

Dear Friend,

We are happy to share our first News letter covering the key highlights.

Equity:

We are glad to share with you that Fusion Microfinance has attracted Private Equity funding of INR 4.5 Cr (USD 1 Million) from **Incofin**, one of the top ten Microfinance Fund in the World with more than 70 investments across 33 countries. Post closing of this subscription, the equity base including share premium of the Company stands at INR 7.75 Cr.

We strongly feel that partnership with Incofin will bring global best practices as they have diverse geographical experience in working with different MFIs across the globe.

Debt:

As on 31st May, 2010 Fusion has a total sanctions of INR 1.66 Cr out of this INR 1 Cr has been raised in the month of May, 2010.

Business Highlights:

Update 31st May 2010		
Sr#	Particulars	Details
1	Total no of States with presence	3
2	Total no of Branches	5
3	Total no of Active Loan Clients	3033
4	Cumulative Loan Disbursed	INR 34 million
5	Gross Loan portfolio outstanding	INR 27 million
6	Total Debt outstanding	INR 6.6 million

Major Initiatives:

1. 7 new branches in MP, UP and Delhi will be operational by 30th June.
2. Launch of Mobile based Collection Mechanism by 30th June.
3. Formalizing of Comprehensive Audit Mechanism by 30th June.
4. As part of our strategy to outsource non-core activities, we are exploring the options to outsource the Loan application data entry job.
5. In our endeavour to further improve our MIS, we have added 10 reports which will be very useful for Management Control and Supervision.

We will keep you updated on the progress in Fusion every quarter.

We thank you once again for your invaluable support. Please feel free to contact us for any clarifications you may have.

Warm Regards

Devesh Sachdev
(CEO)