

A Global Software Player: The Egypt Case

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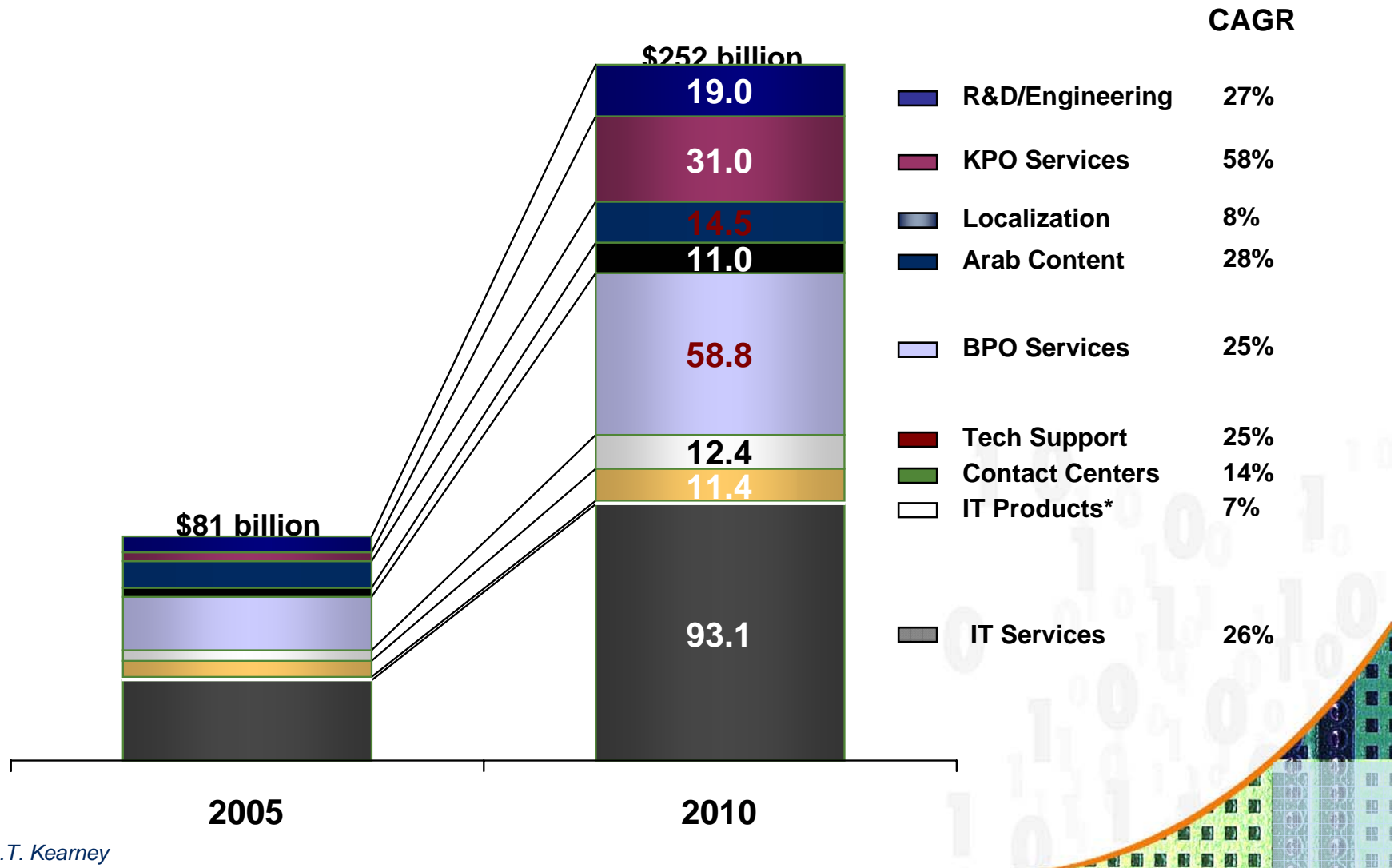
OUTLINE

- Global offshore picture
- Egypt as an offshore destination
- Sample Egyptian companies
- Government initiatives



THE OSFFSHORE SERVICES MARKET CONTINUES TO SHOW STRONG GROWTH IN SEVERAL SEGMENTS

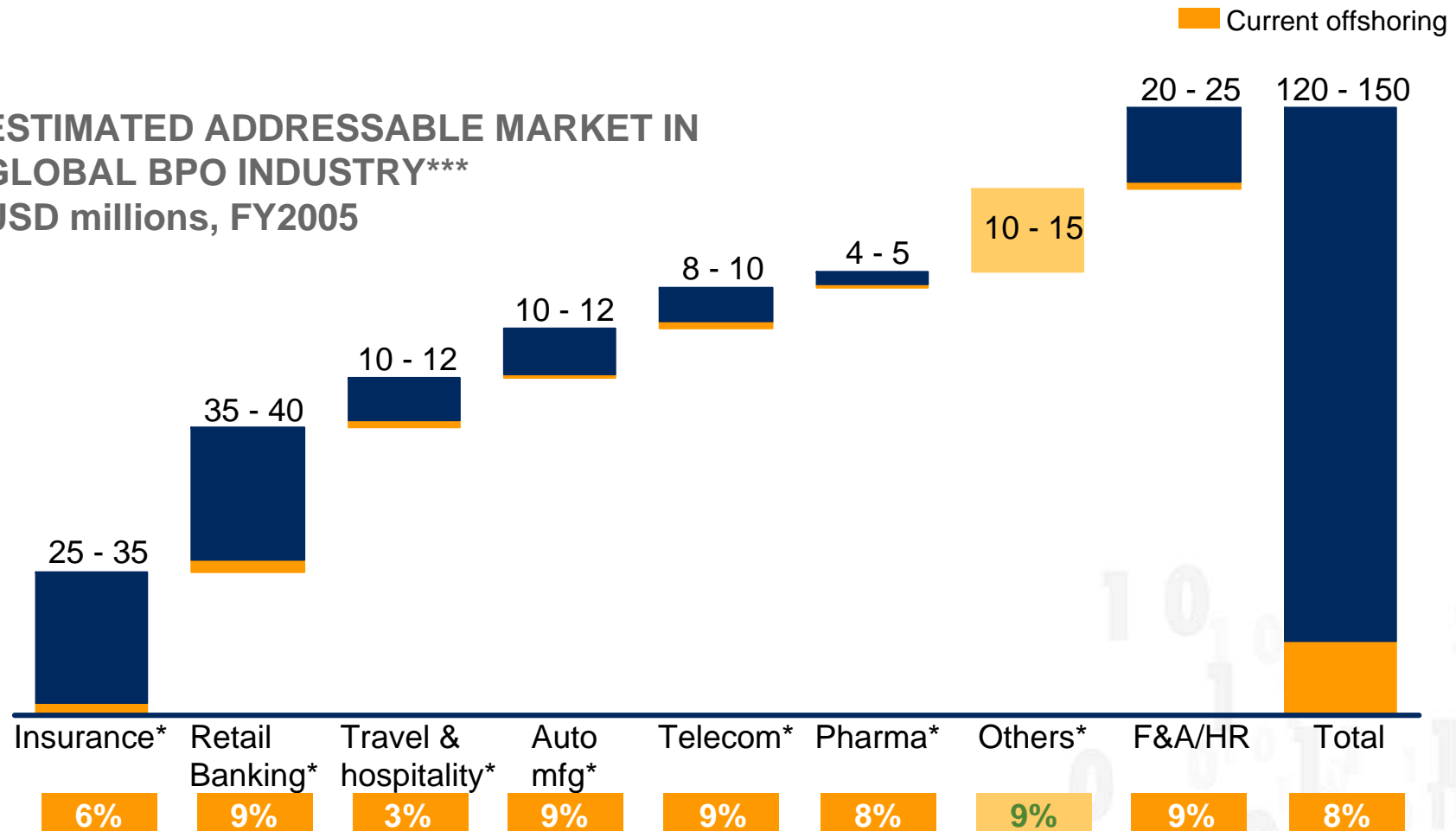
Projected Global Offshore Services Market, 2005 – 2010 (US \$ Bn)



Source: A.T. Kearney

GLOBAL POTENTIAL DEMAND IS MUCH LARGER THAN THE CURRENT MARKET

ESTIMATED ADDRESSABLE MARKET IN GLOBAL BPO INDUSTRY***
USD millions, FY2005



Source: McKinsey & Co

Current penetration**

MANY COUNTRIES ARE PROMOTING THEMSELVES AS DESTINATIONS FOR OFFSHORE SERVICES



Source: A.T. Kearney

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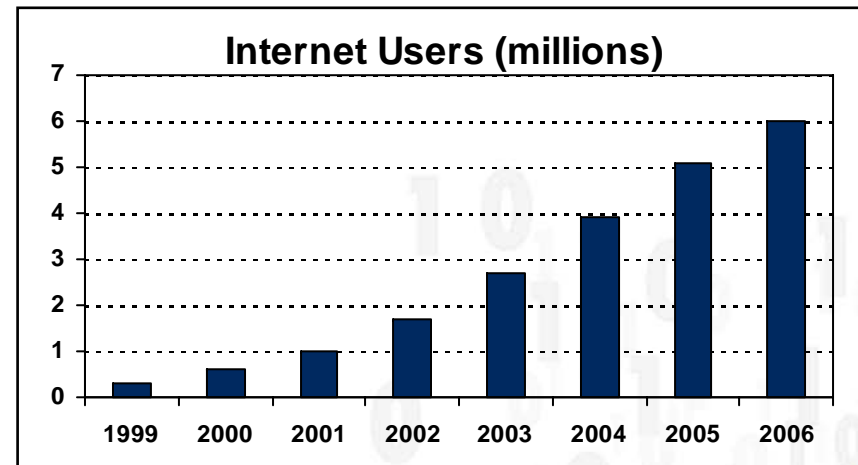
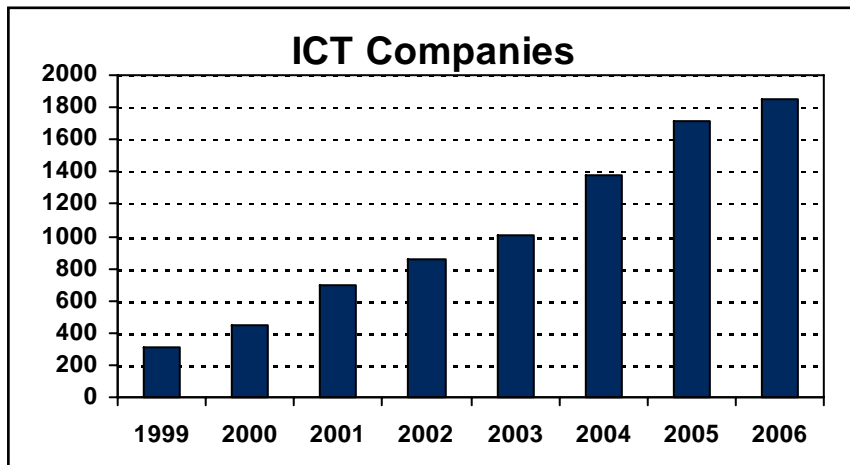
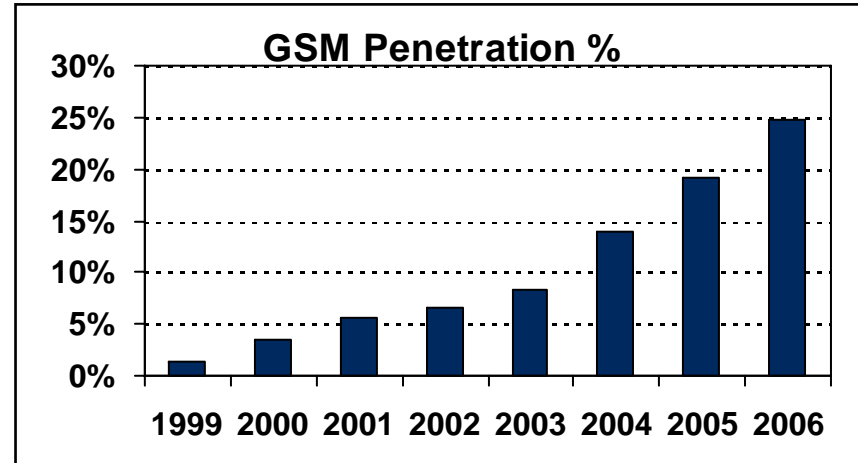
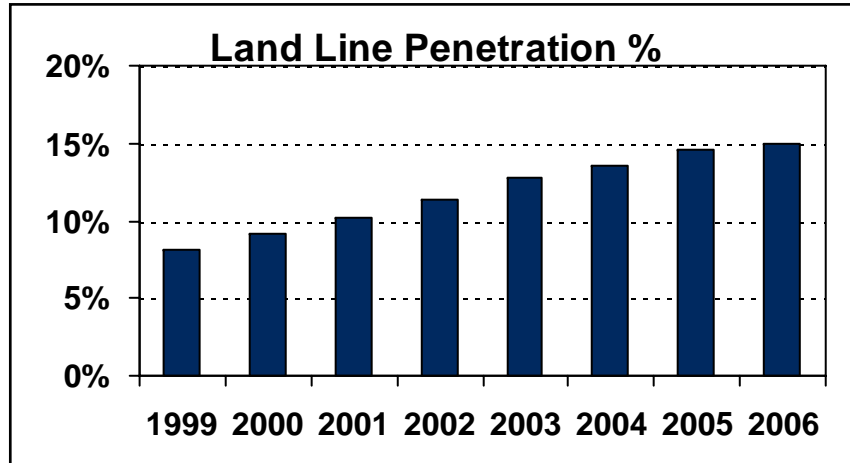
EGYPT BACKGROUND



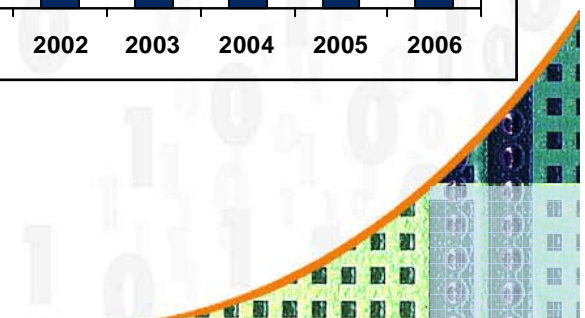
- 77 Million people: 15th most populous country in the world
- Central Geographic Location
- “Visited” by the Persians, Greeks, Romans, Turks, French and the British
- Popular tourism destination



EGYPTIAN ICT HAS EXPERIENCED REMARKABLE GROWTH IN THE PAST DECADE

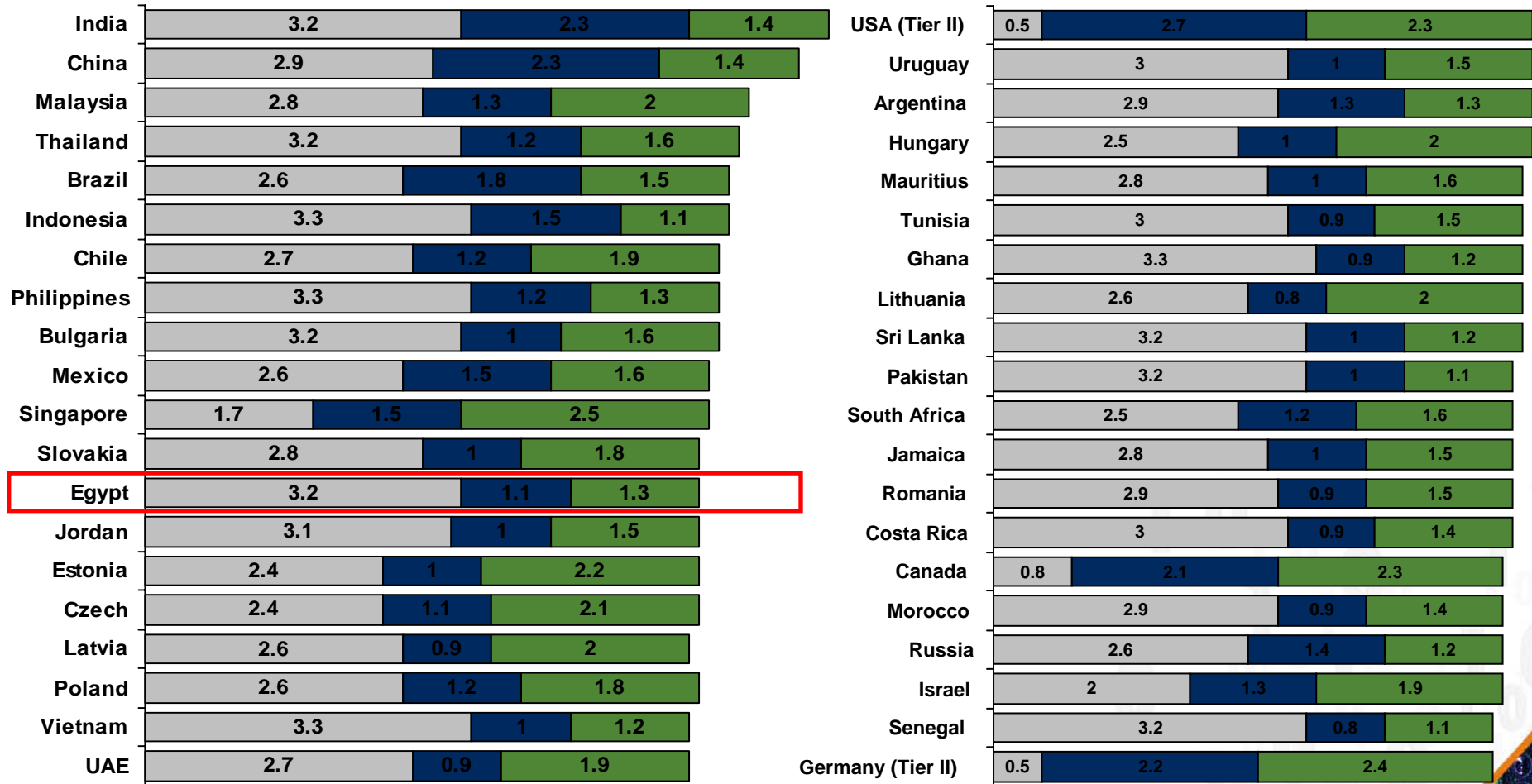


Source: MCIT



EGYPT WAS RANKED 13TH ON THE AT KEARNEY GLOBAL INDEX FOR OFFSHORE DESTINATIONS

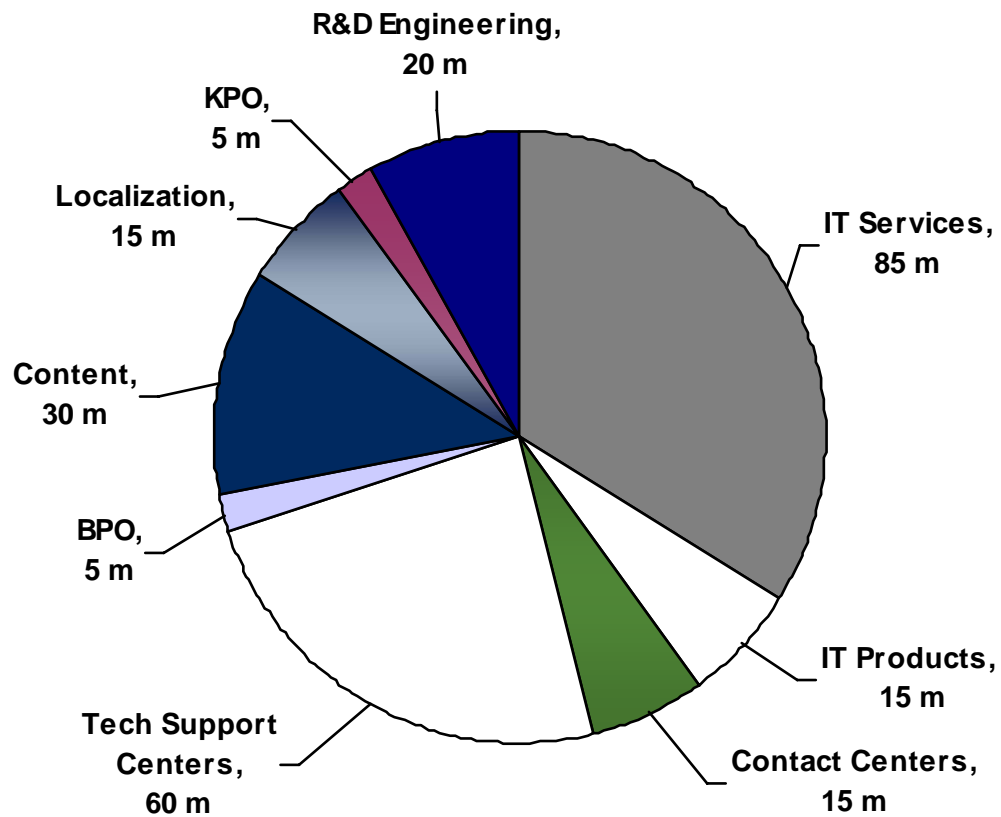
Global Location Services Index 2006



Source: AT Kearney

EGYPT'S IT EXPORTS IN 2005 WERE \$250M IN DIVERSIFIED SEGMENTS

Egypt's 2005 Offshore Services (US \$ million)

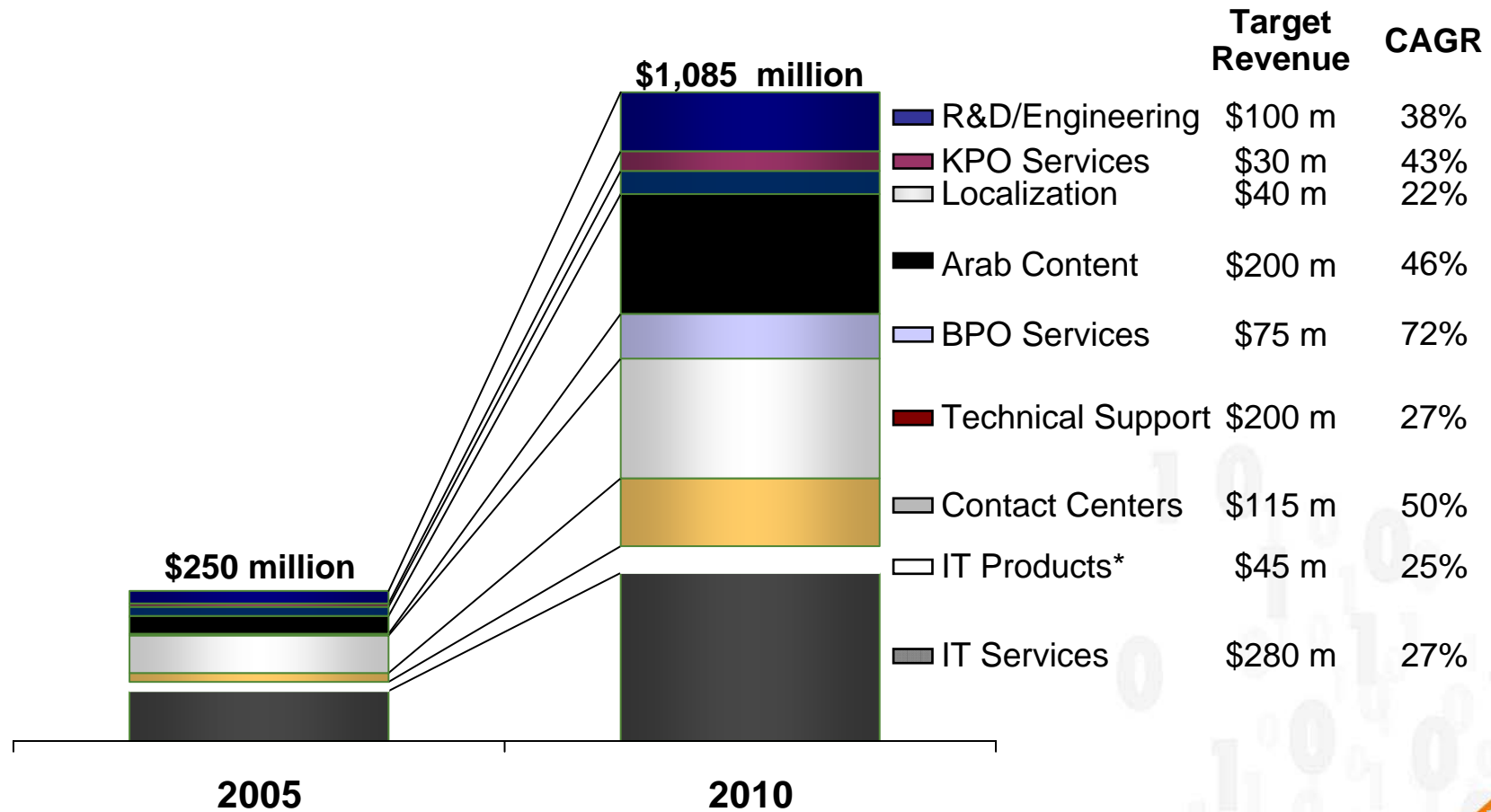


Source: A.T. Kearney interviews and research

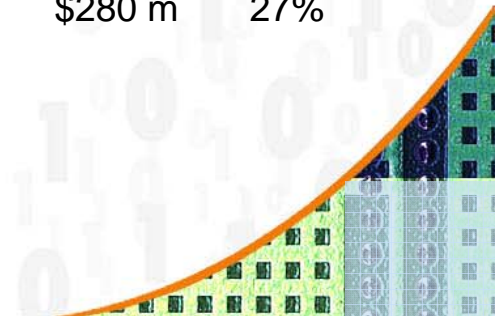


EGYPT'S TARGET IT EXPORTS IN 2010 IS \$1.1B

Egypt's Target Offshore Services Revenues, 2005 – 2010, (US \$ million)



Source: A.T. Kearney projections



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XCEED IS AN EGYPTIAN CONTACT CENTER COMPANY THAT HAS PIONEERED THIS INDUSTRY IN THE COUNTRY



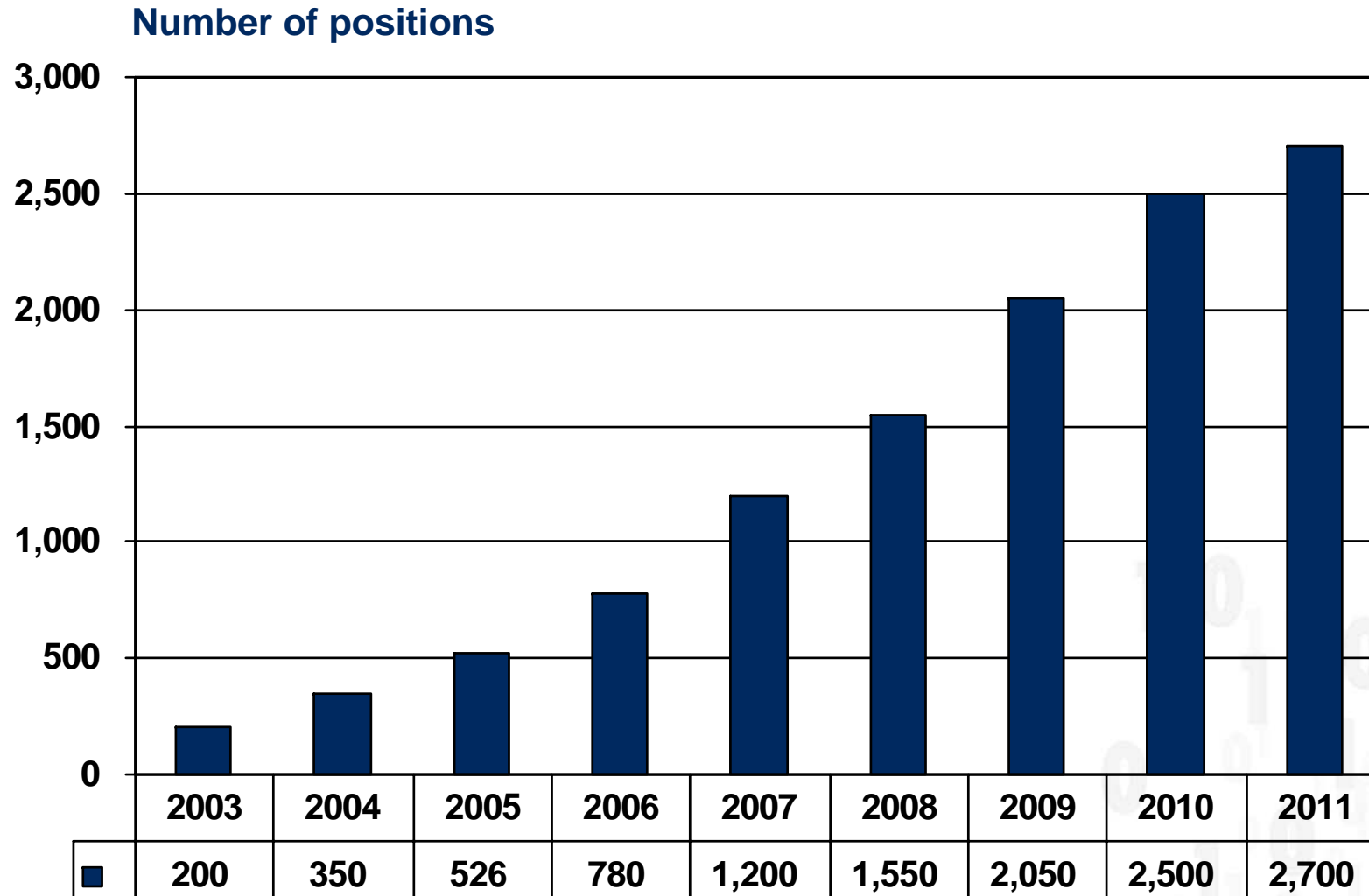
- Founded in 2001 to be largest contact center for offshore outsourcing services in Middle East region
- Languages covered: English, French, Italian, Spanish, Greek, Hebrew and Arabic
- Clients located in more than 12 countries world-wide (including multinationals such as Microsoft, Oracle and General Electric)



Source: Xceed



XCEED HAS GROWN SIGNIFICANTLY IN THE PAST FEW YEARS AND PROJECTS SIMILAR GROWTH IN THE NEAR FUTURE

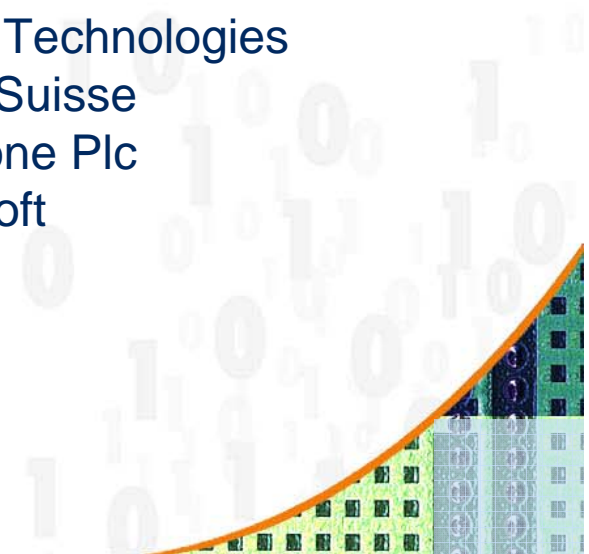


Source: Xceed

IT WORX IS A GLOBAL PLAYER IN THE OFFSHORE IT SERVICES MARKET



- 500+ Engineering team, CMMi Level 3,
- Working in several service lines (Portals, Business Intelligence, SOA) and industries (Financial Services, Telco, Government, Education)
- Strong customer base
 - United Technologies
 - Credit Suisse
 - Vodafone Plc
 - Microsoft



ARABIZE IS THE GLOBAL “ARABIZATION” LEADER



- Established in 1994
- Offers single-language localization services
- Considered leading firm in this area globally
- Arabization services to Microsoft, Oracle and other large companies prior to product launching in Arab countries



EGYPTIAN SMEs HAVE EVOLVED ALONG THE VALUE CHAIN OF MULTINATIONAL SOFTWARE COMPANIES

Areas of Value Chain covered by local partners



Evolution in Relationship with Multinationals



THE INTERACTION WITH MULTINATIONALS HAS BEEN CRITICAL FOR LOCAL EGYPTIAN COMPANIES

Capabilities

- Partner training programs and capacity building initiatives

- Exposure to international best practice and technologies

Credibility

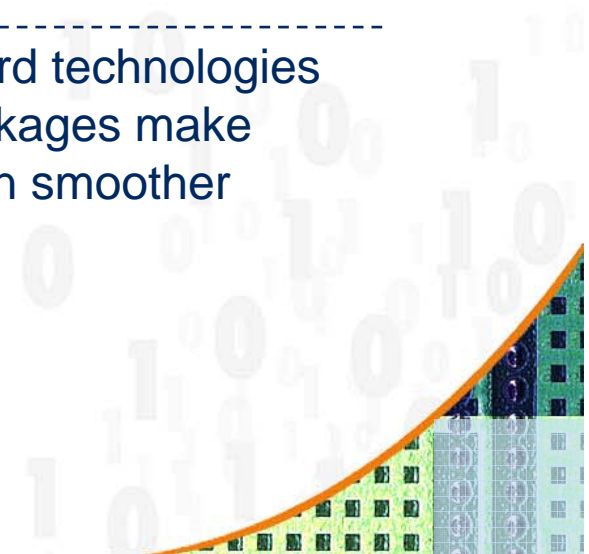
- Multinationals are “lighthouse accounts” for local companies

- Partner classification programs (e.g. Gold Partner) differentiates companies further

Regional expansion

- Local companies are expanding in underserved Arabic Gulf market

- Standard technologies and packages make transition smoother



THE INTERACTION WITH LOCAL COMPANIES HAS BEEN VALUABLE FOR MULTINATIONALS WORKING IN THE REGION

Implementation partners

- Reliable delivery partners who understand the local culture and business dynamics
- Easy access to resources and competitive pricing

Underserved markets

- Quick ability to ramp up capacity and serve lucrative gulf market
- Culture and Language capabilities ease smooth introduction into neighboring markets

World-class capabilities

- Local companies have evolved in capabilities and now offer higher end services
- Operational excellence now a key differentiator for local service providers

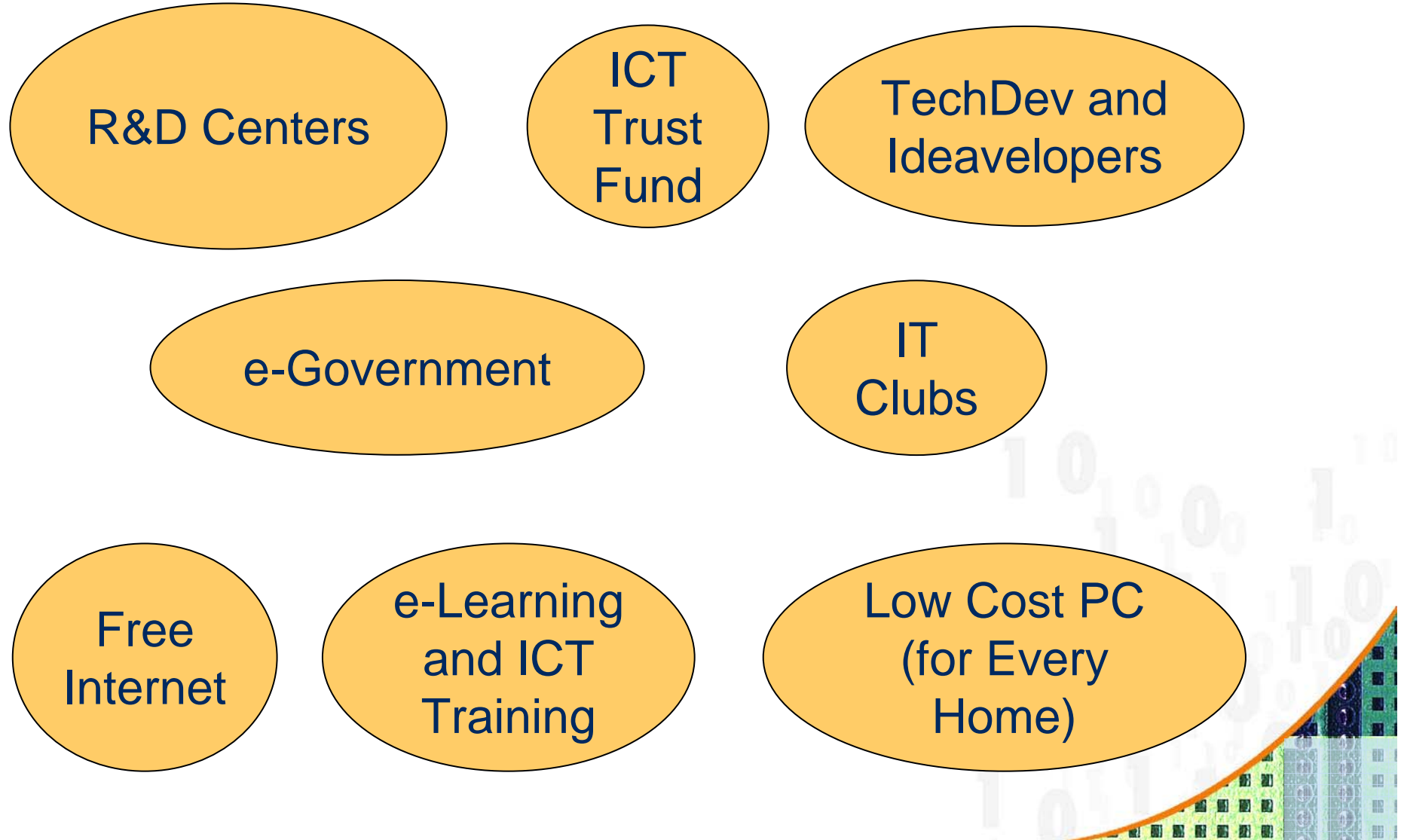


OUTLINE

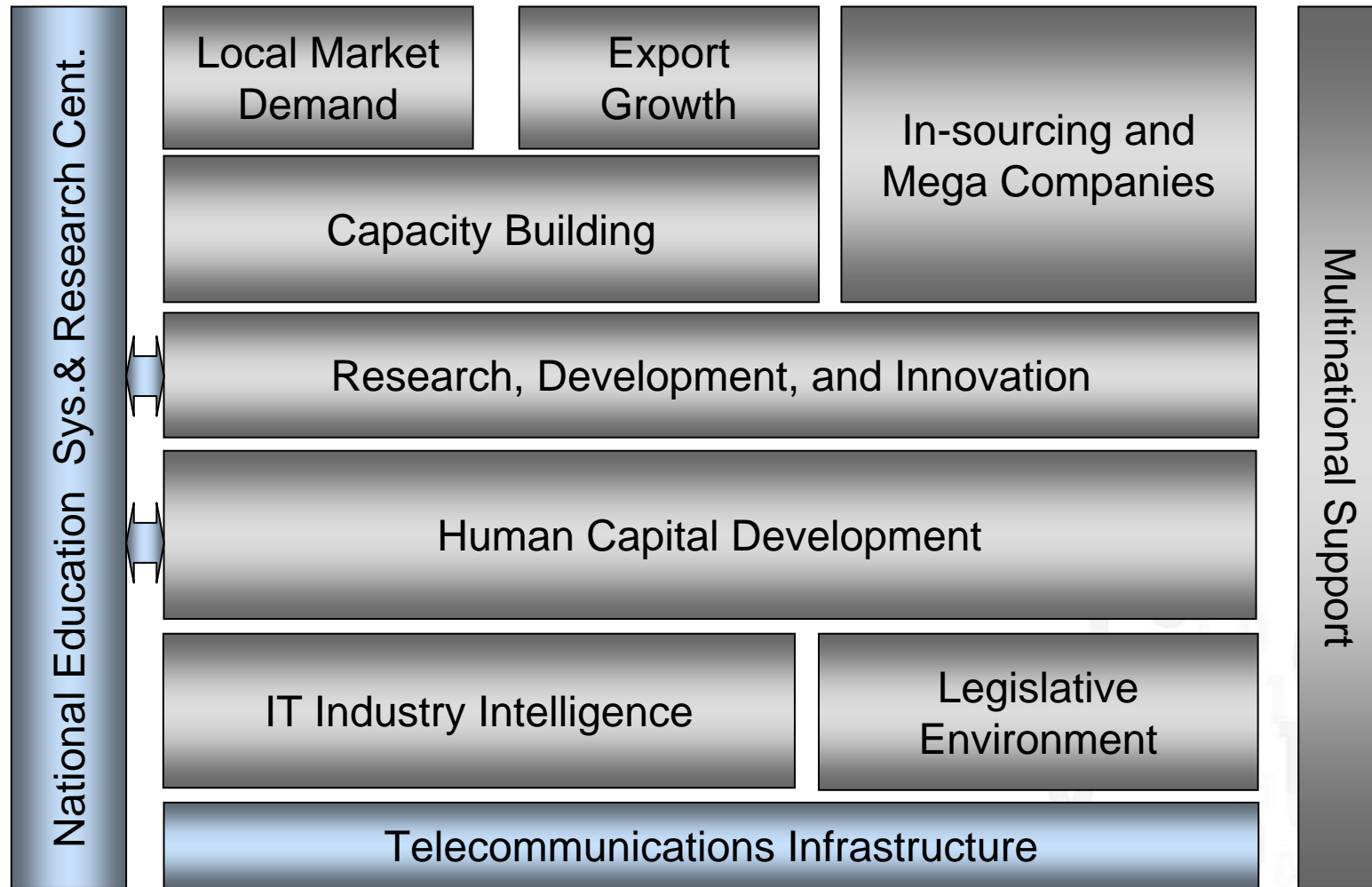
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THE EGYPTIAN GOVERNMENT HAS IMPLEMENTED A NUMBER OF SUCCESSFUL INITIATIVES TO DEVELOP SMEs

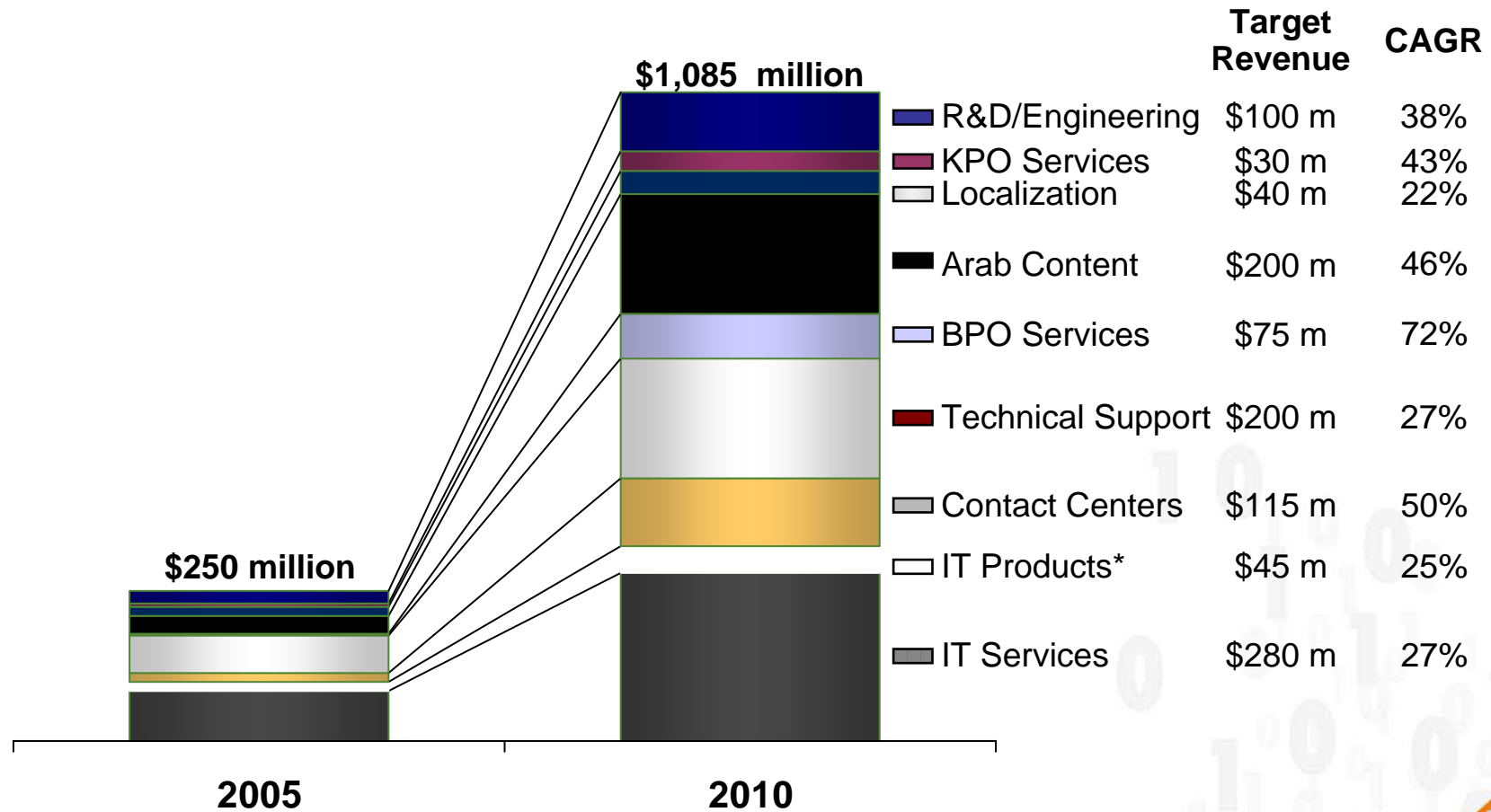


ITIDA IS LEADING THE GOVERNMENT'S INDUSTRY DEVELOPMENT EFFORTS IN EGYPT

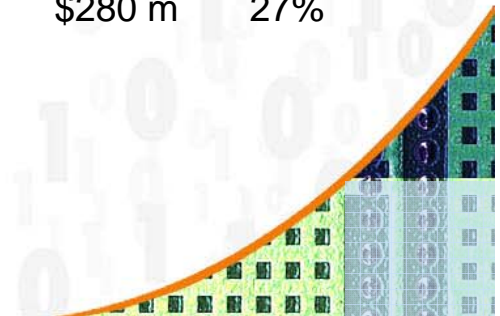


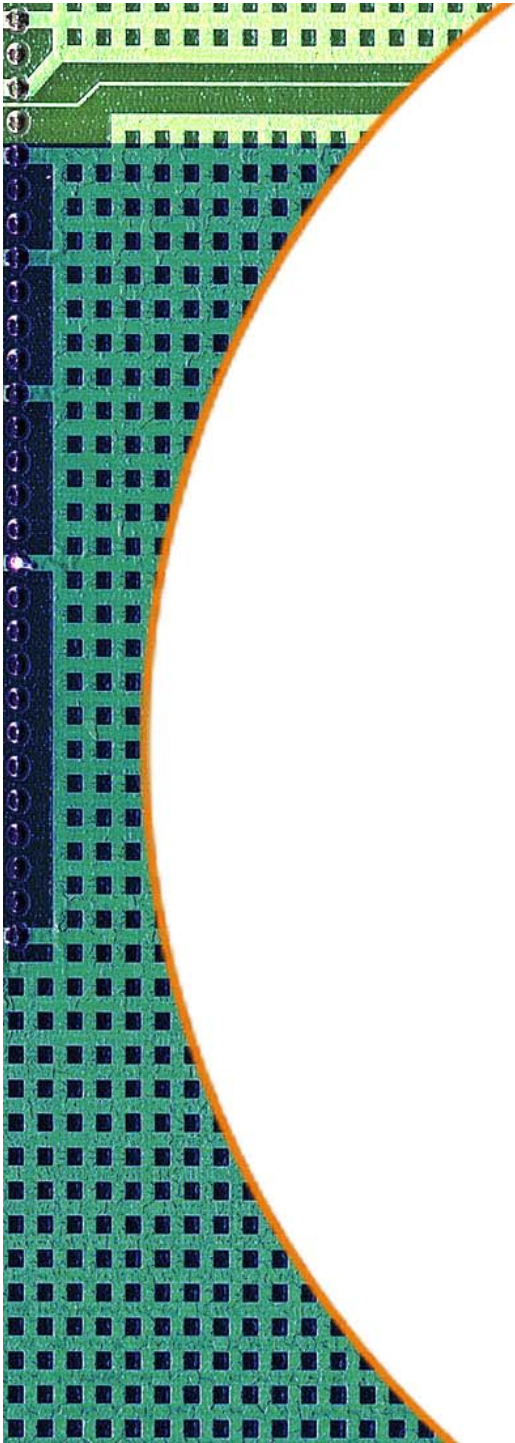
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Thank You