


M-O-M CPI IN SEPTEMBER 2008 FELL BY 0.8%, RESULTING IN Y-O-Y PERIOD-END CPI CHANGE OF 10.6%

 GEL/US\$: 1.4155 GEL/EUR: 1.7916
 Galt & Taggart Index: 270

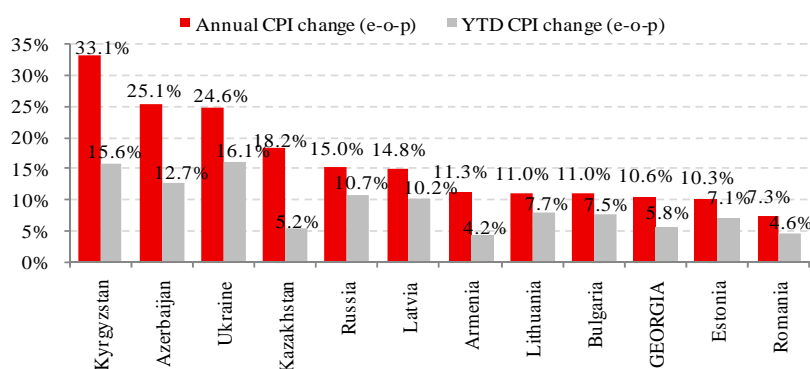
CPI	September 2008	August 2008	September 2007	2007	2006
Month-on-month	-0.8%	3.4%	1.2%	-	-
Year-on-year (e-o-p)	10.6%	12.8%	9.0%	11.0%	8.8%
Year-on-year (period average)	11.1%	10.9%	8.8%	9.2%	9.2%

The Department of Statistics of the Ministry of Economic Development of Georgia reported that the consumer price index (CPI) fell by 0.8% m-o-m in September 2008, down from a 3.4% m-o-m increase in August 2008. The end-of-period CPI change for the twelve months ended 30 September 2008 decreased to 10.6% from 12.8% at the end of the previous month. The annual period-average CPI change in September 2008 rose by 11.1% from 10.9% in August 2008.

The e-o-p annual CPI change by 10.6% in Georgia compares favorably to 33.1% in Kyrgyzstan, 25.1% in Azerbaijan, 24.6% in Ukraine, 18.2% in Kazakhstan, 15% in Russia, 14.8% in Latvia and 11% in Armenia and Bulgaria.

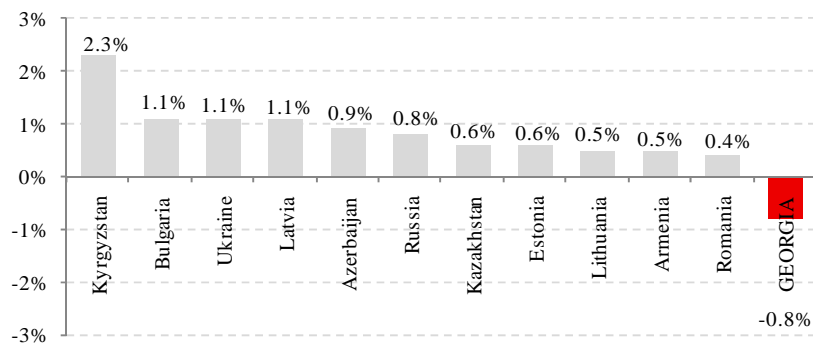
In September 2008, annual growth rate of Broad Money (M3) fell to 6.3% from 7.8% annual growth in August, 28.2% in July and 27.3% in June.

"As expected, the inflationary spike in August was a one-off event. The continuing trending down of inflation creates room for the moderate loosening of the monetary policy, implemented recently by the National Bank of Georgia", commented *Nika Gilauri*, Minister of Finance.

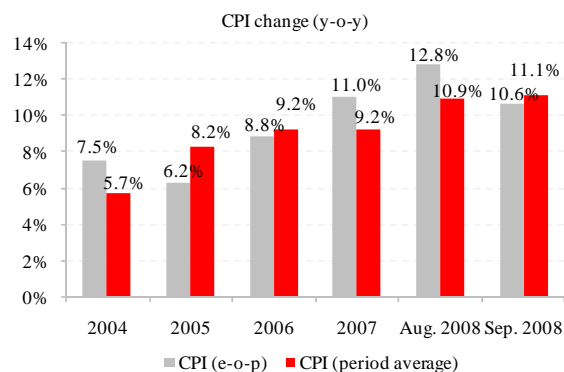


Source: National Bank of Georgia

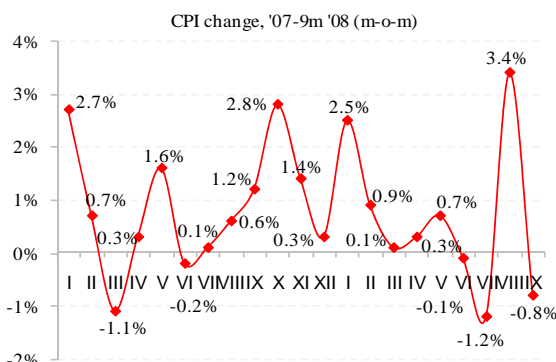
CPI change m-o-m, September '08



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) Sep. '08
Fruits	22.4%
Cooking oil	19.7%
Housing, water, electricity and gas	17.3%
Bread products	16.9%
Transportation	16.8%
Healthcare	15.2%
Fast food products	13.9%
Food and non-alcoholic beverages	13.6%
Meat and meat products	12.3%
Other foodstuffs	10.7%
Dairy products	9.6%
Hotels, cafes and restaurants	8.5%
Vegetables	8.3%
Miscellaneous goods and services	7.1%
Furnishings and household equipment	6.6%
Confectionery	5.8%
Communications	4.4%
Other non-alcoholic beverages	3.8%
Recreation and entertainment	2.2%
Fish products	1.8%
Education	0.0%
Alcoholic beverages and tobacco	-0.3%
Clothing and footwear	-3.6%

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 Prime Minister
 +995 32 934 632
 gmelikidze@geo.gov.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