



Charitable Registration #86418 8420 RR0001
www.thetownshipsproject.org
c/o CHF Investor Relations
600 - 90 Adelaide St. West
Toronto, Ontario, Canada
M5H 3V9

1 November 2011

Dear Friends:

Thank you for supporting **The Townships Project** in past years. Your contributions continue to give the poorest South Africans access to enterprise development loans, which help them build businesses and provide for their families.

About The Townships Project

For nearly 13 years, we've been supporting locally-run, locally-staffed microfinance institutions in the township areas in South Africa. Your money helps cover the operating funds they need to train and support loan officers in the field, and helps them qualify for financing. Our microfinance partners can then source financing from local banks (or other financial institutions) and international charities to provide microloans to South Africans.

Changing 5,000 lives a month

The two microfinance institutions we supported this year, Tetla Financial Solutions and Phakamani Foundation, made a total of about 1,000 loans per month in 2011. Since every loan normally affects at least 5 people, a total of about 5,000 people each month – or 60,000 people in 2011 – benefited from microloans that were made possible by support from people like you. We will continue this support in 2012.

MicroFranchising Launch: making microloans more effective

Critical to the success of our work is making sure the businesses these loans are supporting are given the best possible chance to succeed. We are now using franchising, the most effective business system ever created, to bring branding, systems and replication strategies to grow these tiny businesses.

In August **The Townships Project** initiated the first-ever **MicroFranchising Launch: Trade Show and Workshops** enlisting the support of University of Cape Town's Graduate School of Business.

MicroFranchising progress this year

- We identified 15 businesses that provide goods and services needed by townships communities, and have potential for franchising at a purchase price accessible to townships people.
- We brought these 15 businesses together with 150 community leaders, government policy makers from national, provincial and local levels, microfinance professionals and cellphone software experts at a 3-day event held in Khayelitsha Township

outside Cape Town to workshop how they can most effectively launch MicroFranchises in townships communities.

- A working group of MicroFranchise experts, policy makers and microfinance professionals is now examining the 15 businesses, and on November 15 will be choosing the most promising to receive franchise consulting and investment support.
- We have enlisted the financial support of the Department of Trade and Industry and Standard Bank, amongst others, to develop **MicroFranchising Launch** going forward.

Expanding in 2012

Jayshree Padayatchey, our project manager for **MicroFranchising Launch**, will help to run the program in 5 of the 10 South African provinces in 2012. Jayshree is one of the first 13 graduates in Corporate Social Investment from the University of Cape Town Graduate School of Business, the top business school in Africa. She joined us in 2010 and is now dedicating herself to helping people in need through microfinance and MicroFranchising.

Getting corporate support

South African corporations are required to spend 3% of net profits after tax on enterprise development. Key efforts in 2012 will be made to inform corporations about how MicroFranchising can make the most of these dollars, and to encourage them to support the development of **MicroFranchising Launch: Trade Show and Workshops** as a job creation engine at the bottom of the economic pyramid.

A little goes a long way

The Townships Project knows how important it is for the poorest to see hope in their future. We exist to help reduce the gap between the richest (us!) and the poorest. With your help, we will continue to work with local communities to change lives in South Africa, and from South Africa, throughout the whole continent.

We are careful to make sure that every \$50 you donate changes someone's life for the better, forever. You can donate securely on our website www.thetownshipsproject.org, or by mail using the tear-off section attached to this letter.

With many thanks for your help and involvement,

Sincerely,

F. Martha Deacon
Founder and CEO
marthadeacon@thetownshipsproject.org

PS - If you would prefer not to receive mail from us and would like to have your name removed from the mailing list, please let us know.

YES, I WANT TO SUPPORT THE TOWNSHIPS PROJECT (www.thetownshipsproject.org)

Here is my donation

\$50 _____ \$100 _____ \$250 _____ \$500 _____ Other _____

Name: _____

Address: _____

Postal Code: _____ Phone _(____)_____ Email _____

Please send to:

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