

# Auriga's Newsletter

May 5, 2010

Thank you for reading Auriga Newsletter. We hope that you find the information from our newsletter useful for making the right choice in the world of outsourcing.

Auriga brings expertise, honed through years of delivering robust software development services to the world's leading companies, helping our clients to maximize the business value of the outsourcing relationship.

If your company is looking for a software R&D partner or considering outsourcing software development, please do not hesitate to discuss your needs and ideas with Gennadiy Mahov, Auriga Business Development Director, at +7 (495) 713-9900, ext.306 or [gennadiy.mahov@auriga.com](mailto:gennadiy.mahov@auriga.com).

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- Auriga adds feathers to its cap, as 2010 Global Outsourcing 100 sublists are unveiled
- Russia invests in innovation development center, high-performance systems

## **Auriga adds feathers to its cap, as 2010 Global Outsourcing 100 sublists are unveiled**

Auriga is glad to announce that it was ranked as one of the leaders in several sub-lists of the 2010 IAOP's Global Outsourcing 100, that appeared on May, 3rd in a special advertising feature produced by IAOP in the May 3 FORTUNE 500 issue of FORTUNE® magazine.

This is the third consecutive time Auriga is named to Global Outsourcing 100, since 2008, and this year Auriga is the one of only three Russian companies to be recognized by IAOP in its main ranking. The key strengths noted by the jury during these three years are exceptional customer references, strong management capabilities and executive leadership.

Traditionally, Auriga has confirmed its strong position as one of the leading providers of software development services for healthcare industry, and high-tech clients from telecommunications, software and hardware industries.

Auriga is highly ranked in the following categories of the 2010 Global Outsourcing 100 sub-lists:

- By Industry Focus: Health Care, Technology (Hardware and Software), Telecommunications;
- By Service Provided - Research & Development Services, Information/Communication Technology Services;
- By Region Served – US, Western Europe, Russia

Commenting on the achievement, Gennadiy Mahov,

Director of Business Development, said:

"I am glad that we were ranked in Global Outsourcing 100 again this year. In our turbulent times, Auriga reconfirms its previous achievements and extends the scope of services and locations. With 20 years of software development excellence, Auriga combines such features as technical competence and maturity with flexibility and engineering creativity – this is the root of our success and the foundation for our further growth."

The Global Outsourcing 100 list, with its rigorous application and judging process, is a reference for clients seeking the best outsourcing companies in the industry. This year Auriga received especially high scores on a number of judging criteria, including employee management and executive leadership.

Auriga General Manager Andrei Pronin offered his perspective:

"Our ranking reflects not only the quality of our operations, but also our commitment to improving our services and extending our expertise. Never being a giant company, we turn that fact to advantage of our customers, being able to provide high level of management attention for all projects. Noteworthy, our key strengths include customer references and management capabilities. The comprehensive range of services we provide, our dedication to quality, our ties with top Russian technical universities and the high caliber of our people are also critical factors in being recognized as a leader of IT outsourcing."

## Russia invests in innovation development center, high-performance systems

Over the past several months, we've seen a number of important initiatives from Russian government, all aimed at diversifying the country's IT abilities.

In February, Russian president Dmitry Medvedev gave publicity to new ambitious plans on creating a major innovation development center in Russia. It is supposed that this new center, provisionally called "The town of the Future", will be built in the Moscow suburb of Skolkovo, home to new private-sector business school in the Moscow region, and will compete with US Silicon Valley. The project's science advisors are the Nobel laureates Russian physicist Zhores Alferov and US biochemist and professor of structural biology at Stanford University School of Medicine Roger David Kornberg. Former Intel chief Craig Barrett will co-chair the supervisory board of the project, as it was reported just a few days ago.

The center, designed to develop five priority sectors -- energy, IT, telecommunications, bio-medical and nuclear technologies -- will be built to spur modernization of the economy and reduce its dependence on oil and gas. The project aims to give state backing to major companies to help them develop selected innovative products. The most promising of these will then be taken to fruition in the new "Silicon Valley."

Russian officials note that the project appears to be a business-model partially financed by a \$340 million government modernization grant. Viktor Vekselberg, head of the Renova Group, is the appointed manager of the initiative. He estimates the cost of the project to be 50-60 billion of rubles within the first two years of development. Bulk of amount should be provided by Russian business and foreign investments, attracted by promised lightweight tax regulation and exclusive legal status of the new city.

The [Commission for Modernization](#) has prepared a development program named "The legal basis for the establishment and the special conditions of the Skolkovo territory". It outlines the organizational basis for the innovation city. A special federal law is to be developed in addition for legal regulation of the corresponding administrative and organizational activities.

The specially established management fund will decide all issues regarding building and asset management, property development, engineering facilities and infrastructure development and maintenance. It will also be responsible for selecting the project's participants (residents) and overseeing the policies implementation at the Innovation Center.

Privileged tax regulations will be effective for ten years from participant registration, until the annual receipts hit a total of one billion rubles and afterwards-- until the accumulated earnings reach 300 million rubles. The annual receipts threshold of one billion roubles is a middle ground between the initially suggested amount of 3 billion roubles and the criticism it received. As for the mandatory payments to the budget and taxes, the rates will be 14 percent for mandatory insurance premiums, and zero percent for income tax. The Innovation Center's residents will be exempted from income, corporate property and land taxes, and, depending on the taxpayer's choice - from VAT payments.

Critics have expressed concerns about the measures needed to improve the investment climate that may be crucial to the project's success. The operating and funding model has to be chosen wisely, and support is needed from Russia's legal and financial structures. As experts were quoted by Moscow Times, "the ability to capitalize on entrepreneurship may turn into one of the key factors of this initiative's success, as a fully-functioning "eco-system" to match the interests of investors is needed." In particular, the country will need to prove that investors can secure intellectual property and won't face excessive taxes or other restrictions in financing new ventures.

Meanwhile, as the plans for Russian Silicon Valley are being finalized, Prime Minister Vladimir Putin has agreed to allocate 65 million rubles to support a new 'supercomputer' project, initiated by the Russian Academy of Sciences. This is a high-performance computer with processors of a new type, which Mr. Osipov, the President of the Russian Academy of Sciences, described as "sheer know-how". It is said to be ten times cheaper and to use ten times less energy than existing high-performance chipsets with similar capabilities.

With financial support from the government, the scientists working on the new 100-teraflop computer project will be able to finish it in a year. The Keldysh Institute of Applied Mathematics and the Quant R&D centre have already developed a new type computer with a capacity of six teraflops, using completely new hardware and computing technology.

The modeling that can be done on supercomputers is a great help in scientific and technological advancements, and the experts believe that the new high-performance system will have practical application in the defense industry, as well as in the exploration and production of hydrocarbons. This system is also crucial for developing a new class of aircraft, the fifth-generation jets.



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## About Auriga:

Auriga ([www.auriga.com](http://www.auriga.com)) is a software R&D and IT outsourcing services provider incorporated in the U.S. and operating development centers in Russia. The list of provided services covers all aspects of software product engineering for a broad range of knowledge areas from embedded and mobile software to enterprise and Web applications. Auriga combines top engineering talent with flexibility, cultural proximity, and focuses on clients' interests and convenience as its main driving strategy.

Founded in 1990, Auriga was the first Russian company to provide offshore/nearshore services to EU/US customers. Auriga is in top 10 outsourcers in Eastern Europe and Russia, and a worldwide leader in such services as R&D, OPD, software testing and QA, and such verticals as high-tech, healthcare, and telecom. Auriga is constantly included in Global Services 100, Global Outsourcing 100, The Black Book of Outsourcing and other global industry ratings. The client list combines industry majors, leaders in their segments, and innovative start-ups, including IBM, Draeger Medical, LynuxWorks, Dialogic, Actel, BroadVision and many others.

## About IAOP

The International Association of Outsourcing Professionals® (IAOP®) is the global, standard-setting organization and advocate for the outsourcing profession. With more than 100,000 members and affiliates worldwide, IAOP helps companies increase their outsourcing success rate, improve their outsourcing ROI, and expand the opportunities for outsourcing across their businesses. To learn more, visit [www.outsourcingprofessional.org](http://www.outsourcingprofessional.org).

## About The Global Outsourcing 100

The International Association of Outsourcing Professionals® (IAOP®) is in its fifth year of compiling its annual ranking of the world's best outsourcing service providers and advisors – *The Global Outsourcing 100*. As part of *The Global Outsourcing 100*, IAOP also introduced a new list in 2009, *The World's Best Outsourcing Advisors*.

*The Global Outsourcing 100* and its sub-lists are essential references for companies seeking new and expanded relationships with the best companies in the industry. The lists include companies from around the world that provide the full spectrum of outsourcing services — not just information technology and business process outsourcing, but also facility services, real estate and capital asset management, manufacturing and logistics. They include not

only today's leaders, but tomorrow's rising stars.

*The World's Best Outsourcing Advisors* is geared specifically to companies that are outstanding global outsourcing advisors and consultants. In addition to being part of *The Global Outsourcing 100*, the new list of advisors ranks the top consultant, legal and related advisory firms globally, and is a valuable reference tool for companies needing expert advice and guidance with their outsourcing projects

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