

CONSOLIDATED QUARTERLY REPORT
2012 Q3

For the period 1.1.2012 – 30.9.2012

BGS Energy Plus a. s.



14.11. 2012

Svetla nad Sazavou, Czech Republic

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1 Selected consolidated financial results for the period 1 January 2012 to 30 September 2012

	1.1.2012 – 30.9.2012		1.1.2011 – 30.9.2011	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues (with revenues from sales of own property and other operation revenues)	614 022	24 461	377 844	15 511
Consumption	570 118	22 712	356 523	14 636
Operating profit	43 904	1 749	21 321	875
EBITDA	56 175	2 237	26 989	1 090
- Of which Depreciation	10 722	427	5 049	207
EBIT	45 453	1 810	21 940	886
Profit/loss before taxation (EBT)	38 639	1 539	15 507	637
Profit/loss after taxation	22 153	883	11 707	481
Balance sheet				
Fixed Assets	267 355	10 752	232 149	9 376
Current Assets, of which:	428 301	17 225	315 959	12 761
- Short-term receivables	323 219	12 999	213 008	8 603
- Current financial assets	35 059	1 410	25 534	1 031
Total Assets	698 407	28 088	549 358	22 187
Equity	121 703	4 895	107 986	4 361
Short-term liabilities	329 699	13 139	204 199	8 247
Long-term liabilities including bank loans	246 145	9 806	236 244	9 541

Note: Exchange rates provided by the Czech National Bank

2 Selected consolidated financial results for the period 1 July 2012 to 30 September 2012

	1.7.2012 – 30.09.2012		1.7.2011 – 30.09.2011	
	CZK	EUR	CZK	EUR
Income Statement				
Revenues	291 374	11 660	198 498	8 149
Consumption	267 216	10 693	196 244	8 056
Operating profit	24 158	967	2 254	93
EBITDA (Profit + depreciation and Amortization + Interest expenses + Income tax)	30 912	1 237	5 866	241
- Of which Depreciation	3 710	148	1 689	69
EBIT (Profit + Interest expenses + Income tax)	27 202	1 089	4 177	171
Profit/loss before taxation (EBT)	23 533	942	1 221	50
Profit/loss after taxation	10 197	408	921	38
Balance sheet				
Fixed Assets	267 355	10 752	232 149	9 376
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Equity	121 703	4 895	107 986	4 361
Short-term liabilities	329 699	13 139	204 199	8 247
Long-term liabilities including bank loans	246 145	9 806	236 244	9 541

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

The BGS Group consolidated turnover for the period 1.7.2012 – 30.9.2012 exceeded CZK 291mio, this is the highest revenue in the history of the BGS Group. This value was achieved, above all, thanks to the growth of EPC (Engineering-Procurement-Construction) projects constructed by BGS Biogas a.s., which is consolidated according to the full method.

The Group consolidated EBITDA for 3Q2012 is CZK 31mio, it means more than 5 times more compare to 3Q2011. The EBIT, EBITDA and net income for the period from January to September 2012 is double compare to the same period of the year 2011.

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

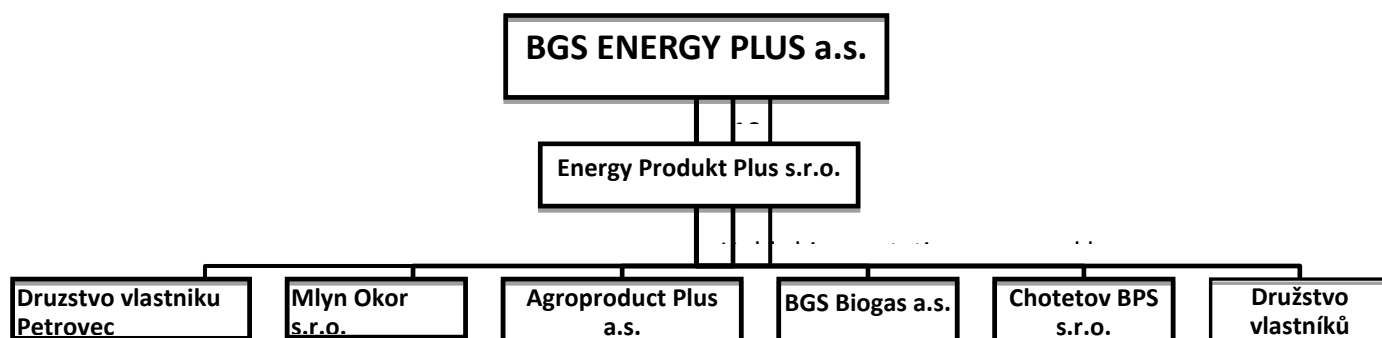
The following table presents the Group's structure and the holding company's stake in the entities comprising the Group:

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
Mlyn Okor s.r.o.	Czech Rep.	40%	equivalence method
Družstvo vlastníků Petrovec	Czech Rep.	50%	equivalence method
Chotětov BPS s.r.o.	Czech Rep.	15%	not consolidated

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

engineering and construction management, technology procurement as well as biogas plants ownership and management.

Company structure:



In the period of three months ended on 30.9.2012 the Group did not discontinue any of its operations.

6 Share capital of the Issuer

SHARE CAPITAL AS AT 30 September 2012

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

7 Shareholder structure

As of 30 September 2012 the Issuer's shareholder structure was as follows:

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

Ales Radil, Radim Hruza, Zdenek Radil

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

8 Statutory bodies of the issuer

Board of Directors

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

Supervisory Board

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

In the period from January 2012 to 30 September 2012 there have been no changes in board of directors and Supervisory Board

9 Report on the Issuer's activities in 2010 Q2

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

A. Development and operation of own biogas plants

BGS Závídkovice

The Zavidkovice biogas plant has been already working for 4 years, the plant is renewed during the 3Q 2012, the output was increased to 990 kW by additional cogeneration unit MAN BGG 370.

BGS Suchdol nad Odrou

The Suchdol biogas plant is stabilized. The energy output is around 100% of the installed capacity.

BGS Číhošť

The Číhošť biogas plant has been already working one year. At the moment the energy output has increasing direction, only some small technical problems occurred during the 3Q2012.

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

During the third quarter 2012, BGS Biogas has finalized biogas stations to clients – BPS Havlickova Borova, BPS Horni Bradlo and started cogeneration unit in BPS Hluboka. These plants are going to be transferred to clients during the 4Q2012.

Beside these construction work for clients BGS Biogas works intensively in our own biogas plant Ovesna Lhota, which will be finished this year.

C. Accounting activity

Energy product plus s.r.o. provides accounting and human resources services. The company revenues from the activity in 3Q2012 were ca. CZK 2.5 mio.

10 Detailed consolidated financial results for the period of 1 January 2012 to 30 September 2012

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 2012 to 30 September 2012 and the corresponding period in 2011.

		1.1.2012 – 30.9.2012		1.1.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
I.	Revenues from sales of third party goods	519	21	0	0
A	Cost of goods sold on third party goods	42	2	0	0
+	Trading margin	477	19	0	0
II.	Turnover from products, services and materials	601 937	23 980	374 662	15 380
B	Cost of products, services and materials	527 013	20 995	337 974	13 874
	Gross margin	75 401	3 004	36 688	1 506
C	Personel costs	21 842	870	12 267	504
C. 1.	Labour costs	16 115	642	8 925	366
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	4 740	189	2 772	114
C. 4.	Social costs	987	39	570	23
D	Taxes and charges	339	14	79	3
E	Depreciation	10 722	427	5 049	207
III.	Revenues from sales of own property	10 121	403	70	3
F	Value of small property	6 913	275	35	1
VI.-VII.	Other operation revenues	1 445	58	3 112	128
I – J	Other operation costs	3 247	129	1 119	46
	Operating profit	43 904	1 749	21 321	875
XIV.	Financial revenues	4 525	180	5 293	217
Q	Financial costs	9 187	366	10 981	451
	Interests thereof	6 814	271	6 433	264
	Consolidated profit from financial operations	-4 662	-186	-5 691	-234
	Income tax for common activity	16 486	657	3 800	156
	Income tax for common activity due	16 486	657	3 800	156
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	22 756	907	11 830	486
XVI.	Extra incomes	36	1	0	0
S	Extra costs	1	0	0	0
XVII.	Passive consolidation difference clearance	264	11	51	2
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	299	12	51	2
	Consol. profit for acc. period without equivalent ratio	23 055	918	11 881	488
	Share in equivalency	-902	-36	-174	-7
	EBT	38 639	1 539	15 507	637
	EBIT	45 453	1 810	21 940	886
	EBITDA	56 175	2 237	26 989	1 090
	NET PROFIT/LOSS	22 153	883	11 707	481

Balance Sheet for the of 1 January 2012 to 30 September 2012 with comparative results

		1.1.2012 – 30.9.2012		1.1.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
	TOTAL ASSETS	698 407	28 088	549 358	22 187
A	Receivables - subscribed capital	0	0	0	0
B	Fixed assets	267 355	10 752	232 149	9 376
B I.	Long-term intangible asset	842	34	105	4
B II.	Long-term tangible asset	264 588	10 641	229 649	9 275
	1. Land	3 554	143	1 536	62
	2. Buildings	61 418	2 470	34 205	1 381
	3. Individual tangible assets (chattels)	40 929	1 646	37 028	1 495
	5.	4 555	183	1 798	73
	7. Uncompleted long-term property	151 827	6 106	152 576	6 162
	9. Difference in valuation of purchased property	2 305	93	2 506	101
B III.	Financial investment	5 893	237	5 630	227
B IV.	Consolidation differences positive/ negative	-3 274	-132	-2 505	-101
B V.	Shares from equity method	-694	-28	-730	-29
C	Current assets	428 301	17 225	315 959	12 761
C I.	Inventories	70 023	2 816	77 417	3 127
C II.	Long-term receivables	0	0	0	0
C III.	Short-term receivables	323 219	12 999	213 008	8 603
C IV.	Current liquid funds	35 059	1 410	25 534	1 031
	1. Cash and cash equivalents	16 111	648	9 679	391
	2. Bank accounts	17 250	694	15 855	640
	3. Purchased short-term investment	1 698	68	0	0
D	Accrual and deferral of assets	2 751	111	1 250	50
		1.1.2012 – 30.9.2012		1.1.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
	EQUITY AND LIABILITIES	698 407	28 088	549 358	22 187
A	Equity	121 703	4 895	107 986	4 361
A I.	Registered share capital	15 209	612	17 209	695
A II.	Reserved capital	36 750	1 478	36 762	1 485
A III.	Retained earning	2 982	120	37 683	1 522
A IV.	net profit of previous period	44 609	1 794	4 393	177
A V.	net profit without minorities	22 153	891	11 707	473
1.	Net profit of common period	23 055	927	11 881	480
2.	Share of profit in equivalency	-902	-36	-174	-7
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	0	0	232	9
B	LIABILITIES	572 844	23 038	440 443	17 788
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	35 031	1 409	4 577	185
B III.	Short-term liabilities	329 699	13 139	204 199	8 247
B IV.	Bank loans	211 114	8 490	231 667	9 357
	1. Long-term loans	194 666	7 829	159 636	6 447
	2. Short-term loans	14 657	589	26 601	1 074
	3. Short term borrowings	1 791	72	45 430	1 835
C	Accrual and deferral of liabilities	682	27	929	38
D	Minority equity	3 178	128	0	0

D I.	Minority capital stock	881	35	0	0
D II.	Minority capital funds	687	28	0	0
D III.	Minority profit funds incl. previous period	1 610	65	0	0
D IV.	Minority P/L of common period	0	0	0	0

11 Detailed consolidated financial results for the period 1 July 2012 to 30 September 2012

The tables below provide the **consolidated** and **unaudited** financial statements of BGS Energy Plus a.s. in accordance with **Czech Accounting Standards** for the period 1 July 2012 to 30 September 2012 and the corresponding period in 2011.

		1.7.2012 – 30.9.2012		1.7.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
I.	Revenues from sales of third party goods	57	2	0	0
A	Cost of goods sold on third party goods	0	0	0	0
+	Trading margin	57	2	0	0
II.	Turnover from products, services and materials	290 009	11 606	195 396	8 021
B	Cost of products, services and materials	253 691	10 153	190 312	7 812
	Gross margin	36 375	1 456	5 084	209
C	Personel costs	7 558	302	3 688	151
C. 1.	Labour costs	5 601	224	2 778	114
C. 2.	Board members compensations	0	0	0	0
C. 3.	Social security and health insurance costs	1 626	65	790	32
C. 4.	Social costs	331	13	120	5
D	Taxes and charges	84	3	-27	-1
E	Depreciation	3 710	148	1 689	69
III.	Revenues from sales of own property	1 109	44	70	3
F	Value of small property	1 137	46	35	1
VI.-VII.	Other operation revenues	199	8	3 032	124
I – J	Other operation costs	1 036	41	547	22
	Operating profit	24 158	967	2 254	93
XIV.	Financial revenues	3 359	134	2 290	94
Q	Financial costs	4 018	161	4 635	190
	Interests thereof	3 669	147	2 956	121
	Consolidated profit from financial operations	-659	-26	-2 348	-96
	Income tax for common activity	13 336	534	300	12
	Income tax for common activity due	13 336	534	300	12
R	Deferred tax for common activity	0	0	0	0
	Consolidated profit for common activity	10 163	407	-394	-16
XVI.	Extra incomes	34	1	0	0
S	Extra costs	0	0	0	0
XVII.	Passive consolidation difference clearance	0	0	297	12
	Active consolidation difference clearance	0	0	0	0
	Deferred income tax	0	0	0	0
	Extraordinary consolidated profit	34	1	297	12
	Consol. profit for acc. period without equivalent ratio	10 197	408	-97	-4
	Share in equivalency	0	0	1 018	42
	EBT	23 533	942	1 221	50
	EBIT	27 202	1 089	4 177	171
	EBITDA	30 912	1 237	5 866	241
	NET PROFIT/LOSS	10 197	408	921	38

Balance Sheet for the period 1 July 2012 to 30 September 2012 with comparative results

		1.7.2012 – 30.9.2012		1.7.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
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	3. Individual tangible assets (chattels)	40 929	1 646	37 028	1 495
	5.	4 555	183	1 798	73
	7. Uncompleted long-term property	151 827	6 106	152 576	6 162
	9. Difference in valuation of purchased property	2 305	93	2 506	101
B III.	Financial investment	5 893	237	5 630	227
B IV.	Consolidation differences positive/ negative	-3 274	-132	-2 505	-101
B V.	Shares from equity method	-694	-28	-730	-29
C	Current assets	428 301	17 225	315 959	12 761
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C II.	Long-term receivables	0	0	0	0
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	1. Cash and cash equivalents	16 111	648	9 679	391
	2. Bank accounts	17 250	694	15 855	640
	3. Purchased short-term investment	1 698	68	0	0
D	Accrual and deferral of assets	2 751	111	1 250	50
		1.7.2012 – 30.9.2012		1.7.2011 – 30.9.2011	
		CZK	EUR	CZK	EUR
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A II.	Reserved capital	36 750	1 478	36 762	1 485
A III.	Retained earning	2 982	120	37 683	1 522
A IV.	net profit of previous period	56 565	2 275	15 179	613
A V.	net profit without minorities	10 197	410	921	37
1.	Net profit of common period	10 197	410	-97	-4
2.	Share of profit in equivalency	0	0	1 018	41
A VI.	Passive consolidation difference	0	0	0	0
A VII.	Consolidation reserve fund	0	0	232	9
B	LIABILITIES	572 844	23 038	440 443	17 788
B I.	Reserves	0	0	0	0
B II.	Long-term liabilities excluding bank loans	35 031	1 409	4 577	185
B III.	Short-term liabilities	329 699	13 139	204 199	8 247
B IV.	Bank loans	211 114	8 490	231 667	9 357
	1. Long-term loans	194 666	7 829	159 636	6 447
	2. Short-term loans	14 657	589	26 601	1 074
	3. Short term borrowings	1 791	72	45 430	1 835
C	Accrual and deferral of liabilities	682	27	929	38
D	Minority equity	3 178	128	0	0

D I.	Minority capital stock	881	35	0	0
D II.	Minority capital funds	687	28	0	0
D III.	Minority profit funds incl. previous period	1 610	65	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 fulfill all its obligations stipulated in such contracts, it may not avoid that some contracts are cancelled, which may have a material negative impact on its operations.

Competitive situation:

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

Uninsured losses:

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

Dependence on key personnel:

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

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

Environmental risk

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

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

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

Financial risks

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

Political, economical and other uncertainties

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

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

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

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

13 Exchange rates

The following exchange rates were applied:

from	to	for Balance Sheet statement calculations	for Income Statement calculations
01.01.2011	30.9.2011	24,76	24,36
01.07.2011	30.9.2011	24,76	24,35
01.01.2012	30.9.2012	24,865	25,102
01.07.2012	30.9.2012	24,865	24,987

Source: Czech National Bank

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

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

14 Management Board declaration

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

Prague, November 14, 2012

15 Investors Relations contact

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