



Invest
Lithuania



ICT Industry in Lithuania:

Sky is not too high

Market Opportunities

- World's 2nd speediest upload Internet
- World's 6th and Europe's No. 1 fiber broadband penetration (23%)
- Europe's highest fiber optic density
- Europe's densest network of public Internet access points (875)
- EU's highest GSM penetration of 147%
- Global leader in mobile e-signature
- 40% of population with higher education, 90% speak at least one foreign language, 50% speak two foreign languages
- Financial and other support for R&D and business development projects
- Intellectual property protection in line with EU requirements

Lithuania is ranked
23 out of 183
world's economies
on the ease of doing
business *and outpaces Latvia, Slovakia, Slovenia, Poland and Hungary. The country is listed among 6 European economies (including Estonia, Hungary, Slovenia, Spain, and Sweden) which improved in three or more areas covered by the report.*

*Doing Business 2011:
Making a Difference for
Entrepreneurs
by World Bank*

Industry Overview

Lithuania has the largest ICT industry in the Baltic States with an outstanding potential both for local as well as foreign expanding businesses.

13 out of the 20 largest IT companies in the Baltic States are based in Lithuania. The Lithuanian GetJar, the world's leading open mobile application download provider, has been recently awarded by World Economic Forum as most innovative Technology Pioneer 2011 companies. Ilja Laurs, founder and CEO, was listed one of the 40 most influential leaders in the world's mobile communication industry in 2009 as well as awarded European Manager of the Year 2011. Also,

Lithuanian Pixelmator currently ranks as the fourth best-selling mobile application creator on the Mac App Store, trailing only Apple's own applications.

There are more than 20,000 IT professionals employed on the market with an additional generation of around 4500 studying IT curriculums in 15 higher education institutions across the country.

It is expected that by 2015 products of IT, laser technologies, biotechnologies, nanotechnologies and materials science will constitute 25 % of Lithuania's GDP and 80 % of national export.



Northern Europe Service HUB 2015

The Lithuanian Government has set a strategic goal to be achieved by the country by the year 2015 - to become the Northern Europe Service Hub. By 2015 the share of exports of services should make approximately 1/2 of Lithuania's total exports. Similarly, it is expected that 1/2 of the total FDI in Lithuania will settle down in the services sector by 2012.

World-leading ICT infrastructure

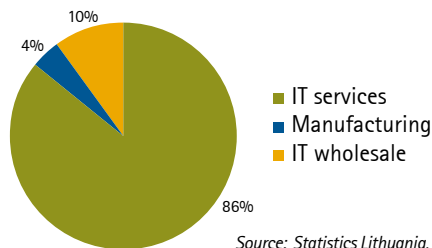
With world's leading ICT infrastructure and an impressive list of significant European and global records, Lithuania is becoming the Northern Europe Service Hub:

- EU's greatest mobile penetration of 147%
- World's No. 1 in the number of mobile telephone subscribers per 100 population - 3.4 million of Lithuanians use almost 5 million active SIM cards
- Global leader in mobile e-signature
- Biggest number of smartphone users in the Baltic States
- 13 out of the 20 largest IT companies in the Baltic States are based in Lithuania
- Lithuania was ranked 34th and was ahead of Hungary, Latvia, Slovakia, Poland, Bulgaria and many others in Digital Economy Rankings 2010 by the Economist Intelligence Unit

Internet

- Europe's speediest and world's 2nd speediest Internet
- World's 6th and Europe's No. 1 fiber broadband penetration (23%)
- Europe's greatest fiber optic density
- Europe's densest network of public Internet access points (875)
- 50% of the Lithuanian population use e-banking and 86% declare their income tax online
- EDGE technology, 3G mobile communications infrastructure, WiMAX 4G Internet

Lithuanian IT Market Structure, 2010



Exclusive Talent Pool

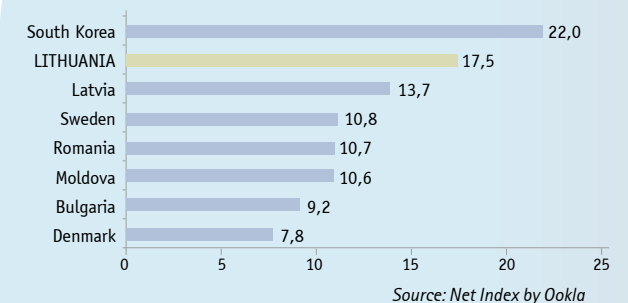
With 40% of the population having completed higher education, Lithuania has one of the best educated workforces throughout the European Union. Lithuania has one of EU's most educated people and is also among the top 5 EU Member States with the best multilingual skills:

- 90% of Lithuanians are able to participate in a conversation in a language other than their mother tongue. The EU-25 average is only 50%.
- 50% of the population speak two foreign languages
- 90% of Lithuanians are able to speak Russian, almost 40% speak English, and around 20% know the German language

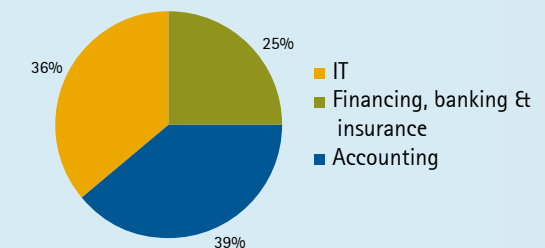
Biggest technical universities in Kaunas and Vilnius, partners with IBM, Cisco, EMC, Microsoft, Oracle etc.

More than 38,000 employees in the ICT and telecommunications.

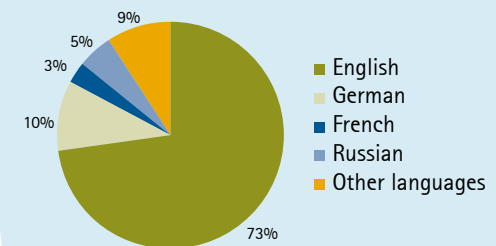
World's 2nd fastest upload Internet in 2011, Mb/s



Students in universities and colleges, 2010



Studied Languages, 2010



Source: Statistics Lithuania, www.stat.gov.lt

CSC chose Lithuania to offshore from Denmark base because we found here very skilled IT specialists and Scandinavian languages.
CSC

Lithuania came up as one of the best cost/quality countries for ICT sourcing (specifically with regards to data entry, customer support specialists) amongst Estonia, Latvia, Lithuania, Poland, the Czech Republic, Hungary, Romania and Bulgaria.
Innovation Norway the Baltics

The Baltics offer lower costs than Western Europe but with the regulatory certainty of the EU.
Financial Times

Salary Rates

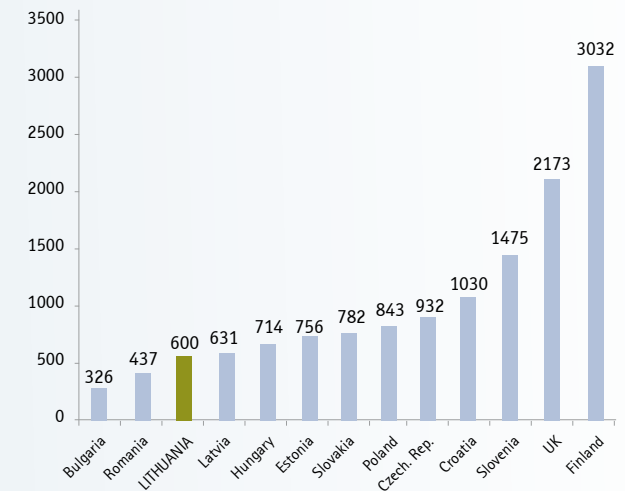
Labour costs in Lithuania are more than twice lower than those in other EU countries and the US. The minimum monthly wage in Lithuania is currently EUR 232, and the minimum hourly wage is EUR 1.4. The average gross monthly earnings have decreased due to the economic recession. After reaching a peak of EUR 672 in 2008 Q3, they reached ~ EUR 600 in 2011.

Average yearly gross salaries of IT personnel, EUR

Role	Lithuania	Republic of Ireland	Czech Republic	Poland	Slovakia	Hungary
Executive						
Chief Technical Officer/ Chief Information Officer	35,000	100,000	65,000	51,000	60,000	88,000
IT Director (Head of IT)	32,000	90,000	48,000	45,000	45,000	57,000
Hotline Technical Support						
IT Manager	27,000	65,000	38,000	39,000	36,000	40,000
Help Desk Supervisor	17,000	35,000	29,000	24,000	23,600	17,000
Help Desk Support (2 years experience)	11,500	25,000	16,000	15,000	12,000	13,000
Technical Support						
Technical Support Team Leader	16,000	45,000	28,500	21,000	24,000	20,000
Technical Support Level 1	12,000	25,000	13,000	12,600	12,000	18,000
Technical Support Level 2	14,000	32,000	16,800	15,000	20,000	20,000
Technical Support Level 3	16,000	40,000	25,000	17,000	25,000	30,000
Network Engineer (3-5 years experience)	25,000	40,000	26,400	27,000	25,000	34,000
Development						
Senior Architect	34,000	85,000	43,000	30,000	40,000	50,000
Architect	25,500	68,000	38,000	27,000	32,000	40,000
Development Manager	29,000	70,000	37,000	45,000	30,000	48,000
C/C++ (3-5 years experience)	20,000	45,000	24,000	24,000	22,000	27,000
Java (3-5 years experience)	22,800	48,000	28,800	24,000	26,000	27,000

Source: Salary Survey 2011 by Grafton Recruitment Group

Average monthly gross wages, EUR, 2010

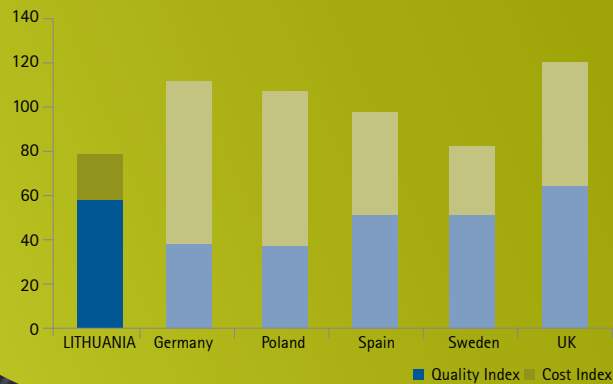


Source: WageIndicator Foundation, Statistics Lithuania

Case study: IT technical support centre

benchmark by fDi Intelligence from the Financial Times Ltd (2011)
fDi Benchmark – Location Attractiveness Index

The benchmark study examines the following key investment criteria for establishing and operating an IT technical support centre in Lithuania, Poland, Germany, Spain, Sweden, and the UK: (1) costs competitiveness, including labour costs and other operating costs, and (2) quality competitiveness, including general business environment, labour availability and quality, presence of an industrial cluster, infrastructure and accessibility, and living environment.



This study highlights Lithuania's absolute advantage against other European locations in terms of the lowest labor and telecommunications costs, general business environment and living environment.

Location	Labour Cost	Telecoms
Germany	3,277,196	298,189
Lithuania	819,925	155,171
Poland	950,652	289,992
Spain	2,082,579	318,822
Sweden	2,777,958	236,007
UK	1,866,422	282,644

Note: This study was carried out using the corporate location assessment tool fDiBenchmark.com from the Financial Times Ltd.

Lithuania today offers one of the most attractive value-for-money solutions in Europe, when it comes to establishing an IT technical support centre.

fDi Intelligence from the Financial Times Ltd

Supporting Infrastructure

The EU's Transportation Commission named Lithuania as EU's prime transport centre as:

- two Trans-European Network (TEN) corridors cross Lithuania
- there are 4 international airports
- Klaipėda State Seaport is the regional transport hub connecting sea, land and railway routes from East to West. It is the northernmost and only ice-free seaport on the eastern shore of the Baltic Sea
- Lithuania has the regionally best network of roads and highways

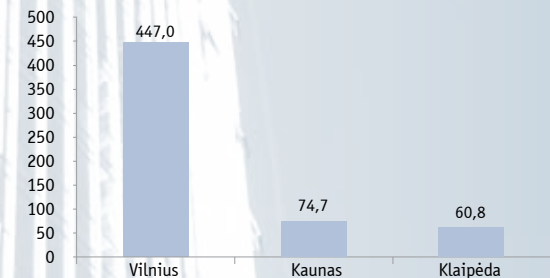
Perfect Place to Live

- Competitive living costs - among Top 10 least expensive European countries (Eurostat)
- The quality of life in Lithuania is one of the highest among EU members (higher than, for example, that of Sweden, Great Britain and Greece) as well as No. 22 in the world (International Living 2010 Quality of Life Index)
- 4 UNESCO World Heritage Sites
- Well-preserved nature, ecological tourism
- World-class entertainment and leisure services, international cultural festivals

Modern Office Space Availability

Lithuania's largest cities offer modern A and B class office space. In the capital city Vilnius offices are available for 5,7-12 EUR/m², whereas in Kaunas and Klaipėda monthly office rent costs 2,8-10 EUR/m².

Modern Office Space Availability in Largest Cities, thous. m²



Source: Real Estate Agency Ober-Haus, www.ober-haus.lt

We chose Lithuania because of **the high quality of education** here, which has resulted in the development of **world-class IT professionals**, many of whom are **multilingual**, and because of the quality of Lithuania's **technology and connectivity**. We will show the world the **talent** exists in Lithuania.

Barclays Bank

BARCLAYS

Barclays Bank (UK) established a Technical Support Centre in 2010 in the city of Vilnius. Company has already created almost 700 jobs. Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate and investment banking and wealth management with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs 147,500 people worldwide.

IBM

In September 2010 the multinational computer, IT and technology corporation IBM and the Government of Lithuania signed a 5-year agreement to carry joint IBM's and Lithuanian scientists' research.

In mid-May 2011 IBM and Swiss Federal Institute of Technology of Zurich (ETH Zurich), a premiere European science and engineering university, opened a Binnig and Rohrer Nanotechnology Center, located on the campus of IBM Research – Zurich (Switzerland). At this new state-of-the-art nanotechnology centre in Zurich Lithuanian scientists will focus on integrated photonics and novel photonic materials to create faster computers, improved solar technologies, and nanopatterning security tags for advanced anti-forgery technology. IBM will collaborate with scientists from Vilnius University, Kaunas University of Technology and Centre for Physical Sciences and Technology.

Lithuania and IBM will share equal rights to the intellectual property, and R&D commercialization, such as patents, IP licenses, products and prototypes that result from the center's activities.

Also, IBM's centre in Haifa, Israel, will as well partner with Lithuanian scientists on a variety of healthcare projects that will aim to provide a better understanding of how to diagnose, and treat life-threatening diseases, such as cardiovascular disease.

Our research partnership with Lithuania presents an opportunity to share skills, assets and resources to achieve common research goals in nanotechnology, healthcare and intellectual property. The joint research centre with a global high-tech giant undoubtedly marks a huge achievement for Lithuania, which is turning into a country creating innovations for the entire world.

IBM

Success Stories

CSC

The global leader in IT services, employing 91,000 professionals around the world, Computer Sciences Corporation (CSC) of the United States, entered the Lithuanian market in 2008. Lithuania was selected by the company as the geographically best place for the expansion of business in the Baltic Sea Region. Also, Lithuania was evaluated as the country maintaining very close and successful business relations with Northern European countries. Investment amounted to EUR 11.27 m. Now there are more than 200 employees based in Vilnius.



GetJar is the world's largest open mobile application platform among industry heavyweights playing in the same field as giants such as Apple, Google, Microsoft and Nokia. Since 2005, GetJar provides a global mobile application distribution and monetization platform to over 350,000 developers, from one-man shops to established brands like Google, Microsoft and Facebook. To date, GetJar has served 2 billion downloads across all major handsets and platforms to consumers in more than 200 countries through its own site and a network of OEM and carrier partners that include Vodafone, AT&T, LG, Sony-Ericsson and others.

World's 2nd largest mobile application store.
World's most innovative Technology Pioneer 2011 companies by World Economic Forum.

Ilija Laurs, founder and CEO of GetJar, European Manager of the Year 2011 by the European Business Press as well as one of the 40 most influential leaders in the world's mobile communication industry in 2009 by Informa Telecoms & Media.
2009 Mobile Excellence Award for Best Mobile Service.
2009 Meffy Award for Best Direct to Customer Service.
In 2009, GetJar became the first Lithuanian company which established its branch at the Silicon Valley, California, USA, the best known high-tech hub in the world.

Lithuania is the right place to start a business – establish a company and develop as well as test your products.

If I started a business one more time, I would definitely do that in Lithuania again.

Ilija Laurs, CEO of GetJar

BalticDataCenter TEO GROUP

The leading data centre and outsourced IT services provider in the Baltic States, recognized as the best regional data centre in the Eastern and Central Europe. The company is a member of the TEO Group, the largest provider of integrated telecommunications, IT and digital TV services in Lithuania, partly (60 %) owned by TeliaSonera.

BDC operates 5 modern data centres in Lithuania, which meet the highest requirements of security, and employs over 180 employees with globally recognized competence certificates. BDC provides services to customers in Lithuania, Latvia, Estonia, Finland, Poland, Denmark and Japan.



With headquarters in Vilnius, Lithuania, Alna Group is a global provider of ICT services. The company employs more than 400 IT professionals and business consultants in the Baltic States and Poland. Alna Group now offers its clients a broad range of solutions and services in more than thirty countries spread over five continents.

Alna Software is an outsourcing partner and developer of customised products to companies such as Deutsche Bank, Bentley Systems, Ericsson Erisoft, LHS, and DnB Nord. Alna Business Solutions offers integrated and customized client relations management (CRM) solutions to enhance their customers' sales and thus increase their income. Alna Intelligence is one of the leaders in the IT consulting and services market in the Baltic States.

...and many others:

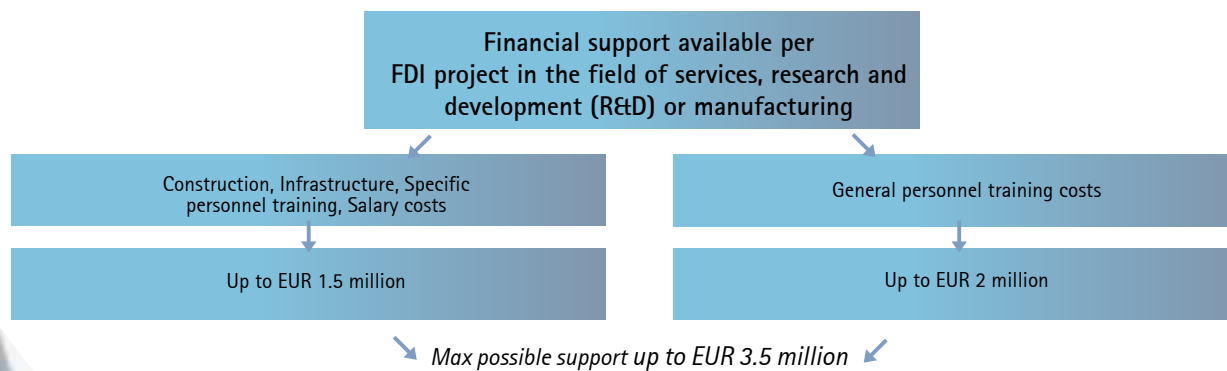


INVEST LT+ Financial Incentives Programme

Foreign investors interested in locating a business in Lithuania as well as foreign companies already operating on the Lithuanian market but eager to further expand may apply for INVEST LT+ financial investment support of up to EUR 3.5 million per investment project.

INVEST LT+ provides financial support to cover personnel training costs (up to EUR 2 million) as well as eligible construction, infrastructure and salary costs (up to 1.5 million), incurred by foreign investors establishing a services business unit in Lithuania. The financial support tool is designed to support foreign businesses investing into the production of export-oriented high-quality services as well as establishment of qualified jobs on the market.

Multinationals such as Barclays, Western Union, Ideal Invent and SEB have already benefited from INVEST LT+ support when settling down in Lithuania.



Incentives Application Cycle (2-3 months)



Information and Service Point

INVEST LITHUANIA is a team of more than 30 professionals actively working to facilitate foreign investors in Lithuania, as well as to spread the word all around the globe about immense business opportunities on the biggest market among the Baltic countries. INVEST LITHUANIA is ready to make your investment dreams turn into a real success story in Lithuania.

The agency has helped such companies as BARCLAYS BANK (UK), WESTERN UNION (USA), IDEAL INVENT Technologies (India), SYSTEMAIR (Sweden), MOOG (USA), SEB (Sweden), CIE AUTOMOTIVE (Spain), IBM (USA), FINNFOAM (Finland), INDORAMA (Thailand), DEMATIC (Germany), RGE (UK), ALBRIGHT INTERNATIONAL (UK), CHRISTIE TYLER (UK), MARZOTTO (Italy), METSO PAPER (Sweden), INVACARE HOGH (Denmark), GLENDALE CABINS (UK) and many others to start doing business in and with Lithuania.

INVEST LITHUANIA. Working answers.

"I have worked with a number of groups such as yours over the years and I can safely say that the professionalism, flexibility and speed of execution was without doubt the best have experienced."

David Larkworthy, former SVP Head of Operating Strategy, EMEA-APAC, Western Union Financial Services

"When we started collaborating with the Ministry of Economy and INVEST LITHUANIA, we received a very favourable standpoint and much interest as well as support, and decided not to look elsewhere."

Premkumar Bhagwatsaran, CEO of Ideal Invent Technologies



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