


GROUNDBREAKING SOVEREIGN BOND OFFERING FOR GEORGIA

 GEL/US\$: 1.4505 GEL/EUR: 2.2985
 Galt & Taggart Index: 781

Georgia, acting through the Ministry of Finance of Georgia, has successfully completed its first international sovereign bond offering and has become the only CIS country to date to have its Eurobonds listed on the London Stock Exchange.

The offering of the US Dollar-denominated Eurobonds in the principal amount of US\$500 million and with a five year maturity was three times oversubscribed. The Eurobonds were issued at 100% and offer a yield of 7.5%. The offering was made to institutional investors outside of the United States.

Commenting on the success of the debut Eurobond offering, Lado Gurgenidze, Prime Minister of Georgia, said: “We are immensely pleased that the offering of Georgia’s sovereign bonds received such a significant level of interest from a broad range of investors across Europe. This demonstration of confidence in and support of the fiscal, monetary and economic reforms implemented in Georgia over the past several years is extremely rewarding”.

The joint lead managers for the deal were JPMorgan and UBS Investment Bank.

Georgia: Key Economic Data	2004A	2005A	2006A	2007E
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	1,682
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+/B'	Positive
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'BB-/BB-'	Stable

Contacts:

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

Nika Gilauri
 Minister of Finance
 +995 32 997 777
 n.gilauri@mof.ge

Dimitri Gvindadze
 First Deputy Minister of Finance
 +995 32 446 447
 d.gvindadze@mof.ge