

CONSOLIDATED QUARTERLY REPORT
2011 Q2

For the period 1.1.2011 – 30.6.2011

BGS Energy Plus a. s.



12.8. 2011

Svetla nad Sazavou, Czech Republic

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1 Selected consolidated financial results for the period 1 January 2011 to 30 June 2011

	1.1.2011 – 30.6.2011		1.1.2010 – 30.6.2010	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues (with revenues from sales of own property and other operation revenues)	179 346	7 359	21 172	824
Consumption	160 279	6 576	16 679	649
Operating profit	19 067	782	4 493	175
EBITDA	21 123	867	6 351	247
- Of which Depreciation	3 360	138	1 334	52
EBIT	17 763	729	5 017	195
Profit/loss before taxation (EBT)	14 286	586	4 184	163
Profit/loss after taxation	10 786	443	3 284	128
Balance sheet				
Fixed Assets	209 903	8 620	68 962	2 678
Current Assets, of which:	257 591	10 579	93 302	3 623
- Short-term receivables	188 797	7 753	47 023	1 826
- Current financial assets	16 123	662	26 445	1 027
Total Assets	469 028	19 262	163 829	6 362
Equity	88 932	3 652	90 745	3 524
Short-term liabilities	191 988	7 885	17 293	672
Long-term liabilities including bank loans	188 160	7 727	55 791	2 167

Note: Exchange rates provided by the Czech National Bank

2 Selected consolidated financial results for the period 1 April 2011 to 30 June 2011

	1.4.2011 – 30.06.2011		1.4.2010 – 30.6.2010	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues	113 518	4 658	9 764	382
Consumption	81 573	3 347	6 849	267
Operating profit	31 945	1 311	2 915	115
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	31 975	1 312	3 892	152
- Of which Depreciation	1 681	69	408	16
EBIT (Profit + Interest expenses + Income tax)	30 294	1 243	3 484	136
Profit/loss before taxation (EBT)	28 620	1 174	3 081	120
Profit/loss after taxation	26 870	1 103	2 601	102
Balance sheet				
Fixed Assets	209 903	8 620	68 962	2 678
Current Assets, of which:	257 591	10 579	93 302	3 623
- Short-term receivables	188 797	7 753	47 023	1 826
- Current financial assets	16 123	662	26 445	1 027
Total Assets	469 028	19 262	163 829	6 362
Equity	88 932	3 652	90 745	3 524
Short-term liabilities	191 988	7 885	17 293	672
Long-term liabilities including bank loans	188 160	7 727	55 791	2 167

3 The management board's comments on factors and events that affect the achieved financial results

The BGS Group consolidated turnover for the period 1.4.2011 – 31.6.2011 exceeded CZK 113mio. This value was achieved, above all, thanks to the growth of EPC (Engineering-Procurement-Construction) projects constructed by BGS Biogas a.s., which is already consolidated according to the full method.

The Group consolidated EBITDA for 2Q2011 is CZK 32mio, it means more than 4 times more compare to 2Q2010.

4 General information about the Issuer

Company Name: BGS Energy Plus a.s.
 Company Address: Zamecka 7, 582 91 Svetla nad Sazavou, Czech Republic
 www: www.bgs-energy.cz
 Ticker: BGS
 ISIN: CZ0005121707
 Authorized Advisor: CMS Corporate Management Services Sp. z o.o.

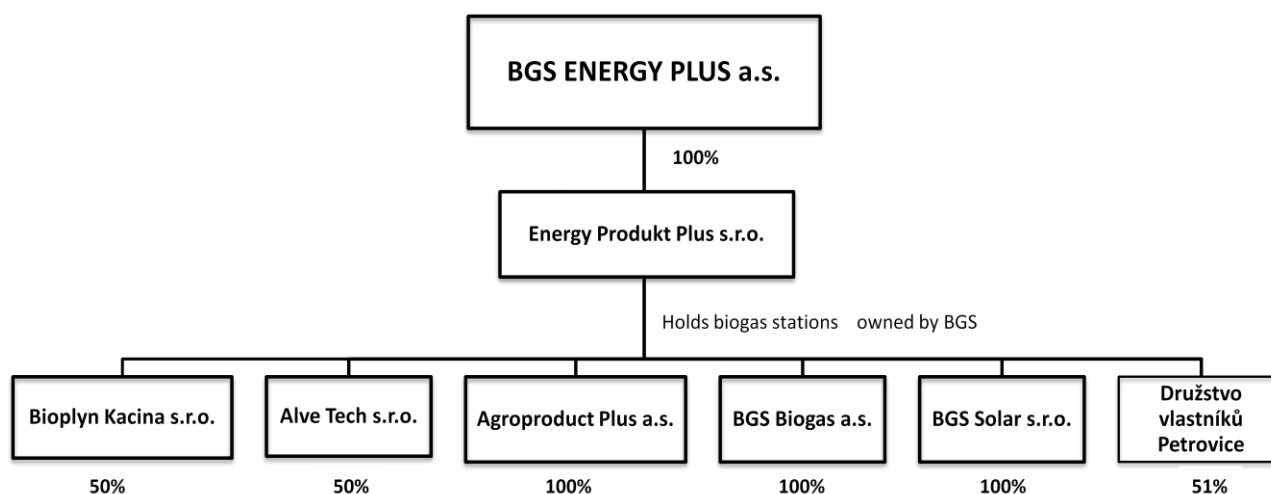
5 General information about the Group

The following table presents the Group's structure and the holding company's stake in the entities comprising the Group:

Entity name	Country of registration	% of share capital held by the holding company	Consolidation method
Energy produkt plus s.r.o.	Czech Rep.	100%	full consolidation
Agroprodukt plus a.s.	Czech Rep.	100%	full consolidation
BGS Solar s.r.o.	Czech Rep.	100%	full consolidation
BGS Biogas a.s.	Czech Rep.	100%	full consolidation
ALVE Tech s.r.o.	Czech Rep.	50%	equivalence method
Bioplyn Kačina s.r.o.	Czech Rep.	50%	equivalence method
Družstvo vlastníků Petrovice	Czech Rep.	51%	equivalence method

BGS Energy Plus a.s. is a group of companies involved in electricity and heat production from power plants powered by biogas. The group builds biogas plants for its own account as well as for clients on engineering, procurement and construction (EPC) basis. BGS Energy Plus a.s. is a holding company, responsible for the full cycle of energy production, from growing and management of agricultural substrates, through engineering and construction management, technology procurement as well as biogas plants ownership and management.

Company structure:



In the period of three months ended on 30.6.2011 the Group did not discontinue any of its operations.

6 Share capital of the Issuer

SHARE CAPITAL AS AT 30 June 2011

Series/ issue	Type of shares	Type of preference	Limitation of right to shares	Number of shares
A	bearer	No	Yes	11 459 000
B	bearer	No	No	3 750 000
Total number of shares				15 209 000
Total share capital in CZK				15 209 000
Nominal value per share = CZK 1,00				

7 Shareholder structure

As of 30 June 2011 the Issuer's shareholder structure was as follows:

Shareholder	No. of shares	% of capital	No. Of votes at the Shareholders Meeting	% of votes at the Shareholders Meeting
Ales Radil	3 819 666	25,11451	3 819 666	25,11451
Radim Hruza	3 819 666	25,11451	3 819 666	25,11451
Zdenek Radil	3 819 666	25,11451	3 819 666	25,11451

Ales Radil, Radim Hruza, Zdenek Radil

(as a common ownership)	2	0,00001	2	0,00001
Other investors	3 750 000	24,656	3 750 000	24,656
TOTAL	15 209 000	100.00%		100.00%

8 Statutory bodies of the issuer

Board of Directors

Position	Name	Date of Birth	Position held since
CEO	Ales Radil	2. 2. 1973	20. 5. 2009
Board member	Radim Hruza	1.10. 1977	20. 5. 2009
Board member	Ing. Jindra Radilova	26.5. 1971	20. 5. 2009

Supervisory Board

Position	Name	Date of Birth	Position held since
Chairman	JUDr. Ing. Zdeněk Radil	31. 1. 1975	20. 5. 2009
Board member	Ing. Jaromir Peklo, PhD, MBA	30. 8. 1973	18. 6. 2009
Board member	Ing. Stepan Dlouhy	23. 8. 1977	18. 6. 2009

In the period from January 2011 to 30 June 2011 there have been no changes in board of directors and Supervisory Board

9 Report on the Issuer's activities in 2010 Q2

BGS Group has three main areas of activity: (A) Development and operation of own biogas plants, (B) Construction of biogas plants for third parties on EPC basis, (C) Accounting services for large corporates.

A. Development and operation of own biogas plants

BGS Závídkovice

The Zavidkovice biogas plant has been already working for 3 years, the plant was renewed during the 2Q 2011, the output will be increased to 990 kW by additional cogeneration unit MAN BGG 370 in 3Q 2011.

BGS Suchdol nad Odrou

The Suchdol biogas plant has stabilized during the 2Q. The second storage fermentor was constructed, so it will be possible to utilize also already fermented material.

BGS Číhošť

The construction of the Cihost biogas plant has finished. At the moment the administration work is under process. Now we have enough substrate for the plant and the production of energy should start in September 2011 in trial work.

B. Construction of biogas plants for third parties on EPC basis

During the second quarter 2011, BGS Biogas has almost finalized biogas stations to clients and the stations were started – BPS Sasov, BPS Korolupy, BPS Bobrova. These plants are going to be transferred to clients in July 2011.

Beside these construction work BGS Biogas started intensive preparation of new projects for agricultural sector. We expect to reach the similar results in 2011 as in the previous year.

C. Accounting activity

Energy product plus s.r.o. provides accounting and human resources services. The company revenues from the activity in 2Q2011 were ca. CZK 3 mio.

10 Detailed consolidated financial results for the period of 1 January 2011 to 30 June 2011

The tables below provide the **consolidated** and **unaudited** financial statements of BGS Energy Plus a.s. in accordance with **Czech Accounting Standards** for the period 1 January 2011 to 30 June 2011 and the corresponding period in 2010.

		1.1.2011 – 30.6.2011		1.1.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
I.	Revenues from sales of third party goods	0	0	0	0
A	Cost of goods sold on third party goods	0	0	0	0
+	Trading margin	0	0	0	0
II.	Turnover from products, services and materials	179 266	7 356	21 172	824
B	Cost of products, services and materials	147 662	6 059	8 906	347
	Gross margin	31 604	1 297	12 266	477
C	Personel costs	8 579	352	6 375	248
C. 1.	Labour costs	6 147	252	4 659	181
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	1 982	81	1 396	54
C. 4.	Social costs	450	18	320	12
D	Taxes and charges	106	4	44	2
E	Depreciation	3 360	138	1 334	52
III.	Revenues from sales of own property	0	0	995	39
F	Value of small property	0	0	847	33
VI.-VII.	Other operation revenues	80	3	69	3
I – J	Other operation costs	572	23	237	9
	Operating profit	19 067	782	4 493	175
XIV.	Financial revenues	3 003	123	40	2
Q	Financial costs	6 346	260	1 031	40
	Interests thereof	3 477	143	833	32
	Consolidated profit from financial operations	-3 343	137	-1 030	-40
	Income tax for common activity	3 500	144	900	35
	Income tax for common activity due	3 500	144	900	35
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	12 224	602	2 563	100
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	-246	10	95	4
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	-246	10	95	4
	Consol. profit for acc. period without equivalent ratio	11 978	492	2 658	103
	Share in equivalency	-1 192	49	626	24
	EBT	14 286	586	4 184	163
	EBIT	17 763	729	5 017	195
	EBITDA	21 123	867	6 351	247
	NET PROFIT/LOSS	10 786	443	3 284	128

Balance Sheet for the of 1 January 2011 to 30 June 2011 with comparative results

		1.1.2011 – 30.6.2011		1.1.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	469 028	19 262	163 829	6 362
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	209 903	8 620	68 962	2 678
B I.	Long-term intangible asset	91	4	75	3
B II.	Long-term tangible asset	210 068	8 627	68 944	2 677
	1. Land	894	37	340	13
	2. Buildings	23 113	949	24 585	955
	3. Individual tangible assets (chattels)	34 099	1 400	27 172	1 055
	5.				
	7. Uncompleted long-term property	149 405	6 136	14 088	547
	9. Difference in valuation of purchased property	2 557	105	2 759	107
B III.	Financial investment	5 410	222	490	19
B IV.	Consolidation differences positive/ negative	-8 342	-343	-2 505	-97
B V.	Shares from equity method	2 676	110	1 958	76
C	Current assets	257 591	10 579	93 302	3 623
C I.	Inventories	52 671	2 163	15 415	599
C II.	Long-term receivables	0	0	4 419	172
C III.	Short-term receivables	188 797	7 753	47 023	1 826
C IV.	Current liquid funds	16 123	662	26 445	1 027
	1. Cash and cash equivalents	4 200	172	4 136	161
	2. Bank accounts	11 923	490	22 309	866
	3. Purchased short-term investment	0	0	0	0
D	Accrual and deferral of assets	1 534	63	1 565	61
		1.1.2011 – 30.6.2011		1.1.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	469 028	19 262	163 829	6 362
A	Equity	88 932	3 652	90 745	3 524
A I.	Registered share capital	15 209	625	15 415	599
A II.	Reserved capital	36 750	1 509	36 556	1 420
A III.	Retained earning	1 068	44	37 132	1 442
A IV.	net profit of previous period	25 157	1 033	-1 874	-73
A V.	net profit without minorities	10 786	43	3 284	128
1.	Net profit of common period	11 978	492	2 658	103
2.	Share of profit in equivalency	-1 192	-49	626	24
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	-38	-2	232	9
B	LIABILITIES	380 148	15 612	73 084	2 838
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	14 124	580	0	0
B III.	Short-term liabilities	191 988	7 885	17 293	672
B IV.	Bank loans	174 036	7 147	55 791	2 167
	1. Long-term loans	147 072	6 040	39 690	1 541
	2. Short-term loans	15 621	642	0	0
	3. Short term borrowings	11 343	466	16 101	625
C	Accrual and deferral of liabilities	-52	-2	0	0
D	Minority equity	0	0	0	0

D I.	Minority capital stock	0	0	0	0
D II.	Minority capital funds	0	0	0	0
D III.	Minority profit funds incl. previous period	0	0	0	0
D IV.	Minority P/L of common period	0	0	0	0

11 Detailed consolidated financial results for the period 1 April 2011 to 30 June 2011

The tables below provide the **consolidated** and **unaudited** financial statements of BGS Energy Plus a.s. in accordance with **Czech Accounting Standards** for the period 1 January 2011 to 31 March 2011 and the corresponding period in 2010.

		1.4.2011 – 30.6.2011		1.4.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
I.	Revenues from sales of third party goods	0	0	0	0
A	Cost of goods sold on third party goods	0	0	0	0
+	Trading margin	0	0	0	0
II.	Turnover from products, services and materials	113 476	4 656	9 764	382
B	Cost of products, services and materials	74 780	3 069	3 878	152
	Gross margin	38 696	1 588	5 886	230
C	Personel costs	4 638	190	3 217	126
C. 1.	Labour costs	3 337	137	2 361	92
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	1 055	43	715	28
C. 4.	Social costs	246	10	141	6
D	Taxes and charges	65	3	1	0
E	Depreciation	1 681	69	408	16
III.	Revenues from sales of own property	0	0	702	27
F	Value of small property	0	0	1	0
VI.-VII.	Other operation revenues	42	2	67	3
I – J	Other operation costs	409	17	77	33
	Operating profit	31 945	1 311	2 915	115
XIV.	Financial revenues	982	40	25	1
Q	Financial costs	2 869	118	581	23
	Interests thereof	1 674	69	403	16
	Consolidated profit from financial operations	-1 887	-77	-580	-23
	Income tax for common activity	1 750	72	480	19
	Income tax for common activity due	1 750	72	480	19
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	28 308	1 162	1 891	74
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	-246	-10	84	3
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	-246	-10	84	3
	Consol. profit for acc. period without equivalent ratio	28 062	1 151	1 975	77
	Share in equivalency	-1 192	-49	626	24
	EBT	28 620	1 174	3 081	120
	EBIT	30 294	1 243	3 484	136
	EBITDA	31 975	1 312	3 892	152
	NET PROFIT/LOSS	26 870	1 103	2 601	102

Balance Sheet for the period 1 April 2011 to 30 June 2011 with comparative results

		1.4.2011 – 30.6.2011		1.4.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	469 028	19 262	163 829	6 362
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	209 903	8 620	68 962	2 678
B I.	Long-term intangible asset	91	4	75	3
B II.	Long-term tangible asset	210 068	8 627	68 944	2 677
	1. Land	894	37	340	13
	2. Buildings	23 113	949	24 585	955
	3. Individual tangible assets (chattels)	34 099	1 400	27 172	1 055
	5.				
	7. Uncompleted long-term property	149 405	6 136	14 088	547
	9. Difference in valuation of purchased property	2 557	105	14 088	547
B III.	Financial investment	5 410	222	2 759	107
B IV.	Consolidation differences positive/ negative	-8 342	-343	490	19
B V.	Shares from equity method	2 676	110	-2 505	-97
C	Current assets	257 591	10 579	1 958	76
C I.	Inventories	52 671	2 163	93 302	3 623
C II.	Long-term receivables	0	0	15 415	599
C III.	Short-term receivables	188 797	7 753	4 419	172
C IV.	Current liquid funds	16 123	662	47 023	1 826
	1. Cash and cash equivalents	4 200	172	26 445	1 027
	2. Bank accounts	11 923	490	4 136	161
	3. Purchased short-term investment	0	0	22 309	866
D	Accrual and deferral of assets	1 534	63	0	0
				1.4.2010 – 30.6.2010	
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	469 028	19 262	163 829	6 362
A	Equity	88 932	3 652	90 745	3 524
A I.	Registered share capital	15 209	625	15 415	599
A II.	Reserved capital	36 750	1 509	36 556	1 420
A III.	Retained earning	1 068	44	37 132	1 442
A IV.	net profit of previous period	9 073	373	-1 191	-46
A V.	net profit without minorities	26 870	1 103	2 601	101
1.	Net profit of common period	28 062	1 152	1 975	77
2.	Share of profit in equivalency	-1 192	-49	626	24
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	-38	-2	232	9
B	LIABILITIES	380 148	15 612	73 084	2 838
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	14 124	580	0	0
B III.	Short-term liabilities	191 988	7 885	17 293	672
B IV.	Bank loans	174 036	7 147	55 791	2 167
	1. Long-term loans	147 072	6 040	39 690	1 541
	2. Short-term loans	15 621	642	0	0
	3. Short term borrowings	11 343	466	16 101	625
C	Accrual and deferral of liabilities	-52	-2	0	0

D	Minority equity	0	0	0	0
D I.	Minority capital stock	0	0	0	0
D II.	Minority capital funds	0	0	0	0
D III.	Minority profit funds incl. previous period	0	0	0	0
D IV.	Minority P/L of common period	0	0	0	0

12 The factors which will influence the results achieved by the Group - Description of threats and risks

Business operational risks

The company is a holding company, therefore risks identified here below pertain to the company as well as to the operating entities within the BGS group of companies. Any reference to the company is also understood as reference to any entity within the group, unless explicitly stated otherwise.

Legislative, regulatory and market risks:

The economic viability of energy production using BGS installations depends on Feed-in-Tariff (FiT) systems, which are in effect based on material cross-subsidies from all energy users in a given jurisdiction. The FiT system can be negatively affected by a number of factors including, but not limited to, a reduction or elimination in the FiT or green bonus per kWh produced, an elimination or reduction of the indexation of the FiT, a shortening of the period for which the FiT applies to BGS installations. At this time there are differing legal opinions in relation to the actual duration of the FiT for BGS installations in the Czech Republic as the duration explicitly specified by law is 15 years whereas the latest applicable regulatory notice by the Czech Energy Regulator specifies 20 years which is the period most importantly recognized by the financing banks.

Any future changes to the adopted regulations may have a material negative impact on the company business and its financial results.

Operational risks and harm to personnel and property:

There will always be risks involved in the operation and installation of BG power stations, the installation of BG power stations for third parties as well as the production of input material for the BG power plants. The build-up of these business areas is occurring simultaneously, thus posing high demands on management resources. The Issuer operates in a highly dynamic industry experiencing exponential growth, thereby posing very high demands on the companies resources and its ability to deliver on projected goals.

The operating risks relating to the development of BG projects and the installation and operation of BG power stations include among others unexpected failure or damage to the biogas technology and other technical equipment, theft or sabotage, or adverse weather conditions causing production interruptions and damage. The Issuer seeks to prevent loss or damages from such occurrences by concluding insurance contracts, planning regular extensive maintenance, contractual regulations and emergency routines. However, there will always be some exposure to technical and operational risks, with unforeseen problems leading to unexpectedly high lost revenues, operating costs, substantial losses, additional investments, etc., which may have a material negative effect on the Issuer's operating results and its financial position. Additionally, the occurrence of any of these risks could hurt the company reputation.

Technological risks:

The technology involved in the production of biogas is characterized by incremental developments. Currently the company does not own any patents for the technology used in relation to BG technologies. However, the development of new technology may fundamentally change the economics of electricity production by biogas combustion and biogas production as such. For various reasons the company may not

gain access to this new technology, which may put it at a significant disadvantage to its competitors. New technology may therefore have material adverse effects on the company operating results, investment returns and financial condition.

Construction and performance risk:

A BG power station is based on several technical components, e.g. fermentors, raw material feeder, electro-installation, gas treatment system, cogeneration units, pipe-lines, control system, pumping devices, mixing device, wiring, converters, transformers and grid connection devices. There is always risk associated with the construction and installation of BG power stations. Despite efforts made to reduce such risks, there can be no assurances that delays and cost overruns will not occur. Furthermore, the Issuer might be dependent upon the ability of sub-contractors to install particular BG power station component that meet specifications, performance parameters, quality standards and delivery schedules of the Issuer. Delays, cost overruns or the underperformance of installed BG power stations could have a material adverse impact on the companies operating results, investment returns and financial position.

The biogas production draws on biomass fermentation process which is a time proven technology. However, the stability of the biogas production process respectively the stability of biogas power plant performance depends on stability of certain operating parameters, e.g. composition of the raw material mix, raw material quality, presence of undesirable substances, temperature and acidity in fermentors. Unstable performance of installed BG power stations could have a material adverse impact on the company operating results, investment returns and financial position.

The company is required to maintain inventories, which at times may amount to several months of operations. Such inventories may deteriorate, inflame, or be destructed in any other way, which will have a material impact on the companies ability to continue operations.

Contractual risks:

The company business depends on contracts with multiple parties including, but not limited to, land owners, banks, investors, joint venture partners, raw material suppliers, contractors, energy utilities and electricity customers. Each contract normally involves a substantial value or consideration to the company. Furthermore, some of the contracts might be governed by foreign law, which may create both legal and practical difficulties in case of a dispute or conflict. The company currently operates in a jurisdiction and in future in other jurisdictions where the ability to protect contractual and other legal rights may be limited compared to jurisdictions with more well-established legal systems.

Certain important contracts, have not yet been concluded. This may be the case in relation to the projects already in operation (Zavidkovice) as well as those under planning. Timing to conclude various agreements, may be limited by market conditions, willingness of the counterparty, or dictated by best judgement of the Issuer's management. As the company operates in a dynamic, competitive and new market environment, it is required to start operations and/or incur costs, without the possession of all written agreements. This may result in losses to the company, and impact its financial position, without the ability to seek recourse against its counterparty.

Contracts already concluded can be cancelled, by the Issuer or its counterparty. Even though the company will use its best efforts to fulfil all its obligations stipulated in such contracts, it may not avoid that some contracts are cancelled, which may have a material negative impact on its operations.

Competitive situation:

The development and operation of BG power stations might become highly competitive in the future. The company competes with other companies with an equal or larger resource base for suitable location and land plots, grid connectivity, human resources, raw materials etc. There can be no assurance that the company will be able to respond to existing and new sources of competition. Competition may therefore have material adverse effects on the Issuer's operating results, investment returns and financial condition.

Uninsured losses:

The development and the operation of BG power plants are subject to a number of risks and hazards, including adverse environmental conditions, theft, technical failure, changes in the regulatory environment and force majeure. Although the company maintains some insurance to protect against certain of these risks, the Issuer's insurance will not cover all the potential risks associated with the development and operation of BG installations. Unanticipated occurrences, insured or uninsured, could have a material adverse effect on the company operating results and financial condition.

Dependence on key personnel:

The company development and prospects are dependent upon the continued services and performance of its senior management and other key personnel. Due to the current strong development of the Czech economy in general and the dramatic increase in activities relating to the development of renewable energy installations in the country, the demand for people is high and the costs are increasing. There is always risk associated with wage levels for qualified personnel in such market environments. Financial difficulties or other factors could also adversely affect the company ability to retain key employees. The loss of the services of any key personnel may have negative effects on the company operating results and financial condition.

In addition, the company business is subject to continued expansion, and thus dependent upon further employment of personnel.

Environmental risk

The company operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions (together, "Operational Regulations"), including, inter alia, those controlling the discharge of materials into the environment, requiring removal and cleanup of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, operation of the BG power stations or otherwise relating to the protection of human health and the environment. The amendment or modification of existing Operational Regulations or the adoption of new Operational Regulations curtailing or further regulating the operation of BG installations could have a material adverse effect on the company operating results and financial condition. The company cannot predict the extent to which future earnings or capital expenditures may be affected by compliance with such new Operational Regulations.

In addition, the company may be subject to significant fines, penalties or liability if it does not comply with any such existing or future Operational Regulation.

During the lifespan of a BG power plant certain environmental changes, in particular poor crop and significant reduction of farming activity, can have a negative impact on performance and thus the financial performance and position of the company.

Financial risks

The company has invested significant efforts and financial resources into negotiating rental agreements, acquiring raw materials, organizing and executing the joint venture business with UTS, building a professional team, and incurred legal and license fees. If there is a material adverse change in the general prospects for electricity production by biogas combusting, the value of the company tangible and intangible assets would be impaired and the company would be required to take a charge against its earnings. In general, the company future sales and investment returns are uncertain and depend on a variety of factors, many of which will be beyond the company control.

Political, economical and other uncertainties

Changes in the regulatory, legislative and fiscal framework (including tax rules) governing the production of electricity by combusting biogas could have a material impact on the Issuer's operations. In particular, changes in FiT regimes and capital subsidies schemes will constitute a material risk factor for the company operations in foreign countries.

Companies operating internationally are also subject to various risks including risks of war, terrorist activities, political, civil or labour disturbances and embargoes. The company currently operates in the Czech Republic and may decide to operate in other new European Union member countries including Slovakia, Slovenia, Hungary, Bulgaria and Romania as well as other emerging European countries. Operations in emerging European countries may present risks that are not encountered in countries with well-established economic and political systems, including:

- Economic instability, which could make it difficult for the Issuer to anticipate future business conditions in these markets, cause delay in projects that have been awarded to the Issuer and subject the Issuer to volatile markets;
- Political instability, which may make customers less willing to make investments in such regions, and complicate dealings with governments regarding permits, licenses and other regulatory matters;
- Boycotts and embargos that may be imposed by the international community on countries in which the company operates, which could affect the company ability to operate in such countries;
- The imposition of unexpected taxes or other payments on the company revenues in these markets; and
- The introduction of exchange controls and other restrictions by foreign governments.

In addition, the legal and regulatory systems of the emerging European markets identified above may be less developed and less well enforced than in more developed countries. The company ability to protect contractual and other legal rights in those regions may thus be limited compared to regions with more well established markets. The Issuer cannot offer any assurance that the company exposure to conditions in emerging European countries will not have a negative effect on its financial condition and results in operations.

13 Exchange rates

The following exchange rates were applied:

from	to	for Balance Sheet statement calculations	for Income Statement calculations
01.01.2010	30.6.2010	25,75	25,69
01.04.2010	30.6.2010	25,75	25,59
01.01.2011	30.6.2011	24,35	24,37
01.04.2011	30.6.2011	24,35	24,37

Source: Czech National Bank

Balance Sheet applicable exchange rate represents the exchange rate as of the last day of the month ending the relevant period.

Income Statement exchange rate represents the average of exchange rates effective on the last day of each month within the relevant period.

14 Management Board declaration

We hereby confirm that according to our best knowledge the information about BGS Energy Plus a.s. contained in this report is correct as of the publication of this document and that it fairly reflects the Company's financial situation and business activities.

Prague, August 12, 2011

15 Investors Relations contact

Jindra Radilova
 Phone: +420 603 448866
 Email: jindra.radilova@bgs-energy.cz