



PRESS RELEASE

LEGATUM INVESTS OVER 100 CRORE (US\$25 MILLION) FOR MAJORITY INTEREST IN SHARE MICROFIN LTD., INDIA'S LEADING MICROFINANCE INSTITUTION

15th May 2007, MUMBAI, DUBAI and LONDON – Legatum, a private firm that invests in capital markets and in initiatives that support human and social development, announces a landmark transaction for the international microfinance industry. It has agreed to invest Rs. 100 crore (US\$25 million) to acquire a majority interest in SHARE Microfin Limited (“SHARE”), India’s leading microfinance institution (“MFI”). The investment will enable SHARE to reach an additional five million customers over the next five years.

Based in Hyderabad, SHARE currently has over one million clients and US\$95 million in outstanding loans. With a 17 year history of innovation and a reputation for best practices, SHARE has earned the highest ratings of any Indian microfinance institution by CRISIL and M-CRIL, leading microfinance ratings agencies.

This transaction represents the largest equity investment to-date in the global microfinance sector, and will allow SHARE to rapidly expand its current operations, reaching a larger number of India’s un-banked, rural communities.

Commenting on the investment, Mark Stoleson, President of Legatum, said “This agreement marks a key moment in the continuing transformation of the microfinance sector. Legatum’s investment will help to provide the scale necessary to lower costs and increase choices for India’s rural poor. We also hope that it will serve to stimulate increased awareness and further investment in the microfinance sector world-wide.”

Mr. Stoleson elaborated, “India’s microfinance industry is evolving rapidly, with greater professionalism, increased efficiencies and lower costs. SHARE is at the forefront of this transformation and is an excellent example of how well-run businesses are able to deliver social solutions that are both scalable and sustainable. With over a million clients across 8,000 villages, SHARE has already established itself as India’s leading microfinance institution.”

Mr. Udaia Kumar founded SHARE in 1989 to improve the quality of life of the poor by providing access to financial and support services. Since its inception, SHARE has been a constant innovator, leading the industry to increasingly adopt commercial best practices.

In 2000, SHARE was one of the first MFIs to convert to a Non Banking Finance Company (NBFC). This effectively began the transformation in India of the microfinance industry, from one dominated by NGOs, to an industry now led by professional financial services companies which are able to deliver better products and services to more people at lower cost.

Udaia Kumar, Chairman and Managing Director of SHARE Microfin Ltd., said, “Legatum’s investment exemplifies the important role that experienced global investors will play in helping to develop the microfinance industry. With this investment, SHARE will be able to reach even more people in rural communities and provide access to low cost financial services meeting our goal of six million clients and a loan portfolio of over US\$600 million by 2012.”

“After 17 years of serving India’s rural poor, we have developed a model that is both efficient and scalable. Like Legatum, we believe that everyone has a right to the opportunities created by broader financial inclusion, making it possible for them to realize their full potential” Mr. Kumar explained.

Over the past three years Legatum has made a significant commitment to India, investing over US\$1 billion to support the development of the country’s financial services sector. During its 20 year investment history, Legatum has invested in economies as diverse as Japan, Russia, Brazil and South Korea seeking out world-scale companies which have strong leadership positions in their industries and are major contributors to individual and national prosperity.

Mr. Stoleson added, “Legatum is delighted to be working with SHARE to deliver much needed financial services to a market of over 600 million people in India who are outside the formal banking sector. Along with other investors, including the Aavishkaar Goodwell India Microfinance Development Company, we will seek to support SHARE in setting new standards for best practices and governance, while providing high quality financial services to the unbanked in India.”

Legatum’s financial adviser on the transaction was Intellecapt Pvt. Ltd., a leading social investment adviser based out of Mumbai and Hyderabad, India. The transaction is subject to certain conditions to closing including corporate, regulatory and other approvals.

◀ ENDS ▶

About Legatum

Legatum is a privately owned international investment group comprising two divisions: Investments in international financial markets are made through Legatum Capital; while Legatum Global Development (“LGD”) promotes sustainable development.

Legatum Capital is a long-term, value-oriented portfolio investor with over twenty years of experience investing proprietary capital in the global capital markets. Like its predecessor Sovereign Global, the company’s emphasis continues to be on providing capital to the most productive enterprises in developing countries and emerging markets.

Based on our experience investing and doing business in developing markets, Legatum is also deeply committed to promoting sustainable development.

Legatum Global Development was established to promote global prosperity by using market-based solutions to solve long-term development problems. In addition to funding private businesses that deliver goods, services and opportunities to poor communities, LGD also promotes a public policy environment that encourages entrepreneurship and allows individual productivity to flourish.

For more information, please visit Legatum’s website at www.legatum.com

About SHARE Microfin Ltd.

SHARE Microfin Limited is a Hyderabad-based microfinance institution regulated by the Reserve Bank of India as a Non-Banking Financial Corporation (“NBFC”), providing financial and support services targeted primarily 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 US\$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 six million clients with a loan portfolio of US\$600 million by 2012. For more information, please visit www.sharemicrofin.com.

For more information about Intellectap, please visit www.intellecap.net

Media Contacts

Dubai

Hamish Banks
Legatum

Telephone: +971 4317 5800
Facsimile: +971 4317 5811
Email: hamish.banks@legatum.com

India

Arwa Husain
Adfactors Public Relations
Mumbai

Telephone: +971 22 2281 3565
Email: arwa.husain@adfactorspr.com

London

Kate Holgate
Brunswick PR

Telephone: +44 20 7404 5959
Email: kholgate@brunswickgroup.com