


**M-O-M CPI IN NOVEMBER 2008 ROSE BY 0.7%, RESULTING IN Y-O-Y PERIOD-END CPI CHANGE OF 6.3%, ITS LOWEST LEVEL SINCE JULY 2007**

 GEL/US\$: 1.6610 GEL/EUR: 2.3374  
 Galt & Taggart Index: 195

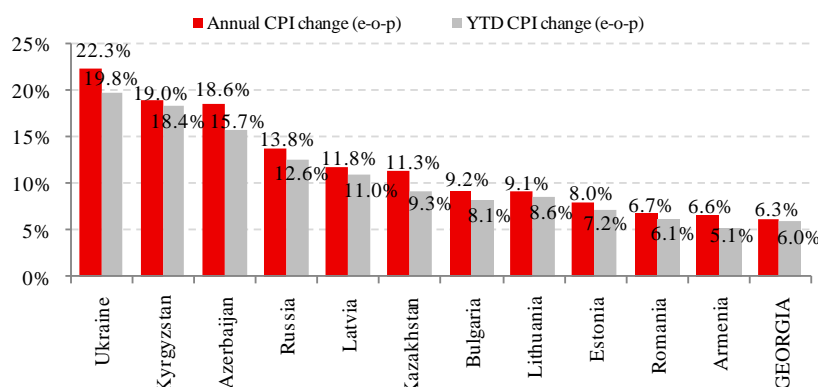
CPI Change	November 2008	October 2008	November 2007	2007	2006
Month-on-month	0.7%	-0.5%	1.4%	-	-
Year-on-year (e-o-p)	6.3%	7.0%	11.6%	11.0%	8.8%
Year-on-year (period average)	10.6%	11.0%	9.1%	9.2%	9.2%

The Department of Statistics of the Ministry of Economic Development of Georgia reported that the consumer price index (CPI) rose by 0.7% m-o-m in November 2008, up from a 0.5% m-o-m decrease in October 2008. The end-of-period CPI change for the twelve months ended 30 November 2008 decreased to 6.3% from 7% at the end of the previous month. The annual period-average CPI change in November 2008 fell by 10.6% from 11% in October 2008.

The e-o-p annual CPI change of 6.3% in Georgia compares favorably to 22.3% in Ukraine, 19% in Kyrgyzstan, 18.6% in Azerbaijan, 13.8% in Russia, 11.8% in Latvia, 11.3% in Kazakhstan, 9.2% in Bulgaria, 9.1% in Lithuania, 8% in Estonia and is broadly in line with Georgia's other regional peers.

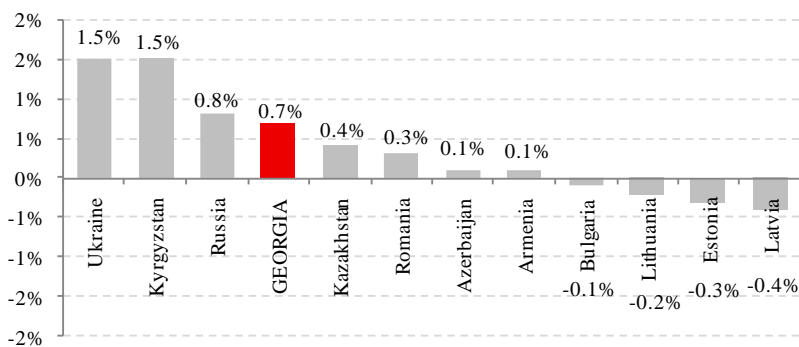
In November 2008, annual growth rate of Broad Money (M3) fell to 1.5% from 2% annual growth in October, 6.3% in September and 7.8% in August.

"I am pleased we have been able to prove the skeptics wrong in terms of our ability to bring inflation to mid-single digits. This has given the NBG the ability to further reduce interest rates, which, combined with the significant tax cuts from January 2009, would provide a powerful stimulus for the Georgian economy", commented **Nika Gilauri**, Minister of Finance.

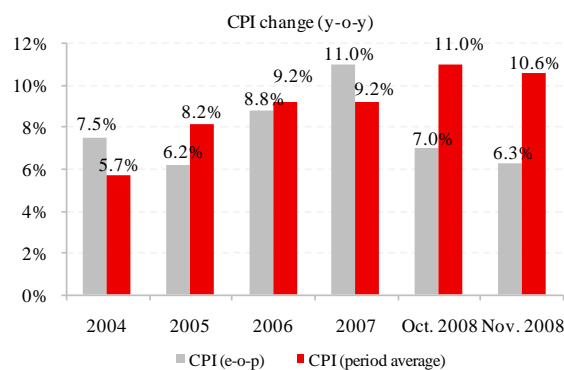


Source: National Bank of Georgia

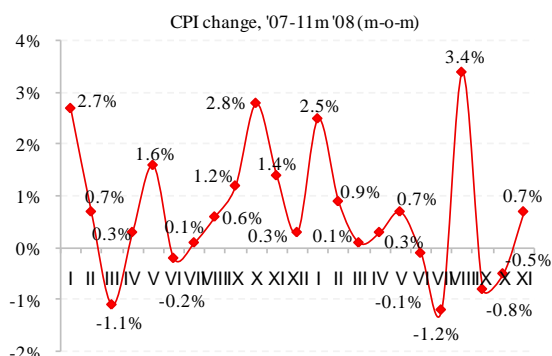
CPI change m-o-m, November '08



Source: National Bank of Georgia



Source: Department of Statistics of Georgia



Source: Department of Statistics of Georgia

Sectors and Commodity Groups	Y-o-y CPI change (e-o-p) Nov. '08
Fruits	34.7%
Healthcare	19.8%
Meat and meat products	10.9%
Transportation	7.1%
Hotels, cafes and restaurants	6.7%
Fast food products	6.4%
Food and non-alcoholic beverages	6.4%
Bread products	6.3%
Fish products	6.3%
Furnishings and household equipment	5.8%
Miscellaneous goods and services	5.7%
Other non-alcoholic beverages	5.6%
Other foodstuffs	5.2%
Cooking oil	4.8%
Housing, water, electricity and gas	4.7%
Confectionery	4.6%
Communications	4.4%
Recreation and entertainment	1.6%
Alcoholic beverages and tobacco	-0.5%
Education	-0.9%
Dairy products	-1.2%
Vegetables	-2.6%
Clothing and footwear	-3.4%

Source: Department of Statistics 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/ Stable/B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/ Negative /B/B+'

**Contacts:**

**Goga Melikidze**  
 Advisor to Minister of Finance  
 +995 32 444 383  
 g.melikidze@mof.ge

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

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