

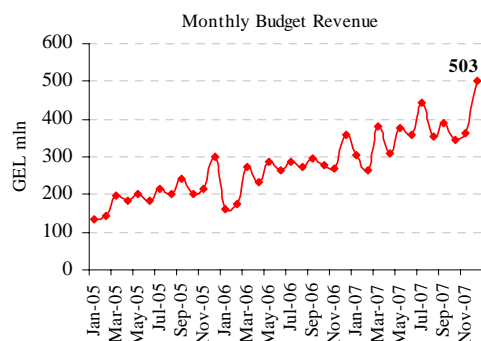


2007 BUDGET PERFORMANCE

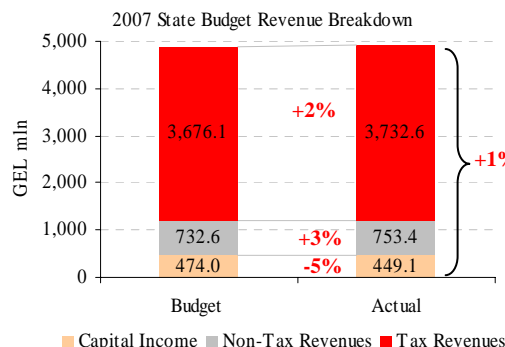
| Consolidated Budget, GEL mln | Budget | | Actual | | Deviation | | Actual Growth, y-o-y |
|------------------------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------------|
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | |
| Revenues & Grants | 4,207.7 | 5,948.7 | 4,429.9 | 6,031.1 | 222.1 | 82.4 | 36% |
| Grants | 190.5 | 114.7 | 194.3 | 115.5 | 3.8 | 0.8 | -41% |
| Revenues | 4,017.2 | 5,834.0 | 4,235.5 | 5,915.6 | 218.3 | 81.6 | 40% |
| Tax Revenues | 3,014.8 | 4,324.8 | 3,149.4 | 4,391.1 | 134.6 | 66.3 | 39% |
| Non-Tax Revenues | 509.8 | 847.8 | 521.7 | 880.7 | 11.9 | 32.9 | 69% |
| Capital Income | 492.6 | 661.4 | 564.5 | 643.8 | 71.8 | -17.6 | 14% |
| State Budget, GEL mln | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | |
| Revenues & Grants | 3,601.4 | 5,104.3 | 3,773.2 | 5,157.2 | 171.8 | 52.9 | 37% |
| Grants | 190.5 | 221.7 | 194.0 | 222.1 | 3.5 | 0.5 | 15% |
| Revenues | 3,410.9 | 4,882.6 | 3,579.2 | 4,935.1 | 168.3 | 52.5 | 38% |
| Tax Revenues | 2,536.4 | 3,676.1 | 2,633.1 | 3,732.6 | 96.7 | 56.5 | 42% |
| Profit Tax | 318.3 | 535.7 | 324.9 | 533.1 | 6.6 | -2.6 | 64% |
| VAT | 1,280.8 | 1,942.3 | 1,332.7 | 1,973.7 | 51.9 | 31.4 | 48% |
| Excise | 338.4 | 428.0 | 335.6 | 428.6 | -2.8 | 0.6 | 28% |
| Customs Tax | 127.5 | 49.5 | 132.4 | 51.9 | 4.9 | 2.4 | -61% |
| Social Tax | 471.4 | 699.3 | 502.8 | 722.0 | 31.5 | 22.7 | 44% |
| Other Tax Revenues | 0.0 | 21.3 | 4.7 | 23.1 | 4.7 | 1.8 | 389% |
| Non-Tax Revenues | 476.8 | 732.6 | 482.5 | 753.4 | 5.7 | 20.8 | 56% |
| Capital Income | 397.7 | 474.0 | 463.6 | 449.1 | 65.9 | -24.9 | -3% |

The Ministry of Finance of Georgia reported today that the revenues and grants of the annual 2007 consolidated and state budgets exceeded the forecast by GEL 82.4 mln (up 36% y-o-y) and GEL 52.9 mln (up 37% y-o-y), respectively. Consolidated budget revenues were GEL 5,915.6 mln, or 101% of the forecast numbers. Tax revenues collected were GEL 4,391.1 mln, or 102% of the budgeted amount. Non-tax revenues were GEL 880.7 mln or 104% of the budgeted amount.

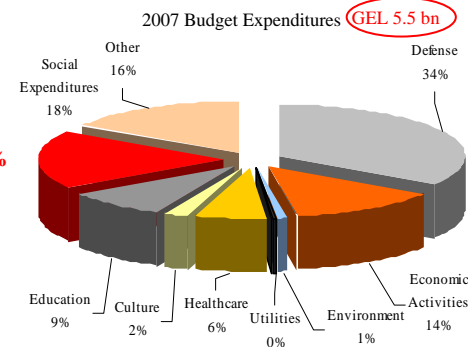
"I am delighted with our budget performance in 2007, and wish to thank all my colleagues for their endeavors. The fact that in December 2007 we collected GEL 503 mln – the record monthly amount in Georgian history – demonstrates that it is business as usual in Georgia, despite the snap presidential elections", commented *Nika Gilauri*, Minister of Finance.



Source: Ministry of Finance



Source: Ministry of Finance



Source: Ministry of Finance

| Georgia: Key Economic Data | 2004A | 2005A | 2006A | 2007E |
|-------------------------------------|---------|----------|----------|----------|
| Nominal GDP (GEL mln) | 9,824.3 | 11,621.0 | 13,783.9 | 16,924.8 |
| Real GDP Growth (y-o-y; %) | 5.9% | 9.6% | 9.4% | 12.0% |
| GDP per Capita (US\$) | 1,187.2 | 1,478.4 | 1,758.7 | 2,297.3 |
| CPI (e-o-p; %) | 7.5% | 6.2% | 8.8% | 11.0% |
| Net FDI (US\$ mln) | 483 | 542 | 1,076 | 1,400 |
| Current Account Deficit as % of GDP | -6.6% | -10.8% | -15.3% | -20.2% |
| 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 | 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+/B' | Positive |
|-------------------|----------------------------------------------------------------------------------|-------------|----------|
| FitchRatings | Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling | 'BB-/B/BB-' | Stable |

Contacts:

Goga Melikidze
 Advisor to Prime Minister
 +995 32 934 632
 gmelikidze@geo.gov.ge

Kakha Baidurashvili
 First Deputy Minister of Finance
 +995 32 446 447
 k.baidurashvili@mof.ge

David Amaglobeli
 Acting President of the National Bank of Georgia
 +995 32 442 403
 damaglobeli@nbg.gov.ge

Tamar Liluashvili
 Director, National Investment Agency
 +995 32 433 433
 tamunal@investinggeorgia.org

This news report is presented for informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. This news report may contain statements that constitute "forward-looking statements". While these forward-looking statements represent our judgments and future expectations, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations. We are under no obligation (and expressly disclaim any such obligations) to update or alter our forward-looking statements whether as a result of new information, future events, or otherwise. The recipients hereof are permitted to further disseminate this news report or key facts and statements contained herein, provided that they do so with the proper attribution to the relevant government agency as the source of such information.