





Russian Corporation of Nanotechnologies: capitalizing on nanotechnology R&D

Russian Corporation of Nanotechnologies: the key link in the innovation chain:

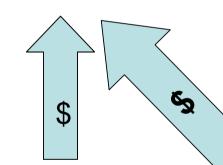
Laboratory Research

Prototype Development

Startup Companies Mature Industry

R&D Centers basic research personnel training

Research and Design Centers
Development and preproduction



Commercial enterprises

Production for the mass market

Kurchatov Institute

Scientific coordination of activity in the field of nanotechnology

Russian Corporation of Nanotechnologies

Commercialization efforts in the field of nanotechnology

Financial investors

Investments in nanotechnology industry

Government commission on high technologies and innovations

Russian Corporation of Nanotechnologies

among other Russian nanoinitiatives

Initiative:	Budget, USD.
Specialized Federal R&D program financing in a field of nanotechnology (2008-2011)	4 bln
Federal Program "Nanoindustry Infrastructure Development in Russian Federation for a Period of 2008-2010"	1 bln
Russian Corporation on Nanotechnologies	5 bln
Total	10 bln

Corporation's conditions of participation

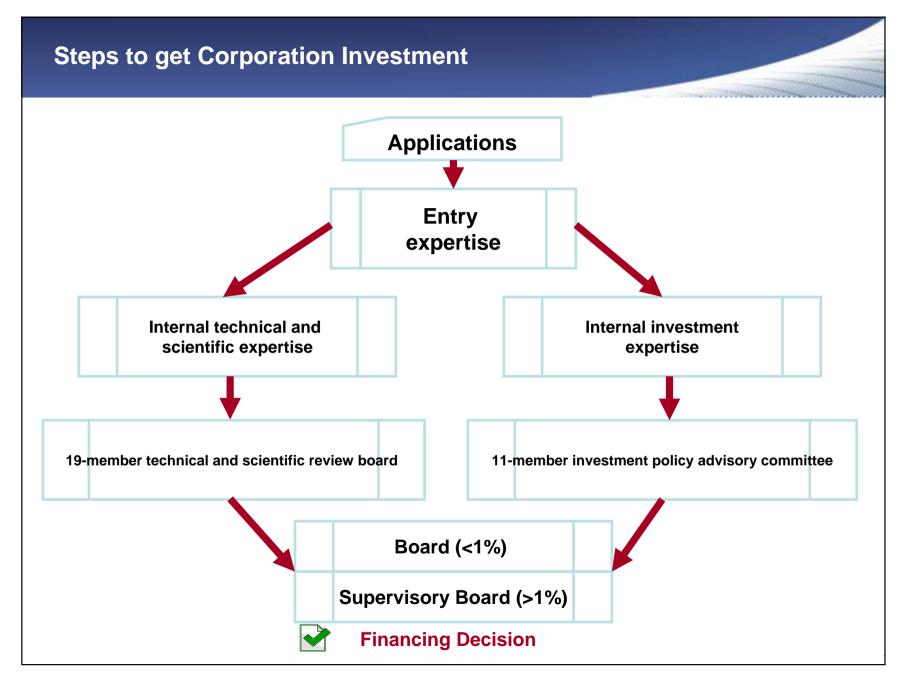
- Corporation only finances projects, that are leading to competitive nanotech products, that are ready to be commercialized, but require a solid partner to share high initial risks, market and technical uncertainties
- Corporation leaves the project as soon as private partner is able to conduct business independently. Corporation does not attempt to maximize the value of its share
- Financing from the Corporation is available regardless to the companies' country of origin, with the sole requirement is that part of the manufacturing takes place in Russia. Foreign ownership can be up to 100 %
- Total volume of funding by the Corporation shall be no less than \$10 mln. For the projects that are less than \$10 mln, financing is carried out by the means of venture and seed funds
- Corporation finances up to 90% of the required scope of project financing. With this equity capital share of the Corporation shall be less than 50% minus 1 share.

Corporation's conditions of participation (continuation)

- Provision of funds by the way of loans on preferential terms (below inflation rates), purchasing of bonds and convertible debentures, granting of guarantees on credits and other obligations as well as leasing
- Financing schedule up to 10 year
- Provision of financing as grants for research purposes in order to foster product competitiveness
- Provision of financing to conduct ongoing training for project teams

Infrastructural Support

- Administrative support (shielding from red tape and corruption, product market promotion)
- Foresight based product roadmaps
- Research, technological, product and market databases creation
- Special economic zone location
- Participation in the legislation improvement supporting innovational business
- Certification, standardization, and metrological support
- Providing nanotechnology and nanoproduct safety.
- Nanotechnology popularization

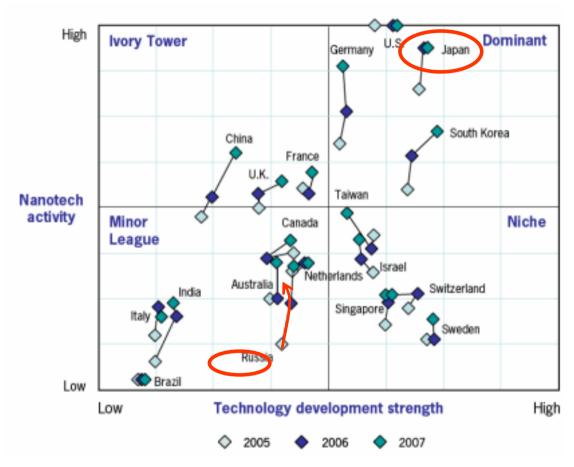


Investment projects at various stages (as of July 2008) Rosnanotech project Market office research Scientific and Independent Independent Scientific & **Technical** Financial **Technical** Council expertise expertise evaluation Supervisory Documentation Filina Council Admission Investment **Board** reparation and deal control an application analysis approval approval of structuring the deal SC Investment Independent **Initial talks** Committee patent evaluation expertise Independent **Juridical** expertise Independent Independent evaluation Projects accepted **Production &** by SC (1) **Technology** expertise 3 days* 28-50 days 60-80 days 30-50 days Projects at the stage of Projects at the stage Projects at the stage Projects at the stage **Projects under** Project under evaluation and revision of scientific and of initial talks (94) evaluation for SC (1) of the investment evaluation of after the admission technical expertise expertise (8) STC and (15), at the stage of control (more than 350) Investment revision after the Committee (4)

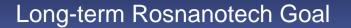
STE (14)

Nanotech. US — Russia

Global challenge – global opportunities



Source: LUX Research 2008



3% of world nanotech market by 2015

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