



Press Release

Ujjivan Raises Rs. 94 Crores of Equity Capital

Ujjivan Financial Services is pleased to announce the successful completion of the fourth round of equity infusion. Originally planned for Rs.75 Crores, the equity round was over-subscribed and increased to Rs. 94 Crores. The incremental capital was largely subscribed by existing shareholders including Unitus Equity Fund (UEF) managed by Elevar Equity L.L.C., Bellwether Microfinance Fund, Michael & Susan Dell Foundation, A.W. Holdings and individual investors including promoter & CEO Samit Ghosh. The five new investors in this private placement transaction will include: Sequoia Capital, Lok Capital, Unitus Equity Fund II, India Financial Inclusion Fund and SIDBI. This will increase Ujjivan's Paid up Capital & Reserves to over Rs.108 Crores. Ujjivan will be the fourth highest capitalized microfinance institution in India. The capital will be used for the Company's major expansion plans for the next one year and to meet the enhanced capital adequacy norms set by the Reserve Bank of India. Grameen Capital India was the exclusive Equity Advisor for this transaction.

Speaking on this transaction, Samit Ghosh said "Ujjivan has expanded the institutional investor base to create a balance between social and market driven private equity investors to ensure that its social mission is not diluted and at the same time it can maintain the ambitious growth plans. We are very pleased to receive the unwavering support of the existing and new investors all through this transaction even under these challenging times. It is a testament to the future of microfinance industry in India."

A unique feature of this deal was that Ujjivan, in collaboration with Bellwether Microfinance Fund and UEF, was able to offer its individual investors liquidity by offering to buy out part or whole of their investment in Ujjivan and register good value on their investments. This is the first time a microfinance institution has been able to offer a market determined exit to individual investors and will go a long way to create a secondary market for shares of microfinance companies. S Viswanatha Prasad, Managing Director, Bellwether Microfinance Fund and Caspian Advisors, said "creating a secondary market for microfinance institutions' stock is one more critical step in integrating MFIs to capital markets and in some sense reflects coming of age of this asset class. Bellwether is delighted that it has taken this lead role in the Indian market to provide liquidity to the investors in Ujjivan. Bellwether and India Financial Inclusion Fund are excited to be part of Ujjivan's growth plans and are confident of its success".

Sandeep Farias, Managing Director of the Elevar Equity said, "Ujjivan's exceptional performance as an MFI that has balanced commercial performance with social impact makes us proud continue our association with Ujjivan. That we have full faith in Samit Ghosh's leadership and Ujjivan's potential is evident in the fact that we have invested from UEF II as well into Ujjivan. We are confident that Ujjivan will benefit from the partnerships it has formed through this round of investment"

Mohit Bhatnagar, Operating Partner, Sequoia Capital, said:" Sequoia Capital is excited to lead this new round of investment at Ujjivan. The leadership team at Ujjivan has proven that scalable & sustainable Microfinance institutions, that deliver social solutions, are being built in urban and rural India."



Venky Natarajan, Director, Lok Advisory Services expressed his enthusiasm: “Ujjivan is one of the fastest growing MFIs serving underserved clientele in urban India. With infusion of capital in this round, we believe that Ujjivan is now in a better position to increase its borrower base and increase its presence all across India. We are confident that this investment represents one of the best opportunities for supporting the growth of the microfinance in India.”

Royston Braganza, CEO, of Grameen Capital India, the Equity Advisor for this transaction said “Ujjivan’s success is a strong indication of growing confidence of the investor community in Microfinance as an asset class. Ujjivan offers a financially sound as well socially motivated growth strategy for meeting the vast unmet demand for microfinance”

About:

Ujjivan Financial Services

Ujjivan Financial Services (www.ujjivan.com), a Bangalore based microfinance institution focusing on serving the urban and semi-urban poor, completed its third year of operation on November 1, 2008. It now operates in eight States with over 165,000 customers, has disbursed Rs.1.6 billion of loans and enjoys a repayment rate of 99.5%. The last three branches Ujjivan opened were in Jamshedpur in Jharkhand and will be opening its 100th branch in Nanjungud, Karnataka on November 22nd, 2008. Ujjivan is a partner of the Grameen Bank of Bangladesh.

Michael & Susan Dell Foundation

The Michael & Susan Dell Foundation (www.msdf.org) is dedicated to improving the lives of children living in urban poverty around the world. With offices in Austin, TX and New Delhi, India, the Dell family foundation funds programs that foster high-quality public education and childhood health, and improve the economic stability of families living in poverty. With an endowment of \$1.3 billion, the foundation has committed almost \$450 million to global children’s issues and community initiatives to date. The foundation has committed \$9 million to date to help poor families in India achieve economic stability.

Lok Capital

Lok Capital LLC (www.lokcapital.com) is a \$22 million Mauritius-based venture capital fund investing in microfinance institutions in India. The Lok Capital fund is advised in India by Lok Advisory Services Pvt. Ltd, a New Delhi-based team of management and finance professionals



Grameen Capital India

Grameen Capital India (www.grameencapital.in) 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 with an ultimate aim of reducing the cost of capital for MFIs. Grameen Capital India is collaboration between Grameen Foundation, IFMR Trust and Citicorp Finance India Limited.

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