Report

for the first half of 2011

of

E-Star Alternative Energy Plc.

(01-10-045428)

For the 1st half of 2011

Based on section 54 of the Act on Capital Markets (Tpt.)

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Executive Summary

E-Star is proud to announce its first half financial results for 2011. The Company has successfully closed its transaction for the acquisition of the EETEK business in Poland and in Hungary which is a milestone in the life of the company. The acquisition had been fully paid, hence it does not convey any financing risk anymore. Nonetheless, it has a significant impact on the H1 results both in terms of EBITDA and revenue.

The dynamic expansion of the company has continued and the company has managed to increase its EBITDA by 17 % to 3.4 M EUR while consolidated revenues amounted to 37.0 M EUR representing an increase of 280% compared to the same period in the previous year. EBITDA growth would have reached 43% if the 750 kEUR Raba project would have been consolidated and further growth could have been achieved in the first half of 2011 if the Romanian CAPEX program would not be delayed by one quarter. These two issues reduced EBITDA by 1.25 M EUR. **In terms of net profit the company expanded to 7.7 M EUR growing by 331% compared to the previous year. The equity to net long-term debt ratio has increased to 54% from 39% compared to the end of 2010.**

From a cash flow point of view, **the delayed consolidation of the full Rába project is not detrimental to E-Star** as the project loan repayment and interests related to the Rába assets are part of the assets held for sales entities of the EETEK business. Thus in the first half of 2011 EETEK Zrt. had paid 950 kEUR to debt service while the amount that E-star is not consolidating is less than this value, yielding a saving for the company.

The company's board decided to modify the reporting currency for E-Star starting from Q2-2011 to EUR from HUF. The H1 2011 report is the first showing all financial figures in EUR. Going forward the company will provide EUR data in all of its investor communication materials.

Since the company is undergoing a fundamental transition from becoming a smaller sized local company to a mid-sized regional player, in line with its five-year plan, it must be noted that the consolidation, transformation and post-merger activities of the Eetek assets had a substantial impact on the H1 financials and indicators of the company. Significant one-time accounting entries had modified the books both in negative and positive directions. According to the management of the company the net profit making capacity of the company is overestimating while the EBITDA and EBIT entries underestimate the real profit generating capacity of the company. The company's future profit making capacity can be better interpreted from the analysis of the operational processes. Therefore the current financials need to be compared to the previous year with significant amount of consideration.

The company is proceeding well with its restructuring activities and organizational development in both Poland and Hungary and final closing is expected in September 2011. As part of the restructuring, entities in EETEK Holding Zrt in Hungary and neighbouring countries that do not fit into

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the strategy and core activities of E-Star are held for sale and only revenue generating companies with growth and development potential are kept. These restructuring measures have an effect on the consolidation of the new entities as noted later on. One such impact is the consolidation of the Rába project. Eetek organized its business relationship with Rába in a way that the concession agreement was signed with Eetek Hungary Zrt and all of the major assets necessary for providing services to Rába and other clients on the same industrial park reside in the books of Eetek Hungary Zrt. Rába and Eetek Hungary Zrt also established a company (3.33% owned by Rába and 96.67% by Eetek Hungary Zrt) called RESZ Kft that leased equipment from Eetek Hungary Zrt to provide services to Rába, while Eetek Hungary Zrt sold the electricity generated during the heat production for Rába. While RESZ Kft is consolidated in the books of E-Star from January 1, 2011, the revenues generated by the Rába-related assets cannot be consolidated until these assets are moved out of Eetek Hungary Zrt as a result of the restructuring process.

Our H1 numbers for the Hungarian and Romanian businesses, including the recently acquired RESZ Kft in Győr, are fully in line with our forecasted numbers, while **the Polish entities exceeded our forecast. Due to the fact that completion of restructuring will occur only in September , the Rába project could not be fully consolidated for the first half of 2011 representing a loss of EBITDA in excess of 700 k EUR.** Another drag on first half financials was the one-quarter delay in our Romanian investment programs that reduced EBITDA by approximately 550 k EUR.

The company, in line with its five year strategy, has embarked on an accelerated organizational development across all the businesses as well as in the headquarter functions. While this is in the long-term interest of the company, it has resulted in administrative expenses exceeding our forecast by 70K k EUR for H1 or about 3%. It is noted that a number of personnel increased to 503 from 145 compared to EOY 2010.

In Romania several achievements had been accomplished. We have refurbished our model houses for new household clients in Zalau while institutional reconnections progressed well ahead of plan. In Q3, a substantial campaign will be launched for the households market in Zalau and Targu Mures to ensure that the new client acquisition targets will be met. As a result of the better than expected institutional reconnection rate, management is confident that the heat sales plan will be met in the Romanian projects. Another important aspect of our Romanian operations is that the payment morale of our client base has surpassed so far our expectation with overdues above 90 days remaining well below the 2 % mark.

In terms of general payment morale in Hungary regarding Municipalities, positive recent developments can be observed as several Municipalities have dramatically decreased their unpaid obligations towards us. In the beginning of H2, the company experienced increasing outstanding receivables from Municipalities, which was primarily the effect of the bankruptcy of EMFESZ, a major Hungarian gas supplier. Gas invoices were issued with significant delays to us by both EMFESZ and the new suppliers, which resulted in delayed billing to municipalities, which, in turn, resulted in very large invoices hitting municipalities in a short period of time. This resulted in increased receivables and overdues for many of our clients. By the end of August, all of our major customers reduced their overdues significantly with total receivables over due more than 90 days dropping below 100 M HUF.

As E-Star is becoming a regional player, it not only **diversifies its client base but also its countries of operation, therefore both client and country risk is more widely dispersed and thus, better mitigated. Currently only 20 % of the total turnover of the company is coming from Hungarian Municipalities.** The client base of the company has been extended to include major blue chips, small and mid-sized companies in Poland and in Hungary, and also some municipality-owned companies in Poland. Such a diversified client base suits the company's long term goal of managing operational risk.

A very important milestone of our Polish business will be the completion of the gas engine investment in Mielec. The construction has been accelerated and the 8,4 MWe facility will be operational in Q4, 3 months ahead of the schedule indicated earlier. The financing of this project has been fully secured with half of the investment covered by EU and Polish government funds while the remainder is financed by a Polish bank. The gas engines will contribute to future revenue and profit growth significantly, so this is a central part of our development plans for our Polish business**. The total CAPEX is 8 M Euros which is secured fully as described above.**

In terms of capital expenditures, our Romanian investment program is delayed by one calendar quarter due to changes in the program. These changes rationalized costs by 4 M EUR. The delay will also have a temporary negative effect on the efficiency of heat generation and distribution in Zalau and Targu Mures resulting in lower EBITDA in the second half than previously forecasted. The reduced capex after the completion will result same quality system as the earlier plans regarding both comfort and efficiency.

Forecast:

Our EBITDA forecast is 11.1 M EUR for 2011 which is 46 % higher than our EBITDA for the financial year of 2010. This forecasted EBITDA could be higher by 2 M Euros if the Raba project would have been consolidated for the full financial year and we would not have executed our Capex rationalization plan in Romania. In effect, roughly one-third of the Rába project EBITDA can be consolidated until the restructuring is completed which is expected to close by early September. Full consolidation of the Rába project will occur starting from that date. **The changes and the accounting treatment of the Rába project has a negative EBITDA impact of 1.5 M EUR.** From a cash flow point of view, the delayed consolidation of the full Rába project is not detrimental to E-Star as the project loan repayment and interests related to the Rába assets are part of the assets held for sales entities of the Eetek business. This represents a saving of 1.3 M EUR until the restructuring is completed and the remaining loan is consolidated to E-Star's balance sheet.

The rest of the reduction is attributed to the short term effect of the revised Romanian capex plan.

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Financing and Capital Structure

The company is prudently maintaining its long-term target of 30 % - 70% equity to net long-term debt financing with the financing part being diversified to mitigate risk and to bring its credit profile in line with its EBITDA capacity and capital expenditure program**. At the end of June, this ratio stood at 54% to 46%, far better than the target.** As the company becomes regional, so does its financing structure with an emphasis on diversifying its debt base and securing its capital structure. **If we do not consider by the close of quarter the cash element at disposal then the equity to long term debt becomes 41 % from previous years 35 %.**

EETEK acquisition financing

Our short term liabilities as of June 30, 2011 contain the unpaid portion of the purchase price of the EETEK transaction (17.9 M EUR). 15% of the purchase price was paid in June; the remaining portion was fully paid in July. The acquisition had been financed by the successful SPO (9.2 M EUR), accumulated cash of E-Star and from redirecting some of the proceeds from the Hungarian bond issues, originally designated for the Romanian investment program.

Successful closing of the Hungarian bond programme

E-Star successfully issued corporate bonds with a par value of 5.1 billion HUF (18.9 M EUR) since 2011 Q1 for institutional and retail investors. **The total amount of the approved bond programme was 10 billion HUF (37 M EUR) which was fully subscribed by the market even in these volatile market conditions.** Of the total amount, 3 billion HUF (11.1 M EUR) was issued during Q2. After the last tranches were organised in August, E-Star repurchased its own bonds in the amount of 1.5 billion HUF (5.6 M EUR). The company will sell these bonds on the secondary market as the financing need of our investment programs require.

Secondary Public Offering (SPO)

E-Star's capital structure has been strengthened by a successful SPO organised in June. The 10% share increase meant two-hundred-forty-thousand shares sold in a private placement **resulting in an equity increase of 9.2 M EUR.** The successful capital increase has further enhanced the capital structure of E-Star. This transaction meant a 10 % increase in the share capital of the company.

New loans under negotiation

The corporate bond programme was initiated as a dynamic answer to the tendency of uneasy and choppy credit markets in general and specifically in Hungary. Nonetheless, the company is in advanced stages of negotiations with major financing institution both Hungarian and Polish to fund the refinancing of the acquisition of EETEK. Our strategy is to refinance the Hungarian and Polish assets separately. Successful closing will mean 20 M EUR additional funds to E-Star, which may be spent on CAPEX needs and further international expansion and development**. The financing of the**

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Mielec Capex need was fully secured with half of the investment covered by EU and Polish government funds while the remainder is funded by a Polish Commercial bank.

Restructuring & Overhead costs

The restructuring of the EETEK business has two main aspects. One is the organizational changes, while the other is the integration of businesses that E-Star will keep long term, such as the Polish entities and RESZ Kft in Hungary. The integration resulted in higher administrative expenses during the first half, thus headquarter expenses were slightly above budget by 70 k EUR as mentioned earlier.

Another aspect of the restructuring is the sale of the businesses that do not fit into E-Star's long-term strategy. These businesses are shown on the H1 balance sheet as assets and liabilities held for sale and they are not consolidated in the H1 profit and loss statement, either. As one of the entities that is to be sold owns the majority of the Rába project related assets, a significant portion of revenues and profits could not be consolidated in our H1 financial statements (750K Euro) and are reported under assets and liabilities held for sale. As soon as the restructuring closes, the assets and related client contracts will be moved to a new entity that can be fully consolidated. This is expected to start from early September.

The restructuring will generate goodwill on the books from Q3, but as the restructuring has not closed yet, we did not include this goodwill on the balance sheet for the first half. According to our financial models, the accounting value of the goodwill will have to be impaired, for which we have already taken a reserve in the financial costs and revenues line of our P&L for the first half. As explained already in our Q1 financials, the result from financial activities shows a highly positive value due to the bad will that was generated from the EETEK transaction that was executed at a highly favourable price for E-Star. This bad will amount is offset by the goodwill impairment reserve and interest costs resulting in 6.9 M EUR profit from financing activities.

Budapest, 31.August 2011

Csaba Soós
Chairman of the Board of Directors
E-Star Alternative Plc.

Ákos Kassai
CEO
E-Star Alternative Plc.

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Basic information on the company

Company name: E-Star Alternative Energy Service Public Limited Company (E-Star or the Company)
Abbreviated company name: E-Star Alternative Plc.
Registered office: 1122 Budapest, Székács u. 29.
Tax number: 13719069-4-43
Start of business operations (by legal predecessor): 29 June 2000
Start of business operations by Company: 13 June 2006
Member state in which registered office is located: Hungary
Telephone number: +36 1 279 3550
Fax number: +36 1 279 3551
Governing law: Hungarian
Sectoral classification: Energy Services

Investor relations	Vilhelm Gábor e-mail: vilhelm.gabor@e-star.hu phone:+36-1-279-3550

Activity of the Company

The Company (and its legal predecessor) was established on 29 June 2000 with the objective of carrying out – primarily energy-related – investments on behalf of its prospective clients that provide a return through savings, supplying energy to its clients in an efficient manner through the long-term operation of these investments.
Since then, the Company has grown into an enterprise and corporate group that plays an increasingly defining role in implementing energy-saving projects in the Central-Eastern European region based on the use of renewable energy.
At present the Company is the only genuine stock exchange-listed ESCO (Energy Service Company, meaning a company that implements energy savings) in Hungary. The Company develops individual solutions for each of its projects, which are independent of any technology or service provider. It carries out the developed projects as a main contractor while securing the appropriate financing.
The Company's revenues are covered by the savings arising through implementation based on long-term contracts, as well as the fees for operation and maintenance of the completed project.
The Company's most important services (lines of business) are the following

- Efficient heating and district heating supply based on sustainable primary energy sources
- Provision of energy-efficient public lighting services based on modern voltage regulations
- Modernization and efficiency utilization of energy transforming and supplying equipment

The company has expanded in the following business areas as well as a result of the succesful EETEK acqusition:

- Energy trade and distribution services in Poland

Breakdown of the Company’s activities in the Central-Eastern European region

Breakdown of the Company’s activities in the Central-Eastern European region

Initially the Company implemented successful investments in heating supply, public lighting and catering technology in Hungary, predominantly in the municipality sphere.
Due to changing economic and social expectations in our region, demand for the solutions offered by the Company has increased substantially, enabling the Company to leverage its strengthening role and growing references in Hungary to expand into the wider region.
Given that municipalities in the region still tend to be underfunded and heating technology in public institutions are becoming progressively obsolete, there are significant savings to be made, and for this reason the Company/corporate group has increasingly turned its attention towards neighbouring countries, particulary Romania and Poland.

Companies belonging within the sphere of consolidation

The following companies belonged within E-Star’s sphere of consolidation on the last day of the reporting period:

Data of companies directly owned by E-Star:

Name	**HQ**	**Share capital**	**Ownership (%)**	**Voting right (%)**
E-Star Nyrt.	Magyarország	26 400 000 HUF		
RFV ESCO Kft	Magyarország	3 000 000 HUF	100%	100%
RFV Beruházó Kft.	Magyarország	3 000 000 HUF	100%	100%
RFV Geotherm Kft.	Magyarország	3 000 000 HUF	100%	100%
RFV Management Kft.	Magyarország	5 000 000 HUF	100%	100%

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RFV Távhőfejlesztési Kft.	Magyarország	1 000 000 HUF	100%	100%
Patakhő Non-profit-Kft.	Magyarország	500 000 HUF	48%	50%
RFV Józsefváros Kft.	Magyarország	3 000 000 HUF	49%	70%
RFV Slovak s.r.o.	Szlovákia	200 000 SK	100%	100%
Termoenergy Srl	Románia	6 960 RON	99%	99%
RFV CDR Srl	Románia	525 410 RON	100%	100%
RFV ZA Distriterm Srl	Románia	40 000 RON	51%	51%
RFV Energy Generation S.A.	Románia	90 000 RON	99,99%	99,99%
RFV Mures Energy S.A.	Románia	90 000 RON	99,99%	99,99%
RFV Alternetive Energy S.A.	Románia	90 000 RON	99,99%	99,99%
RFV Heat Energy S.A.	Románia	90 000 RON	99,99%	99,99%

EETEK LIMITED	Cyprus	1 000 000 EUR	100,00%	100,00%

Detailed data of RFV ESCO Kft's subsidiaries:

Name	**HQ**	**Share Capital (HUF)**	**Ownership (%)**	**Voting rights (%)**
Veszprém Non-profit Kft.	Magyarország	510 000	49%	50%

Deatiled data of RFV Beruházó Kft's subsidiaries:

Name	**HQ**	**Share Capital (HUF)**	**Ownership (%)**	**Voting rights (%)**
Fejér Megyei Nonprofit Kft.	Magyarország	510 000	49%	51%

Detailed data of RFV Alternative Energy S.A.'s subsidiaries:

Name	**HQ**	**Share Capital**	**Ownership (%)**	**Voting rights (%)**
RFV AR Energy SA	Románia	90 000 RON	99,99%	99,99%
RFV CL Distriterm SRL	Románia	90 000 RON	100%	100%
RFV OR District Heating SA	Románia	90 000 RON	99.99%	99.99%

E-Star Inv. Mgmt. Srl	Románia	15 000 RON	99.93%	99.93%

Detailed data of Companies owned by EETEK LIMITED:

Name	**HQ**	**Share Capital**	**Ownership (%)**	**Voting rights (%)**
Elektrociepłownia „Gorlice” spółka z ograniczoną odpowiedzialnością	Lengyelország	19 842 500 PLN	70,56%	70,56%
Elektrociepłownia Mielec spółka z ograniczoną odpowiedzialnością	Lengyelország	9 994 000 PLN	88%	88%
FondElec Polska spółka z ograniczoną odpowiedzialnością	Lengyelország	5 250 500 PLN	100,00%	100,00%

Various subsidiaries previously owned by EETEK Holding Zrt which have been partially consolidated by E-Star:

Name	**HQ**	**Share Capital (HUF)**	**Owneship (%)**	**Voting rights (%)**
Rába Energiaszolgáltató Korlátolt Felelősségű Társaság	Magyarország	3 000 000 HUF	96,67%	96,67%

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EPV Biogáz Energiatermelő Korlátolt Felelősségű Társaság	Magyarország	10 000 000 HUF	100%	100%

Data of Companies/subsidiaries owned by EC Mielec:

Name	**HQ**	**Share Capital**	**Ownership (%)**	**Voting rights(%)**
EC-Energetyka spółka z ograniczoną odpowiedzialnością	Lengyelország	300 000 PLN	51,66% *	51,66*
Euro-Energetyka spółka z ograniczoną odpowiedzialnością	Lengyelország	500 000 PLN	51%	51%

*Euro Energetyka owns EC Energetika's 48,34 % of ownership and voting rights

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FINANCIAL ANALYSIS:

Consolidated Profit and Loss Statement:

E-Star Alternative Plc	2011.06.30 ('000 Euros)	2010.06.30 ('000 Euros)
Net sales revenue	37 048	9 742
Net sales revenue	**37 048**	**9 742**
Cost of sales	**24 953**	**5 444**
Gross Margin	**12 095**	**4 298**
Material cost	465	171
Personnel cost	3 531	424
Service used	4 282	760
Other revenue and expenditures, net	434	65
Operation cost	**8 712**	**1 421**
Earnings before financial transactions, depreciation and taxation (EBITDA)	**3 383**	**2 877**
Depreciation	1 442	460
EBIT	**1 941**	**2 417**
Net profit/loss from financial activities	6 981	-168
Income before tax	**8 923**	**2 249**
Share due to external owner	- 347	-21
Tax expenditure	- 95	-451
Loss from discontinued operations	- 817	0
Net Income	**7 663**	**1 777**

**Note: for the convenience of the investors financials are shown in EUR currency. Profit and Loss figures are calculated by the average FX rate of 269.45 EUR/HUF as of June 30th 2011, while Balance Sheet figures are calculated by the spot FX rate of 266.11 EUR/HUF as of June 30th 2011*

In the first half of 2011, the Company has significantly increased its profit compared to first half of 2010. This is mainly due to the EETEK acquisition, which as of January 1 2011 became a part of the consolidated accounts. Compared to the result of the first half of 2010 net sales increased by 280%, gross margin increased by 181% and net income increased by 331%.

Due to E-Star's international expansion only 36% of net sales originate from Hungary. The Polish businesses generated 45% of the revenue (16.7 M EUR) in the first half of 2011. EBITDA proportion is

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distributed almost evenly between Hungarian (43%) and foreign (44%) activities, construction related income accounted to 13% of the EBITDA.

It must be noted that as construction activities decreased – mainly due to the revised Romanian CAPEX plan – the company achieved lower construction related sales and EBITDA than in the previous period and they accounted for only a small portion of the company's financials.

Taking into the impact of part of the Rába project not being consolidated for the first half of 2011 EBITDA growth would have been 43 %.

Depreciation has grown substantially partly due to the investment projects already realized in Romania and partly due to the impact of the EETEK acquisition. As it can be seen in the balance sheet further below, the property, plant and equipment more than doubled since December 31, 2010 and grew by 270% compared to June 30, 2010.

Operations costs increased six fold over the same period of last year. Three quarters of the increase came from the Eetek acquisition, the rest from the growth of the operations costs in the former E-Star entities. While the 134% increase for E-Star entities is significant, this is explained by the Romanian expansion of the company (which was negligible in the first half of 2010) and the organizational growth in the headquarter functions in preparation for the rapid growth of the company and the Eetek acquisition. The integration of Eetek also contributed to the operations growth.

The net profit/loss from financial activities line (7.0 M EUR) reflects mainly the bad will-goodwill effect of the EETEK transaction (the acquisition's goodwill impairment impact was 5,300k EUR) as described above, in addition to the interest payable on the debt of the company. The net impact of revaluations on treasury shares and other financial instruments represented a minor amount for the first of 2011 as Q2 revaluation losses reversed the Q1 gains.

The share due to external owner line has grown significantly compared to the previous year, which comes mostly from the minority share of the third parties held in our Polish businesses by local governments (Mielec and Gorlice municipalities) and the Polish Treasury (ARP).

The net financial performance of the Eetek Group segments which are meant to be sold by E-Star later on was summarized in the loss from discontinued operations line as they were not consolidated in the E-Star profit and loss statement. It can be noted that these segments generated losses (817 k EUR) in the first half of 2011 underlining the rationale for their planned disposal.

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Consolidated Balance Sheet:

E-Star Alternative Plc	2011.06.30 ('000 Euros)	2010.12.31 ('000 Euros)
Property, plant and equipment	60 977	27 680
Intangible assets	10 610	8 212
Investments in affiliated companies	0	2
Other share	11	0
Goodwill	141	75
Deferred tax assets	586	81
Total fixed assets	**72 326**	**36 051**
Assets held for sale	7613	0
Inventories	4 017	867
Trade debtors	11 762	15 002
Other receivables due within a year	6 366	281
Accruals	6 493	4 284
Securities	1 711	1 658
Cash and cash equivalents	20 837	4 724
Total current assets	**58 799**	**26 815**
Total assets	**131 125**	**62 866**
Subscribed capital	99	86
Capital reserves	13 120	3 943
Profit reserves	19 053	10 348
Other comprehensive income	-704	0
Other reserves	9	
Non-controlling stake	3 414	-20
Total equity	**34 992**	**14 358**
Financial liabilities	37 431	23 600
Provisions	1 164	62
Deferred tax liabilities	1 225	954
Other long-term liabilities	11 586	2 688
Long term liabilities	**51 406**	**27 304**
Liabilities held for sale	3 030	0
Trade payables	7 473	15 530
Financial liabilities	31 597	4 050

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Accruals	2 629	1 624
Short term liabilities	**44 728**	**21 204**
Total liabilities and equity	**131 125**	**62 866**

Mostly due to the already mentioned acquisition of Eetek Group, figures of the balance sheet prepared for 30 June 2011 show significant differences compared to figures prepared for December 31, 2010. As mentioned under the P&L analysis above, the balance sheet prepared for June 30, 2011 include a summary line on both sides of the balance sheet for the assets and liabilities taken over during the acquisition and awaiting the completion of the restructuring measures, while such items were not included in the financials for December 31, 2010.

Significant property, plant and equipment book value increase can be seen primarily due to the Eetek acquisition asset takeover, while the intangible asset growth is mainly accounted for by the value of the Rába project concession rights.

It must be noted that the goodwill reported at the end of Q1 2011 was removed as the restructuring cannot be consolidated in E-Star's books from January 1, 2011. Instead of showing the goodwill generated as a result of the restructuring measures, the balance sheet shows the value of the assets and liabilities held for sale. The goodwill will reappear at the end of Q3 2011 after the completion of the restructuring.

The value of the Eetek Group segments which are kept for sale are shown in the assets held for sale (7.6 M EUR)and liabilities held for sale lines (3.0 M EUR) separately.

Inventory value rose mainly due to the coal, other fuel and maintenance materials inventories taken over during the Eetek acquisition, dedicated to the Polish entities, which presently run their heat and electricity generation systems exclusively on coal.

Trade debtors outstanding decreased by 3.2 M EUR due to the favorable changes in the trade debtor payment behavior the company experienced at the end of the first half of 2011. The overall decrease of the debtors portfolio has been a favorable achievement for E-Star, since the debtors taken over by the Eetek acquisition represented an increase of 3.0 M EUR, therefore, the reduction for the former E-Star businesses amounted to 42% compared to the December 31, 2010 balances.

Other receivables include recoverable taxes and receivables related to CO_2 emission quotas, which item is again a new entry in E-Star's assets, mainly dedicated to Eetek Group's activities in Győr and Poland, where significant CO_2 savings are available. E-Star holds only short term assets but not liabilities related to the CO_2 quotas, with a book value of 2,374k EUR at the Polish entities and a book value 334k EUR at RESZ.

E-Star Alternative Plc.

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As the Eetek acquisition was fully paid in the beginning of July, 2011, a significant amount of cash and cash equivalents can be seen in the books. These resources were accumulated for the financial closure of the Eetek transaction. It must be noted that the cash increase was partly the result of the SPO executed by the company late June, as described earlier. The transaction was financially closed in July 2011, when the remaining 85% of the 21 M EUR purchase price was transferred to the sellers. Additionally, the Eetek acquisition added 7.2 M EUR to the cash balances of the company.

The effects of the SPO can be also noted in the significant jump in the capital reserve line, since the SPO price of the shares above the nominal value increased the capital reserves in 2011. The growth in the profit reserve line reflects the H1 net income of the company.

The minority share of the third parties held in the Eetek Group (Mielec, Gorlice, RESZ and Euro-Energetyka) are shown in the non-controlling stake line (3.4 M EUR). Until the Eetek acquisition, minority shareholdings represented only a minor amount in the company's financials.

One can recognize the risk management and diversification strategy of financing when analyzing the long-term liabilities of the company. E-Star endeavors financial liability diversification. From its 37.4 M EUR long term financial liabilities 3.5 M EUR is owed in EUR currency, the remainder are in local currencies related to the project operations. Hungarian corporate bonds account for 53% of the long term financial liabilities while bank loans (38%) and the Eetek Group liabilities (8%) account for the remainder.

Liabilities held for sale (3.0 M EUR) stand for the liability side of the Eetek Group segments which are meant to be sold by E-Star shortly. At the end of Q3 2011, these amounts will be eliminated according to the previously agreed schedule of the restructuring.

It should be noted that there is a significant decrease (8.0 M EUR) in the trade payables despite the Eetek Group consolidation effect. This is mainly because of the revised CAPEX plan of the Company - explained earlier - leading to significantly decreased CAPEX spending in H1 2011 and resulting in lower trade payables outstanding compared to December 31, 2010.

From the 31.6 M EUR of the financial liabilities, 17.9 M EUR relates to 85% of the Eetek purchase price not paid as of June 30. Full payment was made in the middle of July as part of the transaction according to the planned schedule.

Key ratios:

E-Star Alternative Plc Consolidated Key Ratios	2011.06.30
Net sales revenue ('000 Euros)	37 048
EBITDA ('000 Euros)	3 383
EBIT ('000 Euros)	1 941
Profit after tax ('000 Euros)	7 663
Headcount (number of employees)	503
Revenue per employee (EUR)	74
Stock-exchange closing share price (EUR)	38
Per share (EUR):	
EBITDA	1.28
Profit after tax	2.90
Shareholders' equity	11.96

Compared proportionally to financial year 2010, profit after tax per share increased by 117% (2010 value was 2.67 EUR per share). Shareholders' equity value almost doubled (increase of 5.79 EUR) compared to December 31, 2010.

Significant off-balance-sheet items[1]

Description	Value (HUF)
Raiffeisen Bank Zrt. has a purchase option in respect of the stakes held in RFV Józsefváros Kft., Veszprém Megyei Non-profit Kft., and RFV Fejér Megyei Nonprofit Kft.	

[1] Financial liabilities that are material in terms of the Company's financial valuation but that do not appear in the balance sheet (e.g. surety undertakings, guarantee undertakings, pledge-related commitments, etc)

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E·STAR

Alternative Energy. Delivered.

Issuer's declaration

Issuer declares that the first half of the business results had not beed audited. Nonetheless, The company informs that its first half year results are being reviewed by an Auditor on which final disclosure is expected by the end of September.

Budapest, 31st August 2011

Csaba Soós
Chairman of the Board of Directors
E-Star Alternative Plc.

Ákos Kassai
CEO
E-Star Alternative Plc.

Issuer declares that the consolidated fisrt half of 2011 financial statements prepared on the basis of IFRS and to the best of their knowledge, presents a true and fair picture of the Issuer and of the assets, liabilities and financial position of the companies included in the consolidation, as well as of profit and loss.

Budapest, 31st August 2011

Csaba Soós
Chairman of the Board of Directors
E-Star Alternative Plc.

Ákos Kassai
CEO
E-Star Alternative Plc.

Issuer declares that the conslidated 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.

Budapest, 31st August 2011

Csaba Soós
Chairman of the Board of Directors
E-Star Alternative Plc.

Ákos Kassai
CEO
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