



For Immediate Release

Developing World Markets invests in SMILE MICROFINANCE

Chennai, Mar 16, 2010: S.M.I.L.E. MICROFINANCE LIMITED (SMILE) recently agreed to an equity investment of Rs. 50 crores (~\$10 million) from equity funds managed by Developing World Markets (DWM), a US based Social Investment fund manager. Grameen Capital India was the sole equity advisor to this transaction for SMILE

Based in Chennai, S.M.I.L.E. MICROFINANCE LIMITED is one of the oldest Microfinance Institutions working in the State of Tamil Nadu. Since inception, it has cumulatively disbursed over Rs. 577 crores (\$115 million) and presently reaches out to nearly 300,000 poor households.

This is the first round of external equity financing that SMILE has undertaken. Over the next 5 years, it plans to have nearly 2.5 million clients and achieve a portfolio of over Rs. 1,500 crores (\$0.3 billion). AZB & Partners were the legal counsel for the transaction.

The Promoter Dr. N. Sethuraman is a leading Urological Surgeon, Founder of one of the largest Multi-speciality hospitals in South India and a Social Entrepreneur. Speaking on this transaction, Dr. Sethuraman, Chairman, **SMILE** said, “We are excited and honored to have a partner like Developing World Markets engaging with us in our Mission to empower the poor to become self-reliant. This transaction is a strong demonstration of confidence in the ability of SMILE’s Management Team to be able execute the goals we have set for the business”.

Bradley Swanson, Partner at **Developing World Markets** said, “SMILE offers us the perfect opportunity to build on our global strategy of partnering with socially-committed MFIs with long and successful track records. This investment allows us to make a substantial commitment to the microfinance sector in India which continues to be an important market for the firm. We look forward to continuing our work with the dedicated Management Team at SMILE”.

Royston Braganza, CEO of **Grameen Capital India**, which advised on this transaction, added, “For quite a while now, the hype in the microfinance sector has been around the larger MFIs and large private equity investors. This deal reinforces what is core to the success of the sector – solid MFIs and socially-committed investors.”

About S.M.I.L.E. MICROFINANCE LIMITED (www.smileltd.org)

S.M.I.L.E. MICROFINANCE LIMITED has a Mission to empower poor women to become economically self-reliant and has emerged as a fast growing and leading Microfinance

Institution in Tamil Nadu. SMILE embarked on the journey to make poverty a history, as early as in 2004 as a Non-Banking Finance Company (NBFC). It works towards empowerment of poor women by offering them financial and non financial support in a sustainable manner.

The company's unique model addresses the issues of poverty and exclusion by going beyond micro-credit and uses various tools of microfinance to achieve the outreach, impact and sustainability.

Today, SMILE has 95 Branches across twelve Districts in the State of Tamil Nadu, India. As of dates, it has cumulatively disbursed over Rs. 577 crores in the state and boasts of a healthy portfolio quality reflected in recovery rate of 99%.

About Developing World Markets (www.dwmarkets.com)

Developing World Markets is an asset manager and investment bank dedicated to making socially-positive investments in order to promote sustainable economic and social development on a global scale. DWM now manages over \$600 million in debt and equity assets and has invested in over 100 microfinance institutions in over 30 countries. The funds managed by DWM that made the investment commitment in SMILE are DWM Microfinance Equity Fund and SNS Institutional Microfinance Funds I and II, sponsored by SNS REAAL, a publicly-listed Netherlands financial services group. For more information on DWM and the funds it manages contact Aleem Remtula, aleem@dwmarkets.com, +1 203 655 5453

About Grameen Capital India (www.grameencapital.in)

Grameen Capital India is an investment bank focused on microfinance and other business models in the Base of the Pyramid space. Grameen Capital India enables Microfinance Institutions (MFIs) develop wider access to the capital markets, primarily the domestic capital markets, through innovative debt and equity solutions, credit rating / enhancement arrangement and capital advisory services. It focuses on positioning Microfinance as an attractive asset class, helping MFIs raise low-cost on-lending funds. Grameen Capital India is collaboration between Grameen Foundation, IFMR Trust and Citicorp Finance India Limited.

For more information on this transaction, please contact Shashi Shrivastava (shashi.shrivastava@grameencapital.in or +91 22 6675 2991).