

Frequently asked questions:

■ **Are there any limits to IFC's financial support?**

Typically, in loans and equity, IFC will finance up to 35% of a new project and 50% of an expansion project, with an upper limit of 25% of the capital employed.

■ **When is IFC willing to contribute equity?**

IFC will provide equity when the financial structure will benefit from IFC's participation, when the owners express an interest in IFC's participation, and when IFC sees a strong potential for profit and development impact.

■ **Is IFC a long-term equity partner?**

IFC will remain in a project as long as its presence is needed for financial and risk mitigation reasons. IFC will require an exit mechanism, which could be a private placement, put option, or placement on the market.

■ **Does IFC provide long-term loans?**

Yes. IFC provides loan with terms that enhance the project's sustainability. Grace periods and tenor are matched to the project's ability to repay.

■ **Can IFC be the lead lender?**

IFC typically takes the lead in organizing financing for its projects, although it almost never holds the majority exposure in a project or company. Whenever possible and practical, IFC will leverage its own investment through loan participation to one or more international commercial banks.

■ **Does IFC invest in all emerging markets?**

IFC invests in private projects and companies in emerging market member countries that are classified by the World Bank as low or middle income. The 181 member countries include all the major investment destinations.

■ **Does IFC guarantee protection from political risk?**

No. However, IFC's participation in a project mitigates political risks, which benefits all stakeholders in the project. Co-investment with IFC involves a long-term partnership for an investment or a series of investments in emerging markets. In case of difficulty, IFC works closely with partners in an affected project to address issues with the relevant government or private entities.

■ **Can IFC mobilize other financing sources?**

Yes. IFC can offer loan participation services through partnering with banks or other financial institutions.

■ **What other benefit does IFC investment provide?**

An investment by IFC is often seen as a stamp of approval, given IFC's status and the care it takes in evaluating its investments. IFC provides support on corporate governance and on environmental and social sustainability, where relevant.

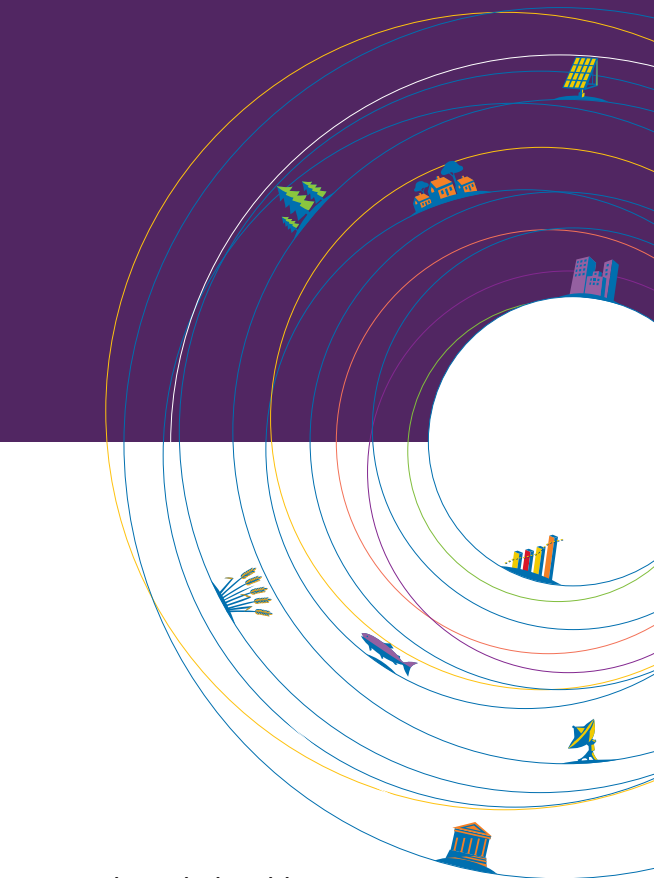
IFC's mission is to promote sustainable private sector investment in developing countries, helping reduce poverty and improve people's lives.

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Financing Life Sciences Worldwide



*IFC: A knowledgeable partner
in the emerging markets*





IFC is the largest multilateral source of loans and equity finance for private enterprises in emerging markets.

- IFC, a member of the World Bank Group, specializes in investment in private companies and projects in emerging markets, including China, India, and Russia.
- IFC's shareholders are 181 developed and developing countries represented on IFC's Board of Directors by their governments.
- At the end of fiscal year 2008, IFC had a net worth of \$18.3 billion and a total committed portfolio of \$39.8 billion. The committed portfolio include investments in 1,490 companies in 122 countries.
- IFC is unique among international financial institutions, with a global focus and strong local presence. IFC staff are based in 100 cities in 81 countries.
- IFC invests in sustainable private enterprises that benefit the economy, promote a sound environment and social well-being, and are examples of good business for other entrepreneurs.

IFC's wide range of financial products and services:

- IFC provides long-term debt, quasi-equity, and equity financing for private sector investments on market terms, in the form of project or corporate finance.
- In some countries where only short- to medium-term financing is available, IFC can provide long-term funds (8-12 years), sometimes in local currency.
- IFC has extensive local knowledge and contacts through offices in some 80 emerging markets.
- IFC can also mobilize additional funding from international commercial banks, which would otherwise not be willing to invest (or would invest for the short term only) because of country risk factors. Such mobilization is due to the reduction in political risk that typically results from coinvesting with IFC. As a member of the World Bank Group, IFC has preferred creditor status in the countries in which it invests, the benefits of which extend to the projects it supports.
- IFC also participates in corporate restructuring projects by assisting viable companies in realigning their operational cash flows with their financial obligations through financial restructuring measures.

IFC has expertise and experience in life sciences:

- IFC has approved projects in life sciences totaling over \$200 million in several countries worldwide.
- IFC's experience includes drug and active pharmaceutical ingredient manufacturing, biotechnology, research infrastructure, and drug wholesale/retailing.
- Through its network and investments in the industry, IFC has a good understanding of the substantial changes taking place in the world's marketplace.

The worldwide life sciences industry:

- Central to IFC's mission, the production, distribution and usage of pharma and biotech products, can help address problems of disease and health inequity.
- The industry is undergoing huge changes, with emerging markets playing an increasing role.
- Improved protection of intellectual property, driven by the entry of China and India into the World Trade Organization, is encouraging many multinationals to use emerging markets for chemical and biological research, development, and manufacturing.
- Generics and active pharmaceutical ingredients made in emerging markets, especially in China and India, are taking an increasing share of the U.S. and European markets.
- The majority of basic childhood vaccines (DTP, TT, measles, polio) are now manufactured in emerging markets.



IFC's investments in the life sciences industry:

- **Bharat Biotech (India).** Bharat Biotech is a biotechnology firm that develops, manufactures, distributes, and markets vaccines and biopharmaceuticals. The company is also developing a proprietary line of molecules (including malaria and rotavirus vaccines) and does contract development and manufacturing for Western pharma and biotech companies. In 2005, IFC invested \$4.5 million of equity in the company to finance its expansion.
- **Pliva (Croatia).** Pliva is a pharma company focused on generics and selected research-based products. Pliva discovered azithromycin, a blockbuster new-generation antibiotic. In 2001, IFC financed the company's expansion with a \$35 million loan.
- **Dabur Pharma (India).** Dabur is a generic pharma company producing active pharmaceutical ingredients and formulations for the oncology market. Dabur has a leading domestic market share in this sector, exports to over 30 countries, and has a formulations facility in the U.K. In 2005, IFC invested \$15 million in equity in the company to finance the expansion and upgrading of its plants and its entry into regulated (U.S. and European) markets.
- **Hikma (Jordan).** Hikma develops, manufactures, and markets a broad portfolio of products with a focus on oral generics. The company has a niche-driven strategy of entry into the U.S. market. IFC has financed the company's expansion, with both equity and debt over the last 20 years.