Lithuania:
Talented. Connecting. Welcoming.

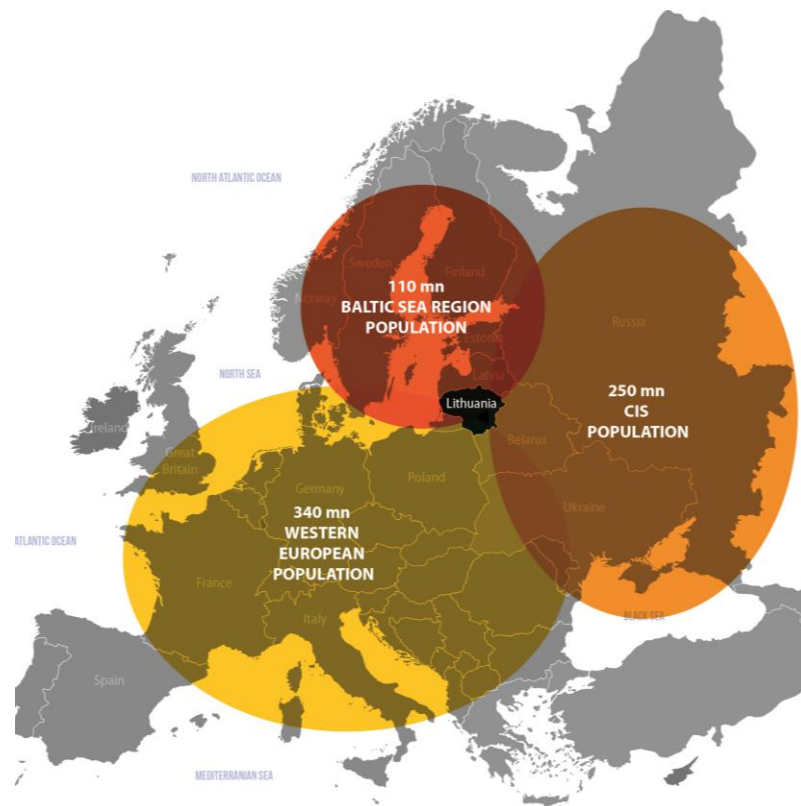Invest
Lithuania

- **Lithuania: Facts and Figures**
- **Why Invest in Lithuania?**
- **Case Studies**

Lithuania: in the Center 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 growth[1]: ▪ 2013E ▪ 2012 ▪ 2011	▪ 3.1% ▪ 3.7% ▪ 5.9%
FDI growth, 2012:	• 8.1%[1]
From command economy to free market in 20 yrs.	▪ 22rd freest economy in the World[2] ▪ 27th in the ease of doing business[3] ▪ 16th in the overall attractiveness for FDI in the World[4]

110 mn
BALTIC SEA REGION
POPULATION

250 mn
CIS
POPULATION

340 mn
WESTERN
EUROPEAN
POPULATION

Lithuania

Key Milestones

Regained Independence		Investment Grade Ratings from Moody's, S&P and Fitch		Schengen Area Membership		European Basketball Championship		EU Presidency

1990	**2001**	**2002**	**2004**	**2007**	**2009**	**2011**	**2012**	**2013**

	WTO membership		EU and NATO Membership		Lithuania's Millennium Celebration		OSCE Chairmanship	

Great Minds Think Alike

IT Development Centre

Functions: IT development and support
Headcount: 200
Established in: Kaunas, 2011

Technical Support Centre

Functions: IT support, helpdesk
Headcount: 1030
Established in: Vilnius, 2010

Shared Services Centre

Functions: accounts operations, lending operations, IT, Group finance, HR operations
Headcount: 350
Established in: Vilnius, 2008

Shared Services Centre

Functions: customer care, accounting, accounts payable, settlement, credit & risk, anti-money laundering, compliance, IT support
Headcount: 840
Established in: Vilnius, 2010

Shared Services Centre

Functions: finance, accounting
Headcount: 50
Established in: Vilnius, 2012

IT Centre

Functions: IT development
Headcount: 110
Established in: Kaunas, 2012

Great Minds Think Alike

Manufacturing facility

Functions: electronics assembly, cable harness, box-build products, testing
Headcount: 347
Established in: Kaunas, 2001

Research &manufacturing facility

Products: enzymes, reagents, kits for molecular and cellular biology
Headcount: 437
Established in: Vilnius, 2010

Manufacturing facility

Products: crankshafts, rotors, parts for gearboxes, exhausts
Headcount: 161
Established in: Marijampole, 1996

Manufacturing facility

Functions: biotechnological pharmacy (recombinant proteins for medical use)
Headcount: 233
Established in: Vilnius, 2006

Manufacturing plant

Products: pet food
Headcount: 800
Established in: Gargzdai, 1993

Manufacturing & service facility

Products: infusion and syringe pumps
Headcount: 99
Established in: Vilnius, 2009

- **Lithuania: Facts and Figures**
- **Why Invest in Lithuania?**
- **Case Studies**

Why Invest in Lithuania?

Highly Educated and Multilingual Talent Pool

World Class ICT Infrastructure

Easy Access to both Eastern and Western Markets

Business-Friendly Environment

Home to World Leaders in Life Sciences

High Quality of Life
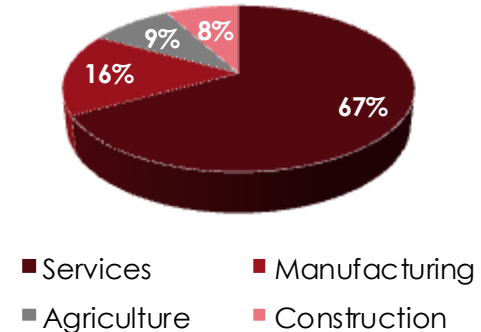
Highly Educated and Multilingual Talent Pool

The Most Educated Labour Pool in the EU:

- Labour pool size: 1.5 million[1]

- **1st in the EU**: 93% of population have secondary or higher education[2]

- **12th in the World**: 77% of population aged 20-24 are enrolled in tertiary education[3]

- **2nd in the EU**: 47% of population aged 24-29 have a university degree[2]

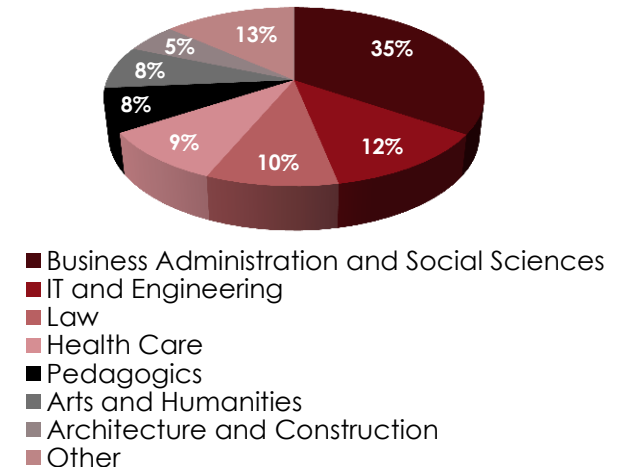- **1st in the World** for the share of female labor force[2]

Foreign Language Knowledge[4]:

- 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

Services 67%, Manufacturing 16%, Agriculture 9%, Construction 8%

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
- Other

Business Administration and Social Sciences 35%, IT and Engineering 12%, Law 10%, Health Care 9%, Pedagogics 8%, Arts and Humanities 8%, Architecture and Construction 5%, Other 13%

World Class ICT Infrastructure

1st in the EU for Internet download and upload speed[1]

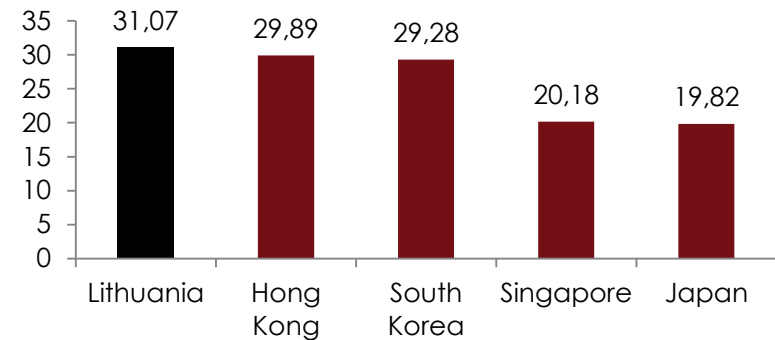**1st in the World** Competitiveness Rankings for communication technology[2]

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

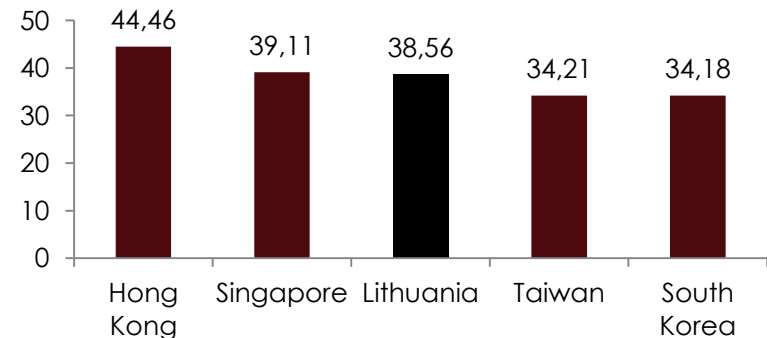**2nd in the EU** for the share of fixed broadband lines equal to or above 30Mbps[3]

5th in the World for protection of intellectual property rights[4]

- The most up-to-date ICT technologies *(EDGE technology, 3G mobile communications infrastructure, mobile WiMAX 4G Internet etc.)* fully implemented and functioning in the entire country

- 92% of financial operations are performed via e-banking

Fastest Internet Upload Speed Worldwide (Mbps)

Lithuania	Hong Kong	South Korea	Singapore	Japan
31,07	29,89	29,28	20,18	19,82

3rd Fastest Internet Download Speed Worldwide (Mbps)

Hong Kong	Singapore	Lithuania	Taiwan	South Korea
44,46	39,11	38,56	34,21	34,18

Source 1: Top 5 fastest (Mb/s) Internet download and upload speed countries, www.netindex.com
Source 2: IMD, The Word competitiveness yearbook, 2011-2012.
Commun. techn. rank evaluates how communications technology (voice and data) meets business requirements
Source 3: FTTH Council Europe
Source 4: Property Rights Alliance (USA). International Property Rights Index, 2012
Based on Expert opinion survey in in each country

Home to World Leaders in IT

IT Sector in Lithuania Today:

- 22,000 employed IT professionals

- 2,030 IT enterprises

Large Talent Pool:

- 6,200 IT students at 7 universities and 14 colleges

- 1,750 IT graduates each year[1]

High Growth Potential:

- 3 mln. citizens → 4 mln. mobile subscribers by 2012, i.e. penetration of 150%

- From 2009 to 2011 Lithuania went from 10-20 apps developed per year, to 200-300

GETJAR — 2nd biggest App store globally with over 2 billion consumers.

Pixelmator — 3rd best-selling mobile application on the Mac App Store. Apple Design Award 2011.

MagicDraw UML – 1st Java based UML tool trusted by multinational businesses and NASA; distributed in more than 70 countries.

ETRONIKA — 1st commercial digital signature pilot for mobile in the World. 1st in the World with an online banking application using Natural User Interface (NUI).

mokipay — Mobile payment solution enables to make payments using a wide range of devices.

ESKIMI — No. 1 social network in Nigeria with 2.2 M+ registered users and 12 M+ registered users across the World, focusing on the mobile customers in emerging markets.

Source 1: Statistics Lithuania, 2013
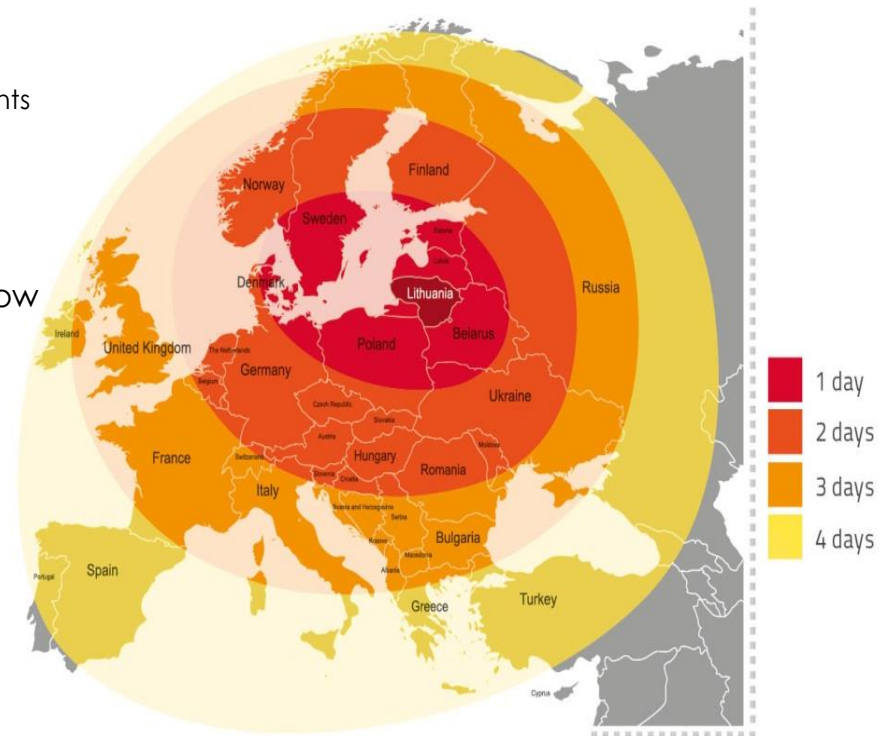
Easy Access to Eastern & Western Markets

Advanced Logistics:

- Logistics accounts for 10.6% of GDP[1]

- 25,000 truck fleet*[2]:
  - 75% comply with Euro-3/4/5 exhaust emission requirements
  - International road transit accounts for 90% of total road transit

- > 850,000 m^2 of logistics and warehousing facilities

- 2-3 hour flights to major European cities and Moscow

- Shuttle cargo services: direct railroads to Russia, Belarus, Latvia, Poland, Germany, Ukraine and Asia (incl. China)

- Ice-free Klaipeda State Seaport

Reliable and High-Quality Infrastructure:

- NATO's Northern Distribution Network: 3,100-miles of sea, road, and rail routes connect Klaipeda (Lithuania) with central Asia

Truck Delivery Times

1 day	
2 days	
3 days	
4 days	

Cost-Effective Business Development Location

Wages in the IT Industry in 2013

Position in the IT Industry	Experience + language	Average Yearly Gross Salary, EUR
Help Desk Team Leader	3+ yrs	18,000
Help Desk Agent	0-3 yrs	9,000 -10,800
Technical Support Team Leader	3+ yrs	18,000
Techn. Support Level 1	0-3 yrs	9,000 -10800
Techn. Support Level 2	3+ yrs	11,400 -12,000
JAVA specialist	0-3 yrs 3+ yrs	14,400 22,800
Web Developer	0-3 yrs 3+ yrs	14,400 22,800
Network Engineer	0-3 yrs 3+ yrs	13,800 19,200

Wages in the Production Industry in 2013

Position in the Production Industry	Experience + language	Average Yearly Gross Salary, EUR
Production manager	250 FTE	36,000
Quality Manager	5+ yrs	27,600
Quality Engineer	3+ yrs	19,200
Logistic Manager	5+ yrs	24,000
Logistic Specialist	3+ yrs	14,400
Purchasing Manager	5+ yrs	22,800
Buyer	3+ yrs	14,400
Shift Leader	3+ yrs	12,000
Skilled operator (CNC or other)	3+ yrs	10,200
Unskilled operator	0-1 yrs	7,200

Business-Friendly Environment

Incentives for Investment into New Technologies and R&D[3]:

- R&D and experimental expansion expenses are fully deductible three times

- very short depreciation periods and fast depreciation methods for equipment used for R&D activities

Incentives for Foreign Businesses Investing in:

- production of export-oriented high-quality services/products/R&D activities

- creation of new qualified jobs

- personnel training/retraining (support covers up to 60% (up to EUR 2,600 per person) and corporate social responsibility opportunities)

Tax Rate Snapshot[1,2]

	Tax Rates
Corporate profit tax	15%
VAT	21%
Dividends*	Up to 15%
Personal income tax	15%
Employee's social security tax	9%
Social security tax paid by the employer	Up to 31.18%
Real estate tax	Up to 3%

Special Territories for Business Development

2 Special Economic Zones (SEZ):

- 0% corporate tax for the first 6 years
- 50% discount on corporate tax over the next 10 years
- 0% tax on dividends
- 0% tax on real estate

KLAIPĖDA SEZ

In operation	Total area
2002	412 HA

SEZ MANAGEMENT
The zone's management company is controlled by Baltic Fund Investments, JSC, Dr. P.J.Everaert (Senior Board Advisor of Clearwater Capital Partners), and the local bank with EBRD.

Investors to date	Jobs created
21	1,284

Investments to date	Committed Investments
460 MILLION €	111 MILLION €

5TH In 2010, FDI Magazine, published by the Financial Times, ranked the Klaipeda free economic zone as 5th special economic zone in the category of Best Facilities.

PALANGA
KLAIPĖDA SEZ
BALTIC SEA

AKMENĖ SEZ 90 HA
ŠIAULIAI SEZ 218 HA
PANEVĖŽYS SEZ 47 HA
KĖDAINIAI SEZ 131 HA
KAUNAS SEZ
MARIJAMPOLĖ SEZ 78 HA

LATVIA
RUSSIA
POLAND
BELARUS

KAUNAS SEZ

In operation	Total area
2003	534 HA

SEZ MANAGEMENT
The zone's management company is controlled by Belgian Consortium AOI NV, that is one of the biggest logistics companies in the Benelux region.

Investors to date	Jobs created
14	487

Investments to date	Committed Investments
54.2 MILLION €	295.9 MILLION €

Science and Business Valleys

Five Integrated Science, Study and Business Valleys:

- **ICT & Life Sciences**
  - _ laser- and light- technologies
  - _ materials science and nanotechnologies
  - _ semi-conductor physics and electronics

- **Physical and Technological Sciences**
  - _ civil engineering
  - _ sustainable chemistry
  - _ mechatronics and related technologies
  - _ future energy technologies
  - _ ICT

- **Sustainable Pharmacy**
  - _ biotechnology
  - _ innovative medical technologies
  - _ molecular medicine and biopharmacy
  - _ ecosystems and sustainable development

- **Agricultural Sciences**
  - _ agrobiotechnology, bioenergy and forestry
  - _ food technology, safety and health

- **Marine Sciences and Technologies**

Modern and Affordable Office Space

Location		Average price, EUR/m²/month	
	Space, m²	Class A	Class B
Vilnius	467,000	10-14	7-10
Rest of Lithuania	150,000	6-10	4-6

- Majority of offices are built after 2005

- 22,900 m² Class A & B office space was built in Vilnius in 2012

- The total stock in Vilnius is expected to increase by 5% in 2013

- A pipeline of a few large projects that will significantly increase total modern office space in the Vilnius market will be implemented in 2014 - 2015

Source: Ober – Haus, 2012

Great Place to Live, Eager to Change, Fast to Innovate

- Vilnius is among 10 least expensive EU cities to live in[1]

- Among Top 40 countries in the World for the quality of life[2]

- 17th in the World in the Environmental Performance Index 2012[3]

- 70% of citizens either walk, bike or take a bus as a mode of transportation in the capital city Vilnius

- 10th place in the World in Smart City rankings[4]

- Vilnius' Old Town, a UNESCO World Heritage site, is vibrant and pedestrian-friendly

Source 1: Mercer Cost of Living Index 2012
Source 2: Quality of Life index, International Living 2011
Source 3: Environmental Performance Index , Yale Center for Environmental Law and Policy 2012
Source 4: Hip Cities That Think About How They Work', The International Herald Tribune 2011

Home to World Leaders in Life Sciences

Key Facts:

- 10 manufacturing companies

- 11 research institutes

- Over 1,500 employees in the sector

- Sales grew by 22% YOY
  (industry average - 15%) in 2011

Core Competencies:

- Restriction enzymes, modification enzymes, PCR-related products

- Generic drug production

- Recombinant biopharmaceutical substances

- Biochemistry, microbiology, biological engineering

Fermentas Ltd. (acquired by Thermo Fisher Scientific) manufactures and sells enzymes, reagents and molecular as well as cell biology kits. Operates in Vilnius with the capacity of 437 employees.

Sicor Biotech Ltd. (part of TEVA) is the only manufacturing facility in CEE, which produces recombinant proteins for medical use. A team of 233 employees operates in Vilnius.

Biocentras is a research and manufacturing company that employs over 50 people. Biocentras conducts research in ecological biotechnology, biopharmaceutical proteins. Winner of the Eureka Innovation Award (2011).

Sanitas Group, acquired by Valeant Pharmaceuticals International - branded generic pharmaceutical company focused on specialty therapeutic segments. Sanitas Group operates world class GMP compliant production facilities in Lithuania and Poland.

Home to the Leading Laser Cluster

Key Facts:

- Cluster of 15 companies and two major research institutes
- Accounts for more than half of the global market of pico-second laser spectrometers
- Leading in global production of ultra-fast parametric light generators (80 %)
- 86 % of production is exported to nearly 100 countries
- Customers: Stanford, Oxford, Berkeley, Harvard, Tokyo and other universities, IBM research center, CERN, NASA, Mitsubishi Research Center, etc.

Core Competencies:

- Femtosecond lasers
- Pico- and nanosecond lasers
- Application laboratory and microfabrication devices
- Microchip lasers
- Optical components
- Chirped dielectric mirrors

LIGHT CONVERSION

Leading manufacturer of femtosecond lasers & optical parametric amplifiers. Private company with around 100 people working in Vilnius, close to the Sunrise valley.

EKSPLA

EKSPLA manufactures high performance solid state lasers, optoelectronics and laser systems. 94 % of the production is exported. Winner of the 2010 Prism Award for Photonics Innovation for NT200 series laser.

EKSMA OPTICS

Eksma Optics has 25 years of expertise in the laser and optics fields. The Lithuanian company Eksma Optics will produce high precision optical components for the satellite of European Space Agency (ESA).

ALTECHNA

Lithuanian laser technology company since 1996 working in photonics and laser research. Solutions include: manufacturing of laser related components; diode-pumped laser sources; laser microfabrication applications; design of optomechanical assemblies.

Focus Industries

Life Sciences

Manufacturing and sales of enzymes, reagents and molecular, as well as, cell biology kits.

Production of recombinant proteins for medical use.

Medical Devices

Manufacturing of respiratory care products for use in anesthesia, intensive care and airway management.

Development, manufacturing, distribution and services of medical pumps.

Electronics

Manufacturing and delivery of a range of products: from fully assembled electronic circuit boards to complete end products globally.

Manufacturing of sensors, switches and other automation components for the global market.

Metal processing, Engineering

Specialization in the production of forged and machined parts for automotive industry.

Manufacturing of thermo-insulating panels and isothermic transportation equipment.

Cleantech, Green industries

Development and production of high quality wind power plant components using fiberglass.

R&D and manufacturing of monocrystalline silicon solar cells.

- **Lithuania: Facts and Figures**
- **Why Invest in Lithuania?**
- **Case Studies**

Barclays Technology Centre

- Established in 2010

- Today Barclays Technology Centre employs more than 1000 top IT professionals in Lithuania

- 24/7 service operations globally:

  - Global Network Services

  - Windows Platform Group

  - Global Storage

  - Unix Infrastructure

  - Global Z/os

  - End-User Services and Technology, etc.

- Supporting languages: English, German, French, Spanish, Italian, Portuguese

Barclays Global Retail and Commercial Banking (UK) is a major global financial services provider engaged in retail banking, provision of credit cards, corporate and investment banking and wealth management with an extensive international presence in Europe, the USA, Africa, and Asia.

Western Union's Global Operations Center

- Established in 2010

- Today Western Union's Global Operations Centre employs 840 IT, customer service, accounting and other multilingual professionals

- Operations:

    _ Global Agent Operations and Care Services

    _ Customer Care Services

    _ Settlement Accounting, Accounts Payable, Procurement Operations, Finance Support, Credit and Risk, Anti-Money Laundering and Compliance

    _ Technology Support, Digital Support

    _ Western Union Business Solutions Operations

WESTERN UNION \\\\WU

moving money for better

US-based Western Union is the leader in global money transfer with approximately 455,000 agent locations in 200 countries and territories worldwide.

Case Studies

CSC

- Established in 2007

- 295 highly qualified professionals:
    - _ IT help desk (L1, L2)
    - _ Project managers
    - _ Solution architects
    - _ Request managers, and etc.

- Main focus on supporting the Nordic clients: major airlines, telecom, insurance companies, transportation manufacturers

- Supporting languages:
  English, Scandinavian languages, Finnish

CSC has been delivering smart technological solutions to solve its clients' toughest challenges for more than half a century. Its experience, expertise and knowledge of using technological innovation to deliver high-value solutions for its clients have helped it to remain a leader in the field.

Operates in more than 90 countries worldwide.

Employs > 98,000 professionals worldwide.

Transcom Lithuania

- Established in 2002 (Vilnius) and expanded with second contact center in 2007 (Kaunas)

- Headcount: 700+ employees

- Services:
  - Customer service
  - Technical support
  - Customer retention
  - Customer acquisition
  - Cross-and upselling
  - Credit management services

- Transcom Lithuania provides services in various languages: Lithuanian, English, Estonian, German, French, Italian, Latvian, Russian, Spanish, etc

Transcom

Transcom is a global customer experience specialist, providing customer care, sales, technical support and credit management services through our extensive network of contact centers. We are 30,000 customer experience specialists at 70 contact centers across 28 countries, delivering services in 33 languages to over 350 international brands in various industry verticals. 30,000 customer experience specialists

Orion Global PET

- Established in 2006

- The largest single-line plant in Europe

- Today Orion Global PET employs more than 120 high-tech professionals in Lithuania

- The main operation is production of PET polymers :
    - Ramapet N1, R1, R1L and ES11

- Factory's annual output:
    - 241,000 tones of plastic raw materials

Indorama Ventures Public Company Limited is one of the largest vertically integrated polyester chain producers in the world and a leading global manufacturer of wool yarns. It employs 9,000 people worldwide and generates annual revenue of US$ 6.8 billion (2012).

MOOG

- MOOG Inc. acquired Viltechmeda Ltd. in 2008

- 99 employees

- Operations of the world class centre of excellence:
  - _ Medical pump development, manufacturing, distribution and services
  - _ R&D activities for new and innovative infusion (cooperation with universities)

- Products sold in 80 countries worldwide:
  - _ Syringe infusion pumps
  - _ Large volume pumps
  - _ Windows Platform Group

MOOG
MEDICAL DEVICES GROUP

MOOG Inc. is a worldwide designer, manufacturer, and integrator of precision motion control products and systems. MOOG's high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications, and medical equipment. Founded in 1951, MOOG employs more than 10,000 people worldwide.

MARS

- Established in 1993 as a greenfield investment

- 800 employees (the largest pet food manufacturer in the Baltics)

- Factory's annual output:
  - 100,000 tones of pet food
  - exporting to 20 different European and the CIS countries

- Products under brand names:
  - dog food: Pedigree and Chappi
  - cat food: Whiskas, Kitekat and Brekkiesy

- Active in terms of corporate social responsibility

MARS

Mars, Inc. an American manufacturer of confectionery, pet food, and other food products with US$30 billion in annual sales in 2010, and is ranked as the 5th largest privately held company in the United States by Forbes. Employs more than 65,000 people worldwide.

BDC

- Established in 2001

- Today BDC employs more than 190 IT professionals and operates 7 top-security data centers in Lithuania

- 24x7 IT outsourcing service operations internationally:
  - Data Center & IaaS Services
  - Infrastructure Management Services
  - Application Management Services
  - End User Services
  - IT Consulting & Professional Services

- Supporting languages: English, Russian

- Service quality systems: ISO 20000, ISO 270001

- Vertical competences: Finance, Telco, Retail

Baltic Data Center is a leader in data centre and information systems management in the Baltic States and a member of the TEO LT group, itself part of TeliaSonera, the largest telecommunications company in the Nordic and Baltic countries.

One-stop-shop

Information

Consultancy

Analysis

Search

Guidance

Networking

Assistance

Aftercare

Contact information:

+370 5 262 74 38

info@investlithuania.com

www.investlithuania.com

Appendixes

- **FDI in Lithuania**
- **Lithuania's Exports**

FDI in Lithuania

TOP investing countries over 2003-2012
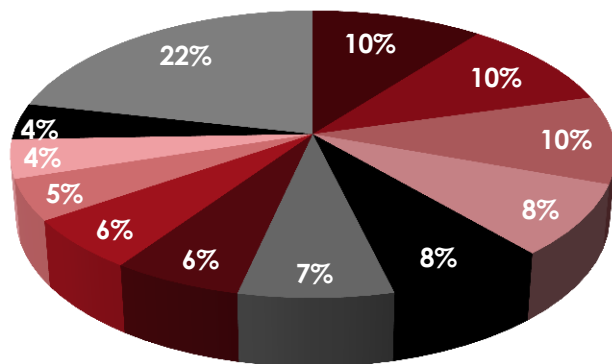
FDI projects by business activity

|	
■ United States	■ Germany
■ Sweden	■ Norway
■ Finland	■ UK
■ Estonia	■ Denmark
■ France	■ Latvia
■ Russia	■ Other
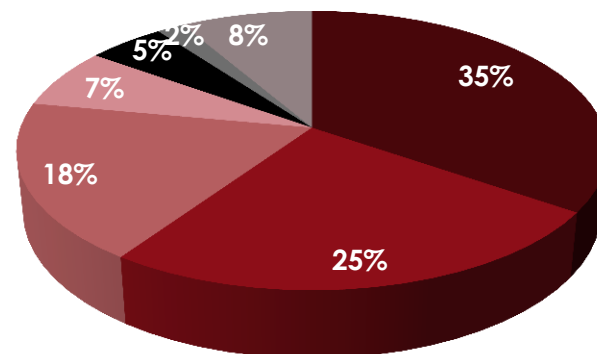
■ Manufacturing
■ Sales, Marketing & Support
■ Business Services
■ Logistics, Distribution & Transportation
■ Construction
■ Design, Development & Testing
■ Other

Source: FDI markets and Invest Lithuania data

Lithuania's Exports

Lithuania's exports by countries, 2012*

25% 25% 10% 9% 6% 5% 4% 3% 3% 3% 3%
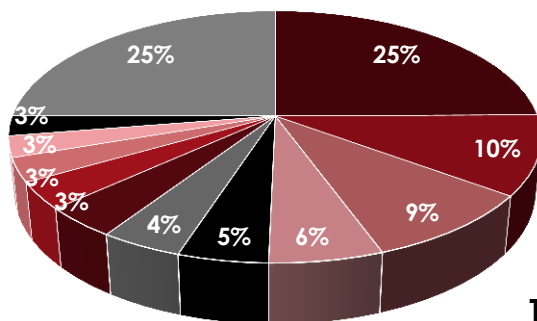
Total EUR 17,358 million
*Excluding mineral products (EUR 5.7 billion)

Lithuania's Exports by Sector, 2012*

2% 4% 6% 6% 6% 8% 8% 8% 9% 10% 12% 15% 4%

- Russia
- Germany
- Latvia
- Belarus
- Poland
- Sweden
- Estonia
- United Kingdom
- France
- Denmark
- Norway
- Other
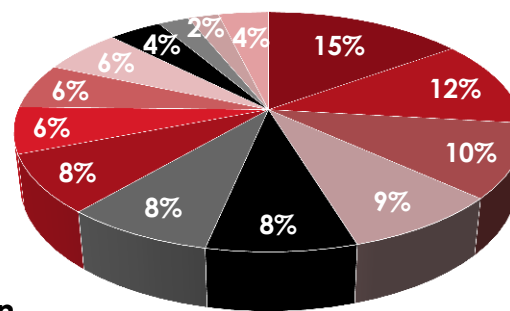
- Machinery and mechanical appliances
- Chemical products
- Vegetable products
- Vehicles, aircraft, vessels and other transport equipment
- Food, beverages and tobacco
- Plastics
- Furniture, toys and their parts
- Textile and textile products
- Live animals and animal products
- Base metals and articles of base metal
- Wood and articles of wood
- Optical, medical and similar equipment and apparatus
- Pulp, paper and paperboard
- Other