

BGS Energy Plus a.s.

I. GENERAL BACKGROUND - GENERAL COMPANY INFORMATION

Company name (name) and registered
office (place of business) :

COMPANY NAME: BGS Energy Plus a.s.

REGISTERED OFFICE: Street: Zámecká 7
Municipality: Světlá nad Sázavou
Post Code: 582 91

COMPANY REGISTRATION NUMBER: **280 89 880**

TAX IDENTIFICATION NUMBER: **CZ28089880**

Tax Authority Number: **225**

Legal form: Joint-stock company		
Shares	Form:	Certificated
	Class:	Ordinary
		shares are not priority shares
	Type:	bearer shares
	nominal value:	CZK 1.00
	total value:	CZK 15,209,000.00
	number:	15,209,000
	Number of votes	15,209,000
	Proportion to all votes:	100%

Subject of business according to Commercial Register: **lease of property, apartments and non-residential premises without providing services other than elementary services related to lease production, trade and services not listed in the Annexes 1 to 3 to the Trade Licensing Act**

II. OWNERSHIP STRUCTURE AND GROUP

BGS Energy Plus a.s. (hereinafter referred to as the "Company") is a Czech company which in 2009 entered the Warsaw Exchange Stock.

At present, the following persons hold more than 20% interest in the Company:

Name and surname: **JUDr. Ing. Zdeněk Radil**

permanent residence: Průhonická 217/31, Prague 10 - Záběhllice, post code 100 00

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

Name and surname: **Aleš Radil**

permanent residence: U Stromečku 791, Světlá nad Sázavou, post code 582 91

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

Name and surname: **Radim Hrůza**

permanent residence: U Stromečku 792, Světlá nad Sázavou, post code 582 91

investment CZK 3,219,667.00

contribution:

paid up: 100%

Business share: 11100/52435 (ca. 21.169%)

Number of shares: 3219667

Number of votes: 3219667

The Company stands on the top of the energy management holding and it is focused on designing, supplies and operation of bio-gas stations. The holding structure is made of subordinated companies at the levels I, II and III:

Subordinated
company I: Energy produkt plus s.r.o.

Company
registration 260 11 921
number:

registered office : Na Bradle 1118, Světlá nad Sázavou, 582 91

legal form: limited liability company

Subordinated
company II: Agroprodukt plus a.s.

Company
registration 278 33 526
number:

registered office : Zámecká 7, Světlá nad Sázavou, 582 91

legal form: Joint-stock company

Subordinated
company II: ALVE Tech s.r.o.

Company
registration
number: 277 37 454
registered office : U Pískovny 112/5, Jihlava, 586 05
legal form: limited liability company

Subordinated
company II: Podhradí, s.r.o.

Company
registration 465 08 678
number:
registered office : Lipnice nad Sázavou 131, 582 32
legal form: limited liability company

Subordinated
company II: BGS Biogas, a.s.

Company
registration 278 33 518
number:
registered office : Zámecká 7, Světlá nad Sázavou, 582 91
legal form: Joint-stock company

Subordinated
company III: Družstvo vlastníků Petrovec

Company
registration 465 06 004
number:
registered office : Ovesná Lhota 78, Světlá nad Sázavou, 582 91
legal form: Cooperative owners

Subordinated
company III: Mlýn Okoř, s.r.o.

Company
registration 251 45 231
number:
registered office : Stradouň 18, 538 65
legal form: Limited liability company

III. INFORMATION ON THE COMPANY ACTIVITIES

The Company's principal activity is to provide organizational and technical support to activities of subordinated entities, to support, prepare and provide organizational background to new investment projects of biogas stations, especially within the territory of the Czech Republic, and within a holding organization to provide for cooperation of subordinated entities during construction of the stations.

BGS Energy has reported a profitable year. Profitable were also the sister companies Energy product plus, BGS Biogas. EPP had finished building the second BPS in Suchdol which started its production in 2011. BPS Zavidkovice worked according to the plan, without major problems and the plans were created to increase its wattage to 990 kW. This phase took place during 2011.

BPS Cihost was finished in 2011, it was working at 80% energy production capacity at the end of the year 2011.

Agroprodukt also managed to resource about 90% raw material for BPS Zavidkovice. Druzstvo vlastniku Petrovec Ovesna Lhota was taken over by AGP which holds 56% of the company. Agroprodukt also bought 100% of the Podhradi company, which also help to produce raw materials for our biogas plants. BGS Biogas had completed many projects and new were assigned for 2012. Overallly, it is the most profitable company in the holding.

The Biogas company achieved a signifciant amount of new accounts/clients which went hand in hand with further development of staff; at the same time BGS Biogas had focused on increasing the effectivity of delivery by producing some of the technological components locally. This makes flexibility far greater and allows for price regulation in accordance with competition but continuing to produce high quality of the BGS products. The BGS technology belongs to the best on the market with the high quality and added value. That is created by great longevity and substance. In 2011 BGS had also invested in its customer service by purchasing special equipment for top advisory services and providing service & maintenance. Service continues to be an important part of its business - by offering reliable customer service we hope to maintain the contact with clients who have already purchased BGS biogas station. A spare parts warehouse had also been established on the premises of BPS Zavidkovice that is run by the company Energy produkt plus s.r.o. that is a part of the BGS holding.

In 2011 BGS Biogas had also built and sold the biogas stations of agricultural type with an accumulated wattage of 8 MWel.

During the development of BPS several other projects were simultaneously being developed at the end of 2011 and their refurbishment is to be finalized in 2012.

IV. INFORMATION ABOUT COMPANY ASSETS AND FINANCING

The Company's financial standing is very good and stable. The Company has available mainly own sources generated from repayment of the issue price for payment of the registered capital by the partners.

The Company holds capital investments of subordinated companies. Investment units are executed through subordinated companies, namely by Energy produkt plus s.r.o. and BGS Biogas, a.s.

The financial statements were audited by the auditor Ing. Bohumil Klapka as well as the financial statements of subordinated companies, the consolidated financial statements were audited by Ing. Jiří Měchura. The financial statements and the consolidated financial statement comply with statutory requirements.

The Company has not any other subsidiaries or places of business.

Within the Group the Company identified as a potential risk limitation of raw materials necessary for the activity of biogas stations. The risk is limited both by preparation and implementation of the project with agricultural enterprises and partly by own agricultural production provided for by the

companies Agroprodukt plus a.s., Družstvo vlastníků Petrovec and Podhradí, s.r.o.

As regards environmental protection, the Company's operation fulfills all statutory limits set for the respective production category.

As regards employment relationships, the Company complies with and follows the relevant legislation in this field.

For the fiscal year ending as at 31 December 2011 the Company showed a profit before tax of CZK 5 416thous. and a consolidated profit before tax of CZK 29 659 thous.

V. INFORMATION ABOUT THE COMPANY'S STATUTORY AND OTHER BODIES

Names and surnames of members of statutory and supervisory bodies:

Statutory body - Board of Directors

Name: **Aleš Radil**

Title: Chairman of the Board of Directors

Name: **Radim Hruža**

Title: Vice-Chairman of the Board of Directors

Name: **Ing. Jindra Radilová**

Title: Member of the Board of Directors

Supervisory body - Supervisory Board

Name: **JUDr. Ing. Zdeněk Radil**

Title: Chairman

Name: **Ing. Jaromír Peklo, Ph.D, MBA**

Title: Member

Name: **Ing. Štěpán Dlouhý**

Title: Member

VI. INFORMATION ABOUT PERSONS IN CHARGE OF ANNUAL REPORT

Person in charge of the annual report

Name: **Aleš Radil**

Title: Chairman of the Board of Directors

VII. SUPPLEMENTS

1.	Report on interrelations among affiliated persons	<u>7</u>
2.	BGS Energy Plus a.s. consolidated financial statements	<u>20</u>

3.	Auditor's report with the financial statements	<u>37</u>
4.	Statement of BGS Energy Plus a.s. concerning financial statements and the auditor	<u>40</u>
5.	Statement of BGS Energy Plus a.s. on compliance by the company rules contained in Annex No. 1 to Resolution No.293/2010 of the Warsaw Stock Exchange Management Board dated 31 March 2010. "Good Practices of companies listed on NewConnect"	<u>41</u>

In Světlá nad Sázavou, dated 27 May 2012

signature record
of the statutory body

1. REPORT ON INTERRELATIONS

among affiliated persons pursuant to Section 66a (9) of the Commercial Code

for controlled person

BGS Energy Plus a.s.

Registered office: Zámecká 7
 Světlá nad Sázavou
 582 91

In Světlá nad Sázavou, dated 8 February 2012

Introduction

This report has been compiled according to the requirement set forth in Section 66a (9) of the Commercial Code (hereinafter referred to as CC). It describes relations among affiliated persons, i.e. according to CC the interrelations between the controlled person and the controlling person and relations between the controlled person and other persons under control of the same controlling person. The interrelations have been described in the manner reflecting the need to comply with Sections 17-20 of CC regulating trade secret.

Controlled person:

1. Company: **BGS Energy Plus a.s.**

Registered office: Zámecká 7, Světlá nad Sázavou, 582 91

Company registration number: **280 89 880**

tel.: +420 569 452 559

fax: +420 569 452 559

www: www.bgs-energy.cz

Email: info@bgs-energy.cz

The Company was incorporated on 24 September 2008 in the Trade Register kept by the Regional Court in Hradec Králové under the file number Section B, Insert 2840.

2. Prepared by: **Aleš Radil**

birth no. 73 02 02 / 2970

permanent residence: U Stromečku 791, Světlá nad Sázavou, 582 91

tel.: +420 569 452 559

mobile: +420 776 234 295

fax: +420 569 452 559

www: www.bgs-energy.cz

Email: a.radil@bgs-energy.cz

title: Chairman of the Board of Directors

Affiliated persons

Organization structure of affiliated persons

Controlling persons I: persons directly controlling the controlled person

Controlling persons II: persons controlling the controlling persons I.

Controlling persons III: persons controlling the controlling persons II.

Identification of controlling persons

Controlling persons I.

Name and surname: **JUDr. Ing. Zdeněk Radil**

address: Průhonická 217/31, Prague 10 – Záběhlice, 106 00

Name and surname: **Ing. Jindra Radilová**

address: Průhonická 217/31, Prague 10 – Záběhlice, 106 00

Name and surname: **Aleš Radil**

address: U Stromečku 791, Světlá nad Sázavou, 582 91

Name and surname: **Radim Hruža**

address: U Stromečku 792, Světlá nad Sázavou, 582 91

Company: ---

Registered office: ---

Company registration ---

number:

The Company was incorporated on 9 February 2002 into the Trade Register kept by the Regional Court in Brno under file number Rg.c. 558877

Controlling persons II.

Name and surname: ---

address: ---

Company: Agroprodukt plus a.s.

Registered office: Zámecká 7, Světlá nad Sázavou, 582 91

Company registration 278 33 526

number:

The Company was incorporated on 31 January 2008 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.B. 2756

Company: ALVE Tech s.r.o.

Registered office: U Pískovny 112/5, Jihlava, 586 05

Company registration 277 37 454

number:

The Company was incorporated on 17 July 2007 into the Trade Register kept by the Regional Court in Brno under file number Rg.C. 55680

Company: Bioplyn Kačina, s.r.o.

Registered office: Svatý Mikuláš 138, Svatý Mikuláš. District Kutná Hora, 284 01

Company registration 279 22 928

number:

The Company was incorporated on 9 July 2007 into the Trade Register kept by the Regional Court in Prague under file number Rg.C. 126739

Company: Energy produkt plus s.r.o.

Registered office: Na Bradle 1118, Světlá nad Sázavou, 582 91

Company registration 260 11 921

number:

The Company was incorporated on 26 June 2004 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 19923

Company: BGS Biogas, a.s.

Registered office: Zámecká 7, Světlá nad Sázavou, 582 91

Company registration number: 278 33 518

The Company was incorporated on 31 January 2008 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.B. 2860

Company: Mlýn Okoř, s.r.o.

Registered office: Stradouň 18, 538 65

Company registration number: 251 45 231

The Company was incorporated on 18 July 1997 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 29195

Company: Podhradí s.r.o.

Registered office: Lipnice nad Sázavou 131, 582 32

Company registration number: 465 08 678

The Company was incorporated on 9 July 1992 into the Trade Register kept by the Regional Court in Hradec Králové under file number Rg.C. 2238

The Board of Directors is not aware of there being any other persons who could indirectly control our company and with whom our company would have a relationship in the accounting period 2011 in terms of Section 66a (9) of CC.

Furthermore, the Company's Board of Directors is not aware of there being any other persons who should be included in the period 2011 in the list of affiliated persons.

Contracts concluded between affiliated persons in the previous accounting period and performance provided

Contractual relationships to the Company

Performance of the contracts concluded with the Company in the previous accounting periods which were performed only in the year 2011.

Legal relationships among affiliated persons

Identification of the legal relationship – Terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Contracts for the purchase of goods, materials, services, other – /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the sale of goods, products, services, other – /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the distribution of supplies - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

Contracts of loan – /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the provision of advertising services - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - – /* contracts concluded under usual business terms and conditions */	YES	NO	X

Contracts concluded with the Company in the accounting period 2011 which were performed in 2011.

Legal relationships among affiliated persons

Identification of the legal relationship – terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Contracts for the purchase of goods, materials, services, other - YES – contracts concluded under usual business terms and conditions	YES monetary	NO	X
Contracts for the sale of goods, products, services, other - YES – contracts concluded under usual business terms and conditions	YES monetary	NO	X

Contracts for the distribution of supplies - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of loan - YES – contracts concluded under usual business terms and conditions	YES monetary	NO	X
Contracts for the provision of advertising services - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - YES – contracts concluded under usual business terms and conditions	YES monetary	NO	X

Contracts concluded with the Company in the accounting period 2011 which will be performed in years to come

Legal relationships among affiliated persons

Identification of the legal relationship – Terms of conclusion	consideration (yes/no, what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)

Contracts for the purchase of goods, materials, services, other - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the sale of goods, products, services, other - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the distribution of supplies - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of technical assistance - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of loan - /* contracts concluded under usual business terms and conditions */	YES	NO	X
Contracts for the provision of advertising services - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts of lease or sublease - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Pledge/security agreements - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the use of information networks - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of managerial services - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Licensing agreements - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Contracts for the provision of know-how - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X
Employment contracts - NONE - /* contracts concluded under usual business terms and conditions */	NO	NO	X

Other legal acts which were made in the interest

Performance of the contracts concluded with the Company in the previous accounting periods which were performed only in the year 2011.

Legal acts made in the interest of affiliated persons

Identification of the legal act – Terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

Contracts concluded with the Company in the accounting period 2011 which were performed in 2011.

Legal acts made in the interest of affiliated persons

Identification of the legal act – terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

Contracts concluded with the Company in the accounting period 2011 which will be performed in years to come.

Legal acts made in the interest of affiliated persons

Identification of the legal transaction – terms and conditions	consideration (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Legal acts made in the interest of the above mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Legal acts made in the interest of the above mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

**Other measures which were adopted or implemented by
the controlled person in the interest or upon instigation**

**Performance of the contracts concluded with the Company in the previous
accounting periods which were performed only in the year 2011.**

**Measures adopted/implemented by the controlled person
in the interest/upon instigation of affiliated persons**

Identification of the measure – terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

**Contracts concluded with the Company in the accounting period 2011 which were
performed in 2011.**

**Measures adopted/implemented by the controlled person in
the interest/upon instigation of affiliated persons**

Identification of the measure – Terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

Contracts concluded with the Company in the accounting period 2011 which will be performed in years to come.

Measures adopted/implemented by the controlled person in the interest/upon instigation of affiliated persons

Identification of the measure – Terms and conditions	advantages / disadvantages (yes/no - what kind)	occurrence of loss (yes/no)	loss settled or an agreement regarding its settlement concluded (yes/no, date of execution thereof)
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X
Measure(s) adopted or implemented in the interest or upon instigation of the above-mentioned persons - NONE – /* contracts concluded under usual business terms and conditions */	NO	NO	X

Overall assessment of interrelations among affiliated persons

Overall assessment of interrelations among affiliated persons

We hereby declare that we have included in this report on interrelations among affiliated persons pursuant to Section 66a (9) of the Commercial Code all concluded or performed contracts among affiliated persons, benefits and considerations provided to affiliated persons, other legal acts made in the interest of these persons, all measures adopted or implemented in the interest or upon instigation of these persons that were known to us to date of signing this report.

Declaration of the Company's Board of Directors

We hereby affirm that the above-stated data contained herein is complete, conclusive and correct.
In Světlá nad Sázavou, dated 8 February 2012

Board of Directors of the company **BGS Energy Plus a.s.**

2. BGS Energy Plus a.s. consolidated financial statements

Joint-stock company

CONSOLIDATED

FINANCIAL STATEMENTS

of BGS Energy Plus GROUP

As of 31 December 2011

Světlá nad Sázavou, May 2012

Contents:

1. Introduction

1.1 Subject of the consolidated financial statements

1.2 Applied procedures

2. Basis for compilation of the consolidated financial statements

3. Consolidation rules

4. Consolidated financial statements

4.1 Consolidated balance sheet

4.2 Consolidated profit and loss statement

4.3 Annex to the consolidated financial statements

5. Overview of consolidation transactions (tables)

1. Introduction

From the point of view of the history of accountancy, consolidated financial statements are a new element in the field of modeling and providing information on financial and overall standing of groups of companies. The importance and use of this type of reporting have

considerably increased in recent years along with the development of international trade, capital movement and establishing of groups of entities linked by capital.

The duty to compile the consolidated financial statements and the respective methods applied are provided for in the accounting standards of individual countries and are regulated differently in each country.

Within the **European Union**, the issue of harmonization of consolidated financial statements was resolved by the adoption of the **Seventh Council Directive of 13 June 1983 based on Article 54(3)(g) of the Treaty on Consolidated Accounts**. Furthermore, the issues relating to consolidation are regulated under the **International Accounting Standard no. 27 (IAS 27)** "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and the **International Accounting Standard no. 28 (IAS 28)** "Accounting for Investments in Associates and Joint Ventures".

In the Czech Republic, the requirement to compile the consolidated financial statements is determined under Section 22 and Section 23 of the Act no. 563/1991 Coll., Accountancy Act, and under Section 62 et seq. of the Regulation no. 500/2002 Coll., implementing certain provisions of the Act no. 563/1991 Coll. relating to the accounting entities which are entrepreneurs keeping their books in the double-entry accounting system. Since 1 January 2005, the consolidation has been regulated under CUS (Czech accounting standard) 020.

The basic limitations of the consolidation duty for entrepreneurs are given by the size of a consolidation unit. A consolidation unit means a parent company and the subsidiaries and affiliated enterprises which are not exempted from a duty to enter into a consolidation unit. A consolidating accounting entity is exempted from the duty to consolidate, provided that as of the end of the balance sheet date of the accounting period for which the consolidated financial statements are compiled, the accounting entities concerned have not, according to their last ordinary financial statements, exceeded or reached at least one of the three criteria as follows:

1. sum of the balance sheets amounting to over CZK 350,000,000;
2. net turnover of over CZK 700,000,000;
3. average recalculated number of employees in the course of the accounting period higher than 250.

1.1 Subject of the consolidated financial statements

The subject hereof is a compilation of voluntary consolidated financial statements of **BGS Energy Plus GROUP** as of **31 December 2011**.

1.2 Applied procedures

The consolidated financial statements were compiled on the basis of individual financial statements of companies included in the consolidation unit and documents of their interrelations submitted by companies in the course of May 2012.

The consolidated financial statements were compiled in accordance with the Act no. 563/1991 Coll., Accountancy Act, and the Regulation no. 500/2002 Coll. - part five determining the procedures for consolidation of financial statements and CUS 020.

The consolidated financial statements were compiled in tables contained in the overview of consolidation transactions. All consolidation transactions were performed by double entry. The consolidation itself was divided into two stages:

- Transactions representing the consolidation of capital interest of interrelations affecting the balance sheet.
- Transactions representing the consolidation of interrelations affecting the profit and loss statement.

The consolidation unit was consolidated at three levels - using both the full and the equity method

- **Level I**
 - - consolidation of the subsidiary V1 (Agroprodukt plus a.s.) and the subsidiary PV1 (Družstvo vlastníků Petrovec) owned by the subsidiary V1
- full method
 - - consolidation of the subsidiary V1 (Agroprodukt plus a.s.) and the subsidiary PV1 (Podhradí, s.r.o.) owned by the subsidiary V1
- full method
- **Level II**
 - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the subsidiary V1 (Agroprodukt plus a.s.) owned by the subsidiary S0
- full method
 - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the affiliated enterprise V2 (ALVE Tech s.r.o.) owned by the subsidiary S0
- equity method
 - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the affiliated enterprise V3 (Mlyn Okor, s.r.o.) owned by the subsidiary S0
- equity method
 - - consolidation of the subsidiary S0 (Energy produkt plus s.r.o.) and the affiliated enterprise V4 (BGS Biogas, a.s.) owned by the subsidiary S0
- full method
- **Level III**
 - - consolidation of the parent company PC (BGS Energy Plus a.s.) and the consolidated subsidiary S0 (Energy produkt plus s.r.o.) owned by the parent company
- full method

It is the third consolidation year. The table of consolidation differences contains the calculation of consolidation differences as of the date of acquisitions.

A separate annex describing the procedure of consolidation adjustments has been prepared for each accounting unit. The auxiliary tables and procedures are further used during the consolidation of balance sheet and profit and loss statement.

The calculation tables for ascertaining the consolidated balance sheet contain the data of individual financial statements of the respective companies entering into the consolidation, securities, minority interests and accounting of consolidation difference are excluded in the

following columns. The columns of exclusion of interrelations among companies follow. This is how the subsidiaries were consolidated using the method of full consolidation.

When the equity method was applied, securities were excluded and the value of securities was calculated in equity (interest in equity capital of affiliated companies).

A similar procedure was applied also to the consolidation of the profit and loss statement.

2. Data for compilation of the consolidated financial statements

a) Definition of the Consolidation Unit

Name	Abbrev.	Registered office	Company registration no.	Interest in %	In enterprise	Method
BGS Energy Plus a.s.	PC	Světlá nad Sázavou	28089880	100.0	S0 – Energy produkt plus s.r.o.	Full
Energy produkt plus s.r.o.	S0	Světlá nad Sázavou	26011921	100.0	V1 – Agroprodukt plus a.s.	Full
	S0			50.0	V2 – ALVE Tech s.r.o.	Equity
	S0			40.0	V3 – Mlýn Okoř, s.r.o.	Equity
	S0			100.0	V4 – BGS Biogas, a.s.	Full
Agroprodukt plus a.s.	V1	Světlá nad Sázavou	27833526	56.0	PV1 – Družstvo vlastníků Petrovec	Full
Agroprodukt plus a.s.	V1	Světlá nad Sázavou	27833526	100	PV2- Podhradí, s.r.o.	Full
ALVE Tech s.r.o.	V2	Jihlava	27737454			
BGS Biogas, a.s.	V4	Světlá nad Sázavou	27833518			
Družstvo vlastníků Petrovec	PV1	Ovesná Lhota	46506004			

Consolidation unit: Level I: Agroprodukt plus a.s. (Subsidiary – V1) – Družstvo vlastníků Petrovec (Subsidiary – PV1)
Agroprodukt plus a.s. (Subsidiary – V1) – Podhradí, s.r.o. (Subsidiary – PV2)

Level II: Energy produkt plus s.r.o. (Subsidiary - S0) – Agroprodukt plus a.s. (Subsidiary – V1)

Energy produkt plus s.r.o. (Subsidiary - S0) – ALVE Tech s.r.o. (Affiliated enterprise – V2)

*Energy produkt plus s.r.o. (Subsidiary - S0) – Mlýn Okoř, s.r.o.
(Affiliated enterprise – V3)*

*Energy produkt plus s.r.o. (Subsidiary -S0) – BGS Biogas, a.s.
(Subsidiary – V4)*

*Level III BGS Energy Plus a.s. (parent company - PC) - Energy produkt plus s.r.o.
(Subsidiary –S0)*

Subsidiaries holding the interest higher than 50% in the registered capital of the enterprise were included in the consolidation unit using the method of full consolidation. Subsidiaries holding the interest of 20% to 50% were consolidated using the equity method.

b) Consolidation methods and system

The method of full consolidation was applied to the consolidation of subsidiaries, whereas for affiliated enterprises the equity method was applied. For the consolidation system, the gradual consolidation in two levels applied.

c) Consolidation difference

The consolidation difference represents the difference between the purchase cost of interest securities and contributions of the consolidated enterprise and their valuation according to the amount of the interest of the parent company in the actual level of equity of the enterprise after the first inclusion of a subsidiary or an affiliated enterprise into the consolidation unit.

The consolidation difference is depreciated to revenues or costs for the period of 20 years.

Rules of compilation of the consolidated financial statements

for BGS Energy Plus GROUP

In reference to Section 22 and Section 23 of the Act no. 563/1991 Coll., Accountancy Act, and Section 62 et seq. of the Regulation no. 500/2002 Coll. implementing certain provision of the Act no. 563/1991 Coll. for the accounting units which are entrepreneurs keeping their books in the double-entry accounting system, and in accordance with the Czech Accounting Standard 020, I hereby set the following rules for compilation of the consolidated financial statements in the conditions of BGS Energy Plus GROUP:

Preamble

Definition of the Consolidation Unit

Consolidation system

Consolidation method

Data for consolidation

Consolidation dates

Place of compilation of the consolidated financial statements

Content of the annex to the consolidated financial statements

Preamble

Consolidated financial statements

The consolidated financial statements mean the financial statements compiled and adjusted using the consolidation methods according to the Accountancy Act. These financial statements provide the information about the Consolidation Unit of a group of enterprises and consolidate balance of assets and liabilities and achieved economic result of the parent company with its ownership interest in other enterprises which are controlled by or under substantial control of the parent company. The purpose of the consolidated financial statements is to provide information to shareholders and stakeholders (members) of the accounting unit which controls or exerts significant influence on the business activities of other accounting units. The consolidated financial statements are compiled neither for tax purposes nor for distribution of economic result.

The consolidated financial statements consist of:

- a) Consolidated balance sheet
- b) Consolidated profit and loss statement
- c) Annex to the consolidated financial statements

Definition of the Consolidation Unit

The Consolidation Unit is composed of:

- **Parent company:** BGS Energy Plus a.s. Světlá nad Sázavou

- **Subsidiary:** Energy produkt plus s.r.o. Světlá nad Sázavou 100.0%

- **Subsidiary:** Podhradí, s.r.o. Lipnice nad Sázavou 100.0%

- **Subsidiary:** Agroprodukt plus a.s. Světlá nad Sázavou 100.0%

- **Subsidiary:** BGS Biogas, a.s. Světlá nad Sázavou 100.0%

- **Affiliated company:** ALVE Tech s.r.o. Jihlava 50.0%

- **Affiliated company:** Družstvo vlastníků Petrovec, Ovesná Lhota 56.0%

- **Affiliated company:** Mlýn Okoř, s.r.o. 40.0%

The decisive levels of the ownership interest of BGS Energy Plus a.s. and Energy produkt plus s.r.o. in subsidiary and affiliated enterprises have been determined as of the consolidation date.

Consolidation system

The unit which is defined under section II will be consolidated in three stages.

Within the stage I the subsidiary (Agroprodukt plus a.s.) will be consolidated with the subsidiary Družstvo vlastníků Petrovec and Podhradí, s.r.o.

Within the stage II the subsidiary (Energy produkt plus s.r.o.) will be consolidated with the already consolidated results of the subsidiary Agroprodukt plus a.s. and with the affiliated enterprises ALVECH Tech s.r.o., Mlýn Okoř, s.r.o. and with the subsidiary BGS Biogas, a.s.

Within the stage III the parent company BGS Energy Plus a.s. will be consolidated with the already consolidated results of the subsidiary Energy produkt plus s.r.o.

Consolidation method

When compiling the consolidated financial statements of the Consolidation Unit, both the method of full consolidation and the equity method will be applied.

Data for consolidation

1. financial statements of the parent company, including annex;
2. financial statements of all subsidiaries and affiliated enterprises included in the Consolidation Unit, including annexes;
3. general ledgers of the parent company, subsidiaries and affiliated enterprises which may provide a source of data for exclusion of mutual links (costs and revenues, mutual receivables and liabilities, internal sales of stock, tangible assets, distribution of dividends, financial contributions and interests in equity capital of subsidiaries);
4. annual depreciation plans;
5. current states of both direct and indirect interests in subsidiaries and affiliated enterprises.

In order to exclude mutual relations, the above-mentioned reports will be supported by the following information taken from the analytic register of participants in consolidation in the form of tabular overviews.

Consolidation dates

Date of the financial statements of enterprises included into the Consolidation Unit: 31 December 2011.

Date of compilation of the consolidated financial statements: 27 May 2012

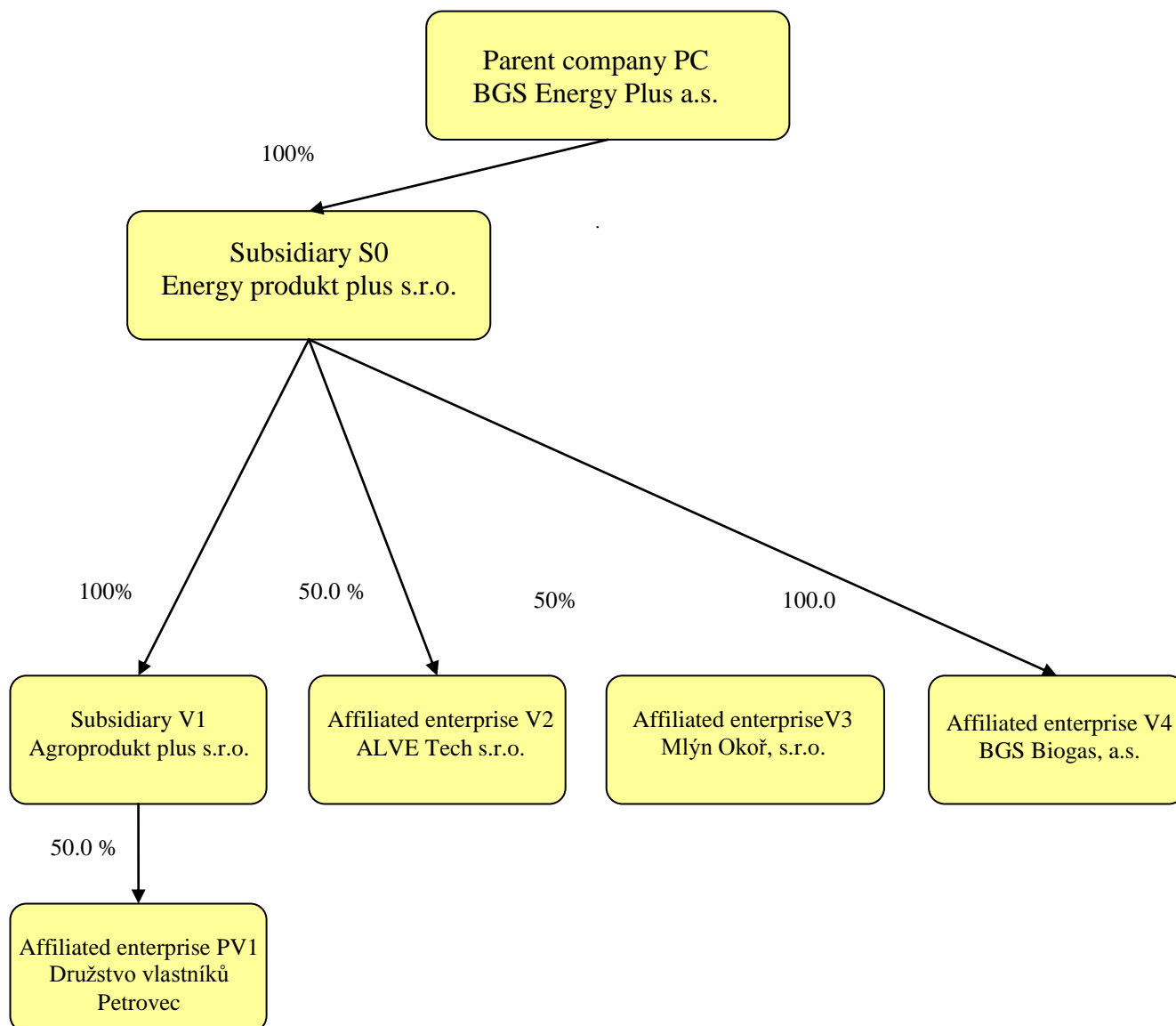
Place of compilation of the consolidated financial statements

Place of compilation of the consolidated financial statements: registered office of the parent company Světlá nad Sázavou

Contents of the annex to the consolidated financial statements

1. Definition of the Consolidation Unit
 - 1.1 a) Identification of enterprises which form the Consolidation Unit, including amount of control of the parent company over the subsidiaries, including the consolidation method applied;
 - b) date of financial statements entering into the consolidation;
 - c) names and registered offices of the enterprises excluded from the consolidation;
 - d) consolidation system.
2. General information
 - 2.1 numbers and structures of employees, including staff costs;
 - 2.2 remunerations and loans and other benefits to statutory bodies;
 - 2.3 information about accounting methods and general accounting principles;
3. Supplementary information to the balance sheet and profit and loss statement.

Organization chart of the Consolidated Unit as of 2011/12/31



BGS Energy Plus GROUP

**CONSOLIDATED BALANCE SHEET AS OF
2011/12/31**

Identification	Text	(in 000 CZK)	(in 000 EUR)	(in 000 CZK)	(in 000 EUR)
		31.12.2011	31.12.2011	31.12.2010	31.12.2010
	Total assets	651 802	25 264	401 580	16 025
A	Receivables for subscribed equity capital	0	0	0	0
B	Fixed assets	247 168	9 580	99 940	3 988
B I.	Intangible fixed assets	235	9	290	12
B II.	Tangible fixed assets	229 390	8 891	105 316	4 203
	1. Land	3 272	127	340	14
	2. Buildings	32 271	1 251	23 745	948
	3. Fixtures, fittings, plant and machinery	37 721	1 462	32 182	1 284
	5. Livestock	3 296	128	0	0
	7. Tangible assets in the course of construction	150 374	5 828	46 391	1 851
	8. Payments on account for tangible fixed assets	0	0	0	0
	9. Impairment of acquired fixed assets	2 456	95	2 658	106
B III.	Long-term financial assets	20 778	805	0	0
	- group	20 266	786	0	0
	- external	512	20	0	0
B IV.	Positive consolidation difference/negative CD	-2 505	-97	-8 342	-333
B V.	Securities in equivalence	-730	-28	2 676	107
C	Current assets	400 130	15 509	299 665	11 958
C I.	Stock	44 627	1 730	83 158	3 318
C II.	Long-term receivables	4 486	174	4 486	179
C III.	Short-term receivables	305 647	11 847	157 666	6 292
C IV.	Financial assets	45 370	1 759	54 355	2 169
	1. Cash in hand	16 322	633	11 567	462
	2. Bank accounts	29 048	1 126	42 788	1 707
	3. Acquired short-term financial assets	0	0	0	0
D	Accrued assets	4 504	175	1 975	79
					0
					0
	Total liabilities	651 802	25 264	401 580	16 025
A	Equity capital	99 624	3 861	76 708	3 061
A I.	Registered capital	17 209	667	15 209	607
	Changes in registered capital	0	0	0	0
A II.	Capital contributions	37 942	1 471	36 750	1 466
A III.	Reserve funds, non-distributable reserves and other reserves	1 773	69	781	31
A IV.	Retained earnings	24 006	930	-183	-7
A V.	Profit (loss) for the current period	18 462	716	24 189	965
1	Economic result of the current year	17 836	691	25 381	1 013
2	Interest in ER in equivalence	626	24	-1 192	-48
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	232	9	-38	-2
B	Liabilities	551 205	21 365	324 872	77 243
B I.	Provisions	0	0	0	0
B II.	Long-term payables	23 113	896	19 895	794
B III.	Short-term liabilities	255 769	9 914	223 237	8 908

B IV.	Bank loans and overdrafts	272 323	10 555	81 740	3 262
	1. Long-term bank loans	176 860	6 855	32 100	1 281
	2. Short-term bank loans and overdrafts	8 413	326	38 297	1 528
	3. Other short-term borrowings	87 050	3 374	11 343	453
C	Accruals and deferrals	973	38	0	6
D	Minority equity capital	0	0	0	0
					0
D I.	Minority registered capital	0	0	0	0
D II.	Minority capital funds	0	0	0	0
D III.	Minority funds from profit, including undistributed profit from prev. years	0	0	0	0
D IV.	Minority ER of the current accounting period	0	0	0	0

BGS Energy Plus GROUP

**CONSOLIDATED PROFIT AND LOSS STATEMENT AS OF
2011/12/31**

Identific ation	Text	(in 000 CZK)		(in 000 EUR)	
		31.12.2011	31.12.2011	31.12.2010	31.12.2010
I.	Sales of goods	45	2	0	0
A	Costs of goods sold	30	1	0	0
+	Gross profit	15	1	0	0
II.	Sales of production	499 928	20 322	558 799	22 478
B	Cost of sales	424 691	17 264	504 937	20 311
+	Added value	75 252	3 059	53 862	2 167
C	Staff costs	29 582	1 203	17 431	701
	C. 1. Wages and salaries	22 897	931	12 972	522
	C. 2. Emoluments of board members (company and co-operative)	0	0	0	0
	C. 3. Social security and health insurance costs	5 713	232	3 559	143
	C. 4. Other social costs	972	40	900	36
D	Taxes and charges	301	12	106	4
E	Depreciation expense of intangible and tangible fixed assets	12 222	497	5 281	212
III.	Revenues from sale of fixed assets and material	1 340	54	1 364	55
F	Net book value of disposed fixed assets and material	896	36	893	36
			0	0	0
G	Change in operating provisions and deferred expenses	0	0	0	0
VI.-VII.	Other operating revenues	10 724	436	12 303	495
I – J	Other operating expenses	2 684	109	3 596	145
*	Consolidated operating profit (loss)	41 631	1 692	40 222	1 618
XIV.	Financial revenues	9 314	379	1 988	80
Q	Financial expenses	22 041	896	8 239	331
	of which interest	16 219	659	2 734	110
*	Consolidated profit (loss) from financial transactions	-12 727	-517	-6 251	-251
	Tax on profit or loss on ordinary activities	11 197	455	8 344	336
	Current income tax on ordinary activities	11 197	455	8 344	336
R	Deferred income tax on ordinary activities	0	0	0	0
**	Consolidated profit (loss) for ordinary activities	17 707	720	25 627	1 031
XVI.	Extraordinary income	0	0	0	0
S	Extraordinary charges	0	0	0	0
XVII.	Settlement of passive consolidation difference	129	5	-246	-10
	Settlement of active consolidation difference	0	0	0	0
	Deferred income tax	0	0	0	0
**	Consolidated extraordinary profit (loss)	129	5	-246	-10
***	Cons. profit (loss) for the accn. period without equity	17 836	725	25 381	1 021
21	of which: profit (loss) of the current period without minority interests	17 836	725	25 381	1 021
	: Minority profit (loss) of the current accounting period	0	0	0	0

***	Interest in profit (loss) in equity	626	25	-1 192	-48
****	Consolidated profit (loss) before tax	29 659	1 206	32 523	1 309
****	Consolidated profit (loss) for the accounting period	18 462	750	24 189	973

Equity capital, net turnover, number of employees and remunerations in the group as of 31.12.2011

(in thousands CZK)

Enterprise	equity capital	net turnover (class 6)	gross Assets	Number Employees	of which managing	Staff Costs	of which managing	remunerations
Energy produkt plus s.r.o.	15 260	52 022	230 379	19	2	10 214	946	0
Agroprodukt plus a.s.	-1 735	14 057	32 846	7	1	1 867	233	0
ALVE Tech s.r.o.	-3 040	203	19 275	0	0	0	0	0
Mlýn Okoř, s.r.o.	421	0	501	0	0	0	0	0
BGS Biogas, a.s.	71 715	412 739	256 409	20	2	10 021	712	0
BGS Energy Plus a.s.	55 065	7 164	73 927	0	0	0	0	0
PODHRADÍ, s.r.o.	2 181	20 878	17 945	0	0	5 223	0	0
Družstvo vlastníků Petrovec	7 580	25 679	42 318	0	0	4 021	0	0
Total	147 447	532 742	673 600	46	5	31 346	1 891	0

Equity capital, net turnover, number of employees and remunerations in the group as of 31.12.2010

(in thousands CZK)

Enterprise	equity capital	net turnover (class 6)	gross Assets	Number Employees	of which managing	Staff Costs	of which managing	remunerations
Energy produkt plus s.r.o.	11 436	39 669	121 432	23	2	10 675	804	0
Agroprodukt plus a.s.	3 318	13 015	25 959	6	1	1 347	130	0
ALVE Tech s.r.o.	-2 195	11 826	19 677	0	0	0	0	0
Bioplyn Kačina, s.r.o.	450	383	565	0	0	0	0	0
BGS Biogas, a.s.	31 968	530 552	258 627	16	2	4 585	548	0
BGS Energy Plus a.s.	50 948	5 988	68 665	0	0	824	0	0
BGS Solar s.r.o.	160	0	1 271	0	0	0	0	0
Družstvo vlastníků Petrovec	7 098	18 637	26 620	0	0	3 544	0	0
Total	103 183	620 070	522 816	45	5	20 975	1 482	0

Equity capital, net turnover, number of employees and remunerations in the group as of 31.12.2011

(in thousands EUR)

Enterprise	equity capital	net turnover (class 6)	gross Assets	number employees	of which managing	Staff Costs	of which managing	remunerations
Energy produkt plus s.r.o.	591	2 016	8 930	19	2	396	37	0
Agroprodukt plus a.s.	-67	545	1 273	7	1	72	9	0
ALVE Tech s.r.o.	-118	8	747	0	0	0	0	0
Mlýn Okoř, s.r.o.	16	0	19	0	0	0	0	0
BGS Biogas, a.s.	2 780	15 998	9 938	20	2	388	28	0
BGS Energy Plus a.s.	2 134	278	2 865	0	0	0	0	0
PODHRADÍ, s.r.o.	85	809	696	0	0	202	0	0
Družstvo vlastníků Petrovec	294	995	1 640	0	0	156	0	0
Total	5 715	20 649	26 109	46	5	1 215	1 891	0

Equity capital, net turnover, number of employees and remunerations in the group as of 31.12.2010
 (in thousands EUR)

Enterprise	equity capital	net turnover (class 6)	gross Assets	number employees	of which managing	Staff Costs	of which managing	remunerations
Energy produkt plus s.r.o.	457	1 596	4 846	23	2	430	33	0
Agroprodukt plus a.s.	132	524	1 036	6	1	54	5	0
ALVE Tech s.r.o.	-88	475	785	0	0	0	0	0
Bioplyn Kačina, s.r.o.	18	15	22	0	0	0	0	0
BGS Biogas, a.s.	1 276	21 342	10 321	16	2	184	22	0
BGS Energy Plus a.s.	2 033	240	2 740	0	0	33	0	0
BGS Solar s.r.o.	6	0	51	0	0	0	0	0
Družstvo vlastníků Petrovec	283	750	1 062	0	0	143	0	0
Total	4 117	24 942	20 863	45	5	844	60	0

Supplement to the Consolidated Financial Statements of the Consolidation Unit **BGS Energy Plus GROUP** as of 31 December 2011

1. Definition of the Consolidation Unit

- 3.1 a) Name and registered office of subsidiaries and affiliated enterprises included in the consolidation unit with description of the level of dependence (control) and interest in the registered capital of these enterprises and with identification of the consolidation methods applied to their consolidation and substantiation of the selection of particular consolidation method applied.

Name	Abbrev.	Registered office	Company registration no.	Interest in %	In enterprise	Method
BGS Energy Plus a.s.	PC	Světlá nad Sázavou	28089880	100.0	S0 – Energy produkt plus s.r.o.	Full
Energy produkt plus s.r.o.	S0	Světlá nad Sázavou	26011921	100.0	V1 – Agroprodukt plus a.s.	Full
	S0			50.0	V2 – ALVE Tech s.r.o.	Equity
	S0			40.0	V3 – Mlýn Okoř, s.r.o.	Equity
	S0			100.0	V4 – BGS Biogas, a.s.	Full
Agroprodukt plus a.s.	V1	Světlá nad Sázavou	27833526	56.0	PV1 – Družstvo vlastníků Petrovec	Full
Agroprodukt plus a.s.	V1	Světlá nad Sázavou	27833526	100	PV2- Podhradí, s.r.o.	Full
ALVE Tech s.r.o.	V2	Jihlava	27737454			
BGS Biogas, a.s.	V4	Světlá nad Sázavou	27833518			
Družstvo vlastníků Petrovec	PV1	Ovesná Lhota	46506004			

Consolidation unit: Level I: Agroprodukt plus a.s. (Subsidiary – V1) – Družstvo vlastníků Petrovec
(Subsidiary – PV1)
Agroprodukt plus a.s. (Subsidiary – V1) – Podhradí, s.r.o.
(Subsidiary – PV2)

Level II: Energy produkt plus s.r.o. (Subsidiary - S0) – Agroprodukt plus a.s.
(Subsidiary – V1)

Energy produkt plus s.r.o. (Subsidiary - S0) – ALVE Tech s.r.o.
(Affiliated enterprise – V2)

Energy produkt plus s.r.o. (Subsidiary - S0) – Mlýn Okoř, s.r.o.
(Affiliated enterprise – V3)

Energy produkt plus s.r.o. (Subsidiary -S0) – BGS Biogas, a.s.
(Subsidiary – V4)

Level III BGS Energy Plus a.s. (parent company - PC) - Energy produkt plus s.r.o.
(Subsidiary –S0)

Each subsidiary with the interest higher than 50% in the company's registered capital was included in the consolidation unit and the method of full consolidation was applied to it. The equity method was applied to the affiliated enterprises with ownership interest of 20%-50%.

- e) Date of the financial statements of enterprises included into the consolidation unit: 31 December 2011.
- f) Name and registered office of enterprises exempted from a duty to consolidate, stating the reasons of exemption from the consolidation duty: *no enterprises were exempted from the consolidation duty.*
- g) Consolidation system: *gradual method.*

1. General data contained in the supplement

- 1.1 Average number of employees of the consolidation unit during the accounting period for which the consolidated financial statements have been compiled, of which members of management (directors, deputy directors, organization unit managers), stating the level of staff costs:

Average number of employees: 45
staff costs: CZK 20,975 th.

of which members of management: 5
staff costs: CZK 1,482 th.

- 1.2 The amounts of emoluments, advances and receivables, liabilities and other payments, sureties accepted or provided, or commitments to perform, including pension scheme, both monetary and in kind, to members of statutory, management and supervisory bodies, including former members of these bodies:

Emoluments of members of statutory bodies: CZK 0 th.

- 1.3 Information about accounting methods and general accounting principles:
Changes in the valuation methods, accounting procedures, arrangement of items of the consolidated financial statements and content definition of the items compared to the previous accounting period, stating the reasons of the changes and quantification of sums having the influence on levels of assets, liabilities and economic results of the consolidation unit:

Purchased stock is valued at the purchase costs, including additional costs (custom fees, freight costs).

Stock generated from own activity is valued at the internal fixed cost according to the scheduled calculations of individual subsidiaries included in the consolidation unit.

Changes of purchase costs and residual costs and net book values of tangible and intangible fixed assets compared to the previous accounting period in connection with conversion of accounts of subsidiaries with registered office abroad that keep their accounts in foreign currency, at least according to individual types of assets:

Enterprises included in the consolidation unit depreciate their assets according to the depreciation plan. The parent company has no subsidiaries abroad.

Interest in the economic result of subsidiary and affiliated enterprise whose securities or interests were acquired by the parent company in the course of the accounting period, related to the period from acquisition till the end of the accounting period valid for the parent company:

Profit and loss from sale of stock and tangible and intangible fixed assets among the members of the consolidation unit, for each enterprise separately:

2. Supplementary information on the Balance Sheet and Profit and Loss Statement

- 2.1 Commentary and justification of the change in equity of the consolidation unit between two consolidations, in particular as regards the change of scope of the consolidation unit and settlement of securities and contributions with feedback.

- 2.2 Commentary on data about:

- a) overdue receivables and liabilities: there are no overdue receivables or liabilities in the consolidation unit;
- b) receivables and liabilities to the members of the consolidation unit with the maturity exceeding 5 years: *there are no receivables or liabilities among members of the consolidation unit with the maturity exceeding 5 years.*

- 2.3 Aggregate amount of other liabilities (both non-monetary and monetary) which are not reported in the books of members of the consolidation unit and which are not reported in the consolidation balance sheet (off balance sheet liabilities): no such liabilities exist.

In Světlá nad Sázavou dated 27 May 2012

3. Auditor report

INDEPENDENT AUDITOR'S REPORT

Auditor's report for the shareholders of:

BGS Energy Plus a.s.

Zámecká 7, 582 91 Světlá nad Sázavou, company registration number: 28089880

Auditor: Ing. Jiří Měchura, Neumannova 2044, 256 01 Benešov Auditor's certificate number: 1549

Identification of the audited consolidation financial statements

We have audited the enclosed consolidated financial statements of the group

BGS Energy Plus a.s., Zámecká 7, Světlá nad Sázavou, company registration number: 28089880

i.e. the balance sheet as of 31 December 2011, the profit and loss statement for the period from 1 January 2010 to 31 December 2011, and the supplement to the consolidated financial statements, including the description of the significant accounting methods applied.

Information about the *Group BGS Energy Plus a.s. Zámecká 7, Světlá nad Sázavou, company registration number 28089880*

is contained in the schedule to the consolidated financial statements.

Responsibility of the statutory body of the accounting unit for the consolidated financial statements

Compilation and true depiction of the consolidated financial statements in accordance with the Czech accounting legal regulations is a responsibility of the statutory body management of the company BGS Energy Plus a.s. Zámecká 7, Světlá nad Sázavou, company registration number 28089880.

The scope of responsibility includes, without limitation, the following duties: to propose, implement and provide for internal supervisions over compilation and true depiction of the consolidated financial statements so that they are free of any significant faults caused by fraud or error, to select and apply the appropriate accounting methods and to perform accounting estimates which shall be reasonably appropriate under given circumstances.

Auditor's responsibility

Our assignment is to prepare a statement regarding the consolidated financial statements on the basis of the audit performed. We have performed the audit in accordance with the Auditors Act and the International Auditing Standards and related application clauses of the Chamber of Auditors of the Czech Republic. In accordance with these regulations the auditor is obliged to observe the ethical rules and to schedule and perform the audit to gain reasonable security that the consolidated financial statements do not contain any significant faults.

The audit includes application of the auditing procedures the purpose of which is to obtain the evidence attesting the amounts and information reported in the consolidated financial statements. Selection of the auditing procedures is at the auditor's own discretion, including assessment of the risk to the extent that the consolidated financial statements contain significant faults caused by fraud or error. When assessing the risks, the auditor takes into account the internal audits which are relevant for compilation of the consolidated financial statements and true depiction of the facts reported therein. The objective of consideration of internal audits is to propose the appropriate auditing procedures, not only to express an opinion as regards the efficiency of such internal audits. The audit also assesses the accounting methods as regards their appropriateness, adequacy of accounting estimates performed by management, as well as the overall presentation of the consolidated financial statement.

We suppose that all evidence obtained provides a sufficient and appropriate basis for elaboration of the auditor's statement.

In our opinion, the consolidated financial statements give a true and fair depiction of assets, liabilities and financial standing of the company BGS Energy Plus a.s. Zámecká 7, Světlá nad Sázavou, company registration number 28089880, as of 31 December 2011 as well as of the costs, expenditures and economic results for the period from 1 January 2010 to 31 December 2011 in accordance with the Czech accounting regulations.

Therefore our statement is:

- without reservations -

For the accounting unit:

Aleš Radil
Chairman of the Board of Directors

Date of the report:

In Benešov, dated 8 June 2012

Ing. Jiří Měchura
auditor

4. Statement of the Management Board concerning financial statements and report on the Company activity

Management Board statement concerning reliability of prepared financial statement for the year 2011 and report on the Company activity.

The Management Board declares that according to their best knowledge, annual financial statements and comparable date were prepared in accordance with local regulations applicable to the Company in the Czech Republic and further declares that they present a true and fair view of the Company property and financial situation and its financial result and that the report on the Report of the Management Board presents a fair view of the issuer situation, including a description of basic exposures and risks.

Statement of the Management Board concerning the auditor

Management Board statement concerning the entity entitled to audit the annual financial statement for the year 2011.

The Management Board declares that the entity authorized to audit financial statements which audited annual financial statements was selected in accordance with legal regulations and that such entity and certified auditors who audited these statements met conditions to express their impartial and independent opinion on the audit, in accordance with relevant regulations of local law.