



**REPORT OF THE MANAGEMENT BOARD
ON THE ACTIVITIES OF HELIO S.A.
for the business year 2007/2008**
from 1 July 2007 to 30 June 2008

TABLE OF CONTENTS

1. Rules of drawing up the annual report on the Management Board activity
2. Basic information about the Company
3. Discussion of the basic economic and financial values, revealed in the annual financial report and in particular the description of the factors and events, also of a non-standard nature, having a significant influence on the Company's activity and the profits or losses attained during the business year as well as the discussion of the development perspectives of the Company activity at least in the following business year
4. Description of the significant risk and threat factors with specification to what extent the issuer is exposed to them.
5. Information about the basic products, goods and services with the specification of their value, amount and the share of particular products, goods and services (if significant) or their groups in the sale of the Company in general and in changes in this respect in a particular business year.
6. Information about the markets with respect to the division into the domestic and foreign markets and the information about the supply sources of production materials, goods and services specifying the dependence on one or more buyers and suppliers, and in case when the share of one buyer or supplier amounts at least to 10% of income from the sale in total – the names (of the companies) of the supplier or buyer, his share in sale or supply as well as his formal connections with the issuer
7. Information about concluded agreements relevant to the activity of the issuer including the agreements which are familiar to the issuer and which are concluded between the shareholders (co-partners), insurance, partnership or cooperation agreements
8. Information about the organizational or financial relations of the issuer with other entities and the specification of its main domestic and foreign investments (securities, financial instruments, intangible fixed assets as well as real estate)
9. Transaction description with affiliated entities, when a single or total value of transactions concluded by a particular affiliated entity in the period from the beginning of the business year exceeds the amount of EUR 500,000 expressed in PLN
10. Information about the incurred credits, loan agreements with respect to their maturity dates and about provided securities and guarantees
11. Information about the granted credits with respect to their maturity dates and about granted securities and guarantees taking into particular consideration the loans, securities and guarantees granted to the affiliated entities of the issuer
12. Description of the application by the issuer of the revenues from the issuing
13. Explanation of differences between the financial results provided in the annual report and previously published results forecasts for a particular year
14. Evaluation with justification regarding the Management Board of the financial resources with particular respect to the capability to meet incurred commitments and the specification of possible threats and actions which the

- issuer has undertaken or intends to undertake in order to prevent these threats
15. Evaluation of the possibility of fulfilling the investment plans, including the capital investments, in comparison to amount of appropriations owned, with respect to the change in the financial structure of that activity
 16. Evaluation of the factors and non-standard events having influence on the result of the activity for the business year with the specification the degree of influence of those factors or non-standard events on the achieved result
 17. Characteristics of the external and internal factors important for the development of the issuer's company and the description of the perspective of the development of the issuer's activity at least to the end of the business year following the business year for which the financial report was drawn up, with respect to the market strategy elaborated by the issuer
 18. Changes in the elementary rules of managing the issuer's company
 20. All agreements concluded between the issuer and the managing personnel assuming indemnity in case of their resignation or dismissing from the office without any important reason or when their removing or dismissing is a result of the issuer's merger by means of a take-over
 20. All agreements concluded between the issuer and the managing personnel providing the indemnity in case of their resignation or dismissing from the office held without any important reason or when their removing or dismissing is a result of the issuer's merger by taking over
 21. Value of remunerations, prizes or benefits, also when resulting from the motivation or bonus programmes based on the issuer's capital, including the operational programmes with priority right, exchangeable, warrant subscriptions (in money, nature or any other form), paid out, due or potentially due individually for each of persons managing and supervising the issuer in the issuer's company regardless of whether they were properly included in the costs or resulted from the division of the profit
 22. Specification of the total amount and nominal value of all the shares owned by the managing and supervising persons
 23. Specification of the shareholders having, indirectly or directly by subsidiary entities, at least 5% in the total number of votes at the Issuer's General Meeting
 24. All agreements concluded between the issuer and the managing personnel assuming indemnity in case of their resignation or dismissing from the office without any important reason or when their removing or dismissing is a result of the issuer's merger by means of a take-over
 25. Specification of the holders of all securities which provide special control authorization regarding the issuer
 26. Information about the matching shares control system
 27. Specification of all limits regarding the assignment of title of the issuer's securities as well as all the limits in the scope of executing the right to vote falling on the issuer's shares
 28. Information regarding the agreement with the entity entitled to analyse and inspect the financial reports
 29. Statement of the persons responsible for the information included in this report on the activities of the Management Board of HELIO S.A.

1. The rules of drawing up the annual report on the Management Board activity

The presented report on the Company Management Board activity for the business year 2007/2008 has been drawn up under the Accounting Act of 29 September 1994 as amended and under The Regulation of the Minister of Finance of 19 October 2005 on current and interim reports published by issuers of securities.

In the current business year the Company did not change the rules of specifying the value of assets and liabilities and financial result survey in relation to the rules adopted in the report for the previous business year.

According with the Company statutes the business year of HELIO S.A shall begin on 1 July and end on 30 June. The period for which the comparable data are presented is the period of last business year. It shall be reminded that due to the fact that the legal predecessor of the Issuer made a decision to change the business year (from the business year equal to the calendar year for the business year ending on 30 June of each year) and in compliance with the definition of the business year included in art. 3 section 1 item 9 of the Accounting Act of 29 September 1994 stating that in case of the change of the business year the first business year after the change shall be longer than 12 following months, **the previous business year in the Company**, being the legal successor of "PH BONA" Sp. z o.o. **comprised the period of 18 months**, i.e. from 1 January 2006 to 30 June 2007, **that is 6 months longer than the current business year**.

The currency used in drawing up this report is PLN (the Polish Zloty).

The Company does not draw up any consolidated financial report.

2. The basic information about the Company

Name (company)	HELIO Spółka Akcyjna (former "PH BONA" Sp. z o.o.)
Legal form:	Spółka Akcyjna ≈ [a joint stock company]
Country of company premises:	Poland
Premises:	Wyględy
Address:	ul. Stołeczna 26, 05-083 Zaborów Poland
Telephone:	022 7963196
Telefax:	022 7520921
e-mail:	helio@helio.pl
WWW address	www.helio.pl

The Company is represented by:

- Leszek Wąsowicz – President of the Management Board
- Justyna Wąsowicz – Vice President of the Management Board

HELIO S.A. was established under notary deed of 18 July 2006 due to the transformation of "PH BONA" Sp. z o.o. to HELIO S.A. On 25 August 2006 the Company was entered into the Register of Entrepreneurs run by the District Court for the capital city of Warsaw, 14th Economic Department of the National Court Register in Warsaw, under KRS number: 0000262514.

The Company's legal predecessor ran the activity from 15 August 2003 to 24 August 2006 as a public limited company. It is of particular significance that Mr. Leszek Wąsowicz ran the activity consisted in processing and distribution of nuts and dried fruits as early as from 1992, at first as a civil partnership and since 1993 as a natural person running an economic activity. In 2003 the Company run by Mr. Leszek Wąsowicz (interpreting art. 55¹ of the Civil Code) was implemented as an apport to "PH BONA" Sp. z o.o. Therefore the beginnings of the activity of HELIO date back to 1992 when BONA, the civil partnership, started its activity. Currently the field of activity of HELIO S.A is importing and processing of nuts and dried fruits, manufacturing poppy-seed products and distributing of products. Practically the total sale of the company is directed to the domestic wholesale and retail market. Year by year the Company launches into the market a few of new products in scope of nuts and dried fruits.

The Company's premises are located in Wyględy, 26 Stołeczna Street, this is also the place where the manufacturing plant is located. The second plant is situated in Feliksów, 121 Stołeczna Street. Both locations are situated on Warsaw – Sochaczew route in the distance of 20 kilometres from downtown Warsaw and about 10 kilometres from Warsaw – Poznan transit route.

The share capital of the Company amounts to PLN 2,500,000 and is divided into 5,000,000 ordinary bearer shares.

The Management Board consists of 2 persons and was formed on the day of establishing the Company.

3. Discussion of the basic economic-financial values, revealed in the annual financial report and in particular the description of the factors and events, also of a non-standard nature, having a significant influence on the Company activity and the profits or losses attained during the business year as well as the discussion of the development perspectives of the Company activity at least in the following business year

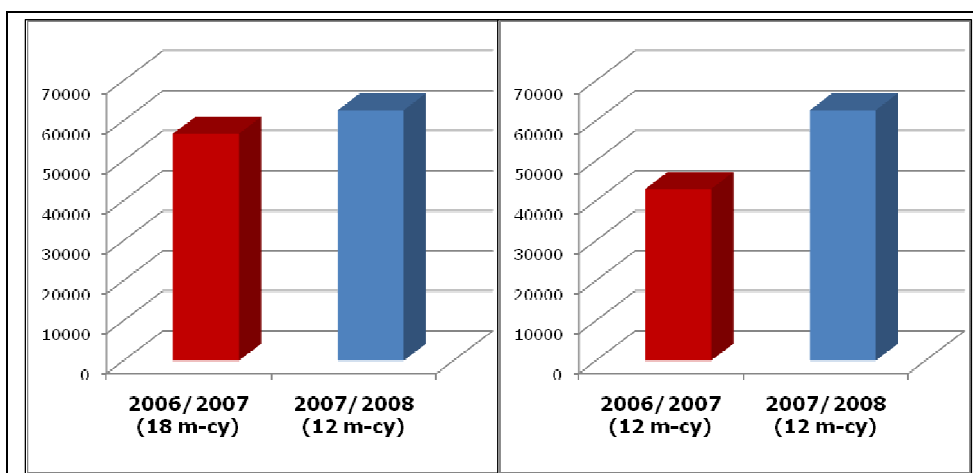
The factors influencing the activity of the Company in the current business year

The activity development strategy, adopted in 1992, turned out to be justified, what was confirmed by significant incomes dynamics obtained by the Company in each following year regardless of the change of legal form. Thanks to the growing demand for the products, in the offer there were consequently expanded the production capacity which resulted in continuous dynamic increase in the incomes.

In the business year 2007/2008 the Company reached the peak incomes from sale, which amounted to PLN 62,648,000 that is over 10% increase in comparison to the previous business year. This increase, however, does not reflect the real dynamics of the company development, since the current business year was 6 months shorter than the previous, therefore the current business year was compared to a 50% longer period.

With respect to what was mentioned above, in order to visualize the real dynamics of the company development, this year incomes from sale should be referred to the results obtained in the calendar-analogical period in last year, i.e. from 1 July 2006 to 30 June 2007 which amounted to PLN 42,938,000. Only this manner of presenting properly indicates the increase in incomes recorded by the Company in the business year 2007/2008, which in fact amounted to 46% (Fig. 1).

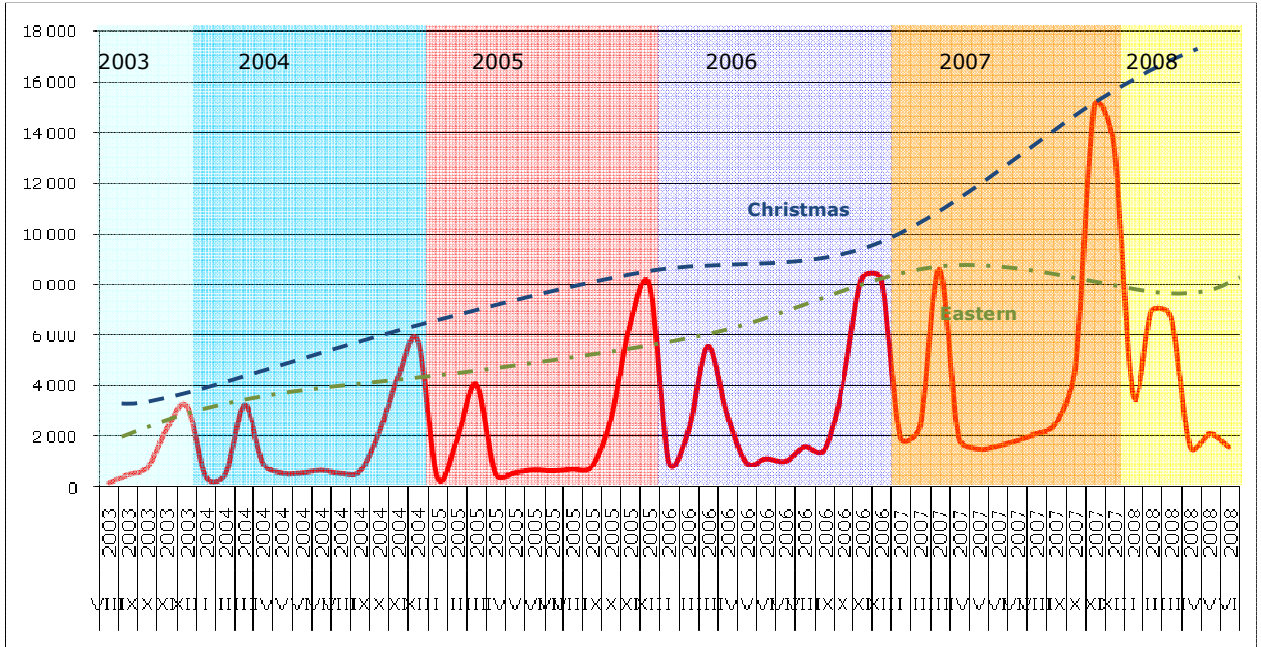
Fig.1: The increase in the incomes of HELIO S.A. the in business year 2007/2008 (12 months, i.e. 01.07.2007 – 30.06.2008) in comparison to the last business year (18 months, i.e. 01.01.2006 – 30.07.2007) and in comparison with the calendar-analogical period in last business year (12 months, i.e. 01.07.2006 – 30.06.2007) – in thousand PLN.



Source: the Management Board of HELIO S.A.

With respect to the seasonal nature of sale, characteristic for the Issuer's sector, it would be convenient to illustrate the company development by specifying the incomes from sale in corresponding months of particular years of the Company's activity (Figure 2). The analysis of such specification first of all allows to notice a high increase in the obtained incomes in the holiday periods which are essential for the Company (Christmas and Eastern), this increase coincides with the stable growing trend, observed from the beginning of the Company's activity. As an explanation, it shall be added that the deviation from the growing trend, which is visible on the chart, in Christmas season in 2006 and Eastern season in 2008 results from the non-standard arrangement of sale evenly into two months (between November and December 2006 and February and March 2008 respectively), and the usually dominating part of the holiday peak of sale falls only to one month.

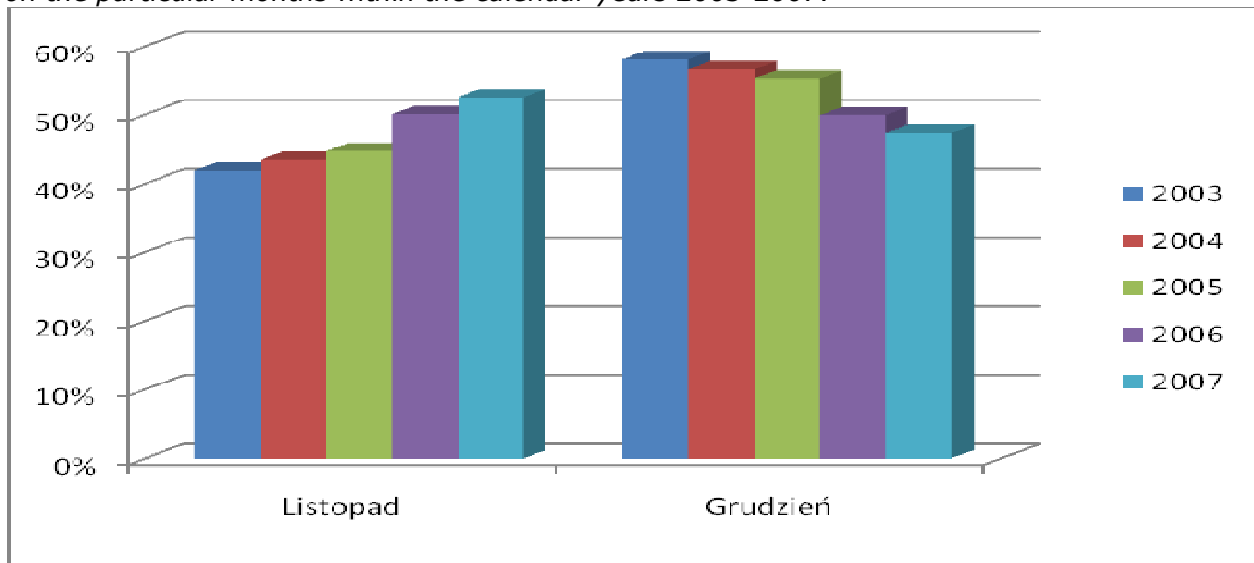
Figure 2: The dynamics of the Company's incomes with the illustration of the calendar years (in thousand PLN)



Source: the Management Board of HELIO S.A.

An interesting tendency seems also to be in the systematic shifting of Christmas sale accumulation from December to November which one may observe within the years 2003-2007. The reason of that change is a regular increase in shares in incomes from sale of the issuer's network of super- and hypermarkets and wholesale firms at the expense of small retail shops which usually carry out Christmas stock replenishment at later time and simultaneously closer to the Christmas shopping of the final client. It is more expressively presented in Figure 3.

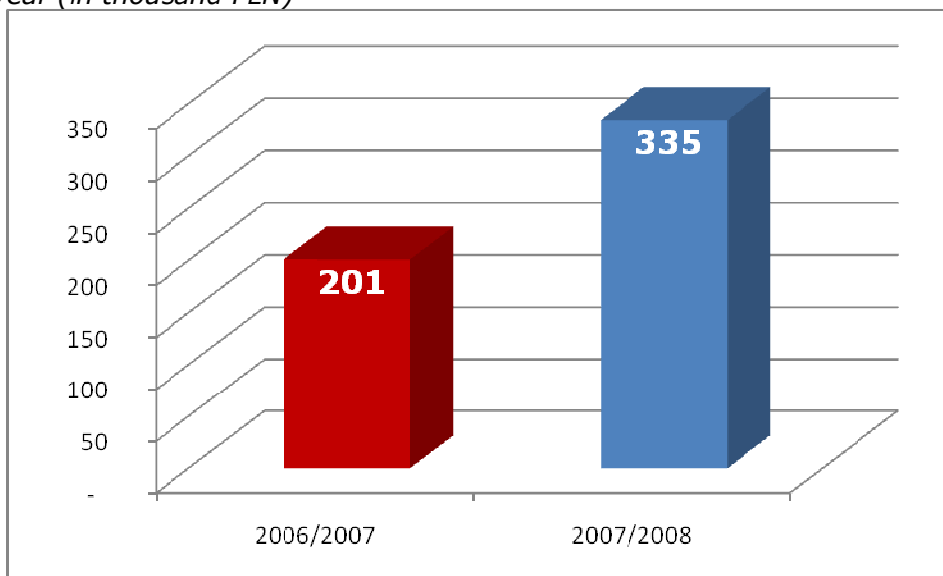
Figure 3: The arrangement of the Christmas sales in the period of November and December on the particular months within the calendar years 2003-2007.



Source: the Management Board of HELIO S.A

With the increase of incomes from sale, the Issuer is accompanied by an increase in the accomplished incomes. During business year 2007/2008 the Company generated the peak net revenue amounting to PLN 4,014,000 which means an 11% increase in comparison to the business year 2006/2007. Similar as in case of the interpretation of the increase in incomes, it shall be reminded that the current business year was 6 months shorter than the last one. It denotes that on average in a month in the current business year, the Company earned 66% net more than averagely in a month in the previous business year (Figure 4).

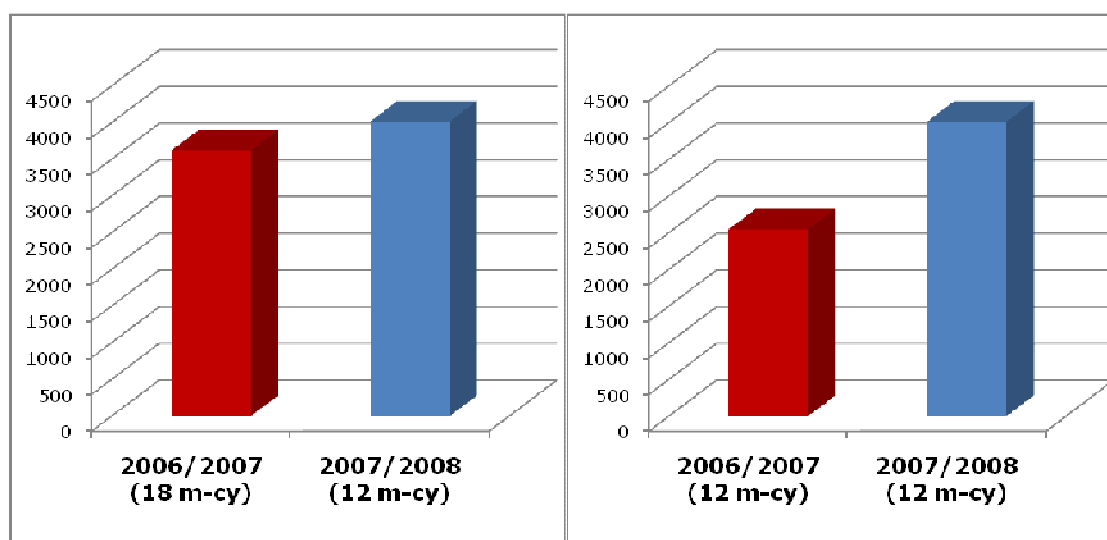
Figure 4: Average monthly net profit generated by the Issuer in the current and last business year (in thousand PLN)



Source: the Management Board of HELIO S.A

Additionally taking into account the seasonal nature of the Issuer's sector, it seems justified to refer this year incomes to the result obtained in the calendar-analogical period of the last business year, i.e. from 1 July 2006 to 30 June 2007 which amounted to PLN 2,544,000. This way of interpretation seems to be the best method of representing the dynamics of the increase in the obtained net profit. According to the above mentioned methodology, this dynamics was formed in the current business year at the level of 58%.

Figure 5: An increase in the net profit of HELIO S.A. in the business year 2007/2008 (12 months, i.e. from 01 July 2007 to 30 June 2008) in comparison to the last business year (18 months, i.e. from 01 January 2006 to 30 July 2007) and in comparison with the calendar-analogical period in the last business year (12 months, i.e. from 01 July 2006 to 30 June 2007) – in thousand PLN.



Source: the Management Board of HELIO S.A

In business year under discussion the major factors which influenced the obtained results were above all:

- gaining new clients in the traditional channel (wholesale distributors) as well as in the modern distribution channel (the chain of supermarkets),
- the reinforcement of good relations with the current major clients of the Company which resulted in the increased volume of deliveries,
- an increase in the trade chain with which the Issuer has cooperated until now which contributed to an increased number of transactions with those chains,
- the intensification of the marketing activities carried out in this period, directed both to the final clients and to the suppliers,
- an increase in the share of deliveries of direct import, cheaper than the purchase of raw materials from the domestic agents,
- restructuring of the remuneration and employment system.

The dynamic increase of the scale of the company activity causes a systematic employment increase in the Company. In order to avoid the difficulties of completing the production personnel for the period of increased activity (September

2007 – April 2008), at the beginning of the business year the Issuer had to apply the intensification of activities in the field of managing of human resources. The adverse situation on the domestic market, which affects the employers, caused the necessity to increase the additional cost of remuneration as well as to increase the number of employees employed on the production stands under the employment agreement. The resignation of current employees would determine a significant employment fluctuation, connected with the long-lasting process of recruitment and implementation of the newly-employed persons, what would undoubtedly be reflected in a decrease in the activity effectiveness of the Company in the key period of preparing for the peak Christmas sale. In comparison to last business year the average amount of persons employed under the employment agreement increased by 56%, and taking into account the persons working under contracts of employment, the average employment increased by 59% with biggest number of the employed persons in months preceding the peak values of sale.

Table 1: *The average year employment in the Company within the last three business years*

Business year	The average number of the employees
2003/2004	45
2005	55
2006/2007	66
2007/2008	105

Source: the Management Board of HELIO S.A

The achieved financial results of the Company were influenced also by external factors. Amongst them it is worthwhile to enumerate the price increase on the world markets of the raw materials as well as the strengthening of the Polish currency. The overlapping of the positive and negative factor mutually neutralized their individual consequences, particularly in the context of the increased purchase concluded by the Issuer from the direct import.

Table 2: *The average currency rates at the end of the business year 2006/2007 and 2007/2008*

Day	USD		EUR	
	Average rate	Change	Average rate	Change
30 June 2007	2.7989	-24%	3.7658	-11%
30 June 2008	2.1194		3.3542	

Source: the Management Board of HELIO S.A

From the factors of the macroeconomic scale influencing the financial results of the Company, worthy of note is the increase in the economic situation which has been recorded in Poland. The general improvement of the economic situation of the households influenced the changes in the standard shopping basket of the average consumer who spends larger and larger part of his income on luxurious goods including healthy and ecological food. Therefore, Poles more and more often buy

nuts and dried fruits as a substitute for popular snacks, such as potato chips, salted sticks or chocolate bars. With respect to the current business year the above mentioned changes caused an increase in the months deadlock for the nuts and dried fruits sector, and at the same time they levelled the inconveniences related with the seasonal nature of the Company's activity.

The perspectives of development

The market of nuts and dried fruits in Poland is currently characteristic of high dynamics of development. Due to a lower consumption of nuts and dried fruits per inhabitant in Poland, as compared to the western European countries, it is estimated that the domestic nuts and dried fruits market will grow in the following years even by 5-10% yearly. An increase in the demand for the nuts and dried fruits in the months so far characteristic for low interest in this sort of products is also a positive symptom. First of all it is the effect of more frequent perceiving nuts and dried fruits by Poles not only as holiday products but also as a product used in everyday life as a substitute for other kind of snacks. Due to the fashion for a healthy lifestyle, which is promoted by the media, it is estimated that this tendency will continue to strengthen.

Good perspectives of the market development are even more satisfactory as the Issuer has been growing much faster since the beginning of his activity than the market, which in turn promises prosperous future for the Company. Within at least the nearest business year, the Company is planning to continue the so far adopted development strategy which thanks to the application of the experience possessed should be reflected in a significant share of the Company on the domestic market. In the realization of the aims the building the modern manufacturing plant on the real estate which was purchased this spring in Brochów near Sochaczew will be incalculable. The investment will be finalized from the bank credit as well as own means including the means obtained from the last year issuing of shares.

In the further perspective the Company is also planning to introduce by means of modern distribution channels the current products into the international markets, including the countries with similar culture and traditions as well as on the market of countries of *old* European Union, where in comparison with the Polish market, ecological products have a significantly more share in the consumer basket.

4. Description of the significant risk and threat factors with specification to what extent the issuer is exposed to them.

Risk related with the competition

The Company is exposed to competition of other entities functioning on the market of retail sale of nuts and dried fruits. The market of nuts and dried fruits in Poland is characteristic of a significantly scattered structure. On the Polish market there are present several companies with nationwide range as well as smaller local entities. The competition may lead to the decrease in the margins obtained in sale or in

extreme case to the partial loss of clients. In order to eliminate this risk, the Company pursues the activities designed to strengthen the strong market position through delivering the high quality products, building the brand familiarity, adjusting the trade offer to the needs of the clients as well as through the constant expanding of the range of products.

The risk of fluctuations of the prices of the raw materials

HELIO S.A. is a commercial company of crude foodstuffs and is exposed to the risk of price fluctuations. Periodically those fluctuations may affect the proportion of the margins of sale obtained by the Company. The level of the prices of the crude foodstuffs is affected by the factors beyond the control of the Company, such as: the size of crops in a given year, climatic conditions affecting the quality and accessibility of the raw materials of required quality. In order to retain the high current profitability of sale, owing to the experienced personnel, the Company will try to relatively earlier react to the prevailing market situation, above all including: to increase the stock of raw materials whose price is going to increase and to adequately early renegotiate with the clients the prices of products in the offer.

The risk of foreign currency exchange rates

Due to the fact that the Company imports directly from the countries of origin a part of the raw materials necessary to prepare the products, the rate of the foreign currencies may influence the Company's financial results. In order to avoid the negative influence of the foreign currency exchange rates on the financial results, the Company currently monitors the currency market by adopting proper measures.

The risk of seasonality of sale and inventories

In the Company's activity there occurs the tendency of a significant seasonality of sale. The highest sale of nuts and dried fruits falls in the period before Christmas and Easter. The sale of nuts and dried fruits is the lowest in the summer time due to the level of accessibility of fresh fruits which in this period constitute competitive goods. At the same time, preparing to the period of increased sale, the Company purchases nuts and dried fruits in the period when the sale is the lowest.

The risk related with the globalization on the market of the major clients

The phenomenon of the fusion of the major global super- and hypermarkets chains causes the changes on the market of the Company's clients. This phenomenon causes the lack of possibility of the risk diversification by the clients. In general the fused chains aim at the centralization of the purchase and more frequently the suppliers cooperating with the chain which was the overtaking chain are chosen. As for the diversification of the suppliers the Company possesses agreements concluded with the majority of market chains functioning in Poland and tries to reach more and more smaller shops. It is worthwhile to note that this risk is also an opportunity to increase the Company's turnover. The retaining of the current key

clients is related with their increased demand for the products resulting from the growing scale of their activity.

The risk of losing the key employees

The key employees constitute the significant value of the Issuer. Their loss could negatively influence the relations with major clients and suppliers. The employing of the new specialists would be connected with a long-lasting recruitment process as well as the implementation of the newly-employed persons, which in turn would delay the date of achieving the expected efficiency, therefore, the Company undertakes a series of activities from the scope of the managing of the human resources, including above all adjusting the remuneration level to the situation on the labour market, and the increasing of the number of persons employed on a yearly basis under the employment agreement.

The risk of major shareholders influencing the decisions of the Company's bodies

After the issuing of the Series B Shares, the share of the dominant shareholder, Mr. Leszek Wąsowicz, in the total number of votes at the general meeting amounts to over 77%. A significant share in the total number of votes provides him with the factual control over decisions made in the Company and limits the influence of the new shareholder. Furthermore, Mr. Leszek Wąsowicz, the Management Board President, is the entity dominating the Issuer under the Act of the Offer. Mr. Leszek Wąsowicz, the President of the Management Board, owes directly 3,857,000 of the Issuer's Series A shares which currently entitle to 3,857,000 of votes at the Issuer's General Meeting which constitutes 77.1% of the share in the share capital and votes at the Issuer's General Meeting.

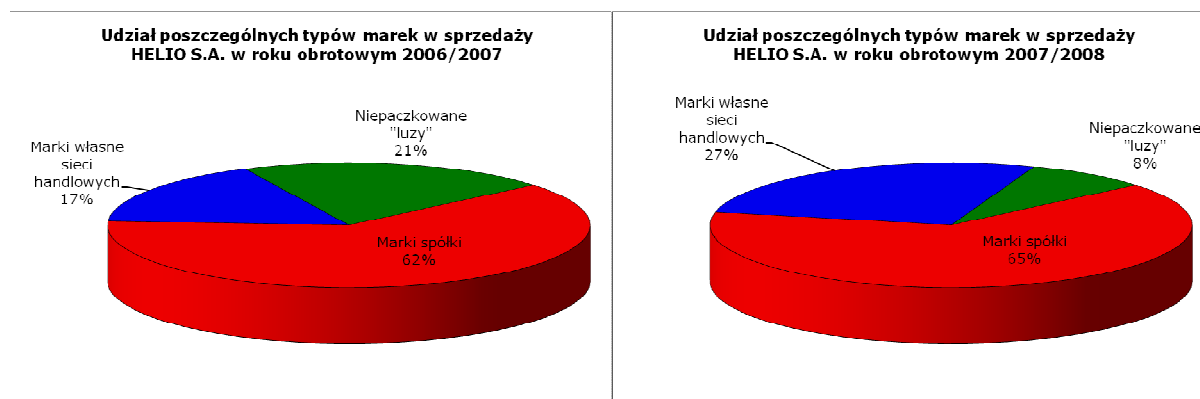
5. Information about the basic products, goods and services with the specification of their value, amount and the share of particular products, goods and services (if significant) or their groups in the sale of the Company in general and in changes in this respect in a particular business year.

Import and processing of nuts and dried fruits, manufacturing of poppy-seed products and distribution thereof are the field of activity of HELIO S.A. The Company offers the products under the Company's brands: "HELIO", "Słoneczne Owoce" and "Bona". The Company offers the nuts and dried fruits also in the form of mixes such as: fruit mix, student mix, nut mix and nuts and dried fruits mix.

Thanks to the possibility of flexible approach to the client's expectations as well as to the manufacturing of products in compliance with the client's suggestions and needs, HELIO S.A. sells products also under the own brands of super- and hypermarkets as well as in the wholesale packs designed to bulk sale. Despite the fact that the tradition of buying by weight is still quite popular in Poland, this method of sale is systematically ousted by the pre-packed products and in particular by those which combine the functionality of a pack with the bargain price of the

goods bought in bulk. Figure 6 presents the share in the sale of the pre-packed nuts and dried fruits under different brands.

Figure 6. The share of the pre-packed nuts and dried fruits brands in the obtained sale incomes of the Company.



(The share of the particular types of brands in the sale of HELIO S.A in the business year 2006/2007: Own brands of the trade chains 17%; Unpacked "in bulk" 21%; The Company's brands 62%
The share of the particular types of brands in the sale of HELIO S.A in the business year 2007/2008: Own brands of the trade chains 27%, Unpacked "in bulk" 8%, The Company's brands 65%)

Source: the Management Board of HELIO S.A

Comparing the above mentioned data, one may observe a visible decline in the share in the sale of unpacked nuts and dried fruits (-13%) to the benefit of the share of brands of own trade chains (+10%) as well as the Company's brands (+3%). The changes that arose in the structure of sale are therefore beneficial for the Issuer, since there increased the share in the pre-packed nuts and dried fruits the sale of which is more profitable.

For several years the Company's flag assortment has been the products from the range of poppy-seed fillings. In this sector the Company is undoubtedly the leader of the market (according to MEMRB, the sale of HELIO constitutes 63% of the market of poppy-seed fillings as far as quantity is concerned – Figure 8). Thanks to the activities undertaken, the HELIO poppy-seed fillings are very popular and recognizable. Observing their strong potential and particularly a growing demand for the products of the highest quality, the Company completed its offer with the poppy-seed filling with PREMIUM canned nuts and dried fruits.

Besides the poppy-seed products the Company's offer includes the following groups of nuts and dried fruits:

nuts:

- ✓ walnuts
- ✓ hazelnuts
- ✓ pistachio nuts
- ✓ peanuts
- ✓ cashews
- ✓ almonds
- ✓ blanched almonds
- ✓ minced almonds
- ✓ almond flakes
- ✓ desiccated coconuts

grains and seeds:

- ✓ sunflower
- ✓ pumpkin
- ✓ poppy
- ✓ sesame
- ✓ corn (popcorn)

Dried fruits¹:

- ✓ raisins
- ✓ dried apricot
- ✓ California plums
- ✓ dates
- ✓ figs
- ✓ banana chips
- ✓ orange zest
- ✓ cranberries
- ✓ papaya
- ✓ candied orange zest
- ✓ candied pineapple
- ✓ pineapple in syrup
- ✓ peaches in syrup

Among the new products appearing in the Company's offer it is worthwhile to note the assortment of nuts and dried fruits of Sunny Fruits [Słoneczne Owoce] which was extended in the last months of the calendar year 2007 and supplemented with traditional weights of 70-250g. The assortment of nuts and dried fruits was enriched by less popular products. Among those worthy of note are dried cranberries as well as exceptionally sweet and delicate Corinthian style raisins [koryntki], which so far have not been available in Poland. Thanks to attractive packaging, the highest product quality and marketing support, the Company establishes a new and good image of Sunny Fruits [Słoneczne Owoce].

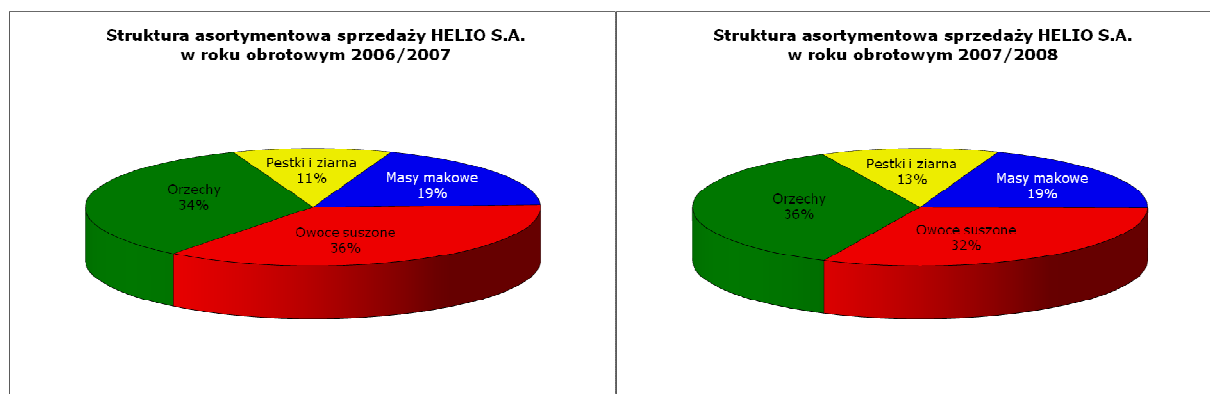
In spite of the products labelled with the Issuer's brand, the Company significantly increased both the sale volume and the assortment range delivered under own brand of super- and hypermarket chains (so called private labels), including among others Auchan, E. Leclerc, JMD "Biedronka", TESCO. It is a significant success for the Company since despite a lower sale margin of those products in comparison with the sale of the products of the Company' brand, they do not require any additional promotion costs, what is more, they build positive relations with the purchase department of the major trade chains in Poland.

Considering the assortment structure of the sales, (Figure 7), it is not subject to any significant changes in relation to the previous business year. Nuts and dried fruits still belong to the assortment generating the largest revenues while seeds and grains still remain the products with the least share. It is worth noting that despite

¹ Dried fruits and others (including candied fruits, fruits in syrup or in pickled)

the poppy fillings are characteristic of the highest seasonal incidence, they by far consists a crucial position in the revenues generated by the Issuer.

Figure 7. The assortment structure of the revenues from sales



(The assortment structure of HELIO S.A. in the business year 2006/2007: nuts 34%; seeds and grains 11%; poppy-seed fillings 19%; dried fruits 36%)

The assortment structure of HELIO S.A. in the business year 2007/2008: nuts 36%; seeds and grains 13%; poppy-seed fillings 19%; dried fruits 32%)

Source: the Management Board of HELIO S.A

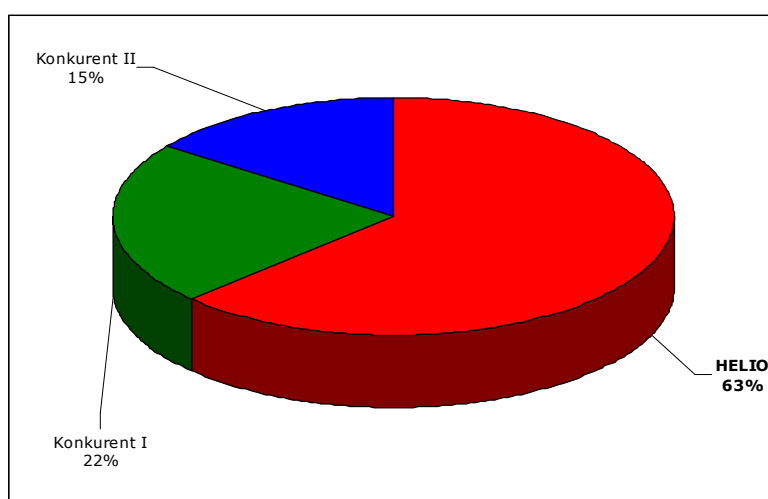
6. Information about the markets with respect to the division into the domestic and foreign markets and the information about the supply sources of production materials, goods and services specifying the dependence on one or more buyers and suppliers, and in case when the share of one buyer or supplier amounts at least to 10% of revenue from the sale in total – the names (of the companies) of the supplier or buyer, its share in sale or supply as well as its formal relations with the issuer

Clients

The Company is a recognized and priced supplier in all distribution channels. Within the period under discussion the Company retained the clients from the previous years increasing their number by, among other things, new hypermarket chains. The widespread presence of the Company's products on the market as well as their high quality resulted in being awarded further prizes. In the current business year our products have been awarded even twice with the prestigious title "Consumer's Golden Laurel of 2008" [Złoty Laur Konsumenta 2008]. The golden emblems were awarded to our nuts and dried fruits as well as in the garnish category [dodatki do ciast] to HELIO poppy-seed fillings. The emblem of "Consumer's Laurel" is a project developed by the Polish consumer market under substantive supervision of Gallup Institute, one of the world's leaders in the opinion pool research. The products awarded with the emblem of "Consumer's Laurel" are articles which sell very well, are most frequently chosen by consumers and positively assessed by them and recommended to other consumers.

In the last year the Issuer retained its position of the leader among the manufacturers of poppy-seed fillings (Figure 8) as well as the position of one of the heading companies on the nuts and dried fruits market. According to the estimation of the Management Board of HELIO S.A, the Company's share in the nuts and dried fruits market amounts to c. 9-11%.

Figure 8. *The quantitative share in the sale of poppy-seed fillings in Poland in the period from July to December 2007*



Source: MEMRB International Poland Polskie Biuro Badań Marketingowych Sp. z o.o.

The Company is active nationwide and its products are sold in the majority of trade chains as well as in smaller shops which are serviced by merchants and foodstuff warehouses. The biggest share in the Company's sale is represented by super- and hypermarkets, what nowadays is characteristic for the whole nuts and dried fruits market, where the significant part of sale takes place under the own brands of super- and hypermarkets.

The typical tendency for the whole FMCG market is also a change of the distribution form. Big hypermarket chains and discount shops are more and more significant. This phenomenon is strengthened by the merging tendency of the major global super- and hypermarket chains which results in changes on the market of the Company's consumers. The share in the sales to super- and hypermarkets in the revenues of the Issuer's sales amounts to c. 85%. In order to limit the dependence on the individual clients, the Company concluded agreements with the major worldwide trade chains operating in Poland. The major clients purchasing the Issuer's products in the current business year were as follows: Auchan, Carrefour, JMD „Biedronka”, Kaufland, Real and Tesco.

Despite the fact that actually the whole Company' sale was aimed at the local market, in the business year 2007/2008 the Issuer delivered its products also to the foreign clients. It was however exclusively survey sale designed to analyze the demand for the Company's products in France, Lithuania and Slovakia, therefore the

export constituted only a slight pro-mile of the total revenues of the Company's sales.

Suppliers

The Company has not concluded any long-term agreements with the suppliers. The goods are bought in accordance with current needs and agreements with the suppliers are concluded for a specific delivery of goods. During the current year the Issuer has increased own import thus diversifying the supply sources. Owing to such a solution the Company is not dependent on its major suppliers.

7. Information about concluded agreements relevant to the activities of the issuer including the agreements which are familiar to the issuer and which have been concluded between the shareholders (co-partners), insurance, partnership or cooperation agreements

HELIO S.A. is a party in several commercial agreements with the clients on the basis of which it is obliged to deliver the own manufactured products, whereas the clients, representing the trade chains vested with large-space markets as well as being smaller entrepreneurs, are obliged to purchase those products and their further resale. The agreements do not specify the size of the purchase to which the Issuer's contracting parties are obliged. The agreements concluded with the contracting parties with whom the sales for the last year increased by 10% of the total Company's sale were denoted as significant among the agreements concluded with the clients, or this level is estimated to be achieved within the nearest year. These are the agreements concluded with six companies representing big trade chains (Carrefour Polska Sp. z o.o., Jeronimo Martins Dystrybucja S.A., Tesco Polska Sp. z o.o. and MGB Metro Group Buying Polska Sp. z o.o. i Spółka Sp. K. both with the represented thereby companies Makro Cash and Carry Polska S.A. and Real,- Sp. z o.o. and Company Sp. K.) assuming the sale of the Company's products both under its own brand and the client's brand depending on the provisions of the particular agreement. The cooperation terms do not diverge from the terms commonly applied in this kind of agreements.

The Company annually renews the insurance agreements on the grounds of:

- civil liability arising out of the running of the activity and possessing property and placing the product on the market, insuring the property against theft burglary and robbery, devastation, fire and other fortuitous events,
- insurance of electronic equipment against all risks,
- transport insurance of the Company's car fleet.

The insurance agreements guarantee the Company's stability, whereas the total proportion of the contributions does not exceed 10% of the revenues of the Company' sales, thus it does not deem the agreements as significant.

Within the business year 2007/2008 the Company was a significant party from the perspective of the Issuer's activity in the credit agreements. In order to avoid

repeating the information, these agreements were presented in point 10 of this report.

8. Information about the organizational or financial relations of the issuer with other entities and the specification of its main domestic and foreign investments (securities, financial instruments, intangible fixed assets as well as real estate), including capital investments carried out beyond its affiliated entities group and the description of the method of their financing

In the business year 2007/2008 the Company did not make any capital investments.

The most important from the investments made was the purchase of a real estate located in Brochów (Sochaczew district) for the building of a new manufacturing plant. Over 7 ha lot is situated in a location optimal from the Issuer's point of view, with its price amounting to PLN 1.8m. Furthermore, the real estate under discussion comprised also seven buildings situated in its territory. Due to their bad condition, comprehensive renovation and adaptive work has been commenced already this year.

Despite the renovation and adaptive work carried out in the hitherto buildings, within the following years the Company plans to build a modern warehouse-manufacturing-office complex situated on the purchased real estate. The completion of the investments will primarily influence the increase of the manufacturing capacity of the Company. In spite of economic advantages arising from the growing scale of production, the building of a big manufacturing plant with impressive warehousing infrastructure will allow to carry out significant savings in the framework of the logistic activities. Additionally, owing to the new investment in which high production quality standards (BRC) are to be applied, the Issuer will improve its competitiveness on the market.

Table 3: Investment expenditure of HELIO S.A. in the business year 2007/2008

Specification	Financing sources	
	Expenses – own means (in PLN thousand)	Expenses – leasing/credit (in PLN thousand)
Lands and the right of perpetual usufruct	1.413	-
Buildings and offices	857	-
Machines and devices	514	-
Vehicles	297	-
Intangible fixed assets	50	-
Equipment	13	-
Capital investments	-	-

Source: the Management Board of HELIO S.A

It is worth noting that, apart from other capital investments, the Company has expanded its manufacturing infrastructure by further machines and devices, including among others, a modern packaging line, raisins grinder, pallet wrapper, labeler and water refrigerator as well as extended its means of transport by, including among others three fork-lift trucks.

The Company does not have either organizational or capital relations with other entities.

9. Description of transactions with affiliated entities provided that a single or total value of transactions concluded by a particular affiliated entity in the period from the beginning of the business year exceeds the amount of EUR 500,000.00 expressed in PLN

In the period under discussion, HELIO S.A. did not realize any transactions with an affiliated entity of a total value exceeding the amount of EUR 500,000.00.

10. Information about the incurred credits, loan agreements with respect to their maturity dates and about granted securities and guarantees

Within the business year 2007/2008, the Company was not granted any securities and guarantees. Within this period the Company was a party in the following credit agreements. All agreements were concluded between the Issuer (the debtor) and Bank Pekao S.A. (acting as the legal successor of Bank BPH S.A.) with its registered office in Warsaw (the Bank).

- Investment Credit Agreement concluded on 6 September 2005 – the Bank granted the Debtor the investment credit in the amount of PLN 720,000 with its appropriation to finance and refinance 80% of the costs of building of the warehouse for finished products. The crediting period: till 30 June 2006.
- Operating renewable credit agreement concluded on 20 July 2006 – the Bank granted the Debtor the operating renewable credit in the amount of PLN 5,800,000 from 10 November 2006 which was designed to finance the current activity of the Debtor, i.e. providing the means for purchasing the materials connected with the seasonality of sales. The crediting period: till 2 July 2007.
- Multi-purpose multi-currency credit line agreement concluded on 27 July 2004 annexed on 1 September 2006 - Bank granted the credit to the Debtor in the form of a multi-purpose multi-currency credit line up to the equivalent of PLN1,700,000 allowing the use of a sublimit of the credit up to the equivalent of 1,500,000 with its appropriation to finance the current activity of the Debtor, as well as the use of a sublimit up to the amount of PLN 200,000 with its appropriation to compensate the credit and market risk incurred by the Bank as a result of concluding a financial market transaction on the basis and under the terms specified in a separate agreement. The crediting period: till 31 August 2007.

- Multi-purpose multi-currency credit line agreement concluded on 6 September 2007- the Bank granted the credit to the Debtor in the form of a *HELIO S.A* multi-purpose multi-currency credit line up to the equivalent of PLN 12,700,000 allowing the use of a sublimit of the credit up to the equivalent of PLN 12,500,000 with its appropriation to finance the current activity of the Debtor, as well as the use of a sublimit up to the amount of PLN 200,000 PLN its appropriation to compensate the credit and market risk incurred by the Bank as a result of concluding the financial market transaction on the basis and under the terms specified in other agreement. Crediting period: till 31 August 2008.

The Company informed about the agreement concluded in the business year 2007/2008 in the current report No. 21/2007 of 7 September 2007.

11. Information about the granted credits with respect to their maturity dates and about provided securities and guarantees taking into particular consideration the loans, securities and guarantees granted to the issuer's affiliated entities.

In the period under discussion, HELIO S.A. did not grant any loan, security or guarantee.

12. Description of the application by the issuer of the revenues from the issue

In the current business year the Issuer has not recorded any revenues from issuing shares. Simultaneously, the Company has applied the assets obtained from the subscription carried out in the last business year. Since obtaining the means from the issue, in compliance with the purposes presented in the prospectus, part of the assets was allocated to the Company's floating capital and part for investment purposes, including the purchase of the real estate in Brochów, the renovation and adaptive work carried out in the building situated on the purchased real estate as well as the purchase of new machines and equipment for manufacturing. The unused part of the assets was located in safe financial instruments, i.e. bank deposits.

13. Explanation of differences between the financial results shown in the annual report and previously published result forecasts for a particular year

On 2 April 2008, the Issuer's Management Board published by means of the current report No. 2/2008 a new financial result forecast of HELIO S.A. for the business year 2007/2008 lasting from 1 July 2007 to 30 June 2008. The results achieved within four quarters of the current business year prove the appropriateness of the adopted assumptions.

Table 4. Financial result forecast for the business year 2007/2008 (in thousand PLN)

Specification	Forecast for the period from 01 July 2007 to 30 June 2008	Accomplishment in the period from 01 July 2007 to 30 June 2008	Accomplishment of the forecast in percentage
Revenues from sales	61,000	62,648	103%
EBITDA	5,760	5,854	102%
Gross profit	4,700	4,958	105%
Net profit	3,800	4,014	106%

Source: the Management Board of HELIO S.A

14. Evaluation with justification regarding the Management Board of the financial resources with particular respect to the capability to meet incurred commitments and the specification of possible threats and actions which the issuer has undertaken or intends to undertake in order to prevent these threats.

In the business year 2007/2008 the Company purchased from its own means a real estate with buildings located on it, machines increasing its manufacturing efficiency as well as means of transport. In the period under discussion, the instalments arising out of the former leasing agreements and investment credits were also being paid off.

The Company provided the financing of the current activity by means of credits on the current account as well as the operating credits. The level of the credit engagement corresponded with the increase in the demand for the operating capital resulting from the increase in sales. The high level of sales in the Christmas period requires purchasing a great deal of raw materials which are financed through the application of the operating credit incurred by the Company.

The Issuer's Management Board does not currently expect any dangers threatening discharging of the debts incurred by the Company. The debt-service by virtue of deliveries, services and credits follows on a current basis in accordance with the terms of the agreements.

In order to secure the financial liquidity of the Company in the following period, the Management Board of HELIO S.A. concluded on 11 August 2008 a credit agreement with Bank BPH S.A. under which the Management Board was granted a credit until 30 September 2009 in the form of a multi-purpose multi-currency credit line not exceeding the equivalent of PLN 6,840,000, as well as a non-renewable operating credit in the amount of PLN 4,000,000 until 30 April 2009.

Additionally, in order to diversify the financing of the Company by different banks, the Management Board of HELIO S.A. concluded also on 11 August 2008 two agreements with Fortis Bank Polska S.A. by means of which the Management Board was granted a credit on the current account to the maximum amount not exceeding

PLN 5,000,000 with the availability date until 7 August 2009 and a non-renewable credit in the amount of PLN 14,000,000 for the financing of up to 80% of net costs of the realization of the new investment in Brochów with a credit release date until 30 October 2009 and a maturity date until 29 June 2018.

15. Evaluation of the possibility of fulfilling the investment plans, including the capital investments, in comparison to the amount of assets owned, with respect to the change in the financial structure of that activity

By implementing the development strategy, the Company plans to build a modern manufacturing plant in which the newest technologies will be applied enabling thus the automation of the major part of the manufacturing process. In order to increase the manufacturing efficiency and economics, HELIO S.A. intends also to modernize the current manufacturing and warehousing infrastructure of the Company by implementing new production modules in the particular technological lines and replacing a part of existing modules with more efficient and energy-saving ones.

The Company plans the realization of the above mentioned investment strategy using primarily the investment credit granted by Fortis Bank Polska S.A. as well as using own means, including the means from the last year's issue of shares.

16. Evaluation of the factors and non-standard events having influence on the result of the activity for the business year with the specification of the degree of influence of those factors or non-standard events on the achieved result

In the business year under discussion the factors that positively influenced the results achieved included primarily:

- systematic gaining new clients in the traditional channel (wholesale distributors) as well as in the modern distribution channel (supermarket chains),
- the reinforcement of good relations with the current major clients of the Company which resulted in an increased volume of deliveries,
- an increase in the trade chains with which we cooperate,
- the growing popularity of "Słoneczne Owoce" [Sunny Fruits]
- the intensification of the marketing activities carried out in this period,
- an increase in the share of deliveries from direct import, cheaper than purchase of raw materials from domestic agents,
- the strengthening of the Polish currency which changed the factual costs of purchasing raw materials.

The major factors which negatively influenced the financial result were above all:

- an increase in the prices of raw materials,
- an increased marketing costs caused by expanding the cooperation with the major super- and hypermarket chains due to overtaking by them smaller trade chains,

- an increase in the remuneration costs of the employees, including in particular the production employees.

17. Characteristics of the external and internal factors important for the development of the issuer's company and the description of the perspective for the development of the issuer's activity at least to the end of the business year following the business year for which the financial report was drawn up, with respect to the market strategy elaborated by the issuer

Within at least the following year the Company plans to continue the development strategy which has been currently in force. The fundamental assumptions of the Issuer's medium-term strategy which was adopted and consequently implemented is systematic reinforcing of the position on the nuts and dried fruits market and processing of the low-processed food, which in turn, owing to the experience gained, should be reflected in a significant increase in the Company's share on the domestic market. The long-term strategy assumes implementing by means of the modern distribution channels the current products onto the international markets, including the countries with similar culture and traditions as well as onto the markets of the countries of the *old* European Union, where in comparison with the Polish market; ecological products have a significantly larger share in the consumer basket. Due to the high demand the Company's products on the domestic market, HELIO S.A. has decided currently to focus on the Polish market.

In order to implement the adopted development strategy, the Company intends to take actions in particular in the following scope:

Development through expanding the manufacturing infrastructure of the Company

By means of implementing the development strategy, the Company plans to build a modern manufacturing plant on the real estate in Brochów which was purchased in the current business year. The newest technologies enabling the automation of the major part of the manufacturing process are to be applied in the new plan. This solution will enable to significantly increase the manufacturing capacity with an only slight increase in the costs. In order to increase the manufacturing efficiency and economics, the Company also intends to modernize the current manufacturing and warehousing infrastructure of the Company by means of implementing new production modules to the particular technological lines and replacing a part of existing modules with more efficient and energy-saving ones.

Diversification of the suppliers and vertical integration

Due to expanding the department of direct import, which enables purchasing directly from the manufacturers of particular products, it is possible to further diversify the supply sources of goods, to decrease the purchase prices and at the same time to commence the activities on the warehouse market of unprocessed raw materials.

Products

The Company shall continue the strategy currently in force. The Issuer, by means of preceding its actions with market research and quality tests, systematically introduces on the market and shall continue to introduce on the market new products of the nuts and dried fruits and poppy-seed fillings group. This type of strategy allows for current adjustment of the Company's own offer to the needs and inclinations of the client.

The marketing strategy

Building the identity of HELIO, the Company focused on developing the image of own products, identified with the highest quality and with retaining moderate prices. Taking into account the current sales value and the number of consumers, the Company still intends to intensify marketing actions supporting the sales of *Słoneczne Owoce* [Sunny Fruits] as well as the poppy-seed fillings, including in particular the actions in the scope of PR and advertisement. The growing level of sale sanctions the legitimacy of intensifying advertisement in order to further increase the level of sales and build the identity of HELIO by means of PR activities.

18. Changes in the elementary rules of managing the issuer's company

The personnel of the Issuer's Management Board as well as the general rules of managing the company are not subject to any significant changes.

19. Changes in the issuer's managing and supervising personnel during the last business year, the rules of appointing and dismissing the managing personnel and the qualifications of the managing personnel and in particular the right to decide about issuing or buying shares

In the business year 2007/2008 there were no changes in the Issuer's managing and supervising personnel

All the members of the Management Board are appointed for a five year joint term of office. The current Management Board personnel have been in charge since 25 August 2006, i.e. from the day of transforming the company into *Spółka Akcyjna* [a joint stock company]. Since that date no changes have been implemented in the Company's Management Board. The Management Board was chosen for the current term on 18 July 2006 and its term shall expire on 25 August 2011. The mandate of a member of the Management Board shall expire on the day of approving by the General Meeting the financial report for the business year ending on 30 June 2011.

The Management Board personnel consist of:

1. Leszek Wąsowicz – President of the Management Board
2. Justyna Wąsowicz – Vice President of the Management Board

The members of the Supervisory Board are appointed for a five year joint term of office. The current personnel of the Supervisory Board have been in charge since 25 August 2006, i.e. from the day of transforming the company into *Spółka Akcyjna* [a joint stock company]. Since that date no changes have been implemented in the Company's Supervisory Board. On the basis of the partners' resolution of "PH BONA" Sp. z o.o. [a limited liability company] on the transformation into *Spółka Akcyjna* [a joint stock company], the term of the members of the Supervisory Board shall expire on 25 August 2011. The mandate of a member of the Supervisory Board shall expire on the day of approving by the General Meeting the financial report for the business year ending on 30 June 2011.

The Supervisory Board consists of:

1. Jacek Kosiński – Chairman of the Supervisory Board,
2. Adam Wąsowicz – Vice-Chairman of the Supervisory Board,
3. Irena Gałań – Stelmaszczuk – Member of the Supervisory Board,
4. Magdalena Kącka – Member of the Supervisory Board,
5. Radosław Turski – Member of the Supervisory Board.

The rules governing appointing and dismissing the managing personnel:

Pursuant to §10 of the Company's statutes, the Members of the Management Board are appointed and dismissed by the Supervisory Board with provision for the Members of the Management Board of the first term of office who were appointed by the Meeting of Shareholders of the transformed company in the process of the transformation of the legal form of the Company.. The Company Management Board consists of one to three members. While choosing the Members of the Management Board, the Supervisory Board shall specify the number of the Members of the Management Board and determine the functions which the appointed person shall perform in the Company's Management Board. The members of the Management Board are appointed for a joint term of office. The Management Board term shall last five years.

The rights of the managing personnel and in particular the right to decide about an issue or redemption of shares:

The Management Board of HELIO S.A. does not possess any specific rights except the rights arising out of the Commercial Companies Code.

20. All agreements concluded between the issuer and the managing personnel assuming indemnity in case of their resignation or dismissal from the office without any important reason or when their removing or dismissal is a result of the issuer's merger by means of a take-over

The Members of the Management Board are employed in the Company under the employment agreement. In case of dissolving the employment agreement the

Members of the Management Board shall be entitled to compensation and severance package resulting from the regulations of the labour law.

The Members of the Supervisory Board are not employed by the Issuer.

There are no agreements of rendering services by the Members of the Management Board and the Members of the Supervisory Board to the benefit of the Issuer specifying the payment paid at the moment of dissolving the employment agreement.

21. Value of remunerations, prizes or benefits, also when resulting from motivation or bonus programmes based on the issuer's capital, including operational programmes with priority right, exchangeable, warrant subscriptions (in cash, in kind or any other form), paid out, due or potentially due individually for each of persons managing and supervising the issuer in the issuer's company regardless of whether they were properly included in the costs or resulted from the distribution of the profit

The value of remunerations and prizes of the Members of the Management Board in the business year 2007/2008 was the following:

- Leszek Wąsowicz - President of the Management Board – PLN 228,360.17 net
- Justyna Wąsowicz - Vice-President of the Management Board – PLN 138,689.56 net

In the period under discussion the Members of the Supervisory Board did not accept any remunerations, prizes or other benefits.

22. Specification of the total amount and nominal value of all the shares owned by the managing and supervising persons

According to the knowledge of the Management Board of HELIO S.A, on the day of closing the business year, i.e. 30 June 2008, the managing and supervising persons owned the following Company's shares (Table 5).

Table 5. *The status of the shares owned by the managing and supervising persons for 30 June 2008.*

Shareholder	Number of shares	Nominal value of the shares owned	Percentage share in the share capital	Number of votes at the general meeting	Percentage share in the total number of votes on GM
Members of the Management Board					
Leszek Wąsowicz	3,857,000	PLN 1,928,500	77.1%	3,857,000	77.1%
Members of the Supervisory Board					
Jacek Kosiński	17,800	PLN 8,900	0.4%	17,800	0.4%

Source: the Management Board of HELIO S.A

23. Specification of the shareholders having, indirectly or directly by subsidiary entities, at least 5% in the total number of votes at the Issuer's General Meeting

On the day of closing the business year, i.e. 30 June 2008, according to the knowledge of the Management Board of HELIO S.A, the structure of the shareholders holding more than 5% of votes at the Issuer's General Meeting was the following:

Table 6. *The structure of the shareholders holding more than 5% of votes at the GM (for 30 June 2008)*

Shareholder	Number of shares	Share in the share capital (%)	Number of votes at the general meeting	Share in the total number of votes on GM (%)
Leszek Wąsowicz	3 857 000	77.1	3 857 000	77.1
Investment funds managed by KBC TFI S.A.	253 761	5.1	253 761	5.1

Source: the Management Board of HELIO S.A

24. Information about the agreements known to the issuer (including those concluded after the balance sheet date) as result of which there may follow changes in proportions of shares owned by the current shareholders and covenantees

According to the knowledge of the Management Board of HELIO S.A, no agreements of this kind were concluded.

25. Specification of the holders of all securities which provide special control authorization regarding the issuer

None.

26. Information about the matching shares control system

Not applicable.

27. Specification of all limits regarding the assignment of title of the issuer's securities as well as all the limits in the scope of executing the right to vote falling on the issuer's shares

According to the knowledge of the Management Board no restrictions were settled in the scope of the assignment of title of the Company's shares as well as other limits in the scope of executing the right to vote with the exception of the obligation of the President of the Management Board of HELIO S.A, Mr. Leszek Wąsowicz, that within the period of the credit agreement with Bank BPH S.A. being in force, i.e. from 11

August 2008 to 30 September 2009 the share of Mr. Leszek Wąsowicz in the shares in the Issuer's ownerships structure will not fall below 50% + 1 share, which was published in the current report No. 4/2008 of 11 August 2008.

28. Information regarding the agreement with the entity entitled to analyse and inspect the financial reports

On 30 March 2007 the Supervisory Board of the Company chose the entity entitled to analyze the financial reports. The chosen entity is PKF Consult Sp. z o.o. [plc] with its registered office in Warsaw, entered into the list of entities entitled to analyze financial results, run by the National Chamber of Statutory Auditors under number 477. On 5 June 2007 an agreement with the chosen entity was concluded for the period ending with the moment of the end of the works resulting from the analysis of the annual financial report of the Company for the last period under the agreement. The scope of the agreement includes:

- analysis of the annual financial report of HELIO S.A. in accordance with the state for 30 June 2007,
- analysis of the annual financial report of HELIO S.A. in accordance with the state for 30 June 2008,
- analysis of the annual financial report of HELIO S.A. in accordance with the state for 30 June 2009,
- intra-year survey of the annual financial report of HELIO S.A. in accordance with the state for 31 December 2007
- intra-year survey of the annual financial report of HELIO S.A. in accordance with the state for 31 December 2008

The total amount of the remuneration arising from this agreement, due or paid off by virtue of the analysis and survey of the financial reports shall be PLN 84,500 net. Should a significant increase (by over 35%) in the balance amount or revenues in reports surveyed or analysed in the following business years occur, the parties may renegotiate the amount of the remuneration.

The Company has already used the services of PKF Consult Sp. z o.o. [plc] in the scope of analysing the financial report of the legal predecessor of the Issuer for 2005, the analysis of the financial reports prepared for its application in the prospectus (from 15 August 2003 to 31 December 2004; from 01 January to 31 December 2005; from 01 January to 31 August 2006 of the capital forecast), the analysis of the plan of transforming "PH BONA" Sp. z o.o. [public limited company] into HELIO S.A. as well as rendering proper opinions and consultancy in the field of the accountancy organization. The total cost of the above mentioned activities amounts to PLN 85,300 net.

29. Statement of the persons responsible for the information included in this report on the Management Board activity of HELIO S.A.

The Company's Management Board declares that according to its best knowledge the annual financial report and the comparable date was prepared in compliance with the binding rules of accountancy and that they reflect in a true, reliable and

clear manner the capital and financial situation of the Issuer as well as the financial result and that the report on the Issuer's activity includes the true picture of the development and achievements and the situation of the Company, including the description of the fundamental threats and risks.

The Company's Management Board declares that the entity entitled to analyze the financial reports, preparing the analysis of the annual financial report, was chosen in accordance with the provisions of law and that this entity as well as auditors carrying out the analysis of this report met the requirements for presenting unbiased and independent opinion on the analysis in compliance with relevant provisions of the national law.

Wyględy, 25 November 2008

.....
Leszek Wąsowicz
President of the Management Board

.....
Justyna Wąsowicz
Vice-President of the Management Board