


**CONSUMER CONFIDENCE IMPROVES**

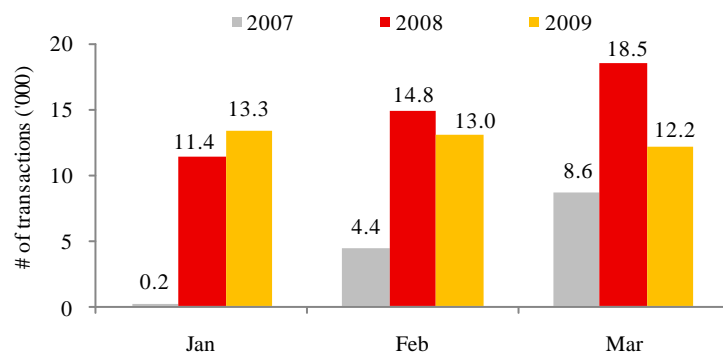
 GEL/US\$: 1.6501 GEL/EUR: 2.2037  
 Galt & Taggart Index: 165

Consumer confidence, as evidenced by several important indicators, remains high.

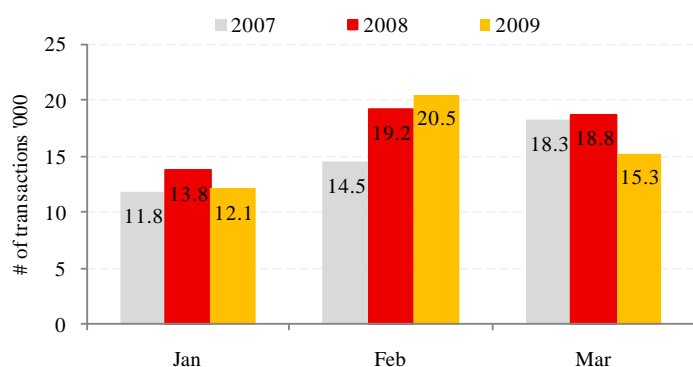
Vehicle registrations (aggregate of new and used vehicle purchases) have been stable since January 2009, although still lower than a year ago. Used vehicle purchases have been relatively resilient.

The real estate market has revived since August 2008 and is relatively stable on a year-on-year basis. In Q1 2009, the number of secondary real estate transactions (i.e. excluding purchases of newly built properties) declined by a mere 7.5% y-o-y to 47,936, notwithstanding the reduced availability of mortgages. The number of new construction permits issued by the authorities is roughly comparable with last-year's level.

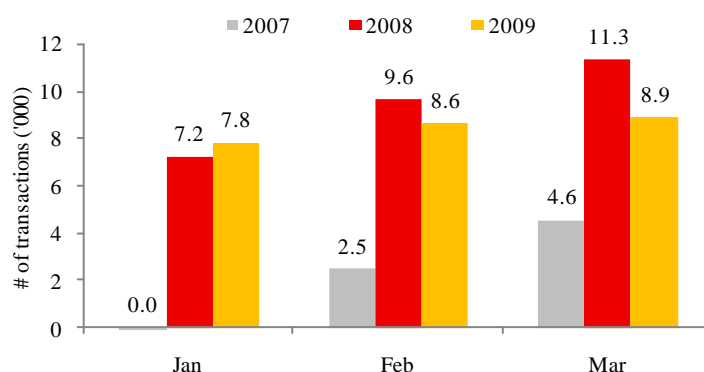
"Regardless of the enduring global downturn, we have been seeing improvement in consumer and investor sentiment in Georgia. While Q1 2009 indicators are slightly lower than those of Q1 2008, Q1 2008 was, in retrospect, a peak period of economic activity, when the growth rate was still close to double digits and the economy was showing all the symptoms of overheating", commented **Nika Gilauri**, Prime Minister of Georgia

**Vehicles registrations**


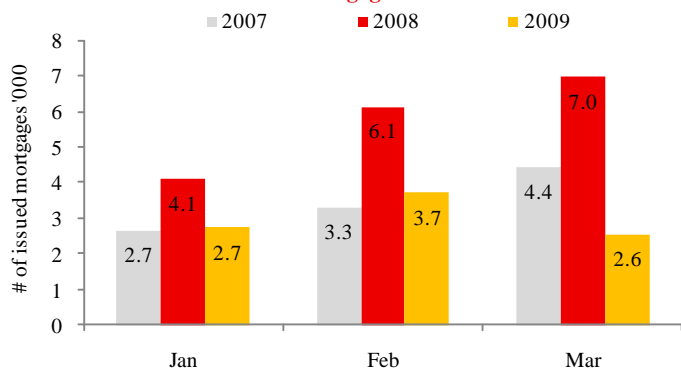
Source: Ministry of Internal Affairs of Georgia

**Secondary transactions on the real estate market**


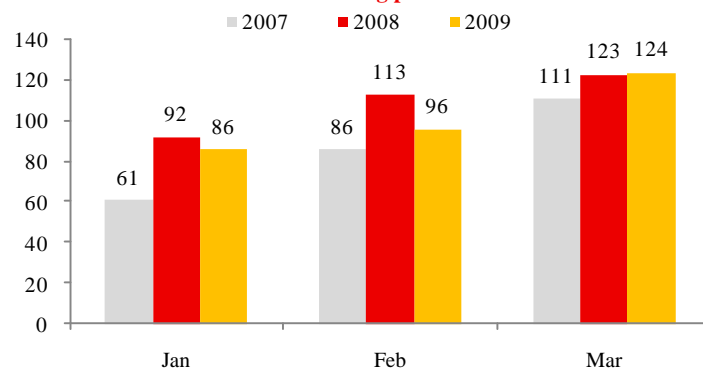
Source: National Agency of Public Registry

**Secondary transactions on the auto market**


Source: Ministry of Internal Affairs of Georgia

**Mortgages**


Source: National Agency of Public Registry

**Number of building permits issued**


Source: Urban Planning Department of Tbilisi

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008A
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,069.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.1%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,920.3
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%	5.5%
Net FDI (US\$ mln)	483	542	1,076	2,014.8	1,219.5
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%	-22.3%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59	1.66
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33	2.34
Galt & Taggart Index (e-o-p)	194	320	790	1,041	197

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/ Stable/B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/ Negative /B/B+'

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