

HTL Presentation



October 2010



Company History



PZ HTL S.A. – design and production of manual & electronic pipettes of both fixed and adjustable volume, single- and multi-channels, pipette tips & test tubes

- Company history reaches 1981, is related with **PZ HTL S.A.**, one of the world's top 4 liquid handling companies (precise liquid measuring and dispensing instruments)
- Blood lancet production began in 1995, two businesses have been split since that time
- Now legally and financially separate companies



Business Profile

Safety lancets

- single-use lancing devices
- for professional applications in hospitals, clinics, doctor's offices etc.



Personal lancets

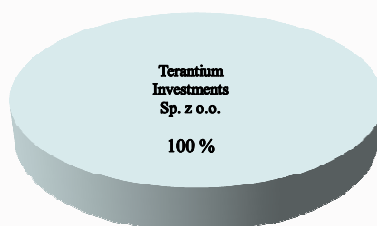
- exchangeable lancets for home diagnostics
- used together with the multiple-use lancing device
- by diabetes patients for glucose self-monitoring



** New diversified products are being considered by HTL*



HTL



- HTL-STREFA S.A. is a private company owned in 100% by EQT as of February 2010.
- HTL's capitalization: app. 215 MM EUR
- Reliable partner with strong financial standing



EQT

- HTL is owned by EQT, a private equity funds with operations in Northern Europe, Central and Eastern Europe, USA and Asia.
- EQT has raised approximately EUR 13 billion in 12 funds, which have invested approximately EUR 7 billion in 70 companies.
- EQT has a long track-record of successful investments in the healthcare sector including previous investments in companies such as Aleris, CaridianBCT, Dako, HemoCue, Gambro and Sirona.



EQT

- EQT brings expertise and acts as a catalyst for change in the companies that the funds invest in.
- EQT Partners AB has offices in Warsaw, Stockholm, Copenhagen, Helsinki, Oslo, Munich, Frankfurt, Hong Kong, Shanghai, Singapore, Zurich, London and New York

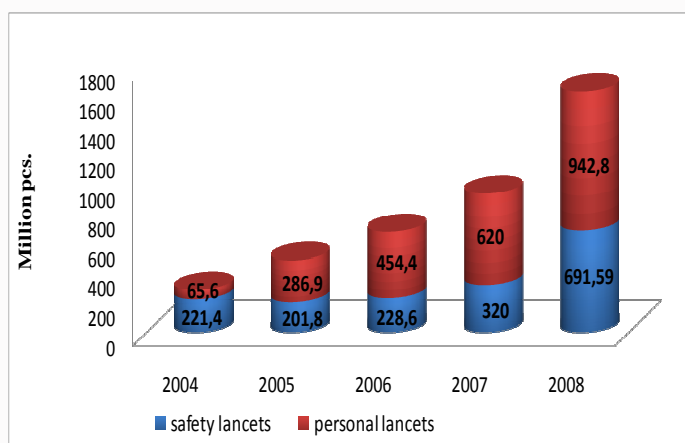


EQT - Supervisory Board for HTL

- **Heino von Prondzynski** - Chairman of the Supervisory Board - former CEO of Roche Diagnostics
- **Anders Williamsson** - Vice-Chairman of the Supervisory Board -former Managing Director of HemoCue
- **Andrzej Czernecki** - Honorary Chairman of the Supervisory Board - founder of HTL
- **Piotr Czapski** - Member of the Supervisory Board – Partner leading EQT Partners office in Warsaw and EQT'S operations in the CEE countries
- **Bartek Trzebiński** - Member of the Supervisory Board - Director at EQT Partners in Warsaw since 2009.



Total sales results 2004-08



HTL-STREFA market position



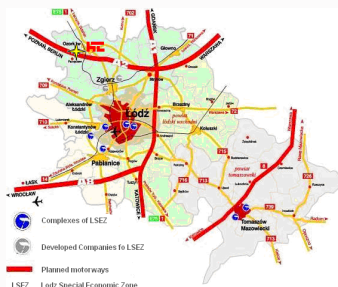
HTL-STREFA S.A.

HTL-STREFA S.A., Ozorkow lancet production plant was established in 2001 as a successor of HTL Sp. z o.o., Warsaw operating in years 1995–2001.

Purpose of the green-field investment:



- increase of production and warehouse space
- creation of a facility tailored specifically to cleanroom lancet production
- financial benefits of locating a factory in the Industrial Park within the Lodz Special Economic Zone



Map of Lodz Special Economic Zone

HTL-STREFA
high tech lab

HTL-STREFA Production Facility



- 6 500m² facility
- 509 experienced employees
- 100% dedication to lancing system production
- Clean room conditions for needle molding and silicone covering Class 100,000
- High-tech automated production
- ISO Quality assurance system + registration in major markets (incl. FDA)



Manufacturing Plant I - Ozorków



Quality Assurance



- QC Department consisting of 12 quality inspectors
- Incoming, in-process and final quality inspection
- Key lancet parameters checked: cap twist off torque/removal force, needle pull out force, needle exposure length and centering in the base, needle sharpness, needle cleanliness (no plastic residues), critical body dimensions



HT Lancet Sp. z o.o.



- 10 km away from HTL-STREFA, Ozorkow
- Long-term Special Economic Zone tax advantages (2017)
- 14 000 m2 surface
- Production of plastic components and metal springs to safety lancets
- Transfer of HaeMedic product line manufacturing tools from Sweden

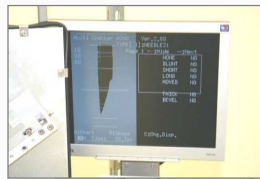


New fully-automated needle production lines from Japan



HC STREFA
high tech lab

Automated silicone-coating & 100% needle inspection



HC STREFA
high tech lab

Manufacturing Capacities



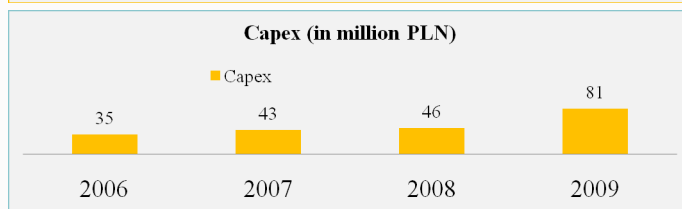
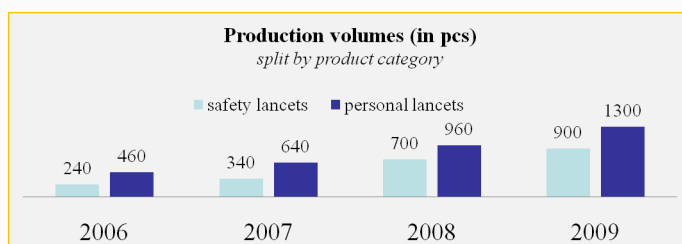
Production capacity in the year:

- Safety lancets: 1 billion pcs
- Personal lancets: 1.5 billion pcs

* Standard time for capacity increase: 6 months



Capacities increase driven by investments



Comments

• Standard time for capacity increase: 6 months

• Main 2009 investments

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HT Lancet plant expansion +
purchase of new machinery
Logistic center in USA

• Capex in coming years will be moderate and mainly will include costs of developing new products



HTL US Office

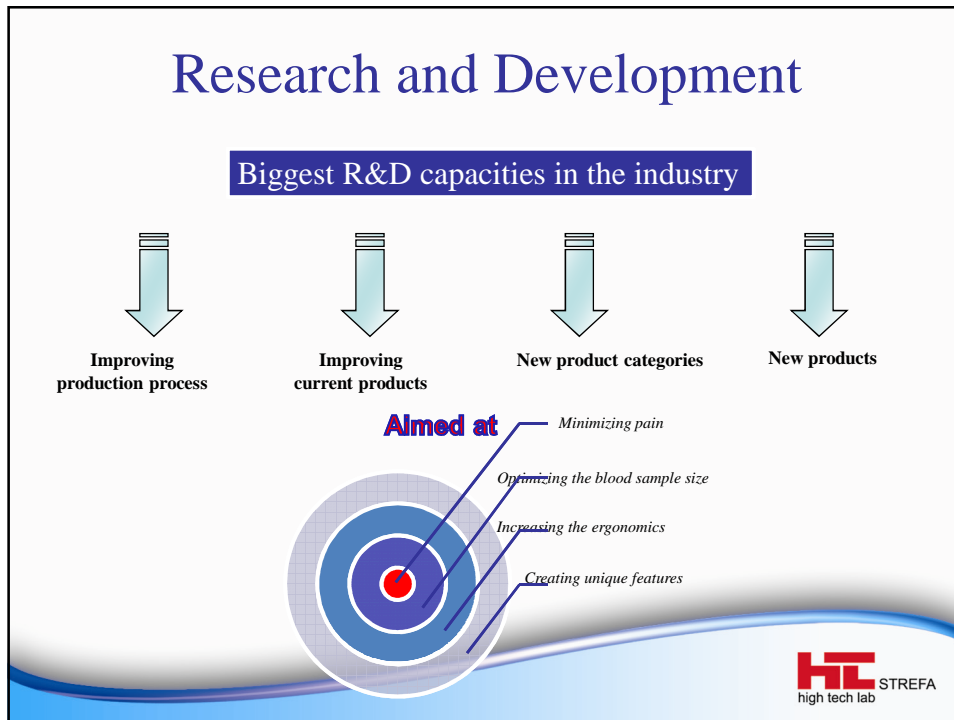


- Marietta (Atlanta), GA
- Customer service to North and South America accounts
- Packaging of personal lancets
- Warehousing of own branded products / Customer-Managed Inventory
- Cooperation with logistics companies CEVA & UPS, convenient location to Atlanta airport, short shipping time



Design Capabilities





HTL-STREFA Marketing Sp. z o.o.

- HTL-STREFA Marketing Sp. z o.o. was established as service affiliate to HTL-STREFA S.A. operating in the field of Sales and Marketing
- Activity:
 - Business Development
 - Customer Service
 - Sales Strategy
 - Marketing
 - New Product Development



S&M Team

- Sales & Marketing Team (members specialized in specific areas):
 - assures excellent level of customer service
 - constantly works on new sales opportunities
 - follows the market expectations and trends
 - initiates new product development based on customers requirements
 - analyzes new ideas vs production capacity and complexity
 - coordinates innovation & renovation activities
 - participates in most important trade shows all over the world
 - is customer & result oriented, creative, showing initiative



Innovation & Renovation

- The aim is not only to be a manufacturer
- Market changes – we respond
- Based on experience gathered we create new products
- Harmonization and complexity of production is taken into consideration in order to assure the benefit



Experienced R&D Team

- Inhouse R&D Department
- Group of degreed engineers (different educational & experience background: mechanical, industry design, production automatization)
- Cooperation with external institutions: design agencies, printing houses, technical universities, clinics & hospitals
- Advanced engineering software (ProE, Mechanical Desktop)
- SLA modeling capabilities
- Inhouse tooling lab
- Design experiments & Prototyping



Project Management

- Project team & project manager reporting directly to CEO
- Communication with Customer through advanced media to include videoconferences and WebX meetings
- Project team always available for face-to-face meetings
- Design input requirements and the customer's design language guide as the basis for cooperation
- Joint reviews of input vs. output
- MS Project timeline for continous monitoring of progress
- HTL is engaged at the highest level with the ability to provide SLA models, and develop prototypes with the use of single cavity molds at HTL's sole expense



Patents and licenses

- HTL has over 30 international patents and licenses, especially within the scope of skin lancing devices

- They include:

- » Various variants of construction of the activating mechanism
- » Adjustment of lancing depth and thrust
- » Prevention of a chance withdrawal of the needle
- » Ergonomics of the external form, etc.



- sell the products that use specific patents after submitting them in countries of business in order to avoid any risk of patent infringement

Growth strategy





Growing number of diabetics

- **1985** – global population of diabetes: 30 million
- **1995** – growth to 135 million
- **2003** – growth to 194 million
- **2025** – estimated growth to **350 million** (according to International Diabetes Federation)



Why HTL?

- Unique technology and know-how of efficient needle molding
- Experience in automated product assembling and cooperation with production automation companies like Sortimat GmbH
- Fast prototyping and toolmaking
- Effective marketing – launch of new products in 4 months period
- Experience in precise needle grinding, new technologies brought in 2007
- Production cost control and advantageous location in Special Economic Zone (tax shelters)
- Quality and high performance proven over the years of cooperation with multinational companies
- Financial support from EQT, the new owner of HTL



