



Polish Financial Supervision Authority

Komisja Nadzoru Finansowego

Pl. Powstańców Warszawy 1
00-950 Warszawa

Current report No: **10/2011**

Date: **2011-10-20**

Company: **HELIO S.A.**

Title: **Agreement of Transfer of Title to Secure BPH S.A.'s Claims**

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

The report :

The board of HELIO S.A. informs that on 20.10.2011 HELIO S.A. concluded an agreement of transfer of title to secure items specified as to their kind with BPH S.A. Bank based in Cracow ("Bank").

The agreement of transfer of title was concluded to secure the Bank's claims against HELIO S.A. on account of multi-purpose, multi-currency line to the amount of 23,500,000.00 zł of 11.08.2008 as amended, of which the Issuer informed in a current report no. 4/2008 of 11.08.2008, current report no. 6/2009 of 30.09.2009, current report no. 5/2011 of 22.08.2011 and current report no. 9/2011 of 20.10.2011. The agreement was concluded subject to the condition that if the credit with due interest and costs is paid within the time limit stipulated in the credit agreement, the transfer of title shall expire, and the transferring party (the Issuer) shall be again the owner of the items.

The agreement concerns the transfer of title to stock owned by the Issuer stored in the raw material warehouse located in Brochów 119, 05-088 Brochów. The book value of the assets subject to the transfer of title in the Issuer's ledgers on 18.10.2011 was 14,790,128.13 zł.

Under the agreement of transfer of title, the Issuer, as the transferring party, retains the items subject to the transfer of title in his possession in the capacity of the custodian, and at the same time undertakes to store the items without consideration, in a way acceptable by their owners and corresponding to their purpose, until 30.06.2011 or until the items are handed over to the Bank against a written request on account of the execution of the Bank's entitlements resulting from the Issuer's default within the time limit set out in the credit agreement. The Issuer may sell the items and replace them with items of the same kind and quality or with others made from the transferred items and

undertakes to maintain the transferred subject at no less than 12,000,000.00 zł. If the value of the transferred subject decreases, the Issuer undertakes to immediately complete the value of the transferred subject.

There are no connections between the Issuer and its executive and supervisory bodies and the entity for the benefit of whom the transfer of title took place. The criterion for recognizing assets as assets of material value is exceeding 10% of sales revenues of the Issuer for the previous four financial quarters. The value of the transferred subject exceeds the amount of 1,000,000 EUR based on the average rate stated by National Bank of Poland on the date of signing the agreement.

Signed:

Leszek Wąsowicz
President of the Management Board