



LITHUANIAN DEVELOPMENT AGENCY

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INTRODUCTION

Top ten shared services and back-office operations, including contact centres employ 2.650 staff in Lithuania today. Managers of services centres in Lithuania see “no dark clouds on the horizon” and plan ambitious growth in the coming months and years.

Datamonitor, a research firm, forecasts that the number of contact centres will rise from 50 to 75 by 2009 and the employee number will grow by 60 percent to 4.600.

Only in March, we witnessed two multinational business services companies opening new offices here.

Computer Sciences Corporation (CSC), a leading global technology enabled business solutions and services company, has offshored from Denmark to Vilnius, the capital city, with a team of 80 to be expanded to 150 specialists by the end of 2008, to serve clients in Scandinavia. CSC chose Lithuania as its Baltic hub after the careful analysis of the business climate, availability of human resources and other factors in the region.

Another company is Dematic, a German-based global leader in logistics automation equipment supply, which has opened its engineering office in Lithuania’s industrial centre Kaunas. It is now the first and only engineering consulting office of DEMATIC in Eastern Europe and second after the UK for the company’s activity in the Northern European area. The company started with 12 young engineers and has invested some LTL 3 million to start the operation with a perspective to expand to 70 engineers in four years time.

Mr Michael Baul, Head of Production at Dematic in UK, says that the biggest technical university in the Baltics which is located in Kaunas, and, also, Lithuania’s proximity to one of Dematic’s major markets, Scandinavia, were strong factors influencing Dematic’s decision to select Lithuania. Other factors which had a significant influence were a well-developed infrastructure, air links, competitive costs as well as business-favourable labour market trends.

Business services investors all agree that Lithuania provides flexibility to their business. By staggering functions in multiple locations, companies can make cost and benefit trade-offs and adjust the functional mix over time as cost and availability of people vary.

Analysts and market players expect the pay level to rise as a logical consequence of rising inflation and convergence with the EU living standards process. However, findings by AT Kearney suggest the wage-cost advantage of offshore locations will last for at least another 20 years.

The growing demand for new offshoring locations has been matched by a boost in supply as governments realise that, with a few policy changes, they can attract foreign direct investment and create high-value jobs for their young graduates. The Lithuanian government has recently approved The Investment promotion programme for the years 2008-2013 to benefit investors and their people.

SERVICES CENTRES IN LITHUANIA

Lithuania is home for 40 to 50 in-house and outsourced call centres with over 3.000 agents working for them, as to different market sources. Datamonitor, a research firm, forecasts that the number of sites will rise to 75 by 2009 and the employee number will grow by 60 percent to 4.600. There is no market research yet on back-office services, such as reporting and accounting or IT support services providers.

Top ten services centres, including contact centres, employ 2.650 staff today and plan ambitious growth in the coming months and years. Contact centres in Lithuania work mainly for telecommunications, IT, finance and tourism services companies.

The tendency is expected to remain with offshoring increasing most rapidly in IT and telecommunications services or 20 percent on average. Investment into call centre equipment and development will rise by 20 percent to 5.4 million LTL in 2009 compared to 4.4 million LTL spent in 2006.

The global offshoring market is currently worth around US\$40-\$50bn and is growing by around 30% a year. At that rate, it will double to US\$100bn by 2008, as to the Economist Intelligence Unit survey.

Largets Shared Services/Back-office operations in Lithuania

Company Name	Type of Shared Service Activities	Headcount	Country of Origin
1. Transcom Worldwide	Client Relations Management, Contact Centre	800	Luxembourg
2. Lintel	Contact Centre	800	Lithuania
3. Alna Group	Consulting and services, Customized software solutions, Enterprise application solutions and consulting	691	Lithuania
4. Barclays Bank PLC	IT Support Centre	250	United Kingdom
5. Baltic Data Center	IT Service Desk	130	Sweden and Finland
6. CSC Baltic	IT support and business process outsourcing	81	USA
7. Mirror Accounting	Invoice administration and other related services	43	Norway
8. Citco Business Processing	International administrative support (accountancy)	30	Netherlands
9. Evoco	Back office services in respect of processing loan applications	30	Norway
10. Anthill Baltija	CRM	25	Sweden
11. Dematic	Engineering consulting on logistics automation	12	Germany

Source: Lithuanian Development Agency

CASE STUDIES



Transcom Worldwide owns one of the biggest contact centre company in Lithuania, which is part of a global outsourced services network with 73 sites employing over 17.000 agents in 29 countries worldwide and net sales of EUR 599.2 million in 2007. Company's net income was EUR 24.3 million last year. Transcom started operations in Lithuania in 2002. Since then they have expanded to almost 800 multilingual employees who serve clients mainly in Lithuanian and English but also cover other European languages like Latvian, Estonian, Russian, Polish, German, Spanish, Italian and French. Transcom has two call centers: one is located in the capital city of Vilnius and the other brand new one is based in Kaunas, second largest city, and is the largest nearshore contact services provider in Lithuania. Transcom Worldwide Vilnius provides services to about 55 national and international companies like leading telecommunications companies TELE2 and OMNITEL, biggest oil supplier STATOIL, catalogue companies imp (International Masters Publishers) and RedCats, entertainment company VIASAT, travel sector companies STENALINE, HOTELCLUB, OctopusTravel, Menzies Client Solutions and others.



Lintel, UAB opened their office in Lithuania in 1992. In 1998 Lintel was acquired by TEO LT (formerly Lietuvos Telekomas), part of TeliaSonera, Swedish-Finnish telecom. Lintel owns four contact centers that are based outside Vilnius, the capital city. Lintel is the leader in this business sector by employees. The company has expanded to 790 workplaces by year-end of 2007 or 20 percent more than in 2006. Annual turnover for 2006 was 32 million LTL. Lintel also provides inquiry services (118).



With headquarters in Vilnius, Lithuania, **Alna** is a global provider of IT services. With annual revenue of EUR 45 million (2006) and almost 700 professionals and business consultants in three Baltic countries, Alna has focused in three main IT areas - IT services and consulting, enterprise resource application solutions and software development. Having started its activities 18 years ago, currently Alna has customers in more than thirty countries over five continents.

Alna Software is an outsourcing partner and developer of customise products to such companies as Deutsche Bank, Bentley Systems, Ericsson Erisoft, LHS, and Nord/LB Lietuva. Alna Business Solutions offers integrated and customized client relations management (CRM) solutions to enhance customers sales and thus to increase their income.

Alna Intelligence is one of the leaders in the IT consulting and services market in the Baltic States. It has been the first company to provide comprehensive consulting on issues of IT system design, supply, installation and maintenance.



In 2009 Barclays, a major global financial services provider, operating in over 50 countries, employing over 145,000 people and servicing more than 49 million customers and clients worldwide, signed an agreement with the Government of Lithuania to establish a Barclays Technology Centre in Vilnius.

Barclays Technology Centre in Vilnius, expected to launch its operations in summer of 2010, will be of strategic importance to Barclays, along with centres settled in India, Singapore and the United Kingdom.

Lithuania was chosen as an offshore location for the Barclays' banking activity expansion because of the very well-developed Lithuania's technology infrastructure and proximity to other markets as well as because of the high quality of the Lithuanian education system, particularly in mathematics and physics, which has resulted in the development of a pool of world-class IT professionals in Lithuania, many of whom are multilingual.



CSC Baltic is part of a leading global IT services company *Computer Services Corporation* with the annual revenue of USD 16,9 billion worldwide.

The company has started with the staff of 80 and it will double by year-end. In the coming 5 years the company is planning to expand to 400 employees.

With approximately 91,000 employees, CSC provides innovative solutions for customers around the world by applying leading technologies and CSC's own advanced capabilities. These include systems design and integration; IT and business process outsourcing; applications software development; Web and application hosting; and management consulting.

CSC chose Lithuania as its Baltic hub after carefully analysing business climate, availability of human resources and other factors in the region. SAS, Bombardier Transportation and other Scandinavian companies are among major customers.

DEMATIC

Dematic, German-based global leader in logistics automation equipment supply, opened its engineering office in Lithuania's industrial centre Kaunas in March 2008. The company now has 12 young engineers. Dematic has invested LTL 3 million (around 500.000 GBP), mainly in the training of the specialists. Dematic expects to have 70 engineers in four years.

This facility is now Dematic's second engineering consulting office after the UK for the company's activity in the Northern European area.

Dematic has installed over 4000 automation logistics systems worldwide. Tesco, Sainsbury, Walmart, Carlsberg, Heinz, Roche and Samsung are among the key clients of the company.



Citco is a rapidly expanding group of companies specialising for over 65 years in the financial services industry. The group's core activities include global business solutions, fund services, banking and custody.

Citco, which employs over 4.200 people worldwide in 37 countries, opened its office in Vilnius in 2007. Citco has recruited 30 employees and it expects to double by 2008. UAB Citco Business Processing is an integral part of the global business solutions and through this shared services centre it provides accounting and reporting services to top class international clients.

EVOCO

Evoco Financial Production Services, a joint-venture of *Lindorff Accounting AS* and *Storebrand Bank ASA*, has a staff of 30 employees in Lithuania. Both parties established a company in Lithuania known as Evoco UAB. It will provide back office services for Storebrand Bank, principally in respect of processing loan applications. Each of the two parties own 50% of the company, which is classified as a jointly controlled company in the Storebrand Bank consolidated accounts.



Baltic Data Center (BDC) started its activity in Lithuania in 2002. 100% of the company shares belong to AB TEO LT, part of TeliaSonera of Sweden and Finland. At the moment more than 130 highly qualified employees work for the company.

BDC is the first Baltic company in the sector to get international information security certificate ISO 27001. The company maintains close cooperation with international and Lithuanian IT business leaders.



Anthill Baltija established an office in 2003. They have created 39 workplaces. Anthill Baltija is part of "Dacke" group. The annual turnover in Lithuania for 2006 was LTL 1.2 mln. Anthill Baltija provides services only for Swedish companies.

HUMAN CAPITAL

Services businesses offshoring to other places first of all care for availability of well-educated, multilingual labour force at the location.

Multinationals would rather choose other locations than Lithuania for offshoring like India, Malaysia or neighbouring Poland, because of relatively small pool of labour here, but companies eager to have up to 150 staff tend to be successful.

Newcomers give evidence that they find what they need in Lithuania. They focus on young university graduates under 30, invest in their training and then start the business.

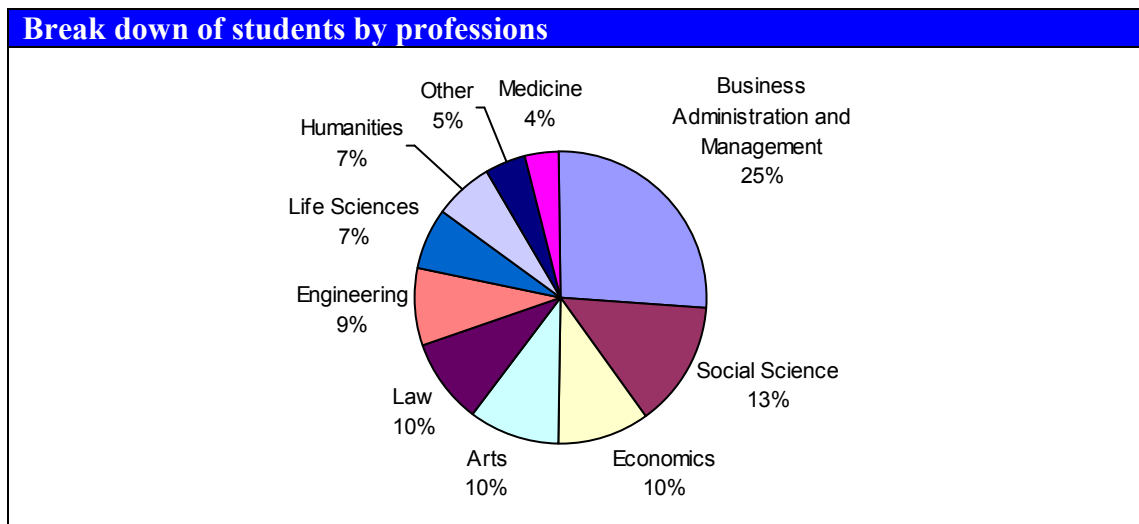
Marry Jo Morris, President of CSC World Sourcing, says that CSC Baltic, chose Lithuania to offshore from Denmark base because they found here very skilled IT specialists and Scandinavian languages speakers.

The company expects to have 150 staff by year-end and Ms. Morris says CSC "will grow here as long as Lithuania has enough people to hire". CSC Baltic has partnered with Alna, local IT services company to manage its human resources.

To recruit staff of 50 to 100 employees for an IT and back-office services focused business may take 6 to 9 months, as to locally operating human resources companies' experience.

There are 22 universities and 28 colleges in the country teaching almost 200.000 students.

As to professional diversity, a quarter of students in Lithuania have chosen to study business management. Economics or social science (accounting, finance and banking) stand for almost another 25 percent. Engineering, life science and medicine, law, arts, and humanities account roughly for another 10 percent each, as to the website www.manager.lt, an online human resources service (see the Diagram).



Source: *Manager.LT*

STRONG MULTILINGUAL SKILLS

Lithuania is among top five EU member states with best multilingual skills, a research by the European Commission highlights.

More than 90 percent of Lithuanians can speak at least one foreign language and every second Lithuanian speaks two foreign languages. Every third Lithuanian speaks English; eight Lithuanians out of ten speak Russian. Polish is much more widespread in Lithuania than in all other EU countries. Market players expect to have more English speakers in the future, because most of young people choose English as their second language in Lithuania.

Students studying foreign languages (2006-2007)	College students %	University students %
English	77,0	78,1
German	27,4	16,2
French	4,9	6,1
Russian	10,0	4,9
Other languages (mostly Scandinavian)	0,6	12,0

Source: *Lithuanian Department of Statistics www.stat.gov.lt*

NORDIC LANGUAGES

There is a Centre of Scandinavian Studies at Vilnius University www.vu.lt.

There were 44 BA students involved in Scandinavian Study Programmes in 2006. There were 41 Nordic languages graduates in 2006 (13 Swedish, 16 Danish, and 12 Norwegian). Also Finnish language study programme started in 2006.

Nordic languages study programmes change according to the demand, e.g. this year only Norwegian language study programme was launched (there were 16 applications to this study programme). Other languages studies (Swedish/Danish/Finnish) are continued.

Some 30 students choose Danish/Swedish/Norwegian languages respectively as an optional subject along with their main studies.

ENGLISH IS THE KING

Almost 730,000 school students of Lithuania's population of about 3.4 million people are studying foreign languages. Some 424,000 students or 58.3 percent study English, 201,000 study Russian (27.7 percent), 81,000 study German (11.2 percent) and 15,000 study the French language (2.1 percent). Spanish, Italian and Polish languages have been chosen by 248, 223 and 127 students, respectively.

Source: Ministry of Education and Science

ENGINEERS AND FINANCE PROFESSIONALS

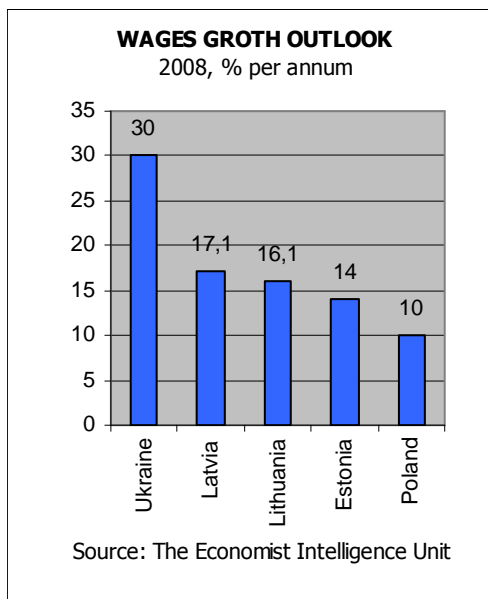
The leading engineering universities in Lithuania are Vilnius Technical University and Kaunas University of Technology. The first one provides education for 15,000 students, including 11,000 BA, 3,000 MA, and 65 Sc.D. The latter embodies a 18,000 students community that breaks down to 14,500 BA, 3,000 MA, 500 Sc.D.

The leading social sciences universities are Vilnius University and Vytautas Magnus University in Kaunas. Vilnius University in the academic year 2006-2007 had some 212 students in MA programmes of accounting, banking and finance. In 2006 there were 55 MA graduates in social sciences at the university. Vytautas Magnus University has provided education for almost 1,500 undergraduate and over 350 graduate students. 94 students study MA finance and accounting programmes. 29 MA graduates left the university in 2006.

PAY LEVEL

The average monthly salary before taxes at the year-end was 2052 LTL (594.3 EUR), according to the Statistics Department of Lithuania.

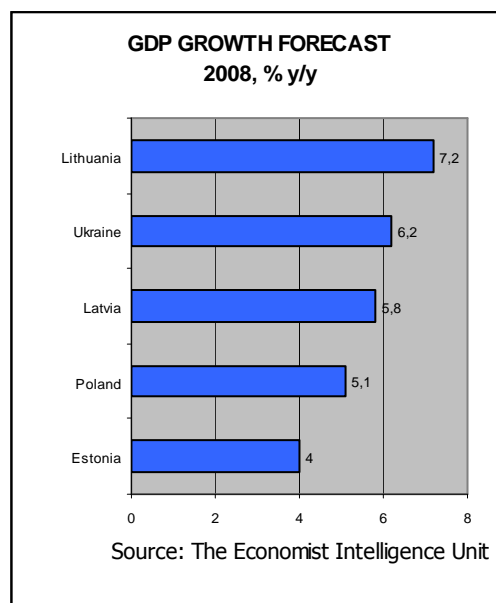
Hiring staff for an operation in Lithuania with a large team of IT, Human Resources and Finance & Accounting activities would mean paying more than the average. But new graduates may be hired for a net monthly salary of 2100-2500 LTL (608-724 EUR), while engineers or experienced finance professionals may cost the employer from 3,500 to 5,000 LTL (1,000-1,450 EUR) or even more depending on the experience of the professionals.



Analysts and market players expect the pay level to rise as a logical consequence of rising inflation and convergence with the EU living standards process. Increasing mismatch between labour demand and supply has aggravated wage pressures. It has elevated inflation to some extent. However, there are some global factors behind rising inflation. A steep rise in energy prices, the shortage of commodities on the global market and higher demand for milk and meat in Asia resulted to unprecedented food price inflation highs during the past decade.

This has considerably pushed up consumer price index in Lithuania which was also a reason to demand a higher pay.

However, inflation growth is expected to slow down from 8.2 percent in 2007 to 6.0 percent this year as the growth in salaries will slow down, from 18.5 percent last year to around 15.0 percent in 2008, according to DnB NOR, a Norwegian-German capital bank in Lithuania.



The Ministry of Finance also forecasts that salaries will grow for another 15 percent this year and the growth will go under 10 percent next year. Lower inflation will be determined by the expected soft-landing of the economy this year and next year. However, strong exports growth last year and comparatively low national debt levels allow us to be positive about the development of Lithuania's economy in the foreseeable future.

Lithuania's GDP in 2007 grew 8.8 %. The economic development will moderately decelerate to 7.2 % and 6.4 % in 2008 and 2009 respectively, according to the Economist Intelligence Unit forecast. Lithuania is positioned better to whether the global slowdown compared to

Latvia and Estonia because its economy is more balanced between internal and external sectors.

OFFICE SPACE AND RENTS

Rather tense situation on the Lithuanian office market will become more balanced within two years, as to Colliers International, a global real estate consultancy, because supply of office space will outgrow demand in the future. More and more space will be offered not only in Vilnius, but also in other major cities of the country.

In 2007, the supply of Class A and B office space in Vilnius stood at 181,000 sqm, of which 71,000 sqm (39 percent of the total modern office market) was Class A space. Of the total modern office space brought to the market in 2007, half of it was Class A space. In 2008, the Vilnius office market space is expected to increase by another 40 percent.

The Kaunas office market is primed for some new modern economy class office space; though very few of the prepared projects have even made it to the construction stage (see Appendix II).

As a result, the existing area of Kaunas' office space (28,000 sqm) is expected to swell by another 48,000 sqm in 2008–2009. Three business centres are currently under construction in the port city of Klaipėda. It will add another 22,000 sqm to the city's current market of 50,000 sqm of office space.

Colliers notes that the demand for office space in Kaunas and Klaipėda was created by subsidiaries of Vilnius based companies. For example, in 2007 companies, such as Ruukki and Transcom, with central offices in the capital city of Vilnius, opened branches in Kaunas.

Office space of around 300 sqm remained the most popular. However, demand for larger spaces did increase. Small offices of less than 200 sqm in modern business centres are typically taken by local companies, rather than larger national or international companies.

Office rent (EUR m ²)	A-Class	B-Class	Projects under construction
Vilnius	16-20	10-17	14-21
Kaunas	-	9-14.5	12-17
Klaipėda	-	9-17	12-23
Šiauliai	-	6	-
Panevėžys	-	6.5	-

Source: Colliers International, Re&Solution

Office rent rates in Vilnius vary from 10-17 EUR/m² for B class offices to 16-20 EUR/ m² for A class offices. Office costs in Kaunas and Klaipėda vary from 9 to 16 EUR/ m² for B class offices.

Over the past year rental rates in the Vilnius office market have grown an average of 10–20 percent, depending on building class and location.

Despite the fact that there are quite a few planned projects for the coming year, net rental rates are expected to remain stable, as to Colliers real estate experts.

TECHNOLOGY AND COMMUNICATIONS

Lithuania shares up-to-date technologies which is one of the major needs to offshore services. New office buildings have well-placed communications infrastructure.

Also, with links to major European cities already in place, airlines are expanding their routes from Vilnius airport all over continental Europe, UK and beyond each year.

Ryanair, an Irish low-cost airline, takes flights from Kaunas, the second biggest city, on five routes to Frankfurt (Germany), London, Glasgow (UK), Dublin and Shannon (Ireland). Home to the biggest technical university in the Baltics Kaunas is just one-hour ride from Vilnius.

Direct routes to Copenhagen (Denmark) and Oslo (Norway) are also available from Palanga, a sea resort next to the port of Klaipėda, the third largest city of Lithuania.

MARKET PERCEPTION

Local businesses see newcomers as competitors at least for human resources. However, foreign business services start-ups do not directly compete for local clients with already established companies. Their customers are multinational real estate, finance or travel businesses eager to outsource secondary functions like customer support or reporting and accounting in order to focus on their core business.

Newcomers see Lithuania attractive because of stable political environment, it is reasonable with time zones, and not saturated with its competitors.

GLOBAL OFFSHORING TENDENCIES

According to the EIU report, three trends will continue to drive the shift to nearshoring. These include:

* Multi-lingual capabilities. India and other super-cheap locations cannot support operations in anything but English. Most companies also feel more comfortable with the cultural and geographical proximity of European locations and as Central Europe is still half the cost of the cheapest western European location, most are willing to pay a small premium needed to get a service centre that addresses these needs.

* More complex, customer-facing operations. As more and more transactions can be standardised and performed remotely, companies will be seeking locations which can provide more complex, higher-value services, including customer-service operations which require more sophisticated language and cultural skills.

* The rise of global service delivery. Global outsourcers prefer not to divide up the world into nearshore and offshore. They aim to develop a portfolio of cost-effective service centres that can run around the clock. To this end, even Indian vendors are now opening new centres in Central Europe to serve the global and European market.

Over the past decade, US-based companies have taken the lead in driving offshoring and outsourcing, with UK companies following on their heels. Now, the strongest demand is coming from continental European companies. These companies, located in Germany, France and Scandinavia, are eager to achieve the cost and efficiency benefits enjoyed by their Anglo-Saxon competitors but are far less comfortable moving whole swathes of their business to a far-off, English-speaking location like India.

RIISING COSTS PUSH FOR PROGRESS

In 2007 companies worldwide spent some \$280 billion on outsourced call centre services, according to NASSCOM, a call centre trade group in Delhi. Costs are rising (they jumped 30% last year in India), customers are becoming more demanding, and competition is increasing. So the companies that operate call centres are adopting new software to monitor and improve performance.

Source: The Economist

These newcomers to the offshoring world want services in their own languages and tend to demand a higher degree of cultural fit, especially in any customer-based service. They also want geographic proximity and similar time zones from their offshore locations. So, Lithuania can fit well into these current demands of offshoring companies.

SHIFT IN THE ATTITUDES

Only a few years ago, these concerns were not paramount as companies outsourced with just one goal in mind – slashing costs. However, many have now come to realise that pushing for the lowest cost possible can be bad for business. "Some companies saw dollar signs and went too far," – the EIU quotes Duncan Howard, Director of Customer Operations at Vodafone Egypt. "You can't expect customers to pay for premium services and not mind being handled by someone whose accent they can't understand and who has absolutely no knowledge about how things work in their country."

Rosita Vasilkeviciute, Transcom Country Manager for Lithuania, confirms there has been a lot of publicity on outsourcing to far East countries and frustration caused by accents and cultural distance in UK recently which forced companies to look for better business fit at near shore, especially Eastern Europe countries. With first English nearshoring steps made 6 years ago, now this business model makes almost two thirds of Transcom business in Lithuania. Moreover, Transcom has recently started providing part of Credit Management services for British clients, a top quality requiring service that usually would stay inland in the UK.

OUTSHINING COMPETITORS

Indeed Baltics and other countries like Bulgaria, Romania, Egypt or Jordan which have never before been on the radar as offshoring locations are now front and centre.

Newer contenders in Central and Eastern Europe are outshining more established locations, as Bulgaria, Slovakia, Lithuania and other Baltic States move ahead while the Czech Republic, Hungary and Poland either slip or remain unchanged in the rankings, AT Kearney's Global Services Location Index (GSLI) 2007 shows.

According to this research Lithuania is now among top 30 global offshoring locations with a score of 5.42 points compared to 7 for India (No. 1 in the GSLI) and to 4.18 points for Ireland (just the last to get among the 50 best locations).

While most “on-shore” or “near-shore” locations in developed countries improved their absolute scores, almost all fell in the rankings, as emerging markets improved their scores (in people skills and business environment) at a faster rate.

Each country’s score is composed of a weighted combination of relative scores on 43 measurements, which are grouped into three categories: financial attractiveness, people and skills availability, and business environment.

Appendix I

LITHUANIA: COUNTRY BRIEFING

**LAND AREA:**

65,300 sq km

POPULATION:

3.4 m (2007)

MAIN CITIES:

Population in '000 (January 1st 2007)

Vilnius (capital): 543

Kaunas: 358

Klaipėda: 186

Šiauliai: 128

CLIMATE:

Moderate continental; average temperatures range from -5 C in January to +23 C in July.

LANGUAGES:

Lithuanian is a member of the Baltic group of languages (along with Latvian and the extinct Old Prussian) and is the native language of 82% of the population; 8% are native Russian speakers and 7% have Polish as their mother tongue.

MEASURES:

Metric system

TIME:

Two hours ahead of GMT

CURRENCY:

The national currency, the litas (plural litai; LTL), which is divided into 100 centas. Between April 1994 and February 2002 the exchange rate was pegged at LTL4:US\$1. It was repegged to the euro on February 2nd 2002 at LTL3.4528:€1.

FISCAL YEAR:

Calendar year

PUBLIC HOLIDAYS:

January 1st (New Year's Day), February 16th (Independence Day), March 11th (Restoration of Statehood), Easter Sunday and Easter Monday, May 1st (Labour Day), July 6th (Statehood Day), November 1st (All Saints' Day), December 25th-26th (Christmas)

Source: Economist Intelligence Unit

Forecast for Lithuania

Key indicators	2007	2008	2009	2010	2011	2012
Real GDP growth (%)	8.7	7.2	6.4	6.0	5.9	5.8
Consumer price inflation (av; %)	5.7	7.0	4.7	3.3	3.0	2.9
Budget balance (% of GDP)	-0.5	-0.6	0.0	-0.2	-0.5	-0.8
Current-account balance (% of GDP)	-13.8	-13.5	-12.8	-11.4	-10.8	-9.8
Exchange rate LTL:US\$ (av)	2.52	2.37	2.60	2.70	2.74	2.76

Exchange rate LTL:€ (av) 3.45 3.45 3.45 3.45 3.45 3.45

Source: The Economist Intelligence Unit

Appendix II

Major Built-To-Suit Projects Under Construction in Vilnius				
Completion	Project Name	Address	GLA (sqm)	Occupant/Contractor
2008	Hansabankas administrative building	Konstitucijos Ave. 20	43,100	Hansabankas/Ranga IV
	TEO LT administrative building	Lvovo Str. 21A	16,000	TEO LT/IT
	Public Procurators' administrative building	Rinkines Str.	9,000	Public Procurators/Matruka
	RST administrative building	Laisves Str. 80	2,300	RST/Matruka
Total			70,400	

List of New Speculative Projects Under Construction in Vilnius, Kaunas and Klaipeda for 2008–2009					
City	Expected Completion	Project	Address	GLA (sqm)	Developer
Vilnius	2008	Vilnius Verslo Uostas	Lvovo Str. 25	27,000	Nekilnojamo Turto Gama
		Orange Office	Ukmerges Rd.	14,100	Baltic Petroleum/Okseta
		Business Centre	Ukmerges Str./Parkuniskio Str.	12,000	MB Projektai
		Alfa	V. Gerulacio Str. I	8,300	Realco
		Business Centre	Ukmerges Str. 283B	3,700	Unimodus
		Jin&Jan (Jan)	Menulio Str. 7	3,500	Aliva Projektu Valdymas
		Skraidenis Business Centre	Naugarduko Str. 102	3,300	Skraidenis
	Ergo Business Centre (expansion)	Gelezinio Vilko Str. 6A	1,500	Ergo Lietuva Investicija	
	2009	Business Centre	Parkuniskio Str.	12,200	Ranga IV Investicijos
		Beta	Kalvaniju Str.	17,700	Realco
		North Star	Lilou Str.	10,500	MG Valda
		Business Centre	Ukmerges Str. 120	10,000	Indeco
		Kamane	Ukmerges Str.	7,200	Kamintos Investicija
		Business Centre	Ukmerges Str.	6,200	Leandra ir Partneriai
		Jin&Jan (Jin)	Menulio Str. I I	4,900	Aliva Projektu Valdymas
		Naujamiestis Business Centre, phase III	Svirigailos Str. I I	4,200	Vilora
		Business Centre I 000	Taikos Ave. 88A	3,500	Univisa
Administrative building		Studentu Str. 3A	1,100	Norekso Nekilnojamasis Turtas	
Kaunas	2008	Vita	Naujoji Uosto Str./M. Semiaus Str.	11,000	Kleta
		Klaipeda	Taikos Ave. 52/Aglunos Str. I	8,100	Neapolis
Klaipeda	2008	Neapolis	Taikos Ave. 52A	2,700	Zalasis Titas
		Klaipedos Bure	Taikos Ave. 32A	2,700	
Vilnius				146,300	
Kaunas				4,600	
Klaipeda				21,800	
Total				172,700	

Source: Colliers International Real Estate Market Review 2008: Baltic States and Belarus

For full-report please click on: http://www.atkearney.com/shared_res/pdf/GSLI_2007.pdf

Appendix III

A.T. Kearney Global Services Location Index, 2007

Rank	Country	Financial attractiveness	People and skills availability	Business environment	Total score
1	India	3.22	2.34	1.44	7.00
2	China	2.93	2.25	1.38	6.56
3	Malaysia	2.94	1.26	2.02	6.12
4	Thailand	3.19	1.21	1.62	6.02
5	Brazil	2.64	1.79	1.47	5.89
6	Indonesia	3.29	1.47	1.06	5.82
7	Chile	2.65	1.19	1.93	5.76
8	Philippines	3.26	1.23	1.26	5.75
9	Bulgaria	3.16	1.04	1.56	5.75
10	Mexico	2.63	1.49	1.61	5.73
11	Singapore	1.65	1.51	2.53	5.69
12	Slovakia	2.79	1.04	1.79	5.62
13	Egypt	3.22	1.14	1.25	5.61
14	Jordan	3.09	0.99	1.54	5.60
15	Estonia	2.44	0.96	2.20	5.60
16	Czech Republic	2.43	1.10	2.05	5.57
17	Latvia	2.64	0.91	2.00	5.56
18	Poland	2.59	1.17	1.79	5.54
19	Vietnam	3.33	0.99	1.22	5.54
20	United Arab Emirates	2.73	0.86	1.92	5.51
21	United States (tier two)	0.48	2.74	2.29	5.51
22	Uruguay	2.95	0.99	1.54	5.47
23	Argentina	2.91	1.30	1.26	5.47
24	Hungary	2.54	0.95	1.98	5.47
25	Mauritius	2.94	1.04	1.56	5.44
26	Tunisia	3.03	0.90	1.50	5.43
27	Ghana	3.27	0.90	1.25	5.42
28	Lithuania	2.60	0.83	1.98	5.42
29	Sri Lanka	3.19	0.96	1.22	5.36
30	Pakistan	3.23	1.00	1.11	5.34
31	South Africa	2.52	1.19	1.60	5.30
32	Jamaica	2.93	0.96	1.49	5.29
33	Romania	2.88	0.87	1.53	5.29
34	Costa Rica	3.00	0.86	1.36	5.22
35	Canada	0.77	2.09	2.30	5.16
36	Morocco	2.92	0.90	1.33	5.14
37	Russia	2.61	1.39	1.16	5.14
38	Israel	1.97	1.27	1.86	5.10
39	Senegal	3.19	0.82	1.05	5.06
40	Germany (tier two)	0.46	2.19	2.40	5.05
41	Panama	2.88	0.75	1.40	5.02
42	United Kingdom (tier two)	0.50	2.16	2.35	5.01
43	Spain	1.19	1.71	2.06	4.95
44	New Zealand	1.53	1.12	2.25	4.91
45	Australia	0.99	1.69	2.31	4.89
46	Portugal	1.59	1.14	2.11	4.84
47	Ukraine	2.76	0.99	1.09	4.83
48	France (tier two)	0.45	2.07	2.27	4.79
49	Turkey	2.06	1.31	1.41	4.78
50	Ireland	0.40	1.54	2.29	4.19

Note: The weight distribution for the three categories is 40:30:30. Financial attractiveness is rated on a scale of 0 to 4, and the categories for people and skills availability, and business environment are on a scale of 0 to 3.

Source: The 2007 A.T. Kearney Global Services Location Index

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