

**ADDITIONAL INFORMATION
TO THE HALF-YEARLY FINANCIAL STATEMENT OF HELIO S.A.
FOR THE PERIOD
FROM 1 JULY 2013 TO 31 DECEMBER 2013**



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 2013/2014 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:

- 30.06.2013 and 31.12.2012 for the balance sheet and statement of changes in equity,
- from 1 July 2012 to 31 December 2012 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 2013.

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 2013 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 251/A/NBP/2013 of 31 December 2013, 1 EUR = PLN 4.1472,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2013 to 31 December 2013 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/2013	31.07.2013	4.2427
168/A/NBP/2013	30.08.2013	4.2654
189/A/NBP/2013	30.09.2013	4.2163
212/A/NBP/2013	31.10.2013	4.1766
231/A/NBP/2013	29.11.2013	4.1998
251/A/NBP/2013	31.12.2013	4.1472
Average exchange rate for 6 months	1 EUR =	4.2080

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 25 thousand),
- financial leasing (PLN 3 thousand).

Deferred tax assets refer to:

- promoting and marketing activities (PLN 50 thousand),
- unpaid salaries and National Insurance contributions (PLN 25 thousand),
- retirement and pension pays (PLN 7 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 26 thousand),
- audit of financial statements (PLN 1 thousand),
- allowances for uncollectible accounts (PLN 37 thousand),
- bonus of management board (PLN 113 thousand),
- unpaid interest of banks credits (PLN 21 thousand).

Provisions for deferred income tax refer to:

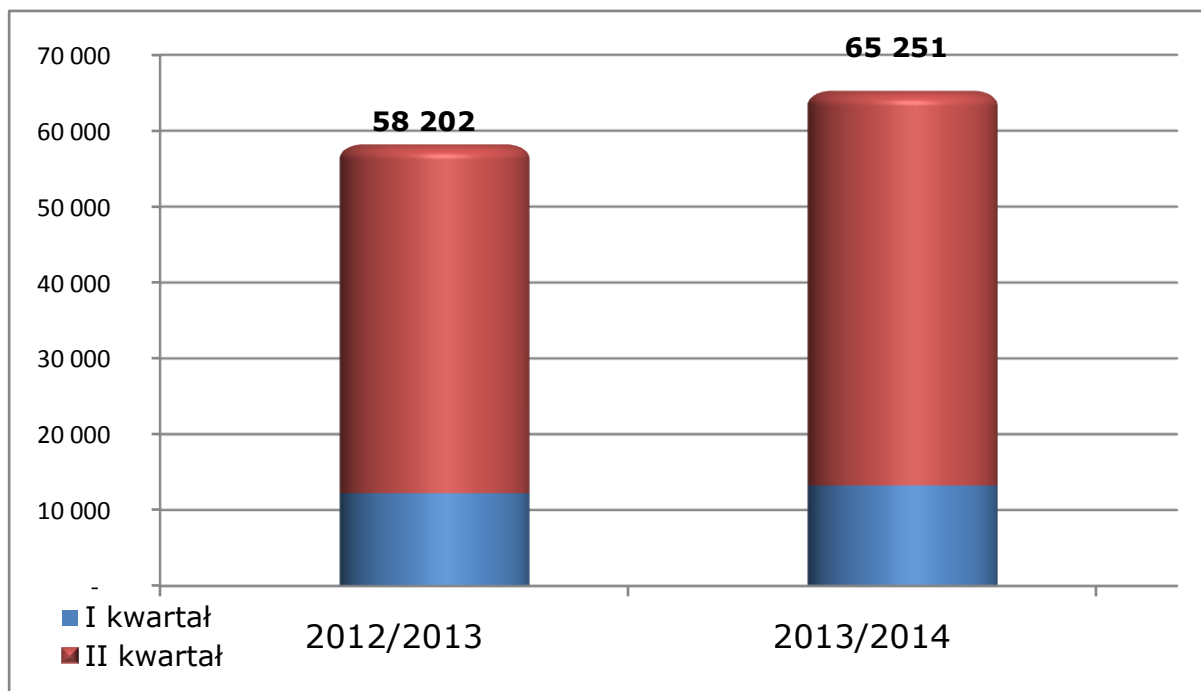
- financial leasing (PLN 8 thousand),
- exchange gain (PLN 1 thousand).

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

In the first half of the financial year 2013/2014 the Company increased its sales and thus reached a record breaking in the history of the company sales revenue in the period July - December, which amounted to PLN 65,251 thousand. Referring to the results for the analogical period of the previous financial year, the Issuer increased its sales by 12% (for the period July - December 2012, revenues from sales amounted to PLN 58,202 thousand). The increase in sales in terms of value, accompanied by an increase in sales in volume terms. In the first

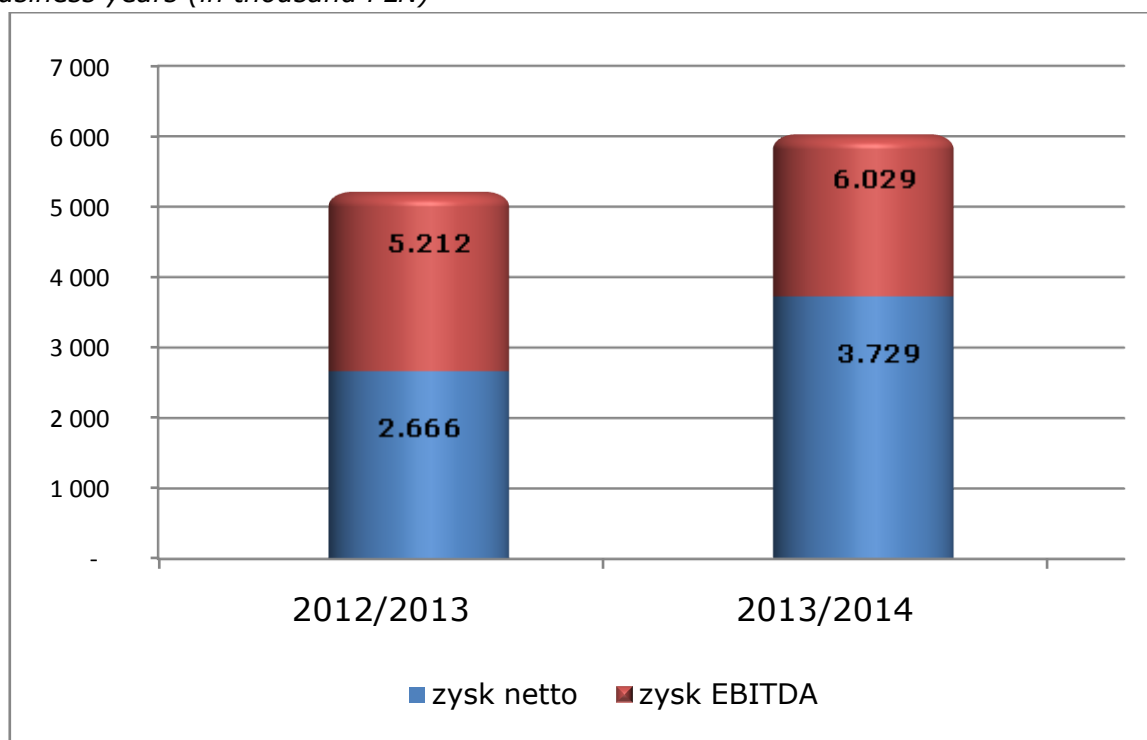
half of the financial year 2013/2014 HELIO SA sold 6.0 thousand tons, against 5.7 thousand tonnes in the same period of the previous year.

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.

The increase in sales, while maintaining a similar level to last year's cost-effectiveness and profitability of sales of the Company resulted in improved results at both the net and EBITDA (Operating profit + Depreciation). In the period July – December 2013 the net profit amounted to PLN 3,729 thousand, which means an 40% improvement referring to the corresponding period of last year (for the period July - December 2012 the net profit amounted to PLN 2,666 thousand). Simultaneously EBITDA profit increased by 16% (from PLN 5,212 thousand in the period July – December 2012 to PLN 6,029 thousand in the period July – December 2013).

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

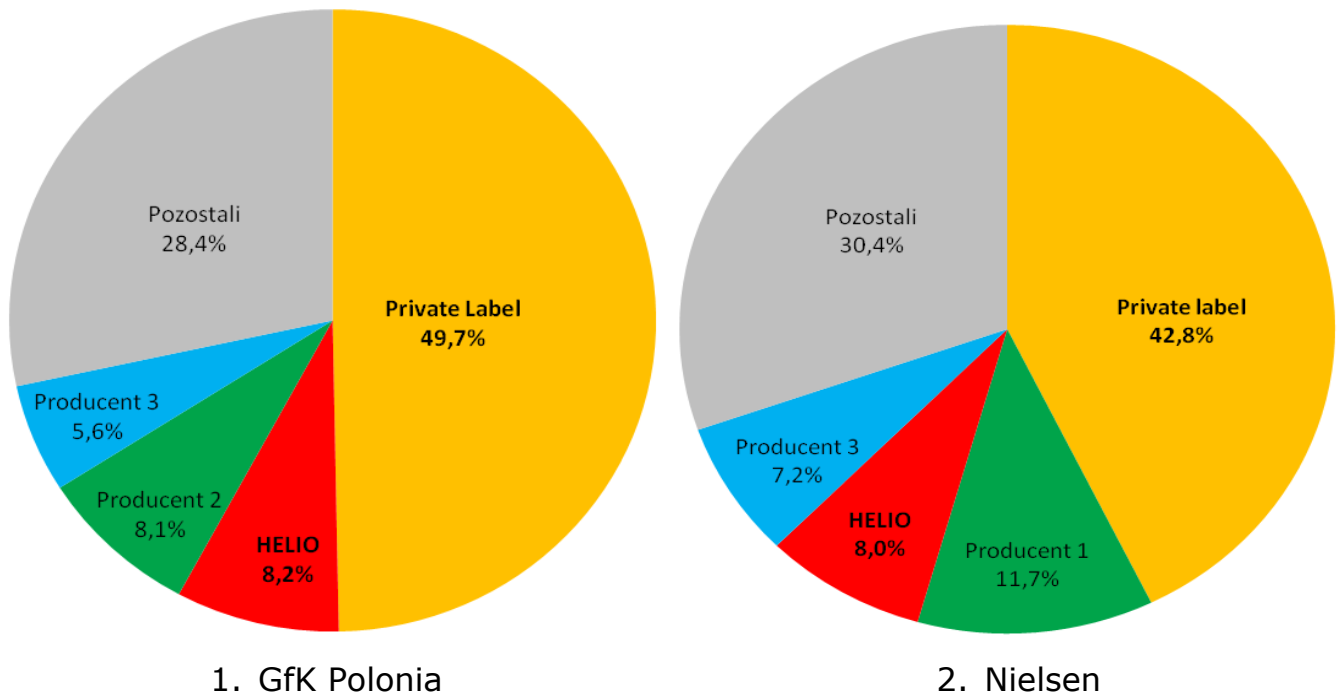
The past half year covered the industry typical period commencing from the summer sales stagnation in the market of nuts and dried fruits, and ending with characteristic peak sales period of Christmas. The company at that time pursued its strategy of development, which resulted in rapid growth in revenue and profits. 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 2013/2014 can be found below.

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

Due to the continuing of increase in the prices of raw materials market, the situation in the branch was still unfavorable. Steadily rising prices of raw materials and strong price pressures resulting in lower profitability of the industry than it was a few years ago. In order to protect the Company against the adverse effects of the current market situation, the Issuer tried to use as efficiently as possible, both its production potential of new plant in Brochów and sales and marketing potential, as well as over 20 years of experience in the industry. In order to further strengthen its position in the domestic market there were carried out cost-effective marketing activities to support sales of the Issuer, including in advertising, sales promotion and public relations. The promotional communication was primarily focused on aspects such as stressing the high quality and decade-long reputation of the Issuer's products as well as popularisation of the current trend to use dried fruit and nuts as substitutes of traditional snacks, as an element of a healthy, every-day diet. This trend is a natural change in the Poles' consumer habits resulting from the introduction of dietary habits from Western Europe and the Mediterranean.

The taken actions allowed the Company maintain its leadership position on the market, confirmed by two leading research agencies in Poland (Figure 3 - 4), as well as resulted in a rapid increase in sales both in terms of quantity and value.

Figure 3. *Volume shares in the market of dried fruits and nuts and cake masses (December 2012- November 2013)*

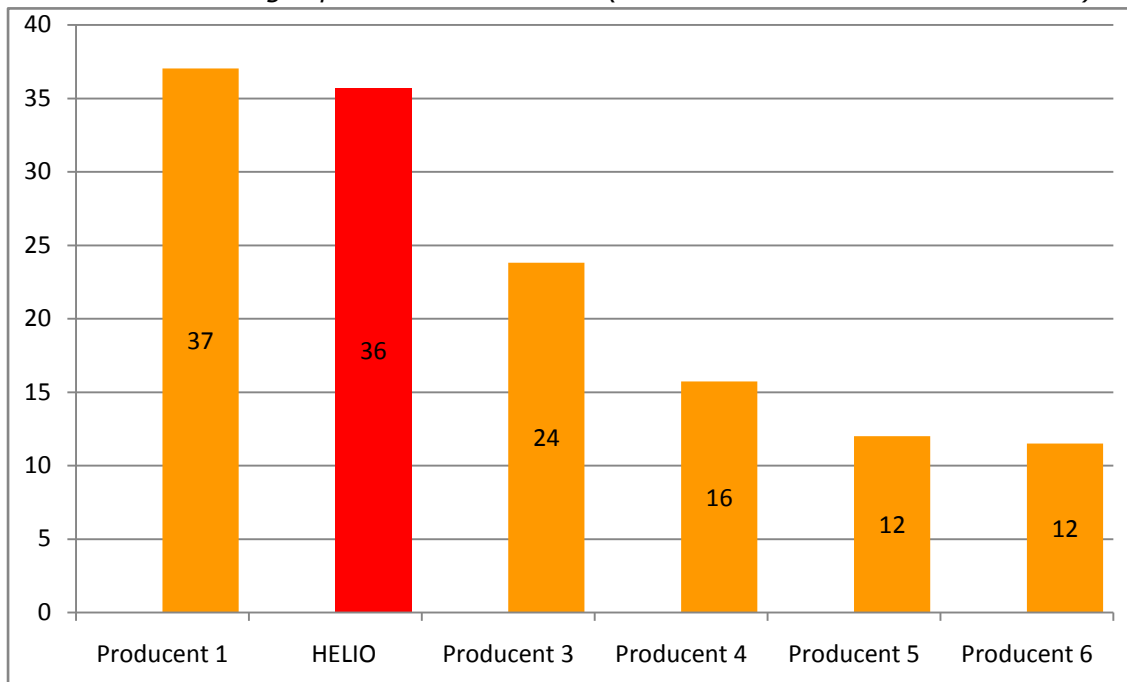


Source:

- 1.GfK Polonia Sp. z o.o. – Household Panel
- 2.HELIO S.A. for Nielsen – Retail Audit

Analyzing the above market data, one must be underlined that private labels is a group of a few dozen brands owned by numerous commercial chains, most of which, according to the Issuer's estimates, are produced by HELIO SA. Considering the foregoing and the fact that the Issuer also supplies loose, weighted dried fruit and nuts, it is safe to estimate that HELIO SA accounts for at least one fourth of the retail dried fruit and nuts market in Poland. Simultaneously due to still growing demand for the private label products of retail chains, the Issuer still increased the volume of sales of these products. It was possible thanks to extending both the existing list of private label products and to new business partners.

Figure 4. Market penetration of packed dried fruits and nuts and cake masses In Poland, ie % of household bought product of the brand (December 2012 – November 2013)



Source: GfK Polonia Sp. z o.o.

Diversification of customers

In the first half of the financial year 2013/2014 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, therefore contributing to the increase in revenues from the sale of the Company's total. 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 has continued to treat it as a complement.

The reduction of financial costs

Regarding to macroeconomic factors one should pay attention to a drop in the WIBOR reference rate on the Issuer's loans compared to the previous year. As a result, and also due to the more favorable conditions than last year's cooperation with banks lending current activity of HELIO SA, and a systematically decreasing investment loan balance, the Company reported a reduced financial costs, such as interest costs. 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	31.12.2013	31.12.2012
- Long-term	9,073	9,944
- Short-term	28,280	21,797

Source: Management of HELIO S.A.

Summarizing it should be noted that in spite of the the difficult market, 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. Therefore the current improvement in the Issuer's revenues and profits is a testimony to a correct direction of the Company's development, and thus a good sign for a future.

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

In the Company's activity there occurs the tendency of a significant seasonality of sale. The highest sale of nuts and dried fruits falls in the period before Christmas and Easter. The sale of nuts and dried fruits is the lowest in the summer time due to the level of accessibility of fresh fruits which in this period constitute competitive goods. At the same time, preparing to the period of increased sale, the Company purchases nuts and dried fruits in the period when the sale is the lowest. The seasonality affects the seasonal nature of generating profits and losses in each quarter of the financial year.

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

None.

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 25 thousand),
- finance-operating lease (PLN 3 thousand).

Establishing provisions refer to:

- finance-operating leasing (PLN 2 thousand),
- exchange difference (PLN 1 thousand).

9. Information on deferred income tax provisions and assets

Deferred tax assets refer to:

- promoting and marketing activities (PLN 50 thousand),
- unpaid salaries and National Insurance contributions (PLN 25 thousand),
- retirement and pension pays (PLN 7 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 26 thousand),
- audit of financial statements (PLN 1 thousand),
- allowances for uncollectible accounts (PLN 37 thousand),
- bonus of management board (PLN 113 thousand),
- unpaid interest of banks credits (PLN 21 thousand).

Provisions for deferred income tax refer to:

- finance leasing (PLN 8 thousand),
- exchange gain (PLN 1 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 2013, 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 essentials information was included in this quarterly report.