

CONSOLIDATED QUARTERLY REPORT
2010 Q4

For the period 1.10.2010 – 31.12.2010

BGS Energy Plus a. s.



12.02. 2011

Svetla nad Sazavou, Czech Republic

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1 Selected consolidated financial results for the period 1 January 2010 to 31 December 2010

	1.1.2010 –31.12.2010		1.1.2009 –31.12.2009	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues	570 465	22 575	41 258	1 557
Consumption	538 401	21 306	37 842	1 428
Operating profit	32 064	1 269	3 416	129
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	37 950	1 502	8 557	323
- Of which Depreciation	8 550	338	2 351	89
EBIT (Profit + Interest expenses + Income tax)	29 400	1 163	6 568	248
Profit/loss before taxation (EBT)	25 109	994	4 217	159
Profit/loss after taxation	17 679	700	2 034	77
Balance sheet				
Fixed Assets	119 167	4 755	62 232	2 351
Current Assets, of which:	262 234	10 464	67 027	2 532
- Short-term receivables	114 392	4 565	30 498	1 152
- Current financial assets	56 469	2 253	23 399	884
Total Assets	383 164	15 290	131 056	4 951
Equity	77 298	3 085	51 818	1 958
Short-term liabilities	119 194	4 756	20 027	757
Long-term liabilities including bank loans	31 719	1 266	38 900	1 470

Note: Exchange rates provided by the Czech National Bank

2 Selected consolidated financial results for the period 1 October to 31 December 2010

	1.10.2010 –31.12.2010		1.10.2009 –31.12.2009	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues	207 527	8 348	30 842	1 170
Consumption	183 589	7 385	28 161	1 069
Operating profit	23 938	963	2 681	102
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	26 382	1 061	6 222	236
- Of which Depreciation	4 957	199	919	35
EBIT (Profit + Interest expenses + Income tax)	21 425	862	5 303	201
Profit/loss before taxation (EBT)	18 240	734	4 242	161
Profit/loss after taxation	12 490	502	3 259	124
Balance sheet				
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Equity	77 298	3 085	51 818	1 958
Short-term liabilities	119 194	4 756	20 027	757
Long-term liabilities including bank loans	31 719	1 266	38 900	1 470

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

The BGS Group consolidated turnover for the period 01.1.2010 – 31.12.2010 exceeded CZK 570mio, the highest annual turnover achieved up to now. 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 planned EBITDA 13,14mio for 2010 and we got 37,95mio. So we are already over the plan for 2011 (32,51mio).

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

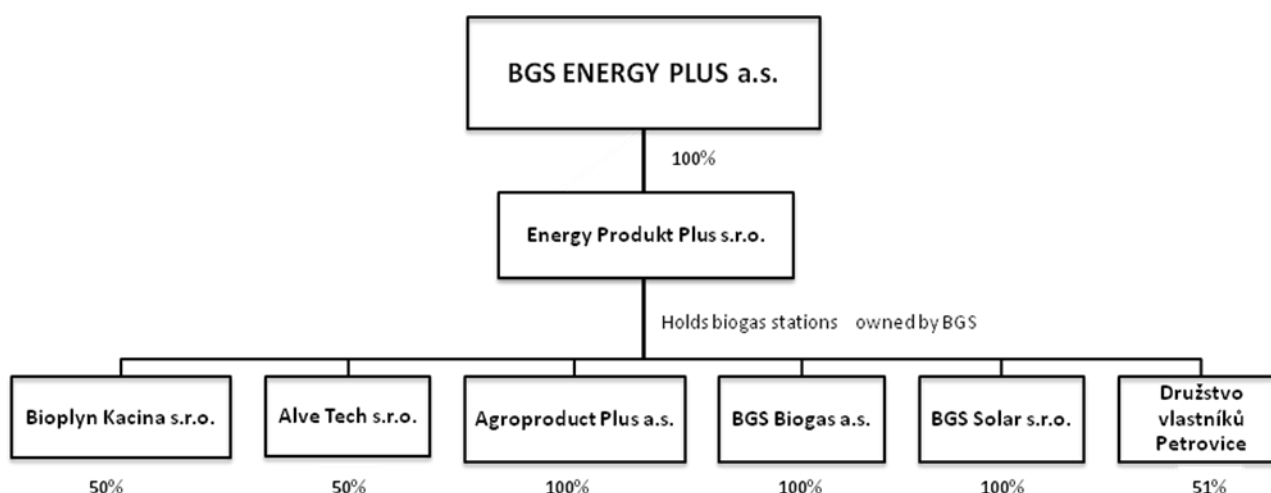
The following table presents the Group's structure and the holding company's stake in the entities comprising the Group:

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.	50%	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 31.12.2010 the Group did not discontinue any of its operations.

In the period of three months ended on 31.12.2010 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 June 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 31 December 2010 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%

In the period from 1 January 2010 to 31 December 2010 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
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 2010 to 31 December 2010 there have been no changes in board of directors and Supervisory Board

9 Report on the Issuer's activities in 2010 Q4

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 is already under construction. The first phase includes construction of the second silage trough and extension of the co-generation building for installation of new MAN 370kW engine.

The second phase consists 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 biogas plant is already prepared to produce energy and to start invoicing. We realized very unfavourable cooperation with CEZ company, which made delay for us. The biogas station will invoice electricity produced in the biogas station with output of 590kW.

BGS Číhošť

This station (620kW) is under construction now. The time schedule proposes completion of the constructional and technological part of this station in the way so as the facility can be connected to the transmission grid under the conditions of the year 2011. The construction intends to utilize good practise 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.

BGS Ovesna Lhota

The engineering works are under process.

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

BGS Biogas

A significant change for strengthening internal stability of business and supplying company BGS Biogas, a.s. in the BGS group was repurchase of shares from the German company UTS Biogastechnik GmbH.

In 4Q the BGS Biogas signed agreements to built biogas plants for customers in Horni Bradlo (740kW), Kamen (740kW), Sasov (250kW), Bobrova (370kW), Korolupy (500kw) and handover the biogas plants to customers in Dobronin (620kW), Slavikov (740kW), Kacina (1600kW) and Smolovy (620kW).

C. Accounting activity

Energy product plus s.r.o. provides accounting and human resources services. The company revenues from the activity in 4Q2010 were ca. CZK 3,7 mio.

10 Detailed consolidated financial results for the period of 1 January 2010 to 31 December 2010

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 2010 to 31 December 2010 and the corresponding period in 2009.

		1.1.2010 – 31.12.2010		1.1.2009 – 31.12.2009	
		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	551 251	21 814	41 258	1 557
B	Cost of products, services and materials	504 686	19 972	19 621	740
	Gross margin	46 565	1 843	21 637	816
C	Personel costs	20 149	797	12 586	475
C. 1.	Labour costs	14 841	587	8 376	316
C. 2.	Board members compensations	0	0	821	31
C. 3.	Social security and health insurance costs	4 350	172	2 643	100
C. 4.	Social costs	958	38	746	28
D	Taxes and charges	199	8	19	1
E	Depreciation	8 550	338	1 989	75
III.	Revenues from sales of own property	1 301	51	488	18
F	Value of small property	1 239	49	526	20
VI.-VII.	Other operation revenues	17 913	709	17 273	652
I – J	Other operation costs	3 578	142	20 862	787
	Operating profit	32 064	1 269	3 416	129
XIV.	Financial revenues	2 918	115	714	27
Q	Financial costs	8 599	340	2 633	99
	Interests thereof	4 291	170	2 351	89
	Consolidated profit from financial operations	-5 681	-225	-1 919	-72
	Income tax for common activity	7 430	294	2 183	82
	Income tax for common activity due	7 430	294	2 183	82
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	18 953	750	-686	-26
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	3	0
XVII.	Passive consolidation difference clearance	0	0	96	4
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	0	0	93	4
	Consol. profit for acc. period without equivalent ratio	18 953	750	-593	-22
	Share in equivalency	-1 274	-50	2 627	99
	EBT	25 109	994	4 217	159
	EBIT	29 400	1 163	6 568	248
	EBITDA	37 950	1 502	8 557	323
	NET PROFIT/LOSS	17 679	700	2 034	77

Balance Sheet for the of 1 January 2010 to 31 December 2010 with comparative results

		1.1.2010 – 31.12.2010		1.1.2009 – 31.12.2009	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	383 164	15 290	131 056	4 951
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	119 167	4 755	62 232	2 351
B I.	Long-term intangible asset	298	12	90	3
B II.	Long-term tangible asset	124 089	4 952	61 254	2 314
	1. Land	982	39	340	13
	2. Buildings	35 471	1 415	25 009	945
	3. Individual tangible assets (chattels)	36 344	1 450	25 883	978
	5.	2 074	83		0
	5. Uncompleted long-term property	46 580	1 859	6 231	235
	9. Difference in valuation of purchased property	2 658	106	3 791	143
B III.	Financial investment	3 097	124	0	0
B IV.	Consolidation differences positive/ negative	-8 617	-344	-2 473	-93
B V.	Shares from equity method	300	12	3 361	127
C	Current assets	262 234	10 464	67 027	2 532
C I.	Inventories	86 887	3 467	13 130	496
C II.	Long-term receivables	4 486	179	0	0
C III.	Short-term receivables	114 392	4 565	30 498	1 152
C IV.	Current liquid funds	56 469	2 253	23 399	884
	1. Cash and cash equivalents	11 908	475	6 764	256
	2. Bank accounts	44 561	1 778	16 635	628
	3. Purchased short-term investment	0	0	0	0
D	Accrual and deferral of assets	1 763	70	1 797	68

		1.1.2010 – 31.12.2010		1.1.2009 – 31.12.2009	
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	383 164	15 290	131 056	4 951
A	Equity	77 298	3 085	51 818	1 958
A I.	Registered share capital	15 209	607	15 209	575
A II.	Reserved capital	36 750	1 466	36 762	1 389
A III.	Retained earning	1 564	62	184	7
A IV.	net profit of previous period	6 096	243	- 2 005	-76
A V.	net profit without minorities	17 679	705	2 034	77
1.	Net profit of common period	18 953	756	-593	-22
2.	Share of profit in equivalency	-1 274	-51	2 627	99
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	0	0	-366	-14
B	LIABILITIES	285 329	11 386	79 238	2 994
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	31 719	1 266	15 721	594
B III.	Short-term liabilities	119 194	4 756	20 027	757
B IV.	Bank loans	134 416	5 364	43 490	1 643
	1. Long-term loans	37 359	1 491	38 900	1 470
	2. Short-term loans	38 266	1 527	2 155	81
	3. Short term borrowings	58 791	2 346	2 435	92
C	Accrual and deferral of liabilities	20 537	820	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 October 2010 to 31 December 2010

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 April 2010 to 30 June 2010 and the corresponding period in 2009.

		1.10.2010 – 31.12.2010		1.10.2009 – 31.12.2009	
		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	200 361	8 060	13 081	496
B	Cost of products, services and materials	170 245	6 848	1 835	70
	Gross margin	30 116	1 211	11 246	427
C	Personel costs	7 603	306	4 275	162
C. 1.	Labour costs	5 601	225	2 778	105
C. 2.	Board members compensations	0	0	406	15
C. 3.	Social security and health insurance costs	1 673	67	682	26
C. 4.	Social costs	329	13	409	16
D	Taxes and charges	142	6	11	0
E	Depreciation	4 957	199	919	35
III.	Revenues from sales of own property	-63	-3	488	19
F	Value of small property	346	14	526	20
VI.-VII.	Other operation revenues	7 229	291	17 273	656
I – J	Other operation costs	296	12	20 595	782
	Operating profit	23 938	963	2 681	102
XIV.	Financial revenues	2 083	84	710	27
Q	Financial costs	6 043	243	1 181	45
	Interests thereof	3 005	121	1 061	40
	Consolidated profit from financial operations	-3 911	-157	-471	-18
	Income tax for common activity	5 930	239	983	37
	Income tax for common activity due	5 930	239	983	37
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	14 097	567	1 226	47
XVI.	Extra incomes	0	0	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	-107	-4	0	0
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	-107	-4	0	0
	Consol. profit for acc. period without equivalent ratio	13 990	563	1 227	47
	Share in equivalency	-1 500	-60	2 032	77
	EBT	18 240	734	4 242	161
	EBIT	21 425	862	5 303	201
	EBITDA	26 382	1 061	6 222	236
	NET PROFIT/LOSS	12 490	502	3 259	124

Balance Sheet for the period 1 October 2010 to 31 December 2010 with comparative results

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B III.	Financial investment	3 097	124	0	0
B IV.	Consolidation differences positive/ negative	-8 617	-344	-2 473	-93
B V.	Shares from equity method	300	12	3 361	127
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C III.	Short-term receivables	114 392	4 565	30 498	1 152
C IV.	Current liquid funds	56 469	2 253	23 399	884
	1. Cash and cash equivalents	11 908	475	6 764	256
	2. Bank accounts	44 561	1 778	16 635	628
	3. Purchased short-term investment	0	0	0	0
D	Accrual and deferral of assets	1 763	70	1 797	68

		1.10.2010 – 31.12.2010		1.10.2009 – 31.12.2009	
		CZK	EUR	CZK	EUR
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A II.	Reserved capital	36 750	1 466	36 762	1 389
A III.	Retained earning	1 564	62	184	7
A IV.	net profit of previous period	11 285	446	-3 230	-123
A V.	net profit without minorities	12 490	502	3 259	124
1.	Net profit of common period	13 990	562	1 227	47
2.	Share of profit in equivalency	-1 500	-60	2 032	77
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	0	0	-366	-14
B	LIABILITIES	285 329	11 386	79 238	2 994
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	31 719	1 266	15 721	594
B III.	Short-term liabilities	119 194	4 756	20 027	757
B IV.	Bank loans	134 416	5 364	43 490	1 643
	1. Long-term loans	37 359	1 491	38 900	1 470
	2. Short-term loans	38 266	1 527	2 155	81
	3. Short term borrowings	58 791	2 346	2 435	92

C	Accrual and deferral of liabilities	20 537	820	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 CZK/EURO were applied:

From	to	for Balance Sheet statement calculations	for Income Statement calculations
01.01.2009	31.12.2009	26,47	26,50
01.10.2009	31.12.2009	26,47	26,35
01.01.2010	31.12.2010	25,06	25,27
01.10.2010	31.12.2010	25,06	24,86

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, February 12, 2011

15 Investors Relations contact

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