

**ADDITIONAL INFORMATION
TO THE HALF-YEARLY FINANCIAL STATEMENT OF HELIO S.A.
FOR THE PERIOD
FROM 1 JULY 2010 TO 31 DECEMBER 2010**



Pursuant to the § 87 section 4 in conjunction with § 89 section 1 point 2 subsection "a" of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities, the Management Board of HELIO S.A., with its registered office in Wyględy, in its full personal composition:

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

hereby presents additional information to the half-yearly financial statement.

Pursuant to the statutes of the Company the business year of HELIO S.A. shall start on 1 July and end on 30 June.

The Company shall not prepare a consolidated financial statement.

1. Accounting principles adopted while preparing the report

The presented financial data of the Company for the 1st half-year of the business year 2010/2011 was prepared pursuant to the Accounting Act of 29 September 1994. In the current business year the Company did not change the accounting principles (policy) in relation to the principles adopted in the financial statement for the previous year.

PLN (the Polish zloty) is the currency of this report.

In order to assure the comparability of the financial data was adopted for the following periods:

- 30.06.2010 and 31.12.2009 for the balance sheet and statement of changes in equity,
- from 1 July 2009 to 31 December 2009 for the profit and loss account and cash flow statement.

All data presented in the report are provided in thousand of zlotys, unless otherwise states. Transactions in foreign currencies, as well as positions of the assets and the liabilities have been converted in to the Polish currency following the below presented rules:

- transaction in foreign currencies are included as of a date when they were paid, if payment of the debtors and the liabilities was effected in fact on that day following the exchange rate of that day, but when the exchange rate of the date of transaction is not justifiable, following the average exchange rate announced for a particular currency by the National Bank of Poland (NBP) of a prior day of such date, and in case the average exchange rate was not calculated and announced for such day, then the exchange rate calculated and announced lately is applied for conversion,
- positions of the assets and the liabilities as of the balance sheet date have been evaluated following the NBP exchange rate announced on 31st December 2010.

The presented selected financial data from the balance-sheet, from the profit and loss account and cash flow account were converted from the Polish zloty into the Euro in accordance with the following rules:

- particular asset and liability items of the balance-sheet as of 31 December 2010 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 255/A/NBP/2010 of 31 December 2010, 1 EUR = PLN 3.9603,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2010 to 31 December 2010 were converted at the exchange rate that is the arithmetic average of the exchange rate of the Polish National Bank for the Euro for the last day of each month in the given period in the following way:

Table No.	Date	Exchange rate (PLN)
147/A/NBP/2010	30.07.2010	4.0080
169/A/NBP/2010	31.08.2010	4.0038
191/A/NBP/2010	30.09.2010	3.9870
212/A/NBP/2010	29.10.2010	3.9944
232/A/NBP/2010	30.11.2010	4.0734
255/A/NBP/2010	31.12.2010	3.9603
Average exchange rate for 6 months	1 EUR =	4.0045

2. Information on adjustments for provisions, provisions for deferred income tax and deferred tax assets, write-offs revaluating assets

In the presented period there are adjustments for provisions, provisions for deferred income tax and deferred tax assets.

The provisions were created for:

- leaves not taken up as of 31.12.2010 (decrease by PLN thousand 30 up to the amount of PLN thousand 111),
- review of semi-annual financial statement (PLN thousand 10),
- financial leasing (PLN thousand 7).

The provisions were taken up for:

- audit of the financial statements for the 2009/2010 year (PLN thousand 20),
- unpaid salaries and National Insurance contributions (PLN thousand 230),
- financial leasing (PLN thousand 7).

Deferred tax assets refer to:

- promoting and marketing activities (PLN thousand 80),
- unpaid salaries and National Insurance contributions (PLN thousand 26),
- retirement and pension pays (PLN thousand 4),
- warehouses under construction, partially in use (PLN thousand 10),
- review of semi-annual financial statements (PLN thousand 2),
- leaves not taken up (PLN thousand 21),
- allowances for stock valuation (PLN thousand 7),
- negative differences of exchange rates as of the balance sheet date (PLN thousand 3).

Provisions for deferred income tax refer to:

- financial leasing (PLN thousand 14),
- interest on receivables (PLN thousand 14).

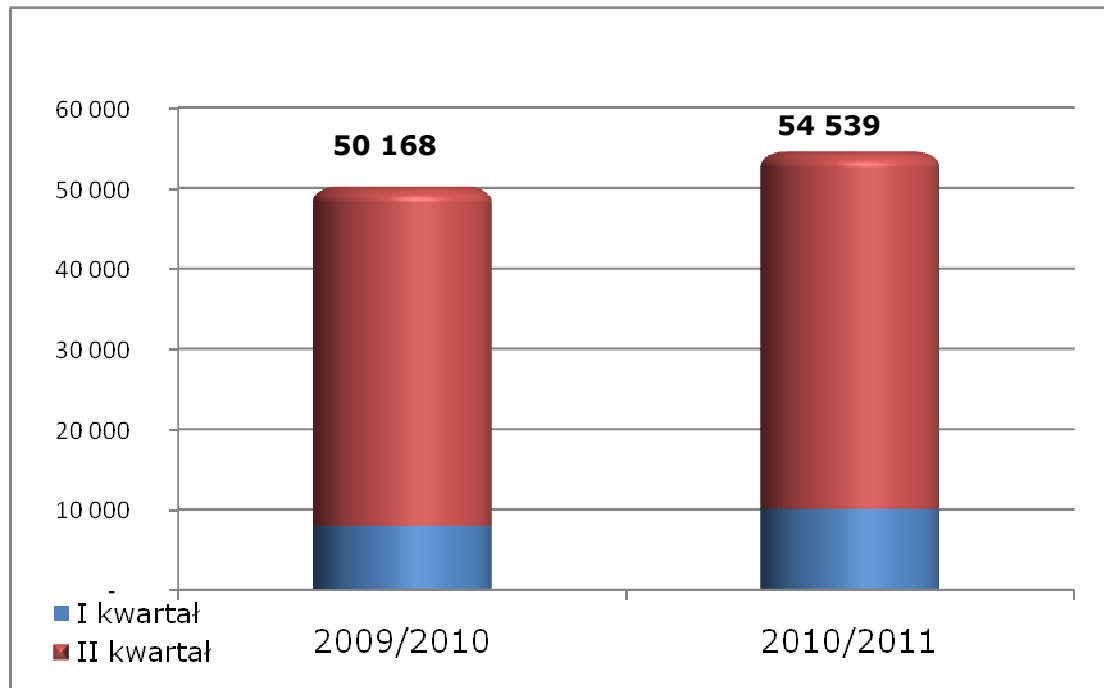
Taken up write-offs revaluating assets refer to:

- materials stock (PLN thousand 39).

3. Description of essential achievements or failures in the period concerned

In the first half of the financial 2010/2011 year the Company gained record-breaking revenues from sale in a period of 6 months, which amounted to PLN thousand 54 539. With reference to the data for the comparable period of the prior year, the Issuer increased its sale by 9 % (revenues from sale for a period: July – December 2009 amounted to PLN thousand 50.168). This record is more noteworthy, as until the new plant in Brochów is put into operation, the Issuer's production opportunities has been fully made the most, and at the same time the dynamics of the sale increase is limited.

Figure 1: Increase of revenues from sale in the first half of the current and prior business year (in PLN thousand)



Source: Management Board of HELIO S.A.
kwartał = a quarter

In the current half-year the Issuer undertook a number of activities connected with bearing single, significant expenditures, including, first of all, costs of sale (launching of the new products, activation of the new channels of distribution), indispensable to further dynamic development of the Company. Though the referred expenditures should be justifiable in results of next financial years, they decreased the net profit of the current period to a level of PLN thousand 3,004. In the Management Board's opinion the loss of profits in the current financial year is to be deemed as accidental event, as it was necessary to prepare the Company to continue the intensive development next years. It is worthwhile just to remind that dynamics of the generated net profits last years amounted much more above 40 % (year to year).

4. Factors and events, especially of untypical nature that influence the obtained financial results.

The last half-year abounded with events and factors of untypical nature, which had impact on the financial results gained by ELIO S.A. Majority of the referred events needed to "invest" the further development of the Company, and the Issuer signaled it just in earlier interim reports, including in the yearly SA-R 2009 report published on 02.11.2010 r. The activities carried out by the Issuer are to be evaluated in longer planning horizon as the measurable effects of the activities in concern will be visible from the next financial year.

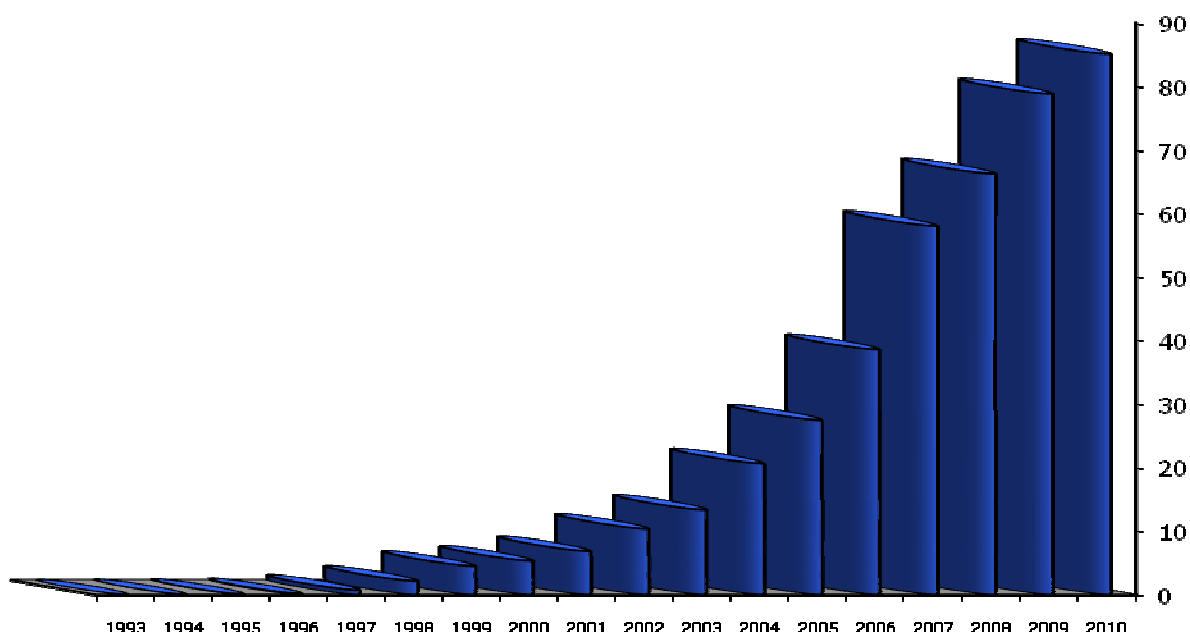
Construction of the new plant in Brochów

Last half-year the Company was carrying out the greatest invest project in the enterprise's history, it means the construction of the new manufacturing-warehouse-office complex in Brochów located near Sochaczew. Soon, the referred investment will increase in jumping manner the Issuer's supply opportunities, as well as limit its expenses through improvement of internal logistics actions and use of thermal energy hitherto ineffectively released at production of poppy mixes.

Though, currently the Company commenced the acceptance process of the referred investment, what was postponed as a result, first of all, of disadvantageous weather conditions (long and frosty winter of the 2010 year, significant precipitations in spring and summer 2010), the Contractor's delays and small design changes increasing efficiency of the new plant. Earlier the Issuer informed on the risk of occurrence the referred delay, among other things, in the yearly SA-R 2009 report published on 02.11.2010.

The above described delay made putting into operation of the new plant just before the 2010 Christmas season impossible, and at the same time it limited the Issuer's current supply opportunities, obstructing increase dynamics of the enterprise's income from sale. However, at the same time, it is to emphasize that completion of the investment project should in relatively short period of time reflect comeback to the hitherto increase dynamics of the enterprise's income (Figure 2), exceeding rate of the market development.

Figure 2: *Increase of income from sale provided in calendar years from the enterprise's origination (in PLN million)*



Source: The Management Board of HELIO S.A.

The delay in commissioning of the plant in Brochów determined also the necessity to bear additional costs of sale resulting in particulars from the short-term lease of additional warehouse area, extension of lease term of the hitherto

facilities, continuation of high expenses of internal logistics, as well as necessity to bear additional operating costs (for example: heating, guard). After the investment project in Brochów has been finalized, the Company will resign the leased areas limiting its activity to the own locations in Brochów and Wyględy. As the Issuer informed in the above cited yearly report, the financial 2010/2011 year is to be deemed as the temporary period, and the expected advantages from the undertaken activities would appear first of all in the financial result of the succeeding financial period.

Launching new lines of products

Monitoring the demand on the domestic market, HELIO S.A. systematically launched and will launch new products of the nuts and dried fruits and poppy-seed fillings group assigned with the Issuer's brand. Among the news launched in the first half of the financial 2010/2011 year, first of all, it is to distinguish two lines of the new products:

- the nuts and dried fruits of HELIO GOLD brand featured with the highest sort of raw material, as well as a package. It is the exclusive product directed to well-off part of the society created mainly as a healthy snack. The referred assortment aims at hitherto not engaged niche of the nuts and dried fruits market, and owing to that it promises a chance of quick development in its segment. Considering the luxury nature, the assortment in concern should be specified with high sale margin, but the necessity to bear expenditures to launch the product on to the market and its promotion make that the measurable financial advantages will be noticeable just in the succeeding financial year. Thus, launching the luxury line of HELIO GOLD products should be just in the current year reflected in strengthening awareness of the HELIO brand, and at the same time to make the market position of all products assigned with the manufacturer's trade mark stronger. Notwithstanding the short presence on the market, the product of this group has already been honoured with prestigious statuette "SUPERPRODUCT of the Woman's World 2010 ("SUPERPRODUKT Świata Kobiety 2010").
- sweetmeats masses of the HELIO brand of innovative, as well as coherent stylistics of package including HELIO poppy seed masses the most popular on the market. The declared real demand for the referred product and strong awareness of the Helio brand in the purposed product group should be reflected in quick popularization of them on the market, and in particulars in the Christmas and Easter time seasons.

Notwithstanding the above specified lines of products satisfy the assumed sale purposes charged on them, it is to remember that such stage of product life requires material expenses to inform potential clients on existence of the product and to put the products "on to a shelf", at the same time, when the sale is lower than the purposed level. In the current period of time the material expenses were borne for promotion and distribution of the new products, what is reflected in the significantly higher costs of sale. By the Issuer's estimation the stage of launching the referred products should be completed till the end of the current financial year, and later on, it will commonly move into the stage of increase, in which the fastest increase of sale occurs causing decrease of production unit

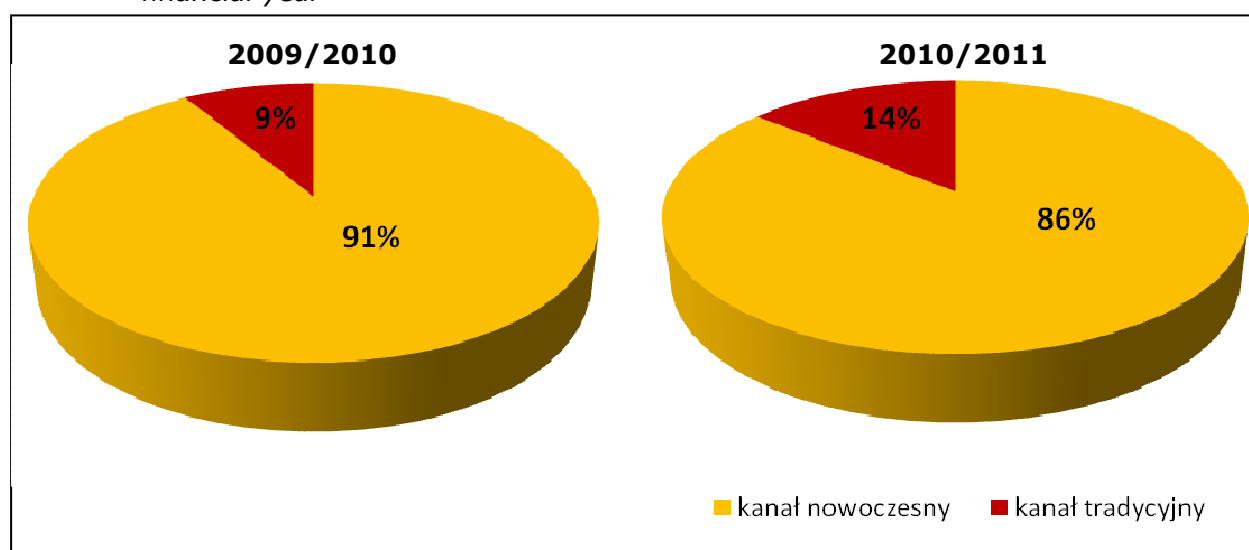
costs and promotion, as well as the further increase on the market. In the Management Board's opinion, calculable effects of the undertaken activities will be noticeable just next business year.

Diversification of customers and activation of the new distribution channels

Considering poor development of the Company's sale in the traditional channel, the Issuer undertook activities purposing to develop its throughout Poland trade structures. In particulars, the enlarged commercial department is to intensify the sale in the traditional channel (wholesales, distributors). As last years the above distribution channels did not compose significant position in the Issuer's sale structure, and activation of them is natural consequence of the carried out strategy of the Company's development.

Though the undertaken activities bring the first expected effects, including the increased share of the traditional channel in the Company's sale structure (Figure 3), it was connected with the necessity to bear costs of development of the Issuer's commercial department and numerous marketing fees conditioning to come into effective cooperation with new clients. Though unit costs incurred were not significant, together they composed material position in the costs of sale. However, it is to notice that that the borne costs are of single nature, and the expansion in the referred distribution channels should in relatively short time bring fruits in a form of the increased sale of the Company's products, and at the same time to cause as much as possible the most effective use of the Issuer's increasing supply as well as the further growth of diversification of the Issuer's clients. Ultimately, the Company assumes to obtain in the traditional channel approximately 30-40 % of its income from sale, i.e. the same as in the sale of this channel in the nuts and dried fruits market.

Figure 3: *Structure of sale by the clients in I half-year of the 2009/2010 and 2010/2011 financial year*



Source: The Management Board of HELIO S.A.

Increase of raw material prices

The increase of raw materials had negative impact on the margin obtained from sale of some products. Notwithstanding the Company renegotiated with its clients the prices of the products subject to sale, it was the process extended in the time, and at the same time it temporarily had negative influence on to the net result obtained in the first half-year of the 2010/2011 business year.

Seasonality of sale and intensification of marketing actions

Last half-year covered the period typical for the brand starting from summer deadlock on the nuts and dried fruits market, and ending with the sale peak specific for the period of Christmas time. In the last period the Company intensified its marketing actions supporting the sale of products assigned with the Issuer's trade mark. The Company was promoting its products in the greatest throughout Poland TV stations (the TV campaign of HELIO GOLD as well as the campaign of the HELIO poppy mixes), as well as in widely read magazines dedicated women and providing advises, moreover in the sector periodicals and in sector electronic media, and provided a number of promotional-tasting actions in points of sale. Undoubtedly, complexity of the held actions caused the volume increase of the products assigned with the HELIO trade mark, currently, as well as improved the image and familiarity of the Issuer's brand in longer planning horizon.

Development of the nut and dried fruits market

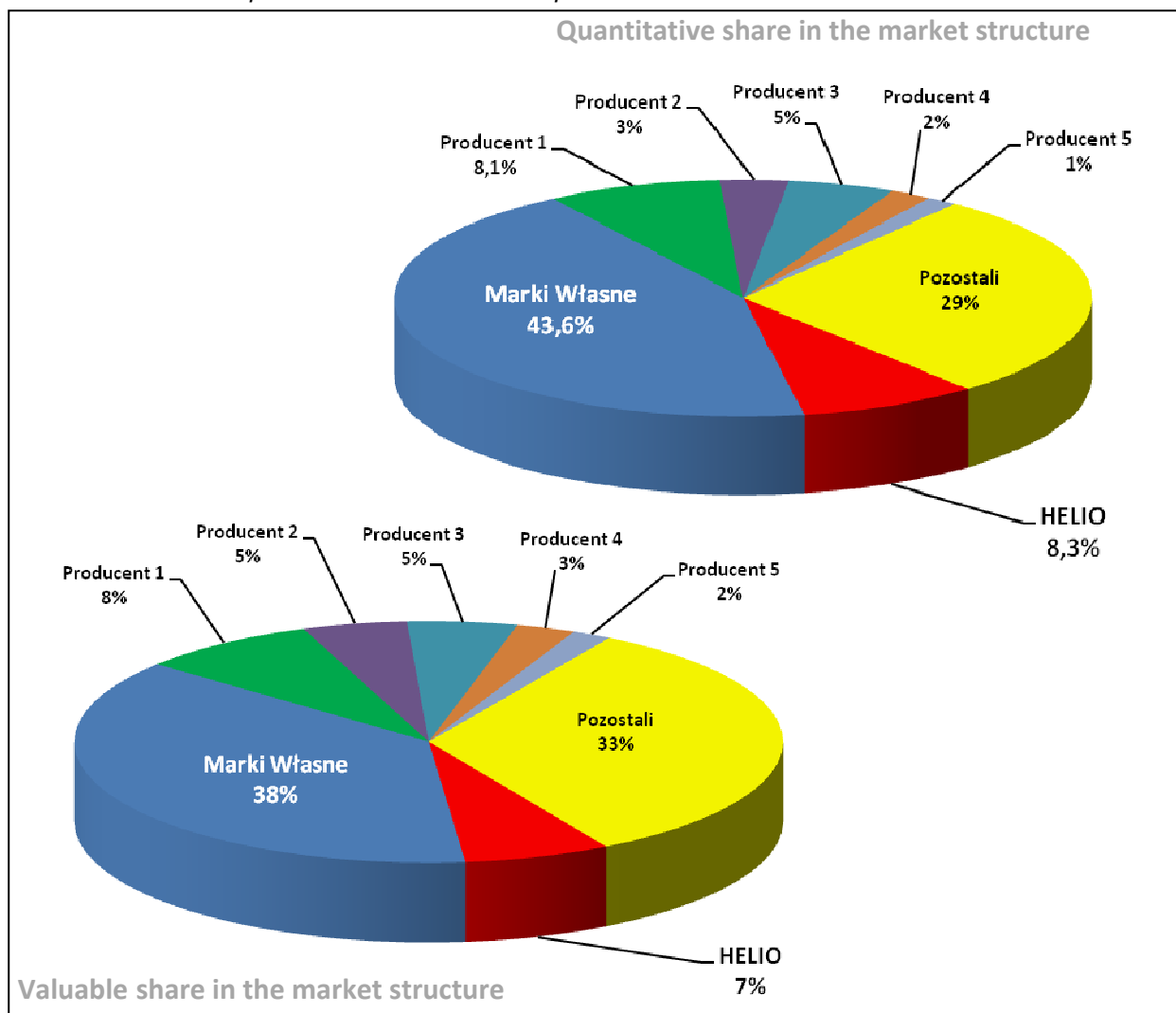
The market of nuts and dried fruits in Poland is currently characteristic of high dynamics of development. One of the main factors having impact onto increasing sale quantity of nuts and dried fruits is general popularization of sweetmeats among Poles, who more frequently perceive nuts and dried fruits in wider aspect not only as an irreplaceable ingredient of holiday dishes. Such trend is a natural change of consumers' habits in households, resulted from introducing Western-European and Mediterranean consuming habits into the Polish diet. Notwithstanding the dynamic increase of popularity last years, the market in concern is still of very material prospect.

Taking the above-mentioned into consideration, it is estimated that the domestic nuts and dried fruits market will grow in the following years even by 5-10% yearly. Then, the dynamics of increase of the Issuer's income from sale matched in the first half-year the dynamics of the market development, and at the same time, in the Management Board's assessment it allowed to maintain the Company's position in the sector on the domestic market. The broad experience in the sector, the strong position on the domestic market as well as the Issuer's deprivation of supply limits (putting into operation of the new plant in Brochów planned for the II half-year of the 2010/2011 business year) let the basis to successful forecasts of the Company's development in future years faster than the market development rate.

Specifying the nuts and dried fruits market in Poland, it is also worthwhile to pay attention to the increasing demand for products of own brands of the trade networks. Basing on the GfK Polonia data (Figure 4), the share of them in the

nuts and dried fruits market increased in the 2010 calendar year by 7 percentage points when compared year to year (both in valuable and quantitative context).

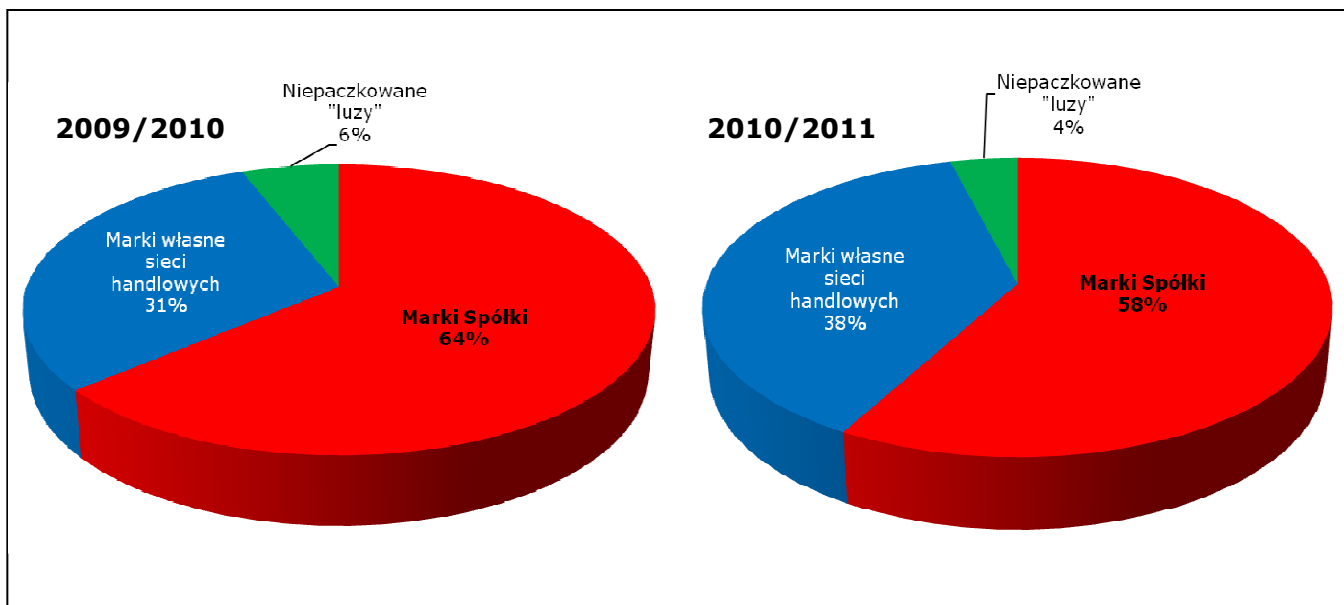
Figure 4: The quantitative and valuable share of the particular brands on the nuts and dried fruits market packed in Poland in the period from 01.01.2010 – 31.12.2010.



Source: GfK Polonia Sp. z o.o.

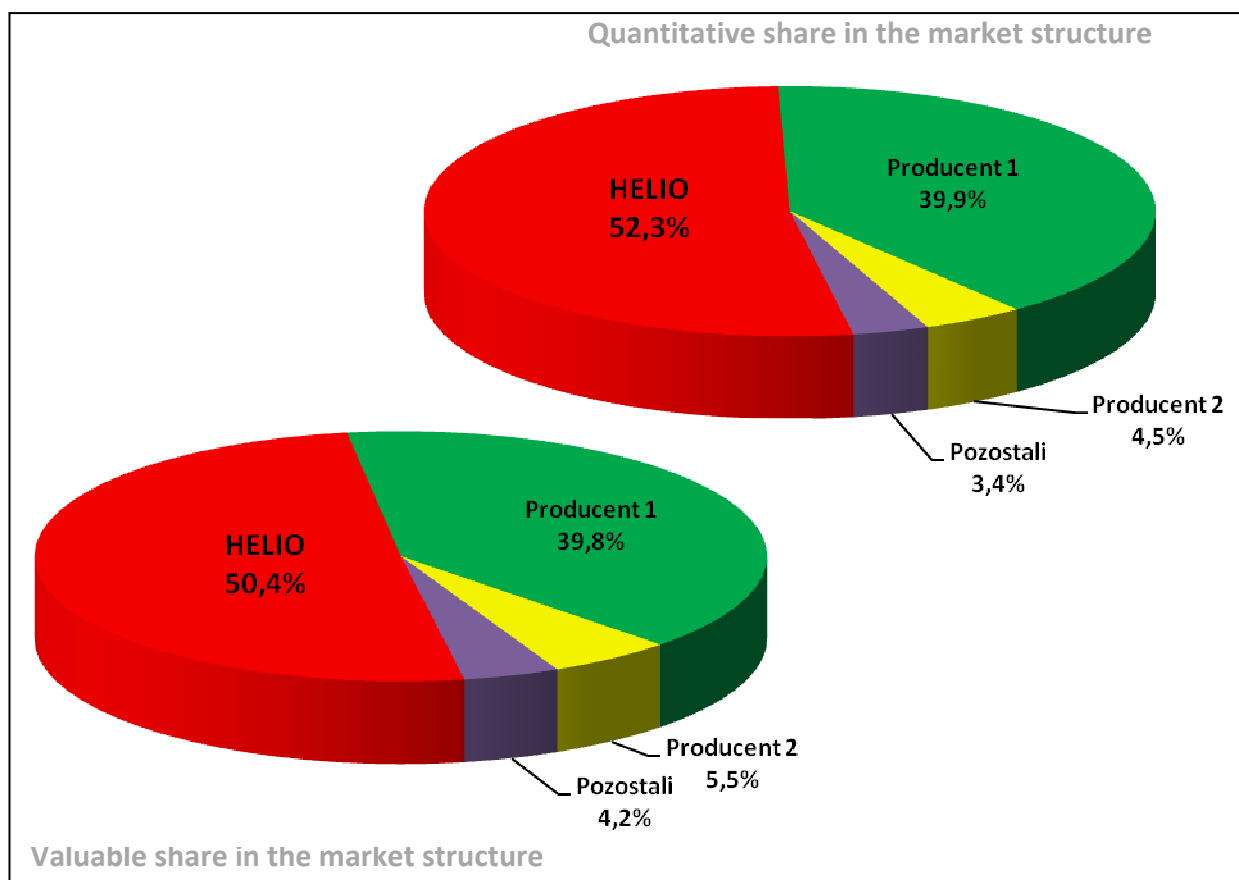
As the structure of the HELIO S.A. sale provides (Figure 5), the Issuer flexibly adapted its offer to the market needs increasing the share of own brands in the Company’s income from sale by 7 percentage points, it means proportionally to the market changes. At the same time, the Company has maintained the volume leader position on the market of the nuts and dried fruits packed in the manufacturer’s brand, and the vice-leader in the valuable context. Moreover, HELIO S.A. has also maintained the position of undisputable leader in the category of poppy mixes still covering more than the half of this market (Figure 6).

Figure 5: The share of the nuts and dried fruits brands in the obtained incomes from sale the Company in the first half-year of the 2009/2010 and 2010/2011 financial year.



Source: The Management Board of HELIO S.A.

Figure 6: The quantitative and valuable share of the particular brands in the poppy mix market in Poland in the period from 01.01.2010 – 31.12.2010.



Source: GfK Polonia Sp. z o.o.

5. Information about seasonal character or cyclical nature of the activities of the issuer in the presented period.

Because of the specificity of this sector that is typical of a highly seasonal character, several relations essential for the correct interpretation of some economic values occurring in the companies in the nuts and dried fruits processing sector. It should be emphasized that the Company's revenues are strongly connected with the dates of Easter and Christmas.

The phenomenon of a seasonal character is present in the Issuer's activities. The highest sales of nuts and dried fruits fall on the period before Christmas and Easter. The sales of nuts and dried fruits are on its lowest level in the summer period, when the availability of fresh fruits makes them a competitive product. At the same time the Company prepares itself to the period of increased sales by means of purchase of nuts and dried fruits in the period in which the sales are on the lowest level. The accumulation of sales characteristic for the sector in the months preceding Christmas and Easter makes it justifiable to commence Christmas and Easter production in the summer period of lower sales.

6. Information about issue, redemption and repayment of debt securities and capital securities.

No transactions connected with issue, redemption and repayment of debt securities and capital securities were carried out in the period for which this report is presented.

7. Information about declared or paid dividend

HELIO S.A. did not declare or pay dividend in the period for this report is presented.

8. Events that occurred after 31 December 2010, not included in the abridged version of the statement that may significantly influence the future financial results of the Issuer.

No events that may significantly influence the future financial results of the Issuer occurred after the date for which the half-yearly financial statement was prepared.

9. Information about changes in the conditional liabilities and conditional assets that took place after the end of the last business year.

No such events took place in the period for which this statement is presented, i.e. from the end of the last business year.