Ladies and Gentleman, Dear Shareholders,

In the name of the Management Board of HTL-STREFA S.A. please let me present you a statement of our Capital Group's business activities in 2008.

In 2008 we managed to reach 100% of what we have assumed in official forecasts. In particular: during the previous year we produced and sold 692 million of safety lancets, which represents an increase by 11,6 % and 942 million of personal lancets – an increase by 194 % YoY. At the end of 2008 the Company's share of the global market of safety lancets reached ca 55%, with ca 20% of the market of personal lancets.

Consolidated income from sales in 2008 amounted to 142 783 ths PLN better that the last year, despite a very strong position of Polish złoty vs, EURO and US$, over the 3 quarters of the previous year.

The net profit in 2008 was far greater than that of 2007 and amounted to 30 719 ths. PLN

A number of factors contributed to our success:

- first, our reputation as the manufacturer of top quality products, which keeps the dates of delivery, and responds flexibly to changing demands of customers, transformed directly into the volume of sales;

- second, the start-up of our own polishing shop of needles, the most expensive component of lancets, formerly bought from sub-suppliers. This process will end in the current year, when 100% self-sufficiency is achieved;

- third, the effects of synergy, acquired as a result of HTL take-over of the Swedish HaeMedic. This opened a number of new sales markets, whereas the transfer of production to Poland allowed to reduce costs and satisfy the demands of our customers in full.

- and finally, fourth, implementation of a programme of technical and organisational improvements, which significantly reduced the labour costs, due to widespread automation.

…Our Company was one of a few Polish companies, which avoided losses due to usage of financial instruments to secure foreign currency income; in fact we have not only evaded losses, but even better, as a result of such activities, closed the year 2008 with a profit amounting to 3 755 ths.PLN

The global economic crisis does not apply to basic medical care, and therefore does not adversely influence the future of our Company.

In 2009 we assume an increase of sale in lancets by ca 50%, from 1,6 bln to 2,4 bln pcs..

In that time we will have satisfied 75 – 80 % of the global demand for safety lancets and we will become a leading manufacturer of personal lancets.

We predict income of EUR 33,6 million and USD 28,2 million.

With the assumption of foreign currency exchange rates in 2009 maintained close to today's levels, our sales may increase from 2008 by over 80%.

To secure our capability to reach the planned sales figures, in 2009 we shall spend PLN … million on investments, including ca PLN 14 million on extension of our factory in … (from today's 7000 m^2 to 13 500m^2). The first part, i.e. ca 50% of that extension will end in June this year, while the remaining part – by the end of September ytd..

The purchase of necessary machinery, injection moulds and automatic installation machines will cost PLN 56mln . These investments will be financed from the Company's income, combined with short-term bridge loans.

The new investments will open new workplaces. In 2009 we intend to increase employment from 639 to 843 people, i.e. by 32 %.

The plans for years 2010, 2011, 2012 are based on long-term sales forecasts, which we receive from our key customers and which follow the organic expansion of the market, i.e. an increase of sales by 15-20% per annum.

At the end of 2009 our Company is about to enter a new segment of the diabatic market, i.e. production of injection needles for insulin pens. This market is similar to the market for personal lancets in the aspect of the quantitative sales volume, however, due to the much higher prices of sale, offers a few times greater sales figures than the safety lancets.

The Management Board intends in the period 2010-2012 HTL-STREFA becomes such as in segment safety and personal lancets one of the leaders on this market.

Both the very similar technology used in production, as well as in-depth knowledge of rights governing the marketing and sales, which we have in that segment, strengthen our assurance that we are able to achieve that goal.

In both creation and management of HTL-STREFA I focus my team's efforts on building of an enterprise distinguished by its strong foundations. This approach ensured our leading position on the highly demanding global market, and we enjoy the confidence of our clients – the world's largest corporations. I believe that the strategy of expansion which we have adopted and consequently realised will ensure permanent growth of our Company's value.

Andrzej Czernecki,

The President of The Management Board