HTL CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE IIQ2008

According to International Financial Reporting Standards (IFRS)

Condensed consolidated profit and loss account
(in thousand PLN)

	6 months since January to June 2008	3 months since April to June 2008	6 months since January to June 2007	3 months since April to June 2007
Revenues from sales	**68 501**	**33 350**	**39 448**	**20 222**
Revenues from sales of products and services	68 479	33 328	39 179	19 987
Revenues from sales of goods and materials	22	22	269	235
Cost of products, goods and materials sold	**(42 967)**	**(22 505)**	**(23 182)**	**(12 105)**
Manufacturing cost of products and services sold	(42 945)	(22 485)	(23 169)	(12 103)
Value of goods and materials sold	(22)	(20)	(13)	(2)
GROSS PROFIT ON SALES	**25 534**	**10 845**	**16 266**	**8 117**
Selling costs	(5 588)	(2 782)	(3 398)	(1 894)
General and administrative costs	(5 292)	(2 739)	(4 682)	(2 274)
Other operating revenues	41	22	32	16
Other operating expenses	(635)	(617)	(349)	(349)
PROFIT ON OPERATING ACTIVITIES	**14 060**	**4 729**	**7 869**	**3 616**
Financial revenues	4 473	3 109	2 091	1 188
Financial expenses	(8 329)	(4 355)	(2 019)	(1 247)
GROSS PROFIT	**10 204**	**3 483**	**7 941**	**3 557**
Income tax	(37)	(24)	(18)	(3)
NET PROFIT FOR THE FINANCIAL PERIOD	**10 167**	**3 459**	**7 923**	**3 554**
Attributable to shareholders of the parent company	10 167	3 459	7 923	3 554
Net profit and diluted net profit per one share (in PLN)	0,16	0,05	0,12	0,06

Condensed consolidates balance sheet
(in thousand PLN)

	in thousand PLN	
	30.06.2008	**31.12.2007**
ASSETS		
FIXED ASSETS	**217 310**	**198 891**
Tangible fixed assets	134 971	116 405
Investment property	0	
Intangible assets	82 333	82 475
Investments in controlled entities and affiliated entities	6	6
Long-term loans	0	
Long-term derivatives	0	
Deferred tax assets	0	
Long-term prepayments	0	5
CURRENT ASSETS	**49 562**	**50 169**
Inventory	17 847	12 696
Trade receivables	13 052	10 796
Other receivables	4 629	3 288
Short-term loans	0	
Short-term derivatives	2 559	482
Cash and cash equivalents	8 418	20 609
Short-term prepayments	3 057	2 298
TOTAL ASSETS	**266 872**	**249 060**
LIABILITIES		
EQUITY	**126 715**	**116 054**
Share capital	644	640
Share Premium	60 117	60 117
Capital from hedging transactions and from conversion of foreign currencies	790	300
Other reserve capitals	0	
Retained earnings	65 164	54 997
Shareholders' equity attributable to shareholders of the parent company	**126 715**	**116 054**
LONG-TERM LIABILITIES	**123 277**	**122 770**
Bank credits, loans, debt securities and other financial liabilities	123 104	122 561
Financial tease	38	124
Derivatives	0	
Provision for deferred income tax	0	
Other provisions	135	85
Accruals	0	
Deferred income		
SHORT-TERM LIABILITIES	**16 880**	**10 236**
Bank credits, loans, debt securities and other financial liabilities	0	
Financial tease	188	309
Derivatives	14	44
Provisions	799	262
Trade liabilities	7 743	5 578
Corporate income tax liabilities	15	5
Other liabilities	7 804	3 693
Accruals	317	345
Deferred income	0	
TOTAL LIABILITIES	**140 157**	**133 006**
TOTAL [BALANCE-SHEET] LIABILITIES	**266 872**	**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
Balance at 1st January, 2008, transformed	**640**	**60 117**	**406**	**(106)**	**0**	**54 997**	**116 054**
Shares issuance	4						4
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			460	30			490
Differences in exchange rates from international units valuation							0
Net profit / (loss) for the period						10 167	10 167
Balance at 30th June, 2008	**644**	**60 117**	**866**	**(76)**	**0**	**65 164**	**126 715**
Balance at 1st January, 2007	**638**	**60 117**	**0**	**0**	**0**	**51 025**	**111 780**
Change in the accounting policy						(244)	(244)
Balance at 1st January, 2007, transformed	**638**	**60 117**	**0**	**0**	**0**	**50 781**	**111 536**
Shares issuance	2						2
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			33				33
Differences in exchange rates from international units valuation				3			3
Net result for the period						7 924	7 924
Balance at 30th June, 2007	**640**	**60 117**	**33**	**3**	**0**	**58 705**	**119 498**

Condensed consolidated cash flow statement
(in thousand PLN)

	In thousand PLN	
	IH2008	**IH2007**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**10 204**	**7 942**
Adjustments for items:	**2 900**	**1 892**
Amortisation and depreciation	5 108	2 744
Change in receivables	(3 597)	(69)
Change in liabilities	4 669	1 328
Change in inventory	(5 150)	(2 166)
Change in provisions	580	342
Change in prepayments and accruals	(783)	(53)
Interest income/cost	4 204	23
Exchange gains (losses)	(2 113)	(239)
Gains/losses from investment activities	0	0
Income tax paid	(18)	(18)
Other adjustments	0	0
Net cash flows from operating activities	**13 104**	**9 834**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Inflows from sale of intangible and tangible fixed assets	0	48
Inflows from sale of investments in controlled entities	0	0
Loans repaid	11	0
Interest received	27	0
Dividend received	0	0
Purchase of intangible and tangible fixed assets	(22 002)	(19 738)
Purchase of investments in controlled entities	0	0
Loans grantem	0	0
Other items	0	0
Net cash flows from investment activities	**(21 964)**	**(19 690)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Inflows from issuance of shares	4	2
Inflows from credits and loans	75	0
Inflows from issuance of debt securities	0	0
Repayment of credits and loans	(26)	0
Payment of liabilities arising from financial leases	(203)	(370)
Dividend paid	0	0
Interest paid	(3 686)	(23)
Exchange differences from valuation of derivatives	460	36
Exchange differences from valuation of foreign entities	31	0
Other items	0	0
Net cash flows from financial activities	**(3 345)**	**(355)**
Change in cash	**(12 205)**	**(10 211)**
Change in cash due to exchange differences	14	102
Cash opening balance	**20 609**	**20 774**
Closing balance of Cash	**8 418**	**10 665**

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 7th August 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	
	30.06.2008	31.12.2007	01.01.2008-30.06.2008	01.01.2007-30.06.2007
USD	2,1194	2,4350	2,2531	2,8903
EUR	3,3542	3,5820	3,4776	3,8486
SEK	0,3554	0,3805	0,3701	0,4107

4. Related party transactions

IIQ2008

	HTL-STREFA S.A.	HT LANCET Sp. z o.o.	HTL-STREFA Marketing Sp. z o.o.	HTL-STREFA Inc.USA	HTL-STREFA GmbH Germany	HAEMEDIC AB	Haemedic Polska
	In thousand PLN						
a) Purchase and sale transactions							
- goods sold	1 351	-	-	-	-	-	-
- cost of goods purchased	-	-	-	1 245	-	-	-
- purchased goods in stock	-	-	-	461	-	-	-
- exchange differences from valuation of foreign entities	-	-	-	75	-	-	-
- opening balance of the current year's stock	-	-	-	- 431	-	-	-
- goods sold	-	14 234	-	-	-	-	-
- cost of goods purchased	13 717	-	-	-	-	-	-
- purchased goods in stock	2 474	-	-	-	-	-	-
- opening balance of the current year's stock	- 1 956	-	-	-	-	-	-
- services sold	26	-	-	-	-	-	-
- services purchased	-	-	-	25	-	-	-
- exchange differences from valuation of foreign entities	-	-	-	1	-	-	-
- services sold	85	-	-	-	-	-	-
- services purchased	-	85	-	-	-	-	-
- services sold	-	-	972	-	-	-	-
- services purchased	972	-	-	-	-	-	-
- services sold	-	-	-	-	86	-	-
- services purchased	85	-	-	-	-	-	-
- exchange differences from valuation of foreign entities	-	-	-	-	-	-	-
- materials sold	1	-	-	-	-	-	-
- materials purchased	-	1	-	-	-	-	-
- fixed assets sold	-	-	-	-	-	-	-
- fixed assets purchased	-	-	-	-	-	-	-
- result on transaction	-	-	-	-	-	-	-
- amortisation and depreciation of fixed assets sold as from their selling date	106	-	-	-	-	-	-
- amortisation and depreciation of fixed assets purchased as from the date they were put into use	-	82	-	-	-	-	-
- difference in the current year result	- 24	-	-	-	-	-	-
b) Financial instruments	-	-	-	-	-	-	-
- loans granted	100	-	-	-	-	-	100
- loans received	-	-	-	-	-	-	-
- repayment of loans granted	-	-	-	-	-	-	-
- repayment of loans received	-	-	-	-	-	-	-
- interest on loans granted	12	-	-	-	-	-	12

- interest on loans received	-	-	-	13	-	-	-
- exchange differences from valuation of foreign entities	-	-	-	-	-	-	-
- interest on loans granted	3	-	-	-	-	-	3
- interest on loans received	-	-	-	-	-	-	-
shares acquired	-	-	-	-	-	4 284	-
decrease in fixe assets	-	-	-	-	-	- 3 779	-
result on transaction	-	-	-	-	-	- 544	-
exchange differences	-	-	-	-	-	38	-
shares formation	-	-	-	-	-	-	-
Surplus on face value	-	-	-	-	-	-	-
Introduced fixed assets value	-	-	-	-	-	-	-
Shares sold	-	-	-	-	-	4 378	-
Shares cost	-	-	-	-	-	- 4 284	-
Result on transaction	-	-	-	-	-	- 159	-
exchange differences	-	-	-	-	-	65	-
Shares purchase	4 352	-	-	-	-	-	4 352
Result on transaction	-	-	-	-	-	- 26	-
c) Settlements	-	-	-	-	-	-	-
- balance of receivables for goods	-	4 724	-	-	-	-	-
- balance of payables for goods	4 724	-	-	-	-	-	-
- balance of other receivables	-	79	-	-	-	-	-
- balance of other payables	79	-	-	-	-	-	-
- balance of receivables for services	98	-	-	-	-	-	-
- balance of payables for goods	-	-	98	-	-	-	-
- balance of other receivables	75	-	-	-	-	-	-
- balance of other payables	-	-	-	-	-	75	-
- exchange differences	-	-	-	-	-	-	-
- balance of receivables for goods	293	-	-	-	-	-	-
- balance of payables for goods	-	-	-	293	-	-	-
- balance of payables paid	-	-	-	-	-	-	-
- balance of receivables for goods and services	-	-	-	-	30	-	-
- balance of payables for goods and services	30	-	-	-	-	-	-
- balance of receivables for goods and services	-	-	-	-	-	3 906	-
- balance of payables for goods and services	4 000	-	-	-	-	-	-
- exchange differences	-	-	-	-	-	94	-
- 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	289	-	-	-	-	-	-
- depreciation of fixed assets purchased as from the date they were put into use	-	223	-	-	-	-	-
- difference accrued	- 66	-	-	-	-	-	-

d) Financial settlements	-	-	-	-	-	-	-
- balance of receivables for loans	371	-	-	-	-	-	-
- balance of liabilities for loans	-	-	-	371	-	-	-
- balance of receivables for loans	103	-	-	-	-	-	-
- balance of liabilities for loans	-	-	-	-	-	-	103
- 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	4 353	-	-	-	-	-	-
- equity value	-	-	-	-	-		4 353
- remaining balance of investments in controlled entities	-	-	-	-	-	-	-
- 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	-

IIQ2007

	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	323	-	-	-	-	-	-
- cost of goods purchased	-	-	-	203	-	-	-
- purchased goods in stock	-	-	-	266	-	-	-
- exchange differences from valuation of foreign entities	-	-	-	5	-	-	-
- goods sold	-	4 851	-	-	-	-	-
- cost of goods purchased	4 533	-	-	-	-	-	-
- purchased goods in stock	323	-	323	-	-	-	-
- materials sold	1	-	-	-	-	-	-
- materials purchased	-	1	-	-	-	-	-
- services sold	-	-	557	-	-	-	-
- services purchased	557	-	-	-	-	-	-
- fixed assets sold	1 468	-	-	-	-	-	-
- fixe assets purchase	-	1 456	-	-	-	-	-
- result on transaction	- 12	-	-	-	-	-	-
b) Financial instruments							
- loans granted							
- loans received							
- interest on loans granted							
- interest on loans received							
c) Settlements	-	-	-	-	-	-	-
- balance of receivables for goods	-	781	-	-	-	-	-
- balance of payables for goods	781	-	-	-	-	-	-
- balance of receivables for services	-	-	57	-	-	-	-
- balance of payables for services	57	-	-	-	-	-	-
- balance of receivables for goods	-	-	-	-	-	-	-
- balance of payables for goods	-	-	-	151	-	-	-
- balance fixed assets sold	132	-	-	-	-	-	-
- balance of fixed assets purchased	-	132	-	-	-	-	-
d) Financial settlements	-	-	-	-	-	-	-
- balance of receivables for loans	504	-	-	-	-	-	-
- balance of liabilities for loans	-	-	-	504	-	-	-
- 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	-	-	-	-
- value of shares held	57	-	-	-	-	-	-
- equity value	-	-	-	57	-	-	-
- value of shares held	96	-	-	-	-	-	-
- equity value	-	-	-	-	96	-	-

5. Activity devised into branch segments

IIQ2008

	Safety lancets	*Personal lancets*	*Other activities and indivisible elements*	*Total*
	In thousand PLN			
Revenues from sales	**53 647**	**14 832**	**22**	**68 501**
Revenues from sales of products and services	53 647	14 832	0	68 479
Revenues from sales of goods and materials	0	0	22	22
Cost of products, goods and materials sold	**(34 467)**	**(8 416)**	**(84)**	**(42 967)**
Manufacturing cost of products and services sold	(34 467)	(8 416)	(62)	(42 945)
Value of goods and materials sold	0	0	(22)	(22)
Gross profit on sales	**19 180**	**6 416**	**(62)**	**25 534**
Selling costs	(295)	(21)	(5 272)	(5 588)
General and administrative costs	(1 540)	(734)	(3 018)	(5 292)
Other operating revenues	0	0	41	41
Other operating expenses	0	0	(635)	(635)
Profit on operating activities	**17 345**	**5 661**	**(8 946)**	**14 060**
Financial revenues	0	0	4 473	4 473
Financial expenses	0	0	(8 329)	(8 329)
Gross profit	**17 345**	**5 661**	**(12 802)**	**10 204**
Income tax	0	0	(37)	(37)
Net profit	**17 345**	**5 661**	**(12 839)**	**10 167**

Status on 31.06.2008

	safety lancets	personal lancets	Other activities and indivisible elements	Total
	In thousand PLN			
ASSETS				
FIXED ASSETS	**154 123**	**26 901**	**36 286**	**217 310**
Tangible fixed assets	72 357	26 723	35 891	134 971
Investment property	0	0	0	0
Intangible assets	81 761	178	394	82 333
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	**25 176**	**8 353**	**16 033**	**49 562**
Inventory	12 855	4 883	109	17 847
Trade receivables	10 150	2 902	0	13 052
Other receivables	217	380	4 032	4 629
Short-term loans	0	0	0	0
Short-term derivatives	0	0	2 559	2 559
Cash and cash equivalents	255	0	8 163	8 418
Short-term prepayments	1 699	188	1 170	3 057
TOTAL ASSETS	**178 703**	**35 254**	**52 915**	**266 872**
LIABILITIES				
EQUITY	**76 689**	**36 161**	**13 865**	**126 715**
Share capital	0	0	644	644
Share premium	0	0	60 117	60 117
Capital from hedging transactions and from conversion of foreign currencies	(63)	0	853	790
Other reserve capitals	0	0	0	0
Retained earnings	76 752	36 161	(47 749)	65 164
Shareholders' equity attributable to shareholders of the parent company	76 689	36 161	13 865	126 715
ZOBOWIĄZANIA DŁUGOTERMINOWE	**0**	**38**	**123 239**	**123 277**
Bank credits, loans, debt securities and other financial liabilities	0	0	123 104	123 104
Financial lease	0	38	0	38
Derivatives	0	0	0	0
Provision for deferred income tax	0	0	0	0
Other provisions	0	0	135	135
Accruals	0	0	0	0
Deferred income	0	0	0	0
SHORT-TERM LIABILITIES	**6 452**	**4 812**	**5 616**	**16 880**
Bank credits, loans, debt securities and other financial liabilities	0	0	0	0
Financial lease	0	177	11	188
Derivatives	0	0	14	14
Provisions	0	0	799	799
Trade liabilities	4 020	3 337	386	7 743
Corporate income tax liabilities	0	0	15	15
Other liabilities	2 416	1 293	4 095	7 804
Accruals	16	5	296	317
Deferred income	0	0	0	0
TOTAL LIABILITIES	**6 452**	**4 850**	**128 855**	**140 157**
TOTAL [BALANCE-SHEET] LIABILITIES	**83 141**	**41 011**	**142 720**	**266 872**

HTL-STREFA S.A.

QUARTERLY REPORT FOR THE IIQ 2008

According to International Financial Reporting Standards (IFRS)

Condensed interim profit and loss account
(in thousand PLN)

	2008		2007	
	IH2008	**IIQ 2008**	**IH 2007**	**IIQ 2007**
Revenues from sales	**68 161**	**33 400**	**39 513**	**20 096**
Revenues from sales of products and services	68 154	33 394	39 499	20 094
Revenues from sales of goods and materials	7	6	14	2
Cost of products, goods and materials sold	**(46 447)**	**(23 563)**	**(25 122)**	**(12 595)**
Manufacturing cost of products and services sold	(46 440)	(23 558)	(25 109)	(12 593)
Value of goods and materials sold	(7)	(5)	(13)	(2)
GROSS PROFIT ON SALES	**21 714**	**9 837**	**14 391**	**7 501**
Selling costs	(5 346)	(2 650)	(3 308)	(1 871)
General and administrative costs	(3 019)	(1 520)	(3 075)	(1 461)
Other operating revenues	111	9	26	15
Other operating expenses	(442)	(439)	(250)	(239)
PROFIT ON OPERATING ACTIVITIES	**13 018**	**5 237**	**7 784**	**3 945**
Financial revenues	4 026	2 634	1 870	1 113
Financial expenses	(8 235)	(4 114)	(1 953)	(1 225)
GROSS PROFIT	**8 809**	**3 757**	**7 701**	**3 833**
Income tax	0	0	0	0
NET PROFIT FOR THE FINANCIAL PERIOD	**8 809**	**3 757**	**7 701**	**3 833**
Net profit and diluted net profit per one share (in PLN)	0,14	0,06	0,12	0,06

Condensed interim balance sheet
(in thousand PLN)

	30.06.2008	31.12.2007
ASSETS		
FIXED ASSETS	**224 503**	**211 228**
Tangible fixed assets	75 171	66 003
Investment property		
Intangible assets	2 005	2 149
Investments in controlled entities and affiliated entities	147 083	142 731
Long-term loans	244	341
Long-term derivatives		
Deferred tax assets		
Long-term prepayments		4
CURRENT ASSETS	**47 032**	**42 170**
Inventory	17 071	12 267
Trade receivables	13 207	10 932
Other receivables	4 105	3 269
Short-term loans	230	115
Short-term derivatives	2 559	482
Cash and cash equivalents	7 180	13 074
Short-term prepayments	2 680	2 031
TOTAL ASSETS	**271 535**	**253 398**
LIABILITIES		
EQUITY	**127 537**	**118 264**
Share capital	644	640
Share premium	60 117	60 117
Capital from hedging transactions	866	406
Other reserve capitals		
Retained earnings	65 910	57 101
LONG-TERM LIABILITIES	**123 239**	**122 749**
Bank credits, loans, debt securities and other financial liabilities	123 104	122 561
Financial lease	38	124
Derivatives		
Provision for deferred income tax		
Other provisions	97	64
Accruals		
Deferred income		
SHORT-TERM LIABILITIES	**20 759**	**12 385**
Bank credits, loans, debt securities and other financial liabilities		
Financial lease	188	309
Derivatives	14	44
Provisions	533	158
Trade liabilities	11 319	8 988
Corporate income tax liabilities		
Other liabilities	8 424	2 518
Accruals	281	368
Deferred income		
TOTAL LIABILITIES	**143 998**	**135 134**
TOTAL [BALANCE-SHEET] LIABILITIES	**271 535**	**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					
Balance at 1st January, 2008, transformed	**640**	**60 117**	**406**	**57 100**	**118 263**
Net result for the period	0	0	0	8 809	8 809
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital	0	0	461	0	461
Shares issuance	4	0	0	0	4
Balance at 30st June, 2008	**644**	**60 117**	**867**	**65 909**	**127 537**
Balance at 1st January, 2007	**638**	**60 117**	**0**	**52 422**	**113 177**
Change in the accounting policy				(253)	(253)
Balance at 1st January, 2007, transformed	**638**	**60 117**	**0**	**52 169**	**112 924**
Net result for the period			33		33
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital				7 701	7 701
Shares issuance	2				2
Balance at 30st June, 2006	**640**	**60 117**	**33**	**59 870**	**120 660**

Condensed interim cash flow statement
(in thousand PLN)

	IH 2008	IH 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**8 809**	**7 701**
Adjustments for items:	**1 203**	**(112)**
Amortisation and depreciation	3 189	2 279
Change in receivables	(3 110)	(2 636)
Change in liabilities	4 106	1 785
Change in inventory	(4 803)	(1 609)
Change in provisions	408	236
Change in prepayments and accruals	(732)	37
Interest income/cost	4 214	19
Exchange gains (losses)	(2 069)	(235)
Gains/losses from investment activities	0	12
Income tax paid	0	0
Other adjustments	0	0
Net cash flows from operating activities	**10 012**	**7 589**
CASH FLOWS FROM INVESTMENT ACTIVITIES	0	0
Inflows from sale of intangible and tangible fixed assets	0	1 456
Inflows from sale of investments in controlled entities		
Loans repaid	11	0
Interest received	27	0
Dividend received	0	0
Purchase of intangible and tangible fixed assets	(12 081)	(7 600)
Purchase of investments in controlled entities	(353)	(153)
Loans granted	(100)	(509)
Other items	0	0
Net cash flows from investment activities	**(12 496)**	**(6 806)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Inflows from issuance of shares	4	2
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	(204)	(370)
Dividend paid	0	0
Interest paid	(3 686)	(23)
Exchange differences from valuation of derivatives	460	33
Exchange differences from valuation of foreign entities	0	0
Other items	0	0
Net cash flows from financial activities	**(3 426)**	**(358)**
Change in cash	**(5 910)**	**425**
Change in cash due to exchange differences	16	104
Cash opening balance	**13 074**	**6 433**
Closing balance of cash	**7 180**	**6 962**