

**ADDITIONAL INFORMATION
TO THE HALF-YEARLY FINANCIAL STATEMENT OF HELIO S.A.
FOR THE PERIOD
FROM 1 JULY 2012 TO 31 DECEMBER 2012**



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 2012/2013 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:

- 30.06.2012 and 31.12.2011 for the balance sheet and statement of changes in equity,
- from 1 July 2011 to 31 December 2011 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 31 December 2012.

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 2012 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 252/A/NBP/2012 of 31 December 2012, 1 EUR = PLN 4.0882,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2012 to 31 December 2012 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/2012	31.07.2012	4.1086
169/A/NBP/2012	31.08.2012	4.1838
189/A/NBP/2012	28.09.2012	4.1138
212/A/NBP/2012	31.10.2012	4.1350
233/A/NBP/2012	30.11.2012	4.1064
252/A/NBP/2012	31.12.2012	4.0882
Average exchange rate for 6 months	1 EUR =	4.1226

2. Information on material changes of estimated amounts

Adjustments for provisions, provisions for deferred income tax and deferred income tax assets are observed in the period analysed.

The provisions were taken up for:

- interest on receivables (PLN 35 thousand),
- financial leasing (PLN 5 thousand).

Deferred tax assets refer to:

- promoting and marketing activities (PLN 71 thousand),
- unpaid salaries and National Insurance contributions (PLN 36 thousand),
- retirement and pension pays (PLN 6 thousand),
- warehouses under construction, partially in use (PLN 14 thousand),
- leaves not taken up (PLN 18 thousand),
- allowances for stock valuation (PLN 18 thousand),
- audit of financial statements (PLN 1 thousand),
- allowances for uncollectible accounts (PLN 37 thousand),
- unpaid interest of banks credits (PLN 11 thousand).

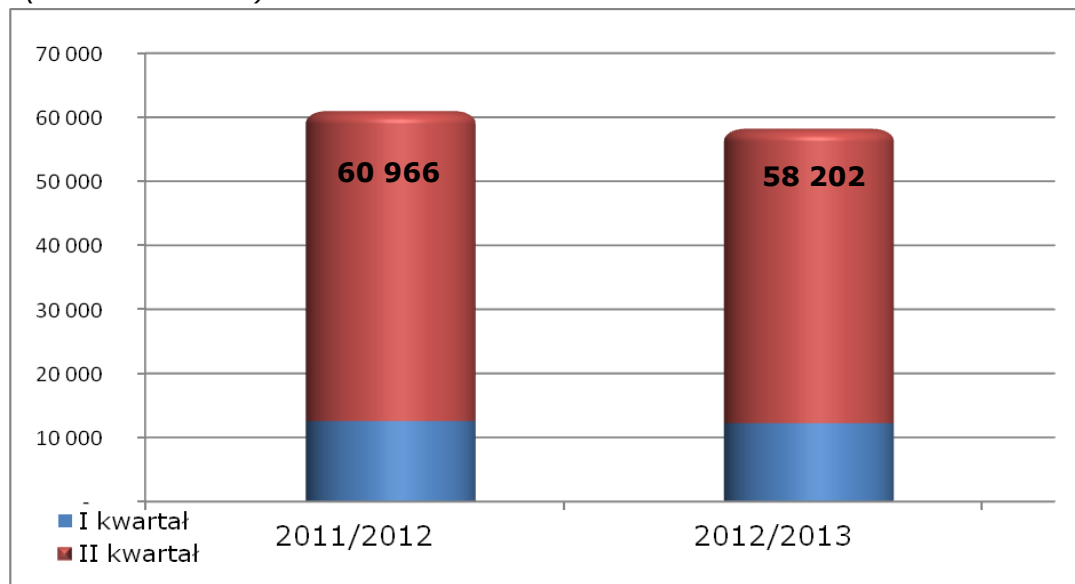
Provisions for deferred income tax refer to:

- financial leasing (PLN 12 thousand),
- exchange gain (PLN 4 thousand).

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

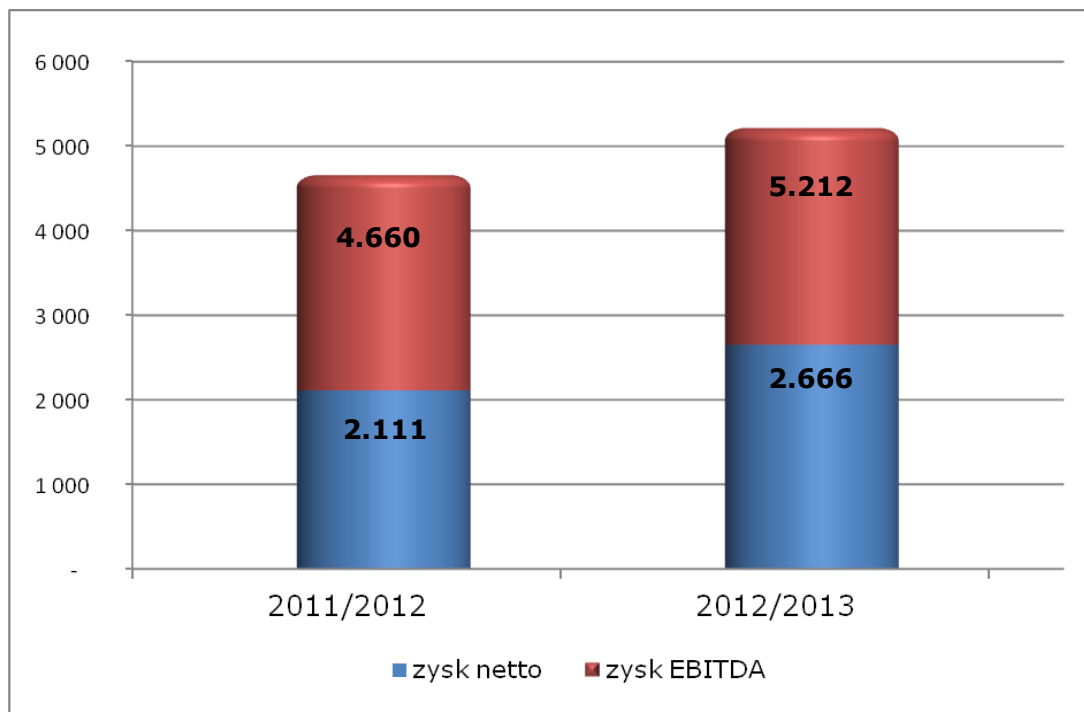
In the first half of the financial year 2012/2013 the Company gained sales revenues comparable to the analogical period in the business year 2011/2012, which was PLN 58,202 thousand (the sales revenues for the period of July - December 2011 was PLN 60,966 thousand). This result was consistent with the dynamics of the Issuer's sales in volume terms. In the first half of the financial year 2012/2013 HELIO SA sold 5.6 thousand tonnes, against 5.9 thousand tonnes in the same period of the previous year.

Figure 1: Increase of sales revenues in the first half of the current and prior business years (in thousand PLN)



Source: Management Board of HELIO S.A.

Figure 2: Change in the net and EBITDA profits in the first half of the current and prior business years (in thousand PLN)



Source: Management Board of HELIO S.A.

In the last half-year there were also noticeable effects of previously announced and executed by the Issuer activities aimed improvement of the Company's profitability. The elimination of unprofitable contracts and improvement of the company's cost effectiveness resulted in improvement of the Company's results,

both at a net level and EBITDA (operating profit + depreciation). In the period July – December 2012 the net profit amounted to PLN 2,666 thousand, which means an 26% improvement referring to the corresponding period of last year (for the period July - December 2011 the net profit amounted to PLN 2 111 thousand). Simultaneously EBITDA profit increased by 12% (from PLN 4,660 thousand in the period July – December 2011 to PLN 5,212 thousand in the period July – December 2012).

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

The past half year covered the industry typical period commencing from the summer sales stagnation in the market of nuts and dried fruits, and ending with characteristic peak sales period of Christmas. Although the implementation of the assumptions had a positive impact on the Issuer's results, in the analyzed period there occurred also a unfavourable external factors, which reversed the scale of benefits from the actions taken by the Company. A detailed description of the main factors affecting the financial results of HELIO S.A. in the first half-year of financial year 2012/2013 can be found below.

Situation on the market for nuts and dried fruits and increase in the prices of raw materials

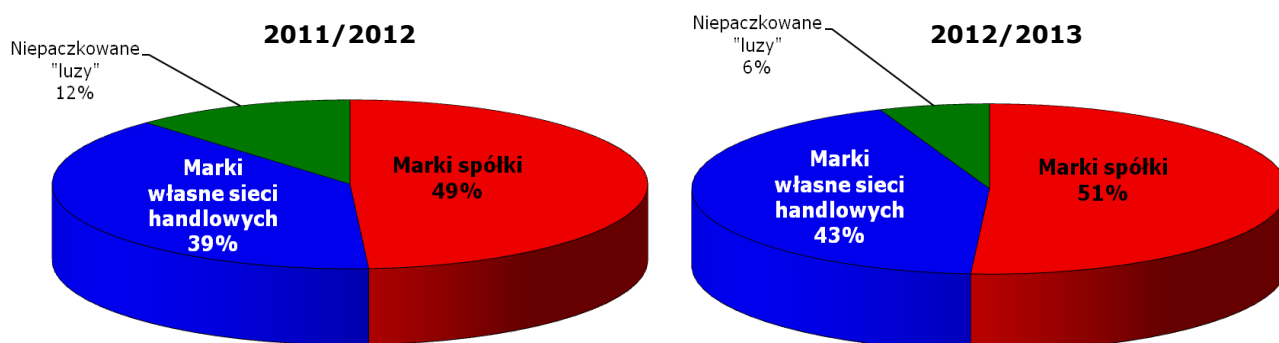
Due to the continuing of increase in the prices on the raw materials market, the situation in the branch deteriorated. Moreover unfavorable macroeconomic situation intensified a strong price pressures, resulting in the adoption of very aggressive pricing policies by some of direct competitors of HELIO SA. However it should be noted, that this is not a phenomenon unique only to the branch of the Issuer. The research of consulting firm FernPartners realized under the auspices of the Ministry of Economy shows that close to 2/3 of Polish companies declare that they are in the price war. As the author of the research note, unfortunately price wars occur more frequently on the Polish market and start to be a serious problem in many branch. Importantly, the continuation of destructive price wars is unfavorable for both manufacturers and their customers and consumers. In the longterm it causes a decline in the quality of products, and reduces the competitiveness of the market due to the bankruptcy of some of the entities operating in the market.

In order to protect the Company against the adverse effects of the current market situation, the Issuer in accordance with the previous announcements, decided to continue its strategy, realizing the main value of the company which is providing its customers with high and reliable quality. Implementation of this strategy is reflected, among others the renewal of the certificate BRC - Global Standard for Food Safety - a prestigious international standard for quality and

safety of food production, and abandonment of contracts for which it was not possible to ensure quality standards of HELIO with the rational from a business point of view of profitability. The Issuer also continued supporting the sale of HELIO brand products by promotional activities, in particular through actions in the area of PR, social media and advertising. Promotional communication focused primarily on issues such as highlighting high and proven for decades quality of Issuer's products, as well as the popularization of current trend of using in daily diet dried fruits and nuts as a healthy substitute for traditional snacks.

Due to still growing demand for the private label products of retail chains, the Issuer still increased the volume of sales of these products (Figure 3). It was possible thanks to extending both the existing list of private label products and to new business partners. Moreover the Company launched in the past period the new line of cake and dessert icings under the HELIO brand, extending the Issuer's offer with a new product category. Having in mind the pro-healthy trend popularizing consumption of dried fruits and nuts as a snack, the Company extended its offer with a new line called HELIO Snack. Moreover the Issuer launched a new packaging for the most popular dried fruits and nuts and pastry fillings dedicated to the HoReCa channel, focusing mainly on small catering companies acquiring supplies via the traditional channel. Such strategy allowed to adjust the offer to the needs and preferences of the market.

Figure 3: *The share of dried fruit and nuts brands in the Company's sales revenues in the first half of the business years 2011/2012 and 2012/2013.*



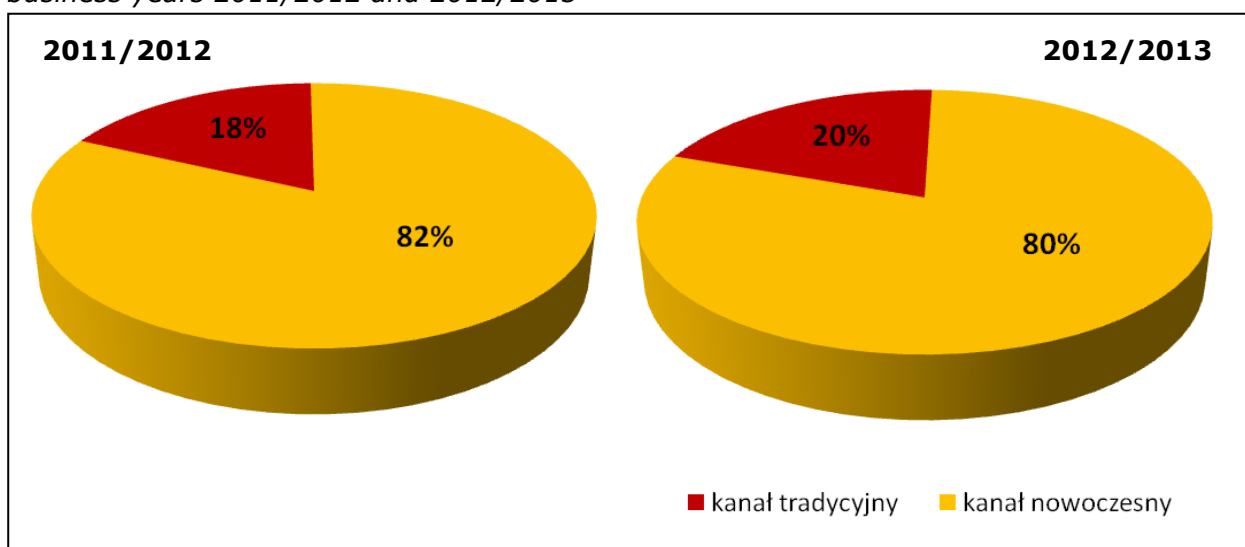
Source: Management Board of HELIO S.A.

Translation of Figure 3	
Marki własne sieci handlowych	Private labels
Niepaczkowane "luzy"	Non-packaged products „loose”
Marki spółki	Brands of the company

Diversification of customers

In the first half of the financial year 2012/2012 the effects of previously undertaken actions to penetration of a traditional sales channel of B2C segment, and thus further diversification of the Company's customers were seen. The value of the Issuer's sales in this distribution channel continued to grow steadily and generated 20% of the sales revenues of HELIO S.A. in B2C segment in the analyzed period. Simultaneously due to the low return on sales for the B2B segment, which is typical for B2B segment of dried fruits and nuts branch (ie. sales of dried fruits and nuts and cakes masses to manufactures of sweets, bakeries, etc.), the Issuer limited the Company's sales in this segment, which contributed to the decrease of a share of non-packaged dried fruits and nuts ("loose") in the structure of the Company's sales revenues.

Figure 4: Sales structure in the B2C segment by distribution channels in the first half of business years 2011/2012 and 2012/2013



Source: Management Board of HELIO S.A.

Translation of Figure 4	
Kanał tradycyjny	Traditional channel
Kanał nowoczesny	Modern channel

According to the assumptions, the "cost of entry" into new distribution channels were already lower than last year, which resulted in an overall reduction in cost of sales as compared to the same period of business year 2011/2012.

Improvement of the Company's cost-effectiveness

In the past half-year 2012/2012 a further improvement of the Company's operational efficiency was seen. Thanks to adopted restrictive cost policy, and the occurrence of expected effects of transfer of the Company's business to the

new plant in Brochów, the Issuer reduced, in compare to the same period of the previous year, among other costs of materials and energy (-15%), external services (-10%), wages (-3%), and other cost by type (-10%).

The Issuer also improved the efficiency of the production crew management, which was reflected in a reduction of the employment in the Company.

Table 1: *Employment in HELIO S.A.*

Period	Average number of employees
July – December 2011	181
July – December 2012	162

Source: Management of HELIO S.A.

Moreover due to the unstable situation on the market of raw materials, the Company adopted an more conservative than last year's policy of purchasing raw materials. This decision was reflected in reduced stock levels, and thus an usage of overdraft credits was less than in previous year. Thanks to decreased overdraft credits, and also because of the steadily decreasing balance of investment credits, in previously half-year the Company recorded a reduced financial costs, such as interest charges. In Table 2 a summary of HELIO S.A. credits.

Table 2: *Liabilities from loans and credits of HELIO S.A. (in thousand PLN)*

Liabilities from loans and credits	31.12.2012	31.12.2011
- Long-term	9.944	13.045
- Short-term	21.797	30.394

Source: Management of HELIO S.A.

Summarizing it should be noted that in spite of the unfavourable external factors, the Issuer is consistently implementing its objectives. In conjunction with the stabilization on the domestic market of dried fruits and nuts, the results of the actions were taken should be more and more visible. In the opinion of the Issuer, this phenomenon is going to die down due to the necessity to restore a reasonable, from the business standpoint, profitability of the companies operating in this market. Therefore the current improvement of the profitability of the Issuer is a testimony to a correct direction of the Company's development, and a good sign for future.

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 on write-offs revaluating stocks to the net value achievable and reversing these write-offs

The write offs revaluating stocks to the net value achievable came to PLN 95 thousand.

7. Information on impairment losses on financial assets, property, plant and equipment, intangibles or other assets and reversing such impairment losses

None.

8. Information on establishing, increasing, using and releasing provisions

Releasing provisions refer to:

- interest on receivables (PLN 35 thousand),
- finance-operating lease (PLN 5 thousand).

Establishing provisions refer to:

- finance-operating leasing (PLN 1 thousand),
- exchange difference (PLN 4 thousand).

9. Information on deferred income tax provisions and assets

Deferred tax assets refer to:

- promoting and marketing activities (PLN 71 thousand),

- unpaid salaries and National Insurance contributions (PLN 36 thousand),
- retirement and pension pays (PLN 6 thousand),
- warehouses under construction, partially in use (PLN 14 thousand),
- leaves not taken up (PLN 18 thousand),
- allowances for stock valuation (PLN 18 thousand),
- audit of financial statements (PLN 1 thousand),
- allowances for uncollectible accounts (PLN 37 thousand),
- unpaid interest of banks credits (PLN 11 thousand).

Provisions for deferred income tax refer to:

- finance leasing (PLN 12 thousand),
- exchange gain (PLN 4 thousand).

10. Information on material transactions of purchase and sales of property, plant and equipment

No material events referred to in this Section occurred during the period covered by this statement.

11. Information on a material liability due to the purchase of property, plant and equipment

No material events referred to in this Section occurred during the period covered by this statement.

12. Information on material settlements due to court proceedings

No material events referred to in this Section occurred during the period covered by this statement.

13. Correction of prior period errors

None.

14. Information on changes in the economic situation and business conditions which have a material influence on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are held at fair value or adjusted at the purchase price (depreciated cost)

During the period covered by this statement no changes were observed in the economic situation or business conditions that would have a material influence on the fair value of financial assets or liabilities of the Issuer.

15. Information on a failure to repay a credit or a loan, or breaching material terms and conditions of a credit or loan agreement, with respect to which no recovery measures were undertaken by the end of the reporting period

During the period covered by this statement no events referred to in this Section occurred with respect to which no recovery measures were undertaken.

16. Information on the conclusion by the Issuer or its subsidiary of one or many transactions with related parties if any or all of them are significant and were concluded on non arm's-length terms and conditions

HELIO S.A. did not conclude any material transactions with related parties on non arm's-length terms and conditions during the period covered by this statement.

17. In the case of financial instruments held at fair value – information on the change of the method of determining the fair value

None.

18. Information on changes in the classification of financial assets as a result of a change of the purpose or utilisation of these assets

None.

19. 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.

20. Information about declared or paid dividend

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

21. Events that occurred after 31 December 2012, 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.

22. 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.

23. Other information which may have a material influence on the evaluation of the economic and financial standing as well as the financial result of the Issuer

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