



ROMANIAN-AMERICAN ENTERPRISE FUND

PRESS RELEASE

(November 16, 2007 - For Immediate Release)

NEW INVESTMENT IN LEADING MICROFINANCE INSTITUTION

Bucharest, Romania

The Romanian-American Enterprise Fund announces it has recently signed an agreement for the acquisition of 97% of shares in CAPA FINANCE IFN SA. The transaction is expected to close by mid-December 2007, the completion being subject to various conditions precedent customary for such transaction.

CAPA Finance is one of the leading Romanian microfinance institutions that has gained significant expertise and knowledge in the market over the last decade. RAEF and CAPA have built a solid relationship during the last 10 years, CAPA acting as loans originator for RAEF's micro-lending program.

Talking about this new addition to RAEF's portfolio, Mr. Horia Manda, Vice-President of RAEF mentioned:

"This investment is the most recent confirmation that RAEF Management strongly believes in the financial services' development in Romania. We do foresee a significant growth potential of financial services in rural areas and recognize that CAPA has now a unique chance to capitalize on its regional presence and excellent understanding of this still unexploited market. In addition, RAEF has proven track record in developing financial services operations and together with CAPA's Management is committed to focus efforts to rapidly expand the Company's business. We do understand that a fast growth has to be sustained by adequate capitalization and therefore we envisage, as part of a larger investment plan, an initial equity investment of € 15 million (acquisition of shares and immediate capital increase) and a senior loan facility of US\$ 15 million."

Mr. Adrian Chindris, CAPA's CEO said:

"RAEF's investment in CAPA represents for CAPA the advancement to a superior stage of its development. In the same time, it confirms the success of a long-term excellent cooperation but also is a strong indication that the Romanian microfinance industry is maturing. Considering both RAEF success in building financial services companies and also CAPA's reputation in providing quality microlending services, we believe we have the necessary ground for achieving our ambitious expansion plans within the next years. For CAPA's employees, having RAEF as Company's major shareholder is the guarantee of a high-professional working environment but also the green light for strengthening CAPA's team"



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About CAPA

CAPA started in 1996 as a microfinance project inside World Vision Romania with technical assistance from MEDA (Mennonite Economic Development Associates). It was initially created as a non profit credit activity and was delivering loans in urban areas to MSMEs, under a service contract with Romanian-American Enterprise Fund.

During 2005 most of the operations were transferred from CAPA Foundation to CAPA Finance SA.

The Company has its headquarters in Cluj-Napoca while its network comprises 5 regional centers and more about 25 rural offices.

As of September 30, 2007 CAPA reported Total Assets of approx. \$ 25 million and about 100 employees. The Company targets Total Assets of over \$ 33 million for year end.

The main shareholders of CAPA Finance are World Vision Group (three entities holding together 72.75% of shares) and MEDA (24.25% of shares).

World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice.

MEDA (Mennonite Economic Development Associates) is an association of compassionate business women and men who invest in the lives of families living in poverty around the world. Besides direct investments, through technical assistance, training and project management, MEDA offers a range of solutions to build viable, rural and urban microfinance organizations.

Following the completion of the selling transaction, RAEF shall own 97% of CAPA's shares.

About RAEF

RAEF is a private U.S. corporation established by the President and the U.S. Congress in 1994, in accordance with the principals of the Support for East European Democracy Act. The mission of RAEF is to promote free enterprise and entrepreneurship in Romania by investing in small to medium size private companies. RAEF is a catalyst for attracting private capital and plays a significant role in the development of Romania's emerging market economy. More information can be found at www.raef.ro.



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