HTL CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE IQ2008

According to International Financial Reporting Standards (IFRS)

Condensed consolidated profit and loss account
(in thousand PLN)

in thousand PLN

	IQ2008	IQ2007
Revenues from sales	**35 151**	**19 227**
Revenues from sales of products and services	35 151	19 193
Revenues from sales of goods and materials	0	34
Cost of products, goods and materials sold	**(20 460)**	**(11 077)**
Manufacturing cost of products and services sold	(20 459)	(11 066)
Value of goods and materials sold	(1)	(11)
GROSS PROFIT ON SALES	**14 691**	**8 150**
Selling costs	(2 806)	(1 504)
General and administrative costs	(2 553)	(2 408)
Other operating revenues	18	16
Other operating expenses	-18	0
PROFIT ON OPERATING ACTIVITIES	**9 332**	**4 254**
Financial revenues	1 523	903
Financial expenses	(4 134)	(772)
GROSS PROFIT	**6 721**	**4 385**
Income tax	(13)	(15)
NET PROFIT FOR THE FINANCIAL PERIOD	**6 708**	**4 370**
Attributable to shareholders of the parent company	6 708	4 370
Net profit and diluted net profit per one share (in PLN)	0.1	0.07

Condensed consolidates balance sheet
(in thousand PLN)

	in thousand PLN	
	31.12.2008	**31.12.2007**
ASSETS		
FIXED ASSETS	**204 312**	**198 891**
Tangible fixed assets	121 914	116 405
Investment property		
Intangible assets	82 392	82 475
Investments in controlled entities and affiliated entities	6	6
Long-term loans		
Long-term derivatives		
Deferred tax assets		
Long-term prepayments		5
CURRENT ASSETS	**54 523**	**50 169**
Inventory	13 651	12 696
Trade receivables	18 207	10 796
Other receivables	3 333	3 288
Short-term loans		
Short-term derivatives	1 300	482
Cash and cash equivalents	15 403	20 609
Short-term prepayments	2 629	2 298
TOTAL ASSETS	**258 835**	**249 060**
LIABILITIES		
EQUITY	**123 088**	**116 054**
Share capital	640	640
Share Premium	60 117	60 117
Capital from hedging transactions and from conversion of foreign currencies	626	300
Other reserve capitals		
Retained earnings	61 705	54 997
Shareholders' equity attributable to shareholders of the parent company	**123 088**	**116 054**
LONG-TERM LIABILITIES	**121 117**	**122 770**
Bank credits, loans, debt securities and other financial liabilities	120 953	122 561
Financial tease	79	124
Derivatives		
Provision for deferred income tax		
Other provisions	85	85
Accruals		
Deferred income		
SHORT-TERM LIABILITIES	**14 630**	**10 236**
Bank credits, loans, debt securities and other financial liabilities		
Financial tease	230	309
Derivatives	16	44
Provisions	262	262
Trade liabilities	10 664	5 578
Corporate income tax liabilities	5	5
Other liabilities	3 377	3 693
Accruals	76	345
Deferred income		
TOTAL LIABILITIES	**135 747**	**133 006**
TOTAL [BALANCE-SHEET] LIABILITIES	**258 835**	**249 060**

Condensed consolidated statement of changes in equity
(in thousand PLN)

	Share capital	Share premium	Capital from hedging transactions and from converting international units		Other reserve capitals	Retained earnings	Total equity
			Capital from hedging transactions	Capital from converting international units			
Balance at 1st January, 2008	**640**	**60 117**	**406**	**(106)**	**0**	**54 997**	**116 054**
Change in the accounting policy					0	0	0
Balance at 1st January, 2008, transformed	**640**	**60 117**	**406**	**(106)**	**0**	**54 997**	**116 054**
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital	0				0	0	0
Differences in exchange rates from international units valuation			280				280
Net profit / (loss) for the period				46			46
Shares issuance					0	6 708	6 708
Balance at 31st March, 2008	**640**	**60 117**	**686**	**(60)**	**0**	**61 705**	**123 088**
Balance at 1st January, 2007	**638**	**60 117**	**0**	**0**	**0**	**51 025**	**111 780**
Change in the accounting policy					0	(244)	(244)
Balance at 1st January, 2007, transformed	**638**	**60 117**	**0**	**0**	**0**	**50 781**	**111 536**
Shares issuance		0					0
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital	0	0	10	0	0	0	10
Differences in exchange rates from international units valuation	0						4
Net result for the period						0	4 370
Balance at 31st March, 2006	**638**	**60 117**	**10**	**0**	**0**	**50 781**	**115 920**

Condensed consolidated cash flow statement
(in thousand PLN)

	In thousand PLN	
	IQ2008	IQ2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**6 721**	**4 385**
Adjustments for items:	**(15)**	**(670)**
Amortisation and depreciation	2 536	1 284
Change in receivables	(7 456)	(5 847)
Change in liabilities	5 254	3 739
Change in inventory	(955)	(198)
Change in provisions		
Change in prepayments and accruals	(595)	500
Interest income/cost	2 069	10
Exchange gains (losses)	(856)	(143)
Gains/losses from investment activities		
Income tax paid	(12)	(15)
Other adjustments		
Net cash flows from operating activities	**6 706**	**3 715**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Inflows from sale of intangible and tangible fixed assets		48
Inflows from sale of investments in controlled entities		
Loans repaid		
Interest received		
Dividend received		
Purchase of intangible and tangible fixed assets	(8 445)	(10 756)
Purchase of investments in controlled entities		
Loans grantem		
Other items		
Net cash flows from investment activities	**(8 445)**	**(10 708)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Inflows from issuance of shares		
Inflows from credits and loans		
Inflows from issuance of debt securities		
Repayment of credits and loans		
Payment of liabilities arising from financial leases	(133)	(175)
Dividend paid		
Interest paid	(3 677)	(9)
Exchange differences from valuation of derivatives	280	11
Exchange differences from valuation of foreign entities	46	3
Other items		
Net cash flows from financial activities	**(3 484)**	**(170)**
Change in cash	**(5 223)**	**(7 163)**
Change in cash due to exchange differences	17	85
Cash opening balance	**20 609**	**20 774**
Closing balance of Cash	**15 403**	**13 696**

1. Consolidated quarterly financial report

Rules of accounting used by Capital Group and Parent Company were disclosed in yearly financial reports. In presented reporting period they have not changed.

2. Financial report was approved on 30 April 2008.

3. Exchange rates applied for translation and valuation

Currency	Exchange rates as at the balance sheet day		Exchange rates that are arithmetic average of the exchange rates in force At the last day of every month	
	31.03.2008	31.03.2007	01.01.2008-31.03.2008	01.01.2007-31.03.2007
USD	2.2305	2.4350	2.3299	2.7484
EUR	3.5258	3.5820	3.5574	3.7768
SEK	0.3758	0.3805	0.3781	0.3835

4. Related party transactions

IQ2008

	HTL-STREFA S.A.	HT LANCET Sp. z o.o.	HTL-STREFA Marketing Sp. z o.o.	HTL-STREFA Inc.USA	HTL-STREFA GmbH Niemcy	HAEMEDIC AB	Haemedic Polska
	In thousand PLN						
a) Purchase and sale transactions							
- goods sold	590						
- cost of goods purchased				749			
- purchased goods in stock				230			
- exchange differences from valuation of foreign entities				41			
- opening balance of the current year's stock				(431)			
- goods sold		6 597					
- cost of goods purchased	6 471						
- purchased goods in stock	2 082						
- opening balance of the current year's stock	(1 956)						
- services sold	26						
- services purchased				26			
- services sold	90						
- services purchased		90					
- services sold			445				
- services purchased	445						
- services sold					42		
- services purchased	42						
- materials sold	1						
- materials purchased		1					
- amortisation and depreciation of fixed assets sold as from their selling date	53						
- amortisation and depreciation of fixed assets purchased as from the date they were put into use		41					
- difference in the current year result	(12)						
b) Financial instruments							
- loans granted	100						
- loans received							100
- interest on loans granted	7						
- interest on loans received				7			
- interest on loans granted	1						
- interest on loans received							1
shares acquired						4 284	
decrease in fixe assets						(3 779)	
result on transaction						(555)	
exchange differences						50	
shares formation							4 353
Introduced fixed assets value							(4 353)
c) Settlements							
- balance of receivables for goods	1	4 316					
- balance of payables for goods	4 316	1					
- balance of receivables for goods	677						
- balance of payables for goods				677			
- balance of receivables for goods and services					31		
- balance of payables for goods and services	31						

- balance of non-financial fixed assets sold	1 468						
- balance of non-financial fixed assets purchased		1 456					
- result on transactions in current year	- 12						
- depreciation of fixed assets sold as from the date of sale	236						
- depreciation of fixed assets purchased as from the date they were put into use		182					
- difference accrued	- 55						
d) Financial settlements							
- balance of receivables for loans	424						
- balance of liabilities for loans				424			
- balance of receivables for loans	101						
- balance of liabilities for loans							101
- value of shares held	58 005						
- equity value		58 000					
- remaining balance of investments in controlled entities	5						
- value of shares held	472						
- equity value			470				
- remaining balance of investments in controlled entities	2						
- value of shares held		30					
- equity value			30				
- value of shares held	57						
- equity value				57			
- value of shares held	96						
- equity value					96		
- value of shares held	84 102						
- equity						40	
- associates after payment						1 542	
- retained earnings on acquisition day						2 378	
- goodwill						80 142	

IQ2007

	HTL-STREFA S.A.	HT LANCET Sp. z o.o.	HTL-STREFA Marketing Sp. z o.o.	HTL-STREFA Inc.USA	HTL-STREFA GmbH Niemcy	HAEMEDIC AB	Haemedic Polska
	w tys.zł						
a) Purchase and sale transactions							
- goods sold	215						
- cost of goods purchased				14			
- purchased goods in stock				197			
- exchange differences from valuation of foreign entities				3			
- goods sold		2 593					
- cost of goods purchased	2 457						
- purchased goods in stock	136						
- services sold			214				
- services purchased	214						
- fixed assets sold	1 468						
- fixe assets purchase		1 456					
- result on transaction	- 12						
b) Financial instruments							
c) Settlements							
- balance of receivables for goods	7						
- balance of payables for goods		7					
- balance of receivables for goods		6					
- balance of payables for goods	6						
- balance of receivables for goods			72				
- balance of payables for goods	72						
d) Financial settlements							
- value of shares held	38 003						
- equity value		38 000					
- remaining balance of investments in controlled entities	3						
- value of shares held	143						
- equity value			141				
- remaining balance of investments in controlled entities	2						
- value of shares held		9					
- equity value			9				

5. Activity devised into branch segments

IQ2008

	Safety lancets	*Personal lancets*	*Other activities and indivisible elements*	*Total*
	In thousand PLN			
Revenues from sales	**28 569**	**6 582**	**0**	**35 151**
Revenues from sales of products and services	28 569	6 582	0	35 151
Revenues from sales of goods and materials	0	0	0	0
Cost of products, goods and materials sold	**(16 978)**	**(3 440)**	**(42)**	**(20 460)**
Manufacturing cost of products and services sold	(16 978)	(3 440)	(41)	(20 459)
Value of goods and materials sold	0	0	(1)	(1)
Gross profit on sales	**11 591**	**3 142**	**(42)**	**14 691**
Selling costs	(151)	0	(2 655)	(2 806)
General and administrative costs	(1 054)	0	(1 499)	(2 553)
Other operating revenues	0	0	18	18
Other operating expenses	0	0	(18)	(18)
Profit on operating activities	**10 386**	**3 142**	**(4 196)**	**9 332**
Financial revenues	0	0	1 523	1 523
Financial expenses	0	0	(4 134)	(4 134)
Gross profit	**10 386**	**3 142**	**(6 807)**	**6 721**
Income tax	0	0	(13)	(13)
Net profit	**10 386**	**3 142**	**(6 820)**	**6 708**

Stan na 31.03.2008

	safety lancets	personal lancets	Other activities and indivisible elements	Total
	In thousand PLN			
ASSETS				
FIXED ASSETS	**147 234**	**22 251**	**34 827**	**204 312**
Tangible fixed assets	65 361	22 079	34 474	121 914
Investment property	0	0	0	0
Intangible assets	81 868	172	352	82 392
Investments in controlled entities and affiliated entities	5	0	1	6
Long-term loans	0	0	0	0
Long-term derivatives	0	0	0	0
Deferred tax assets	0	0	0	0
Long-term prepayments	0	0	0	0
CURRENT ASSETS	**26 669**	**6 640**	**21 214**	**54 523**
Inventory	9 442	4 136	73	13 651
Trade receivables	15 633	2 276	298	18 207
Other receivables	37	6	3 290	3 333
Short-term loans	0	0	0	0
Short-term derivatives	0	0	1 300	1 300
Cash and cash equivalents	140	0	15 263	15 403
Short-term prepayments	1 417	222	990	2 629
TOTAL ASSETS	**173 903**	**28 891**	**56 041**	**258 835**
LIABILITIES				
EQUITY	**69 739**	**33 642**	**19 707**	**123 088**
Share capital	0	0	640	640
Share premium	0	0	60 117	60 117
Capital from hedging transactions and from conversion of foreign currencies	(53)	0	679	626
Other reserve capitals	0	0	0	0
Retained earnings	69 792	33 642	(41 729)	61 705
Shareholders' equity attributable to shareholders of the parent company	69 739	33 642	19 707	123 088
ZOBOWIĄZANIA DŁUGOTERMINOWE	**0**	**79**	**121 038**	**121 117**
Bank credits, loans, debt securities and other financial liabilities	0	0	120 953	120 953
Financial lease	0	79	0	79
Derivatives	0	0	0	0
Provision for deferred income tax	0	0	0	0
Other provisions	0	0	85	85
Accruals	0	0	0	0
Deferred income	0	0	0	0
SHORT-TERM LIABILITIES	**9 684**	**2 397**	**2 549**	**14 630**
Bank credits, loans, debt securities and other financial liabilities	0	0	0	0
Financial lease	0	214	16	230
Derivatives	0	0	16	16
Provisions	0	0	262	262
Trade liabilities	8 289	1 497	878	10 664
Corporate income tax liabilities	0	0	5	5
Other liabilities	1 357	672	1 348	3 377
Accruals	38	14	24	76
Deferred income	0	0	0	0
TOTAL LIABILITIES	**9 684**	**2 476**	**123 587**	**135 747**
TOTAL [BALANCE-SHEET] LIABILITIES	**79 423**	**36 118**	**143 294**	**258 835**

HTL-STREFA S.A.

QUARTERLY REPORT FOR THE IQ 2008

According to International Financial Reporting Standards (IFRS)

Condensed interim profit and loss account
(in thousand PLN)

	IQ2008	IQ2007
Revenues from sales	**34 761**	**19 417**
Revenues from sales of products and services	34 760	19 405
Revenues from sales of goods and materials	1	12
Cost of products, goods and materials sold	**(22 884)**	**(12 526)**
Manufacturing cost of products and services sold	(22 883)	(12 515)
Value of goods and materials sold	(1)	(11)
GROSS PROFIT ON SALES	**11 877**	**6 891**
Selling costs	(2 696)	(1 438)
General and administrative costs	(1 500)	(1 614)
Other operating revenues	102	12
Other operating expenses	(3)	(12)
PROFIT ON OPERATING ACTIVITIES	**7 780**	**3 839**
Financial revenues	1 392	757
Financial expenses	(4 120)	(728)
GROSS PROFIT	**5 052**	**3 868**
Income tax	0	
NET PROFIT FOR THE FINANCIAL PERIOD	**5 052**	**3 868**
Net profit and diluted net profit per one share (in PLN)	0.08	0.06

Condensed interim balance sheet
(in thousand PLN)

	31.03.2008	31.12.2007
ASSETS		
FIXED ASSETS	**214 846**	**211 228**
Tangible fixed assets	69 732	66 003
Investment property		
Intangible assets	2 093	2 149
Investments in controlled entities and affiliated entities	142 731	142 731
Long-term loans	290	341
Long-term derivatives		
Deferred tax assets		
Long-term prepayments		4
CURRENT ASSETS	**46 714**	**42 170**
Inventory	12 267	12 267
Trade receivables	17 832	10 932
Other receivables	3 242	3 269
Short-term loans	235	115
Short-term derivatives	1 300	482
Cash and cash equivalents	9 511	13 074
Short-term prepayments	2 327	2 031
TOTAL ASSETS	**261 560**	**253 398**
LIABILITIES		
EQUITY	**123 595**	**118 264**
Share capital	640	640
Share premium	60 117	60 117
Capital from hedging transactions	686	406
Other reserve capitals		
Retained earnings	62 152	57 101
LONG-TERM LIABILITIES	**121 096**	**122 749**
Bank credits, loans, debt securities and other financial liabilities	120 953	122 561
Financial lease	79	124
Derivatives		
Provision for deferred income tax		
Other provisions	64	64
Accruals		
Deferred income		
SHORT-TERM LIABILITIES	**16 869**	**12 385**
Bank credits, loans, debt securities and other financial liabilities		
Financial lease	230	309
Derivatives	16	44
Provisions	158	158
Trade liabilities	13 830	8 988
Corporate income tax liabilities		
Other liabilities	2 628	2 518
Accruals	7	368
Deferred income		
TOTAL LIABILITIES	**137 965**	**135 134**
TOTAL [BALANCE-SHEET] LIABILITIES	**261 560**	**253 398**

Condensed interim statement of changes in equity
(in thousand PLN)

	Share capital	Share premium	Capital from hedging transactions	Retained earnings	Total equity
Balance at 1st January, 2008	**640**	**60 117**	**406**	**57 100**	**118 263**
Change in the accounting policy				0	0
Balance at 1st January, 2008, transformed	**640**	**60 117**	**406**	**57 100**	**118 263**
Net profit / (loss) for the period				5 052	5 052
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			280		280
Shares issuance	0				0
Balance at 31st March, 2008	**640**	**60 117**	**686**	**62 152**	**123 595**
Balance at 1st January, 2007	**638**	**60 117**	**0**	**52 169**	**112 924**
Change in the accounting policy				0	0
Balance at 1st January, 2007, transformed	**638**	**60 117**	**0**	**52 169**	**112 924**
Net result for the period				3 868	3 868
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			10		10
Shares issuance					0
Balance at 31st March, 2006	**638**	**60 117**	**10**	**56 037**	**116 802**

Condensed interim cash flow statement

(in thousand PLN)

	za I kwartał 2008	za I kwartał 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**5 052**	**3 868**
Adjustments for items:	226	166
Amortisation and depreciation	1 594	1 121
Change in receivables	**(6 873)**	**(3 213)**
Change in liabilities	4 914	2 007
Change in inventory	1	(122)
Change in provisions	**0**	**0**
Change in prepayments and accruals	(652)	494
Interest income/cost	2 061	10
Exchange gains (losses)	(819)	(143)
Gains/losses from investment activities	0	12
Income tax paid	**0**	**0**
Other adjustments	0	0
Net cash flows from operating activities	5 278	4 034
CASH FLOWS FROM INVESTMENT ACTIVITIES	**0**	**1 456**
Inflows from sale of intangible and tangible fixed assets	0	0
Inflows from sale of investments in controlled entities		
Loans repaid	0	0
Interest received	0	0
Dividend received	**0**	**0**
Purchase of intangible and tangible fixed assets	(5 229)	(4 491)
Purchase of investments in controlled entities	0	0
Loans granted	**(100)**	**0**
Other items	0	0
Net cash flows from investment activities	0	0
CASH FLOWS FROM FINANCIAL ACTIVITIES	(5 329)	(3 035)
Inflows from issuance of shares	0	0
Inflows from credits and loans	**0**	**0**
Inflows from issuance of debt securities	0	0
Repayment of credits and loans	0	0
Payment of liabilities arising from financial leases	**(133)**	**(175)**
Dividend paid	0	0
Interest paid	(3 677)	(9)
Exchange differences from valuation of derivatives	**280**	**10**
Exchange differences from valuation of foreign entities	0	0
Other items	0	0
Net cash flows from financial activities	**(3 530)**	**(174)**
Change in cash	(3 581)	825
Change in cash due to exchange differences	18	85
Cash opening balance	13 074	6 433
Closing balance of cash	9 511	7 343