

India's leading microfinance institution SHARE teams up with private equity investor Aavishkaar Goodwell

May 15, 2007, Hyderabad – India's leading microfinance institution SHARE Microfin Ltd will receive equity finance and support from Aavishkaar Goodwell, the India focussed microfinance development company. Aavishkaar Goodwell will invest USD 2 million for a minority interest in SHARE Microfin Ltd., and its India based team of microfinance experts will work closely with SHARE's management to help SHARE reach an additional 5 million customers over the next 5 years.

For Aavishkaar Goodwell the investment in SHARE is a significant step in building a USD 25 mln balanced portfolio of smart capital investments in financial services for the poor in India. The business development company, which is a for-profit company backed by public sector and private sector investors, covers the entire spectrum from small start ups to the largest microfinance institutions (MFIs). Aavishkaar Goodwell is investing in SHARE alongside Legatum, a private firm that is acquiring a majority interest.

SHARE is one of the largest MFI's in India with over one million clients and US\$95 million in outstanding loans. SHARE operates in 5 Indian states, across more than 8000 villages with 2300-plus staff. Share was founded in 1989 as a non-profit organization to improve the quality of life of the poor by providing access to financial and support services. In 2000 SHARE converted into a for-profit Non Banking Finance Company (NBFC), and it has grown from 2000 members then into the leading MFI in India today. In the last three years it has achieved growth of 90% in customer numbers.

Mr. Udaia Kumar, Founder, Chairman and Managing Director of SHARE Microfin Ltd., welcomes Aavishkaar Goodwell's investment and support: "With Aavishkaar Goodwell on board, we are ready for the next stage in our growth. Their support will help us realize our ambitions to reach more people in rural communities and provide access to low cost high quality financial services. After 17 years of serving India's rural poor, we have developed a model that is both scaleable and efficient. In the coming years, we aim to set new standards for best practices and governance for the sector. The financial and microfinance expertise, business experience and on the ground presence of Aavishkaar Goodwell's team will help to achieve this."

Mr Vineet Rai, who leads Aavishkaar Goodwell's team in India, is pleased that SHARE is teaming up with his company. "The track record of Mr Udaia Kumar and his team is impressive and SHARE is well placed to become the benchmark for efficient and scaleable delivery of financial services to the unbanked in India. That Mr Kumar welcomes us on board is a clear recognition of our strategy to provide hands-on support to fast growing organizations such as SHARE and help them integrate into the mainstream. We believe SHARE has a bright future ahead and will be leading the field as the sector in India is growing very rapidly and becomes more mature. We look forward to working with Mr Kumar and his team alongside Legatum to help SHARE expand its current operations, reaching a larger number of India's unbanked poor and setting a benchmark for the microfinance industry worldwide."

"We will be an active shareholder, highly engaged and involved in matters of financial management, governance, planning and managing growth, technology and innovation" adds Mr Rai. "Aavishkaar Goodwell invests in entrepreneurial microfinance organizations with the objective to create both social and economic value for these organizations and their clients, and consequently for our investors. Our investment in SHARE is a cornerstone investment, and will enable us to demonstrate that entrepreneurial development in microfinance creates both social and financial value."

About Aavishkaar Goodwell

Aavishkaar Goodwell India Microfinance Development Company Ltd is a for-profit business development company that invests in entrepreneurial microfinance organizations in India on a socially and commercially sustainable basis. Aavishkaar Goodwell aims to improve access to affordable financial services for millions of un-banked people in India. Aavishkaar Goodwell does this by developing and scaling up entrepreneurial microfinance organizations and integrating them into the mainstream financial sector. Aavishkaar Goodwell aims to realize "benefits of scale": a substantial social impact and an attractive financial return. The company is building a portfolio of USD 25 million in microfinance start ups and fast growing institutions.

Aavishkaar Goodwell was initiated by an Indian-Dutch joint venture. The dedicated investment team in India invests alongside the team that manages Aavishkaar India Micro Venture Capital Fund (www.aavishkaar.org), an innovative and UNDP Award-winning fund that invests micro-equity in scaleable SMEs in India. The Dutch microfinance private equity company Goodwell Microfinance Development Company is the leading investor in Aavishkaar Goodwell, along with international finance institutions and commercial banks. The investors in Goodwell are Dutch private investors, foundations and pension funds.

For more information, please visit www.aavishkaargoodwell.com

About SHARE Microfin Ltd.

SHARE Microfin Limited is a Hyderabad-based microfinance institution regulated by the Reserve Bank of Indian as a Non-Banking Financial Corporation ("NBFC") providing financial and support services targeted at Indian women in rural areas, through its network of 2,300-plus staff spread across the company's 312 branches in 5 states. SHARE is one of India's largest microfinance institutions and has experienced 90% client growth in the last three years. Top-rated by ratings agencies CRISIL and M-CRIL, SHARE has a total outstanding loan portfolio of over USD 95 million.

SHARE is passionately committed to a business-led approach that promotes sustainable results, and an ambitious goal to expand its services to more than 6 million clients with a loan portfolio of USD 600 million by 2012. For more information, please visit www.sharemicrofin.com

Media contacts

India

Vineet Rai
Tel +919820645736
Vineet_rai@aavishkaar.org

Netherlands

Wim van der Beek
Tel +31646080801
wim@goodwell.nl