CODESPRING

OUR CODE YOUR SUCCESS

Edition No.3

# COMPANY PAPERS

April 2011

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# 2011 Code Spring

Entering the 2nd quarter of 2011, the world of software code is taking in fresh, spring air. After the major spring event of the IT&C global business community in Hannover, Codespring team is looking ahead for the challenges to come.

The pursuit for „EXCELLENCE"continues and we are proud that our message for 2011 was well received by our industry peers and the media. This 3rd edition of Company Papers brings to your attention new data and forecast regarding the IT&C market in Romania, an exclusive interview wih one of the CEE region's top leaders and our longterm partner, a special focus on the Romanian IT&C wages and the traditional "thinking point". In the end, our news section keeps you up to date with events that marked the last quarter for Codespring.

Always in our spotlight, the local software development market will benefit of our special attention. Positive indicators reveal a slow but consistent recovery of the overall business environment.

Follow our publications and find out fresh data about Cluj-Napoca sofware development.

Our code, your success!

**Codespring Team.**

# 2011: Steady Growth of the Romanian IT Market

The first quarter of 2011 sealed the experts' cautious forecasts that Romania is heading towards a shy economic expansion, by 2.1% over the current year. Global rating agencies have improved their overall country ratings for Romania. New investment activity was observed in the second half of 2010 and continues in the first half of 2011. In such context, all domestic IT market estimates show steady growth for this year.

**2011 Romania's Ratings and Outlooks**

| | Rating | Outlook |
|---|---|---|
| EIU Sovereign Rating | BB | stable |
| Standard&Poor's | BB+ | stable |
| Fitch Rating | BB + | stable |
| Coface | B | |

Fig. 1: Country Ratings for 2011

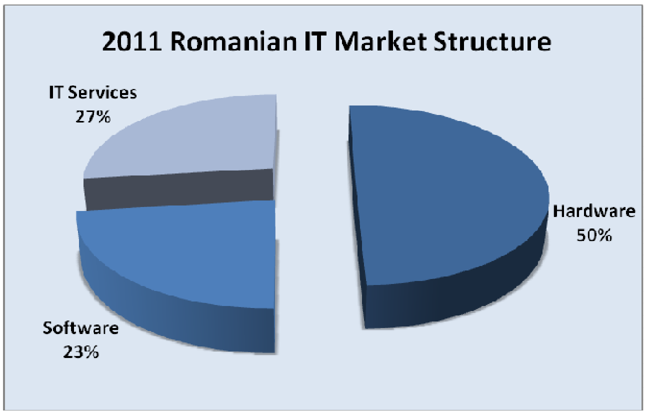


Fig. 2: 2011 Romanian IT Market Structure / IC Romania

The trend on the Romanian IT market slightly changed: IT Services and Software Development gained terrain. The explanation resides in the growing demand for IT outsourcing from global players that chose to saveguard their business value by lowering operating costs. Even if there was history of bankrupcy on the hardware domestic market, this segment keeps dominating the market by 50% share of the total value. Internal demand for all segments is recovering, while new institutional projects, related to technological updates and modernisation have been the only constant domestic demand. The best margins were generated in the IT Services and Software Development segments.

As presented in the table below, in 2010 the total IT maket did record a contraction, but not as dramatic as in 2009. On the national market, IT spending was reduced: first, due to the chain reaction of all businesses facing the general recession; secondly, due to the VAT increase up to 24% in June 2010, a measure that affected all domestic consume indicators. Based on the IT Services and Software Development Exports contribution to the total volume, and on the fact that some previous IT investments did meet their breakeven point, Romanian IT sector enters 2011 on an ascending trendline, with hopes to increase by a one digit market expansion.

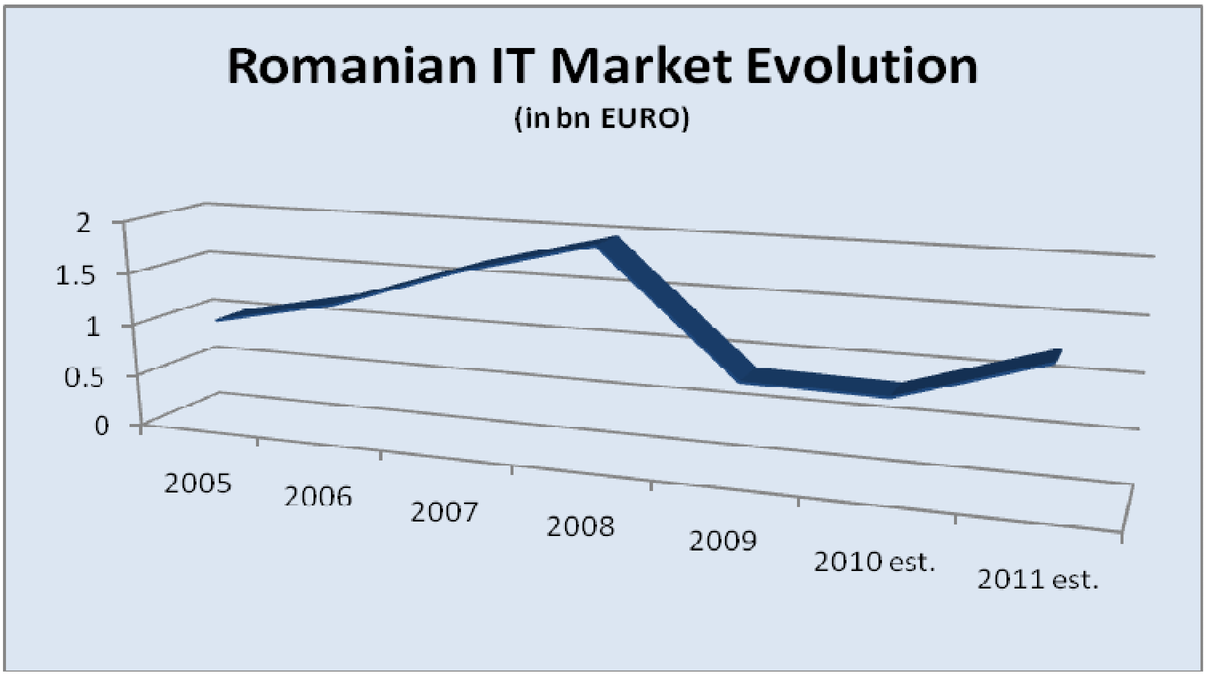


Fig. 3: 2011 Romanian IT Market Evolution / National Institute of Statistics, Institute for Computers.

The geography of Romania's IT Market in 2011 will be similar to the previous year. However, we expect that Cluj-Napoca and Braşov meet greater financial values and higher efficiency rates.

The Merger&Acquisition activity seems also to reshape the market structure. Difficult to be predicted, due to the confidentiality of these operations, we still have to note that in 2009-2010 the M&A operations occurred mostly within IT retailers and distributors. One of the most active buyers was Asesoft Distribution. In the recent history of Romanian IT M&A, please note among the first investors: Adobe Systems and Siemens Business Services. Currently Romania is being targeted by investors from the EU and Asia. Due to the IT landscape and the human resources Romania disposes of, investment in the sector is likely to be attractive.


Fig. 4: IT Outsourcing Market at a Glance

Finally, specific forecast shows a stable exchange rate for the US dollar and the European Currency, an optimistic GDP growth, a lesser mismatch between imports and exports. Hot money is unlikely to return in the country, therefore we can expect a more solid base for real growth and a better wages control – two key factors which affect the decision of global players to outsource to Romania.

**2011 Romania's Risk Ratings**

| | |
|---|---|
| Short Term Political Risk | 60.0 |
| Short Term Economic Risk | 43.1 |
| Business Environment | 52.6 |

Fig. 5: Country Risk Ratings

Uncertainity may be still a major characteristic of the CEE Region, and definitely the IT Market in Romania cannot escape the general landscape. On the other side, this region may also be the nest of many opportunities: prepared work force, good price, skills pool, government support, open culture. We will try to explore these opportunities for you, in our next Market Reports edition.

**ROMANIA , Data & Forecasts**

| | 2009 | 2010 e | 2011 f | 2012 f |
|---|---|---|---|---|
| Population, mn [2] | 21.5 | 21.4 | 21.4 | 21.3 |
| Nominal GDP, RONbn [3] | 491.3 | 509.2 | 556.1 | 602.1 |
| GDP per capita, US$ [3] | 7,551 | 7,476 | 8,241 | 8,719 |
| Real GDP growth, % change y-o-y [3] | -7.1 | -1.9 | 2.1 | 3.7 |
| Industrial Production Index, % y-o-y, av. [4] | -14.0 | -10.2 | 23.5 | 5.7 |
| Budget Balance, % of GDP [5] | -8.3 | -6.0 | -4.7 | -3.9 |
| Consumer Prices, % y-o-y, eop [4] | 4.8 | 8.0 | 5.4 | 3.5 |
| Exchange rate RON/US$, eop [1,6] | 3.34 | 3.20 | 3.20 | 3.20 |
| Exchange rate RON/EUR, eop [1,6] | 4.24 | 4.28 | 4.25 | 4.00 |
| Goods imports EURbn [5] | 35.9 | 42.8 | 47.2 | 52.0 |
| Goods exports EURbn [5] | 29.1 | 34.2 | 38.0 | 41.8 |
| Balanceof trade in goods, EURbn [5] | -6.8 | -8.7 | -9.2 | -10.2 |
| Current account, % of GDP [5] | -4.5 | -4.7 | -4.2 | -4.3 |
| Foreign Reserves ex gold US$bn [7] | 35.9 | 45.5 | 47.0 | 50.0 |
| Total external debt stock, % of GDP [5] | 67.9 | 73.3 | 83.5 | 86.3 |

Notes: f= BMI forecasts; 1= Denomination of currency at ROL 10,000 = RON 1 on July , Sources: 2 World Bank / BMI calculation/BMI. 3 EUROSTAT /BMI calculation; 4 National Institute of Statistics / BMI calculation; 5 National Bank of Romania / BMI Calculation; 6 BMI; 7 IMF IFS / BMI calculation

Fig. 6: Country Essential Data and Forecasts / source: Business Monitor International, April 2011

# Attila Bárdos: All In for CEE Outsourcing

Outsourcing conquers the digital business model. While large corporations stress out cost savings by ramping up their operations in the CEE region, domestic providers outscore each other on the battlefield of performance. As a remarkable example, we have invited Attila Bárdos to share his leadership experiences and his insights on the outsourcing industry today.

**Attila Bárdos** is a prominent entrepreneur and independent business owner at Delta Velorum, a mobile solutions provider for Apple platforms. With a consistent track record of leading innovative companies and coordinating software outsourcing projects, he has gained inspiring leadership experience as Director of Software Development, Construction Solutions at Graphisoft, a leading architectural CAD software company and as General Manager at Vico Software, the world's first 5D BIM (Building Information Modelling) software and service provider.

> "I have always been very satisfied with the services Codespring provided in the last five years since we started working together. Above all, I prized their talent and commitment and their readiness to always deliver best quality intellectual work!"
>
> Attila Bárdos
> Former Director R&D, Vico Software

### After 11 years in architecture, building and construction industry, you made a 180° turn: investing in mobile applications development. Why?

**A.B.:** Well, I regard the accumulated leadership experience as totally independent from the industry branches I have worked in. I have built up and managed software development projects or and orchestrated global transactions. My technical and operational expertise does not depend on the type of project I managed. My business process know-how and my experience in business development is what qualify me to proceed to entrepreneurship.

### What is the rationale for betting exclusively on Apple's mobile operating system?

**A.B.:** In these years, Apple is a trend-setter and a true gadget fashion shaper. This is why their products are right now at a high demand, especially among young fashion-followers. Accordingly, the need for applications on Apple's mobile operating system surged. Delta Velorum would like to take advantage of this current market set-up in the coming two-three years and to get the best results with least investment. Surely, this will change on the long run, given the fact that Google's Android has already outperformed Apple's iOS in sales. But for now, we ought to follow the customer's demand.

### When coordinating software development projects in the CEE , what were your criteria to select destination countries / companies for outsourcing projects?

**A.B.:** Indeed, I have operated outsourcing in Romania, Ukraine, Finland and India. I have chosen Romania for its proximity, highly qualified labour pool and dynamic character. Since Graphisoft is a Hungary-based company, nearby locations seemed optimal for personal meetings and avoid long travel times. Cluj-Napoca academic hot-spot offered the potential to exponentially increase the size of the development team, contrary to Hungary. Romania was better value, and efficiency ratio is still the key factor to be considered along with price. This collaboration finally made good money for the company. Financial market swings forced us to turn to Ukraine. As the revenue of Vico Software came 90% from the USA in dollars, we turned to Ukraine, accounting in dollars, to ensure profit continuity amid fluctuating markets. Finally, outsourcing in Finland was a strategic consequence of a Finnish company acquisition made by Graphisoft.

### How would you appreciate the collaboration you have with Codespring?

**A.B.: I have always been very satisfied with the services Codespring provided in the last five years since we started working together. Above all, I prized their talent and commitment and their readiness to always deliver best quality intellectual work**. But for the unfavourable EUR – USD exchange rate mentioned earlier, I wouldn't have turned to Ukraine.

### What about the "outsourcing promise" in the CEE region during the next decade?

**A.B.:** …I would be stretching myself on a Caribbean Island, sipping exotic cocktails and making a fortune on the stock market, if I was able to predict the future or the market moves.... However, it is not the case. Crucial for the future of outsourcing in the CEE region is that education maintains its high-level competitiveness – in Hungary it followed a descending trend line – and wages be kept under control. If any of these premises are not met, added value will be compromised. The financial aspect is a real challenge, given the fact that emerging markets experience growing living standards, which result in wage increase.

### When doing software outsourcing to India, how did you cope with cultural differences?

**A.B.:** Although the project type lets its mark on the process, I confess, my outsourcing experience in India was a pretty tragic one ... The different cultural setting is a constant gap. Discrepancy in absorbtion and execution speed is striking: one working day in Romania or Ukraine equlas up to ten days in India. Very cheap, indeed, but low efficiency rate. Additionally, you need agility to launch a product on the market, so there is no extended time to wait until it gets done. Also strong local accent inhibits seamless communication. It took me a while to become accustomed to it. Overmore, hierarchical structures are so important, that everybody fights for a manager title. Consequently, fluctuation rates are above 50%. In spite all that, they can execute the project exactly as foreseen in the specification. However, creativity and self-determination were a must for our projects, so I was a lot happier with software outsourcing service providers from the CEE region. Here, the engineers are motivated and loyal to the company they work for.

### You also were in charge of projects for Asian and American markets. What is your feeling about the business climate from Japan and the USA?

**A.B.:** Clearly, there are quite a few differences! Japanese businessmen are very thoroughgoing, considering every question in detail, taking their time. Long conversations preceed any decision. They work long hours, deliver outstanding services, but in a very deliberate manner. Whereas decisions in the USA follow an agile rhythm, they are more committed to move quickly. The business climate of the USA is closer to our mentality. Business people from the USA show increased susceptibility towards marketing and management skills, a trait lacked by their counterparts from the CEE region, out of historical reasons. Something we should learn from them.

### In your opinion, what is the importance of "peopleware" in the IT&C industry?

**A.B.:** As you may know, there is a huge difference between hardware production and software development. If the project is about assembling a DVD player, a person with the appropriate level of intelligence can be trained in a short time, and therefore, can be replaced in a short time. But for a software engineer, this immediate replacement is impossible. You not only need another person to perform the job, but a human mind, agile, smart and motivated enough to obtain the desired results. To attain efficiency, the engineer chosen for the project has to be creative, technically capable and a good team member. I am strongly convinced that getting maximum results out of efficient human intellectual performance is possible only through being peopleware.

### Can you recall why did you choose to become a software engineer back in the late '80s,?

**A.B.:** Honestly, it wasn't a consciously made choice, as I haven't foreseen that in 20-30 years software development would be an industry at high demand, controlling business and everyday life. While at high-school, when the first PCs were just launched, I was granted easy access to a computer, and simply played on it. Later on, I was curious how I could use it for useful purposes and how I could write programmes. Ever it became a passion for me. This is exactly why I fancy working only with software engineers who are intellectually excited about what they do.

### Wht about the AR and 3D immersion in our day to day life?

**A.B.:** AR (Augmented Reality) is inevitably happening, and this is a good thing. I am amazed by the way and speed state-of-art technology changes the way we live, communicate and act. For example, I watched a demo of an iPhone application: the iPhone camera was focused on an English inscription; the application has identified the context and meaning real time and projected its Spanish translation immediately. So the point I am making here is that technology changes professions in our century: we might no longer need interpreting services or headlined translated into multiple languages in museums, for instance. We will only need to possess technology in our pockets and access to information is a click away. I am positively excited about this technology lever.(T.S.)

# Romanian GDP per Capita and Wages Increase

According to an official forecast published by the Romanian National Commission of Prognosis (CNP) Romanian GDP will increase by 1.5% and avarage net wage will rise by 5.2% to 350 EUR in 2011. The country's economic growth will happen in multiple trend lines, with an estimated minimum GDP growth rate by 0.6% in Giurgiu county and a maximum 2.5% economic advance in Cluj, Transylvania. The counties of Cluj, Argeş, Sibiu, Braşov and Ilfov will register a fast recovery, scoring a GDP performance higher than 2% in 2011. A sluggish economic recovery, less than 1%, is expected in Giurgiu, Satu-Mare, Sălaj, Covasna, Bihor and Ialomiţa counties. Other counties will oscillate between average (1,5%-2%) and moderate (1%-1,5%) GDP performances.

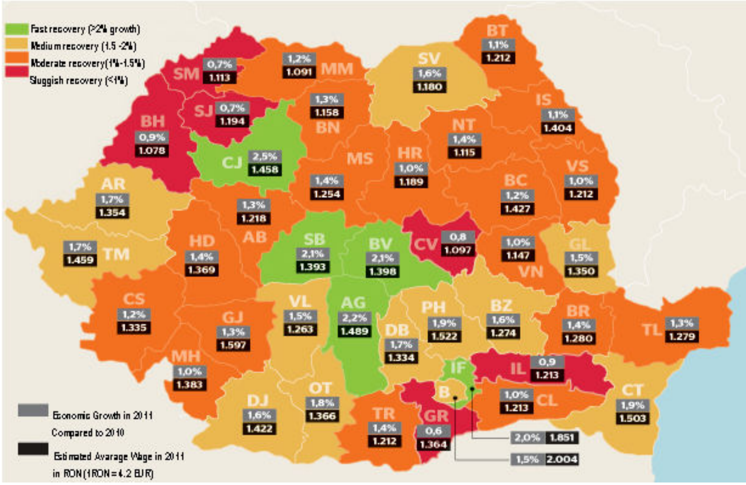


Fig. 1: 2011 Economic Growth and Avarage Wage Estimation Map of Romania. Source: www.adevarul.ro, based on Statistics made by the National Commission of Prognosis.

GDP growth is fueled by relatively high consumer purchasing power, exports-led production and foreign capital inflow. „Unfortunately our economic model is based on consumption of imported goods. So the few counties with rapid growth are those that produce for export, but they can not pull up the whole. In Cluj and Argeş the stimulating engines are, in fact, Nokia and respectively, Dacia, both producing for export" concludes Ilie Şerbănescu, financial analyst, cited by Adevărul.

## GDP per Capita of Romanian Counties

Romania, which joined the European Union on January 1st, 2007, is the 22nd largest economy in Europe and the 17th in the EU by total Gross Domestic Product (GDP). Before the global economic recession, Romania enjoyed almost a decade of steady economic growth, thanks to a strong demand in EU markets. Domestic consumption and foreign investments have fuelled strong GDP growth, but have also led to a widening account deficit. The year 2008 was marked by a great economic expansion, when a credit-fuelled consumption made Romania the EU's fastest-growing economy. After being hit by the financial crisis, in early 2009, the country plunged into recession and the GDP fell by more than 7%, below the level of 2007. This prompted the Government to turn to international support, contracting loans from the IMF, the European Commission and the World Bank Group. The international community agreed to support the Romanian economy with a package totaling EUR 19.95 billion over the period 2009-2010. Austerity measures were implemented through 2010 as part oft he IMF-led agreement, yet the GDP contracted by another 1.9% in the same year.

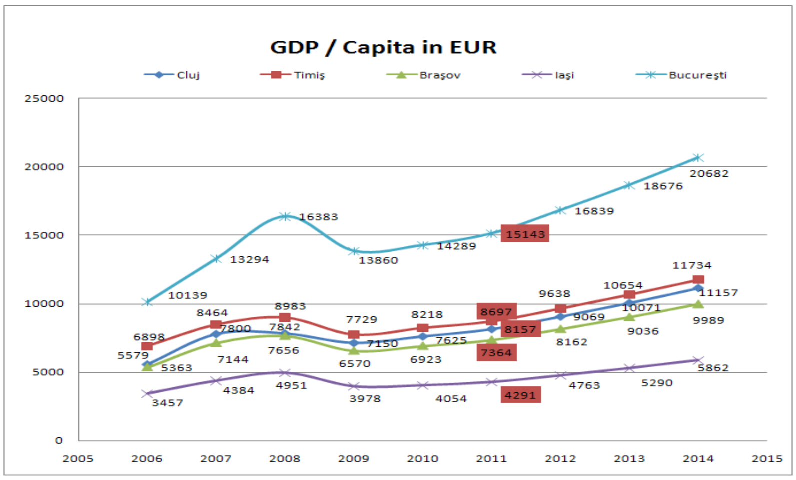


Fig. 2: Romanian counties GDP per capita in EUR.
Source: National Commission of Prognosis (CNP).

Nevertheless, the country's fiscal performance to date sends encouraging signals with respect to resumed growth in 2011. An estimate by the CNP, in line with current GDP forecasts made by Eurostat, expects the GDP of Romania to reach the former level of 2008 between 2011 and 2012. Analysts forecast a growth in GDP of 1.5% in 2011, followed by a growth of 4.4% in 2012. GDP per capita in Romania varies dramatically even among same ranked counties. The highest value is registered in Bucharest, with a GDP of EUR 15 143 per capita estimated for 2011, and the minimun in Botoşani, with EUR 2804 per capita. GDP per capita from Bucharest exceeds three times the national avarage rate of EUR 5600, and is almost six times higher than the value measured in the least performing county. The reason for this is that earnings registered in the capital actually come from business activity undertaken in the whole country. Timiş, Cluj and Braşov counties have a very close economic performance, with GDP per capita estimates of EUR 8697, EUR 8157 and EUR 7364 in 2011.

## National Average Wages and Salaries Practiced in Romania's IT&C Sector

Average net wage is estimated to rise by 5.2% to 350 EUR in 2011. According to CNP, average net wage will exceed EUR 477 in 2011 in Bucharest only. Bihor county is likely to have the lowest level of earnings with an average net rate of EUR 257, almost two times lower than the value measured in the capital. In Transylvania, Cluj county scores the highest average net wage with EUR 347 in 2011, followed by Braşov with EUR 332 and Sibiu with EUR 331. Although the highest increase in wages was recorded in 2010 in Braşov, the county has failed in 2011 to enter the top ten counties in terms of average monthly salaries. Only one county from Moldova made it to the top ten: Bacău, and not Iaşi, as expected. Bacău occupies 9th place with an average net earnings ratio of EUR 340, while Iaşi is positioned on the 11th place with EUR 334.

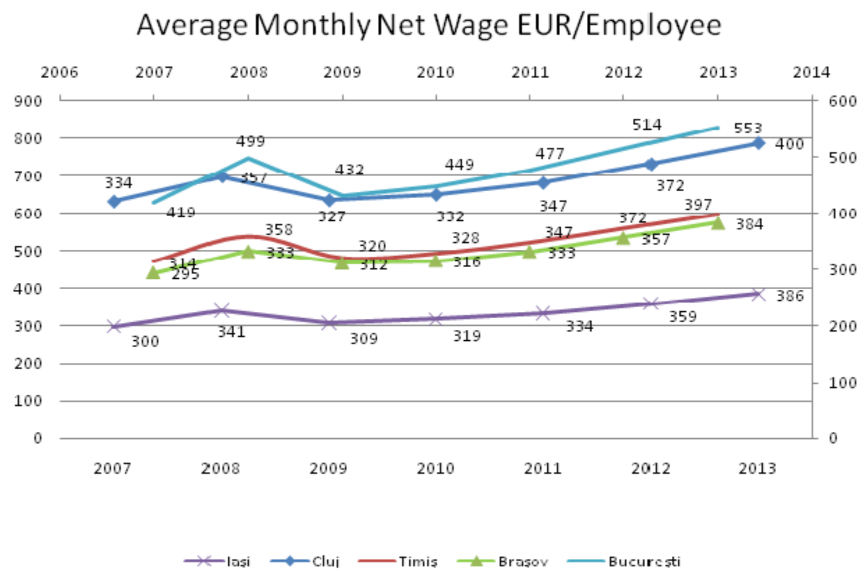


Fig. 3: Average Monthly Net Wages in EUR. Source: National Commission of Prognosis.

Around 40% of private companies in Romania estimate an average 6.8% raise in salaries in 2011, compared with an average 4.3% salary raise in 2010, according to a **PayWell Romania survey** on salary and benefits, **conducted by PricewaterhouseCoopers (PwC).** Salary raises ranged from an average 2.9% in the retail sector, to 5.9% in the IT industry. The survey indicates that the highest salary raises in 2010 were registered in the IT sector (5.9%), the pharmaceutical sector (5.4%) and the auto-making sector (4.9%), while the banking and retail sectors saw salary raises of only 3% and 2.9%, respectively. According to the survey, employees within private companies with turnovers of up to EUR 50 million and companies with less than 500 employees register the highest salaries, namely, gross wages of EUR 759 and EUR 963, respectively. On the other hand, a company with a turnover higher than EUR 300 million offers gross wage of EUR 687, while companies with 501 up to 1,000 employees, the gross wage amounts to almost EUR 557. Depending on the region, on average, the gross wage in Bucharest rises to EUR 947 in 2010, while outside Bucharest, the monthly average salary amounts to EUR 569.

Historically, highest wages were earned by employees working in the financial sector and air transportation industry. By now, this has changed in favour of the IT&C industry. According to the **AIMS Salary Map IT Study** carried out by **AIMS Human Capital**, IT companies in the Western part of Romania will increase the level of salaries by 10% on average in 2011. The study revelas that the average level of the gross monthly salary for a senior software developer is EUR 1600, while a junior developer makes on average only EUR 712 per month. However, there are companies that pay better juniors in programming so that their salaries can vary between a minimum level of EUR 250 and a maximum level of EUR 1440 per month. The level of the salaries increases according to the hierarchy. The manager of a department who runs teams of more than 50-100 employees will earn on average EUR 2887 gross salary per month, which is nearly two times more than a senior team leader. The study included 30 companies in centers from Timişoara, Cluj, Sibiu and Braşov, which had a total number of 6,200 employees. (T.S.)

# 3D & the Technology Behind

People flocking in to the 3D theatre projections became a world phenomenon in the past five years. What's more, 3D aficionados can now follow 3D television channels directly in their living room. Internet surfers enjoy now the dedicated "3D View Style" menu on youtube.com. Everything, grace to a century time painstacking research, blooming splendourously due to the unimaginated speed of technology developments. Human perception again (!) is distorted and we live the illusion of enhanced depths.


Fig. 2: RealD glasses

How did software and hardware facilitate the boom of these previously called "niche" projections? What are the effects upon our physical sensors, or the benefits human kind can take from this technology? What is the next challenge? These are just a few questions that this article choses to analyze and present our thoughts.

## The Techniques

First, we should concentrate on the simple fact that 3D (three-dimensional) films and presentations deal mainly with *moving pictures with an illusive enhanced depth perception*. There are two main possibilities to reach this result: either the viewer will use a device (glasses, lenses) to filter the separate offset images to each eye, or some source will split the images directionally into the subject eyes, without any device on them.

*Stereoscopy* is currently the most popular method for generating 3D impressions. We are experiencing the fast spread of stereoscopy due to the big scale entertainment corporations promoting 3D films in cinema theatres. The eye is added by several types of lenses: anaglyph system uses red & cyan lenses, polarization system uses polarized lenses, and alternate-frame sequence uses active shutter lenses and the latest HMD (head mounted displays) consist in using separate displays for each eye, while lenses have the role to relax the eye.


Fig. 2: Nintendo 3DS game mobile console

*Autostereoscopy* is the latest trendsetter. This method is able to generate 3D images without any eye adding accessoires. This year's top launch, Nintendo's 3DS portable game console hit the ranks by its ability to produce "3D effects without any special glasses". This method goes further to solve the accommodation for the motion parallax and for wider viewing angles: either there will be put in place an eye-tracking system or there will be displayed multiple views. Some displays featured for autostereoscopic purpose are: parallax barrier, lenticular, volumetric, electro-holographic and light field displays.

> *"Nintendo has engineered a way for the screen essentially to beam out those separate images for each eye without the viewer's needing any special eyewear or headgear. You look into the 3-D top screen on the DS, and it's like watching a moving hologram that is under your control. It is simply magical!"*
>
> By: Seth Sciesel, New York Times
> 25.03.2011

## 3D Systems & Technology

Based on the previous mentioned 3D imagery generation, the technology has known various developments.

For start, the Real D technology is the most common technology in the field. It is based on circular polarization, requiring a silver screen in the cinema theatres.

Next, the Dolby 3D system allows both 2D and 3D projections, using wavelength multiplex visualisation. The main advantage over the Real D is that the silver screen is not needed for projections.
The Digital 3D category comprises more systems having in common the presentation and shooting of films, presentations or video games directly into 3D technology, or the latter post-production processing to add 3D effects.

Thus, the XPanD 3D system uses alternate image flashes for each eye, individually. The special shutter effect glasses used for XPanD 3D are an electronic device with LCD lenses. Each lens alternates between transparent and opaque, acquiring only the intended image for each eye, at a certain time. Also, infrared signal is broadcasted in the auditorium to be picked up by the glasses to synchronise the shutter effect.


Fig. 3: Shutter Effect Glasses

Master Image 3D systems combine stereoscopic and autostereoscopic tehnologies for cinema theatres, television and presentations but also for mobile devices. IMAX 3D, as one of the largest promoters of "multiple-D experiences", is a system developed also for cinema theatres and it is lately expanded for the digital world also.

> *"These three events (n: the Microsoft Kinect tracking system for the Xbox, the Nintendo 3DS gaming device, and the triumph on "Jeopardy!" of I.B.M.'s Watson computer) have been paradigm-shifting for avatar conferences. Virtual reality scientists have been waiting for these events for decades — and faster than most of us predicted, the technology is finally ready for the living room and the cubicle."*
>
> Quoted: Dr. Bailenson, Funding Director of Stanford's Virtual Human Interaction Lab
>
> By: John Tierney, New York Times 11.04.2011

Of course there are so many other technologies and systems that worth to pay attention for, yet we chose to cover the most popular ones, in order to have a clear understanding of their evolution and where the public is at assimilating them.

## The Paradigm-Shift

As the Founding Director of Standford's Virtual Human Interaction Lab states, the last twelve months events generated a real paradigm-shift among the thinking of international vietual scientists. If a few decades ago, the idea of virtual conferences with our own avatars seemed pure science-fiction, today we are clearly put in fornt of a major shift in our approach towards human interaction. The augmented reality technologies, the 3D projections developments, enhanced by heptic simulation pull modern man to have a broader active dimension. Physical presence and space will no longer be a constraint. Programming your avatar to take specific actions while your real body and mind is focused else-where will be possible.

## The Critics

Both the narrow sector of 3D developments and the broader idea of virtuality are being praised and criticised. First, 3D non-afficionado audience claims its lack of utility and poor experience compared to the marketed value. Justified criticism is brought to the feature films producers who emphasize on the 3D effects over the artistic value and of the story line. Third, there is also medical concern about current 3D technologies, since they did not solve the eye accommodation issue with the illusive depth created. Another frequent complaint is that viewers feel nausea or experience headache during and after projection.

Again, the ones who can most profit from these technologies are the aerospace sector, the military sector ad the medical sector. The ability to analyse digitally reproduced environments, situations and objects in three dimensions is uncomparabe with any previous technologies of the kind. It depends on our ethics and morality how we choose to use these discoveries. (D.C.)

# Leading a Romanian Frigate in International Waters

February 2011

On the 21of February, 2011, Phoenix Mission Magazine – an online and offline magazine of the Romanian Community in Arizona, published a fresh interview with our CEO: Mr. Szélyes Levente. The author is Ms. Simona Botezan, an US independent journalist. We thank her and the publisher for the interest they show for the Romanian IT&C industry. Read more at www.phoenixmission.org.

# Romania's Economy Revised Upward in 2011

February 2011

Financial reports published by international ranking and monetary institutions have improved their outlook on Romania's economic evolution for 2011.According to the Center for European Economic Research (ZEW) analyst expectations for Romania's economical growth rose by 3.6 points, to 33.4 points. Meanwhile, the Economist Intelligence Unit (EIU) forecasts a slow return to growth in 2011 and foresees an expansion of the real GDP by 0.7%. Concurrently, the International Monetary Fund (IMF) expects economic growth of about 1.5 percent for Romania in 2011, in line with the government's own forecast. At the same time, theEuropean Bank for Reconstruction and Development (EBRD) ups Romania's GDP forecast to +1.1% this year. Therefore, it is a must for Romania to report further progress in 2011in order to meet both national and international financial market expectations and to keep up with plans to join the euro zone in 2015.

# RomaniaIT party at CeBIT: March 3rd, 6:30 pm

March 2011

The RomaniaIT Booth in Hall 5/ B48 welcomed CeBIT 2011 guests from all around the world. You could meet personally the exhibiting 16 Romanian companies and learn more about their services and how to boost the success of your business through their resources and qualifications. This year, as always, the invitees had a wonderful opportunity to taste Romanian specialties and wines.Make sure that you mark romaniaIT Party on your CeBIT calendar: it is held yearly on the 3rd day of the CebIT fair, beginning with 6:30 pm, in the RomaniaIT Booth. Codespring will meet you there in 2012 to offer you software development & outsourcing services from Transylvania, Romania.

# CeBIT 2011: RomaniaIT seals deals of Euro 3.5 Million

March 2011

IT&C community agrees that CeBIT 2011 was a real success; Top decision-makers in Hannover represented purchasing power of Euro 50 billion; Romania's presence at CeBIT 2011, Hannover (1-5 March), facilitated and managed by A.N.I.S. summed up a total of 16 IT&C companies: AllView, Ambo, Arobs, AvanGate, Codespring, Contico Technologies, Direct Vision, Enea, Feper, IQuest, IT Six Global Services, MosaIQ, Pentalog, Ropardo, and RomSoft. These companies are mainly software development service providers, but retailers and domestic hardware manufacturers also showed their offers this year.

In actual numbers, Romania's presence at the prime event of the IT&C industry meant: more than hundred direct b2b meetings, 100% increase of the specialized visitors, effective Future Match sessions, and an estimated total deals of Euro 3.5 million, at which we add hundreds of potential leads.

“The attendance of over 500 CIO’s of major international companies and other private investors had an impact on the caliber of the overall event. CeBIT 2011 organizers made real efforts to have all participants well prepared for the fair. The main topic “Work and Life with the Cloud” stirred everyone’s concept about current business and living trends.”-declared Mr. Szélyes Levente, CEO Codespring and continued: “Also, the Romanian organizing team, led by Mrs. Valerica Dragomir, Executive Director at A.N.I.S. became better and better in managing Romania’s presence at the fair. Special thanks and we hope to get the chance to represent Romania again at CeBIT 2012.”

# CeBIT 2011: Codespring Review

March 2011

Thank you vor visiting CODESPRING at CeBIT 2011! The yearly Hannover fair was a real success for Codespring in 2011. More guests than ever before paid a visit to our booth, curious to discover Transylavnia’s world of software development. Our guests learned about our services, our way of working and the opportunities they may find when partnering with a Romanian outsourcing provider. The topic of specialized software development and integration with mobile development was on the top of discussions.

The luck jar prepared by our marketing team offered a fun moment for those passing by and leaving their business card. In reward, Codepsring Mobile Technology team granted daily some free iSpeedCam licences! We hope the lucky winners are enjoying now driving with our Traffic Safety Camera warning system.

The Press Kit offered by our PR Specialist, was also welcomed by attending journalists, who found the fresh information about the local and national software market very helpful. Having an active market research team, we invite you to follow our Resources section or to subscribe for our quarterly Company Papers or monthly Newsletter in order to receive the hottest info about Cluj-Napoca, Transylvania, Romania and the CEE Region.

# Balkans.Com: Interview with Levente Szélyes, Owner & CEO Codespring

March 2011

Balkans.com – a business-only website in English, Serbian and Greek, providing comprehensive coverage of the Balkans region, in-depth analysis of industries and business opportunities, interviews with business leaders and special reports, has published an interview with Codespring’s Owner and CEO, Levente Szélyes. Find out what advice does an investor active in the Romanain IT&C industry, software development sector has to offer to young entrepreneurs, what markets keep his business in motion and how does his technical team manage to gain to the trust of his clients. We bring special thanks to Vesna Maksimović, the author of the interview and to the publisher for the interest expressed towards the leader profile of Codespring.

# Romania’s GPD up in 2011

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Romania’s economy is set to return to the growth this year, after withstanding a two year recession. The year 2011 has brought an export-led industrial recovery. Positive macroeconomic indicators have triggered off positive rating from international institutions, with GDP increase forecasts up to 2% for 2011. WIIW, JP Morgan and CitiBank forecast a 2% growth to Romania’s economy, Unicredit 1,7%, IMF, EC and WB 1.5%, EBRD 1.1%, ING 0.6% and Oxford Economics 0.1%. The figures published by international institutions give sound reasons for investor optimism and nurture a sustainable long-term growth.

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