

“Georgian Railway” LLC announces the auction for sale of 100% share of “Railway Telecom” LLC

Information about “Railway Telecom:

1. **Property to be sold** - 100% share of “Railway Telecom” LLC
2. **Legal form** - Limited Liability Company;
3. **Address** - 160, Tsinamdzgvrishvili Street, Tbilisi
4. **Realization form** - Open auction
5. **Starting price** - Equivalent of 14 144 800 USD in GEL, according to the official Exchange rate of national bank at the date of payment;

The starting price includes payables to “Georgian Railway” for maintenance and use of the fiber (from the date of announcing the auction until completion of all obligations, indicated in article 7 paragraph 2, by the winner, maximum 3 years).

6. Additional conditions:

Winner is obligated to place fiber-optic cable along the railway line on the 40 cm line given to “Railway Telecom” within 3 years from signing of purchase agreement.

Winner is obligated to transfer to the property of “Georgian Railway” the one pair of fiber-optic cable in the 40 cm line along the railway line given to “Railway Telecom” within the three years from the date of auction.

“Georgian Railway” LLC takes the obligation within 3 years after the date of purchase agreement that except for state interest it will not to sell or in any other form transfer the land area along the railway line, for the purpose of placing the cable or other type of telecommunication network.

In case of Tbilisi Bypass Project implementation, Georgian Railway has the right to request from the winner, construction of internet infrastructure up to end-users on the freed up territory from the project.

7. Payment terms:

Winner on the first stage pays not less than 45 % of the total price, within the 30 calendar days from the day of conducting the auction. The rest of the payment should be paid not more than within 24 month from the day of conducting the auction by the winner in the following way: Within the 12 month from the day of conducting the auction not less than 10% of the remaining amount, equally distributed monthly; and the rest of the remaining amount is paid during the next 12 month, equally distributed monthly.

In case of payment delay the winner will receive a notice to pay within one month. If the payment is not made until the noted date, the winner loses the winner’s status, will not acquire the right on the property of the asset, and paid advance payment and 45% of the total price will not be returned.

8. Until the full payment of the total price, the winner has to agree with Georgian Railway the following issues:

- Pledge or in any other way limit rights on assets owned by Railway Telecom or share of Railway Telecom
- Debt or any other form of loans

9. **Advance payment** - Equivalent of 200 000 USD in GEL

10. Pace - Equivalent of 100 000 USD in GEL

11. Ticket price - 500 GEL

Participants of the auction can be Georgian or foreign persons or legal entities or unions of them, whose property participation share of Georgia's state or local self-governing organizations is less than 25%.

The applications should be submitted:

“Georgian Railway” administrative building, 4th floor

15, Tamar Mepe Avenue, 0112, Tbilisi, Georgia

Tel: 56-33-48, 56-65-10, 56-31-59.

Deadline for submitting the application - from 30th of September 2009 until 16th of November 2009. Applications should be submitted on working days from 10:00 to 17:00, except on the date of the auction when applications can be submitted from 10:00 to 12:00.

The auction will be carried out on 16th of November 2009 at 14:00 at “Georgian Railway” administrative building (15, Tamar Mepe Avenue, 0112, Tbilisi, Georgia).

Georgian Railway Bank account - “Bank Republic”, central branch, a/a# 340700325, bank code #220101757, identification code#202886010.

Criteria for winning the Auction

- Maximal price for purchase;
- Offered price is considered as present value of payments discounted at 15.2%

Minutes (proceedings) of the auction results and Agreement signing.

Minutes are written after finalization of the auction. The minutes reflect trading process and result. Minutes are signed by Buyer, Auctioneer, Secretary, Members and the chairman of the auction committee. If the buyer refuses to sign the auction proceedings, he loses the winner status and the paid advanced payment is not returned to the buyer.

The minutes are approved by order of Director General of “Georgian Railway” LLC within 10 days after carrying out the auction.

Within 20 days after approval of auction results the winner is obliged to draw up (a) the agreement, which should be assured (witnessed) by notary and (b) Acceptance certificate. Costs of notary and preparation of documents for notary must be reimbursed by the buyer.

Payment.

If the initial payment will not be made in due time the right on property will not be awarded to the buyer and advance payment will not be returned.

In case of delay in payment one month period will be given with a warning. If the payment will not be made within this period status of winner will be removed, right on the property will not be awarded and advance payment and initially paid 45% of total amount will not be returned.

Right on property will be awarded since the date of full payment.

Documents to be presented for participation:

- Application filled according to approved form, which should include information on participant, name of property to be purchased, starting price and other data required by law.
- Receipt of payment of advance payment and ticket (to be paid separately on bank account of Georgian Railway)
- Data from ID of the person who will participate or warrant (witnessed by notary) if the person is participating on behalf of other person or entity.
- Legal entities additionally should present copies of foundation documents witnessed by notary.

After the registration in participants book of auction committee and purchase of ticket the claimant (pretendent) acquires status of participant.

Without detaining the advance payment the participant has right to refuse participation in written form.

If the winner refuses to sign the minutes status of winner will be removed and advance payment will not be returned.

If the auction will not be carried out due to the reason that none of the participants bid, the minutes will be drawn up and advance payments will not be returned.

The advance payment will be considered as part of the final payment.

The advance payment will be returned to the participant who will not will.

Remarks and other terms

The applications will not be accepted after deadline.

The date of application is the date of its registration.

If the deadline for submission of application is not a working day the deadline will be delayed to the same time on the next working day.

“Georgian Railway” LLC reserves the right to stop the process of sale any time before signing the agreement. In such case advance payments will be returned.

Additional information can be obtained in Georgian Railway (15 Tamar Mepe ave):

Name:	Megi Mumladze	Dimitri Kemoklidze	Eka Bardzemishvili
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