


M-O-M CPI IN JUNE 2008 FELL BY 0.1%, Y-O-Y PERIOD AVERAGE CPI CHANGED BY 10.2%

 GEL/US\$: 1.4151 GEL/EUR: 2.2193
 Galt & Taggart Index: 655

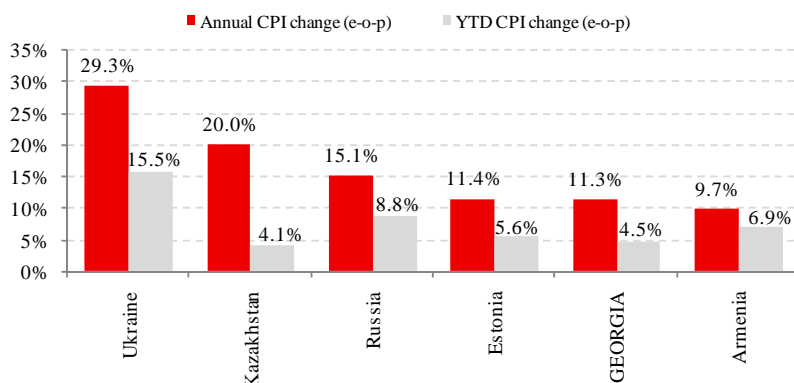
CPI	June 2008	May 2008	June 2007	2007	2006
Month-on-month	-0.1%	0.7%	-0.2%	-	-
Year-on-year (e-o-p)	11.3%	11.2%	7.3%	11.0%	8.8%
Year-on-year (period average)	10.2%	9.9%	10.1%	9.2%	9.2%

The Department of Statistics of the Ministry of Economic Development of Georgia reported that the consumer price index (CPI) fell by 0.1% m-o-m in June 2008, down from a 0.7% m-o-m increase in May 2008. The end-of-period CPI change for the twelve months ended 30 June 2008 increased to 11.3% from 11.2% at the end of the previous month. The annual period-average CPI change in June 2008 rose by 10.2% from 9.9% in May 2008.

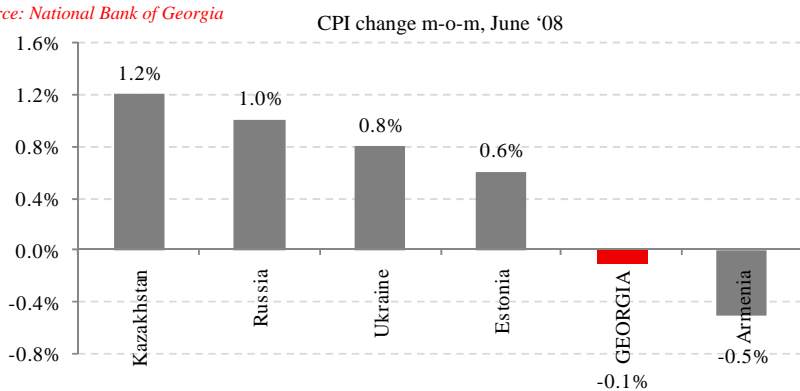
The e-o-p CPI change by 11.3% in Georgia compares favorably to 29.3% in Ukraine, 20.0% in Kazakhstan, 15.1% in Russia, 11.4% in Estonia, and is broadly in line with Georgia's other regional peers.

In June 2008, annual growth rate of Broad Money (M3) declined to 27.3% (its lowest level since June 2007) from 39.6% annual growth in May and 49.4% in April.

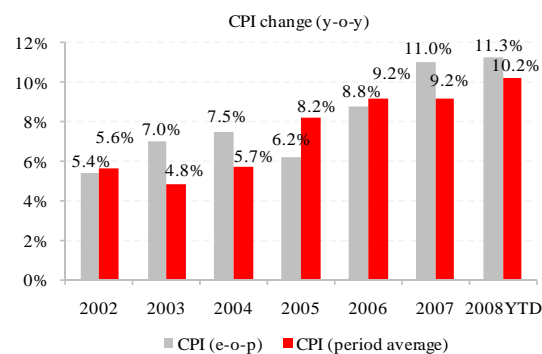
"We appear to be succeeding in containing inflation, largely thanks to the NBG's tight monetary policy", commented **Nika Gilauri**, Minister of Finance.



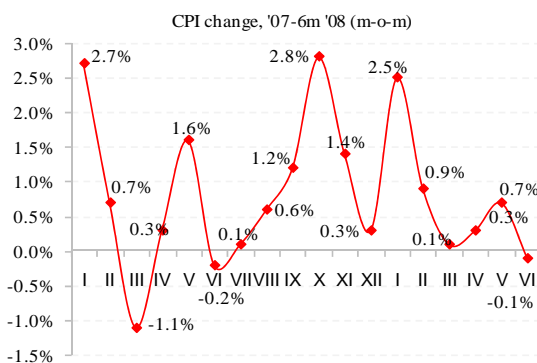
Source: National Bank of Georgia



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Source: Department of Statistics of Georgia



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Sectors and Commodity Groups	Y-o-y CPI change (e-o-p) June, '08
Cooking oil	44.8%
Bread products	31.8%
Transportation	23.2%
Furnishings and household equipment	17.6%
Healthcare	16.1%
Fast food products	13.6%
Food and non-alcoholic beverages	13.3%
Dairy products	13.0%
Meat and meat products	12.2%
Other foodstuffs	10.2%
Housing, water, electricity and gas	7.8%
Miscellaneous goods and services	7.3%
Recreation and entertainment	6.1%
Communications	5.9%
Other non-alcoholic beverages	5.0%
Hotels, cafes and restaurants	3.4%
Education	1.5%
Fruits	0.2%
Alcoholic beverages and tobacco	-1.6%
Confectionery	-1.6%
Fish products	-3.4%
Clothing and footwear	-3.7%
Vegetables	-9.9%

Source: Department of Statistics of Georgia

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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