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SEAF Press Release

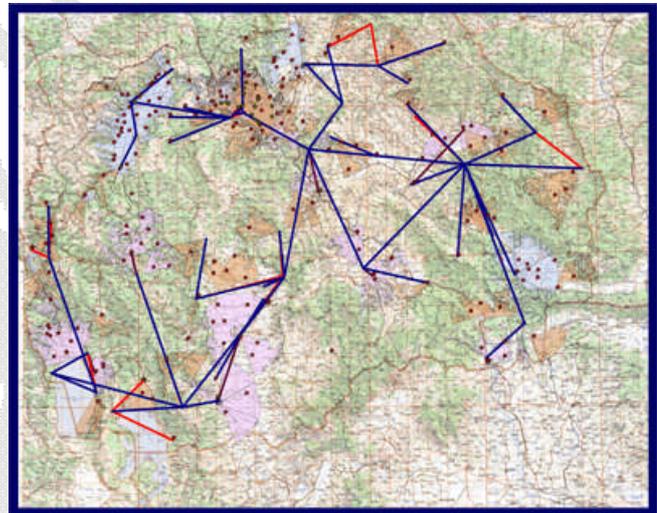
SEAF Investee, On.Net, helps Macedonia become world's first 'wireless' country.

The investment made by Small Enterprise Assistance Funds via its Fund in Macedonia has made it possible for On.Net, Macedonia's leading wireless internet provider, to bring wireless broadband coverage to virtually the entire country.

The company recently completed installation of the network, which, as reported by the BBC, will bring wireless broadband access to 95% of the country's population and its 460 primary and secondary schools, and will elevate Macedonia from being third from the bottom in internet access in Europe (ahead of only Moldova and Bosnia) to the world's first 'wireless' country.

On.Net has been a member of the SEAF family since November, 2000 when SEAF Macedonia LLC, provided equity financing to the Company. This operating capital, together with SEAF sourced technical assistance, helped position On.Net as a qualified partner for the 'Macedonia Connects' project, a USAID-funded initiative designed to make broadband Internet access readily available and affordable throughout the country.

To achieve this objective, On.Net laid out its own national wireless network, going up against the local telecom giant which enjoyed a comfortable monopoly in the wired space. With both financial and strategic support from SEAF staff in Skopje and in Washington, D.C., On.net was able to develop this network across the country to efficiently service current customers, significantly expand its customer base, and provide better, lower cost access to consumers who previously had no access to the internet. Said On.Net's Predrag Cemerikik "SEAF's investment put On.Net on the map. The additional Capital and Technical Assistance allowed On.Net to expand, develop its wireless technology, establish its credibility and compete effectively for the USAID funded contract."



The Network makes use of Macedonia's bumpy terrain by using mountains as distribution points for wireless connectivity, a network connecting the parts copper wires cannot reach.

The increased competition resulting from the new availability of internet service has lowered the average cost of connectivity from \$125/month to about \$15 to \$20/month, dramatically expanding the opportunity for increased connectivity and associated opportunities to a much broader base of price-sensitive consumers.

"We need the internet as a sea," said Jani Makraduli, Member of Parliament and president of the Macedonia Technology Committee. "Macedonia is not on the sea, so we think that the internet is our sea and an open window for a lot of economic changes and new economic growth in our country".

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. SEAF selectively makes structured debt and equity investments in locally owned enterprises with high growth potential. Investors and financial backers of the SEAF Macedonia Fund include the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), the Deutsche Investitions-und Entwicklungsgesellschaft (DEG) and the United States Agency for International Development.

Based in Washington D.C., SEAF (www.seaf.com) invests in more than 20 countries around the world through an international network of 15 offices in Central and Eastern Europe, Latin America, and Asia. Investors include a cross section of public and private institutions, including several of the international finance institutions, local pension funds, insurance companies, banks and family offices.