


KEY TRANSPORT METRICS FOR 1H 2008 RELEASED

GEL/US\$: 1.4160 GEL/EUR: 2.1900

Galt & Taggart Index: 562

Transport Department of the Ministry of Economic Development of Georgia released key metrics of the transport sector for 1H 2008.

Highlights include:

- Airline passenger traffic growth 45% y-o-y
- Road passenger traffic 125 mln, up 3% y-o-y
- Rail cargo transportation volume 10.9 mln tons, up 4% y-o-y
- 1,439 vessels handled by Poti & Batumi Ports, up 12% y-o-y

Key Transport Figures

| Transportation Mode | Cargo Transportation (Tons mln) | | | Cargo Transportation (Tons mln x km) | | | Passenger (mln) | | | Passenger (mln x km) | | |
|-------------------------|---------------------------------|-------------|-------------------|--------------------------------------|----------------|-------------------|-----------------|--------------|-------------------|----------------------|----------------|-------------------|
| | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) |
| Railway | 10.5 | 10.9 | 4% | 3,309.1 | 3,383.6 | 2% | 1.8 | 1.7 | -6% | 375.0 | 344.1 | -8% |
| <i>o/w Liquid cargo</i> | 5.6 | 5.1 | -9% | | | | | | | | | |
| Road | 11.5 | 11.6 | 1% | 244.2 | 247.6 | 1% | 122.0 | 125.3 | 3% | 2,265.5 | 2,328.9 | 3% |
| Air | 0.005 | 0.008 | 60% | 0.0 | 0.0 | 0% | 0.26 | 0.38 | 45% | - | - | - |
| Total | 22.0 | 22.5 | 2% | 3,553.3 | 3,631.2 | 2% | 124.1 | 127.4 | 3% | 2,640.5 | 2,673.0 | 1% |

Source: Ministry of Economic Development of Georgia

Key Handling Figures

| Ports | Handled Cargo (Tons mln) | | | Handled Vessels | | | o/w Handled Ferries | | | Handled TEUs | | |
|-------------------------|--------------------------|------------|-------------------|-----------------|--------------|-------------------|---------------------|------------|-------------------|---------------|----------------|-------------------|
| | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) | 1H 2007 | 1H 2008 | Growth, y-o-y (%) |
| Batumi Sea Port | 5.5 | 5.2 | -5% | 289 | 336 | 16% | 25 | 21 | -16% | 0 | 9,697 | - |
| <i>o/w Liquid cargo</i> | 4.7 | 4.4 | -6% | | | | | | | | | |
| Poti Sea Port | 3.8 | 4.1 | 8% | 998 | 1,103 | 11% | 109 | 128 | 17% | 90,048 | 108,176 | 20% |
| <i>o/w Dry cargo</i> | 2.9 | 3.6 | 24% | | | | | | | | | |
| Total | 9.3 | 9.3 | 0% | 1,287 | 1,439 | 12% | 134 | 149 | 11% | 90,048 | 117,873 | 31% |

Source: Ministry of Economic Development 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+/B' | Stable |
| FitchRatings | Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling | 'BB-/B/BB-' | Stable |

Contacts:

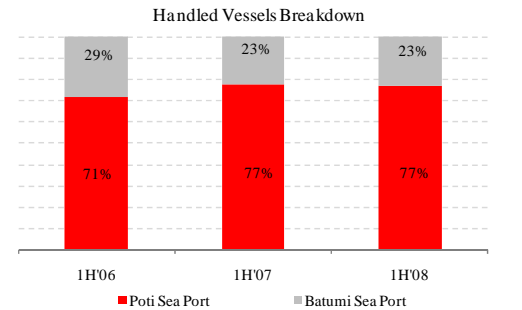
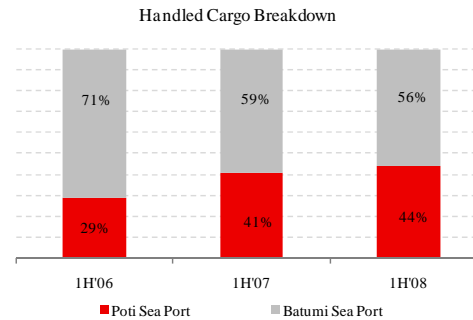
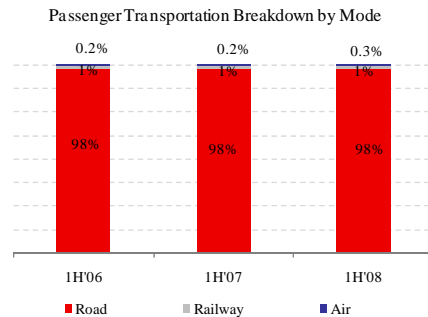
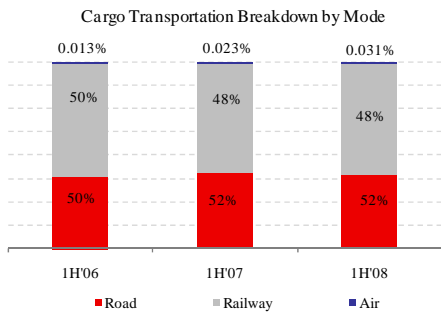
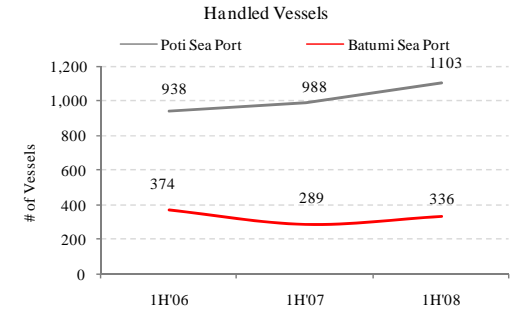
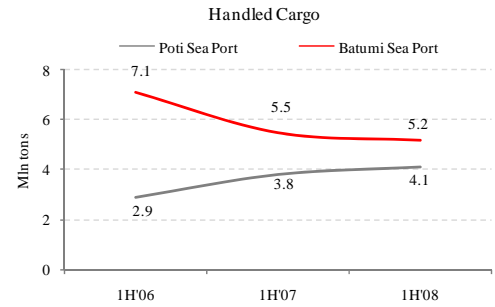
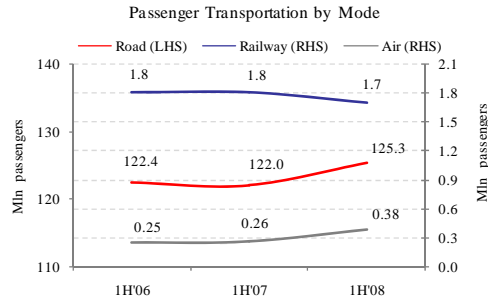
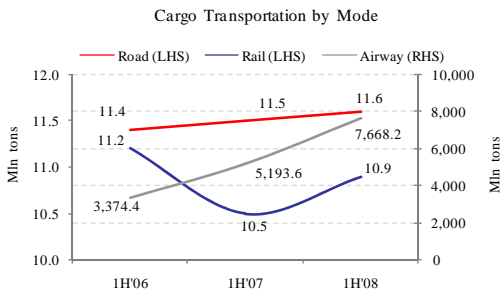
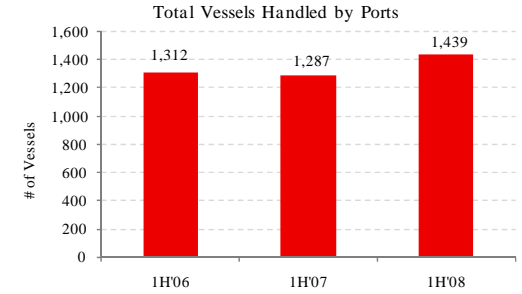
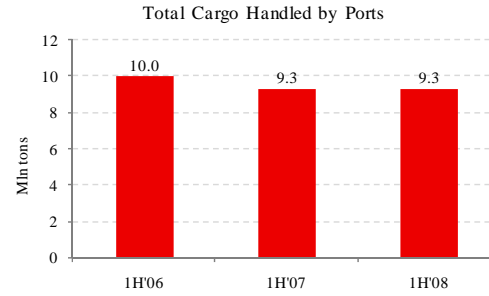
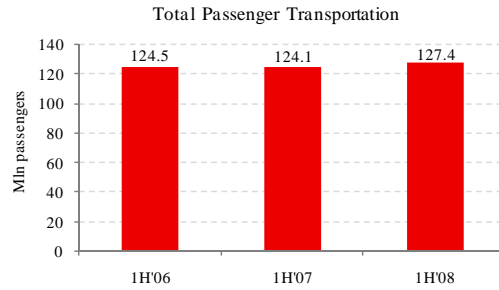
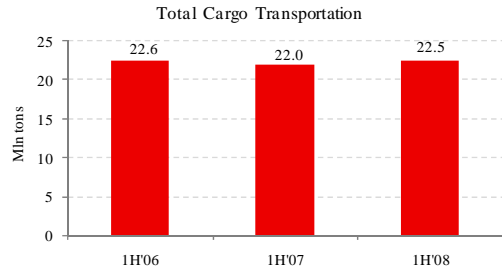
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