



LEMNA RECOGNIZED IN THE OVERSEAS PRIVATE INVESTMENT CORPORATION ANNUAL REPORT 2005

OPIC-supported projects in 2005 demonstrated the wide-ranging talents and capabilities of U.S. small business, with several projects displaying the resources smaller enterprises can bring to bear on even the largest infrastructure needs.

For example, American-owned Baku Oil Tools received a \$540,000 insurance wrap for their project to manufacture advanced oil field equipment in Azerbaijan, helping both to privatize and modernize the country's oil and gas sector. Another small business, Triangle General Contractors of Brooklyn, New York, will use its \$5.5 million OPIC loan and \$1 million in political risk insurance to rebuild a war-damaged hydropower facility in the western Decan region of Kosovo.

Through an OPIC loan to a subsidiary of Minnesota-based Lemna Corporation, construction of a treatment plant that converts local wastewater to usable agricultural water will provide relief from a 12-year drought adversely affecting agriculture in northern Mexico and Texas, and will enable this important agricultural center in Chihuahua State to comply with a federal mandate to provide wastewater treatment. With OPIC insurance to mitigate a number of political risks,

the company signed a service contract with the local water utility.

At the leading edge of the industrial spectrum, OPIC loans announced in 2005 are helping U.S. small businesses to bring new communications technologies to underserved markets in two hemispheres. Asylum Telecom LLC of New York received a \$1.5 million loan to deliver Internet-based telephone service to business customers globally from its research-and-development facility in Budapest, Hungary. Ruralfone, Inc., will use an insurance wrap for its project to provide affordable fixed wireless service to low-income residents in northeastern Brazil. Success of this innovative concept there will enable Ruralfone to replicate its experience in other underserved areas.

When it comes to helping small business, OPIC can always do more. An analysis commissioned by OPIC last year concluded that a public-private network teaming OPIC with financial institutions, business associations, educators, and other interested parties would be the most cost-effective way to meet growing demand from U.S.

small and medium-sized enterprises (SMEs) for the agency's support. OPIC acted on that recommendation in 2005 by inviting the U.S. private sector to join the new Enterprise Development Network. OPIC will work



with selected lenders and loan originators to help administer \$100 million in new OPIC financing designed to give U.S. small and medium-sized enterprises access to a type of overseas credit they often find difficult to obtain. Financing will be administered through OPIC's Small and Medium Enterprise Finance Department, which in its first year of operation increased the agency's SME productivity by 61 percent and reduced processing time by 42 percent.

IT'S A WRAP. SMALL BUSINESS SIGNS UP FOR OPIC COVERAGE

To invest overseas, U.S. small businesses need protection against political risks they cannot control. And they would like to obtain that protection without becoming mired in bureaucratic processes. OPIC's political risk insurance "wrap" has simplified access to comprehensive coverage, eased the entry of small business into new markets, and emerged as one of OPIC's most successful products ever. U.S. companies receiving Small Business Center loans of up to \$10 million can purchase protection featuring discounted rates, one-time premiums, and shorter tenors, typically matching the term of the loan. Because the projects are already approved, time-consuming application and due diligence processes are averted, wrap contracts are a mere five pages long.

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