



Small Enterprise Assistance Funds establishes SEAF South Balkan Fund

The Small Enterprise Assistance Funds (SEAF) announces the first closing of the SEAF South Balkan Fund, which provides equity and quasi-equity financing, in combination with technical and managerial assistance, to South Balkan small and medium enterprises.

The Fund targets small and medium sized enterprises (SMEs) established in the Republic of Serbia, Republic of Montenegro, Republic of Macedonia and Kosovo. It expects to invest in companies across a diversified range of industries while promoting sustainable trading and investment relationships between enterprises in Southeast Europe, Europe more generally, and the broader world. The average investment size will be approximately €1,300,000.

The South Balkan Fund is a truly multilateral undertaking with major investment from the United States (United States Agency for International Development) as well as the Dutch and Swiss government-owned development finance institutions (FMO and SECO). The fund is initially capitalized at approximately €10,500,000 and a second closing is expected later in 2006.

Vlado Pesevski will be the new director of Fund, operating out of Belgrade. Mr. Pesevski had been the director of the SEAF Macedonia Fund, which has completed its investment period and has made a number of successful exits.

SEAF has been active in Southeast Europe since 1994, and its presence in the Balkan region includes the TransBalkan Fund, which operates in Bulgaria, Croatia and Romania, as well as the Macedonia Fund. SEAF's local staff will draw upon the experience of SEAF's teams on the ground in Southeast Europe, as well as in SEAF's other countries of operation (Poland, the Baltic Republics, Central Asia, China, and Latin America). Such coverage and experience will play a significant role in the initial development of the pipeline of potential new investments in the Region, given local entrepreneurs' desire to catch up with the business successes achieved by their neighboring countries and the Region's profound desire to join the European Union and the world economies.



The Netherlands Development Finance Company (FMO) supports the private sector in developing countries and emerging markets in Asia, Africa, Latin America and Central and Eastern Europe. FMO builds bridges between entrepreneurs and capital, locally as well as across frontiers, for sustainable development and healthy returns.

The Swiss State Secretariat of Economic Affairs (SECO) is active in the shaping of efficient, fair and transparent rules for the world economy and represents Switzerland in the large multilateral trade organizations as well as in international negotiations.

SEAF (www.seaf.com) 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. Based in Washington D.C., SEAF 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 and financial backers of SEAF Funds include the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), the Deutsche Investitions-und Entwicklungsgesellschaft (DEG), the United States Agency for International Development (USAID), the Netherlands Development Finance Company (FMO) and the Swiss State Secretariat of Economic Affairs (SECO).