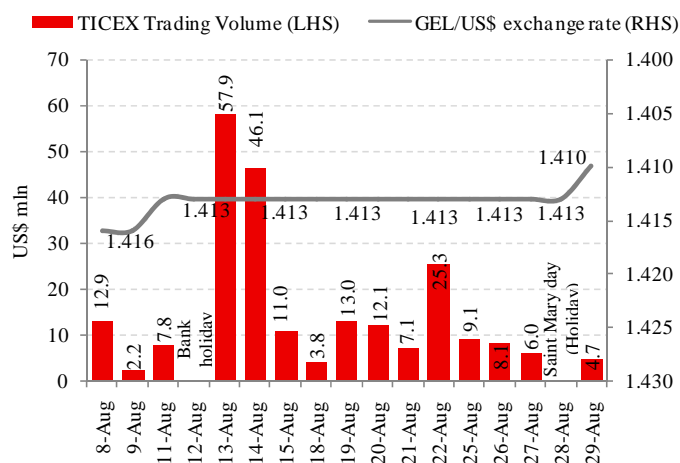


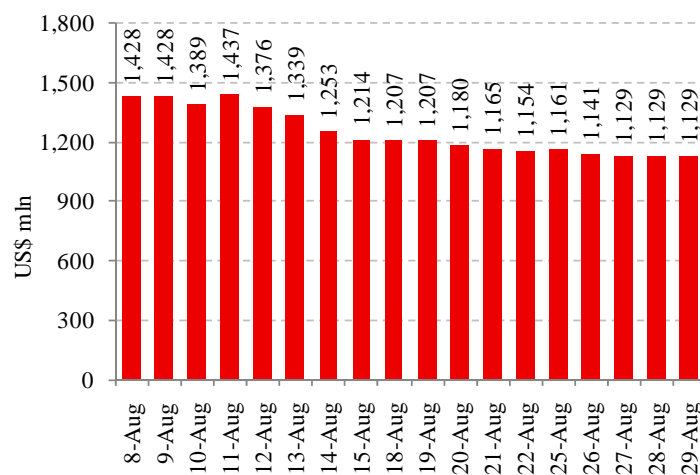


### The Financial Services Sector

- Since 25 August 2008, the Georgian Lari has appreciated by 0.2% against the US Dollar. The average daily turnover on the Tbilisi Interbank Currency Exchange (TICEX) this week was US\$7 million, 46% lower than the average daily trading volume in the previous week and 30% lower than the average daily trading volume year to date. The National Bank of Georgia's (NBG) net sales of US Dollar on the TICEX were US\$12.4 million.
- As of close of business yesterday, the foreign currency reserves of the NBG stood at US\$1,129 million, unchanged since 27 August 2008.

**TICEX trading data (since 8 August 2008)**


Source: National Bank of Georgia

**FX Reserves (since 8 August 2008)**


Source: National Bank of Georgia

- This week, the Georgian banks resumed normal operations, although they appear to remain cautious in terms of new lending.
- The trading volume on the Georgian Stock Exchange this week was 86% lower than the average daily trading volume in the previous week and 135% lower than the average daily trading volume year to date. The stock market index rose slightly by 0.2% to 481.

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/ Watch Negative /B'
FitchRatings	Long Term Issuer Default Rating/Short Term Issuer Default Rating/Country Ceiling	'B+/ Negative /B/B+'

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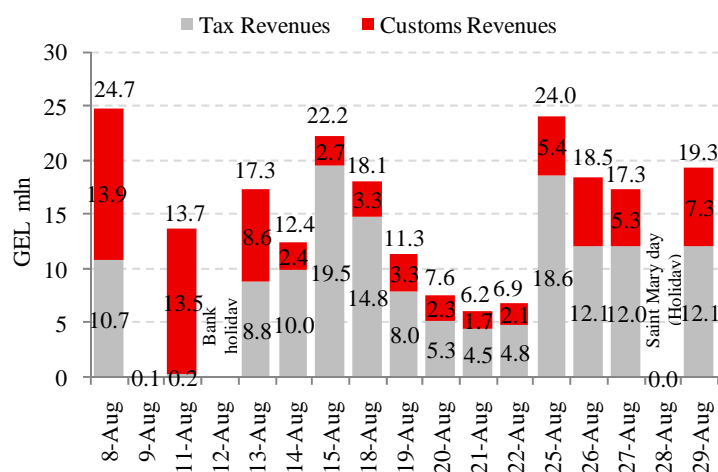
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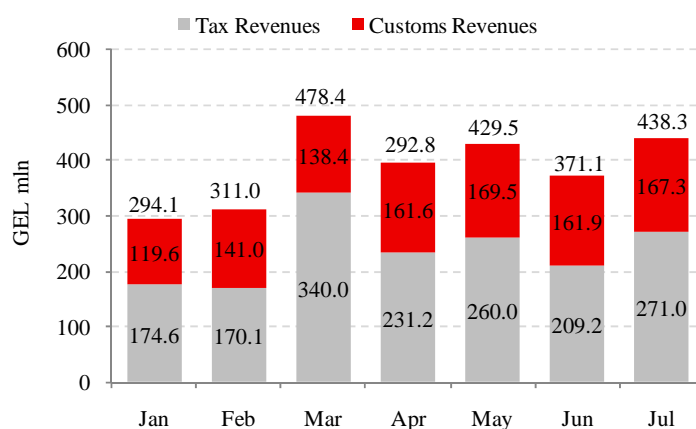
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**(ALMOST) BUSINESS AS USUAL****Fiscal Revenue Collection**

- The average daily budget revenue collection this week equaled GEL 15.8 million, 57% higher than the average daily revenue collection in the preceding week and 6% lower than the average daily revenue collection in January – July 2008.

**Fiscal revenue collection (Since 8 August 2008)**

Source: Ministry of Finance

**Fiscal revenue collection (Jan-Jul 2008)**

Source: Ministry of Finance

**Infrastructure & Local Distribution Routes**

- No interruptions in electricity or gas supply have been reported this week anywhere in Georgia.
- This week, Georgian Railway resumed normal operations, including moving cargo to and from Azerbaijan and Armenia. The Gori station was re-opened. Passenger traffic has been fully restored throughout the country.
- This week, the Georgian ports increased their daily volume of cargo handled by 25%, compared to the preceding week.
- Tbilisi International Airport continued normal operations throughout this week, with all scheduled flights operating, other than to and from Russia.

**Other Main Events**

- This week, the average daily number of real estate-related transactions registered with the Public Registry rose to 730 from 650 in the previous week. In January – July 2008, the average daily number of real estate-related transactions was 1,900.
- Total privatisation proceeds this week amounted to US\$4.2 million from the auctions conducted by the Ministry of Economic Development and Tbilisi City Hall.