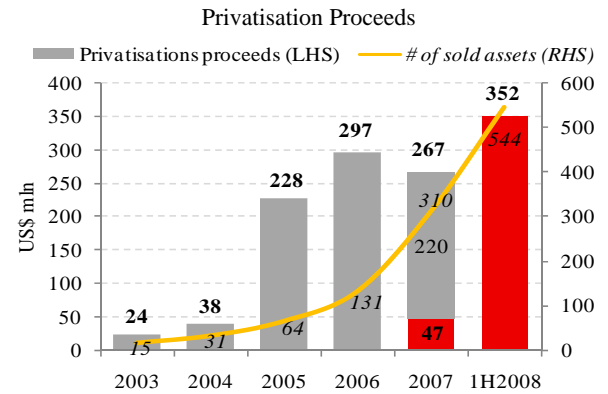



PRIVATISATION PROCEEDS REACHED HISTORIC MAXIMUM IN 1H 2008

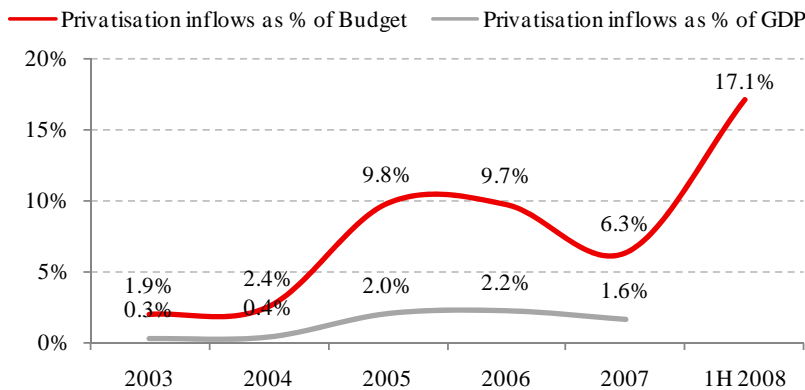
 GEL/US\$: 1.4130 GEL/EUR: 2.0897
 Galt & Taggart Index: 480

Ministry of Economic Development of Georgia reported that the privatisation proceeds in 1H 2008 were US\$352 million (up 649% y-o-y), exceeding the forecast by 68%. Privatisation transactions with individual proceeds exceeding GEL 20 million account for 67% of total privatisation proceeds. 544 state-owned assets were privatised in 1H 2008, 75% more than in 2007.

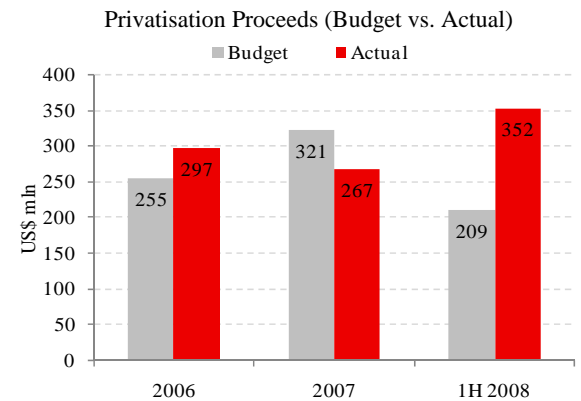
"I wish to congratulate my colleagues at the Ministry of Economic Development on their privatisation performance. I am confident that Georgia will continue to attract significant investor interest", commented **Lado Gurgenidze**, Prime Minister of Georgia



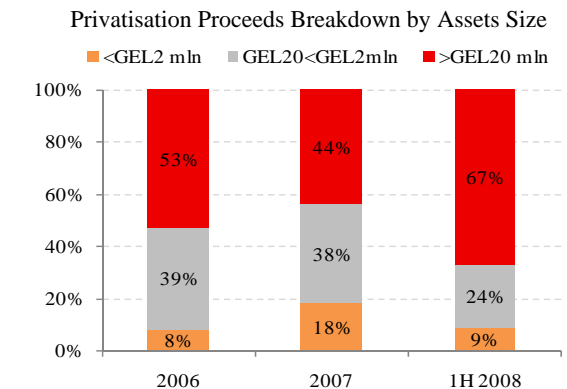
Source: Ministry of Economic Development of Georgia



Source: Ministry of Economic Development of Georgia, Ministry of Finance of Georgia



Source: Ministry of Economic Development of Georgia



Source: Ministry of Economic Development of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A
Nominal GDP (GEL mln)	9,824.3	11,621.0	13,783.9	16,998.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.4%
GDP per Capita (US\$)	1,187.2	1,478.4	1,758.7	2,315.2
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%
Net FDI (US\$ mln)	483	542	1,076	2,014.8
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33
Galt & Taggart Index (e-o-p)	194	320	790	1,041

Source: Department of Statistics, Ministry of Economic Development, Ministry of Finance, National Bank of Georgia

Georgia has, as of the date hereof, the following sovereign credit ratings:

Standard & Poor's	Sovereign Credit Rating	'B/ Watch Negative /B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/ Negative /B/B+'

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