

Skolkovo Resident Readying Stock Offering

By [The Moscow Times](#)

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The Kremlin's innovation incubator plans to hold the first in a series of share sales by technology companies this year, buoyed by record venture capital investment in the country.

The first tenant of the Skolkovo Foundation technology park to go public will be VIST Mining, a software developer for metals companies that expects to raise \$50 million selling stock in the next few months, Skolkovo vice president Conor Lenihan said in an interview.

"This is a great blueprint for what Skolkovo can do," said Lenihan, 49, a former science, technology and innovation minister of Ireland. It's "within the pipeline of 500 startups, even though the park doesn't officially open till next year."

Viktor Vekselberg, Skolkovo's president, hired Lenihan last year to help lure international companies to the 400-hectare campus in the Moscow suburb of the same name. Former

President Dmitry Medvedev started the project in 2010 as Russia's attempt to duplicate the success of Silicon Valley, where companies such as Apple and Google have flourished. Skolkovo advisers include Google executive chairman Eric Schmidt, Cisco Systems CEO John Chambers, Siemens CEO Peter Loescher, former Intel CEO Craig Barrett and three Nobel Prize winners.

The emergence of Skolkovo is coinciding with a boom in venture capital investment in Russia-based companies, which jumped fourfold to a record \$276 million this year as of July 20, data compiled by Bloomberg show.

That includes the \$75 million that Accel Partners, an early backer of Facebook, said in May it would invest with partners including Baring Vostok Capital Partners into Avito.ru, a classified ads site that attracts 40 percent of Russian Internet users every month. VTB Capital, the securities unit of the country's second-biggest lender, has invested \$18 million in Internet startups so far this year, according to the company.

Since forming Skolkovo, the government has allocated about \$4.2 billion for the project and amended about 200 laws to encourage high-tech investment, according to the company's website. The campus, designed by France's AREP and scheduled for completion next year, will be able to accommodate 31,000 scientists, researchers, students and entrepreneurs. Vekselberg has said the final cost may reach \$10 billion.

Lenihan said he was recruited personally by Vekselberg, whom he met through a mutual acquaintance in Rome after an exhibit of the billionaire's Faberge egg collection in the Vatican.

Vekselberg, whose assets include stakes in oil producer TNK-BP and aluminum maker United Company RusAl, stepped down as RusAl's chairman in March and now spends "about 70 percent" of his time on Skolkovo, Lenihan said.

"Viktor appreciates that what happened in the 1990s was catastrophic, when you had this massive outflow of really talented scientists who are now contributing hugely to successful companies in Silicon Valley," Lenihan said late last week. "Cisco alone employs 700 Russian scientists and technologists there, which goes to show the talent pool we are tapping into."

Vekselberg has already used tax breaks and other incentives to lure commitments from global companies such as Microsoft, Siemens, Cisco and Nokia.

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