
Energotrans, a.s.		Agreement on Power Supply from Distribution Network of Energotrans, a.s. (EMĚ)
Energotrans, a.s.		Agreement on Power Supply (EMĚ II, III) of January 1, 2015
Energotrans, a.s.		Agreement on Thermal Energy Supply of July 1, 2013
Energotrans, a.s.		Agreement on Accepting Responsibility and Recharging of Discrepancy Payments of January 1, 2014
Energotrans, a.s.		General Agreement on Provision of Services Concerning Transfers of Contracts on Provision of Supporting Services of August 4, 2014, as Specified in Appendix
Energotrans, a.s.		General Agreement Concerning the Delivery and Acceptance of Electricity (EFET) of June 1, 2010
Energotrans, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of May 22, 2014
EVČ s.r.o.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of January 26, 2015
EVČ s.r.o.		Agreement on Issuance of Guarantees of August 17, 2015
EVČ s.r.o.	4400022808	Agreement on Heat Exchanger Station Repairs and Maintenance
EVČ s.r.o.	4100721508	Agreement on Original Steam Pipe Disassembly
Farma Wiatrowa Leśce sp. z o.o.	No.2012/6	Loan Facility Agreement of March 9, 2012 (Agreement Subject: Loan)
Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.	No.2012/7	Loan Facility Agreement of March 9, 2012 (Agreement Subject: Loan)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101184574	Agreement on Study - Recultivation of the Panský Les Decanting Plant (Mělník), of June 16, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	PR/4101212890	The Agreement to Process Essentials for an Exemption Application - Temporary Withdrawal of Land for the Duration of Construction of the Reverse Water Seeping to All Work of July 27, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101213978	Project Documentation Produced on September 14, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101260565	Completion of the "Cassettes 2 and 3 for ELE var. 7 Granulate Storage" of October 19, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101230224	Study – Transformation of the Vysočany Settling Tank into a Polder of August 27, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101228772	Essentials for an Exemption Application - Temporary Withdrawal of Land for the Duration of Construction of the Reverse Water Seeping to All Work of August 25, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101235213	Security Measures Applied during Inspections and Repairs of the Raw Fuel Plate Feeders and Containers
in PROJEKT LOUNY ENGINEERING s.r.o.	4400032912	Completion of the "North Quarry VEP Storage Procedure" of October 19, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101264430	Completion of Change Documentation for the "Cassette 2 – 3 Granulate Storage Var. 7 Construction" in the Ledvice Power Plant of October 29, 2015

Company	Contract number	Contract title, date
in PROJEKT LOUNY ENGINEERING s.r.o.	TU/4400032482	Update of the VEP Storage Procedure Concerning the Stodola Storage Site for Year 2016 of November 18, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101278943	Project Documentation for the Forest Road Network - Zbrod, of December 18, 2015
in PROJEKT LOUNY ENGINEERING s.r.o.	4101290230	Producing Documentation – Modification of a Compressor Station Cooling System for SOP – IT_90-03-00707 (Mělník), of December 15, 2015
Kongresové centrum Praha, a.s.	4100955508	Agreement on Rental of Non-residential Facilities and Provision of Catering (the General Meeting)
Kongresové centrum Praha, a.s.	4101185677	Agreement on the General Meeting Organization
LOMY MOŘINA spol. s.r.o.	216964	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (EPRI)
LOMY MOŘINA spol. s.r.o.	216983	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (EPRI)
LOMY MOŘINA spol. s.r.o.	217393	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ETU)
LOMY MOŘINA spol. s.r.o.	4101085134	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ELE)
LOMY MOŘINA spol. s.r.o.	4101085056	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ELE)
LOMY MOŘINA spol. s.r.o.	4101146789	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ELE)
LOMY MOŘINA spol. s.r.o.	4101191853	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ELE)
LOMY MOŘINA spol. s.r.o.	4101249238	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ELE)
LOMY MOŘINA spol. s.r.o.	4101076809	Agreement on Limestone Supply for the Desulphurization of Coal Power Plants (ETI)
M.W. Team Invest S.R.L.	2013/2	Loan Facility Agreement (Agreement Subject: Loan)
MARTIA a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of May 22, 2014
MARTIA a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of May 22, 2014
MARTIA a.s.		Agreement on the Issuance of Guarantees of June 17, 2010, as Amended
MARTIA a.s.		13 Agreements on Work of Operation Mechanics
MARTIA a.s.		8 Agreements on Provision of Repairs and Maintenance of the Electro Logical Unit and the SKŘ Logical Unit in Trmice Thermal Power Station, the Tušimice Power Plant, the Počeradý Power Plant, the Tušimice Power Plant, the Hodonín Power Plant, the Dvůr Králové Power Plant, and the Tisová Power Plant
MARTIA a.s.	VD/4400027679	Agreement on Repair of the Purification Machine Control System - the Lipno II Hydraulic Power Plant of July 9, 2014
MARTIA a.s.	4100995786	Agreement on Repair of Lighting in the HZS Garage in Trmice of July 28, 2014
MARTIA a.s.		3 Agreements on Long-distance Data Transmissions from the ČEZ, a.s. Heat Measuring Instruments for Billing, the Prunéřov Power Plant, the Ledvice Power Plant
MARTIA a.s.	4101156473	Agreement on Reconstruction of Rectifiers and Acu-Batteries of May 4, 2015
MARTIA a.s.	4400031043	Agreement on Transformer Repair of June 25, 2015
MARTIA a.s.	4400032907	Agreement on Technical Equipment Operation TETR of December 11, 2015
MARTIA a.s.	4101289465	Agreement on Modification of the Control System in the Dvůr Králové Power Plant of December 28, 2015
MARTIA a.s.	4100161342	Agreement on Cooperation in Ensuring Operation of MVE Mělník of March 20, 2014
MARTIA a.s.		8 Rental Agreements - the Tušimice Power Plant, the Trmice Thermal Power Station, the Hodonín Locality, the Poříčí and Dvůr Králové Locality, the Tisová Power Plant, the Ledvice Power Plant, EPC, EPR
MARTIA a.s.		6 Agreements on Thermal Energy Supply to EPO, EDK, EHO, ETI, ELE
MARTIA a.s.	5600005591	Agreement on Sale of Drinking Water and Waste Water Removal of February 3, 2015
MARTIA a.s.	5600005620	Agreement on Warehouse Stock Sale - ETI Diesel Fuel of February 3, 2015
MARTIA a.s.	5600005803	Agreement on Sale of TETR Measuring Instruments of March 11, 2015
MARTIA a.s.	5600006110	Agreement on Provision of Services of July 8, 2015
MARTIA a.s.	4100983597	Agreement on Repairs in the TETR Facilities of July 11, 2014
MARTIA a.s.	4101010814	Agreement on Supplementing the GSM Communication Modules - ETU of September 1, 2014
MARTIA a.s.	VD/4400030667	Adjustment of the Screen Cleaning Machine Scraper at the Screen Field Threshold at the Hněvkovice Power Plant of May 13, 2015
OSC, a.s.	TE/2132, dod.3	Agreement on Technical Assistance Regarding Utilization of ETE Simulators for Personnel Training and Technical Analyses of March 17, 2003
OSC, a.s.	4100925036	Agreement on ETE Simulators HW Replacement and SW Migration of April 25, 2014
OSC, a.s.	4100918614	Agreement on Complex Upgrade of ETE Simulator Models, Including Extension of the Simulation Area, of April 25, 2014
OSC, a.s.	4101170127	Agreement on Incorporating HVB Changes into the Existing ETE Simulator Model of June 4, 2015
OSC, a.s.	4101087373	Agreement on Modifications of the Full-Scope EDU Simulator – the 2013 - 2014 Phase of January 13, 2015
OSC, a.s.	4101238921	Agreement on Training of the ČEZ - EDU Production Division Personnel of September 11, 2015
OSC, a.s.	4100897902	Agreement on Modification of the EDU Simulator in Terms of the SKŘ EDU Reconstruction Project, M3-M5 Modules, of February 12, 2014
OSC, a.s.	4101166515	Agreement on Modification of the Full-Scope Simulator and the EDU Display Simulator Upon Completion of Action 6740 of May 13, 2015
OSC, a.s.	4101206561	Agreement on ŘSTB Modification Testing in the Island Operation on the Dukovany Nuclear Power Plant Simulator of August 4, 2015, Including the Amendment of October 12, 2015
OSC, a.s.	4101208848	Agreement on an Electric Clock with the DT-100 Display of July 14, 2015
OSC, a.s.	4101233884	Agreement on Professional Training of Selected ČEZ Employees of September 4, 2015
OSC, a.s.	4400029681	Agreement on Setting Regulation Circuits on Unit B15 in the Prunéřov Power Plant - 1 of March 3, 2015
OSC, a.s.	4400031159	Agreement on Setting Regulation Circuits on Unit B16 in the Prunéřov Power Plant - 1 of July 14, 2015
OSC, a.s.	4101073882	Agreement on Certifications of June 4, 2015
OSC, a.s.	4400016749	Agreement on Service Work on the Tušimice Power Plant Terminal of September 15, 2011
OSC, a.s.	4400030334	Agreement on Repair of the Terminal Tele-console in the Dlouhé Stráně Power Plant of April 16, 2015
OSC, a.s.	4101110998	Agreement on Support Service Certifications on Unit B9 in the Mělník II Power Plant of February 5, 2015
OSC, a.s.	4101260596	Agreement on the General Reconstruction of Control Units of the RTISZ ČEZ System Terminals of October 30, 2015
OSC, a.s.	4101197974	Agreement on the General Reconstruction of Control Units of the RTISZ Systems in the Prunéřov I Power Plant of June 30, 2015
OSC, a.s.	4100873350	Agreement on Modernization of the PCS/ETE Online Diagnostic Systems for GO 2015 of December 12, 2013
OSC, a.s.	4101106353	Agreement on Reimplementation of AT RISK at the PCS ETE System for GO 2015 of January 28, 2015

Company	Contract number	Contract title, date
OSC, a.s.	4101135446	Agreement on Implementation of SKŘ Changes after Realization of Action B730 in the PCS ETE System Software of March 9, 2015
OSC, a.s.	4101188145	Agreement on Modification of the HCČ Protection from Pressure Loss in the Autonomous Circuit in PCS ETE of June 12, 2015
OSC, a.s.	4101188656	Agreement on Change of Pump Control Algorithms of June 12, 2015
OSC, a.s.	4101188690	Agreement on Change of Pressure TO Limit in Pump Inlet of June 12, 2015
OSC, a.s.	4101189310	Agreement on Setting the RD05S205 Regulator in the PCS ETE 2 System of June 12, 2015
OSC, a.s.	4101188571	Agreement on Information on the UJ11-31B001 Sub-limit Level of June 12, 2015
OSC, a.s.	4101189249	Agreement on Change of Air Temperature Alarm Values in the Protective Envelope in the PCS/ETE System of June 12, 2015
OSC, a.s.	4101203963	Agreement on Termination of the ZK1 Position Signalization in the PCS ETE System of July 21, 2015
OSC, a.s.	4101217559	Agreement on SBO Diesels in the PCS ETE System of July 31, 2015
OSC, a.s.	4101217698	Agreement on the Security System Modernization of July 30, 2015
OSC, a.s.	4101286455	Agreement on Position Signalization Replacement of December 11, 2015
OSC, a.s.	4101286408	Agreement on Change of TG High Revolution Protection Settings in the PCS ETE System of December 17, 2015
OSC, a.s.	4101286454	Agreement on Optimization of the AMS System Alarm Function in PCS ETE of December 11, 2015
OSC, a.s.	4100747749	Agreement on Modernization of Flow Parts of the Turbine NT Components of June 22, 2013
OSC, a.s.	001400-2012	Agreement on Rental of Non-residential Facilities in the EDU Facility of February 17, 2015
OSC, a.s.		3 Licenses to Use the Terminal Application Software for the Pruněřov I Power Plant, the Dětmarovice Power Plant, the Dukovany Nuclear Power Plant, and the Pruněřov II Power Plant of December 30, 2015
Ovidiu Development S.R.L.	2009/11	Loan Facility Agreement (Agreement Subject: Loan)
Ovidiu Development S.R.L.	CZWOD5007	General Agreement on Power Supply and Consumption (EFET) of March 1, 2014
Ovidiu Development S.R.L.		ISDA 2002 Master Agreement of December 20, 2013
Ovidiu Development S.R.L.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Provision of Guarantees)
PRODECO, a.s.	1S-64-2012	Agreement on Provision of Services, Including Amendments 1 - 4, Safety and Security Facilities, Purchase Process of December 19, 2012
PRODECO, a.s.	P-79-2013	Agreement on Rental of Non-Residential Facilities in Tušimice of September 10, 2013, Including Termination Agreement of January 31, 2015
PRODECO, a.s.	P-034-2014	Agreement on Thermal Energy Supply to the ETU Office of April 14, 2014, Including the Termination Amendment of January 31, 2015
PRODECO, a.s.	P-093-2013	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of October 18, 2013
PRODECO, a.s.	P-094-2013	Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of October 18, 2013
PRODECO, a.s.	P-074-2013	Agreement on Issuance of Guarantees of September 1, 2013
PRODECO, a.s.	4101036085	Agreement on the ETU Drum Renovation of October 2, 2014
PRODECO, a.s.	4101139935	Agreement on Accommodation of March 12, 2015
PRODECO, a.s.	4101213136	Agreement on Conference Organization of July 21, 2015
Revitrans, a.s.	5600003576	Agreement on Provision of Services of December 20, 2012, Including Amendments 1 - 3
Revitrans, a.s.	LE/00004195	Agreement on Sale of Surface Water of January 1, 2003, Including Amendments 1, 2
Revitrans, a.s.	5600005760	Agreement on Sale of Warehouse Stock - ELE Diesel Fuel of March 25, 2015
Revitrans, a.s.	000032_2009	Agreement on Institution of Easement of February 5, 2009
Revitrans, a.s.	20087958	Agreement on the Camera System of July 3, 2015
Revitrans, a.s.	20089774	Agreement on the Camera System of September 4, 2015
Revitrans, a.s.	4101033234	Agreement on the Construction of Cassettes 2 and 3 for VEP Storage from the New ELE Source, IT-90-12-00301, Including Supplements 1-3
Revitrans, a.s.	4100831696	Agreement on Recultivation of the Letiště Landfill at the Pruněřov Power Plant of June 30, 2010, Including Amendments 1 - 3
Revitrans, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of October 18, 2013, Including Amendment No. 1
SD - Kolejová doprava, a.s.	000362_2015	Agreement on Land Rental - Temporary ELE Coal Loading Site
SD - Kolejová doprava, a.s.	5600003261	Agreement on Diesel Oil Utilization
SD - Kolejová doprava, a.s.	69959500_1	Agreement on Thermal Energy Supply to the Dvůr Králové Thermal Power Station
SD - Kolejová doprava, a.s.	69958900_1	Agreement on Thermal Energy Supply to the Tisová Power Plant
SD - Kolejová doprava, a.s.	69958300_1	Agreement on Thermal Energy Supply to the Počerady Power Plant
SD - Kolejová doprava, a.s.	EPO/2011/021	Agreement on Power Supply for EPO
SD - Kolejová doprava, a.s.	5600002813	Purchase Agreement on Fuel in the Tušimice Power Plant
SD - Kolejová doprava, a.s.	5600002812	Purchase Agreement on Fuel in the Počerady Power Plant
SD - Kolejová doprava, a.s.	000294_2011	Rental Agreement on Non-Residential Facilities
SD - Kolejová doprava, a.s.	PR/5600001981	Agreement on Utilization of the Transport Route - the Pruněřov Power Plant Factory Siding
SD - Kolejová doprava, a.s.	5600001542	Agreement on Safety and Protection of Health at Work Services, Fire Protection, and Property Protection
SD - Kolejová doprava, a.s.	LE/5600000910	Purchase Agreement - Diesel Sale, the Ledvice Power Plant
SD - Kolejová doprava, a.s.	EPR/5600000852	Agreement on Supply of Fuels and Lubricants to the Pruněřov Power Plant
SD - Kolejová doprava, a.s.	69936101_1	Agreement on Thermal Energy Supply to the Ledvice Power Plant
SD - Kolejová doprava, a.s.	69934700_1	Agreement on Thermal Energy Supply to the Mělník Power Plant
SD - Kolejová doprava, a.s.	4400000386	Mandate Agreement - External Siding at the Ledvice Power Plant
SD - Kolejová doprava, a.s.	69943200_1	Agreement on Supply of Thermal Energy to the Tušimice Power Plant
SD - Kolejová doprava, a.s.	TU/00233248	Agreement on Supply of Power to ETU of December 22, 2004
SD - Kolejová doprava, a.s.	69964900_1	Agreement on Power Supply to EPO of December 30, 2011
SD - Kolejová doprava, a.s.	TU/4400020041	Agreement on Clogged Drift Cleaning
SD - Kolejová doprava, a.s.	4400031343	Agreement on Air-Conditioning Repair - ETI
SD - Kolejová doprava, a.s.	4101240901	Agreement on Training, Work, and Movement in the Yard
SD - Kolejová Doprava, a.s.	4400031259	Agreement on Production of Orthophoto Maps and the Fučík DMT Waste Pond

Company	Contract number	Contract title, date
SD - Kolejová doprava, a.s.	4101039478	Agreement on Measuring Fuel Storage Sites for Stock Taking
SD - Kolejová doprava, a.s.	PR/4400013836	Agreement on Thermal Imaging Measuring of EPR Fuel Storage Site
SD - Kolejová doprava, a.s.	4400029262	Agreement on Powdered Lime Packaging at the EPR2 Facility
SD - Kolejová doprava, a.s.	LE/4400030786	Agreement on Coal Handling and its Transportation to NZ ELE
SD - Kolejová doprava, a.s.	ME/4400027228	Agreement on Rail Transportation Operation, Coaling, and Fuel Storage Site - EMĚ
SD - Kolejová doprava, a.s.	4100660503	Mandate Agreement - Transportation Coordination
SD - Kolejová doprava, a.s.	4400020004	Agreement on Goods Transportation by Railroad
SD - Kolejová doprava, a.s.	4400017901	Agreement on TDK Siding Operation
SD - Kolejová doprava, a.s.	TI/4100431371	Agreement on ETI Siding Operation
SD - Kolejová doprava, a.s.	TU/4400017554	Agreement on Thermal Imaging Measuring of ETU Storage Sites
SD - Kolejová doprava, a.s.	4400016432	Agreement on ETI Siding Operation, Coaling - EPO
SD - Kolejová doprava, a.s.	LE/4400004994	Agreement on ELE Siding Operation and Maintenance
SD - Kolejová doprava, a.s.	LE/4400004993	Agreement on the ELE Coaling Equipment Operation
SD - Kolejová doprava, a.s.	ETP/4400004959	Agreement on the ETP Coaling Equipment Operation
SD - Kolejová doprava, a.s.	ETP/00231232	Agreement on Siding Operation, Fuel Downloading at EPR and ETU
SD - Kolejová doprava, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of October 18, 2013
SD - Kolejová doprava, a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of October 18, 2013
Severočeské doly a.s.	00215195	Rental Agreement of ČEZ - Stodola of May 2, 1995
Severočeské doly a.s.	070/2005	Agreement on Power Supply, Consumption, and Distribution of July 1, 2005
Severočeské doly a.s.	PR/00256035	2 Rental Agreements - North Quarry, Expansion of January 6, 2006
Severočeské doly a.s.	PR/00181447	Agreement on Co-Financing and Cooperation during Recultivation of the „Airport“ Rented Land of October 24, 2008
Severočeské doly a.s.	VTN 006-2009	Agreement on Integrated Power Supply Services of January 30, 2009
Severočeské doly a.s.	VTN 017-2011	Rental Agreement Concerning a Part of Plots of September 1, 2011
Severočeské doly a.s.	000143_2013	Rental Agreement of ČEZ of March 1, 2013
Severočeské doly a.s.	4100979534	Agreement on the Provision of ICT Services - ČEZ (Purchase) of June 30, 2014
Severočeské doly a.s.	2014/OPU/ OSB/04849	Agreement on Securing Water Drainage and Treatment of July 29, 2014
Severočeské doly a.s.	N/003/KO/2014	Agreement on Joint Parking Lot Use with ČEZ, a.s. of June 1, 2014
Severočeské doly a.s.	OOB-1000/2015	Agreement on Industrial Coal 2002-2024 of January 1, 2002
Severočeské doly a.s.	OOB-1,2,3,4,5,6/ 2015	Agreement on Industrial Coal 2011-2015 of December 15, 2015
Severočeské doly a.s.		2 Rental Agreements - Lots - of July 29, 2014, August 21, 2014
Severočeské doly a.s.	4100670482	Agreement on Water Supply of April 27, 2015
Severočeské doly a.s.	4100684195	Agreement on Water Supply and Waste Water Drainage of April 27, 2015
Severočeské doly a.s.	PR90181235	Rental Agreement - ČEZ a.s. - North Quarry of December 31, 2001
Severočeské doly a.s.	4101144219	Agreement on Gearbox Sale of March 26, 2015
Severočeské doly a.s.	4100161727	Agreement on the Fee for Deposit of Bills of Exchange of April 6, 2010
Severočeské doly a.s.	4101069217	2 Agreements on Permitted Entry
Severočeské doly a.s.	4400009730	Agreement on Integration of Fire Brigades of June 27, 1991
Severočeské doly a.s.	4100033393	Agreement on Administration of Assets in Blocked Accounts of August 24, 2007
Severočeské doly a.s.	48053300	Agreement on Surface Water Supply and Consumption of April 7, 2000
Severočeské doly a.s.	VTN51-03	Agreement on Water Liquidation Facility of October 25, 2005
Severočeské doly a.s.	VTN-62-2003	Agreement on Thermal Energy Supply and Consumption, ELE, of August 1, 2002
Severočeské doly a.s.	139/N/S/A/10	Agreement on Provision of Services of February 10, 2010
Severočeské doly a.s.	VTN 53-2003	Agreement on Water Supply of December 29, 2011
Severočeské doly a.s.	2014/UNC/ JSS/04542	Agreement on Transfer of some of the Employer's Activities and Tasks of May 29, 2014
Severočeské doly a.s.	48053293	Agreement on Terms of Compensation of Costs of Coal Handling and Transportation
Severočeské doly a.s.	47006172	Agreement on STO Expansion of December 17, 2014
Severočeské doly a.s.	5600005510	Agreement on Drinking Water Supply of January 27, 2015
Severočeské doly a.s.	48060904	Agreement on Reconstruction inside the Administration Building of October 5, 2015
Severočeské doly a.s.	000846_2015	Rental Agreement of January 4, 2016
Severočeské doly a.s.	48037011	Agreement on Recultivations of November 19, 2008
Severočeské doly a.s.	47006026B	Agreement on Security Modernization - Phone Exchange
Severočeské doly a.s.	47006073	Agreement on Fire Brigade Facility
Severočeské doly a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling for the Business-Linked Group of November 30, 2010
Severočeské doly a.s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of the Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of February 23, 2012
Severočeské doly a.s.		Agreement on Bill Trading and Bill Deposits of August 1, 2007
ŠKODA PRAHA a.s.	108187	Agreement on Provision of Services, Specification per Individual Appendices, Tax Advisory, Provision of Financial Services, Internal Audit, Purchasing Process Area, Controlling, Risk Management, Advisory Services in the Power Supply Area of February 10, 2010
ŠKODA PRAHA a.s.	15406, 103623	Agreement on Canteens
ŠKODA PRAHA a.s.	224183	Agreement No. 00-8268-V/E on Power Supply and Consumption, 03 Mělník Plant
ŠKODA PRAHA a.s.	30005424	Agreement on Servo-Drive Scheduled and Unscheduled Maintenance
ŠKODA PRAHA a.s.	90015125	Agreement on Work No. VE/00/8/SOD, Hydraulic Power Plants
ŠKODA PRAHA a.s.	93020629	Agreement on Removal of Seismological Deficiencies from ELE Qualification
ŠKODA PRAHA Invest s.r.o.		ELE NZ Project (New Source) - Agreement on Warranty Provision and Period of June 17, 2008, as Specified in Appendix
ŠKODA PRAHA Invest s.r.o.	4400005534	Agreement on General Construction of PPC EPC, as Specified in Appendix
ŠKODA PRAHA Invest s.r.o.	4101100925	Agreement on Power Supply for EDU Rental Facilities

Company	Contract number	Contract title, date
ŠKODA PRAHA Invest s.r.o.	4101100924	Agreement on Thermal Energy Supply for EDU Rental Facilities
ŠKODA PRAHA Invest s.r.o.	4101114910	Rental Agreement Concerning Office Space and Associated Services at EDU
ŠKODA PRAHA Invest s.r.o.	4101116400	Agreement on Thermal Energy Supply for ETE Rental Facilities
ŠKODA PRAHA Invest s.r.o.	4101120964	Rental Agreement Concerning Office Space and Associated Services at ETE
ŠKODA PRAHA Invest s.r.o.	4400031248	Agreement on Work "B7373 - Cleaning of Left Section Pipelines after Failure before Re-Commissioning"
ŠKODA PRAHA Invest s.r.o.	4400032635	Agreement on Work "Completion of Works Necessary to Remove the Damage Caused by the Left Section Pipelines Flooding"
ŠKODA PRAHA Invest s.r.o.	4100813391	ETE Agreement - Reconstruction of Raw Water Supply Pipelines, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	9049770001	Agreement on Work Consisting in Supply and Replacement of Transformers at the Dalešice Power Plant During Two Stages, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100782179	Agreement on Work - Re-connecting Fire Water Pumps, as Specified in Appendix
ŠKODA PRAHA Invest s.r.o.	4100813516	Training of ČEZ EDU Operating Personnel
ŠKODA PRAHA Invest s.r.o.	4100901491	Agreement on Work - "Reconstruction of Sources of the 4th Systems Category I ZN, IT-90-15-06727" (EDU)
ŠKODA PRAHA Invest s.r.o.	4400027497	Agreement on Work - Client's Operative Support During the Update of the Electrical and Machine Project Database PlantSchema DPS (Partial Operational Files)
ŠKODA PRAHA Invest s.r.o.	4400023363	Agreement on Work - Client's Operative Support During Processing of Technical Changes of Project Documentation in the Bentley AXSYS ENGINE SW
ŠKODA PRAHA Invest s.r.o.	4100605098	Agreement on Work - Securing Block Emergency Supplemental Cooling (EDU), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100562352	Agreement on Work - Piping Swing Limiters in HZ (EDU), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100685941	Agreement on Work - Completion of Project Documentation Necessary for Completion Permit Application
ŠKODA PRAHA Invest s.r.o.	4100701435	Agreement on Work - Technical Support During DŠŘ (Documentation for Construction Proceedings) Processing, Completion of Tender Documentation for Fan Towers Tenders
ŠKODA PRAHA Invest s.r.o.	4100757023	Agreement on Work - EDU Work Completion - End Heat Sink (EDU-KJT), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100664011	Agreement on Work - Completion of Project Documentation of Construction Proceedings for EDU-KJT
ŠKODA PRAHA Invest s.r.o.	4100886554	Agreement on Work - DoZ Update and Completion of Analyses for the EDU End Heat Sink (KJT)
ŠKODA PRAHA Invest s.r.o.	4100949115	Agreement on Work - Completion of DŠŘ (Documentation for Construction Proceedings) for Construction Change Before its Completion at EDU-KJT
ŠKODA PRAHA Invest s.r.o.	4100849024	Agreement on Work - EDU-Renewal of Spring Mounts, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100771661	Agreement on Work - "6906 - Operation TA 10,20 without Standard Delivery of Adequate TVD (Important Technical Water)" (EDU), as Specified in Appendix
ŠKODA PRAHA Invest s.r.o.	4100719207	Agreement on Work - "Elevation of the Post-Failure Hydrogen Liquidation System for EDU and ETE", as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4400005523	Agreement on Work - Utilization of the EDU Blocks Project Reserves, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100493455	NZ ELE Project - Phase 1 Agreement - Project preparation, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100493455	NZ ELE Project - Phase 2A Agreement - NZ Completion
ŠKODA PRAHA Invest s.r.o.	LE/30026869	NZ ELE Project - Rental Agreement Concerning Non-Residential Facilities (ELENZ_4823900_002), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100493455	NZ ELE Project - Agreement on Work Concerning the New Source 660 MW _e Construction at the Ledvice Power Plant (ELENZ_4820000_002), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	LE/30029385	NZ ELE Project - Agreement on Thermal Energy Supply (ELENZ_4823900_003), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100316876	NZ ELE Project - Agreement on Facility Rental and Services Associated with the Rental (ELENZ_4823900_006), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100316056	NZ ELE Project - Agreement on Rental and Services Associated with the Rental (ELENZ_4823900_100), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	000462_2009	NZ ELE Project - Agreement on Rental and Services Associated with the Rental (ELENZ_4823900_011), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100315381	NZ ELE Project - Agreement on Thermal Energy Supply (ELENZ_4823900_014), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4400032102	NZ ELE Project - General Agreement on Provision of External Activities (ELENZ_4828980_270)
ŠKODA PRAHA Invest s.r.o.	000653_2015	NZ ELE Project - Rental Agreement Concerning Non-Residential Facilities (Likus) (ELENZ_4823900_016)
ŠKODA PRAHA Invest s.r.o.	EPRKO/3811002/001	KO EPR II Project - Agreement on General Construction Completion, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100488405	KO EPR II Project - Agreement on Thermal Energy Delivery (69954200_1), as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100575099	KO EPR II Project - Agreement on Thermal Energy Delivery No. 69964700_1, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100875486	KO EPR II Project - Agreement on Rental and Services Associated with the Rental, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100712974	KO EPR II Project - Rental Agreement No. 875_2014 / EPRKO/3811002/177
ŠKODA PRAHA Invest s.r.o.	4100574553	KO EPR II Project - Rental Agreement No. 580_2014 / EPRKO/3811002/178, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4100716919	KO EPR II Project - Agreement on Rental and Services Associated with Rental No. 154_2013 / EPRKO/3811002/112
ŠKODA PRAHA Invest s.r.o.	4100483666	KO EPR II Project - Power Supply Agreement No. EPR/20110013 EPRKO/3811002/059, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4101001362	Rental Agreement, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4400009304	Agreement on Provision of Services, as Specified in Appendices
ŠKODA PRAHA Invest s.r.o.	4101274041	Loan Agreement
ŠKODA PRAHA Invest s.r.o.	4100889351	Rental Agreement, as Specified in Appendices
TEC Varna EAD		Termination Agreement of May 18, 2010 (Agreement Subject: Supply of Quotas for Emission Allowances)
Telco Pro Services, a. s.	5600004380	License Agreement on the Use of the Trademark Right of January 1, 2013
Telco Pro Services, a. s.		Agreement on Mutual Credit Frameworks Based on the Agreement on Provision of Multilevel Flexi Online Cash-Pooling that is Mutually Feasible for the Business-Linked Group of January 22, 2013
Telco Pro Services, a. s.		Agreement on Mutual Credit Facilities in Relation to the Agreement on Provision of Real Reciprocal Multilevel Flexi Online Cash-Pooling in EUR for the Business-Linked Group of July 29, 2013
Telco Pro Services, a. s.		The Mutual Credit Facility Agreement of July 29, 2013 (Agreement Subject: Mutual Credit Facilities)
Telco Pro Services, a. s.	4100765357	Rental Agreement (Dlouhé stráně)
Telco Pro Services, a. s.	4100771352	Rental Agreement for Non-Residential Facilities (Duhová 2)
Telco Pro Services, a. s.	4100787567	Rental Agreement for the Třebenice Garage
Telco Pro Services, a. s.	4100798774	Heat Supply Agreement

Company	Contract number	Contract title, date
Telco Pro Services, a. s.	4100947138	Rental Agreement for the OC Písnice Warehouse
Telco Pro Services, a. s.	4101302208	Purchase Agreement
Telco Pro Services, a. s.	4100767050	Agreement on Measured Power at Tisová
Telco Pro Services, a. s.	4400023736	Agreement on Provision of Corporate Services
Telco Pro Services, a. s.	4400031250	Agreement on Website Development for TPS
TMK Hydroenergy Power S.R.L.		General Agreement on Power Supply and Consumption of November 28, 2014
Tomis Team S.A.	2013/1	Loan Facility Agreement (Agreement Subject: Loan)
Tomis Team S.A.	CZWTT6714/	General Agreement on Power Supply and Consumption (EFET) of March 1, 2014
Tomis Team S.A.		ISDA 2002 Master Agreement of December 20, 2013
Tomis Team S.A.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Guarantee Provision)
Tomis Team S.A.	2007-0524	Guarantee and Indemnity Deed of December 17, 2010 (Agreement Subject: Guarantee Provision)
ÚJV Řež, a. s.	4100260307	Agreement on Cooperation of ÚJV, ÚAM, ŠV, and ČEZ of January 24, 2011
ÚJV Řež, a. s.	44000162285	Agreement on Securing Technical Support of October 19, 2011
ÚJV Řež, a. s.	4100583568	Agreement on Development of Maintenance of SW for Calculation Automation, ZL_NP-2012-078, of November 9, 2012
ÚJV Řež, a. s.	4100668390	Agreement on Preparation of Documentation for Completion of the VH1 and VH2 Projects, Including Author Supervision, ETE, of January 31, 2013
ÚJV Řež, a. s.	4100753472	Agreement on Monitoring System of Reactor Active Zone, Scorpio Upgrade 6, of June 28, 2013
ÚJV Řež, a. s.	4400022576	Agreement on Work, "Fixation of Ion Exchangers" of April 15, 2013
ÚJV Řež, a. s.	4100928960	Agreement on Construction Intention Announcement - NP-2013-054, EDU, of June 14, 2013
ÚJV Řež, a. s.	440016285	Agreement on Provision of Advisory, Consulting Activities, Expert Assistance, Appendix No. 2 to NP-2012-037/2012
ÚJV Řež, a. s.	4400018031	Agreement on Provision of Activities in Connection with the EPRI Project, Appendix No. 2 - Change of Date
ÚJV Řež, a. s.		Social Agreement - VŠCHT, of September 16, 2014
ÚJV Řež, a. s.	4100923430	Agreement on Securing Casks EDU - NP-2014-028, of March 24, 2014
ÚJV Řež, a. s.	4400016285	Agreement on Hydrogeological Survey, NP-2014-038, EDU, of April 22, 2014
ÚJV Řež, a. s.	4100928960	Agreement on Construction Announcement Intention NP-2013-054 - App. No. 1 K 13SMP330, EDU5, of April 2, 2014
ÚJV Řež, a. s.	4100928960	Agreement on Construction Intention Announcement 13SMP330, EDU, of July 8, 2014
ÚJV Řež, a. s.	4100534338	Agreement on Casks for Container VJP CASTOR VVANTAGE-6; NP-2012-053/Year 2012, ETE, of August 26, 2014
ÚJV Řež, a. s.	4101046900	Agreement on Support of the Dukovany Nuclear Power Plant in PSR Findings Management of November 3, 2014
ÚJV Řež, a. s.	4101035380	Agreement on Land Engineering-Geological Survey, EDU - NP-2014-087, of October 15, 2014
ÚJV Řež, a. s.	4101050248	Agreement on Mobile Equipment Parking Containers, NP-2014-088, ETE E216+EDU 7108, of November 5, 2014
ÚJV Řež, a. s.	410104779	Agreement on Dryer Installations, EDU, of October 23, 2014
ÚJV Řež, a. s.	4100875520	Agreement on Environmental Impacts Evaluation, Completion Date Change, ETE - EIA, NP-2013-032
ÚJV Řež, a. s.	4101086825	Agreement on Technical Support of the Managed Aging Program and Evaluation of the Controlled Durability Program, ZL_NP-2014-104, of January 8, 2015
ÚJV Řež, a. s.	4100902860	Support Agreement per the Atomic Act; NP-2012-112/Year 2012 - App. No. 3, ETE, of December 9, 2014
ÚJV Řež, a. s.	4101068715	Agreement on Quality Model, EDU, of December 3, 2014
ÚJV Řež, a. s.	4101070593	Agreement on Technical-Economic Reports, NJZ EDU, of December 3, 2014
ÚJV Řež, a. s.	4400016285	Agreement on Completion of Project Documentation of Technical-Organizational Measures, EDU, of December 4, 2014
ÚJV Řež, a. s.	4101086255	Agreement on Analysis of External and Internal Impacts, EDU - NP-2014-101, of December 31, 2014
ÚJV Řež, a. s.	4101079475	Agreement on Tectonic Characteristics, EDU - NP-2014-103, of December 31, 2014
ÚJV Řež, a. s.	4101035380	Agreement on Land Engineering-Geological Survey, EDU - App. No. NP-2014-087, of December 31, 2014
ÚJV Řež, a. s.	4100914825	Agreement on Analysis of Fire Water Pumps Static and Dynamic Loading, EDU - NP-2013/061, App. No.1
ÚJV Řež, a. s.	4101010093	Agreement on Conceptual Model Production, EDU - App. No. 2 to NP-2014-078 of December 4, 2014
ÚJV Řež, a. s.	4100941119	Agreement on Securing Land Hydrological Survey, EDU - App. No. 2 to NP-2014-038 - Completion Date Change
ÚJV Řež, a. s.	4100837526	Agreement on Change to Price and Terms of Payment of the Subject of Agreement - Completion of Area 10 Final Report, EDU - App. No. 1 to NP-2013-096 - Year 2013 - Change of Agreement Subject Price
ÚJV Řež, a. s.	4101010093	Agreement on Change in Agreement Subject Scope - Building of Ground Water Monitoring Network, EDU - App. No. 1 to NP-2014-078 - Change in Agreement Subject Scope
ÚJV Řež, a. s.	4100941120	Agreement on Securing Hydrogeological Exploration Drilling, EDU - App. No. 1 to NP-2014-038 - Change in Agreement Subject Scope
ÚJV Řež, a. s.	69906361_1	Agreement on Thermal Energy Supply of February 25, 2015
ÚJV Řež, a. s.		Agreement on Bus Transportation - Special Connection to ČEZ-EDU, of November 3, 2015
ÚJV Řež, a. s.	4400029351	Agreement on Repair of the HUA Waste Pipe Crack, ZL_NP-2014-106, of December 30, 2014
ÚJV Řež, a. s.	4101087489	Agreement on Rubber Sealing of December 18, 2014
ÚJV Řež, a. s.	4100362386	Agreement on Changed Time Phasing and Time Schedule of MPO Project Co-Financing, Research and Development of Technology and RAO-Handling System in Connection with New Nuclear Sources, Appendix No. 1 - Change in Date of Co-Financing of the MPO FR-TI3/245 Project
ÚJV Řež, a. s.	4400029619	Agreement on Calculation of High-Temperature pH in the EDU Block Steam Generator Slots, ZL_NP-2015-004 Hidden Salts in PG (Steam Generator)
ÚJV Řež, a. s.	4101123422	Agreement on Managed Cabling Aging Program, ZL_NP-2015-006, of February 18, 2015
ÚJV Řež, a. s.	4101118342	Agreement on Cabling Visual Inspections, ZL_NP-2015-007, of February 12, 2015
ÚJV Řež, a. s.	4101096901	Agreement on EUR Document Completion of January, 22, 2015
ÚJV Řež, a. s.	4400029745	Agreement on Securing the CNIITMAŠ Firm, Russian Federation, in order to Complete UT Checks of Welded Joints of Steam Generator Collectors, ZL_NP-2015-009 UT Checks - CNIITMAŠ
ÚJV Řež, a. s.	4101129435	Agreement on Risk Monitor Update, LIVING PSA EDU 2015
ÚJV Řež, a. s.		Agreement on PSA Level 2 Inspections and Updates - EDU 2015
ÚJV Řež, a. s.	4101137631	Agreement on Risk Monitoring EDU 2015, ZL_NP-2015-021, of April 10, 2015
ÚJV Řež, a. s.	4101102650	Agreement on Weight Measurements-Radioactive Waste Repository Dukovany, ZL_NP-2015-003, of January 16, 2015

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ÚJV Řež, a. s.	4400029925	Agreement on Cooperation During Evaluation of Results of EDU and ETE Fixtures Diagnostics, ZL_NP-2015-022, of February 26, 2015
ÚJV Řež, a. s.	4101083358	Agreement on Supply of Steam Generator Stand of February 13, 2015
ÚJV Řež, a. s.	4101137402	Agreement on Evaluation of Condition of the EDU System, Structure, and Components Groups - Update of Technical-Economic Evaluation of Securing Nuclear Power Plant Long-term Operation ZL_NP-2015-012 Evaluation of Condition of the SKK EDU Groups
ÚJV Řež, a. s.	4101128828	Agreement on Blind Tests of the HTG Weld, ZL_NP-2015-016, of February 25, 2015
ÚJV Řež, a. s.	4101128885	Agreement on SUMIAD F1 Set Measuring of March 3, 2015
ÚJV Řež, a. s.	4400029811	Agreement on PAUT Checks Completion, ZL_NP-2015-010, of February 17, 2015
ÚJV Řež, a. s.	4400016285	Agreement on Analyses of Non-Project Events, ZL_NP-2015-018, of February 27, 2015
ÚJV Řež, a. s.		Agreement on Preparation of Supporting Data for EUR Document Update - Appendix No. 1 of November 28, 2014
ÚJV Řež, a. s.	4400029910	Agreement on Expert Opinions on EDU's Long-Term Operation, ZL_NP-2015-014, of February 26, 2015
ÚJV Řež, a. s.	4400029434	Agreement on Revisions of Documentation of Selected Equipment List, NP-2015-005/Year 2015, EDU - SVZ
ÚJV Řež, a. s.	4101098681	Agreement on Evaluation of Environmental Impacts NP-2014-110, EDU - EIA - Completion of Supporting Reports
ÚJV Řež, a. s.	4101094594	Agreement on Updating Territorial Study of Verification of Localization and Scope of the Nuclear Power Plant Expansion, NP-2014-112, EDU - Localization
ÚJV Řež, a. s.	4101093335	Agreement on Comparative Concentration Tests, NP-2014-111, EDU, of January 20, 2015
ÚJV Řež, a. s.	4101101663	Agreement on Completion of Documentation - Update of Certification of Secured Release of Residual Output of Casks, NP-2015-002/Year 2015, EDU - OS in SVP
ÚJV Řež, a. s.	4101079474	Agreement on Technical Works Focused on Identification of Preferential Paths, NP-2014-103, App. No. 1, EDU - Tectonics
ÚJV Řež, a. s.	4400029872	Agreement on Evaluation of Calculation Programs, ZL_NP-2015-020, of March 23, 2015
ÚJV Řež, a. s.	4400029883	Agreement on Scale Modification, ZL_NP-2015-013, of February 23, 2015
ÚJV Řež, a. s.	ZL NP-2014-013	Agreement on Evaluation of Calculation Programs for Nuclear Facility Safety Evaluation, Appendix to ZL-NP-2014-013
ÚJV Řež, a. s.	4101127204	Agreement on Overhaul of the 2HUGA101V Worm Gears of February 24, 2015
ÚJV Řež, a. s.	4400029942	Agreement on Evaluation of Facility Structures - Pools ZL_NP-2015-001, of March 3, 2015
ÚJV Řež, a. s.	4101122858	Agreement on Installation of Verification Measuring Devices on Block 1 Envelope, NP-2015-008, ETE, of February 23, 2015
ÚJV Řež, a. s.	4400030347	Agreement on Production Concept of the Collector Weld Body, ZL_NP-2015-024, of April 13, 2015
ÚJV Řež, a. s.	4101121568	Agreement on Completion of Supporting Reports for Determination of Conditions of Placing NJZ in the Dukovany Locality, Tritium - NP-2015-023
ÚJV Řež, a. s.		Agreement Appendix No. 7 on Securing Technical Support for Agreement 11SMP138 of March 4, 2015
ÚJV Řež, a. s.	4101107834	Agreement on Securing Participation and Transfer of OECD Project Results, HRP 2015 - 2017
ÚJV Řež, a. s.	4101117404	Agreement on Experimental Accumulation of Fuel Segment High Burning at VVER of February 23, 2015
ÚJV Řež, a. s.	4400030083	Agreement on Completion of Calculation of Loading of Distribution Gear HČČ - 317, ZL_NP-2015-027, of March 23, 2015
ÚJV Řež, a. s.	4101131198	Agreement on Static Evaluation of +15 m Machine Room Floors, NP-2015-05, ETE, of March 4, 2015
ÚJV Řež, a. s.	4101134587	Agreement on Terms of SRDG Testing and Protection Setting Selectivity, NP-2015-015, of March 12, 2015, ETE-OP
ÚJV Řež, a. s.	4101128290	Agreement on Transportation of Very Big and Heavy Components of March 10, 2015
ÚJV Řež, a. s.	4101105451	Agreement on the OECD SCIP III Project - 2015 to 2019, Securing Participation and Transfer of Results
ÚJV Řež, a. s.	4101105397	Agreement on Change of Fuel TVSA-T - PpBZ of February 25, 2015
ÚJV Řež, a. s.	4101133687	Agreement on Construction Modifications of Piping Connection of EMĚ, DZSpD of March 5, 2015
ÚJV Řež, a. s.	4101086256	Agreement on Completion of Technical Reports - Impact of External and Internal Risks on the EDU Locality - NP-2014-101-App. No. 1 - EIA (METEO)
ÚJV Řež, a. s.	4400032881	Agreement on Securing Technical Support, ČEZ, 2016-2020, of December 30, 2015
ÚJV Řež, a. s.	4101158023	Agreement on Developing Complex SW for Continuous Evaluation of Cassette Outlet Temperature Changes with Time, ZL_NP-2015-033 TC EDU
ÚJV Řež, a. s.		Agreement on Support of the Fuel Cycle Middle Section, EDU - ZL NP 030
ÚJV Řež, a. s.	4101146929	Agreement on Reconstruction of Heating Capacitor Connection from Additional Heater - Stage 2; NP-2015-028, ETE-E400, of April 7, 2015
ÚJV Řež, a. s.	4101155526	Agreement on Supply of Sealants of April 10, 2015
ÚJV Řež, a. s.	4101098681	Agreement on Completion of Supporting Reports for Evaluation of Environmental Impacts, EIA EDU - NP-2014-110 App. No. 1
ÚJV Řež, a. s.	4101035379	Agreement on Geological Survey NP-2014-087 App. No. 2, EDU, of April 9, 2015
ÚJV Řež, a. s.	4101010092	Agreement on Hydrogeological Survey, NP-2014-078 App. No. 3 of April 9, 2015
ÚJV Řež, a. s.	4400030549	Agreement on Evaluation of the Current Status of Compact Storage Grid Managed Aging, ZL_NP-2015-034 AMR - ETE GRIDS
ÚJV Řež, a. s.	4100951026	Agreement on the Replacement of Scaffolding Curtains with Fixed ones, NP-2014-034, ETE-D812, of April 17, 2015
ÚJV Řež, a. s.	4400030336	Agreement on Fuel Charge Evaluation - NP-2015-029/Year 2015, EDU, of April 20, 2015
ÚJV Řež, a. s.	4400016285	Agreement on Analysis of Surface Piping Samples of May 6, 2015
ÚJV Řež, a. s.		Agreement on Preparation of Conceptual Study Mapping Nuclear Fuel Inspection Options, ZI NP -2015-036
ÚJV Řež, a. s.		Agreement on Support of ČEZ During Updating and Completion of Documentation for Long-Term Operation of Nuclear Power Plants of June 3, 2015
ÚJV Řež, a. s.	4101200057	Agreement on Inspections and Analysis of Risks at the Temelín Nuclear Power Plant, PSA ETE
ÚJV Řež, a. s.	4101167866	Agreement on TRANE Cooling Unit Spare Parts of April 30, 2015
ÚJV Řež, a. s.	4101194688	Agreement on Completion of Calculated Dependence Analysis of July 3, 2015
ÚJV Řež, a. s.	4101194682	Agreement on Scenarios of Source Member Database Expansion of July 3, 2015
ÚJV Řež, a. s.	4101158033	Agreement on Safety Analyses Used for Nuclear Power Plant Decommissioning, ETE/EDU, of May 14, 2015
ÚJV Řež, a. s.	4101190625	Agreement on Check of Qualification Documentation Validity of June 12, 2015
ÚJV Řež, a. s.	4101184382	Agreement on Qualification Screening of June 2, 2015
ÚJV Řež, a. s.	4101182796	Agreement on Additional PTS Calculations, Thermodynamic Analyses via the RELAP5 System Code

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ÚJV Řež, a. s.	4101194511	Agreement on Qualifications of Safety-Critical Fixtures of June 24, 2015
ÚJV Řež, a. s.	4100928959	Agreement on Construction Intention Announcement y. 15 - App. No. 3, EDU5, of May 18, 2015
ÚJV Řež, a. s.	4400030837	Agreement on Evaluation of the Moby - Dick Project of June 5, 2015
ÚJV Řež, a. s.	4101190555	Agreement on Serious Failure Concurrence of July 3, 2015
ÚJV Řež, a. s.	NP-2015-046	Agreement on Modification of Methodology of Technical-Economic Evaluation of Long-Term Operation of the Czech Nuclear Power Plants of June 15, 2015
ÚJV Řež, a. s.	4101180495	Agreement on Updates of the List of Selected Equipment, NP-2015-032, ETE, of June 1, 2015
ÚJV Řež, a. s.	4101209186	Agreement on Initiation Event Analyses of July 28, 2015
ÚJV Řež, a. s.	4100668390	App. No. 3 to Agreement on Multi-Purpose Hall VH1, ETE, of June 16, 2015
ÚJV Řež, a. s.	4101209742	Agreement on VBK Analyses - Hulín, Completion of Safety Calculations with the CoCoSYS Program
ÚJV Řež, a. s.	4101208619	Agreement on Removal of Qualification Deficiencies Identified During Screening of July 20, 2015
ÚJV Řež, a. s.	4101165741	Agreement on Completion of Methodical Procedures for Safety Analysis Completion, ETE/EDU, of June 23, 2015
ÚJV Řež, a. s.	4100902860	Agreement on Comprehensive Support During the ETE Placing Process, 3,4, Appendix - Completion Date Change
ÚJV Řež, a. s.	4100875520	Agreement on Expert Assistance Following upon the Process of Study of Environmental Impacts, Appendix - Completion Date Change
ÚJV Řež, a. s.	4101213501	Agreement on Computer Programs of August 4, 2015
ÚJV Řež, a. s.	4101207277	Agreement on EUR Document Completion - II, of June 30, 2015
ÚJV Řež, a. s.	NP-2014-038	Agreement on Hydrological Survey, EDU - App. No. 3
ÚJV Řež, a. s.	NP-2014-112	Agreement on Contractor's Comprehensive Support During Placing Process, EDU - Localization, App. No. 1
ÚJV Řež, a. s.	NP-2014-110	Agreement on Completion of Supporting Reports for Study of Environmental Impacts, EDU - EIA, App. No. 2
ÚJV Řež, a. s.	NP-2014-078	Agreement on Hydrological Survey - Wider Survey, App. No. 4, EDU, of June 30, 2015
ÚJV Řež, a. s.	4101204440	Agreement on Securing Monitoring of the Dalešice Water work, New Nuclear EDU Source, of July 21, 2015
ÚJV Řež, a. s.	4400031196	Agreement on Static Calculation for Swap Plans in GO, ETE, of July 21, 2015
ÚJV Řež, a. s.	4400031420	Agreement on Aging Management Review (AMR) NP-2015-062/Year2015
ÚJV Řež, a. s.	4101211509	Agreement on Project Change of Inserted Generator Cooling Circuit, NP-2015-055, ETE-F041, of July 24, 2015
ÚJV Řež, a. s.	4101211517	Agreement on Verification Calculation of Heat Sink t of TG21B04, NP-2015-059, ETE, of July 24, 2015
ÚJV Řež, a. s.	4101201683	Agreement on the Principles of Territorial Development of Municipalities Affected by Big Component Transportation, EDU - ZÜR Supporting Data for NTK
ÚJV Řež, a. s.		Agreement on Concept of Preparation for Contamination Handling after Failure Involving Large Volumes of Contaminated Water, ZL No. NP-2015-066/Year 2015
ÚJV Řež, a. s.	4400031551	Agreement on Completion of Expert Opinions for Securing LTO of Selected Fixtures at the Dukovany Nuclear Power Plant, Job Card NP-2015-069/Year 2015
ÚJV Řež, a. s.		Agreement on Updates of Safety Analyses for Pre-Operation Safety Analyses
ÚJV Řež, a. s.		Agreement on Depressurization I.O During Transition to SAMG, ZL-No. NP-2015-064
ÚJV Řež, a. s.	4400031872	Agreement on Analyses of Steam Generators Venting Paths, Job Card NP-2015-068
ÚJV Řež, a. s.	4101218542	Agreement on Verification of Structure and Contents of Listed Selected Equipment, EDU - SVZ -NP-2015-065/Year 2015
ÚJV Řež, a. s.	41041204438	Agreement on Updating Territorial Study of Verification of Loc. -NP-2015-051, of August 12, 2015
ÚJV Řež, a. s.	4101237642	Agreement on Qualifications of Innovated Sealing Node of Reactor Thermocouple Terminals, D271 - Reactor HVB1,2
ÚJV Řež, a. s.	4100943549	Agreement on Replacement of Current Permanently Installed Protective Envelope Measuring Systems, Appendix No. 1 to Agreement 14SMP055
ÚJV Řež, a. s.	4101236595	Agreement on ETE Shutdown Condition, Containment Release - Liquidation of Post-Failure Hydrogen, B462 - PAR
ÚJV Řež, a. s.	4101204436	Agreement on Detailed Engineering Survey, NP-2015-053, EDU, of August 25, 2015
ÚJV Řež, a. s.	4101214844	Agreement on Technical Project, Comprehensive Restoration of the Prunéřov II Power Plant
ÚJV Řež, a. s.	4400031640	Agreement on Completion of Pre-Operation Tests of Thermal Stability of Concentrate Bituminization Product, Job Card No. NP-2015-075/Year 2015
ÚJV Řež, a. s.	4400031595	Agreement on Radio-Chemical Analysis of Ra Concentrate from Tank, JOB CARD (ZL) No. NP-2015-074/Year 2015
ÚJV Řež, a. s.	44000031533	Agreement on Evaluation of Condition of Surface of Removed Steam Generator Venting Paths, NP-2015-67
ÚJV Řež, a. s.	4101239718	Agreement on Sub-Frequency Protection in R6 kV, NP-2015-063, ETE, Blocks 1 and 2, of September 16, 2015
ÚJV Řež, a. s.	4101122858	Agreement on Installation of Verification Measuring Devices on Block 1 Envelope, NP-2015-008, ETE, of August 17, 2015
ÚJV Řež, a. s.	4101235427	Agreement on Cabling Engineering Solutions Group, NP-2015-076, ETE, of September 11, 2015
ÚJV Řež, a. s.	4101234646	Agreement on Study of Environmental Impacts - New Nuclear Source, EDU - EIA, NP-2015-078
ÚJV Řež, a. s.	4101225717	Agreement on Jihlava River Quality Model, NP-2015-073, EDU, of September 7, 2015
ÚJV Řež, a. s.	4101225713	Agreement on Comparative Concentration Tests, NP-2015-072, EDU, of September 7, 2015
ÚJV Řež, a. s.	4101225712	Agreement on Additional Survey of Ground and Surface Water Communication, NJZ EDU - ZBZ, NP-2015-071
ÚJV Řež, a. s.	4400032056	Agreement on Heterogeneous Welds 1, 2, 3, and 4 X-ray Images Evaluation in RB Dukovany Nuclear Power Plant of October 1, 2015
ÚJV Řež, a. s.	4101233636	Agreement on Provision of Technical, Advisory, and Consulting Activities During New Source Construction at the Ledvice Power Plant, TP PRO TES NZ ELE
ÚJV Řež, a. s.	4101235306	Agreement on Paleo Seismological Survey, EDU, of September 25, 2015
ÚJV Řež, a. s.	4101243133	Agreement on Supply of Sealants and Glue of September 16, 2015
ÚJV Řež, a. s.	4101254429	Agreement on Verification of Complex Operation with a New Version of the OPTIMAL/OPTIMAX Computer Program
ÚJV Řež, a. s.		Agreement on Completion of Expert Opinions, NP-2015-081 of October 16, 2015
ÚJV Řež, a. s.		Agreement on PSR EDU Analyses, Verification Analysis for Loss of Regular Steam Generator Power Supply
ÚJV Řež, a. s.	4400032405	Agreement on Review of Data from UT Checks of November 6, 2015

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ÚJV Řež, a. s.	4101083358	Appendix No. 1 to Agreement on Supply of Steam Generator Stand of November 18, 2015
ÚJV Řež, a. s.		Agreement on Evaluation of Computer Programs of February 2, 2015
ÚJV Řež, a. s.	4101098681	Agreement on Completion of Supporting Reports for Evaluation of Environmental Impacts of New Nuclear Source, EDU - EIA - NP-2014-110 App. No. 3
ÚJV Řež, a. s.	4101267060	Agreement on Designing ETE Drain Systems - E920 Drain System Designing, NP-2015-049
ÚJV Řež, a. s.	4400029883	Agreement on Verification of the Use of Test Bodies, Including Scale Modification, Appendix No. 1 to 15SMP065 NP-2015-013
ÚJV Řež, a. s.		Agreement on Serious Failure Visualizer of December 15, 2015
ÚJV Řež, a. s.	4400032745	Agreement on Damaged Blade Defects Analysis, NP-2015-088/Year 2015
ÚJV Řež, a. s.	4101299007	Agreement on Stabilization of Degraded AZ - Analyses of Evaluation of IVR Feasibility and Proposed Conditions of Experimental Verification of Strategy Effectiveness
ÚJV Řež, a. s.	4400016285	Agreement on Consultations on PG Stand Operation of December 7, 2015
ÚJV Řež, a. s.	4400032829	Agreement on Radio-Chemical Analysis of Ra Concentrate from Tank, JOB CARD (ZL) No. NP-2015-093
ÚJV Řež, a. s.		Agreement on Loosening of Input Data for BA of December 14, 2015
ÚJV Řež, a. s.	4101290976	Agreement on Qualification Documentation Validity Extension, NP-2015-091/Year 2015
ÚJV Řež, a. s.		Agreement on Comprehensive Verification of Thermal Stability of the Real Product Modification Process, JOB CARD (ZL) No. NP-2015-092
ÚJV Řež, a. s.	4101235434	Agreement on Potential Additional FK Burnt Gas Desulphurization at ELE of November 18, 2015
ÚJV Řež, a. s.	4400032930	Agreement on Ultrasound Checks of the Generator Shield Upper Section Part, ZL - NP-2015-094
ÚJV Řež, a. s.	4400032894	Agreement on Comprehensive Analysis of Cracks in Feeding Pump Casings, ZL- NP-2015-084/Year 2015
ÚJV Řež, a. s.	4101299002	Agreement on Spilled Melt Analysis of December 22, 2015
ÚJV Řež, a. s.	4101299791	Agreement on Technical Assistance - NP-2015-095, ETE, of December 22, 2015
ÚJV Řež, a. s.	4101204464	Agreement on Mathematical Water Flow Model, NP-2015-058, of September 11, 2015
ÚJV Řež, a. s.	4400032753	Agreement on Circuit-Breaker Replacements, ZL NP-2015-082, ETE, of December 16, 2015
ÚJV Řež, a. s.	4101282679	Agreement on Advisory on Casks with TVSA-T, ZL NP-2015-089, ETE, of November 27, 2015
ÚJV Řež, a. s.	4101010093	Agreement on Hydrogeological Survey - Appendix No. 5 to ZL NP-2014-078, EDU, of December 16, 2015
ÚJV Řež, a. s.	410094119	Agreement on Hydrogeological Survey - Appendix No. 4 to ZL NP-2014-038, EDU, of November 27, 2015
ÚJV Řež, a. s.	4101204465	Agreement on Mathematical Water Flow Model, Appendix No. 1 to ZL NP-2015-058, of December 9, 2015
ÚJV Řež, a. s.	4101234646	Agreement on Expert Assistance and Evaluation of Requirements of Screening Procedure, EDU - EIA, Appendix No. 1 to ZL NP-2015-078
ÚJV Řež, a. s.	4101225713	Agreement on Line Description, Securing Geophysical Measurements, EDU - Line Description, Appending No. 1 to ZL NP-2015-071
ÚJV Řež, a. s.	4101279521	Agreement on Concrete Sample Analysis, NP-2015-086/Year 2015 of January 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400006180	Agreement on Continuous Evaluation of Low-Cycle Fatigue of the EDU and ETE production Blocks of July 1, 2009
Ústav aplikované mechaniky Brno, s.r.o.	41000678835	Agreement on Expert Team's Assistance During Modernization of the Flow Components of NT Parts of the 1,000 MW Turbine at Temelín power plant of November 20, 2009
Ústav aplikované mechaniky Brno, s.r.o.	4100142728	Agreement on Boiler Expert Residual Lifetime of June 1, 2010
Ústav aplikované mechaniky Brno, s.r.o.	44000178841	Agreement on Provision of Activities in Connection with the EPRI Project
Ústav aplikované mechaniky Brno, s.r.o.	4100830993	Agreement on Implementation of the RATING IT90-13-00509 Methodology of October 28, 2013
Ústav aplikované mechaniky Brno, s.r.o.	4100839743	Agreement on Evaluation and Prediction of Fatigue Life of Weld Joints Exposed to Primary Medium Corrosive Environment of November 20, 2013
Ústav aplikované mechaniky Brno, s.r.o.	4400027326	Agreement on the Provision of Technical Assistance in the Nuclear Power Plants area of May 30, 2014
Ústav aplikované mechaniky Brno, s.r.o.	4400029641	Agreement on Calculation of Acceptable Scopes of Defects in YP System HTG Weld Joints of January 30, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030023	Agreement on Regular Evaluation of Risk Weld Joint Locations per PŘS RM_SS of March 6, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030293	Agreement on Provision of Technical Assistance During Solving of Technical Equipment Failures at ČEZ, a.s. and Completion of Technical Surveys of April 9, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101147080	Agreement on Completion of Analysis of Blade Dynamic Properties of March 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101224994	Agreement on Provision of Expert Technical Support of December 15, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030539	Agreement on Computer-Based Assessment of Proposed Modifications of Piping Route Connections and Installations 1(2)Vf10Z05,06,09, of April 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030538	Agreement on Verification of Calculation Reports on the ABACUS 600 600-325UXM-25B Check Valve of April 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030657	Agreement on Determination of the Minimum Piping Wall Thickness of May 26, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101200020	Agreement on Provision of Advisory and Consulting Activities, Including Technical Assistance - Comprehensive Restoration of the Pruněfov II Power Plant (KOEPR II) of July 16, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400031364	Agreement on Evaluation of Technology of Important Technical Water, Unimportant Technical Water, and Fire Water Piping Repairs at the Dukovany and Temelín Nuclear Power Plants of August 24, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032030	Agreement on Determination of Root Cause of Steam Generator Flanged Joint Leak of September 25, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032085	Agreement on Determination of Fatigue Growth in Steam and Feeding Water Piping Weld Joints of September 25, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101280351	Agreement on Evaluation of Defects Identified in Weld Joints at the Dukovany Nuclear Power Plant, IT-90-15-07507 of November 30, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032290	Agreement on Evaluation of Support Pin on the CASTOR 440/84 Cask, Type B(U) F, of October 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032560	Agreement on Provision of Technical Assistance in Nuclear Energy of November 19, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101281154	Agreement on Comprehensive Evaluation of Steam Generator Durability at Dukovany and Temelín Nuclear Power Plants of December 2, 2015

Company	Contract number	Contract title, date
Ústav aplikované mechaniky Brno, s.r.o.	4400032574	Agreement on Including other Welds into Regular Evaluation of Risk Locations of Weld Joints (RM_SS) of November 27, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032860	Agreement on Research Enabling Safe Operation of Cracked Steam Piping of December 15, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032800	Agreement on Analysis of Tightness of Generator Flanged Joint with 5.0 mm Sealing of December 3, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032686	Agreement on Completion of Verification Weld Re-Calculation of December 1, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101289427	Agreement on Thermographic and Metallographic Analyses of Defects in EDU Weld Joints of December 14, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101286988	Agreement on Strength Calculations and Completion of Supporting Documentation of December 9, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400029420	Agreement on Monitoring Condition of Shield Rupture via GEN HVB2 ETE Strain Gauges of January 8, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4101112763	Agreement on Production of Artificial Leaks for NDT Checks of February 4, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400029642	Agreement on Temperature Measuring on TQ 40 Piping in HVB1 ETE of January 30, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400030587	Agreement on Water Hammers - Measuring, Tests, Test Evaluations of May 14, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400031025	Agreement on Installation of Strain Gauge Thermocouple Sensors of June 26, 2015
Ústav aplikované mechaniky Brno, s.r.o.	4400032622	Agreement on Measuring and Determination of Pressure Losses of Backflow Valve and Check Valves at Temelín Nuclear Power Plant of November 23, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4400028919	Agreement on Vibration Measuring at Dukovany, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4400028805	Agreement on Vibration Measuring at Temelín, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4400029885	Agreement on Analysis of Residual Voltage of the ETE Generator Shield, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4400025606	Agreement on Vibration Measuring at Temelín Nuclear Power Plant, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4100928146	Agreement on Modernization of Flow Parts of NT Components, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4100970009	Agreement on Data Analysis, Monitoring, Blade Measuring, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.	4400032887	Agreement on Turbines - Development of Blade Check Methodology Based on Information from EPRI, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.		Agreement on Length Gauges Calibrations, 2015
Výzkumný a zkušební ústav Plzeň s.r.o.		Agreement on Conference Fee, 2015

SUPPLEMENTARY INFORMATION ON CEZ GROUP MEMBERS

Individual Results of Fully Consolidated Companies

Fully consolidated companies	Operating revenues		EBITDA		Depreciation and amortization	
	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)
Czech Republic						
ČEZ, a. s.	83,320	98	23,918	81	(14,708)	109
Areál Třeboradice, a.s.	10	83	4	100	(16)	100
Centrum výzkumu Řež s.r.o.	469	64	20	80	(19)	106
ČEZ Bohunice a.s.	-	-	(4)	-	-	-
ČEZ Distribuce, a. s.	53,544	103	15,620	99	(6,780)	101
ČEZ Distribuční služby, s.r.o.	6,418	80	1,021	74	(728)	94
ČEZ Energetické produkty, s.r.o.	822	83	100	115	(11)	> 500
ČEZ Energetické služby, s.r.o.	798	110	79	81	(30)	103
ČEZ ENERGOSEKVIS spol. s r.o.	1,124	58	61	95	(5)	125
ČEZ ESCO, a.s.	22	-	(70)	-	-	-
ČEZ ICT Services, a. s.	3,092	75	1,075	70	(929)	77
ČEZ Inženýring, s.r.o.	196	280	20	-	-	-
ČEZ Korporátní služby, s.r.o.	1,930	85	423	71	(209)	88
ČEZ Nová energetika, a.s.	-	-	(29)	-	-	-
ČEZ Obnovitelné zdroje, s.r.o.	2,202	105	44	75	-	-
ČEZ OZ uzavřený investiční fond a.s.	1,791	106	1,615	102	(737)	99
ČEZ Prodej, s.r.o.	73,571	102	6,361	190	(379)	100
ČEZ Recyklace, s.r.o.	2	-	-	-	-	-
ČEZ Teplárenská, a.s.	3,087	108	413	130	(337)	102
ČEZ Zákaznické služby, s.r.o.	1,045	93	37	51	-	-
EGP INVEST, spol. s r.o.	214	-	26	-	(4)	-
Elektrárna Dětmorovice, a.s.	3,525	105	365	57	(99)	75
Elektrárna Dukovany II, a. s.	-	-	-	-	-	-
Elektrárna Mělník III, a. s.	-	-	(2)	100	-	-
Elektrárna Počeradý, a.s.	5,328	68	905	24	(570)	109
Elektrárna Temelín II, a. s.	-	-	-	-	-	-
Elektrárna Tisová, a.s.	388	-	145	-	(19)	-
Energetické centrum s.r.o.	190	102	64	96	(24)	104
Energocentrum Vítkovice, a. s.	-	-	(2)	-	-	-
Energotrans, a.s.	3,603	106	1,436	116	(155)	92
EVČ s.r.o.	306	123	10	111	(3)	75
MARTIA a.s.	425	78	27	93	(8)	133
PRODECO, a.s.	1,393	85	70	85	(25)	76
Revitrans, a.s.	1,560	73	519	86	(307)	103
SD - Kolejová doprava, a.s.	1,245	102	501	104	(67)	108
Severočeské doly a.s.	9,702	96	4,325	104	(2,460)	105
ŠKODA PRAHA a.s.	31	78	(69)	-	-	-
ŠKODA PRAHA Invest s.r.o.	5,186	56	(289)	-	(1)	50
Telco Pro Services, a. s.	624	87	194	81	(137)	101
Tepelné hospodářství města Ústí nad Labem s.r.o.	506	103	36	103	(15)	107
ÚJV Řež, a. s.	1,263	103	226	152	(96)	97

Net income		Total assets		Equity		Workforce headcount as at December 31	
2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (persons)	2015/2014 Index (%)
28,115	134	518,380	96	220,569	107	5,019	93
(107)	-	238	65	193	64	-	-
4	400	1,571	141	377	113	306	105
(9)	-	3,215	100	3,214	100	-	-
6,940	98	136,317	102	96,100	102	1,470	120
240	48	7,013	87	5,770	89	2,435	91
73	104	420	99	262	112	556	154
37	67	707	105	539	107	408	119
45	94	339	42	109	85	471	96
(57)	-	1,849	462	1,813	453	36	-
108	37	4,429	87	3,450	89	410	98
16	-	170	136	83	122	103	91
277	84	4,418	99	3,926	98	391	97
(29)	-	360	-	18	-	6	-
(37)	-	440	105	133	67	4	100
689	115	11,100	94	10,586	92	-	-
4,839	202	30,006	100	10,341	111	227	103
-	-	52	-	-	-	-	-
84	> 500	4,089	95	3,275	95	340	96
27	49	357	99	47	61	776	93
16	-	150	-	90	-	123	-
(233)	-	2,592	76	1,809	67	225	102
-	-	50	-	50	-	-	-
(2)	100	14	88	14	88	-	-
270	-	8,792	96	7,296	104	268	102
-	-	50	-	50	-	-	-
107	-	1,365	> 500	742	> 500	172	-
30	97	299	97	158	122	42	100
(1)	-	56	-	56	-	-	-
951	110	5,237	103	4,165	102	165	109
13	186	191	96	73	120	105	-
18	86	166	98	78	110	259	95
38	103	767	96	443	96	695	97
185	72	1,874	102	1,338	107	866	95
351	103	984	94	782	101	659	102
2,038	108	32,780	103	21,864	101	2,681	92
(71)	-	843	88	705	91	54	135
(293)	-	2,539	57	11	7	257	72
46	56	1,064	112	848	113	106	115
17	100	468	96	222	104	84	100
89	212	2,538	103	1,543	106	664	97

Fully consolidated companies	Operating revenues		EBITDA		Depreciation and amortization	
	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)
Republic of Poland						
A.E. Wind sp. z o.o.	-	-	(1)	-	-	-
Baltic Green Construction sp. z o.o.	-	-	(1)	-	-	-
Baltic Green I sp. z o.o.	-	-	-	-	-	-
Baltic Green II sp. z o.o.	-	-	-	-	-	-
Baltic Green III sp. z o.o.	-	-	-	-	-	-
Baltic Green IV sp. z o.o.	-	-	-	-	-	-
Baltic Green V sp. z o.o.	-	-	-	-	-	-
Baltic Green VI sp. z o.o.	-	-	-	-	-	-
Baltic Green VII sp. z o.o.	24	-	(1)	-	-	-
Baltic Green VIII sp. z o.o.	-	-	-	-	-	-
CEZ Chorzów S.A.	2,847	113	1,276	104	(214)	93
CEZ Polska sp. z o.o.	190	82	14	70	(5)	63
CEZ Produkty Energetyczne Polska sp. z o.o.	124	129	19	173	-	-
CEZ Skawina S.A.	2,262	112	580	333	(316)	103
CEZ Towarowy Dom Maklerski sp. z o.o.	13	130	1	-	-	-
CEZ Trade Polska sp. z o.o.	2,254	320	74	247	-	-
Eco-Wind Construction S.A.	136	174	(62)	-	(2)	100
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	-	-	-	-	-	-
Farma Wiatrowa Leśce sp. z o.o.	-	-	-	-	-	-
Farma Wiatrowa Wilkołaz-Bychawa sp. z o.o.	-	-	-	-	-	-
Mega Energy sp. z o.o.	-	-	-	-	-	-
Republic of Bulgaria						
Bara Group EOOD	-	-	(22)	-	(3)	-
CEZ Bulgaria EAD	1,079	79	39	64	(24)	43
CEZ Elektro Bulgaria AD	19,538	97	136	36	-	-
CEZ ICT Bulgaria EAD	125	-	43	-	(34)	-
CEZ Razpredelenie Bulgaria AD	5,077	102	1,207	125	(887)	101
CEZ Trade Bulgaria EAD	4,426	145	84	88	-	-
Free Energy Project Oreshets EAD	39	103	40	250	(14)	100
TEC Varna EAD	33	3	(116)	-	(29)	30
Romania						
CEZ Distributie S.A.	5,780	105	2,359	128	(1,082)	103
CEZ Romania S.A.	875	106	63	109	(17)	121
CEZ Trade Romania S.R.L.	49	120	2	200	-	-
CEZ Vanzare S.A.	9,318	103	121	25	-	-
M.W. Team Invest S.R.L.	274	102	138	80	(118)	75
Ovidiu Development S.R.L.	764	119	213	31	(379)	83
TMK Hydroenergy Power S.R.L.	61	76	59	37	(70)	99
Tomis Team S.A.	1,114	122	351	96	(381)	76
Republic of Albania						
Shared Services Albania Sh.A.	1	7	(4)	-	-	-
Kingdom of the Netherlands						
CEZ Bulgarian Investments B.V.	4	9	(36)	-	-	-
CEZ International Finance B.V.	-	-	(10)	-	-	-
CEZ MH B.V.	-	-	(4)	-	-	-
CEZ Poland Distribution B.V.	140	-	33	-	-	-
CEZ Silesia B.V.	-	-	(3)	100	-	-
Federal Republic of Germany						
CEZ Deutschland GmbH	-	-	(1)	100	-	-
Ireland						
CEZ Finance Ireland Ltd.	-	-	-	-	-	-
CEZ International Finance Ireland Ltd.	-	-	(3)	-	-	-
Hungary						
CEZ Magyarország Kft.	2,445	116	33	87	-	-
Slovak Republic						
CEZ Slovensko, s.r.o.	6,850	119	43	98	-	-
Republic of Serbia						
CEZ Srbija d.o.o.	288	176	-	-	-	-
Republic of Cyprus						
Taidana Limited	-	-	-	-	-	-
Ukraine						
CEZ Ukraine LLC	-	-	-	-	-	-

Individual Results of Joint Ventures

Joint ventures	Operating revenues		EBITDA	
	2015	2015/2014 Index (%)	2015	2015/2014 Index (%)
	(CZK millions)		(CZK millions)	
Czech Republic				
ČEZ Energo, s.r.o.	853	121	200	124
LOMY MOŘINA spol. s r.o.	230	97	61	156
Slovak Republic				
CM European Power Slovakia, s. r. o.	1,516	64	(38)	-
Jadrová energetická spoločnosť Slovenska, a. s.	20	95	(11)	-
JESS Invest, s. r. o.	-	-	(3)	-
Kingdom of the Netherlands				
CM European Power International B.V.	-	-	(3)	100
Republic of Turkey				
Akcez Enerji A.S.	220	91	4	27
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	-	-	(1)	-
AK-EL Yalova Elektrik Üretim A.S.	-	-	(1)	-
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	-	-	-	-
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	5,057	70	230	-
Akenerji Elektrik Üretim A.S.	2,817	87	1,585	404
Egemer Elektrik Üretim A.S.	11,399	334	948	> 500
Sakarya Elektrik Dagitim A.S.	4,115	104	623	131
Sakarya Elektrik Perakende Satis A.S.	18,318	125	343	70

Fees Charged by External Auditors to Companies of the Consolidated CEZ Group in 2015 (CZK Millions)

	Audit services	Tax consulting	Economic and organizational consulting	Other	Total
ČEZ, a. s.	27.0	2.8	10.6	-	40.4
Fully consolidated CEZ Group companies	48.8	3.2	0.3	3.4	55.6
CEZ Group, total	75.8	6.0	10.9	3.4	96.0

	Depreciation and amortization		Net income		Total assets		Equity	
	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)	2015 (CZK millions)	2015/2014 Index (%)
	(119)	155	65	97	1,708	123	790	109
	(28)	112	28	233	404	95	361	97
	-	-	210	212	4,870	93	2,079	88
	(20)	65	(16)	13	5,934	97	5,915	97
	-	-	(3)	75	314	96	314	96
	-	-	233	-	1,662	97	1,490	115
	-	-	(1,019)	-	8,413	82	2,403	62
	-	-	43	113	713	88	709	88
	-	-	8	-	76	96	76	96
	-	-	3	150	29	94	29	94
	(2)	100	184	-	713	66	257	-
	(439)	176	(167)	-	20,809	99	7,868	73
	(860)	176	(3,106)	-	15,460	92	(1,482)	-
	(8)	-	320	106	4,490	109	629	178
	-	-	324	58	4,939	91	1,305	69





All people that participated **in the preparation of the Annual Report** consider the time they spent on it interesting and well invested. From inconspicuous preparations and detailing of organizational matters to data collection and processing to embellishing the text with inspired graphics—all of this was included in the process of making of the Annual Report. Many people worked on the final publication you are reading now; in doing so, all of them were thinking about the reader's comfort when reading interesting text, looking at accompanying photographs or searching for specific data. On the previous double page spread, we took the liberty of offering an inside look at how the photographs were prepared. The little making-of is also the last innovation we are presenting to you in this Annual Report.

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Building a better
working world

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ČEZ, a. s.:

We have audited the accompanying consolidated financial statements of CEZ Group, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details of CEZ Group, see Notes 1 and 8 to the consolidated financial statements.

Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for preparation and presentation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing as amended by implementation guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of CEZ Group, as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU.



Other Information

Other information comprises information included in the annual report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information included and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and whether the annual report has been prepared in accordance with applicable law or regulation. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young Audit, s.r.o.
License No. 401

A handwritten signature in black ink, appearing to read 'Martin Skácelík', written in a cursive style.

Martin Skácelík, Auditor
License No. 2119

18 April 2016
Prague, Czech Republic

CEZ GROUP CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH IFRS AS OF DECEMBER 31, 2015

in CZK Millions

ASSETS	Note	2015	2014*	Jan 1, 2014*
Property, plant and equipment:				
Plant in service		719,633	701,316	665,354
Less accumulated depreciation and impairment		(399,608)	(371,515)	(340,888)
Net plant in service	3	320,025	329,801	324,466
Nuclear fuel, at amortized cost	2.10	12,997	10,953	10,688
Construction work in progress, net	3	88,342	85,788	90,508
Total property, plant and equipment		421,364	426,542	425,662
Other non-current assets:				
Investment in joint-ventures	9	9,239	12,277	12,999
Restricted financial assets	4	18,059	17,471	15,498
Investments and other financial assets, net	5	22,598	18,877	10,248
Intangible assets, net	6	20,164	20,611	20,701
Deferred tax assets	31	1,631	1,738	824
Total other non-current assets		71,691	70,974	60,270
Total non-current assets		493,055	497,516	485,932
Current assets:				
Cash and cash equivalents	10	13,482	20,095	25,003
Receivables, net	11	46,003	50,864	67,485
Income tax receivable		436	1,618	1,065
Materials and supplies, net		8,577	8,462	8,054
Fossil fuel stocks		1,554	1,481	2,552
Emission rights	12	3,456	5,097	8,505
Other financial assets, net	13	32,728	39,438	38,400
Other current assets	14	3,395	3,299	3,398
Total current assets		109,631	130,354	154,462
TOTAL ASSETS		602,686	627,870	640,394
EQUITY AND LIABILITIES				
Equity:				
Equity attributable to equity holders of the parent:				
Stated capital		53,799	53,799	53,799
Treasury shares		(4,246)	(4,382)	(4,382)
Retained earnings and other reserves		218,340	211,891	208,659
Total equity attributable to equity holders of the parent	15	267,893	261,308	258,076
Non-controlling interests	9	4,262	4,543	4,690
Total equity		272,155	265,851	262,766
Non-current liabilities:				
Long-term debt, net of current portion	16	145,575	160,852	168,196
Provisions	19	60,525	57,303	53,347
Deferred tax liability	31	22,053	20,609	19,201
Other long-term liabilities	20	8,679	13,425	14,889
Total non-current liabilities		236,832	252,189	255,633
Current liabilities:				
Short-term loans	21	223	7,608	2,716
Current portion of long-term debt	16	11,696	15,674	28,104
Trade and other payables	22	58,010	60,126	63,025
Income tax payable		1,606	830	1,719
Provisions	19	8,219	9,758	8,647
Accrued liabilities	23	13,945	15,834	17,784
Total current liabilities		93,699	109,830	121,995
TOTAL EQUITY AND LIABILITIES		602,686	627,870	640,394

* The way of presentation was changed in 2015 (see Note 2.3.c). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the consolidated financial statements as of December 31, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

CEZ GROUP CONSOLIDATED STATEMENT OF INCOME IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	2015	2014*
Sales of electricity and related services		182,105	173,819
Sales of gas, coal, heat and other revenues		24,569	21,626
Other operating income		3,493	6,306
Total revenues and other operating income	24	210,167	201,751
Gains and losses from commodity derivative trading, net	25	(540)	2,861
Fuel		(13,053)	(12,686)
Purchased power and related services		(90,905)	(75,777)
Repairs and maintenance		(4,619)	(4,991)
Depreciation and amortization	3, 6	(28,619)	(27,705)
Impairment of property, plant and equipment and intangible assets including goodwill	7	(7,685)	(8,025)
Salaries and wages	26	(17,758)	(18,852)
Materials and supplies		(4,062)	(4,334)
Emission rights, net	12	(1,711)	(1,959)
Other operating expenses	27	(12,254)	(13,337)
Income before other income (expenses) and income taxes		28,961	36,946
Interest on debt, net of capitalized interest	2.8	(2,853)	(3,650)
Interest on provisions	19	(1,681)	(1,834)
Interest income	28	388	608
Foreign exchange rate gains (losses), net		(811)	(297)
Gain on sale of subsidiaries and joint-ventures		-	73
Other financial expenses	29	(1,110)	(3,157)
Other financial income	30	5,656	1,190
Share of profit (loss) from joint-ventures	2.2, 9	(1,655)	(1,223)
Total other income (expenses)		(2,066)	(8,290)
Income before income taxes		26,895	28,656
Income taxes	31	(6,348)	(6,224)
Net income		20,547	22,432
Net income attributable to:			
Equity holders of the parent		20,739	22,403
Non-controlling interests		(192)	29
Net income per share attributable to equity holders of the parent (CZK per share)	34		
Basic		38.8	41.9
Diluted		38.8	41.9

* The way of presentation was changed in 2015 (see Note 2.3.c). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the consolidated financial statements as of December 31, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

CEZ GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	2015	2014*
Net income		20,547	22,432
Other comprehensive income – items that may be reclassified subsequently to statement of income or to assets:			
Change in fair value of cash flow hedges recognized in equity		11,919	4,891
Cash flow hedges reclassified to statement of income		(1,954)	(3,933)
Cash flow hedges reclassified to assets		(230)	(95)
Change in fair value of available-for-sale financial assets recognized in equity		1,440	(865)
Available-for-sale financial assets reclassified from equity		(103)	1,783
Translation differences – subsidiaries		(1,046)	265
Translation differences – joint-ventures		(1,218)	610
Translation differences reclassified from equity		1	14
Share on other equity movements of joint-ventures		(38)	(121)
Deferred tax related to other comprehensive income	31	(1,761)	(389)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods		7,010	2,160
Other comprehensive income – items not to be reclassified subsequently from equity:			
Re-measurement losses on defined benefit plans		(28)	(26)
Deferred tax related to other comprehensive income	31	(3)	3
Net other comprehensive income not to be reclassified from equity in subsequent periods		(31)	(23)
Other comprehensive income, net of tax		6,979	2,137
Total comprehensive income, net of tax		27,526	24,569
Total comprehensive income attributable to:			
Equity holders of the parent		27,811	24,498
Non-controlling interests		(285)	71

* The way of presentation was changed in 2015 (see Note 2.3.c). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the consolidated financial statements as of December 31, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

CEZ GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	Attributable to equity holders of the parent					Total	Non-controlling interests	Total equity	
		Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves				Retained earnings
December 31, 2013		53,799	(4,382)	(8,198)	(8,671)	1,201	224,327	258,076	4,690	262,766
Net income		-	-	-	-	-	22,403	22,403	29	22,432
Other comprehensive income		-	-	848	699	692	(144)	2,095	42	2,137
Total comprehensive income		-	-	848	699	692	22,259	24,498	71	24,569
Dividends		-	-	-	-	-	(21,301)	(21,301)	(228)	(21,529)
Share options	26	-	-	-	-	26	-	26	-	26
Transfer of forfeited share options within equity		-	-	-	-	(70)	70	-	-	-
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	15	15
Acquisition of non-controlling interests	8	-	-	-	-	-	(2)	(2)	(31)	(33)
Sale of subsidiaries		-	-	-	-	-	-	-	(7)	(7)
Put options held by non-controlling interest		-	-	-	-	-	11	11	33	44
December 31, 2014		53,799	(4,382)	(7,350)	(7,972)	1,849	225,364	261,308	4,543	265,851
Net income		-	-	-	-	-	20,739	20,739	(192)	20,547
Other comprehensive income		-	-	(2,169)	7,886	1,425	(70)	7,072	(93)	6,979
Total comprehensive income		-	-	(2,169)	7,886	1,425	20,669	27,811	(285)	27,526
Dividends		-	-	-	-	-	(21,317)	(21,317)	(4)	(21,321)
Sale of treasury shares		-	136	-	-	-	(68)	68	-	68
Share options	26	-	-	-	-	31	-	31	-	31
Transfer of exercised and forfeited share options within equity		-	-	-	-	(63)	63	-	-	-
Acquisition of non-controlling interests	8	-	-	19	-	-	(166)	(147)	(145)	(292)
Put options held by non-controlling interest		-	-	-	-	-	139	139	153	292
December 31, 2015		53,799	(4,246)	(9,500)	(86)	3,242	224,684	267,893	4,262	272,155

The accompanying notes are an integral part of these consolidated financial statements.

CEZ GROUP CONSOLIDATED STATEMENT OF CASH FLOWS IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	2015	2014*
OPERATING ACTIVITIES:			
Income before income taxes		26,895	28,656
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization		28,619	27,705
Amortization of nuclear fuel		3,416	3,356
Gain on non-current asset retirements, net		(562)	(326)
Foreign exchange rate losses (gains), net		811	297
Interest expense, interest income and dividend income, net		1,780	2,240
Provisions		(2,374)	694
Impairment of property, plant and equipment and intangible assets including goodwill	7	7,685	8,025
Valuation allowances and other adjustments		(1)	(1,882)
Share of (profit) loss from joint-ventures	9	1,655	1,223
Changes in assets and liabilities:			
Receivables		3,614	2,348
Materials, supplies and fossil fuel stocks		(169)	581
Receivables and payables from derivatives		5,833	4,973
Other current assets		5,469	2,581
Trade and other payables		(2,574)	1,292
Accrued liabilities		(1,450)	(1,195)
Cash generated from operations		78,647	80,568
Income taxes paid		(4,569)	(7,538)
Interest paid, net of capitalized interest		(2,728)	(3,677)
Interest received		416	516
Dividends received		813	806
Net cash provided by operating activities		72,579	70,675
INVESTING ACTIVITIES:			
Acquisition of subsidiaries and joint-ventures, net of cash acquired	8	–	(35)
Disposal of subsidiaries and joint-ventures, net of cash disposed of		310	101
Additions to non-current assets, including capitalized interest		(31,909)	(35,798)
Proceeds from sale of non-current assets		435	1,381
Loans made		(29)	(33)
Repayment of loans		123	362
Change in restricted financial assets		(500)	(625)
Total cash used in investing activities		(31,570)	(34,647)
FINANCING ACTIVITIES:			
Proceeds from borrowings		88,301	80,769
Payments of borrowings		(114,363)	(100,076)
Proceeds from other long-term liabilities		63	129
Payments of other long-term liabilities		(130)	(133)
Dividends paid to Company's shareholders		(21,309)	(21,320)
Dividends paid to non-controlling interests		(4)	(229)
Sale of treasury shares		68	–
Acquisition of non-controlling interests		–	(33)
Total cash used in financing activities		(47,374)	(40,893)
Net effect of currency translation in cash		(248)	(43)
Net decrease in cash and cash equivalents		(6,613)	(4,908)
Cash and cash equivalents at beginning of period		20,095	25,003
Cash and cash equivalents at end of period		13,482	20,095
Supplementary cash flow information			
Total cash paid for interest		6,680	8,165

* The way of presentation was changed in 2015 (see Note 2.3.c). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the consolidated financial statements as of December 31, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

CEZ GROUP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

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1. The Company

ČEZ, a. s. (“ČEZ” or “the Company”), business registration number 45274649, is a Czech Republic joint-stock company, owned 69.8% (70.3% of voting rights) at December 31, 2015 by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are publicly held. The address of the Company’s registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group (“the Group”). Main business of the Group is the production, distribution, trade and sale of electricity and heat, trade and sale of natural gas and coal mining (see Note 9). ČEZ is an electricity generation company, which in 2015 produced approximately 56% of the electricity and a portion of the district heating in the Czech Republic. In the Czech Republic the Company operates twelve fossil fuel plants, sixteen hydroelectric plants, one solar plant, one combined cycle gas turbine plant and two nuclear plants. The Company also operates through its subsidiaries several power plants (fossil fuel, hydro, wind, solar, biogas, biomass) in the Czech Republic, two fossil fuel plants and two hydroelectric plants in Poland, one solar plant and one biomass plant in Bulgaria and a wind farm and a complex of hydroelectric plants in Romania. Further the Group also controls certain electricity distribution companies in the Czech Republic, Bulgaria and Romania. The average number of employees of the Company and its consolidated subsidiaries was 25,826 and 26,248 in 2015 and 2014, respectively.

Responsibility for public administration in the energy sector is exercised by the Ministry of Industry and Trade (the “Ministry”), the Energy Regulatory Office and the State Energy Inspection Board.

The Ministry, as the central public administration body for the energy sector, issues state approval to construct new energy facilities in accordance with specified conditions, develops the energy policy of the state and ensures fulfillment of obligations resulting from international treaties binding on the Czech Republic or obligations resulting from membership in international organizations.

The Energy Regulatory Office was established as the administrative office to exercise regulation in the energy sector of the Czech Republic, to support economic competition and to protect consumers’ interests in sectors where competition is not possible. The Energy Regulatory Office decides on the granting of a license, imposition of the supply obligation beyond the scope of the license, imposition of the obligation to let another license holder use energy facilities in cases of emergency, to exercise the supply obligation beyond the scope of the license and price regulation based on special legal regulations. The State Energy Inspection Board is the inspection body supervising the activities in the energy sector. All customers can select their suppliers of electricity.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

These consolidated financial statements of the Group were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The financial statements are prepared under the historical cost convention, except when IFRS require other measurement basis as disclosed in the accounting policies below.

2.2. Group Accounting

a. Group Structure

The financial statements of CEZ Group include the accounts of ČEZ, a. s., its subsidiaries and joint-ventures, which are shown in the Note 9.

b. Subsidiaries

Subsidiaries are those entities which the Group controls. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognized in profit or loss as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Changes in the fair value of contingent consideration classified as equity are not recognized.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired ("negative goodwill"), then the Group first reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after the reassessment is recognized immediately in profit or loss.

A change in the ownership interest of a subsidiary, without loss of control, is accounted as an equity transaction.

Losses within a subsidiary incurred are attributed to the non-controlling interest even if that results in a deficit balance.

Put options held by non-controlling interests are recorded as a derecognition of non-controlling interest and recognition of a liability at the end of the reporting period. The liability is recognized at the present value of the amount payable on exercise, and any difference between the amount of non-controlling interest derecognized and this liability is accounted for within equity. Subsequent changes to the present value of the amount payable on exercise are recorded directly in equity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

c. Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of other post-acquisition movements in equity of associates is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated impairment losses) on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

d. Joint-ventures

A joint-venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint-venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary considerations to determine control over subsidiaries. The Group recognizes its interest in the joint-venture using the equity method of accounting (see Note 2.2.c).

The financial statements of the joint-venture are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealized gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

e. Transactions Involving Entities under Common Control

Acquisitions of subsidiaries from entities under common control are recorded using a method similar to pooling of interests.

The assets and liabilities of the acquired subsidiaries are included in the consolidated financial statements at their book values. The difference between the cost of acquisition of subsidiaries from entities under common control and the share of net assets acquired in book values is recorded directly in equity.

2.3. Changes in Accounting Policies**a. Adoption of New IFRS Standards in 2015**

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Group has adopted the following new or amended and endorsed by EU IFRS and IFRIC interpretations as of January 1, 2015:

Annual Improvements to IFRSs 2011–2013

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 13	Fair Value Measurement
IAS 40	Investment Property

These changes did not have significant impact on the Group's financial statements.

b. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by the EU

The Group is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2016 or later. Standards and interpretations most relevant to the Group's activities are detailed below:

IFRS 9 Financial Instruments – Classification and measurement

The IFRS 9 was originally issued in November 2009 and is intended to replace IAS 39 Financial Instruments: Recognition and measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. In October 2010 the IASB added to IFRS 9 the requirements for classification and measurement of financial liabilities and derecognition of financial assets and liabilities. Most of the requirements in IAS 39 for classification and measurement of financial liabilities and derecognition of financial assets and liabilities were carried forward unchanged to IFRS 9. The standard eliminates categories of financial instruments currently existing in IAS 39: available-for-sale and held-to-maturity. According to IFRS 9 all financial assets and liabilities are initially recognized at fair value plus transaction costs.

Financial assets

Debt instruments may, if the fair value option (FVO) is not applied, be subsequently measured at amortized cost if the following both conditions are met:

- the asset is held within a business model that has the objective to hold the assets to collect the contractual cash flows;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

All other debt instruments, where the above mentioned conditions are not met, are subsequently measured at fair value.

All equity investment financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity instruments held for trading must be measured at fair value through profit or loss. Entities have an irrevocable choice of recognizing changes in fair value either in OCI or profit or loss by instrument for all other equity investment financial assets.

Financial liabilities

For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortized cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases.

Entities are generally required to recognize either 12-months or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognized.

Hedge accounting

New chapter on hedge accounting has been added to IFRS 9. This represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. There are also improvements to the disclosures about hedge accounting and risk management.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The standard has not yet been endorsed by EU. Retrospective application is required, but comparative information is not compulsory. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and liabilities.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the balance sheet and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after January 1, 2016 but was not endorsed by EU yet. This new standard will have no impact on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014. The standard outlines the principles an entity must apply to measure and recognize revenue. The core principle is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 will be applied using a five-step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The standard has not yet been endorsed by EU. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

The IASB issued in January 2016 new standard, IFRS 16 Leases, which replaces existing IFRS leases requirements and requires lessees to recognize most leases on their balance sheets while lessor accounting is substantially unchanged. Group is currently assessing the impact of this new standard on its financial statements.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The standard has not yet been endorsed by EU. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify:

- the materiality requirements in IAS 1;
- that specific line items in the statement(s) of profit or loss and OCI and the balance sheet may be disaggregated;
- that entities have flexibility as to the order in which they present the notes to financial statements;
- that the share of OCI of associates and joint-ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The standard has not yet been endorsed by EU. These amendments are not expected to have a significant impact to the Group, but will assist in applying judgment when meeting the presentation and disclosure requirements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 are intended to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective prospectively for annual periods beginning on or after February 1, 2015 and the Group does not expect the amendment will have a significant impact on its financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint-ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operation

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint-venture to its interests in subsidiaries. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments were not endorsed by EU yet and are not expected to have significant impact to the Group.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint-venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint-venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint-venture. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments were not endorsed by EU yet and are not expected to have significant impact to the Group.

Annual Improvements to IFRSs 2010–2012

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 8	Operating Segments
IFRS 13	Fair Value Measurement
IAS 16	Property, Plant and Equipment
IAS 24	Related Party Disclosures
IAS 38	Intangible Assets

The Group will apply these improvements from January 1, 2016.

Annual Improvements to IFRSs 2012–2014

In September 2014 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

The Group will apply these improvements from January 1, 2016.

These changes will have no significant impact on the Group's financial statements.

The Group does not expect early adoption of any of the above mentioned standards, improvements or amendments.

c. Changes in the Presentation of the Financial Statements

The way of presentation of the financial statements was changed in 2015. The main goal of the changes was to enhance relevancy of information contained on the face of the financial statements and reflect the developments in the best practice of financial reporting in the industry with regard to all IFRS requirements. The changes have been made to the balance sheet, statement of income, statement of comprehensive income and the statement of cash flows. As a result, reclassifications for the prior period have been made to provide fully comparative information on the same basis. The reclassifications have also been made to the balance sheet at the beginning of the earliest comparative period, i.e. at January 1, 2014.

The following tables summarize the effect of reclassifications on prior period presented (in CZK millions):

	Reclassifications 2014	Reclassifications Jan 1, 2014
Consolidated balance sheet:		
Restricted financial assets	17,741	15,498
Investments and other financial assets, net	(17,741)	(15,498)
Total other non-current assets	-	-
Provisions ¹⁾	10,001	9,520
Deferred tax liability ²⁾	20,609	19,201
Other long-term liabilities	(12,492)	(11,951)
Total non-current liabilities²⁾	18,118	16,770
Deferred tax liability²⁾	(20,609)	(19,201)
Trade and other payables	(205)	(272)
Provisions	9,758	8,647
Accrued liabilities	(7,062)	(5,944)
Total current liabilities	2,491	2,431
Total equity and liabilities	-	-

¹⁾ This line with the former headline Accumulated provision for nuclear decommissioning and fuel storage contained only nuclear provisions in the consolidated financial statements as of December 31, 2014. Now this line contains all non-current provisions.

²⁾ The line Deferred tax liability was not presented within non-current liabilities in the consolidated financial statements as of December 31, 2014. Now it is part of non-current liabilities.

	Reclassifications 2014
Consolidated statement of income:	
Gains and losses from electricity, coal and gas derivative trading, net ³⁾	(2,861)
Sales of gas, coal, heat and other revenues	(2,351)
Other operating income	6,306
Total revenues and other operating income	1,094
Gains and losses from commodity derivative trading, net ³⁾	2,861
Purchased power and related services	228
Other operating expenses	(4,183)
Income before other income (expenses) and income taxes	-
Other income (expenses), net	1,967
Other financial expenses	(3,157)
Other financial income	1,190
Total other income (expenses)	-
Net income	-
EBITDA	-
Consolidated statement of comprehensive income:	
Cash flow hedges reclassified from equity	4,028
Cash flow hedges reclassified to statement of income	(3,933)
Cash flow hedges reclassified to assets	(95)
Translation differences	(875)
Translation differences – subsidiaries	265
Translation differences – joint-ventures	610
Other comprehensive income, net of tax	-
Total comprehensive income, net of tax	-
Consolidated statement of cash flows:	
Net cash provided by operating activities	(245)
Total cash used in investing activities	33
Total cash used in financing activities	212
Net decrease in cash and cash equivalents	-

³⁾ The headline of the line Gains and losses from commodity derivative trading, net was changed in 2015 (formerly Gains and losses from electricity, coal and gas derivative trading, net). This line is not presented as part of Total revenues and other operating income in 2015.

2.4. Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Explanation of key assumptions is included in relevant sections of notes where significant estimates are being described. Significant estimates are made by the Group while determining recoverable amounts for property, plant and equipment and intangible assets (see Note 7), accounting for the nuclear provisions (see Note 19.1), provisions for reclamation of mines, mining damages and waste storage reclamation (see Note 19.2), unbilled electricity (see Note 2.6), fair value of commodity contracts (see Notes 2.21 and 17) and financial derivatives (see Notes 2.20 and 17).

2.5. Revenues

The Group recognizes revenue from supplies of electricity and related services based on contract terms. Differences between contracted amounts and actual supplies are settled through the market operator.

Revenues are recognized, when it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be reliably measured. Sales are recognized net of value added tax and discounts, if any.

Revenue from sale of goods is recognized when the goods are delivered and significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue from services provided to third parties is recognized when the services are rendered.

Connection fees received from customers are recognized in income in the period when the fees are received. Connection fees received from customers prior 2009 are presented as deferred revenues in the line Other long-term liabilities.

2.6. Unbilled Electricity

Electricity supplied to customers, which is not yet billed, is recognized in revenues at estimated amounts. The estimate of monthly change in unbilled electricity is derived from the measured delivery of electricity after deduction of invoiced consumption and estimated grid losses. The estimate of total unbilled electricity balance is also supported by extrapolation of consumption in the last measured period for individual locations. The ending balance of unbilled electricity is disclosed net in the balance sheet after deduction of advances received from customers and is included in the line item of Receivables, net or Trade and other payables.

2.7. Fuel Costs

Fuel costs are expensed as fuel is consumed. Fuel expense includes the amortization of the cost of nuclear fuel (see Note 2.10).

2.8. Interest

The Group capitalizes all interest incurred in connection with its construction program that theoretically could have been avoided if expenditures for the qualifying assets had not been made. The qualifying assets include assets, for which the construction represents a substantial period of time. Capitalized interest costs amounted to CZK 3,623 million and CZK 4,056 million and the interest capitalization rate was 4.3% and 4.5% in 2015 and 2014, respectively.

2.9. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairment in value. Cost of plant in service includes materials, labor, payroll-related costs and the cost of debt financing used during construction. The cost also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that is recognized as a provision under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Government grants received for construction of certain items of property, plant and equipment decrease the acquisition cost of the respective items.

Internally developed property, plant and equipment are recorded at their accumulated cost. The cost of maintenance, repairs, and replacement of minor items of property is charged to maintenance expense when incurred. Renewals and improvements are capitalized. Upon sale, retirement or replacement of part of an item of property, plant and equipment, the cost and related accumulated depreciation of the disposed item or its replaced part are derecognized from the balance sheet. Any resulting gains or losses are included in profit or loss.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of its property, plant and equipment to determine whether such amounts continue to exceed the assets' carrying values. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Identified impairment of property, plant and equipment is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

At each reporting date, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

The Group depreciates the original cost of property, plant and equipment less its residual value by using the straight-line method over the estimated economic lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable useful lives used for property, plant and equipment are as follows:

	Useful lives (years)
Buildings and structures	20–50
Machinery and equipment	4–25
Vehicles	8–25
Furniture and fixtures	8–15

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation of plant in service was CZK 27,146 million and CZK 26,038 million for the years ended December 31, 2015 and 2014, which was equivalent to a composite depreciation rate of 3.9% and 3.8%, respectively.

2.10. Nuclear Fuel

Nuclear fuel is stated at original cost, net of accumulated amortization and presented as part of property, plant and equipment. Amortization of fuel in the reactor is based on the amount of power generated. Amortization of nuclear fuel charged to fuel expense was CZK 3,416 million and CZK 3,356 million for the years ended December 31, 2015 and 2014, respectively. The amortization of nuclear fuel includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 328 million and CZK 275 million in 2015 and 2014, respectively. Additions to nuclear fuel were CZK 5,067 million and CZK 3,345 million in 2015 and 2014, respectively. In 2015 balance of nuclear fuel was increased by the capitalized portion of the provision for interim storage of nuclear fuel in the amount of CZK 64 million in relation with change in estimate.

2.11. Intangible Assets

Intangible assets are valued at their acquisition costs and related expenses. Intangible assets are amortized over their useful lives using the straight-line method. The estimated useful life of intangible assets ranges from 3 to 25 years. The assets' residual values, useful lives and methods of amortization are reviewed, and adjusted if appropriate, at each financial year end. Improvements are capitalized.

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 351 million in 2015 and CZK 531 million in 2014.

Intangible assets are tested for impairment (for goodwill see Note 2.12) whenever facts or changes in circumstances indicate that the carrying amount could be impaired. The recoverable amount of an intangible asset not yet available for use is tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Identified impairment of intangible assets is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

For assets excluding goodwill an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

2.12. Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed (see Note 2.2). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint-ventures is included in investments in associates and joint-ventures. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment losses of goodwill cannot be reversed in subsequent periods. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.13. Emission Rights

Emission right represents the right of the owner of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year equivalent of one ton of carbon dioxide. Based on the National Allocation Plans certain companies of the Group have been granted emission rights free of charge. These companies are responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an authorized person.

On April, 30 of the following year, at the latest, these companies are required to remit a number of allowances representing the number of tones of CO₂ actually emitted in previous year.

The emission rights which were granted free of charge are stated at their nominal value, i.e. at zero. In the Czech Republic the allocation of emission rights granted free of charge to an entity operating certain electricity generation facilities specified by the law was the subject to a gift tax in 2011 and 2012. As a result, granted emission rights, which were subject to the gift tax, are initially recognized at the amount of related gift tax as of the grant date. Purchased emission rights are carried at cost (except for emission rights for trading). Emission rights acquired in a business combination are initially recognized at their fair value at the date of acquisition and subsequently treated similarly to purchased emission rights. The Group recognizes a provision to cover emissions made. This provision is measured firstly with regard to the cost of emission rights resulting from hedging strategy, and then considering granted and purchased emission rights and credits up to the level of granted and purchased emission rights and credits held and then at the market price ruling at the balance sheet date. The amount of the gift tax on granted emission rights, which is charged to profit or loss as part of the charge of the provision, the eventual cost of emission rights sold or as part of the consumption of emission rights when the allowances are remitted from the register, is included in the line Other financial expenses.

The Group also holds emission rights for trading purposes. The portfolio of emission rights held for trading is measured at fair value. The changes in fair value of the emission rights held for trading are recognized directly in profit or loss.

At each reporting date, the Group assesses whether there is any indication that emission rights may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of the cash-generating units, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. Any identified impairment of emission rights is recognized directly in profit or loss in the line item of Emission rights, net.

Sale and repurchase agreements with emission rights are accounted for as collateralized borrowing.

The swaps of European emission rights (EUA) and certified emission reductions (CER) or credits are treated as derivatives in the period from the trade date to the maturity date. The swap is measured at fair value with any fair value changes being recognized in profit and loss. Any cash received before the EUA/CER swap matures would result in an offsetting change in the fair value of the swap. Upon the delivery of EUAs and CERs the difference between the total of cash received and the fair value of the CER received on one hand and the total of the carrying value of the EUA given up and the fair value of the EUA/CER-swap given up is recognized as a gain or loss.

Green and similar certificates are initially recognized at fair value and subsequently treated similarly to purchased emission rights.

2.14. Investments

Investments are classified into the following categories: held-to-maturity, loans and receivables, held for trading and available-for-sale. Investments with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity other than loans and receivables originated by the Group are classified as held-to-maturity investments. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Investments acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as held for trading. All other investments, other than loans and receivables originated by the Group, are classified as available-for-sale.

Held-to-maturity investments, loans and receivables are included in non-current assets unless they mature within 12 months of the balance sheet date. Investments held for trading are included in current assets. Available-for-sale investments are classified as current assets if the Group intends to realize them within 12 months of the balance sheet date.

All purchases and sales of investments are recognized on the settlement date.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Available-for-sale and trading investments are subsequently carried at fair value without any deduction for transaction costs by reference to their quoted market price at the balance sheet date.

Gains or losses on remeasurement to fair value of available-for-sale investments are recognized directly in other comprehensive income, until the investment is sold or otherwise disposed of, or until it is determined to be impaired. Equity securities classified as available-for-sale investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at cost.

The carrying amounts of available-for-sale investments are reviewed at each balance sheet date whether there is objective evidence for impairment. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income. In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

Changes in the fair values of trading investments are included in Other financial expenses or Other financial income.

Held-to-maturity investments and loans and receivables are carried at amortized cost using the effective interest rate method.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.15. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts with banks and short-term bank notes with a maturity of 6 months or less. Foreign currency deposits are translated using the exchange rates published as at the balance sheet date.

2.16. Financial Assets Restricted in Use

Restricted balances of cash and other financial assets, which are shown as restricted funds (see Note 4), relate to mining reclamation and damages, deposits for waste storage reclamation, funding of nuclear decommissioning liabilities and cash guarantees given to transaction partners. The non-current classification is based on the expected timing of the release of the funds to the Group.

2.17. Receivables, Payables and Accruals

Receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An impairment analysis of receivables is performed by the Group at each reporting date on an individual basis for significant clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable. The calculation is based on actual incurred historical data of these groups.

Payables are recorded at invoiced values and accruals are reported at expected settlement values.

2.18. Materials and Supplies

Purchased inventories are valued at actual cost, using the weighted average method. Costs of purchased inventories comprise expenses which have been incurred in respect of the acquisition of materials and supplies including transportation costs. When consumed, inventories are charged to income or capitalized as part of property, plant and equipment. Work-in-progress is valued at actual cost. Costs of inventories produced internally include direct material and labor costs. Obsolete inventories are reduced to their realizable value by a provision charged to the income statement. At December 31, 2015 and 2014 the provision for obsolescence amounted to CZK 516 million and CZK 524 million, respectively.

2.19. Fossil Fuel Stocks

Fossil fuel stocks are stated at actual cost using weighted average cost method.

2.20. Derivative Financial Instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. In the balance sheet such derivatives are presented as part of Investments and other financial assets, net, Other financial assets, net, Other long-term liabilities and Trade and other payables.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges when they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a. Fair value hedge

Gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognized in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to profit or loss over the remaining term to maturity.

b. Cash flow hedge

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are initially recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement in the line item Other financial expenses or Other financial income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recorded to the income statement when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

c. Other derivatives

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

2.21. Commodity Contracts

According to IAS 39, certain commodity contracts are treated as financial instruments and fall into the scope of the standard. Most commodity purchase and sales contracts entered into by the Group provide for physical delivery of quantities intended to be consumed or sold as part of its ordinary business; such contracts are thus excluded from the scope of IAS 39.

In particular, forward purchases and sales for physical delivery of energy are considered to fall outside the scope of application of IAS 39, when the contract concerned is considered to have been entered into as part of the Group's normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- A physical delivery takes place under such contracts;
- The volumes purchased or sold under the contracts correspond to the Group's operating requirements;
- The contract cannot be considered as a written option as defined by the standard IAS 39. In the specific case of electricity sales contracts, the contract is substantially equivalent to a firm forward sale or can be considered as a capacity sale.

The Group thus considers that transactions negotiated with a view to balancing the volumes between electricity purchases and sale commitments are part of its ordinary business as an integrated electric utility company and do not therefore come under the scope of IAS 39.

Commodity contracts which fall under the scope of IAS 39 are carried at fair value with changes in the fair value recognized in the income statement. The Group presents revenues and expenses related to commodity trading net in the line Gains and losses from commodity derivative trading, net.

2.22. Income Taxes

The provision for corporate tax is calculated in accordance with the tax regulations of the states of residence of the Group companies and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income. Income taxes are calculated on an individual company basis as the Czech tax laws do not permit consolidated tax returns. For companies located in the Czech Republic income taxes are provided at a rate of 19% for the years ended December 31, 2015 and 2014, respectively, from income before income taxes after adjustments for certain items which are not deductible, or taxable, for taxation purposes. The Czech corporate income tax rate enacted for 2016 and on is 19%.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognized regardless of when the temporary difference is likely to reverse. Deferred tax assets and liabilities are not discounted. A deferred tax liability is recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the reported net income nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint-ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities of Group companies are not offset in the balance sheet.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Change in the carrying amount of deferred tax assets and liabilities due to change in tax rate is recognized in the income statement, except to the extent that it relates to items previously charged or credited to equity.

2.23. Long-term Debt

Borrowings are initially recognized at the amount of the proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, the difference between net proceeds and redemption value is being recognized in the net income over the life of the borrowings as interest expense.

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

The carrying amount of long-term debt, which is hedged against the changes in its fair value, is adjusted by the changes in the fair value attributable to the hedged risk. The changes in the fair value of the hedged long-term debt are recognized in profit or loss and are included in the income statement line Other financial expenses or Other financial income. The adjustment to the carrying amount of the hedged long-term debt in a fair value hedge is subsequently amortized to profit or loss using the effective interest rate method.

2.24. Nuclear Provisions

The Group has recognized provisions for its obligations to decommission its nuclear power plants at the end of their operating lives, to store the related spent nuclear fuel and other radioactive waste initially on an interim basis and provision for its obligation to provide financing for subsequent permanent storage of spent fuel and irradiated parts of reactors (see Note 19.1).

The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted at December 31, 2015 and 2014 using a long-term real rate of interest of 1.5% per annum and 1.75% per annum, respectively, to take into account the timing of payments. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the lives of the nuclear plants. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being recognized as a component of interest expense. At December 31, 2015 and 2014 the estimate for the effect of inflation is 1% and 1.25%, respectively.

The decommissioning process is expected to continue for approximately a fifty-year period for Temelin power plant and sixty-year period for Dukovany power plant subsequent to the final operation of the plants. It is currently anticipated that the permanent storage facility will become available in 2065 and the process of final disposal of the spent nuclear fuel will then continue until approximately 2084 when the process should be finished. While the Group has made its best estimate in establishing its nuclear provisions, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and fuel storage activities, the ultimate provision requirements could vary significantly from the Group's current estimates.

Changes in a decommissioning liability and in liability for final storage of spent nuclear fuel that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.25. Provisions for Decommissioning and Reclamation of Mines and Mining Damages

The Group has recognized provisions for obligations to decommission and reclaim mines at the end of their operating lives (see Note 19.2). The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels, are discounted at December 31, 2015 and 2014 using a long-term real rate of interest of 1.5% per annum and 1.75% per annum, respectively, to take into account the timing of payments. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the lives of the mines. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being recognized as a component of interest expense. At December 31, 2015 and 2014 the estimate for the effect of inflation is 1% and 1.25%, respectively.

Changes in a decommissioning liability that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.26. Exploration for and Evaluation of Mineral Resources

Expenditures on exploration for and evaluation of mineral resources are charged to expense when incurred.

2.27. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date or whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys the right to use the asset. A reassessment is made after inception of the lease only if one of the following conditions applies:

- There is a change in contractual terms, other than a renewal or extension of the arrangement;
- A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- There is a change in determination of whether fulfillment is dependent on a specified asset; or
- There is a substantial change to the asset.

Where reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the estimated useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

2.28. Treasury Shares

Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented in the statement of equity as a reduction in equity. No gain or loss is recognized in the income statement on the sale, issuance, or cancellation of treasury shares. Consideration received is presented in the financial statements as an addition to equity.

2.29. Share Options

Members of Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expense related to the share option plan is measured on the date of the grant by reference to the fair value of the share options granted. In case of options, which vest immediately, the expense is recognized directly in profit or loss with a corresponding increase in equity. In all other cases the expense is accrued over the vesting period of the equity instruments granted. The expense recognized reflects the best estimate of the number of share options, which will ultimately vest. In 2015 and 2014 the expense recognized in respect of the share option plan amounted to CZK 31 million and CZK 26 million, respectively.

2.30. Translation of Foreign Currencies

The consolidated financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity for qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equity instruments held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equity securities are included in equity.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements items of foreign subsidiaries are translated at average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

Exchange rates used as at December 31, 2015 and 2014 for the translation of assets and liabilities denominated in foreign currencies were as follows:

	2015	2014
CZK per 1 EUR	27.025	27.725
CZK per 1 USD	24.824	22.834
CZK per 1 PLN	6.340	6.492
CZK per 1 BGN	13.819	14.193
CZK per 1 RON	5.976	6.185
CZK per 100 JPY	20.619	19.090
CZK per 1 TRY	8.509	9.789

2.31. Non-current Assets Held for Sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

3. Property, Plant and Equipment

Net plant in service at December 31, 2015 and 2014 is as follows (in CZK millions)

	Buildings	Plant and Equipment	Land and Other	Total
Cost at January 1, 2014	254,364	404,090	6,900	665,354
Additions	12,792	24,304	123	37,219
Disposals	(2,976)	(2,749)	(54)	(5,779)
Acquisition of subsidiaries	16	9	9	34
Sale of subsidiaries	-	-	(1)	(1)
Change in capitalized part of provisions	289	3,542	170	4,001
Reclassification and other	(33)	23	(2)	(12)
Currency translation differences	262	233	5	500
Cost at December 31, 2014	264,714	429,452	7,150	701,316
Additions	9,093	13,121	231	22,445
Disposals	(937)	(3,992)	(33)	(4,962)
Change in capitalized part of provisions	10	2,829	860	3,699
Reclassification and other	(5)	7	(2)	-
Currency translation differences	(1,246)	(1,599)	(20)	(2,865)
Cost at December 31, 2015	271,629	439,818	8,186	719,633
Accumulated depreciation and impairment at January 1, 2014	(105,157)	(234,736)	(995)	(340,888)
Depreciation	(6,982)	(19,043)	(13)	(26,038)
Net book value of assets disposed	(605)	(62)	(1)	(668)
Disposals	2,976	2,749	7	5,732
Reclassification and other*	(389)	(1,532)	-	(1,921)
Impairment losses recognized	(1,992)	(5,646)	(22)	(7,660)
Impairment losses reversed	104	3	11	118
Currency translation differences	(101)	(87)	(2)	(190)
Accumulated depreciation and impairment at December 31, 2014	(112,146)	(258,354)	(1,015)	(371,515)
Depreciation	(7,249)	(19,876)	(21)	(27,146)
Net book value of assets disposed	(355)	(108)	(2)	(465)
Disposals	937	3,992	6	4,935
Reclassification and other	(30)	(6)	-	(36)
Impairment losses recognized	(2,824)	(3,970)	(55)	(6,849)
Impairment losses reversed	62	15	3	80
Currency translation differences	507	875	6	1,388
Accumulated depreciation and impairment at December 31, 2015	(121,098)	(277,432)	(1,078)	(399,608)
Net plant in service at December 31, 2014	152,568	171,098	6,135	329,801
Net plant in service at December 31, 2015	150,531	162,386	7,108	320,025

* CZK 1,905 million relates to impairment provision for Počerady gas power plant that was transferred from construction work in progress due to the plant's put into operation in 2014.

Group's plant in service pledged as security for liabilities at December 31, 2015 and 2014 is CZK 6,445 million and CZK 173 million, respectively.

Construction work in progress contains mainly refurbishments performed on Ledvice and Pruněřov and the electricity distribution network of subsidiaries ČEZ Distribuce, a. s. and CEZ Razpredelenie Bulgaria AD. It also contains costs of CZK 2,243 million for the preparation of new nuclear power sources.

4. Restricted Financial Assets

Restricted financial assets at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Restricted debt securities available-for-sale	14,320	14,820
Restricted cash	3,739	2,651
Total restricted financial assets	18,059	17,471

5. Investments and Other Financial Assets, Net

Investments and other financial assets, net at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Financial assets in progress, net	-	4
Term deposits	-	10
Debt securities available-for-sale	676	-
Equity securities available-for-sale	887	611
Investment in Veolia Energie ČR	2,732	3,166
Investment in MOL	9,360	7,788
Derivatives	7,006	5,456
Long-term receivable from settlement with Albania	1,111	1,705
Other long-term receivables, net	826	137
Total	22,598	18,877

In January 2008 the Group acquired a 7% share in MOL. At that time the Group granted to MOL a call option, which enabled MOL to reacquire the shares in the following 3 years for the price HUF 20,000 per share and in 2009 the period over which MOL could reacquire the shares was extended until January 2014. The amount originally paid to MOL after deduction of option premium received was EUR 560 million. The transaction was recorded as a receivable (presented as Receivables, net as at December 31, 2013) together with a written put option (presented as Trade and other payables as at December 31, 2013). The call option to buy the MOL's shares was not exercised by MOL and the option period lapsed on January 23, 2014. Since this date, the investment in MOL is classified as available-for-sale investment with changes in fair value recorded in other comprehensive income. In 2014 the Group identified an impairment of CZK 1,828 million and the cumulative loss was reclassified from other comprehensive income and was recognized in the income statement in line item Other financial expenses.

On February 4, 2014 the Group issued EUR 470.2 million exchangeable bonds due 2017 exchangeable for existing ordinary shares of MOL. The deal has been priced on January 28, 2014 with a coupon of 0.00% and initial exchange price has been set at EUR 61.25 per share, reflecting a premium of 35%. Bondholders will have the right to exchange the bonds for shares from January 25, 2017, subject to the issuer's right to elect to deliver an equivalent amount in cash for all or part of the shares. Embedded conversion option was separated and is shown as a separate liability from derivatives in Trade and other payables.

In 2014 Settlement Agreement was signed with the Albanian state in the presence of a mediator from the Energy Community Secretariat in Vienna. The total amount of compensation for receivables and shares is EUR 95 million in favor of CEZ Group. Its discounted value of CZK 2,562 million was recorded in statement of income in 2014 (see Note 24). In 2015 and 2014 the Company received EUR 22 million and EUR 10 million, respectively, and the remaining amount will be received in annual installments until 2018 and is guaranteed by reputable European bank. Upon the effective date of the Settlement Agreement, the Company transferred 76% share in Operatori i Shpërndarjes së Energjisë Elektrike Sh.A. back to Albanian state. At the same time, the arbitration proceedings were closed.

Movements in impairment provisions (in CZK millions)

	2015		2014	
	Available-for-sale financial assets	Available-for-sale financial assets	Available-for-sale financial assets	Long-term receivables
Opening balance	53	44	44	768
Additions	-	9	9	-
Derecognition of impaired fin. assets	(9)	-	-	(768)
Closing balance	44	53	53	-

Debt instruments at December 31, 2015 are contracted to mature in the following periods after the balance sheet date (in CZK millions)

	Long-term receivables	Debt securities available-for-sale
Due in 2017	630	-
Due in 2018	576	676
Due in 2019	15	-
Due in 2020	591	-
Thereafter	125	-
Total	1,937	676

Debt instruments at December 31, 2014 are contracted to mature in the following periods after the balance sheet date (in CZK millions)

	Long-term receivables
Due in 2016	660
Due in 2017	585
Due in 2018	581
Due in 2019	3
Thereafter	13
Total	1,842

Debt instruments at December 31, 2015 and 2014 have following effective interest rate structure (in CZK millions)

	2015		2014
	Long-term receivables	Debt securities available-for-sale	Long-term receivables
Less than 2.00%	1,444	676	1,842
From 2.00% to 2.99%	493	-	-
Total	1,937	676	1,842

The following table analyses the debt instruments at December 31, 2015 and 2014 by currency (in CZK millions)

	2015		2014
	Long-term receivables	Debt securities available-for-sale	Long-term receivables
CZK	235	-	117
EUR	1,700	676	1,721
Other	2	-	4
Total	1,937	676	1,842

6. Intangible Assets, Net

Intangible assets, net, at December 31, 2015 and 2014 are as follows (in CZK millions)

	Software	Rights and Other	Goodwill	Total 2015	Total 2014
Cost at January 1	12,255	12,237	9,412	33,904	32,363
Additions	813	570	-	1,383	1,882
Disposals	(286)	(141)	-	(427)	(204)
Acquisition of subsidiaries	-	-	-	-	33
Sale of subsidiaries	-	-	-	-	(7)
Impairment of goodwill	-	-	(7)	(7)	(135)
Reclassification and other	12	-	-	12	1
Currency translation differences	(13)	(141)	(130)	(284)	(29)
Cost at December 31	12,781	12,525	9,275	34,581	33,904
Accumulated amortization and impairment at January 1	(9,818)	(4,076)	-	(13,894)	(12,368)
Amortization	(1,042)	(431)	-	(1,473)	(1,667)
Net book value of assets disposed	(2)	(25)	-	(27)	(48)
Disposals	286	141	-	427	204
Reclassification and other	(11)	-	-	(11)	-
Impairment losses recognized	(14)	(46)	-	(60)	(28)
Currency translation differences	9	58	-	67	13
Accumulated amortization and impairment at December 31	(10,592)	(4,379)	-	(14,971)	(13,894)
Net intangible assets at December 31	2,189	8,146	9,275	19,610	20,010

At December 31, 2015 and 2014, intangible assets presented in the balance sheet include intangible assets in progress of CZK 554 million and CZK 601 million, respectively.

At December 31, 2015 and 2014 goodwill allocated to cash-generating units is as follows (in CZK millions):

	2015	2014
Romanian distribution and sale	2,532	2,621
Czech distribution and sale	2,210	2,210
Energotrans	1,675	1,675
Polish power plants (Chorzów, Skawina)	1,244	1,273
ČEZ Teplárenská	727	727
Energetické centrum	261	261
TMK Hydroenergy Power	292	303
Other	334	342
Total	9,275	9,412

7. Impairment of Property, Plant and Equipment and Intangible Assets including Goodwill

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2015 (in CZK millions):

	Impairment losses			Total	Impairment reversals	
	Goodwill	Other intangible assets	Property, plant and equipment		Property, plant and equipment	Total impairment, net
Romanian distribution and sale	-	-	27	27	(35)	(8)
Bulgarian distribution and sale	-	46	1,395	1,441	-	1,441
Czech distribution and sale	-	-	16	16	(2)	14
Romanian wind power farms	-	10	2,285	2,295	-	2,295
TEC Varna	-	12	37	49	-	49
Polish power plants (Chorzów, Skawina)	-	-	1,195	1,195	-	1,195
Dětmorovice power plant	-	-	986	986	-	986
Tisová power plant	-	-	605	605	-	605
ČEZ Korporátní služby	-	-	14	14	(37)	(23)
Bara Group	-	-	181	181	-	181
Areál Třeboradice	7	-	120	127	-	127
Other	-	6	833	839	(16)	823
Total	7	74	7,694	7,775	(90)	7,685

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2014 (in CZK millions):

	Impairment losses			Total	Impairment reversals	
	Goodwill	Other intangible assets	Property, plant and equipment		Property, plant and equipment	Total impairment, net
Romanian distribution and sale	-	-	23	23	(13)	10
Bulgarian distribution and sale	-	26	713	739	-	739
Czech distribution and sale	-	-	1	1	(1)	-
Energetické centrum	135	-	-	135	-	135
Romanian wind power farms	-	2	6,591	6,593	-	6,593
TEC Varna	-	-	199	199	-	199
Polish power plants (Chorzów, Skawina)	-	-	9	9	-	9
Severočeské doly	-	-	11	11	(10)	1
ČEZ Korporátní služby	-	-	110	110	(73)	37
Other	-	-	337	337	(35)	302
Total	135	28	7,994	8,157	(132)	8,025

In 2015 and 2014 the Group performed impairment tests of goodwill and tests of other non-current assets where there was an indication that the carrying amounts could be impaired. Recognized impairment of property, plant and equipment of cash-generating unit Romanian wind power farms in 2015 was caused mainly by the drop in market prices. Recognized impairment of cash-generating unit Bulgarian distribution and sale in 2015 was caused mainly by updated outlook of electricity distribution regulation and subsequent decrease in expected revenues. Recognized impairment of cash-generating unit Skawina power plant in 2015 was caused mainly by drop in market prices of electricity, decrease in prices of green and similar certificates and also caused by increase in prices of emission rights. The subsequent impairment test of the cash-generating unit Polish power plants including allocated goodwill did not result in an impairment loss. Recognized impairment of cash-generating unit Dětmorovice power plant in 2015 was caused mainly by drop in market prices of electricity and also by increase in prices of emission rights. Recognized impairment of cash-generating unit Tisová power plant in 2015 resulted from external expert appraisal performed for the sake of the contribution in-kind of the whole power plant to a separate entity. The driver of impairment for Tisová power plant was mainly decrease in market prices of electricity. Recognized impairment of cash-generating unit Bara Group in 2015 was caused mainly by updated outlook of regulation and subsequent decrease in expected revenues.

Recognized impairment of property, plant and equipment of cash-generating unit Romanian wind power farms in 2014 was caused mainly by the drop in market prices of green certificates while considering the outlook of the market of green certificates and with regard to new legislation of the construction tax in Romania. Recognized impairment of cash-generating unit Bulgarian distribution and sale in 2014 was caused mainly by updated outlook of electricity distribution regulation and subsequent decrease in expected revenues.

The impairment test involves determining the recoverable amount of the cash-generating unit, which corresponds to the value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. Value in use is determined on the basis of an enterprise valuation model and is assessed from a company internal perspective. Values in use are determined based on cash flow budgets, which are based on the medium-term budget for a period of 5 years, which has been approved by the management and which is valid when the impairment test is performed. These budgets are based on the past experience, as well as on future market trends.

The medium-term budget is based on general economic data derived from macroeconomic and financial studies and makes assumptions primarily on the development of gross domestic product, consumer prices, interest rates and nominal wages.

ČEZ, a. s. production assets are tested for any possible impairment as a single cash-generating unit with the exception of specific assets, e.g. the gas fired power plant in Počerady. ČEZ cash-generating unit of production assets is characterized by portfolio management in the deployment and maintenance of various production resources and the cash flows generated from these activities.

As part of testing the recoverable value of fixed assets of the cash-generating unit of ČEZ, a. s. (hereinafter the "ČEZ Value"), we performed a sensitivity analysis of the test results to changes in certain key parameters of the used model – changes in wholesale electricity prices (hereinafter the "EE Prices"), changes in the discount rate used in the calculation of the present value of future cash flows and changes in CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of wholesale electricity prices in Germany (as German electricity prices have a major impact on the development of wholesale electricity prices in the Czech Republic) are the key assumptions used for the ČEZ Value model. The developments of wholesale prices are primarily determined by the EU political decisions, the development of global demand and supply of commodities and the technological progress.

The impact of EE price changes on the results of the ČEZ Value test is further influenced by a number of external factors, including, in particular, changes in the structure and availability of production resources in the Czech Republic and neighboring countries, the macroeconomic development of the Central European region and the regulation of the energy sector in the EU and Germany, including the future Market design and fundamental impact of nuclear sources attenuation in 2020–2021, the impact of the EU approved 2030 climate and energy targets and the impact of the Czech Republic State Energy Concept. The model was constructed for a period adequate to the useful life of the production resources, i.e. for a period that significantly exceeds the period for which commodities, including wholesale electricity price contracts, are traded on public liquid markets. In addition, the electricity market is subject to structural changes and major industry regulation; consequently, complete abandonment of market-based pricing mechanisms and implementation of alternative, centrally regulated payments for the availability and supply of production resources within the period of useful life of the production resources is actually possible.

With respect to the fact that we are using a long-term model, there are certain internal factors and assumptions that affect the ČEZ Value sensitivity to the development of electricity prices, such as varying deployment of the production portfolio depending on the development of electricity market prices, emission allowances and variable production costs and, in a longer perspective, also the development of fixed costs reflecting the development of the production resources gross margin.

The sensitivity test results reflect expert estimates of the status and development of the above factors in the period of the model and the status of commercial securing of the production portfolio as at December 31, 2015. The borderline values of the interval of all three main tested factors represent test results arising from the use of two price scenarios.

The basic scenario considers long-term EE prices at the level used to prepare ČEZ business plan for 2016–2020. The plan was prepared in the fourth quarter 2015 whereas the plan was based on the active market parameters observed in August and September (electricity prices on EEX energy exchange in Germany, prices on PXE energy exchange in the Czech Republic, price of CO₂ emission rights, FX rate CZK/EUR, interest rates etc.). There is a liquidity for electricity contracts traded on EEX for the period covering the horizon of the business plan and with regard to links between German and Czech electricity transmission network, the EEX prices are basic market price indicator for EE prices in the Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of ČEZ, a. s. The second basic price scenario assumes EE prices lower by about 30% compared to the basic scenario and also contains decrease of relevant expenses.

A change of the assumed EE prices as per the models by 1%, with other parameters remaining unchanged, would have an impact of approximately CZK 3.0–4.5 billion on the ČEZ Value test results. Future cash flows of the model were discounted using a 4.2% rate. A change of 0.1 percentage point in the discount rate, with other parameters remaining unchanged, would change the ČEZ Value by CZK 3.5–5.4 billion. A change of 1% in the CZK/EUR exchange rate, with other parameters remaining unchanged, would result in a change of approximately CZK 3.7–5.3 billion in the ČEZ Value. The recoverable amount of Polish power plants has been determined based on a value in use calculation. Those cash flow projections are based on financial budgets approved by management covering a period until the end of useful life of power plants and discount rate of 5.6%.

The value in use calculation was also used to calculate the recoverable amount of Czech distribution and sale cash-generating unit. Those cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 3.8%. Cash flows beyond the five-year period for Czech distribution and sale is based on the terminal value of regulatory asset base. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The value in use calculation was also used to calculate the recoverable amount of Energotrans and ČEZ Teplárenská. The cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 3.9%. No growth rate is considered for cash flows beyond five-year period for Energotrans and ČEZ Teplárenská. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The value in use calculation was also used to calculate the recoverable amount of Areál Třeboradice. The cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 3.9%. No growth rate is considered for cash flows beyond five-year period.

The value in use calculation was also used to calculate the recoverable amount of Dětmarovice power plant and Tisová power plant. The cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 4.2%. No growth rate is considered for cash flows beyond five-year period.

The value in use calculation was also used to calculate the recoverable amount of Energetické centrum. Those cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 3.9%. Cash flows beyond the five-year period are extrapolated using 2.0% growth rate. This growth rate represents the predicted long-term average growth rate of cash flows under currently known circumstances.

The value in use calculation was also used to calculate the recoverable amount of Romanian distribution and sale. Those cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 6.6%. Cash flows beyond the five-year period are based on the terminal value of regulatory asset base.

The recoverable amount of TMK Hydroenergy Power has been determined based on a value in use calculation. Those cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 6.1%. There is no growth rate considered for cash flows beyond five-year period. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The value in use calculation was also used to calculate the recoverable amount of Romanian wind power farms. Those cash flow projections are based on financial budgets approved by management covering the period of expected useful life of wind farms, considering approved renewable energy support in the form of granted green certificates and a discount rate of 6.1%. The projection of the cash flows includes assumption of receiving two green certificates. Receiving of two green certificates is subject to approval of accreditation by Romanian government and subsequently by European Commission. The issuance of one of the two green certificates in the expected amount of 4.2 million pieces is postponed until March 2017. The recovery of these deferred green certificates is expected in the period from 2018 to 2020. One of the main factors influencing the value of future cash flows is the price of green certificates. Current value of the green certificate in the model is EUR 29.7 and expected growth rate is 1.6%. Change in the price of green certificate by 1% every year, all other variables held constant, would result in change of value in use by approximately CZK 700 million. Change of the discount rate by 1 percentage point, all other variables held constant, would result in change of value in use by approximately CZK 1,000 million.

The value in use calculation was also used to calculate the recoverable amount of Bulgarian distribution and sale. Those cash flow projections are based on financial budgets approved by management covering a five-year period and discount rate of 6.6%. Cash flows beyond the five-year period do not consider any growth rate. Change of discount rate by 1 percentage point, all other variables held constant, would result in change of value in use by approximately CZK 1,600 million.

The calculations of value in use for all cash-generating units are most sensitive to the following assumptions:

Gross margins – Gross margins are based on experience from historical trends in the preceding periods, current outlook of market and non-market parameters, eventually with regard to operational efficiency improvements. Gross margins are affected especially by wholesale electricity prices, prices of emission rights and prices of green and similar certificates.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is available, otherwise past actual raw material price movements have been used as an indicator of future price movements.

Discount rate – Discount rates reflect management's estimate of the risk specific to each unit. The basis used to determine the value assigned is weighted average cost of capital (WACC) of the related subsidiaries.

Estimated growth rate – The basis used to determine the value assigned to estimated growth rate is the forecast of market and regulatory environment, where subsidiaries conduct the business.

8. Changes in the Group Structure

Acquisitions of non-controlling interests from third parties in 2015

On April 15, 2015 the Group increased the ownership interest from 75% to 100% in company Eco-Wind Construction S.A. by calling the option to acquire the non-controlling interest.

The following table summarizes the critical terms of this transaction (in CZK millions):

Acquired share of net assets derecognized from non-controlling interests	145
Amount directly recognized in equity	147
Total purchase consideration	292

Acquisitions of subsidiaries from third parties in 2014

On December 19, 2014, the Group acquired 75% interest in EVČ s.r.o., which specializes in engineering and construction of energy facilities including energy performance projects.

The fair values of acquired identifiable assets and liabilities as of the date of acquisition were as follows (in CZK millions):

	EVČ
Share acquired in 2014	75%
Property, plant and equipment	35
Investments and other financial assets, net	38
Cash and cash equivalents	11
Receivables, net	74
Income tax receivable	2
Materials and supplies, net	7
Other financial assets, net	6
Other current assets	27
Other long-term liabilities	(32)
Deferred tax liability	(1)
Short-term loans	(34)
Trade and other payables	(41)
Accrued liabilities	(31)
Total net assets	61
Share of net assets acquired	46
Goodwill	33
Total purchase consideration	79
Less:	
Cash and cash equivalents in the subsidiary acquired	(11)
Cash outflow on acquisition of the subsidiary	68

If the combination had taken place at the beginning of the year 2014, the profit for CEZ Group as of December 31, 2014 would have been CZK 22,439 million and revenues from continuing operations would have been CZK 202,001 million. The amount of goodwill recognized as a result of the business combination comprises the value of expected synergies arising from the acquisition.

The following table summarizes the cash flows related to acquisitions during 2014 (in CZK millions):

Investment in subsidiaries	79
Change in payables from acquisitions	(33)
Less cash acquired	(11)
Total cash outflows on acquisitions	35

Acquisitions of non-controlling interests from third parties in 2014

On July 30, 2014 the Group increased the ownership interest from 85% to 95% in the company Areál Třeboradice, a.s. by calling the option to acquire the non-controlling interest.

The following table summarizes the critical terms of this transaction (in CZK millions):

Acquired share of net assets derecognized from non controlling interests	31
Amount directly recognized in equity	2
Total purchase consideration	33

9. Investments in Subsidiaries and Joint-ventures

The consolidated financial statements include the financial figures of ČEZ, a. s. and its subsidiaries and joint-ventures listed in the following table:

Subsidiaries	Country of incorporation	% equity interest*		% voting interest	
		2015	2014	2015	2014
Areál Třeboradice, a.s.	Czech Republic	95.00%	95.00%	95.00%	95.00%
A.E. Wind sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green Construction sp. z o.o. ¹⁾	Poland	100.00%	-	100.00%	-
Baltic Green I sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green II sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green III sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green IV sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green V sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VI sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VII sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VIII sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Bara Group EOOD	Bulgaria	100.00%	100.00%	100.00%	100.00%
Centrum výzkumu Řež s.r.o.	Czech Republic	52.46%	52.46%	100.00%	100.00%
CEZ Bosna i Hercegovina d.o.o. ²⁾	Bosnia and Herzegovina	-	100.00%	-	100.00%
CEZ Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Bulgarian Investments B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Deutschland GmbH	Germany	100.00%	100.00%	100.00%	100.00%
CEZ Distributie S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Elektro Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ Hungary Ltd.	Hungary	100.00%	100.00%	100.00%	100.00%
CEZ Chorzow B.V. ³⁾	Netherlands	-	100.00%	-	100.00%
CEZ Chorzów S.A. ⁴⁾	Poland	100.00%	100.00%	100.00%	100.00%
CEZ ICT Bulgaria EAD ¹⁾	Bulgaria	67.00%	-	67.00%	-
CEZ International Finance B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ International Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ MH B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Poland Distribution B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Produkty Energetyczne Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Razpredelenie Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Romania S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Silesia B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Skawina S.A. ⁵⁾	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Slovensko, s.r.o.	Slovakia	100.00%	100.00%	100.00%	100.00%
CEZ Srbija d.o.o.	Serbia	100.00%	100.00%	100.00%	100.00%
CEZ Towarowy Dom Maklerski sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Trade Albania Sh.P.K. ⁶⁾	Albania	-	100.00%	-	100.00%
CEZ Trade Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Trade Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Trade Romania S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Ukraine LLC	Ukraine	100.00%	100.00%	100.00%	100.00%
CEZ Vanzare S.A.	Romania	100.00%	100.00%	100.00%	100.00%
ČEZ Bohunice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuce, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuční služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické produkty, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ENERGOSEKVIS spol. s r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ESCO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ICT Services, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Inženýring, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Korporátní služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Nová energetika, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Obnovitelné zdroje, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ OZ uzavřený investiční fond a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Prodej, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Recyklace, s.r.o.	Czech Republic	100.00%	99.00%	100.00%	99.00%
ČEZ Teplárenská, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Zákaznické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Eco-Wind Construction S.A.	Poland	100.00%	75.00%	100.00%	75.00%
EGP INVEST, spol. s r.o.	Czech Republic	52.46%	52.46%	100.00%	100.00%
Elektrárna Dětmarovice, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Dukovany II, a. s. ¹⁾	Czech Republic	100.00%	-	100.00%	-

Subsidiaries	Country of incorporation	% equity interest*		% voting interest	
		2015	2014	2015	2014
Elektrárna Mělník III, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Počerady, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Temelín II, a. s. ¹⁾	Czech Republic	100.00%	-	100.00%	-
Elektrárna Tisová, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Energocentrum Vítkovice, a. s. ¹⁾	Czech Republic	100.00%	-	100.00%	-
Energotrans, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
EVČ s.r.o.	Czech Republic	75.00%	75.00%	75.00%	75.00%
Farma Wiatrowa Leśce sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Free Energy Project Oreshets EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
MARTIA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Mega Energy sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
M.W. Team Invest S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Ovidiu Development S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
PRODECO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Revitrans, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - Kolejová doprava, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Severočeské doly a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Shared Services Albania Sh.A.	Albania	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA Invest s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Taidana Limited	Cyprus	100.00%	100.00%	100.00%	100.00%
TEC Varna EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
Telco Pro Services, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Tepelné hospodářství města Ústí nad Labem s.r.o.	Czech Republic	55.83%	55.83%	55.83%	55.83%
TMK Hydroenergy Power S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Tomis Team S.A.	Romania	100.00%	100.00%	100.00%	100.00%
ÚJV Řež, a. s.	Czech Republic	52.46%	52.46%	52.46%	52.46%

Joint-ventures	Country of incorporation	% equity interest*		% voting interest	
		2015	2014	2015	2014
Akcez Enerji A.S.	Turkey	50.00%	50.00%	50.00%	50.00%
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Akenerji Elektrik Üretim A.S.	Turkey	37.36%	37.36%	37.36%	37.36%
Akkur Enerji Üretim Ticaret ve Sanayi A.S. ²⁾	Turkey	-	37.36%	-	50.00%
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
AK-EL Yalova Elektrik Üretim A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
CM European Power International B.V.	Netherlands	50.00%	50.00%	50.00%	50.00%
CM European Power Slovakia s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
ČEZ Energo, s.r.o.	Czech Republic	50.10%	50.10%	50.10%	50.10%
Egemer Elektrik Üretim A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Jadrová energetická spoločnosť Slovenska, a. s.	Slovakia	49.00%	49.00%	50.00%	50.00%
JESS Invest, s. r. o.	Slovakia	49.00%	49.00%	50.00%	50.00%
LOMY MOŘINA spol. s r.o.	Czech Republic	51.05%	51.05%	51.05%	51.05%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S. ³⁾	Turkey	-	37.36%	-	50.00%
Sakarya Elektrik Dagitim A.S.	Turkey	50.00%	50.00%	50.00%	50.00%
Sakarya Elektrik Perakende Satis A.S.	Turkey	50.00%	50.00%	50.00%	50.00%

* The equity interest represents effective ownership interest of the Group.

¹⁾ The company was newly established in 2015.

²⁾ The company CEZ Bosna i Hercegovina d.o.o. was liquidated on February 5, 2015.

³⁾ The company merged with the succession company CEZ Silesia B.V.

⁴⁾ In 2015 the company Elektrociepłownia Chorzów ELCHO sp. z o.o. changed its legal form to a joint-stock company and was renamed to CEZ Chorzów S.A.

⁵⁾ The company name Elektrownia Skawina S.A. was changed to CEZ Skawina S.A. in April 2015.

⁶⁾ The company was liquidated on November 11, 2015.

⁷⁾ The company merged with the succession company Akenerji Elektrik Üretim A. S. with the effective date of January 1, 2015.

Subsidiaries with non-controlling interests

The following table shows the composition of Group's non-controlling interests and dividends paid to non-controlling interests by respective subsidiaries (in CZK millions):

	2015		2014	
	Non-controlling interests	Dividends paid	Non-controlling interests	Dividends paid
CEZ Razpredelenie Bulgaria AD	2,997	-	3,367	223
ÚJV Řež, a. s.	730	-	692	-
CEZ Elektro Bulgaria AD	404	-	374	-
Other	131	4	110	6
Total	4,262	4	4,543	229

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2015 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,404	851	4,174
Non-current assets	9,847	1,687	51
Current liabilities	(1,794)	(482)	(2,878)
Non-current liabilities	(709)	(512)	(124)
Equity	8,748	1,544	1,223
Attributable to:			
Equity holders of parent	5,751	814	819
Non-controlling interests	2,997	730	404
Revenues and other operating income	5,077	1,263	19,538
Income before other income (expenses) and income taxes	(959)	130	136
Income before income taxes	(969)	117	136
Income taxes	110	(28)	(15)
Net income (loss)	(859)	89	121
Attributable to:			
Equity holders of parent	(575)	46	81
Non-controlling interests	(284)	43	40
Total comprehensive income	(1,120)	80	89
Attributable to:			
Equity holders of parent	(750)	44	59
Non-controlling interests	(370)	36	30
Operating cash flow	1,407	(38)	42
Investing cash flow	(1,058)	(14)	(1)
Financing cash flow	(206)	25	(2)
Net effect of currency translation in cash	(9)	3	(21)
Net increase (decrease) in cash and cash equivalents	134	(24)	18

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2014 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,354	814	4,467
Non-current assets	11,240	1,662	56
Current liabilities	(708)	(445)	(128)
Non-current liabilities	(1,634)	(578)	(3,261)
Equity	10,252	1,453	1,134
Attributable to:			
Equity holders of parent	6,885	761	760
Non-controlling interests	3,367	692	374
Revenues and other operating income	5,081	1,232	20,219
Income before other income (expenses) and income taxes	(426)	59	382
Income before income taxes	(434)	45	386
Income taxes	84	(2)	(37)
Net income (loss)	(350)	43	349
Attributable to:			
Equity holders of parent	(234)	23	234
Non-controlling interests	(116)	20	115
Total comprehensive income	(228)	42	361
Attributable to:			
Equity holders of parent	(151)	22	242
Non-controlling interests	(77)	20	119
Operating cash flow	300	130	283
Investing cash flow	(639)	(141)	-
Financing cash flow	(783)	10	(7)
Net effect of currency translation in cash	8	2	9
Net increase (decrease) in cash and cash equivalents	(1,114)	1	285

Interests in joint-ventures

The following table shows the composition of Group's investment in joint-ventures and share of main financial results from joint-ventures for the year ended December 31, 2015 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	1,938	-	(852)	(330)	(1,182)
Sakarya Elektrik Dagitim A.S.	273	-	80	128	208
Sakarya Elektrik Perakende Satis A.S.	(211)	-	162	(111)	51
Total Akcez Group	2,000	-	(610)	(313)	(923)
Akenerji Elektrik Üretim A.S.	4,509	-	(121)	(785)	(906)
Egmer Elektrik Üretim A.S.	(2,289)	-	(1,160)	(1)	(1,161)
Other subsidiaries of Akenerji Group	(70)	-	88	(31)	57
Total Akenerji Group	2,150	-	(1,193)	(817)	(2,010)
CM European Power International B.V.	745	-	6	(17)	(11)
CM European Power Slovakia s. r. o.	730	108	105	(29)	76
Jadrová energetická spoločnosť Slovenska, a. s.	2,898	-	(8)	(75)	(83)
ČEZ Energo, s.r.o.	527	-	32	-	32
Other	189	20	13	(5)	8
Total	9,239	128	(1,655)	(1,256)	(2,911)

The following table shows the composition of Group's investment in joint-ventures and share of main financial results from joint-ventures for the year ended December 31, 2014 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	2,778	-	(367)	108	(259)
Sakarya Elektrik Dagitim A.S.	65	-	67	(28)	39
Sakarya Elektrik Perakende Satis A.S.	80	-	281	50	331
Total Akcez Group	2,923	-	(19)	130	111
Akenerji Elektrik Üretim A.S.	6,012	-	(315)	249	(66)
Akkur Enerji Üretim Ticaret ve Sanayi A.S.*	(349)	-	(24)	52	28
Egmer Elektrik Üretim A.S.	(1,128)	-	(678)	(95)	(773)
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.*	(260)	-	(59)	30	(29)
Other subsidiaries of Akenerji Group	(116)	-	(119)	14	(105)
Total Akenerji Group	4,159	-	(1,195)	250	(945)
CM European Power International B.V.	646	-	(24)	27	3
CM European Power Slovakia s. r. o.	873	2	50	(9)	41
Jadrová energetická spoločnosť Slovenska, a. s.	2,981	-	(63)	14	(49)
ČEZ Energo, s.r.o.	494	-	34	4	38
Other	201	3	(6)	6	-
Total	12,277	5	(1,223)	422	(801)

* The company merged with the succession company Akenerji Elektrik Üretim A.S. with the effective date of January 1, 2015.

The joint-ventures Akcez Enerji A.S. and Akenerji Elektrik Üretim A.S. are formed by partnership of CEZ Group and Akkök Group in Turkey to invest mainly into power generation and electricity distribution projects. The joint-venture Jadrová energetická spoločnosť Slovenska, a. s. is a joint-venture formed by CEZ Group and the Slovak Government to prepare the project of building a new nuclear power source in Slovakia.

The following tables present summarized financial information of material joint-ventures for the year ended December 31, 2015 (in CZK millions):

	Current assets	Out of which: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Contribution to JV's group equity	Share of the Group	Goodwill	Total carrying amount of the investment
Akcez Enerji A.S.	208	69	8,205	925	5,085	2,403	2,403	1,201	737	1,938
Sakarya Elektrik Dagitim A.S.	1,341	13	6,216	3,693	1,055	2,809	546	273	-	273
Sakarya Elektrik Perakende Satis A.S.	4,697	1,049	242	3,632	2	1,305	(422)	(211)	-	(211)
Total Akcez Group							2,527	1,263	737	2,000
Akenerji Elektrik Üretim A.S.	5,598	2,546	17,448	1,583	11,963	9,500	9,500	3,549	960	4,509
Egemer Elektrik Üretim A.S.	2,584	1,222	12,876	2,199	14,743	(1,482)	(6,127)	(2,289)	-	(2,289)
Other subsidiaries of Akenerji Group							(188)	(70)	-	(70)
Total Akenerji Group							3,185	1,190	960	2,150
CM European Power International B.V.	12	6	1,651	1	172	1,490	1,490	745	-	745
CM European Power Slovakia s. r. o.	4,742	122	127	571	2,219	2,079	1,460	730	-	730
Jadrová energetická spoločnosť Slovenska, a. s.	1,943	1,923	3,990	16	2	5,915	5,915	2,898	-	2,898
ČEZ Energo, s.r.o.	210	64	1,498	241	607	860	860	431	96	527

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	220	-	46	(387)	(1)	(1,019)	(439)	(1,458)
Sakarya Elektrik Dagitim A.S.	4,115	(169)	13	(186)	(97)	159	(384)	(225)
Sakarya Elektrik Perakende Satis A.S.	18,318	-	161	(1)	(77)	324	(222)	102
Akenerji Elektrik Üretim A.S.	2,817	(565)	107	(937)	55	(293)	(2,282)	(2,575)
Egemer Elektrik Üretim A.S.	11,399	(860)	44	(1,163)	1,057	(3,106)	(153)	(3,259)
CM European Power International B.V.	-	-	29	(12)	(3)	233	(35)	198
CM European Power Slovakia s. r. o.	1,516	-	363	(53)	(58)	210	(58)	152
Jadrová energetická spoločnosť Slovenska, a. s.	20	(20)	18	-	(3)	(16)	(154)	(170)
ČEZ Energo, s.r.o.	853	(119)	1	(10)	(10)	65	-	65

The following tables present summarized financial information of material joint-ventures for the year ended December 31, 2014 (in CZK millions):

	Current assets	Out of which: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Contribution to JV's group equity	Share of the Group	Goodwill	Total carrying amount of the investment
Akcez Enerji A.S.	819	236	9,440	1,041	5,357	3,861	3,861	1,931	847	2,778
Sakarya Elektrik Dagitim A.S.	1,147	30	6,670	3,157	1,626	3,034	130	65	-	65
Sakarya Elektrik Perakende Satis A.S.	5,295	1,644	161	2,523	1,047	1,886	160	80	-	80
Total Akcez Group							4,151	2,076	847	2,923
Akenerji Elektrik Üretim A.S.	1,249	728	22,490	3,649	7,245	12,845	12,845	4,799	1,213	6,012
Akkur Enerji Üretim Ticaret ve Sanayi A.S.	516	4	4,547	521	1,541	3,001	(934)	(349)	-	(349)
Egemer Elektrik Üretim A.S.	2,609	549	14,181	1,940	13,052	1,798	(3,019)	(1,128)	-	(1,128)
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	471	27	2,635	473	916	1,717	(696)	(260)	-	(260)
Other subsidiaries of Akenerji Group							(311)	(116)	-	(116)
Total Akenerji Group							7,885	2,946	1,213	4,159
CM European Power International B.V.	1,070	13	640	418	-	1,292	1,292	646	-	646
CM European Power Slovakia s. r. o.	5,095	121	147	627	2,251	2,364	1,746	873	-	873
Jadrová energetická spoločnosť Slovenska, a. s.	2,190	2,171	3,914	18	2	6,084	6,084	2,981	-	2,981
ČEZ Energo, s.r.o.	205	44	1,178	206	381	796	796	398	96	494

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	241	-	88	(295)	-	(476)	217	(259)
Sakarya Elektrik Dagitim A.S.	3,975	(168)	52	(132)	(97)	134	200	334
Sakarya Elektrik Perakende Satis A.S.	14,659	-	226	(52)	(134)	561	101	662
Akenerji Elektrik Üretim A.S.	3,220	(381)	93	(730)	(51)	(772)	674	(98)
Akkur Enerji Üretim Ticaret ve Sanayi A.S.	275	(160)	6	(51)	12	(63)	162	99
Egemer Elektrik Üretim A.S.	3,416	(490)	11	(432)	160	(1,814)	96	(1,718)
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	175	(88)	15	(88)	(16)	(158)	92	(66)
CM European Power International B.V.	-	-	24	-	(5)	(475)	16	(459)
CM European Power Slovakia s. r. o.	2,371	-	389	(67)	(100)	99	25	124
Jadrová energetická spoločnosť Slovenska, a. s.	21	(31)	23	(16)	(5)	(128)	66	(62)
ČEZ Energo, s.r.o.	704	(77)	2	(8)	(10)	67	10	77

10. Cash and Cash Equivalents

The composition of cash and cash equivalents at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Cash on hand and current accounts with banks	6,974	13,015
Short-term securities	1,540	907
Term deposits	4,968	6,173
Total	13,482	20,095

At December 31, 2015 and 2014, cash and cash equivalents included foreign currency deposits of CZK 2,647 million and CZK 2,423 million, respectively.

The weighted average interest rate on short-term securities and term deposits at December 31, 2015 and 2014 was 0.4% and 0.5%, respectively. For the years 2015 and 2014 the weighted average interest rate was 0.4% and 0.6%, respectively.

11. Receivables, Net

The composition of receivables, net, at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Unbilled electricity supplied to retail customers	1,209	6,328
Received advances from retail customers	-	(4,256)
Unbilled supplies to retail customers, net	1,209	2,072
Trade receivables	44,329	44,819
Taxes and fees, excluding income taxes	2,172	2,097
Other receivables	5,024	7,873
Allowance for doubtful receivables	(6,731)	(5,997)
Total	46,003	50,864

The information about receivables from related parties is included in Note 32.

Group's receivables pledged as security for liabilities at December 31, 2015 and 2014 are CZK 428 million and CZK 104 million, respectively.

At December 31, 2015 and 2014, the ageing analysis of receivables, net is as follows (in CZK millions)

	2015	2014
Not past due	44,565	49,318
Past due but not impaired ¹⁾ :		
Less than 3 months	904	864
3–6 months	168	145
6–12 months	154	282
more than 12 months	212	255
Total	46,003	50,864

¹⁾ Past due but not impaired receivables include net receivables, for which the Group recorded an impairment allowance based on the collective assessment of impairment of receivables that are not individually significant.

Movements in allowance for doubtful receivables (in CZK millions)

	2015	2014
Opening balance	5,997	7,219
Additions	2,009	2,205
Reversals	(1,216)	(3,475)
Acquisition of subsidiaries	–	18
Sale of subsidiaries	–	(1)
Currency translation differences	(59)	31
Closing balance	6,731	5,997

12. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights and credits held by the Group during 2015 and 2014 (in CZK millions):

	2015		2014	
	(in thousands tons)	(in millions CZK)	(in thousands tons)	(in millions CZK)
Emission rights and credits granted and purchased for own use:				
Granted and purchased emission rights and credits at January 1	31,567	3,704	24,371	6,584
Emission rights granted	13,970	–	35,532	–
Settlement of prior year actual emissions with register	(26,328)	(3,707)	(29,010)	(3,422)
Emission rights purchased	11,398	2,225	3,650	644
Emission rights sold	–	–	(5,403)	(99)
Emission credits purchased	70	–	2,427	3
Currency translation differences	–	(10)	–	(6)
Granted and purchased emission rights and credits at December 31	30,677	2,212	31,567	3,704
Emission rights and credits held for trading:				
Emission rights and credits held for trading at January 1	5,042	1,017	4,045	424
Settlement of prior year actual emissions with register	(1,813)	(344)	–	–
Emission rights purchased	9,232	1,969	1,002	141
Emission rights sold	(9,672)	(2,086)	–	–
Emission credits purchased	389	3	517	2
Emission credits sold	(378)	(3)	(522)	(2)
Fair value adjustment	–	68	–	452
Emission rights and credits held for trading at December 31	2,800	624	5,042	1,017

During 2015 and 2014 total emissions of greenhouse gases made by the Group companies amounted to an equivalent of 29,097 thousand tons and 28,141 thousand tons of CO₂, respectively. At December 31, 2015 and 2014 the Group recognized a provision for CO₂ emissions in total amount of CZK 2,709 million and CZK 4,525 million, respectively (see Notes 2.13 and 19).

At December 31, 2015 and 2014 the item Emission rights in the balance sheet includes also green and similar certificates in total amount CZK 620 million and CZK 376 million, respectively.

The following table shows the impact of transactions with emission rights and credits, green and similar certificates on income for the years ended December 31, 2015 and 2014 (in CZK millions):

	2015	2014
Gain on sales of granted emission rights	-	1,067
Net gain from trading with emission rights and credits	16	-
Gain on green and similar certificates	513	934
Net loss from derivatives	(56)	(388)
Creation of provision for CO ₂ emissions	(2,643)	(4,459)
Settlement of provision for CO ₂ emissions	4,444	3,857
Remitted emission rights and credits	(4,051)	(3,422)
Fair value adjustment	66	452
Net loss related to emission rights, emission credits and green and similar certificates	(1,711)	(1,959)

The expense related to the gift tax on granted emission rights is included in the line Other financial expenses (see Notes 2.13 and 29).

13. Other Financial Assets, Net

Other financial assets, net, at December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Debt securities held-to-maturity	3,852	6,299
Term deposits	7,315	8,373
Equity securities available-for-sale	946	2,112
Equity securities held for trading	6	6
Derivatives	20,609	22,648
Total	32,728	39,438

Derivatives balance comprises mainly the positive fair values of commodity trading contracts. Equity securities available-for-sale balance includes investments in money market fund.

Short-term debt securities held-to-maturity at December 31, 2015 and 2014 have the following effective interest rate structure (in CZK millions)

	2015	2014
Less than 2.00%	3,852	6,299
Total	3,852	6,299

ČEZ, a. s. concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počerady, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option can be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement can be inactivated to December 31, 2019. The contracts represent derivatives that will be settled by the delivery of unquoted equity instrument. Elektrárna Počerady, a.s. is not quoted on any market, there is no similar power plant in the Czech Republic for sale and also no similar transaction took place. There is also significant variability in the range of reasonable fair values for this equity instrument and it is difficult to reasonably assess the probabilities of various estimates. As a result the fair value cannot be reliably measured. Consequently, the put option is measured at cost. There was no option premium paid on the options and therefore the cost of these instruments is zero.

14. Other Current Assets

The composition of other current assets at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Advances paid	2,098	2,026
Prepayments	1,297	1,273
Total	3,395	3,299

15. Equity

As at December 31, 2015 and 2014, the share capital of the Company registered in the Commercial Register totaled CZK 53,798,975,900 and consisted of 537,989,759 shares with a nominal value of CZK 100 per share. All shares are bearer common shares that are fully paid and listed and do not convey any special rights.

Movements of treasury shares in 2015 and 2014 (in pieces)

	2015	2014
Number of treasury shares at beginning of period	3,875,021	3,875,021
Sales of treasury shares	(120,000)	-
Number of treasury shares at end of period	3,755,021	3,875,021

Treasury shares remaining at end of period are presented at cost as a deduction from equity.

Declared dividends per share were CZK 40 in 2015 and CZK 40 in 2014. Dividends from 2015 profit will be declared on the general meeting, which will be held in the first half of 2016.

Capital management

The primary objective of the Group's capital management is to keep its credit rating on the investment grade and on the level that is common in the industry and to maintain healthy capital ratios in order to support its business and maximize value for shareholders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group primarily monitors capital using the ratio of net debt to EBITDA. Considering the current structure and stability of cash flow and the development strategy, the goal of the Group is the level of this ratio in range 2.5 to 3.0. In addition, the Group also monitors capital using a total debt to total capital ratio. The Group's policy is to keep the total debt to total capital ratio below 50% in the long term.

EBITDA consists of income before income taxes and other income (expenses) plus depreciation and amortization, plus impairment of property, plant and equipment and intangible assets including goodwill and less gain (or loss) on sale of property, plant and equipment. The Group includes within total debt the long-term and short-term interest bearing loans and borrowings. Net debt is defined as total debt less cash and cash equivalents and highly liquid financial assets. Highly liquid financial assets consist for capital management purposes of short-term equity and debt securities available-for-sale, short-term debt securities held-to-maturity, long-term debt securities available-for-sale and both short-term and long-term deposits. Total capital is total equity attributable to equity holders of the parent plus total debt.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2015	2014
Total long-term debt	157,271	176,526
Total short-term loans	223	7,608
Total debt	157,494	184,134
Less:		
Cash and cash equivalents	(13,482)	(20,095)
Highly liquid financial assets:		
Short-term equity securities available-for-sale (Note 13)	(946)	(2,112)
Short-term debt securities held-to-maturity (Note 13)	(3,852)	(6,299)
Short-term deposits (Note 13)	(7,315)	(8,373)
Long-term deposits (Note 5)	-	(10)
Long-term debt securities available-for-sale (Note 5)	(676)	-
Total net debt	131,223	147,245
Income before income taxes and other income (expenses)	28,961	36,946
Depreciation and amortization	28,619	27,705
Impairment of property, plant and equipment and intangible assets including goodwill	7,685	8,025
Gains and losses on sale of property, plant and equipment (Note 24 and 27)	(161)	(178)
EBITDA	65,104	72,498
Total equity attributable to equity holders of the parent	267,893	261,308
Total debt	157,494	184,134
Total capital	425,387	445,442
Net debt to EBITDA ratio	2.02	2.03
Total debt to total capital ratio	37.0%	41.3%

16. Long-term Debt

Long-term debt at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,466	2,283
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million) ¹⁾	-	42
5.750% Eurobonds, due 2015 (EUR 460 million)	-	12,749
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,645	1,523
5.000% Eurobonds, due 2021 (EUR 750 million)	20,203	20,715
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,347	1,380
3M Euribor + 0.35% Eurobonds, due 2017 (EUR 45 million)	1,198	1,219
4.875% Eurobonds, due 2025 (EUR 750 million)	20,188	20,701
4.500% Eurobonds, due 2020 (EUR 750 million)	20,140	20,633
2.160% Eurobonds, due 2023 (JPY 11,500 million)	2,372	2,195
4.600% Eurobonds, due 2023 (CZK 1,250 million)	1,248	1,248
3.625% Eurobonds, due 2016 (EUR 340 million)	9,176	9,397
2.150% *IR CPI Eurobonds, due 2021 (EUR 100 million) ²⁾	2,702	2,773
4.102% Eurobonds, due 2021 (EUR 50 million)	1,347	1,382
4.250% U.S. bonds, due 2022 (USD 289 million) ³⁾	7,111	15,847
5.625% U.S. bonds, due 2042 (USD 300 million)	7,368	6,775
4.375% Eurobonds, due 2042 (EUR 50 million)	1,325	1,358
4.500% Eurobonds, due 2047 (EUR 50 million)	1,325	1,358
4.383% Eurobonds, due 2047 (EUR 80 million)	2,162	2,218
3.000% Eurobonds, due 2028 (EUR 500 million)	13,325	13,655
4.500% registered bonds, due 2030 (EUR 40 million)	1,060	1,086
4.750% registered bonds, due 2023 (EUR 40 million)	1,070	1,096
4.700% registered bonds, due 2032 (EUR 40 million)	1,075	1,102
4.270% registered bonds, due 2047 (EUR 61 million)	1,621	1,662
3.550% registered bonds, due 2038 (EUR 30 million)	807	828
Exchangeable bonds, due 2017 (EUR 470.2 million) ⁴⁾	12,420	12,560
Total bonds and debentures	134,701	157,785
Less: Current portion	(9,176)	(12,749)
Bonds and debentures, net of current portion	125,525	145,036
Long-term bank loans:		
Less than 2.00% p. a.	18,040	18,266
2.00% to 2.99% p. a.	4,530	471
3.00% to 3.99% p. a.	-	4
Total long-term bank loans	22,570	18,741
Less: Current portion	(2,520)	(2,925)
Long-term bank loans, net of current portion	20,050	15,816
Total long-term debt	157,271	176,526
Less: Current portion	(11,696)	(15,674)
Total long-term debt, net of current portion	145,575	160,852

¹⁾ In December 2015, the Group bought back the bonds in full amount.

²⁾ The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p. a.

³⁾ In November 2015, the original nominal value of the issue (USD 700 million) was reduced by bought back of the bonds in a nominal value of USD 411 million.

⁴⁾ Bonds are exchangeable for ordinary shares of MOL Hungarian Oil and Gas PLC (see Note 5). The bonds carry no interest and the separation of embedded conversion option resulted in effective interest rate of 1.43% p. a.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Group.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.20.

The future maturities of long-term debt are as follows (in CZK millions)

	2015	2014
Current portion	11,696	15,674
Between 1 and 2 years	16,503	11,518
Between 2 and 3 years	2,840	15,845
Between 3 and 4 years	4,186	2,010
Between 4 and 5 years	22,926	3,390
Thereafter	99,120	128,089
Total long-term debt	157,271	176,526

The following table analyses the long-term debt by currency (in millions)

	2015		2014	
	Foreign currency	CZK	Foreign currency	CZK
EUR	4,827	130,457	5,271	146,134
USD	583	14,479	991	22,622
JPY	31,440	6,483	31,435	6,001
BGN	24	330	33	471
PLN	662	4,199	-	-
CZK	-	1,323	-	1,298
Total long-term debt		157,271		176,526

Long-term debt with floating interest rates exposes the Group to interest rate risk. The following table summarizes long-term debt with floating rates of interest by contractual reprising dates at December 31, 2015 and 2014 without considering interest rate hedging (in CZK millions):

	2015	2014
Floating rate long-term debt		
with interest rate fixed from 1 to 3 months	5,472	1,265
with interest rate fixed from 3 months to 1 year	19,147	19,567
with interest rate fixed more than 1 year	330	471
Total floating rate long-term debt	24,949	21,303
Fixed rate long-term debt	132,322	155,223
Total long-term debt	157,271	176,526

Fixed rate long-term debt exposes the Group to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Note 17 and Note 18.

17. Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, current investments

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Securities held for trading

The fair values of equity and debt securities that are held for trading are estimated based on quoted market prices.

Investments

The fair values of instruments, which are publicly traded on active markets, are determined based on quoted market prices. For unquoted equity instruments the Group considered the use of valuation models and concluded that the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Therefore unquoted equity instruments are carried at cost and the fair value information is not disclosed.

Short-term receivables and payables

The carrying amount of receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

Short-term loans

The carrying amount approximates fair value because of the short period to maturity of those instruments.

Long-term debt

The fair value of long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The carrying amount of long-term debt and other payables with variable interest rates approximates their fair values.

Derivatives

The fair value of derivatives is based upon mark to market valuations.

Carrying amounts and the estimated fair values of financial instruments at December 31, 2015 and 2014 are as follows (in CZK millions)

Category	2015		2014		
	Carrying amount	Fair value	Carrying amount	Fair value	
ASSETS:					
Investments:					
Restricted debt securities available-for-sale	AFS	14,320	14,320	14,820	14,820
Restricted cash	LaR	3,739	3,739	2,651	2,651
Financial assets in progress	LaR	–	–	4	4
Term deposits	LaR	–	–	10	10
Debt securities available-for-sale	AFS	676	676	–	–
Equity securities available-for-sale*	AFS	12,979	12,979	11,565	11,565
Long-term receivables	LaR	1,937	1,937	1,842	1,842
Current assets:					
Receivables	LaR	43,190	43,190	48,767	48,767
Cash and cash equivalents	LaR	13,482	13,482	20,095	20,095
Debt securities held-to-maturity	HTM	3,852	3,852	6,299	6,299
Term deposits	LaR	7,315	7,315	8,373	8,373
Equity securities held for trading	HFT	6	6	6	6
Equity securities available-for-sale	AFS	946	946	2,112	2,112
Other current assets	LaR	2,098	2,098	2,026	2,026
LIABILITIES:					
Long-term debt	AC	(157,271)	(175,831)	(176,526)	(200,746)
Short-term loans	AC	(223)	(223)	(7,608)	(7,608)
Accounts payable	AC	(41,137)	(41,137)	(44,068)	(44,068)
DERIVATIVES:					
Cash flow hedges:					
Short-term receivables	HFT	549	549	211	211
Long-term receivables	HFT	6,242	6,242	4,519	4,519
Short-term liabilities	HFT	(111)	(111)	(173)	(173)
Long-term liabilities	HFT	(626)	(626)	(3,464)	(3,464)
Total cash flow hedges		6,054	6,054	1,093	1,093
Commodity derivatives:					
Short-term receivables	HFT	19,178	19,178	21,038	21,038
Short-term liabilities	HFT	(15,823)	(15,823)	(15,327)	(15,327)
Total commodity derivatives		3,355	3,355	5,711	5,711
Other derivatives:					
Short-term receivables	HFT	881	881	1,399	1,399
Long-term receivables	HFT	764	764	937	937
Short-term liabilities	HFT	(939)	(939)	(763)	(763)
Long-term liabilities	HFT	(1,330)	(1,330)	(2,386)	(2,386)
Total other derivatives		(624)	(624)	(813)	(813)

* Some of the equity securities available-for-sale are carried at cost as the fair value cannot be reliably measured.

LaR	Loans and receivables
AFS	Available-for-sale investments
HTM	Held-to-maturity instruments
HFT	Held for trading or hedging instruments
AC	Financial liabilities at amortized cost

17.1. Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between the levels in 2015 and 2014.

As at December 31, 2015, the fair value hierarchy was the following (in CZK millions)

Assets measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	19,178	514	18,664	-
Cash flow hedges	6,791	2,259	4,532	-
Other derivatives	1,645	35	1,610	-
Equity securities held for trading	6	6	-	-
Available-for-sale restricted debt securities	14,320	14,320	-	-
Debt securities available-for-sale	676	676	-	-
Available-for-sale equity securities*	12,979	12,979	-	-

Liabilities measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(15,823)	(1,793)	(14,030)	-
Cash flow hedges	(737)	(2)	(735)	-
Other derivatives	(2,269)	(507)	(1,762)	-

Assets and liabilities for which fair values are disclosed

	Total	Level 1	Level 2	Level 3
Debt securities held-to-maturity	3,852	-	3,852	-
Long-term debt	(175,831)	(126,220)	(49,611)	-

As at December 31, 2014, the fair value hierarchy was the following (in CZK millions)

Assets measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	21,038	1,144	19,894	-
Cash flow hedges	4,730	996	3,734	-
Other derivatives	2,336	367	1,969	-
Equity securities held for trading	6	6	-	-
Available-for-sale restricted debt securities	14,820	14,820	-	-
Available-for-sale equity securities*	11,565	11,565	-	-

Liabilities measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(15,327)	(2,190)	(13,137)	-
Cash flow hedges	(3,637)	(110)	(3,527)	-
Other derivatives	(3,149)	(95)	(3,054)	-

Assets and liabilities for which fair values are disclosed

	Total	Level 1	Level 2	Level 3
Debt securities held-to-maturity	6,309	-	6,309	-
Long-term debt	(200,746)	(154,073)	(46,673)	-

* Some of the available-for-sale equity securities are carried at cost as the fair value cannot be reliably measured.

The Group enters into derivative financial instruments with various counterparties, principally large power and utility groups and financial institutions with high credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps and options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations and option pricing models (e.g. Black-Scholes). The models incorporate various inputs including the forward rate curves of the underlying commodity, foreign exchange spot and forward rates and interest rate curves.

17.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2015 and 2014 (in CZK millions):

	2015		2014	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	27,615	(18,829)	28,104	(22,113)
Other financial instruments*	23,610	(24,758)	24,593	(19,944)
Collaterals paid (received)**	1,309	(536)	3,345	(2,117)
Gross financial assets / liabilities	52,534	(44,123)	56,042	(44,174)
Assets / liabilities set off under IAS 32	-	-	-	-
Amounts presented in the balance sheet	52,534	(44,123)	56,042	(44,174)
Effect of master netting agreements	(33,402)	33,402	(38,577)	38,577
Net amount after master netting agreements	19,132	(10,721)	17,465	(5,597)

* Other financial instruments consist of invoices due from derivative trading and are included in Receivables, net or Trade and other payables.

** Collaterals paid are included in Receivables, net and collaterals received are included in Trade and other payables.

When trading with derivative instruments, ČEZ enters into the EFET and ISDA framework contracts. These contracts generally allow mutual offset of receivables and payables upon the premature termination of agreement. The reason for premature termination is insolvency or non-fulfillment of agreed terms by the counterparty. The right to mutual offset is either embedded in the framework contract or results from the security provided. There is CSA (Credit Support Annex) concluded with some counterparties defining the permitted limit of exposure. When the limit is exceeded, there is a transfer of cash reducing exposure below an agreed level. Cash security (collateral) is also included in the final offset.

The information about offset of unbilled electricity supplied to retail customers with advances received is included in Note 11 and 22.

Short-term derivative assets are included in the balance sheet in Other financial assets, net, long-term derivative assets in Investments and other financial assets, net, long-term derivative liabilities in Other long-term liabilities and short-term derivative liabilities in Trade and other payables.

18. Financial Risk Management

Risk management approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

Since 2005 a risk capital concept has been applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

Since 2009 the main Business Plan market risks are quantified (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closing long-term contracts for electricity sale and emission allowances purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating. Risks of Investment Projects are also managed and monitored based on unified quantification of all kinds of risk according to Group methodology.

Risk management organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

Overview and methods of risk management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- Activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity/planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units/processes of the Group.
- Activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units/processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated at least once a month and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- Market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants)
- Credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk
- Operational risks: risks of nuclear and fossil power plants operation in the Czech Republic, investment risks.

The development of the Group's quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization)
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation)
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

18.1. Qualitative Description of Risks Associated With Financial Instruments

Commodity risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the Group's value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of the Group's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities within the whole Group (the potential risk is managed on the VaR basis).

Market financial risks (currency, interest and stock price risks)

The development of foreign exchange rates, interest rates and stock prices is a significant risk factor of the Group's value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows of the Group (including operational and investment foreign currency flows).

Credit risks

With respect to the Group's activities managed on a centralized level, credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

With respect to the electricity sales to end customers in the Czech Republic, the actual credibility is monitored for each business partner based on payment history (in addition, the financial standing is considered for selected partners). This credibility determines the payment conditions of partners (i.e. it indirectly determines an amount of an approved credit exposure) and also serves to quantify both the expected and the potential losses.

The Group's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2015 and 2014 is the carrying value of each class of financial assets except for financial guarantees. Credit risk from balances with banks and financial institutions is managed by the Group's risk management department in cooperation with Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of all credit risks mentioned above in the aggregate annual Profit@Risk limit is quantified and evaluated.

Liquidity risks

The Group's liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process in the Group and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the Group's expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of the Group.

18.2. Quantitative Description of Risks Associated With Financial Instruments

Commodity risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a potential change in fair value of contracts classified as derivatives under IAS 39 (the underlying commodities in the Group's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products)
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VAR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series
- the source of market data is mainly EEX, PXE and ICE
- the indicator VaR illustrates mainly the impact of revaluation of above mentioned financial instruments to statement of income.

Potential impact of the above risk factors as at December 31 (in CZK millions)

	2015	2014
Monthly VaR (95%) – impact of changes in commodity prices	616	721

Currency risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence)
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2016 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments
- the relevant currency positions reflect all significant foreign-currency flows of the Group companies in the monitored basket of foreign currencies
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg
- the indicator VaR illustrates mainly the impact of revaluation of above mentioned currency position to statement of income.

Potential impact of the currency risk as at December 31 (in CZK millions)

	2015	2014
Monthly currency VaR (95% confidence)	848	833

Interest risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification (as at December 31) was based on the following assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk
- the P/L sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31
- the considered interest positions reflect all significant interest-sensitive positions of the Group companies
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest risk as at December 31 (in CZK millions)

	2015	2014
IR sensitivity* to parallel yield curve shift (+10bp)	(9)	(7)

* Negative result denotes higher increase in interest costs than in interest revenues

Stock price risks

The required quantitative information on risks (i.e. a potential change of financial instruments market value resulting from the effects of stock price risk as at December 31) was based on the assumptions given below:

- monthly VaR (95% confidence) was selected as the indicator of stock price risk
- the relevant stock position is defined as market value of stocks/stock options as at December 31
- the considered stock positions reflect all significant stock-sensitive deals of the CEZ Group companies
- the relevant volatility and standard deviation is determined from risk module IS Bloomberg
- the source of market data is IS Bloomberg and ČNB data
- the indicator VaR illustrates mainly impact of revaluation of above mentioned stock position, classified as equity securities available-for-sale, to statement of comprehensive income.

Potential impact of the stock price risk as at December 31 (in CZK millions)

	2015	2014
Monthly stock VaR (95% confidence)	985	1,016

Maximum credit exposure from provided guarantees at December 31 (in CZK millions)

	2015	2014
Guarantees provided to joint-ventures*	2,998	3,073

* Some of the guarantees could be called until August 2021 at the latest.

The guarantees provided relate to bank loans. The beneficiary may claim the guarantee only upon failure to comply with certain conditions of loans. The companies whose liabilities are the subject to the guarantees currently comply with their obligations.

Liquidity risk**Contractual maturity profile of financial liabilities at December 31, 2015 (in CZK millions)**

	Loans	Bonds and debentures	Trade payables and other liabilities	Derivatives*	Guarantees issued**
Due in 2016	2,882	14,446	41,291	260,322	2,998
Due in 2017	3,004	18,550	159	27,968	-
Due in 2018	2,949	4,934	2	8,457	-
Due in 2019	2,939	6,284	1,751	3,679	-
Due in 2020	2,871	25,056	-	5,998	-
Thereafter	8,848	120,959	-	55,754	-
Total	23,493	190,229	43,203	362,178	2,998

Contractual maturity profile of financial liabilities at December 31, 2014 (in CZK millions)

	Loans	Bonds and debentures	Trade payables and other liabilities	Derivatives*	Guarantees issued**
Due in 2015	10,673	19,136	44,168	329,327	3,073
Due in 2016	2,231	15,049	282	54,418	-
Due in 2017	2,152	19,090	15	14,206	-
Due in 2018	2,082	5,306	-	7,442	-
Due in 2019	2,068	6,686	1,750	3,965	-
Thereafter	7,799	156,915	-	70,057	-
Total	27,005	222,182	46,215	479,415	3,073

* Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Group will receive corresponding consideration. For fair values of derivatives see Note 17.

** Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Group as at December 31, 2015 and 2014 amounted to CZK 30.5 billion and CZK 24.4 billion, respectively.

18.3. Hedge Accounting

The Group enters into cash flow hedges of future highly probable cash inflows from the sales denominated in EUR against the currency risk. The hedged cash flows are expected to occur in the period from 2016 to 2019. The hedging instruments as at December 31, 2015 and 2014 are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 2.9 billion and EUR 3.8 billion, respectively, and currency forward contracts and swaps. The fair value of these derivative hedging instruments (currency forward contracts and swaps) amounted to CZK 1,245 million and CZK (1,749) million at December 31, 2015 and 2014, respectively.

The Group enters into cash flow hedges of future highly probable purchases of emission allowances which are expected to occur in 2016. The hedging instruments as at December 31, 2015 and 2014 are the futures contracts for the purchase of allowances equivalent to 7.3 million tons and 13.1 million tons of CO₂ emissions, respectively. The fair value of these derivative hedging instruments amounted to CZK 546 million and CZK 513 million at December 31, 2015 and 2014, respectively.

The Group also enters into cash flow hedges of highly probable future sales of electricity in the Czech Republic from 2017 to 2021. The hedging instruments are the futures and forward contracts electricity sales in Germany. The fair value of these derivative hedging instruments amounted to CZK 4,263 million and CZK 2,329 million at December 31, 2015 and 2014, respectively.

In 2015 and 2014 the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the lines Sales of electricity and related services, Gains and losses from commodity derivative trading, net, Emission rights, net, Other financial expenses and Other financial income. In 2015 and 2014 the Group recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK (791) million and CZK 197 million, respectively. The ineffectiveness in 2015 and 2014 mainly relates to transactions for which the hedged items are no more highly probable to occur.

19. Provisions

Provisions at December 31, 2015 and 2014 are as follows (in CZK millions):

	2015			2014		
	Non-current	Current	Total	Non-current	Current	Total
Nuclear provisions	48,083	2,038	50,121	45,292	2,010	47,302
Provision for reclamation of mines and mining damages	7,289	274	7,563	6,454	295	6,749
Provision for waste storage reclamation	1,501	99	1,600	1,478	96	1,574
Provision for CO ₂ emissions (see Note 12)	-	2,709	2,709	-	4,525	4,525
Other provisions	3,652	3,099	6,751	4,079	2,832	6,911
Total	60,525	8,219	68,744	57,303	9,758	67,061

19.1. Nuclear Provisions

The Company operates two nuclear power plants. Nuclear power plant Dukovany consists of four units which were put into service from 1985 to 1987. Nuclear power plant Temelín has two units which have started commercial operation in 2002 and 2003. The Czech parliament has enacted a Nuclear Act ("Act") which defines certain obligations for the decontamination and dismantling ("decommissioning") of nuclear facilities and the disposal of radioactive waste and spent fuel ("disposal"). The Act requires that all nuclear parts of plant and equipment be decommissioned following the end of the plant's operating life. For the purpose of accounting for the nuclear provisions, it is assumed that the end of the plant's operating life will be 2027 for Dukovany and 2042 for Temelín. A 2013 Dukovany and a 2014 Temelín decommissioning cost study estimate that nuclear decommissioning will cost CZK 22.4 billion and CZK 18.4 billion, respectively. The Company makes contributions to a restricted bank account in the amount of the nuclear provisions recorded under the Act. These restricted funds can be invested in government bonds and term deposits in accordance with the legislation and are shown in the balance sheet as part of Restricted financial assets (see Note 4).

Pursuant to the Act, the Ministry of Industry and Trade established the Radioactive Waste Repository Authority ("RAWRA") as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The RAWRA operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the RAWRA are financed through a "nuclear account" funded by the originators of radioactive waste. Contribution to the nuclear account was stated by a government decision at 50 CZK per MWh produced at nuclear power plants. In 2015 and 2014, the payments to the nuclear account amounted to CZK 1,342 million and CZK 1,516 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Group has established provisions as described in Note 2.24, to recognize its estimated liabilities for decommissioning and spent fuel storage. The following is a summary of the provisions for the years ended December 31, 2015 and 2014 (in CZK millions):

	Accumulated provisions			Total
	Nuclear Decommissioning	Spent fuel storage		
		Interim	Long-term	
Balance at December 31, 2013	13,746	7,191	22,890	43,827
Movements during 2014:				
Discount accretion and effect of inflation	481	252	801	1,534
Provision charged to income statement	-	472	-	472
Effect of change in estimate charged to income statement	-	156	-	156
Effect of change in estimate added to fixed assets (Note 2.24)	2,582	-	954	3,536
Current cash expenditures	(1)	(706)	(1,516)	(2,223)
Balance at December 31, 2014	16,808	7,365	23,129	47,302
Movements during 2015:				
Discount accretion and effect of inflation	504	221	694	1,419
Provision charged to income statement	-	544	-	544
Effect of change in estimate charged to income statement	-	22	-	22
Effect of change in estimate added to fixed assets (Note 2.24)	2,186	64	642	2,892
Current cash expenditures	-	(716)	(1,342)	(2,058)
Balance at December 31, 2015	19,498	7,500	23,123	50,121

The current cash expenditures for the long-term storage of spent nuclear fuel represent payments to the state controlled nuclear account and the expenditures for interim storage represent mainly the purchase of interim fuel storage containers and other related equipment.

In 2015 and 2014 the Group recorded the change in estimate for interim spent fuel storage due to the change in expectations of future storage costs and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the change in discount rate and the change in long-term spent fuel storage due to the modification of the expected output of the nuclear power plants and change in discount rate.

The actual decommissioning and spent fuel storage costs could vary substantially from the above estimates because of new regulatory requirements, changes in technology, increased costs of labor, materials, and equipment and/or the actual time required to complete all decommissioning, disposal and storage activities.

19.2. Provision for Mine Reclamation and Mining Damages and Waste Storage Reclamation

The following table shows the movements of provisions for the years ended December 31, 2015 and 2014 (in CZK millions):

	Mine reclamation and damages	Waste storage
Balance at December 31, 2013	6,561	1,518
Movements during 2014:		
Discount accretion and effect of inflation	219	53
Provision charged to income statement	102	-
Effect of change in estimate added to fixed assets (Note 2.25)	170	93
Current cash expenditures	(303)	(90)
Balance at December 31, 2014	6,749	1,574
Movements during 2015:		
Discount accretion and effect of inflation	194	47
Provision charged to income statement	55	-
Effect of change in estimate added to fixed assets (Note 2.25)	860	35
Current cash expenditures	(295)	(47)
Reversal of provision	-	(9)
Balance at December 31, 2015	7,563	1,600

The provision for decommissioning and reclamation of mines and mining damages was recorded by Severočeské doly a.s., a mining subsidiary of ČEZ. Severočeské doly a.s. operates open pit coal mines and is responsible for decommissioning and reclamation of the mines as well as for damages caused by the operations of the mines. These provisions have been calculated using the best estimates of the expenditures required to settle the present obligation at the balance sheet date. Current cash expenditures represent cash payments for current reclamation of mining area and settlement of mining damages. Change in estimate represents change in provision as result of updated cost estimates in the current period, mainly due to changes in expected prices of reclamation activities.

20. Other Long-term Liabilities

Other long-term liabilities at December 31, 2015 and 2014 are as follows (in CZK millions):

	2015	2014
Deferred connection fees	4,601	5,510
Derivatives	1,956	5,850
Other	2,122	2,065
Total	8,679	13,425

21. Short-term Loans

Short-term loans at December 31, 2015 and 2014 are as follows (in CZK millions)

	2015	2014
Short-term bank loans	40	7,466
Bank overdrafts	183	142
Total	223	7,608

Interest on short-term loans is variable. The weighted average interest rate was 0.7% and 0.3% at December 31, 2015 and 2014, respectively. For the years 2015 and 2014 the weighted average interest rate was 1.7% and 1.2%, respectively.

22. Trade and Other Payables

Trade and other payables at December 31, 2015 and 2014 are as follows (in CZK millions)

	2015	2014
Advances received from retail customers	18,710	15,360
Unbilled electricity supplied to retail customers	(15,532)	(9,888)
Received advances from retail customers, net	3,178	5,472
Trade payables	32,329	33,518
Fair value of option (see Note 5)	182	70
Derivatives	16,691	16,193
Other	5,630	4,873
Total	58,010	60,126

The information about payables to related parties is included in Note 32.

23. Accrued Liabilities

Accrued liabilities at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Accrued interest	2,328	2,958
Taxes and fees, except income tax	2,258	2,176
Unbilled goods and services	8,807	10,145
Deferred income	425	438
Other	127	117
Total	13,945	15,834

24. Revenues and Other Operating Income

The composition of revenues and other operating income for the years ended December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Sales of electricity and related services:		
Sales of electricity to end customers	54,742	52,229
Sales of electricity through energy exchange	4,920	3,365
Sales of electricity to traders	35,672	34,134
Sales to distribution and transmission companies	344	159
Other sales of electricity	16,211	15,626
Effect of hedging (see Note 18.3)	758	1,267
Sales of ancillary, system, distribution and other services	69,458	67,039
Total sales of electricity and related services	182,105	173,819
Sales of gas, coal, heat and other revenues:		
Sales of gas	8,294	6,306
Sales of coal	4,331	4,484
Sales of heat	6,443	6,059
Other	5,501	4,777
Total sales of gas, coal, heat and other revenues	24,569	21,626
Other operating income:		
Contractual fines and interest fees for delays	735	1,004
Gain on sale of property, plant and equipment	184	195
Gain on sale of material	147	131
Gain from settlement agreement with Republic of Albania (see Note 5)	-	2,562
Other	2,427	2,414
Total other operating income	3,493	6,306
Total revenues and other operating income	210,167	201,751

25. Gains and Losses from Commodity Derivative Trading, Net

The composition of gains and losses from commodity derivative trading, net for the years ended December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Electricity derivative trading:		
Sales – domestic	5,292	7,673
Sales – foreign	163,456	161,842
Purchases – domestic	(4,864)	(6,779)
Purchases – foreign	(158,809)	(154,914)
Effect of hedging (see Note 18.3)	(76)	(270)
Changes in fair value of derivatives	(4,595)	(3,213)
Total gains from electricity derivative trading, net	404	4,339
Other commodity derivative trading:		
Gain (loss) from gas derivative trading	(228)	412
Loss from oil derivative trading	(714)	(1,878)
Loss from coal derivative trading	(2)	(12)
Total gains and losses from commodity derivative trading, net	(540)	2,861

In 2014 the line item Changes in fair value of derivatives includes gain in the amount of CZK 1,952 million for the termination of contract with Crédit Agricole Corporate and Investment Bank.

26. Salaries and Wages

Salaries and wages for the years ended December 31, 2015 and 2014 were as follows (in CZK millions)

	2015		2014	
	Total	Key management personnel ¹⁾	Total	Key management personnel ¹⁾
Salaries and wages including remuneration of the board members	(12,547)	(224)	(13,142)	(296)
Share options	(31)	(31)	(26)	(26)
Social and health security	(4,024)	(37)	(4,166)	(48)
Other personal expenses	(1,156)	(16)	(1,518)	(43)
Total	(17,758)	(308)	(18,852)	(413)

¹⁾ Key management personnel represent members of Supervisory Board, Audit Committee and Board of Directors of the parent company and selected managers of departments of the parent company with group field of activity. The remuneration of former members of company bodies is also included in personal expenses.

At December 31, 2015 and 2014, the aggregate number of share options granted to members of Board of Directors and selected managers was 2,391 thousand and 2,575 thousand, respectively.

Members of the Board of Directors and selected managers are entitled to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers are granted certain quantity of share options each year of their tenure according to rules of the share option plan. The exercise price for the granted options is based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year. Options granted could be exercised at the earliest 2 years and latest 3.5 years after each grant date. Option right is limited so that the profit per share option will not exceed 100% of exercise price and the beneficent has to hold at his account such number of shares exercised through options granted which is equivalent to 20% of profit made on exercise date until the end of share option plan.

In 2015 and 2014 the Company recognized a compensation expense of CZK 31 million and CZK 26 million, respectively, related to the granted options.

The following table shows changes during 2015 and 2014 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors ('000s)	Selected managers ('000s)	Total ('000s)	
Share options at December 31, 2013	1,622	766	2,388	704.84
Options granted	610	177	787	586.77
Movements	(120)	120	-	764.34
Options forfeited	(285)	(315)	(600)	814.75
Share options at December 31, 2014¹⁾	1,827	748	2,575	643.14
Options granted	550	175	725	541.45
Options exercised ²⁾	(100)	(20)	(120)	565.54
Options forfeited	(457)	(332)	(789)	749.16
Share options at December 31, 2015¹⁾	1,820	571	2,391	581.18

¹⁾ At December 31, 2015 and 2014 the number of exercisable options was 988 thousand and 1,128 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 602.30 per share and CZK 737.24 per share at December 31, 2015 and 2014, respectively.

²⁾ In 2015 the weighted average market share price at the date of the exercise for the options exercised was CZK 635.79.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2015	2014
Weighted average assumptions:		
Dividend yield	4.2%	4.6%
Expected volatility	22.8%	23.2%
Mid-term risk-free interest rate	0.3%	0.5%
Expected life (years)	1.4	1.4
Grant-date share price (CZK per share)	523.1	571.2
Weighted average grant-date fair value of options (CZK per 1 option)	36.7	42.3

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

As at December 31, 2015 and 2014 the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	2015	2014
CZK 450–650 per share	1,967	1,387
CZK 650–900 per share	424	1,188
Total	2,391	2,575

The options granted which were outstanding as at December 31, 2015 and 2014 had an average remaining contractual life of 1.9 years and 1.8 years, respectively.

27. Other Operating Expenses

Other operating expenses for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Services	(10,502)	(12,065)
Travel expenses	(192)	(189)
Losses on sale of property, plant and equipment	(23)	(18)
Losses on sale of material	(11)	(41)
Capitalization of expenses to the cost of assets and change in own inventory	2,848	3,752
Contractual fines and interest fees for delays	(353)	(17)
Change in provisions and valuation allowances	1,689	1,260
Taxes and fees	(2,758)	(3,024)
Write-off of bad debts	(532)	(448)
Gifts	(325)	(350)
Other	(2,095)	(2,197)
Total	(12,254)	(13,337)

Taxes and fees include the contributions to the nuclear account (see Note 19.1). The settlement of the provision for long-term spent fuel storage is accounted for at the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions and valuation allowances.

28. Interest Income

Interest income for each category of financial instruments for the years ended December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Loans and receivables	50	112
Held-to-maturity investments	29	87
Available-for-sale investments	214	262
Bank accounts	95	147
Total	388	608

29. Other Financial Expenses

Other financial expenses for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Derivative losses	(123)	(418)
Loss on sales of available-for-sale financial assets	-	(96)
Change in impairment of financial investments	-	(49)
Gift tax on emission allowances	-	(99)
Impairment of MOL shares (Note 5)	-	(1,828)
Costs of buy back of bonds	(843)	(509)
Other	(144)	(158)
Total	(1,110)	(3,157)

30. Other Financial Income

Other financial income for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Derivative gains	423	56
Gain on sales of available-for-sale financial assets	514	175
Dividend income	685	802
Refunded gift tax on emission rights	3,823	-
Other	211	157
Total	5,656	1,190

In November 2015 the Group was refunded part of the gift tax on emission allowances paid in 2011 and 2012 based on the decisions of Appellate Tax Directorate.

31. Income Taxes

Companies resident in the Czech Republic calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2015 and 2014. The Czech corporate income tax rate enacted for 2016 and on is 19%. Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, the risk remains that the relevant financial authorities could take differing positions with regard to interpretive issues, which could have a potential effect on reported income.

The components of the income tax provision are as follows (in CZK millions)

	2015	2014
Current income tax charge	(6,564)	(6,100)
Adjustments in respect of current income tax of previous periods	21	1
Deferred income taxes	195	(125)
Total	(6,348)	(6,224)

The differences between income tax expense computed at the statutory rate and income tax expense provided on earnings are as follows (in CZK millions):

	2015	2014
Income before income taxes	26,895	28,656
Statutory income tax rate in Czech Republic	19%	19%
"Expected" income tax expense	(5,110)	(5,445)
Tax effect of:		
Change in tax rates and laws	-	(184)
Non-deductible gains and losses from derivatives	(23)	8
Non-deductible impairment of AFS investment	-	(366)
Non-deductible expenses related to shareholdings	(16)	(23)
Goodwill and other non-current assets impairment	(128)	(26)
Non-deductible fines and penalties	(82)	-
Non-taxable income from settlement agreement with Republic of Albania	-	454
Non-deductible share based payment expense	(6)	(5)
Gift tax on emission allowances	726	-
Taxation of intercompany dividends	(450)	-
Share of profit (loss) from joint-ventures	(330)	(245)
Income already taxed or exempt	151	268
Tax credits	44	11
Gain on sale of subsidiary	-	14
Adjustments in respect of current income tax of previous periods	21	1
Effect of different tax rate in other countries	(154)	(109)
Change in unrecorded deferred tax asset	(717)	5
Other non-deductible items, net	(274)	(582)
Income taxes	(6,348)	(6,224)
Effective tax rate	24%	22%

Deferred income taxes, net, at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Nuclear provisions	7,894	7,424
Financial statement depreciation in excess of tax depreciation	1,818	1,306
Revaluation of financial instruments	45	1,882
Allowances	1,221	1,038
Other provisions	1,648	2,549
Tax loss carry forwards	638	407
Other temporary differences	844	598
Unrecorded deferred tax asset	(782)	(65)
Total deferred tax assets	13,326	15,139
Tax depreciation in excess of financial statement depreciation	(31,507)	(31,247)
Revaluation of financial instruments	(389)	(497)
Other provisions	(602)	(674)
Other temporary differences	(1,250)	(1,592)
Total deferred tax liability	(33,748)	(34,010)
Total deferred tax liability, net	(20,422)	(18,871)
Reflected in the balance sheet as follows:		
Deferred tax assets	1,631	1,738
Deferred tax liability	(22,053)	(20,609)
Total deferred tax liability, net	(20,422)	(18,871)

Movements in net deferred tax liability, net, in 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Opening balance	18,871	18,377
Deferred tax recognized in profit or loss	(195)	125
Deferred tax recognized in other comprehensive income	1,764	386
Acquisition of subsidiaries	-	1
Currency translation differences	(18)	(18)
Closing balance	20,422	18,871

At December 31, 2015 and 2014 the aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liability was recognized, amounted to CZK 26,954 million and CZK 35,888 million, respectively.

Tax effects relating to each component of other comprehensive income (in CZK millions):

	2015			2014		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges recognized in equity	11,919	(2,264)	9,655	4,891	(929)	3,962
Cash flow hedges reclassified to statement of income	(1,954)	371	(1,583)	(3,933)	747	(3,186)
Cash flow hedges reclassified to assets	(230)	44	(186)	(95)	18	(77)
Change in fair value of available-for-sale financial assets recognized in equity	1,440	72	1,512	(865)	(236)	(1,101)
Available-for-sale financial assets reclassified from equity	(103)	16	(87)	1,783	11	1,794
Translation differences – subsidiaries	(1,046)	-	(1,046)	265	-	265
Translation differences – joint-ventures	(1,218)	-	(1,218)	610	-	610
Translation differences reclassified from equity	1	-	1	14	-	14
Share on other equity movements of joint-ventures	(38)	-	(38)	(121)	-	(121)
Re-measurement losses on defined benefit plans	(28)	(3)	(31)	(26)	3	(23)
Total	8,743	(1,764)	6,979	2,523	(386)	2,137

32. Related Parties

The Group purchases from and sells to related parties products, goods and services in the ordinary course of business.

At December 31, 2015 and 2014, the receivables from related parties and payables to related parties are as follows (in CZK millions)

	Receivables		Payables	
	2015	2014	2015	2014
Akcezní Enerji A.S.	10	119	-	-
CM European Power International B.V.	86	199	-	-
CM European Power Slovakia s. r. o.	494	507	-	-
ČEZ Energo, s.r.o.	127	89	35	12
LOMY MOŘINA spol. s r.o.	-	-	21	21
Ústav aplikované mechaniky Brno, s.r.o.	1	1	24	9
Výzkumný a zkušební ústav Plzeň s.r.o.	58	-	3	6
Others	30	56	57	67
Total	806	971	140	115

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year (in CZK millions)

	Sales to related parties		Purchases from related parties	
	2015	2014	2015	2014
Akcezní Enerji A.S.	41	42	-	-
Akenerji Elektrik Üretim A.S.	39	44	-	-
ČEZ Energo, s.r.o.	384	297	293	29
in PROJEKT LOUNY ENGINEERING s.r.o.	22	33	16	23
LOMY MOŘINA spol. s r.o.	11	26	169	187
OSC, a.s.	-	-	129	128
Teplo Klášterec s.r.o.	55	54	-	-
Výzkumný a zkušební ústav Plzeň s.r.o.	70	7	8	4
Others	112	97	78	158
Total	734	600	693	529

Dividend income, interest and other financial income from related parties for the relevant financial year (in CZK millions)

	Interest and other financial income		Dividend income	
	2015	2014	2015	2014
Akcezní Enerji A.S.	13	14	-	-
CITELUM, a.s.	-	-	-	23
CM European Power Slovakia s. r. o.	13	16	108	2
LOMY MOŘINA spol. s r.o.	-	-	20	3
OSC, a.s.	-	-	21	16
Others	4	9	11	3
Total	30	39	160	47

Information about compensation of key management personnel is included in Note 26.

33. Segment Information

The Group reports its result based on operating segments which are defined with respect to geographical location of the assets with similar economic environment and characteristics, e.g. similar long-term average gross margins, similar nature of the products and services and with regard to regulatory environment.

According to geographical location, the Group distinguishes the following two regions that in combination with products and services form the reportable segments in 2015 and 2014: Central Europe (CE) and South East Europe (SEE). The Central Europe region includes the Czech Republic, the Netherlands, Poland, Germany, Hungary, Ireland and Slovakia. The South East Europe region consists of the operations of the Group in Bulgaria, Romania, Turkey, Albania, Cyprus, Serbia, Bosnia and Herzegovina, Russia and the Ukraine except for trading operations that are provided at the Group headquarters and therefore presented in the Central Europe region.

According to nature of the products and services the Group distinguishes four categories in 2015 and 2014 as follows:

1. The power production and trading which includes production of electricity and heat and the commodity trading activities of the Group;
2. The distribution and sale which sells electricity to end customers through the power distribution grid and provides power distribution services;
3. The mining that produces coal and limestone used by the power production business operations or sold to third parties; and
4. The other business activities.

The Group has seven reportable segments as a result of the combination of geographical location and nature of products and services in 2015 and 2014 as follows:

- Power Production and Trading / Central Europe
- Distribution and Sale / Central Europe
- Mining / Central Europe
- Other / Central Europe
- Power Production and Trading / South East Europe
- Distribution and Sale / South East Europe
- Other / South East Europe

The accounting policies of the operating segments are the same as those described in Note 2. The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices. The Group evaluates the performance of its segments based on EBITDA (see Note 15).

The definition of the operating segments will be adjusted in 2016 according to organizational changes in corporate governance of the Group which have been made effective since January 1, 2016.

The following tables summarize segment information by operating segments for the years ended December 31, 2015 and 2014 (in CZK millions):

Year 2015

	Power Production and Trading CE	Distribution and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribution and Sale SEE	Other SEE	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	56,331	108,064	4,676	2,946	1,581	36,544	25	210,167	-	210,167
Revenues and other operating income – intersegment	36,359	3,476	5,026	21,721	442	275	1,945	69,244	(69,244)	-
Total revenues and other operating income	92,690	111,540	9,702	24,667	2,023	36,819	1,970	279,411	(69,244)	210,167
EBITDA	30,882	22,069	4,315	3,204	628	3,901	125	65,124	(20)	65,104
Depreciation and amortization	(17,456)	(4,044)	(2,419)	(1,823)	(995)	(1,811)	(71)	(28,619)	-	(28,619)
Impairment of property, plant and equipment and intangible assets including goodwill	(3,706)	(14)	-	8	(2,527)	(1,434)	(12)	(7,685)	-	(7,685)
EBIT	9,707	18,012	1,902	1,527	(2,894)	685	42	28,981	(20)	28,961
Interest on debt and provisions	(4,345)	(270)	(195)	(105)	(492)	(11)	(12)	(5,430)	896	(4,534)
Interest income	972	17	229	17	6	35	8	1,284	(896)	388
Share of profit (loss) from joint-ventures	134	-	14	-	(1,193)	(610)	-	(1,655)	-	(1,655)
Income taxes	(1,500)	(3,326)	(365)	(416)	(129)	(606)	(7)	(6,349)	2	(6,347)
Net income	25,390	14,415	2,296	1,860	(4,970)	(503)	25	38,513	(17,966)	20,547
Identifiable assets	267,990	83,626	21,480	9,930	16,974	22,254	181	422,435	(1,071)	421,364
Investment in joint-ventures	4,864	41	184	-	2,150	2,000	-	9,239	-	9,239
Unallocated assets										172,083
Total assets										602,686
Capital expenditure	17,601	7,527	1,776	8,797	323	2,134	767	38,925	(7,431)	31,494
Average number of employees	7,458	1,640	2,679	8,979	117	3,923	1,030	25,826	-	25,826

Year 2014

	Power Production and Trading CE	Distribution and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribution and Sale SEE	Other SEE	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	57,327	100,310	4,743	3,029	1,526	34,784	32	201,751	-	201,751
Revenues and other operating income – intersegment	35,888	4,909	5,415	29,350	1,210	448	2,142	79,362	(79,362)	-
Total revenues and other operating income	93,215	105,219	10,158	32,379	2,736	35,232	2,174	281,113	(79,362)	201,751
EBITDA	39,523	19,290	4,163	4,666	606	3,869	84	72,201	297	72,498
Depreciation and amortization	(16,300)	(3,834)	(2,313)	(2,146)	(1,257)	(1,784)	(71)	(27,705)	-	(27,705)
Impairment of property, plant and equipment and intangible assets including goodwill	(443)	-	(1)	(38)	(6,794)	(749)	-	(8,025)	-	(8,025)
EBIT	22,792	15,463	1,856	2,621	(7,444)	1,347	14	36,649	297	36,946
Interest on debt and provisions	(5,253)	(401)	(224)	(20)	(568)	(20)	(23)	(6,509)	1,025	(5,484)
Interest income	1,263	14	259	9	9	60	19	1,633	(1,025)	608
Share of profit (loss) from joint-ventures	(15)	-	6	-	(1,195)	(19)	-	(1,223)	-	(1,223)
Income taxes	(3,222)	(2,798)	(352)	(559)	899	(132)	(3)	(6,167)	(57)	(6,224)
Net income	27,604	12,266	2,168	2,048	(8,406)	1,235	46	36,961	(14,529)	22,432
Identifiable assets	271,636	80,211	21,267	10,102	20,840	24,052	100	428,208	(1,666)	426,542
Investment in joint-ventures	5,005	-	190	-	4,159	2,923	-	12,277	-	12,277
Unallocated assets										189,051
Total assets										627,870
Capital expenditure	21,122	7,712	2,474	14,522	60	1,813	673	48,376	(13,964)	34,412
Average number of employees	7,205	1,500	2,950	9,171	360	3,923	1,139	26,248	-	26,248

Prices in certain intersegment transactions are regulated by the Energy Regulatory Office (see Note 1).

The following table shows the split of revenues and other operating income according to the location of the entity where the revenues are originated (in CZK million):

	2015	2014
Czech Republic	155,917	153,575
Bulgaria	25,043	24,398
Romania	13,099	11,930
Poland	6,843	4,289
Other	9,265	7,559
Total revenues and other operating income	210,167	201,751

The following table shows the split of property, plant and equipment according to the location of entity which they belong to at December 31, 2015 and 2014 (in CZK million):

	2015	2014
Czech Republic	374,612	372,707
Bulgaria	10,019	11,379
Romania	29,389	33,612
Poland	7,343	8,843
Other	1	1
Total property, plant and equipment	421,364	426,542

34. Net Income per Share

	2015	2014
Numerator (CZK millions)		
Basic and diluted:		
Net income attributable to equity holders of the parent	20,739	22,403
Denominator (thousands shares)		
Basic:		
Weighted average shares outstanding	534,193	534,115
Dilutive effect of share options	84	64
Diluted:		
Adjusted weighted average shares	534,277	534,179
Net income per share (CZK per share)		
Basic	38.8	41.9
Diluted	38.8	41.9

35. Commitment and Contingencies

Investment Program

The Group is engaged in a continuous construction program, currently estimated as of December 31, 2015 over the next five years as follows (in CZK billion):

2016	34.2
2017	32.8
2018	35.2
2019	32.4
2020	30.5
Total	165.1

These figures do not include the expected acquisitions of subsidiaries, associates and joint-ventures, which will depend on the number of future investment opportunities, for which the Group will be a successful bidder and also considering the recoverability of these investments.

The construction programs are subject to periodic reviews and actual construction may vary from the above estimates. At December 31, 2015 significant purchase commitments were outstanding in connection with the construction program.

Insurance Matters

The Nuclear Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations for energy generation purposes is liable for up to CZK 8 billion per incident. The Nuclear Act limits the liability for damage caused by other nuclear installations and activities (such as transportation) to CZK 2 billion. The Nuclear Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company has obtained all insurance policies with minimal limits as required by the law. The Company concluded the above mentioned insurance policies with Česká pojišťovna a.s. (representing Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry.

The Group also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third party liability insurance in connection with main operations of the Group.

36. Events after the Balance Sheet Date

In February and March 2016 the Group issued a two year private placement floating rate note with total nominal amount of EUR 200 million and a coupon of 3M EURIBOR plus 0.55%. The notes were issued in four tranches under the established Euro Medium Term Note Programme.

On April 4, 2016 the company ČEZ Obnovitelné zdroje, s.r.o., as the operator of solar power facilities owned by the company ČEZ OZ uzavřený investiční fond a.s., received a resolution of the police of the Czech Republic which requires impoundage of a portion of funds originated from settlement of any future receivable of the company ČEZ Obnovitelné zdroje, s.r.o. from the company OTE, a.s. The impounded part represents the difference between paid subsidy to a power source put in operation in 2010 and a subsidy to a power source put in operation in 2011 and relates to the solar power plant Vranovská Ves (installed capacity 16.033 MWp). In 2016 the subsidy is defined by the Energy Regulatory Office's Price Decision No. 9/2015. The impounded funds will be held on the Czech National Bank's account. The company ČEZ Obnovitelné zdroje, s.r.o. holds the position of a party to the action in the proceedings and filed a complaint against the resolution, but the complaint has no deferral effect.

Based on the known facts it can be concluded that if there are no proceedings held against the company ČEZ Obnovitelné zdroje, s.r.o. it is out of question to make the company liable for the eventual damage caused. The company ČEZ Obnovitelné zdroje, s.r.o. receives the subsidy defined by the license which was repeatedly inspected by the Energy Regulatory Office and there was no mistake or misconduct found. Therefore it is believed that the impounded funds should be released.

Considering all the facts known so far there was neither a provision nor an impairment loss accounted for in this respect.

There was a significant decrease in wholesale electricity prices after the balance sheet date. The wholesale electricity prices are one of the significant assumptions used in the estimate of recoverable amount of non-current assets of the Group (see Note 7).

These consolidated financial statements have been authorized for issue on April 18, 2016.



Daniel Beneš
Chairman of Board of Directors



Martin Novák
Vice-chairman of Board of Directors



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ČEZ, a. s.:

We have audited the accompanying financial statements of ČEZ, a. s., which comprise the balance sheet as at 31 December 2015, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of ČEZ, a. s., see Note 1 to the financial statements.

Management's Responsibilities for the Financial Statements

Management is responsible for preparation and presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing as amended by implementation guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ČEZ, a. s., as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU.



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Other Information

Other information comprises information included in the annual report other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information included and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and whether the annual report has been prepared in accordance with applicable law or regulation. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young Audit, s.r.o.

License No. 401

A handwritten signature in black ink, appearing to read 'Skácelík', written over a light blue horizontal line.

Martin Skácelík, Auditor

License No. 2119

18 April 2016

Prague, Czech Republic

ČEZ, a. s. BALANCE SHEET IN ACCORDANCE WITH IFRS AS OF DECEMBER 31, 2015

in CZK Millions

ASSETS	Note	2015	2014*	Jan 1, 2014*
Property, plant and equipment:				
Plant in service		346,203	344,246	319,081
Less accumulated depreciation and impairment		(204,187)	(196,333)	(182,282)
Net plant in service	3	142,016	147,913	136,799
Nuclear fuel, at amortized cost	2.8	12,832	10,898	10,627
Construction work in progress, net	3	85,909	81,913	86,512
Total property, plant and equipment		240,757	240,724	233,938
Other non-current assets:				
Restricted financial assets	4	12,662	12,029	10,611
Investments and other financial assets, net	5	178,692	176,359	181,901
Intangible assets, net	6	560	668	572
Total other non-current assets		191,914	189,056	193,084
Total non-current assets		432,671	429,780	427,022
Current assets:				
Cash and cash equivalents	7	2,964	9,511	14,166
Receivables, net	8	41,538	46,757	56,480
Income tax receivable		-	1,404	807
Materials and supplies, net		5,134	5,519	4,535
Fossil fuel stocks		564	561	593
Emission rights	9	1,874	4,175	7,300
Other financial assets, net	10	32,489	38,359	37,206
Other current assets	11	1,146	1,117	1,148
Total current assets		85,709	107,403	122,235
TOTAL ASSETS		518,380	537,183	549,257
EQUITY AND LIABILITIES				
Equity:				
Stated capital		53,799	53,799	53,799
Treasury shares		(4,246)	(4,382)	(4,382)
Retained earnings and other reserves		171,016	156,715	155,826
Total equity	12	220,569	206,132	205,243
Non-current liabilities:				
Long-term debt, net of current portion	13	124,922	143,316	162,746
Provisions	16	49,716	47,406	43,823
Deferred tax liability	28	11,143	9,624	8,744
Other long-term liabilities	17	3,886	7,602	8,050
Total non-current liabilities		189,667	207,948	223,363
Current liabilities:				
Short-term loans	18	10	7,433	2,230
Current portion of long-term debt	13	10,628	15,092	24,713
Trade and other payables	19	87,114	84,415	78,713
Income tax payable		165	-	-
Provisions	16	4,195	6,420	5,808
Accrued liabilities	20	6,032	9,743	9,187
Total current liabilities		108,144	123,103	120,651
TOTAL EQUITY AND LIABILITIES		518,380	537,183	549,257

* The way of presentation was changed in 2015 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as of December 31, 2014.

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s. STATEMENT OF INCOME IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	2015	2014*
Sales of electricity		72,635	72,132
Sales of gas, heat and other revenues		9,088	8,881
Other operating income		1,597	4,020
Total revenues and other operating income	21	83,320	85,033
Gains and losses from commodity derivative trading, net	22	(504)	2,692
Fuel		(10,599)	(10,175)
Purchased power and related services		(31,314)	(25,934)
Repairs and maintenance		(2,433)	(2,979)
Depreciation and amortization	3, 6	(14,708)	(13,527)
Impairment of property, plant and equipment and intangible assets		(788)	(297)
Salaries and wages	23	(5,191)	(6,087)
Materials and supplies		(1,354)	(1,400)
Emission rights, net	9	(964)	(3,090)
Other operating expenses	24	(7,054)	(8,409)
Income before other income (expenses) and income taxes		8,411	15,827
Interest on debt, net of capitalized interest	2.6	(2,857)	(3,722)
Interest on provisions	16	(1,452)	(1,574)
Interest income	25	1,086	1,442
Foreign exchange rate gains (losses), net		(474)	(192)
Gain on sale of subsidiaries, associates and joint-ventures		-	24
Other financial expenses	26	(5,438)	(10,058)
Other financial income	27	29,908	20,941
Total other income (expenses)		20,773	6,861
Income before income taxes		29,184	22,688
Income taxes	28	(1,069)	(1,778)
Net income		28,115	20,910
Net income per share (CZK per share)	31		
Basic		52.6	39.1
Diluted		52.6	39.1

* The way of presentation was changed in 2015 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as of December 31, 2014.

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s. STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Note	2015	2014*
Net income		28,115	20,910
Other comprehensive income – items that may be reclassified subsequently to statement of income or to assets:			
Change in fair value of cash flow hedges recognized in equity		11,922	4,889
Cash flow hedges reclassified to income statement		(1,954)	(3,950)
Cash flow hedges reclassified to assets		(230)	(95)
Change in fair value of available-for-sale financial assets recognized in equity		(429)	711
Deferred tax related to other comprehensive income	28	(1,769)	(295)
Other comprehensive income, net of tax		7,540	1,260
Total comprehensive income		35,655	22,170

* The way of presentation was changed in 2015 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as of December 31, 2014.

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s. STATEMENT OF CHANGES IN EQUITY IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings	Total equity
December 31, 2013	53,799	(4,382)	(8,692)	772	163,746	205,243
Net income	-	-	-	-	20,910	20,910
Other comprehensive income	-	-	684	576	-	1,260
Total comprehensive income	-	-	684	576	20,910	22,170
Effect of merger	-	-	-	-	(6)	(6)
Dividends	-	-	-	-	(21,301)	(21,301)
Share options	-	-	-	26	-	26
Transfer of forfeited share options within equity	-	-	-	(70)	70	-
December 31, 2014	53,799	(4,382)	(8,008)	1,304	163,419	206,132
Net income	-	-	-	-	28,115	28,115
Other comprehensive income	-	-	7,887	(347)	-	7,540
Total comprehensive income	-	-	7,887	(347)	28,115	35,655
Dividends	-	-	-	-	(21,317)	(21,317)
Sale of treasury shares	-	136	-	-	(68)	68
Share options	-	-	-	31	-	31
Transfer of exercised and forfeited share options within equity	-	-	-	(63)	63	-
December 31, 2015	53,799	(4,246)	(121)	925	170,212	220,569

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s. STATEMENT OF CASH FLOWS IN ACCORDANCE WITH IFRS FOR THE YEAR ENDED DECEMBER 31, 2015

in CZK Millions

	2015	2014*
OPERATING ACTIVITIES:		
Income before income taxes	29,184	22,688
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	14,708	13,527
Amortization of nuclear fuel	3,392	3,349
Gain on non-current asset retirements, net	(298)	(116)
Foreign exchange rate losses (gains), net	474	192
Interest expense, interest income and dividend income, net	(23,328)	(18,417)
Provisions	(2,711)	311
Impairment of property, plant and equipment and intangible assets	788	297
Other impairment and other adjustments	5,097	6,104
Changes in assets and liabilities:		
Receivables	5,168	(1,469)
Materials, supplies and fossil fuel stocks	364	(955)
Receivables and payables from derivatives	5,675	4,968
Other current assets	5,863	2,799
Trade and other payables	(1,867)	3,817
Accrued liabilities	(3,104)	1,320
Cash generated from operations	39,405	38,415
Income taxes received (paid)	251	(1,791)
Interest paid, net of capitalized interest	(2,888)	(3,901)
Interest received	1,068	1,384
Dividends received	21,600	20,701
Net cash provided by operating activities	59,436	54,808
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures and refunds	49	(1,103)
Proceeds from disposal of subsidiaries, associates and joint-ventures	318	102
Additions to non-current assets, including capitalized interest	(17,287)	(22,096)
Proceeds from sale of non-current assets	70	52
Loans made	(8,123)	(1,503)
Repayment of loans	6,838	13,032
Change in restricted financial assets	(583)	(632)
Total cash used in investing activities	(18,718)	(12,148)
FINANCING ACTIVITIES:		
Proceeds from borrowings	60,734	66,610
Payments of borrowings	(90,833)	(95,107)
Proceeds from other long-term liabilities	179	-
Change in payables/receivables from group cashpooling	4,091	2,544
Dividends paid	(21,309)	(21,320)
Sale of treasury shares	68	-
Net cash used in financing activities	(47,070)	(47,273)
Net effect of currency translation in cash	(195)	(42)
Net decrease in cash and cash equivalents	(6,547)	(4,655)
Cash and cash equivalents at beginning of period	9,511	14,166
Cash and cash equivalents at end of period	2,964	9,511
Supplementary cash flow information		
Total cash paid for interest	6,791	8,310

* The way of presentation was changed in 2015 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as of December 31, 2014.

The accompanying notes are an integral part of these financial statements.

**ČEZ, a. s. NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015****Content**

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1. Description of the Company

ČEZ, a. s. (ČEZ or the Company), business registration number 45274649, is a joint-stock company incorporated on May 6, 1992 under the laws of the Czech Republic in the Commercial Register maintained by the Municipal Court in Prague (Section B, Insert 1581). The Company's registered office is located at Duhová 2/1444, Prague 4, Czech Republic.

The Company is involved primarily in the production, trading and sale of electricity and the related support services and in the production, distribution and sale of heat and sale of gas.

The average number of employees was 5,156 and 5,525 in 2015 and 2014, respectively.

The Czech Republic represented by the Ministry of Finance is a majority shareholder holding 69.8% of the Company's share capital at December 31, 2015. The majority shareholder's share of the voting rights represented 70.3% at the same date.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

These separate financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The financial statements are prepared under the historical cost convention, except when IFRS requires other measurement basis as disclosed in the accounting policies below.

Based on the economic substance of the underlying events and circumstances relevant to the Company, the functional and presentation currency has been determined to be Czech crowns (CZK).

The Company also compiled consolidated IFRS financial statements of the CEZ Group for the same period.

2.2. Changes in Accounting Policies

2.2.1. Adoption of New IFRS Standards in 2015

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Company has adopted the following new or amended and endorsed by EU IFRS and IFRIC interpretations as of January 1, 2015:

Annual Improvements to IFRSs 2011–2013

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 13	Fair Value Measurement
IAS 40	Investment Property

These changes did not have significant impact on the Company's financial statements.

2.2.2. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by the EU

The Company is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2016 or later. Standards and interpretations most relevant to the Company's activities are detailed below:

IFRS 9 Financial Instruments – Classification and Measurement

The IFRS 9 was originally issued in November 2009 and is intended to replace IAS 39 Financial Instruments: Recognition and measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. In October 2010 the IASB added to IFRS 9 the requirements for classification and measurement of financial liabilities and derecognition of financial assets and liabilities. Most of the requirements in IAS 39 for classification and measurement of financial liabilities and derecognition of financial assets and liabilities were carried forward unchanged to IFRS 9. The standard eliminates categories of financial instruments currently existing in IAS 39: available-for-sale and held-to-maturity. According to IFRS 9 all financial assets and liabilities are initially recognized at fair value plus transaction costs.

Financial assets

Debt instruments may, if the fair value option (FVO) is not applied, be subsequently measured at amortized cost if the following both conditions are met:

- the asset is held within a business model that has the objective to hold the assets to collect the contractual cash flows;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

All other debt instruments, where the above mentioned conditions are not met, are subsequently measured at fair value.

All equity investment financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity instruments held for trading must be measured at fair value through profit or loss. Entities have an irrevocable choice of recognizing changes in fair value either in OCI or profit or loss by instrument for all other equity investment financial assets.

Financial liabilities

For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortized cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases.

Entities are generally required to recognize either 12-months or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognized.

Hedge accounting

New chapter on hedge accounting has been added to IFRS 9. This represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. There are also improvements to the disclosures about hedge accounting and risk management.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The standard has not yet been endorsed by EU. Retrospective application is required, but comparative information is not compulsory. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets and liabilities.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the balance sheet and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after January 1, 2016 but was not endorsed by EU yet. This new standard will have no significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014. The standard outlines the principles an entity must apply to measure and recognize revenue. The core principle is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 will be applied using a five-step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The standard has not yet been endorsed by EU. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

The IASB issued in January 2016 new standard, IFRS 16 Leases, which replaces existing IFRS leases requirements and requires lessees to recognize most leases on their balance sheets while lessor accounting is substantially unchanged. Company is currently assessing the impact of this new standard on its financial statements.

The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The standard has not yet been endorsed by EU. The Company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify:

- the materiality requirements in IAS 1;
- that specific line items in the statement(s) of profit or loss and OCI and the balance sheet may be disaggregated;
- that entities have flexibility as to the order in which they present the notes to financial statements;
- that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The standard has not yet been endorsed by EU. These amendments are not expected to have a significant impact to the Company, but will assist in applying judgment when meeting the presentation and disclosure requirements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 are intended to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective prospectively for annual periods beginning on or after February 1, 2015 and the Company does not expect the amendment will have a significant impact on its financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operation

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments were not endorsed by EU yet and are not expected to have significant impact to the Company.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments were not endorsed by EU yet and are not expected to have significant impact to the Company.

Annual Improvements to IFRSs 2010–2012

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 8	Operating Segments
IFRS 13	Fair Value Measurement
IAS 16	Property, Plant and Equipment
IAS 24	Related Party Disclosures
IAS 38	Intangible Assets

The Company will apply these improvements from January 1, 2016.

Annual Improvements to IFRSs 2012–2014

In September 2014 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

The Company will apply these improvements from January 1, 2016.

These changes will have no significant impact on the Company's financial statements.

The Company does not expect early adoption of any of the above mentioned standards, improvements or amendments.

2.2.3. Changes in the Presentation of the Financial Statements

The way of presentation of the financial statements was changed in 2015. The main goal of the changes was to enhance relevancy of information contained on the face of the financial statements and reflect the developments in the best practice of financial reporting in the industry with regard to all IFRS requirements. The changes have been made to the balance sheet, statement of income, statement of comprehensive income and the statement of cash flows. As a result, reclassifications for the prior period have been made to provide fully comparative information on the same basis. The reclassifications have also been made to the balance sheet at the beginning of the earliest comparative period, i.e. at January 1, 2014.

The following tables summarize the effect of reclassifications on prior period presented (in CZK millions):

	Reclassifications 2014	Reclassifications Jan 1, 2014
Balance sheet:		
Restricted financial assets	12,029	10,611
Investments and other financial assets, net	(12,029)	(10,611)
Total other non-current assets	-	-
Provisions ¹⁾	319	182
Deferred tax liability ²⁾	9,624	8,744
Other long-term liabilities	(2,407)	(2,271)
Total non-current liabilities	7,536	6,655
Deferred tax liability²⁾	(9,624)	(8,744)
Trade and other payables	(64)	(131)
Provisions	6,420	5,808
Accrued liabilities	(4,268)	(3,588)
Total current liabilities	2,088	2,089
Total equity and liabilities	-	-

¹⁾ This line with the former headline Accumulated provision for nuclear decommissioning and fuel storage contained only nuclear provisions in the separate financial statements as of December 31, 2014. Now this line contains all long-term provisions.

²⁾ The line Deferred tax liability was not presented within non-current liabilities in the separate financial statements as of December 31, 2014. Now it is part of non-current liabilities.

	Reclassifications 2014
Statement of income:	
Gains and losses from electricity, coal and gas derivative trading, net ³⁾	(2,692)
Sales of gas, heat and other revenues	(1,001)
Other operating income	4,020
Total revenues and other operating income	327
Gains and losses from commodity derivative trading, net ³⁾	2,692
Purchased power and related services	228
Other operating expenses	(3,247)
Income before other income (expenses) and income taxes	-
Other income (expenses), net	(10,883)
Other financial expenses	(10,058)
Other financial income	20,941
Total other income (expenses)	-
Net income	-
EBITDA	-
Statement of comprehensive income:	
Cash flow hedges reclassified from equity	4,045
Cash flow hedges reclassified to income statement	(3,950)
Cash flow hedges reclassified to assets	(95)
Other comprehensive income, net of tax	-
Total comprehensive income, net of tax	-
Statement of cash flows:	
Net cash provided by operating activities	(114)
Total cash used in financing activities	114
Net decrease in cash and cash equivalents	-

³⁾ The headline of the line Gains and losses from commodity derivative trading, net was changed in 2015 (formerly Gains and losses from electricity, coal and gas derivative trading, net). This line is not presented as part of Total revenues and other operating income in 2015.

2.3. Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Explanation of key assumptions is included in relevant sections of notes where significant estimates are being described.

Significant estimates are made by the Company while determining recoverable amounts for property, plant and equipment and financial assets (see Notes 3 and 5), accounting for the nuclear provisions (see Notes 2.21 and 16.1), provisions for waste storage reclamation (see Note 16.2), fair value of commodity contracts (see Notes 2.18 and 14) and financial derivatives (see Notes 2.17 and 14).

2.4. Revenues and Other Income

The Company recognizes revenue from supplies of electricity and related services based on contract terms. Differences between contracted amounts and actual supplies are settled through the market operator.

Revenues are recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be reliably measured. Sales are recognized net of value added tax and discounts, if any.

Revenue from sale of goods is recognized when the goods are delivered and significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue from services is recognized when the services are rendered.

Dividends earned on investments are recognized when the right of payment has been established.

2.5. Fuel Costs

Fuel costs are expensed as fuel is consumed. Fuel expense includes the amortization of the cost of nuclear fuel (see Note 2.8).

2.6. Interest

The Company capitalizes all interest incurred in connection with its construction program that theoretically could have been avoided if expenditures for the qualifying assets had not been made. The qualifying assets include assets, for which the construction represents a substantial period of time. Capitalized interest costs amounted to CZK 3,573 million and CZK 3,977 million and the interest capitalization rate was 4.3% and 4.5% in 2015 and 2014, respectively.

2.7. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairment in value. Cost of plant in service includes materials, labor, payroll-related costs and the cost of debt financing used during construction. The cost also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that is recognized as a provision under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Government grants received for construction of certain items of property, plant and equipment decrease the acquisition cost of the respective items.

Internally developed property, plant and equipment are recorded at their accumulated cost. The cost of maintenance, repairs, and replacement of minor items of property is charged to maintenance expense when incurred. Renewals and improvements are capitalized. Upon sale, retirement or replacement of part of an item of property, plant and equipment the cost and related accumulated depreciation of the disposed item or its replaced part are derecognized from the balance sheet. Any resulting gains or losses are included in profit or loss.

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company reviews the recoverable amounts of its property, plant and equipment to determine whether such amounts continue to exceed the assets' carrying values. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Identified impairment of property, plant and equipment is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

At each reporting date, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

The Company depreciates the original cost of property, plant and equipment less its residual value by using the straight-line method over the estimated economic lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable useful lives used for property, plant and equipment are as follows:

	Useful lives (years)
Buildings and structures	20–50
Machinery and equipment	4–25
Vehicles	8–25
Furniture and fixtures	8–15

Average depreciable lives based on the functional use of property, plant and equipment are as follows:

	Average life (years)
Hydro plants	
Buildings and structures	45
Machinery and equipment	12
Fossil fuel plants	
Buildings and structures	39
Machinery and equipment	12
Nuclear power plant	
Buildings and structures	38
Machinery and equipment	13

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation of plant in service was CZK 14,453 million and CZK 13,298 million for the years ended December 31, 2015 and 2014, which was equivalent to a composite depreciation rate of 4.2% and 4.0%, respectively.

2.8. Nuclear Fuel

Nuclear fuel is stated at original cost, net of accumulated amortization and presented as part of property plant and equipment. Amortization of fuel in the reactor is based on the amount of power generated. Amortization of nuclear fuel charged to fuel expense was CZK 3,392 million and CZK 3,349 million for the years ended December 31, 2015 and 2014, respectively. The amortization of nuclear fuel includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 328 million and CZK 275 million in 2015 and 2014, respectively. Additions to nuclear fuel were CZK 4,934 million and CZK 3,345 million in 2015 and 2014, respectively. In 2015 balance of nuclear fuel was increased by the capitalized portion of the provision for interim storage of nuclear fuel in the amount of CZK 64 million in connection with the change of estimate.

2.9. Intangible Assets

Intangible assets are valued at their acquisition costs and related expenses. Intangible assets are amortized over their useful lives using the straight-line method. The estimated useful life of intangible assets ranges from 3 to 10 years. The intangible assets' residual values, useful lives and methods of amortization are reviewed, and adjusted if appropriate, at each financial year end. Improvements are capitalized.

Intangible assets are tested for impairment whenever facts or changes in circumstances indicate that the carrying amount could be impaired. The recoverable amount of an intangible asset not yet available for use is tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Identified impairment of intangible assets is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

At each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

2.10. Emission Rights

Emission right represents the right of the operator of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year equivalent of one ton of carbon dioxide. Based on the National Allocation Plans the Company have been granted emission rights free of charge. The Company is responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an authorized person.

On April 30 of the following year, at the latest, the Company is required to remit a number of allowances representing the number of tones of CO₂ actually emitted in previous year.

The emission rights which were granted free of charge are stated at their nominal value, i.e. at zero. Purchased emission rights are carried at cost (except for emission rights for trading). The Company recognizes a provision to cover emissions made which is measured firstly at the cost of emission rights resulting from hedging strategy, and purchased emission rights and credits up to the level of granted and purchased emission rights and credits held and then at the market price ruling at the balance sheet date.

The Company also holds emission rights for trading purposes. The portfolio of emission rights held for trading is measured at fair value. The changes in fair value of the emission rights held for trading are recognized directly in profit or loss.

At each reporting date, the Company assesses whether there is any indication that emission rights may be impaired. Where an indicator of impairment exists, the Company reviews the recoverable amounts of the cash-generating units, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. Any identified impairment of emission rights is recognized directly in profit or loss in the line item of Emission rights, net.

Sale and repurchase agreements with emission rights are accounted for as collateralized borrowing.

The swaps of European emission rights (EUA) and certified emission reductions (CER or emission credits) are treated as derivatives in the period from the trade date to the maturity date. The swap is measured at fair value with any fair value changes being recognized in profit and loss. Any cash received before the EUA/CER swap matures would result in an offsetting change in the fair value of the swap. Upon the delivery of EUAs and CERs the difference between the total of cash received and the fair value of the CER received on one hand and the total of the carrying value of the EUA given up and the fair value of the EUA/CER swap given up is recognized as a gain or loss.

2.11. Investments

Investments are classified into the following categories: held-to-maturity, loans and receivables, held for trading and available-for-sale. Investments with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity other than loans and receivables originated by the Company are classified as held-to-maturity investments. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Investments acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as held for trading. All other investments, other than loans and receivables originated by the Company, are classified as available-for-sale.

Held-to-maturity investments and loans and receivables are included in non-current assets unless they mature within 12 months of the balance sheet date. Investments held for trading are included in current assets. Available-for-sale investments are classified as current assets if the Company intends to realize them within 12 months of the balance sheet date.

All purchases and sales of investments are recognized on the settlement date.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Available-for-sale and trading investments are subsequently carried at fair value without any deduction for transaction costs by reference to their quoted market price at the balance sheet date.

Gains or losses on remeasurement to fair value of available-for-sale investments are recognized directly in other comprehensive income, until the investment is sold or otherwise disposed of, or until it is determined to be impaired. Equity securities classified as available-for-sale investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at cost.

The carrying amounts of available-for-sale investments are reviewed at each balance sheet date whether there is objective evidence for impairment. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income. In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

Changes in the fair values of trading investments are included in Other financial expenses or Other financial income.

Held-to-maturity investments and loans and receivables are carried at amortized cost using the effective interest rate method.

Investments in subsidiaries, associates and joint-ventures are carried at cost. Impaired investments are provided for or written off.

Mergers with entities under common control are recorded using a method similar to pooling of interests. Assets and liabilities of the merged entities are included in separate financial statements of the Company at their book values. The difference between the cost of investment in subsidiaries and net assets merged from entities under common control is recorded directly in equity.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts with banks and short-term bank notes with a maturity of 6 months or less. Foreign currency deposits are translated using the exchange rates published as at the balance sheet date.

2.13. Financial Assets Restricted in Use

Restricted balances of cash and other financial assets, which are shown as restricted funds (see Note 4), relate to deposits for funding of nuclear decommissioning liabilities under a Nuclear act, waste storage reclamation under a Waste act and cash guarantees given to transaction partners. The non-current classification is based on the expected timing of the release of the funds to the Company.

2.14. Receivables, Payables and Accruals

Receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An impairment analysis of receivables is performed by the Company at each reporting date on an individual basis for significant clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable. The calculation is based on actual incurred historical data of these groups.

Payables are recorded at invoiced values and accruals are reported at expected settlement values.

2.15. Materials and Supplies

Purchased inventories are valued at actual cost, using the weighted average method. Costs of purchased inventories comprise expenses which have been incurred in respect of the acquisition of materials and supplies including transportation costs. When consumed, inventories are charged to income or capitalized as part of property, plant and equipment. Work-in-progress is valued at actual cost. Costs of inventories produced internally include direct material and labor costs. Obsolete inventories are reduced to their realizable value by a provision charged to the income statement. At December 31, 2015 and 2014 the provision for obsolescence amounted to CZK 28 million and CZK 73 million, respectively.

2.16. Fossil Fuel Stocks

Fossil fuel stocks are stated at actual cost using weighted average cost method.

2.17. Derivative Financial Instruments

The Company uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. In the balance sheet such derivatives are presented as part of Investments and other financial assets, net, Other financial assets, net, Other long-term liabilities and Trade and other payables.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge:

Gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognized in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to profit or loss over the remaining term to maturity.

Cash flow hedge:

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are initially recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement in the line items Other financial expenses or Other financial income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recorded to the income statement when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Other derivatives:

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

2.18. Commodity Contracts

According to IAS 39, certain commodity contracts are treated as financial instruments and fall into the scope of the standard. Most commodity purchase and sales contracts entered into by the Company provide for physical delivery of quantities intended to be consumed or sold as part of its ordinary business; such contracts are thus excluded from the scope of IAS 39.

Forward purchases and sales for physical delivery of energy are considered to fall outside the scope of application of IAS 39, when the contract concerned is considered to have been entered into as part of the normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- a physical delivery takes place under such contracts;
- the volumes purchased or sold under the contracts correspond to the Company's operating requirements;
- the contract cannot be considered as written option as defined by the standard. In the specific case of electricity sales contracts, the contract is substantially equivalent to a firm forward sale or can be considered as a capacity sale.

The Company thus considers that transactions negotiated with a view to balancing the volumes between electricity purchases and sale commitments are part of its ordinary business as an integrated electric utility company and do not therefore come under the scope of IAS 39.

Commodity contracts which fall under the scope of IAS 39 are carried at fair value with changes in the fair value recognized in the income statement. The Company presents revenues and expenses related to commodity trading net in the line Gains and losses from commodity derivative trading, net.

2.19. Income Taxes

The provision for corporate tax is calculated in accordance with the Czech tax regulations and is based on the income or loss reported under the Czech accounting regulations, increased or decreased by the appropriate permanent and temporary differences (e.g. differences between book and tax depreciation). Income tax due is provided at a rate of 19% for the years ended December 31, 2015 and 2014, respectively, from income before income taxes after adjustments for certain items which are not deductible, or taxable, for taxation purposes. The Czech corporate income tax rate enacted for 2016 and on is 19%.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recorded regardless when the temporary difference reverses. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. A deferred tax liability is recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Change in the carrying amount of deferred tax assets and liabilities due to change in tax rate is recognized in the income statement, except to the extent that it relates to items previously charged or credited to equity.

2.20. Long-term Debt

Borrowings are initially recognized in the amount of the proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, the difference between net proceeds and redemption value is being recognized in the net income over the life of the borrowings as interest expense.

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

The carrying amount of long-term debt, which is hedged against the changes in its fair value, is adjusted by the changes in the fair value attributable to the hedged risk. The changes in the fair value of the hedged long-term debt are recognized in profit or loss and are included in the income statement line Other financial expenses or Other financial income. The adjustment to the carrying amount of the hedged long-term debt in a fair value hedge is subsequently amortized to profit or loss using the effective interest rate method.

2.21. Nuclear Provisions

The Company has recognized provisions for its obligations to decommission its nuclear power plants at the end of their operating lives, to store the related spent nuclear fuel and other radioactive waste initially on an interim basis and provision for its obligation to provide financing for subsequent permanent storage of spent fuel and irradiated parts of reactors (see Note 16.1).

The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted at December 31, 2015 and 2014 using a long-term real rate of interest of 1.5% per annum and 1.75% per annum, respectively, to take into account the timing of payments. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the lives of the nuclear plants. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being recognized as a component of interest expense. At December 31, 2015 and 2014 the estimate for the effect of inflation is 1% and 1.25%, respectively.

The decommissioning process is expected to continue for approximately a fifty-year period for Temelin power plant and sixty-year period for Dukovany power plant subsequent to the final operation of the plants. It is currently anticipated that the permanent storage facility will become available in 2065 and the process of final disposal of the spent nuclear fuel will then continue until approximately 2084 when the process should be finished. While the Company has made its best estimate in establishing its nuclear provisions, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and fuel storage activities, the ultimate provision requirements could vary significantly from the Company's current estimates.

Changes in a decommissioning liability and in liability for final storage of spent nuclear fuel that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.22. Treasury Shares

Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented in the statement of equity as a reduction of equity. No gain or loss is recognized in the income statement on the sale, issuance or cancellation of treasury shares. Consideration received is presented in the financial statements as an addition to equity.

2.23. Share Options

Members of Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expense related to the share option plan is measured on the date of the grant by reference to the fair value of the share options granted. In case of options which vest immediately, the expense is recognized directly in profit or loss with a corresponding increase in equity. In all other cases the expense is accrued over the vesting period of the equity instruments granted. The expense recognized reflects the best estimate of the number of share options which will ultimately vest. In 2015 and 2014 the expense recognized in respect of the share option plan amounted to CZK 31 million and CZK 26 million, respectively.

2.24. Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns using the exchange rate prevailing at the date of the transaction, as published by the Czech National Bank. In the accompanying financial statements, monetary assets and liabilities are translated at the rate of exchange ruling at December 31. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity for qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equity instruments held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equity securities are included in equity.

Exchange rates used as at December 31, 2015 and 2014 for the translation of assets and liabilities denominated in foreign currencies were as follows:

	2015	2014
CZK per 1 EUR	27.025	27.725
CZK per 1 USD	24.824	22.834
CZK per 1 PLN	6.340	6.492
CZK per 1 BGN	13.819	14.193
CZK per 1 RON	5.976	6.185
CZK per 100 JPY	20.619	19.090
CZK per 1 TRY	8.509	9.789

2.25. Non-current Assets Held for Sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

3. Property, Plant and Equipment

Net plant in service at December 31, 2015 and 2014 was as follows (in CZK millions)

	Buildings	Plant and Equipment	Land and Other	Total
Cost at January 1, 2014	85,630	232,049	1,402	319,081
Additions	4,801	18,341	52	23,194
Disposals	(1,033)	(677)	(1)	(1,711)
Change in capitalized part of the provision	122	3,514	-	3,636
Effect of merger	-	-	46	46
Reclassification and other	(24)	24	-	-
Cost at December 31, 2014	89,496	253,251	1,499	344,246
Additions	2,167	4,869	26	7,062
Disposals	(78)	(360)	(4)	(442)
Change in capitalized part of the provision	40	2,808	-	2,848
Non-monetary contribution	(1,866)	(5,545)	(95)	(7,506)
Reclassification and other	(28)	23	-	(5)
Cost at December 31, 2015	89,731	255,046	1,426	346,203
Accumulated depreciation and impairment at January 1, 2014	(41,282)	(141,000)	-	(182,282)
Depreciation	(2,098)	(11,200)	-	(13,298)
Net book value of assets disposed	(37)	(2)	-	(39)
Disposals	1,033	677	-	1,710
Reclassification and other*	(466)	(1,964)	-	(2,430)
Impairment losses recognized	(12)	-	-	(12)
Impairment losses reversed	18	-	-	18
Accumulated depreciation and impairment at December 31, 2014	(42,844)	(153,489)	-	(196,333)
Depreciation	(2,360)	(12,093)	-	(14,453)
Net book value of assets disposed	(19)	(42)	-	(61)
Disposals	78	360	-	438
Non-monetary contribution	1,347	5,058	-	6,405
Reclassification and other	(18)	21	-	3
Impairment losses recognized	(130)	(65)	(3)	(198)
Impairment losses reversed	12	-	-	12
Accumulated depreciation and impairment at December 31, 2015	(43,934)	(160,250)	(3)	(204,187)
Net plant in service at December 31, 2014	46,652	99,762	1,499	147,913
Net plant in service at December 31, 2015	45,797	94,796	1,423	142,016

* The impairment loss for Počerady gas power plant, which was created in the year 2013 as an impairment loss to construction in progress, was transferred to the tangible assets in 2014.

At December 31, 2015 construction work in progress contains mainly refurbishments performed on Ledvice and Pruněřov power plants. It also contains costs of CZK 2,243 million for the preparation of new nuclear power sources.

Company's production assets are tested for any possible impairment as a single cash-generating unit with the exception of specific assets, e.g. the gas fired power plant in Počerady. Company's cash-generating unit of production assets is characterized by portfolio management in the deployment and maintenance of various production resources and the cash flows generated from these activities.

As part of testing the recoverable value of fixed assets of the cash-generating unit of ČEZ, a. s. (hereinafter the "ČEZ Value"), we performed a sensitivity analysis of the test results to changes in certain key parameters of the used model – changes in wholesale electricity prices (hereinafter the "EE Prices"), changes in the discount rate used in the calculation of the present value of future cash flows and changes in CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of wholesale electricity prices in Germany (as German electricity prices have a major impact on the development of wholesale electricity prices in the Czech Republic) are the key assumptions used for the ČEZ Value model. The developments of wholesale prices are primarily determined by the EU political decisions, the development of global demand and supply of commodities and the technological progress.

The impact of EE price changes on the results of the ČEZ Value test is further influenced by a number of external factors, including, in particular, changes in the structure and availability of production resources in the Czech Republic and neighboring countries, the macroeconomic development of the Central European region and the regulation of the energy sector in the EU and Germany, including the future Market design and fundamental impact of nuclear sources attenuation in 2020–2021, the impact of the EU approved 2030 climate and energy targets and the impact of the Czech Republic State Energy Concept. The model was constructed for a period adequate to the useful life of the production resources, i.e. for a period that significantly exceeds the period for which commodities, including wholesale electricity price contracts, are traded on public liquid markets. In addition, the electricity market is subject to structural changes and major industry regulation; consequently, complete abandonment of market-based pricing mechanisms and implementation of alternative, centrally regulated payments for the availability and supply of production resources within the period of useful life of the production resources is actually possible.

With respect to the fact that we are using a long-term model, there are certain internal factors and assumptions that affect the ČEZ Value sensitivity to the development of electricity prices, such as varying deployment of the production portfolio depending on the development of electricity market prices, emission allowances and variable production costs and, in a longer perspective, also the development of fixed costs reflecting the development of the production resources gross margin.

The sensitivity test results reflect expert estimates of the status and development of the above factors in the period of the model and the status of commercial securing of the production portfolio as at December 31, 2015. The borderline values of the interval of all three main tested factors represent test results arising from the use of two price scenarios.

The basic scenario considers long-term EE prices at the level used to prepare Company's business plan for 2016–2020. The plan was prepared in the fourth quarter 2015 whereas the plan was based on the active market parameters observed in August and September (electricity prices on EEX energy exchange in Germany, prices on PXE energy exchange in the Czech Republic, price of CO₂ emission rights, FX rate CZK/EUR, interest rates etc.). There is a liquidity for electricity contracts traded on EEX for the period covering the horizon of the business plan and with regard to links between German and Czech electricity transmission network, the EEX prices are basic market price indicator for EE prices in the Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of the Company. The second basic price scenario assumes EE prices lower by about 30% compared to the basic scenario and also contains decrease of relevant expenses.

A change of the assumed EE prices as per the models by 1%, with other parameters remaining unchanged, would have an impact of approximately CZK 3.0–4.5 billion on the ČEZ Value test results. Future cash flows of the model were discounted using a 4.2% rate. A change of 0.1 percentage point in the discount rate, with other parameters remaining unchanged, would change the ČEZ Value by CZK 3.5–5.4 billion. A change of 1% in the CZK/EUR exchange rate, with other parameters remaining unchanged, would result in a change of approximately CZK 3.7–5.3 billion in the ČEZ Value.

4. Restricted Financial Assets

Restricted financial assets at December 31, 2015, and 2014 consist of the following (in CZK millions)

	2015	2014
Restricted debt securities available-for-sale	10,098	10,166
Restricted cash	2,564	1,863
Total restricted financial assets	12,662	12,029

At December 31, 2015 and 2014 the most important restricted financial assets are restricted funds representing accumulated provision for nuclear decommissioning totaled CZK 12,356 million and CZK 11,665 million, respectively, and restricted funds representing accumulated provision for waste storage and reclamation totaled CZK 247 million and CZK 303 million, respectively.

5. Investments and Other Financial Assets, Net

Investments and other financial assets, net at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Equity securities and interests, net	160,371	161,302
Debt securities available-for-sale	675	-
Loans granted, net	9,402	7,871
Derivatives	7,006	5,456
Long-term receivable from settlement with Albania	1,111	1,705
Other long-term receivables	15	25
Financial assets in progress	112	-
Total investments and other financial assets	178,692	176,359

Movements in impairment provisions against equity securities and interest and provisions against loans (in CZK millions)

	2015		2014	
	Equity securities and interests	Loans	Equity securities and interests	Loans
Opening balance	23,681	150	20,501	768
Additions	1,642	283	6,473	150
Derecognition of impaired fin. assets	(85)	-	(3,028)	(768)
Reversals	-	-	(265)	-
Closing balance	25,238	433	23,681	150

In 2015 the Company created an impairment provisions against the investments in ŠKODA PRAHA Invest s.r.o. in the amount of CZK 532 million, Elektrárna Tisová, a.s. in the amount of CZK 504 million and Elektrárna Dětmarovice, a.s. in the amount of CZK 434 million in connection with reduction of recoverable amount. In addition the impairment provision against the investment in CEZ Razpredelenie Bulgaria AD was increased by CZK 172 million due to the reduction of recoverable amount.

In 2015 the Company reversed impairment provision against the investment in CEZ Trade Albania Sh.P.K. in the amount of CZK 85 million due to liquidation of company.

In 2015 the Company also increased an impairment provision against the loans granted to M.W. Team Invest S.R.L. by CZK 283 million.

In 2014 the Company created an impairment provisions against the investments in CEZ Hungary Ltd. in the amount of CZK 121 million, CEZ Trade Albania Sh.P.K. in the amount of CZK 85 million, Shared Services Albania Sh.A. in the amount of CZK 73 million and CEZ Srbija d.o.o. in the amount of CZK 36 million in connection with reduction of recoverable amount.

In addition the impairment provision against the investment in Tomis Team S.R.L. was increased by CZK 3,182 million, in TEC Varna EAD by CZK 1,021 million, in CEZ Razpredelenie Bulgaria AD by CZK 991 million, in Ovidiu Development S.R.L. by CZK 863 million and in Energetické centrum s.r.o. by CZK 101 million due to the reduction of recoverable amount.

In 2014 the Company reversed created impairment provision against the investments in Operatori i Shpërndarjes së Energjisë Elektrike Sh.A.(former CEZ Shpërndarje Sh.A.) in the amount of CZK 3,028 million and in NERS d.o.o. in the amount of CZK 102 million in connection with the sale of its shares, in CEZ RUS OOO in the amount of CZK 50 million due to liquidation of company and in PPC Úžin, a.s. in the amount of CZK 113 million due to the merger with ČEZ, a. s.

In 2014 the Company also reversed the created impairment provision against the loans granted to Operatori i Shpërndarjes së Energjisë Elektrike Sh.A. in the amount of CZK 768 million and created an impairment provision of CZK 150 million against the loans granted to M.W. Team Invest S.R.L.

Loans granted and other long-term receivables, net at December 31, 2015, and 2014 are contracted to mature in the following periods after the balance sheet date (in CZK millions)

	2015		2014	
	Loans granted	Other long-term receivables	Loans granted	Other long-term receivables
Due in 1–2 years	1,148	566	1,907	586
Due in 2–3 years	1,179	557	1,407	572
Due in 3–4 years	1,123	2	1,439	570
Due in 4–5 years	1,726	1	1,414	2
Due in more than 5 years	4,226	-	1,704	-
Total	9,402	1,126	7,871	1,730

Loans granted and other long-term receivables, net at December 31, 2015 and 2014 have following effective interest rate structure (in CZK millions)

	2015		2014	
	Loans granted	Other long-term receivables	Loans granted	Other long-term receivables
Less than 2.00%	86	1,126	-	1,730
From 2.00% to 2.99%	6,128	-	910	-
From 3.00% to 3.99%	3,188	-	3,320	-
From 4.00% to 4.99%	-	-	89	-
Over 4.99%	-	-	3,552	-
Total	9,402	1,126	7,871	1,730

Loans granted and other long-term receivables, net at December 31, 2015 and 2014 according to currencies (in CZK millions)

	2015		2014	
	Loans granted	Other long-term receivables	Loans granted	Other long-term receivables
CZK	8,172	9	6,540	15
EUR	900	1,115	950	1,712
PLN	330	-	381	1
USD	-	2	-	2
Total	9,402	1,126	7,871	1,730

Changes of Equity Securities and Interests in 2015

Three subsidiaries Energocentrum Vítkovice, a. s. (100%), Elektrárna Dukovany II, a. s. (100%) and Elektrárna Temelín II, a. s. (100%) were established.

Part of the assets of the company ČEZ Obnovitelné zdroje, s.r.o. was spin off and transferred to successor companies ČEZ Korporátní služby, s.r.o. and ČEZ OZ uzavřený investiční fond a.s.

The share capital of ČEZ ESCO, a.s. was increased by cash and non-monetary contributions of 100% share in ČEZ Energetické služby, s.r.o. and non-controlling share in ČEZ Energo, s.r.o.

The equity of ČEZ Nová energetika, a.s. was increased by cash contribution. Due to the subsequent sale of 4 shares to ČEZ Teplárenská, a.s. the share in the company decreased to 93.65%.

The share capital of Elektrárna Tisová, a.s. was increased by cash and non-monetary contribution of part of business.

The equity of ŠKODA PRAHA Invest s.r.o. was increased by cash contribution outside the registered capital.

The valuation of TEC Varna EAD was decreased due to the payment of share premium. The valuation of Veolia Energie ČR, a.s. was decreased due to purchase price reduction under the terms agreed in the contract.

Two subsidiaries CEZ Bosna i Hercegovina d.o.o. and CEZ Trade Albania Sh.P.K. were deleted from the Commercial Register.

Changes of Equity Securities and Interests in 2014

Two subsidiaries ČEZ Inženýring, s.r.o. (100%) and ČEZ ESCO, a.s. (100%) were established.

The share capital of ŠKODA PRAHA a.s. and Ovidiu Development S.R.L. was increased by cash contribution.

The equity of CEZ Hungary Ltd. was increased by cash contribution outside the registered capital.

The share capital of Shared Services Albania Sh.A. was increased by the capitalization of receivable.

PPC Úžín, a.s. was deleted from the Commercial Register due to the merger with ČEZ, a. s.

The Company sold its 51% share in NERS d.o.o. to the company Elektroprivreda Republike Srpske on the basis of termination of proceedings by arbitration panel, which ruled in favor of the Company.

CEZ RUS OOO was deleted from the Commercial Register.

Other changes

In 2014 Settlement Agreement was signed with the Albanian state in the presence of a mediator from the Energy Community Secretariat in Vienna. The total amount of compensation for receivables and shares is EUR 95 million in favor of CEZ Group. Its discounted value of CZK 2,562 million was recorded in statement of income in 2014 (see Note 21). In 2015 and 2014 the Company received EUR 22 million and EUR 10 million, respectively, and the remaining amount will be received in annual installments until 2018 and is guaranteed by reputable European bank. Upon the effective date of the Settlement Agreement, the Company transferred 76% share in Operatori i Shpërndarjes së Energjisë Elektrike Sh.A. back to Albanian state. At the same time, the arbitration proceedings were closed.

The following table summarizes investments in subsidiaries, associates and joint-ventures and other ownership interests:

As at December 31, 2015

Company	Country	Interest, net (in CZK millions)	% interest ³⁾	Dividends (in CZK millions)
ČEZ Distribuce, a. s.	Czech Republic	31,415	100.00	4,942
Energotrans, a.s.	Czech Republic	17,986	100.00	881
Severočeské doly a.s.	Czech Republic	14,312	100.00	1,707
CEZ Distributie S.A.	Romania	13,489	100.00	3,714
ČEZ OZ uzavřený investiční fond a.s.	Czech Republic	12,878	99.60	1,587
Akenerji Elektrik Üretim A.S.	Turkey	9,043	37.36	-
CEZ Finance Ireland Ltd.	Ireland	9,025	100.00	-
CEZ Razpredelenie Bulgaria AD	Bulgaria	6,698	67.00	-
CEZ Poland Distribution B.V.	Netherlands	4,887	100.00	-
ČEZ Teplárenská, a.s.	Czech Republic	4,678	100.00	240
CEZ Silesia B.V.	Netherlands	4,368	100.00	4,621
ČEZ ICT Services, a. s.	Czech Republic	4,236	100.00	550
ČEZ Bohunice a.s.	Czech Republic	3,592	100.00	-
ČEZ Korporátní služby, s.r.o.	Czech Republic	3,494	100.00	369
Akcez Enerji A.S.	Turkey	3,034	50.00	-
Veolia Energie ČR, a.s.	Czech Republic	2,732	15.00	307
Elektrárna Dětmorovice, a.s.	Czech Republic	1,762	100.00	650
ČEZ ESCO, a.s.	Czech Republic	1,304	100.00	-
Elektrárna Počerady, a.s.	Czech Republic	1,280	100.00	-
ČEZ Distribuční služby, s.r.o.	Czech Republic	1,145	100.00	927
ČEZ Prodej, s.r.o.	Czech Republic	1,100	100.00	3,801
ŠKODA PRAHA a.s.	Czech Republic	996	100.00	-
CEZ Bulgarian Investments B.V.	Netherlands	973	100.00	-
CM European Power International B.V.	Netherlands	948	50.00	-
TEC Varna EAD	Bulgaria	851	100.00	-
CEZ Vanzare S.A.	Romania	817	100.00	468
Elektrárna Tisová, a.s.	Czech Republic	740	100.00	-
CEZ Slovensko, s.r.o.	Slovakia	557	100.00	-
Energetické centrum s.r.o.	Czech Republic	515	100.00	-
CM European Power Slovakia s.r.o.	Slovakia	295	24.50	108
ÚJV Řež, a. s.	Czech Republic	185	52.46	-
LOMY MOŘINA spol. s r.o.	Czech Republic	169	51.05	20
CEZ Romania S.A.	Romania	92	100.00	-
ČEZ Inženýring, s.r.o.	Czech Republic	80	100.00	-
ČEZ Obnovitelné zdroje, s.r.o.	Czech Republic	73	100.00	-
CEZ Hungary Ltd.	Hungary	73	100.00	-
ČEZ Nová energetika, a.s.	Czech Republic	59	93.65	-
VLTAŤAVOTÝNSKÁ TEPLÁRENSKÁ a.s.	Czech Republic	55	39.25	-
Elektrárna Dukovany II, a. s.	Czech Republic	50	100.00	-
Elektrárna Temelín II, a. s.	Czech Republic	50	100.00	-
CEZ Polska sp. z o.o.	Poland	50	0.67	-
CEZ Trade Polska sp. z o.o.	Poland	45	100.00	-
CITELUM, a.s.	Czech Republic	43	48.00	-
Other		197		207
Total, net		160,371		25,099

As at December 31, 2014

Company	Country	Interest, net (in CZK millions)	% interest ³⁾	Dividends (in CZK millions)
ČEZ Distribuce, a. s.	Czech Republic	31,415	100.00	5,716
Energotrans, a.s.	Czech Republic	17,986	100.00	1,352
Severočeské doly a.s.	Czech Republic	14,312	100.00	1,707
CEZ Distributie S.A.	Romania	13,489	100.00	-
ČEZ OZ uzavřený investiční fond a.s.	Czech Republic	12,874	99.60	1,199
Akenerji Elektrik Üretim A.S.	Turkey	9,043	37.36	-
CEZ Finance Ireland Ltd.	Ireland	9,025	100.00	-
CEZ Razpredelenie Bulgaria AD	Bulgaria	6,870	67.00	453
CEZ Poland Distribution B.V.	Netherlands	4,887	100.00	-
ČEZ Teplárenská, a.s.	Czech Republic	4,678	100.00	170
CEZ Silesia B.V.	Netherlands	4,368	100.00	-
ČEZ ICT Services, a. s.	Czech Republic	4,236	100.00	500
ČEZ Bohunice a.s.	Czech Republic	3,592	100.00	-
ČEZ Korporátní služby, s.r.o.	Czech Republic	3,486	100.00	813
Dalkia Česká republika, a.s. ²⁾	Czech Republic	3,166	15.00	330
Akcez Enerji A.S.	Turkey	3,034	50.00	-
Elektrárna Dětmárovice, a.s.	Czech Republic	2,196	100.00	-
TEC Varna EAD	Bulgaria	1,288	100.00	-
Elektrárna Počerady, a.s.	Czech Republic	1,280	100.00	3,139
ČEZ Distribuční služby, s.r.o.	Czech Republic	1,145	100.00	983
ČEZ Prodej, s.r.o.	Czech Republic	1,100	100.00	2,869
ŠKODA PRAHA a.s.	Czech Republic	996	100.00	-
CEZ Bulgarian Investments B.V.	Netherlands	973	100.00	-
CM European Power International B.V.	Netherlands	949	50.00	-
CEZ Vanzare S.A.	Romania	817	100.00	389
CEZ Slovensko, s.r.o.	Slovakia	557	100.00	-
Energetické centrum s.r.o.	Czech Republic	515	100.00	-
ČEZ Energetické služby, s.r.o. ¹⁾	Czech Republic	422	100.00	38
ČEZ Energo, s.r.o. ¹⁾	Czech Republic	401	50.10	-
ČEZ ESCO, a.s.	Czech Republic	400	100.00	-
ŠKODA PRAHA Invest s.r.o.	Czech Republic	389	100.00	775
CM European Power Slovakia s.r.o.	Slovakia	295	24.50	2
ÚJV Řež, a. s.	Czech Republic	185	52.46	-
LOMY MOŘINA spol. s r.o.	Czech Republic	169	51.05	3
CEZ Romania S.A.	Romania	91	100.00	65
ČEZ Obnovitelné zdroje, s.r.o.	Czech Republic	85	100.00	98
ČEZ Inženýring, s.r.o.	Czech Republic	80	100.00	-
CEZ Hungary Ltd.	Hungary	73	100.00	-
VLTAVOVÝNSKÁ TEPLÁRENSKÁ a.s.	Czech Republic	55	39.25	-
CEZ Polska sp. z o.o.	Poland	50	100.00	-
CEZ Trade Polska sp. z o.o.	Poland	45	100.00	-
CITELUM, a.s.	Czech Republic	43	48.00	23
Other		242	-	73
Total, net		161,302		20,697

¹⁾ In 2015 the company ČEZ Energetické služby, s.r.o. and non-controlling share in ČEZ Energo, s.r.o., were contributed to ČEZ ESCO, a.s.

²⁾ In 2015 the company Dalkia Česká republika, a.s. was renamed into Veolia Energie ČR, a.s.

³⁾ Equity interest is equal to voting rights.

6. Intangible Assets, Net

Intangible assets, net, at December 31, 2015 and 2014 were as follows (in CZK millions)

	Software	Rights and Other	Total 2015	Total 2014
Cost at January 1	1,585	1,174	2,759	2,490
Additions	181	73	254	361
Disposals	(49)	(7)	(56)	(48)
Non-monetary contribution	(7)	-	(7)	-
Reclassification and other	5	-	5	(44)
Cost at December 31	1,715	1,240	2,955	2,759
Accumulated amortization at January 1	(1,248)	(1,016)	(2,264)	(2,101)
Amortization	(181)	(74)	(255)	(211)
Disposals	49	7	56	48
Non-monetary contribution	7	-	7	-
Reclassification and other	(2)	-	(2)	-
Accumulated amortization at December 31	(1,375)	(1,083)	(2,458)	(2,264)
Net intangible assets at December 31	340	157	497	495

At December 31, 2015 and 2014, intangible assets presented in the balance sheet included intangible assets in progress of CZK 63 million and CZK 173 million, respectively.

7. Cash and Cash Equivalents

The composition of cash and cash equivalents at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Cash on hand and current accounts with banks	1,965	7,611
Short-term securities	999	900
Term deposits	-	1,000
Total	2,964	9,511

At December 31, 2015 and 2014, cash and cash equivalents included foreign currency deposits of CZK 79 million and CZK 160 million, respectively.

The weighted average interest rate on short-term securities and term deposits at December 31, 2015 and 2014 was 0.4% and 0.5%, respectively. For the years 2015 and 2014 the weighted average interest rate was 0.4% and 0.6%, respectively.

8. Receivables, Net

The composition of receivables, net, at December 31, 2015 and 2014 is as follows (in CZK millions)

	2015	2014
Trade receivables	31,112	34,588
Short-term loans granted	10,104	10,916
Taxes and fees excl. income tax	631	358
Other receivables	6,873	5,256
Allowance for doubtful receivables	(7,182)	(4,361)
Total	41,538	46,757

The information about receivables from related parties is included in Note 29.

At December 31, 2015 and 2014 the ageing analysis of receivables, net is as follows (in CZK millions)

	2015	2014
Not past due	41,443	46,558
Past due but not impaired ¹⁾		
less than 3 months	92	196
3–6 months	2	1
6–12 months	1	2
Total	41,538	46,757

¹⁾ Past due, but not impaired receivables include net receivables, for which the Company recorded an impairment allowance based on the collective assessment of impairment of receivables that are not individually significant.

Movements in allowance for doubtful receivables (in CZK millions)

	2015	2014
Opening balance	4,361	2,977
Additions	2,875	3,169
Reversals	(52)	(1,790)
Non-monetary contribution	(1)	-
Currency translation difference	(1)	5
Closing balance	7,182	4,361

As of December 31, 2015 and 2014 allowances include the allowance of CZK 4,912 and 2,345 million, respectively, for loans granted to Tomis Team S.A., Ovidiu Development S.R.L. and M.W. Team Invest S.R.L.

9. Emission Rights

The following table summarizes the movements and balances of emission rights and credits in measurement units (thousands of tons) in 2015 and 2014 and as at December 31, 2015 and 2014, respectively, and their valuation presented in the accompanying financial statements:

	2015		2014	
	in thousands (tons)	in millions (CZK)	in thousands (tons)	in millions (CZK)
Emission rights and credits granted and purchased for own use:				
Granted and purchased emission rights and credits at January 1	23,527	3,524	14,645	6,078
Emission rights granted	8,510	-	23,539	-
Non-monetary contribution to Elektrárna Tisová, a.s.	(1,157)	-	-	-
Settlement of prior year actual emissions with register	(16,467)	(3,541)	(16,623)	(2,966)
Emission rights purchased	7,031	1,269	2,382	422
Emission rights sold	(1,936)	-	(2,073)	-
Emission credits purchased	39	-	2,131	2
Emission credits sold	-	-	(474)	(12)
Granted and purchased emission rights and credits at December 31	19,547	1,252	23,527	3,524
Emission rights and credits held for trading:				
Emission rights and credits held for trading at January 1	3,220	651	9,210	1,222
Emission rights purchased	14,354	3,058	3,321	557
Emission rights sold	(14,792)	(3,183)	(9,306)	(1,782)
Emission credits purchased	419	3	813	4
Emission credits sold	(409)	(3)	(818)	(4)
Fair value adjustment	-	96	-	654
Emission rights and credits held for trading at December 31	2,792	622	3,220	651

In 2015 and 2014, total emissions of greenhouse gases made by the Company amounted to an equivalent of 15,834 thousand tons and 16,467 thousand tons of CO₂, respectively. At December 31, 2015 and 2014 the Company recognized a provision for CO₂ emissions in total amount of CZK 1,252 million and CZK 3,524 million, respectively (see Notes 2.10 and 16).

The following table shows the impact of transactions with emission rights and credits on income for the year ended December 31, 2015 and 2014 (in CZK millions):

	2015	2014
Gain on sales of granted emission rights	385	342
Net loss from trading with emission rights and credits	(191)	(136)
Net gain (loss) from derivatives	17	(384)
Remitted emission rights and credits	(3,542)	(2,966)
Fair value adjustment	95	654
Creation of provision for CO ₂ emissions	(1,252)	(3,524)
Settlement of provision for CO ₂ emissions	3,524	2,924
Net loss from emission rights and credits	(964)	(3,090)

10. Other Financial Assets, Net

Other financial assets, net, at December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Derivatives	20,907	22,865
Equity securities available-for-sale	946	2,112
Term deposits	6,783	7,834
Debt securities held-to-maturity	3,853	5,548
Total	32,489	38,359

Derivatives balance comprises mainly positive fair value of commodity trading contracts.

Equity securities available-for-sale balance includes investments in money market fund.

Debt securities held-to-maturity are denominated in CZK and at December 31, 2015 and 2014 bear an interest of 0.3%, respectively 1.1%.

The Company concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počeradý, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option can be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement can be inactivated to December 31, 2019. The contracts represent derivatives that will be settled by the delivery of unquoted equity instrument. Elektrárna Počeradý, a.s. is not quoted on any market, there is no similar power plant in the Czech Republic for sale and also no similar transaction took place. There is also significant variability in the range of reasonable fair values for this equity instrument and it is difficult to reasonably assess the probabilities of various estimates. As a result the fair value cannot be reliably measured. Consequently, the put option is measured at cost. There was no option premium paid on the options and therefore the cost of these instruments is zero.

11. Other Current Assets

Other current assets at December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Prepayments	653	680
Advances granted	493	437
Total	1,146	1,117

12. Equity

As at December 31, 2015 and 2014, the share capital of the Company registered in the Commercial Register totaled CZK 53,798,975,900 and consisted of 537,989,759 shares with a nominal value of CZK 100 per share. All shares are bearer common shares that are fully paid and listed and do not convey any special rights.

Movements of treasury shares in 2015 and 2014 (in pieces)

	2015	2014
Number of treasury shares at beginning of period	3,875,021	3,875,021
Sales of treasury shares	(120,000)	-
Number of treasury shares at end of period	3,755,021	3,875,021

Treasury shares remaining at end of period are presented at cost as a deduction from equity.

Declared dividends per share were CZK 40 in 2015 and 2014. Dividends from 2015 profit will be declared on the general meeting which will be held in the first half of 2016.

Capital management

The primary objective of the Company's capital management is to keep its credit rating on the investment grade and on the level that is common in the industry and to maintain healthy capital ratios in order to support its business and maximize value for shareholders. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Company primarily monitors capital using the ratio of net debt to EBITDA. Considering the current structure and stability of cash flow and the development strategy, the goal of the Group is the level of this ratio in range 2.5 to 3.0. In addition, the Company also monitors capital using a total debt to total capital ratio. The Company's policy is to keep the total debt to total capital ratio below 50% in the long term.

EBITDA consists of income before income taxes and other income (expenses) plus depreciation and amortization, plus impairment of property, plant and equipment and intangible assets including goodwill and less gain (or loss) on sale of property, plant and equipment. The Company includes within total debt the long-term and short-term interest bearing loans and borrowings. Net debt is defined as total debt less cash and cash equivalents and highly liquid financial assets. Highly liquid financial assets consist for capital management purposes of short-term equity and debt securities available-for-sale, short-term debt securities held-to-maturity, long-term debt securities available-for-sale and both short-term and long-term deposits. Total capital is total equity attributable to equity holders of the parent plus total debt.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2015	2014
Total long-term debt	157,271	176,526
Total short-term loans	223	7,608
Total debt	157,494	184,134
Less:		
Cash and cash equivalents	(13,482)	(20,095)
Highly liquid financial assets:		
Short-term equity securities available-for-sale	(946)	(2,112)
Short-term debt securities held-to-maturity	(3,852)	(6,299)
Short-term deposits	(7,315)	(8,373)
Long-term deposits	-	(10)
Long-term debt securities available-for-sale	(676)	-
Total net debt	131,223	147,245
Income before income taxes and other income (expenses)	28,961	36,946
Depreciation and amortization	28,619	27,705
Impairment of property, plant and equipment and intangible assets including goodwill	7,685	8,025
Gains and losses on sale of property, plant and equipment	(161)	(178)
EBITDA	65,104	72,498
Total equity attributable to equity holders of the parent	267,893	261,308
Total debt	157,494	184,134
Total capital	425,387	445,442
Net debt to EBITDA ratio	2.02	2.03
Total debt to total capital ratio	37.0%	41.3%

13. Long-term Debt

Long-term debt at December 31, 2015 and 2014 was as follows (in CZK millions)

	2015	2014
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,466	2,283
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million) ¹⁾	–	42
5.750% Eurobonds, due 2015 (EUR 460 million)	–	12,749
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,645	1,523
5.000% Eurobonds, due 2021 (EUR 750 million)	20,203	20,715
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,347	1,380
4.875% Eurobonds, due 2025 (EUR 750 million)	20,188	20,701
4.500% Eurobonds, due 2020 (EUR 750 million)	20,140	20,633
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,372	2,195
4.600% Eurobonds, due in 2023 (CZK 1,250 million)	1,248	1,248
3.625% Eurobonds, due 2016 (EUR 340 million)	9,176	9,397
2.150%* IR CPI Eurobonds, due 2021 (EUR 100 million) ²⁾	2,702	2,773
4.102% Eurobonds, due 2021 (EUR 50 million)	1,347	1,382
4.375% Eurobonds, due 2042 (EUR 50 million)	1,325	1,358
4.500% Eurobonds, due 2047 (EUR 50 million)	1,325	1,358
4.383% Eurobonds, due 2047 (EUR 80 million)	2,162	2,218
3.000% Eurobonds, due 2028 (EUR 500 million)	13,325	13,655
3M Euribor + 0.35% Eurobonds, due 2017 (EUR 45 million)	1,198	1,219
4.250% U.S. bonds, due 2022 (USD 289 million) ³⁾	7,111	15,847
5.625% U.S. bonds, due 2042 (USD 300 million)	7,368	6,775
4.500% Registered bonds, due 2030 (EUR 40 million)	1,060	1,086
4.750% Registered bonds, due 2023 (EUR 40 million)	1,070	1,096
4.700% Registered bonds, due 2032 (EUR 40 million)	1,075	1,102
4.270% Registered bonds, due 2047 (EUR 61 million)	1,621	1,662
3.550% Registered bonds, due 2038 (EUR 30 million)	807	828
Total bonds and debentures	122,281	145,225
Less: Current portion	(9,176)	(12,749)
Bonds and debentures, net of current portion	113,105	132,476
Bank loans (less than 2% p.a.)	13,269	13,183
Less: Current portion	(1,452)	(2,343)
Bank loans, net of current portion	11,817	10,840
Total long term debt	135,550	158,408
Less: Current portion	(10,628)	(15,092)
Total long-term debt, net of current portion	124,922	143,316

¹⁾ In December 2015, the Company bought back the bonds in full amount.

²⁾ The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p.a.

³⁾ In November 2015, the original nominal value of the issue (USD 700 million) was reduced by bought back of the bonds in a nominal value of USD 411 million.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Company.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.17.

Future maturities of long-term debt are as follows (in CZK millions)

	2015	2014
Current portion	10,628	15,092
Between 1 and 2 years	3,127	10,886
Between 2 and 3 years	1,929	2,872
Between 3 and 4 years	3,275	1,653
Between 4 and 5 years	22,069	3,033
Thereafter	94,522	124,872
Total long-term debt	135,550	158,408

The following table analyses long-term debt by currency (in millions)

	2015		2014	
	Foreign currency	CZK	Foreign currency	CZK
EUR	4,194	113,340	4,636	128,537
USD	583	14,479	991	22,622
JPY	31,440	6,483	31,438	6,001
CZK	-	1,248	-	1,248
Total long-term debt		135,550		158,408

Long-term debt with floating interest rates exposes the Company to interest rate risk. The following table summarizes long-term debt with floating rates of interest by contractual repricing dates at December 31, 2015 and 2014 without considering interest rate hedging (in CZK millions):

	2015	2014
Floating rate long-term debt		
with interest rate fixed from 1 to 3 months	1,198	1,219
with interest rate fixed from 3 months to 1 year	14,615	14,563
Total floating rate long-term debt	15,813	15,782
Fixed rate long-term debt	119,737	142,626
Total long-term debt	135,550	158,408

Fixed rate long-term debt exposes the Company to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Notes 14 and 15.

14. Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, current investments

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Securities held for trading

The fair values of equity and debt securities that are held for trading are estimated based on quoted market prices.

Investments

The fair values of instruments, which are publicly traded on active markets, are determined based on quoted market prices. For unquoted equity instruments the Company considered the use of valuation models and concluded that the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Therefore unquoted equity instruments are carried at cost and the fair value information is not disclosed.

Short-term receivables and payables

The carrying amount of receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

Short-term loans

The carrying amount approximates fair value because of the short period to maturity of those instruments.

Long-term debt

The fair value of long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The carrying amount of long-term debt and other payables with variable interest rates approximates their fair values.

Derivatives

The fair value of derivatives is based upon mark to market valuations.

Carrying amounts and the estimated fair values of financial instruments at December 31, 2015 and 2014 are as follows (in CZK millions)

Category	2015		2014		
	Carrying amount	Fair value	Carrying amount	Fair value	
ASSETS:					
Investments:					
Restricted debt securities available-for-sale	AFS	10,098	10,098	10,166	10,166
Restricted cash	LaR	2,564	2,564	1,863	1,863
Equity securities available-for-sale	AFS	2,732	2,732	3,166	3,166
Other long-term financial assets, net	LaR	11,315	11,315	9,601	9,601
Current assets:					
Receivables	LaR	40,907	40,907	46,399	46,399
Cash and cash equivalents	LaR	2,964	2,964	9,511	9,511
Short-term debt securities held-to-maturity and term deposits	HTM	10,636	10,636	13,382	13,382
Short-term equity securities available-for-sale	AFS	946	946	2,112	2,112
Other current assets	LaR	493	493	437	437
LIABILITIES:					
Long-term debt including the current portion	AC	(135,550)	(153,841)	(158,408)	(182,401)
Short-term loans	AC	(10)	(10)	(7,433)	(7,433)
Current liabilities	AC	(70,401)	(70,401)	(68,043)	(68,043)
DERIVATIVES:					
Cash flow hedges:					
Short-term receivables	HFT	548	548	211	211
Long-term receivables	HFT	6,242	6,242	4,519	4,519
Short-term liabilities	HFT	(111)	(111)	(173)	(173)
Long-term liabilities	HFT	(626)	(626)	(3,464)	(3,464)
Total cash flow hedges		6,053	6,053	1,093	1,093
Commodity derivatives:					
Short-term receivables	HFT	19,504	19,504	21,235	21,235
Short-term liabilities	HFT	(16,056)	(16,056)	(15,502)	(15,502)
Total commodity derivatives		3,448	3,448	5,733	5,733
Other derivatives:					
Short-term receivables	HFT	855	855	1,419	1,419
Long-term receivables	HFT	764	764	937	937
Short-term liabilities	HFT	(741)	(741)	(697)	(697)
Long-term liabilities	HFT	(1,331)	(1,331)	(2,387)	(2,387)
Total other derivatives		(453)	(453)	(728)	(728)

LaR Loans and receivables
 AFS Available-for-sale investments
 HTM Held-to-maturity instruments
 HFT Held for trading or hedging instruments
 AC Financial liabilities at amortized cost

14.1. Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between the levels in 2015 and 2014.

As at December 31, 2015, the fair value hierarchy was the following (in CZK millions)

Assets measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	19,504	672	18,832	-
Cash flow hedges	6,790	2,259	4,531	-
Other derivatives	1,619	13	1,606	-
Available-for-sale restricted debt securities	10,098	10,098	-	-
Available-for-sale short-term equity securities	946	946	-	-

Liabilities measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(16,056)	(1,808)	(14,248)	-
Cash flow hedges	(737)	(2)	(735)	-
Other derivatives	(2,072)	(488)	(1,584)	-

Assets and liabilities for which fair value is disclosed

	Total	Level 1	Level 2	Level 3
Short-term debt securities held-to-maturity and term deposits	10,636	-	10,636	-
Long-term debt including the current portion	(153,841)	(113,530)	(40,311)	-

As at December 31, 2014, the fair value hierarchy was the following (in CZK millions)

Assets measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	21,235	1,235	20,000	-
Cash flow hedges	4,730	996	3,734	-
Other derivatives	2,356	368	1,988	-
Available-for-sale restricted debt securities	10,166	10,166	-	-
Available-for-sale short-term equity securities	2,112	2,112	-	-

Liabilities measured at fair value

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(15,502)	(2,188)	(13,314)	-
Cash flow hedges	(3,637)	(110)	(3,527)	-
Other derivatives	(3,084)	(96)	(2,988)	-

Assets and liabilities for which fair value is disclosed

	Total	Level 1	Level 2	Level 3
Short-term debt securities held-to-maturity and term deposits	13,382	-	13,382	-
Long-term debt including the current portion	(182,401)	(141,286)	(41,115)	-

The Company enters into derivative financial instruments with various counterparties, principally large power and utility group and financial institutions with high credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps and options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations and option pricing models (e.g. Black-Scholes). The models incorporate various inputs including the forward rate curves of the underlying commodity, foreign exchange spot and forward rates and interest rate curves.

14.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2015 and 2014 (in CZK millions):

	2015		2014	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	27,913	(18,864)	28,321	(22,223)
Other financial instruments*	25,051	(26,682)	26,317	(29,223)
Collaterals paid (received)**	1,309	(536)	3,345	(2,092)
Gross financial assets / liabilities	54,273	(46,082)	57,983	(53,538)
Assets / liabilities set off under IAS 32	-	-	-	-
Amounts presented in the balance sheet	54,273	(46,082)	57,983	(53,538)
Effect of master netting agreements	(34,355)	34,355	(40,007)	40,007
Net amount after master netting agreements	19,918	(11,727)	17,976	(13,531)

* Other financial instruments consist of invoices due from derivative trading and are included in Receivables, net or Trade and other payables.

** Collaterals paid are included in Receivables, net and collaterals received are included in Trade and other payables.

When trading with derivative instruments, the Company enters into the EFET and ISDA framework contracts. These contracts generally allow mutual offset of receivables and payables upon the premature termination of agreement. The reason for premature termination is insolvency or non-fulfillment of agreed terms by the counterparty. The right to mutual offset is either embedded in the framework contract or results from the security provided. There is CSA (Credit Support Annex) concluded with some counterparties defining the permitted limit of exposure. When the limit is exceeded, there is a transfer of cash reducing exposure below an agreed level. Cash security (collateral) is also included in the final offset.

Short-term derivative assets are included in the balance sheet in Other financial assets, net, long-term derivative assets in Investments and other financial assets, net, long-term derivative liabilities in Other long-term liabilities and short-term derivative liabilities in Trade and other payables.

15. Financial Risk Management

Risk management approach

A risk management system is being successfully developed in order to protect CEZ Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

Since 2005 a risk capital concept has been applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

Since 2009 the main Business Plan market risks are quantified (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closing long-term contracts for electricity sale and emission allowances' purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating. Risks of Investment Projects are also managed and monitored based on unified quantification of all kinds of risk according to Group methodology.

Risk management organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

Overview and methods of risk management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity/planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units/processes of the Group;
- activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units/processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated at least once a month and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants);
- credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk;
- operational risks: risks of nuclear and fossil power plants operation, investment risks.

The development of quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization);
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation);
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

15.1. Qualitative Description of ČEZ, a. s. Risks Associated With Financial Instruments

Commodity risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the ČEZ value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of ČEZ's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities (the potential risk is managed on the VaR basis).

Market financial risks (currency and interest risks)

The development of foreign exchange rates and interest rates is a significant risk factor of the ČEZ value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows (including operational and investment foreign currency flows).

Credit risks

Credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

Company's maximum exposure to credit risk to receivables and other financial instruments as at 31 December 2015 and 2014 is the carrying value of each class of financial assets except for financial guarantees.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of credit risks in the aggregate annual Profit@Risk limit is quantified and evaluated.

Liquidity risks

Liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of ČEZ.

15.2. Quantitative Description of ČEZ, a. s. Risks Associated With Financial Instruments**Commodity risks**

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a potential change in fair value of contracts classified as derivatives under IAS 39 (the underlying commodities in the Company's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products);
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VaR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany;
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series;
- the source of market data is mainly EEX, PXE and ICE;
- the indicator VaR illustrates mainly the impact of revaluation of above mentioned financial instruments to Income Statement.

Potential impact of the above risk factors as at December 31 (in CZK millions)

	2015	2014
Monthly VaR (95%) – impact of changes in commodity prices	555	693

Currency risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence);
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series;
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2016 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments;
- the relevant currency positions reflect all significant foreign-currency flows in the monitored basket of foreign currencies;
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg;
- the indicator VaR illustrates mainly the impact of revaluation of above mentioned currency position to Statement of Income.

Potential impact of the currency risk as at December 31 (in CZK millions)

	2015	2014
Monthly currency VaR (95% confidence)	93	337

Interest risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification (as at December 31) was based on these assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk;
- the Statement of Income sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31;
- the considered interest positions reflect all significant interest-sensitive positions;
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest rate risk as at December 31 (in CZK millions)

	2015	2014
IR sensitivity* to parallel yield curve shift (+10bp)	-	2

* Positive result denotes higher increase in interest revenues than in interest costs.

Credit exposure from provided guarantees at December 31 (in CZK millions)

	2015	2014
Guarantees provided to subsidiaries and joint-ventures	21,502	22,535

At December 31, 2015 and 2014, the guarantees provided to subsidiaries amounted to CZK 18,504 million and CZK 19,462 million, respectively and guarantees provided to joint-ventures amounted to CZK 2,998 million and CZK 3,073 million, respectively.

The guarantees provided represent mainly guarantees issued in connection with concluded contracts, bank loans and other obligations of the respective companies. The beneficiary may claim the guarantee only under the conditions of the letter of guarantee, usually in relation to non-payment of amounts arising out of the contract or failure to fulfil the obligations arising out of the contract. The companies whose liabilities are subject to the guarantees currently comply with their obligations. The guarantees have various validity, as of December 31, 2015 and 2014, some of the guarantees could be called until July 2028 at the latest.

Liquidity risk

Contractual maturity profile of financial liabilities at December 31, 2015 (in CZK millions)

	Bonds and debentures	Loans	Derivatives*	Trade and other payables	Guarantees issued**
Less than 1 year	14,445	1,495	260,895	70,401	21,502
Between 1 and 2 years	6,130	1,966	27,968	-	-
Between 2 and 3 years	4,934	1,959	8,457	-	-
Between 3 and 4 years	6,284	1,952	3,679	-	-
Between 4 and 5 years	25,056	1,945	5,998	-	-
Thereafter	120,959	4,116	55,754	-	-
Total	177,808	13,433	362,751	70,401	21,502

Contractual maturity profile of financial liabilities at December 31, 2014 (in CZK millions)

	Bonds and debentures	Loans	Derivatives*	Trade and other payables	Guarantees issued**
Less than 1 year	19,136	9,854	330,121	68,107	22,535
Between 1 and 2 years	15,049	1,549	54,482	-	-
Between 2 and 3 years	6,530	1,701	14,206	-	-
Between 3 and 4 years	5,306	1,690	7,442	-	-
Between 4 and 5 years	6,686	1,679	3,965	-	-
Thereafter	156,915	4,440	70,057	-	-
Total	209,622	20,913	480,273	68,107	22,535

* Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Company will receive corresponding consideration. For fair values of derivatives see Note 14.

** Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Company as at December 31, 2015 and 2014 amounted to CZK 30.5 billion and CZK 24.4 billion, respectively.

15.3. Hedge Accounting

The Company enters into cash flow hedges of future highly probable cash inflows from the sales denominated in EUR against the currency risk. The hedged cash flows are expected to occur in the period from 2016 to 2019. The hedging instruments as at December 31, 2015 and 2014 are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 2.9 billion and EUR 3.8 billion, respectively, and currency forward contracts and swaps. The fair value of these derivative hedging instruments (currency forward contracts and swaps) amounted to CZK 1,244 million and CZK (1,749) million at December 31, 2015 and 2014, respectively.

The Company enters into cash flow hedges of future highly probable purchases of emission allowances which are expected to occur in the year 2016. The hedging instruments as at December 31, 2015 and 2014 are the futures contracts for the purchase of allowances equivalent to 7.3 million tons and 13.1 million tons of CO₂ emissions, respectively. The fair value of these derivative hedging instruments amounted to CZK 546 million and CZK 513 million at December 31, 2015 and 2014, respectively.

The Company also enters into cash flow hedges of highly probable future sales of electricity in the Czech Republic from 2017 to 2021. The hedging instruments are the futures and forward contracts electricity sales in Germany. The fair value of these derivative hedging instruments amounted to CZK 4,263 million and CZK 2,329 million at December 31, 2015 and 2014, respectively.

In 2015 and 2014 the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the lines Sales of electricity, Gains and losses from commodity derivative trading, net, Emission rights, net, Other financial expenses and Other financial income. In 2015 and 2014 the Company recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK (791) million and CZK 197 million, respectively. The ineffectiveness in 2015 and 2014 mainly relates to transactions for which the hedged items are no more highly probable to occur.

16. Provisions

The following is a summary of the provisions for the years ended December 31, 2015 and 2014 (in CZK millions):

	2015			2014		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Nuclear provisions	47,848	2,033	49,881	45,083	2,004	47,087
Provision for waste storage reclamation	986	86	1,072	1,334	84	1,418
Provision for CO ₂ emissions (see Note 9)	–	1,252	1,252	–	3,524	3,524
Provision for employee benefits	882	97	979	989	64	1,053
Provision for environmental claims	–	446	446	–	447	447
Provision for legal and commercial disputes	–	273	273	–	293	293
Other provisions	–	8	8	–	4	4
Total	49,716	4,195	53,911	47,406	6,420	53,826

16.1. Accumulated Provision for Nuclear Decommissioning and Fuel Storage

The Company operates two nuclear power plants. Nuclear power plant Dukovany consists of four units which were put into service from 1985 to 1987. Nuclear power plant Temelín has two units which have started commercial operation in 2002 and 2003. The Czech parliament has enacted a Nuclear Act (“Act”) which defines certain obligations for the decontamination and dismantling (“decommissioning”) of nuclear facilities and the disposal of radioactive waste and spent fuel (“disposal”). The Act requires that all nuclear parts of plant and equipment be decommissioned following the end of the plant’s operating life. For the purpose of accounting for the nuclear provisions, it is assumed that the end of the plant’s operating life will be 2027 for Dukovany and 2042 for Temelín. A 2013 Dukovany and a 2014 Temelín decommissioning cost study estimate that nuclear decommissioning will cost CZK 22.4 billion and CZK 18.4 billion, respectively. The Company makes contributions to a restricted bank account in the amount of the nuclear provisions recorded under the Act. These restricted funds can be invested in government bonds and term deposits in accordance with the legislation and are shown in the balance sheet as part of Investments and other financial assets, net (see Note 4).

Pursuant to the Act, the Ministry of Industry and Trade established the Radioactive Waste Repository Authority (“RAWRA”) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The RAWRA operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the RAWRA are financed through a “nuclear account” funded by the originators of radioactive waste. Contribution to the nuclear account was stated by a government resolution at 50 CZK per MWh produced at nuclear power plants. In 2015 and 2014, respectively, the payments to the nuclear account amounted to CZK 1,342 million and CZK 1,516 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Company has established provisions as described in Note 2.21, to recognize its estimated liabilities for decommissioning and spent fuel storage.

The following is a summary of the nuclear provisions for the years ended December 31, 2015 and 2014 (in CZK millions):

	Accumulated provisions			Total
	Nuclear Decommissioning	Spent fuel storage		
		Interim	Long-term	
Balance at December 31, 2013	13,560	7,191	22,890	43,641
Movements during 2014:				
Discount accretion and effect of inflation	474	252	801	1,527
Provision charged to income statement	-	472	-	472
Effect of change in estimate charged to income statement	-	156	-	156
Effect of change in estimate added to fixed assets (see Note 2.21)	2,559	-	954	3,513
Current cash expenditures	-	(706)	(1,516)	(2,222)
Balance at December 31, 2014	16,593	7,365	23,129	47,087
Movements during 2015:				
Discount accretion and effect of inflation	498	221	694	1,413
Provision charged to income statement	-	544	-	544
Effect of change in estimate charged to income statement	-	22	-	22
Effect of change in estimate added to fixed assets (see Note 2.21)	2,167	64	642	2,873
Current cash expenditures	-	(716)	(1,342)	(2,058)
Balance at December 31, 2015	19,258	7,500	23,123	49,881

The current cash expenditures for the long-term storage of spent nuclear fuel represent payments to the state controlled nuclear account and the expenditures for interim storage represent mainly the purchase of interim fuel storage containers and other related equipment.

In 2015 and 2014 the Company recorded the change in estimate for interim spent fuel storage due to the change in expectations of future storage costs and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the change in discount rate and the change in long-term spent fuel storage due to the modification of the expected output of the nuclear power plants and change in discount rate.

The actual decommissioning and spent fuel storage costs could vary substantially from the above estimates because of new regulatory requirements, changes in technology, increased costs of labor, materials and equipment and/or the actual time required to complete all decommissioning, disposal and storage activities.

16.2. Provision for Waste Storage Reclamation

The following table shows the movements of the provision for waste storage reclamation for the years ended December 31, 2015 and 2014 (in CZK millions):

Balance at December 31, 2013	1,320
Movements during 2014:	
Discount accretion and effect of inflation	46
Effect of change in estimate added to tangible fixed assets	123
Current cash expenditures	(71)
Balance at December 31, 2014	1,418
Movements during 2015:	
Discount accretion and effect of inflation	39
Effect of change in estimate added to tangible fixed assets	40
Current cash expenditures	(41)
Non-monetary contribution to Elektrárna Tisová, a.s.	(384)
Balance at December 31, 2015	1,072

17. Other Long-term Liabilities

Other long-term liabilities at December 31, 2015 and 2014 are as follows (in CZK millions)

	2015	2014
Derivatives	1,957	5,851
Long-term deposit	1,929	1,751
Total	3,886	7,602

18. Short-term Loans

Short-term loans at December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Short-term bank loans	–	7,431
Bank overdrafts	10	2
Total	10	7,433

Interest on short-term loans is variable. The weighted average interest rate was 0.02% and 0.31% at December 31, 2015 and 2014, respectively. For the years 2015 and 2014 the weighted average interest rate was 0.08% and 0.34%, respectively.

19. Trade and Other Payables

Trade and other payables at December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Trade payables	24,565	25,142
Derivatives	16,908	16,372
Payables from Group cashpooling and similar intra-group loans	41,906	39,991
Other	3,735	2,910
Total	87,114	84,415

The information about payables to related parties is included in Note 29.

20. Accrued Liabilities

Accrued liabilities at December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Accrued interest	2,354	2,952
Unbilled goods and services	3,268	6,214
Taxes and fees, except income tax	319	357
Deferred income	91	220
Total	6,032	9,743

21. Revenues and Other Operating Income

Revenues and other operating income for the years ended December 31, 2015 and 2014 were as follows (in CZK millions)

	2015	2014
Sale of electricity:		
Electricity sales – domestic:		
ČEZ Prodej, s.r.o.	22,210	24,431
PXE	4,920	3,365
Other revenues from domestic customers	26,122	26,880
Other	3,092	2,439
Total electricity sales – domestic	56,344	57,115
Electricity sales – foreign	11,566	9,234
Effect of hedging (see Note 15.3)	758	1,290
Sales of ancillary and other services	3,967	4,493
Total sales of electricity	72,635	72,132
Sales of gas, heat and other revenues:		
Sales of gas	5,190	4,615
Sales of heat	2,069	2,096
Other revenues	1,829	2,170
Total sales of gas, heat and other revenues	9,088	8,881
Other operating income	1,597	4,020
Total revenues and other operating income	83,320	85,033

The line item Other operating income in 2014 includes gain from settlement agreement with the Republic of Albania in the amount of CZK 2,562 million.

22. Gains and Losses from Commodity Derivative Trading, Net

Gains and losses from commodity derivative trading for the years ended December 31, 2015 and 2014 as follows (in CZK millions)

	2015	2014
Electricity derivative trading:		
Sales – domestic	5,278	7,668
Sales – foreign	165,038	162,098
Purchases – domestic	(4,768)	(6,738)
Purchases – foreign	(160,421)	(155,218)
Effect of hedging (see Note 15.3)	(76)	(270)
Changes in fair value of derivatives	(4,611)	(3,370)
Total gains from electricity derivative trading, net	440	4,170
Other commodity derivative trading:		
Gain (loss) from gas derivative trading	(228)	412
Loss from oil derivative trading	(714)	(1,878)
Loss from coal derivative trading	(2)	(12)
Total gains and losses from derivative trading, net	(504)	2,692

In 2014 the line item Changes in fair value of derivatives includes gain in the amount of CZK 1,952 million for the termination of contract with Crédit Agricole Corporate and Investment Bank.

23. Salaries and Wages

Salaries and wages for the years ended December 31, 2015 and 2014 were as follows (in CZK millions)

	2015		2014	
	Total	Key management personnel ¹⁾	Total	Key management personnel ¹⁾
Salaries and wages including remuneration of board members	(3,642)	(224)	(4,191)	(296)
Share options	(31)	(31)	(26)	(26)
Social and health security	(1,169)	(37)	(1,313)	(48)
Other personal expenses	(349)	(16)	(557)	(43)
Total	(5,191)	(308)	(6,087)	(413)

¹⁾ Members of Supervisory Board, Audit Committee and Board of Directors and selected managers of departments with group field of activity. The remuneration of former members of company bodies is included in personal expenses.

The members of Board of Directors and selected managers were entitled to use company cars for both business and private purposes in addition to the personal expenses.

If the Company terminates a contract with a member of Board of Directors before his/her four-year term of office expires (except for resignation), the Director is entitled to a severance pay. Method of determination of the amount of the severance payment and conditions are stipulated in the respective contract.

At December 31, 2015 and 2014, the aggregate number of share options granted to members of Board of Directors and selected managers was 2,391 thousand and 2,575 thousand, respectively.

Members of the Board of Directors and selected managers are entitled to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers are granted certain quantity of share options each year of their tenure according to rules of the share option plan. The exercise price for the granted options is based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one month period preceding the grant date each year. Options granted could be exercised at the earliest 2 years and latest 3.5 years after each grant date. Option right is limited so that the profit per share option will not exceed 100% of exercise price and the beneficent has to hold at his account such number of shares exercised through options granted, which is equivalent to 20% of profit, made on exercise date until the end of share option plan.

In 2015 and 2014 the Company recognized a compensation expense of CZK 31 million and CZK 26 million, respectively, related to the granted options.

The following table shows changes during 2015 and 2014 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors ('000s)	Selected managers ('000s)	Total ('000s)	
Share options at December 31, 2013	1,622	766	2,388	704.84
Options granted	610	177	787	586.77
Movements	(120)	120	–	764.34
Options forfeited	(285)	(315)	(600)	814.75
Share options at December 31, 2014¹⁾	1,827	748	2,575	643.14
Options granted	550	175	725	541.45
Options exercised ²⁾	(100)	(20)	(120)	565.54
Options forfeited	(457)	(332)	(789)	749.16
Share options at December 31, 2015¹⁾	1,820	571	2,391	581.18

¹⁾ At December 31, 2015 and 2014 the number of exercisable options was 988 thousand and 1,128 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 602.30 per share and CZK 737.24 per share at December 31, 2015 and 2014, respectively.

²⁾ In 2015 the weighted average share price at the date of the exercise for the options exercised was CZK 635.79.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2015	2014
Weighted average assumptions:		
Dividend yield	4.2%	4.6%
Expected volatility	22.8%	23.2%
Mid-term risk-free interest rate	0.3%	0.5%
Expected life (years)	1.4	1.4
Share price (CZK per share)	523.1	571.2
Weighted average grant-date fair value of options (CZK per 1 option)	36.7	42.3

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At December 31, 2015 and 2014 the exercise prices of outstanding options (in thousands pieces) were in the following ranges:

	2015	2014
CZK 450–650 per share	1,967	1,387
CZK 650–900 per share	424	1,188
Total	2,391	2,575

The options granted which were outstanding as at December 31, 2015 and 2014 had an average remaining contractual life of 1.9 years and 1.8 years, respectively.

24. Other Operating Expenses

Other operating expenses for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Services	(5,407)	(6,554)
Change in provisions and valuation allowances	1,628	1,191
Taxes and fees	(1,677)	(1,852)
Write-off of bad debts	(28)	(4)
Travel expense	(61)	(74)
Gifts	(120)	(152)
Loss on sale of property, plant and equipment	(11)	(6)
Loss on sale of material	-	(20)
Fines, penalties and penalty interest	(323)	(8)
Other	(1,055)	(930)
Total	(7,054)	(8,409)

Taxes and fees include the contributions to the nuclear account (see Note 16). The settlement of the provision for long-term spent fuel storage is accounted for in the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions and valuation allowances.

25. Interest Income

Interest income for each category of financial instruments for the years ended December 31, 2015 and 2014 was as follows (in CZK millions)

	2015	2014
Loans and receivables	614	842
Held-to-maturity investments	26	82
Available-for-sale investments	214	262
Bank accounts	232	256
Total	1,086	1,442

26. Other Financial Expenses

Other financial expenses for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Impairment of financial investments	(4,491)	(9,010)
Derivative losses	-	(418)
Costs of buy back of bonds	(843)	(509)
Other	(104)	(121)
Total	(5,438)	(10,058)

27. Other Financial Income

Other financial income for the years ended December 31, 2015 and 2014 consist of the following (in CZK millions)

	2015	2014
Dividends received	25,099	20,697
Derivative gains	419	-
Gains on sale of available-for-sale financial assets	422	101
Refunded gift tax on emission rights ¹⁾	3,807	-
Other	161	143
Total	29,908	20,941

¹⁾ In November 2015 the Company was refunded part of the gift tax on emission allowances paid in 2011 and 2012 based on the decisions of Appellate Tax Directorate.

28. Income Taxes

The Company calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2015 and 2014.

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, the risk remains that the relevant financial authorities could take differing positions with regard to interpretive issues, which could have potential effect on reported income.

The components of the income tax provision were as follows (in CZK millions)

	2015	2014
Current income tax charge	(1,312)	(1,189)
Adjustments in respect of current income tax of previous periods	(6)	(5)
Deferred income taxes	249	(584)
Total	(1,069)	(1,778)

The differences between income tax expense computed at the statutory rate and income tax expense provided on earnings were as follows (in CZK millions):

	2015	2014
Income before income taxes	29,184	22,688
Statutory income tax rate	19%	19%
"Expected" income tax expense	(5,545)	(4,311)
Tax effect of:		
Non-deductible provisions and allowances, net	(1,060)	(1,608)
Non-deductible expenses related to shareholdings	(16)	(23)
Non-taxable revenue from settlement agreement with Republic of Albania	-	454
Non-taxable income from dividends	4,765	3,932
Non-deductible share based payment expense	(6)	(5)
Non-taxable gain on sale of subsidiary	(23)	5
Gift tax on emission allowances	723	-
Adjustments in respect of current income tax of previous periods	(6)	(4)
Other non-deductible items, net	99	(218)
Income tax	(1,069)	(1,778)
Effective tax rate	4%	8%

Deferred income tax liability, net, at December 31, 2015 and 2014 was calculated as follows (in CZK millions):

	2015	2014
Nuclear provisions	7,894	7,424
Other provisions	676	1,198
Allowances	667	562
Deferred tax recognized in equity	28	1,879
Other temporary differences	119	161
Total deferred tax assets	9,384	11,224
Tax depreciation in excess of financial statement depreciation	(19,707)	(19,477)
Deferred tax recognized in equity	(196)	(277)
Other temporary differences	(624)	(1,094)
Total deferred tax liability	(20,527)	(20,848)
Total deferred tax liability, net	(11,143)	(9,624)

Tax effects relating to each component of other comprehensive income (in CZK millions)

	2015			2014		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges recognized in equity	11,922	(2,265)	9,657	4,889	(929)	3,960
Cash flow hedges reclassified to income statement	(1,954)	371	(1,583)	(3,950)	751	(3,199)
Cash flow hedges reclassified to assets	(230)	43	(187)	(95)	18	(77)
Change in fair value of available-for-sale financial assets recognized in equity	(429)	82	(347)	711	(135)	576
Total	9,309	(1,769)	7,540	1,555	(295)	1,260

29. Related Parties

The Company purchases/sells products, goods and services from/to related parties in the ordinary course of business.

At December 31, 2015 and 2014, the receivables from related parties and payables to related parties were as follows (in CZK millions)

	Receivables		Payables	
	2015	2014	2015	2014
Akcezní Enerji A.S.	10	119	-	-
Baltic Green Construction sp. z o.o.	302	-	-	-
CEZ Bulgaria EAD	103	102	2	1
CEZ Bulgarian Investments B.V.	-	-	370	110
CEZ Distributie S.A.	3,524	-	-	-
CEZ Hungary Ltd.	312	230	49	38
CEZ Chorzów S.A. ¹⁾	168	74	1	1
CEZ International Finance B.V.	-	-	1,383	1,189
CEZ MH B.V.	-	-	2,511	2,238
CEZ Poland Distribution B.V.	108	41	2	-
CEZ Polska sp. z o.o.	3	19	843	539
CEZ Romania S.A.	179	178	712	1,476
CEZ Silesia B.V. ²⁾	-	-	2,332	2,373
CEZ Skawina S.A. ³⁾	228	181	101	91
CEZ Slovensko, s.r.o.	852	353	8	85
CEZ Trade Polska sp. z o.o.	129	35	6	6
CM European Power International B.V.	86	199	-	-
CM European Power Slovakia s. r. o.	494	507	-	-
ČEZ Bohunice a.s.	-	-	198	208
ČEZ Distribuce, a. s.	9,294	7,763	7,488	5,962
ČEZ Distribuční služby, s.r.o.	11	10	5,128	5,316
ČEZ Energetické produkty, s.r.o.	18	1	249	255
ČEZ ENERGOSEKVIS spol. s r.o.	18	201	232	601
ČEZ ESCO, a.s.	-	-	339	400
ČEZ ICT Services, a. s.	89	27	634	884
ČEZ Inženýring, s.r.o.	1	1	125	97
ČEZ Korporátní služby, s.r.o.	12	14	753	660
ČEZ Nová energetika, a.s.	336	7	24	-
ČEZ Obnovitelné zdroje, s.r.o.	12	23	149	31
ČEZ OZ uzavřený investiční fond a.s.	-	2	311	360
ČEZ Prodej, s.r.o.	4,140	4,314	12,003	11,222
ČEZ Teplárenská, a.s.	177	197	309	224
ČEZ Zákaznické služby, s.r.o.	2	-	83	143
Eco-Wind Construction S.A.	419	363	-	-
Elektrárna Dětmorovice, a.s.	349	247	1,398	1,887
Elektrárna Počeradky, a.s.	302	743	6,167	5,944
Elektrárna Tisová, a.s.	62	-	246	15
Energetické centrum, s.r.o.	104	152	17	-
Energotrans, a.s.	332	245	303	650
M.W. Team Invest S.R.L.	877	1,019	-	-
Ovidiu Development S.R.L.	7,830	8,061	28	58
Revitrans, a.s.	129	21	81	1
SD - Kolejová doprava, a.s.	1	5	216	103
Severočeské doly a.s.	212	667	643	530
ŠKODA PRAHA Invest s.r.o.	623	1,185	1,121	2,132
Telco Pro Services, a. s.	9	2	244	249
Tomis Team S.A. ⁴⁾	237	473	48	79
ÚJV Řež, a. s.	1	1	185	211
Other	244	349	317	213
Total	32,339	28,131	47,359	46,582

The following table provides the total amount of transactions (sales and purchases), which were entered into with related parties in 2015 and 2014 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2015	2014	2015	2014
CEZ Bulgaria EAD	151	218	1	2
CEZ Distributie S.A.	304	-	-	-
CEZ Hungary Ltd.	1,672	1,371	7	20
CEZ Chorzów S.A. ¹⁾	195	101	6	-
CEZ Polska sp. z o.o.	5	98	-	-
CEZ Romania S.A.	122	182	-	-
CEZ Skawina S.A. ³⁾	302	194	1,184	1,022
CEZ Slovensko, s.r.o.	3,206	2,899	26	298
CEZ Srbija d.o.o.	244	153	285	160
CEZ Trade Bulgaria EAD	123	162	205	202
CEZ Trade Polska sp. z o.o.	1,858	505	47	14
CEZ Vanzare S.A.	473	97	-	-
ČEZ Distribuce, a. s.	472	620	127	131
ČEZ Distribuční služby, s.r.o.	73	108	1	24
ČEZ Energetické produkty, s.r.o.	13	6	493	596
ČEZ Energetické služby, s.r.o.	15	8	89	115
ČEZ Ergo, s.r.o.	17	32	251	10
ČEZ ENERGOSEVIS spol. s r.o.	35	38	963	1,755
ČEZ ICT Services, a. s.	62	56	1,303	1,782
ČEZ Inženýring, s.r.o.	12	5	161	59
ČEZ Korporátní služby, s.r.o.	78	44	512	667
ČEZ Obnovitelné zdroje, s.r.o.	3	7	267	277
ČEZ Prodej, s.r.o.	27,613	29,433	2,034	3,177
ČEZ Teplárenská, a.s.	1,829	1,749	183	155
Elektrárna Dětmorovice, a.s.	1,011	964	3,392	3,215
Elektrárna Počeradý, a.s.	3,012	2,787	5,113	7,384
Elektrárna Tisová, a.s.	131	-	340	-
Energotrans, a.s.	1,255	920	1,223	1,216
LOMY MOŘINA spol. s r.o.	-	-	168	186
MARTIA a.s.	4	1	69	44
OSC, a.s.	-	-	129	124
Ovidiu Development S.R.L.	221	244	307	276
SD - Kolejová doprava, a.s.	16	13	885	790
Severočeské doly a.s.	82	105	4,393	4,438
ŠKODA PRAHA Invest s.r.o.	10	90	5,090	8,987
Tomis Team S.A. ⁴⁾	89	92	604	348
ÚJV Řež, a. s.	3	2	389	476
Other	328	387	150	93
Total	45,039	43,691	30,397	38,043

¹⁾ In 2015 the company Elektrociepłownia Chorzów ELCHO sp. z o.o. changed its legal form to a joint-stock company and was renamed to CEZ Chorzów S.A.

²⁾ In 2015 CEZ Chorzów B.V. merged with the succession company CEZ Silesia B.V. with the legal effective date of December 30, 2015.

³⁾ In 2015 the company Elektrownia Skawina S.A. was renamed to CEZ Skawina S.A.

⁴⁾ In 2015 the company Tomis Team S.R.L. changed its legal form to a joint-stock company.

The Company and some of its subsidiaries are included in the cash-pool system. Payables to subsidiaries related to cash-pooling and similar borrowings are included in Trade and other payables (see Note 19).

Information about compensation of key management personnel is included in Note 23.

30. Segment Information

The Company is involved in the generation and sale of electricity and trading in electricity which represents a single operating segment. The Company operates mainly in the European Union markets. The Company has not identified any other separate operating segments.

31. Earnings per Share

	2015	2014
Numerator – basic and diluted (CZK millions)		
Net profit	28,115	20,910
Denominator (thousands shares)		
Basic:		
Weighted average shares outstanding	534,193	534,115
Dilutive effect of share options	84	64
Diluted:		
Adjusted weighted average shares	534,277	534,179
Net income per share (CZK per share)		
Basic	52.6	39.1
Diluted	52.6	39.1

32. Commitments and Contingencies

Investment Program

The Company is engaged in a continuous construction program, currently estimated as at December 31, 2015 over the next five years as follows (in CZK billion):

2016	17.7
2017	11.8
2018	10.8
2019	11.2
2020	12.4
Total	63.9

These figures do not include the expected acquisitions of subsidiaries, associates and joint ventures, which will depend on the number of future investment opportunities, for which the Company will be a successful bidder and also considering the recoverability of these investments.

The construction programs are subject to periodic reviews and actual construction may vary from the above estimates. At December 31, 2015 significant purchase commitments were outstanding in connection with the construction program.

Insurance Matters

The Nuclear Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations is liable for up to CZK 8 billion per incident. The Nuclear Act limits the liability for damage caused by other activities (such as transportation) to CZK 2 billion. The Nuclear Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company has obtained all insurance policies with minimal limits as required by the law. The Company concluded the above mentioned insurance policies with Česká pojišťovna a.s. (representing the Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry.

The Company also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third party liability insurance in connection with main operations of the Company.

33. Events after the Balance Sheet Date

On January 22, 2016 the credits, which European Investment Bank (EIB) granted to Romanian subsidiary Tomis Team S.A., were transferred to the Company. By this fact the Company's liabilities were created in the amount of EUR 167.7 million to EIB. The Company thus has become Tomis Team's creditor.

On February 9, 2016 the Company provided the credit in the amount of EUR 185 million to Tomis Team S.A. On February 19, 2016 there took place the General Meeting of Shareholders of the company Tomis Team S.A. where was made a decision to increase the share capital by the non-monetary contribution in the form of the capitalization of credit's receivable in the amount EUR 154 million. Consequently the share of the Company in Tomis Team S.A. increased to 99.999999%.

On February 9, 2016 the Company provided the credit in the amount of EUR 117 million to Ovidiu Development S.R.L. On February 19, 2016 there took place the General Meeting of Shareholders of the company Ovidiu Development S.R.L. where was made a decision to increase the share capital by the non-monetary contribution in the form of the capitalization of credit's receivables in the amount EUR 159 million. Consequently the share of the Company in Ovidiu Development S.R.L. increased to 99.96%.

In February and March 2016 the Company issued a two year private placement floating rate note with total nominal amount of EUR 200 million and a coupon of 3M EURIBOR plus 0.55%. The notes were issued in four tranches under the established Euro Medium Term Note Programme.

There was a significant decrease in electricity prices on the market after the balance sheet date. The electricity market prices are one of the significant assumptions used in the estimate of recoverable amount of non-current assets of the Company (see Note 3).

These financial statements have been authorized for issue on April 18, 2016:



Daniel Beneš
Chairman of Board of Directors



Martin Novák
Vice-chairman of Board of Directors

IDENTIFICATION OF ČEZ, a. s.

ČEZ, a. s.

Duhová 2/1444
140 53 Prague 4
Czech Republic

Registered in the Commercial Register kept by the
Municipal Court in Prague, Section B, File 1581

Established: 1992
Legal form: joint-stock company
ID No.: 452 74 649
VAT ID No.: CZ45274649
Bankers: KB Praha 1, acc. No. 71504011/0100
Phone: +420 211 041 111
Fax: +420 211 042 001
Internet: www.cez.cz 
E-mail: cez@cez.cz

Closing date of the 2015 Annual Report: April 18, 2016



Relation Structure Diagram
Alphabetical List of Companies

Being **IN** and receiving **OVATIONS** for smart solutions, exceptional ideas, modern technologies, or interesting services, in short, for **INNOVATIONS**, is something that takes courage. Not being afraid of obstacles in the way, testing, verifying, improving. Looking for experts and gifted visionaries who will take us another step forward.

For us, the equation **IN + OVATIONS = INNOVATIONS** is not composed of several unknowns. We can place precise quantities in it, which result in new courses of action.