



# Russian Venture Company

## *Fund of venture funds*

February 28, 2007

**Vitaly V. Petrov**

Ministry of Economic Development and Trade  
Russian Federation



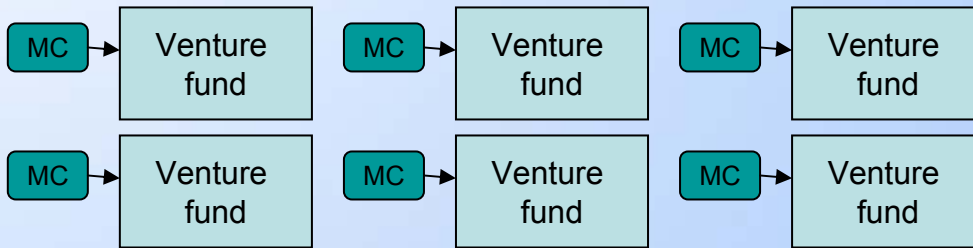
Fund of funds level



RUB 15 billion  
(~\$ 565 million)

Venture funds level

Privately managed venture funds



From RUB 1.2 billion  
(~\$45 million)  
To RUB 3.0 billion  
(~\$115 million)

Startup level

Microelectronics

Telecommunications

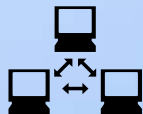
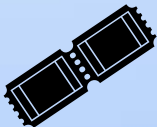
Biotechnologies

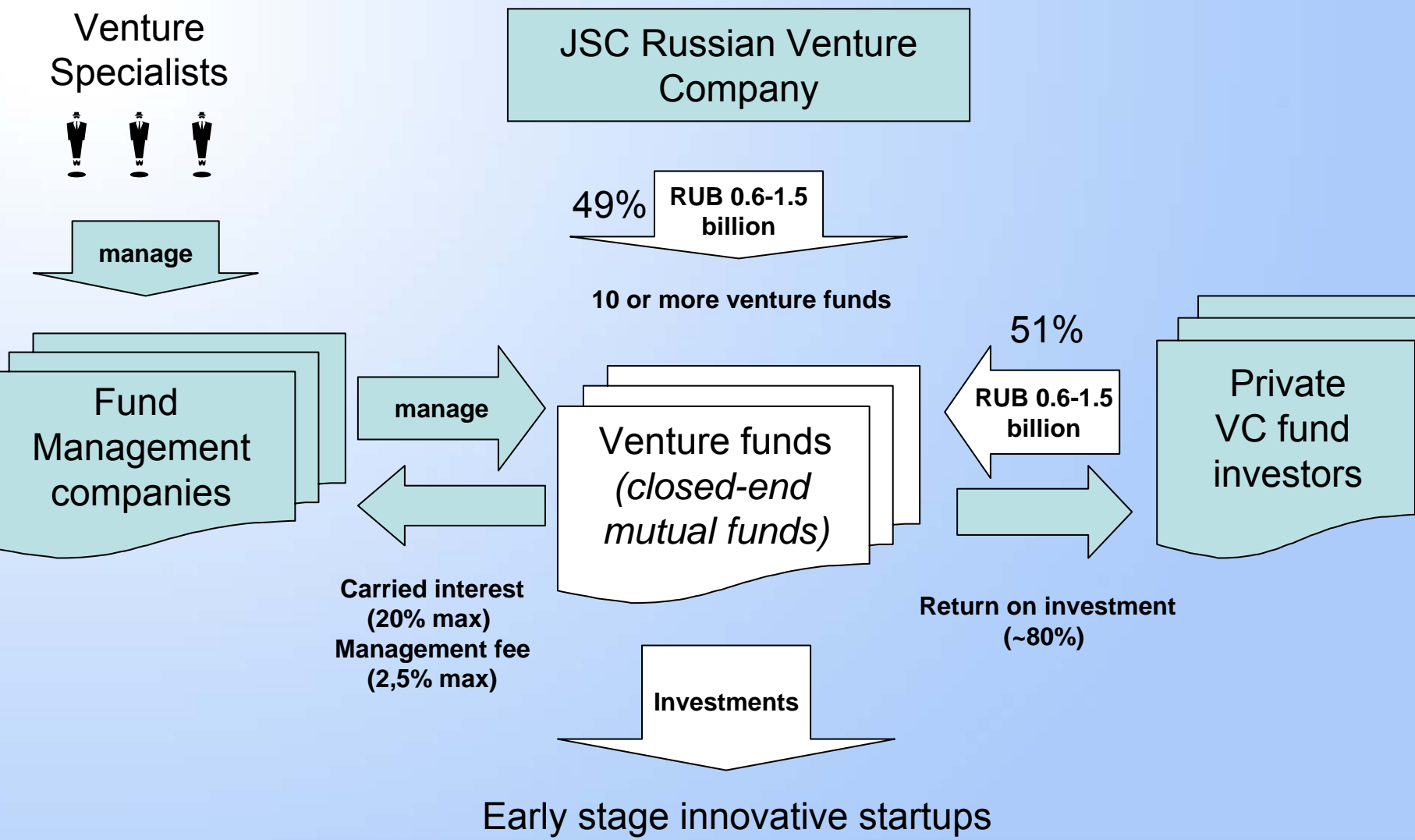
Nanotechnologies

Information technologies

Medical technologies

Alternative energy





## Government Directors



**Herman Gref**  
Minister of Economic  
Development  
and Trade, Russia  
Chairman of the Board



**Dmitry Livanov**  
Vice Minister of Education  
and Science, Russia



**Igor Artemiev**  
Chairman of Anti-Trust  
Committee, Russia



**Alexei Korobov**  
CEO, Russian Venture Company

## Independent Directors



**Esko Aho**  
President, SITRA National  
Innovation Fund  
Finland



**Yigal Erlich**  
Former Chairman, YOZMA  
Fund of Venture Funds  
Israel



**Konstantin Remchukov**  
Editor-in-Chief, Independent  
Newspaper  
Russia

**Our first competitive selection starts NOW !**

## Terms of the Venture Funds

## Selection Schedule

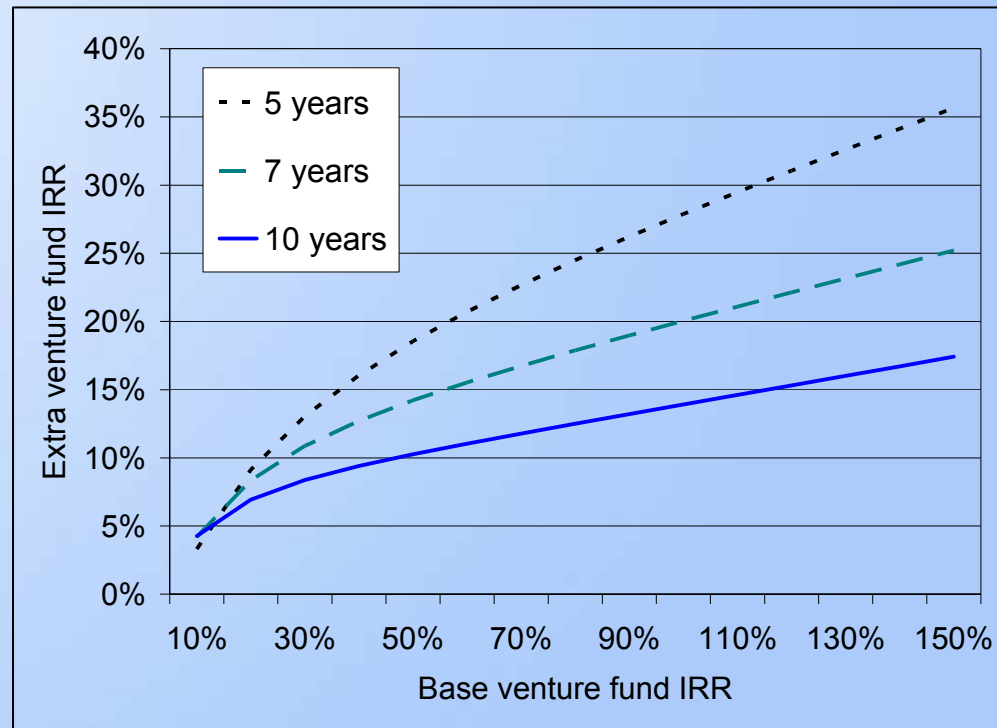
<b>Total Investment Limit</b>	RUB 4.8 billion	<b>March 1</b>	Competition announced, rules and application forms published
<b>RVC Investment (49% of each fund)</b>	RUB 600 million to RUB 1.5 billion		
<b>VC Fund Investment areas</b>	Diversified in: Security and counterterrorism Biotechnologies Medical technologies and equipment Nanotech and new materials IT and telecom Environmental technologies Transportation and aerospace Alternative energy	<b>March 26</b>	First day applications accepted
<b>Early stage investment</b>	80% of total	<b>April 15</b>	Deadline for applications
<b>Commitments from private investors</b>	51% required	<b>May 11</b>	RVC Board meets to listen to presentations of competitors and select winning applications
<b>Commitments from fund managers</b>	1% minimum	<b>May 14</b>	Competition results announced
<b>Escrow deposit</b>	RBL 20 million		
<b>RVC return cap</b>	5% or CPI rate, whichever is less		

### Government will cap its return from VC funds at 5% per annum!

- RVC funds will be refundable at 5% or CPI inflation rate, whichever is less!
- If a fund is successful, limited partners buy out the government's share in the fund at a negative or zero real interest rate to the government
- This way the government will take out some of investment risk
- Our goal is not to make money but to create Russian hi-tech sector

**WE GIVE FUND  
YOU GROW STARTUPS  
YOU KEEP NEARLY ALL NET INCOME**

#### Extra IRR For 5, 7 and 10 years of fund life



*RVC share 49%, IRR to RVC 5%  
Management fee and carried interest are not factored in*



For investors and venture capitalists:

- Hire the best teams
- Seek most promising startups
- Come and apply
- We want to work with you

For mass media:

- Tell everyone who dreams of building a new Google или Intel, but does not dare –

*Start founding startups now unless you want to be late for money. It's time. Money for new success stories is on the way.*