



26 July, 2010

Key Transaction Terms

Issuer:	Georgian Railway
Issuer rating:	S&P: B+ Fitch: B+
Size:	US\$250mm
Pricing date:	15-Jul-10
Settlement date:	22-Jul-10
Maturity date:	22-Jul-15
Coupon:	9.875%
Price:	99.517%
Yield:	10.00%
Spread over UST:	5yr UST (1.782%) + 821.8bps
Spread over swaps:	800bps
Format:	Reg S only

On July 15, 2010, Georgian Railway successfully priced its inaugural US\$250 million bond. This bond is Reg S only due 2015, which marks the first corporate bond from the country.

Georgia Railway's bond marks the largest non-sovereign issue from Georgia.

On the back of the investor feedback garnered during the roadshow, a US\$-denominated 5 year transaction was announced on July 12.

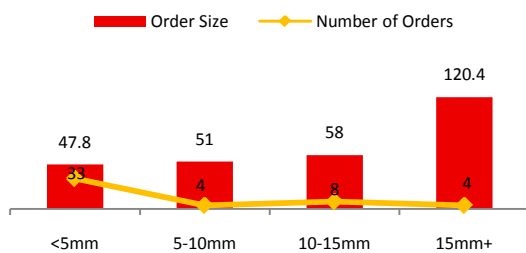
Georgian Railway's issuance was supported by strong market conditions and a comprehensive marketing campaign covering approximately 50 accounts in Vienna, London, Frankfurt, Zurich, Geneva and Tbilisi.

The 5 year benchmark transaction was priced with a final yield of 10.0%, which corresponds to a premium of around 250bps over a new theoretical 5-year sovereign bond or 300bps over the interpolated secondary curve.

This captured interest from over 49 global accounts from 15 different countries.

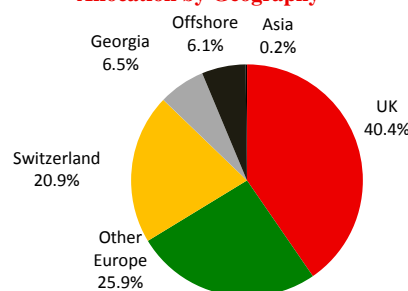
The transaction was conducted through leads JP Morgan and Bank of America Merrill Lynch.

Order Analysis (US\$m)



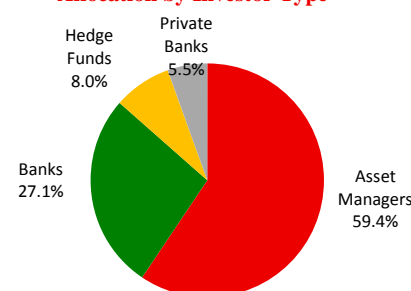
Source: Georgian Railway

Allocation by Geography



Source: Georgian Railway

Allocation by Investor Type



Source: Georgian Railway

Background information: Georgian Railway is the 100% state-owned railway operator in Georgia and the company owns and operates the tracks, infrastructure and rolling stock comprising the national railway system

This Press Release is prepared based on the brief case study by J.P. Morgan

Georgia: Key Economic Data	2004A	2005A	2006A	2007A	2008A	2009A
Nominal GDP (GEL mln)	9,824.3	11,620.9	13,789.9	16,993.8	19,074.9	17,948.6
Real GDP Growth (y-o-y; %)	5.9%	9.6%	9.4%	12.3%	2.3%	-3.9%
GDP per Capita (US\$)	1,187.6	1,483.5	1,763.5	2,314.6	2,921.3	2,450.1
CPI (e-o-p; %)	7.5%	6.2%	8.8%	11.0%	5.5%	3.0%
Net FDI (US\$ mln)	483	542	1,185.9	1,674.9	1,523.0	759.1
Current Account Deficit as % of GDP	-6.6%	-10.7%	-14.9%	-18.9%	-22.3%	-11.9%
GEL/US\$ (e-o-p)	1.83	1.79	1.71	1.59	1.66	1.69
GEL/EUR (e-o-p)	2.49	2.12	2.26	2.33	2.34	2.42

Source: National Statistics Office of Georgia - GeoStat, 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+/ Stable /B/BB-'

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