



President Uribe Celebrates Launch of SEAF's Colombia Fund

First diversified equity fund in Colombia attracts leading local pension and insurance investors

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President Álvaro Uribe of Colombia joined the U.S., Swiss and Belgian ambassadors to Colombia, SEAF President Bert van der Vaart, and executives from five of Colombia's top private pension funds and insurance companies to launch the Fondo Transandino Colombia, SEAF's private equity fund in Colombia. The Fund, initially capitalized at \$16 million, will make direct equity and equity-related minority investments, ranging from US\$ 1 to 3 million, in growth-oriented enterprises in Colombia. Mr. van der Vaart noted that SEAF saw Colombia's improved stability, long record of entrepreneurial excellence, and strong economic growth (enhanced by the recently concluded Free Trade Agreement with the U.S.) as providing the Fund a dynamic basis for producing value for investors.



In his remarks, President Uribe noted that the SME sector currently suffers from a lack of access to credit and that "the Free Trade Agreement as well as investments by venture capital funds will be beneficial to the country's SMEs, as they face greater opportunities in a growing economy." He also thanked SEAF for its confidence in Colombia as a locus for investment.

U.S. Ambassador to Colombia William Wood along with his counterparts, Ambassador Thomas Kupfer of Switzerland and Ambassador Jean-Luc Bodson of Belgium, expressed optimism about the opportunities for Colombian businesses. The ambassadors participated in the ceremony on behalf of their governments, each of which has provided capital to the Fund via affiliated agencies: U.S. Agency for International Development (USAID), Swiss State Secretariat for Economic Affairs (SECO), and the Belgian Investment Company for Developing Countries (BIO). Ambassador Wood stated that "investors' confidence in the country has grown and this Fund, by making resources available to high-potential SMEs, will result in sustainable growth of employment and income."

The Fund's five local investors are three pension funds (Protección, Porvenir, and Colfondos) and two insurance companies (Suramericana de Seguros and Seguros Bolívar), which together account for 60% of the Fund's size. David Bojanini, President of AFP Protección, stressed that while large Colombian companies receive considerable resources, it is important for the Colombian capital market to develop by creating new investment products such as this venture capital fund. He added that the pension funds are playing a very important role in the country's development by participating in this fund, which will invest in SMEs for their development, employment creation, and economic growth.

The Fund was established at a crucial time in Colombia's economy and with strong support from all levels of the Colombian government. SEAF participated actively in proposing a number of the regulatory reforms that Colombia's regulators enacted to enable pension funds and insurance companies to diversify their investments to include a portion of their assets in private equity funds.

SEAF is a global investment firm focused on providing growth capital and operational support to businesses in emerging markets and those underserved by traditional sources of capital. Headquartered in Washington, DC, SEAF manages more than US\$ 300 million in more than 20 countries around the world through an international network of 15 offices in Central and Eastern Europe, Asia and Latin America. With more than 15 years of operations in private equity investing in emerging markets, SEAF funds have invested in more than 240 SMEs worldwide. Investors in SEAF funds include a cross-section of public and private institutions, including international finance institutions, local pension funds, insurance companies and banks.

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