



T-Bills Debut

August 11, 2009

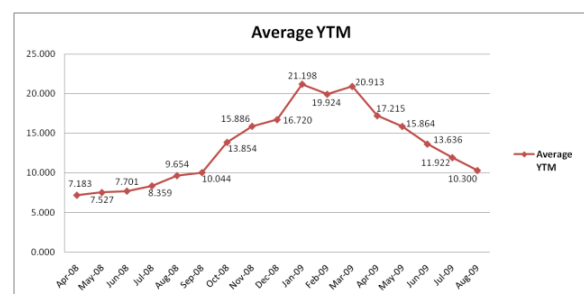
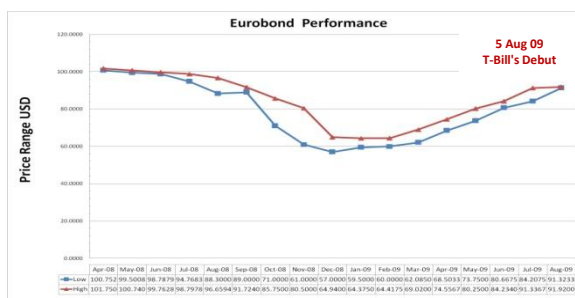
The Government of Georgia successfully launched the debut issue of GEL - denominated Treasury Bills. T-Bills issuance is part of the Government's fiscal stimulus package for 2009 to minimise the impact of the global financial crisis on the economy. The T-Bills provide commercial banks with a new liquidity management instrument.

The debut T-Bills issuance took place on August 5, 2009. Treasury Service of the Ministry of Finance conducted an auction together with the National Bank of Georgia. The Treasury put up for bid T-Bills with total (nominal) (DG1) value of GEL 5 million. Total demand reached GEL 18 million and the average weighted yield (AWY) was 6.675%. The yield continued falling further and the AWY for the second issuance was 5.950%.

T-Bills Auction Summary

Issue Date	5 August 2009	12 August 2009
Maturity	182Days (26 weeks)	175Days (25 weeks)
Total Value	GEL 5,000,000	GEL 5,000,000
Par Value	GEL 1,000	GEL 1,000
Admitted Applications	23	22
Satisfied Applications	6	7
Total Demand	GEL 18,050,000	GEL 16,700,000
Lowest Satisfied Yield	5.87%	6.09%
Highest Satisfied Yield	7.35%	5.50%
Average Weighted Yield	6.675 %	5.950 %

'This is an encouraging sign for everyone. The Government continues to successfully address current economic challenges while maintaining robust macroeconomic fundamentals. The very low yield in the two recent T-Bills issuances reflects overall resilience in the financial sector, confidence in the government's economic policy and the general sentiment of lowered risk aversion due to the economic recovery prospects.' – Kakha Baidurashvili, Minister of Finance 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	1,564.0
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 Sovereign Credit Ratings:

Standard & Poor's
FitchRatings

Sovereign Credit Rating
LTIDR/STIDR/CC

'B/Stable/B'
'B+/Negative/B/B+'

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