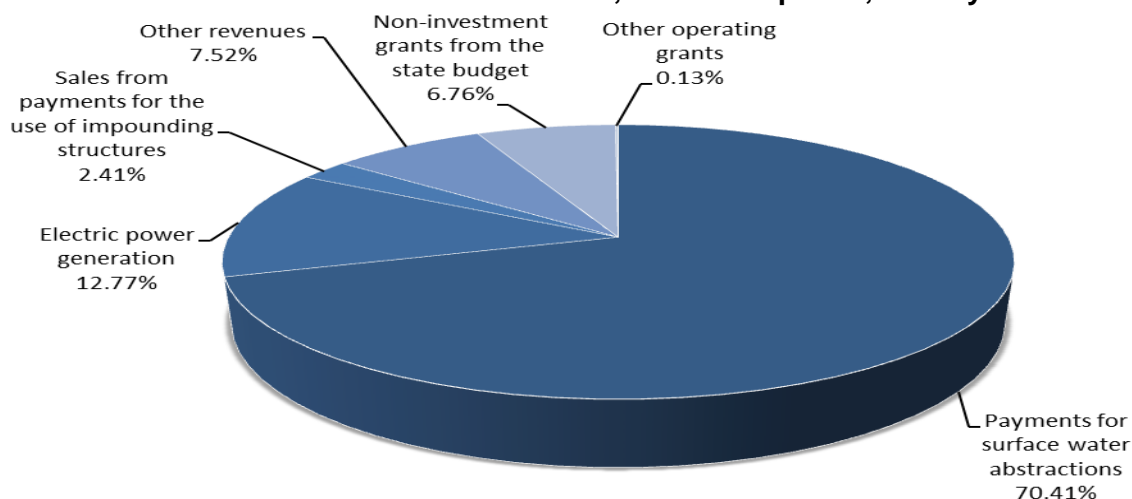


## River Boards, state enterprises

In 2015, the total revenues generated by the River Boards, state enterprises, compared to 2014, reached a year-on-year increase amounting to 0.7%, in absolute figures this increase in total revenues was almost CZK 34 million. This increase was generated by four items of the revenue structure: electric energy generation, payments for surface water abstractions, non-investment grants from the state budget and other operational grants.

The year-on-year increase in total revenues of the River Boards, s. e., was mainly due to income from electric energy generation which increased by CZK 64 million (by 11.7% when compared with 2014). Other items that influence the total income in 2015 included non-investments grants from the state budget (increase by 3.5%, i.e. by CZK 10.9 million), other operating grants (an increase by 2%, i.e. by CZK 0.1 million) and payments for surface water abstraction (increase by 1.5%, i.e. by CZK 48.4 million). There was a significant year-on-year decrease of 19% (i.e. CZK 85 million) in the "other income" item. 4% decrease was reported in income from the use of impounding structures (i.e. CZK 4.8 million).

### Structure of the revenues of the River Boards, state enterprises, in the year 2015



Source: MoA

In the River Boards, state enterprises, the average price of other abstractions of surface water in 2015 ranged around CZK 4.34 per m<sup>3</sup>, this means an increase by 2.1%, compared to the previous year. This price is the so-called factually regulated price, which may include only justified costs, reasonable profit and the tax pursuant to the relevant tax regulations.

In addition to through-flow cooling, since the year 2003 abstraction levels and prices of surface water have also been identified for the purposes of charged agricultural irrigation and flooding of artificial depressions in the landscape. In 2015, similarly to 2014, the Elbe River Board, s. e., and the Vltava River Board, s. e., were the only river boards to abstract water for the purposes of agricultural irrigation in the amount of 260 thousand m<sup>3</sup>, which represents an increase of 12.1%, compared to 2014. The Ohře River Board, s. e., similarly to the previous years, is the only one reporting surface water abstractions for flooding of artificial depressions in the landscape, in the amount significantly lower (by 1,210 thousand m<sup>3</sup>, i.e. a decrease by more than 75%), compared to 2014.

### Price for abstractions used for through-flow cooling in the years 2009–2015

River Board, s. e.	2009	2010	2011	2012	2013	2014	2015
	CZK/m <sup>3</sup>						
Elbe	0.53	0.55	0.60	0.64	0.65	0.68	0.70
Vltava	1.03	1.10	1.13	1.22	1.22	1.25	1.25
Morava	0.67	0.67	0.67	0.72	0.89	1.15	1.19

Source: River Boards, s. e.

Note: Unit price for m<sup>3</sup> is quoted excluding VAT.

### Price for other surface water abstractions in the years 2009–2015

River Board, s. e.	2009	2010	2011	2012	2013	2014	2015
	CZK/m <sup>3</sup>						
Elbe	3.16	3.35	3.63	3.97	4.09	4.29	4.39
Vltava	2.68	2.94	3.15	3.40	3.45	3.55	3.62
Ohře	3.16	3.31	3.53	3.88	4.14	4.34	4.51
Oder	3.10	3.35	3.58	3.80	3.99	4.09	4.21
Morava	4.65	4.97	5.47	5.88	6.16	6.39	6.52
<b>Average price quoted by River Boards, s. e.<sup>1)</sup></b>	<b>3.13</b>	<b>3.32</b>	<b>3.61</b>	<b>3.94</b>	<b>4.08</b>	<b>4.25</b>	<b>4.34</b>

Source: River Boards, s. e.

Note: Unit price for m<sup>3</sup> is quoted excluding VAT.

<sup>1)</sup> Calculated by means of weighted average.

In the current approach the current prices reflect the price of the service, i.e. enabling the provision of supplies ensured by River Boards, s. e. to water users, they do not reflect the value of surface water.

These prices are subject to regulation pursuant to Act No. 526/1990 Coll., on prices, and the rules stipulated by the decisions of the Ministry of Finance on price regulation, i.e. by the relevant notifications issuing the list of goods with regulated prices which are published in the Price Bulletin.

In 2015, the River Boards, state enterprises, reported in aggregate an increase in revenues from payments for surface water abstractions, in absolute figures amounting to CZK 48 million, which corresponds to a year-on-year increase in this revenue category by 1.4%, compared to 2014. Two River Boards, s. e., (the Elbe River Board, s. e., and the Morava River Board, s. e.) reported a decrease in revenues from these abstractions, while all the other ones recorded an increase of CZK 50 million, the Ohře River Board, s. e. an increase of CZK 29 million, the Oder River Board, s. e. an increase of CZK 23 million and the Vltava River Board, s. e. an increase of CZK 20 million. Received payments for surface water abstractions over a longer period are shown in next table.

## Payments for surface water abstractions in the years 2009–2015

River Board, s. e.	2009	2010	2011	2012	2013	2014	2015
	millions of CZK						
Elbe	785	833	846	890	832	882	860
Vltava	640	686	707	778	725	739	759
Ohře <sup>1)</sup>	469	468	479	511	502	514	543
Oder	431	483	497	529	545	553	576
Morava	457	481	543	608	589	639	637
<b>River Boards, s. e., in total</b>	<b>2,782</b>	<b>2,951</b>	<b>3,072</b>	<b>3,316</b>	<b>3,193</b>	<b>3,327</b>	<b>3,375</b>

Source: River Boards, s. e.

Note: <sup>1)</sup> Excluding sales from transport and abstraction of water.

**In 2015, revenues from sales of electric power from small hydroelectric power plants owned by the River Boards, s. e., showed an increase by almost CZK 64 million. The total revenues in this revenue category amounted to CZK 609.7 million.**

Revenues from sales of electric power take the second place after the main source of revenues which are payments for surface water abstractions (almost 13% of the total revenue). The total number of small hydroelectric power plants in operation is 91. Rather constant revenues from sales of electric power are reported by the Vltava River Board, s. e., (CZK 244.1 million) which owns and operates 19 small hydroelectric power plants and the Ohře River Board, s. e., (CZK 230.3 million) with 21 small hydroelectric power plants.

Revenues from sales of electric power in 2015 increased significantly, compared to 2014, by almost CZK 64 million, which represents an increase of 11.7%. Compared to 2014, when the long-term maximum was reached (CZK 605.4 million), sales increased by 0.7%. The highest increase of revenues was reported by the Ohře River Board, s. e., with the year-on-year increase of 32% (almost CZK 56 million). A significant year-on-year increase by 17% (CZK 9.5 million) was reported by the Oder River Board, s. e., while the Elbe River Board, s. e., reported almost 8% increase (almost CZK 3 million). A slight decrease of revenues from sales of electric power was reported by the Vltava River Board, s. e., (a decrease by 1%) and the Morava River Board, s. e., (a decrease by 5%).

**Other revenues of the River Boards, state enterprises comprise a sum of less significant items including in particular the lease of land, non-residential premises and water bodies as well as revenues from other business activities. The most significant item is the revenue from sales of machinery services and automobile transport services, laboratory work and from design and engineering activities. Capital yields also contribute to the total of financial revenues.**

The “other revenues” item is often significantly affected by a number of unplanned items such as insurance payments, increased interest rates received and the amount of transfers of certain specified sales which relate to the past periods but were not materialized until the monitored year. With regard to these unplanned items and variations that may not always be anticipated, other revenues may show considerable year-on-year variations. In 2015, the year-on-year decrease in other revenues of the River Boards, state enterprises, amounted to CZK 85 million. This decrease was significantly contributed to by the Elbe River Board, s. e., (decrease of CZK 61.5 million) and the Ohře River Board, s. e., (decrease of CZK 27.7 million). A slight increase was reported by the Oder River Board, s. e. Compared to 2014, a slight increase was reported by the Morava River Board, s. e., (a year-over-year increase of CZK 3.9 million) and the Vltava River Board, s. e. (an increase of CZK 1 million).

**Financial needs regarding the key activities of the River Boards, state enterprises are every year supported by a number of grants of both operating and investment nature. State subsidies are necessary for remedying the impacts of floods as well as for systematic activities allowing for implementation of flood control measures, defining inundation areas and producing a number of conceptual studies.**

In 2015, the total amount of grants slightly increased by 1.9%, compared to 2014, however, with a different proportion of the impacts of operating grants and investment grants. Grants of operating nature showed a slight year-on-year increase (by CZK 11.6 million, i.e. 3.6%) the same is true for investment subsidies (year-on-year increase by CZK 3.5 million, i.e. 0.7%). In 2015, the total amount of grants received was CZK 812.8 million. The grants were allocated for programmes focusing on both prevention and remedying of flood damages from previous years.

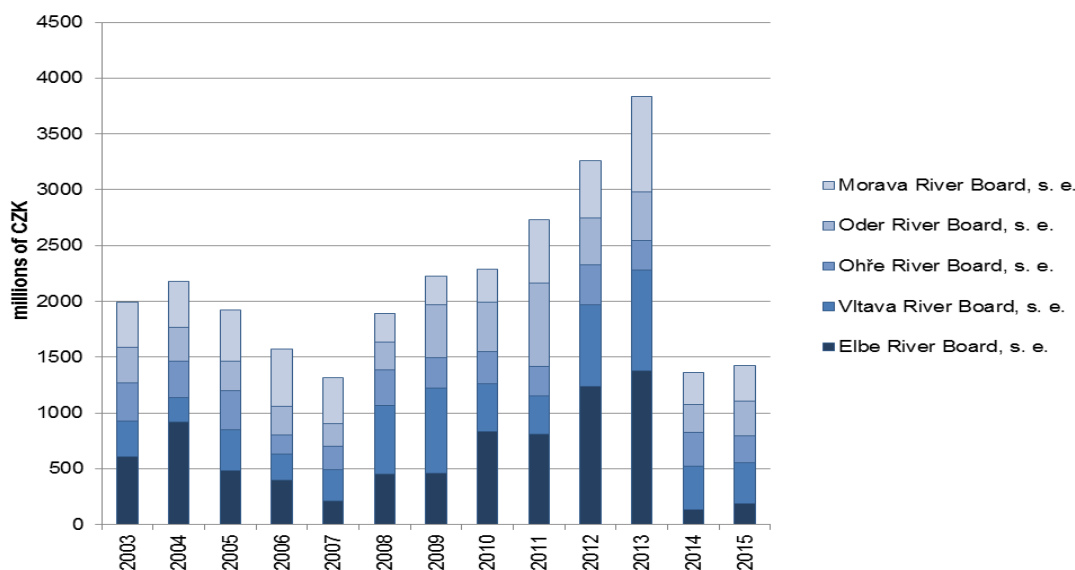
In addition to grants allocated through the budget of the Ministry of Agriculture, these subsidies also included support provided by the Ministry of the Environment through the funds of the Operational Programme Environment (OPE) and the EU. Flood control measures were also co-financed with the contribution of certain regional authorities.

**Compared to 2014, the total costs in 2015 increased by CZK 12.4 million, i.e. the year-on-year increase amounted to 0.3%. The most significant year-on-year increase by almost 50.7% was shown in the “financial costs” item, although in absolute figures only by CZK 1.3 million. A significant increase in costs was also reported in the items: write-offs, repairs and personnel costs. Other cost items showed a year-on-year decrease. The most significant decrease was reported in the “energy and fuel” item (15.4%).**

All River Boards, s. e., with the exception of the Elbe River Board, s. e., reported a year-on-year increase of total costs ranging between 0.9% and 8.4%. The Elbe River Board, s. e., reported almost a 10% year-on-year decrease in these costs.

**In 2015, River Boards, s. e. expended on investments the amount of CZK 1.42 billion, of which 65.3% (CZK 928.3 million) was used from their own resources and 34.7% (in absolute figures CZK 493.7 million) of investment funds were covered by external financial resources.**

Compared to 2014, the total investments made by the River Boards, state enterprises, in 2015 increased by approximately 4%, in absolute figures by CZK 57.25 million. By comparing the values over a longer period, it may be concluded that investment construction significantly decrease in 2014-2015 in comparison with the previous period. The summary of investment funds is shown in next Chart.



Source: MoA, River Boards, s. e.

Investment expenditures of River Boards, s. e. in 2015 covered by external financial resources amounted to a total of CZK 493.7 million, of which almost 61% were financial resources from the state budget and 38.5% were other resources. Other resources included the OPE funds, the EU funds, municipal funds and free transfers. The largest amount of funding was used for flood control measures, the revitalization of river systems and restoration of hydraulic structures.

The largest volume of investment expenditures was shown by the Vltava River Board, s. e. (CZK 361.5 million), followed by the Morava River Board, s. e. (CZK 314.5 million), the Oder River Board, s. e. (CZK 313.7 million), the Ohře River Board, s. e. (CZK 242.5 million) and the Elbe River Board, s. e. (CZK 189.9 million). In terms of coverage of investment expenditures from external resources, the largest volume of funding was used by the Oder River Board, s. e. (CZK 171.3 million), followed by the Morava River Board, s. e. (CZK 112.2 million), the Ohře River Board, s. e. (CZK 88.7 million), the Vltava River Board, s. e. (CZK 78.6 million) and the Elbe River Board, s. e. (CZK 42.9 million).

**The financial results reached by all River Boards, state enterprises showed only a profit. The total profit reached by all the River Boards, s. e., together was more than CZK 84.1 million. In comparison with the previous year the profit grew by more than 34% (CZK 21.5 million).**

The most significant increase in profit was reported by the Morava River Board, s. e., compared to 2014, its profit increased by CZK 11 million. As in the previous year, also in 2015 a decrease in profit was reported by the Oder River Board, s. e. (a decrease by 9%). All the remaining River Boards, s. e., show an improvement, compared to 2014.

Profit/loss development over the recent seven years and the share of the individual River Boards, s. e. in the total profit/loss is shown in next Table.

**Profit/loss of River Boards, s. e., in the years 2009–2015**

River Board, s. e.	2009	2010	2011	2012	2013	2014	2015
	thousands of CZK						
Elbe	30,050	27,509	29,908	21,488	770	12,100	16,471
Vltava	30,265	13,530	12,702	25,088	14,495	16,022	16,038
Ohře	30,371	11,776	4,758	11,284	12,624	13,008	20,300
Oder	13,964	13,785	12,721	15,247	16,603	13,718	12,495
Morava	15,295	8,171	5,355	5,114	6,200	7,786	18,830
<b>River Boards, s. e., in total</b>	<b>119,945</b>	<b>74,771</b>	<b>65,444</b>	<b>78,221</b>	<b>50,692</b>	<b>62,634</b>	<b>84,134</b>

Source: River Boards, s. e.

**The average recalculated number of employees in River Boards, state enterprises increased in 2015 by almost 12 employees to a total of 3,564 persons.**

The number of employees was reduced in three River Boards, s. e. The highest increase was at the Elbe River Board, s. e., (by more than 5 employees), at the Oder River Board, s. e., (by more than 2 employees) and at the Vltava River Board, s. e., (by one employee). The Ohře River Board, s. e. reported an increase by one employee. There was a significant rise in the number of employees at the Morava River Board, s. e., (by almost 20 employees).

**The average monthly salary in the River Boards, state enterprises in 2015 amounted to CZK 30,650.**

Compared to the previous year, the average monthly salary in the River Boards, s. e. increased by CZK 718, all River Boards, s. e., reported an increase in the average monthly salary. Relatively stable year-on-year increase in the salary of over CZK 1,000 is reported by the Oder River Board, s. e., and the Ohře River Board, s. e., an increase of over CZK 800 is reported by the Elbe River Board, s. e. The Vltava River Board, s. e., also recorded an increase in the average salary (by almost CZK 600). The average monthly salary increased by almost CZK 500 in the Morava River Board, s. e., while it still remains the lowest of all River Boards, s. e. The highest average salary has been repeatedly reported in the past years by the Ohře River Board, s. e.