EXTENDED CONSOLIDATED IH2008 FINANCIAL REPORT

Drawn up according to International Financial Reporting Standards

Poniższy dokument jest tłumaczeniem polskiego tekstu Sprawozdania Zarządu HTL-STREFA S.A. z działalności grupy kapitałowej HTL w 2007 roku. W przypadku jakichkolwiek wątpliwości dotyczących interpretacji wiążący jest tekst w języku polskim.

Following document is translation of the Polish text of HTL-STREFA S.A. Management Board Statement on HTL Capital Group Activities in 2007. In case of any concerns regarding the interpretation the Polish text is binding.

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1. INTRODUCTION TO THE FINANCIAL STATEMENTS

1.1. Basic information

"HTL-STREFA S.A" with offices in Ozorków at ulica Adamówek 7, was entered in the National Court Register under the number KRS 0000256309 on 4th May, 2006. The company is a successor to the rights of HTL-STREFA Sp. z o.o., entered in the commercial register, in section B under the number RHB 7784 on 15th June, 2000, and on 5th December, 2001 – in the register of entrepreneurs of the National Court Register under the number KRS 0000069227.

The court with territorial competence over the Company's offices is the District Court (*Sąd Rejonowy*) for Łódz - Śródmiescie in Łódz, 20th Division of the National Court Register.
The Company carries out its activities in the territory of the Łódz Special Economic Zone, Ozorków Subzone pursuant to License No. 22 of 20th June, 2000.

The Company is the dominating entity in the HTL Group. Its controlled entities carry out activities that are complementary thereto. The object of business of HTL Group is production of medical equipment, Polish Business Classification (PKD) 33. 10 A.

Since 15th November, 2006. shares in the Company HTL STREFA S.A. have been quoted on the main market of the Warsaw Stock Exchange, in the sector "industry-other".

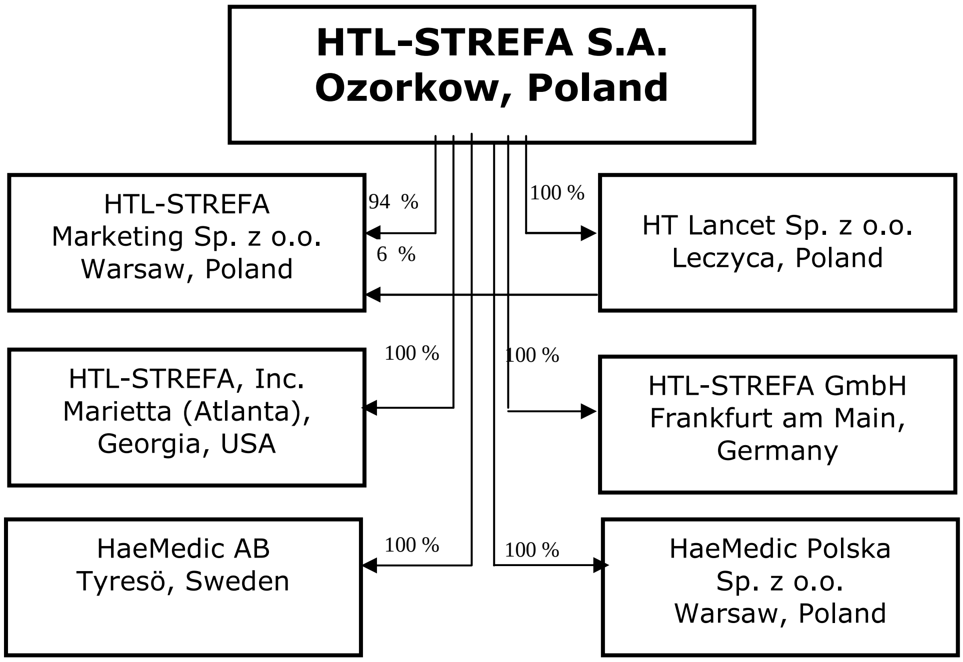
- All entities in the group have been established for an unspecified time.
- The statements have been drawn up for the IH2008.
- Comparable data is related to IH2007 and in case of balance sheet is related also to Y2007.
- Reporting periods of the controlled entities overlap with the periods for the consolidated statements.
- The statement was drawn up and approved on 19th of September, 2008.
- The statement has been drawn up in thousand PLN.

- Composition of the Management Board and Supervisory Board
  Throughout IH2008, the Management Board and the Supervisory Board remained unchanged, its members being:

  Management Board:
  Andrzej Czernecki – President of the Board
  Iwonna Sobon – Member of the Board
  Józef Kosowski – Member of the Board

  Supervisory Board:
  Professor Witold Orłowski – Chairman of Supervisory Board
  Professor Andrzej Kidyba – Vice-chairman of Supervisory Board
  Andrzej Woznica – Member of Supervisory Board
  Jolanta Nejman – Member of Supervisory Board
  Beata Błedowska – Member of Supervisory Board

- The consolidated statement and the comparable data do not contain any aggregated data, as none of the Companies within the group have internal entities [units].
- In the period for which the statements have been drawn, no merger of companies took place.
- The statements have been drawn assuming continued operations. The entity is not aware of any circumstances which, in the foreseeable period, could cause a threat to its continued operations.
- In the statements presented, no adjustments arising from reservations in the opinions of entities authorized to audit were executed.
- Group's organization chart



- List of group's entities:

a) HTL-STREFA S.A.

- registered office: ul. Adamówek 7, 95-035 Ozorków
- register : National Court Register number 0000256309
- object of business: manufacturing of medical equipment
- issuer's share: issuer, group's dominating entity

b) HT LANCET Sp. z o.o.

- registered office: ul. Lotnicza 21 h, 99-100 Leczyca
- register : National Court Register number 0000233801
- object of business : production of plastic components and needles
- issuer's share: 100%

c) HTL-STREFA Marketing Sp. z o.o.

- registered office: ul. Ostródzka 55, 03-289 Warszawa
- register: National Court Register number 0000260811
- object of business: trading and marketing activity in Poland and abroad
- issuer's share: 94 %
- share of another entity from the Group: HT Lancet 6%

d) HTL-STREFA Inc.

- registered office: 1950 Spectrum Circle, Suite 400, Marietta near Atlanta, GA 30067,USA
- register: State of Georgia, Corporations Division Control No. 07007164
- object of business: trading activity within the USA
- issuer's share: 100%

e) HTL-STREFA GmbH

- registered office: Mainzer Landstraße 47, 60329 Frankfurt am Main, Germany
- register: Handelsregister B des Amtsgerichts Frankfurt am Main Nummer der Firma 80576
- object of business: trading activity, mainly within Germany
- issuer's share: 100%

f) HAEMEDIC AB

- registered office: Antennvägen 1 A, 135 48 Tyresö, Szwecja
- register: Swedish Companies Registration Office
- object of business: owner of know-how and machines and technical equipment for the production of medical equipment
- issuer's share: 100%

g) HAEMEDIC Polska Sp. z o.o.

- registered office: ul. Świętokrzyska 16, office no 28, 00-050 Warszawa
- register: National Court Register number 0000298950
- object of business: production of plastic elements
- issuer's share: 100%

In all the entities, one vote corresponds to one share.

- Changes in the Group's composition

Group's composition as at:

30th of June 2008:
HTL-STREFA S.A.
HT LANCET Sp. z o.o.
HTL-STREFA Marketing Sp. z o.o.
HTL-STREFA Inc.
HTL-STREFA GmbH
HAEMEDIC AB
HAEMEDIC POLSKA Sp. z o.o.

31st of December 2007:
HTL-STREFA S.A.
HT LANCET Sp. z o.o.
HTL-STREFA Marketing Sp. z o.o.
HTL-STREFA Inc.
HTL-STREFA GmbH
HAEMEDIC AB

30th of June 2007:
HTL-STREFA S.A.
HT LANCET Sp. z o.o.
HTL-STREFA Marketing Sp. z o.o.
HTL-STREFA Inc.
HTL-STREFA GmbH

The companies have been presented in a chronological order.
Their object of business and chronology of their being established demonstrate Group's nature and the way it was built. All the controlled entities are complementary in relation to the dominating [parent] Company.
The Company HT-LANCET was established in 2005 to expand the capacity of HTL-STREFA. In the second half of 2006, the Group expanded to include the Company HTL-STREFA Marketing, which, as its name indicates, was to take care of marketing activities in the Group.
The policy of marketing and trade activities being conducted through Companies established for that purpose was continued in 2007. In the first half of that year, two more were established: HTL-Strefa Inc. and HTL-Strefa GmbH, located in the USA and in Germany, respectively. The companies' place of establishment was determined by the Group's marketing strategy.

In the last quarter of 2007, HTL-STREFA purchased 100 % shares in one of its biggest competitors on the market, the Swedish company HAEMEDIC AB.
In order to move production facilities from Sweden to Poland Haemedic AB in IQ2008 created a company - Haemedic Polska, contributed with owned machines and equipment. In 2Q2008 HTL-STREFA purchased 100% of shares in Haemedic Polska. In future of both companies is planned. Procedure should be closed at the beginning of Y2010.
Numerical data concerning Haemedic AB acquisition has been included in note A point 3.5 further down of these statement.

All entities have been included in consolidation, from the moment they became part of the Group.

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

1.2. Changes in the accounting policy

Accounting policy adopted by HTL Group and parent company (dominating entity) and were disclosed respectively in consolidated and unitary annual statements.
In presented period there were no changes in accounting policies.

1.3. Exchange rates applied for translation and valuation

Currency	Exchange rates as at the balance sheet date		Exchange rates that are the arithmetic average of the exchange rates in force as at the last day of every month	
	IH2008	**Y2007**	**IH2008**	**Y2007**
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

2. COMPONENTS OF THE CONSOLIDATED STATEMENTS

2.1 Consolidated profit and loss account (in thousand PLN)

	note	IH2008	IH2007
Revenues from sales		**68 485**	**39 448**
Revenues from sales of products and services	1	68 479	39 436
Revenues from sales of goods and materials	2	6	12
Cost of products, goods and materials sold		**(42 951)**	**(23 182)**
Manufacturing cost of products and services sold	3	(42 946)	(23 169)
Value of goods and materials sold	3	(5)	(13)
GROSS PROFIT ON SALES		**25 534**	**16 266**
Selling costs	3	(5 588)	(3 398)
General and administrative costs	3	(5 292)	(4 681)
Other operating revenues	4	41	32
Other operating expenses	5	(635)	(349)
PROFIT ON OPERATING ACTIVITIES		**14 060**	**7 870**
Financial revenues	6	4 473	2 091
Financial expenses	7	(8 329)	(2 019)
GROSS PROFIT		**10 204**	**7 942**
Income tax	8	(37)	(18)
NET PROFIT FOR THE FINANCIAL PERIOD		**10 167**	**7 924**
Profit attributable to the dominating entity		10 167	7 924
Net profit and diluted net profit per one share (in PLN)	9	0.16	0.12

2.2 Consolidated balance sheet (in thousand PLN)

	nota	30.06.2008	31.12.2007	30.06.2007
ASSETS				
FIXED ASSETS		**217 310**	**198 891**	**91 066**
Tangible fixed assets	10	134 971	116 405	88454
Investment real property		0		
Intangible assets	11	82 333	82 475	2564
Investments in controlled entities and affiliated entities	12	6	6	5
Long-term loans	13	0		
Long-term derivatives	14	0		
Deferred tax assets		0		
Long-term prepayments	15	0	5	43
CURRENT ASSETS		**49 562**	**50 169**	**36 610**
Inventory	16	17 847	12 696	10184
Trade receivables	17	13 052	10 796	11148
Other receivables	18	4 629	3 288	2598
Short-term loans	13	0		
Short-term derivatives	14	2 559	482	163
Cash and cash equivalents	19	8 418	20 609	10665
Short-term prepayments	15	3 057	2 298	1852
TOTAL ASSETS		**266 872**	**249 060**	**127 676**
LIABILITIES				
EQUITY		**126 715**	**116 054**	**119 498**
Share capital	20	644	640	640
Surplus from sale of shares above par value		60 117	60 117	60117
Capital from hedging transactions and from conversion of foreign currencies		790	300	36
Other reserve capitals		0		
Retained earnings		65 164	54 997	58705
Equity attributable to the dominating entity's shareholders		**126 715**	**116 054**	**119 498**
LONG-TERM LIABILITIES		**123 277**	**122 770**	**324**
Bank credits, loans, debt securities and other financial liabilities	21	123 104	122 561	
Financial lease	22	38	124	254
Derivatives	23	0		
Provision for deferred income tax		0		
Other provisions	24	135	85	70
Accruals	25	0		
Deferred income				
SHORT-TERM LIABILITIES		**16 880**	**10 236**	**7 854**
Bank credits, loans, debt securities and other financial liabilities	21	0		
Financial lease	22	188	309	535
Derivatives	23	14	44	7
Provisions	24	799	262	380
Trade liabilities	26	7 743	5 578	4141
Corporate income tax liabilities	27	15	5	3
Other liabilities	28	7 804	3 693	2750
Accruals	25	317	345	38
Deferred income		0		
TOTAL LIABILITIES		**140 157**	**133 006**	**8 178**
TOTAL [BALANCE-SHEET] LIABILITIES		**266 872**	**249 060**	**127 676**

2.3 Consolidated statement of changes in equity (in thousand PLN

	Share capital	Surplus from sale of shares above par value	Capital from hedging transactions and from conversion of foreign currencies		Other reserve capitals	Retained earnings	Total equity
			Capital from hedging transactions	Capital from conversion of foreign currencies			
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**
Issuance of shares	4				0	0	4
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			460	30			490
Exchange rate differences from conversion of foreign				0			0
Net result for the period					0	10 167	10 167
Balance at 30th of 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					0	(244)	(244)
Balance at 1st January, 2007, transformed	**638**	**60 117**	**0**	**0**	**0**	**50 781**	**111 536**
Issuance of shares	2				0	0	2
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital			406				406
Exchange rate differences from conversion of foreign currencies				(106)			(106)
Net result for the period					0	4 216	4 216
Balance at 31st December, 2007	**640**	**60 117**	**406**	**(106)**	**0**	**54 997**	**116 054**
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**
Issuance of shares	2	0	0	0	0	0	2
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital	0	0	33	0	0	0	33
Exchange rate differences from conversion of foreign currencies	0	0	0	3	0	0	3
Net result for the period	0	0	0	0	0	7 924	7 924
Balance at 30th June, 2007	**640**	**60 117**	**33**	**3**	**0**	**58 705**	**119 498**

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

2.4 Consolidated cash flow account

	IH2008	IH2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**10 204**	**7 942**
Adjustments for items:	**2 988**	**1 892**
Amortisation and depreciation	5 108	2 744
Change in receivables	3 598	69
Change in liabilities	4 754	1 328
Change in inventory	5 150	2 166
Change in provisions	580	342
Change in prepayments and accruals	783	53
Interest income/cost	4 230	23
Exchange gains (losses)	2 126	239
Gains/losses from investment activities	0	0
Income tax paid	27	18
Other adjustments	0	0
Net cash flows from operating activities	**13 192**	**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	0	0
Interest received	0	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 granted	0	0
Other items	0	0
Net cash flows from investment activities	**22 002**	**19 690**
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	203	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	30	3
Other items	0	0
Net cash flows from financial activities	**3 395**	**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**

3. EXPLANATION NOTES

3.1 Explanation notes to the consolidated profit and loss account

Note no 1

REVENUES FROM SALES OF PRODUCTS AND SERVICES	IH2008	IH2007
	in thousand PLN	
STRUCTURE BY CATEGORIES		
- sales of products	67 091	38 579
- sales of services	1 388	857
Revenues from sales of products and services	**68 479**	**39 436**
STRUCTURE BY TERRITORIES		
a) domestic	**2 420**	**868**
- sales of products	2 420	868
- sales of services	**0**	**0**
b) export	**66 059**	**38 568**
- sales of products	64 671	37 711
- sales of services	1 388	857
Revenues from sales of products and services	**68 479**	**39 436**

Note no 2

REVENUES FROM SALES OF GOODS AND MATERIALS	IH2008	IH2007
	in thousand PLN	
STRUCTURE BY CATEGORIES		
- sales of materials	6	12
- sales of goods	0	0
Revenues from sales of goods and materials	**6**	**12**
STRUCTURE BY TERRITORIES		
a) domestic	**0**	**1**
- sales of materials	0	1
- sales of goods	0	0
b) export	**6**	**11**
- sales of materials	6	11
- sales of goods	0	0
Revenues from sales of goods and materials	**6**	**12**

Note no 3

COSTS BY TYPE	IH2008	IH2007
	in thousand PLN	
a) amortisation and depreciation	5 108	2 749
b) consumption of materials and energy	28 986	15 952
c) third-party services	7 116	6 136
d) taxes and charges	1 002	480
e) remuneration	10 313	6 326
f) social security and other benefits	2 677	1 759
g) other costs by type, including:	1 256	1 063
advertising and representation	389	503
business trips	571	348
insurance policies	173	130
other	123	82
Costs by type	**56 458**	**34 465**
Change in inventory, products and accruals	(2 233)	(2 914)
Cost of manufacturing of products for the entity's own needs	(399)	(303)
Selling costs	(5 588)	(3 398)
General and administrative costs	(5 292)	(4 681)
Manufacturing cost of products sold	**42 946**	**23 169**
VALUE OF GOODS AND MATERIALS SOLD		
value of materials sold	5	13
value of goods sold	0	0
Value of goods and materials sold	**5**	**13**

Note no 4

OTHER OPERATING REVENUES	IH2008	IH2007
	in thousand PLN	
a) wound up provisions, including for:	**0**	**0**
receivables revaluation write-offs	0	0
other	0	0
b) other revenues, including:	**41**	**32**
gain on disposal of non-financial fixed assets	0	0
liabilities written-off	0	0
compensations received	0	4
wastes sold	40	24
revenues from rent	0	0
public assistance, donations	0	4
the other operating revenues	1	0
Other operating revenues	**41**	**32**

Note no 5

OTHER OPERATING EXPENSES	IH2008	IH2007
	in thousand PLN	
a) provisions established, including for:	**586**	**346**
non-financial assets revaluation write-offs	0	0
retirement gratuities	49	23
unused leaves	537	323
b) other expenses, including:	**49**	**3**
loss on disposal of non-financial fixed assets	0	0
donations	26	3
receivables written off	0	0
costs of judicial proceedings	0	0
fines, compensations	0	0
other	23	0
Other operating expenses	**635**	**349**

Note no 6

FINANCIAL REVENUES	IH2008	IH2007
	in thousand PLN	
a) dividend and profit sharing	**0**	**0**
b) interest	**273**	**295**
for loans granted	0	0
on bank deposits	273	295
other interest	0	0
c) positive exchange differences, operating	**1 694**	**1 146**
realized	1 470	1 047
non-realized	224	99
d) positive exchange differences on derivatives	**2 506**	**568**
f) other, including:	**0**	**82**
option premium	0	82
other	0	0
Financial revenues	**4 473**	**2 091**

Note no 7

FINANCIAL EXPENSES	IH2008	IH2007
	in thousand PLN	
a) interest	**26**	**24**
on credits and loans	0	0
on financial lease	19	24
other	7	0
b) negative exchange differences, operating	**4 038**	**1 857**
realized	3 527	1 665
non-realized	511	192
d) negative exchange differences on derivatives	**40**	**38**
e) other, including:	**4 225**	**100**
bank commissions	0	50
option commissions	0	50
expenses for bonds	4 225	0
Financial expenses	**8 329**	**2 019**

Note no 8

CURRENT [CORPORATE] INCOME TAX	IH2008	IH 2007
	in thousand PLN	
1. Gross profit (loss)	**10 204**	**7 942**
2. Consolidation adjustments	**1 351**	**430**
3. Differences between gross profit (loss) and tax base (by title)	**(11 378)**	**(8 292)**
a) Non-tax deductible expenses, including:	**716**	**582**
PFRON (Polish State Fund for Rehabilitation of Disabled Persons)	199	112
donations	70	3
non-obligatory premiums	5	25
costs of car leased above the [statutory] limit arising from the number of kilometres	72	95
receipts, statements	1	0
spending on business trips above the limit	88	73
increased contribution to the Enterprise Fund of Social Benefits (ZFSS)	74	2
amortisation and insurance of a car above the limit	59	10
expenses due to company foundation	0	27
representation	116	235
other	32	0
b) Revenues exempt from tax	0	0
c) Temporary differences in tax from previous years, including:	**(127)**	**74**
realized exchange differences	(127)	74
d) Current temporary differences in tax, including:	**1 701**	**(179)**
calculated exchange differences	0	(11)
accrued interest	16	4
difference in tax and accounting amortization	(1 484)	(938)
difference in the cost of fixed assets sold	0	8
difference in sales	678	1 330
difference in selling cost	(918)	(1 194)
unpaid employee benefits	2 175	109
option expenses	0	50
exchange differences related to purchase of fixed assets	(54)	117
provision for financial audit and other provisions	239	0
provision for employee benefits	557	346
commision on bonds	(65)	0
	557	0
e) Deductions from tax base, including:	**13 668**	**8 769**
zone-related exemptions	10 999	8 034
losses	(44)	0
losses from past years	2 713	735
4. Income tax base	**177**	**80**
5. Income tax according to rate	**37**	**18**
6. Tax increases, abandoning, exemptions, deductions and reductions	**0**	**0**
7. Current income tax disclosed (shown) in the tax declaration for the period, including	**37**	**18**
disclosed in the profit and loss account	**37**	**18**
related to items which reduced or increased equity	**0**	**0**
related to items which reduced or increased goodwill or negative goodwill	**0**	**0**

Note no 9

NET PROFIT PER ONE SHARE (in PLN)	IH2008	IH2007
Net profit (loss)	10 166 719.84	7 924 103.56
Average weighted number of ordinary shares (in units)	64 062 318	63 806 721
Profit (loss) per one ordinary share (in PLN)	0.16	0.12
Average weighted diluted number of ordinary shares (in units)	64 062 318	63 806 721
Diluted profit (loss) per one ordinary share (in PLN)	0.16	0.12

3.2 Explanation notes to the consolidated balance sheet

Note no 10

TANGIBLE FIXED ASSETS	as of 30.06.2008	as of 31.12.2007	as of 30.06.2007
	in thousand PLN		
a) tangible fixed assets in use, including:	**94 377**	**96 855**	**64 354**
land (including right to perpetual usufruct)	570	570	570
buildings, premises, civil and water engineering structures	27 599	28 031	28 286
technical equipment and machines	63 343	65 648	33 883
vehicles	1 664	1 503	916
other tangible fixed assets	1 201	1 103	699
b) tangible fixed assets under construction	**40 173**	**16 976**	**24 100**
c) advances for tangible fixed assets under construction	**421**	**2 574**	**0**
Total tangible fixed assets	**134 971**	**116 405**	**88 454**

Note no 10a

BALANCE SHEET TANGIBLE FIXED ASSETS (OWNERSHIP STRUCTURE)	as of 30.06.2008	as of 31.12.2007	as of 30.06.2007
	in thousand PLN		
a) own	**92 184**	**94 532**	**61 949**
b) used on the basis of rent, leasing, or other contract, including lease contract, of which:	2 193	2 323	2 405
lease	2 193	2 323	2 405
Total balance sheet tangible fixed assets	**94 377**	**96 855**	**64 354**

Tangible fixed assets, except for those used under a contract of lease, are not an object of pledges, sureties, guarantees or other financial liabilities.

Note no 10b

CHANGES IN TANGIBLE FIXED ASSETS (BY TYPE)	FOR IH2008						FOR Y2007						FOR IH2007					
	land	buildings and civil and water engineering structures	technical equipment and machines	vehicles	other tangible fixed assets	tangible fixed assets total	land	buildings and civil and water engineering structures	technical equipment and machines	vehicles	other tangible fixed assets	total	land	buildings and civil and water engineering structures	technical equipment and machines	vehicles	other tangible fixed assets	total
	in thousand PLN						in thousand PLN						in thousand PLN					
a) gross value of tangible fixed assets at beginning of period	**570**	**31 062**	**78 101**	**1 987**	**2 582**	**114 302**	**592**	**17 347**	**37 880**	**685**	**1 700**	**58 204**	**592**	**17347**	**34101**	**685**	**1700**	**54425**
b) increases (due to)	**0**	**0**	**1 424**	**500**	**245**	**2 169**	**0**	**13 714**	**40 770**	**1 309**	**882**	**56 675**	**0**	**13539**	**10233**	**576**	**366**	**24714**
- purchase	0	0	1 424	500	245	2 169	0	13 714	40 770	1 309	882	56 675	0	13539	10233	576	366	24714
c) decreases (due to)	**0**	**0**	**0**	**0**	**0**	**0**	**22,00**	**0,00**	**548,00**	**0,00**	**0,00**	**570,00**	**22**	**0**	**0**	**0**	**0**	**22**
- sale	0	0	0	0	0	0	22	0	0	0	0	22	22	0	0	0	0	22
- liquidation	0	0	0	0	0	0	0	0	93	0	0	93						
d) gross value of tangible fixed assets at end of period	**570**	**31 062**	**79 525**	**2 487**	**2 827**	**116 471**	**570**	**31 061**	**78 102**	**1 994**	**2 582**	**114 309**	**570**	**30886**	**44334**	**1261**	**2066**	**79117**
e) accumulated amortization (depreciation) at beginning of period	**0**	**3 031**	**12 454**	**489**	**1 479**	**17 453**	**0**	**2 224**	**8 638**	**259**	**1 276**	**12 397**	**0**	**2224**	**8638**	**259**	**1276**	**12397**
f) amortization for period (due to)	**0**	**432**	**3 851**	**211**	**146**	**4 640**	**0**	**806**	**3 816**	**232**	**203**	**5 057**	**0**	**376**	**1813**	**86**	**91**	**2366**
- increase	0	432	3 851	211	146	4 640	0	806	4 364	232	203	5 605	0	376	1813	86	91	2366
- decrease (sale)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
g) accumulated amortization (depreciation at end of period	**0**	**3 463**	**16 305**	**700**	**1 626**	**22 094**	**0**	**3 030**	**12 454**	**491**	**1 479**	**17 454**	**0**	**2600**	**10451**	**345**	**1367**	**14763**
h) permanent loss of value write-offs at beginning of period	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- decrease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i) permanent loss of value write-offs at end of period	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
j) net value of tangible fixed assets at end of period	**570**	**27 599**	**63 220**	**1 787**	**1 201**	**94 377**	**570**	**28 031**	**65 648**	**1 503**	**1 103**	**96 855**	**570**	**28286**	**33883**	**916**	**699**	**64354**

Note no 11

INTANGIBLE ASSETS	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	in thousand PLN		
a) R&D expenses	995	1 322	1 654
b) goodwill	80 142	80 142	0
c) licenses, patents and similar assets, including:	1 196	1 011	910
computer software	328	296	255
d) other Intangible assets	0	0	0
e) advances for intangible assets	0	0	0
Intangible assets	**82 333**	**82 475**	**2 564**

Note no 11a

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	in thousand PLN		
a) own	82 333	82 475	2 564
b) used on the basis of rent, leasing, or other contract, including lease contract,	0	0	0
Total intangible assets	**82 333**	**82 475**	**2 564**

Intangible assets are not an object of pledges, sureties, guarantees or other financial liabilities.

Nota nr 11b

CHANGES IN INTANGIBLE ASSETS (BY TITLE)	IH2008					Y2007					IH2007				
	R&D expenses	goodwill	licenses, patents and similar assets, including:	- computer software	Total intangible assets	R&D expenses	goodwill	koncesje, patenty, licencje i podobne wartości, w tym:	- oprogramowanie komputerowe	Wartości niematerialne razem	R&D expenses	goodwill	licenses, patents and similar assets, including:	- computer software	Total intangible assets
	in thousand PLN					in thousand PLN					in thousand PLN				
a) gross value of intangible assets at beginning of period	**2 199**	**0**	**1 546**	**654**	**3 745**	**969**	**0**	**1 103**	**362**	**2 072**	**969**	**0**	**1103**	**362**	**2072**
b) increases (due to)	**0**	**80 142**	**325**	**171**	**80 467**	**1 230**	**80 142**	**443**	**292**	**81 815**	**1230**	**0**	**227**	**136**	**1457**
- purchase	0	0	325	171	325	1 230	0	443	292	1 673	1230		227	136	1457
- from consolidation	0	80 142	0	0	80 142	0	80 142	0	0	80 142					
c) decreases (due to)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- sale	0	0	0	0	0	0	0	0	0	0	0		0	0	0
- liquidation	0	0	0	0	0	0	0	0	0	0	0		0	0	0
d) gross value of intangible assets at end of period	**2 199**	**80 142**	**1 871**	**825**	**84 212**	**2 199**	**80 142**	**1 546**	**654**	**83 887**	**2199**	**0**	**1330**	**498**	**3529**
e) accumulated amortization (depreciation) at beginning of period	**877**	**0**	**357**	**357**	**1 234**	**246**	**0**	**157**	**157**	**403**	**246**	**0**	**157**	**157**	**403**
f) amortization for period (due to)	**327**	**0**	**140**	**140**	**467**	**631**	**0**	**200**	**200**	**831**	**299**	**0**	**85**	**86**	**384**
- increase	327	0	140	140	467	631	0	200	200	831	299		85	86	384
- decrease (liquidation)	0	0	0	0	0	0	0	0	0	0	0		0	0	0
g) accumulated amortization (depreciation) at end of period	**1 204**	**0**	**497**	**497**	**1 701**	**877**	**0**	**357**	**357**	**1 234**	**545**	**0**	**242**	**243**	**787**
h) permanent loss of value write-offs at beginning of period	**0**	**0**	**178**	**0**	**178**	**0**	**0**	**178**	**0**	**178**	**0**	**0**	**178**	**0**	**178**
- increase	0	0	0	0	0	0	0	0	0	0	0		0	0	0
- decrease	0	0	0	0	0	0	0	0	0	0	0		0	0	0
i) permanent loss of value write-offs at end of period	**0**	**0**	**178**	**0**	**178**	**0**	**0**	**178**	**0**	**178**	**0**	**0**	**178**	**0**	**178**
j) net value of intangible assets at end of period	**995**	**80 142**	**1 196**	**328**	**82 333**	**1 322**	**80 142**	**1 011**	**296**	**82 475**	**1654**	**0**	**910**	**255**	**2564**

Note no 12

INVESTMENTS IN CONTROLLED ENTITIES AND AFFILIATED ENTITIES	IH2008	Y2007	IH2007
	in thousand PLN		
-shares in controlled entities	**6**	**6**	**5**
-HT Lancet	5	5	3
-HTL Marketing	1	1	2
-Haemedic AB	0	0	0
-Haemedic Polska			
-HTL INC	0	0	0
-HTL GmbH	0	0	0
- shares in affiliated entities	**0**	**0**	**0**
- shares in controlled entities and affiliated entities	**6**	**6**	**5**

Note no 13

LOANS GRANTED	IH2008	Y2007	IH2006
	in thousand PLN		
- long-term loans	**0**	**0**	**0**
- short-term loans	**0**	**0**	**0**

Loans granted occur only within the Group, following consolidation, they show the value of zero.

Note no 14

DERIVATIVES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
1. Long-term derivatives	**0**	**0**	**0**
- appraised forward contracts	0	0	0
- appraised options	0	0	0
2. Short-term derivatives	**2 559**	**482**	**163**
- appraised forward contracts	2 559	482	163
- appraised options	0	0	0

Note no 15

PREPAYMENTS [AND DEFERRED COSTS]	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	w tys.zł		
Short-term prepayments [and deferred costs]	**3 057**	**2 298**	**1 852**
a) deferred costs, including:	**380**	**94**	**285**
- insurance policies	108	59	94
- company's social fund	260	0	153
- costs of IT services	1	15	32
- rental services	8	15	0
- other	3	5	6
b) other prepayments and deferred costs, including:	**2 677**	**2 204**	**1 567**
- R&D spending	1 887	1 635	1 281
- costs of capital accumulation	0	0	0
- patent costs	10	10	10
- software	143	116	47
- VAT to be deducted in the months to come	637	443	229
Long-term prepayments [and deferred costs], including:	**0**	**5**	**43**
- R&D spending	0	5	43
- other	0	0	0

Note no 16

INVENTORY	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
- materials	7 171	3 079	3 150
- semi-finished products and work in progress	4 011	943	4 005
- finished products	6 665	8 243	3 029
- goods	0	431	0
- advances for deliveries	0	0	0
Total inventory	**17 847**	**12 696**	**10 184**

Inventories were not an object of pledges, sureties, guarantees or other financial liabilities in any of presented reporting period.

Note no 17

TRADE RECEIVABLES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	in thousand PLN		
- from related parties	0	168	0
- from other entities	13 052	10 628	11 148
Gross trade receivables	**13 052**	**10 796**	**11 148**
Receivables revaluation write-offs	0	0	0
Net trade receivables	**13 052**	**10 796**	**11 148**

Trade receivables from related parties as of 31.12.2007 refer to cash transferred from a controlled entity [subsidiary] before the balance sheet date, and received in the dominating entity after that date.

Note no 17a

TRADE RECEIVABLES CURRENCY STRUCTURE	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	in thousand PLN		
a) in Polish currency	**209**	**143**	**190**
b) in foreign currencies (by currency and after converting into Polish zloties)	**12 843**	**10 653**	**10 958**
-b 1. in foreign currency (USD)	2 636	2 310	2 451
after converting into Polish zloties	5 586	5 624	6 859
-b 2. in foreign currency (EUR)	2 162	1 404	1 088
after converting into Polish zloties	7 252	5 029	4 099
b 3. other currencies in Polish zloties	5	0	0
Total trade receivables	**13 052**	**10 796**	**11 148**

Note no 17b

GROSS TRADE RECEIVABLES WITH REPAYMENT PERIOD LEFT AS FROM THE BALANCE SHEET DATE:	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	in thousand PLN		
a) up to 1 month	10 342	9 520	8 562
b) above 1 month up to 3 months	906	1 090	1 379
c) above 3 months up to 6 months	0	184	0
d) above 6 months up to 1 year	0	0	0
e) above 1 year	0	2	0
f) overdue receivables	1 804	0	1 207
Total (gross) trade receivables	**13 052**	**10 796**	**11 148**
g) Trade receivables revaluation write-offs	0	0	0
Total (net) trade receivables	**13 052**	**10 796**	**11 148**

Note no 17c

OVERDUE GROSS TRADE RECEIVABLES – BY PERIOD:	IH2008	Y2007	IH2007
a) up to 1 month	440	0	578
b above 1 month up to 3 months	1 362	0	0
c) above 3 months up to 6 months	0	0	0
d) above 6 months up to 1 year	0	0	629
e) above 1 year	2	0	0
Total overdue (gross) trade receivables	**1 804**	**0**	**1 207**
f) overdue trade receivables revaluation write-offs	0	0	0
Total overdue (net) trade receivables	**1 804**	**0**	**1 207**

Note no 18

OTHER RECEIVABLES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
- Tax and insurance receivables	4 458	3 133	2 543
- Employees settlements	18	6	10
- Receivables related to other sales	7	5	3
- Other receivables (prepayments, overpayments and others)	146	144	42
Total other receivables,	**4 629**	**3 288**	**2 598**

Note no 19

CASH (CURRENCY STRUCTURE)	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
a) in Polish currency	**3 360**	**14 130**	**4 647**
b) in foreign currencies (by currency and after converting into Polish zloties)	**5 058**	**6 479**	**6 018**
b 1. in foreign currency (USD)	1 193	637	959
after converting into Polish zloties	2 529	1 551	2 684
b 2. in foreign currency (EUR)	708	1 368	885
after converting into Polish zloties	2 375	4 902	3 334
b 3. other currencies in Polish zloties	154	26	0
Total cash and other pecuniary assets	**8 418**	**20 609**	**10 665**

Note no 20

SHARE CAPITAL (STRUCTURE)								
In thousand PLN								
Series / issue	Type of shares	Type of preference shares	Type of share right restriction	Number of shares	Value of series/ issue based on face value	Capital coverage method	Registration date	Right to dividend (as from)
A	ordinary	None	None	55 000 000	550	Acquired in return for shares	04.05.2006	01.01.2008
B	Ordinary	None	None	8 750 000	88	cash	01.12.2006	01.01.2008
C1	Ordinary	None	None	233 330	2	cash	19.06.2007	01.01.2008
C2	Ordinary	none	None	399 330	4	cash	26.05.2008	01.01.2008
Total share				64 382 660				
Total share capital					644			
Face value per share (in PLN)	0,01							

OWNERSHIP STRUCTURE						
Shareholder	Type of shares	Type of preference shares	Type of share right restriction	Number of shares	Value of series/ issue based on face value	Capital coverage method
Andrzej Czernecki	ordinary	none	none	25 700 000	257 000	Acquired in return for shares
Noryt Company Establishment	ordinary	none	none	19 525 000	195 250	Acquired in return for shares
Wojciech Wyszogrodzki	ordinary	none	none	5 000 000	50 000	Acquired in return for shares
other shareholders	ordinary	none	none	14 157 660	141 577	cash
total				**64 382 660**	**643 827**	

Changes in equity (share capital) in IH2008 referred to changes in its amount.

The changes in the amount of the equity were caused by shares of series C issued in order to implement the "Motivation Programme".

Planned changes in share capital as a result of increase in share capital within the limits of authorized capital.

The authorized capital was created in order to implement the "Motivation Programme". The Motivation Programme covers the Members of the Management Board and other key employees of the Company. Initially, the Motivation Programme was determined to be implemented within three years, i.e. within a period of 2007-2009. The Motivation Programme was enlarged and extended until the end of 2010 by virtue of the resolution of May 14, 2007 adopted by the Ordinary General Meeting of Shareholders.

On the assumption that all the shares offered under the Motivation Programme will be acquired, the authorized capital will be changed into share capital totaling PLN 12 thousand.

In IH2008 the Programme’s second part was implemented. The shares acquired under the Programme are designated as C2.

Note no 21

BANK CREDITS, LOANS, DEBT SECURITIES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
1. Bank credits, loans and debt securities	**123 104**	**122 561**	**0**
a) Long-term bank credits	**0**	**0**	**0**
- with repayment period above 1 and up to 3 years	0	0	0
- with repayment period above 3 and up to 5 years	0	0	0
- with repayment period above 5 years	0	0	0
b) Long-term loans	**0**	**0**	**0**
- with repayment period above 1 and up to 3 years	0	0	0
- with repayment period above 3 and up to 5 years	0	0	0
- with repayment period above 5 years	0	0	0
b) Long-term debt securities	**123 104**	**122 561**	**0**
- bonds with repayment period above 1 and up to 3 years	0	0	0
- bonds with repayment period above 3 and up to 5 years	123 104	122 561	0
- bonds with repayment period above 5 years	0	0	0
2. Short-term bank credits, loans and debt securities	**0**	**0**	**0**
a) Short-term bank credits	**0**	**0**	**0**
- credits	0	0	0
- credits	0	0	0
b) Short-term loans	**0**	**0**	**0**
b) Short-term debt securities	**0**	**0**	**0**
- short-term bonds	0	0	0
- other	0	0	0

Note no 22

FINANCIAL LEASE	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
a) Long-term financial lease	**38**	**124**	**254**
- with repayment period above 1 and up to 3 years	38	124	254
- with repayment period above 3 and up to 5 years	0	0	0
- with repayment period above 5 years	0	0	0
b) Short-term financial lease	**188**	**309**	**535**

Note no 23

OTHER FINANCIAL LIABILITIES AND DERIVATIVES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
1. Long-term financial liabilities and derivatives	**0**	**0**	**0**
a) other long-term financial liabilities	**0**	**0**	**0**
b) long-term derivatives	**0**	**0**	**0**
- appraised forward contracts	0	0	0
- appraised options	0	0	0
2. Short-term financial liabilities and derivatives	**14**	**44**	**7**
a) other short-term financial liabilities	**0**	**0**	**0**
b) short-term derivatives	**14**	**44**	**7**
- appraised forward contracts	14	44	7
- appraised options	0	0	0

Note no 24

CHANGES IN PROVISIONS	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
A. Long-term provisions	**135**	**85**	**70**
1. Provision for retirement gratuities	**135**	**85**	**70**
a) Opening balance of provision	85	47	47
b) Increase in provision due to:	50	38	23
- additions	50	38	23
c) Decrease in provision due to:	0	0	0
2. Provision for unused leaves	**0**	**0**	**0**
a) Opening balance of provision	0	0	0
b) Increase in provision due to:	0	0	0
- additions	0	0	0
c) Decrease in provision due to:	0	0	0
B. Short-term provisions	**799**	**262**	**380**
1. Provision for retirement gratuities	**0**	**0**	**0**
a) Opening balance of provision	0	0	0
b) Increase in provision due to:	0	0	0
- additions	0	0	0
c) Decrease in provision due to:	0	0	0
2. Provision for unused leaves	**799**	**262**	**380**
a) Opening balance of provision	262	56	56
b) Increase in provision due to:	537	206	324
c) Decrease in provision due to:	0	0	0

Note no 25

ACCRUALS	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
Accrued expenses, including:	**317**	**345**	**38**
- materials and repairs	0	4	0
- legal and consulting services	11	21	2
- property protection	22	21	20
- transport and courier services	83	165	1
- IT services	13	0	5
- sterilisation services	0	11	0
- telecommunication services	12	2	9
- Balance Sheet auditing	80	95	0
- employee benefits	3	0	1
- energy, water, gas	77	0	0
- other expenses	16	26	0

Note no 26

TRADE PAYABLES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
Gross trade payables	**7 743**	**5 578**	**4 141**
Revaluation write-offs	0	0	0
Net trade payables	**7 743**	**5 578**	**4 141**

Note no 26a

TRADE PAYABLES	As of 30.06.2007	As of 31.12.2006	As of 30.06.2006
	In thousand PLN		
a) In Polish currency	**2 503**	**1 980**	**2 187**
b) in foreign currencies (by currency and after converting into Polish zloties)	**5 240**	**3 598**	**1 954**
-b 1. In foreign currency (USD)	147	224	312
after converting into Polish zloties	311	546	873
-b 2. In foreign currency (EUR)	676	530	287
after converting into Polish zloties	2 266	1 897	1 081
b 3. Other currencies in Polish zloties	2 663	1 155	0
Total trade payables	**7 743**	**5 578**	**4 141**

Note no 26b

GROSS TRADE PAYABLES WITH REPAYMENT PERIOD LEFT AS FROM THE BALANCE SHEET DATE:	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
a) up to 1 month	7 230	5 578	4 141
b) above 1 month and up to 3 months	0	0	0
c) above 3 months and up to 6 months	0	0	0
d) above 6 months and up to 1 year	0	0	0
e) above 1 year	0	0	0
f) overdue payables	513	0	0
Total (gross) trade payables	**7 743**	**5 578**	**4 141**
g) Trade payables revaluation write-offs	0	0	0
Total (net) trade payables	**7 743**	**5 578**	**4 141**

Note no 26c

OVERDUE GROSS TRADE PAYABLES BY PERIOD:	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
a) up to 1 month	513	0	0
b) above 1 month and up to 3 months	0	0	0
c) above 3 months and up to 6 months	0	0	0
d) above 6 months and up to 1 year	0	0	0
e) above 1 year	0	0	0
Total overdue (gross) trade payables	**513**	**0**	**0**
f) Overdue trade payables revaluation write-offs	0	0	0
Total overdue (net) trade payables	**513**	**0**	**0**

Note no 27

INCOME TAX LIABILITIES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
1) Opening balance	5	3	3
2) Increase	37	946	18
- additions	37	22	18
- take-overs	0	924	0
3) Decrease	27	944	18
- payments	27	944	18
4) Closing balance	**15**	**5**	**3**

Note no 28

OTHER LIABILITIES	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
- Tax and insurance liabilities	2 011	1 117	755
- Employee settlements	1 374	11	11
- Investment purchase liabilities	3 927	2 397	1 826
- Investment purchase from related parties liabilities	0	0	0
- Commission on bonds liabilities	0	92	0
- Social fund liabilities	271	0	74
- Other liabilities	221	76	84
Total	**7 804**	**3 693**	**2 750**

3.3 Explanation note to the Consolidated Cash Flow Account

CASH STRUCTURE	IH2008	IH2007
	In thousand PLN	
a) Total cash (opening balance	**20 609**	**20 774**
- cash at hand and at bankers	**20 609**	**20 774**
- other cash	**0**	**0**
b) Total cash (closing balance)	**8 418**	**10 665**
- cash at hand and at bankers	8 418	10 665
- other cash	0	0
CHANGES IN CASH	**IH2008**	**IH2007**
	In thousand PLN	
- Cash flows from operating activities	13 192	9 834
- Cash flows from investment activities	(22 002)	(19 690)
- Cash flows from financial activities	(3 395)	(355)
a) Change in cash	**(12 205)**	**(10 211)**
a) Opening balance of cash	20 609	20 774
b) Closing balance of cash	8 418	10 665
b) Balance sheet change in cash	**(12 191)**	**(10 109)**
c) difference between balance sheet cash value and change in cash, including:	**14**	**102**
- balance sheet valuation of cash	14	102
"Other items (adjustments)"	**IH2008**	**IH2007**
	In thousand PLN	
- other adjustments of operating activities, including"	0	0
- other items of investment activities, including"	0	0
- other items of financial activities, including"	**0**	**0**

3.4 Explanation notes to transactions with related parties

TRANSACTIONS AMONG RELATED PARTIES	FOR IH2008 In thousand PLN						
	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
A. OPERATIONAL TRANSACTIONS							
- goods sold	1 351	0	0	0	0	0	0
- cost of goods purchased	0	0	0	1245	0	0	0
- purchased goods in stock	0	0	0	461	0	0	0
exchange differences from valuation of foreign entities	0	0	0	75	0	0	0
- opening balance of the current year's stock	0	0	0	(431)	0	0	0
- goods sold	0	14 234	0	0	0	0	0
- cost of goods purchased	13 717	0	0	0	0	0	0
- purchased goods in stock	2 474	0	0	0	0	0	0
- opening balance of the current year's stock	(1 956)	0	0	0	0	0	0
- services sold	26	0	0	0	0	0	0
- services purchased	0	0	0	25	0	0	0
exchange differences from valuation of foreign entities	0	0	0	1	0	0	0
- services sold	85	0	0	0	0	0	0
- services purchased	0	85	0	0	0	0	0
- services sold	0	0	972	0	0	0	0
- services purchased	972	0	0	0	0	0	0
- services sold	0	0	0	0	86	0	0
- services purchased	85	0	0	0	0	0	0
exchange differences from valuation of foreign entities	0	0	0	0	0	0	0
- materials sold	1	0	0	0	0	0	0
- materials purchased	0	1	0	0	0	0	0
- materials sold	0	16	0	0	0	0	0
- materials purchased	16	0	0	0	0	0	0
- fixed assets sold	0	0	0	0	0	0	0
- fixed assets purchased	0	0	0	0	0	0	0
- transaction result	0	0	0	0	0	0	0
- amortisation and depreciation of fixed assets sold for current period	106	0	0	0	0	0	0
- amortisation and depreciation of fixed assets purchased for current period	0	82	0	0	0	0	0
- difference in the current period result	(24)	0	0	0	0	0	0
B FINANCIAL AND CAPITAL INSTRUMENTS IN PERIOD							
- loans granted	100	0	0	0	0	0	0
- loans received	0	0	0	0	0	0	100
- exchange differences	0	0	0	0	0	0	0
- interest on loans granted		12	0	0	0	0	0
- interest on loans received		**0**	**0**	**0**	13	0	0
exchange differences							
- repayment of granted loans	0	0	0	11	0	0	0
- repayment of received loans	11	0	0	0	0	0	0
exchange differences							
- repayment of interests on loans granted	0	0	0	28	0	0	0
- repayment of interests on loans received	27	0	0	0	0	0	0
exchange differences							
exchange differences on foreign entities valuation	0	0	0	0	0	0	0
- interest on loans granted	3	0	0	0	0	0	0
- interest on loans received	0	0	0	0	0	0	3
increase in fixed assets	0	0	0	0	0	0	4 352
decrease In fixed assets	0	0	0	0	0	3 779	0

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result of transaction	0	0	0	0	0	703	0
exchange differences	0	0	0	0	0	(129)	0
shares acquired	4 353	0	0	0	0	0	0
capital contributions by shareholders	0	0	0	0	0	0	4 353
fixed assets	0	0	0	0	0	0	0
surplus of capital above face value	0	0	0	0	0	0	0
C. BALANCE OF MUTUAL SETTLEMENTS FROM OPERATIONAL ACTIVITY AT END OF PERIOD							
- balance of receivables for goods	0	4 724	0	0	0	0	0
- balance of payables for goods	4 724	0	0	0	0	0	0
- balance of other receivables	0	79	0	0	0	0	0
- balance of other payables	79	0	0	0	0	0	0
- balance of payables for services	98	0	0	0	0	0	0
- balance of receivables for goods	0	0	98	0	0	0	0
- balance of other receivables	75	0	0	0	0	0	0
- balance of other payables	0	0	0	0	0	75	0
Exchange differences	0	0	0	0	0	0	0
- prepaid expenses	0	0	0	0	0	0	0
- accrued expenses	0	0	0	0	0	0	0
- balance of receivables for goods	293	0	0	0	0	0	0
- balance of payables for goods	0	0	0	293	0	0	0
- balance of liabilities paid up	0	0	0	0	0	0	0
- balance of receivables for goods and services	0	0	0	0	30	0	0
- balance of payables for goods and services	30	0	0	0	0	0	0
- balance of non-financial fixed assets sold	1 468	0	0	0	0	0	0
- balance of non-financial fixed assets purchased	0	1 456	0	0	0	0	0
- result on transactions	(12)	0	0	0	0	0	0
- depreciation of fixed assets sold as from the date of sale	289	0	0	0	0	0	0
- depreciation of fixed assets purchased as from the date they were put into use	0	223	0	0	0	0	0
- difference, growing	(66)	0	0	0	0	0	0
D.BALANCE OF FINANCIAL AND CAPITAL SETTLEMENTS AT END OF PERIOD							
- balance of receivables for loans	371	0	0	0	0	0	0
- balance of liabilities for loans	0	0	0	371	0	0	0
- balance of receivables for loans	103	0	0	0	0	0	0
- balance of liabilities for loans	0	0	0	0	0	0	103
- value of shares held	58 005	0	0	0	0	0	0
- equity value	0	58 000	0	0	0	0	0
- remaining balance of investments in controlled entities	5	0	0	0	0	0	0
- value of shares held	**472**	**0**	**0**	**0**	**0**	**0**	**0**
- equity value	0	0	470	0	0	0	0
- remaining balance of investments in controlled entities	2	0	0	0	0	0	0
- value of shares held	**4 353**	**0**	**0**	**0**	**0**	**0**	**0**
- equity value	0	0	0	0	0	**4 353**	4 353
- remaining balance of investments in controlled entities	0	0	0	0	0	0	0
- value of shares held	0	30	0	0	0	0	0
- equity value	0	0	30	0	0	0	0
- value of shares held	57	0	0	0	0	0	0
- equity value	0	0	0	57	0	0	0
- value of shares held	96	0	0	0	0	0	0
- equity value	0	0	0	0	96	0	0
- value of shares held	84 102	0	0	0	0	0	0
- equity	0	0	0	0	0	40	0
- associate's after payment	0	0	0	0	0	1 542	0
- retained profits as of take-over date	0	0	0	0	0	2 378	0
- goodwill	0	0	0	0	0	80 142	0
shares acquired	4 352	0	0	0	0	0	0

capital contributions by shareholders	0	0	0	0	0	0	4 352
increase in fixed assets	0	0	0	0	0	0	4 352
decrease In fixed assets	0	0	0	0	0	3 779	0
result on transaction	0	0	0	0	0	703	0
exchange differences	0	0	0	0	0	(129)	0
- balance of receivables for shares sold	0	0	0	0	0	3 906	0
- balance of payables for shares sold	4 000	0	0	0	0	0	0
exchange differences	0	0	0	0	0	94	0

FOR 2007							
TRANSACTIONS AMONG RELATED PARTIES	**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.OPERATIONAL TRANSACTIONS IN PERIOD							
- goods sold	1 073						
- cost of goods purchased				590			
- purchased goods in stock				431			
exchange differences from valuation of foreign entities				51			
- goods sold		12 775					
- cost of goods purchased	10 824						
- purchased goods in stock	1 956						
- opening balance of the current year's stock	(5)						
- services sold	10						
- services purchased				11			
exchange differences from valuation of foreign entities				(1)			
- services sold	30						
- services purchased		30					
- services sold			1 341				
- services purchased	1 341						
- services sold					68		
- services purchased	67						
exchange differences from valuation of foreign entities	1						
- materials sold	1						
- materials purchased		1					
- fixed assets sold	1 468						
- fixed assets purchased		1 456					
- transaction result	(12)						
- amortisation and depreciation of fixed assets sold as from their selling date	183						
- amortisation and depreciation of fixed assets purchased as from the date they were put into use		141					
- difference in the current year result	(43)						
B FINANCIAL AND CAPITAL INSTRUMENTS IN PERIOD							
- loans granted	509						
- loans received				438			
- exchange differences	(71)						
- interest on loans granted	19						
- interest on loans received				17			
- exchange differences							
- shares acquired	20 002						
- capital formation		20 000					

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- remaining balance of investments in controlled entities	2						
- shares acquired	329						
- capital formation			329				
- shares acquired		21					
- capital formation			21				
- shares acquired	57						
- capital formation				57			
- shares acquired	96						
- capital formation					96		
- shares purchased	84 102						
- equity						40	
- capital contributions by shareholders						1 542	
- retained profits as of take-over date						2 378	
C. BALANCE OF MUTUAL SETTLEMENTS FROM OPERATIONAL ACTIVITY AT END OF PERIOD							
- balance of receivables for goods	0	4 213					
- balance of payables for goods	4 213	0					
- balance of other receivables		241					
- balance of payables for services	241						
- balance of receivables for goods							
- balance of payables for goods							
- prepaid expenses			88				
- accrued expenses	88						
- balance of receivables for goods	511						
- balance of payables for goods				342			
-balance of liabilities paid up (cash in process)				168			
total							
- balance of receivables for goods					11		
- balance of payables for goods	11						
- balance of receivables for fixed assets sold							
- balance of payables for fixed assets purchased							
- 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	183						
- depreciation of fixed assets purchased as from the date they were put into use		141					
- difference in current year's result	(43)						
D. BALANCE OF FINANCIAL AND CAPITAL SETTLEMENTS AT END OF PERIOD							
- balance of receivables for loans	456						
- balance of liabilities for loans				456			
- 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						
- capitals					0		
- goodwill					0		

TRANSACTIONS AMONG RELATED PARTIES	IH2007						
	In thousand PLN						
	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
- cost of goods purchased	0	0	0	203	0	0	0
- purchased goods in stock	0	0	0	266	0	0	0
exchange differences from valuation of foreign entities	0	0	0	5	0	0	0
- goods sold	0	4 851	0	0	0	0	0
- cost of goods purchased	4 533	0	0	0	0	0	0
- purchased goods in stock	323	0	323	0	0	0	0
- materials sold	1	0	0	0	0	0	0
- cost of materials purchased	0	1	0	0	0	0	0
- services sold	0	0	557	0	0	0	0
- services purchased	557	0	0	0	0	0	0
- fixed assets sold	1 468	0	0	0	0	0	0
- fixed assets purchased	0	1 456	0	0	0	0	0
- transaction result	(12)	0	0	0	0	0	0
B FINANCIAL AND CAPITAL INSTRUMENTS IN PERIOD							
- loans granted	508	0	0	0	0	0	0
- loans received	504	0	0	0	0	0	0
- repayment of loan granted	0	0	0	0	0	0	0
- repayment of loans received	0	0	0	0	0	0	0
- interest on loans granted	0	0	0	0	0	0	0
- interest on loans received	0	0	0	0	0	0	0
- shares acquired	0	0	0	0	0	0	0
- capital formation	0	0	0	0	0	0	0
- remaining balance of investments in controlled entities	0	0	0	0	0	0	0
- shares acquired	0	0	0	0	0	0	0
- capital formation	0	0	0	0	0	0	0
- remaining balance of investments in controlled entities	0	0	0	0	0	0	0
- shares acquired	0	0	0	0	0	0	0
- capital formation	0	0	0	0	0	0	0
- interest on loans granted	4	0	0	0	0	0	0
- interest on loans received	0	0	0	0	0	0	0
C. BALANCE OF MUTUAL SETTLEMENTS FROM OPERATIONAL ACTIVITY AT END OF PERIOD							
- balance of receivables for goods	0	781	0	0	0	0	0
- balance of payables for goods	781	0	0	0	0	0	0
- balance of receivables for services	0	0	57	0	0	0	0
- balance of payables for services	57	0	0	0	0	0	0
- balance of receivables for goods	0	0	0	0	0	0	0
- balance of payables for goods	0	0	0	151	0	0	0
- balance of receivables for fixed assets sold	132	0	0	0	0	0	0
- balance of receivables for fixed assets purchased	0	132	0	0	0	0	0
D. BALANCE OF FINANCIAL AND CAPITAL SETTLEMENTS AT END OF PERIOD							
- balance of receivables for loans	504	0	0	0	0	0	0
- balance of payables for loans	0	0	0	504	0	0	0
- value of shares held	38 003	0	0	0	0	0	0
- equity value	0	38 000	0	0	0	0	0
- remaining balance of investments in controlled entities	3	0	0	0	0	0	0
- value of shares held	143	0	0	0	0	0	0
- equity value	0	0	141	0	0	0	0
- remaining balance of investments in controlled entities	2	0	0	0	0	0	0
- value of shares held	0	9	0	0	0	0	0
- equity value	0	0	9	0	0	0	0
- value of shares held	57	0	0	0	0	0	0
- equity value	0	0	0	57	0	0	0
- value of shares held	96	0	0	0	0	0	0
- equity value	0	0	0	0	96	0	0

3.5 Other explanation notes

A. Goodwill settlement

On 24 October 2007 Parent Company acquired shares in HaeMedic AB.

As a result of purchasing control shares package of this company goodwill of this company was presented in consolidated financial statement as follows:

Goodwill of HaeMedic AB amounting to PLN 80,142 thousand was set as a difference between:

- value of shares purchased: PLN 84,102 thousand
- value of assets and liabilities (net assets) valued in book value: PLN 3,960 thousand.

Initial settlement of financial results of HaeMedic shares acquisition, enclosed in consolidated financial statements was based on book value of its assets and liabilities.

Parent company is in process of setting the fair value of assets, liabilities and contingent liabilities recognized in consolidated financial statement as intangible assets.

In this consolidated financial statements initially recognized intangible assets were set as goodwill amounted to PLN 80,142 thousand.

Final setting of fair value of assets possible to identify, liabilities and contingent liabilities will happen till the end of 2008. According to above value of goodwill and some other assets and liabilities included in this statement subject to change.

B. **Capital expenditures incurred**

CAPITAL EXPENDITURES INCURRED	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
	In thousand PLN		
a) Fixed tangible assets by group	**25 365**	**43 254**	**18 415**
- land	0	0	0
- buildings and structures	2 191	1 458	422
- machinery and equipment	22 638	39 119	16 976
- means of transport	350	1 919	576
- other fixed assets	186	758	441
b) Intangible assets	**325**	**81 815**	**1 457**
c) Shares in controlled and affiliated entities	**0**	**2**	**0**

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C. Book value per share

Book value per share (in PLN)	As for 30.06.2008	As for 31.12.2007	As for 30.06.2007
	in PLN		
Book value	126 714 988.55	116 053 131.70	119 497 952.96
Number of shares (in units)	64 382 660	63 983 330	63 983 330
Book value per share (in PLN)	1.97	1.81	1.87
Diluted number of shares (in units)			
Diluted book value per share (in PLN)			

D. Average employment level

AVARAGE EMPLOYMENT LEVEL	As of 30.06.2008	As of 31.12.2007	As of 30.06.2007
Management Board of dominating entity	3	3	3
Management Board of controlled entities	8	8	3
Senior management	5	5	5
Administration workers	104	90	78
Production workers	451	305	269
Total	571	411	**358**

E. Remuneration, rewards and other benefits for managing and supervising persons

	IH2008 in thousand PLN						Y2007 in thousand PLN						IH2007 in thousand PLN					
REMUNERATION, REWARDS AND OTHER BENEFITS FOR MANAGING AND SUPERVISING PERSONS	**Short-term employee benefits**	**Post-employment benefits**	**Other long-term benefits**	**Benefits due to labour contract termination**	**Payments made by own shares**	**Total**	**Short-term employee benefits**	**Post-employment benefits**	**Other longterm benefits**	**Benefits due to labour contract termination**	**Payments made by own shares**	**Total**	**Short-term employee benefits**	**Postemployment benefits**	**Other longterm benefits**	**Benefits due to labour contract termination**	**Payments made by own shares**	**Total**
Management Board, including	545	0	0	0	0	545	1 158	0	0	0	0	1 158	616	0	0	0	0	616
- Andrzej Czernecki	201	0	0	0	0	201	442	0	0	0	0	442	218	0	0	0	0	218
- Józef Kosowski	184	0	0	0	0	184	419	0	0	0	0	419	242	0	0	0	0	242
- Iwonna Soboń	160	0	0	0	0	160	297	0	0	0	0	297	156	0	0	0	0	156
CEO Wojciech Wyszogrodzki	473	0	0	0	0	473	433	0	0	0	0	433	229	0	0	0	0	229
Supervisory Board, including:	38	0	0	0	0	38	98	0	0	0	0	98	61	0	0	0	0	61
- professor Witold Orłowski	20	0	0	0	0	20	50	0	0	0	0	50	30	0	0	0	0	30
- professor Andrzej Kidyba	12	0	0	0	0	12	31	0	0	0	0	31	19	0	0	0	0	19
- Andrzej Woźnica	2	0	0	0	0	2	5	0	0	0	0	5	4	0	0	0	0	4
- Jolanta Nejman	2	0	0	0	0	2	6	0	0	0	0	6	4	0	0	0	0	4
- Beata Błędowska	2	0	0	0	0	2	6	0	0	0	0	6	4	0	0	0	0	4

Information on advance payments, credits, sureties, guaranties and other agreements requiring benefits in favour of the Company

The managing and supervising persons, their spouses and relatives have no obligations to the Company resulting from advance payments, loans, sureties, guaranties and similar transactions.

Such transactions were not made.

4. FINANCIAL STATEMENT BY ACTIVITY SEGMENT OF THE GROUP

4.1 Consolidated Profit and Loss Account

PROFIT AND LOSS ACCOUNT DEVISED INTO BRANCH SEGMENTS IN IH2008	*Safety lancets*	*Personal lancets*	*Other activities and indivisible elements*	*Total*
	in thousands PLN			
Sales revenue	**53 647**	**14 832**	**6**	**68 485**
Net revenues from sales of products	53 647	14 832	0	68 479
Net revenues from sales of goods and materials	0	0	6	6
Cost of goods sold	**(34 467)**	**(8 416)**	**(68)**	**(42 951)**
Manufacturing cost of goods sold	(34 467)	(8 416)	(63)	(42 946)
Value of goods and materials sold	0	0	(5)	(5)
Gross profit from 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 costs	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)
Profit before tax	**17 345**	**5 661**	**(12 802)**	**10 204**
Income tax	0	0	(37)	(37)
Net profit	**17 345**	**5 661**	**(12 839)**	**10 167**

PROFIT AND LOSS ACCOUNT DEVISED INTO BRANCH SEGMENTS IN IH2007	*Safety lancets*	*Personal lancets*	*Other activities and indivisible elements*	*Total*
	w tys.zł			
Sales revenue	**24 855**	**14 581**	**12**	**39 448**
Net revenues from sales of products	24 855	14 581	0	39 436
Net revenues from sales of goods and materials	0	0	12	12
Cost of goods sold	**(15 623)**	**(7 546)**	**(13)**	**(23 182)**
Manufacturing cost of goods sold	(15 623)	(7 546)	0	(23 169)
Value of goods and materials sold			(13)	(13)
Gross profit from sales	**9 232**	**7 035**	**(1)**	**16 266**
Selling costs	(81)		(3 317)	(3 398)
General and administrative costs	(1 607)		(3 074)	(4 681)
Other operating revenues			32	32
Other operating costs			(349)	(349)
Profit on operating activities	**7 544**	**7 035**	**(6 709)**	**7 870**
Financial revenues			2 091	2 091
Financial expenses			(2 019)	(2 019)
Profit before tax	**7 544**	**7 035**	**(6 637)**	**7 942**
Income tax			(18)	(18)
Net profit	**7 544**	**7 035**	**(6 655)**	**7 924**

4.2 Consolidated Balance Sheet

BALANCE SHEET DEVISED INTO BRANCH SEGMENTS FOR 30.06.2008	**Safety lancets**	**Personal lancets**	**Other activities and indivisable 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 fixed assets	81 761	178	394	82 333
Investments in subsidiaries and associated units	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**
Inventories	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	**179 299**	**35 254**	**52 319**	**266 872**
LIABILITIES AND SHAREHOLDERS EQUITY				
SHAREHOLDERS EQUITY	**76 689**	**36 161**	**13 865**	**126 715**
Share capital	0	0	644	644
Share premium	0	0	60 117	60 117
Reserves from hedging and converting international units	(63)	0	853	790
Other reserves	0	0	0	0
Profits retained	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
LONG-TERM LIABILITIES	**0**	**38**	**123 239**	**123 277**
Credits, loans and debt securities	0	0	123 104	123 104
Finance leasing	0	38	0	38
Derivatives	0	0	0	0
Reserves for deferred tax	0	0	0	0
Other reserves	0	0	135	135
Long-term accrued expenses	0	0	0	0
Long-term accrued revenues	0	0	0	0
SHORT-TERM LIABILITIES	**6 452**	**4 812**	**5 616**	**16 880**
Credits, loans and debt securities	0	0	0	0
Finance leasing	0	177	11	188
Other financial liabilities and derivatives	0	0	14	14
Provisions	0	0	799	799
Trade payables	4 020	3 337	386	7 743
Provisions for deferred income tax	0	0	15	15
Other liabilities	2 416	1 293	4 095	7 804
Short-term accrued expenses	16	5	296	317
Short-term accrued revenues	0	0	0	0
TOTAL LIABILITIES	**6 452**	**4 850**	**128 855**	**140 157**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**83 141**	**41 011**	**142 720**	**266 872**

BALANCE SHEET DEVISED INTO BRANCH SEGMENTS FOR 31.12.2007	Safety lancets	Personal lancets	Other activities and indivisible elements	Total
	In thousand PLN			
ASSETS				
FIXED ASSETS	**141 248**	**23 344**	**34 299**	**198 891**
Tangible fixed assets	59 310	23 156	33 939	116 405
Investment property	0	0	0	0
Intangible fixed assets	81 928	188	359	82 475
Investments in subsidiaries and associated units	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	5	0	0	5
CURRENT ASSETS	**19 849**	**5 320**	**25 000**	**50 169**
Inventories	8 607	4 016	73	12 696
Trade receivables	9 759	1 037	0	10 796
Other receivables	33	45	3 210	3 288
Short-term loans	0	0	0	0
Short-term derivatives	0	0	482	482
Cash and cash equivalents	37	0	20 572	20 609
Short-term prepayments	1 413	222	663	2 298
TOTAL ASSETS	**161 097**	**28 664**	**59 299**	**249 060**
LIABILITIES AND SHAREHOLDERS EQUITY				
SHAREHOLDERS EQUITY	**59 307**	**30 500**	**26 247**	**116 054**
Share capital	0	0	640	640
Share premium	0	0	60 117	60 117
Reserves from hedging and converting international units	(100)	0	400	300
Other reserves	0	0	0	0
Profits retained	59 407	30 500	(34 910)	54 997
Shareholders' equity attributable to shareholders of the parent company	318	0	115 736	116 054
LONG-TERM LIABILITIES	**0**	**120**	**122 650**	**122 770**
Credits, loans and debt securities	0	0	122 561	122 561
Finance leasing	0	120	4	124
Derivatives	0	0	0	0
Reserves for deferred tax	0	0	0	0
Other reserves	0	0	85	85
Long-term accrued expenses	0	0	0	0
Long-term accrued revenues	0	0	0	0
SHORT-TERM LIABILITIES	**5 626**	**2 186**	**2 424**	**10 236**
Credits, loans and debt securities	0	0	0	0
Finance leasing	11	282	16	309
Other financial liabilities and derivatives	0	0	44	44
Provisions	0	0	262	262
Trade payables	3 526	1 533	519	5 578
Provisions for deferred income tax	0	0	5	5
Other liabilities	2 061	235	1 397	3 693
Short-term accrued expenses	28	136	181	345
Short-term accrued revenues	0	0	0	0
TOTAL LIABILITIES	**5 626**	**2 306**	**125 074**	**133 006**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**64 933**	**32 806**	**151 321**	**249 060**

BALANCE SHEET DEVISED INTO BRANCH SEGMENTS FOR 30.06.2007	**Safety lancets**	**Personal lancets**	**Other activities and indivisible elements**	**TOTAL**
	In thousand PLN			
ASSETS				
FIXED ASSETS	**61 441**	**9 905**	**19 720**	**91 066**
Tangible fixed assets	59 215	9 712	19 527	88 454
Investment property				
Intangible fixed assets	2 180	193	191	2 564
Investments in subsidiaries and associated units	3	0	2	5
Long-term loans				0
Long-term derivatives	0	0	0	0
Deferred tax assets	0	0	0	0
Long-term prepayments	43	0	0	43
CURRENT ASSETS	**20 914**	**5 970**	**9 726**	**36 610**
Inventories	6 362	3 727	95	10 184
Trade receivables	8 974	2 174	0	11 148
Other receivables	638	0	1 960	2 598
Short-term loans				
Short-term derivatives	0	0	163	163
Cash and cash equivalents	3 517	0	7 148	10 665
Short-term prepayments	1 424	69	359	1 852
TOTAL ASSETS	**82 356**	**15 875**	**29 446**	**127 677**
LIABILITIES AND SHAREHOLDERS EQUITY				
SHAREHOLDERS EQUITY	**52 634**	**25 921**	**40 943**	**119 498**
Share capital	0	0	640	640
Share premium	0	0	60 117	60 117
Reserves from hedging and converting international units	5	0	31	36
Other reserves	0	0	0	0
Profits retained	52 629	25 921	(19 845)	58 705
Shareholders' equity attributable to shareholders of the parent company	52 634	25 921	40 943	119 498
LONG-TERM LIABILITIES	**14**	**242**	**68**	**324**
Credits, loans and debt securities	0	0	0	0
Finance leasing	0	241	13	254
Derivatives	0	0	0	0
Reserves for deferred tax	0	0	0	0
Other reserves	14	0	56	70
Long-term accrued expenses	0	0	0	0
Long-term accrued revenues	0	0	0	0
SHORT-TERM LIABILITIES	**3 881**	**1 982**	**1 991**	**7 854**
Credits, loans and debt securities	0	0	0	0
Finance leasing	80	438	17	535
Other financial liabilities and derivatives	0	0	7	7
Provisions	97	0	283	380
Trade payables	2 146	1 510	485	4 141
Provisions for deferred income tax	0	0	3	3
Other liabilities	1 542	34	1 174	2 750
Short-term accrued expenses	16	0	22	38
Short-term accrued revenues	0	0	0	0
TOTAL LIABILITIES	**3 895**	**2 224**	**2 059**	**8 178**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**56 533**	**28 145**	**42 998**	**127 676**

5. *FINANCIAL INSTRUMENTS*

5.1. Classification of financial instruments

FINANCIAL INSTRUMENTS	As of 30.06.2008								
	Classification of financial instruments according to IAS 39							Other	TOTAL
	Measured at fair value in relation to financial result		Measured at fair value with changes in capital		Measured at amortized cost				
	Measured initially by entity	Intended for trading	Financial Assets available for sale	Hedge accounting	Investments held to maturity	Loans and receivables	Financial liabilities		
	In thousand PLN								
1. Capital instruments	0	0	0	0	0	0	0	6	6
- shares in controlled entities	0	0	0	0	0	0	0	6	6
- shares in affiliated entities	0	0	0	0	0	0	0	0	0
2. Loans granted	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
3. Trade receivables	0	0	0	0	0	13 052	0	0	13 052
4. Cash and cash equivalents	0	0	0	0	0	0	0	8 418	8 418
5. Derivatives	0	0	0	2 559	0	0	0	0	2 559
- long-term instruments	0	0	0	0	0	0	0	0	0
- short-term instruments	0	0	0	2 559	0	0	0	0	2 559
A .Total financial assets	**0**	**0**	**0**	**2 559**	**0**	**13 052**	**0**	**8 424**	**24 035**
1.Financial liabilities	0	0	0	0	0	0	123 104	0	123 104
a) bank credits	0	0	0	0	0	0	0	0	0
- long-term credits	0	0	0	0	0	0	0	0	0
- short-term credits	0	0	0	0	0	0	0	0	0
b) Loans received	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
c) debt securities	0	0	0	0	0	0	123 104	0	123 104
- long-term bonds	0	0	0	0	0	0	123 104	0	123 104
- short-term bonds	0	0	0	0	0	0	0	0	0
d) other	0	0	0	0	0	0	0	0	0
- other long-term liabilities	0	0	0	0	0	0	0	0	0
- other short-term liabilities	0	0	0	0	0	0	0	0	0
2.Financial lease	0	0	0	0	0	0	0	226	226
- long-term lease	0	0	0	0	0	0	0	38	38
- short-term lease	0	0	0	0	0	0	0	188	188
3. Derivatives	0	0	0	14	0	0	0	0	14
- long-term derivatives	0	0	0	0	0	0	0	0	0
- short-term derivatives	0	0	0	14	0	0	0	0	14
4. Trade payables	0	0	0	0	0	0	7 743	0	7 743
B. Total financial liabilities	**0**	**0**	**0**	**14**	**0**	**0**	**130 847**	**226**	**131 087**

FINANCIAL INSTRUMENTS	As of 31.12.2007								
	Classification of financial instruments according to IAS 39							Other	TOTAL
	Measured at fair value in relation to financial result		Measured at fair value with changes in capital		Measured at amortized cost				
	Measured initially by entity	Intended for trading	Financial Assets available for sale	Hedge accounting	Investments held to maturity	Loans and receivables	Financial liabilities		
	In thousand PLN								
1. Capital instruments	0	0	0	0	0	0	0	6	6
- shares in controlled entities	0	0	0	0	0	0	0	6	6
- shares in affiliated entities	0	0	0	0	0	0	0	0	0
2. Loans granted	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
3. Trade receivables	0	0	0	0	0	10 796	0	0	10 796
4. Cash and cash equivalents	0	0	0	0	0	0	0	20 609	20 609
5. Derivatives	0	0	0	482	0	0	0	0	482
- long-term instruments	0	0	0	0	0	0	0	0	0
- short-term instruments	0	0	0	482	0	0	0	0	482
A . Total financial assets	**0**	**0**	**0**	**482**	**0**	**10 796**	**0**	**20 615**	**31 893**
1.Financial liabilities	0	0	0	0	0	0	122 561	0	122 561
a) bank credits	0	0	0	0	0	0	0	0	0
- long-term credits	0	0	0	0	0	0	0	0	0
- short-term credits	0	0	0	0	0	0	0	0	0
b) Loans received	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
c) debt securities	0	0	0	0	0	0	122 561	0	122 561
- long-term bonds	0	0	0	0	0	0	122 561	0	122 561
- short-term bonds	0	0	0	0	0	0	0	0	0
d) other	0	0	0	0	0	0	0	0	0
- other long-term liabilities	0	0	0	0	0	0	0	0	0
- other short-term liabilities	0	0	0	0	0	0	0	0	0
2.Financial lease	0	0	0	0	0	0	0	433	433
- long-term lease	0	0	0	0	0	0	0	124	124
- short-term lease	0	0	0	0	0	0	0	309	309
3. Derivatives	0	0	0	44	0	0	0	0	44
- long-term derivatives	0	0	0	0	0	0	0	0	0
- short-term derivatives	0	0	0	44	0	0	0	0	44
4. Trade payables	0	0	0	0	0	0	5 578	0	5 578
B. Total financial liabilities	**0**	**0**	**0**	**44**	**0**	**0**	**128 139**	**433**	**128 616**

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

FINANCIAL INSTRUMENTS	As of 30.06.2007								
	Classification of financial instruments according to IAS 39							Other	Total
	Measured at fair value in relation to financial result		Measured at fair value with changes in capital		Measured at amortized cost				
	Measured initially by entity	Intended for trading	Financial Assets available for sale	Hedge accounting	Investments held to maturity	Loans and receivables	Financial liabilities		
	In thousand PLN								
1. Capital instruments	0	0	0	0	0	0	0	5	5
- shares in controlled entities	0	0	0	0	0	0	0	5	5
- shares in affiliated entities									0
2. Loans granted	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
3. Trade receivables	0	0	0	0	0	11 148	0	0	11 148
4. Cash and cash equivalents	0	0	0	0	0	0	0	10 665	10 665
5. Derivatives	0	0	0	163	0	0	0	0	163
- long-term instruments	0	0	0	0	0	0	0	0	0
- short-term instruments	0	0	0	163	0	0	0	0	163
A . Total financial assets	**0**	**0**	**0**	**163**	**0**	**11 148**	**0**	**10 670**	**21 981**
1.Financial liabilities	0	0	0	0	0	0	0	0	0
a) bank credits	0	0	0	0	0	0	0	0	0
- long-term credits	0	0	0	0	0	0	0	0	0
- short-term credits	0	0	0	0	0	0	0	0	0
b) Loans received	0	0	0	0	0	0	0	0	0
- long-term loans	0	0	0	0	0	0	0	0	0
- short-term loans	0	0	0	0	0	0	0	0	0
c) debt securities	0	0	0	0	0	0	0	0	0
- long-term bonds	0	0	0	0	0	0	0	0	0
- short-term bonds	0	0	0	0	0	0	0	0	0
d) other	0	0	0	0	0	0	0	0	0
- other long-term liabilities	0	0	0	0	0	0	0	0	0
- other short-term liabilities	0	0	0	0	0	0	0	0	0
2.Financial lease	0	0	0	0	0	0	0	789	789
- long-term lease	0	0	0	0	0	0	0	254	254
- short-term lease	0	0	0	0	0	0	0	535	535
3. Derivatives	0	0	0	7	0	0	0	0	7
- long-term derivatives	0	0	0	0	0	0	0	0	0
- short-term derivatives	0	0	0	7	0	0	0	0	7
4. Trade payables	0	0	0	0	0	0	4 141	0	4 141
B. Total financial liabilities	**0**	**0**	**0**	**7**	**0**	**0**	**4 141**	**789**	**4 937**

Loans granted and received mean the loans granted within the Group. The loans were granted by the dominating entity to controlled entities. The loans were granted under market conditions.

The amounts of loans and participating parties are stated in Note 3.4. which relates to transactions between related parties. Upon consolidation, their value in the consolidated financial statement is zero.

The entity holds neither financial instruments initially measured at fair value in relation to financial result nor financial instruments intended for trading.

The entity holds no financial assets available for sale either.

As of the Balance Sheet date of each presented period there is no debt of any kind.
Any conditional liabilities resulting from the credits drawn and repaid previously were deleted upon their repayment.

The liabilities due to debt securities include five-year bearer bonds with nominal value of PLN 120,000,000 issued by HTL-STREFA S.A on July 20, 2007. The bonds will be subject to single redemption at their nominal value on July 20, 2012. The bonds are variable interest rate bonds (WIBOR 6M + investor's margin) with a single interest period of six months. The funds raised as a result of the issuance of bonds were used by the HTL-STREFA Group for the acquisition of HaeMedic AB completed in the fourth quarter of 2007 and for investment purposes (additions to production capacity).

Changes in some financial instruments are shown in the table below:

CHANGES IN FINANCIAL INSTRUMENTS	IH2008				Y2007				IH2007			
	Financial assets intended for trading	**Loans granted**	**Financial assets held to maturity**	**Shares in controlled entities**	**Financial assets intended for trading**	**Loans granted**	**Financial assets held to maturity**	**Shares in controlled entities**	**Financial assets intended for trading**	**Loans granted**	**Financial assets held to maturity**	**Shares in controlled entities**
	In thousand PLN				**In thousand PLN**				**In thousand PLN**			
Opening balance	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**5**
Increase	**0**	**0**	**0**	**0**	0	0	0	2	**0**	**0**	**0**	**0**
- shares purchased	0	0	0	0	0	0	0	2	0	0	0	0
- loans granted	0	0	0	0	0	0	0	0	0	0	0	0
- interest	0	0	0	0	0	0	0	0	0	0	0	0
- exchange differences	0	0	0	0	0	0	0	0	0	0	0	0
Decrease	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- shares sold	0	0	0	0	0	0	0	0	0	0	0	0
- repayment of loans granted	0	0	0	0	0	0	0	0	0	0	0	0
- repayment of interest	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**5**

CHANGES IN FINANCIAL INSTRUMENTS	IH2008				Y2007				IH2007			
	Bonds	**Loans received**	**Bank credits**	**Financial lease**	**Bonds**	**Loans received**	**Bank credits**	**Financial lease**	**Bonds**	**Loans received**	**Bank credits**	**Financial lease**
	In thousand PLN				**In thousand PLN**				**In thousand PLN**			
Opening balance	**122 561**	**0**	**0**	**433**	**0**	**0**	**0**	**1 140**	**0**	**0**	**0**	**1 140**
Increase	**4 211**	**0**	**0**	**15**	**122 561**	**0**	**0**	**15**	**0**	**0**	**0**	**10**
- debt securities issued	0	0	0	0	120 000	0	0	0	0	0	0	0
- loans received	0	0	0	0	0	0	0	0	0	0	0	0
- credits received	0	0	0	0	0	0	0	0	0	0	0	0
- commissions and charges	0	0	0	0	-743	0	0	0	0	0	0	0
- financial lease	0	0	0	0	0	0	0	0	0	0	0	0
- exchange differences	0	0	0	-4	0	0	0	-29	0	0	0	-13
- interest	4 211	0	0	19	3 304	0	0	45	0	0	0	23
Decrease	**3 668**	**0**	**0**	**222**	**0**	**0**	**0**	**722**	**0**	**0**	**0**	**361**
- redemption of debt securities	0	0	0	0	0	0	0	0	0	0	0	0
- repayment of loans received	0	0	0	0	0	0	0	0	0	0	0	0
- repayment of credits received	0	0	0	0	0	0	0	0	0	0	0	0
- repayment of lease instalments	0	0	0	203	0	0	0	735	0	0	0	370
- exchange differences	0	0	0	0	0	0	0	-58	0	0	0	-32
- repayment of interest	3 668	0	0	19	0	0	0	45	0	0	0	23
Closing balance	**123 104**	**0**	**0**	**226**	**122 561**	**0**	**0**	**433**	**0**	**0**	**0**	**789**

5.2. Derivatives and hedging policy

Derivatives within the Group are only held by the Dominating Entity and are used in order to secure cash flows.

The exchange rate risk management strategy, as adopted by HTL-STREFA S.A. is described below:

In order to limit the scale of cash flows exposed to the exchange rate risk, the Company will enter into hedging transactions to hedge its future net cash flows within a period of up to twelve months. The purpose of the strategy is to minimize the exchange rate risk. The Company will hedge both certain and projected cash flows.

The scale of hedged currency items will range from 50 to 75% of net cash flows, depending on the market situation with the assumption that under normal market conditions, the Company should hedge at least 50% of projected cash flows exposed to the exchange rate risk within a period of six months for cash flows in USD and within a period of 12 months for cash flows in EUR.

In order to limit the opportunity cost, it is allowed to periodically close, in part or in whole, the hedging transaction entered into.

Under the pursued policy of limiting currency risk, it is allowed to employ the following financial instruments:

1. Forward transactions to sell USD and buy PLN
2. Forward transactions to sell EUR and buy PLN
3. Purchasing put options to sell USD and buy PLN
4. Purchasing put options to sell EUR and buy PLN
5. Selling call options to buy USD and sell PLN
6. Selling call options to buy EUR and sell PLN

The transactions entered into can be spot currency transactions or non-spot currency transactions. In order to hedge certain cash flows, it is advisable to enter spot currency transactions. In order to hedge projected cash flows, it is advisable to enter non-spot currency transactions with the option to change them for spot currency transactions before maturity.

In addition, in order to limit the risk of devaluating its net profit, the Company will conduct spot exchange of currencies.

The results of pursuing the implemented strategy are shown in the table "Financial Derivatives".

	IH2008									
	Closed items			Open items			Total			
	Settled through			Settled through			Settled through			
FINANCIAL DERIVATIVES	Financial revenues/costs	Revenues from sales	Total	Financial revenues/costs	Capitals	Total	Financial revenues/costs	Revenues from sales	Capitals	Total
	In thousand PLN									
- settlement of positive exchange differences from valuation of derivatives	362.00	1 177.00	1 539.00	2 144.00	1 143.00	3 287.00	2 506.00	1 177.00	1 143.00	4 826.00
- option premium	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00
Total revenues	**362.00**	**1 177.00**	**1 539.00**	**2 144.00**	**1 143.00**	**3 287.00**	**2 506.00**	**1 177.00**	**1 143.00**	**4 826.00**
- settlement of negative exchange differences from valuation of derivatives	26.00	0.00	26.00	14.00	0.00	14.00	40.00	0.00	0.00	40.00
- option premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total costs	**26.00**	**0.00**	**26.00**	**14.00**	**0.00**	**14.00**	**40.00**	**0.00**	**0.00**	**40.00**

	IH2007									
	Closed items			Open items			Total			
	Settled through			Settled through			Settled through			
FINANCIAL DERIVATIVES	Financial revenues/costs	Revenues from sales	Total	Financial revenues/costs	Capitals	Total	Financial revenues/costs	Revenues from sales	Capitals	Total
	In thousand PLN									
- settlement of positive exchange differences from valuation of derivatives	438,00	26,00	464,00	130,00	33,00	163,00	568,00	26,00	33,00	627,00
- option premium	82,00	0,00	82,00			0,00	82,00	0,00	0,00	82,00
Total revenues	**520,00**	**26,00**	**546,00**	**130,00**	**33,00**	**163,00**	**650,00**	**26,00**	**33,00**	**709,00**
- settlement of negative exchange differences from valuation of derivatives	31,00	0,00	31,00	7,00	0,00	7,00	38,00	0,00	0,00	38,00
- option premium	50,00	0,00	50,00	0,00	0,00	0,00	50,00	0,00	0,00	50,00
Total costs	**81,00**	**0,00**	**81,00**	**7,00**	**0,00**	**7,00**	**88,00**	**0,00**	**0,00**	**88,00**

5.3. Other disclosures for financial instruments

NET PROFITS/LOSSES BY FINANCIAL BY INSTRUMENT CATEGORY	**IH2008**	**IH2007**
	In thousand PLN	
1. Assets measured at fair value in relation to financial result, including:	0.00	0.00
- initially measured by entity	0.00	0.00
- intended for trading	0.00	0.00
2. Financial assets available for sale	0.00	0.00
3. Investments held to maturity	0.00	0.00
4. Loans and receivables	-3 289.00	-1 073.00
5. Liabilities measured at fair value in relation to financial result, including:	0.00	0.00
- initially measured by entity	0.00	0.00
- intended for trading	0.00	0.00
6. Liabilities measured at amortized costs	-3 506.00	132.00
TOTAL	-6 795.00	-941.00

INTEREST INCOME AND COST FOR INSTRUMENTS OTHER THAN THOSE MEASURED AT FAIR VALUE	**IH2008**	**IH2007**
	In thousand PLN	
Interest income		
Bank deposits	273	295
Loans granted to related parties	0	0
Total	**273**	**295**
Cost of money		
Bank credits	0	0
Loans received from related parties	0	0
Long-term bonds	4 225	50
Financial lease	19	23
Other	8	0
Total	**4 252**	**73**

5.4. Risks associated with financial instruments

Credit risk

According to the Management Board, there is no significant credit risk associated with payables and loans granted.
As mentioned previously, the loans granted are only related to inter-group transactions and similarly as inter-group payables they show no signs that they could not be repaid.
The trade receivables that are due to the Group chiefly came from major, financially sound and proven customers that have worked with us for many years.
In addition to prepayment, which is required to be made, even up to 100%, by new customers, the Group does not employ any other methods to secure itself against credit risk.

Liquidity risk

According to the Management Board, there is no significant threat to liquidity. The financial results produced in the previous years combined with the policy of retaining them as supplementary capital allow the Group to fully secure its financial liquidity to cover the Group's current payables.

The due dates for individual payables are disclosed in Note 26 c. The Group does not take any protection measures in this regard.

Market risks (exchange rates, interest rates, prices of financial instruments)

The Group is exposed to the risk associated with exchange rates. This risk to a great extent coincides with that to which the dominating entity HTL-STREFA is exposed.
The policy of securing against this risk was discussed when describing derivatives.

The interest rate risk is chiefly associated with the liabilities due to bonds issued bearing interest at variable rate. The cash held in bank accounts is exposed to this risk to a lesser extent.

The Group is not exposed to the risk associated with changes in prices of financial instruments as no financial instruments are held be the Group.

5.5. Analysis of financial instruments' sensitivity to market risk

The market risk to which the Group is exposed is chiefly focused on changes in exchange rates and interest rates.

Therefore, the sensitivity analysis includes the two factors.
The following assumptions were made for derivatives: effectiveness of 100 %, maturity of one year and fixed interest rate.

The assumptions for the variability range of the sensitivity analysis as a whole are stated in the column headers.

FINANCIAL INSTRUMENTS	Balance sheet value of item	Sensitivity analysis					
		Currency risk				Interest rate risk	
		+15%	-15%	+15%	-15%	+3% (for bonds)	-3% (for bonds)
						+100 bp (in PLN)	-100 bp (in PLN)
						+74 bp (in USD)	-74 bp (in USD)
						+54 pb (in EUR)	-54 pb (in EUR)
		Impact on result		Impact on capital		Impact on result	
	In thousand PLN						
Financial assets							
Trade receivables	**13 052**	**1 906**	**-1 906**				
Cash and cash equivalents	**8 418**	**717**	**-717**			**62**	**-62**
Derivatives	**2 559**			**-6 716**	**6 716**		
Financial liabilities							
Long-term bonds	**123 104**					**-3 600**	**3 600**
Financial lease	**226**	**-34**	**34**				
Derivatives	**14**			**0**	**0**		
Trade payables	**7 743**	**-779**	**779**				

6. OTHER INFORMATION

Data on off-balance sheet items, in particular conditional liabilities.

As of the Balance Sheet date, the Group has neither off-balance sheet receivables nor off-balance sheet liabilities.

Information on revenues, expenses and results of activities discontinued in current period or to be discontinued in successive period.

No activity was discontinued by any company of the Group in the period in question. No such discontinuation is planned either for the next period.

Information on significant events which occurred in the previous years and are included in the financial statement for the current period.

No significant events which occurred in the previous years are included in the financial statement for IH2008.

Corrections of serious errors, their reasons and impact of related financial effects on property and financial position, liquidity, financial result and profitability.

No corrections of serious errors were made in the financial statement for IH2008 and comparable periods.

Information on significant events which occurred after the Balance Sheet date and are not included in the financial statement.

No significant events occurred by the Balance Sheet date which should be included in the financial statement for IH2008.

Financial statement adjusted with inflation rate

There was no need to adjust the financial statement by using any inflation rate.

Information on liabilities to the State Budget or local government entities due to ownership title to buildings and structures acquired.

As of the Balance Sheet date, the Group has no liabilities to the State Budget due to ownership title to buildings and structures acquired.

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

7. SHORTENED UNITARY FINANCIAL STATEMENT OF HTL-STREFA S.A.

7.1 Profit and loss account of HTL-STREFA S.A.

	IH2008	IH2007
Sales revenue	**68 161**	**39 513**
Revenues from sales of products and services	68 154	39 499
Revenues from sales of goods and materials	7	14
Cost of products, materials and goods sold	**(46 447)**	**(25 122)**
Manufacturing cost of goods and services sold	(46 440)	(25 109)
Value of goods and materials sold	(7)	(13)
Gross profit on sales	**21 714**	**14 391**
Selling costs	(5 346)	(3 308)
General and administrative costs	(3 019)	(3 075)
Other operating revenues	111	26
Other operating expenses	(442)	(250)
Profit on operating activities	**13 018**	**7 784**
Financial revenues	4 026	1 870
Financial expenses	(8 235)	(1 953)
Profit before tax	**8 809**	**7 701**
Income tax		0
Net profit for the financial period	**8 809**	**7 701**
Net profit and diluted net profit per one share (in PLN)	0.14	0.12

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

7.2 Balance sheet of HTL-STREFA S.A.

	30.06.2008	31.12.2007	30.06.2007
ASSETS			
FIXED ASSETS	**224 503**	**211 228**	**96 008**
Tangible fixed assets	75 171	66 003	54 722
Investment property			
Intangible fixed assets	2 005	2 149	2 437
Investments in subsidiaries and associated units	147 083	142 731	38 298
Long-term loans	244	341	508
Long-term derivatives			
Deferred tax assets			
Long-term prepayments		4	43
CURRENT ASSETS	**47 032**	**42 170**	**31 535**
Inventories	17 071	12 267	9 618
Trade receivables	13 207	10 932	11 072
Other receivables	4 105	3 269	2 077
Short-term loans	230	115	
Short-term derivatives	2 559	482	163
Cash and cash equivalents	7 180	13 074	6 962
Short-term prepayments	2 680	2 031	1 643
TOTAL ASSETS	**271 535**	**253 398**	**127 543**
LIABILITIES AND SHAREHOLDERS EQUITY			
SHAREHOLDERS EQUITY	**127 537**	**118 264**	**120 660**
Share capital	644	640	640
Share premium	60 117	60 117	60 117
Reserves from hedging and converting international units	866	406	33
Other reserves			
Profits retained	65 910	57 101	59 870
LONG-TERM LIABILITIES	**123 239**	**122 749**	**310**
Credits, loans and debt securities	123 104	122 561	
Finance leasing	38	124	254
Derivatives			
Reserves for deferred tax			
Other reserves	97	64	56
Long-term accrued expenses			
Long-term accrued revenues			
SHORT-TERM LIABILITIES	**20 759**	**12 385**	**6 573**
Credits, loans and debt securities			
Finance leasing	188	309	535
Other financial liabilities and derivatives	14	44	7
Provisions	533	158	283
Trade payables	11 319	8 988	4 318
Provisions for deferred income tax			
Other liabilities	8 424	2 518	1 408
Short-term accrued expenses	281	368	22
Short-term accrued revenues			
TOTAL LIABILITIES	**143 998**	**135 134**	**6 883**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**271 535**	**253 398**	**127 543**

Extended consolidated IH2008 financial report of HTL Group (in PLN thousand)

7.3 Statement of changes in equity HTL-STREFA S.A

	Share capital	Surplus from sale of shares above par value	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
Issuance of shares	4	0	0	0	4
Balance at 30th of 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			406		406
Gains (losses) from the valuation of cash flows' hedging instruments charged to capital				4 932	4 932
Issuance of shares	2				2
Balance at 31st December, 2007	**640**	**60 117**	**406**	**57 101**	**118 264**
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
Issuance of shares	2				2
Balance at 30th of June, 2007	**640**	**60 117**	**33**	**59 870**	**120 660**

7.4 Cash flow account of HTL-STREFA S.A

	In thousand PLN	
	IH2008	**IH2007**
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	(3 111)	(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)	(2 068)	(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**