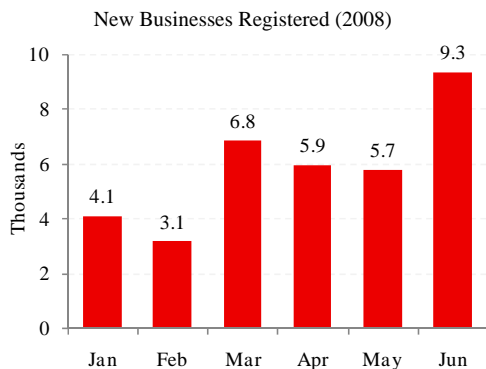


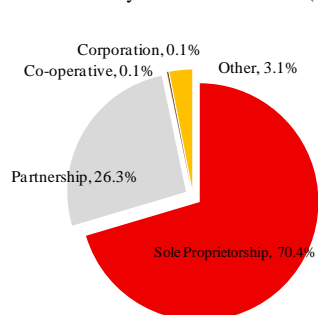

**ENTREPRENEURIAL ACTIVITY CONTINUOUS TO FLOURISH IN GEORGIA**

 GEL/US\$: 1.4160 GEL/EUR: 2.1476  
 Galt & Taggart Index: 562

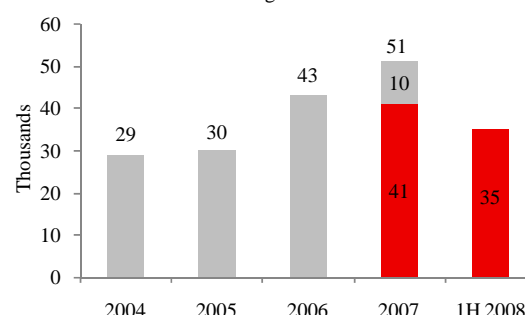
Entrepreneurial activity continues to flourish in Georgia, as reflected in 35,049 new businesses registrations in 1H 2008. Georgia's population is estimated at 4.4 million people. The number of businesses registered since 2003 has reached 387,112 as of 30 June 2008. Sole proprietorships account for 70.4% of the newly registered businesses, followed by partnerships and corporations – 26.3% and 0.1%, respectively. According to the World Bank Doing Business 2008 report, Georgia is a leading country by number of registered business per 100 adults, ahead of Estonia, Singapore and other highly-ranked countries in the Doing Business 2008 report. Georgia has been ranked by the World Bank as the 5<sup>th</sup> easiest country in terms of starting a business. Since the publication of this report, further reforms we have undertaken in this respect, reducing the time required to set up a new business to one day.



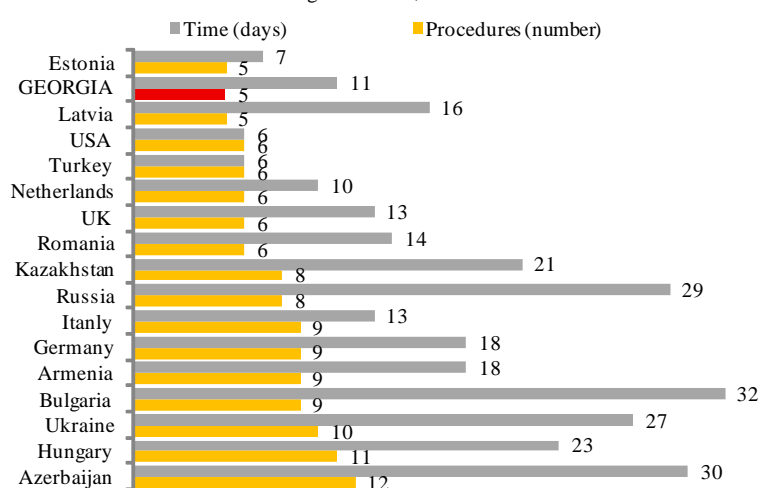
Source: Ministry of Finance of Georgia

**Breakdown by Business Structure (2008)**


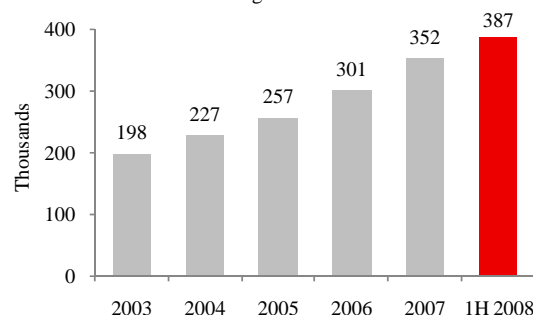
Source: Ministry of Finance of Georgia

**New Business Registrations Per Year**


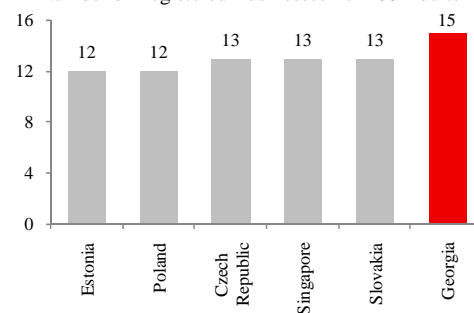
Source: Ministry of Finance of Georgia

**Starting a Business, 2008**


Source: World Bank - Doing Business 2008

**Number of Registered Businesses**


Source: Ministry of Finance of Georgia

**Number of Registered Businesses Per 100 Adults**


Source: World Bank - Doing Business 2008

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

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