Russia –

Global Delivery Services
Country Destination

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RUS®SOFT
NATIONAL SOFTWARE DEVELOPMENT ASSOCIATION

RUSSOFT Association (established on 9.9.99 as Consortium Fort Ross)

www.russoft.org

National Association of 100+ software companies from Russia and Belarus with 35000+ softwatre engineers, offering products and services to the Global market

Lobbying Government for better legislation in Taxation (Law #272 of 2010 on social taxes) and in High Education. Promoter of a HighTech export support Program

Organiser of annual market studies (12 years) and of different marketing and technology events (RUSSOFT Forum, Mobile Software Forum, Software Engineering Conference, Russian IT-Seasons, ...)

Partner to BITKOM (Germany), KISA (Japan), US-Russia Trade Chambers of New England, MidAtlantic and Minnesota (USA), to WITSA, NASSCOM (India) and BRASSCOM (Brazil)

1. Language

Foreign languages' proficiency

1.In 2015 a decision was taken by the Government to include by 2022 an examination to Foreign Language knowledge as the third (alongside with Mathematics and Russian language) obligatory examination at the end of the Secondary School graduation. An intensive preparatory work is being now underway in the Secondary Schools to fit the requirement of the Government by 2022
2.The English proficiency level of the overall population is considered as 15% (poll of Levada center, 2015)
3.According to the international educational company EF Education, Russia takes the 31st place in the rating Index EF 2013 that reflects the outcomes of investigation of the English proficiency level worldwide. Russia is in the group of 8 countries with the fastest growth of English proficiency (overpassing France and Italy)
4.According to the GlobalEnglish rating, in 2015 Russia got the score 3,95 (out 10) for its population's English proficiency. That is higher than in Columbia (3,05), Brazil (3,27) or Turkey (3,3). Within 3 years Russia increased its rating in Global English from 3,6 to 3,95.
5.According to the ANCOR HighTech recruiting agency (2015), the level of fluent English was expressed by 64% of applicants for job in IT-companies, while 50% of all applicants of SuberJob recruiting Agency (2015) claim for knowledge of written English
6.According to results of the IT-industry survey, annually produced by RUSSOFT, in 2015 the proficiency of English (fluent) in the export oriented software companies in Russia was as high as 75% (increased from 65% four years ago). In Moscow that level is 80%, while in small cities it is 60%
7.The proficiency of German and French languages (fluent) in software companies is 8%-10% on the average
8.Senior executives of companies which are working for export all speak foreign languages (primarily English, but also German)

2. Government Support (1)

1. Social Tax exemption for IT companies (tax benefit and premium rate)

Since 2010, according to the Federal law (272 FL dated 16.10.2010), the software development companies receive the premium rate (concerning contributions to Pension Fund, Compulsory Social Insurance Fund and Federal Health Insurance Fund). The premium rate for them is 14% (instead of 30% for other industries) – under the following conditions:
- they should be accredited at the Ministry for Communications and Media,
- the share of software development in the turnover is over 90%,
- the staff number is 7 people or more.

In recent years the requirement to a minimum staff number to obtain the premium rate has been significantly reduced - in 2013 from 50 to 30 persons, and since January 2014 - to 7 persons.

About 1 thousand companies enjoy the premium rate, and the number is continuously growing. Amongst them are almost all major Russian software companies as well as the R&D centers of foreign corporations working in Russia.

According to the annual inquiry of RUSSOFT in 2015, the effect of obtaining premium rate to software companies is obvious: the respondent companies which make use of this preference have increased the turnover in USD by 23%, and export — by 25%. For those which have no preferences the corresponding values were 9% and 3% (i.e. the growth rate was lower by a factor of 2.5, and export growth more than 8 times lower).

Besides, the proportion of companies that are unsatisfied in terms of the methods and amount of taxes paid reduced from 66% in 2011 to 26% in 2015.

2. Government Support (2)

- The main preference for suppliers of IT services to foreign customers is that since 2003 there is no collection of Value Added Tax (18% of income) on all receipts of IT-service providing companies from abroad
- The provision of cross-border IT services (IT-outsourcing) is withdrawn from customs‘ regulation which greatly simplifies financial and other reporting, removes all administrative barriers related to customs’ which is otherwise the major obstacle to the industrial manufacturing in Russia
- According to the annual polling by Association RUSSOFT (2015), the Social Tax incentive is more often granted to companies with preferential orientation towards foreign markets which offer software development services (52% of respondent service companies make

2. Government Support (3)

Regulation of the Industry.
State support to IT-service companies (working in Russia and for the Global market)

Ministry of Communications and Media is the major regulator of the overall IT industry.
In Russia, the attitude of the Government to IT companies which operate in domestic and foreign market is quite the same.
Still there is a Strategic Project of the State owned Russian Venture Company (RVC) on supporting international marketing activity of IT companies through participation in

2. Government Support (4)

Technology parks in the country

•Within the framework of the state program of technology parks over the period of approximately 7 years there were built 12 tech parks in 10 regions. Their total area by the middle of 2015 was over 450 thousand m2 occupied by 775 high-tech companies (primarily presenting IT industry) with total employment of 19 thousand people.

•According to the Ministry of Communications and Media, in the spring of 2015 in seven previously built tech parks the premises are occupied almost by 100%. Three of them are located in the Republic of Tatarstan (in Kazan and Naberezhnye Chelny) and the rest in Novosibirsk (“Academpark”), Kemerovo (”Kuzbas Technopark”), Tyumen (“West Siberian Innovation Center”) and Saransk (“Technopark Mordovia”). In Penza (“Rameev”), Yekaterinburg

2. Government Support (5)

Government investment made in the overall technology industry

- Investments in construction of state technology parks from the federal center amounted to 13 billion rubles, and the members of Federation invested 18 billion rubles (totally 31 billion rubles that exceeds $1 billion taking into account that the dollar rate over the period of program implementation averaged 30 rubles).
- The total volume of investment in Russian special economic zones (4 such zones

2. Government Support (6)

- In April 2015 the Russian Export Center (REC) was established. From now all export credits' support activities of EXIAR and VEB's were subordinated thereto. REC is intended for removal of administrative barriers, provision of information, consulting and service support to innovative products of Russian exporters, coordination of financial and non-financial export support measures.
- In June 2014 the State Duma passed federal law "Concerning the Introductions of Amendment to article 13.2 of the Federal Law "Concerning the Legal Status of Foreign Citizens in the Russian Federation". The draft law was developed by the Ministry of Communications and Media under implementation of the Road Map "IT branch development". It addresses improvement in terms of business operations of Russian IT companies and allows for attracting

3. Labor Pool (1)

1. General data

According to the annual survey of the export oriented software development industry produced by RUSSOFT Association since 2004, 440 000 professionals are engaged in software development in all branches of Russian economy in 2015.
Among them 115000 engineers are working in software companies (legal entities of Russia, including captive centers of foreign companies). To add that 35-40 thousand software engineers are engaged by Russian software companies in their offices worldwide.
Overall 80-90 thousand software engineers are engaged by IT-service providing companies (including 30000 engineers in the foreign captive centers of Russian outsourcing companies).
Providing of other outsourcing cervices by Russian service companies (infrastructural IT-services – to lesser extend, and BPO – to major extend) by its scope of international business is incomparably less important than software development and software engineering outsourcing

The international sales of Russian software companies altogether in 2014 was equal $6 Bln (grew by 11% compared to 2013), where sales of software development services (excluding export of captive centers of foreign corporations from Russia) was $2,9 Bln, with the growth rate of 16% (data from the report of the annual survey of RUSSOFT , 2015). The export of captive centers of international corporations in 2014 was $520 Mln.

3. Labor Pool (2)

2. Competitive advantages of Russian software development service providers

1. Top quality educational level in mathematics and physical sciences

Very high educational level let Russian developers solve the most complicated tasks, which is proved by the fact that Russian programmers always get top ratings in international competitions in software development and engineering. F.ex. since 2000 Russian students' teams were 10 times absolute Champions of the ACM International Programming Collegiate Contest, to add that every year they got 3-4 medals (out of 12). Very high qualification let Russian software development outsourcing companies to concentrate in the niche of providing the Science intensive High End solutions.

2. Creativity

3. Labor Pool (3)

3. **The attrition rate**

The attrition rate in Russian software development outsourcing companies in 2011-2012 had not practically changed and was at the level of 6%. In 2013 it has grown up to 7,7% alongside with the export growth of Russian companies. But in 2014 it came down to 5,7% on the ground of economic crisis and of bigger inflow of developers from CIS countries. Compared with other competitors, Russia keeps its very high position in terms of the attrition rate.

4. **Average salary**

According to RUSSOFT annual survey, in 2014 a Russian programmer (with 3 years of experience) was getting around 70 thousand Rbl per month (appr. $1,8 thousand for the year-average exchange rate). The difference of salary in Moscow and in other cities

4. Infrastructure (1)

Telecom infrastructure

•Telecom infrastructure is provided either by State owned Nation-wide providers: Rostelecom (via fiber-optics), Transtelecom (via fiber-optics following rail-roads system), or via satellite communications. GLONASS provide geo-positioning services via satellites. An extended Nation wide program of providing an access to the Internet, realized by Rostelecom and Transtelecom, was successfully finished in 2014.

•Mobile telecom infrastructure includes 3G at maximum level, while 4G (LTE) is in progress in practically all major cities. According to rating produced by Akamai, in 2014 Russia held

4. Infrastructure (2)

Transportation infrastructure

Overall transportation and telecommunication infrastructure in Russia was greatly improved during the last 10 years via realization of National level projects such as Winter Olympic games 2014, Shanghai Forum, Universiada in Kazan, 1000th Jubilee of cities Kazan and Yaroslavl. World Championship in football (2018) has also an important infrastructure development program.
As results, f.ex. Sheremetyevo airport in Moscow was named #1 in Europe in 2012, 2013 and #2 in 2014 according to the ASQ (Airport Service Quality) of International Council of Airports (ACI).
Naion-wide Autoroads are underway (St. Petersburg-Moscow), high-speed railway communication is put in function between Moscow and St Petersburg, Helsinki, Nizhny Novgorod (continuing to Kazan and further on to China).

Electricity and water supply

Due to extended water resources, there is no problem of water supply to population, neither to the industries.
Thanks to the circled energy supply system, there are neither critical problems with the energy supply. According to the RUSSOFT annual survey, the responding companies (which use standard measures of security in energy supply control) do not refer to any major problems of energy supply which may disturb their activity.

Nature disaster

The major problem related to the Natural disaster in Russia is related to the forest fire. But they usually take place far away from the major cities. Strong winds may produce problems with energy supply lines, but the reparation takes usually very short period of time while local autonomous energy generators keep business working without major problems.

5. Educational System (1)

Russian education in the international ratings

- In the rating of educational systems, produced by British Economist Intelligence Unit under the order of Pearson PLC, Russia was positioned at the 8th place in Europe and at the 13th place in the World (the rating was based on international tests and studies, namely PISA, TIMSS и PIRLS).
- According to the OECD, in 2012 Russia was the leader among OECD and BRIC countries by the share of adults who has either Higher or Specialized Professional Secondary education level (more than 50%).
- In 2015 г. Russia got the first place in the annual Universities' rating among developing Nations of Europe and

5. Educational System (2)

1.According to the State Statistics (RosComStat 2014), nowadays Russian Universities annually graduate 1,2-1,4 Mln people. That number has strongly grown compared to the period of 1990-2000 (401000 and 635000, correspondingly). In 2013-2014 the number of students in all forms of education was 5646700 people.
2.According to the RosComStat (2014), the number of State Universities' graduates in 2013 for engineering specialties was as follows (thousands)

Physics and Mathematics	15,7
Natural Sciences	16,1
Information Security	3,4
Energy generation, including manufacturing of power generating equipment and electrotechnics	28,0
Aviation and space technologies	5,1
Transportation technologies	34,0
Instruments and optic technologies	7,6
Electronics and telecommunications	15,3
Automation and Control systems	15,8
Informatics and Computer Science	25,7
…	
Total	1060

5. Educational systems (3)

- **Cooperation of Universities with global IT-corporations**

The cooperation between Russian Universities and global IT-corporations is very important and diversified:
- Motorola was the very first to establish an R&D center in St Petersurg in 1995. In these difficult times Motorola had contributed a lot to supporting professors in the underfinanced Universities of St Petersburg,
- Intel has several Labs and Chairs in Universities in Moscow, St Petersburg, Nizhny Novgorod, Novosibirsk,
- EMC has a Lab in the St Petersburg state University, conducts StudentSTAR Program ($1,15 Mln)
- Microsoft, IBM, T-Systems and many-many others have their Labs in

6. Cost (1) Labor

Difference in average wages in regions compared to
Moscow (how many percentage points lower) in the IT sphere in 2015.
Source: HeadHunter

St. Petersburg	34%
Novosibirsk region	57%
Krasnodar cray	58%
Sverdlovsk region	58%
Republic of Tatarstan	61%
Rostov region	62%
Nizhniy Novgorod region	64%
Tomsk region	71%

Average offered Net monthly wage of programmer in different Russian cities, thousand rubles
Source: Yandex. Job, 2015

	August 2014	August 2015.	Growth for the last year		
	Wage rate, thousand rubles	Relative to Moscow average	Wage rate, thousand rubles	Relative to Moscow average	
Moscow	82	100%	87	100%	106%
St. Petersburg	64	78%	74	85%	116%
Novosibirsk	52	63%	59	68%	113%
Nizhniy Novgorod	47	57%	48	55%	102%
Yekaterinburg	47	57%	51	59%	109%
Voronezh	46	56%	55	63%	120%
Saratov	45	55%	50	57%	111%
Perm	39	48%	52	60%	133%
Rostov-on-Don	39	48%	45	51%	115%

6. Cost (2) Labor

1.Average Net monthly wage of vacancies in different Russian cities, $Th (source – Yandex-job, 2015)

	August 2014 ($1=36,11 Rbl)	August 2015 ($1=65,15 Rbl)	Growth rate
Moscow	2,27	1,32	-42%
St Petersburg	1,77	1,12	-37%
Novosibirsk	1,44	0,89	-38%
Nizhny Novgorod	1,30	0,73	-44%
Ekaterinburg	1,30	0,77	-41%
Voronezh	1,27	0,83	-35%
Saratov	1,25	0,76	-39%
Perm	1,08	0,79	-27%
Ростов-на-Дону	1,08	0,68	-37%

Cost Structure
rmation Request 2

6. Cost (3) Labor

Average offered Net monthly wage of software developer in Moscow and St. Petersburg (thousand rubles)
Source: Yandex. Job, 2015

	August 2014	August 2015		
	Moscow	St. Petersburg	Moscow	St. Petersburg
Programmer Java	106	81	111 (+4.7%)	104 (+28%)
Programmer C++	91	76	95 (+4.4%)	73 (-4%)
Programmer C#	96	74	93 (-3.1%)	77 (+4%)

Average Net wage of MS SQL programmer in different Russian cities (according to employers' offer in August 2015), thousand rubles
Source: superjob.ru portal

Moscow	90
St. Petersburg	75
Volgograd	48
Voronezh	50
Yekaterinburg	61
Kazan	50
Krasnoyarsk	56
Nizhniy Novgorod	53
Novosibirsk	59
Omsk	48
Perm	54
Rostov-on-Don	54
Samara	54

6. Cost (4) Labor

Average Net monthly wage of IT professionals , thousand rubles (July 2015)

Source: hh.ru portal

	Moscow	St. Petersburg
Oracle database administrator	95	85
MS SQL database administrator	70	45
System administrator	40	35
Information security technician	79	63
Telecommunications/telephony technician	58	37
C/C++ developer	110	79
Python developer	104	69
PHP developer	90	63
Java developer	99	74
1C developer	86	65

6. Cost (5) communications

- According to RUSSOFT annual market survey, the average spending on telecom services of respondent companies in 2014 was 2,4% of all expenses. It is considerably less than previous years (in 2013 the average spending on telecom services was 3,2%).
- That tendency reflects the result of a combination of factors:
  - IT-business is constantly growing, while
  - the cost of telecom services is constantly diminishing (particularly thanks to VoIP-telephony)
- According to J'son & Partners Consulting, the ARPU in the segment of private Internet users has stabilized at the level of 350 Rbl (appr. $6 for the exchange rate of October 2015).
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6. Cost (6) office rent

According t the results of the annual RUSSOFT market survey 2015, the average cost of the office rent in Russia has grown up 3-4% for all categories of companies (SME and big ones, different locations). This level of rent growth is much lower that inflation rate (11,4%). If we take the exchange rate of Rbl/USD into account, the real cost of rent in 2014 came down by 19%.

On the average (for all respondents) the office rent cost in 2014 was $18,6 per sq m. We can compare that figure with 2012, when the office rent cost was $24 per sq m (which is 23% less within 2 years).
According to Global Prime Office Occupancy Costs, produced by CBRE, the office rent cost in Russia has come down 22,4% within the first part of the year 2015.

Leaders in office rent cost fall (2015)

Rating	location	Change of the rent cost, %
1	Moscow, Russia	–22.4
2	Buenos Air, Argentina	–10.8
3	Monteray, Mexico	–6.7
4	Hong Kong (Western Coulun)	–6.6
5	Calgary, Canada	–4.9

6. Cost (7) office rent

Rating of Russian cities, based on the average office rent cost (Rbl per sq m)
Source: realty.kurs-kotirovka.ru

City	Cost
Moscow	960
St Petersburg	800
Krasnoyarks	600
Ufa	576
Rostov-on-Don	556
Ekaterinburg	550
Yaroslavle	548
Samara	538
Nizhniy Novgorod	534
Perm	517
Voronezh	509
Omsk	500
Krasnodar	497

7. Political and Economic Environment

Russia is a country of democracy. President is being elected by all the population every 6 years. The State Duma (Parliament) is being elected by all the population every 4 years.
There are Presidential power, Executive Power (Government), Legislative power (State Duma and Council of Federation), Justice (Supreme Court, Constitutional Court, lower Courts and Arbitrage).

The political scenario for the last 15 years is very stable. Only 3 government administrations were in place during that time, with periodical personal changes.

There are no public strikes which can affect public services.

According to the President, the fiscal system would not be changed before 2018.

Economic sanctions had been imposed by the USA and EU to certain persons (close to the president Putin or related to the situation in Donbas and Crimea areas).
Economic sanctions had been also imposed to three sectors on Russian economy (State controlled banks and petrol and gas companies as well as to several State owned enterprises in the defense industry)

IT-sector of Russia had never been affected by these sanctions. According to the RUSSOFT market survey in 2015, respondents consider the impact of sanctions on their business activity as "slightly negative" (very close to neutral). 52% of respondents consider it as neutral (no impact).

8. Cultural Compatibility (1)

Multinational IT-corporations in Russia

As far as Russia is a 140 mln people market with a very high educational level , many multinational corporations have establishes their R&D and software development offices in Russia after perestroyka.
F.ex. Motorola established its R&D center in St Petersburg in 1995, which was the very first software development center in Europe which had been certified to the CMM Level 5.
Boeing is present here with its engineering center since 1998. Right now Boeing buys services of over 1200 Russian engineers and has over 200 persons in its staff.
Intel has 5 R&D centers in Russia (Moscow, St Petersburg, Nizhniy Novgorod, Sarov, Novosibirsk) where they engage over 1000 engineers.
Several dozens of captive centers of multinational corporations are engaged in the Russian software development services' industry:
Alcatel-Lucent, Allied Testing, AVIcode, Cadence, Design Systems, Chrysler, Cisco Systems, Columbus IT, Dell, Deutsche Bank, Digia, EGAR Technology, EMC, EMS, Ericsson, Google, Hewlett-Packard, Huawei, IBM, Intel, InterSystems, Jensen Technologies, LG Softlab, Motorola, NEC, NetCracker, Nival Interactive, Microsoft, Nokia, Nokia Siemens, Quest Software, RD-Software, Samsung Research Center, SAP, Scala CIS, SmartPhoneLabs, Oracle (Sun Microsystems), Tagrem Studio, Teleca, T-Systems.

8. Cultural Compatibility (2)

The quota for immigration visa to USA from Russia in 2014 г. was 4000 (minimum since perestroika), while only 3556 people received work permit from the Department of State

According to «ROMIR» analytical agency (2015), for the last 3 years the number of those Russian who wish to think over leaving Russia for immigration diminished 4 times (from 31% in September 2012 to

Permissions for a job in Russia, stay in Russia and providing of Russian citizenship
Source: Federal Migration Service of Russia, 2015

	2013 г.	2014 г.
Issued permissions for a job	1,3 Mln	1, 27 Mln
Permissions to temporary stay and live in Russia	436 000	351 000
Received citizenship of Russia	158 000	135 000

8. Cultural Compatibility (3)

International migration in (out of) Russia in 2000-2013, thousand of persons
Source: Russian Statistics annual - 2014 г

	2000	2005	2010	2011	2012	2013
Entered into Russia (total)	359	177	192	357	418	482
Left Russia (total)	145	69	336	37	123	186
Entered in Russia from the USA	0,44	0,4	0,65	0,95	1,1	0,95
Left Russia to the USA	4,8	4	1,5	1,4	1,6	1,5
Entered to Russia from the EU	6,3	5,4	6,4	11,4	11,7	12,4
Left Russia to the EU	45	25	7,2	7,7	8,6	9,3

9. Global and Legal Maturity

Guiding Questions

Russian legislation does not make difference to Russian of foreign companies in terms of IPR. Private property is protected by Law (which was in fact promoted the very first years of perestroika in 1990-2000 by American consultants and experts which had been largely engaged by Russian political leadership by that time).

There are no sound examples of legal discrimination of foreign IT-companies in Russia for all the period of 1985-2015.

According to the Business Software Association (BSA), the level of software piracy in Russia was 62% in 2014 which corresponds to the average piracy rate in the Eastern Europe. Russia was the absolute world leader in the speed of drop of the piracy rate in 2000-2014, where the piracy came down from 94$ to 62%. BSA consider that the total volume of fines imposed on Russian companies for piracy by the members of BSA in 2013 has come down by 8% to $2 Mln. This important result is due to an effective collaboration of the State (Ministry of internal affaires) with IT-Associations (Association of Computer and IT enterprises - APKIT) when joint plans of actions were put in practice for the struggle against piracy (ex. Leaders of that cooperation from the business side in Russia are Microsoft and 1C).

Russia is a part in every international body regulating the international standards (IAS)

State has control over public utilities companies (communications and electricity) which provides a sustainable guaranty to investors (which is proved by the absence incidents related to Energy and telecom providing)

10. Service Provider (Vendor) Center information

Application development services (1)

	in dollars	in rubles	in rubles inflation adjusted
Turnover	over $5 billion	190 billion rubles	171 billion rubles
Turnover growth	+6%	+27%	+14%
Export volume	$2.9 billion	-	-
Export growth	about 16%	-	-

10. Service Provider (Vendor) Center information

Type of offered services, % of respondent companies

	Software development	testing	Deployment and technical support of IT systems	IT consulting	other
2013 г.	80%	57%	49%	44%	6%
2014 г.	60%	44%	49%	40%	11%

10. Service Provider (Vendor) Center information

Application development services (2)

	Development and support of own software solutions and products	Custom software development	Deployment and support of software	IT outsourcing	Other
2012	1.1%	62.6%	25.2%	10.3%	0.8%
2013	1.3%	91.4%	2.5%	4.8%	0.1%
2014	0.2%	78.4%	6%	3.2%	12.3%

10. Service Provider (Vendor) Center information

Major market players

- EPAM Systems (Moscow, St Petersburg, Saratov, …)
- Luxoft (Moscow, St Petersburg, Omsk, …)
- MERA (Nizhniy Novgorod, Kazan)
- DataArt (St Petersburg)
- FirstLineSoftware (St Petersburg)
- ICL KPO VS (Kazan)
- Arcadia (St Petersburg)
- Auriga (Moscow, Nizhniy Novgorod, Kazan)
- Artezio (Moscow, Nizhniy Novgorod)
- Reksoft (St Petersburg, Voronezh)
- Lanit-Tercom (St Petersburg)
- ReturnOnIntelligence (St Petersburg)

12th Annual Software Industry Export Market Survey

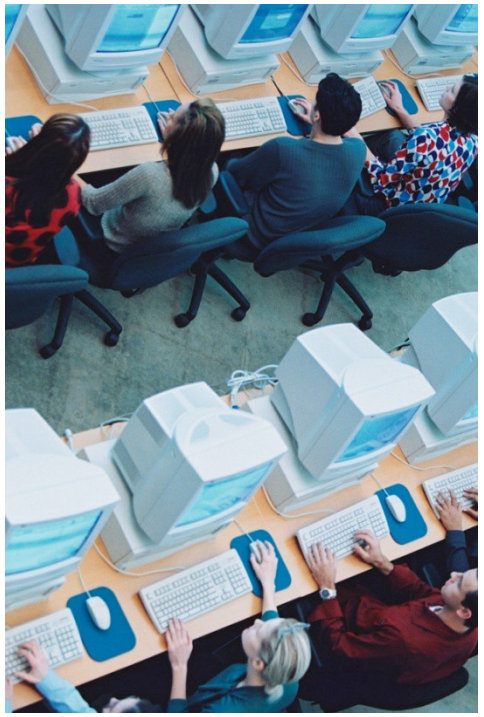
- Market estimations are based on a Survey conducted by RUSSOFT in January — March 2015 (12th time since 2004)
- 120+ respondents from our software export companies' data-base (1500 companies)
- Industry leaders and leading analysts participate in the preparation of the report
- survey is the unique source of reliable info about the IT-export - for the Industry, for the Government and for the whole international IT-Community

General characteristics of the software development industry

- Number of software developers 140 000
(420 000 developers altogether in the IT-branch)
- Total number of Universities' graduates with qualification of software developers 900 000
- Total turnover of the software development industry $12 Bln
- Software and Software development services' export $6 Bln

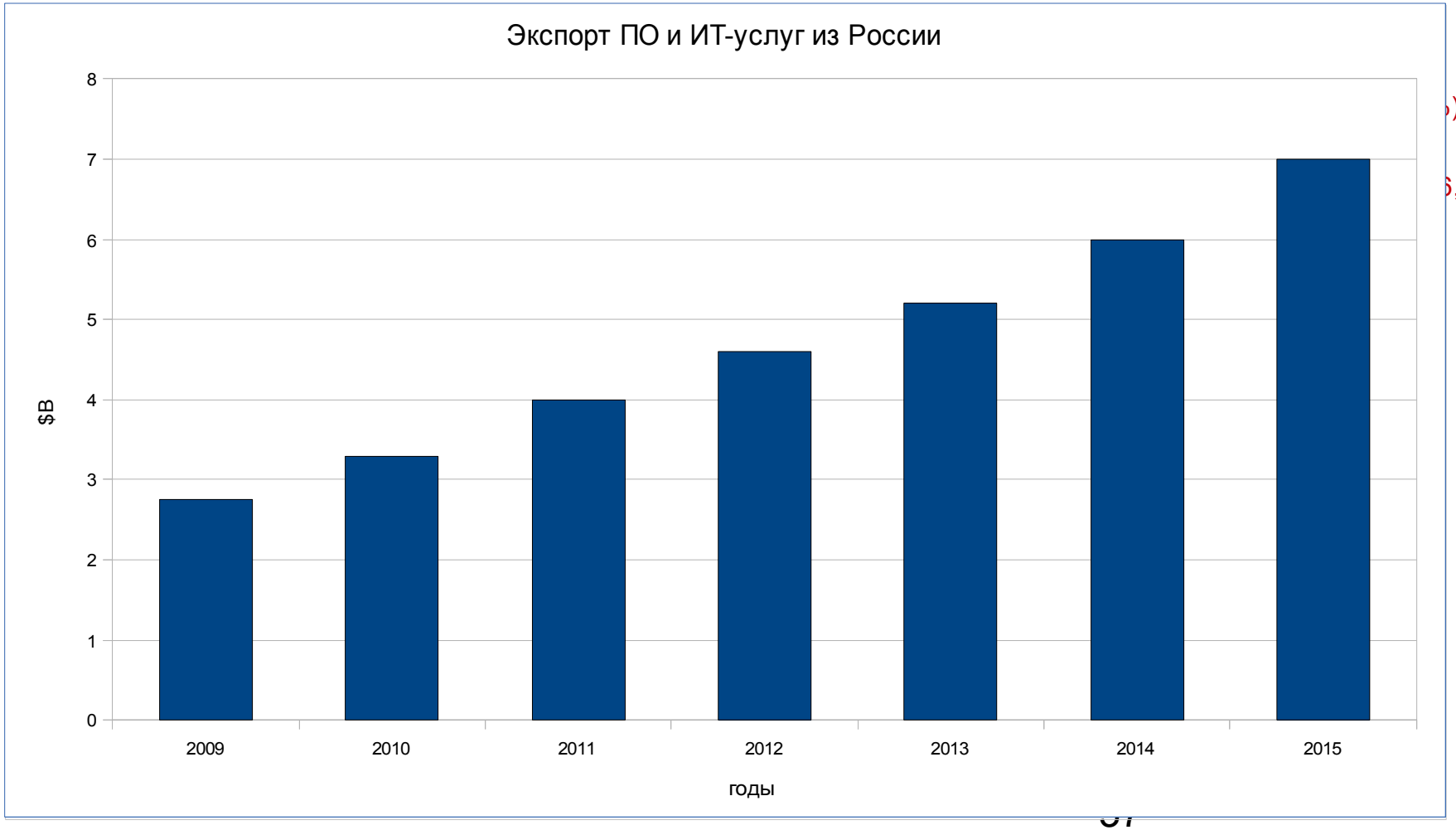
Human Capital: Quality

Russia at the ACM International Collegiate Programming Contest

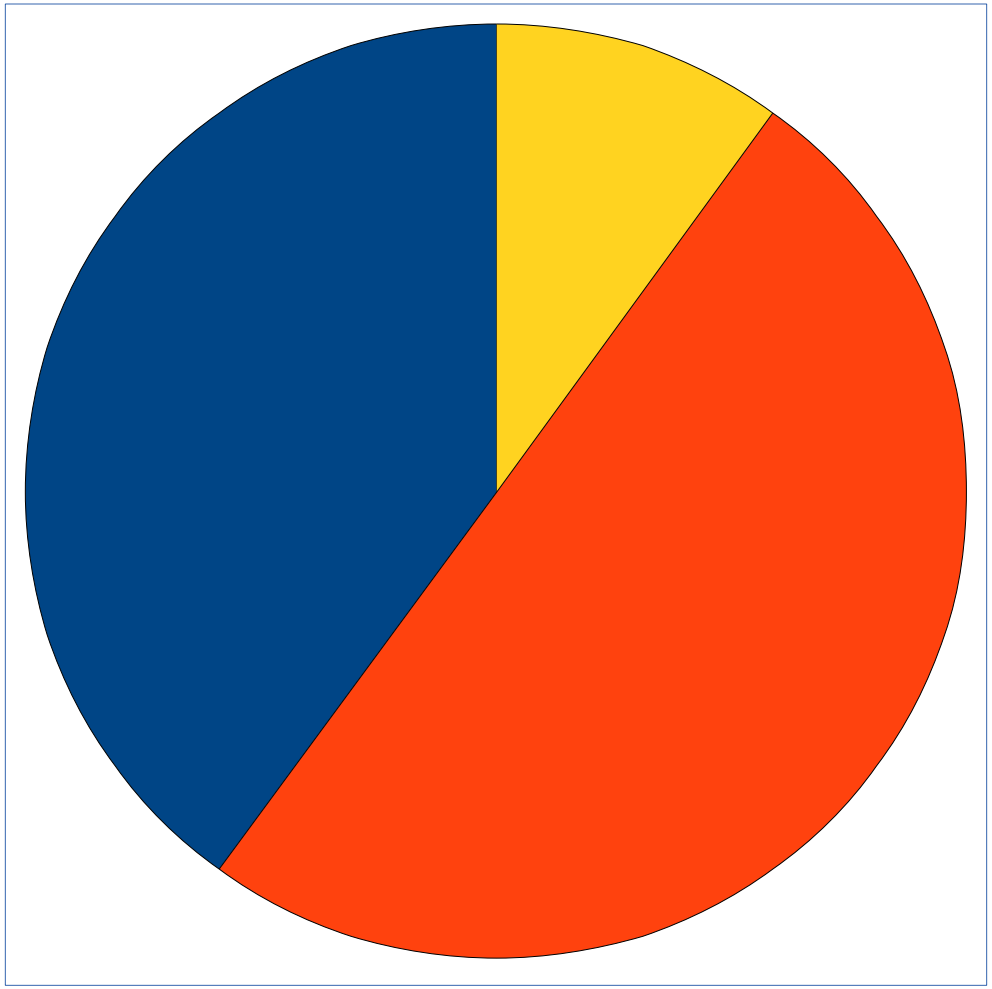


2015: World Champions, 2 Gold medals
2014: World Champions! 4 medals out of 12,
2013: World Champions! 4 out of 13 medals
2012: World Champions! 2 Gold Medals out of 4!
(from appr. 25,000 contestants representing 2,000+ universities from nearly 90 countries on 6 continents)
2011: 5 of 12 medals
2010: second absolute place, 5 of 13 medals
2009: World Champions, 3 of 4 gold medals,
4 of 13 total medalists
2008: World Champions, 3 of 4 gold medals,
7 of 12 total medalists
2000-2007: 4 times World Champions, many medals

Export of software and of IT-services from Russia



Composition of Export



Services 50%
Software 40%
Software services
From DDC 10%

Captive centers of foreign corporations in Russia

- Motorola (since 1995)
- Intel (used to be the biggest R&D resource of Intel outside the US)
- Oracle, EMC, T-Systems, Siemens, Deutche Bank, Schlumberger, IBM, Cisco Systems, Quest, …
- 10% of the total software export from Russia ($520 M) with -5% growth rate (in 2014)

«Best 100 Global Service Providers»
(Global Services, 2014)

Russia

Artezio, Auriga, DataArt, EPAM Systems, FirstLine Software, Luxoft, MERA Networks, Reksoft, ReturnOnInteligence

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Lanit-Tercom, ICL-KMO, Arcadia

Byelorussia

EPAM Systems, IBA Group, Intetics, Itransition

New Russian Software Leaders in the Gartner «Magic Quadrants»

Three more Russia Software vendors got into the «Magic Quadrans» of Gartner in 2012-2015:

PROGNOZ (Perm) - «Business Intelligence»
Diasoft (Moscow) - «Core Banking» and «Retail Core Banking»
InfoWatch (Moscow) - «Data Loss Prevention»
Positive Technologies (Moscow) – "Web applications Firewalls"

Successful IPO of Russian IT-businesses

2010 Mail.ru ($5,4 B)

2011 Yandex ($8,1B)

2012 EPAM Systems ($570 M) $1 B+

2013 Luxoft ($700M+)

2013 Qiwi ($884 M)

Who is the next?

Kaspersky Lab, 1C, Veeam, iFree, JetBrains,... ?