

Rusnano Set to Invest in \$125M Microchip Plant

By [The Moscow Times](#)

May 17, 2011

The  **Moscow Times**

France's Crocus Technology and Rusnano said they are spending \$125 million to build a specialty computer microchip factory in Russia.

Crocus, a privately held company spun out of France's CEA, a government-funded technology research organization, will control at least 51 percent of the joint venture with an aim to start producing Magnetoresistive Random Access Memory chips, or MRAM, sometime in 2013.

"Rusnano perhaps is going to bring \$64 million and the balance will be between Crocus and other sources," Crocus executive chairman Bertrand Cambou said via telephone from California on Monday. Crocus has operations in Grenoble, France, and Sunnyvale, California.

Cambou said an additional \$55 million in equity will be invested in Crocus by Rusnano as well as five existing investors: CDC Innovation, Ventech, IDInvest Partners, NonDimension

and Sofinnova Venture Partners.

These two investments will be completed within the first year with roughly 80 percent of an additional \$120 million in later phase development capital committed. Rusnano said it would fill any gap in that financing plan if necessary.

The chips, as their name implies, use magnetism to store data, requiring less power than chips using traditional electrical circuitry. Crocus says the chips are targeted at telecommunications, networking, storage, computing and handheld applications.

The two companies will create Crocus Nano Electronics, a Russian-registered company set up to run the microchip facility. Since it was created in 2007, and reorganized in March 2011 as an open joint-stock company, Rusnano has committed about \$4.5 billion to 100 projects, said Dmitry Akhanov, president of Rusnano USA.

Crocus has raised about \$60 million from investors since being created five years ago.

MRAM chips, Cambou said, can be used to create so-called systems-on-a-chip, which have almost all components of an electronic system in an integrated chip. Uses he envisions include incorporation into security systems, card readers and microcontrollers.

"By year end we will have 80 to 100 patents on our technology. That's hard to replicate," Cambou said. He added that the agreement was purely commercial and would not have involvement with the Russian military.

President Dmitry Medvedev is pushing to try to create a "knowledge economy," one that diversifies away from heavy dependence on commodities. Political opposition members say corruption, poor living conditions and lack of legal guarantees are impediments to building a Russian version of California's technology hub in Silicon Valley.

Cambou said potential locations for the production plant are the special economic zones near Moscow — Zelenograd or Skolkovo — or a special development region in Kaliningrad, the Russian Federation's westernmost outpost situated on the Baltic Sea.

CNE, to start, will employ about 100 people.

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