

**ADDITIONAL INFORMATION  
TO THE FINANCIAL STATEMENT  
FOR THE 2<sup>ND</sup> QUARTER OF THE BUSINESS YEAR 2007/2008  
FROM 1 JULY 2007 TO 30 JUNE 2008**



Pursuant to the § 91 section 4 and 6 of the Regulation of the Minister of Finance of 19 October 2005 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 2<sup>nd</sup> quarter of the current business year 2007/2008**. This quarterly report includes the period from **1 October 2007** to **31 December 2007**.

Pursuant to the Company's statutes, the business year of HELIO S.A. shall commence on 1 July and end on 30 June. Due to the fact that the legal predecessor of the Issuer adopted a decision on changing the business year (from a period equal to the calendar year into a business year ending on 30 June of every year) and pursuant to the definition of the business year included in art. 3 section 1, pt. 9 of the Act of 29 September 1994 on accounting, which determines that, in case of changing the business year, the first year following the change should be longer than 12 successive months, the previous business year of the Company which is the legal successor of "PH BONA" Sp. z o.o. consisted of an 18-month period, i.e. from 1 January 2006 to 30 June 2007.

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 2<sup>nd</sup> quarter of the business year 2007/2008 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.

Having in regard that the current business year comprises a 12-month period, i.e. it is 6 months shorter than the previous business year, and also due to the impact of the seasonability and cyclical performance of the Issuer's activities described in the further section of this Additional Information, in order to assure the comparability of financial data for the second quarter of the current business year, the analogical calendar period of the previous business year, i.e. the period from 1 October 2006 to 31 December 2006 has been recognized as the comparable period. In case of data presented in an increasing order for two quarters of the current business year, the analogical period from 1 July 2006 to 31 December 2006 has been recognized as the comparable period despite the fact that the previous business year started on 1 January 2006.

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 31 December 2007.

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 2007 and of the cash flow account 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/2007 of 31 December 2007, 1 EUR = PLN 3.5820,
- particular profit and loss account items for the period from 1 July 2007 to 31 December 2007 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:

<b>Table No.</b>	<b>Date</b>	<b>Exchange rate (PLN)</b>
147/A/NBP/2007	31.07.2007	3.7900
169/A/NBP/2007	31.08.2006	3.8230
189/A/NBP/2007	30.09.2006	3.7775
212/A/NBP/2007	31.10.2007	3.6306
233/A/NBP/2007	30.11.2007	3.6267
252/A/NBP/2007	31.12.2007	3.5820
<b>Average exchange rate for six months</b>	<b>1 EUR =</b>	<b>3.7050</b>

In the presented period there are corrections due to provisions, provisions in assets due to deferred tax income.

Assets for deferred income tax concern:

- promotional and marketing services (PLN 40 000),
- financial leasing (PLN 5 000).

Provisions for deferred income tax concern:

- positive exchange differences of the balance sheet date (PLN 2 000).

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

In the 2<sup>nd</sup> quarter of the current business year, the Company achieved record-breaking in the history of the Company revenues from sales in the period October – December amounting to PLN 33 322 000, which means a growth of 60% in relation to the analogical period of the previous business year (in the period from October to December 2006 amounting to PLN 20 858 000).

In the 2<sup>nd</sup> quarter of the current business year, a net profit amounted to PLN 3 434 000. It is worth underlying that it was the most profitable quarter in the 15 years old Issuer's history. In relation to the analogical period of the previous business year, the net profit increased by 69% (net profit for the period October – December 2006 amounting to PLN 2 031 000).

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

The excellent financial results for the second quarter of the business year 2007/2008 were mainly the effect of the previous activities. The previous costs, included marketing charges for gaining new clients in the traditional channel (wholesale distributors) as well as in the modern one (supermarket chains), costs of launching new products and a restructuring of the remuneration system of the key employees have brought expected benefits.

#### **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. Because of the level of the working capital, this purchase is financed by means of short-term bank credits. 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 31 December 2007, 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.

**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.**

In the Issuing Prospectus of HELIO S.A. published on 21 March 2007, the Management Board of HELIO S.A. presented the forecast for the Company's financial results for the business year 2007/2008 lasting from 1 July 2007 to 30 June 2008. The results achieved within first two quarters of the current business year prove the appropriateness of the adopted assumptions. The Management Board of the Company maintains the result forecasts for the business year 2007/2008.

Table 3. *Financial result forecast for the business year 2007/2008 (in thousand PLN)*

<b>Specification</b>	Forecast for the business year 2007/2008 (01.07.2007 – 30.06.2008)
Revenues from sales	50 000
EBITDA	5 480
Gross profit	4 445
Net profit	3 600

Source: the Management Board of HELIO S.A

**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 (%)
<b>Leszek Wąsowicz</b>	<b>3 857 000</b>	<b>77.1</b>	<b>3 857 000</b>	<b>77.1</b>

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
<b>Members of the Management Board</b>				
Leszek Wąsowicz	3 857 000	77.1	3 857 000	77.1
<b>Members of the Supervisory Board</b>				
Jacek Kosiński	17 800	0.4	17 800	0.4

In the period following the submission of the previous quarterly report, Mr. Jacek Kosiński – the Chairman of the Supervisory Board purchased shares of the Company HELIO S.A. in the number of 2 800, increasing thereby the volume of the Issuer's shares owned by him to the level of 17 800 shares. No further changes in the proprietary status of the shares of HELIO S.A. being in possession of the managing or supervisory persons occurred.

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

The Company did not participate in any legal proceedings in the period for which this report is presented.

**15. Information about one or many transactions with affiliated entities concluded by the Company for the total value exceeding the equivalent of EUR 500 000**

HELIO S.A. did not carry out transaction with an affiliated entity for the total value exceeding the equivalent of EUR 500 000 in the Polish zloty in the period for which this report is presented.

**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.**

Having in regard a seasonal character of the Issuer's sector, as well as the exceptionally early date of this year's Easter (the second half of March), the entire pre-holiday sales will be carried out in the period of the nearest quarter of the year (January – March 2008). A short period between the past Christmas sales peak and the oncoming Easter season means also that the Company will be able to realize the profits from the previously incurred expenditures on development.

The additional factor that positively influences the activities of the Company is a recorded and consistent increase in wealth of the Polish society, which is characterized by a growing share of luxury goods. In context of the activities of HELIO S.A. we presume that this tendency will cause an increase in purchase of less popular and more expensive nuts and dries fruits such as for example cashew nuts, pistachio nuts or almonds, the sale of which is more beneficial. It is also worth stressing the fact that wealthier societies pay greater attention to the quality of products they buy, what creates better sales perspectives for HELIO S.A. The products of the Issuer are of high quality and enjoy a good reputation and recognition among consumers, which shall benefit to the increase of share of nuts and dries fruits of HELIO S.A. in the domestic market.