

Press Release

August 27, 2010

Investing into Technologies Ensures the Stability of *Klaipėdos Baldai*

Based on unaudited data, sales of *Klaipėdos Baldai* – a company engaged in serial production of carcass furniture – reached the amount of 69,835 million Litas over the first six months of 2010. The company made a profit of 2,112 million Litas before tax.

According to top management, despite the fact that Company's sales from January until June were lower than planned, judging by the market movement in the second half of this year it may be expected that operational results set for 2010 will be achieved.

“This year, sales were more than ever influenced by the seasonability in the furniture market that is usually noticeable in spring and in the beginning of summer. The second half of the year is always more successful for furniture makers; we are seeing signs of the market movement, thus we are not changing our operational results set for 2010”, says Ramūnas Marozas, the Director of *Klaipėdos Baldai*.

The head of the Company believes that despite the essential changes in global economics operational activities of *Klaipėdos Baldai* can be described as stable and profitable.

“Consistent annual investments into new technologies (this year the Company is planning to invest into this particular area over 3 million Litas) allow increasing production efficiency and optimising costs as well as preserving jobs. This ensures operational stability and gives an advantage in terms of competitiveness”, says R.Marozas.

Klaipėdos Baldai exports over 90 percent of its products. The main buyer of the Company's carcass furniture is a Swedish concern *Ikea*.

“Long-term relationship with our partners is the basis for stability during the crisis. Like any industry in the country, furniture manufacturers are just starting to recover and are not using their full potential for production. On the other hand, there are obvious signs of movement within the market, which makes us feel optimistically”, says R.Marozas, the Director of *Klaipėdos Baldai*.