MANAGEMENT BOARD STATEMENT ON HTL CAPITAL GROUP ACTIVITY IN 2008

OZORKÓW, 24TH FEBRUARY 2009

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1. HTL capital group characteristics[1]

1.1. Scope of activity of HTL Capital Group.

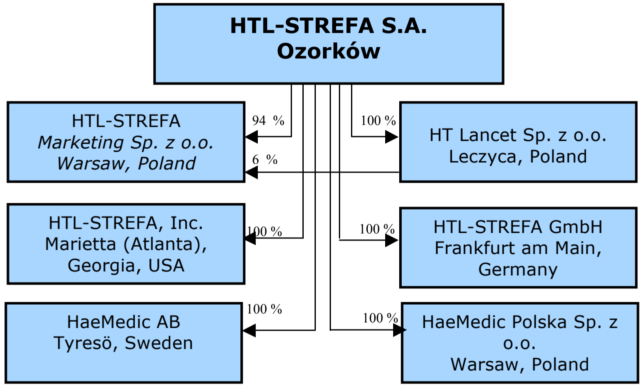
HTL-STREFA Sp. z o.o. (limited liability company) was found in May 2000 as a subsidiary of PZ HTL S.A. [2] The Company was designed to continue activities of HTL Sp. z o.o. performed since 1996, i.e. manufacturing medical devices for capillary blood microsampling. In December 2006 the Company started operations in modern, complying with the highest quality standards manufacturing plant in Ozorkow, within Lodz Special Economic Zone area. Initially the Company was focused on production of safety lancets and elements to electronic pipettes (this activity was finished in September 2003). However, from 2003 the Company began intensive preparations to manufacture lancets for personal use, and began to sell them in 2004. Currently the Company, through a 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.

Scope of the Company's activity remains unchanged since its foundation. HTL-STREFA S.A. is a world leading manufacturer and exporter of medical devices. The company is specialized in manufacturing safety lancets for clinical use, and personal lancets used by patients at home. Lancets are used mainly in capillary blood microsampling to monitor glucose levels (especially in diagnosis and treatment of diabetes), cholesterol levels, coagulation tests, gasometric analyses, HIV and HBO screening, blood group tests, allergy tests, paternity tests and many more blood based tests.

[1] Presentation of the characteristics of the HTL Group's business, as well as information regarding securities and authorities contained in this section refer to HTL-STREFA S.A., which is the dominating entity of the HTL Group and is identified with it.

[2] Presently, there are no ownership relations between HTL-STREFA S.A. and PZ HTL S.A.

1.2. Capital Group structure at the end of 2008



At the end of 2008 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 (also in clean-zone conditions) and moulds needles. Company's scope of activity also includes quality control of all products made by all other entities within the capital group.

HT Lancet Sp. z o.o. manufactures components used for safety and personal lancets production. In 3Q2007, the Company opened its own needle grinding facility. The 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 develops sales on the American "alternative" market (elderly houses and private clinics).

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

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

HaeMedic Polska is the owner of machines and equipment to safety lancets 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 shares in HTL-STREFA S.A. equals to 643,826.60 PLN. At the end of 2008 the amount was divided into 64 382 660 bearer shares of face value 0,01 PLN each, including 55 000 000 A series shares, 8 750 000 B series shares, 233 330 C.1. series shares and 339 330 C.2. series shares.

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

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	4.299.595*	6,68%	6,68%
Other Shareholders	9.858.065	15,31%	15,31%
Total	**64.382.660**	**100,00%**	**100,00%**

*** ownership status regarding shares of HTL-STREFA by OFE Polsat as of the date of publishing the Reports with the annual structure of OFE (31.12.2008).**

In 2008 there were following changes in the share capital structure and in shareholding in HTL-STREFA S.A.:

1. On 26th of May, as a result of share capital increase and C.2. series issuance (Management Board of the company informed about this fact in current reports; the change is discussed in detail in point 3.10 of this statement) there were some insignificant changes in capital share and in total vote expressed in percent. Number of shares owned by significant shareholders hasn't changed. It resulted from increase in 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 POLSATz	5,03%	5,00%
Other Shareholders	16,47%	16,99%
Total	100,00%	100,00%

2. As a result of transactions on Company shares made by OFE POLSAT in the second half of 2008, there were some changes in its equity and votes at the General Shareholders' Meeting share. The share of OFE POLSAT in equity grew from 5.00% (as of publication of the report for the first half of 2008) to 6.68% at the end of 2008. The increase in the share of OFE POLSAT in equity and votes at the General Shareholders' Meeting was at the expense of decrease in shares of other shareholders holding less than 5%, as in this period other significant shareholders did not sell Company shares. (Table below).

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	39,92%	39,92%
Noryt Company Establishment	30,32%	30,32%
Wojciech Wyszogrodzki	7,77%	7,77%
OFE POLSAT	5,00%	6,68%
Other Shareholders	16,99%	15,31%
Total	100,00%	100,00%

Shares granted according to motivation program scheme

In HTL-STREFA S.A. the motivation scheme for management and key employees for 2007-2010 has been implemented. According to this scheme and after fulfilling its conditions (which is to remain Company's employee) Management Board members, Iwonna Soboń and Józef Kosowski, will be eligit to purchase not less than 150,000 and no more than 650,000 HTL-STREFA S.A. shares for face value during the lasting of the program.

Limitations of the transferability of the issuer securities in HTL-STREFA

As of day of statement preparation, no other limitations known by the Board concerning execution of the share-based right to vote existed.

Furthermore, there were no limitations known by the Board concerning transferability of the issuer securities in HTL-STREFA with the exception of voluntary commitment of three significant shareholders published in issuer prospectus[3]:

Significant shareholders of HTL-STREFA: Andrzej Czernecki (President of the Board), Wojciech Wyszogrodzki (Chief Executive Officer) and Noryt Company Establishment made a commitment that:

- They would not sell any A series shares within 12 months from the date of the first A series share issuance (15th November 2006) on Warsaw Stock Exchange in Warsaw (WSE) ; this commitment has been accomplished.
- for 13 to 24 months from the date of A series share issue on WSE they would not sell any A series shares, with the exception of possible disposal of packages not exceeding 5 percent of number of A series shares by each issuer.

This commitment did not concern:

- a disposal of A series shares in public offer,
- a disposal of shares as a respond to tender offer with the exception of a tender offer described in article 72 of Polish Act on Public Offering.

[3] Issue prospectus of HTL-STREFA S.A. was approved by the Financial Supervision Commission on 16 October 2006.

Other information concerning company's shares

As of day of statement preparation no agreements known by the Board, including agreements contracted after the balance sheet day, that could result in change of shares in total number of shares existed.
As of day of statement preparation no securities giving special control rights in the Company existed.

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 on:

- 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.

Extraordinary General Shareholders' Meeting took place on 26 June 2008. The shareholders adopted the following:

- Resolution on the merger of HTL-STREFA SA with HAEMEDIC POLSKA Sp. z o.o.

Extraordinary General Shareholders' Meeting took place on 28 August 2008. At this meeting, the shareholders adopted the following:

- Resolution on the amendment of resolution no. 3 of the Extraordinary General Shareholders' Meeting of 26 June 2008 on the merger of HTL-STREFA S.A. with HAEMEDIC POLSKA Sp. z o.o.

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 consist of one to three members, including President of the Board, elected for five years joint term. In case of one person Management Board this person is also the President of the Board. Number of Board Members during the term is denominated in resolution of Annual Shareholders Meeting.
Management Board conduct company affairs and represent the company. All issues 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 and Board Organization and Work Regulations, that describes its organization and a way of acting, passed by Shareholders Meeting.

HTL-STREFA Management Board at the end of 2008 consisted of:

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

There were no changes in Management Board's frame during the year 2008 and till the date of this statement publication.

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 issuer's taking over.

HTL-STREFA S.A. shares held by Management Board Members on the day of statement 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	116.550
Member of the Board, CFO	Iwonna Soboń	116.550

A motivation scheme for management and key employees for 2006-2010 has been implemented in HTL-STREFA. 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 not less than 150,000 and no more than 650,000 HTL-STREFA S.A. shares for face value during the lasting of the program.

Members of the Board remuneration in 2008:

The remuneration of Board Members in 2008 amounted to:

- Andrzej Czernecki (President of the Board): 426.773,49 zł
- Józef Kosowski (Member of the Board, Ozorków Plant Director): 398.577,47 zł
- Iwonna Soboń (Member of the Board, CFO): 326.560,06 zł

Amounts mentioned above include the remuneration paid to Józef Kosowski and Iwonna Soboń for their work respectively as Ozorkow Plant Director and Financial Director.

In 2008, Andrzej Czernecki did not take any remuneration for holding management position in subsidiary undertakings.

Members of the Board don't hold any shares in subsidiary undertakings of HTLSTREFA S.A.

1.4.3. Other managing persons

Wojciech Wyszogrodzki was Chief Executive Officer of the HTL-STREFA S.A. at the day of statement's 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

Chief Executive Officer remuneration in 2008:

The remuneration of Wojciech Wyszogrodzk, Chief Executive Officer, in 2008 amounted to: PLN 1.024.263,57

Wojciech Wyszogrodzki doesn't hold any other shares in subsidiary undertakings of HTL-STREFA S.A.

1.4.4. Supervisory Board

According to § 20 of the Company Statue, Supervisory Board consists of at least five members, elected by Annual Shareholders Meeting. Number of Supervisory Board Members is fixed in resolution of Annual Shareholders Meeting. Members of first Supervisory Board are elected for one year, members of next supervisory boards are elected for three years. Members of the Supervisory Board mandate expires on the day of Annual Shareholders Meeting accepting the financial statement. Supervisory Board acts in accordance with Commercial Code, Company Statue and Supervisory Board Organization and Work Regulations, that determines its organization and a way of acting, passed by Annual Shareholders Meeting.

Supervisory Board at the day of this statement's publication consisted of:

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

HTL-STREFA S.A. shares held by members of Supervisory Board at the day of this statement preparation (according to Board's 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

Remuneration of Supervisory Board Members in 2008 totalled:

- Witold Orłowski (Chairman of Supervisory Board): 39.920 zł
- Andrzej Kidyba (Vice-chairman of Supervisory Board): 24.920 zł
- Beata Błędowska (Member of Supervisory Board): 4.920 zł
- Jolanta Nejman (Member of Supervisory Board): 4.920 zł
- Andrzej Woźnica (Member of Supervisory Board): 4.920 zł

Members of Supervisory Board don't hold any shares in subsidiary undertakings of HTL-STREFA S.A.

2. HTL Capital Group market

2.1. HTL Capital Group's products

Because products of the HTL Group designed for sales are the same as the products of HTL-STREFA S.A., the dominating entity in the Group, in this section they will be treated as equivalent terms.

HTL Capital Group concentrates on supplying medical companies with world leading position on the diagnostics market with OEM products (OEM - Original Equipment Manufacturer) on the contractual basis. Company also sells its products under own brand with cooperation with local distributors (on alternative market, constituted by Elderly Houses and Private Clinics).

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

2.1.1. Safety lancets

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

- safety:
  - construction guarantying disposable use, what eliminates risk of patent or healthcare personal contamination by previously used lancet;
  - the needle (blade) is covered before and after use;
  - needles (blades) are sterile (by Gamma rays);
- less possible level of pain – proper needle (blade) characteristic, speed of puncture, no vibrations;
- comfortable and easy handling.

In 2008, HTL-STREFA S.A. manufactured following models of safety lancets:

Medlance – first safety lancet designed by the Company (patented in 1994). Characteristic for the model are: the activation button and T-shape cover with support for fingers. That guarantees great ergonomics and intuitive handling by medical personnel. The area of contact with patient's finger is round and relatively small helping to aim the device on the proper place of punctuation. Medlance lancets are single-use devices (breaking wings in activations mechanisms stops make second use impossible) and provides fast punctuation and retraction of the needle due to system of two springs. Product is supplied in five versions varying by the needle (blade) size and punctuation deepness, according to desired blood amount.

Medlance + – product designed on the basis of Medlance (activation mechanism is similar), but with changed activation method. Medlance + is contact activation device – punctuation is released by pushing the whole device cover into the place of punctuation. There is no activation button – its role is played by the device cover. The advantage of such solution arise from more stable punctuation deepness and amount of blood independent from the technical skills of the lancing personnel. Activation power determines pressure of the device on the punctuation place. Therefore distance from the device to the patient's skin is correct, as well as the punctuation deep is. Additional advantage of this product accounts for the system preventing from the accidental activation (e.g. in transport). Four versions with different needle size are available.

Acti-Lance – safety lancet manufactured under 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). Product sold in boxes designer for Acti-Lance lancets.

Safe-T-Pro®/CoaguChek® – product the same as Medlance, but prepared for the strategic customer Roche Diagnostics. They are manufactured only with one needle size (21G) and punctuation deepness (1.8 mm). Button was made in blue color, typical for Roche. Also the box was made in the customers design with Roche brand.

Safe-T-Pro Uno®/Accu-Chek® – product prepared for the strategic customer Roche Diagnostics. They are manufactured with standard needle size (23G) and punctuation deepness of 2 mm. Product is relatively cheap in production, because it consists of three plastic details: moulded needle, cover and activation button. IT is very important from price fragile market point of view., where his product is distributed. Activation button and moulded needle of his safety lancet are yellow and its cover is white.

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

GlucoPro®/MediSafe Solo/ Assure Lance – product prepared for NIPRO Corporation and sold also under MediSafe Solo name – HTL-STREFA brand. There is a new version of this product designed for Arkray under Assure Lance brand. This lancet is

manufactured with standard needle size (23G). The product is also relatively cheap in production because it consist of three details: moulded 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 recently acquired competitor – HaeMedic AB. This safety lancet is available in three versions indicated with appropriated colours; 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 them is suitable for different sort of tests and 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 with appropriate colours. Thanks to different needle/blade parameters the family of Haemolance Plus safety lancets enable to realize a wide range of laboratory tests from microsample of blood.

Prolance - product from portfolio of recently acquired competitor – HaeMedic AB. Six different parameters of needle utilized in different versions of Prolance safety lancets enable to collect an appropriate microsample of blood for every diagnostic test.

2.1.2. Personal lancets

Personal lancets are single use devices designed for diabetes, in need of monitoring their glucose level. Personal lancets are used with multi use lancing device. Lancet plus lancing device play similar role as a safety lancet, personal lancets, however, are used only by one individual person, and thus the danger of contamination does not exist.

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

- low level of pain and lower probability of scarring – diabetes need to conduct glucose tests constantly, so a personal lancet has to provide the fullest comfort of usage. Therefore, factors such as: precision of grinding, process of electropolishing, exact length of needle, covering needle with silicon and appropriate hardness of needle to diminish bending are crucial.
- perfect fitting to lancing device – well designed shape and proper dimensions allows carrying the needle precisely.

In 2008 HTL-STREFA S.A. manufactured following models of personal lancets:

Droplet – personal lancet in shape fitting many lancing devices available on the market. Advantageous is precisely grinded hard needle made from surgical steel, with low diameter to minimize pain and avoid scares. Tip of the needle is covered in silicon – it provides easiness of twisting the cap and soft puncture of skin. This lancet is not actively marketed by HTL-STREFA – its main purpose is to present Company's technical abilities.

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

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

Soft fine - lancet based on the Droplet lancet, prepared for EU Medical.

2.2. Sales results

In 2008 r. HTL STREFA sold 691.6 mln pcs of safety lancets and 942.8 mln pcs of personal lancets. In comparison to the same period last year sales results are dramatically better; safety lancet sales increased by 116.12% YoY and personal lancet sales rose by 52.06% percent YoY.

Sales revenue from safety lancets in 2008 amounted to PLN 104.73 mln (increase of 99,33% YoY) and sales revenue from personal lancets amounted to PLN 35.5 mln (increase of 26.58 % YoY)

The chart of revenues on sales of particular products constitutes confidential information and is made available for viewing only at the premises of the Management Board of HTL-STREFA S.A.

2.3. Market share

In 2008 HTL Group strengthened its position as the world's largest manufacturer of safety lancets. Thanks to the acquisition of the Swedish competitor manufacturing safety lancets and owing to organic growth of sales, the Group exceeded 50% market share in 2008. According to the estimates of the Management Board, the share of safety lancets manufactured by HTL-STREFA S.A. in the world market amounted to 51% in 2008 as compared to 28% in the previous year.

In the case of personal lancets, the share of the HTL Group in the world market amounted to 19% in 2008, compared to 13.1% in 2007, thus maintaining the position of one of the three largest manufacturers of personal lancets worldwide.

2.4. Customers of HTL-STREFA

HTL-STREFA S.A. specialises in the manufacture of safety lancets and personal lancets developed jointly with large clients and recipients. The cooperation comprises all the phases of product development, starting from marketing studies, through prototype creation and tests. Such constructed products are later sold to the end customer under his brand. On request of large clients, HTL-STREFA S.A. also manufactures products developed individually by the clients. Owing to the high quality of the products offered, mainly seen in the safety and easiness of operation, the Company has managed to obtain as its clients such global market leaders as Roche Diagnostics, Bayer Healthcare, or Becton Dickinson. The offer of HTL-STREFA S.A. also comprises products sold under the client's brand, but constructed individually by the Company. The offer is supplemented with lancets sold under own brand through a network of distributors in Poland and abroad.

In 2008, the revenues of the HTL Group principally relied on product sales to four strategic clients, namely Roche Diagnostics, Becton Dickinson, Arkray and Bayer Healthcare. Total share of the listed entities in the Company revenues amounted to 78.98% in 2008. The share of other clients in the revenues on sales totalled 21.02%.

Specific information regarding the share of particular entities in the Group's revenues is confidential and designed for viewing only at the principal office of the Management Board of HTL-STREFA S.A.

Vast majority of sales of the HTL Capital Group is formed by export sales. Revenues on export sales in 2008 amounted to 99% of total revenues on sales, compared to 98.5% the year before.

2.5. *Materials, goods and services supplying sources*

Materials used in manufacturing in HTL Capital Group are: plastics, pigments, steel wire and needles.

In the case of each raw material used for production, the HTL Group uses more than one supplier, diversifying its sources of supplies. These include entities with European and worldwide range of business.

In order to decrease the dependence on suppliers of raw needle and reduce costs, the HTL Group commenced (in January 2007) the construction of its own needle grindery located at the plant of a subsidiary, HT Lancet Sp. z o.o. in Łęczyca. In 2008, the grindery achieved full manufacturing capacity, thanks to which it sufficed most of the Group's needs for supply of raw needle material.

The HTL Group is a recipient of various services. The most important of these include development works and needle sterilisation.

Full list of suppliers and service providers for the HTL Group remains confidential and is available for viewing only at the principal office of the Management Board of HTL-STREFA S.A.

3. Important events of 2008

3.1. Conclusion of significant contracts

3.1.1. Contract with Bayer HealthCare

On 29th of January 2008, HTL-STREFA S.A. 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).

Contract has been signed for three years. According to which 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 was a part of HTL-STREFA S.A. plan of moving to EUR denomination, which is expected to decrease and, terminally, eliminate FX rate risk (after Euro adoption in Poland).

3.1.2. Contract with Roche Diagnostics

On 7th of May 2008, the Board of HTL-STREFA S.A. signed an agreement with Roche Diagnostics Operations, Inc. and Roche Diagnostics Operations GmbH concerning supply of Safe-T-Pro and Coaguchek safety lancets.

Contract has been signed for four years. According to the agreement HTL-STREFA S.A. is to supply Roche with 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 to compensate significant changes in FX rates.

3.1.3. Contract with HT Lancet Sp. z o.o.

On 7th of August 2008, the Board of HTL-STREFA informed that in the 2q 2008 the value of the contract between HTL-STREFA S.A. and HT Lancet So. z o.o. for supplying safety lancets components had exceeded 10 percent of HTL-STREFA S.A.'s equity, thus becoming a significant contract.

From the moment of signing the contract on 20th December 2006, till the end of the 2Q 2008, the value of sales realized on the basis of this agreement amounted to 27 014 715,17 PLN. (current report no 38/2008).

3.1.4. Co-financing agreement with Polish Agency of Entrepreneurial Growth

HT Lancet Sp. z o.o. signed a contract with the Polish Agency of Entrepreneurial Growth for co-financing a project names "Enterprise expansion through implementation of innovative safety lancet production technology", realized within the Innovative Economy operational program, activity 4.4 "New high innovation potential investments"

Co-financing of the hereby project constitutes 60 percent of qualified expenditure of the project, and amounts to 5 639 760 PLN.

The goal of the project is expansion of the company through implementation of innovative technologies for capillary blood microsampling. Accomplishment of this investment will enable the Company to extend its offer by a brand new project and introduce its target market a significantly better safety lancet, both in terms of quality and functionality. Another important aspect of the project is its social impact – developing safe diagnostics and overall health improvement.

This investment strategy leads to expanding the scope of HT Lancet Sp. z o.o. activity, which currently was limited to production of diagnostic equipment components (needles, springs, etc.)

The project is estimated to conclude in August 2009. The contract is not significant in terms of law regulations, however by the opinion of the Board, the information of its signing may carry a huge impact on the Company's image among investors.

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

On 18th February 2008, 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).

The share capital of HaeMedic Polska amounts to 4 352 500.00 PLN and is divided into 87,050 shares with face value of 50.00 PLN. 87,049 shares valued at 4,352 450.00 PLN was purchased by Swedish company HaeMedic AB (HTL-STREFA's subsidiary). Company paid for their shares with machines and equipment used in lancet production. One share with nominal value of 50.00 PLN in subsidiary company was purchased by Wojciech Wyszogrodzki, CEO of HTL-STREFA S.A. and was paid with cash.

On 10th of April 2008, HTL-STREFA S.A. signed an agreement regarding 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 PLN 4,352,450 from HaeMedic AB (subsidiary of HTL-STREFA S.A.) and 1 share face valued PLN 50 from Wojciech Wyszogrodzki (CEO at HTL-STREFA S.A.) The price equal to face value is to be paid in cash. The transaction was funded by HTL-STREFA S.A. current activities.

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

On 27th June 2008, the management Board of HTL-STREFA S.A. informed (current report 33/2008) that, according to the time schedule, the process of moving machines and equipment, used in manufacturing of safety lancets, from the recently taken over company to Poland has been completed.

The moving allows HTL-STREFA to benefit from all synergies resulting from 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.

On 28th of April 2008, the Management Board of HTL-STREFA S.A. informed about a decision regarding commencing the procedure aimed at the merger of HTL-STREFA S.A. and HaeMedic Polska Sp. z o.o. (ongoing report 19/2008).

In the ongoing report 22/2008 published on 30 April 2008 the Management Board of HTL-STREFA S.A. informed the public about the plan of merger between HTL-STREFA S.A. and HaeMedic Polska Sp. z o.o.

The General Shareholders' Meeting of the Company held on 26 June 2008 unanimously adopted the resolution on the Company merger with HAEMEDIC POLSKA Sp. z o.o. with principal office in Warsaw.

On 28 August 2008, the General Shareholders' Meeting unanimously adopted the resolution on postponing the deadline for merger of the companies and finalising it not later than by 31 January 2010 (ongoing report 41/2008). The justification and the opinion of the Supervisory Board regarding the resolution were published in the ongoing report 40/2008 of 26 August 2008.

3.5. Changes in share capital

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

On 26th of May, the 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). The excess was a result of a purchase transaction of 18 262 HTL-STREFA S.A. shares during the trading session held on 21st of May 2008.

Prior to the transaction OFE POLSAT possessed 3 198 419 HTL-STREFA shares, which constituted 4,9988 of Company's share capital, granting 3 198 419 votes and amounting to 4,9988 of total vote. After the purchase transactions on 21st of May, OFE POLSAT possessed 3 216 681 HTL-STREFA shares, which constitutes

5,0274 percent of share capital, and thus 3 216 681 votes and 5,0274 percent of total vote.

As of 31st December 2008, OFE POLSAT possessed 4 299 595 shares, which amounted 6,68 percent of the Company's share capital.

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

On 26th of May, the Registry Court in Łódź decided to register HTL-STREFA S.A. capital share increase from 639,833.30 PLN to 643,826.60 PLN (current report 26/2008).

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

Share capital increase resulted from C.2 shares issuance, as a part of the Motivation Scheme for Management and Key Employees.

On 10th of June 2008, the National Depository for Securities (KDPW) decided the following in its resolution (no 348/08):

- to register in Depository 399,300 ordinary bearer shares series C.2 of HTL-STREFA S.A., face valued 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 main market 399,333 regular bearer shares of HTL-STREFA S.A. series C.2. face valued 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 C.2 series bearer regular shares registered under PLHTLST00010 code (current report 31/2008).

The 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 Annual General Meeting held on 24th April 2008

Annual General Meeting held on 24th April 2008 adopted 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 Y2007,
- acknowledgement of fulfillment of duties by the Supervisory Board for Y2007,

Adopted was also a 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 authorising 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.

The Company's Statutes is available for viewing at HTL-STREFA's webpage: www.htl-strefa.pl.

4. Important events that occured after reporting period.

4.1. Significant contract regarding the expansion of HT Lancet Sp. z o.o.

On 28th of January, HT Lancet Sp. z o.o., a subsidiary of HTL-STREFA S.A., signed an agreement with MC Kontrakty Budowlane Sp. z o.o., located in Łódź (91-519) on Rogowska 3 st., to perform an expansion of the HT Lancet Sp. z o.o. production plant. The contractor was appointed through a tender.

The value of the contract amounts to 13 500 thousand PLN. Basing on the agreement, the contractor is obligated to perform the expansion, enlarging the size of the HT Lancet Sp. z o.o. Łęczyca production plant by 6500 m2.

In accordance to the time schedule of the project, preparatory work will begin on 4th of February 2009. The actual expansion will be initiated in March 2009 and is estimated to take 6 months. Additionally, the date of completion of the first expansion stage has been set to 1st of July 2009.

The Board of HTL-STREFA informed about the signing of the contract in the current report no 4/2009, dated 29th January 2009.

5. Investments

The goal for investments of the HTL Capital Group is above-all to enlarge manufacturing powers in a way to sustain and match the growing demand for the Company's products.

Expenditure on tangible fixed assets amounted to 45 726 thousand PLN (43 254 thousand PLN in Y2007). Investment expenditure on intangible assets totaled 633 thousand PLN in 2008 in comparison to 81 815 thousand PLN the year before.

In 2009, the HTL Captal Group plans to invest over 70 000 thousand PLN, of which 30 000 thousand will be used by HTL-STREFA S.A., and over 40 000 thousand will be devoted to development of HT Lancet Sp. z o.o. Such significant investments are determined by the growing market demand and the necessity to meet the dynamically rising of the order volumes.

The funds will be devoted to further expansion of production powers, which, with the current state of demand, would be otherwise insufficient. The investments will be especially devoted to the expansion and equipment of the HT Lancet Sp. z o.o. Łęczyca production plant.

6. Financial situation of HTL capital group

6.1. Key financial data

KEY FINANCIAL DATA	PLN thousand		EUR thousand	
	2008	2007	2008	2007
I. Sales revenues	142 783	80 604	40 424	21 342
II. Profit on operating activity	34 451	8 161	9 754	2 161
III. Gross profit	30 773	1 686	8 712	446
IV. Net profit	30 719	1 664	8 697	441
V. Net profit (loss) attributable to shareholders of the dominating entity	30 719	1 664	8 697	441
VI. Net cash flows from operating activity	36 573	12 009	10 354	3 180
VII. Net cash flows from investment activity	(40 748)	(130 760)	(11 536)	(34 622)
VIII. Net cash flows from financial activity	(7 085)	118 779	(2 006)	31 450
IX. Total net cash flows	(11 260)	28	(3 188)	8
X. Current assets	59 802	50 169	14 333	14 006
XI. Fixed asstes	229 610	198 891	55 031	55 525
XII Total Assets	289 412	249 060	69 364	69 531
XIII. Liabilities	140 176	133 006	33 596	37 132
XIV. Long-term liabilities	123 816	122 770	29 675	34 274
XV. Short-term liabilities	16 360	10 236	3 921	2 858
XVI. Equity	149 236	116 054	35 767	32 399
XV. Shareholders' equity attributable to shareholders of the parent company	149 236	116 054	35 767	32 399
XVI. Share capital	644	640	154	179
XVII. Weighted average number of shares (in pcs.)	64 223 364	63 895 751	64 223 364	63 895 751
XVIII. Basic and diluted net profit per ordinary share(in PLN and EUR)	0,48	0,03	0,14	0,01

To convert the key financial data into EUR for the day of 31st of December 2008, the according NBP exchange rate was used: 4,1724 PLN/EUR.

The following NBP exchange rate was used to convert the key financial data into EURO for the day of 31st of December 2007: 3,5820 PLN/EUR.

To convert The Consolidated Profit and Loss account for the period of 1st of January 2008 – 31st of December 2008 into EUR, an arithmetical average from the EUR exchange rates of the last day of each month within this period was used, and amounted to 3,5321 PLN/EUR.

To convert The Consolidated Profit and Loss account for the period of 1st of January 2007 – 31st of December 2007 into EUR, an arithmetical average from the EUR exchange rates of the last day of each month within this period was used, and amounted to 3,7768 PLN/EUR.

6.2. Factors and events that influence financial results in 2008

6.2.1. The growth of HTL Capital group product sales, change of sales structure

The volume of HTL-STREFA S.A. sales as the dominating equity of the Group grew In 2008 by 73,87 percent In comparison to Y2007, amounting to 1 634 411 740 products.

The volume of safety lancets grew by 116,12 percent, totaling 691 586 340 pcs, while the volume of personal lancets rose by 52,06 percent, reaching 942 825 400 pcs.

6.2.2. Corporate income tax exemption

HTL-STREFA S.A. is located in Łódź Special Economic Zone. The location grants the company full corporate income exemption till the end of Y2010. Subsidiary undertaking - HT Lancet Sp. z o.o. is granted permission to deduct 50 percent of investment from the corporate income tax till 2017.

6.2.3. Currency exchange rates

Main part of HTL-STREFA activity is focused on an exportation. The Company is exposed on important currency risk.

In 2008, revenues denominated in EUR constituted 54.2 percent, revenues in USD amounted to 44.3 percent, revenues in SEK amounted to 0.4 percent (a part of recently acquired Swedish competitor clients have contracts denominated in this currency) and revenues in PLN amounted to 1.1 percent. In 2007 these shares amounted to respectively 32 percent, 66 percent and 2 percent.

6.3. Consolidated balance sheet on 31st of December 2008

Thousand PLN

	2008	2007
ASSETS		
Fixed assets	**229 610**	**198 891**
Tangible fixed assets	147 426	116 405
Investment real property	0	
Intangible assets	82 178	82 475
Investments in controlled entities and affiliated entities	6	6
Long-term receivables	0	
Long-term derivatives	0	
Deferred tax assets	0	
Long-term prepayments	0	5
Current assets	**59 802**	**50 169**
Inventories	22 102	12 696
Trade receivables	19 602	10 796
Other receivables	4 610	3 288
Short-term receivables	0	
Short-term derivatives	0	482
Cash and Cash equivalents	9 538	20 609
Short-term prepayments	3 950	2 298
Total assets	**289 412**	**249 060**
LIABILITIES	0	
EQUITY	**149 236**	**116 054**
Share capital	644	640
Surplus from sale of shares above par value	60 117	60 117
Capital from hedging transactions and from conversion of foreign currencies	(212)	300
Other reserve capitals	10 131	
Retained earnings	78 556	54 997
Equity attributable to the dominating entity's shareholders	**149 236**	116 054
LONG-TERM LIABILITIES	**123 816**	**122 770**
Bank credits, loans, debt securities and other financial liabilities	123 629	122 561
Financial lease	0	124
Derivatives	0	
Provision for deferred income tax	0	
Other provisions	187	85
Accruals	0	
Deferred income	0	
SHORT-TERM LIABILITIES	**16 360**	**10 236**
Bank credits, loans, debt securities and other financial liabilities	1 705	
Financial lease	145	309
Derivatives	634	44
Provisions	432	262
Trade liabilities	5 280	5 578
Corporate income tax liabilities	51	5
Other liabilities	7 707	3 693
Accruals	406	345
Deferred income	0	
TOTAL LIABILITIES	**140 176**	**133 006**
TOTAL [BALANCE-SHEET] LIABILITIES	**289 412**	**249 060**

Total balance sheet of HTL-STREFA S.A. at the end of 2008 amounted to 289 412 thousand PLN, which constitutes a growth of 16,2 percent in comparison to Y2007.

At the end of 2008, fixed assets constituted 79,33 percent of total assets in comparison to 79,86 in 2007. Current assets equaled to 20,66 percent of total assets (20,14 in Y2007).

Equity amounted to 51,56 percent of Total liabilities AT the Endo f 2008 (46,60 in Y2007), and the long- and short-term liabilities equaled 42,78 percent and 5,65 percent respectively (49,29percent and 4,11 percent in Y2007).

6.4. Consolidated profit and loss account ended on 31st of December 2008

PROFIT AND LOSS ACCOUNT OF HTL GROUP — **in thousand PLN**

	2008	2007
Revenues from sales	**142 783**	**80 604**
Revenues from sales of products and services	142 751	80 587
Revenues from sales of goods and materials	32	17
Cost of products, goods and materials sold	**(82 451)**	**(51 603)**
Manufacturing cost of products and services sold	(82 420)	(51 587)
Value of goods and materials sold	(31)	(16)
GROSS PROFIT ON SALES	**60 332**	**29 001**
Selling costs	(10 892)	(7 902)
General and administrative costs	(15 056)	(12 789)
Other operating revenues	404	109
Other operating expenses	(337)	(258)
PROFIT ON OPERATING ACTIVITIES	**34 451**	**8 161**
Financial revenues	13 633	5 130
Financial expenses	(17 311)	(11 605)
GROSS PROFIT	**30 773**	**1 686**
Income tax	(54)	(22)
NET PROFIT FOR THE FINANCIAL PERIOD	**30 719**	**1 664**
Profit attributable to the dominating entity	30 719	1 664
Net profit and diluted net profit per one share (in PLN)	0,48	0,03

6.5. Consolidated Cash flow statement for 2008 ended on 31st of December 2008

in thousand PLN

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**30 773**	**1 686**
Adjustments for items:	**5 800**	**10 323**
Amortisation and depreciation	10 305	6 436
Change in receivables	(9 272)	1 135
Change in liabilities	2 595	2 407
Change in inventory	(9 406)	(4 679)
Change in provisions	271	245
Change in prepayments and accruals	(1 559)	(157)
Interest income/cost	9 015	3 348
Exchange gains (losses)	931	(20)
Gains/losses from investment activities	0	0
Income tax paid	(51)	(944)
Other adjustments	2 971	2 552
Net cash flows from operating activities	**36 573**	**12 009**

	2008	2007
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Inflows from sale of intangible and tangible fixed assets	4	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	(40 752)	(46 704)
Purchase of investments in controlled entities	0	(84 104)
Loans granted	0	0
Other items	0	0
Net cash flows from investment activities	**(40 748)**	**(130 760)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Inflows from issuance of shares	4	2
Inflows from credits and loans	1 705	0
Inflows from issuance of debt securities	0	119 257
Repayment of credits and loans	0	0
Payment of liabilities arising from financial leases	(316)	(734)
Dividend paid	0	0
Interest paid	(7 947)	(45)
Exchange differences from valuation of derivatives	(406)	406
Exchange differences from valuation of foreign entities	(125)	(107)
Other items	0	0
Net cash flows from financial activities	**(7 085)**	**118 779**
Change in cash	**(11 260)**	**28**
Change in cash due to exchange differences	189	(226)
Cash opening balance	**20 609**	20 807
Closing balance of cash	**9 538**	**20 609**

Consolidated cash flows from operating activities at the end of 2008 amounted to 36 574 thousand PLN (12 009 thousand PLN in Y2007).

Consolidated cash flows from investment activities in 2008 amounted to -40 748 thousand PLN (in comparison to -130 760 thousand in Y2007), which is the effect of the undertaken investments.

Financial activities gave a result of – 7 085 thousand PLN (118 780 thousand PLN the year before).

Closing balance of cash at the end of 2008 dropped to 9 538 thousand PLN in comparison to 20 609 thousand PLN in 2007. They will be allocated for investment program continuation in HTL Group.

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

6.6 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 Management Board will publish 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 following volume of products:

	2008 realization	2008 plan	Plan execution	Results in 2007
Safety lancets	691.586.000	660.000.000	104,7%	320.000.000
Personal lancets	384.300.000	900.000.000	104,7%	620.000.000

- **Revenues from sales**

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

Currency	Revenues in 2008	Plan execution	Forecasts for Y2008	Results in 2007
EUR	21 591 441	98,14 proc.	22.000.000*	7.100.000
USD	24 782 317	118 proc.	21.000.000	18.300.000
SEK	1 553 940,00	---*	---*	---
PLN	3 136 331,88	313,6 proc.	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 2008 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 (1 580 629,3 PLN). After this part of revenues elimination accomplishment of planned revenues in PLN is 155.4 percent.

Both, the volume and value of sales described in the Board prognosis for Y2008 have been realized and, in most cases, considerably surpassed.

6.7. Bank loans, loans and contingent liabilities

Businesses in the HTL Group had the following obligations as of 31 December 2008:

- **HTL- STREFA S.A.**

The Company has obligations due to bond issue. On 20 July 2007, HTL-STREFA S.A. issued five-year coupon bonds with par value of PLN 120,000,000. The bonds will be subject to a one-off repurchase according to par value as of 20 July 2012. The bonds bear interest according to variable interest rate (WIBOR 6M + margin for the investor), while one interest-bearing period lasts six months. Funds obtained from bond issue were used by HTL-STREFA Group for acquisition purposes – purchase of HaeMedic AB, finalised in Q4 2007, and for investment purposes (development of manufacturing capacity).

The Company also has a contingent liability due to guarantee of the bill of exchange issued by HT LANCET Sp. z o.o. The blank bill of exchange guaranteed by the guarantor HTL-STREFA forms a collateral of the credit in the current account for the amount of 1 705.293,66 taken by HT LANCET Sp. z o.o. The crediting limit under the agreement amounts to 2 M PLN.
The credit bears variable interest rate. The interest rate depends on WIBOR rate for O/N deposits plus the margin of 1.2%.

- **HT LANCET Sp. z o.o.**

The Company has an obligation under the credit facility used. As of 31 December 2008, the debt of HT LANCET Sp. z o.o. under the credit in the current account amounts to 1 705.293,66 PLN. The crediting limit under the agreement amounts to 2M PLN.
The credit bears variable interest rate. The interest rate depends on WIBOR rate for O/N deposits plus the margin of 1.2%. The credit features the collateral in the form of blank bill of exchange guaranteed by guarantor HTL-STREFA SA.

6.8. Transactions with affiliated entities that exceeded 500,000 EUR during the year

In 2008, HTL-STREFA S.A. purchased from HT Lancet Sp. z o.o. products (elements for manufacture of safety lancets and personal lancets) for the total amount of 34,362,000 PLN.

During the year 2008, HTL-STREFA S.A. sold products to this subsidiary HTL-STREFA Inc. for the amount of 3,320,000 PLN.

The Company also purchased services from its subsidiary HTL-STREFA Marketing Sp. z o.o. for the amount of 2,276,000 PLN.

6.9 Dividend policy

The Management Board of HTL-STREFA S.A., the dominating entity of the HTL Group, will recommend to its shareholders not to distribute the dividend on profit for 2008.

The priority for the Management Board is and will be to ensure the Group's development. The dynamics of such growth, particularly in the coming years, according to the Management Board, limits the opportunity of designing the profits earned on dividend payment.

According to the development strategy of HTL-STREFA S.A., the future profit of the Group should be primarily designed for paying liabilities and for development and investments.
The plans regarding the dividend payment policy for the coming years will depend on the future financial situation of the Group. Whether the Management Board submits a motion to the General Shareholders' Meeting regarding dividend payment will depend on the level of funds generated and the planned investment expenses.

6.10. Ratio analysis

On the basis of financial statements for 2008 and 2007, an analysis was performed comprising the ratios of profitability , liquidity and indebtedness.

	Ratio type	End of 2008	End of 2007
1.	Return on assets (ROA)	10,60%	1,7%
2.	Return on equity (ROE)	20,58%	3,6%
3.	Inventory cycle ratio	56,5	57,49
4.	Short-term payables rotation ratio	41,82	46,35
5.	General indebtedness ratio	48,43%	53,4%
6.	Equity indebtedness ratio	93,90%	114,6%
7.	Ratio of assets coverage with equity	64,99%	58,4%

Ratio definitions:

1. Return on assets - net profit / total assets;
2. Return on equity - net profit/equity
3. Inventory cycle ratio – (inventories/net revenues) x 365
4. Short-term payables rotation ratio (short-term payables / net revenues) x 365
5. General indebtedness ratio - long- and short-term payables / total assets
6. Equity indebtedness ratio – long- and short-term payables/equity
7. Ratio of assets coverage with equity - equity/fixed assets

7. Perspectives for the development of the Capital Group's business in 2009.

7.1. Goals for 2009

The objective of actions taken by HTL Capital Group in the following years will be to further strengthen its market position, and to extend the product portfolio with new categories.
The HTL Group intends to commence activities on a new product market in 2009. The Group plans to launch the manufacture of pen-needles in Q4 2009, which are the most important part of insulin pens – devices used by diabetics for injecting insulin. Due to commencement of the investment in the end phase of 2009, it must be expected that the revenues on sales of the new product will be reflected in the financial results of the Group in the first half of 2010. The market of pen-needles is a market with very good perspectives - its size is estimated as 2 - 2.5 B items per year, and is characterised with a trend of dynamic growth. Owing to high quality of

the products and the renown of the HTL Group as a world-class manufacturer, it is highly probable to achieve and maintain a significant share in the new market.
Within the programme of cost reduction of manufacturing and sales in force for over one year, the HTL Group will invest in its own goods packaging plant using commercial boxes, located in the USA. In the perspective of the coming next few quarters of 2009, the subject of packaging will involve only personal lancets sold to customers in the United States. Packaging in commercial boxes will commence early in Q2 2009.
As regards present products, the Management Board estimates that the results on sales in 2008 ensured the Group about 51% share in the world market of safety lancets (28 % in 2007) and approx. 19% share in the world market of personal lancets (13.1 % in 2007).
According to estimates of our clients, the growth in the market of safety lancets and personal lancets is estimated each year at the level of approx. 15 %. In order to keep the market position, the Management Board estimates that at least this will have to be the volume growth in the Group's manufacture. In order to meet the market demand in 2009, the manufacturing plant of HT Lancet Sp. z o.o. will be developed.
The development will take place in 2 phases. With the end of the first phase envisaged for early July 2009, new production will be launched. Full manufacturing capacity will be achieved upon carrying out complete development, which - according to the approved schedules - should occur in October 2009.

7.2. Financial forecasts

The Management Board of HTL-STREFA S.A., due to high foreign currency risk exposure, decided not to publish the forecasts of financial results in PLN. General information on the financial forecasts will be presented in a separate report.

8. Factors significant to the Group's development, description of basic risks and threats

The dominating entity in the HTL Group is HTL-STREFA S.A. As the Company is in charge of total sales of the Group, this analysis will be made on its example.

8.1. Economic situation on main HTL Capital Group markets

The demand on HTL-STREFA products is mainly the derivative of the number of performer blond sample tests and the general health awareness of a particular society. In this sense, it does not greatly depend and is relatively inflexible to the economic situation of the countries, which the product is exported to. This mainly concerns the American market, which is the main recipient of the Company's products.

8.2. The market situation

Most of the previous direct competitors of the Issuer have their principal offices and manufacturing plants based in Japan, China, Europe and the USA. They usually have an established market position, feature significant financial resources and know-how.

HTL-STREFA S.A., t to its high quality products and competitive prices, effectively competes against other players at the global market of lancet manufacturers, as testified to by the continuous growth of sales and market share.
Attention must be drawn to new competition on the part of other Asian companies which usually enter the market of personal lancets and may become serious competitors for the Company in the future. So far, however, they have serious problems with acquiring large clients due to quality problems of their products, low automation and weak customer service. Their activity, however, place a small pressure on HTL-STREFA S.A., as the Company's production is highly automated, with a low share of labour costs in the technical cost of product manufacture.

8.3. Development in alternative diagnostic technologies

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

8.4. Changes in law regulations

Regulations concerning use of safety devices are favourable for HTL activity. After the USA also the European Union adopted regulations concerning law protection of medical crew for accidents in sharp injuries (and in consequence for risk of contamination). European Comission was ordered by European Parlament to Directive no. 2000/54/EC (19 th September 2000) amendment on the protection of workers from risks related to exposure to biological agents at work. The appropriate deed has been issued in 2007 and will take effect in 2009. According to the Board, this could incite sudden safety lancets market growth in Europe. HTL-STREFA is prepared for this situation. Company still increases its productive capacities and takes up marketing actions.

8.5. Global trends.

Together with increased awareness and wealth of the world's societies, their attitude to equipment used in diagnostics changes. There is a visible tendency of moving away from steel lancets (so-called dangerous and quasi-safe) to safety lancets. Such a dependency is clear particularly among the richer societies of the Southern America and Asia. The Management Board of HTL-STREFA is aware of these trends and therefore tries to increase the Company's involvement in these markets.

A dynamic growth in interest in the Company's products occurred in particular in China, which due to recent quality problems with their healthcare increase their involvement in the development of safe medicine, including the development of diagnostics.

8.6. Dependence on machines and equipment suppliers

Increasing demand for HTL-STREFA products induce 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, expensive production line that takes 6-12 months. In case of significant delays in machines delivery from external clients Company may not realize their clients orders. To minimize such risk Management Board tries to make an order for machines and equipment needed to fix a new production line in maximum advance. A part of HTL-STREFA equipment is constructed directly In the Company.

8.7. Internal factors

Internal factors for company development, risks and threats were described in division number 1., 2., 6. and 7. of this statement.

9. Information concerning auditor

BDO Numerica International Auditors &Consultants Sp. z o.o.., located in Warsaw, branch in Poznań, 43 Warszawska st. is the auditor of HTL capital group and examined its financial statements for 2007. BDO is an entity authorised to examine financial statements and is inscribed on authorized entities list as no 3355.

Total amount of auditor's remuneration for yearly financial statements examination and their review for 2008 amounted to PLN 182 thousand (PLN 1003 thousand for 2007).

10. Statements of the Board

The Board of HTL-STREFA S.A. states, that to the best of its knowledge, annual financial statement and comparable information hale been prepared in compliance with the applicable accounting standards and give a true, fair ang clear view of the HTL-STREFA assets, financial standing and net results and that that 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 statements) who audited the annual financial statement had beed selected in compliance with the provisions of the law and that his entity and 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.

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Andrzej Czernecki

Prezes Zarządu

…………………………………

Józef Kosowski

Członek Zarządu

…………………………………

Iwonna Soboń

Członek Zarządu