

**CLSA Capital Partners' Aria III invests in  
Equitas Micro Finance India Private Limited**

**Mumbai/Hong Kong – Thursday, 1 April 2010** - CLSA Capital Partners ('CLSACP') is pleased to announce the investment of US\$24 million by ARIA Investment Partners III L.P. ("ARIA III"), for a minority stake into Equitas Micro Finance India Private Limited ("Equitas"), one of the leading microfinance institutions in India. The investment by the US\$333 million Aria III fund closed on 27 March 2010 and is in the form of newly issued equity shares. This is the third investment by ARIA III and the ninth investment in India by the ARIA group.

Equitas provides microcredit to low income households in India. Since its inception in 2007, the Chennai based company has grown rapidly to become one of the leading players in the microcredit space in India. The company has a loan portfolio of nearly US\$130 million and serves over 900,000 customers from approximately 150 branches in the states of Tamil Nadu, Andhra Pradesh and Maharashtra. Equitas also provides a variety of corporate social responsibility benefits to its customers, such as vocational training as well as quality, affordable education for their children.

CEO of CLSA Capital Partners Christopher Seaver acknowledged that the microfinance sector in India had developed into a successful and a sustainable business model which drives financial penetration to the underprivileged strata of society.

"Despite the unprecedented growth in this sector during the last five years, there remains considerable, unmet demand in the market. This supports the consensus view that there is potential for continued, significant growth in the sector," Seaver said.

Managing Director at CLSA Capital Partners Miranda Tang added: "Equitas has shown remarkable growth in South India to date. Our investment provides the capital for the company to further expand through new branches in other parts of the country, and to enhance its equity capital and grow its loan book."

Chairman of CLSA Capital Partners Richard Pyvis said: “We have been very impressed with the breadth and depth of the management team at Equitas and we look forward to working with them.”

Equitas is promoted by PN Vasudevan, the Managing Director of the firm. Mr. Vasudevan stated: “CLSA Capital Partners is a great partner to have on-board. We are especially drawn to the value they bring to our company and the commitment they have shown. Working with them, we believe, we will be able to take the benefits of microcredit and allied services across under-served markets in the country.”

Spark Capital was the advisor to the company on this transaction.

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#### **About CLSA Capital Partners**

CLSA Capital Partners is the alternative asset management arm of CLSA Asia-Pacific Markets, Asia’s leading independent brokerage and investment group, and a member of Credit Agricole, one of the world’s top financial institutions.

Through the CLSA network, research and investment banking teams, CLSA Capital Partners has unique access to the region’s corporate decision makers, solid knowledge into their companies, and strategic insight into current and future Asian investment trends.

CLSA Capital Partners has approximately US\$2.6 billion under management across approximately a dozen funds and offers a diversified and increasing range of investment vehicles. It provides funding for profitable, pan-Asian businesses and targets growth companies, property, transport, buyout financing, mid market buyouts and clean tech opportunities in the following areas:

- **Alcor Investment** focuses on both long and short stock opportunities.
- **Aria Investment** provides growth and expansion capital to well-established companies.
- **Fudo Capital** focuses on value-added opportunities in real estate investments.
- **CLSA Sunrise Capital** focuses on mid-market buyouts and growth capital in Japan.
- **Clean Resources Capital** invests in rapidly growing clean tech industries, focusing on all forms of cleaner energy, environmental technology, water and waste management. Long-short and long only products are offered.
- **MezzAsia Capital** provides structured lending solutions to mid-cap growth companies and private equity-led transactions.
- **Pacific Transportation** focuses on exploiting long-term transport trends<sup>1</sup>

CLSA Capital Partners comprises a diverse group of professionals with backgrounds spanning industries from banking to law and accounting. The highly experienced team, with long established roots in the region, has helped many Asian companies realise their growth potential.

For more information on Capital Partners or the specific funds please visit [www.clsacapital.com](http://www.clsacapital.com)

<sup>1</sup>Pacific Transportation is not an affiliate company of the CLSA Group.

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