

CONSOLIDATED QUARTERLY REPORT
2011 Q3

For the period 1.1.2011 – 30.9.2011

BGS Energy Plus a. s.



10.11.2011

Svetla nad Sazavou, Czech Republic

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

	1.1.2011 – 30.9.2011		1.1.2010 – 30.9.2010	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues (with revenues from sales of own property and other operation revenues)	377 844	15 511	362 938	14 128
Consumption	356 523	14 636	354 812	13 812
Operating profit	21 321	875	8 126	316
EBITDA	26 989	1 090	11 568	450
- Of which Depreciation	5 049	207	3 593	140
EBIT	21 940	886	7 975	310
Profit/loss before taxation (EBT)	15 507	637	6 689	260
Profit/loss after taxation	11 707	481	5 189	202
Balance sheet				
Fixed Assets	232 149	9 376	108 424	4 211
Current Assets, of which:	315 959	12 761	281 637	10 937
- Short-term receivables	213 008	8 603	198 078	7 692
- Current financial assets	25 534	1 031	10 120	393
Total Assets	549 358	22 187	391 573	15 207
Equity	107 986	4 361	100 147	3 889
Short-term liabilities	204 199	8 247	214 388	8 326
Long-term liabilities including bank loans	236 244	9 541	77 038	2 992

Note: Exchange rates provided by the Czech National Bank

2 Selected consolidated financial results for the period 1 July 2011 to 30 September 2011

	1.7.2011 – 30.09.2011		1.7.2010 – 30.9.2010	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues	198 498	8 149	338 701	13 184
Consumption	196 244	8 056	333 824	12 994
Operating profit	2 254	93	4 877	190
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	5 866	241	7 146	279
- Of which Depreciation	1 689	69	2 259	88
EBIT (Profit + Interest expenses + Income tax)	4 177	171	4 887	191
Profit/loss before taxation (EBT)	1 221	50	4 435	173
Profit/loss after taxation	921	38	4 335	169
Balance sheet				
Fixed Assets	232 149	9 376	108 424	4 211
Current Assets, of which:	315 959	12 761	281 637	10 937
- Short-term receivables	213 008	8 603	198 078	7 692
- Current financial assets	25 534	1 031	10 120	393
Total Assets	549 358	22 187	391 573	15 207
Equity	107 986	4 361	100 147	3 889
Short-term liabilities	204 199	8 247	214 388	8 326
Long-term liabilities including bank loans	236 244	9 541	77 038	2 992

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

The BGS Group consolidated turnover for the period 01.1.2011 – 30.9.2011 exceeded CZK 377mio, it is more than CZK 15mio higher compare to the same period 2010. 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 consolidate according to the full method.

The Group consolidated EBITDA the period 2011 is CZK 27mio, it means CZK 16mio higher compare to the period 2010.

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.

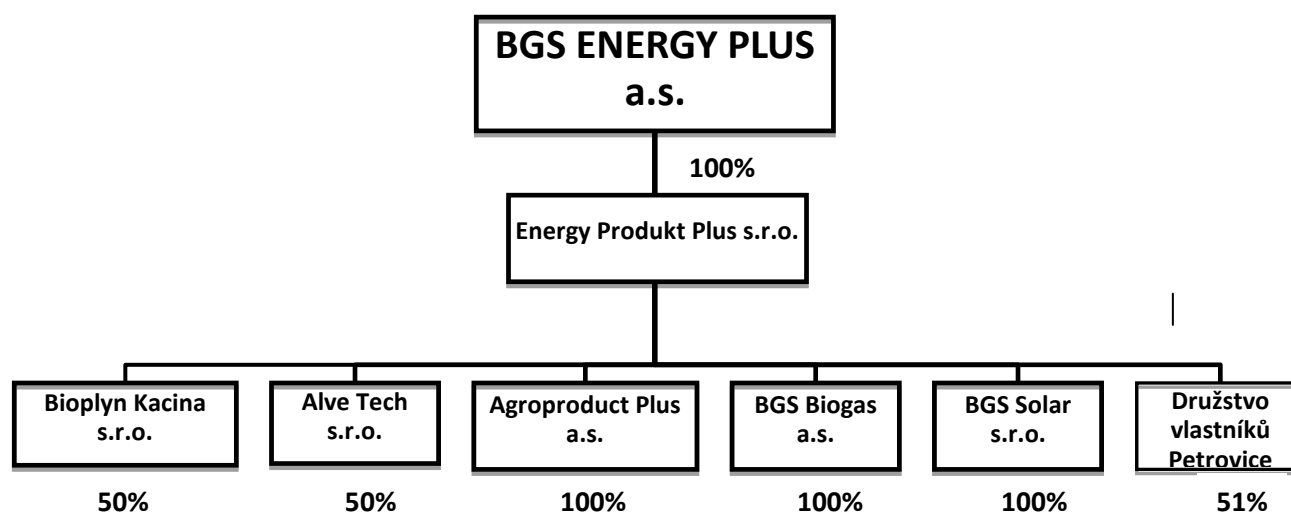
5 General information about the Group

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 Petrovec	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 30.9.2011 the Group did not discontinue any of its operations.

In the period of three months ended on 30.9.2011 the Group did not make any changes to its structure, including mergers, acquisitions, sale of the Group's entities, long-term investments, divisions, restructuring or discontinuation of operations.

6 Share capital of the Issuer

SHARE CAPITAL AS AT 30 September 2010

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				

Each of the owners of series A shares, Mr. Ales Radil, Mr. Radim Hruza, and Mr. Zdenek Radil, has undertaken not to dispose in any way any of his series A shares for 18 months from the first date of the Issuer's introduction to the NewConnect alternative trading system, as a result of the lock-up undertaking.

7 Shareholder structure

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

Shareholder	No. of shares	% of capital	No. Of votes at the	% of votes at the
			Shareholders Meeting	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%

In the period from 1 July 2011 to 30 September 2011 there have been no changes to the shareholders structure.

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
Director	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 July 2011 to 30 September 2011 there have been no changes in board of directors and Supervisory Board

9 Report on the Issuer's activities in 2011 Q3

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 Závídkovice 620 kW biogas station has been operated for almost 3 years. Electricity production amounts to min. level of 95% of the feasible monthly production. The sustained production and potential of free capacity of the distribution system allowed for preparation and implementation of increase of the biogas station output to total 990kW. This implementation will be finished by the end of the year.

The improvement shall consist in the installation of modern innovative technologies of bio-extrusion and special drying chamber for output biogas sewage what shall result in reduction of specific consumption of raw materials due to higher efficiency of processing of the plant input potential as well as in reduction of costs of sewage disposal.

BGS Suchdol nad Odrou

The BGS Suchdol is already producing electricity. It is in a trial phase now. The output of the biogas plant is 590 kW.

BGS Číhošť

The construction of the biogas plant was finished. The BGS Cihost will be in a trial work from October. The output of the plant is 620 kW. The construction intends to utilize good practice from the previous projects, i.e. to enable stable and reliable operation for various kinds of raw materials thus providing for a wider range of flexibility in raw material supply to the facility.

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

BGS Biogas is continuously working on new projects for third parties. We are working on preparation of cca 14 projects, which is more than a half of the projects planned for the years 2012 and 2013. Now we construct BGS Ostaš 1200 kW; BGS Hostka 800 kW; BGS Plevnice 370 kW + repowering of current BGS 340 kW. We will finalize BGS Ostas till the end of the year, we install technology equipment here now.

C. Accounting activity

Energy product plus s.r.o. provides accounting and human resources services. The company revenues from the activity in 3Q2011 were ca. CZK 3,7 mio.

10 Detailed consolidated financial results for the period of 1 January 2011 to 30 September 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 September 2011 and the corresponding period in 2010.

		1.1.2011 – 30.9.2011		1.1.2010 – 30.9.2010	
		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	374 662	15 380	350 890	13 659
B	Cost of products, services and materials	337 974	13 874	334 441	13 018
	Gross margin	36 688	1 506	16 449	640
C	Personel costs	12 267	504	12 546	488
C. 1.	Labour costs	8 925	366	9 240	360
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	2 772	114	2 677	104
C. 4.	Social costs	570	23	629	24
D	Taxes and charges	79	3	57	2
E	Depreciation	5 049	207	3 593	140
III.	Revenues from sales of own property	70	3	1 364	53
F	Value of small property	35	1	893	35
VI.-VII.	Other operation revenues	3 112	128	10 684	416
I – J	Other operation costs	1 119	46	3 282	128
	Operating profit	21 321	875	8 126	316
XIV.	Financial revenues	5 293	217	835	33
Q	Financial costs	10 981	451	2 556	99
	Interests thereof	6 433	264	1 286	50
	Consolidated profit from financial operations	-5 691	-234	-1 770	-69
	Income tax for common activity	3 800	156	1 500	58
	Income tax for common activity due	3 800	156	1 500	58
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	11 830	486	4 856	189
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	51	2	107	4
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	51	2	107	4
	Consol. profit for acc. period without equivalent ratio	11 881	488	4 963	193
	Share in equivalency	-174	-7	226	9
	EBT	15 507	637	6 689	260
	EBIT	21 940	886	7 975	310
	EBITDA	26 989	1 090	11 568	450
	NET PROFIT/LOSS	11 707	481	5 189	202

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

		1.1.2011 – 30.9.2011		1.1.2010 – 30.9.2010	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	549 358	22 187	391 573	15 207
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	232 149	9 376	108 424	4 211
B I.	Long-term intangible asset	105	4	134	5
B II.	Long-term tangible asset	229 649	9 275	111 325	4 323
	1. Land	1 536	62	982	38
	2. Buildings	34 205	1 381	35 894	1 394
	3. Individual tangible assets (chattels)	37 028	1 495	38 893	1 510
	5. Livestock (herd and draught animals)	1 798	73		
	7. Uncompleted long-term property	152 576	6 162	32 860	1 276
	9. Difference in valuation of purchased property	2 506	101	2 696	105
B III.	Financial investment	5 630	227	200	8
B IV.	Consolidation differences positive/ negative	-2 505	-101	-2 505	-97
B V.	Shares from equity method	-730	-29	-730	-28
C	Current assets	315 959	12 761	281 637	10 937
C I.	Inventories	77 417	3 127	65 705	2 552
C II.	Long-term receivables	0	0	7 734	300
C III.	Short-term receivables	213 008	8 603	198 078	7 692
C IV.	Current liquid funds	25 534	1 031	10 120	393
	1. Cash and cash equivalents	9 679	391	5 933	230
	2. Bank accounts	15 855	640	4 187	163
	3. Purchased short-term investment	0	0	0	0
D	Accrual and deferral of assets	1 250	50	1 512	59
		1.1.2011 – 30.9.2011		1.1.2010 – 30.9.2010	
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	549 358	22 187	391 573	12 207
A	Equity	107 986	4 361	100 147	3 889
A I.	Registered share capital	17 209	695	17 209	668
A II.	Reserved capital	36 762	1 485	36 762	1 428
A III.	Retained earning	37 683	1 522	37 311	1 449
A IV.	net profit of previous period	4 393	177	3 444	134
A V.	net profit without minorities	11 707	473	5 189	202
1.	Net profit of common period	11 881	480	4 963	193
2.	Share of profit in equivalency	-174	-7	226	9
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	232	9	232	9
B	LIABILITIES	440 443	17 788	291 426	11 318
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	4 577	185	5 181	201
B III.	Short-term liabilities	204 199	8 247	214 388	8 326
B IV.	Bank loans	231 667	9 357	71 857	2 791
	1. Long-term loans	159 636	6 447	38 199	1 483
	2. Short-term loans	26 601	1 074	301	12
	3. Short term borrowings	45 430	1 835	33 357	1 295
C	Accrual and deferral of liabilities	929	38	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 July to 30 September 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 July to 30 September 2011 and the corresponding period in 2010.

		1.7.2011 – 30.9.2011		1.7.2010 – 30.9.2010	
		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	195 396	8 021	327 718	12 757
B	Cost of products, services and materials	190 312	7 812	322 293	12 545
	Gross margin	5 084	209	5 425	211
C	Personel costs	3 688	151	6 174	240
C. 1.	Labour costs	2 778	114	4 583	178
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	790	32	1 281	50
C. 4.	Social costs	120	5	310	12
D	Taxes and charges	-27	-1	12	0
E	Depreciation	1 689	69	2 259	88
III.	Revenues from sales of own property	70	3	368	14
F	Value of small property	35	1	46	2
VI.-VII.	Other operation revenues	3 032	124	10 615	413
I – J	Other operation costs	547	22	3 040	118
	Operating profit	2 254	93	4 877	190
XIV.	Financial revenues	2 290	94	795	31
Q	Financial costs	4 635	190	1 524	59
	Interests thereof	2 956	121	452	18
	Consolidated profit from financial operations	-2 348	-96	-738	-29
	Income tax for common activity	300	12	100	4
	Income tax for common activity due	300	12	100	4
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	-394	-16	4 039	157
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	297	12	70	3
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	297	12	70	3
	Consol. profit for acc. period without equivalent ratio	-97	-4	4 109	160
	Share in equivalency	1 018	42	226	9
	EBT	1 221	50	4 435	173
	EBIT	4 177	171	4 887	191
	EBITDA	5 866	241	7 146	279
	NET PROFIT/LOSS	921	38	4 335	169

Balance Sheet for the period 1 July to 30 September 2011 with comparative results

		1.7.2011 – 30.9.2011		1.7.2010 – 30.9.2010	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	549 358	22 187	391 573	15 207
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	232 149	9 376	108 424	4 211
B I.	Long-term intangible asset	105	4	134	5
B II.	Long-term tangible asset	229 649	9 275	111 325	4 323
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	3. Individual tangible assets (chattels)	37 028	1 495	38 893	1 510
	5. Livestock (herd and draught animals)	1 798	73		
	7. Uncompleted long-term property	152 576	6 162	32 860	1 276
	9. Difference in valuation of purchased property	2 506	101	2 696	105
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B IV.	Consolidation differences positive/ negative	-2 505	-101	-2 505	-97
B V.	Shares from equity method	-730	-29	-730	-28
C	Current assets	315 959	12 761	281 637	10 937
C I.	Inventories	77 417	3 127	65 705	2 552
C II.	Long-term receivables	0	0	7 734	300
C III.	Short-term receivables	213 008	8 603	198 078	7 692
C IV.	Current liquid funds	25 534	1 031	10 120	393
	1. Cash and cash equivalents	9 679	391	5 933	230
	2. Bank accounts	15 855	640	4 187	163
	3. Purchased short-term investment	0	0	0	0
D	Accrual and deferral of assets	1 250	50	1 512	59
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	549 358	22 187	391 573	12 207
A	Equity	107 986	4 361	100 147	3 889
A I.	Registered share capital	17 209	695	17 209	668
A II.	Reserved capital	36 762	1 485	36 762	1 428
A III.	Retained earning	37 683	1 522	37 311	1 449
A IV.	net profit of previous period	15 179	613	4 298	167
A V.	net profit without minorities	921	37	4 335	168
1.	Net profit of common period	-97	-4	4 109	160
2.	Share of profit in equivalency	1 018	41	226	9
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	232	9	232	9
B	LIABILITIES	440 443	17 788	291 426	11 318
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	4 577	185	5 181	201
B III.	Short-term liabilities	204 199	8 247	214 388	8 326
B IV.	Bank loans	231 667	9 357	71 857	2 791
	1. Long-term loans	159 636	6 447	38 199	1 483
	2. Short-term loans	26 601	1 074	301	12
	3. Short term borrowings	45 430	1 835	33 357	1 295
C	Accrual and deferral of liabilities	929	38	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	30.9.2010	24,61	25,41
01.07.2010	30.9.2010	24,61	24,75
01.01.2011	30.9.2011	24,76	24,36
01.07.2011	30.9.2011	24,76	24,35

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, November 12, 2011

15 Investors Relations contact

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