

Lithuania and INFOBALT:

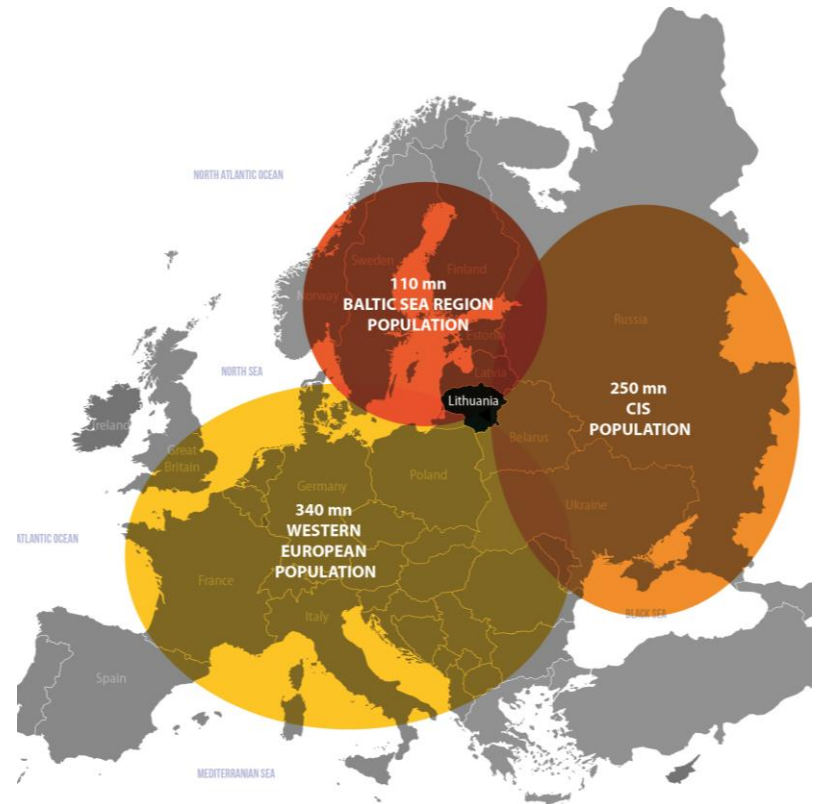
Talented. Connecting. Welcoming.

infobalt
L I T H U A N I A

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- **Lithuania: Facts and Figures**
 - Why Focus on IT in Lithuania?
 - Case Studies

Lithuania: in the Centre of Europe

Size:	65,300 km ²
Population:	2.98 million
Capital:	Vilnius
Official language:	Lithuanian (One of the oldest languages in the world, originating from Sanskrit)
Dominant foreign languages:	English, Russian, German, Polish
Currency:	Lithuanian Litas (LTL) Pegged to the EUR since 2002 1EUR/3.45 LTL
Real GDP growth¹:	<ul style="list-style-type: none"> ▪ 2013E ▪ 3.1% ▪ 2012 ▪ 3.7% ▪ 2011 ▪ 5.9%
FDI growth, 2012:	▪ 8.1% ¹
From command economy to free market in 20 years	<ul style="list-style-type: none"> ▪ 22nd freest economy in the World² ▪ 17th in the ease of doing business³ ▪ 16th in the overall attractiveness for FDI in the World⁴



Lithuania: Facts and Figures

IT FDI landscape in Lithuania



BPO Centre

Functions: IT development and support
Headcount: 300+
Vilnius, 2007



Technical Support Centre

Functions: IT development and support
Headcount: 1050+
Vilnius, 2009



Global Delivery Centre

Functions: IT services centre
Headcount: 250
Vilnius, 2005



IT Services Centre

Functions: IT development and services
Headcount: 320 Vilnius, 2008



IT Development Centre

Functions: IT development and support
Headcount: 80
Kaunas, 2011



IT Services Centre

Functions: IT development and services
Headcount: 220
Vilnius, 2004



IT Services Centre

Functions: IT development and services
Headcount: 170
Vilnius, 2010



IT Development Centre

Functions: IT development centre
Headcount: 110
Vilnius, Kaunas, 2012



IT Development Centre

Functions: IT development and consulting
Headcount: 150
Vilnius, 1999



IT Development and R&D Centre

Functions: IT development and support
Headcount: 130
Vilnius, 2005

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Why Focus on IT in Lithuania?



Highly Educated and Multilingual Talent Pool



Leading ICT Infrastructure



Activity of Technological Startups



Availability of Skilled IT Talent



Business-Friendly Environment



High Quality of Life

Why Focus on IT in Lithuania?

Highly Educated and Multilingual Talent Pool

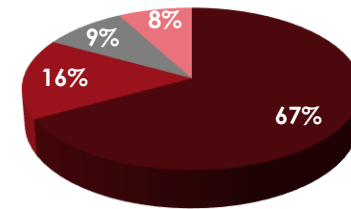
The Most Educated Labour Pool in the EU:

- Size: 1.5 million¹
- 1st in the EU: 93% of population have secondary or higher education²
- 12th in the World: 77% of population aged 20-24 are enrolled in tertiary education³
- 2nd in the EU: 47% of population aged 24-29 have a university degree²
- 1st in the World for the share of female labour force*

Foreign Language Knowledge⁴:

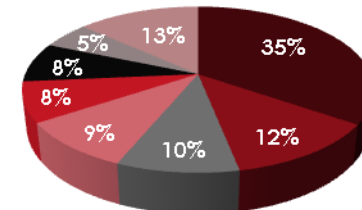
- 92% of population speaks at least 1 foreign language
- 52% of population speaks at least 2 foreign languages
- Languages spoken: Russian (80%), English (38%), Polish (19%), German (14%)

Labour Pool Structure



■ Services ■ Manufacturing
■ Agriculture ■ Construction

Students at Universities and Colleges 2012-2013



■ Business Administration and Social Sciences
■ IT and Engineering
■ Law
■ Health Care
■ Pedagogics
■ Arts and Humanities
■ Architecture and Construction

Source 1: Statistics Lithuania, 2013

Source 2: Eurostat, 2013

Source 3: Global Competitiveness Index 2011-2012

Source 4: European Commission, 2012

* Female labour force, as percentage of total labour force (50,29%)

Why Focus on IT in Lithuania?

Information Technologies in Lithuania

- Largest ICT industry in the Baltic States with an outstanding potential both for local as well as foreign expanding businesses
- Least populated with international outsourcing, hence appreciated by IT service centers lately
- 17 out of the 20 largest ICT companies in the Baltic states have presence in Lithuania²
- Lithuanians are among the most ICT-proficient nations in European Union – 96.7% of individuals aged 16-24 obtain ICT skills through formal education institutions
- % of persons employed with ICT user skills second to Luxembourg in EU



World Class ICT Infrastructure

1st in the EU for Internet upload speed¹

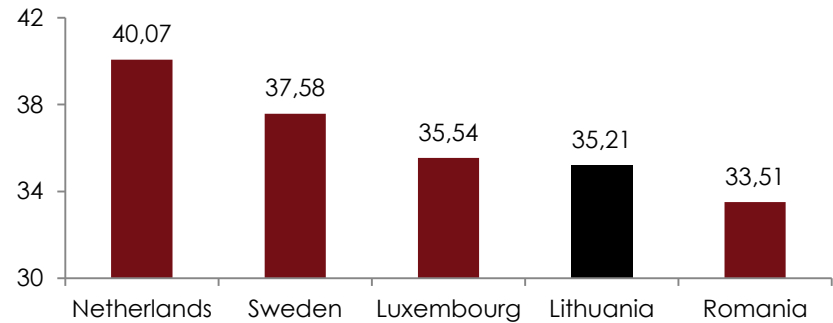
1st in the World Competitiveness Rankings for communication technology²

1st in Europe for density of network of public Internet access points (875)

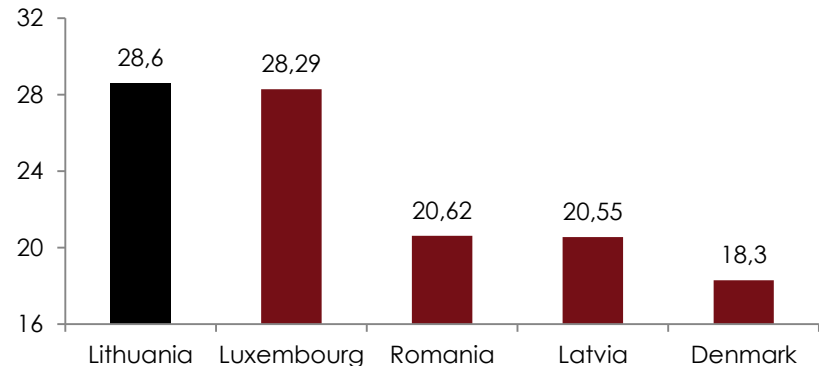
3rd in the EU for the share of fixed broadband lines equal to or above 30Mbps³

- The latest technologies ensure broadest coverage at high speeds (LTE, 3G and 4G mobile communications infrastructure, mobile WiMAX, WiFi hotspots etc.)
- 75% of population (ages 14-65) use internet regularly, 98% have access to internet
- 93% of financial operations are performed via e-banking⁴

4th Highest Internet Download Speed in EU (Mbps)



Highest Internet Upload Speed in EU (Mbps)



Why Focus on IT in Lithuania?

IT Labour Pool

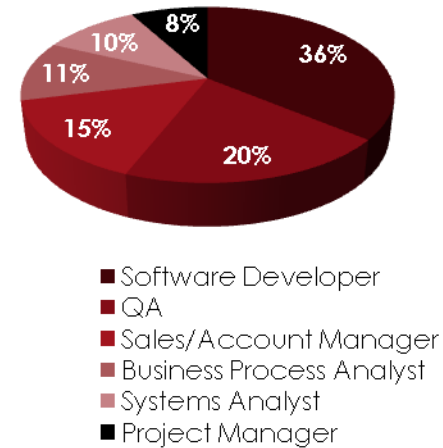
IT Sector in Lithuania Today¹:

- 2,185 IT companies
- In 2006 – 2012, the number of IT companies in Lithuania increased by 27%
- More than 24,500 experienced IT professionals are currently employed in IT businesses in Lithuania
- total of 19500 in IT services (mainly software development)

Key Competences:

- Lithuanian IT professionals feature strong competences in: Java, Oracle, Microsoft (C#, C/C++, Visual Basic, ASP), Web (HTML, PHP, JavaScript, CSS, XML), iOS and Android.
- Other competences found in the market: SharePoint, Python, RubyOnRails, SAP, Dynamics.
- Infrastructure services, security, clouds, networks & data centres

Distribution of IT Employees by Position²



Why Focus on IT in Lithuania?

Growth in IT Services

- **STRUCTURE.** >80% of the companies and employees are in IT services¹
- **EMPLOYEES.** Segment grew up 25% in employment during last 4 years¹
- **EXPORTS** grew up from 6% to 14% in total revenue of 1,75 bn LTL / 0,5 bn EUR over 3 years (ex telecommunications)¹
- International markets led by Denmark (24,7%), US and Singapore (13,5% each), Finland (6,7%) and Germany (5,3%).²
- **FDI** grew by 40% in the segment in 2011¹



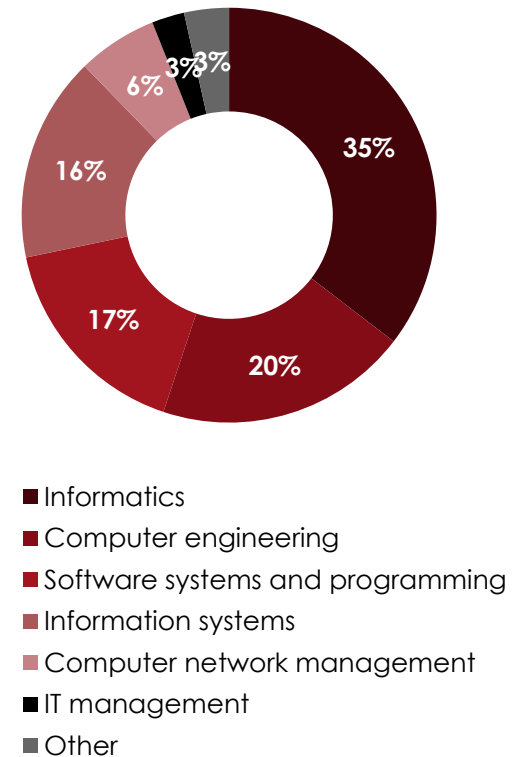
Why Focus on IT in Lithuania?

IT Talent at Universities and Colleges

IT Students in 2012 - 2013¹

Quality Future IT Professionals¹:

- 6,200 IT students at 21 university
- A majority of IT talent is located in two largest clusters – Vilnius and Kaunas, with more than 4,800 studying IT curricula
- 1,750 IT graduates each year
- Major IT study fields – computer science (informatics), computer engineering, software systems and programming



Source 1: Ministry of Education and Science of the Republic of Lithuania, 2013

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Recent Developments in Lithuanian IT Market



2013 06 - USA-based enterprise-class cloud management software and infrastructure-as-a-service (IaaS) provider VIRTUSTREAM is planning to open a new service development affiliate in Kaunas and is anticipated to employ 75 IT specialists.

VIRTUSTREAM's Lithuanian team will include highly qualified IT specialists: programmers, software testers and system administrators.



2013 05 - Norway's Visma development centre announced plans to expand to 100 employees by the end of 2013, and then grow to between 300 and 500 over the next 4-5 years

"Vilnius seems to offer high quality engineering education with several universities offering master programmes in computer science. With short geographical and cultural distance to the Nordic countries, the well educated Lithuanian workforce is very attractive."

Øystein Moan, CEO of Visma



2013 02 - Swedbank, a leading bank in its home markets of Sweden, Estonia, Latvia and Lithuania, is planning to establish an IT Competence Centre in Vilnius. Up to a 100 new jobs will be created by the end of the year.

"The establishment of an IT Competence Centre in Vilnius reflects the strength of country's IT sector. This new centre will not only provide high quality services; more importantly, it will also come up with new IT solutions."

Antanas Danys, Head of Swedbank Lithuania

INFOBALT : we take care

- 140 IT businesses, MNEs and universities
- One voice of ICT industry for almost 20 years (Est. 1994)
- Focused on 3 important goals to our stakeholders:
 - **MARKETS.** Develop markets & internationalise (partners, FDI)
 - **INNOVATION.** Innovate, Create new IT businesses & Protect intellectual property
 - **SKILLS.** Improve IT and interdisciplinary education and skills, develop talent