MANAGEMENT BOARD STATEMENT
ON HTL CAPITAL GROUP ACTIVITY IN IH2008.

Poniższy dokument jest tłumaczeniem polskiego tekstu Sprawozdania Zarządu HTL-STREFA S.A. z działalności grupy kapitałowej HTL w I połowie 2008 r.. W przypadku jakichkolwiek wątpliwości dotyczących interpretacji wiążący jest tekst w języku polskim.

The following document is a translation of the Polish text of HTL-STREFA S.A. Management Board Statement on HTL Capital Group Activity in IH2008. In case of any concerns regarding this interpretation, the Polish text is binding.

OZORKÓW, 19TH SEPTEMBER 2008 R.

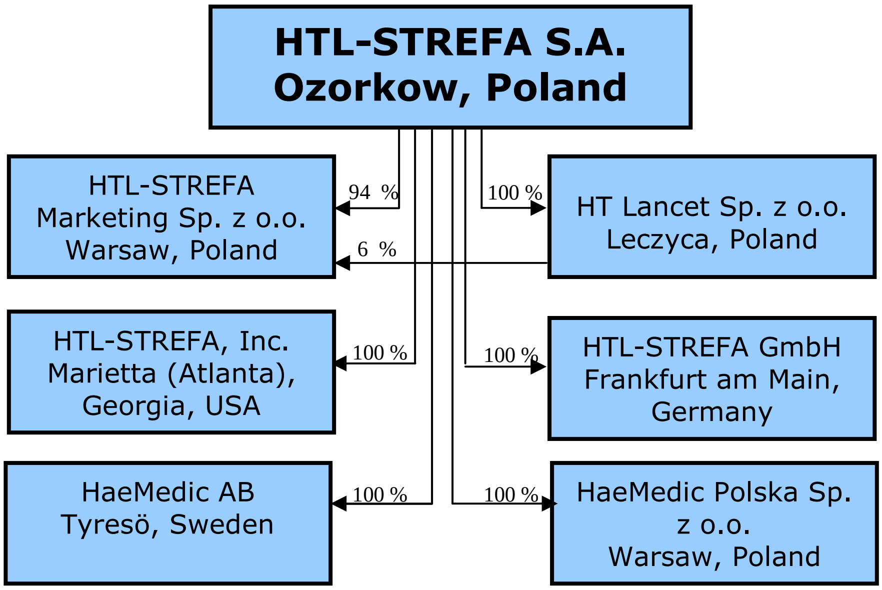
1. HTL Capital Group characteristic

1.1. Scope of activity of HTL Capital Group

HTL-STREFA Sp. z o.o. (limited liability company) was found in May 2000 as a subsidiary of PZ HTL S.A. The Company was designed to continue activities of HTL Sp. z o.o. performed since 1996 – to manufacture medical devices for capillary blood microsampling. In December 2006 the Company started operations in modern, complying with the highest quality standards, in our manufacturing plant in Ozorkow, within Lodz Special Economic Zone area. Initially the Company was focused on the production of safety lancets and elements to electronic pipettes (this activity was finished in September 2003). Starting from 2003 the Company began intensive preparations for production of lancets for personal use, and began to sell them yet in 2004. Currently the Company, by subsidiary company HT Lancet Sp. z o.o., owns a second manufacturing plant in Leczyca. HTL-STREFA Sp. z o.o. was transformed into a joint stock company (S.A.) on 4th of May 2006.

The scope of the Company's activity hasn't changed since its foundation. HTL-STREFA S.A. is a world leading manufacturer and exporter of medical devices. It specializes in manufacturing safety lancets for clinical use as well as personal lancets used by patients at home. Lancets are used mainly in capillary blood microsampling for monitoring glucose levels (especially in diagnosis and treatment of diabetes), cholesterol level, coagulation tests, gasometric analyses, HIV and HBO screening, blood group tests, allergy tests, paternity tests and many more tests requiring the use of blood.

1.2 Capital Group structure at the end of IH2008



At the end of IH2008 HTL Capital Group consisted of:

- HTL-STREFA S.A. located in Ozorkow (parent company), Poland,
- HT Lancet Sp. z o.o. located in Leczyca, Poland,
- HTL-STREFA Marketing Sp. z o.o. located in Warsaw, Poland,
- HTL-STREFA, Inc. located in Marietta/Atlanta, Georgia, USA,
- HTL-STREFA GmbH located in Frankfurt am Main, Germany,
- HaeMedic AB located in Tyresö, Sweden,
- HaeMedic Polska Sp. z o.o. located in Warsaw, Poland.

HTL-STREFA S.A., located in Ozorkow (Poland) is a parent company that manufactures personal and safety lancets as well as molds needles in clean-zone conditions. The company’s duties also include quality control of all products made by the capital group and logistics.

HT Lancet Sp. z o.o. manufactures components used for safety and personal lancet production. In 3Q2007 this company opened its own needle grinding facility. Our own needles are utilized in manufacturing personal and safety lancets.

HTL-STREFA Marketing Sp. z o.o. supports key account management, mainly on foreign markets.

HTL-STREFA, Inc. supports other units in managing US key accounts and develop sales on an American “alternative” market.

HTL-STREFA GmbH support sales of group products on the European market.

HaeMedic AB is the owner of trademarks and other intellectual property rights related to the manufacturing of several safety lancets.

HaeMedic Polska is the owner of machines and equipment to safety lancet manufacturing and respective know-how. HaeMedic Polska Sp. z o.o. will be merged with HTL-STREFA S.A..

1.3. Number of shares and shareholding structure

Face value of capital share in HTL-STREFA S.A. amounts to 643,826.60 PLN. At the end of IH2008 this was divided into 64 382 660 bearer shares of face value 0,01 PLN each, included 55 000 000 A series shares, 8 750 000 B series shares, 233 330 C.1. series shares and 399 330 C.2. series shares.

According to the Board's knowledge, on this statement publication date, a list of shareholders holding at least 5 per cent of total vote at the issuer's general shareholders meeting is as below:

Shareholder	Number of shares	Share in capital share	Share in total vote
Andrzej Czernecki	25,700,000	39.92%	39.92%
Noryt Company Establishment	19,525,000	30.32%	30.32%
Wojciech Wyszogrodzki	5,000,000	7.77%	7.77%
OFE POLSAT	3,216,681	5.00%	5.00%
Other shareholders	10,940,979	16.99%	16,99%
Total	**64,382,660**	**100.00%**	**100.00%**

In IH2008 there were the following changes in share capital structure and in shareholding in HTL-STREFA S.A.:

1. As a result of share capital increase and C.2. series issuance (Management Board of the company informed about it in current reports and this change is discussed in details in point 3.5.2 of this statement) on 26th of May 2008 have changed shares in capital share and in total vote expressed in per cents. The number of shares owned by significant shareholders hasn't

changed. It resulted from an increase in the total number of shares from 63,983,330 to 64,382,660.

Shareholders	Share in total vote before increase of capital share (26th of May 2008)	Share in total vote after increase of capital share (26th of May 2008)
Andrzej Czernecki	40.17%	39.92%
Noryt Company Establishment	30.52%	30.32%
Wojciech Wyszogrodzki	7.81%	7.77%
OFE POLSAT	5.03%	5.00%
Other shareholders	16.47%	16.99%
Total	100.00%	100.00%

1.4. Company's management

1.4.1. General Shareholder's Meeting

General Shareholder's Meeting was held on 24th of April 2008. Shareholders decided then about:

- acceptance of Board statement concerning its activity in Y2007;
- acceptance of financial statement prepared on 31st of December 2007;
- total Y2007 net profit transfer to supplementary capital;
- absolutory for all Members of the Management Board and of the Supervisory Board for its activity in Y2007;
- acceptance of HTL Capital group financial statement prepared on 31st of December 2007;
- amending of the Standing Order for the Company's General Meeting, amending of the Standing Order for the Company's Management Board, amending of the Standing Order for the Company's Supervisory Board and amending of the Company's Statutes;
- authorizing of the Supervisory Board to establish the consolidated text of the Company's Statutes.

1.4.2. Management Board

According to § 16 of Company Statute, Members of the Board are elected and dismissed by the Supervisory Board resolution. Management Board consists of one to three members, including President of the Board, elected for five years joint term. In case of a one person Management Board, this person is also President of

the Board. Number of Board Members during the term is denominated in resolution of the Annual Shareholders Meeting.
Management Board conducts company affairs and represents the company. All affairs concerning company affairs that are not regulated by the law or by Company Statue for Shareholders Meeting or for Supervisory Board are in competence of the Management Board (§ 15 Company Statute). Management Board acts in accordance with Commercial Code, Company Statue, Board Organization and Work Regulations that describe its organization and a way of acting, passed by Shareholders Meeting.
HTL-STREFA Management Board at the end of IH2008 consisted of:

- Andrzej Czernecki – President of the Board,
- Józef Kosowski – Member of the Board,
- Iwonna Soboń – Member of the Board.

Agreements contracted between the company and Management Board Members do not provide any compensation in case of their resignation or dismissal without important reason or when their dismissal is a result of the issuer's taking over.

HTL-STREFA S.A. shares held by Management Board Members on the day of this statements preparation (according to their declarations):

Position	**Name**	**Number of shares as on the day of this statement preparation**
President of the Board	Andrzej Czernecki	25,700,000
Member of the Board, Ozorkow Plant Director	Józef Kosowski	166,550
Member of the Board, CFO	Iwonna Soboń	166,550

In HTL-STREFA S.A. the motivation scheme for management and key employees for 2006-2010 has been implemented. According to this scheme and after fulfilling its conditions (remaining Company's employee) Management Board members Iwonna Soboń and Józef Kosowski will get the right to purchase no less than 100,000 and no more than 600,000 HTL-STREFA S.A. shares for face value until the end of 2010.

1.4.3. Other managing persons

Wojciech Wyszogrodzki was the Chief Executive Officer of HTL-STREFA S.A. on the day of this statement preparation.

HTL-STREFA S.A. shares held by Chief Executive Officer at the day of this statement preparation (according to his declaration):

Position	Name	Number of shares as on the day of this statement preparation
Chief Executive Manager (CEO)	Wojciech Wyszogrodzki	5,000,000

1.4.4. Supervisory Board

According to § 20 of the Company Statue, the Supervisory Board consists of at least five members of whom were elected by an Annual Shareholders Meeting. The number of Supervisory Board Members is fixed in resolution of an Annual Shareholders Meeting. Members of the first Supervisory Board are elected for one year while members of the next supervisory boards are elected for three years. Members of the Supervisory Board mandate expire on the day of the Annual Shareholders Meeting that accepts financial statement. Supervisory Board act in accordance with Commercial Code, Company Statue, Supervisory Board Organization and Work Regulations, that describes its organization and a way of acting, passed by Annual Shareholders Meeting.

On the day of this statement publication, the Supervisory Board consisted of:

- Professor Witold Orłowski – Chairman of Supervisory Board (Independent Member)
- Professor Andrzej Kidyba – Vice-chairman of Supervisory Board (Independent Member)
- Beata Błędowska – Member of Supervisory Board
- Jolanta Nejman – Member of Supervisory Board
- Andrzej Woźnica – Member of Supervisory Board (Independent Member)

HTL-STREFA S.A. shares held by members of the Supervisory Board on the day of this statements preparation (according to Board knowledge):

Position	Name	Number of shares as on the day of this statement preparation
Chairman of Supervisory Board	Witold Orłowski	0
Vice-chairman of Supervisory Board	Andrzej Kidyba	0
Member of Supervisory Board	Beata Błędowska	0
Member of Supervisory Board	Jolanta Nejman	600
Member of Supervisory Board	Andrzej Woźnica	0

2. HTL Capital Group market

2.1. HTL Capital Group products

HTL Capital Group concentrates on supplying medical companies with world leading positions in the diagnostics market with OEM products (OEM - Original Equipment Manufacturer) on a contractual basis. The company also sells its products under its own brand with the cooperation of local distributors (on alternative market).

Taking into account a final destination of HTL-STREFA products, they may be divided into:

2.1.1. Safety lancets

Safety lancets are single use devices designed for use by healthcare professionals. They are used for skin puncturing in order to obtain a blood microsample for laboratory testing. Safety lancets contain a needle or blade and an activation mechanism covered by plastic.

Safety lancets manufactured by HTL-STREFA S.A. provide:

- safety:
    - construction guarantying single use, which eliminates the risk of patient or healthcare personnel contamination from a previously used lancet;
    - the needle (blade) is covered before and after use;
    - needles (blades) are sterile (by Gamma rays);
- provides a minimal level of pain – proper needle (blade) characteristic, speed of puncture, no vibrations;
- comfortable and easy to handle.

HTL-STREFA S.A. manufactured the following models of safety lancets in IH2008:

Medlance – first safety lancet designed by the Company (patented in 1994). Characteristics of the model are: the activation button and T-shape cover with finger support. This guarantees great ergonomics and intuitive handling by medical personnel. The area of contact on a patient's finger is round and relatively small helping to guide the device on the proper place of punctuation. Medlance lancets are single-use devices (breaking wings during the activation of the mechanism makes a second use impossible) that provide fast penetration and retraction of the needle due to the two spring system. Product is supplied in five versions varying from the needle (blade) size and penetration depth to the desired amount of blood.

Medlance + – product designed on the basis of Medlance with a similar but altered activation method. Medlance + is a contact activated device – puncture is obtained by pressing the entire device cover down onto the place of punctuation. There is no activation button – its role is played by the device cover. The advantage of such a solution arises from a more stable penetration depth and more accurate amount of blood independent from the technical skills of the lancing personnel. Activation power is determined by the pressure of the device onto the punctuation site. Therefore the distance from the device to the patient's skin, as well as the penetration depth, is correct. An additional advantage of this product is the systems prevention from accidental activation (e.g. in transport). Four versions with various needle sizes are available.

Acti-Lance – safety lancet manufactured under the HTL-STREFA brand. Available in three versions: with violet activation button – needle size 28G (0.36 mm), with blue activation button – needle size 23G (1.8 mm) and with yellow activation button – blade size 17G (1.5 mm). The product is sold in boxes designed for Acti-Lance lancets.

Safe-T-Pro®/CoaguChek® – product is the same as Medlance, but prepared for the strategic customer Roche Diagnostics. This product is manufactured with only one needle size (21G) and penetration depth (1.8 mm). The button was made in a blue color, typical for Roche, as well as the box being made in the customers design with the Roche brand.

Safe-T-Pro Uno®/Accu-Chek® – product is prepared for the strategic customer Roche Diagnostics. They are manufactured with a standard needle size of 23G and penetration depth of 2 mm. This product is relatively cheap in production because it consists of only three plastic details: molded needle, cover and activation button. It is very important, from a price fragile market point of view, where this product is distributed. The activation button and molded needle of this safety lancet are yellow while its cover is white.

Microtainer®– designed for Becton Dickinson and is a contact activated lancet with great ergonomics of shape. Sales of this model started in first half of 2006. Unique for this lancet is the plastic cap covering the needle. It facilitates twisting the cover and provides a clean surface for the lancet on the area to come in contact with the patient's skin. Every lancet is marked with a series of numbers making it fully identifiable (allows sales not only in boxes). The lancet is distinguished by a very soft activation and low level of pain. Product is available in three different versions according to the desired amount of blood.

GlucoPro®/MediSafe Solo/ Assure Lance – product prepared for NIPRO Corporation and sold also under the MediSafe Solo name – HTL-STREFA brand. There is a new version of this product designed for Arkray under the Assure Lance brand. This lancet is manufactured with a standard needle size of 23G. The product is also relatively cheap in production because it consists of just three details: molded needle, cover and activation button.

GlucoPro Plus® - product prepared for NIPRO Corporation. They are manufactured in two versions: with violet activation button - safety lancet with needle size of 28G and with yellow activation button - safety lancet with blade size of 17G.

Haemolance – product from portfolio of a recently acquired competitor – HaeMedic AB. This safety lancet is available in three different versions indicated by the appropriated colors; safety lancet with blue activation button – needle size of 25G (0.63 mm), with green activation button – needle size of 21G (0.8 mm) and with yellow activation button – needle size of 18G (1.5 mm). Each of these is suitable for different types of tests as well as various types of skin.

Haemolance Plus - product from portfolio of recently acquired competitor – HaeMedic AB. This safety lancet is available in six different needle and blade configurations that are indicated by appropriate colors. Thanks to different needle/blade parameters, the family of Haemolance Plus safety lancets enables the realization of a wide range of laboratory tests that can be performed using a microsample of blood.

Prolance - product from portfolio of recently acquired competitor – HaeMedic AB. Six different parameters of needles are utilized in different versions of Prolance safety lancets. This enables the collection of an appropriate microsample of blood for every diagnostic test.

2.1.2. Personal lancets

Personal lancets are single use devices designed for diabetics who need to monitor their glucose level. Personal lancets are used with a multi use lancing device. Lancet plus lancing devices play a similar role as the safety lancets however, personal lancets are used only by one person eliminating the risk of contamination.

The most important advantages of HTL-STREFA personal lancets are:

- low level of pain and lower probability of scars – diabetics need to conduct glucose tests constantly, making it essential that personal lancets provide comfort and prevention from scars. Therefore crucial factors are: precision of grinding, process of electro polishing, exact length of the needle, covering needle with silicon and ensuring appropriate hardness of the needle to diminish bending,
- perfect fitting to lancing device – well designed shape and proper dimensions allows precise carrying of the needle.

HTL-STREFA S.A. manufactured the following models of personal lancets in IH2008:

Droplet – personal lancet in universal shape fitting many lancing devices available on the market. Advantageous is a precisely grinded hard needle made from surgical steel with a low diameter to minimize pain and avoid scares. The tip of the needle is covered in silicon providing ease of twisting and removal of the cap and also allowing soft puncture of skin. This lancet is not actively marketed by HTL-STREFA – its main purpose is to present the Company’s technical abilities.

Microlet®- product designed on the Droplet basis and developed for the strategic customer – Bayer Healthcare. Bayer logotype has been added, corporate colors used and dimensions adjusted to fit the Bayer lancing device.

Accu-Chek Softclix®- personal lancet manufactured for Roche Diagnostics since 2007.

2.2. Sales results

HTL STREFA in IH2008 r. sold 336.1 mln pcs of safety lancets and 384 mln pcs of personal lancets. In comparison to the same period last year, sales results are better; safety lancet sales increased by 131.47 per cent YoY and personal lancet sales rose by 21.75 per cent YoY.
Sales revenue from safety lancets in IH2008 amounted to PLN 51.31 mln (increase of 107.3 per cent YoY) and sales revenue from personal lancets amounted to PLN 14.57 mln (increase of 5.04 per cent YoY)

2.3. HTL-STREFA S.A. customers

HTL-STREFA S.A. is specialized in manufacturing safety and personal lancets in cooperation with major customers. The cooperation starts from market research and analysis, through prototyping to final tests and registrations. Then products are sold to the customer under his/her own brand. The Company can also manufacture products designed entirely by the customer. Due to the high quality of offered products resulting in safety and comfort of use, the Company was able to gain global leaders as its customers – Roche Diagnostics, Bayer HealthCare, Becton Dickinson. HTL STREFA. also offers its own products sold under the customer's brand. They are also sold under their own brand by their own network of domestic and foreign distributors.

3. Important events in IH2008

3.1. Conclusion of significant contracts

HTL-STREFA S.A. on 29th of January 2008 has signed a contract with Bayer HealthCare LLC Diabetes Care and Bayer Consumer Care AG concerning supply of Ascencia Microlet personal lancets (current report no 8/2008).

The contract has been signed for three years. According to the agreement, HTL-STREFA S.A. is to supply Bayer with few hundred millions pieces of personal lancets a year for ca. EUR 14 million in three years.

Signing the contract denominated in EUR is part of HTL-STREFA S.A. plan of moving to EUR denomination which should decrease and in the future eliminate FX rate risk (after Euro adoption in Poland).

The Board of HTL-STREFA S.A. has signed on 7th of May 2008 an agreement with Roche Diagnostics Operations, Inc. and Roche Diagnostics Operations GmbH concerning the supply of Safe-T-Pro and Coaguchek safety lancets. (current report no 24/2008)

The contract has been signed for four years. According to the agreement HTL-STREFA S.A. is to supply Roche with a few hundred millions pieces of safety lancets a year for ca. USD 37 million in four years. The agreement includes an Exchange Rate Clause allowing compensation of significant changes in FX rates.

3.2. Registration of subsidiary undertaking - HaeMedic Polska Sp. z o.o. and its purchase by HTL-STREFA S.A.

District Court in Warsaw registered HaeMedic Polska Sp. z o.o. (a subsidiary company) located in Warsaw. (current report no 9/2008 and 9/2008K).
A share capital of HaeMedic Polska amounts to 4 352 500.00 PLN and is divided into 87,050 shares with a face value of 50.00 PLN. 87,049 shares valued at 4,352 450.00 PLN were purchased by the Swedish company HaeMedic AB (HTL-STREFA's subsidiary). The company paid for their shares with machines and equipment used in lancet production.
One share with a nominal value of 50.00 PLN in its subsidiary company was purchased by Wojciech Wyszogrodzki, CEO of HTL-STREFA S.A. and was paid for with cash.
HTL-STREFA S.A. on 10th of April 2008 signed an agreement concerning the purchase of 100% shares in HaeMedic Polska Sp. z o.o. (current report no 11/2008).
HTL-STREFA S.A. purchased 87,049 shares in HaeMedic Polska Sp. z o.o. face valued at PLN 4,352,450 from HaeMedic AB (subsidiary of HTL-STREFA S.A.) and 1 share

face valued at PLN 50 from Wojciech Wyszogrodzki (CEO at HTL-STREFA S.A.) The price equal to face value is to be paid in cash. Current activities of HTL-STREFA S.A. are a source of funds for the transaction.

3.3. Conclusion of the process of moving machines and equipment HaeMedic to Poland

Management Board of HTL-STREFA S.A. informs that, according to the time schedule, it has finished the process of moving machines and equipment, used in manufacturing of safety lancets, from the recently taken over company to Poland.

The moving allows HTL-STREFA to utilize all synergies available after the acquisition of HaeMedic AB, a significant competitor from Sweden.

3.4. Merger between HTL-STREFA S.A. and HaeMedic Polska Sp. z o.o.

Management Board of HTL-STREFA S.A. informed on 28th of April 2008 about the decision to launch a procedure to merge HTL-STREFA S.A. and HaeMedic Polska Sp. z o.o. (current report no 19/2008).

In the current report no 22/2008 Management Board of HTL-STREFA S.A. disclosed the merger plan between HTL-STREFA S.A. and its subsidiary HaeMedic Polska Sp. z o.o.

Shareholder's Meeting, which was held on 26th of June 2008, has resolved unanimously the resolution concerning the mentioned merger.

On 28th of August 2008 the Shareholder's Meeting has resolved unanimously the resolution concerning an extension of a merger deadline and the fixed to finish the process till 31st of January 2010 (current report 41/2008).
Justification and Supervisory Board opinions on this resolution were published in the current report no 40/2008.

3.5. Changes in share capital

3.5.1 Excess of threshold of 5% of the total vote in HTL-STREFA S.A.

Management Board of HTL-STREFA S.A. informed about excess of threshold of 5% of the total vote in HTL-STREFA S.A. by OFE POLSAT (Polish open pension fund).

Excess of threshold resulted from transactions of buying 18,262 shares of HTL-STREFA S.A. during the trading session on 21st of May 2008. Before the transactions OFE POLSAT held 3,198,419 shares of HTL-STREFA S.A. amounting to 4.9988% of share capital. These shares provided 3,198,419 votes amounting to 4.9988% of the total vote. After the transactions of 21st of May OFE POLSAT holds 3,216,681 shares of HTL-STREFA S.A. amounting to 5.0274% of share capital. They provide 3,216,681 votes amounting to 5.0274% of the total vote in HTL-STREFA S.A.

3.5.2. Share capital increase through C.2. series shares issuance.

Registry Court decided on 26th of May 2008 to register the HTL-STREFA S.A. capital share increase from 639,833.30 PLN to 643,826.60 PLN.

Currently HTL-STREFA S.A. capital share is divided into 64,382,660 shares valued in total at 643,826.60 PLN. Total votes in the Company after the increase in share capital amounts to 64,382,660.

Share capital increase results from shares series C.2 issue according to the Motivation Scheme for Management and Key Employees.

The National Depository for Securities (KDPW) decided in resolution No 348/08 from 10th of June 2008 to:

- register in Depository 399,300 ordinary bearer shares series C.2 of HTL-STREFA S.A., face valued at 0.01 PLN each under code PLHTLST00010 (same as for other HTL-STREFA S.A. shares), if Warsaw Stock Exchange (GPW) decides to introduce these shares to trading on Warsaw Stock Exchange.

- that registration of mentioned shares in Depository is to happen in three days from handing to the Depository documents confirming introduction of these shares to trading on WSE but no earlier than in day stated by WSE as a day of introduction to trading.

- that information about registration of above mentioned shares in Depository and about number of shares under code PLHTLST00010 would be disclosed as the Depository announcement.

Management Board of HTL-STREFA informed about mentioned KDPW resolutions in current report no 28/2008)

Afterwards the Board of the Warsaw Stock Exchange decided (in resolution no 478/2008 of 17th of June 2008) to admit to trading on the main market 399,333 regular bearer shares of HTL-STREFA S.A. series C.2. face valued at PLN 0.01 each (current report 30/2008).

On 19th of June 2008, the National Depository for Securities (KDPW) issued a statement of Operating Department concerning a registration of 399.330 C.2 series bearing regular shares registered under code PLHTLST00010 (current report 31/2008).

Above mentioned shares were registered on 20th of June 2008 according to the KDPW Management resolution no 348/08 of 10th of June 2008 (current report no 31/2008).

3.6. The most important resolutions adopted by the AGM held on 24th April 2008

Annual General Meeting held on 24th April 2008 adopted the following resolutions on:

- approval of the Management Board's report on the Company's activity for Y2007,
- approval of the financial statements for Y2007,
- distribution of the profit achieved in Y2007,
- acknowledgement of fulfillment of duties by the Management Board for the year Y2007,
- acknowledgement of fulfillment of duties by the Supervisory Board for the year Y2007,

Adopted also were the resolution on the approval of the consolidated financial statements of HTL's capital group for the year 2007, resolution on amending the Standing Order for the Company's General Meeting, resolution on amending the Standing Order for the Company's Management Board, resolution on amending the Standing Order for the Company's Supervisory Board, resolution on amending the Company's Statutes, resolution on the authorizing of the Supervisory Board to establish the consolidated text of the Company's Statutes.

Management Board of HTL-STREFA informed about mentioned resolution in current report no 15/2008.

3.7. Change of unitary text of the Company's Articles of Association

Supervisory Board is entitled to fix unitary text of the Company's Articles of Association on 24th of April 2008 appointed by Company's Articles of Association (current report no 16/2008).

The entire text of this document in English is available on the Company's web site (www.htl-strefa.pl).

3.8. Choice of qualified entity to perform review of HTL-STREFA S.A. statements for 1H2008

Company's Supervisory Board, acting pursuant to §19.f of Company's Articles of Association and £5.4.f of Regulation on Acting of HTL-STREFA Supervisory Council, chose on 24th of April 2008 BDO Numerica S.A. (qualified auditor, no. 523. on a list of qualified auditors in Poland) to perform review of HTL-STREFA S.A. statements for 1H2008 (current report no 17/2008).

BDO Numerica Sp. z o.o. (or its predecessors) performed audits and reviews of HTL-STREFA financial statements in 2004, 2005, 2006 and 2007.

4. Important events that occurred after reporting period.

4.1. Change of resolution on merger between HTL-STREFA S.A. and HAEMEDIC POLSKA Sp. z o.o.

Management Board of HTL-STREFA S.A. took a decision to change the resolution no 3 of Extraordinary Shareholders Meeting adopted on 26th of June 2008 on merger between HTL-STREFA S.A. and HAEMEDIC POLSKA Sp. z o.o with its registered office in Warsaw and recommended to Extraordinary Shareholders Meeting to postpone conclusion of administrative procedures till 31st of January 2010.

Resolution was adopted during Extraordinary Shareholders Meeting, which was held on 28th of August 2008.

Justification of mentioned resolution and Supervisory Board opinions on the project of the resolution were published in current report no 40/2008.

5. Financial situation of HTL-STREFA S.A.

5.1. Key financial data

KEY FINANCIAL DATA	PLN thousand		EUR thousand	
	6 months of 2008 ended on 30th of June 2008	6 months of 2007 ended on 30th of June 2007	6 months of 2008 ended on 30th of June 2008	6 months of 2007 ended on 30th of June 2007
data concerning IH2008 consolidated financial statement				
I. Sales revenues	68 485	39 448	19 693	10 250
II. Profit on operating activity	14 060	7 870	4 043	2 045
III. Gross profit	10 204	7 942	2 934	2 064
IV. Net profit	10 167	7 924	2 924	2 059
V. Net profit (loss) attributable to shareholders of the parent company	10 167	7 924	2 924	2 059
VI. Cash flows from operating activity	13 192	9 834	3 793	2 555
VII. Cash flows from investment activity	(22 002)	(19 690)	(6 327)	(5 116)
VIII. Cash flows from financial activity	(3 395)	(355)	(976)	(92)
IX. Total net cash flows	(12 205)	(10 211)	(3 510)	(2 653)
X. Current assets	49 562	50 169	14 776	14 006
XI. Fixed assets	217 310	198 891	64 787	55 525
XII Assets	266 872	249 060	79 563	69 531
XIII. Liabilities	140 157	133 006	41 785	37 132
XIV. Long-term liabilities	123 277	122 770	36 753	34 274
XV. Short-term liabilities	16 880	10 236	5 032	2 858
XVI. Equity	126 715	116 054	37 778	32 399
XV. Shareholders' equity attributable to shareholders of the parent company	126 715	116 054	37 778	32 399
XVI. Share capital	644	640	192	179
XVII Weighted average number of shares (in pcs.)	64 062 318	63 806 721	64 062 318	63 806 721
XVIII. Basic and diluted net profit per ordinary share(in PLN and EUR)	0.16	0.12	0.05	0.03

Following exchange rates were used to convert key financial data into EUR:

For conversion of data from balance sheet on 30th of June 2008 – EUR exchange rate accounted for 3.3542 PLN/EUR, fixed by NBP (National Polish Bank), was adopted.

For conversion of data from balance sheet on 31st of December 2007 (on last day of comparable period) – EUR exchange rate accounted for 3,5820 PLN/EUR, fixed by NBP (National Polish Bank), was adopted.

For conversion of data from profit and loss account and cash flow statement for financial period from 1st January 2008 to 30th June 2008, average EUR exchange rate accounted for 3,4776 PLN/EUR, calculated as an arithmetic average of the exchange rates in force as at the last day of every month in reported period, fixed by NBP (National Polish Bank) on that day, was adopted.
For conversion of data from profit and loss account and cash flow statement for comparable financial period from 1st of January 2007 to 30th of June 2007, average EUR exchange rate accounted for 3,8486 PLN/EUR, calculated as an arithmetic average of the exchange rates in force as at the last day of every month in reported period, fixed by NBP (National Polish Bank) on that day, was adopted.

5.2 Factors and events that influence financial results In

5.2.1. Increase in product sales

Sales volume of HTL-STREFA products increased in IH2008 by 56.3 per cent YoY to ca. 720,100,000 pcs. Safety lancets volume increased by 131.47 per cent YoY to ca. 336,100,000 pcs. and personal lancets volume rose by 21.75 per cent YoY to ca. 384,000,000 pcs.

5.2.2. Corporate income tax exemption

HTL-STREFA S.A. is located in Lodz Special Economic Zone. This means that until the end of 2010 the Company is granted full corporate income exemption.
The subsidiary undertaking - HT Lancet Sp. z o.o. is granted permission to deduct 50 percent of investments from the corporate income tax till 2017.

5.2.3. Exchange rates

The main part of HTL-STREFA activity is focused on exportation. The Company is exposed on important currency risk.
In IH2008, revenues denominated in EUR constituted of 50.72 percent, revenues in USD amounted to 45.55 percent, revenues in SEK amounted to 0.86 percent (a part of recently acquired Swedish competitor clients have contracts denominated in this currency) and revenues in PLN reached 2.87 percent. In IH2007 these shares amounted to respectively 30.8 percent, 67.6 percent and 1.6 percent.

5.3. Consolidated balance sheet on 30th of June 2008

CONSOLIDATED BALANCE SHEET OF HTL GROUP	In thousand PLN		
	30.06.2008	31.12.2007	30.06.2007
ASSETS			
FIXED ASSETS	**217 310**	**198 891**	**91 066**
Tangible fixed assets	134 971	116 405	88454
Investment property	0		
Intangible fixed assets	82 333	82 475	2564
Investments in subsidiaries and associated units	6	6	5
Long-term loans	0		
Long-term derivatives	0		
Deferred tax assets	0		
Long-term prepayments	0	5	43
CURRENT ASSETS	**49 562**	**50 169**	**36 610**
Inventories	17 847	12 696	10184
Trade receivables	13 052	10 796	11148
Other receivables	4 629	3 288	2598
Short-term loans	0		
Short-term derivatives	2 559	482	163
Cash and cash equivalents	8 418	20 609	10665
Short-term prepayments	3 057	2 298	1852
TOTAL ASSETS	**266 872**	**249 060**	**127 676**
LIABILITIES AND SHAREHOLDERS EQUITY			
SHAREHOLDERS EQUITY	**126 715**	**116 054**	**119 498**
Share capital	644	640	640
Share premium	60 117	60 117	60117
Reserves from hedging and converting international units	790	300	36
Other reserves	0		
Profits retained	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**
Credits, loans and debt securities	123 104	122 561	
Finance leasing	38	124	254
Derivatives	0		
Reserves for deferred tax	0		
Other reserves	135	85	70
Long-term accrued expenses	0		
Long-term accrued revenues			
SHORT-TERM LIABILITIES	**16 880**	**10 236**	**7 854**
Credits, loans and debt securities	0		
Finance leasing	188	309	535
Other financial liabilities and derivatives	14	44	7
Provisions	799	262	380
Trade payables	7 743	5 578	4141
Provisions for deferred income tax	15	5	3
Other liabilities	7 804	3 693	2750
Short-term accrued expenses	317	345	38
Short-term accrued revenues	0		
TOTAL LIABILITIES	**140 157**	**133 006**	**8 178**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**266 872**	**249 060**	**127 676**

Total balance sheet of HTL-STREFA S.A.in IH2008 amounted for 266,872 thousand PLN, that means an increase of 7.15 percent comparing to the end of Y2007.

Fixed assets constituted 81,43 percent of total assets at the end of IH2008 (79,86 percent at the end of Y2007) and current assets constituted 18,57 percent of total assets (20,14 percent at the end of Y2007).

Equity amounted to 47,48 percent of total liabilities at the end of IH2008 (46,60 percent at the end of Y2007) and long and short term liabilities amounted respectively to 46,19 percent and 6,33 percent (49,29 percent and 4,11 percent at the end of Y2007).

5.4 Consolidated profit and loss account ended on 30th of June 2008

PROFIT AND LOSS ACCOUNT OF HTL GROUP	in thousand PLN	
	IH2008	IH2007
Revenues from sales	**68 485**	**39 448**
Revenues from sales of products and services	68 479	39 436
Revenues from sales of goods and materials	6	12
Cost of products, goods and materials sold	**(42 951)**	**(23 182)**
Manufacturing cost of products and services sold	(42 946)	(23 169)
Value of goods and materials sold	(5)	(13)
GROSS PROFIT ON SALES	**25 534**	**16 266**
Selling costs	(5 588)	(3 398)
General and administrative costs	(5 292)	(4 681)
Other operating revenues	41	32
Other operating expenses	(635)	(349)
PROFIT ON OPERATING ACTIVITIES	**14 060**	**7 870**
Financial revenues	4 473	2 091
Financial expenses	(8 329)	(2 019)
GROSS PROFIT	**10 204**	**7 942**
Income tax	(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)	0.16	0.12

5.5. Consolidated Cash flow statement for IH2008 ended on 30th of June 2008

RACHUNEK PRZEPŁYWÓW PIENIĘŻNYCH GRUPY HTL	In thousand PLN	
	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**

Consolidated cash flows from operating activities in IH2008 amounted to 13 192 thousand PLN (9 834 thousand PLN in IH2007).

Consolidated cash flows from investment activities in IH2008 have an adverse balance and amounted to -22 002 thousand PLN (-19 690 thousand PLN a year ago).

Financial activities gave a result of -3 395 thousand PLN (-355 thousand PLN a year ago).

Closing balance of cash at the end of IH2008 decreased to 8 418 thousand PLN from 10 665 thousand PLN in IH2007. They will be allocated for investment program continuation in the HTL Group.

Management Board of HTL-STREFA S.A. estimates that the Company and Capital group are able to meet incurred liabilities and realize planned investments.

6. Accomplishment of financial forecasts

Due to high FX risk, Management Board of HTL-STREFA decided to not disclose into public forecasts denominated in PLN. Nevertheless the Management Board will publish a forecast concerning annual sales volume and revenues from sales denominated in currencies.

- **Sales volume**

According to orders and forecasts provided by our clients, Management Board plans to sell the following volume of products:

	Sales in IH2008	Sales in IH2008/ Forecasts for Y2008	Forecast for Y2008	Results in Y2007
Safety lancets	336,100,000	ca. 50.92 proc.	660.000.000	320.000.000
Personal lancets	384,300,000	ca. 42.70 proc.	900.000.000	620.000.000

Sales volume results In IH2008 were in line with Management Board plans. Results reached in IH2008 shows, that forecasts will be fulfilled.

• **Revenues from sales**

Management Board of HTL-STREFA forecasts to gain the following targets in revenues from sales denominated in currencies in Y2008:

Currency	Revenues in IH2008	Share of forecasts for Y2008	Forecasts for Y2008	Results in Y2007
EUR	9,837,742.05	ca. 45.55 per cent	22,000,000 *	7,100,000
USD	12,690,221.15	ca. 60.42 per cent	21,000,000	18,300,000
SEK	1,553,940.00	---*	---*	---
PLN	1,955,641.17	ca. 195.56 per cent	1,000,000	1,000,000

Consolidated data
* In disclosed forecast revenues denominated in SEK were converted into EUR and summed up with revenues denominated in EUR

Revenues from sales in IH2008 denominated in currencies are in line with Management Board plans. Significant excess of planned revenues in PLN results from bringing revenues from financial operations (forward) into revenues denominated in PLN (1,177,107.7 PLN). After this part of revenues, elimination accomplishment of planned revenues in PLN is 77.85 per cent.

Attained results In IH2008 induce a conclusion, that forecasts will be accomplished.

7. Contracted loans and contingent liabilities.

During reporting period the Company did not contract loans or credits outside the capital group.

8. Perspectives for capital group development

Constant strengthening of HTL-STREFA S.A. group, a competitive position and preparation for enlargement of the product portfolio are the main company goals for Y2008.

Management Board expects that sales results in Y2008 will assure ca. 56 percent of global market share in safety lancets (28 per cent in Y2007) and ca. 15 percent of global market share in personal lancets (13.1 per cent in Y2007).

According to our client's estimations, safety and personal lancets market growth accounts to ca. 15 percent yearly. In order to keep this position at least, Management Board of HTL-STREFA estimates that the volume growth of production should have the same level.

9. Significant factors for company development, description of risks and threats.

9.1. Economic situation on main HTL Capital Group markets

Demand on HTL-STREFA products depends on the number of executed blood tests and society health consciousness. Therefore it is independent from the general economic situation in customers' countries. It refers particularly to the American market which is the main direction of HTL-STREFA exportation.

9.2 Competition

A great majority of HTL-STREFA competitors' plants and headquarters are located in Japan, China, in European countries and in the USA. They usually have a stable market position, access to significant financial resources and important know-how.

HTL-STREFA S.A., thanks to great quality of its products and competitive prices, compete with other medical device manufacturers. HTL-STREFA competes with success that is proved by constant sales growth and an increase in market shares.

The company should pay attention to new competitors located in Asia who start their activity on the personal lancets market and in the future could become a serious company rival. So far they have had important problems with big recipient gains because of the quality of their products, low plants automation and weak client service. Its activity is not a great obstacle for HTL-STREFA S.A., because the company's activity is highly automated, with low labor costs in technical manufacturing cost.

9.3. Development In alternative diagnostics technologies

According to Management Board possible risk of alternative diagnostics, appearance is relatively low because of high costs and measuring accuracy (ie. laser diagnostic and sensor technology). Management Board of the Company esteems that in the next few years this kind of device will not be on general release. Therefore, it will not be possible to replace current methods of blood microsampling.

9.4. Changes In law

Regulations concerning use of safety devices are favorable for HTL activity. After the USA, the European Union also adopted regulations concerning law protection of medical crew for accidents in sharp injuries (and in consequence for risk of contamination). European Commission was ordered by European Parliament to Directive no. 2000/54/EC (19th of September 2000) an amendment on the protection of workers from risks related to exposure to biological agents at work. This could incite sudden safety lancets market growth in Europe. HTL-STREFA is prepared for this situation. The company still increases its productive capacities and takes up marketing actions.

9.5. Dependence of machines and equipment suppliers

Increasing demand for HTL-STREFA products induces a pressure on constant development of production capacities. Particularity of production allows only for jumping increase of production capacities. As a result, Management Board seeks to keep the level of production capacities slightly above current needs in order to limit unit costs of production. Every planned increase of production capacities involves construction of a new and expensive production line that takes 6-12 months for completion. In case of significant delays in the delivery of the machines from the external clients, Companies may not realize their clients orders (this kind of situation happened in IQ2007, Company informed about it in IQ2007 financial statement). To minimize such risk the Management Board tries to make an order for machines and equipment needed to fix a new production line in the maximum advance time. A part of HTL-STREFA equipment is constructed directly In the Company.

8. Statements of the Board

The Board of HTL-STREFA S.A. states, that to the best of its knowledge, this semi-annual consolidated financial statement and comparable information have been prepared in compliance with the applicable accounting standards and give a true, fair and clear view of the HTL-STREFA assets, financial standing and net results. The semi-annual Management's statement on HTL Capital Group activity truly reflects the development, achievements and situation of the Company, including a description of the key risk factors and threats.

The Board also states, that the auditing entity (qualified auditor of financial statement) who audits semi-annual financial statements had been selected In compliance with the provisions of the law and that his entity qualified auditors who performed the audit met the conditions to issue an impartial and independent auditor's opinion in accordance with the applicable provisions of the national law.

…………………………………..

Andrzej Czernecki

President of the Board

…………………………………..

Józef Kosowski

Member of the Board

…………………………………..

Iwonna Soboń

Member of the Board