

**ADDITIONAL INFORMATION
TO THE FINANCIAL STATEMENT
FOR THE 1ST QUARTER OF THE BUSINESS YEAR 2011/2012
FROM 1 JULY 2011 TO 30 JUNE 2012**



Pursuant to the § 87 section 4 and 7 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:

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

hereby presents additional information to the interim report for **the 1st quarter of the current business year 2011/2012**. This quarterly report includes the period from **1 July 2011 to 30 September 2011**.

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 quarter of the business year 2011/2012 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 for the 1st quarter of the current business year, the analogical period from the previous business year, i.e. from 1 July 2010 to 30 September 2010 was accepted as a comparable period.

All the data presented in the statement was shown in thousand zlotys, unless otherwise specified. Operations in foreign currencies and asset and liability items were converted into the Polish zloty in accordance with the following rules:

- revenues and expenses in foreign currencies were converted in accordance with the average exchange rate determined by the Polish National Bank [*NBP*] for the day of the transaction,
- financial operations in foreign currencies were converted in accordance with the purchase exchange rate of currencies applied by the bank whose services the Company used,
- asset and liability items for the balance-sheet date were priced at the exchange rate determined by the Polish National Bank [*NBP*] of 30 September 2011.

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 30 September 2011 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 190/A/NBP/2011 of 30 September 2011, 1 EUR = PLN 4.4112,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2011 to 30 September 2011 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)
146/A/NBP/2011	29.07.2011	4.0125
168/A/NBP/2011	31.08.2011	4.1445
190/A/NBP/2011	30.09.2011	4.4112
Average exchange rate for 3 months	1 EUR =	4.1894

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

The provisions were created for:

- unpaid salaries and National Insurance contributions (PLN thousand 156),
- unpaid bank interests (PLN thousand 70).

The provisions were taken up for:

- unpaid salaries and National Insurance contributions (PLN thousand 44),
- unpaid bank interests (PLN thousand 62).

Deferred tax assets refer to:

- promoting and marketing activities (PLN thousand 61),
- unpaid salaries and National Insurance contributions (PLN thousand 58),
- retirement and pension pays (PLN thousand 5),
- warehouses under construction, partially in use (PLN thousand 13),
- leaves not taken up (PLN thousand 29),
- allowances for stock valuation (PLN thousand 7),
- negative differences of exchange rates (PLN thousand 3),
- audit of the annual financial statements (PLN thousand 4),
- unpaid bank interests (PLN thousand 13).

Provisions for deferred income tax refer to:

- financial leasing (PLN thousand 23),
- unpaid bank interests (PLN thousand 18).

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

In the 1st quarter of the current business year the Company increased the sales, and at the same time, in a period from July to September reached revenues from sales record-breaking in history, which amounted to PLN thousand 12,577. With reference to the data for the comparable period of the prior year, the Issuer increased its sale by as many as by 25% (for a period from July – September 2010 the revenues from sales amounted to PLN thousand 10,029), what means that the Issuer developed multi times faster than the market of nuts and dried fruits.

The 1st quarter of the current business year was closed with net loss in a sum amounting to PLN thousand 557, but it results from seasonal nature of the sector in which the Issuer acts. It is to remember that on the historical background of the entity, the period from July - September was yearly characterized with loss and it is included in the seasonal nature of generation of profits by the Company. It should be noted, however, that during that time the Company improved its result at the EBITDA level (Operating profit + Depreciation). In the first quarter

of 2011/2012 the Company recorded profit at the EBITDA level of PLN thousand 120, compared to PLN thousand 10 of loss in the corresponding period of previous year.

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

The current quarter included a typical period of summer drop of nuts and dried fruits sales, resulting from wide availability of fresh fruits on the market, which in this time are competitive goods for the Company's products. It is characteristic for the Issuer's industry, and thus embedded in the seasonal nature of its revenue and profit generation. Actions taken during this period ensure proper preparation for the industry strategic sales season (Christmas), and their effects will be noticeable in the amount of sales gained by the Company in the next quarter.

Therefore, in the current period, the Company prepared for its critical season, by purchases of raw materials and inventories production for future sales, among others. Although the purchase of raw materials during the summer sales slowdown is characteristic for the Issuer's activity, it is worth noting that the volume of purchases in the past quarter was much higher than last year. This resulted primarily from extended sales plans of the Company for the current fiscal year, due to incrementally increased production capacity of the Issuer, as well as rising prices of raw materials. The above factors directly influenced the greater Issuer's demand for working capital, necessary to fund these increases. Therefore, in the last quarter the Company prolonged for another year the existing working capital facilities, while increasing their amount proportionally to seasonal needs, and renegotiating for benefit of the Issuer the margins on used amounts of loans.

The quarter commencing the fiscal year 2011/2012 is also the time, when the first positive effects of relocation from previously rented premises to the new warehouse and manufacturing complex in Brochów were noticeable. As expected by the Management Board, in the first quarter of this year this was reflected mainly in improved EBITDA profit (PLN thousand 120 of profit vs. the last year loss). It was possible due to reduced operating costs resulting from optimization of internal logistics and reduced costs of warehouse space rental. At the same time, it should be emphasized that due to the costs of organizing activities in the new location, the results of the first quarter do not yet reflect all the expected benefits, though there is no doubt they are good predictors for future periods, including in particular the critical for the Company's activity pre-holiday months (Christmas and Easter), in which the tangible benefits of relocation to the new plant in Brochów should be even more visible due to effects of economies of scale. It should be also explained that in the last quarter there were also incurred

one-off costs associated with office and administration equipment of the new production, warehouse and office complex in Brochów. It caused an incidental increase of overheads comparing to the first quarter of the last fiscal year. As factors untypical for the last year and directly related to the new plant putting into use, one should also mention the increased depreciation and financial costs resulting from payment of interests on investment loans. Increase of these costs, however, was offset by the gained savings, including among others reduction of rental and internal logistics costs, which, as previously emphasized, had a positive impact on the Company's EBITDA profit in the previous period. Due to the renegotiation for benefit of the Issuer the margins on investment loans, as well as systematic organizational improvements of the Issuer's activities in its new manufacturing premises, the scale of these benefits will certainly increase. It should be remembered that the first months after putting into use an entirely new production and warehouse facility are just a period of production starting up, complete equipping with production facilities and organizing work in new conditions. Full production capacity at the new facility will therefore be achieved only in the 2nd-3rd quarter of this fiscal year.

In the 1st quarter of 2011/2012 fiscal year, the Issuer also took actions that aimed to sales intensification, including in particular the future periods. Increased production and storage capacity of the Issuer's new complex in Brochów created the potential to develop the entirely new sales segment in operation of the HELIO SA, which is the sale of nuts and dried fruits to industry customers (the B2B segment, i.e. sales to manufacturers of confectionery, bakeries, confectioneries, etc.). The department dealing with activation of this segment was created at the beginning of the financial year 2011/2012 and, in accordance with the Management Board's expectations, should generate at least over ten million PLN of additional sales revenue already in the first year of operation. Development of this segment is not only the prospect of increased sales revenues, but also improvement of inventory turnover and economies of scale resulting from increased purchases. Sales development in this segment is according to expectations of the Management Board, and the value share of B2B sales revenue was not significant as compared to total Issuer's sale revenues in the first quarter of fiscal year 2011/2012. As a part of its pro-sales activity, the Issuer also took a number of other actions, including establishment of cooperation with successive contractors from the B2C segment, including contractors operating on foreign markets of Central Europe. Effects of these actions will be, however, visible only in the coming months, i.e. in the second quarter of this financial year.

In the context of the presented results, the positive factor is also the steadily increasing demand for the Company's products during summer months. While monitoring this trend, the Issuer took several actions in the past year that aimed to intensification of sales of snack nuts and dried fruits, and the fudge creams characterized by smaller seasonality of demand than products from similar

category of the poppy seed fillings. It contributed undoubtedly to the dynamic sales increase in the last quarter.

Thus, summarizing the 1st quarter of the financial 2011/2012 it is to state that it was a period of active actions, whose effects will be noticeable first of all in financial results of succeeding quarters and years. Owing to opening the new manufacturing plant and intensive activity, particularly within sales and marketing area, the Issuer was able to gain high dynamics of increase of revenues from sales as well as to maintain the assumed solvency ratio. Though the increase of selling costs and depreciation was assumed, after all, the Issuer kept the financial result of the quarter at the level similar to the last year result.

4. 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.

5. 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.

6. Information about declared or paid dividend

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

7. Events that occurred after 30 September 2011, 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 quarterly financial statement was prepared.

8. 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.

9. Description of the organization of the capital group of the Issuer with pointing to the entities subject to consolidation.

HELIO S.A. does not form a capital group and is not a parent company.

10. Information about changes in the structure of HELIO S.A., including mergers with other entities, takeovers or sale of the entities from the Issuer's capital group, long-term investments, division, restructuring and discontinuation of activity

No such events took place.

11. The position of the Management Board in relation to the possibility of accomplishing the previously published forecasts of financial results for the given year in the light of the results presented in the quarterly report in relation to the forecasted results.

The Issuer did not publish financial result forecast for the current business year.

12. Shareholders who own directly or indirectly by means of dependent entities at least 5% of the total number of votes at the Issuer's General Meeting of Shareholders for the date of passing the quarterly report and changes in the ownership structure of significant blocks of the Issuer's share in the period from passing the previous quarterly report.

For the day of passing this quarterly report, in accordance with the knowledge of the Management Board of HELIO S.A. the structure of shareholders who own at least 5% of votes at the Issuer's General Meeting of Shareholders was as follows:

Name of the shareholder	Number of shares	Share in the share capital (%)	Number of votes at the General Meeting of Shareholders	Share in the total number of votes at the General Meeting of Shareholders (%)
Leszek Wąsowicz	3 857 000	77.14	3 857 000	77.14

In accordance with the knowledge of the Management Board, the ownership structure of the significant block of the Issuer's shares did not change in the period from passing the previous quarterly report.

13. List of the assets of shares of HELIO S.A. or rights to them for managing and supervising persons as of the date of passing the quarterly report with the changes in the ownership in the period from passing the previous quarterly report.

The managing and supervising persons owned the following shares of the Company, as of the date of passing this quarterly report:

Shareholder	Number of shares	Percentage (%) share in the share capital	Number of votes at the General Meeting of Shareholders	Percentage (%) share in the total number of votes at the General Meeting of Shareholders
Members of the Management Board				
Leszek Wąsowicz	3.857.000	77.1	3.857.000	77.1
Members of the Supervisory Board				
Jacek Kosiński	17.800	0.4	17.800	0.4

In accordance with the knowledge of the Management Board, no changes in the ownership of shares of HELIO S.A. of the managing and supervising persons took place in the period from passing the previous quarterly report.

14. Information on ongoing judicial proceedings, proceedings in authorities competent for arbitral proceedings or in public administration authorities

In the period for which this report is presented, the Company did not participate in any legal proceedings which a single or total value was at least 10% of the Issuer's equity capital .

15. Information about one or many transactions with affiliated entities concluded by the

HELIO S.A. did not carry out any significant transaction with an affiliated entity on other terms than market.

16. Information about granting by the Company credit securities or loans or guarantees – in total to one entity or a person dependent on this entity, if the total value of the existing securities and guarantees is equal to at least 10% of the equity capitals of the Company.

The Company did not grant credit securities, loans or guarantee in the period for which this report of HELIO S.A. is presented.

17. Other information that is essential in the Issuer's opinion for the assessment of its personnel, material and financial situation and its changes that may be essentials for the assessment of the possibility of accomplishing the Issuer's liabilities.

In the assessment of the Company all essentials information was included in this quarterly report.

18. List of factors that in the Issuer's assessment will influence the obtained results in the perspective of at least successive quarter of the year.

The Issuer's results in perspective of the next quarter will be influenced by intensified value of sales of nuts and dried fruits in the course of the near „before Christmas“ months, when effects of the Company's activities hitherto undertaken, both commercial, marketing and organizational ones should be visible.

The Issuer's results in the perspective of the next quarter will be influenced by increased sales volume of nuts and dried fruits during the nearest "pre-Christmas" months, when the first effects should occur of the commercial, marketing, and organizational actions taken by the Company so far.

The 2nd quarter of the financial year 2011/2012 means also continuation of intensive work in gaining new clients, particularly in the traditional channel (wholesales and distributors), segment B2B as well as on foreign markets. It is worth remembering that in last years the above channels of distribution did not constitute significant position in the Issuer's structure of sales, whereas activation of them is a natural consequence of the realized strategy of the Company's development. Thus, expansion should, in relatively short period of time, bear fruit in increased sales of the Company's products, and at the same time, contribute to possibly the most efficient use of increased supply potential of the Issuer.

Additionally, in order to strengthen its position on the domestic market of nuts and dried fruits, in the second quarter of the current financial year, the Company plans further intensification of marketing actions supporting sales of the products assigned with the Issuer's trademark. Taking into account the

present sales value, market position and the number of consumers, the Company still intends to intensify marketing actions supporting the sales of products assigned with the HELIO trademark at the high level, including in particular the actions in the scope of PR and advertisement, with their particular intensification during pre-holiday periods. The high level of sale sanctions the legitimacy of intensifying advertisement in order to further increase the level of sales and build the identity of HELIO brand.

Within at least the nearest business year the Company is planning to continue the hitherto assumed strategy of development. In this period there should be noticeable positive effects of moving the business activity from hitherto rented locations to the new manufacturing-warehouse complex in Brochów, what should first of all reflect in the increased level of revenues from sales and profits. As already mentioned by the Issuer, one should however take into account the increased depreciation and financial costs as compared to the previous year, resulting from payment of interest on investment loans and increased working capital facilities. In the context of the above, the favourable factor is certainly the reduction of margins on granted loans as a result of signing by the Company annexes to the existing loan agreements at the end of the last quarter. Therefore, considering the still serious seasonality of the Issuer's industry, the benefits from the consistently realized Company's development strategy will be noticeable first of all in the results of second and third quarter of the fiscal year 2011/2012.