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RUSNANO Exits Portfolio Company NEARMEDIC PHARMA

RUSNANO announced today that it has successfully exited pharmaceutical manufacturer NEARMEDIC PHARMA, a company it jointly established with Russian medical and pharmaceutical company NEARMEDIC PLUS. RUSNANO had held a 34.45 percent share in the authorized capital of the portfolio company. That interest was purchased for 2.3 billion rubles by project initiator NEARMEDIC PLUS. RUSNANO earned an internal rate of return of 41.1 percent on its investment.

The 1.3 billion rubles that RUSNANO extended in cofinancing was used mainly for construction of a manufacturing plant in Obninsk, in Kaluga Oblast. The complex, which is to be fully operational in 2014, covers 22,000 square meters. The general contractor, FormaPharm Engineering Group, has a large practice in design and construction of modern pharmaceutical plants in Europe and Russia, having built more than a dozen manufacturing facilities in recent years.

The new production complex in Obninsk is designed and equipped to handle the entire manufacturing cycle onsite in one production platform—from the synthesis of initial substances to the finished preparation—something unusual in the domestic industry. Construction for the new company makes it possible to significantly increase production of the antiviral drug Kagocel and to expand sales in markets in Russia and countries of the Commonwealth of Independent States. According to analyses from US-based IMS Health, a specialist in the pharmaceutical and health care industries, Kagocel was the number one antiviral drug purchased in the first three quarters of 2013, accounting for 19 percent of sales in this segment. Once the Obninsk plant goes online, NEARMEDIC will increase production of the drug and move all its manufacturing to the new facility.

“By placing its bets on development of original projects, like NEARMEDIC PHARMA, RUSNANO has opened the domestic pharmaceutical industry to intellectual advances by Russia’s academic scientists and to modern, GMP-compliant pharmaceutical production,” says the general director of NIARMEDIC PLUS, Vladimir Nesterenko.

Its sale of shares satisfies the two primary criteria for RUSNANO’s exit from an investment projects: a return at or above the planned level and a business capable of continuing to grow on its own.

“Drug development and production is one of the most science-intensive sectors of the economy. It is, as well, an area that requires considerable investment. Not every investor is going to be so brave as to place its resources in that kind of project. I am delighted that our financial support has helped promote Kagocel in markets in Russia and the CIS, expanding NEARMEDIC’s market share tenfold in merely two years and beating our own forecasts of five years for a tenfold increase. That same investment allowed the manufacturer to build a state-of-the-art pharmaceutical production facility in Russia. This new plant meets all standards for the industry. The medicines produce there will be the equal of Western analogues, and in some cases, superior,” commented Olga Shpichko, RUSNANO managing director for investment activity, on the conclusion of the project.
**RUSNANO** was founded as an open joint stock company in March 2011, through reorganization of state corporation Russian Corporation of Nanotechnologies. RUSNANO’s mission is to develop the Russian nanotechnology industry through co-investment in nanotechnology projects with substantial economic potential or social benefit. Its primary areas of investment are optoelectronics and nanoelectronics, mechanical engineering and metalwork, solar energy and energy conservation, medicine and biotechnology, and nanostructured materials. The Government of the Russian Federation owns 100 percent of the shares in RUSNANO. **Anatoly Chubais** is CEO and chairman of the Executive Board of RUSNANO.

Work to establish nanotechnology infrastructure and training for nanotechnology specialists, formerly conducted by the Russian Corporation of Nanotechnologies, has been entrusted to the Fund for Infrastructure and Educational Programs, a non-commercial fund also established through reorganization of the Russian Corporation of Nanotechnologies. For more information, please visit the company’s website at [www.rusnano.com](http://www.rusnano.com).

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**NEARMEDIC PLUS** is a Russian medical, pharmaceutical, and biotechnology company. It was established in 1989 by a group of like-minded scientists at the Gamaleya Research Institute of Epidemiology and Microbiology, an institute of the Russian Academy of Sciences. From the outset, the founders intended that their scientific research and development work in laboratory diagnostics, immunology, infectious diseases, and other areas should be introduced into general medical practice. The company produces diagnostic kits and original pharmaceuticals, including the popular antiviral drug Kagocel® and the collagenous bioplastic material COLLOST™, which has applications in various areas of surgery and wound care. NEARMEDIC supplies laboratory equipment from the world’s foremost producers to medical and lab facilities in Russia, and it is developing a network of outpatient clinics offering comprehensive medical care.

NEARMEDIC PLUS is one of the top 10 innovative companies in Russia using biotechnology in medicine. Its general director, and a founder of the company, is **Vladimir Nesterenko**, a doctor of medical sciences and professor. For more information, please visit the company’s websites, [www.nearmedic.ru](http://www.nearmedic.ru) and [www.kagocel.ru](http://www.kagocel.ru).

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