

**ADDITIONAL INFORMATION
TO THE FINANCIAL STATEMENT
FOR THE 4TH QUARTER OF THE BUSINESS YEAR 2013/2014
FROM 1 JULY 2013 TO 30 JUNE 2014**



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 4th quarter of the current business year 2013/2014**. This quarterly report includes the period from **1 April 2014 to 30 June 2014**.

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 4th quarter 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 for the 4th quarter of the current business year, the analogical period from the previous business year, i.e. from 1 April 2013 to 30 June 2013 was accepted as a comparable period. In case of data presented in an increasing order for three quarters of the current business year, the analogical period from 1 July 2012 to 30 June 2013 was accepted as the 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 June 2014.

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 June 2014 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 124/A/NBP/2014 of 30 June 2013, 1 EUR = PLN 4.1609,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2013 to 30 June 2014 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
21/A/NBP/2014	31.01.2014	4.2368
41/A/NBP/2014	28.02.2014	4.1602
62/A/NBP/2014	31.03.2014	4.1713
83/A/NBP/2014	30.04.2014	4.1994
104/A/NBP/2014	30.05.2014	4.1420
124/A/NBP/2014	30.06.2014	4.1609
Average exchange rate for 12 months	1 EUR =	4.1932

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:

- financial leasing (PLN 1 thousand).

Deferred tax assets refer to:

- promoting and marketing activities (PLN 50 thousand),
- unpaid salaries and National Insurance contributions (PLN 7 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 31 thousand),
- audit of annual financial statements (PLN 3 thousand),
- allowances for uncollectible accounts (PLN 37 thousand),
- bonus of the management board (PLN 22 thousand),
- unpaid interest of banks credits (PLN 8 thousand).

Provisions for deferred income tax refer to:

- financial leasing (PLN 9 thousand),
- exchange gain (PLN 2 thousand).

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

In the 4th quarter of the current business year the Company achieved record-breaking revenues from sales in the period from April to June that amounted to PLN 18 138 thousand, which means a growth of 40% in relation to the analogical period of the previous business year (in the period from April to June 2013 amounting to PLN 12 976 thousand).

The increase in sales resulted in improvement of the Company's results, both at a net level and EBITDA (operating profit + depreciation). Although as every year the net result of the last quarter was negative, this year's loss for the period April – June was three times lower than in the previous year (reduction of loss from PLN -515 thousand in the period April - June 2013 to PLN -169 thousand in the period April - June 2014). Moreover, it was the first time the Company had generated positive result on the EBITDA level since the shares of HELIO S.A. have been listed on WSE (PLN 18 thousand profit for the period April - June 2014 versus PLN -128 thousand loss for the period April - June 2013).

Having regard to the fact that the present quarter closed the business year 2013/2014, it is worth stating that it was sales record-breaking year for the Company. The sales revenues of HELIO S.A. amounted at that time PLN 104 239 thousand, which means that it was first time in the history the company has managed to exceed the level of PLN 100 million of annual sales. In term of profits the business year 2013/2014 stood as follows:

- Net profit: PLN 3 926 thousand,
- EBITDA: PLN 7 135 thousand.

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

In the last quarter, HELIO S.A.'s results were affected by increased sales, which is typical in the Issuer's industry for the period preceding Easter. As a result of this year's date of Easter (second half of April), a larger-than-last year part of the pre-Easter sales peak occurred in the 4th quarter (April-June). Although it had a positive effect on the growth of sales income in the current period, this factor related only to the first weeks of April; afterwards the Company entered into the period of summer sales downturn, which is typical for the Company's industry. The increased revenues of last quarter allowed to reduce the characteristic of the Issuer's business loss of the last quarter. According to the forecasts in the second half of fiscal year 2013/2014 there was unusual, flattened relative to previous years' revenues and profits distribution between quarters.

The previous quarter was characteristic for the summer stagnation period during which sales of nuts and raisins decreases considerably while at the same time, due to its increasing scale of activity. Activities undertaken during this period enable the Company to prepare itself for the sales season of strategic importance for the Issuer's sector, the results of which will be noticeable in the results recorded by the Company during months of key importance for its industry.

It is also worth noting that in the past period, the Company carried out an intensive campaign to promote the brand products of the Issuer in a healthy diet. The campaign was a sales-educational dimension, fitted to the spring growth of interest in the subject of weight loss, diet and healthy food. Although it influenced to a one-off increase in the cost of sales of the last quarter, the campaign contributed to the sales growth of the Company's products, as well as increased awareness of HELIO brand in the long term.

Among the external factors influencing the results of the last quarter should indicate the further systematic increase in raw material prices (dried fruits and nuts) on global markets, making it difficult to maintain the current profitability of the Issuer sales.

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 the table below is a summary of HELIO S.A. credits.

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

Liabilities from loans and credits	30.06.2014	30.06.2013
- Long-term	8 234	9 783
- Short-term	5 808	1 864

Source: Management of HELIO S.A.

Therefore the Issuer has consistently implemented its objectives. The Issuer Good results at the net and EBITDA level, as well as dynamic growth in sales in both the quarterly and annual basis, confirm the validity of the chosen development strategy of the Company, and thus are auspicious predictors of the 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:

- retirement and pension pays (PLN 38 thousand),
- leaves not taken up (PLN 137 thousand).

Establishing provisions refer to:

- retirement and pension pays (PLN 44 thousand),
- leaves not taken up (PLN 165 thousand),
- audit of annual financial statements (PLN 18 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 7 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 31 thousand),
- audit of annual financial statements (PLN 3 thousand),

- allowances for uncollectible accounts (PLN 37 thousand),
- bonus of the management board (PLN 22 thousand),
- unpaid interest of banks credits (PLN 8 thousand).

Provisions for deferred income tax refer to:

- financial leasing (PLN 9 thousand),
- exchange gain (PLN 2 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 30 June 2014, 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.

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.

24. 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.

25. 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.

26. 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.

27. 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 interim report.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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 next quarter is a period during which sales of nuts and raisins remains at a relatively low level. It is characteristic for the Issuer's industry, resulting at

the same time from the seasonal nature of revenues and profits generated by the Company. Similarly to the previous quarter, the Company will be reading itself for a quarter of increased sales. At the same time the Issuer will seek to alleviate the inconveniences resulting from the industry seasonality by increasing sales of the more and more popular snack used in healthy diet. However, it should not be anticipated that in the next period this trend will eliminate totally the phenomenon of seasonal losses.

As regards the macroeconomic factors affecting the results of HELIO S.A., a special attention should be paid to the situation prevailing in the currency market and a increase of prices on raw material market. Although the Company has the opportunity to renegotiate the prices of sold products with its customers, adapting them to current market conditions, it is a process extended in time and implying a temporary decrease in margins on the Company's sale.

The internal determinants shaping the results of the Issuer in the future are promising. Although due to the seasonality of the Issuer's industry the first quarter of the financial year 2013/2014 will be largely a period of actions whose results will be noticeable only in the financial results of subsequent quarters, the next financial year looks promising.