



Polish Financial Supervision Authority

Komisja Nadzoru Finansowego

Pl. Powstańców Warszawy 1
00-950 Warszawa

Current report No: **21/2007**

Date: **2007-09-07**

Company: **HELIO S.A.**

Title: **Conclusion of a significant contract**

Legal basis: Art. 56 item 1 point 2 of Act on Public Offering dated July 29th 2005

The report :

The Management Board Of HELIO S.A. hereby informs about concluding on 6 September 2007 a credit agreement with Bank BPH S.A. with its registered office in Krakow ("the Bank"). Pursuant to the agreement the Bank granted HELIO S.A. a credit in the form of a multipurpose multicurrency credit line up to the equivalent of PLN 12,700,000 allowing the use of a credit limit up to the equivalent of PLN 12,500,000 intended for financing the Debtor's current activities and a sublimit up to the amount of PLN 200,000 intended for compensation of the credit and market risk carried by the Bank due to concluding between the Bank and the Debtor financial market transactions on the basis of and under the terms specified in a separate agreement. The credit shall be made available in tranches until 31 August 2008. The credit may be used in the Polish zloty or in the Euro or the American Dollar. The credit shall be made available to the Company in the following manner:

1. A credit on a current account in the amount not larger than PLN 3,500,000. The credit shall be used through the Debtor's payment dispositions carried out by the Bank from the Current Account in the appropriate currency of the credit.
2. A non-renewable working capital credit in the amount of PLN 9,000,000. The credit shall be made available in tranches upon the Debtor's order. The Debtor obliges itself to pay off the total of the used non-renewable working capital credit at the latest by 15 June 2008.

Within the credit limit, upon the Debtor's disposition, the Bank shall grant bank guarantees up to the total amount not larger than the equivalent of PLN 500,000 and it shall open documentary letters of credit up to the total amount not larger than the equivalent of PLN 3,500,000. The total utilization of the credit limit released in the credit on the current account, in guarantees and in letters of credit may not be larger than PLN 3,500,000. The Bank charges interest on both

the amount on the current account and in case of the non-renewable working capital credit in accordance with 1M WIBOR fixed interest rate plus the Bank's commission. The interest shall be charged daily and be payable on the last day of the interest period. The calendar month shall constitute the interest period. The following collaterals have been established for repayment of the credit, interest, commissions, charges and the costs incurred by the Bank and any other Bank's receivables resulting from the Agreement:

- a. a deposit mortgage established for securing the capital, interest and other costs up to the amount of PLN 18,062,500 for the real estate located near Wyględy at 26 Stołeczna Street along with an assignment of the insurance policy
- b. a registered pledge for the items designated in reference to their kind, i.e. in the inventories being in possession of the Debtor, up to the maximum amount of PLN 13,500,000, pursuant to the registered pledge agreement of 6 September 2007 along with an assignment of the insurance policy,
- c. an own bill of exchange in an in blanco form issued by the Debtor along with a bill of exchange declaration of 6 September 2007.

The Company has obliged itself that during the agreement validity period it shall not pay to the shareholders or any other authorized persons or pass to them in any other form any amounts of money due to dividend, return of contributions, repayment of loans of the shareholders or due to any other title connected with participation in the Debtor's share capital, as well as not to pass to those persons any capital benefits resulting from the titles of participation in the Debtor's company without the Bank's prior consent.

The parties have resolved that the event of Mr. Leszek Wąsowicz's failure to maintain, either directly or indirectly, at least 50% of the shares + one share in the Debtor's share capital and thereby failure to maintain rights to vote equivalent to 50% of the total number of rights to votes + 1 vote at the Shareholder's General Meeting a violation of the terms of the agreement shall occur.

The remaining terms do not diverge from the terms commonly applied in agreements of this kind.

The value of the subject of the agreement amounting to at least 10 % of the value of revenues from the Company's sales for the period of the last four quarters of the business year shall be the fundamental requirement for recognizing this agreement as significant.

Signed:

Leszek Wąsowicz
President of the Management Board