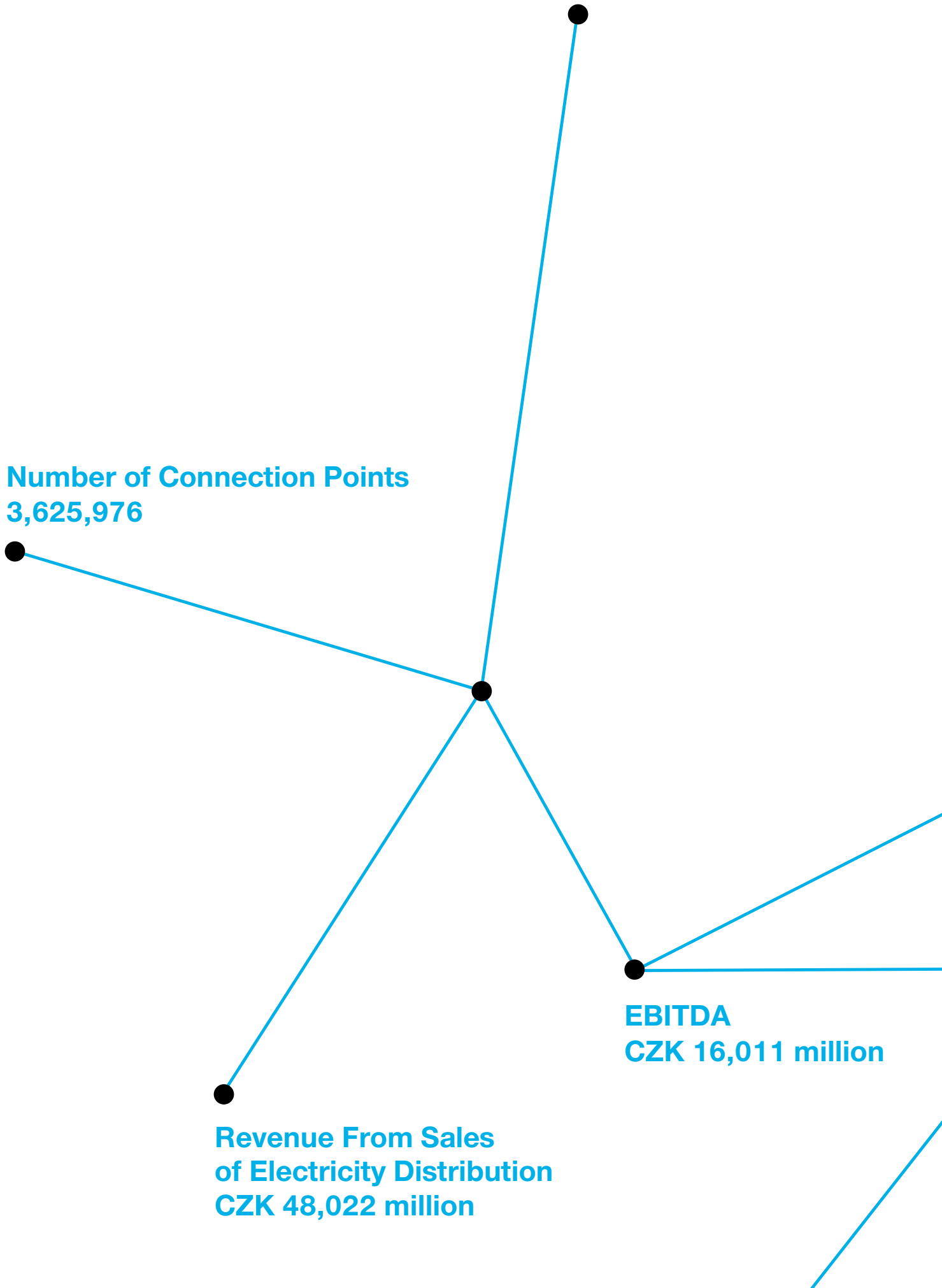


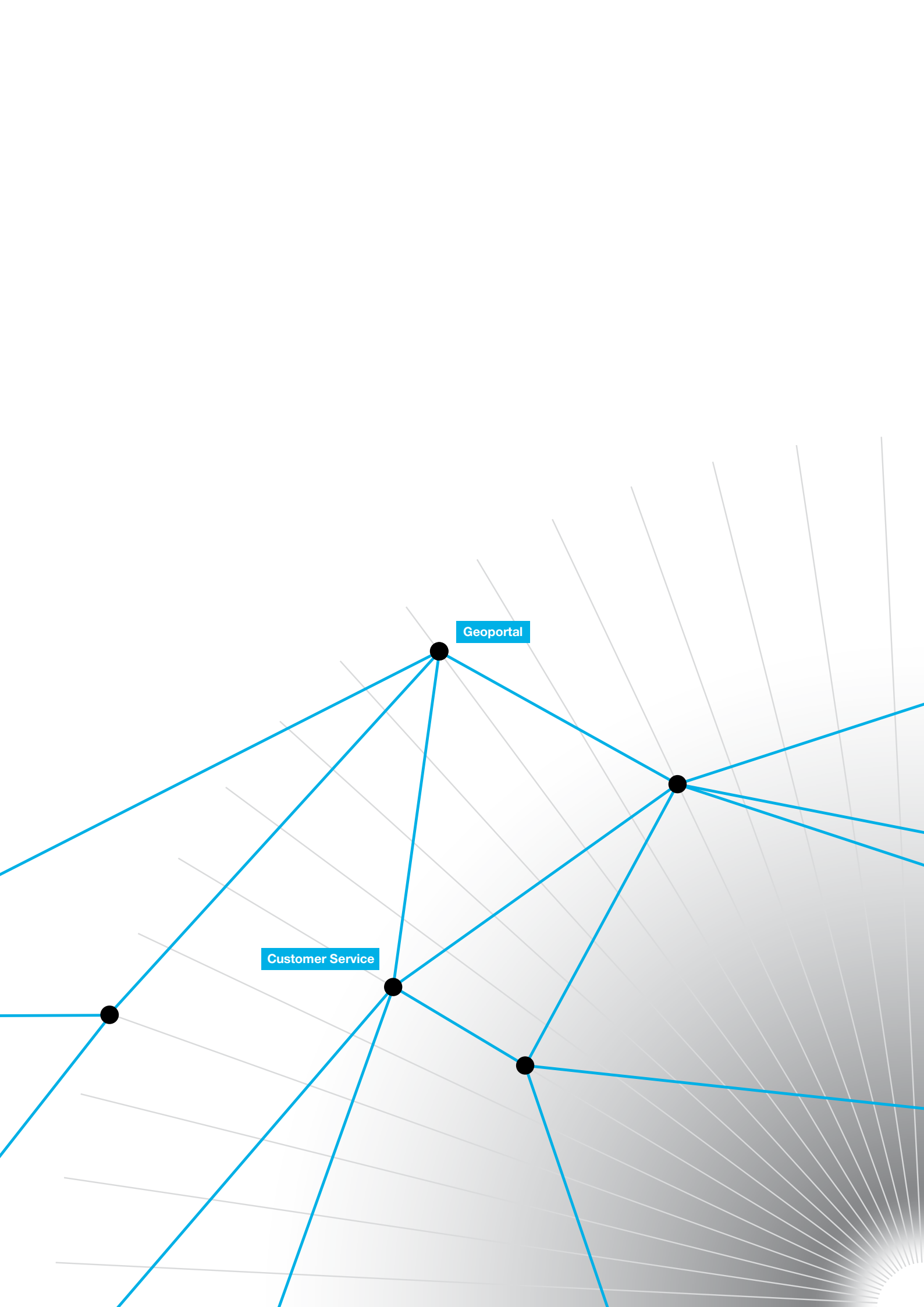
Capital Expenditures
CZK 7,946 million

Number of Connection Points
3,625,976

EBITDA
CZK 16,011 million

**Revenue From Sales
of Electricity Distribution**
CZK 48,022 million

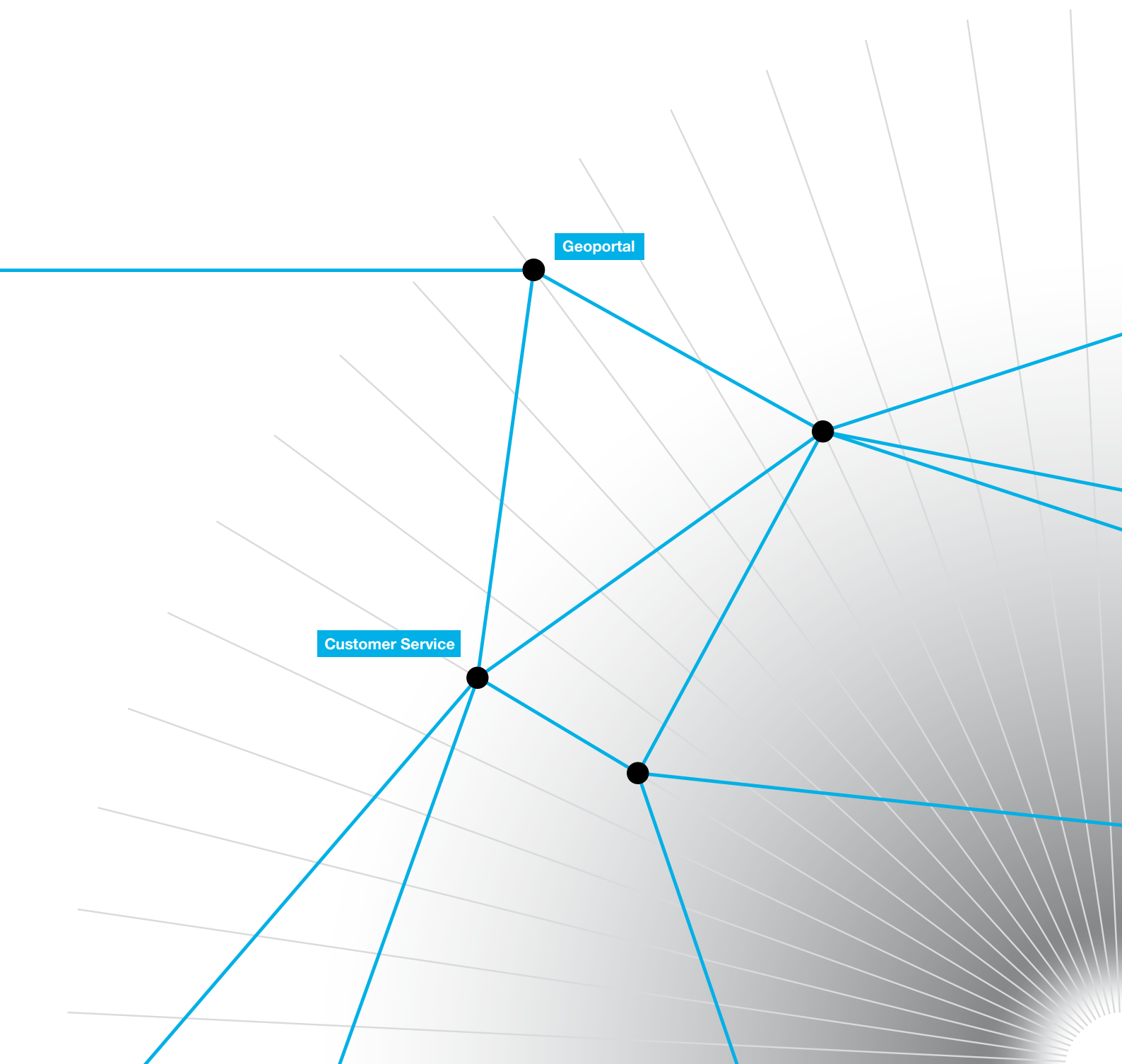




Geoportal

Customer Service

Energy can have many forms. A certain level of individuality is an important means for us to always seek the best solution for our clients—whether they are an industrial enterprise, a city, a small community, or a household.



Joined by Energy

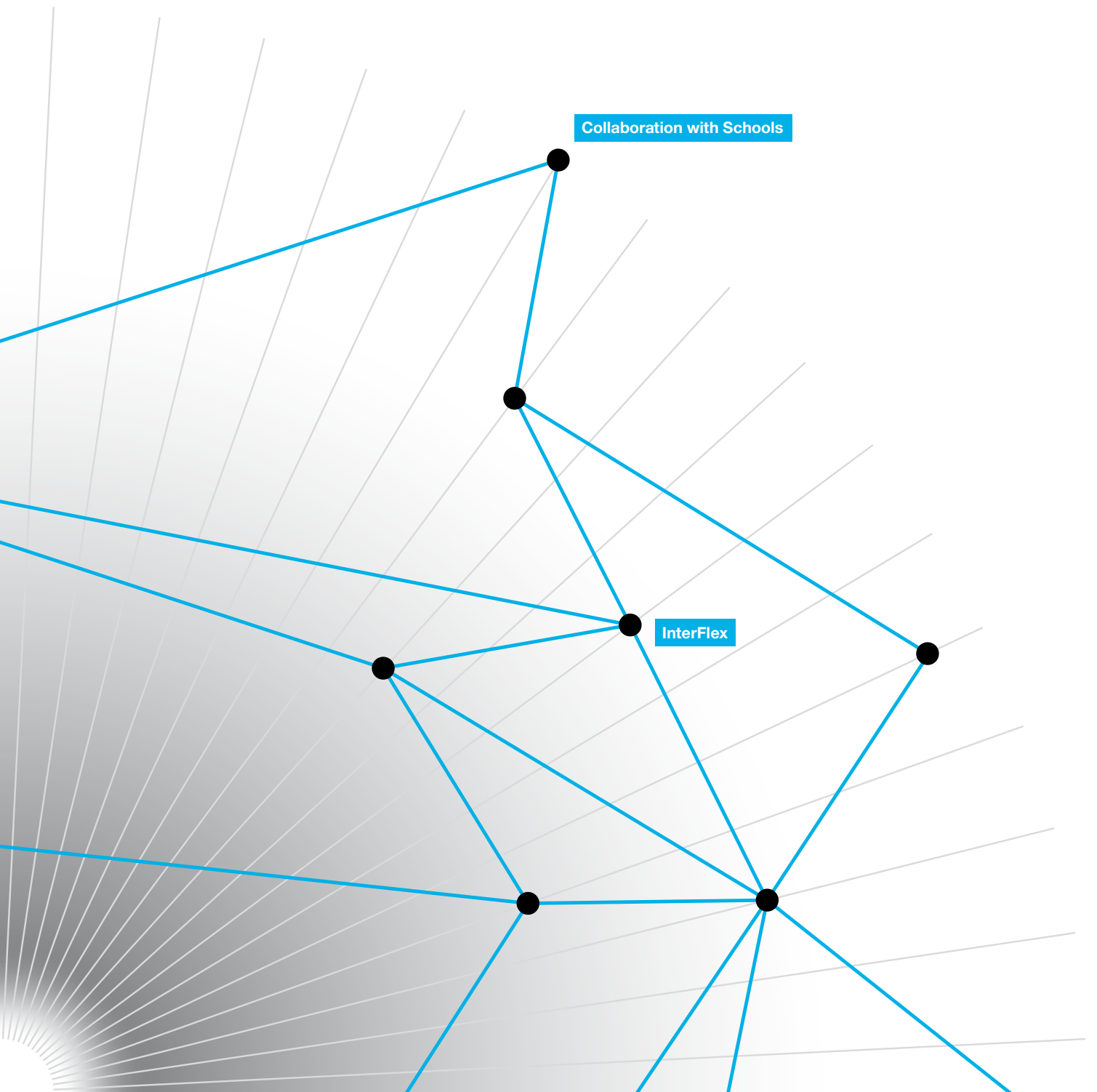


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Information About Persons Responsible for the Annual Report

Responsibility for the Annual Report

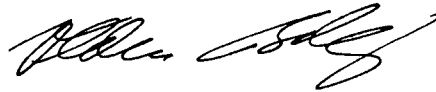
Statutory Declaration

The information presented in the ČEZ Distribuce, a. s. 2016 Annual Report corresponds to facts and no significant circumstances that could affect the accurate and correct assessment of ČEZ Distribuce, a. s. have been omitted or misrepresented.

Děčín, May 10, 2017



Ing. Richard Vidlička, MBA
Chairman of the Board of Directors



Ing. Vladimír Budinský, MBA
Vice-Chairman of the Board of Directors

Independent Auditor's Report



(Translation of a report originally issued in Czech – see Note 2 to the financial statements.)

To the Shareholder of ČEZ Distribuce, a. s.:

Opinion

We have audited the accompanying financial statements of ČEZ Distribuce, a. s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2016, and the income statement, 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 the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. 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. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Audit, s.r.o.
License No. 401



Martin Skácelík, Auditor
License No. 2119

May 10, 2017
Prague, Czech Republic

Introduction by the Chairman of the Board of Directors

Ladies and gentlemen,

In 2016, ČEZ Distribuce, a. s. fulfilled all of the strategic objectives it set for itself, and its financial performance surpassed planned figures. We achieved that by further improving cost efficiency but also thanks to an increase in the quantity of distributed electricity, which reverted to a level usual before the global financial crisis. The Company continually achieves high labor productivity and fulfills its investment programs. In the past year, ČEZ Distribuce connected 17,652 connection points and added 469 km of new lines and 315 new distribution stations to its distribution system. In addition, it integrated 438 new renewable electricity generation facilities into its distribution system. These numbers confirm that the Company is successfully accomplishing its mission.

Systematic fulfillment of our shareholder's strategic tasks and gradual implementation of our Strategy for Distribution Assets Development Until 2030 create the conditions for the Company's successful development in an environment that is defined by new quickly evolving technologies. We are becoming a modern, new-type energy company that is not only capable of competing in this dynamic environment but also contributes to its formation.

What I see as an example of the Company's commitment to grid modernization and efficient management is our involvement in InterFlex, a European project geared towards improving the flexibility of European distribution grids. It is an honor for us that ČEZ Distribuce became the technical manager of this project, which is cofinanced by the European Commission under the Horizon 2020 program. Our involvement consists in testing further integration of renewable and decentralized generating facilities and charging stations for electric vehicles into the distribution system. We also focus our efforts under the project on verifying truly groundbreaking technologies that allow storing electrical energy. I am convinced that the project can bring new business opportunities not only for our Company but also for other parts of the ČEZ concern.

The Company considers the area of increasing customer satisfaction and value added for its clients to be its strategic priority and an inherent part of its mission. Therefore, we introduced a new, toll-free contact line for all electricity customers in our distribution area that they can use to report power failures and make any distribution-related requests such as requests for statements on planned construction, requests for tree pruning around power lines, line relocation requests, or inquiries about planned outages. Our new call center operates 24/7. We also created a new portal for online client service, which will continue to improve this year.

We stayed on the path of continuously reinforcing safety and social responsibility in 2016. Many thanks go to Company employees, who did a huge amount of work in helping the needy and participating in the Granting Wishes initiative. They proved that they embrace this part of the Company's mission too. The Company also donates significant amounts every year to public benefit projects arranged by the CEZ Foundation.

Successful certification to ISO 9001 confirmed the efficiency of the logistics and system of operating and repairing measurement equipment and the operation of our authorized metrology center. A major milestone in the Company's history, in my opinion, is certification to ISO 50001, which confirmed the functionality of our systematic energy management.

The 2016 investment plan posed a big challenge for the Company. It proved our ability to act flexibly on a number of capital expenditure projects associated with clients' new requirements and a need to react quickly to the changing nature of our country's electricity system. We completed dispatch centralization and built many strategic structures. The number of our construction projects really was exceptionally high—allow me to mention just a few of them. By reconstructing the Kolín-Ovčáry transformer station switchgear, we greatly improved power supply reliability for TPCA's automobile factory, and by reconstructing similar switchgear at the 110/35kV transformer station in Hradec Králové, we enhanced the security of supply for this regional capital. A capital project at our Albrechtice transformer station enabled connecting additional renewable energy sources in that part of Moravia. We managed to complete a project to increase short-circuit strength at our 110kV Verněřov substation, considerably improving the reliability of the distribution system in that area.

We started a number of new capital projects, such as the reconstruction of a 110kV line between the Bohemia-Center, Pečky, and Kolín-West substations or the construction of a new Fifejdy transformer station in downtown Ostrava.

The past year, 2016, was a successful one for ČEZ Distribuce. So, please allow me, on behalf of the Company's Board of Directors, to thank all of the Company's employees for their work and commitment and all of our partners for fruitful collaboration in 2016. The forthcoming period brings about not only new tasks and challenges but also many changes taking place in the entire energy sector. I am confident we will again tackle them successfully together.



Richard Vidlička
Chairman of the Board of Directors
and Chief Executive Officer
ČEZ Distribuce, a. s.

Selected Indicators

Selected Financial Indicators

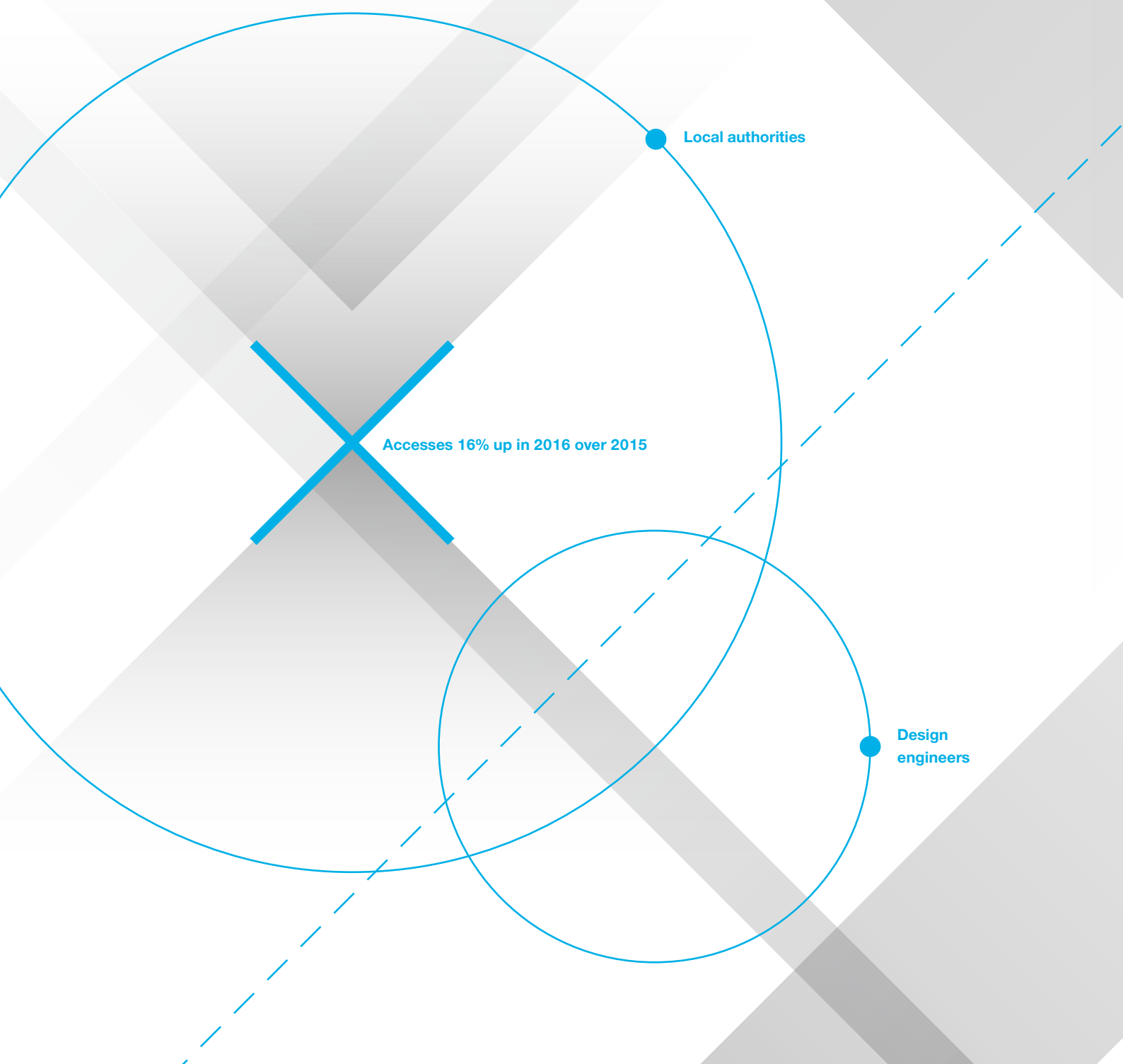
	Unit	2013	2014	2015	2016
Workforce headcount as at December 31	Number	1,208	1,228	1,470	2,640
Revenues from sales of own products and services	CZK millions	57,063	50,260	52,008	48,226
Of which: Revenue from sales of electricity distribution	CZK millions	56,839	50,038	51,788	48,022
EBITDA	CZK millions	15,487	15,489	15,227	16,011
EBIT	CZK millions	8,948	8,742	8,421	9,164
Net income	CZK millions	6,876	6,769	6,613	7,259
Total assets	CZK millions	139,368	136,150	139,132	141,280
Equity	CZK millions	90,042	91,095	92,766	95,473
Net debt	CZK millions	13,034	13,269	13,197	11,250
Total debt to total capital	%	20.77	19.43	20.27	18.71
Capital expenditures	CZK millions	7,879	7,953	7,697	7,946
Operating cash flow	CZK millions	16,694	13,334	12,777	13,940

Selected Sector-Specific Indicators

	Unit	2013	2014	2015	2016
Service area	Km ²	52,001	52,001	52,001	52,001
Number of connection points	Number	3,575,188	3,589,039	3,608,324	3,625,976
Of which: HV, MV—large end-use customers	Number	14,682	14,706	14,829	14,860
LV—commercial retail	Number	443,071	440,380	437,762	436,797
LV—residential retail	Number	3,117,435	3,133,953	3,155,733	3,174,319
Peak load	MW	5,583	5,461	5,393	5,884
Installed line length	Km	160,915	162,583	163,211	163,680
Of which: HV	Km	9,782	9,808	9,834	9,853
MV	Km	50,483	50,579	50,651	50,658
LV	Km	100,650	102,196	102,726	103,169
MV/LV transformer stations	Number	57,510	57,918	58,259	58,574
Of which: Owned by the Company	Number	44,547	45,076	45,412	45,724
Owned by a third party	Number	12,963	12,842	12,847	12,850
HV/HV, HV/MV, MV/MV transformer stations	Number	294	293	292	283

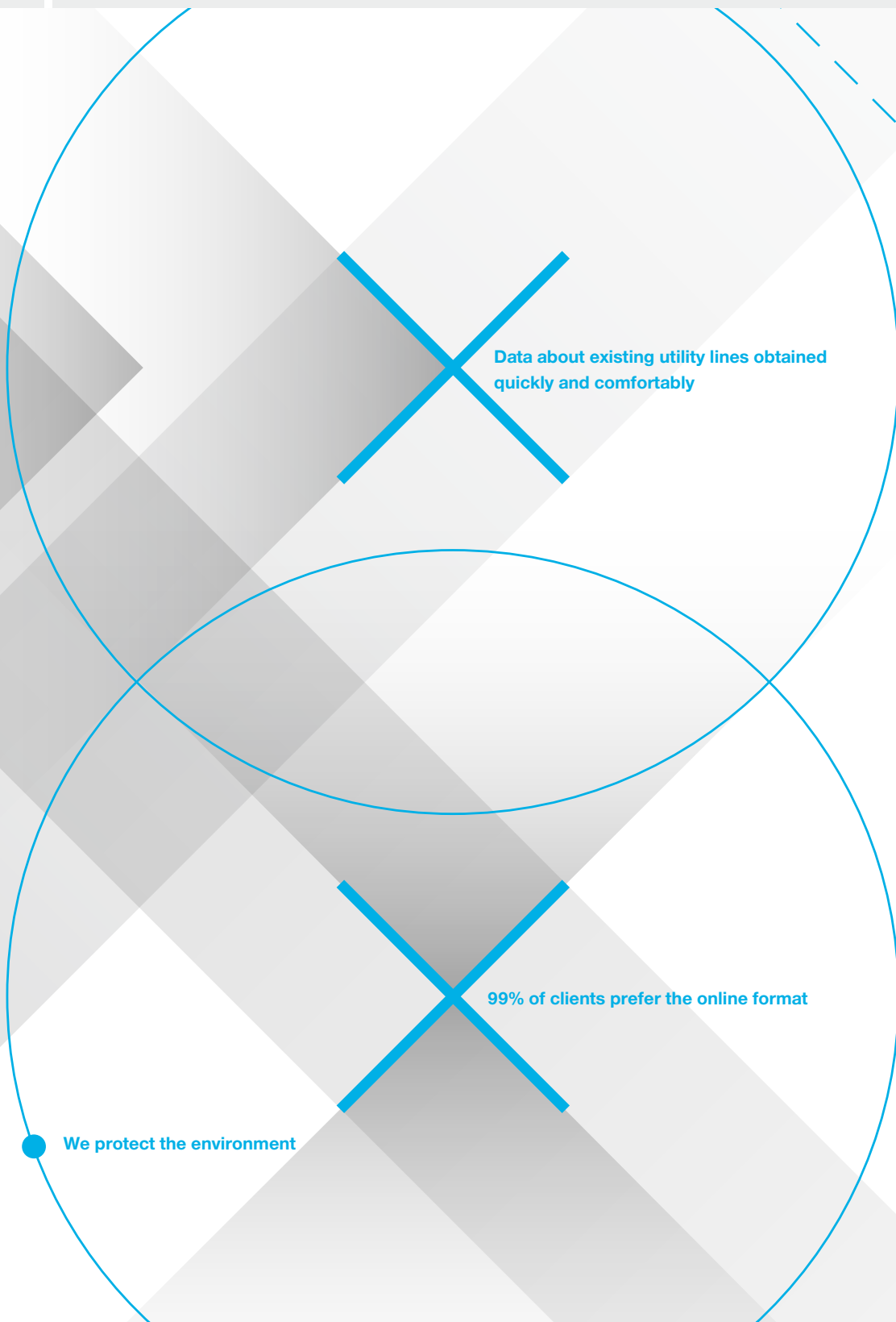
Geoportal

Geoportal is an application accessible at <https://geoportal.cezdistribuce.cz>. It provides information and services relating to public utilities, distribution system equipment, and equipment location.



It is a valuable service especially for design engineers, local authorities, as well as a range of other clients that need to obtain data and information on existing utility lines quickly and comfortably. In 2016 alone, the number of accesses increased by 16% over the previous year, and this trend has continued for several years.

99% of our clients prefer the online format. It gives them the benefit of fast processing and together we protect the environment. Design engineers and preparers of as-built documentation make intensive use of automated provision of digital data and delivery of processed documentation using a new RDF format (extended data format).



Data about existing utility lines obtained quickly and comfortably

99% of clients prefer the online format

We protect the environment

Key Events of 2016 and 2017 Until the Annual Report Closing Date

Key Events of 2016

January

- On January 1, 2016, the Albrechtice node area was opened for the connection of electricity generation facilities.
- On January 19, 2016, the final conference of the European Union's GRID4EU project (see <http://grid4eu.eu/> for more information) was held in Paris; ČEZ Distribuce, a. s. participates in GRID4EU through the Vrchlabi Smart Region project.
- At the request of the Federation of Electric Power Companies of Japan, discussions were held concerning renewable energy sources, smart technologies, cybersecurity, and improvements in operational efficiency (see <https://www.cez.cz/cs/pro-media/tiskove-zpravy/5382.html> for more information).

February

- On February 22, 2016, the Karlovy Vary Region hosted a meeting at which ČEZ Distribuce, a. s. and ČEPS, a.s. jointly informed the leaders of the Karlovy Vary Region about additional capacities available for connecting new generating facilities in the Vítkov node area.
- On February 29, 2016, Mr. Jaroslav Janda finished his service on the Supervisory Board and Mr. Vladimír Říha became a member of the Supervisory Board with effect from March 1, 2016 based on the sole shareholder's decision.
- ČEZ Distribuce, a. s. was the general partner of an international science fair for electrical trades students, held at the end of the month in Chomutov.
- Reconstruction of the 110kV Bohemia Center–Pečky and Pečky–Kolín West lines, Stage III, started.

March

- Snowstorm Bedřich hit the Central Bohemia region in the distribution area of ČEZ Distribuce, a. s.; the control center registered hundreds of medium-voltage and low-voltage power line faults, most of them in the districts of Příbram, Prague-East and Prague-West, where a state of disaster due to multiple concurrent faults was declared on Tuesday, March 1, 2016 at 6:00 a.m.; the state of disaster was terminated the next day.
- On March 31, 2016, Mr. Pavel Filipi finished his service on the Board of Directors and Mr. Pavel Šolc became a member of the Board of Directors with effect from April 1, 2016 based on the sole shareholder's decision.

April

- On April 14, 2016, the Board of Directors of ČEZ Distribuce, a. s. approved the "Annual Report on Measures Adopted to Implement the Distribution Grid Operator's Equal Treatment Program (Equal Treatment Program) in 2016."
- Representatives of ČEZ Distribuce, a. s. participated in the 11th Electricity Sector Trends in the European Context international conference, speaking on smart grid development and smart metering systems.
- Members of the Board of Directors held workplace meetings with employees in the West region.

May

- Reconstruction of existing double lines V 125, 126, and 127 from the Bohemia-Center and Český Brod transformer stations and construction of a new 110/22kV transformer station at Lichoceves started.
- Reconstruction of a 35kV switchyard at the Hradec Králové North transformer station was completed; the original switchyard was replaced by enclosed, SF6-insulated switchgear.
- Company management held workplace meetings with employees in the Center region.

June

- On the basis of performed analysis, 38 “Fresh Graduate” positions were created with effect from June 1, 2016 in response to anticipated changes resulting from internal and external effects, taking account of the need to ensure an adequate labor structure for staffing key positions in the Company's units.
- Members of the Board of Directors held workplace meetings with employees in the Moravia and North regions.
- On June 9, 2016, a Contract of Sale and Purchase was signed for the “Metering” part of the enterprise of ČEZ Distribuční služby, s.r.o., which was acquired by ČEZ Distribuce, a. s. on July 1, 2016.
- On July 9 and 10, 2016, the 8th annual Electricity System conference was held, at which representatives of ČEPS, SEPS, ČEZ Distribuce, and PREdistribuce presented progressive and new technologies that are used in grid construction and reconstruction; the conference also looked at the global strategy for energy transmission and possible utilization of a facility evacuated by a distribution system for supplying critical infrastructure.

July

- Construction work started on a new 110/22kV Fifejdy substation, which will increase transformation capacity and reliability for downtown Ostrava.
- Reconstruction of the 110kV Opočinec–Prachovice overhead line, V 1137–1138, was completed; the line mainly serves to supply CEMEX Cement, k.s., Prachovice.

August

- Reconstruction of the 110kV Bohemia Center–Pečky overhead line was completed.
- On August 23, 24, and 25, 2016, Business Client Service workshops were held, attended by more than two hundred representatives of traders, who were familiarized with new functionalities of the Distribution Portal.

September

- ČEZ Distribuce, a. s. launched a new, toll-free contact line, 800 850 860, for all clients in its distribution area, which can be used to report power failures and make any necessary distribution-related requests, such as requests for statements on planned construction, requests for tree pruning around power lines, line relocation requests, or inquiries about planned outages.
- The already traditional Distribution School-Leaving Exam took place in Kladno, attended by students from CEZ Group's partner secondary schools to get a specific idea about working in individual segments of energy distribution. The educational program of the Distribution School-Leaving Exam with experts from ČEZ Distribuce and ČEZ Distribuční služby included lectures, discussions, field trips, and workshops relating to energy distribution.
- Reconstruction of 110kV switchgear at the Albrechtice transformer station was completed, increasing the short-circuit strength of the switchgear and thus enabling the connection of additional generating facilities.
- On September 30, 2016, Mr. Petr Štulc finished his service on the Supervisory Board and Mr. Martin Zmelík became a member of the Supervisory Board with effect from November 1, 2016 based on the sole shareholder's decision.

October

- Construction started at the Liberec-Pavlovice transformer station, where the existing, temporary 110kV transforming plant will be replaced by new 110kV indoor metal-enclosed switchgear. This modification will increase reliability of supply from the 110kV and MV grids in the Liberec area and make provisions for unification in the city.
- Reconstruction of the 110kV Česká Třebová-Krasíkov overhead line was completed.
- ČEZ Distribuce, a. s. became the technical manager and partner of InterFlex, a newly prepared European project (see <http://www.enedis.fr/interflex-0> for more information) aimed at enhancing the flexibility of European distribution grids. The Company will focus on testing the integration of renewable and decentralized generating facilities and charging stations for electric vehicles into the distribution system and on electrical energy storage at a Europe-wide level.

November

- ČEZ Distribuce, a. s. opened its own call center in Zábřeh na Moravě, which operates 24/7 and is intended for all company clients that wish to report a fault or make any other distribution-related request.
- A construction project to increase short-circuit strength was completed at the 110kV Verněřov transformer station switchyard, which will enable connecting a new 400/110kV, 350MVA transformer.
- Members of the Board of Directors held meetings with employees at ČEZ Distribuce, a. s. workplaces.
- ČEZ Distribuce, a. s. successfully passed further certification audits; its ISO 14001 certificate and "Safe Enterprise" certificate were complemented by an ISO 9001 certificate, confirming that the system implemented in the process of measurement equipment logistics, measurement equipment repairs, and authorized metrology center is effective and complies with the requirements of the standard, and an ISO 50001 certificate, confirming the introduction of systematic energy management.
- In connection with the terms of current employee members of the Supervisory Board of ČEZ Distribuce, a. s. expiring on January 2, 2017, elections of employee candidates for the Company's Supervisory Board started on November 30, 2016.

December

- Elections of employee candidates for the Supervisory Board ended on December 14, 2016; Mr. Václav Rašner and Mr. Karel Čech were elected.
- On December 15, 2016, agreement between the parties was reached on Amendment No. 12 to the Collective Agreement of ČEZ Distribuce, a. s.
- On December 15, 2016, ČEZ Distribuce, a. s. opened its first Technical Consulting Point (TCP) at the Company's headquarters as another step toward better client service; professionally trained employees at the TCP help clients with requests concerning distribution-related matters.
- On December 20, 2016, the ninth, already traditional Christmas meeting between clients of the Jedlička Institute in Liberec and employees of ČEZ Distribuce, a. s. took place as an expression of Company employees' social responsibility.
- Reconstruction of switchgear at the Kolín-Ovčáry transformer station was completed, improving the reliability of power supply for a major customer (TPCA's automobile factory).
- In Prague, representatives of ČEZ Distribuce, a. s. and Enedis made a consortium agreement on InterFlex, a European project starting in January and aiming to improve the flexibility of European distribution grids.

Key Events of 2017 Until the Annual Report Closing Date

January

- Mr. Tomáš Pleskač was elected as member of the Company's Supervisory Board with effect from January 2, 2017 by the sole shareholder's decision.
- Under the DTS metering project, addition of communication units to existing MEg40 metering units was started; the communication units will allow transferring measured data remotely to end systems.
- A construction project was started at the Triangle industrial zone to connect Nexen at 110 kV.

February

- Mr. Karel Čech and Mr. Václav Rašner were elected as members of the Company's Supervisory Board with effect from February 1, 2017 by the sole shareholder's decision.
- In a letter dated February 9, 2017, the sole shareholder confirmed its intent to merge ČEZ Distribuce, a. s. and ČEZ Distribuční služby, s.r.o. by acquisition.
- By the sole shareholder's decision, Article 14 of the Company's bylaws, "Composition and Constitution of the Board of Directors and Term of Office of the Board of Directors," was amended and the number of members of the Board of Directors was changed from 6 to 7 with effect from March 1, 2017.
- Mr. Ivo Hlaváč resigned as Chairman and member of the Company's Supervisory Board by a letter dated February 23, 2017.
- On February 24, 2017, a state of disaster was declared in select Company areas due to severe weather.
- Mr. Karel Kohout was elected as member of the Company's Board of Directors with effect from March 1, 2017 by the sole shareholder's decision.

March

- Reconstruction of the 110kV Český Brod–Pečky line and HV switchgear at the Žamberk 110/35kV transformer station started.
- ČEZ Distribuce employees were nominated for the Ď Award by the Jedlička Institute in Liberec for regularly supporting the activities of its Daily Service Center and for annually organizing trips and purchases of Christmas presents for the clients. The Ď Award is a Czech award for benefactors and supporters in the fields of culture, charity, science, education, and moral values in Czechia.
- On March 30, 2017, JUDr. Michaela Chaloupková was elected to the Supervisory Board of ČEZ Distribuce, a. s. with effect from April 1, 2017 by the sole shareholder's decision.

April

- Reconstruction of equipment in the Frýdlant nad Ostravicí 110kV substation started.
- On April 4, a donation of CZK 550,000 was presented to the Královské Vinohrady Teaching Hospital in Prague, whereby ČEZ Distribuce, a. s. resumed long-term cooperation. The donation will be used for the treatment of people injured by electricity as well as all patients that need burn care.

Governing Bodies

In accordance with applicable legislation and the bylaws of ČEZ Distribuce, a. s., a shareholders' meeting elects and removes members of the Board of Directors, Supervisory Board, and Personnel Committee. Employees elect employee candidates for the Supervisory Board.

Supervisory Board

The Supervisory Board is the Company's control body; it supervises the exercise of the Board of Directors' powers and conduct of the Company's business activities. In compliance with the current bylaws, the shareholders' meeting elects six members of the Supervisory Board, including two members elected from candidates elected by employees according to the Company's Election Rules. Details of the Supervisory Board's sessions, approval procedure, meetings, and decision making are specified by the Rules of Procedure in accordance with the bylaws.

Members of the Supervisory Board as at the Date of Issue of the Annual Report

Tomáš Pleskač (born 1966)

Chairman of the Supervisory Board since May 10, 2017

Member of the Supervisory Board since January 2, 2017

A graduate of the Faculty of Business and Economics, University of Agriculture (today Mendel University) in Brno; MBA from Prague International Business School.

He currently holds the position of Chief Renewables and Distribution Officer at ČEZ, a. s.

He is a member of the Board of Directors of ČEZ, a. s.; Chairman of the Supervisory Board of ČEZ Distribuční služby, s.r.o.; Chairman of the Supervisory Board of ČEZ OZ uzavřený investiční fond, a.s.; Vice-Chairman of the Supervisory Board of ČEZ Obnovitelné zdroje, s.r.o.; Chairman of the Supervisory Board of Inven Capital, investiční fond, a.s.; Vice-Chairman of the Board of Directors of Akenerji Elektrik Üretim A.S. (Turkey); Vice-Chairman of the Board of Directors of Akcez Enerji A.S. (Turkey); Chairman of the Supervisory Board of Distributie Energie Oltenia S.A. (Romania); Vice-Chairman of the Supervisory Board of CEZ Romania, S.A. (Romania); Chairman of the Supervisory Board of CEZ Polska sp. z o.o. (Poland).

Michaela Chaloupková (born 1975)

Vice-Chairwoman of the Supervisory Board since May 10, 2017

Member of the Supervisory Board since April 1, 2017

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

She has been a member of the Board of Directors of ČEZ, a. s. since October 20, 2011.

Vladimír Říha (born 1962)

Member of the Supervisory Board since March 1, 2016

A graduate of the College of Electrical Engineering in Wiesbaden, Germany.

He currently holds the position of Director of Ownership Interest Administration at ČEZ, a. s.

He is the Chairman of the Supervisory Board of ČEZ Zákaznické služby, s.r.o.; Vice-Chairman of the Supervisory Board of Elektrárna Dukovany II, a. s.; Vice-Chairman of the Supervisory Board of Elektrárna Temelín II, a. s.; member of the Supervisory Board of ČEZ Korporátní služby, s.r.o.; Chairman of the Supervisory Board of CEZ Bulgaria EAD (Bulgaria); member of the Supervisory Board of CEZ Elektro Bulgaria AD (Bulgaria); Chairman of the Supervisory Board of CEZ Romania S.A. (Romania); member of the Supervisory Board of Distributie Energie Oltenia S.A. (Romania) and Eco-Wind Construction S.A. (Poland); as well as Managing Director at wpd Windparks Luv GmbH, wpd Windparks Lee GmbH, and wpd Windparks Nordwind GmbH (Germany).

Martin Zmelík (born 1975)

Member of the Supervisory Board since November 1, 2016

A graduate of the Faculty of Business Administration, University of Economics, Prague; MBA from U.S. Business School Prague (Rochester Institute of Technology).

He currently holds the position of Country Manager at an international acquisition in Romania.

Karel Čech (born 1958)

Member of the Supervisory Board elected from candidates elected by employees since February 1, 2017

A graduate of an industrial school of electrical engineering. He works as Head of MV/LV Construction in the Grid Renovation unit of ČEZ Distribuce, a. s.

Václav Rašner (born 1966)

Member of the Supervisory Board elected from candidates elected by employees since February 1, 2017

A graduate of a power engineering program at the Technical University of Ostrava.

He works as a Technical Support Specialist in the Grid Renovation unit of ČEZ Distribuce, a. s.

List of Members of the Supervisory Board Whose Membership Terminated in 2016 or Before the Annual Report Closing Date

Ivo Hlaváč (born 1976)

Chairman of the Supervisory Board from May 28, 2014 to February 28, 2017

Member of the Supervisory Board from March 1, 2014 to February 28, 2017

Irena Klůsová (born 1953)

Member of the Supervisory Board (elected by employees) from January 1, 2012 to January 1, 2017

Petr Štulc (born 1968)

Member of the Supervisory Board from June 1, 2014 to September 30, 2016

Board of Directors

The Board of Directors is the Company's statutory governing body, which manages its activities and acts on its behalf.

Members of the Board of Directors are elected and removed by a shareholders' meeting. The powers of the Board of Directors are defined by the Company's bylaws approved by a shareholders' meeting. The Board of Directors makes decisions on all Company matters unless they are reserved for another company body by law or the Company's bylaws.

Details of the Board of Directors' sessions, approval procedure, meetings, and decision making are specified by the Rules of Procedure of the Board of Directors of ČEZ Distribuce, a. s. The Board of Directors has seven members; members elect and remove their Chairperson and Vice-Chairperson. Pursuant to law and the Company's bylaws, the Supervisory Board is notified of selected matters or asked for an opinion or prior authorization of the Board of Directors' decision.

Members of the Board of Directors as at the Date of Issue of the Annual Report

Richard Vidlička (born 1966)

Chairman of the Board of Directors since October 2, 2015

A graduate of the Faculty of Commerce, University of Economics, Prague. MBA from the University of Pittsburgh, Joseph M. Katz Graduate School of Business.

He is a member of the Board of Directors of EDSO for Smart Grids (Brussels), Vice-Chairman of Eurelectric's DSO Committee, and member of the Board of Trustees of the Czech Association of Regulated Power Supply Companies (CARPSC).

Vladimír Budinský (born 1959)

Vice-Chairman of the Board of Directors since October 1, 2015

A graduate of the Faculty of Civil Engineering, Czech Technical University, Prague. MBA from the Masaryk Institute, Czech Technical University in Prague / Sheffield Hallam University.

He is the Vice-President of Euracoal and Vice-Chairman of UNECE's Group of Experts for Cleaner Electricity Production.

Radim Černý (born 1974)

Member of the Board of Directors since June 1, 2012

A graduate of the Faculty of Electrical Engineering, University of West Bohemia, Plzeň.

Jiří Kudrnáč (born 1965)

Member of the Board of Directors since April 1, 2015

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

Tomáš Murtinger (born 1978)

Member of the Board of Directors since April 1, 2015

A graduate of a bachelor's program of the Faculty of Informatics and Statistics, University of Economics, Prague.

Pavel Šolc (born 1962)

Member of the Board of Directors since April 1, 2016

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

Karel Kohout (born 1953)

Member of the Board of Directors since March 1, 2017

A graduate of a master's program and the Electricity Transmission and Distribution postgraduate program at the College of Mechanical and Electrical Engineering in Plzeň (today University of West Bohemia in Plzeň).

Principles of Remuneration of Members of the Board of Directors and Supervisory Board

The principles of remuneration of members of the Board of Directors and the Supervisory Board are governed by rules approved by the Company's shareholders' meeting and incorporated in service contracts with members of the Board of Directors and the Supervisory Board, as approved by a decision of the sole shareholder exercising the powers of a shareholders' meeting.

Specific tasks for individual members of the Board of Directors are also approved by a decision of the sole shareholder exercising the powers of a shareholders' meeting, as is the evaluation of their fulfillment, which, in accordance with the rules of unbundling, is dependent solely on the Company's performance. Such specific tasks are evaluated annually. ČEZ Distribuce, a. s. did not grant any credit or loan to members of the Board of Directors or the Supervisory Board and did not assume any liability or guaranty or performance on their behalf in 2016.

Board of Directors



Richard Vidlička
Chairman of the Board of Directors



Vladimír Budinský
Vice-Chairman of the Board of Directors



Tomáš Murtinger
Member of the Board of Directors



Jiří Kudrnáč
Member of the Board of Directors

Radim Černý
Member of the Board of Directors



Karel Kohout
Member of the Board of Directors

Pavel Šolc
Member of the Board of Directors



Collaboration with Schools

ČEZ Distribuce needs many qualified employees to be able to fulfill its mission, namely to distribute electricity while continuously improving the quality and reliability of supplies to all end users.

1-to-2-year program for fresh graduates

Collaboration with secondary schools, colleges, and universities

Generational renewal of qualified employees

That is why it collaborates on a long-term basis with secondary schools, colleges, and universities where it seeks future energy experts.

It launched a Fresh Graduates Program in 2016 to open doors for young and competent colleagues and enable them to launch a career in a strong and stable corporation. The program will provide positions in the company for 38 fresh graduates of secondary schools, colleges, and universities. Another project is the pilot Prokop Diviš Motivational Program, intended for students of electrician, electrical engineering mechanic, and electrical engineer programs at five select secondary schools in Czechia.

Creating 38 positions for fresh graduates

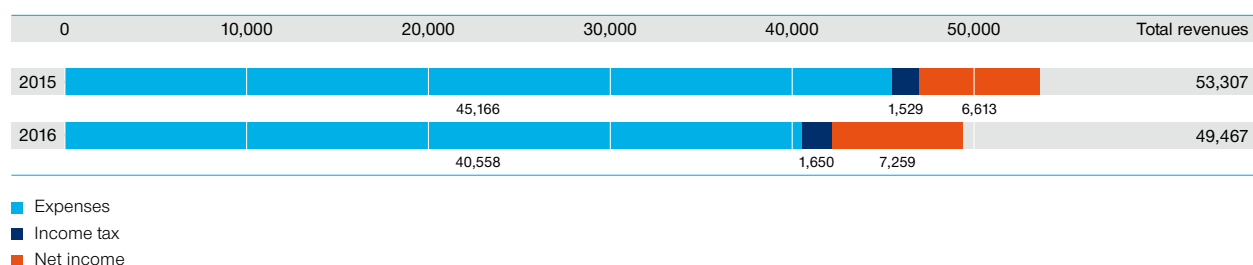
Prokop Diviš Motivational Program—a pilot project for 5 select secondary schools

Report on Operations Financial Performance

The joint stock company ČEZ Distribuce was formed under the Draft Terms of Domestic Merger by the Formation of a New Company with the merger record date of January 1, 2010 and came into existence by registration in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section B, File 2145 on October 1, 2010. Its core business is providing electricity distribution system services to individuals and legal entities.

Revenues, Expenses, and Income

Income Structure (CZK Millions)



The Company's 2016 income before taxes was CZK 8,909 million. Its net income of CZK 7,259 million is CZK 646 million up from the year 2015.

Operating income was CZK 9,164 million, which is CZK 743 million more than in 2015, primarily due to an increase of CZK 1,151 million in gross margin on electricity distribution.

Financing activities generated a loss of CZK 255 million due to interest on borrowings; the loss is CZK 24 million less than in 2015. Total expenses without income tax were CZK 40,558 million in 2016. The highest amounts were expended on covering costs associated with support for renewable electricity, on purchasing system, transmission, and distribution services, and on purchasing electric power to cover losses, totaling CZK 25,127 million, followed by expenses on other production-related consumption of CZK 6,422 million, depreciation and amortization of fixed assets amounting to CZK 6,847 million, personnel expenses of CZK 1,609 million, other expenses arising from operating activities of CZK 227 million, and financial expenses of CZK 326 million. Total 2016 revenues amounted to CZK 49,467 million and consisted of revenues from distribution system services amounting to CZK 48,022 million, other revenues of an operating nature amounting to CZK 1,374 million, and financial revenue amounting to CZK 71 million.

Asset and Capital Structure

Assets

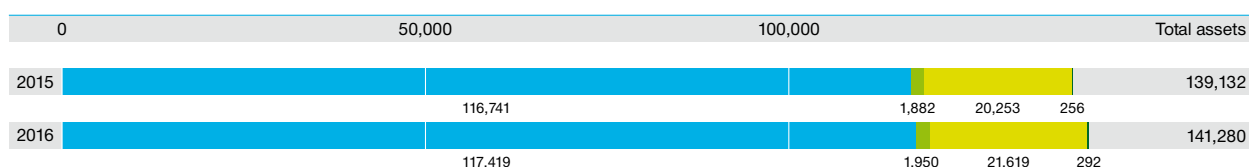
Total assets reached CZK 141,280 million, increasing by CZK 2,148 million against 2015.

Fixed assets reached CZK 119,369 million, increasing by CZK 746 million against 2015. The most significant item was buildings, halls, and constructions amounting to CZK 90,491 million, followed by tangible movable items and sets thereof amounting to CZK 25,721 million, tangibles in progress amounting to CZK 1,785 million, land amounting to CZK 877 million, and intangible fixed assets amounting to CZK 327 million.

Current assets in 2016 increased by CZK 1,405 million on the year before, amounting to CZK 21,878 million. The highest amounts were contingencies, amounting to CZK 11,614 million, which represents mostly unbilled deliveries of services related to electricity distribution; short-term receivables from Group companies within Group cash pooling of CZK 8,108 million; short-term trade receivables of CZK 1,431 million; short-term advances paid, amounting to CZK 465 million; and materials, amounting to CZK 183 million.

Accruals reached CZK 33 million, decreasing by CZK 3 million against 2015.

Structure of Assets (CZK Millions)



- Property, plant, and equipment and intangibles in use
- Fixed tangible and intangible assets in progress + advances paid
- Short-term receivables
- Other current assets + other assets

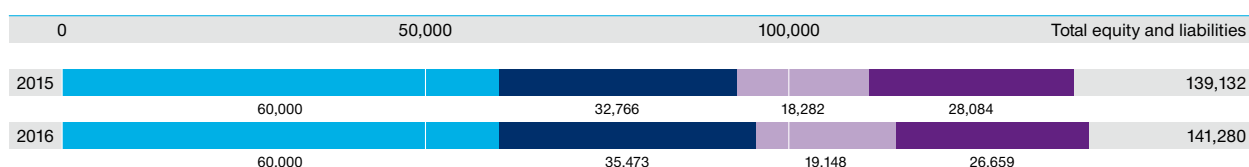
Equity and Liabilities

The value of equity reached CZK 95,473 million, growing by CZK 2,707 million against 2015. The largest items of equity were the stated capital registered in the Commercial Register, amounting to CZK 60,000 million, legal reserve of CZK 12,000 million, retained earnings amounting to CZK 16,213 million, and the current period's profit of CZK 7,259 million.

Liabilities totaled CZK 38,060 million, decreasing CZK 518 million on the year before. The largest amounts were deferred taxes amounting to CZK 11,370 million; short-term advances, amounting to CZK 11,236 million; long-term liabilities to Group companies within Group cash pooling, amounting to CZK 6,914 million; contingencies (estimated liabilities) of CZK 2,879 million; short-term trade payables of CZK 3,415 million; and current liabilities to Group companies within Group cash pooling, amounting to CZK 1,075 million.

Other liabilities, consisting primarily of deferred revenue from connection applicants' contributions, were CZK 7,747 million, decreasing by CZK 40 million against the year before.

Structure of Equity and Liabilities (CZK Millions)

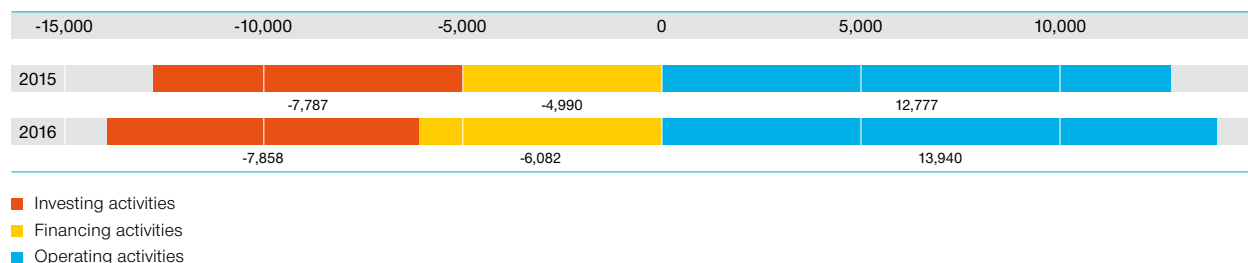


- Stated capital
- Additional paid-in capital + funds from net profit + retained earnings + current year's profit
- Current liabilities
- Provisions + long-term liabilities + bank loans and short-term notes + other liabilities

Company Financing

Cash Flows

Cash Flow Summary (CZK Millions)



Short-term financial assets were CZK 0 as at December 31, 2016.

Cash from operating activities, amounting to CZK 13,940 million, was generated by the following:

Profit on ordinary activities before taxation	CZK 8,909 million
Corporate income tax paid	(CZK 1,743 million)
Depreciation and amortization of fixed assets, write-offs	CZK 6,862 million
Changes in working capital	CZK 439 million
Other operating activities	(CZK 527 million)

Cash used for investing activities totaled CZK 7,858 million, with expenditure on the acquisition of fixed assets of CZK 7,868 million accounting for the greatest part thereof.

Cash used for financing activities totaled CZK 6,082 million; the amount included the payment of dividends amounting to CZK 4,629 million, change in cash under Group cash pooling of CZK 636 million, and change in the balance of loans of CZK 817 million.

Borrowings and Their Maturity

The Company had loans amounting to CZK 7,989 million as at December 31, 2016. Of that amount, the long-term portion of loans amounted to CZK 6,914 million and the current portion amounted to CZK 1,075 million.

The loans mature on June 7, 2022 and December 31, 2025 and were provided to finance renovation and development of the distribution system at the MV and LV levels and for refinancing.

Key Financial Indicators

	Unit	2015	2016
Return on equity, net (ROE Net)	%	7.19	7.71
Return on assets, net (ROA Net)	%	4.80	5.18
EBIT margin	%	15.72	18.55
Financial debt to equity	%	10.03	8.49
Net debt to EBITDA	%	86.67	70.26
Current ratio	%	78.67	81.47
Operating cash flow to debt	%	64.49	76.24
Asset turnover	1	0.39	0.35
Fixed asset coverage	%	94.90	95.30
Depreciation-to-fixed assets ratio	%	54.02	54.65

Economic and Financial Outlook for 2017

The year 2017 is the second year of the fourth regulatory period. The plan for purchases and sales of services related to electricity distribution is based on the anticipated consumption of electricity in the region served by ČEZ Distribuce, a. s. in 2017 and on prices stipulated by the Energy Regulatory Office for 2017, which reflect the principles of regulated prices for both purchases and sales. The principles should ensure coverage of a distribution company's legitimate costs, including the generation of resources for distribution system renovation and development and revenue for shareholders.

The Company's plan for 2017 anticipates revenues from sales of own products and services amounting to CZK 48,288 million, income before taxes of CZK 7,733 million, and capital expenditure of CZK 9,838 million.

Capital Expenditures

Capital Construction

The Company invested CZK 7,946 million in distribution system renovation and development in 2016. Distribution system development involved most importantly ensuring sufficient distribution system capacity and taking care of connection requests by customers and generating facilities.

Principal Investment Policy Targets

Main capital construction activities were focused on renovating distribution system infrastructure with the aim of improving the quality of supplies and the reliability and safety of distribution system operation. All construction projects were prepared and undertaken in compliance with applicable law and current rules for the operation of distribution systems. In the field of new technologies, the year 2016 was characterized by the preparation of projects for metering at distribution substations and the implementation of the next wave of installation of remote-controlled elements in medium-voltage grids.

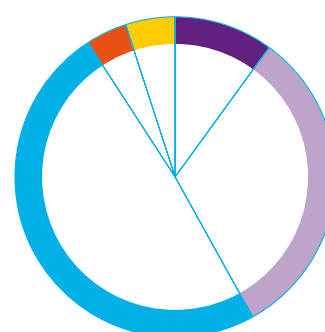
Capital Expenditures in 2015 and 2016, Plan for 2017

Capital Expenditures (CZK Millions)

	2015	2016	Plan for 2017
HV structures	926	768	968
MV structures	2,131	2,503	3,311
LV structures	3,655	3,885	4,563
Electricity meters	476	376	436
Ancillary investments	509	414	560
Total	7,697	7,946	9,838

Capital Expenditures in 2016

	%
HV structures	10
MV structures	32
LV structures	49
Electricity meters	4
Ancillary investments	5
Total	100



Investments in the Distribution System

Investment activities in 2016 were principally focused on MV and LV structures. CZK 6,388 million was invested in such equipment in 2016. Most of the projects involved reconstructing and renovating underground and overhead lines, as well as constructing the MV parts of HV/MV transformer stations and MV/MV switching substations.

Investments in HV structures amounted to CZK 768 million. Most of the projects concerned reconstructing and constructing new HV overhead lines and reconstructing HV substations.

Investments in projects initiated at customers' request totaled CZK 2,129 million.

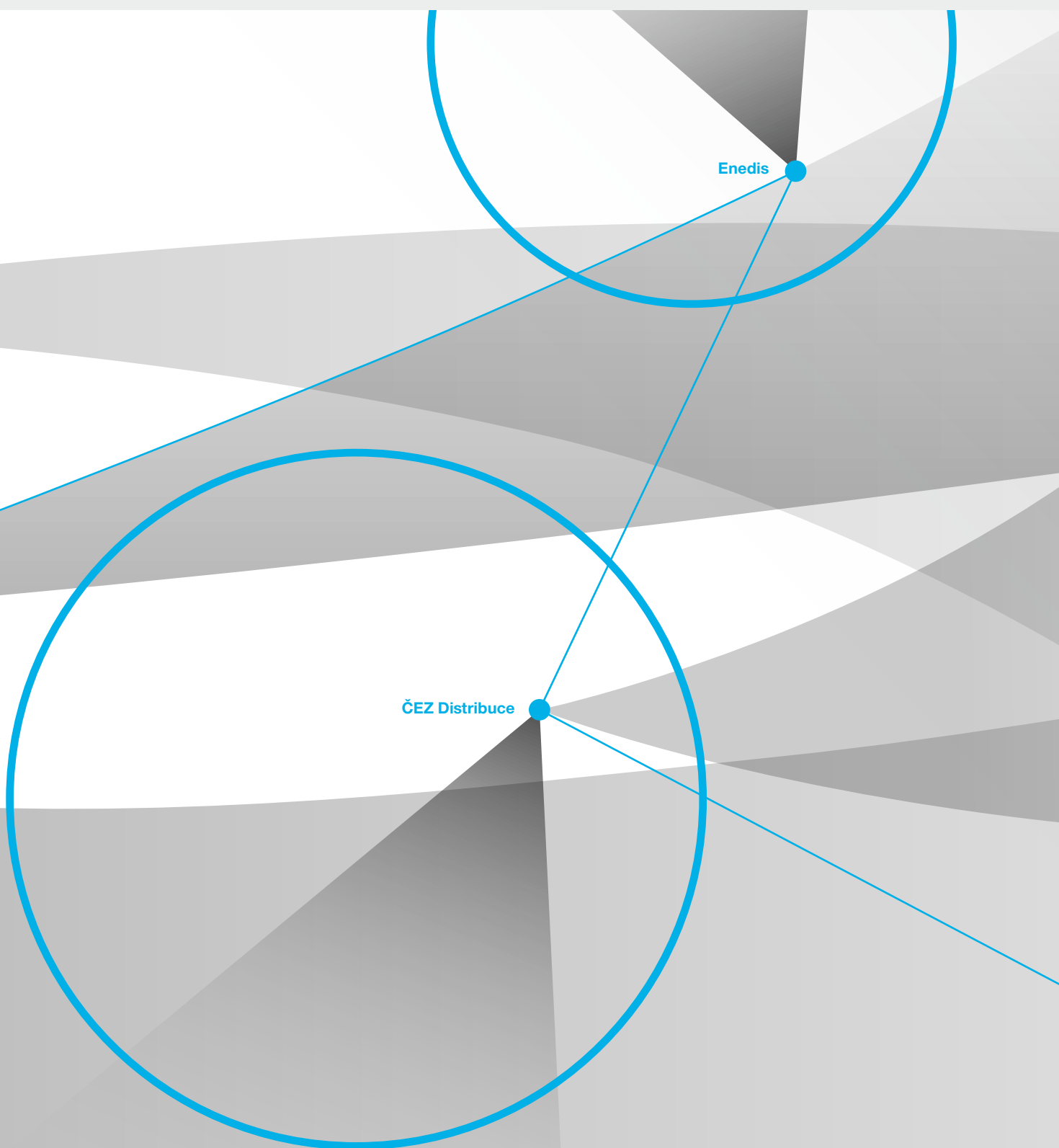
CZK 790 million was invested in activities supporting main distribution processes, in particular the enhancement of operating and control systems and purchases of electricity meters.

Major Projects

- Přeštice, 110kV substation reconstruction
- Tuněchody–Hlinsko, 110kV line reconstruction
- Vrchlabí transformer station for Branch 244, 110kV line reconstruction
- Česká Třebová–Krasíkov, 110kV line reconstruction
- Staré Místo, 110/35kV transformer station reconstruction
- Vernéřov, 110kV substation reconstruction
- Bohemia Center–Pečky, 110kV line reconstruction
- Bohemia Center–Český Brod, 110kV line reconstruction
- Pečky–Kolín West, 110kV line reconstruction
- Triangle, new 110/22 kV transformer station construction

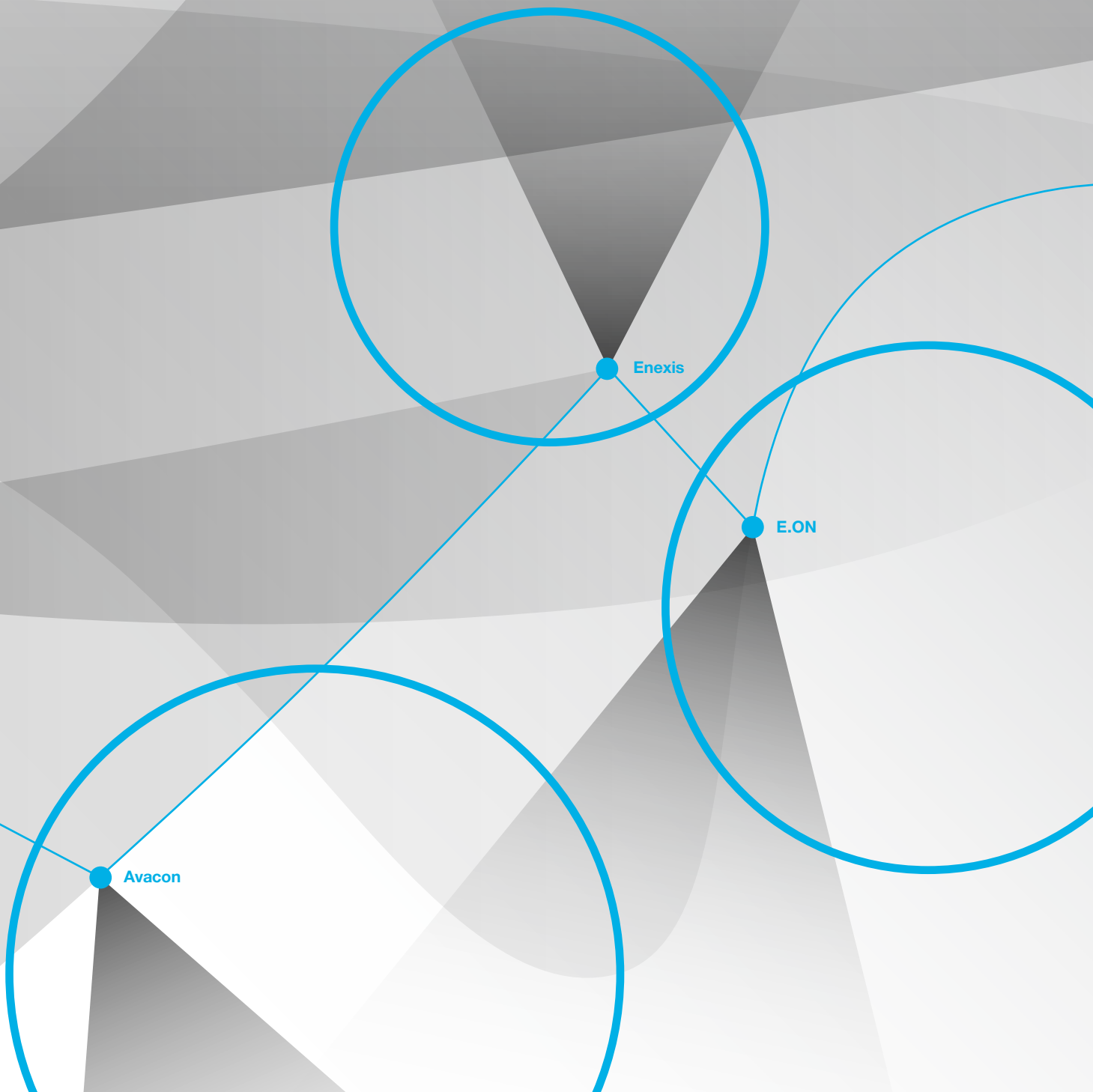
InterFlex

InterFlex is an innovative Smart Grids project supported by the EU's Horizon 2020 program and aiming to improve the flexibility of European distribution grids.



It is led by Enedis, one of the founding international entities. Other members include Avacon, ČEZ Distribuce, Enexis, and E.ON. Together with suppliers, electricity traders, and research organizations, they form a twenty-member project consortium.

ČEZ Distribuce, together with other partners, is planning to run a demonstration project to test four Smart Grid areas, focusing on the integration of renewable and decentralized generating facilities into the distribution system (at both low- and medium-voltage levels), electricity storage, and the integration of charging stations for electric vehicles into the distribution system.



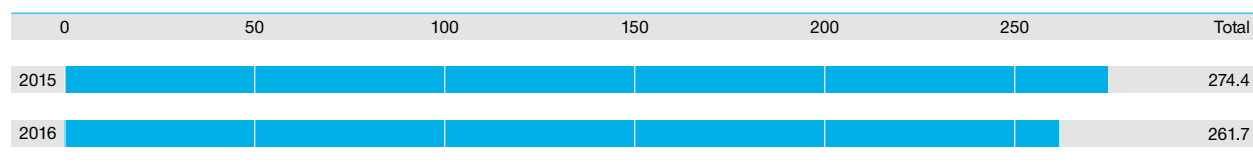
Information on the Company's Core Business

The Company's core business is providing electricity distribution system services to individuals and legal entities. The Company manages distribution system assets and controls the operation of the distribution system from its control center. In 2016, the distribution system was operated and maintained in line with quality standards and requirements defined in the Preventive Maintenance Regulations. The smooth operation of the distribution system during the year was negatively affected by seven massive failures (including one disaster) caused by severe weather, during which there were 1,689 emergency interruptions of electricity distribution with impacts on customers that lasted more than three minutes. Besides those interruptions, there were other unplanned interruptions that lasted more than three minutes and affected at least one customer: 36 interruptions at the HV level, 5,345 interruptions at the MV level, and 21,274 interruptions at the LV level. In addition, 7,188 damaged fuses were replaced in customers' main fuse boxes or feeder boxes.

The Company monitors and evaluates indicators concerning the quality and reliability of electricity supply and distribution and the quality of provided services.

One of the indicators is the System Average Interruption Duration Index (SAIDI), which represents the overall average outage duration per customer during the whole year. The value includes all emergency and planned interruptions that occurred directly in the Company's distribution system during the year. Exemptions are interruptions due to severe weather and planned interruptions that were not initiated by the distribution system operator and were acknowledged by the Energy Regulatory Office based on an approved application, which are excluded from the value.

System Average Interruption Duration Index (Minutes)



ČEZ Distribuce, a. s. owns and operates the following distribution system assets:

Distribution System Infrastructure

	Unit	2015	2016
Installed line length	Km	163,211	163,680
Of which: HV	Km	9,834	9,853
MV	Km	50,651	50,658
LV	Km	102,726	103,169
MV/LV transformer stations	Number	58,259	58,574
Of which: Owned by the Company	Number	45,412	45,724
Owned by a third party	Number	12,847	12,850
HV/HV, HV/MV transformer stations	Number	239	239

The Company's distribution system distributed 44,995 GWh of electricity in 2016.

Annual Figures on Electricity Distribution (GWh)

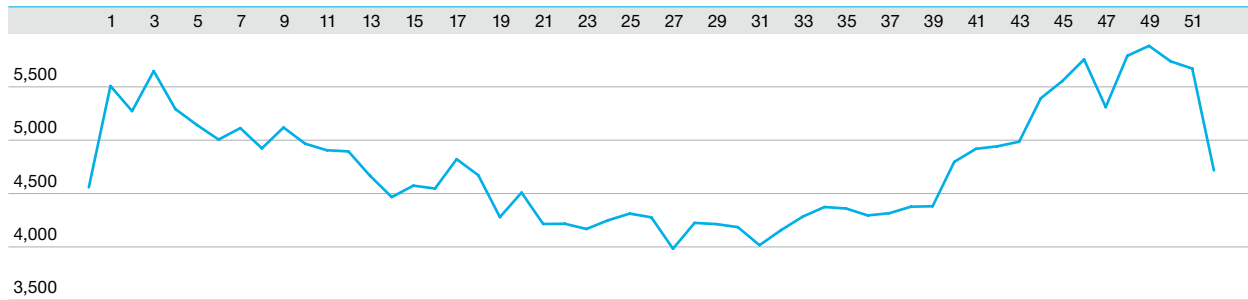
	2015	2016
System inflow		
Supplied from transmission service providers' networks	23,778	24,758
Supplied from ČEZ, a. s. facilities	6,900	6,661
Supplied from neighboring distribution service providers	1,016	1,020
Supplied from facilities owned by other producers, including autoproducers	9,149	9,159
Supplied from other facilities	85	34
Imports (from abroad) at distribution service level	14	89
Distribution license holders (local distribution system)	2,971	3,274
Total system inflow	43,913	44,995
System outflow		
HV/MV customers	12,908	13,112
LV customers	13,819	14,245
Consumed by producers in distribution service providers' grids	1,884	1,727
Consumed by other facilities	85	33
Supplied to neighboring distribution service providers	5,861	5,884
Supplied to transmission service providers' grids	1,579	1,577
Exports (to abroad) at distribution service level	142	389
Distribution license holders (local distribution system)	5,528	5,866
Other consumption by distribution service providers	53	52
Losses	2,054	2,110
Total system outflow	43,913	44,995

Electricity inflow into the Company's distribution system was 44,995 GWh in 2016. This is an increase of 2.46% over 2015, that is, 1,082 GWh more. The greatest percentage, 55.02%, was electricity inflow from the transmission service provider's grid, which was 24,758 GWh. This is an increase of 980 GWh over 2015. The amount of electricity acquired directly from the facilities of ČEZ, a. s. was 6,661 GWh, which was 239 GWh less than in 2015. Supplies from neighboring distribution service providers increased by 4 GWh year-on-year; supplies from facilities owned by other producers, including autoproducers, increased by 10 GWh. There was a decrease of 51 GWh in the amount of electricity from other facilities. Imports from abroad increased by 75 GWh; supplies from local distribution systems increased by 303 GWh.

The amount of electricity distributed to HV and MV customers increased by 204 GWh year-on-year; electricity distributed at those voltage levels accounted for 29.14% of total supplies. The amount of electricity distributed at LV level increased by 426 GWh, accounting for 31.66% of total supplies. Producers' consumption decreased by 157 GWh against 2015; other facilities' consumption decreased by 52 GWh year-on-year. Supplies to neighboring distribution service providers increased by 23 GWh year-on-year; their share in the total amount of electricity distributed was 13.08%. The amount supplied back to the transmission service provider's grid decreased by 2 GWh. Exports to abroad amounted to 389 GWh, increasing by 247 GWh year-on-year. Supplies to local distribution systems increased by 338 GWh year-on-year. Other consumption decreased by 1 GWh; losses increased by 56 GWh.

The hourly maximum was 5,884 MW and was achieved on December 5, 2016 at 6 p.m.

Weekly Maximums (MW)



ČEZ Distribuce, a. s. sells its services for electricity distribution to customers through electricity traders or by direct sales. In 2016, ČEZ Distribuce, a. s. had a framework contract with 97 active traders.

Number of Connection Points

	Unit	2015	2016
HV, MV—large end-use customers	Number	14,829	14,860
LV—commercial retail	Number	437,762	436,797
LV—residential retail	Number	3,155,733	3,174,319
Total		3,608,324	3,625,976

Around 18,000 new connection points were connected and around 13,000 connection points had their reserved capacity increased in 2016. Additionally, 472 new generating facilities with a total installed capacity of 38 MW were connected in 2016. CZK 579 million was collected in contributions towards connection and capacity increases pursuant to Decree No. 16/2016 Sb., on conditions for connection to the electricity system, and CZK 2,042 million was expended on fulfilling the requests in 2016.

New Connections, Increased Capacity

Voltage Level	Expenditure on the Distribution System (CZK millions)	Contributions Collected (CZK millions)	Connected or Increased (MW)
HV	52	10	43
MV	184	143	179
LV	1,806	426	472
Total	2,042	579	694

Safety and Quality Management, Environmental Protection

Occupational Safety and Health

An optimally adjusted safety management system allowed the Company to maintain a positive development trend in occupational safety and hygiene in the work environment. The excellent results in this area were significantly helped by a certified OSH management system, implemented in line with the "Safe Enterprise" program. The Company was successfully recertified for three years in 2015. During the recertification, the OSH management system in place was reviewed for compliance with the "Safe Enterprise" program established by the State Labor Inspection Office.

Four time-loss injuries with a total of 88 days off work occurred at ČEZ Distribuce, a. s. in 2016. All of the injuries were duly investigated and compensated. The increase in the number of work injuries was primarily due to an increase in the number of field workers working on distribution system equipment.

Fire Prevention

The management and performance of fire protection activities in 2016 focused on compliance with and fulfillment of the parameters of the "Safe Enterprise" certification. This also fulfilled the requirement set down by our uniform safety policy. The standard is continuous creation and maintenance of fire protection conditions for safe operation, protection of people and assets, and fire prevention.

The system of fire protection management and performance was supported by inspection and audit activities according to approved annual plans. Activities ensuring fire prevention included updates to fire protection documents, staff training, and special training.

No fire causing damage in excess of CZK 1 million occurred at the Company in the period in question. Since fire protection requires systematic management, work on the creation of new control and record-keeping software was underway.

Environmental Protection

In compliance with applicable law, ČEZ Distribuce, a. s. has traditionally been committed to creating the conditions for effective protection of the environment and related compartments.

Specialized company employees in charge of environmental care paid active attention to all environmental compartments, especially waste and water management, incident prevention, and last but not least avian protection.

A total of 78 sites with old environmental burdens were identified within the service area of ČEZ Distribuce. Some of the burdens were already removed in the past years and preparations for the remedial process are underway for others. At the end of 2016, environmental burdens had been removed in compliance with legal requirements and the Czech Environmental Inspectorate's opinions at 46 sites. Monitoring, additional surveying, or burden documentation updating are taking place at the remaining 32 sites. Protecting birds against electrical accidents remains a major issue in nature conservation. It is ČEZ Distribuce's statutory obligation to secure all MV overhead lines against bird injuries by 2024. The Company is actively involved in the creation of the Ministry of the Environment's guidance document aiming to introduce a uniform system to address this issue. No increase in bird injuries caused by electrocution or collision with overhead lines was registered during 2016.

Adopted measures resulted in a continuing downward trend in the number of environmental disasters caused by the theft of insulating liquids from MV distribution transformers in 2016, which ultimately meant reduced cost of clean-up.

In November, the Company successfully underwent its second EMS surveillance audit, which confirmed the validity of its certification to ČSN EN ISO 14001 from December 2014 for another period. In compliance with applicable legal provisions, the Company's environmental management system was expanded to include an energy audit (EnMS) according to ČSN EN ISO 50001.

In October, the Company obtained a certificate for its energy management system in the operation of the technical and nontechnical equipment of its distribution system.

Shares and Shareholders

The total amount of the stated capital of ČEZ Distribuce, a. s., as registered in the Companies Register at the closing date of the Annual Report, is CZK 60,000 million. The Company's sole shareholder is ČEZ, a. s. (www.cez.cz), having its registered office at Prague 4, Duhová 2/1444, postcode 140 53, identification number 452 74 649, holding a 100% stake in the stated capital of ČEZ Distribuce, a. s.

Types and Volumes of Issued Stock

The stated capital is divided into 600 registered materialized common shares of stock with a nominal value of CZK 100 million. The common shares of stock are replaced with a Stock Certificate with a total nominal value of CZK 60,000 million issued to ČEZ, a. s. having its registered office at Prague 4, Duhová 2/1444, postcode 140 53, identification number 452 74 649.

Employment Changes

In the field of labor relations and social policy, the Company strove to maintain social peace, respecting the Labor Code and related legislation as well as collective agreements in effect at ČEZ Distribuce, a. s.

New Hires and Exits in 2016

	Number of Employees
New hires	236
Exits	91

The workforce headcount as at December 31, 2016 was 2,640 employees.

Education and Training

ČEZ Distribuce, a. s. places high demands on staff expertise and other qualification requirements.

Emphasis is put especially on professional training with focus on electrical engineering. Training programs in 2016 aimed at supporting employees' individual development; in addition, there was also a continuing project for internal and inter-company mentoring, in which the Company became involved in 2015. ČEZ Distribuce, a. s. invested CZK 7.3 million in development activities for its employees in 2016.

Social Policy

Under its social policy, the Company provides its employees with monetary and nonmonetary benefits. Nonmonetary benefits have the form of shortened working time and an additional week of vacation beyond the statutory minimum. To enhance the protection of employees, vaccination against tick-borne encephalitis is provided to staff in selected jobs. The Company's expenditure on monetary benefits amounted to CZK 107.7 million. The employer made contributions especially to pension and life insurance, meal plans, and health care. Personal accounts were opened for all employees under contract and they can use them, for example, to pay for their recreation or to get vouchers.

Relations with Labor Unions

There were a total of 31 local labor organizations operating at ČEZ Distribuce, a. s. in 2016. The percentage of union members among all company employees was 49%. Collective bargaining on amendments to the effective collective agreement took place in 2016, concerning mainly wages, salaries, and benefits. The collective bargaining culminated in the signing of Amendments No. 11 and 12 to the collective agreement. There were a total of 25 regular meetings held between the employer and labor union representatives in 2016, at which information was presented to the labor organizations and topics set down by the Labor Code and the collective agreement were discussed.

ČEZ Distribuce, a. s. took part in opposition procedures for grants awarded to colleges and universities by the Czech Science Foundation and in final state examinations. The Company also participated in preparing specifications for master's and bachelor's theses for students at schools with electrical engineering programs.

In research and development, the Company collaborated on the preparation of studies, analyses, and consultations for putting prepared proposals into practice with experts from EGÚ Brno, a.s.; EGC - EnerGoConsult ČB s.r.o.; EGE, spol. s r.o., České Budějovice; as well as with VŠB – Technical University of Ostrava; Czech Technical University in Prague; and Brno University of Technology.

The Company focused mainly on the practical application of proposals made in studies in the past years. Such studies and analyses and pilot projects implementing new technologies in medium- and low-voltage grids included, in particular:

- Pilot projects implementing new technologies
 - The Vrchlabí Smart Region project was completed in 2016 (visit <http://www.cezdistribuce.cz/cs/pro-media/smart-region.html> for more information) and work started on the InterFlex project (visit <http://www.enedis.fr/interflex-0> for more information), focusing on possible ways to connect more decentralized generating facilities and improve the integration of charging stations for electric vehicles into distribution systems
 - Testing BPL communication on 35kV overhead lines in practice
 - Testing a second-generation fault detector for MV insulated conductors, installed under a pilot project on selected 22kV and 35kV lines
 - Implementing and utilizing metering in the operation of a mesh network in Šumperk
 - Verifying the possibility of optimizing local consumption against local generation in the distribution system
- Gathering basic data and setting up a method for the calculation of the reliability of individual distribution system elements (element reliability)
- Testing facilities with controllers for management/utilization of excessive renewable generation, which—according to current experience—causes deterioration of certain quality parameters of electricity
- Voltage stabilization in MV and LV distribution networks with a high share of RES and distributed generation—the study aims to assess the effect and impacts of a high share of distributed generation on voltage quality in MV and LV grids

Donorship and Sponsorship Program

Donorship

ČEZ Distribuce, a. s. contributed a total of CZK 75 million to projects undertaken by the CEZ Foundation (www.nadacecez.cz) in 2016. The CEZ Foundation's support went into developing leisure-time activities for children and youth, improving the quality of life for disadvantaged people, and improving the civic amenities of municipalities in regions where ČEZ Distribuce, a. s. operates.

Donations made directly by ČEZ Distribuce, a. s. totaled CZK 2.4 million in 2016. The amount was divided among twelve selected projects, which provided support to the health service and prevention sector, education, improvement in social care, and the revitalization of several urban parks and playgrounds.

The Company contributed CZK 1.7 million to the CEZ GROUP SENIORS Endowment Fund in 2016.

Developments in the Legislative Framework for the Energy Sector

The basis of the legislative framework for electricity distribution consists of the following regulations, as amended (visit <http://www.cezdistribuce.cz/cs/energeticka-legislativa.html> for more information):

- Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in energy industries and on amendments to some acts (Energy Act)
- Act No. 165/2012 Sb., on promoted energy sources and on amendments to some acts (Promoted Sources Act)
- Act No. 406/2000 Sb., on energy management
- Decree No. 408/2015 Sb., on Electricity Market Rules
- Decree No. 194/2015 Sb., on the method of price regulation and procedures for price regulation in the electricity and heat sectors
- Decree No. 262/2015 Sb., on regulatory reporting
- Decree No. 540/2005 Sb., on the quality of electricity supplies and related services in the electricity sector
- Decree No. 16/2016 Sb., on conditions for connection to the electricity system
- Decree No. 82/2011 Sb., on electricity metering and the method for determining damages in case of unauthorized consumption, unauthorized supply, unauthorized transmission, or unauthorized distribution of electricity

The following regulation was amended in 2016:

- Act No. 165/2012 Sb., on promoted energy sources and on amendments to some acts, was amended by Act No. 107/2016 Sb., introducing more relaxed rules for eligibility for aid for producers whose main business activity is farming, and by Act No. 190/2016 Sb., stipulating administrative offense proceedings under the act on promoted energy sources.

Secondary legislation implementing the above acts or amending other implementing regulations was also issued in 2016.

For Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in energy industries and on amendments to some acts (Energy Act):

- New Decree No. 8/2016 Sb., on the details of licensing for doing business in energy industries (with effect from February 1, 2016). The new decree was issued in reaction to a major amendment to the Energy Act made by Act No. 131/2015 Sb.
- New Decree No. 16/2016 Sb., on conditions for connection to the electricity system (with effect from February 1, 2016). The new decree also reflected the amendment to the Energy Act made by Act No. 131/2015 Sb. and introduced a simplified connection procedure for “microsources.” In addition, the decree has changed the procedure for negotiating the terms of connection to the system, under which an application is submitted and terms of connection are negotiated for a single point of connection now rather than a consumption or interconnection point, as before, as these can have multiple connection points.
- Amendment to Decree No. 82/2011 Sb. on electricity metering and the method for determining damages in case of unauthorized consumption, unauthorized supply, unauthorized transmission, or unauthorized distribution of electricity, made by Decree No. 152/2016 Sb. (with effect from June 1, 2016). The amendment to the decree primarily reflected customers’ option to have a higher-level meter installed, as introduced by Act No. 131/2015 Sb., and specified a new type of measurement, “M,” which can often be more cost-effective to install than B-type measurement.
- New Decree No. 70/2016 Sb., on the billing of supplies and related services in energy industries (with effect from July 1, 2016). The decree expanded the scope of required information to be included in bills for supplies and related services, including, for example, information on the average price in the billing period.
- New Decree No. 404/2016 Sb., on the particulars and structure of report forms required for the preparation of reports on system operation in energy industries, including reporting dates, scope, and rules—“Statistics Decree” (with effect from January 1, 2017). The decree specifies the scope of data that must be reported by license holders to the Energy Regulatory Office.

For Act No. 406/2000 Sb., on energy management:

- Amendment to Decree No. 480/2012 Sb., on energy audit and energy evaluation, made by Decree No. 309/2016 Sb. (with effect from October 11, 2016). The decree reacted to an amendment made to the Energy Management Act in 2015, which transposed the obligation to carry out an energy audit for entrepreneurs that are not small or medium-sized businesses into Czech law and introduced the obligation to carry out a cost-benefit analysis to identify the potential of high-efficiency cogeneration and opportunities for waste heat utilization. The decree sets forth details for the preparation of energy audits and energy evaluations with respect to the law.

For Act No. 165/2012 Sb., on promoted energy sources and on amendments to some acts:

- New Decree No. 9/2016 Sb., on procedures for the registration of support with the market operator and the implementation of some other provisions of the Promoted Energy Sources Act—"Registration Decree" (with effect from January 19, 2016). This decree sets down the time limits and procedures for choosing the form of electricity support with the market operator, the procedure for registering the form of support for electricity and operating support for heat with the market operator, the time limits and procedures for choosing and changing the modes of green bonus for electricity, and the time limit for a renewable electricity producer's offering electricity to a mandatory purchaser.

- New Decree No. 37/2016 Sb., on electricity from high-efficiency cogeneration and electricity from secondary sources (with effect from January 29, 2016, except for the provisions of Section 3(4) and Section 3(5), which entered into effect on January 1, 2017).
- New Decree No. 145/2016 Sb., on the reporting of electricity and heat from promoted sources and the implementation of some other provisions of the Promoted Energy Sources Act (with effect from June 1, 2016).
- Amendment to 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, made by Decree No. 266/2016 Sb. (with effect from January 1, 2017).
- Government Order No. 310/2016 Sb., specifying public funds pursuant to Section 28(3) of the act on promoted energy sources for the year 2017 (with effect from January 1, 2017). In the order, the government specifies the amount of national budget funds to cover additional costs associated with support for promoted energy sources in 2017 as CZK 26.185 billion.

Disclaimer: The section on Developments in the Legislative Framework for the Energy Sector contains selected information concerning legislation and was drawn up with the greatest possible care. However, it cannot be regarded as qualified legal advice. ČEZ Distribuce, a. s. may not be held liable for any legal act carried out or refrained from by anyone on the basis of the provided overview.

Customer Service

The year 2016 was marked by new services for our clients. We consolidated all activities into one unit, which is divided into logical functions—public sector, large corporate clients and electricity traders, households, and businesses. We created our own call center for our clients and launched a new, toll-free line at 800 850 860.

Providing information during failures and states of disaster

Information on planned outages

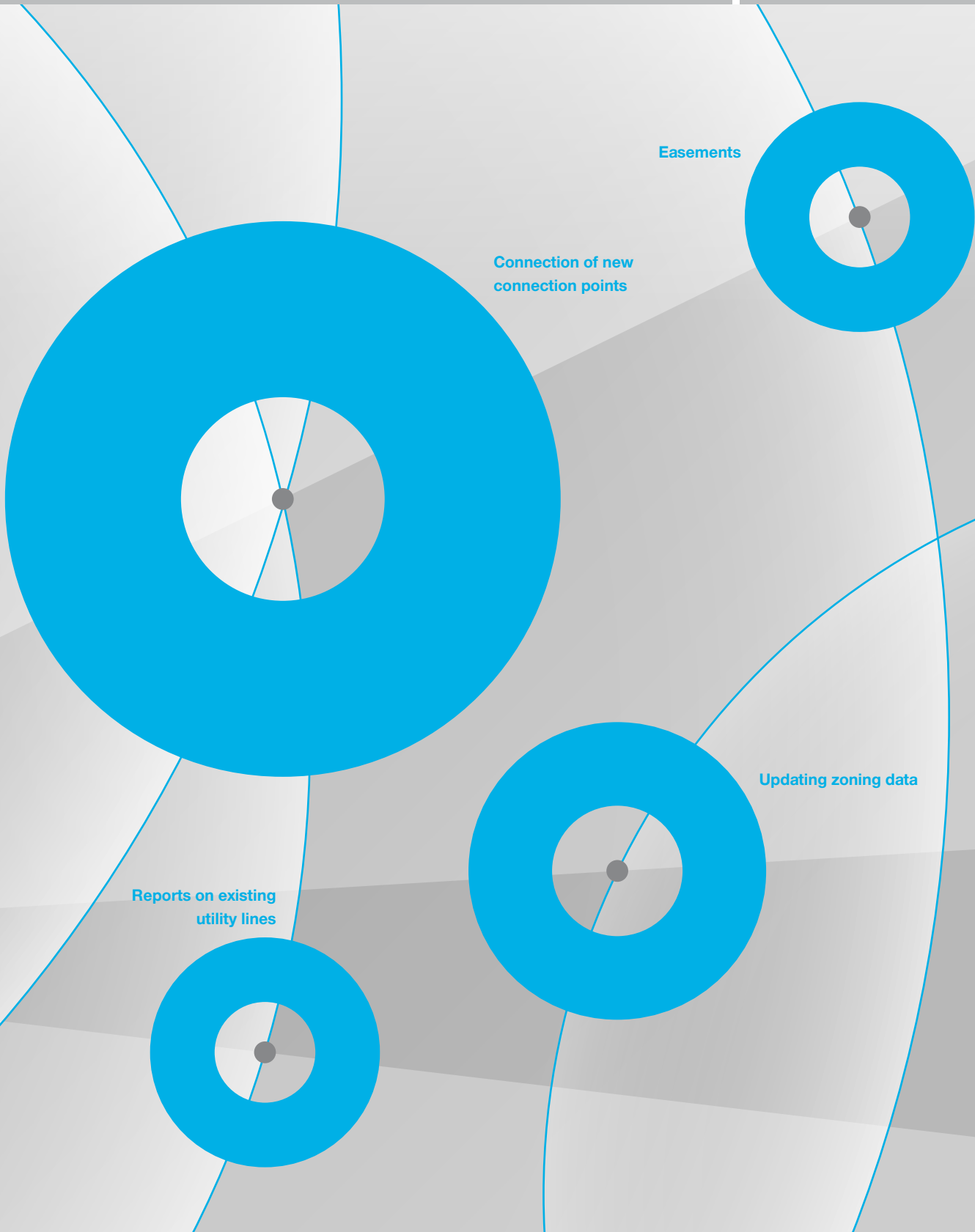
Coordinating investment planning

Installing third-party equipment on our lines

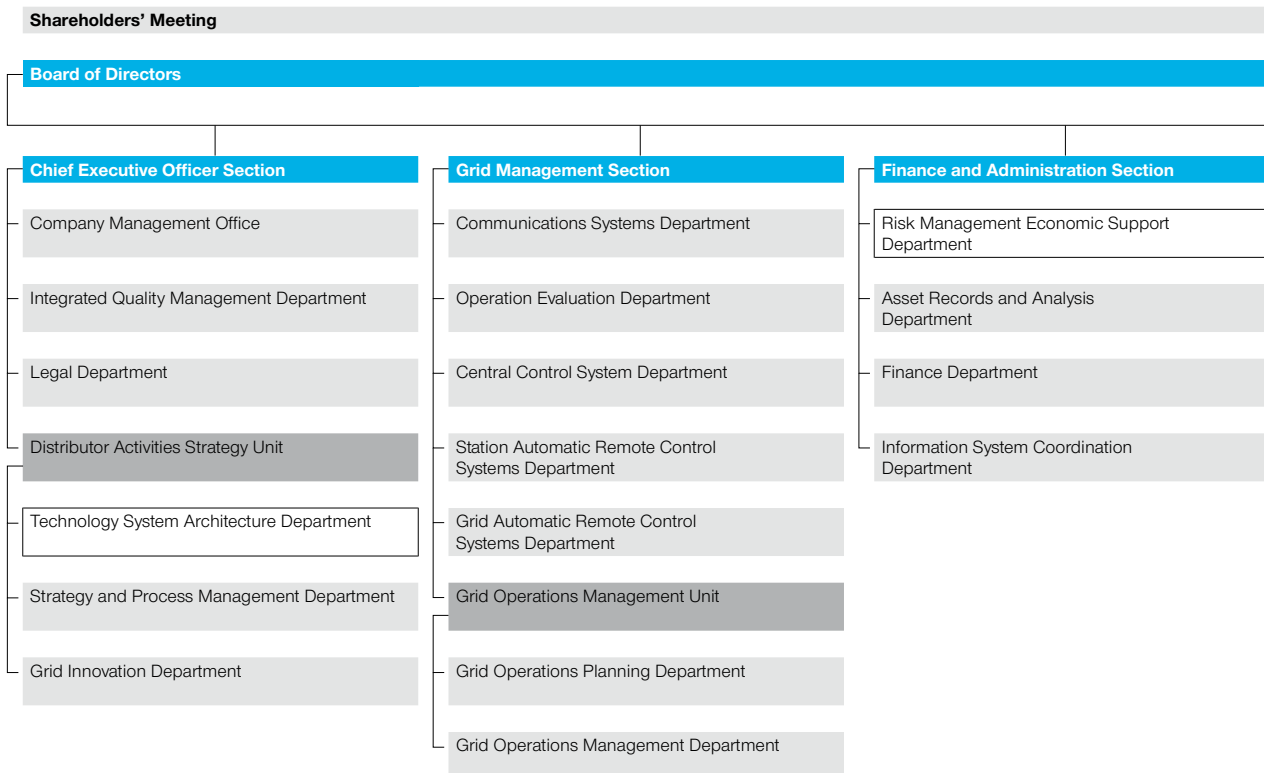
Line relocations

At the end of the year, we opened a technical consulting point at the Company headquarters where clients can come and discuss more complex issues in person. We launched our Distribution Portal, where every client can manage their connection point. It provides them with information on distribution rates, planned outages, times at which the low tariff is activated by ripple control, or the client's history of electricity consumption. Clients can also use it to submit a request for connection, monitor its processing, or submit their meter readings. Electricity traders can also use it to book a specific time for electricity meter installation by agreement with the client.

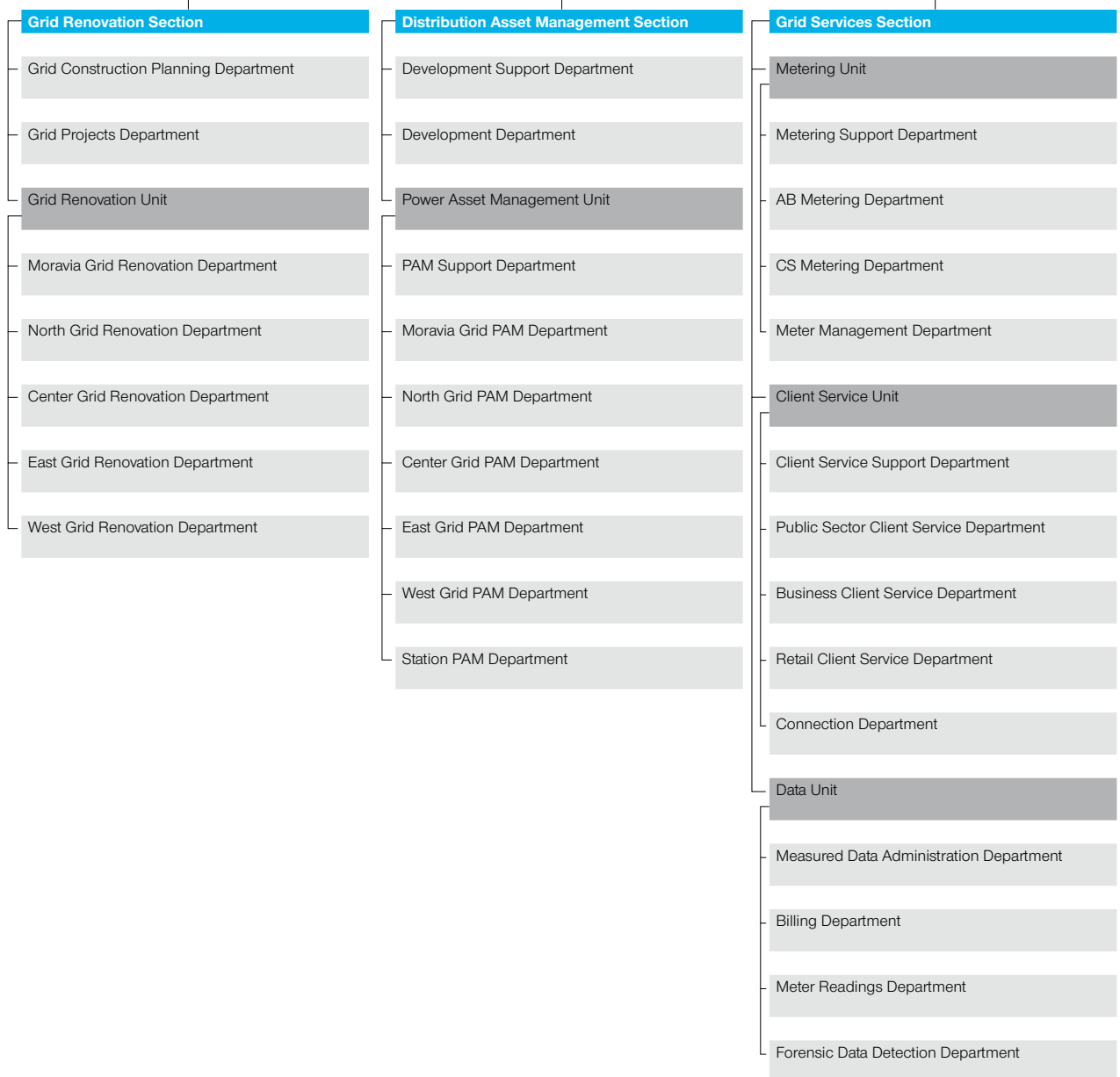
Clients most often contact us with requests relating to the operation of distribution equipment, such as the connection of a new connection point, line relocation, information during failures and states of disaster, and in other cases.



Basic Organization Chart of ČEZ Distribuce, a. s. as at April 1, 2017



Supervisory Board



Glossary of Terms and Abbreviations

Glossary of Terms and Abbreviations

Terms and Abbreviations	Commentary
Broadband Over Power Lines (BPL)	Communication over LV and MV power lines.
Cash pooling	A method for optimizing bank account management. Using this method, the account balances of participating companies are consolidated on a daily basis. Contractual credit and debit interest is calculated for accounts included in the cash pool.
Client	An individual or a legal entity that utilizes or has expressed, in a specified manner, an interest in utilizing the services of the distribution system owned by ČEZ Distribuce, a. s.
Distribution system (DS)	An interconnected set of 110kV lines and equipment, except selected 110kV lines and equipment that are part of the transmission system, and 0.4/0.23kV, 3kV, 6kV, 10kV, 22kV, and 35kV lines and equipment that serve to distribute electricity in a defined area in Czechia, including metering, protective, control, safeguarding, information, and telecommunications systems.
DTS	Distribution transformer station.
EBIT	Earnings before interest and taxes.
EBITDA	Earnings before interest, taxes, depreciation, and amortization.
Electricity market operator (OTE)	A joint stock company founded by the government, whose task is to organize the electricity market in Czechia, reconcile agreed and actual supplies and consumption for market participants, ensure the settlement of differences between agreed and actual supplies, and organize the electricity spot market.
EMS	Environmental management system.
Framework contract	A contract entered into by a trader and a distributor when the trader has at least one customer with an integrated contract.
HV	High voltage—distribution infrastructure with phase-to-phase voltage over 52 kV.
Large customers	Customers that use electricity from medium- and high-voltage grids.
LV	Low voltage—distribution infrastructure with phase-to-phase voltage of 1 kV or less.
MV	Medium voltage—distribution infrastructure with phase-to-phase voltage from 1 kV to 52 kV.
OSH	Occupational safety and health.
Renewable energy sources (RES)	Sources of energy that are naturally replenished. This means the energy of water, geothermal heat, sunlight, and wind or energy obtained by biomass combustion.
Retail customers	The category of electricity consumption consisting of electricity customers connected to low-voltage grids (up to 1 kV). The category is subdivided into the residential and commercial retail segments.
ROA	Return on assets.
ROE	Return on equity.
SAIDI	System Average Interruption Duration Index. The total duration of all electricity distribution interruptions in minutes per calendar year; the total time is presented as minutes/year/customer.
“Smart Grids”	Electricity grids and communications networks that allow regulating electricity generation and consumption in real time—on both a local and a global scale. They are based on interactive, bidirectional communication between generating facilities and appliances/consumers concerning current power generation and consumption capacities.
Transmission system (TS)	An interconnected set of 400kV and 220kV lines and equipment and selected 110kV lines and equipment that serves for electricity transmission throughout Czechia and interconnection with the electricity systems of neighboring countries, including metering, protective, control, safeguarding, information, and telecommunications systems. The transmission system is built and operated in the public interest.
TS/DS	Transmission system/distribution system.

List of Units and Abbreviations Used

Unit	Commentary
GWh	Gigawatt-hour; 1 GWh = 10 ⁹ Wh = 10 ⁶ kWh; Wh = unit of energy
kA	Kiloampere; 1 kA = 10 ³ A; A = unit of electric current
Km	Kilometer
kV	Kilovolt; 1 kV = 10 ³ V; V = unit of electric potential (voltage)
kW	Kilowatt; 1 kW = 10 ³ W; W = unit of power
m	Million
MVA	Megavolt-ampere; 1 MVA = 10 ⁶ VA; VA = unit of apparent (total) power
MW	Megawatt; 1 MW = 10 ⁶ W = 10 ³ kW; W = unit of power
MWh	Megawatt-hour; 1 MWh = 10 ⁶ Wh = 10 ³ kWh; Wh = unit of energy

Methods Used to Calculate Financial Indicators

Indicator	Description
Current Ratio	(Current Assets + Accruals) / (Current Liabilities + Short-Term Bank Loans and Notes + Accruals)
Total Debt to Total Capital	(Long-Term Liabilities Including Current Portion + Short-Term Loans) / (Long-Term Debt Including Current Portion + Short-Term Loans + Equity)
Net Debt	Long-Term Liabilities Including Current Portion + Bonds + Short-Term Loans – Cash and Cash Equivalents – Highly Liquid Financial Assets
Net Debt to EBITDA	(Long-Term Liabilities Including Current Portion + Bonds + Short-Term Loans – Cash and Cash Equivalents – Highly Liquid Financial Assets) / Earnings Before Taxes and Other Expenses and Revenues + Depreciation and Amortization
Net Income	Earnings After Taxes (profit or loss in an accounting period)
EBIT	Earnings Before Taxes and Other Expenses and Revenues
EBIT Margin	EBIT / Operating Revenue
EBITDA	Earnings Before Taxes and Other Expenses and Revenues + Depreciation and Amortization
Financial Debt to Equity	(Long-Term Liabilities Including Current Portion + Bonds + Short-Term Loans) / Average Equity
Fixed Asset Coverage	(Equity + Noncontrolling Interests + Long-Term Liabilities + Deferred Tax Liability) / Fixed Assets
Asset Turnover	Total Operating Revenue / Average Assets
Operating Cash Flow to Debt	Operating Cash Flow / Long-Term Liabilities
Return on Assets, Net (ROA Net)	Earnings After Taxes / Average Total Assets
Return on Equity, Net (ROE Net)	Earnings After Taxes / Average Equity
Depreciation-to-Fixed Assets Ratio	-1 * (Accumulated Depreciation and Allowances for Tangible Fixed Assets) / Depreciated Tangible Fixed Assets in Use, Gross

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Related Parties Report for 2016

Pursuant to the Provisions of Sections 82 Et Seq. of Act No. 90/2012 Sb.,
on Business Corporations, as Amended (“Business Corporations Act”)

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 (“Related Entities”)

For a chart showing the structure of relations with other subsidiaries and an alphabetical list of the subsidiaries, see separate inserts under the back cover flap.

Controlling Entity

The entity controlling the commercial company ČEZ Distribuce, a. s. within the meaning of Sections 74 et seq. of the Business Corporations Act is the commercial company ČEZ, a. s.

Business Name	ČEZ, a. s.
Having its registered office at	Duhová 2/1444, 140 53 Praha 4
ID No.	452 74 649
Registered in the Commercial Register kept by	Municipal Court in Prague, Section B, File 1581
Manner of control	The controlling entity ČEZ, a. s. owns a 100% stake in ČEZ Distribuce, a. s.

Controlled Entity / Preparer

Business Name	ČEZ Distribuce, a. s.
Having its registered office at	Děčín, Děčín IV-Podmokly, Teplická 874/8, postcode 405 02
ID No.	247 29 035
Registered in the Commercial Register kept by	Regional Court in Ústí nad Labem, File No. B 2145

(“Controlled Entity”)

This Report contains data for the period from January 1, 2016 to December 31, 2016.

2. Role of the Controlled Entity

The Controlled Entity is a commercial company engaged primarily in electricity distribution and in other activities and services related to the performance of the aforementioned licensed activity. The Controlled Entity performs all its activities in accordance with business licenses granted to it within its line of business as defined in the Controlled Entity’s bylaws and registered in the Commercial Register.

3. Manner of Control Over the Controlled Entity

ČEZ, a. s. controls the Controlled Entity by being its sole shareholder and thus holding a 100% share in voting rights. Because of this share in voting rights, ČEZ, a. s. may appoint and remove most members of the Controlled Entity’s statutory governing body.

Means of control within CEZ Group include approval of business plans and annual budgets.

The manner of control over the Controlled Entity is in compliance with the applicable provisions of Act No. 458/2000 Sb., Energy Act, that is, with due regard to the distribution license holder’s actual decision-making rights.

4. List of Acts Pursuant to Section 82(2)(d) of Act No. 90/2012 Sb., on Business Corporations

In the last accounting period, the Controlled Entity did not perform any legal acts to its detriment that would have been performed at the instigation or in the interest of the Controlling Entity or entities controlled by the Controlling Entity and concerned assets exceeding 10% of the equity of the Controlled Entity as identified in its latest financial statements.

5. List of Mutual Contracts

List of Concluded Contracts

This list contains an overview of mutual contracts between the Controlled Entity and Related Entities that were valid and effective from January 1, 2016 to December 31, 2016. Related Entities that the Controlled Entity has a valid contract with are arranged without regard to the value of performance.

1. ČEZ, a. s.

- Service Contract No. 33_20100101_01 of February 10, 2010, as amended on September 22, 2014
- Personal Information Processing Agreement made in relation to Service Contract 33_20101122_01 of November 29, 2010
- Trademark License Agreement No. 33_2011_008 of December 30, 2010
- Contract for the Provision of OSH, FP, and EP Services No. 33_2012_016 of February 27, 2012, as amended
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract for "Vehicle Insurance"
- 4 lease contracts for nonresidential premises
- Land Lease Agreement
- Distribution Service Contract (Kudowa) of December 22, 2015, as amended on December 20, 2016
- Distribution Service Contract (Poříčí) of December 22, 2015, as amended on December 20, 2016
- Framework Contract on Location Swap and Regulation Provision in Electricity Supplies to the Poříčí Isolated Island of May 16, 2016, as amended on December 20, 2016
- Framework Contract on Emergency Assistance to the Poříčí Island of April 26, 2016
- Service Contract for Regulation in Electricity Supplies for the Střelná Isolated Island of April 26, 2016, as amended on December 20, 2016
- Ancillary Service Contract for Voltage and Reactive Power Regulation of December 15, 2014
- 3 credit facility agreements, No. 2012/9, 2015/1, and 2015/6
- Mutual Credit Facility Agreement based on the Multi-Level Flexible Online Real Bilateral CZK Cash Pooling Agreement for the economically linked group of November 30, 2010
- Mutual Credit Facility Agreement based on the Flexible Online Real Bilateral EUR Cash Pooling Agreement for the economically linked group of August 26, 2013
- Mutual Credit Facility Agreement based on the Multi-Level Flexible Online Real Bilateral CZK Cash Pooling Agreement for the economically linked group of January 28, 2016
- Mutual Credit Facility Agreement based on the Flexible Online Real Bilateral EUR Cash Pooling Agreement for the economically linked group of January 28, 2016
- Information Protection Agreement of May 23, 2016
- Contract for Facility Connection to the Distribution System
- 2 contracts for electricity and heat supplies, water rates, and sewage charges
- Contract for Electricity Supplies for Electric Mobility
- Purchase Agreement—Purchase of property at Vítkov
- Purchase Agreement—Horní Počaply
- 23 deeds of conveyance (concerning transformer stations)
- Agreements governed by the Cybersecurity Act
- 2 maintenance agreements
- Fuel agreements
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract for "Delivery of Utility Vehicles"
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract for "Office Supplies"
- Agreement on Collaboration in the Performance of a Public Contract (utility vehicles)
- Agreement on the Protection of Confidential Information and Processing of Personal Data of September 22, 2014

2. ČEZ Distribuční služby, s.r.o.

- Service Contract No. 1292-2014-002 of December 31, 2013, as amended
- Service Contract No. 1292-2016-001 of June 29, 2013
- Service Contract No. 1292-2016-002 of October 31, 2016
- Contract for Goods and Services No. 33_2012_006 of February 29, 2012, as amended
- Service Contract for U/Q Regulation (balancers)
- Lease Contract
- Vehicle Usage and Sharing Agreement
- Contract for the Provision of Selected Services Relating to the Operation and Operational Maintenance of TS Equipment
- Contract for the Provision of OSH, FP, and EP services No. 33_2012_010
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement), "Personal Protective Equipment" Public Contract
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement), "LV, MV, and HV Testers and Short-Circuiting Equipment" Public Contract
- Service Contract of October 31, 2016
- Contract for the Provision of Selected Services Relating to the Operation and Operational Maintenance of Transmission System Equipment of June 30, 2015, No. 1620153
- Contract of Sale and Purchase of a Part of the Enterprise—Metering Unit, of June 9, 2016
- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- Framework Agreement on the Provision of Services for Resolving Nontechnical Losses and Unauthorized Consumption in the Distribution System (parties are ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o.; SECURITAS ČR s.r.o.; NTL Forensics a.s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on the Protection of Confidential Information and Processing of Personal Data (parties are ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o.; ČEZ, a. s.; and ČEZ Zákaznické služby, s.r.o.)
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement), "Delivery of Utility Vehicles" Public Contract (parties are ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o.; ČEZ, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (contracting entities' agreement), "Office Supplies" Public Contract (parties are ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o.; ČEZ Teplárenská, a.s.; and Severočeské doly a.s.)
- Agreement on Collaboration in the Performance of a Public Contract, "Delivery of Utility Vehicles" Public Contract (parties are ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o.; ČEZ, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement), "Vehicle Insurance" public contract (parties are ČEZ Distribuce, a. s.; ČEZ, a. s.; ČEZ Distribuční služby, s.r.o.; and ČEZ Korporátní služby, s.r.o.)

3. ČEZ Energo, s.r.o.

- Agreement on Structure Siting and Operation
- Access Agreement
- Agreement on Generating Facility Utilization for Trial Island Operation
- Lease Contract No. NSV/2001/2014
- Agreement on Confidentiality and Nondisclosure of Provided Information
- Distribution Equipment Relocation Contract No. Z_S24_12_8120046305
- Contracts for facility connection to the distribution system

4. ČEZ Energetické služby, s.r.o.

- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- 2 contracts for wastewater discharge and treatment
- Contract for Wastewater Delivery and Withdrawal
- Contract for Potable Water Delivery and Withdrawal No. 7410060 of June 27, 2008
- Lease Contract
- Contract for Facility Connection to the Distribution System
- Distribution Contract
- Agreement for the Purposes of a Public Contract for LDS Operator Selection for the František Industrial Zone in Horní Suchá
- Service Contract (16410291)
- Meter Reading and Servicing Contract (ESL 4400035373)

5. ČEZ ICT Services, a. s.

- Framework ICT Service Delivery Agreement No. 33_20101230_R of December 30, 2010, as amended (under which separate contracts were made)
- Service Contract for TPS and FDS Systems No. 13_20100226_01_R of February 26, 2010, as amended
- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- 2 service contracts (MSD, EIS/GIS)
- 2 lease contracts for nonresidential premises
- Lease Contract for Supporting Points
- Separate Contract for OPGW Fiber Lease
- Separate Contract for Operation, Regular Maintenance, and Repair of Optical Parts of Optical Ground Wires on MV and HV Lines
- Agreement on Collaboration in the Implementation of Selected Rights and Duties in Cybersecurity

6. ČEZ Obnovitelné zdroje, s.r.o.

- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- Back-Charge Agreement for Waste Water Treatment No. DSO_34_2012_015 of May 4, 2012
- Contract for Facility Connection to the Distribution System
- Lease Contract
- Electricity Distribution Contract

7. ČEZ OZ uzavřený investiční fond a.s.

- Lease Contract—Nekoř, Pastviny SHP Operation
- Agreement to Enter into a Contract to Grant an Easement—Vydra, Čeňkova Píla
- Agreement on Structure Siting and Operation—Nekoř, Pastviny SHP
- Agreement on Equipment Siting and Operation at the Pastviny SOE Site
- Contract to Grant an Easement—Spálov SHP
- Agreement to Enter into a Contract to Grant an Easement—Kladno-Dřívň HV
- Contract to Grant an Easement—Srní

8. ČEZ Prodej, s.r.o.

- Framework Electricity Distribution Contract of August 31, 2005
- Framework Contract for Distribution System Services of March 31, 2016
- Contract for the Provision of OSH, FP, and EP Services No. 33_2012_015 of December 21, 2011
- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- Lease Contract, as amended
- Supply Contract for Electricity for In-House Consumption of December 28, 2006, as amended on December 8, 2016
- Supply Contract for Electricity to Cover Distribution System Losses of December 31, 2016
- Online Data Processing Agreement

9. ČEZ Korporátní služby, s.r.o.

- Framework Contract for the Provision and Procurement of Services and Leases No. 51_20060701_02 of July 1, 2006, as amended
- Separate Contract for the Provision of Accounting Services entered into under the FC on December 19, 2012, as amended
- Separate Contract for the Provision of Human Resources Services entered into under the FC on December 13, 2012, as amended
- Separate Contract for the Provision of Print and Reprographic Services entered into under the FC, as amended
- Separate Contract for the Provision of Document Filing and Destruction Services entered into under the FC, as amended
- Separate Contract for the Provision of Correspondence Processing Services entered into under the FC, as amended
- Separate Contract for Property Management and the Provision of Other Services entered into under the FC, as amended
- Separate Contract for Full Service Leasing entered into under the FC, as amended
- Separate Contract for Fleet Management entered into under the FC, as amended
- Separate Contract for Vehicle Hire entered into under the FC, as amended
- Contract for the Procurement of Work and Services for Electrical Inspections, as amended
- Separate Lease Contract entered into under the FC, as amended
- 4 lease contracts, as amended
- 5 sublease contracts, as amended
- Contract for the Provision of OSH, FP, and EP Services No. 33_2012_012 of December 21, 2011, as amended
- 152 contracts for facility connection to the distribution system
- 171 agreements to enter into a contract to grant an easement/servitude
- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- 3 purchase contract for movables
- 2 purchase contract for property and accessories
- Site Use and Operation Agreement
- 2 agreements on storm water discharge

10. ČEZ Teplárenská, a.s.

- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- Contract for Facility Connection to the Distribution System
- 3 lease contracts
- 2 contracts for heat supplies

11. ČEZ Zákaznické služby, s.r.o.

- Service Contract No. 51_20050831_03 of August 29, 2005, as amended
- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013
- Contract for the Provision of OSH, FP, and EP Services No. 33_2012_201 of December 21, 2011
- 2 lease contracts, as amended
- Framework Contract for Verification Services No. 4101080139 of May 15, 2008
- Contract for the Provision of Services in Distribution System Operations No. 1292_2016_002

12. Energotrans, a.s.

- Ancillary Service Contract for Voltage and Reactive Power Regulation
- MV/LV Electricity Distribution Service Contract (Horní Počaply)
- Contract for Facility Connection to the Distribution System
- Lease Contract for Residential and Nonresidential Premises at MPP
- Sublease Contract—Horní Počaply

13. Elektrárna Dětmorovice, a.s.

- Ancillary Service Contract for Voltage and Reactive Power Regulation
- Electricity Distribution Contract
- Contract for the Connection of Electricity Generation Facility Equipment to the Distribution System of March 5, 2010, as amended by Amendment No. 2
- Contract for the Connection of Electricity-Consuming Equipment to the MV/HV Distribution System of May 23, 2013

14. Elektrárna Tisová, a.s.

- Contract for Electricity Generation Facility Connection to the MV and HV Distribution System of September 24, 2015
- Distribution Service Contract for Medium-Voltage (MV) or High-Voltage (HV) Level of March 25, 2009
- Contract for Electricity Generation Facility Connection to the Distribution System of October 24, 2010

15. Elektrárna Počerady, a.s.

- Framework Agreement on the Assignment of Claims Within CEZ Group No. 33_2013_001 of January 1, 2013

16. Severočeské doly a.s.

- Lease Contract for Nonresidential Premises
- Electricity Distribution Contract
- Contract for Facility Connection to the Distribution System

17. Telco Pro Services, a. s.

- Contract for the Provision of OSH, FP, and EP Services No. 13_2014_001 of May 27, 2014
- Contract for the Procurement of Service Activities on Selected ARCS Equipment in the Moravia Region, Including Preventive Maintenance and Repairs
- 21 building contracts
- Lease Contract
- Agreement on Concerted Action in the Award of Public Contracts of June 20, 2016

18. Tepelné hospodářství města Ústí nad Labem s.r.o.

- 2 lease contracts

19. ÚJV Řež, a.s.

- Electricity Distribution Contract
- Contract for Facility Connection to the Distribution System

20. Centrum výzkumu Řež s.r.o.

- Contract for Facility Connection to the Distribution System

21. ČEZ ESCO, a.s.

- Contract for the Provision of OSH, FP, and EP Services
- Lease Contract, as amended (most recently in September 2016)

22. ČEZ, a. s. + ČEZ Distribuční služby, s.r.o. + ČEZ Korporátní služby, s.r.o.

- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement) for "Delivery of Utility Vehicles"
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract (Contracting Entities' Agreement) for "Vehicle Insurance"

23. Teplo Klášterec s.r.o.

- Agreement on Sharing Provable Costs of Storm Water Discharge
- Contract for the Connection of Electricity-Consuming Equipment to the Low-Voltage Distribution System
- Contract to Grant an Easement/Servitude

24. Energo centrum Vítkovice, a. s.

- Contract for Electricity Distribution from the Medium-Voltage (MV) or High-Voltage (HV) Level of December 22, 2015 (15_VN_5_07357406)
- Contract for Generating Facility Connection to the Medium-Voltage (MV) or High-Voltage (HV) Distribution System of December 22, 2015 (15_VN_1007357396)
- Contract for the Connection of Electricity-Consuming Equipment to the Low-Voltage Distribution System of August 30, 2016 (16_NN_1007938777)
- Lease Contract—Substation Lease of January 18, 2010, as amended by Amendment No. 5 (51_20091027_01D05; 000753-2009)
- Electricity Supply Contract of December 31, 2007 (432/08; 4101307396)
- Heat Supply Contract of February 14, 2011 (69935479_2)

All contracts listed in Section 5 of this Report are contracts made in the ordinary course of business and their contents are not beyond its scope. Further information on contractual relations is not included in order to protect trade secrets and/or other confidential information.

6. Assessment of Harm Incurred and Compensation

The statutory governing body of the Controlled Entity declares that the contracts listed in this Report did not cause any harm to the Controlled Entity within the meaning of the Business Corporations Act, in particular Section 71 and other related provisions of the Business Corporations Act.

7. Other Information

7.1 Confidentiality

Confidentiality applies to information and facts that are trade secrets of the Controlled Entity and its Related Entities, as well as information identified as confidential by those entities or arising from their business relations whose partial disclosure or disclosure in connection with other information or facts could be detrimental to those entities or their contractual partners, as well as information whose confidentiality and protection is required by law.

7.2 Glossary of Abbreviations Used in the Report

ARCS	Automatic remote control systems
EIS/GIS	Engineering information system/geographic information system
EP	Environmental protection
FC	Framework contract
FDS	Fire detection systems
FP	Fire protection
HV	High voltage
ICT	Information and communication technologies
LDS	Local distribution system
LV	Low voltage
MPP	Mělník Power Plant
MSD	Map service development
MV	Medium voltage
OPGW	Optical ground wire
OSH	Occupational safety and health
SHP	Small hydropower plant
SOE	State-owned enterprise
TPS	Technical protection system
TS	Transmission system

8. Conclusion

Based on available information, the Controlled Entity's Board of Directors assessed advantages and disadvantages resulting from the Controlled Entity's position within CEZ Group, that is, from relations between the Controlled Entity and Related Entities, and did not observe any disadvantages resulting from those relations. The Controlled Entity takes advantage of synergies within CEZ Group and of CEZ Group's expertise to efficiently perform its licensed activity and the related ancillary services. It also takes advantage of involvement in a risk management system and a system of internal controls, in an insurance program, in CEZ Group's safety and quality management system, etc. The Controlled Entity's statutory governing body did not observe any negative circumstances arising from relations between the Controlled Entity and Related Entities.

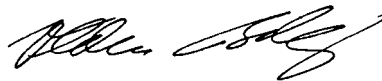
The Report has been prepared with due care, with commitment to providing objective information gathered from available documents and sources for the specified purpose of this Report, with maximum effort, and with respect to including all relevant circumstances that otherwise could affect the accurate and correct appraisal of this Report. The Report was submitted to the Controlled Entity's Supervisory Board for review within the meaning of and in compliance with Article 12(8)(d) of the Controlled Entity's bylaws as well as in compliance with Section 83 of the Business Corporations Act.

The Controlled Entity's statutory governing body approved this Report on March 20, 2017.

Děčín, March 20, 2017



Ing. Richard Vidlička, MBA
Chairman of the Board of Directors



Ing. Vladimír Budinský
Vice-Chairman of the Board of Directors

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ČEZ Distribuce, a. s.

Balance Sheet as at December 31, 2016

(in thousands of CZK)

Ident.	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
	TOTAL ASSETS	282,626,296	(141,346,091)	141,280,205	139,131,547
A.	Stock subscriptions receivable	-	-	-	-
B.	Fixed assets	260,047,782	(140,679,140)	119,368,642	118,622,635
B. I.	Intangible assets	930,469	(603,562)	326,907	391,115
B. I. 1.	Research and development	1,907	(1,907)	-	-
B. I. 2.	Valuable rights	736,675	(496,768)	239,907	304,983
B. I. 2. 1.	Software	693,439	(457,196)	236,243	298,815
B. I. 2. 2.	Other valuable rights	43,236	(39,572)	3,664	6,168
B. I. 3.	Goodwill	-	-	-	-
B. I. 4.	Other intangible assets	182,362	(104,887)	77,475	73,134
B. I. 5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	9,525	-	9,525	12,998
B. I. 5. 1.	Advances granted for intangible fixed assets	-	-	-	-
B. I. 5. 2.	Intangible fixed assets in progress	9,525	-	9,525	12,998
B. II.	Tangible assets	259,117,313	(140,075,578)	119,041,735	118,231,520
B. II. 1.	Land and structures	193,706,848	(102,339,348)	91,367,500	90,260,523
B. II. 1. 1.	Land	876,552	-	876,552	843,787
B. II. 1. 2.	Structures	192,830,296	(102,339,348)	90,490,948	89,416,736
B. II. 2.	Movable assets and sets of movable assets	63,450,288	(37,729,143)	25,721,145	26,090,650
B. II. 3.	Gain or loss on revaluation of acquired property	-	-	-	-
B. II. 4.	Other tangible fixed assets	19,656	(7,087)	12,569	11,164
B. II. 4. 1.	Perennial crops	-	-	-	-
B. II. 4. 2.	Livestock	-	-	-	-
B. II. 4. 3.	Miscellaneous tangible fixed assets	19,656	(7,087)	12,569	11,164
B. II. 5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	1,940,521	-	1,940,521	1,869,183
B. II. 5. 1.	Advances granted for tangible fixed assets	155,936	-	155,936	152,580
B. II. 5. 2.	Tangible fixed assets in progress	1,784,585	-	1,784,585	1,716,603
B. III.	Long-term investments	-	-	-	-
B. III. 1.	Interests – controlled or controlling entity	-	-	-	-
B. III. 2.	Loans and borrowings – controlled or controlling entity	-	-	-	-
B. III. 3.	Interests – significant influence	-	-	-	-
B. III. 4.	Loans and borrowings – significant influence	-	-	-	-
B. III. 5.	Other long-term securities and interests	-	-	-	-
B. III. 6.	Loans and borrowings – other	-	-	-	-
B. III. 7.	Other long-term investments	-	-	-	-
B. III. 7. 1.	Miscellaneous long-term investments	-	-	-	-
B. III. 7. 2.	Advances granted for long-term investments	-	-	-	-

(in thousands of CZK)

Ident.	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
C.	Current Assets	22,545,383	(666,951)	21,878,432	20,472,677
C. I.	Inventories	260,237	(899)	259,338	219,596
C. I. 1.	Materials	184,213	(899)	183,314	148,303
C. I. 2.	Work in progress and semi-finished production	76,024	-	76,024	71,293
C. I. 3.	Finished products and goods	-	-	-	-
C. I. 3. 1.	Finished products	-	-	-	-
C. I. 3. 2.	Goods	-	-	-	-
C. I. 4.	Livestock	-	-	-	-
C. I. 5.	Advances granted for inventories	-	-	-	-
C. II.	Receivables	22,285,146	(666,052)	21,619,094	20,253,030
C. II. 1.	Long-term receivables	165	-	165	181
C. II. 1. 1.	Trade receivables	-	-	-	-
C. II. 1. 2.	Receivables – controlled or controlling entity	-	-	-	-
C. II. 1. 3.	Receivables – significant influence	-	-	-	-
C. II. 1. 4.	Deferred tax asset	-	-	-	-
C. II. 1. 5.	Other receivables	165	-	165	181
C. II. 1. 5. 1.	Receivables from partners	-	-	-	-
C. II. 1. 5. 2.	Long-term advances granted	-	-	-	-
C. II. 1. 5. 3.	Unbilled revenue	-	-	-	-
C. II. 1. 5. 4.	Miscellaneous receivables	165	-	165	181
C. II. 2.	Short-term receivables	22,284,981	(666,052)	21,618,929	20,252,849
C. II. 2. 1.	Trade receivables	2,097,042	(665,862)	1,431,180	1,622,245
C. II. 2. 2.	Receivables – controlled or controlling entity	8,108,423	-	8,108,423	7,472,923
C. II. 2. 3.	Receivables – significant influence	-	-	-	-
C. II. 2. 4.	Other receivables	12,079,516	(190)	12,079,326	11,157,681
C. II. 2. 4. 1.	Receivables from partners	-	-	-	-
C. II. 2. 4. 2.	Social security and health insurance	-	-	-	-
C. II. 2. 4. 3.	Due from government – tax receivables	-	-	-	-
C. II. 2. 4. 4.	Short-term advances granted	464,620	-	464,620	609,093
C. II. 2. 4. 5.	Unbilled revenue	11,614,113	-	11,614,113	10,548,128
C. II. 2. 4. 6.	Miscellaneous receivables	783	(190)	593	460
C. III.	Short-term financial assets	-	-	-	-
C. III. 1.	Interests – controlled or controlling entity	-	-	-	-
C. III. 2.	Other short-term financial assets	-	-	-	-
C. IV.	Cash	-	-	-	51
C. IV. 1.	Cash in hand	-	-	-	51
C. IV. 2.	Cash at bank	-	-	-	-
D.	Prepaid expenses and accrued income	33,131	-	33,131	36,235
D. 1.	Prepaid expenses	32,919	-	32,919	35,916
D. 2.	Prepaid expenses (specific-purpose expenses)	-	-	-	-
D. 3.	Accrued income	212	-	212	319

(in thousands of CZK)

Ident.	SHAREHOLDERS' EQUITY AND LIABILITIES	Current year	Prior year
	TOTAL EQUITY & LIABILITIES	141,280,205	139,131,547
A.	Equity	95,473,417	92,766,390
A. I.	Basic capital	60,000,000	60,000,000
A. I. 1.	Registered capital	60,000,000	60,000,000
A. I. 2.	Own ownership interests (-)	-	-
A. I. 3.	Changes in basic capital	-	-
A. II.	Share premium and revaluation reserve	1,313	1,313
A. II. 1.	Share premium	-	-
A. II. 2.	Capital funds	1,313	1,313
A. II. 2. 1.	Other capital funds	1,313	1,313
A. II. 2. 2.	Gain or loss on revaluation of assets and liabilities (+/-)	-	-
A. II. 2. 3.	Gain or loss on revaluation upon corporate transformation (+/-)	-	-
A. II. 2. 4.	Differences arising on corporate transformation (+/-)	-	-
A. II. 2. 5.	Differences arising between balance sheet date and transformation date (+/-)	-	-
A. III.	Reserves from profit	12,000,000	12,000,000
A. III. 1.	Other reserves	12,000,000	12,000,000
A. III. 2.	Statutory and other reserves	-	-
A. IV.	Profit (loss) brought forward (+/-)	16,212,831	14,152,029
A. IV. 1.	Retained earnings	16,212,831	14,152,029
A. IV. 2.	Accumulated loss (-)	-	-
A. IV. 3.	Other profit (loss) brought forward (+/-)	-	-
A. V.	Profit (loss) for the year (+/-)	7,259,273	6,613,048
A. VI.	Approved decision on advances for profit distribution (-)	-	-
B. + C.	Provisions and Liabilities	38,059,676	38,578,115
B.	Provisions	628,607	484,128
B. 1.	Provision for pensions and similar obligations	-	-
B. 2.	Provision for corporate income tax	118,341	153,954
B. 3.	Provisions recognized under special legislation	-	-
B. 4.	Other provisions	510,266	330,174
C.	Liabilities	37,431,069	38,093,987
C. I.	Long-term liabilities	18,283,441	19,811,599
C. I. 1.	Bonds payable	-	-
C. I. 1. 1.	Convertible bonds	-	-
C. I. 1. 2.	Other bonds	-	-
C. I. 2.	Amounts owed to credit institutions	-	-
C. I. 3.	Long-term advances received	-	-
C. I. 4.	Trade payables	-	-
C. I. 5.	Long-term notes payable	-	-
C. I. 6.	Liabilities – controlled or controlling entity	6,913,500	8,358,100
C. I. 7.	Liabilities – significant influence	-	-
C. I. 8.	Deferred tax liability	11,369,941	11,453,499
C. I. 9.	Other liabilities	-	-
C. I. 9. 1.	Liabilities to partners	-	-
C. I. 9. 2.	Unbilled deliveries	-	-
C. I. 9. 3.	Miscellaneous liabilities	-	-
C. II.	Current liabilities	19,147,628	18,282,388
C. II. 1.	Bonds payable	-	-
C. II. 1. 1.	Convertible bonds	-	-
C. II. 1. 2.	Other bonds	-	-
C. II. 2.	Amounts owed to credit institutions	-	-
C. II. 3.	Short-term advances received	11,235,984	10,890,816
C. II. 4.	Trade payables	3,414,539	2,308,350
C. II. 5.	Short-term notes payable	-	-
C. II. 6.	Liabilities – controlled or controlling entity	1,074,716	858,464
C. II. 7.	Liabilities – significant influence	-	-
C. II. 8.	Other liabilities	3,422,389	4,224,758
C. II. 8. 1.	Liabilities to partners	-	-
C. II. 8. 2.	Short-term borrowings	-	-
C. II. 8. 3.	Liabilities to employees	84,703	51,005
C. II. 8. 4.	Liabilities arising from social security and health insurance	44,555	27,413
C. II. 8. 5.	Due to government – taxes and subsidies	402,510	429,221
C. II. 8. 6.	Unbilled deliveries	2,879,079	3,707,062
C. II. 8. 7.	Miscellaneous liabilities	11,542	10,057
D.	Accruals and deferred income	7,747,112	7,787,042
D. 1.	Accruals	101,869	45,162
D. 2.	Deferred income	7,645,243	7,741,880

ČEZ Distribuce, a. s.

Profit and Loss Statement as at December 31, 2016

(in thousands of CZK)

Ident.	Text	Period	
		Current	Prior year
I.	Revenue from sale of finished products and services	48,225,555	52,008,425
II.	Revenue from sale of goods	-	-
A.	Production-related consumption	31,549,052	36,681,293
A. 1.	Cost of goods sold	-	-
A. 2.	Consumption of material and energy	2,487,790	3,185,762
A. 3.	Services	29,061,262	33,495,531
B.	Change in inventory produced internally (+/-)	(4,731)	(7,707)
C.	Own work capitalized (-)	(399,102)	(343,071)
D.	Personnel expenses	1,608,511	1,153,742
D. 1.	Wages and salaries	1,107,332	791,021
D. 2.	Social security and health insurance costs and other costs	501,179	362,721
D. 2. 1.	Social security and health insurance costs	378,320	269,757
D. 2. 2.	Other costs	122,859	92,964
E.	Value adjustments in respect of operating activities	6,995,023	6,849,040
E. 1.	Value adjustments in respect of intangible and tangible fixed assets	6,846,725	6,806,144
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets – permanent	6,846,725	6,806,144
E. 1. 2.	Value adjustments in respect of intangible and tangible fixed assets – temporary	-	-
E. 2.	Value adjustments in respect of inventory	899	-
E. 3.	Value adjustments in respect of receivables	147,399	42,896
III.	Other operating income	1,170,967	1,216,343
III. 1.	Income from sale of fixed assets	10,145	17,465
III. 2.	Income from sale of materials	96,656	110,528
III. 3.	Miscellaneous operating income	1,064,166	1,088,350
F.	Other operating expenses	483,562	470,323
F. 1.	Net book value of fixed assets sold	8,567	16,865
F. 2.	Net book value of materials sold	59,692	64,702
F. 3.	Taxes and charges relating to operations	22,835	10,870
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	62,327	46,193
F. 5.	Miscellaneous operating expenses	330,141	331,693
*	Profit or loss on operating activities (+/-)	9,164,207	8,421,148
IV.	Income from long-term investments – interests	-	-
IV. 1.	Income from interests in subsidiaries or parents	-	-
IV. 2.	Other income from interests	-	-
G.	Cost of interests sold	-	-
V.	Income from other long-term investments	-	-
V. 1.	Income from other long-term investments – subsidiaries or parents	-	-
V. 2.	Other income from other long-term investments	-	-
H.	Expenses relating to other long-term investments	-	-
VI.	Interest receivable and similar income	2,605	9,792
VI. 1.	Interest receivable and similar income – subsidiaries or parents	2,605	9,792
VI. 2.	Other interest receivable and similar income	-	-
I.	Value adjustments and provisions relating to financial activities	-	-
J.	Interest payable and similar expenses	253,083	282,669
J. 1.	Interest payable and similar expenses – subsidiaries or parents	253,083	282,669
J. 2.	Other interest payable and similar expenses	-	-
VII.	Other finance income	67,923	72,690
K.	Other finance cost	72,733	79,284
*	Profit or loss on financial activities (+/-)	(255,288)	(279,471)
**	Profit or loss before taxation (+/-)	8,908,919	8,141,677
L.	Income tax	1,649,646	1,528,629
L. 1.	Income tax due	1,708,079	1,552,007
L. 2.	Income tax deferred (+/-)	(58,433)	(23,378)
**	Profit or loss after taxation (+/-)	7,259,273	6,613,048
M.	Transfer of share of profit or loss to partners (+/-)	-	-
***	Profit or loss for the year (+/-)	7,259,273	6,613,048
*	Net turnover = I. + II. + III. + IV. + V. + VI. + VII.	49,467,050	53,307,250

ČEZ Distribuce, a. s.

Cash Flow Statement for the Year Ended December 31, 2016

(in thousands of CZK)

Ident.	Text	Period	
		Current	Prior year
P.	Cash and cash equivalents at beginning of period	51	43
	Cash flows from operating activities		
Z.	Profit or loss on ordinary activities before taxation (+/-)	8,908,919	8,141,677
A.1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	6,643,009	6,310,322
A.1.1.	Depreciation and amortization of fixed assets and write-off of receivables	6,862,369	6,826,937
A.1.2.	Change in allowances, provisions and accruals	(468,260)	(788,891)
A.1.2.1.	Change in allowances and adjustments	175,633	42,896
A.1.2.2.	Change in provisions	144,479	(47,497)
A.1.2.3.	Change in accruals and contingencies	(788,372)	(784,290)
A.1.3.	(Gain)/Loss on disposal of fixed assets	(1,578)	(600)
A.1.4.	Interest expense and interest income	250,478	272,876
A.1.5.	Other non-cash movements	-	-
A.1.6.	Income from dividends and profit sharing	-	-
A.2.	Change in non-cash components of working capital	438,946	199,029
A.2.1.	Change in trade receivables, in prepaid expenses and unbilled revenues	(917,150)	(654,730)
A.2.2.	Change in trade payables, short-term loans, in accruals and deferred income	1,396,737	846,257
A.2.3.	Change in inventory	(40,641)	7,502
A.3.	Interest paid	(309,789)	(237,900)
A.4.	Interest received	2,605	9,792
A.5.	Tax paid	(1,743,693)	(1,645,698)
A.6.	Dividends received	-	-
A.	Net cash provided by (used in) operating activities	13,939,997	12,777,222
	Cash flows from investing activities		
B.1.	Purchase of fixed assets	(7,867,585)	(7,877,380)
B.2.	Proceeds from sale of fixed assets	9,485	90,236
B.	Net cash provided by (used in) investing activities	(7,858,100)	(7,787,144)
	Cash flows from financing activities		
C.1.	Change in long-term liabilities and short-term loans	(817,348)	1,492,064
C.2.	Change in receivables/payables related to group cash pooling	(635,500)	(1,540,134)
C.3.	Effect of other changes in equity on cash	(4,629,100)	(4,942,000)
C.	Net cash provided by (used in) financing activities	(6,081,948)	(4,990,070)
F.	Net increase (decrease) in cash	(51)	8
R.	Cash and cash equivalents at end of year	0	51

ČEZ Distribuce, a. s.

Statement of Changes in Equity as at December 31, 2016

(in thousands of CZK)

	Basic capital	Other capital funds	Reserves from profit	Cumulative gain or loss	Total
Opening balance as at 1/1/2015	60,000,000	1,314	12,000,000	19,094,029	91,095,343
Profit or loss after taxation for 2015	-	-	-	6,613,048	6,613,048
Dividend distribution	-	-	-	(4,942,000)	(4,942,000)
Other transactions	-	(1)	-	-	(1)
Closing balance as at 31/12/2015	60,000,000	1,313	12,000,000	20,765,077	92,766,390
Spin-off	-	-	-	76,854	76,854
Opening balance after merger as at 1/1/2016	60,000,000	1,313	12,000,000	20,841,931	92,843,244
Profit or loss after taxation for 2016	-	-	-	7,259,273	7,259,273
Dividend distribution	-	-	-	(4,629,100)	(4,629,100)
Closing balance as at 31/12/2016	60,000,000	1,313	12,000,000	23,472,104	95,473,417

ČEZ Distribuce, a. s. Notes to the Financial Statements for the Year Ended 31 December 2016

1. Description of the Company

ČEZ Distribuce, a. s., ("the Company") was founded, based on a merger by consolidation, as a successor company of the dissolving companies ČEZ Distribuční zařízení, a.s., and ČEZ Distribuce, a. s., with a decisive merger date being 1 January 2010. As a result of the merger by consolidation, the business assets, including employment related rights and obligations, of the dissolving companies were transferred to the successor company.

The Company's registered office is located at Děčín IV-Podmokly, Teplická 874/8, post code: 405 02, Czech Republic, and the business registration number (IČO) is 24729035. The Company is involved in the operation of the power grid and in the distribution of electricity to individuals and legal entities.

The sole shareholder is ČEZ, a. s., Duhová 2/1444, post code: 140 53, Prague 4, business registration number (IČ): 45274649.

The Company is included in the ČEZ Group and in the consolidated group of the parent company ČEZ, a. s.

Members of the statutory bodies as at 31 December 2016 were as follows:

Board of Directors		Supervisory Board	
Chair:	Ing. Richard Vidlička, MBA	Chair:	PhDr. Ivo Hlaváč
Vice-Chair:	Ing. Vladimír Budinský, MBA	Vice-Chair:	Ing. Vladimír Říha
Member:	Bc. Tomáš Murtinger	Member:	Ing. Tomáš Pleskač, MBA
Member:	Ing. Pavel Šolc	Member:	Karel Čech
Member:	Ing. Radim Černý	Member:	Irena Klůsová
Member:	Ing. Jiří Kudrnáč	Member:	Ing. Martin Zmelík

On 8 February 2016, subject to the decision of the sole shareholder executing the powers of the general meeting of ČEZ Distribuce, a. s., the Board of Directors of ČEZ, a. s., appointed Ing. Pavel Šolc member of the Board of Directors of ČEZ Distribuce, a. s., with effect from 1 April 2016, and removed Ing. Pavel Filipi from the position of the Board of Directors' member with effect from 31 March 2016.

On 25 February 2016, subject to the decision of the sole shareholder executing the powers of the general meeting of ČEZ Distribuce, a. s., the Board of Directors of ČEZ, a. s., appointed Ing. Vladimír Říha member of the Supervisory Board of ČEZ Distribuce, a. s., with effect from 1 March 2016, and removed Ing. Jaroslav Janda from the position of the Supervisory Board Vice-Chair with effect from 29 February 2016.

On 20 October 2016, subject to the decision of the sole shareholder executing the powers of the general meeting of ČEZ Distribuce, a. s., the Board of Directors of ČEZ, a. s., appointed Ing. Martin Zmelík, member of the Supervisory Board of ČEZ Distribuce, a.s., with effect from 1 November 2016, and removed Mgr. Dr. Petr Šulc from the position of the Supervisory Board member with effect from 30 September 2016.

These facts correspond to the entry in the Commercial Register as at 31 December 2016.

The Company's organizational structure is as follows:

- CEO Office,
- Network Management Division,
- Finance & Administration Division,
- DS Renewal and Maintenance Division,
- Distribution Assets Management Division,
- Network Services Division.

On 1 February 2016, the Board of Directors of ČEZ, a. s. (as the sole shareholder of ČEZ Distribuce, a. s.), approved a plan of transformation of ČEZ Distribuce, a. s., in the form of demerger through a spin-off followed by acquisition. Following this form of transformation, ČEZ Distribuce, a. s., as the company being demerged, does not cease to exist and part of its assets and liabilities (comprising the distribution assets in the Vítkovice site and a liability arising from a loan granted by ČEZ, a. s.) is transferred to ČEZ Energetické služby, s.r.o., as the successor company. The effective date of the transformation is 1 January 2016. The following asset and liability items were spun off as at the above date (in CZK thousands):

Financial statements caption	Spun off value
Assets (net)	
Fixed assets	(359,269)
Equity	
Retained earnings	76,854
Provisions and Liabilities	
Liabilities – controlled or controlling entity	(411,000)
Deferred tax liability	(25,123)

2. Basis of Presentation of the Financial Statements

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2016 and 2015.

Pursuant to requirements of the Act on Accounting amendment and the related guidelines as applicable from 1 January 2016, the presentation of items in the balance sheet and in the income statement has changed. To achieve the comparability of these items with the respective items for the preceding reporting period, the items in the balance sheet and in the income statement for 2015 have been appropriately adjusted. The Company has followed the Czech accounting standard for entrepreneurs No. 024 „Comparative Period for the Reporting Period Started in 2016“ and made the following adjustments:

Financial statements caption as at 31/12/2015	Balance as at 31/12/2015	Financial statements caption as at 31/12/2016	Balance as at 31/12/2015
C. 1. Wages and salaries	771,896	D. 1. Wages and salaries	791,021
C. 2. Bonuses to members of corporation management	19,125		
E. Value adjustments in respect of intangible and tangible fixed assets – permanent	6,806,144	E. 1. 1. Value adjustments in respect of intangible and tangible fixed assets – permanent	6,806,144
G. Change in provisions and allowances relating to operations and in prepaid expenses (specific-purpose expenses)	89,089	E. 3. Value adjustments in respect of receivables	42,896
VI Revenue from sale of securities and interests	72,690	F. 4. Provisions relating to operations and prepaid expenses (specific-purpose expenses)	46,193
XI Other finance income	-	VII Other finance income	72,690
J. Securities and interests sold	72,690	K. Other finance cost	79,284
K. Other finance cost	6,594		

As soon as duly approved by the respective corporate bodies ČEZ Distribuce, a. s., entered into an Agreement for the purchase and sale of a part of business with ČEZ Distribuční služby, s.r.o. by which ČEZ Distribuce, a. s., acquired a part of the plant of ČEZ Distribuční služby, s.r.o., the Měření division for a price determined by a court appointed valuation expert at CZK 31,046,000 with effect as of 1 July 2016.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in preparing the 2016 and 2015 financial statements are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses. Interest on loans and borrowings are not considered to be part of these costs.

Intangible fixed assets with a cost exceeding CZK 60 thousand in 2016 and 2015 are amortized over their useful economic lives.

Intangible fixed assets include software provided that it has been developed internally for trading purposes, or it has been acquired from other parties, irrespective of its cost. The above also applies to software licenses, if such licenses are not part of the valuation of the acquired software, or part of the technical improvement of the existing software.

Foundation and organization expenses that arose before 31 December 2015 are being amortized as an asset and foundation and organization expenses that arose after 1 January 2016 are considered as current period expenses.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset.

The useful economic lives are as follows:

	Years
Research and development	6
Software	4–6
Other valuable rights	6
Other intangible fixed assets	6

The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

b) Tangible Fixed Assets

Tangible fixed assets are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs. Interest on loans and borrowings are not considered to be part of these costs.

Tangible fixed assets belonging to the category of tangible assets and sets of tangible assets – machinery, appliances, equipment, vehicles and fixtures and fittings related to the licensed activities of a company distributing electricity with a cost exceeding CZK 5 thousand and CZK 40 thousand in 2016 and 2015, respectively are depreciated over their useful economic lives.

Transformer station technologies, transformers of the distribution company and power meters are deemed the tangible fixed assets regardless of their valuation.

Easements on land and building, excluding the right to use and enjoy, are also deemed the tangible fixed assets regardless of their valuation, unless they are reported as part of the building valuation.

Internally-developed tangible fixed assets are recorded at their accumulated cost, which consists of direct material, labor costs and production overheads.

Tangible fixed assets acquired free of charge are valued at their replacement cost and are recorded with a corresponding credit to the 'Other capital funds account' on the date of acquisition. The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Structures	10–50
Machinery and equipment	4–30
Vehicles	10–20
Furniture and fixtures	5–30
Miscellaneous tangible fixed assets	6–30

Acquisition costs and net book values of depreciated intangible and tangible fixed assets were revalued in an expert opinion as at 1 January 2010. The revaluation of acquisition costs and net book value of assets was made in connection with the merger project (see Note 1).

c) Cash

Cash includes liquid valuables, cash in hand and at bank.

Within the ČEZ Group, a system for utilization of idle money of individual group companies, i.e. cash pool, has been introduced. Cash deposited in or used from this system as at the date of the financial statements is reported in 'Short-term receivables from group companies with majority control' or 'Current liabilities to group companies with majority control', as appropriate, in the accompanying balance sheet and the change in the deposited cash is reported in 'Change in receivables/payables from group cash pool' in the accompanying cash flow statement.

d) Inventory

Purchased inventory is stated at actual cost being determined using the weighted average method. Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Finished goods and work-in-progress (services) are recorded at actual cost. Actual cost includes, in particular, direct costs of material, manufacturing costs of relaying and cost of inventory produced internally. The cost of inventory produced internally includes direct labor costs, including overhead costs, and are allocated to work-in-progress on the basis of hours actually worked.

e) Receivables

Receivables are initially measured at their nominal amount. Purchased receivables are measured at cost. Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income.

f) Equity

The basic capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Registry Court. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the balance sheet date is recorded through changes in basic capital. Contributions in excess of basic capital are recorded as share premium. Other capital funds consist of monetary and non-monetary contributions in excess of basic capital, such as tangible assets donations, etc.

In accordance with the Articles of Association, the Company creates a reserve fund from profit.

The Company is required to establish a reserve fund from profit after tax disclosed in the annual financial statements in the year, in which profit is generated for the first time; the reserve fund is allocated a minimum of 20% of profit after tax, however not more than 10% of basic capital.

The reserve fund is allocated 5% of profit after tax for each particular year until the fund reaches 20% of basic capital of the Company. The fund can only be used to offset losses. The amounts used from the fund are replenished in the same manner as the reserve fund has been established.

g) Provisions and Liabilities

The Company creates legal provisions in accordance with the Act on Provisions and provisions for losses and risks if the related purpose amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values.

Long-term liabilities and current liabilities to credit institutions are recorded at their nominal values. Any portion of long-term debt which is due within one year of the balance sheet date is classified as short-term debt.

Liabilities or contingent liabilities that are not recorded in the balance sheet because significant uncertainties exist with respect to the amount, title or timing of the expected outflow of benefits are described in Note 15.

h) Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at the exchange rate prevailing at the transaction date. On the balance sheet date monetary items are adjusted to the exchange rates as published by the Czech National Bank as at 31 December.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to finance income for the year.

i) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

j) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Long-term contracts are accounted for according to the completed contract method as specified in the contract.

The Company recognizes as an expense any additions to provisions for or allowances against risks, losses or physical damage that are known as at the financial statements' date.

Revenues from distribution services are recorded at the time of the distributed electricity delivery. Total revenues from provided services comprise the billing and changes in unbilled distribution services. The Company records these revenues as revenues from sales of own products and services. Costs of electricity distribution and the power grid operation are recorded as service consumption (mainly system and transmission services) and consumption of material and energy.

Changes in unbilled distribution services are set monthly on the basis of estimation. The estimation of monthly change of unbilled distribution services comes from deliveries of electricity in the given month after deduction of actual billing and estimation of distribution network losses. The total estimation is verified by calculation which is based on the load simulation at each point of delivery on the basis of temperature-adjusted load profiles. The actual billed distribution service amounts may differ from the estimation.

k) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc. In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items and income tax reliefs.

The Company records an outstanding income tax liability, net of paid tax prepayments, in provisions. If income tax prepayments exceed the estimate of current income tax expense as at the balance sheet date, the difference will be recorded as a short-term receivable.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization.

Deferred tax asset is recognized when it becomes probable that the asset will be realized in the future.

l) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

4. Fixed Assets

a) Intangible Fixed Assets (in CZK thousands)

Cost

	At beginning of year	Spin-off	Additions	Disposals	Transfers	At end of year
Foundation and organization expenses	86	-	-	-	(86)	-
Research and development	1,907	-	-	-	-	1,907
Software	620,424	-	-	(281)	73,296	693,439
Other valuable rights	44,502	(1,266)	-	-	-	43,236
Other intangible fixed assets	161,208	(3,532)	-	(3,340)	28,026	182,362
Intangible fixed assets in progress	12,998	-	97,763	-	(101,236)	9,525
2016 Total	841,125	(4,798)	97,763	(3,621)	-	930,469
2015 Total	690,610	-	163,836	(13,321)	-	841,125

Accumulated Amortization

	At beginning of year	Spin-off	Amortization during year	Disposals	Transfers	At end of year	Net book value
Foundation and organization expenses	(86)	-	-	-	86	-	-
Research and development	(1,907)	-	-	-	-	(1,907)	-
Software	(321,609)	-	(135,868)	281	-	(457,196)	236,243
Other valuable rights	(38,334)	796	(2,034)	-	-	(39,572)	3,664
Other intangible fixed assets	(88,074)	3,372	(23,439)	3,340	(86)	(104,887)	77,475
Intangible fixed assets in progress	-	-	-	-	-	-	9,525
2016 Total	(450,010)	4,168	(161,341)	3,621	-	(603,562)	326,907
2015 Total	(331,286)	-	(132,037)	13,313	-	(450,010)	391,115

Patents, royalties and similar rights are amortized over their useful lives as specified in the relevant contracts.

The total value of small tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 4,441 thousand and CZK 5,146 thousand at acquisition cost as at 31 December 2016 and 2015, respectively.

b) Tangible Fixed Assets (in CZK thousands)

Cost

	At beginning of year	Spin-off	Additions	Disposals	Transfers	Other movements	At end of year
Land	843,787	(14,918)	-	(860)	48,509	34	876,552
Structures	188,515,506	(316,497)	-	(905,394)	5,509,151	27,530	192,830,296
Movable items	62,703,817	(525,163)	-	(922,684)	2,221,865	(27,547)	63,450,288
Other tangible fixed assets	16,522	(4)	-	-	3,138	-	19,656
Tangible fixed assets in progress	1,716,603	(12,487)	7,747,047	(31,359)	(7,635,219)	-	1,784,585
Advances granted for tangible fixed assets	152,580	(3)	150,803	-	(147,444)	-	155,936
2016 Total	253,948,815	(869,072)	7,897,850	(1,860,297)	-	17	259,117,313
2015 Total	248,311,496	-	7,533,254	(1,898,376)	-	2,441	253,948,815

Accumulated Depreciation and Allowances

	At beginning of year	Spin-off	Depreciation during year	Cost of sales	Disposals	Other movements	At end of year	Net book value
Land	-	-	-	-	-	-	-	876,552
Structures	(99,098,770)	188,119	(4,309,723)	(178)	905,408	(24,204)	(102,339,348)	90,490,948
Movable items	(36,613,167)	322,313	(2,373,931)	(804)	922,684	13,762	(37,729,143)	25,721,145
Miscellaneous tangible fixed assets	(5,358)	1	(1,730)	-	-	-	(7,087)	12,569
Tangible fixed assets in progress	-	-	-	-	-	-	-	1,784,585
Advances granted for tangible fixed assets	-	-	-	-	-	-	-	155,936
2016 Total	(135,717,295)	510,433	(6,685,384)	(982)	1,828,092	(10,442)	(140,075,578)	119,041,735
2015 Total	(130,905,688)	-	(6,674,107)	(765)	1,865,847	(2,582)	(135,717,295)	118,231,520

The total value of small tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 41,697 thousand and CZK 43,482 thousand at acquisition cost as at 31 December 2016 and 2015, respectively.

As at 31 December 2016 and 2015, the Company recorded assets of CZK 92,613 thousand and CZK 61,268 thousand, respectively acquired conditionally.

5. Inventory

Excess, obsolete and slow-moving inventory has been written down to its estimated net realizable value by an allowance account.

6. Receivables

Allowances against outstanding receivables that are considered doubtful were charged to income based on collectability and ageing analysis of receivables (see Note 7).

As at 31 December 2016 and 2015, receivables overdue for more than 30 days totaled CZK 996,050 thousand and CZK 536,724 thousand, respectively. As at 31 December 2016, the receivables of CZK 213,640 thousand are subject to the claim process concerning the POZE legal dispute (see Note 15) and receivables of CZK 98,872 thousand and subject to claim procedures for system services.

Receivables overdue for more than 5 years totaled CZK 124,810 thousand as at 31 December 2016.

The Company wrote off receivables of CZK 17,776 thousand and CZK 22,695 thousand in 2016 and 2015, respectively as they were irrecoverable or due to unsatisfying the claims in bankruptcy proceedings. The receivables remain off-balance sheet.

The Company is part of the cash-pool system administered by Komerční banka, a.s. on behalf of the ČEZ Group. Cash in CZK provided to the parent company ČEZ, a. s., within the cash pooling bears an interest rate of PRIBOR O/N -0.21% p.a. with 0.03% p.a. at minimum (receivables); cash in CZK provided by the parent company within the cash pooling bears an interest rate of PRIBOR +0.30% p.a. (payables).

Cash in EUR provided to the parent company ČEZ, a. s., within the cash pooling bears an interest rate of EUR LIBOR O/N -0.19% p.a. with 0.03% p.a. at minimum (receivables); cash in EUR provided by the parent company within the cash pooling bears an interest rate of EUR LIBOR O/N +0.35% p.a. (payables).

The balance of cash transferred to the parent company ČEZ, a. s., within the cash pooling system was CZK 8,108,423 thousand and CZK 7,472,923 thousand as at 31 December 2016 and 2015, respectively.

As at 31 December 2016 and 2015, the Company had CZK 165 thousand and CZK 181 thousand, respectively of long-term receivables.

Receivables from related parties (see Note 18).

Unbilled revenue represents, in particular, unbilled distribution services.

Changes in unbilled distribution services were as follows in 2016 and 2015 (in CZK thousands):

Unbilled distribution services	Total	Retail business customers	Retail household customers
Closing balance as at 31/12/2014	9,449,616	3,266,915	6,182,701
Changes in 2015	422,147	(1,015,778)	1,437,925
Closing balance as at 31/12/2015	9,871,763	2,251,137	7,620,626
Changes in 2016	1,146,208	612,955	533,253
Closing balance as at 31/12/2016	11,017,971	2,864,092	8,153,879

7. Allowances

Allowances reflect a temporary diminution in the value of assets.

Changes in the allowance accounts (in CZK thousands):

Allowances against:	Balance as at 31/12/2014	Additions	Deductions	Balance as at 31/12/2015	Additions	Deductions	Balance as at 31/12/2016
Inventory	-	-	-	-	899	-	899
Receivables	475,757	322,919	(280,023)	518,653	623,694	(476,295)	666,052
of which:							
- Legal	272,562	188,117	(98,007)	362,672	224,825	(185,855)	401,642
- Accounting	203,195	134,802	(182,016)	155,981	398,869	(290,440)	264,410

Legal allowances are created in compliance with the Act on Provisions and are tax deductible.

8. Prepaid Expenses and Accrued Income

As at 31 December 2016 and 2015, prepaid expenses include in particular a fee of CZK 24,735 thousand and CZK 21,617 thousand, respectively for arranging a loan.

Expenses are charged to income for the year in which they were incurred.

9. Equity

The basic capital of the Company consists of 600 registered shares in a certificate form with a nominal value of CZK 100,000,000 per share. The shares are transferrable only with the consent of the Board of Directors which is based on a prior approval by the Supervisory Board. All shares are fully subscribed and paid.

Subject to the decision of the sole shareholder executing the powers of the general meetings of the Company held on 28 June 2016 and 23 June 2015, the following profit distribution for 2015 and 2014 was approved (in CZK thousands):

Profit for 2014	6,769,289	Profit for 2015	6,613,048
Dividend distribution	(4,942,000)	Dividend distribution	(4,629,100)
Undistributed profits added to retained earnings	1,827,289	Undistributed profits added to retained earnings	1,983,948
Retained earnings as at 31/12/2014	12,324,740	Retained earnings as at 31/ 12/ 2016	14,228,883
Retained earnings as at 31/12/2015	14,152,029	Retained earnings as at 31/ 12/ 2016	16,212,831
Spin-off (see Note 1)	76,854		
Retained earnings as at 31/12/2016	14,228,883		

10. Provisions

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/12/2014	Additions	Deductions	Balance as at 31/12/2015	Additions	Deductions	Balance as at 31/12/2016
Provision for income tax	247,644	153,954	(247,644)	153,954	118,341	(153,954)	118,341
Other provisions	283,981	58,746	(12,553)	330,174	200,631	(20,539)	510,266

As at 31 December 2016 and 2015, the provision for corporate income tax was offset against paid prepayments totaling CZK 1,588,282 thousand and CZK 1,380,008 thousand, respectively and the resulting liability is recorded in the caption "Provision for income tax".

Other provisions were created, in particular, for retirement benefits and 50 years jubilee bonuses paid under collective agreement. As at 31 December 2016, Other provisions include also provision for restructuring of CZK 13,784 thousands, which the Company posted due to planned reorganization.

In connection with the acquisition of the part of business (see Note 1) provisions for retirement benefits and jubilee benefits at the age of 50 increased by CZK 117,765 thousand.

11. Long-Term Liabilities

As at 31 December 2016 and 2015, the Company had the following long-term liabilities (in CZK thousands):

	Due date	31/12/2016	31/12/2015
3rd credit line	07/06/2022	3,088,200	3,345,550
4th credit line	31/12/2025	4,900,000	5,460,000
5th credit line	31/12/2025	-	411,000
Total		7,988,200	9,216,550
Current portion		1,074,700	858,450
Long-term portion		6,913,500	8,358,100

A contract for 3rd credit line was signed by and between ČEZ Distribuce, a. s., (debtor) and ČEZ, a. s., (creditor) on 7 June 2012. The loan was withdrawn on 11 June 2012 and is repayable by 7 June 2022. The interest rate has been set at 3.91% p.a.

A contract for 4th credit line was signed by and between ČEZ Distribuce, a. s., (debtor) and ČEZ, a. s., (creditor) on 2 March 2015. The first half of the loan was withdrawn on 11 March 2015, the other one on 21 August 2015. The loan is repayable by 31 December 2025. The interest rate has been set at 2.4% p.a.

The loans under 3rd and 4th credit lines were provided to finance the implementation of the Project of reconstruction and development of the power grid in the Czech Republic (the „Project“).

A contract for 5th credit line was signed by and between ČEZ Distribuce, a. s., (debtor) and ČEZ, a. s., (creditor) on 22 December 2015. The loan was withdrawn on 29 December 2015 and is repayable by 31 December 2025. The interest rate has been set at 2.36% p.a. The loan under the 5th credit line was provided to finance the investments into the power grid in the Vítkovice site. The loan was subject to the spin-off (see Note 1).

The interest expense relating to the loans for 2016 and 2015 was CZK 253,083 thousand and CZK 282,660 thousand, respectively.

The aggregate maturities of loans as at 31 December 2016 are as follows (in CZK thousands):

	Borrowings
2017	1,074,700
2018	1,332,050
2019	1,074,700
2020	1,074,700
2021	1,074,700
2022 and thereafter	2,357,350
Total	7,988,200

The loan agreements for the 1st and 4th credit lines with ČEZ, a. s., include the following terms and conditions to be fulfilled by the Company:

1. Maintenance	To maintain, repair and refurbish real estate that is part of the Project
2. Assets	To maintain legal title to and possession of the assets that are part of the Project
3. Insurance	To insure all work and real estate that is part of the Project
4. Servitude and beneficial use	To maintain use and enjoyment rights necessary for the Project operation
5. Environment	To implement the Project in compliance with the environment protection legislation

In addition, the Company undertook to pay interest and principal according to the payment schedule, inform the creditor of significant overdue payables and not to change the Company's ownership structure.

The Company was in compliance with these terms and conditions as at 31 December 2016 and 2015.

12. Current Liabilities

As at 31 December 2016 and 2015, the Company had overdue current payables for more than 30 days totaling CZK 17,197 thousand and CZK 1,054 thousand, respectively.

As at 31 December 2016, payables overdue for more than 5 years totaled CZK 9,840 thousand. As at 31 December 2016 and 2015, the Company had liabilities of CZK 44,555 thousand and CZK 27,413 thousand, respectively owing to social security and health insurance premiums.

Short-term advances received relate in particular to unbilled distribution services.

Unbilled deliveries represent, in particular, unbilled services related to electricity distribution, unbilled deliveries of electricity purchased to cover power grid losses and unpaid vacation claims for 2016 and 2015.

Payables to related parties (see Note 18).

13. Accruals and Deferred Income

Deferred income includes, in particular, connection fees and is recognized into income for the year in which it was earned. These are in particular connection fees within the meaning of Act No. 458/2000 Coll. (the Energy Act) and Decree No. 51/2006 Coll. of Energy Regulatory Office (Energetický regulační úřad). These fees are credited to income by the Company in compliance with its internal regulations in the amount of 1/20 of collected fees per annum.

Movements in deferred income accounts in 2016 and 2015 (in CZK thousands):

Balance as at 31/12/2014	7,864,507
Additions in 2015	646,803
Released to revenues in 2015	(784,290)
Balance as at 31/12/2015	7,727,020
Additions in 2016	700,032
Released to revenues in 2016	(788,371)
Balance as at 31/12/2016	7,638,681

14. Income Taxes

On the basis of preliminary calculation the Company calculated tax expense as follows (in CZK thousands):

	2016	2015
Profit before taxes	8,908,919	8,141,677
Difference between book and tax depreciation	(221,027)	(148,365)
Difference between net book value of fixed assets for accounting and tax purposes	44,909	95,010
Non-deductible expenses		
Creation of provisions	62,327	46,193
Creation/release of allowances	109,328	(47,214)
Expenses relating to previous tax period	(6,026)	(66,059)
Other	85,826	53,096
Taxable income	8,984,256	8,074,338
Current income tax rate	19%	19%
Tax	1,707,009	1,534,124
Tax allowance	(386)	(162)
Provision for income tax	1,706,623	1,533,962
Adjustment of the tax paid in previous years	1,456	18,045
Current tax expense	1,708,079	1,552,007

The Company submits regular tax return prior to 30 June 2017.

The Company quantified deferred taxes as follows (in CZK thousands):

Deferred tax items	31/12/2016		31/12/2015	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-	(11,544,142)	-	(11,561,938)
Other temporary differences:				
Allowance against receivables	50,238	-	29,636	-
Provisions	96,951	-	62,733	-
Other	28,680	(1,668)	20,491	(4,421)
Total	175,869	(11,545,810)	112,860	(11,566,359)
Net		(11,369,941)		(11,453,499)

In connection with the spin-off of the assets in the Vítkovice site (see Note 1) the related deferred tax liability of CZK 25,123 thousand was spun off accordingly.

15. Commitments and Contingencies

The Company has effected the following types of insurance:

- Insurance of buildings, constructions and selected movable items (transformer stations, administrative buildings);
- Insurance of civil engineering structures (very high voltage and high voltage overhead power grids).

Other types of insurance include general liability insurance, insurance for damage caused by defective products and liability insurance of management and board members.

As at 31 December 2016 and 2015, the Company had concluded contracts for future supplies of fixed assets in the amount of approx. CZK 4,193,947 thousand and CZK 3,738,378 thousand, respectively. As at 31 December 2016 and 2015, an amount of contractual liabilities for the coming years comprises a contractual fee totaling CZK 3,745,217 thousand and CZK 3,357,104 thousand, respectively for investments, CZK 328,762 thousand and CZK 297,623 thousand, respectively for repairs and CZK 119,968 thousand and CZK 83,651 thousand, respectively for relaying.

The Company is a party to a number of legal disputes relating to collection of a price component pertaining to costs incurred in supporting the electricity generation from renewable energy sources and combined heat and power generation (fees for „OZE“ and „KVET“, respectively) in 2013. The Company's management believes that if an adverse judgment against ČEZ Distribuce, a. s. is delivered in these cases and any potential similar disputes, the Company will be entitled to claim back the fees from OTE, a.s. Therefore, the Company takes all measures necessary to prevent the Company from an unfavorable impact in the case of failure, if any. Furthermore, the Company's management believes that the court should not, in any case, award the electricity producers the portion of their claim representing VAT.

In addition, the Company is a party to several disputes related to connection of photovoltaic power plants to the power grid. Based on the analysis performed, the Company's management believes that the risk of losing these disputes is very small and it is unlikely the Company would be imposed any significant obligations in the future arising from these disputes.

16. Revenues

The breakdown of revenues on ordinary activities is as follows (in CZK thousands):

	2016	2015
Use of grids, incl. reserved capacity at low voltage level	18,744,430	18,452,962
Support of electricity from renewable sources	14,622,327	18,813,567
Provided reserved capacity at very high voltage and very low voltage levels	9,102,283	8,639,884
Provision of system services	3,766,974	3,769,715
OTE charges	286,708	268,727
Other energy services	1,499,494	1,843,144
Other non-energy services	203,339	220,426
Total revenues	48,225,555	52,008,425

In 2016 and 2015, the revenues of the Company comprised primarily sales from the provision of distribution network services to customers and electricity producers and traders. The prices for services related to providing of distribution network are subject to price regulations of the Energy Regulatory Office and were determined by the Energy Regulatory Office's price decision for 2016 and 2015, respectively.

The revenues were realized in the Czech Republic.

17. Personnel and Related Expenses

The breakdown of personnel expenses is as follows (in CZK thousands):

	2016			2015		
	Total	Members of the Board of Directors	Supervisory Board members	Total	Members of the Board of Directors	Supervisory Board members
Average number of employees	1,967	6	6	1,343	5	6
Wages and salaries	1,107,332	23,718	781	791,021	18,336	792
Social security and health insurance	378,320	4,669	244	269,757	4,036	248
Social cost	122,859	1,253	–	92,964	1,021	–
Total personnel expenses	1,608,511	29,640	1,025	1,153,742	23,393	1,040

18. Related Party Information

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees, advances or other benefits in 2016 and 2015 and they do not hold any shares/interests of the Company.

Related parties specified in the tables below are companies of ČEZ Group.

As at 31 December 2016 and 2015, advances granted to related parties were CZK 7,838 thousand and CZK 5,410 thousand, respectively.

As at 31 December 2016 and 2015, receivables from group companies with majority control in the amount of CZK 8,108,423 thousand and CZK 7,472,923 thousand, respectively represent the balance of cash in the cash pooling system (see Note 7).

The Company has loans granted by the parent company (see Note 11).

The Company provides services to related parties in the ordinary course of business.

In 2016 and 2015, sales were as follows (in CZK thousands):

Related party	2016	2015
ČEZ Prodej, s.r.o.	23,309,692	24,207,249
Severočeské doly a.s.	308,639	343,759
ČEZ Energetické služby, s.r.o.	108,809	772
ČEZ ICT Services, a. s.	102,982	100,841
ČEZ, a. s.	58,443	119,381
ČEZ Distribuční služby, s.r.o.	28,267	32,447
ÚJV Řež, a. s.	7,962	8,053
ČEZ Zákaznické služby, s.r.o.	2,018	1,966
MARTIA a.s.	1,813	1,807
ČEZ Energo, s.r.o.	1,752	1,415
Energocentrum Vítkovice, a. s.	1,446	–
Elektrárna Tisová, a.s.	1,269	1,753
Elektrárna Dětmarovice, a.s.	1,172	15,869
ELTODO-CITELUM, s.r.o.	626	614
Telco Pro Services, a. s.	534	627
ČEZ OZ uzavřený investiční fond a.s.	342	255
ČEZ ESCO, a.s.	281	–
ČEZ Korporátní služby, s.r.o.	227	221
ČEZ Teplárenská, a.s.	20	–
Energotrans, a.s.	15	302
Energie2 Prodej, s.r.o.	6	–
CITELUM, a.s.	1	–
Energetické centrum s.r.o.	–	714
ČEZ Obnovitelné zdroje, s.r.o.	–	271
Total	23,936,316	24,838,316

Short-term receivables from related parties as at 31 December, including unbilled revenue, except for advance payments made were as follows (in CZK thousands):

Related party	2016	2015
ČEZ Prodej, s.r.o.	8,028,556	7,260,853
ČEZ Distribuční služby, s.r.o.	152,311	185,819
ČEZ Zákaznické služby, s.r.o.	57,214	131
ČEZ Energetické služby, s.r.o.	33,666	43
Severočeské doly a.s.	20,517	51,184
ČEZ ICT Services, a. s.	15,059	24,422
ČEZ, a. s.	5,681	15,131
ÚJV Řež, a. s.	609	104
ČEZ ESCO, a.s.	72	-
ČEZ Korporátní služby, s.r.o.	69	79
Telco Pro Services, a. s.	68	112
ČEZ Energo, s.r.o.	15	180
Elektrárna Dětmorovice, a.s.	10	1,822
Elektrárna Tisová, a.s.	8	149
ELTODO-CITELUM, s.r.o.	6	3
ČEZ Obnovitelné zdroje, s.r.o.	5	-
Energie2 Prodej, s.r.o.	5	-
Energetické centrum s.r.o.	-	865
ČEZ OZ uzavřený investiční fond a.s.	-	3
MARTIA a.s.	-	25
Total	8,313,871	7,540,925

Short-term payables to related parties as at 31 December, including unbilled deliveries, except for advance payments received were as follows (in CZK thousands):

Related party	2016	2015
ČEZ Prodej, s.r.o.	967,206	584,841
ČEZ Distribuční služby, s.r.o.	832,606	693,138
ČEZ ICT Services, a. s.	142,616	101,560
ČEZ, a. s.	43,019	32,727
ČEZ Korporátní služby, s.r.o.	42,661	37,045
ČEZ Zákaznické služby, s.r.o.	8,980	43,305
MARTIA a.s.	5,195	8,445
Telco Pro Services, a. s.	647	453
Elektrárna Dětmorovice, a.s.	280	462
ČEZ OZ uzavřený investiční fond a.s.	163	196
Energotrans, a.s.	156	139
ČEZ Energetické služby, s.r.o.	54	3,047
Severočeské doly a.s.	2	2
ČEZ Teplárenská, a.s.	-	203
OSC, a.s.	-	59
ČEZ Energo, s.r.o.	-	23
CITELUM, a.s.	-	19
ČEZ Obnovitelné zdroje, s.r.o.	-	1
Total	2,043,585	1,505,665

The Company purchases products and receives services from related parties in the ordinary course of business. Purchases from related parties in 2016 and 2015 were as follows (in CZK thousands):

Related party	2016	2015
ČEZ Distribuční služby, s.r.o.	5,789,849	6,341,389
ČEZ Prodej, s.r.o.	2,239,571	2,935,170
ČEZ ICT Services, a. s.	752,118	738,861
ČEZ Korporátní služby, s.r.o.	366,509	252,613
ČEZ Zákaznické služby, s.r.o.	316,951	404,885
ČEZ, a. s.	214,066	193,655
MARTIA a.s.	46,404	54,947
Telco Pro Services, a. s.	7,468	7,610
Elektrárna Dětmorovice, a.s.	3,004	4,473
ČEZ OZ uzavřený investiční fond a.s.	1,952	979
Tepelné hospodářství města Ústí nad Labem s.r.o.	1,414	1,420
Energotrans, a.s.	1,374	1,308
ČEZ Energetické služby, s.r.o.	1,018	7,134
CITELUM, a.s.	431	926
ČEZ Teplárenská, a.s.	20	1,383
PRODECO, a.s.	16	4
Severočeské doly a.s.	15	15
Teplo Klášterec s.r.o.	3	11
ČEZ Ergo, s.r.o.	2	24
Elektrárna Tisová, a.s.	-	172
OSC, a.s.	-	59
ČEZ Obnovitelné zdroje, s.r.o.	-	1
Total	9,742,185	10,947,039

As at 31 December 2016 and 2015, advances received from related parties were CZK 7,664,108 thousand and CZK 7,829,847 thousand, respectively. The advances mostly comprised of advances for distribution services received from ČEZ Prodej, s.r.o.

19. Miscellaneous Operating Income

Miscellaneous operating income includes in particular the released part of connection fees (see Note 13) and re-invoiced costs of relaying.

20. Statement of Cash Flows

The cash flow statement was prepared under the indirect method.

21. Subsequent Events

Irena Klůsová and Karel Čech terminated their service in the Supervisory Board on 1 January 2017. Following the decision of the sole shareholder of 19 January 2017 Václav Rašner and Karel Čech became members of the Supervisory Board with effect as of 1 February 2017.

Ivo Hlaváč terminated his service in the Supervisory Board on 28 February 2017.

Following the decision of the sole shareholder Karel Kohout was elected to hold office of a member of the Board of Directors with effect as of 1 March 2017.

Following the decision of the sole shareholder Michaela Chaloupková was elected to hold office of a member of the Supervisory Board with effect as of 1 April 2017.

Prepared on: 10 May 2017

Signature of entity's statutory body:



Ing. Richard Vidlička, MBA



Bc. Murtinger Tomáš

Identification of ČEZ Distribuce, a. s.

ČEZ Distribuce, a. s.

Teplická 874/8
405 02 Děčín IV-Podmokly
Czechia

Registered in the Commercial Register kept by the
Regional Court in Ústí nad Labem, Section B, File 2145

Established:	2010
Legal form:	Joint-stock company
ID No.:	247 29 035
VAT ID No.:	CZ24729035
Bankers:	Komerční banka, a.s., account No. 35-4544580267/0100
Phone:	+420 411 121 111
Fax:	+420 411 122 997
Internet:	www.cezdistribuce.cz
E-mail:	info@cezdistribuce.cz

License number: 121015583
OTE registration number: 715

Closing date of the 2016 Annual Report: May 10, 2017

Relation Structure Diagram 2016
Alphabetical List of Companies 2016

Česká republika – Ministerstvo financí (Czech Republic—Ministry of Finance)

69.78%	ČEZ, a. s.*	
100%	Severočeské doly a.s.*	
100%	PRODECO, a.s.*	
100%	SD - Kolejová doprava, a.s.*	
100%	Revitrans, a.s.*	
100%	Energetické centrum s.r.o.*	
100%	ČEZ Distribuce, a. s.*	
100%	ČEZ ENERGOSEKVIS spol. s r.o.*	
100%	ČEZ Distribuční služby, s.r.o.*	
100%	ČEZ ICT Services, a. s.*	
100%	Telco Pro Services, a. s.*	
100%	ČEZ Zákaznické služby, s.r.o.*	
100%	CEZTel, a.s., v likvidaci (in liquidation)	
	Ceased to exist on September 5, 2016	
51.05%	LOMY MORINA spol. s r.o.	
100%	ČEZ Energetické produkty, s.r.o.*	
40%	in PROJEKT LOUŇ ENGINEERING s.r.o.	40%
100%	ČEZ Inženýring, s.r.o.*	
99.80%	Inven Capital, investiční fond, a.s.	0.2%
	Capital raised on May 2, 2016	
	Name changed on September 1, 2016 (originally ČEZ Nová energetika, a.s.)	
	Capital raised on September 30, 2016 and October 18, 2016	
100%	ČEZ Teplárenská, a.s.*	
100%	MARTIA a.s.*	
55.83%	Teplné hospodářství města Ústí nad Labem s.r.o.	
100%	Tepllo Klášterec s.r.o.	
66.67%	OSC, a.s.	
52.46%	UJV Řež, a. s.	
100%	Centrum výzkumu Řež s.r.o.	
100%	Výzkumný a zkušební ústav Plzeň s.r.o.	
40%	Nuclear Safety & Technology Centre s.r.o.	
100%	Ustav aplikované mechaniky Brno, s.r.o.	
100%	EGP INVEST, spol. s r.o.	
100%	ČEZ ESCO, a.s.*	
	Capital raised on August 3, 2016	
50.10%	ČEZ Energo, s.r.o.	
100%	ČEZ Energetické služby, s.r.o.*	
100%	EVC s.r.o.	
	Stake increased on November 22, 2016	
51%	ČEZ LDS s.r.o.	
	Established on December 29, 2016	
100%	ČEZ Solární, s.r.o.	
	Stake acquired on February 10, 2016; name changed on March 7, 2016 (originally juwi, s.r.o.)	
100%	AZ KLIMA a.s.	
	Stake acquired on September 30, 2016; registered office changed on February 1, 2017	
100%	AZ KLIMA SK, s.r.o.	
	Stake acquired on September 30, 2016	
100%	AZ VENT s.r.o.	
	Stake acquired on September 30, 2016; registered office changed on January 25, 2017	
75%	ENESA a.s.	
	Ownership changed on January 4, 2016 and January 6, 2016	
100%	Energocentrum Vítkovice, a. s.*	
	Ownership changed on July 7, 2016	
100%	ČEZ Bohunice a.s.*	
49%	Jadrová energetická spoločnosť Slovenska, a. s.	
100%	JESS Invest, s. r. o.	
	Ceased to exist by merger with acquiring company	
	Jadrová energetická spoločnosť Slovenska, a. s. on January 9, 2016	
12%	ŠKO-ENERGO, s.r.o.	
5%	ŠKO-ENERGO FIN, s.r.o.	
100%	ČEZ Obnovitelné zdroje, s.r.o.*	
99%	ČEZ Recyklace, s.r.o.	
99.60%	ČEZ OZ uzavřený investiční fond a.s.	0.39%
		0.02%
100%	ČEZ Korporátní služby, s.r.o.*	
100%	Energotrans, a.s.*	
95%	Areál Třeboradice, a.s.*	
100%	ČEZ Prodej, s.r.o.*	
100%	Energie2 Prodej, s.r.o.	
	Stake acquired June 22, 2016; ceased to exist by merger with ČEZ Prodej, s.r.o. on Jan 1, 2017	
100%	Elektrárna Počerady, a.s.*	
100%	Elektrárna Tisová, a.s.*	
	Ownership changed on January 2, 2017	
100%	Elektrárna Mělník III, a. s.*	
100%	Elektrárna Dětmarovice, a.s.*	
100%	Elektrárna Temelín II, a. s.*	
	Capital raised on October 5, 2016; capital raised on December 21, 2016	
100%	Elektrárna Dukovany II, a. s.*	
	Capital raised on October 5, 2016; capital raised on December 21, 2016	
100%	SKODA PRAHA a.s.	
100%	EGI, a.s. v likvidaci (in liquidation)	
	Ceased to exist on July 13, 2016	
100%	SKODA PRAHA Invest s.r.o.	
100%	CEZ Bulgaria EAD	
100%	CEZ Trade Bulgaria EAD	
67%	CEZ Elektro Bulgaria AD	
100%	TEC Varna EAD	
100%	CEZ Poland Distribution B.V.	
100%	Baltic Green Construction sp. z o.o.	
	Ownership changed on August 18, 2016	
100%	Baltic Green I sp. z o.o.	
100%	Baltic Green II sp. z o.o.	
100%	Baltic Green III sp. z o.o.	
100%	Baltic Green VI sp. z o.o.	
100%	Baltic Green V sp. z o.o.	
100%	Baltic Green VIII sp. z o.o.	
100%	Baltic Green IX sp. z o.o.	
	Established on April 6, 2016	
100%	Baltic Green X sp. z o.o.	
	Established on July 12, 2016	
100%	A.E. Wind S.A.	
	Capital reduced on June 27, 2016; legal form changed on March 31, 2016	
100%	Eco-Wind Construction S.A.	
100%	Baltic Green VII sp. z o.o. w likvidaci (in liquidation)	
	Went into liquidation on September 1, 2016	
100%	Elektrownie Wiatrowe Lubiechowo sp. z o.o. w likwidacji (in liquidation)	
	Went into liquidation on September 1, 2016	
100%	Farma Wiatrowa Lesce sp. z o.o. w likwidacji (in liquidation)	
	Went into liquidation on September 1, 2016	
100%	Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o. w likwidacji (in liquidation)	
	Went into liquidation on September 1, 2016	
100%	Baltic Green IV sp. z o.o. w likwidacji (in liquidation)	
	Went into liquidation on September 1, 2016	
100%	Mega Energy sp. z o.o. w likwidacji (in liquidation)	
	Went into liquidation on September 1, 2016	
99%	CEZ Polska sp. z o.o.	1%
	Ownership changed on August 18, 2016	
100%	CEZ Chorzów S.A.	
100%	CEZ Skawina S.A.	
100%	CEZ ESCO Poland B.V.	
	Established on April 8, 2016	
99.97%	CEZ ESCO Polska sp. z o.o.	0.03%
	Established on May 12, 2016	
100%	CEZ Erneuerbare Energien Beteiligungs GmbH	
	Established on May 31, 2016	
100%	Windpark Fohren-Linden GmbH & Co. KG	
	Stake acquired on December 16, 2016	
100%	wpd Windparks Lee GmbH	
	Stake acquired on December 21, 2016	
100%	Windpark Frauenmark III GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	Windpark Cheinitz-Zethlingen GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	Windpark Zagelsdorf GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	wpd Windparks Luv GmbH	
	Stake acquired on December 21, 2016	
100%	Windpark Gremersdorf GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	Windpark Mengeringhausen GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	Windpark Naundorf GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	Windpark Baben Erweiterung GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	wpd Windparks Nordwind GmbH	
	Stake acquired on December 21, 2016	
100%	Windpark Badow GmbH & Co. KG	
	Stake acquired on December 21, 2016	
100%	CEZ Erneuerbare Energien Verwaltungs GmbH	
	Established on June 1, 2016	
100%	CEZ Silesia B.V.	
	Ceased to exist by merger with CEZ Poland Distribution B.V. on August 18, 2016	
100%	CEZ Produkty Energetyczne Polska sp. z o.o.	
100%	CEZ Trade Polska sp. z o.o.	
100%	CEZ Towarowy Dom Maklerski sp. z o.o.	
100%	CEZ Srbija d.o.o.	
67%	CEZ Razpredelenie Bulgaria AD	
100%	CEZ ICT Bulgaria EAD	
99.99%	CEZ Vanzare S.A.	
	Registered office changed on February 29, 2016	
99.99%	CEZ Romania S.A.	
100%	TMK Hydroenergy Power S.R.L.	
100%	CEZ Bulgarian Investments B.V.	
100%	Free Energy Project Oreshets EAD	
100%	Bara Group EOOD	
99.99%	CEZ Trade Romania S.R.L.	0.01%
100%	CEZ Ukraine LLC	
100%	CEZ Hungary Ltd.	
100%	CEZ MH B.V.	
100%	CEZ Slovensko, s.r.o.	
100%	CEZ Deutschland GmbH	
	Registered office changed on February 29, 2016	
100%	CEZ International Finance B.V.	
37.36%	Akenerji Elektrik Üretim A.Ş.	
100%	Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	
100%	Egemen Elektrik Üretim A.Ş.	
100%	AK-EL Yalova Elektrik Üretim A.Ş.	
100%	AK-EL Kemah Elektrik Üretim ve Ticaret A.Ş.	
100%	Akenerji Doğal Gaz İthalat İhracat ve Toptan Ticaret A.Ş.	
100%	CEZ Finance Ireland Ltd.	
	Ceased to exist on December 30, 2016	
100%	CEZ International Finance Ireland Ltd.	
	Went into liquidation on March 18, 2016; ceased to exist on December 30, 2016	
50%	Akcez Enerji A.Ş.	
100%	Sakarya Elektrik Dağıtım A.Ş.	
100%	Sakarya Elektrik Perakende Satış A.Ş.	
50%	CM European Power International B.V.	
51%	CM European Power Slovakia s. r. o.	24.50%
	Stake of CEZ, a. s. sold on November 30, 2016	
	Stake of CM European Power International B.V. sold on December 2, 2016	
99.99%	Tomis Team S.A.	
	Capital and stake raised on February 19, 2016; capital and stake raised on December 9, 2016	
100%	M.W. Team Invest S.R.L.	
	Capital raised on December 9, 2016	
100%	Taidana Limited	
	Ceased to exist on February 6, 2016	
99.98%	Ovidiu Development S.R.L.	0.02%
	Capital and stake raised on February 19, 2016; capital and stake raised on December 9, 2016	
100%	Shared Services Albania Sh.A.	
	In liquidation	
99.99%	Distributie Energie Oltenia S.A.	
	Registered office changed Feb 29, 2016; name changed Jan 3, 2017 (orig. CEZ Distributie S.A.)	

40.78%	Severočeské mlékárny, a.s. Teplice	
	Bankruptcy proceedings canceled due to estate insufficiency	
46.99%	Ormlík, a.s. v likvidaci (in liquidation)	
	In bankruptcy	
71.89%	BH CAPITAL, a.s. v likvidaci (in liquidation)	
100%	CEPRO, a.s.	
100%	GALILEO REAL, k.s.	
	General partner is IMOB a.s.	
100%	MERO ČR, a.s.	
100%	MERO Germany AG	
54.35%	Kongresové centrum Praha, a.s.	
100%	Český Aeroholding, a.s.	
100%	Letiště Praha, a. s.	
100%	Czech Airlines Handling, a.s.	
100%	B. aircraft, a.s.	
100%	Czech Airlines Technics, a.s.	
100%	Realitní developerská, a.s.	
100%	Sky Venture a.s.	
100%	Whitelines Industries a.s.	
100%	THERMAL-F, a.s.	
	Capital raised on September 29, 2016	
100%	PRISKO a.s.	
19.74%	Ceske aerolinie a.s.	
	Registered office changed on July 1, 2016; ownership changed on October 17, 2016	
43.68%	Česká exportní banka, a.s.	16%
	Capital raised	
100%	IMOB a.s.	
49%	MUFIS a.s.	
96.50%	VIPAP VIDEM KRŠKO d.d.	
	Registered office in Slovenia	
84.31%	LEVAS d.o.o.	
16%	ENOVIP d.o.o.	
100%	VIPAP Vertriebs und Handels GmbH	
11.38%	ZEL-EN d.o.o.	
100%	JUNIOR centrum, a.s. v likvidaci (in liquidation)	
100%	CENTRUM - F, a.s. v likvidaci (in liquidation)	
	Ceased to exist on January 21, 2016	
96.85%	HOLDING Kladno a.s." v likvidaci" (in liquidation)	
40%	Exportní garanci a pojišťovací společnost, a.s.	
100%	STROJÍRNÝ TATRA PRAHA, a.s. v likvidaci (in liquidation)	
100%	Výzkumný a zkušební letecký ústav, a.s.	
100%	VZLU TECHNOLOGIES, a.s.	
100%	VZLU TEST, a.s.	
100%	SERENUM, a.s.	

Czech Republic—Ministry of Finance of the Czech Republic
 Subsidiaries of the Ministry of Finance of the Czech Republic (ČEZ, a. s.)
 Subsidiaries of ČEZ, a. s.
 Sub-sub-subsidiaries of ČEZ, a. s.
 Sub-sub-subsidiaries of ČEZ, a. s.
 Sub-sub-sub-subsidiaries of ČEZ, a. s.
 Subsidiaries of the Ministry of Finance of the Czech Republic
 Sub-sub-subsidiaries of the Ministry of Finance of the Czech Republic

* Member of CEZ Concern

Annex 2 Alphabetical List of Companies in 2016

No.	Company Name	Company Reg. No.	Registered Office
1	A.E. Wind S.A.	0000300814	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
2	Akceiz Enerji A.Ş.	683905	Adapazan, Sakarya, Maltepe Mahallesi, Orhangazi Caddesi Trafo Tesisleri No: 72, Oda: 1, postcode 54100, Turkey
3	AK-EL Kemah Elektrik Üretim ve Ticaret A.Ş.	736921	İstanbul, Miralay Şefik Bey Sokak No: 13, Kat: 4, Oda: 1, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
4	AK-EL Yalova Elektrik Üretim A.Ş.	417382	İstanbul, Miralay Şefik Bey Sokak No. 15-17, K: 3-4, Oda No. 1, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
5	Akenerji Doğal Gaz İthalat İhracat ve Toptan Ticaret A.Ş.	745367	İstanbul, Miralay Şefik Bey Sokak No. 15, Kat: 3, Oda: 3, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
6	Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	512971	İstanbul, Miralay Şefik Bey Sokak, Ak Han No. 15-17, K: 3-4, Oda No. 2, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
7	Akenerji Elektrik Üretim A.Ş.	255005	İstanbul, Miralay Şefik Bey Sok. Ak-Han No. 15, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
8	Areál Třeboradice, a.s.	29132282	Praha 4, Duhová 1444/2, Michle, postcode 140 00
9	AZ KLIMA a.s.	24772631	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00
10	AZ KLIMA SK, s.r.o.	35796944	Bratislava, Prijazdná 7/A, postcode 831 07, Slovakia
11	AZ VENT s.r.o.	04019261	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00
12	B. aircraft, a.s.	24253006	Praha 6, Jana Kařpara 1069/1, Ruzyně, postcode 161 00
13	Baltic Green Construction sp. z o.o.	0000568025	Warszawa, Aleje Jerozolimskie 63, postcode 00-697, Poland
14	Baltic Green I sp. z o.o.	0000441069	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
15	Baltic Green II sp. z o.o.	0000441363	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
16	Baltic Green III sp. z o.o.	0000440952	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
17	Baltic Green IV sp. z o.o. w likwidacji (in liquidation)	0000374097	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
18	Baltic Green V sp. z o.o.	0000514397	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
19	Baltic Green VI sp. z o.o.	0000516616	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
20	Baltic Green VII sp. z o.o. w likwidacji (in liquidation)	0000517536	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
21	Baltic Green VIII sp. z o.o.	0000516701	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
22	Baltic Green IX sp. z o.o.	0000610092	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
23	Baltic Green X sp. z o.o.	0000627827	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
24	Bara Group EOOD	120545968	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784, Bulgaria
25	BH CAPITAL, a.s. v likvidaci (in liquidation)	00546682	Brno, Přikop 843/4, Zábřovice, postcode 602 00
26	CENTRUM - F, a.s. v likvidaci (in liquidation)	00013455	Praha 2, Blanická 922/25, Vinohrady, postcode 120 00
27	Centrum výzkumu Řež s.r.o.	26722445	Husinec-Rež 130, postcode 250 68
28	CEZ Bulgaria EAD	131434768	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784, Bulgaria
29	CEZ Bulgarian Investments B.V.	51661969	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
30	CEZ Deutschland GmbH	HRB 140377	Hamburg, Neuer Wall 10 / Jungfernstieg, postcode 20354, Germany
31	CEZ Elektro Bulgaria AD	175133827	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784, Bulgaria
32	CEZ Erneuerbare Energien Beteiligungs GmbH	HRB 141607	Hamburg, Neuer Wall 10, postcode 20354, Germany
33	CEZ Erneuerbare Energien Verwaltungs GmbH	HRB 141626	Hamburg, Neuer Wall 10, postcode 20354, Germany
34	CEZ ESCO Poland B.V.	67582267	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
35	CEZ ESCO Polska sp. z o.o.	0000616808	Warszawa, Al. Jerozolimskie 61, postcode 00-697, Poland
36	CEZ Finance Ireland Ltd.	471391	Limerick, Doran Minehane, Crescent House, Upper Hartstonge Street, Ireland
37	CEZ Hungary Ltd.	13520670-4013-113-01	Budapest, Rétköz u. 5, postcode 1118, Hungary
38	CEZ Chorzów S.A.	0000060086	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503, Poland
39	CEZ ICT Bulgaria EAD	203517599	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1712, Bulgaria
40	CEZ International Finance B.V.	24461985	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
41	CEZ International Finance Ireland Ltd.	494547	Dublin 2, Arthur Cox Building, Earlsfort Terrace, Ireland
42	CEZ MH B.V.	24426342	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
43	CEZ Poland Distribution B.V.	24301380	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
44	CEZ Polska sp. z o.o.	0000266114	Warszawa, Aleje Jerozolimskie 63, postcode 00-697, Poland
45	CEZ Produkty Energetyczne Polska sp. z o.o.	0000321795	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503, Poland
46	CEZ Razpredelenie Bulgaria AD	130277958	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784, Bulgaria
47	CEZ Romania S.A.	18196091	București, Sector 1, Ion Ionescu de la Brad, Nr. 2B, Romania
48	CEZ Silesia B.V.	24305701	Amsterdam Zuidoozt, Hogehilweg 5D, postcode 1101 CA, Netherlands
49	CEZ Skawina S.A.	0000038504	Skawina, ul. Pilsudskiego 10, postcode 32-050, Poland
50	CEZ Slovensko, s.r.o.	36797332	Bratislava, Mlynské nivy 48, postcode 821 09, Slovakia
51	CEZ Srbija d.o.o.	20180650	Beograd, Bulevar Zorana Dindića 65, Serbia
52	CEZ Towarowy Dom Maklerski sp. z o.o.	0000287855	Warszawa, Aleje Jerozolimskie 63, postcode 00-697, Poland
53	CEZ Trade Bulgaria EAD	113570147	Sofia, 2 Positano Sq., Office 7, floor 7, postcode 1000, Bulgaria
54	CEZ Trade Polska sp. z o.o.	0000281965	Warszawa, Aleje Jerozolimskie 63, postcode 00-697, Poland
55	CEZ Trade Romania S.R.L.	21447690	București, Sector 1, Ion Ionescu de la Brad, Nr. 2B, Romania
56	CEZ Ukraine LLC	34728482	Kyiv, Velyka Vasylkyska street 5, postcode 01004, Ukraine
57	CEZ Vanzare S.A.	21349608	Craiova, Dolj County, 97, Calea Severinului St., postcode 200731, Romania
58	CEZTel, a.s., v likvidaci (in liquidation)	25107950	Praha 4, Duhová 1531/3, postcode 140 53
59	CM European Power International B.V.	24439848	Rotterdam, Weena 327, postcode 3013 AL, Netherlands
60	CM European Power Slovakia s. r. o.	44354258	Bratislava, Víčie hrdlo 1, postcode 824 12, Slovakia
61	Czech Airlines Handling, a.s.	25674285	Praha 6, Aviatická 1017/2, postcode 160 08
62	Czech Airlines Technics, a.s.	27145573	Praha 6, Jana Kařpara 1069/1, Ruzyně, postcode 160 08
63	ČEPRO, a.s.	60193531	Praha 7, Dělňnická 213/12, Holeřovice, postcode 170 00
64	Česká exportní banka, a.s.	63078333	Praha 1, Vodičkova 34/701, postcode 111 21
65	Česká republika – Ministerstvo financí (Czech Republic—Ministry of Finance)	00006947	Praha, Letenská 15, postcode 118
66	České aerolinie a.s.	45795908	Praha 6, Evropská 846/176a, Vokovice, postcode 160 00
67	Český Aeroholding, a.s.	24821993	Praha 6, Jana Kařpara 1069/1, postcode 160 08
68	ČEZ, a. s.	45274649	Praha 4, Duhová 2/1444, postcode 140 53
69	ČEZ Bohunice a.s.	28861736	Praha 4, Duhová 2/1444, postcode 140 53
70	ČEZ Distribuce, a. s.	24729035	Děčín, Teplická 874/8, Děčín IV-Podmokly, postcode 405 02
71	ČEZ Distribuční služby, s.r.o.	26871823	Hradec Králové, Riegrovo náměstí 1493/3, Pražské Předměstí, postcode 500 02
72	ČEZ Energetické produkty, s.r.o.	28255933	Hostivice, Komenského 534, postcode 253 01
73	ČEZ Energetické služby, s.r.o.	27804721	Ostrava, Výstavní 1144/103, Vítkovice, postcode 703 00
74	ČEZ Energo, s.r.o.	29060109	Praha 8, Karolinská 661/4, Karlín, postcode 186 00
75	ČEZ ENERGOSERVIS spol. s r.o.	60698101	Třebíč, Bráfova tř. 1371/16, Horka-Domy, postcode 674 01
76	ČEZ ESCO, a.s.	03592880	Praha 4, Duhová 1444/2, Michle, postcode 140 00
77	ČEZ ICT Services, a. s.	26470411	Praha 4, Duhová 1531/3, postcode 140 53
78	ČEZ Inženýring, s.r.o.	02735385	Praha 4, Duhová 1444/2, Michle, postcode 140 00
79	ČEZ Korporátní služby, s.r.o.	26206803	Ostrava, 28. října 3123/152, Moravská Ostrava, postcode 702 00
80	ČEZ LDS s.r.o.	01873237	Praha 4, Duhová 1444/2, Michle, postcode 140 00
81	ČEZ Obnovitelné zdroje, s.r.o.	25938924	Hradec Králové, Křiřkova 788/2, postcode 500 03
82	ČEZ OZ uzavřený investiční fond a.s.	24135780	Praha 4, Duhová 1444/2, postcode 140 53
83	ČEZ Prodej, s.r.o.	27232433	Praha 4, Duhová 1/425, postcode 140 53
84	ČEZ Recyklace, s.r.o.	03479919	Praha 4, Duhová 1444/2, Michle, postcode 140 00
85	ČEZ Solární, s.r.o.	27282074	Liberec X, Mydlářská 105/10, Frantiřkov, postcode 460 10
86	ČEZ Teplárenská, a.s.	27309941	Říčany, Bezručova 2212/30, postcode 251 01
87	ČEZ Zákaznické služby, s.r.o.	26376547	Plzeň, Guldenerova 2577/19, postcode 326 00
88	Distributie Energie Oltenia S.A.	14491102	Craiova, Dolj County, 97, Calea Severinului St., postcode 200731, Romania
89	Eco-Wind Construction S.A.	0000300426	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
90	Egemen Elektrik Üretim A.Ş.	695245	İstanbul, Miralay Şefik Bey Sokak, No. 13, K: 4, Oda No. 1, Gümüşsuyu Beyoğlu, postcode 34437, Turkey
91	EGI, a.s. v likvidaci (in liquidation)	60721332	Praha 6, Milady Horákové 109/108, Bubeneč, postcode 160 00
92	EGP INVEST, spol. s r.o.	16361679	Uherský Brod, Ant. Dvořáka 1707, postcode 688 01
93	Elektrárna Dětmarovice, a.s.	29452279	Dětmarovice 1202, postcode 735 71
94	Elektrárna Dukovany II, a. s.	04669207	Praha 4, Duhová 1444/2, Michle, postcode 140 00
95	Elektrárna Mělník III, a. s.	24263397	Praha 4, Duhová 1444/2, Michle, postcode 140 00
96	Elektrárna Počerady, a.s.	24288110	Praha 4, Duhová 1444/2, postcode 140 53
97	Elektrárna Temelín II, a. s.	04669134	Praha 4, Duhová 1444/2, Michle, postcode 140 00
98	Elektrárna Tisová, a.s.	29160189	Březová, Tisová 2, postcode 356 01
99	Elektrownie Wiatrowe Lubiechowo sp. z o.o. w likwidacji (in liquidation)	0000291340	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
100	Energetické centrum s.r.o.	26051818	Jindřichův Hradec, Otín 3, postcode 377 01
101	Energie2 Prodej, s.r.o.	29134013	Praha 4, Duhová 1531/3, Michle, postcode 140 00
102	Energocentrum Vítkovice, a. s.	03936040	Praha 4, Duhová 1444/2, Michle, postcode 140 00
103	Energotrans, a.s.	47115726	Praha 4, Duhová 1444/2, Michle, postcode 140 00
104	ENESA a.s.	27382052	Praha 9, U Voborníků 852/10, Vysočany, postcode 190 00
105	ENOVIP d.o.o.	6632157000	Krško, 18 Tovarniška ulica, postcode 8270, Slovenia
106	EVČ s.r.o.	13582275	Pardubice, Arnořta z Pardubic 676, Zelené Předměstí, postcode 530 02
107	Exportní garanční a pojiřřovací společnost,a.s.	45279314	Praha 1, Vodičkova 34/701, postcode 111 21
108	Farma Wiatrowa Leřce sp. z o.o. w likwidacji (in liquidation)	0000330281	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
109	Farma Wiatrowa Wilkierz-Bychawa sp. z o.o. w likwidacji (in liquidation)	0000330670	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
110	Free Energy Project Oreshets EAD	201260227	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784, Bulgaria
111	GALILEO REAL, k.s.	26175291	Praha 8, Thámova 181/20, postcode 186 00
112	HOLDING KLADNO a.s. "v likvidaci" (in liquidation)	45144419	Kladno, Cyrila Boudy 1444, Kroěhlavy, postcode 272 01
113	IMOB a.s.	60197901	Praha 8, Thámova 181/20, Karlín, postcode 186 00
114	in PROJEKT LOUNY ENGINEERING s.r.o.	44569688	Louny, Na Valích 899, postcode 440 01
115	Inven Capital, investiční fond, a.s.	02059533	Praha 4, Pod křiřkem 1773/2, Braník, postcode 147 00
116	Jadrová energetická spoločnosť Slovenska, a. s.	45337241	Bratislava, Tomášikova 22, postcode 82102, Slovakia
117	JESS Invest, s. r. o.	45659044	Bratislava, Tomášikova 22, postcode 82102, Slovakia
118	JUNIOR centrum, a.s. v likvidaci (in liquidation)	48154946	Seč, ul. Ćs. pionýrů 197, postcode 538 07
119	Kongresové centrum Praha, a.s.	63080249	Praha 4, 5. května 1640/65, Nusle, postcode 140 00
120	Letiřte Praha, a. s.	28244532	Praha 6, K Letiřti 6/1019, postcode 160 08
121	LEVAS d.o.o.	5498325	Krško, 18 Tovarniška ulica, postcode 8270, Slovenia
122	LOMY MOŘINA spol. s r.o.	61465569	Mořina 73, postcode 267 17
123	M.W. Team Invest S.R.L.	18926986	București, 2B Ion Ionescu de la Brad Street, 2nd floor, room 3, Sector 1, postcode 013813, Romania
124	MARTIA a.s.	25006754	Ústí nad Labem, Mezni 2854/4, Severní Terasa, postcode 400 11
125	Mega Energy sp. z o.o. w likwidacji (in liquidation)	0000374306	Warszawa, ul. Marynarska 11, postcode 02-674, Poland
126	MERO ČR, a.s.	60193468	Kralupy nad Vltavou, Veltruská 748, postcode 278 01
127	MERO Germany AG	152122768	Vohnburg an der Donau, MERO-Weg 1, postcode 850 88, Germany
128	MUFIS a.s.	60196696	Praha 1, Jeruzalémská 964/4, postcode 110 00
129	Nuclear Safety & Technology Centre s.r.o.	27091490	Husinec-Rež 130, postcode 250 68
130	Ormilik, a.s. v likvidaci (in liquidation)	60109092	Žamberk, postcode 564 01
131	OSC, a.s.	60714794	Brno, Slaňkova 557/18a, Ponava, postcode 602 00
132	Ovidiu Develoipment S.R.L.	18874682	București, 2B Ion Ionescu de la Brad Street, 2nd floor, room 1, Sector 1, postcode 013813, Romania
133	PRISKO a.s.	46355901	Praha 8, Thámova 181/20, Karlín, postcode 186 00
134	PRODECO, a.s.	25020790	Blina, Důlní 437, Mostecké Předměstí, postcode 418 01
135	Realitní developerská, a.s.	27174166	Praha 6, Jana Kařpara 1069/1, Ruzyně, postcode 161 00
136	Revitrans, a.s.	25028197	Blina, Důlní 429, postcode 418 01
137	Sakarya Elektrik Dařitım A.Ş.	10941-18573	Adapazan, Sakarya, Maltepe Mahallesi, Orhangazi Cad. TEK Trafo İstasyonu P.K. 160, postcode 541 00, Turkey
138	Sakarya Elektrik Perakende Satıř A.Ş.	23996	İzmit, Kocaelli, Karabař Mahallesi, Hafız Selim Sokak D-100, Karayolu Ustu No: 14 Ofis, No: 25-26-27, postcode 354 30, Turkey
139	SD - Kolejová doprava, a.s.	25438107	Kadaň, Tuřimice 7, postcode 432 01
140	SERENUM, a.s.	01438875	Praha 9, Letňany, Beranových 130, postcode 199 00
141	Severočeské doly a.s.	49901982	Chomutov, Boženy Němcové 5359, postcode 430 01
142	Severočeské mlékárny, a.s. Teplice	48291749	Teplice, Libušina 2154, postcode 415 03
143	Shared Services Albania Sh.A.	K91629005R	Tirana, Abdyl Frasherı Street, EGT Tower, P. 12/1, Albania
144	Sky Venture a.s.	27361381	Praha 6, Jana Kařpara 1069/1, postcode 160 08
145	STROJIRNY TATRA PRAHA,a.s. v likvidaci (in liquidation)	00674311	Praha 5, K metru 312, Zličín, postcode 155 21
146	ŠKODA PRAHA a.s.	00128201	Praha 4, Duhová 2/1444, Michle, postcode 140 00
147	ŠKODA PRAHA Invest s.r.o.	27257517	Praha 4, Duhová 2/1444, postcode 140 74
148	ŠKO-ENERGO FIN, s.r.o.	61675954	mladá Boleslav II, tř. Václava Klementa 869, postcode 293 01
149	ŠKO-ENERGO, s.r.o.	61675938	mladá Boleslav 1, tř. Václava Klementa 869, postcode 293 60
150	Taidana Limited	HE 272531	Limassol, Grıva Digeni 115, Trıdent Centre, postcode 3101, Cyprus
151	TEC Varna EAD	103551629	Varna, Village of Ezerovo, Varna District, postcode 9168, Bulgaria
152	Telco Pro Services, a. s.	29148278	Praha 4, Duhová 1531/3, Michle, postcode 140 00
153	Teplelné hospodářství města Ústı nad Labem s.r.o.	49101684	Ústı nad Labem, Malátova 2437/11, Ústı nad Labem-centrum, postcode 400 11
154	Tepló Klášterec s.r.o.	22801600	Klášterec nad Ohřı, Jana Amose Komenského 450, Mıřetice u Klášterec nad Ohřı, postcode 431 51
155	THERMAL-F, a.s.	25401726	Karlovy Vary, I. P. Pavlova 2001/11, postcode 360 01
156	TMK Hydroenergy Power S.R.L.	27189093	Reșița, 4B Primaverii St., 1st floor, Caras-Severin County, postcode 320012, Romania
157	Tomis Team S.A.	18874690	București, 2B Ion Ionescu de la Brad Street, 2nd floor, room 2, Sector 1, postcode 013813, Romania
158	ÚJV Rež, a. s.	46356088	Husinec, Hlavní 130, Rež, postcode 250 68
159	Ústav aplikované mechaniky Brno, s.r.o.	60715871	Brno, Resselova 972/3, Veveř, postcode 602 00
160	VIPAP Vertriebs und Handels GmbH	333645f	Ternitz, Josef Huber Straře 6, postcode 2620, Austria
161	VIPAP VIDEM KRŠKO d.d.	5971101	Krško, 18 Tovarniška ulica, postcode 8270, Slovenia
162	Výzkumný a zkušební letecký ústav, a.s.	00010669	Praha, Beranových 130, Letňany, postcode 199 05
163	Výzkumný a zkušební ústav Plzeň s.r.o.	47718684	Plzeň, Tylova 1581/46, Jižní Předměstí, postcode 301 00
164	VZLU TECHNOLOGIES, a.s.	29146241	Praha 9, Beranových 130, Letňany, postcode 199 00
165	VZLU TEST, a.s.	04521820	Praha 9, Beranových 130, Letňany, postcode 199 00
166	Whitelines Industries a.s.	27105733	Praha 6, Jana Kařpara 1069/1, Ruzyně, postcode 160 08
167	Windpark Baben Erweiterung GmbH & Co. KG	HRA 25725	Bremen, Stephanitorsbollwerk 3, postcode 28217, Germany
168	Windpark Badow GmbH & Co. KG	HRA 24600	Bremen, Stephanitorsbollwerk 3, postcode 28217, Germany
169	Windpark Cheinitz-Zethlingen GmbH & Co. KG	HRA 26116	Bremen, Stephanitorsbollwerk 3, postcode 28217, Germany
170	Windpark Fohren-Linden GmbH & Co. KG	HRA 23953	Düsseldorf, Kailstraře 2, postcode 40221, Germany
171	Windpark Frauenmark III GmbH & Co. KG	HRA 26112	Bremen, Stephanitorsbollwerk 3, postcode 28217, Germany

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