



IGNIA raises US\$25 Million debt financing from Inter-American Development Bank (IDB)

First leveraged social venture fund

Garza Garcia, Nuevo León, México – June 18, 2008. **IGNIA Fund I**, Latin America's first social venture capital fund, after announcing its initial close on \$20.6 Million in equity commitments last week, is making another pioneering move by announcing today that the Board of the Inter-American Development Bank (IDB), the multi-lateral development agency headquartered in Washington, DC, has approved \$25 Million in debt financing to the Fund. The use of proceeds will be for the Fund to make equity investments in portfolio companies. The approved loan will now proceed through final legal documentation and the Fund expects to have subsequent closings this year to reach its \$50 to \$75 Million equity target. After reaching its equity target, together with this \$25MM in debt, IGNIA will have \$75 to \$100 Million in total capital to invest in businesses serving the Base of the Pyramid.

This is the first time the IDB will provide a loan to a venture capital firm and represents an innovative way to apply senior, secured debt to an equity fund.

"Unfortunately the poor in the region tend to pay a penalty for their situation -- in the form of money spent on trucked water, hours wasted on commuting to distant jobs, work days lost to preventable diseases, or high interest rates paid to informal money lenders," said IDB President Luis Alberto Moreno. "The business community can help to reduce that penalty by offering quality goods and services tailored to the specific needs of low-income consumers and producers."

"The IGNIA Fund will invest precisely in companies that have the potential to reach this low-income segment of society," said Elizabeth Boggs Davidsen, IDB project team leader.

"We want to help create an 'investment case' for these companies and highlight the benefits of empowering local entrepreneurship and generating social impact," said Davidsen.

IGNIA's co-founder Alvaro Rodriguez Arregui said, "the IDB's participation will allow IGNIA to support the growth and expansion of high growth social enterprises."

"Together, the IDB and IGNIA are launching a pioneering approach to address some of the critical development challenges of the region," he added.

"Partnering with the IDB is especially meaningful given the Bank's leadership through its Opportunity for the Majority initiative," said IGNIA co-founder Michael Chu. "With the IDB's support, we hope to create the vanguard of new industries that will deliver key goods and services to help the poor realize their full human potential."

IGNIA Fund I, LP is a social venture capital fund with operations located in Monterrey, Mexico. By providing effective responses to the enormously underserved needs of the low income population, both as consumers as well as active

participants in productive value chains, IGNIA empowers entrepreneurship and generates social impact while creating attractive financial returns for its investors. More information is available at: www.ignia.com.mx

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