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PRESS RELEASE

Five years of success as CDC outperforms against all UK government targets

CDC reports 2008 figures

Figures released today show that CDC Group plc (CDC), the UK's development finance institution, has outperformed against all the targets set for the five years to 2008 by the Department for International Development (DFID).

Following CDC's restructure in 2004, the UK government set rigorous five year targets for CDC's investments in commercially sustainable businesses in poor countries. Targets were also set for attracting other investors into those countries by demonstrating financial success.

In the period 2004 to 2008, CDC has:

- invested £1.5billion in private sector companies in Africa, Asia and Latin America
- outperformed against the MSCI Emerging Markets Index by 134%, representing average returns of 18% per annum
- helped two of its fund managers, Aureos and Actis, attract over £2.3billion in third party capital for investment in poor countries
- generated £2.5 billion of portfolio cash for reinvestment in developing economies
- committed over £2.7 billion to funds, predominantly to Africa and Asia

Despite a challenging economic environment, 2008 was a record year for CDC's investment in developing markets. A total amount of £436m was invested by CDC, with £194m going into Africa and £230m to Asia. However, unrealised valuation reductions in CDC's portfolio led to a decline in net assets of £359m in 2008. CDC's net assets have more than doubled since the beginning of 2004, from £1.2 billion to over £2.3 billion

In January 2009, CDC adopted a new five-year investment policy agreed with its shareholder DFID. CDC will make at least 75% of new investments in low income countries and at least 50% in sub-Saharan Africa. Up to £125m can be invested over the period to 2013 in small and medium enterprise (SME) funds in other developing countries. Good progress is being made in the core markets of South Asia and in sub-Saharan Africa, where CDC is now the largest private equity investor.

Richard Laing, Chief Executive, CDC Group plc, said:

“Over the last five years CDC has exceeded all the targets set for it by Government. We have grown our assets from £1.2 billion in 2004 to the present level of £2.3 billion. During this time CDC has also consistently outperformed its benchmark, the MSCI Emerging Market Index, and has reported average returns of 18% per annum.

“CDC’s capital is invested in 682 businesses in 75 poor countries and is helping to fuel the long-term economic growth that is the only sustainable route out of poverty. In addition CDC has helped mobilise £2.3 billion of third-party capital thanks to our investments in funds managed by Actis and Aureos.

“Inevitably CDC’s results in 2008 reflect the extraordinary turmoil in global capital markets. The upheaval in emerging economies’ stock exchanges and falling company valuations has had an impact on the value of the portfolio. However, CDC is a long term investor and most of the funds that we invest in have a ten year life. We are therefore able to look beyond short term fluctuations in value.

“Promising businesses in poor countries face a bigger challenge than ever in accessing long term risk capital. CDC’s contribution is essential in these unprecedented times, making the company as vital today as at any point in its 60 year history.”

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Notes to Editors

CDC Group plc

- CDC’s mission is to generate wealth by providing capital for investment in sustainable and responsibly managed private sector businesses.
- CDC is a government-owned fund of funds with net assets of £2.3billion.
- It uses its own balance sheet to invest in private equity funds focused on the emerging markets of South Asia and sub-Saharan Africa.

CDC’s 2009 - 2013 investment policy targets:

- More than 75% of new investment in low income countries (with an annual GNI per capita of less than US\$905)
- Invest more than 50% of its funds in sub-Saharan Africa

For further information please see www.cdcgroup.com