

**Additional explanatory notes
to financial statement of HELIO S.A.
for the business year 2010/2011**

Explanatory notes to the balance-sheet

To NOTE 1b

Differences in value of intangible assets 2010/2011

Pos.	Specification	Costs of completed development works	Good-will	Software	Others	Prepay ments	Total
Gross value							
1	Position as of 30.06.2010			87.00	60.00		147.00
2	Increases:	0.00	0.00	65.00	24.00	0.00	89.00
a	purchase				24.00		24.00
b	including tangible fixed assets under construction			65.00			65.00
3	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
4	Position as of 30.06.2011	0.00	0.00	152.00	84.00	0.00	236.00
Amortization							
5	Position as of 30.06.2010			66.00	27.00		93.00
6	Increases:	0.00	0.00	21.00	27.00	0.00	48.00
a	depreciation			21.00	27.00		48.00
7	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
8	Position as of 30.06.2011	0.00	0.00	87.00	54.00	0.00	141.00
Write-offs							
9	Position as of 30.06.2010						0.00
10	Increases:	0.00	0.00	0.00	0.00	0.00	0.00
11	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
12	Position as of 30.06.2011	0.00	0.00	0.00	0.00	0.00	0.00
Net value							
13	Position as of 30.06.2010	0.00	0.00	21.00	33.00	0.00	54.00
14	Position as of 30.06.2011	0.00	0.00	65.00	30.00	0.00	95.00

Differences in value of intangible assets 2009/2010

Po s.	Specification	Costs of completed development works	Good-will	Software	Others	Prepay ments	Total
Gross value							
1	Position as of 30.06.2009			87.00	24.00		111.00
2	Increases:	0.00	0.00	87.00	0.00	0.00	87.00
a	purchase				36.00		36.00
e	expenditures from prior years			0			0.00
3	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
4	Position as of 30.06.2010	0.00	0.00	87.00	60.00	0.00	147.00
Amortization							
5	Position as of 30.06.2009			22,00	24.00		46.00
6	Increases:	0.00	0.00	44.00	'3.00	0.00	47.00
a	depreciation			44.00	'3.00		47.00
7	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
8	Position as of 30.06.2010	0.00	0.00	66.00	27.00	0.00	93.00
Write-offs							
9	Position as of 30.06.2009						0.00
10	Increases:	0.00	0.00	0.00	0.00	0.00	0.00
11	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
12	Position as of 30.06.2009	0.00	0.00	0.00	0.00	0.00	0.00
Net value							
13	Position as of 30.06.2009	0.00	0.00	65.00	0.00	0.00	65.00
14	Position as of 30.06.2010	0.00	0.00	21.00	33.00	0.00	54.00

11	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
12	Position as of 30.06.2011	0.00	0.00	0.00	0.00	0.00	0.00
Net value							
13	Position as of 30.06.2010	2 168.00	3 660.00	1 342.00	694.00	90.00	7 954.00
14	Position as of 30.06.2011	2 168.00	18 279.00	3 719.00	1 049.00	1 200.00	26415

Differences in value of tangible fixed assets 2009/2010

Po s.	Specification	Lands (including the perpetual usufruct right to lands)	Buildings, premises and objects of civil engineering	technical equipment and machines	Means of transportation	Other fixed assets	Total
Gross value							
1	Position as of 30.06.2009	2 168.00	4 022.00	2 322.00	1 258.00	256.00	10 036.00
2	Increases:	0.00	0.00	571.00	279.00	26.00	876.00
a	including tangible fixed assets under construction		0.00	549.00		11.00	560.00
b	purchase			22.00	224.00	15.00	261.00
g	leasing				55.00		55.00
3	Decreases:	0.00	0.00	0.00	98.00	0.00	98.00
a	sales				98.00		98.00
f	others						0.00
4	Position as of 30.06.2010	2 168.00	4 022.00	2 903.00	1 439.00	282.00	10 814.00

Amortization							
5	Position as of 30.06.2009		251.00	1 215.00	656.00	165.00	2 287.00
6	Increases:	0.00	111.00	346.00	187.00	27.00	671.00
a	depreciation for the period		111.00	346.00	187.00	27.00	671.00
7	Decreases:	0.00	0.00	0.00	98.00	0.00	98.00
a	sales			0.00	98.00		98.00

8	Position as of 30.06.2010	0.00	362.00	1 561.00	745.00	192.00	2 860.00
Write-offs							
9	Position as of 30.06.2009						0.00
10	Increases:	0.00	0.00	0.00	0.00	0.00	0.00
11	Decreases:	0.00	0.00	0.00	0.00	0.00	0.00
12	Position as of 30.06.2010	0.00	0.00	0.00	0.00	0.00	0.00
Net value							
13	Position as of 30.06.2009	2 168.00	3 771.00	1 117.00	602.00	91.00	7 749.00
14	Position as of 30.06.2010	2 168.00	3 660.00	1 342.00	694.00	90.00	7 954.00

To NOTE 3 a

Negative temporary difference	2010/2011	2009/2010
1. Balance sheet amortisation and depreciation of warehouse	63	42
2. Tangible fixed assets under leasing	0	70
1. Provision for promotional services	321	419
2. Unpaid payroll and social insurance (ZUS) benefits	44	290
3. Unrealized negative exchange rate differences	10	0
4. Provision for retirement and similar benefits	176	161
5. Other provisions	20	20
6. Revaluation of circulating assets	39	79
7. Unpaid interest on the loan	62	0
Total	735	1081

To NOTE 10 a

POSITIVE TEMPORARY DIFFERENCE	2010/2011	2009/2010
1. Tangible fixed assets under leasing	128	50
4. Unrealized interest on receivables	143	0
5. Positive exchange differences	0	19

Total	274	69
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To NOTE 11a and 12a

Long- and short-term liabilities resulting from leasing

As of 30 June 2011 and as of 30 June 2010, minimal deferred leasing rates on the grounds of the leasing agreements and current minimal value of net leasing rates are disclosed as follows:

Specification	30.06.2011		30.06.2010	
	Minimal rates	Current value of rates	Minimal rates	Current value of rates
In a period of 1 year	21	20	194	186
In a period from 1 up to 5 years	14	13	35	33
Above 5 years				
Minimal leasing rates in total	35	33	229	219
Deferred interest cost (negative value)	2		10	
Current value of minimal leasing rates, including:	33	33	219	219
short-term	20		186	
long-term	13		33	

Explanatory notes to Cash Flow Statement

NOTE 1

STRUCTURE OF CASH TO CASH FLOW STATEMENT	2010/2011	2009/2010
- cash in hand and at bank	360	2070
Total	360	2070

NOTE 2

DIRRERENCES BETWEEN BALANCE SHEET CHANGE IN SHORT-TERM LIABILITIES AND CHANGE IN CHANGE DISCLOSED IN CASH FLOW STATEMENT	2010/2011	2009/2010
Change in short-term liabilities by balance sheet	3015	2099
+/- change in liabilities for credits/loans	-5039	0
+/- change in liabilities for financial leasing	+173	+11
Change in cash flow statement	- 1851	2110

Supplementary explanatory notes

NOTE 1

INFORMATION ON FINANCIAL INSTRUMENTS

A. Loans granted and own receivables

Own receivables cover trade (for supplies and services) receivables and other receivables as well as cash (pecuniary means)

B. Financial assets held up to maturity date

The Company has no financial assets held up to maturity date.

D. Financial assets available for disposal

The Company has no financial assets available for disposal.

E. Other financial liabilities

Other financial liabilities include: credits, trade liabilities and other liabilities as well as liabilities under leasing agreements

FINANCIAL ASSETS	Balance sheet value		Fair value		Category of financial instrument
	30.06.2011	30.06.2010	30.06.2011	30.06.2010	
Trade receivables and other receivables	7788	8048	7788	8048	Own receivables
Cash at bank and in hand	360	2 070	360	2070	Own receivables

FINANCIAL LIABILITIES	Balance sheet value		Fair value		Category of financial instrument
	30.06.2011	30.06.2010	30.06.2011	30.06.2010	
Loan and credit interest including	18084	6573	18084	6573	Other financial liabilities
Long-term interest by changeable interest rate	13044	6573	13044	6573	
Credit/facility in the current account	5040	0	5040	0	

Other liabilities -leasing	35	229	35	229	Other financial liabilities
Trade liabilities and other liabilities	3633	5 550	3633	5550	Other financial liabilities

NOTE 1.2 Table of financial instruments movements

2010/2011	Financial assets appraised in fair value by financial result	Financial liabilities appraised in fair value by financial result	Loans granted and other own receivables	Financial assets held up to maturity date	Financial assets available for disposal	Other financial liabilities
Position as of the beginning of the period			10118			12 352
Increases						12 146
Credits and loans						12 146
Trade receivables and other receivables						
Leasing						
Trade liabilities and other liabilities						
Decreases			1970			2747
Repayment of credits and loans						636
Leasing						194
Trade debtors (receivables for deliveries and services) and other receivables			260			1917
cash at bank and in hand			1710			
Position as of the end of the period			8 148			21 751

NOTE 2

PURPOSES AND RULES OF MANAGING FINANCIAL RISK

Among primary financial instruments applied by the Company there are: pecuniary means (cash), short-term deposits and bank credits. The main purpose of the referred financial instruments is to gain financial resources for the Company's activity. The Company has also other financial instruments, such as trade (for supply and services) receivables and liabilities, which appear under activity run by the Company.

The principle applied by the Company currently and in the entire period covered by the examination is not to carry out transactions connected with financial instruments.

The primary types of risk resulting from the Company's financial instruments include currency risk, credit risk and the risk connected with liquidity. The Management Board verifies and adjusts the principles of managing each of the referred types of risk – the principles are briefly discussed herein below. Moreover, the Company also monitors the risk of market prices relating to all financial instruments possessed by the Company.

Currency risk

The Company is exposed to currency risk for contracted transactions. Such risks occur due to the fact that the Company imports directly from the countries of origin a significant part of the raw materials. In order to avoid the negative influence of the foreign currency exchange rates, the Company currently monitors the currency market by adopting proper measures. Managing the risk of foreign currency, the Company takes use of internal instruments, including, first of all, the Company adjusts pricing conditions offered customers to the costs of purchase of the raw material. At present the Company does not take use of instruments of the currency market (such as: options, futures, Forward, CIRS).

The share of purchased goods imported in total in the business year 2010/2011 came to 67% and relatively: in cost of sold goods in USD – 68%, and in costs of manufactured finished goods in EUR – 23%. However in the business year 2009/2010 it was relatively: in USD – 55% i and in EUR – 73%.

The currency risk calculated as percentage share of import /for particular currencies / in total purchases of commodities and materials with reference to the financial result (profit/loss) including variances +/- 10%

	Increase/decrease of currency exchange rate	Impact onto gross financial result
The year ended on 30 June 2011		
EUR	10%	-867
USD	10%	-3 263
EUR	-10%	867
USD	-10%	3 263
The year ended on 30 June 2010		
EUR	10%	-789
USD	10%	-2.313
EUR	-10%	789

USD	-10%	2.313
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Risk of goods prices

The Company is threatened to fluctuation of prices of foodstuffs raw materials. Such fluctuation of the referred prices may periodically impact onto vale of the sale margins. Level of prices of the foodstuffs raw materials is influenced by factors irrespective from the Company, such as: rate of crops in a particular year, climatic conditions influencing the quality and availability of the raw materials. Owing to the skilled staff involved in purchase, the Company tries to response to the occurring position on the market relatively earlier, including first of all, to increase stock of the raw materials whose price will increase or respectively earlier, to renegotiate prices of supplied products with the clients.

Credit risk

The Company concludes transactions merely with entities of right credit rating capacity. The Company's greatest clients are first of all the greatest trade chains operating in Poland. All clients who desire to take use of merchant credits are subject to procedures of preliminary verification. Besides, due to current monitoring of receivables positions, threatening the Company to the risk of doubtful debts is really insignificant. Material concentration of credit risk does not appear in the Company.

NOTE 3

DATA ON OFF-BALANCE SHEET ITEMS, ESPECIALLY CONTINGENT LIABILITIES INCLUDING SECURITIES AND GUARANTEES (ALSO BILL-OF-EXCHANGE) GRANTED BY THE COMPANY

None.

NOTE 4

LIABILITIES AGAINST NATIONAL BUDGET OR LOCAL GOVERNMENT UNITS INCLUDING OBTAINING PROPERTY RIGHT ON BUILDINGS AND STRUCTURES

None.

NOTE 5

REVENUES, EXPENSES AND RESULTS OF THE ACTIVITY DISCONTINUED IN THE GIVEN PERIOD OR EXPECTED TO BE DISCONTINUED IN THE SUCCESSIVE PERIOD

No such categories.

NOTE 6

COSTS OF MANUFACTUREING TANGIBLE FIXED ASSETS UNDER CONSTRUCTION. TANGIBLE FIXED ASSETS FOR INTERNAL/OWN CONSUMPTION

Pos.	Specification	Expenditure in total
1	Group 1	12 871
2	Group 2	1 858
3	Group 3	715
4	Group 4	1 514
5	Group 5	0
6	Group 6	280
7	Group 7	0
8	Group 8	1 032
9	Intangible assets	65
	Total	18 335

NOTE 7

INCURRED AND PLANNED CAPITAL EXPENDITURE IN THE NEXT 12 MONTHS FROM THE BALANCE-SHEET DATE CAPITAL EXPENDITURE INCLUDING NON-FINANCIAL FIXED ASSETS

Expenditure on	Incurred in the current business year	Planned for the next business year
1) Intangible assets	89	100
2) Tangible fixed assets	10 107	5 000
3) Tangible fixed assets under	1 141	0
Total	11 337	5 100

NOTE 8

INFORMATION ABOUT ISSUER'S TRANSACTIONS WITH AFFILIATED ENTITIES AND DATA CONCERNING THE AFFILIATED ENTITIES

The company does not have entities connected by capital.

NOTE 9

INFORMATION ON JOINT VENTURES WHICH DO NOT SUBJECT TO CONSOLIDATION

None.

NOTE 10

INFORMATION ON AVERAGE EMPLOYMENT, INCLUDING DIVISION INTO DEPARTMENTS

DEPARTMENT	2010/2011	2009/2010
Commercial	13	7
Technical	131	116
Marketing and	20	11
Employees in total	164	133

NOTE 11

TOTAL VALUE OF REMUNERATIONS AND REWARDS (IN CASH AND IN KIND) PAID OR DUE. INDIVIDUALLY FOR THE MANAGEMENT AND FOR SUPERVISORS

	01.07.2010 –	01.07.2009-30.06.2010
Remuneration of the Management	1 030	1 280
- Leszek Wasowicz, President of the Management Board	642	933
	388	347
Remuneration of the Supervisory	14	5
Remuneration in total	1 044	1 285

NOTE 12

INFORMATION ON VALUE OF UNPAID ADVANCE PAYMENTS, CREDITS, LOANS, GUARANTEES, WARRANTS OR OTHER AGREEMENTS OBLIGATING TO PERFORMANCES FOR THE BENEFIT OF THE COMPANY GRANTED BY THE COMPANY TO MANAGING AND SUPERVISION PERSONS

The above specified situation did not occur.

NOTE 13

INFORMATION ON SIGNIFICANT EVENTS RELATING TO THE PREVIOUS YEARS INCLUDED IN THE FINANCIAL STATEMENT FOR THE CURRENT PERIOD

The above specified situation did not occur.

NOTE 14

INFORMATION ON SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE, NOT INCLUDED IN THE FINANCIAL STATEMENT

The above specified situation did not occur.

NOTE 15

INFORMATION ON RELATIONSHIPS BETWEEN LEGAL PREDECESSOR AND THE COMPANY AS WELL AS ON THE WAY AND SCOPE OF TAKING OVER ASSETS AND LIABILITIES

The HELIO S.A. company was established by transformation of the "PH BONA" Sp. z o.o. company on the base of Resolution No. 1 of the Extraordinary Meeting of Shareholders of 18 July 2006 concerning transformation of the "PH BONA" spółka z ograniczoną odpowiedzialnością (limited liability/ public company) into the HELIO S.A. (joint stock company). by virtue of the notary deed prepared on 18 July 2006 at the Notary Office Jerzy Horban – Notary Public Małgorzata Kędzierska – Notary in Warsaw. Repertory A no. 5196/2006. On 25 August 2006, by the decision of the District (First Instance) Court (Sąd Rejonowy) for Warsaw capital city, XIV Economic Division of the National Court Register, the HELIO S.A. company was entered into the register of the National Court Register – Register of Entrepreneurs at a number of 262514.

NOTE 16

SPRAWOZDANIE FINANSOWE SKORYGOWANE WSKAŹNIKIEM INFLACJI

There are no prerequisites to carry out corrections of the analyzed financial statements by inflation rate.

NOTE 17

DIFFERENCES AMONG DATA DISCLOSED IN THE FINANCIAL STATEMENT AND IN DATA COMPARABLE WITH EARLIER PREPARED AND NOT PUBLISHED FINANCIAL STATEMENTS.

The specified differences did not occur.

NOTE 18

CHANGES IN APPLIED RULES (POLICY) OF ACCOUNTING AND WAY OF ELABORATION OF FINANCIAL STATEMENT MADE IN COMPARISON TO THE PREVIOUS BUSINESS YEARS, REASONS OF SUCH CHANGES, SPECIFICATIONS AND IMPACT OF THE FINANCIAL RESULTS ONTO PROPERTY AND FINANCIAL POSITION, LIQUIDITY AS WELL AS FINANCIAL RESULT AND PROFITABILITY.

No changes occurred.

NOTE 19

MADE CORRECTIONS OF BASIC ERRORS, REASONS OF SUCH ERRORS, SPECIFICATIONS AND IMPACT OF THE FINANCIAL RESULTS ONTO PROPERTY AND FINANCIAL POSITION, LIQUIDITY AS WELL AS FINANCIAL RESULT AND PROFITABILITY.

No changes occurred.

NOTE 20

IN CASE OF OCCURRENCE OF UNCERTAINTY REGARDING OPPORTUNITIES TO CONTINUE THE ACTIVITY, DESCRIPTION OF SUCH UNCERTAINTIES AND ACKNOWLEDGEMENT ON NON-EXISTENCE OF SUCH UNCERTAINTY

The financial statement has been prepared with assumption on continuity of the activity. No circumstances, indicating threat to the activity in predictable future, exist.

NOTE 21

INFORMATION ON MERGER OF COMPANIES

In the periods covered by the financial statements published in the present report, the Company did not merge with other entities. The Company elaborates the unitary financial statement.

NOTE 22

INFORMATION ON AN ECONOMIC TYPE AND AIM OF AGREEMENTS CONCLUDED BY THE ENTITY NOT INCLUDED IN THE BALANCE SHEET IN A SCOPE INDISPENSABLE TO ESTIMATE IMPACT OF THEM ONTO PEOPERTY FINANCIAL POSITION AS WELL AS FINACIAL RESULT OF THE ENTITY

No changes occurred.

NOTE 23

INFORMATION ON SIGNIFICANT TRANSACTIONS (INCLUDING AMOUNTS OF SUCH TRANSACTIONS) CONTRACTED BY THE ENTITY WITH AFFILIATES ON TERMS OTHER THAN MARKET TERMS

During the last business year HELIO S.A. did not effect significant transactions with the affiliate on terms other than market terms.

NOTE 24

INFORMATION ON REMUNERATION FOR EXPERT AUDITOR OR ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS. PAID OR DUE FOR THE CURRENT AND PRIOR BUSINESS YEAR.

Name of a service	The business year	The business year
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	2010/2011	2009/2010
Audit/analysis of yearly financial statement	20	20
Other services acknowledging, including review of financial statement	10	10
Services relating to fiscal consulting	-	-
Other services	-	-