



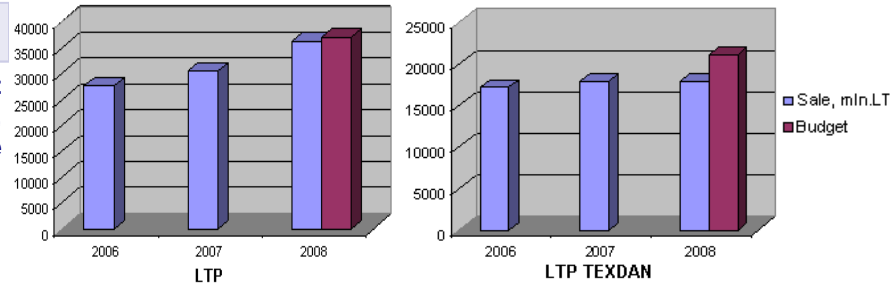
2009 April

Newsletter

- Challenge us!

LTP activity results

Here's the information about the financial result for 2008, present situation and future expectations.



LTP

Audit for 2008 was finished, and we are happy to state that we have reached all our sales and profit plans for the last year. That was really not easy, therefore it's a fantastic achievement for us! We have great confidence from all institutions working together with us—banks, insurance companies etc. We keep our promises, and that is very important to have a good name: the banks will help us in case of need.

As we know, the global economic crisis has first hit Iceland from where one of our biggest customers SPORTIS come. The exchange rate of Icelandic Crone dropped very much, the credit limits for all the Icelandic companies were cancelled. So, the situation for SPORTIS is very difficult, and that makes it difficult for us, too. Also sale in the whole world has dropped – so we have less orders for PEAK, HESS. On the other hand our sales department is fighting very tough to get new customers – and they do succeed! And we are all doing our best to keep the quality and delivery dates to the customers. We are already receiving orders and planning to start production for big German companies VAUDE, GLOBETROTTER, last year we started cooperation with a Swiss sports goods brand

SCOTT, German company JAKO-O, and this year they plan to increase the orders for us a few times.

We have no doubt that we will survive the crisis, but all of us have to help the company by saving in all corners, working more efficient and creative, accepting annual or unpaid holiday at the time when we have less orders.

LTP TEXDAN

As earlier informed, our furniture production was first touched by the crisis. So already in the last quarter of 2008 we had less sales than we had planned. Also Theca's production was moved to their own factory. We had to fire part of the employees both in Silale and in Kedainiai and pay compensations. At the same time we have started all possible savings, the employees in administration accepted reduction of salaries. We have succeeded to avoid loss in the financial reports for the year, and that we treat as a big achievement in such a difficult period.

Beginning of 2009 is not easy, too: our biggest customer HAAG doesn't have so many orders for us as before, CAMIRA and DSB is

not placing orders at all. These are Silale's customers, so the situation is getting very difficult there. Kedainiai upholstery department also has difficulties, as the main customer AHREND also significantly reduced its orders. Due to decrease of orders all employees accepted 4 working days per week, because our biggest wish is to keep all work places. But we are optimistic towards the future, because we already feel the work results of our re-enforced sales department. We plan to start production of home furniture upholstery for Swedish companies WILO and KONTINENTMOBEL, we agreed to increase our capacity for our German customer KIEL. In mid March we visited a big office chairs producer in Sweden EFG and are now negotiating the prices and hope to sign a cooperation agreement.

So, we are positive towards the present challenges and optimistic towards the future. Crisis is the time when we are forced to learn, change and show what we are really worth. The management of LTP GROUP is very grateful for your understanding and determination to seek for solutions together in order to survive the difficult time.

Meet Tadas Jeršovas

Area of responsibility: sales development. Tadas joined us a month ago as a free-lance agent. He is helping Zaneta's team to search for new customers for sportswear and ecological garment production. Tadas has big business development experience, he has worked a lot both with Lithuanian and foreign companies on export development to various countries of the world.
Interests: mountaineering, down-hill skiing, kayaking, mountain bicycling, travelling, other active leisure.
Favourite phrase - "Never stop exploring".



LTP family members in Belarus — LTP BELVIT

Here is a small photo-report about our relatives in Belarus, Vitebsk. LTP BELVIT is a sewing factory founded in April, 2007 and producing a big part of LTP sportswear orders. It is hard to believe that 2 years ago we started from zero: fully renovated all premises, hired people, in small steps learned to work according to high LTP quality requirements. 73 people are working in BELVIT now and the production quality corresponds the standards of the most demanding LTP customers.



Director Jelena Archipova



Mechanics Andrej and Vitalij



Chief accountant Tatjana Sudnikovic



Master of sewing dept. Svetlana Grigorjeva



Packing master Svetlana Demidova



Technologist Marina Kalinkina

LEAN manufacturing will be implemented in LTP TEXDAN

Implementation of LEAN manufacturing is our main project for 2009. LEAN is a method based on single piece (or small portions) production. Implementation of LEAN allows to get rid of all "waste", which obstructs fast production of orders, i.e. waiting, delays, lots of equipment, unnecessary actions and processes. In other words, LEAN

method allows to produce more, faster and with less resources. No investments or new equipment is needed for the implementation of this method, we only need to change the people's mind and big wish to put everything in order and keep it. Gitana (common processes) and Edita (production) are leading the implementation of LEAN. The

whole LEAN team is helping them: Inesa, Rolandas, Vilma, Grazina. During the preparation for the reorganizations all team members participate in trainings, read special literature, visit foreign enterprises where LEAN is implemented. We have decided to be prepared for reorganization of the production lines till May 1st. By that time

we will sort the products by certain families, make production time-tables by families, create the schemes of lines' set-up. By May 1st we also have to make general cleaning of production and stock premises, create the system of keeping the order, talk to the people so that everybody clearly understands what and why we are doing.