

**Report of E-STAR Alternative Energy  
Service Public Limited Company “under  
bankruptcy” for the first six months of  
2013**

**31 August 2013**

In the following, E-Star Alternative Energy Plc. “under bankruptcy” (hereinafter: “Company” or “Issuer”) presents its financial results for the period 1 January 2013 to 30 June 2013.

The report presents the Company’s operation for the above period based on the consolidated, **non-audited financial** data of the Company and its consolidated subsidiaries, as available on 31 August 2013.

Budapest-based E-Star Alternative Energy Plc. heads a group of enterprises operating in Hungary, Poland and Romania, the member companies of which are primarily engaged in heat generation and supply and, as a secondary line of business, in the supply of electrical energy, as well as the trading of energy within specific, clearly demarcated geographical territories of the aforementioned three countries. Besides this, certain companies of the Group are also engaged in projects for the modernisation and operation of public lighting systems in Hungary.

The financial statements relating to 2012 are still under review.

### **Presentation of the key factors impacting the operation and the business of the Company**

In the second quarter of 2013 and in the preceding period the following business and other significant events with a material impact on the Company’s results and future prospects took place:

In the first half of 2013, the business management of the E-Star Group (hereinafter: E-Star) was fundamentally affected by the parent company’s bankruptcy. Even though E-Star conducts its business in three countries and its revenues (as well as its profits) typically come from these countries, the Company’s bankruptcy, naturally, also had an impact on its international relations.

Owing to the previous company structure, the place where cash is generated is geographically different from the place where E-Star’s debts have accumulated. The problems arising from cash flow were remedied to a large extent owing to a loan of PLN 36 million which was drawn down in Poland in Q3 of 2012 as well as the sale within the group of the intercompany loan provided to EC Gorlice.

Owing to recent project closings in Romania, the cash siphoning effect of the Romanian operations on the headquarters was eliminated and, in addition, the individual agreements which were concluded with non-paying municipal customers and governments resulted in immediate cash revenue, and E-Star no longer had to finance the gas costs of the heating season without realising any revenues to cover them. E-Star reports a continuously improving payment discipline; among its customers, the municipalities that had previously amassed large amounts of debt over a long period of time are steadily cutting their debt portfolio while also continuously paying their current bills.

On 7 December 2012 the Company – pursuant to the resolution no. 16/2012. (11.02.) of the Company’s General Meeting - filed for bankruptcy with the Metropolitan Court of Budapest in accordance with Article 7 (1) of the Bankruptcy Act as it was unable to satisfy its payment obligations by the deadline vis-à-vis its creditors.

The purpose of the bankruptcy, as was indicated earlier, was to permit the Company to enter into a bankruptcy agreement with its creditors with as much support as possible.

The bankruptcy was initiated owing to the following justifiable reasons:

- GREP Zrt requested liquidation proceedings against the Company.

E-Star contests GREP Zrt.'s claim which was registered as a contested claim in the context of the bankruptcy proceeding; however, it would have been unable to enforce its claim in the context of the liquidation proceeding. Currently the parties are in litigation.

- From the E-STAR 2012/A expired bonds the Company was unable to buy back bonds in a face value of approx. HUF 200 million and so the bond holders had the right to exercise their claim against the Company which would have ended in liquidation very shortly.
- Raiffeisen Bank Zrt. terminated its loans vis-à-vis the Company with immediate effect. The Company did not have at its disposal the finances to satisfy the Bank's claims immediately.

Owing to the negotiations with Raiffeisen Bank, E-Star was able to purchase the existing loans at a significantly discounted price of approx. EUR 1.6 million most of which was a single secured claim against the Company. We believe it was a milestone in the successful closing of the bankruptcy.

E-Star bought back approx. 35% of the bonds, in a total face value of HUF 10 billion, which it issued in Q4 2012. However, bond claims of a total face value of HUF 6.1 billion were registered in the bankruptcy of which claims of a face value of only HUF 200 million were overdue at the time. Yet, pursuant to the Bankruptcy Act, claims that were to expire later (2014-2016) also had to be included in the Company's bankruptcy proceedings. 97% of the bond claims registered in the bankruptcy were not yet overdue, claims which the Company was to satisfy in the future.

The Company did not have to repay its considerable debt portfolio which was still left over after the debt consolidation completed in 2012, and it did not have to pay interest on its debt owing to the payment moratorium.

In the second half of 2012, E-Star's Hungarian projects were sorted on the basis of liquidity. E-Star terminated several contracts with its non-paying customers in addition to the individual agreements in respect of large projects. The contract terminations were generally followed by successful negotiations; the previous customer debt was reduced considerably and, as a result, E-Star resumed the service in several consumption points. Consequently, the liquidity of the remaining Hungarian portfolio improved considerably.

The Romanian operation was profitable after the termination of the projects in Marosvásárhely and Zilah. The ratio of non-payment is healthy; nevertheless, E-Star focuses on collecting its claims from non-paying customers.

The Polish operation is tackling the uncertainty of the certificate system and the continuously falling price of electricity. Owing to the uncertainty of regulation, E-Star shut down its 8.4 MWe gas engines in Q1 and it is already quite clear that the EBITDA generated by the Polish operation will only amount to less than half of the 2012 figures.

The Metropolitan Court of Budapest ordered, in its ruling no. 9.Cspk.01-12-000049/7, the publication of the start of the Company's bankruptcy proceeding in the Official Journal of the Companies Register. Pursuant to the ruling, the starting day of the bankruptcy proceeding was the date on which the ruling appeared in the Official Journal of the Companies Register, that is, 13 December 2012.

The Metropolitan Court of Budapest designated HATÁRKŐ'93 Gazdasági Tanácsadó és Felszámoló Kft. (1135 Budapest, Csata u. 11. mfszt. 7.) as the Company's trustee in bankruptcy ("Trustee in Bankruptcy").

In the first half of 2013, the Company held four bankruptcy negotiations.

The Company and the Creditors had their first bankruptcy negotiations on 4 February 2013. All of the Creditors confirmed in the secured category and 91% of the Creditors confirmed in the non-secured category attended the bankruptcy negotiation, therefore the bankruptcy negotiation had a quorum. For the bankruptcy negotiation, the Debtor prepared its proposed agreement for a 15 year period concerning financial indemnity which, however, was not accepted by the majority of the Creditors who asked the Company's management to revise the offer. Furthermore, the Creditors refused to extend the payment moratorium. The Company agreed to have another bankruptcy agreement negotiation and promised to revise its reorganisation program and agreement offer by that time.

The majority of the Creditor proposals submitted to the Company prior to and during the first bankruptcy negotiation (including the claims of the largest bond holders) was in favour of acquiring a share in the Company's business entity in return for their claim and proposed a loan/claim capital conversion, and at the negotiation the conversion of the Creditors' claims into 50 million shares was proposed by the Creditors.

The (modified) reorganisation program II and the notional agreement proposed by the Company on the second bankruptcy negotiation held on 6 March 2013 was rejected by the Debtor's Creditor's even though they agreed with it by and large. At the same time, the Company's Creditors agreed to extend the payment moratorium to 240 (two hundred forty) days. The ruling on the extension of the payment moratorium was published by the Metropolitan Court of Budapest in the Official Journal of the Companies Register under no. 9.Cspk.01-12-000049/31. on 26 March 2013. Pursuant to the ruling, the extended payment moratorium will expire at 12 a.m. on 9 August 2013.

On 10 March 2013, the Company submitted another proposal outlining the main aspects of the reorganisation program and the bankruptcy agreement for the purpose of obtaining the notional consent of the majority of the Creditors at the third bankruptcy negotiation to be held on 22 March 2013 with respect to implementing the credit/capital conversion and preparing it in detail.

The Notional Agreement Proposal submitted at the Company's third bankruptcy negotiation held on 22 March 2013 was accepted by the Debtor's Creditors who asked the Debtor to prepare the bankruptcy agreement in detail.

Afterwards the Company prepared and submitted to the Creditors the modified reorganisation program and notional agreement proposal which was supported by the overwhelming majority of the creditors on 26 April 2013, and subsequently the bankruptcy agreement was concluded between the Company and its creditors.

Pursuant to the bankruptcy agreement, the creditors - after their interest, the registration fee and the minimal capital requirement is forgiven - will receive, in return for their existing claims against the Company, a stake in the Company, that is, no more than 50 million E-Star ordinary shares issued by the Company, in accordance with the conversion mechanisms specified in the bankruptcy agreement.

The court of first instance rejected the Company's request to approve the agreement in its ruling dated 8 July 2013 and published in an announcement on 11 July 2013 and terminated the bankruptcy proceeding. The ruling is not legally binding.

Following a long process, E-Star Polska sold its 73 stake in Elektrociepłownia Gorlice Spółka z o. o. The amount of the transaction was PLN 7.4 million which was finally paid by the buyer to E-Star Polska with a close to one month delay, on 14 June.

## Financial results

### Methodology

Since the second quarter of 2011 the Company has published its financial results in euro.

For the purpose of calculating the financial results of Q2 of 2013 the Company used the following cross-currency rates:

- HUF/EUR: 296.16
- PLN/EUR: 4.18
- RON/EUR: 4.33

The consolidated financial statement for 2013 H1 of the E-Star Group - in light of the current status of the bankruptcy proceeding - presupposes that the principle of going concern is satisfied. With regard to the fact that, in the Company's view, the explanation of the rejection by the Metropolitan Court of Budapest of the request for a bankruptcy agreement is contrary to statutory regulations and past court practices, the Company lodged an appeal against the ruling of the Metropolitan Court of Budapest to the Metropolitan Tribunal in which it request that the ruling in the first instance be overturned, the bankruptcy agreement be approved and the bankruptcy proceeding be terminated. The Company hopes that the appeal will be received favourably and therefore it can carry on its operations, but at the same time it wishes to remind its investors that if the appeals lodged by the Company (and the creditors who are in support of the bankruptcy agreement) are rejected by the Metropolitan Tribunal and the ruling of first instance is accepted as legally binding, the Tribunal will rule in a legally binding ruling that the Company be liquidated, in which case (which is not likely) the status of going concern can no longer be maintained.

In addition to the appeals regarding the approval of the bankruptcy agreement, two creditors (one of them is the same that contested the resolutions of the Company's General Meeting of 26 April 2013), in agreement with the ruling of the Metropolitan Tribunal of Budapest, lodged an appeal, citing additional reasons for the rejection, which the Company responded to by the available deadline.

The basis period (2012 H1 / non-audited) of the statement regarding 2013 H1 departs from the figures that were published for the period concerned at that time. The departure resulted from the adjustment of the deviations that were discovered in the course of the ongoing annual audit. We will make similar corrections in the course of the other quarterly reports of the year concerned with respect to their basis periods, both in the balance sheet and the profit and loss account.

E-Star will apply and review the IFRS IFRIC 12 standard in respect of the project when the annual financial statements are prepared. These numbers constitute the starting point of the interim - quarterly - reports. In this case, we took into account the IFRIC 12 figures for 2012 which were calculated proportionately in respect of H1 of 2013. No new information or data came to light since the calculation which was prepared in March 2013.

The annual audit applies also to deferred taxes.

In terms of profitability, it was the Hungarian companies that had a considerable negative impact on profit; this year they generated EBITDA in an amount of approx. HUF 130 million. In the course of the bankruptcy proceeding, the Company continuously satisfies its payment obligations, which is also supported by the fact that the creditors' claims registered at the start of the bankruptcy proceeding remained practically unchanged. E-Star's only remaining banking financier in Hungary, FHB Bank, with reference to the loan contract, uses the revenues from the project its finances for the prepayment of the existing loan at its own discretion. E-Star ESCO Kft.'s loan, which stood at approx. HUF 80 million at the beginning of the year, fell to approx. 10 million by the end of August.

In July 2013, E-Star ESCO Kft. satisfied in advance its payment obligation vis-à-vis NAV due in 6 monthly instalments. Based on the business plan, it will continue to be able to satisfy its payment obligations in the first eight months of the 2013 business year.

E-Star Management Kft.'s debt of HUF 150 million vis-à-vis NAV was also paid.

The figures of E-Star Alternative Company "under bankruptcy", which dominates the Hungarian figures, did not include the interest and default interest in respect of the bonds and its account payable owing to the existing payment moratorium.

## Income Statement

Consolidated comprehensive income statement	01.01.2013-30.06.2013	01.01.2012-30.06.2012*
Sales revenue	16 123 820	32 536 130
Direct costs	-4 404 383	-11 542 626
<b>Gross profit/loss</b>	<b>11 719 437</b>	<b>20 993 504</b>
Material costs	-5 254 571	-7 856 756
Personnel expenses	-1 983 457	-4 149 407
Services used	-1 400 401	-4 224 028
Other revenues and expenditures (-)	-112 247	610 213
<b>Operating costs</b>	<b>-8 750 676</b>	<b>-15 619 978</b>
Depreciation	-1 317 629	-2 167 536
Other expenses of (-) / revenues from financial transactions	370 662	-5 850 274
<b>Profit before tax</b>	<b>2 021 794</b>	<b>-2 644 284</b>
Income tax	-335 109	-387 133
<b>Operating profit/loss</b>	<b>1 686 685</b>	<b>-3 031 417</b>
<b>Activities that are to be phased out</b>		
Profit/loss from terminated activities in the year concerned	0	0

<b>Profit/loss in the year concerned from activities that are to be continued</b>	<b>1 686 685</b>	<b>-3 031 417</b>
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Share from the profit/loss of the parent company's shareholders	1 468 820	-2 581 100
Share from the profit/loss of external owners	217 865	450 317

Other comprehensive revenues		
Exchange rate differential incurred with respect to the FX conversion of activities abroad	-614 855	511 103

Total other periodic comprehensive revenues	-614 855	511 103
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<b>Total periodic comprehensive revenues</b>	<b>1 071 830</b>	<b>-2 520 314</b>
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Share of the parent company's shareholders	814 348	-2 078 043
Non-controlling interests	257 482	373 317

## Notes to the Income Statement

In the first half of 2013 revenues fell drastically compared to the same period in the previous year, mostly owing to the loss of revenue generation by Hungarian affiliates that terminated their activities or were sold. Owing to the processes described above, the distribution across countries of where revenues are generated changed.

Sales revenues in 2012 H1 were the following:

- Poland: 78%
- Hungary: 14%
- Romania: 8%

These ratios indicate a significant change even compared to Q1.

The significant decrease in operating costs appears under Services used and Personnel expenses. It is also the result of conscious and efficient cost cutting measures in addition to the streamlining of the organisation. The cancellation of new investments also contributed to it through the cancellation of one-off expenses.

The positive value of financial transactions, calculated at absolute value, as well as their positive value compared to the basis period was also of material importance.

## Balances Sheet:

Consolidated balance sheet - Assets	30.06.2013	31.12.2012
Fixed assets	17 583 172	23 018 222
Intangible assets	5 883 431	7 184 243
Investments in other companies	11 481	16 937
Financial assets	5 159 282	5 159 282
Goodwill	60 541	62 219
Other long term receivables	24 986	32 982
Deferred tax assets	3 716 565	3 608 559
<b>Total fixed assets</b>	<b>32 439 458</b>	<b>39 082 444</b>
Inventories	1 272 804	3 378 860
Trade receivables	5 441 008	7 937 904
Other short-term receivables	3 171 540	6 661 381
Asset-side accruals	2 553 606	628 899
Securities	260 905	47 717
Cash and cash equivalents	4 243 135	3 856 270
<b>Total current assets</b>	<b>16 942 998</b>	<b>22 511 031</b>
<b>Total assets</b>	<b>49 382 456</b>	<b>61 593 475</b>

Consolidated balance sheet - Capital, liabilities and shareholders' equity	31.06.2013	31.12.2012
Subscribed capital	94 937	94 937
Reserves	9 516 264	9 146 866
Profit reserve	-16 031 375	-15 661 977
<b>Capital per the company's shareholders</b>	<b>-4 951 352</b>	<b>-6 420 174</b>
Non-controlling shares	3 370 834	3 174 267
<b>Total capital and reserves</b>	<b>-1 580 518</b>	<b>-3 245 907</b>
Loans and other long term liabilities	9 116 549	10 456 849
Provisions	957 179	1 061 477
Deferred tax liabilities	166 278	171 191
Deferred revenues	2 918 757	3 249 165
Other long term liabilities	1 589 306	1 126 723
<b>Total long-term liabilities:</b>	<b>14 748 069</b>	<b>16 065 405</b>
Trade liabilities	4 236 894	7 193 111
Loans	21 579 358	27 845 841
Provisions (short-term)	450 664	1 611 187
Liability-side accruals	3 126 008	4 076 460
Other short-term liabilities	6 821 980	8 047 378
<b>Total short-term liabilities</b>	<b>36 214 904</b>	<b>48 773 977</b>
<b>Total liabilities</b>	<b>50 962 973</b>	<b>64 839 382</b>
<b>Total capital, liabilities and shareholders' equity</b>	<b>49 382 456</b>	<b>61 593 475</b>

**Compared to the balance sheet of the previous quarter (Q4 2012):**

In the first six months, the Company's consolidated balance sheet total and balance sheet structure changed owing to a few significant events and processes which are the following:

- Significant reduction in the volume of tangible assets.
- Increased efficiency of stock management.
- In the course of the six months period, the Company's short-term loan portfolio fell by EUR 5 million.
- The constant increase in the cash portfolio was due mostly to the production of the Polish companies.

## Company information

Company name:	E-STAR Alternative Energy Service Public Limited
Company "under bankruptcy"	
Abbreviated company name:	E-STAR Alternatív Nyrt.
The company's name in English:	E-STAR Alternative Energy Service Plc.
The company's abbreviated name in English:	E-STAR Alternative Plc.
Registered office:	1134 Budapest, Klapka utca 11.
Branch:	8413 Eplény, Veszprémi u. 66. A. ép.
Tax number:	13719069-2-43
Member state in which head office is located:	Hungary
Telephone number:	06-1- 279-3550
Fax:	06-1- 279-3551
Governing law:	Hungarian
Listing on the stock exchange:	Budapest Stock Exchange Warsaw Stock Exchange

The company operates as a public company limited by shares.

## The Company's legal predecessors and changes in its company form

The Company was established as a limited liability company, then was converted into a private company limited by shares and finally into a public company limited by shares as follows:

### *Regional Development Limited Liability Company*

Date of establishment:	17.05.2000
Date of registration:	29.06.2000
Date of termination:	12.06.2006

### *Regional Development Private Company Limited by Shares*

Date of registration:	12.06.2006
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### *RFV Regional Development, Investment, Production and Service Public Company Limited by Shares*

Date of change:	12.03.2007
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The company's stocks were listed on the Budapest Stock Exchange on 29 May 2007.

### *E-STAR Alternative Energy Service Public Limited Company*

Date of change:	17.02.2011
Date of registration:	04.03.2011

## The Company's capital

The Company's current capital is HUF 26,400,000, that is, twenty six million four hundred thousand forint, consisting exclusively of cash.

## The Company's shares

The Company's share capital consists of 2,640,000 registered, dematerialised ordinary shares in a nominal value of HUF 10 each which has been listed on a regulated market.

## **Length of the Company's operation**

The Company was founded for an indefinite term.

## **The Company's history and core activity**

The Company's legal predecessor was established on 29 June 2000 with the aim of implementing, for its clients – primarily energy-related – investments, the costs of which are recouped from the savings they generate, and by operating these projects in the long term, efficiently supplying energy to its clients.

Initially, the Company implemented successful heat supply, public lighting and kitchen technology investments in Hungary, mostly in the municipal sphere. Owing to the changing economic and social expectations in our region, the demand for the solutions offered by our Company kept increasing, which permitted the Company, which was gaining strength and acquiring references in Hungary, to expand regionally as well.

Because municipalities in our region are rather underfinanced and the heating technology of public institutions is outmoded, significant savings can be realised, and therefore, starting from the 2010 business year, the Company/company group began to focus increasingly on the neighbouring countries, primarily Romania and Poland.

In the period since then, the Company has grown into an enterprise and a corporate group that plays an increasingly important role in implementing energy-saving projects in the Central-Eastern European region – based on the use of renewable energy, but at the same time it started to encounter increasing liquidity problems.

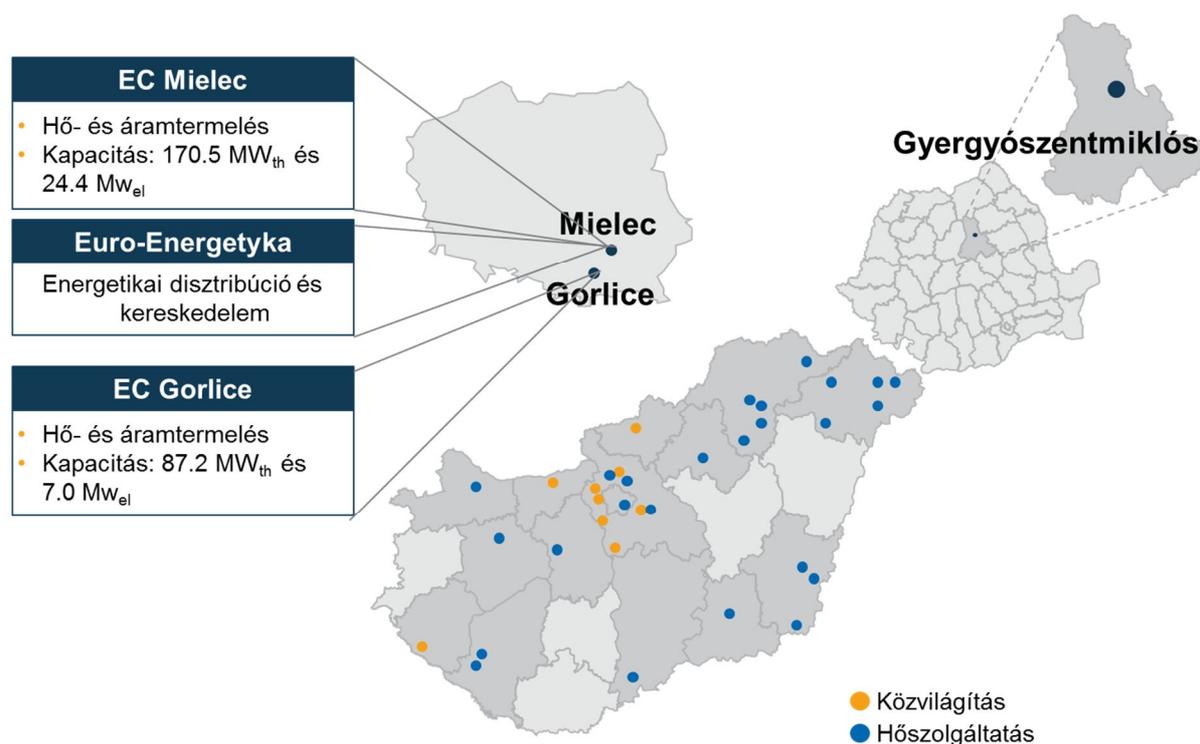
At present the Company is the only stock exchange-listed ESCO (an Energy Service Company that implements energy savings) in Hungary. The Company developed individual solutions for each of its projects, independent of any technology or service provider. It implemented projects as a main contractor while securing the appropriate financing.

Today the business activities of the Company focus on the same goals as when it was founded, but the technologies used are continuously adjusted to worldwide leading technologies.

When preparing projects, E-STAR Alternatív Nyrt. first examines the possibilities of streamlining its customers' energy consumption points, then realises investments that help achieve considerable savings. An added business value of the projects is that, after the investments are completed, E-STAR Alternatív Nyrt. provides innovative energy services, as well as operates and maintains the energy systems of its partners over the long run.

At the same time the Company operates as the holding centre of an energy group that is active in three Central European countries.

The following figure illustrates, as of the beginning of 2013, the geographical distribution of the activities of the entire E-STAR company group:



The Group's most important services (lines of business) are:

- efficient heating and district heating supply based on sustainable primary energy sources
- provision of energy-efficient public lighting services based on modern voltage regulations
- modernisation and exploitation of the efficiency of energy supply and transformation equipment

Owing to the acquisition of the EETEK group, the following primary business activities were added to the Company's business activities:

- energy generation, commerce and distribution in Poland.

#### Ownership structure:

E-STAR Alternatív Nyrt. is a public company limited by shares which is listed on the Budapest and Warsaw Stock Exchanges. The Company issued 2,640,000 ordinary shares of a nominal value of HUF 10 each. Owing to the constant trading on the stock exchanges, the ownership structure changes from day to day. Pursuant to the provisions of the Capital Markets Act, any shareholder in possession of an ownership ratio of more than 5% must report it to the Company and the HFSA which will publish it via the official communications channels. Pursuant to the provisions of the act, reporting is also obligatory in excess of specific ownership ratios.

### The Company's auditor:

The designated auditor of the Company is responsible for completing the audit specified in the accounting act and primarily for determining if the company's financial statements are in line with the statutory regulations and if they provide an accurate picture of the Company's asset and financial position and the profit/loss of its operation.

The Company's auditor:

Name: Deloitte Könyvvizsgáló és Tanácsadó Kft.  
Registered office: 1068 Budapest, Dózsa György út 84/c.  
Co. reg. no.: 01-09-071057  
Chamber registration number: 000083

Person responsible for the audit:

Name: Tamás Horváth certified auditor  
Auditor licence number: 003449

### The Company's shares

The scope of consolidation of E-Star Alternative Plc. covers the following subsidiaries:

	Company name	Country	Share capital	Share in equity (%)	Voting right (%)
1	E-STAR Alternatív Nyrt.	Hungary	26 400 000 HUF	-	-
2	E-STAR ESCO Kft.	Hungary	3 000 000 HUF	100%	100%
3	E-STAR Geotherm Kft.	Hungary	3 000 000 HUF	100%	100%
4	E-STAR Management Zrt.	Hungary	5 000 000 HUF	100%	100%
5	E-STAR Táv hőfejlesztési Kft.	Hungary	1 000 000 HUF	100%	100%
6	Veszprém Megyei Fűtés- és Melegvíz-szolgáltató Non-Profit Kft.	Hungary	510 000 HUF	49%	50%
7	RFV Józsefváros Szolgáltató Kft.	Hungary	3 000 000 HUF	49%	70%
8	Fejér Megyei Energiaszolgáltató Nonprofit Kft.	Hungary	510 000 HUF	49%	51%
9	RFV Slovak s.r.o.	Slovakia	200 000 SKK	100%	100%
10	E-STAR Polska Spółka	Poland	31 965 600 PLN	100%	100%

	Z o. o.				
11	E-STAR Management Polska Spółka z o. o.	Poland	5 250 500 PLN	100%	100%
12	Euro-Energetyka Spółka Z o. o.	Poland	500 000 PLN	51%	51%
13	E-STAR Elektrociepłownia Gorlice Spółka z o. o.	Poland	19 842 500 PLN	73%	73%
14	E-STAR Elektrociepłownia Mielec Spółka z o. o.	Poland	9 994 000 PLN	85.37%	85.37%
15	EC-Energetyka Spółka Z o. o.	Poland	300 000 PLN	51.66%*	51.66%*
16	Termoenergy SRL	Romania	6 960 RON	99.50%	99.50%
17	E-STAR Centrul de Dezvoltare Regionala SRL	Romania	525 410 RON	100%	100%
18	E-STAR ZA Distrierm SRL under bankruptcy since November 2012, under liquidation since April 2013	Romania	40 000 RON	51%	51%
19	E-STAR Energy Generation SA	Romania	90 000 RON	99.99%	99.99%
20	E-STAR Mures Energy SA under bankruptcy since February 2013	Romania	90 000 RON	99.99%	99.99%
21	E-STAR Alternative Energy SA	Romania	90 000 RON	99.99%	99.99%
22	E-STAR Heat Energy SA Faapritek SA since January 2013	Romania	90 000 RON	99.99%	99.99%
23	E-STAR AR Energy SA ceased to exist in February 2013	Romania	90 000 RON	99.99%	99.99%

24	E-STAR CL Distriterm SRL The company was wound up in the year under review	Romania	200 RON	100%	100%
25	E-STAR OR District Heating SA ceased to exist in June 2013	Romania	90 000 RON	99.99%	99.99%
26	E-STAR Investment Management SRL under liquidation since January 2013	Romania	15 000 RON	99.93%	99.93%
27	EETEK Limited	Cyprus	1 000 000 EUR	100%	100%
28	E-STAR Venture Capital Fund Management Private Company Limited by Shares	Hungary	5 000 000 HUF	100%	100%
29	E-Star Reorganizáció-01 Kft.	Hungary	500 000 HUF	100%	100%
30	E-Star Transzfer-02 Kft.	Hungary	500 000 HUF	100%	100%
31	E-Star Debt-Equity-03 Kft.	Hungary	500 000 HUF	100%	100%
32	E-Star Capital-Share-04 Kft.	Hungary	500 000 HUF	100%	100%

\* Euro Energetyka is a 48.34% owner of EC Energetyka's shares and voting rights.

## **Issuer's declaration**

Issuer declares that the consolidated first half-year of 2013 financial statements were prepared on the basis of IFRS, and to the best of its knowledge present a true and fair picture of the Issuer and of the assets, liabilities and financial position of the companies included in the consolidation circle, as well as of profit and loss.

Budapest, 31 August 2013

Csaba Soós

Tamás Vágány  
Board of Directors  
E-Star Alternative Plc.

Norbert Szivek

Issuer declares that the consolidated management report presents a true and fair picture of the position, development and performance of the Issuer and of the companies included in the consolidation circle.

Budapest, 31 August 2013

Csaba Soós Tamás Vágány Norbert Szivek  
Board of Directors  
E-Star Alternative Plc.