

Root Capital Opens South America Regional Office in Peru

Cambridge, Mass., October 29, 2007 - Root Capital is proud to announce the opening of our new South American regional office in Peru. Spearheaded by Lima-based Investment Officer Daniel Rivera, our presence in Peru will help increase awareness of Root Capital in the region and ensure we're able to maintain close relationships with our borrowers—a critical need given our plans to increase South American loans from \$8.5 million in 2006 to over \$38 million in 2011. Our expansion also helps Root Capital reduce geographical risk in our portfolio by balancing loans in Central America with ones in South America. In the event of a hurricane or other calamity, this hedge allows us to protect the work we do globally and ensure the success of our mission.

We are also working to diversify the types of industries for which we provide loans in South America. Building upon our success in coffee, Root Capital will offer financing to small organizations dealing in other products, including bananas, avocados, mangoes, honey, flowers, sesame, aquaculture, organic wine and certified timber. Our goal is to increase our non-coffee South America loans from \$1 million in loans to eight borrowers in 2006 to nearly \$16 million across approximately 90 borrower cooperatives in 2011.

We know that good infrastructure is crucial to the success of many business ventures. Root Capital plans to expand its loans in South America for fixed assets such as drainage and packaging systems for banana producers; renewable energy and water efficiency technologies which expand businesses' capacity and minimize environmental impact; and processing machinery to improve the quality and efficiency of coffee, cocoa and nut producers.

Current Root Capital projects in South America—among many others—include supporting organic cotton production on the northern coast of Peru, and building increased storage for a coffee co-op in northeastern Peru that will allow it to increase quality and reduce operating costs.

Says Rivera of the Peru office, “What I like best about my job is that, with the loans that Root Capital provides, I can help small enterprises generate sustainable revenue—and that means thousands of poor people are likely to have an improved quality of life.” As Root Capital's scales its activity in South America, our new Peru office will play a key role in helping even more businesses succeed and benefit their local communities.