

Auriga's Newsletter

August 9, 2010

In this Auriga News issue:

- Auriga offers software R&D tailored for start-ups
- Invitation to meet: Auriga management visit to US
- Russian students demonstrate embedded development excellence at the Microsoft's Imagine Cup
- 'Russian Silicon valley' project gathers pace

Auriga offers software R&D tailored for start-ups

Auriga, a U.S.-Russia software outsourcing provider, offers a new focused service founded on its expertise in providing software R&D services for technology start-ups and established software companies working on new innovative products. The new service line is based on 20 years of experience and is well tuned to the needs of such companies. To further strengthen its offering Auriga has started a partnership program with investment firms servicing start-up market.

Auriga has a long and successful history working with start-ups of different sizes and at various stages. Such companies have always constituted a considerable part of Auriga clients, up to 25% of the total customers list, and in certain years even higher.

In 2010 Auriga decided to turn its knowledge and deep understanding of start-ups' needs accumulated from multiple engagements with new technology enterprises into a new service line, which is to become the primary focus for Auriga's Product Development practice.

The new Auriga's service line brings the following benefits to young businesses and companies starting new product development initiatives:

- Team of software professionals. Technical expertise in multiple areas. Software development experience and established processes in software development. Ready-to-use infrastructure.
- Reliable estimates (and contractual obligations, where applicable) for software development efforts.
- Cost reduction due to the use of offshore resources. The right offshore destination for product development with engineering mindset, no cultural gap, and easy communications.

Having these components in place quickly promptly and at a cost lower than a newly started company would get itself,

greatly accelerates the time-to-market and decreases the expenses for new projects. Reliable estimates and ability to fix the price and time required to build the first versions of the product minimize the uncertainties in the business plan. All these factors combined reduce the risks and costs, shorten the development cycle, strengthen the team, and simplify securing new investments.

To further increase the attractiveness of its services for start-ups, Auriga has also launched a program targeted at building a partnership network with investment firms, such as angel investors, venture capital and private equity firms.

There are clear benefits for both Auriga and investment firms in such partnership. Investment firms get risk reduction and increase in success ratio by making their portfolio companies use Auriga services. And for the start-ups, this partnership network, when completed, will bring an important additional benefit – ability to secure investments through Auriga.

In 2010, the explicit focus on start-ups was added to the company strategy, and within one quarter brought a twofold increase in the share of startup clients in Auriga's client list. Now it is about 50% of the total customers list, and Auriga is working on increasing this share further. Among the new customers of Auriga are young U.S. and Russian companies, including business domain companies with no experience of software development and small technology-focused initiatives who need to upscale their software R&D effort.

Besides the new focus, this success in winning the hearts of the start-up customers can be attributed to the fact that Auriga perfectly matches the requirements of such customers for a software development services provider:

- Auriga has always been focused on the most challenging software R&D projects. In 2010 Auriga made it to worldwide best 10 Rising Stars in Research and Development Services segment according to 2010

Global Outsourcing 100 listing. The same listing also features Auriga among best 10/20 Rising Stars for Telecom, Healthcare, and Technology (Hardware and Software) industries.

- With 20 years of experience, a headcount of 250 employees and consistent inclusion into top 100 global outsourcing providers according to the various industry experts, Auriga is a perfect combination of the right size and corporate maturity for launching new high-tech products. The right size brings the willingness to put together and provide sufficient management attention even to the small teams of 3-5-7 engineers required at early stages, and the flexibility to fulfill the specific needs of the customers. High maturity allows providing stable infrastructure and solid processes, do the projects on the basis of 20 years of history of product development, and scale the team up and down following the customer needs.
- Russia, where the majority of Auriga's engineering force is based, has traditionally been seen as the right destination for research intensive software projects. Auriga is a poster child of the Russian software outsourcing industry with its widely acknowledged R&D focus. Auriga founder, top managers, and many engineers are graduates of Moscow State University, the unquestionable leader in higher education and science in Russia, and one of the Auriga development centers is still located on the MSU campus. For a good reason, Auriga is the only Russian company in the Top 10 Software R&D Service Providers by Zinnov Management Consulting.

Invitation to meet: Auriga management visit to US

In August 6 - 24, Andrei Pronin, Auriga General Manager, and Vyacheslav Vanyulin, Chief Technology & Delivery Officer, are going to perform the regular management review visit to the USA. Mr. Pronin and Mr. Vanyulin will visit Auriga's valued customers, perform management review for ongoing projects and plan future projects for the new clients.

They stay primarily in Boston with a short visit to Los Angeles and San Francisco area from 9th to 13th of August. We invite everybody interested in learning more about Auriga expertise and services, as well as the new start-ups business strategy, to meet with Mr. Pronin and Mr. Vanyulin during this trip.

To book a meeting with Auriga representative, please contact:

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Russian students demonstrate embedded development excellence at the Microsoft's Imagine Cup

On the 8th of July this year Microsoft Corp. announced the winners of Imagine Cup 2010. The team *MCPU* from the Moscow City Pedagogical University (MCPU) came second in the 'Embedded Development' category with *Robonanny* - a moving and talking human-like robot that helps socialize and educate children.

According to the project authors, Robonanny unites "modern achievements in information technology, robot technologies and the best teaching strategies for training and educating children". Robonanny is a semiautonomous robot aimed to heighten kids' interest in studying and healthy lifestyle.

Robonanny is built on the Windows Embedded CE platform. It consists of a multimedia unit, Wi-Fi module, manipulator arms with servo-motors, and a network camera. All these devices help a grown-up to keep an eye on his children being away. Controlled by an e-box via radio, Robonanny can perform a number of useful educational functions such as performing some degree of physical activity with children and facilitating different learning activities. Charge of integrated batteries is enough for the nanny to work for 3-4 hours. A prototype of a robotic nanny weighs about 15-20 kilograms, but its authors claim lighter materials can be used for standard models.

In 2010 this highly competitive global tech competition for students received about 325 thousand applications, and in the finals Russian teams had to compete with teams from over 100 countries.

In addition to the competition categories above, the Imagine Cup includes six achievement awards. One of these awards - Windows Internet Explorer 8 Award - went to another Russian team (*BigTurtle* from Saint Petersburg State University) for a Visual Search project. The Windows Internet Explorer 8 competition is designed to recognize software applications that create an enhanced user experience by leveraging Web Slices, Accelerators and

Search Providers in Internet Explorer.

The third team that represented Russia this year in the finals was *Team NLO* from South Ural State University with Software Development project PolarVision – a hardware/software complex that identifies water pollution level by analyzing the water reflection in the digital images taken with a special polarizing lens filter. Though not awarded at the international world finals, the project is definitely a success at the national level. The software is already used at several Russian natural resources institutions to monitor the water quality on their territory.

Traditionally Russia has been successful in the field of student's technology and programming competitions. Russian teams regularly demonstrated excellent results at Microsoft's Imagine cup competition since its early years, winning awards in the Software Development categories and various skill challenges, and is an unbeatable champion when it comes to the number of medals at the ACM programming contest.

'Russian Silicon valley' project gathers pace

On July 26th, Russian Prime Minister Vladimir Putin signed a resolution to allocate the first tranche funding for the Skolkovo innovation center. This ambitious initiative will receive 3991 million roubles (around 132 million USD) to spend on the primary activities related to the site development and project management.

According to the document, the recipient of this money is the Foundation for Development of the Center of Research and Commercializing of New Technologies in Skolkovo, officially registered in Moscow earlier this year. The Foundation was established by Russian Academy of Sciences, state corporation "Bank for Development and Foreign Economic Affairs" (Vneshekonombank), "Russian Corporation of Nanotechnologies" (Rusnano), Bauman Moscow State Technical University, the Russian Venture Company and a Fund for Assistance to Small Innovative Enterprises in the scientific and technical area. In the system of the corporate and scientific management of the Foundation, a Council, a Board of Trustees, and a Scientific Advisory Council are being formed. The President of the Foundation is Viktor Vekselberg, a successful Russian businessman.

By 31 January of 2011, the Foundation should provide an official report to the Russian ministry of finance on the use of the funding. Ministry of Finance of the Russian Federation and Federal Service for Financial and Budget Supervision are responsible for assuring that the funding is

used for the intended purpose.

President Medvedev has called on foreign companies to participate in the Skolkovo project. Earlier in July, the German company Siemens signed a memorandum of mutual understanding with Skolkovo during the Russian-German St. Petersburg Dialogue forum in the Urals city of Yekaterinburg.

About Auriga:

Auriga (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 demonstrates the harmonious alloy of profound expertise, openness for innovations and highly experienced personnel.

Many of our clients stay with us for years, several of them call for Auriga services for more than 10 years. They are attracted by the synergy effects of Auriga's hard and soft skills – quality of delivery and personnel qualification combined with cultural proximity to the buyer, flexibility in approaches, methodologies and processes and orientation towards customer business goals. Mutually augmenting and strengthening each other, these proficiencies make Auriga the poster child of Russian IT outsourcing.

Founded in 1990, Auriga was the first Russian company to provide offshore/nearshore services to EU/US customers. Auriga is among top 10 outsourcing providers 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, 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 Imagine Cup

Imagine Cup (www.imaginecup.com/) is an annual competition sponsored and hosted by Microsoft Corp. which brings together young technologists worldwide to help resolve some of the world's toughest challenges. Primarily a software design competition, it enlists teams of



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four within the high school and collegiate levels to submit software solutions addressing a specifically provided theme. Started in 2003, it has steadily grown in size, where in 2010 325,000 competitors representing over 100 countries competed in the eighth Imagine Cup invitationals. Imagine Cup, the world's premier student technology competition, empowers students to unlock their creative genius and build solutions that tackle real-world issues facing society today.

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