



NET FDI AMOUNTED TO US\$1,293.7 MLN IN 2008

GEL/US\$: 1.6700 GEL/EUR: 2.2064
Galt & Taggart Index: 160

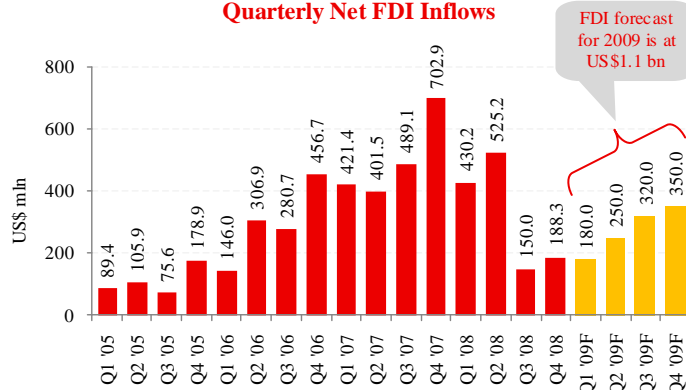
Department of Statistics of Georgia reported that in 2008, net foreign direct investments (FDI) in Georgia amounted to US\$1,293.7 million, or 10.1% of 2008 GDP. Of this amount, approximately US\$318.3 million was received in 2H 2008. FDI remains highly diversified both by origin and by sector.

Transport and communications attracted 28.2% of net FDI in 2008, followed by energy - 19.6%, services - 16% and construction - 15.6%. Since 2004, the United Kingdom, Turkey, United States and The Netherlands have been the top four investor countries in the Georgian economy, accounting for 10.6%, 9.2%, 9%, and 8.4%, respectively, of cumulative net FDI in 2004-2008. The cumulative stock of net FDI accumulated in 1996-2008 stood, at year-end 2008, at 53% of 2008 GDP, with the cumulative 2004-2008 net FDI inflows accounting for 43% of 2008 GDP.

Net FDI forecast for 2009 is at least US\$1.1 billion, or 8.4% of forecast 2009 GDP.

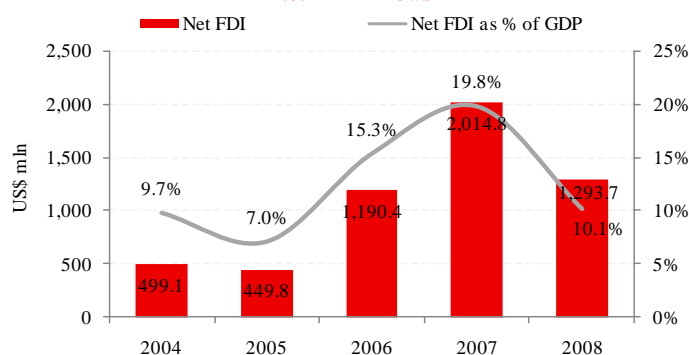
"FDI inflows are highly diversified in Georgia, as is the economy, contributing to our economic resilience. Very low tax burden, double-taxation treaties with 24 economies, liberal market conditions, regional hub opportunity, very low corruption rate, preferential trade regimes with the CIS, EU, United States and Turkey are among the factors positively distinguishing Georgia from its CIS and CEE peers" commented *Nika Gilauri*, Prime Minister of Georgia

Quarterly Net FDI Inflows



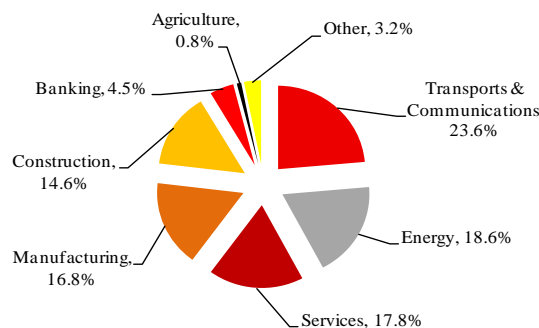
Source: Statistics Department of Georgia, Ministry of Finance of Georgia

Net FDI inflows



Source: Statistics Department of Georgia

Net FDI breakdown by sectors ('07-'08)



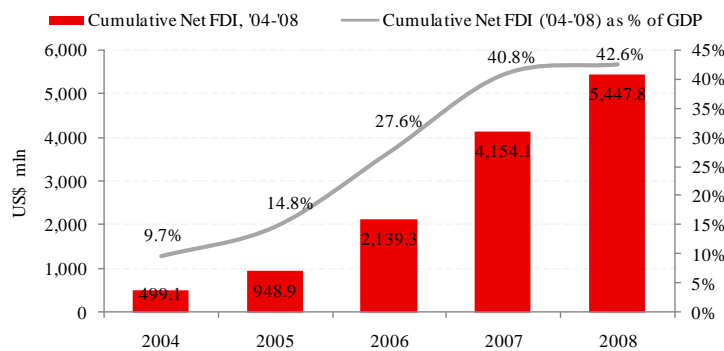
Source: Statistics Department of Georgia

Cumulative net FDI breakdown by origin ('04-'08)

Country	US\$ mln	%
UK	577.0	10.6%
Turkey	501.5	9.2%
USA	491.6	9.0%
Netherlands	456.5	8.4%
Kazakhstan	405.3	7.4%
UAE	395.6	7.3%
British Virgin Islands	313.9	5.8%
Cyprus	252.3	4.6%
Bahamas	246.4	4.5%
Czech Republic	213.8	3.9%
Subtotal	3,853.9	70.7%
Other	1,593.9	29.3%
Total	5,447.8	100.0%

Source: Statistics Department of Georgia

Cumulative Net FDI



Source: Statistics Department of Georgia

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008A
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,069.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.1%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,920.3
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%	5.5%
Net FDI (US\$ mln)	483	542	1,076	2,014.8	1,293.7
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%	-22.3%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59	1.66
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33	2.34
Galt & Taggart Index (e-o-p)	194	320	790	1,041	197

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+'

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