



# A LEADING IT PLAYER IN RUSSIA AND CIS

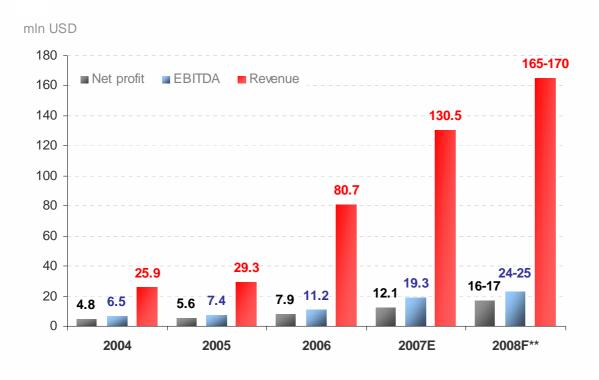
>	Established in 2007 following the consolidation of IT assets of OAO RBC Information Systems, ARMADA has been on the market since 2000 under the RBC SOFT brand	
>	One of the leading IT players in Russia and CIS and among Russia's top 10 software developers*	
>	Key business units: Software Development, IT Services, Hardware Solutions	
>	About 1000 employees	
>	Large and diversified customer base with more than 1100 clients from various industries	
>	Partnership with top foreign and Russian companies	
>	ISO 9001:2000 certified for 5 years	

<sup>\*</sup>Source: iOne, CNews, and TagLine



# **GROWTH DYNAMICS ARE ABOVE THE MARKET**

# Revenue CAGR $(2004-2007)^* = 71\%$



<sup>\*</sup> Based on management accounts under IFRS \*\* Forecast, excluding potential acquisitions



# **COMPETITIVE ADVANTAGES**

>	Specializing in software development and IT services i.e. the high margin segments of the Russian IT market	
>	ARMADA's revenue growth (62% in 2007) is above the market (20% in 2007)	
>	Aggressive consolidation plans and successful experience in the acquisition and integration of business	
>	45% of revenue is generated by contracts with government and state-controlled corporations, which is a stable and growing business	
>	ARMADA's net profit margin is above competitors' (IBS 4%, Sitronics 1% in 2006)	



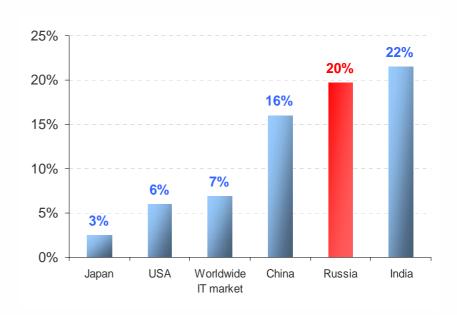
# RUSSIAN IT MARKET IS AMONG THE MOST ATTRACTIVE ONES

- > Russia is one of the world's leaders in terms of IT market growth
- According to Russian IT and Communications Ministry, IT market growth is expected to reach 28% in 2008

### RUSSIAN IT MARKET VOLUME, bln USD\*

### 20 17.0 CAGR (2002-2007) = 24% 14.2 15 12.0 9.5 10 7.4 5.9 5 2002 2003 2004 2005 2006 2007E

### IT MARKET GROWTH DYNAMICS IN 2007\*

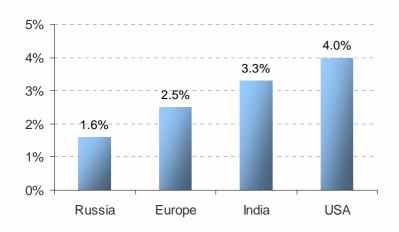




### **RUSSIAN IT MARKET DYNAMICS**

"We must develop new fields such as information technologies. We have already made a good start and we do have what is called "national creativity" - this is our strength. If we do not develop these areas, we will definitely end up on the margin of world civilization," Dmitry Medvedev said in 2007, Interfax

### IT SPENDING, % OF GDP\*



Russian government has launched following initiatives to support hi-tech industry:

- Russian Venture Company to invest over USD 1.2 bln into hi-tech industry until 2011
- Special economic zones
- A number of tax remissions to be introduced shortly
- Seven technology parks to open in 2008
- **)** E-Government: Biometric passports

State automated system "Elections"

Customs automation

State automated system "Justice"

National Electronic Library State Statistics System

State Car Insurance System

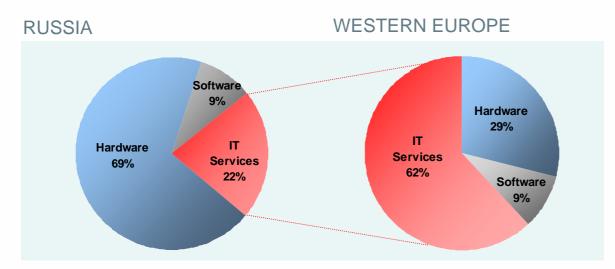
Installation of Linux-based freeware

<sup>\*</sup>Source: IDC

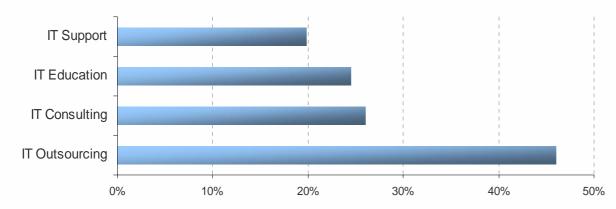


# IT SERVICES ENJOY THE FASTEST GROWTH

### IT MARKETS IN 2007\*



# RUSSIAN IT SERVICES CAGR\* (2006-2009F), %

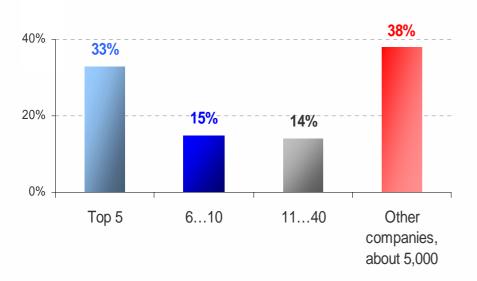


\* Source: Gartner, Linex



# CONSOLIDATION: LEADERS BOOST THEIR MARKET SHARE

### RUSSIAN IT PLAYERS' MARKET SHARE\*, 2006



- Russian IT market is heavily fragmented
- Clients prefer large and stable companies

# LEADING COMPANIES FOCUS ON CONSOLIDATION OF SUCCESSFUL NICHE MARKET PLAYERS

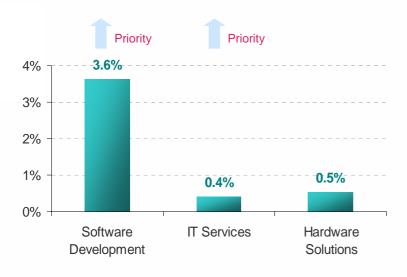
Companies that can get access to financial resources ahead of their competitors will have a chance to consolidate the most attractive assets

<sup>\*</sup> Source: CNews

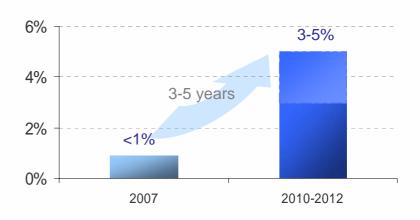


# **ARMADA'S MARKET POSITION**

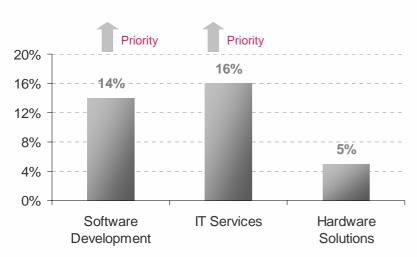
### ARMADA'S MARKET SHARE, 2007



### SHARE OF TOTAL RUSSIAN IT MARKET



### **NET PROFIT MARGIN, 2007**



ARMADA seeks to achieve 3-5% of Russian IT market in 3-5 years



# **RECENT ACQUISITIONS**

# ARMADA expands presence in high margin segments of IT market All acquired companies operate in rapidly growing segments of IT market ) Leading developer Average acquisition multiple: 5.5x P/E of e-procurement systems ) 2007F sales - \$2m, ОЮЗ ЙНФПРМ Long-term: 50% growth A Leading Russian IT outsourcer ) 2007F sales - \$20m Long-term: 25% growth **IPO** Major Russian project management consultant > 2007F sales - \$5m ) Long-term: 40% growth Jul-2007 Aug-2007 Sep-2007 Jun-2007 Oct-2007

# ARMADA

# PRODUCTS, SERVICES & TECHNOLOGY

SOFTWARE DEVELOPMENT

- · Business applications
- · Integration solutions
- · Internet solutions
- Custom development

) IT SERVICES

- System integration
- · IT outsourcing
- · IT education & training
- Consulting
- · Project management
- HARDWARE SOLUTIONS
- Hardware production
- · IT infrastructure

- Quality management system is ISO 9001:2000 certified
- Project management under the PMI® standard
- Management by Objectives (MBO) system





ARMADA specializes in the state-of-the-art technology and platform with whom the company established partnerships





















# ARMADA

### **DIVERSIFIED CLIENT BASE**

- > RUSSIAN GOVERNMENT 45%\*
- MANUFACTURING
  AND ENERGY
  INDUSTRIES
  25%\*
- FINANCIAL INSTITUTIONS 15%\*

> OTHERS 15%\*



- Ministry of Finance
- Federal Customs Service
- Federal Tax Service
- Ministry of Foreign Affairs
- Ministry of Information Technology and Communications
- Ministry of Education and Science
- General Prosecutor' Office









































<sup>\*</sup> Revenue breakdown 2007, %.



# OVER 1,000 IT PROJECTS COMPLETED SINCE 2000

### **Customer base before acquisitions**





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#### FEDERAL CUSTOMS SERVICE:

National information system, which controls cars registration



### **RUSSIAN STATE LIBRARY:**

National Electronic Library



### TRANSNEFT:

Computerized system of oil pipelines design



#### **WORLD BANK:**

Information system for registration of movable property pledges

### FEDERAL STATE STATISTICS SERVICE:

Integration of databases responsible for Russia's GDP calculation

### **GAZPROM:**

Industry specific trading system and a corporate portal

### **Acquired customer base**



#### **MINISTRY OF FINANCE:**

IT outsourcing services, 24x7 IT support



#### **TOYOTA MOTOR:**

IT outsourcing and IT management services



#### TNK-BP:

Corporate education, IT outsourcing



# **GROWTH STRATEGY**

>	Revenue growth is projected to be above the market	
>	Aggressive consolidation of Russian IT companies to complement our core business	
>	Boosting the revenue and profits thanks to synergies among acquired companies	
>	Focus on high margin and rapid growth in the spheres of software development and IT services	
>	The Russian IT market is mostly driven by the government. ARMADA is set to maintain healthy relationship with the government	

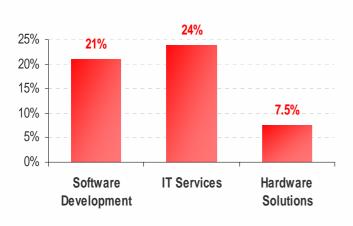


# FINANCIAL PERFORMANCE

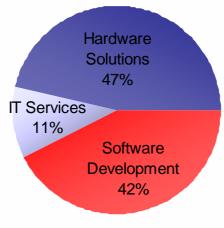
### **INCOME STATEMENT**

	2005	2006	2007E*	2008F**
Revenue, mln USD	29.3	80.7	130.5	165-170
EBITDA, mln USD/%	7.4 / 25.2%	11.2 / 13.9%	19.3 / 14.8%	24-25
Net profit, mln USD / NPM	5.6 / 19.1%	7.9 / 9.8%	12.1 / 9.3%	16-17

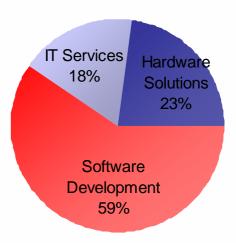




Revenue breakdown by business unit\*, 2007



EBITDA breakdown by business unit\*, 2007



<sup>\*</sup> Based on management accounts under IFRS

<sup>\*\*</sup> Organic growth, excluding potential acquisitions



- IPO was successfully completed on MICEX and RTS on July 31, 2007
- 2m additional shares were placed (17% of the increased share capital)
- Investor demand reached about \$282m (shares 9.5 times oversubscribed)
- IPO proceeds amounted to around \$29.8m (\$14.9 per share)







### **OWNERSHIP STRUCTURE**



- ARMADA's shares are traded on MICEX and RTS
- Trading began on May 24, 2007
- ADR/GDR program is to be launched shortly
- Major shareholders are the RBC founders: Dmitry Belik (ARMADA's Chairman), Alexander Morgulchik, German Kaplun



### THANK YOU FOR YOUR KIND ATTENTION

### **Cautionary note regarding forward-looking statements**

Statements contained herein may constitute "forward-looking statements". Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's or its industry 's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implemented by such forward-looking statements. The Company does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.

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