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EBRD financing boosts Georgia's property sector

Tbilisi, October 15, 2007— GRDC (Georgian Reconstruction and Development Company) and EBRD European Bank for Reconstruction and Development are signing agreement at Courtyard Marriott. The agreement will be signed by Mamuka Khazaradze the President of GRDC and by Michael Davey, EBRD Director for Caucasus, Moldova & Belarus.

EBRD is investing 57.6 million to support the Georgian Reconstruction and Development Company (GRDC) in its programme to bring international standards of real estate development to commercial property projects in the Georgian capital of Tbilisi.

With a loan of \$42.6 million and the purchase of a 21 percent stake worth \$15 million, the EBRD financing will assist the GRDC in the construction, refurbishment and operation of four commercial properties: two office buildings, a shopping centre, a railway station. The facility is EBRD's first direct financing in Georgia's property sector.

The facility was arranged by Argo Saint George LLP (ASG), a corporate finance adviser with offices in London and Tbilisi. ASG focuses on advising, and raising debt and equity for, enterprises in Georgia: it has arranged over \$150 million of financing for Georgian companies during the last twelve months.

Michael Davey, EBRD Director for the Caucasus, Moldova & Belarus, said the Bank is looking forward to supporting GRDC's aim of introducing international standards of real estate development in the city while fully respecting the existing Tbilisi architecture. This project will have a strong demonstration effect to other investors seeking to attract international financing to this booming sector.

Mamuka Khazaradze, President of GRDC, said we welcome the EBRD's cooperation which will significantly contribute to our efforts to supply quality product to the Georgia's emerging real estate market. It will also help in the transfer of skills and know-how to the local economy during the construction, implementation and management of the projects.

The EBRD, one of the largest private sector investors in Georgia, has to-date signed a total of 72 investment projects in the country covering energy, transport, agribusiness, general industry and banking for a total commitment of almost €400 million.

GRDC was founded in 2004 by three businessmen Mamuka Khazaradze, Badri Japaridze and Bob Meijer; GRDC is one of the most prominent real estate developers in Georgia.

The company invests in and develops office, retail, resort and prime residential properties. Its high quality portfolio of 22 key sites, predominantly located in the country's capital, Tbilisi, has circa 2 million square meters of potential development.

GRDC's pilot project was the Class A "Green Building" office centre located at 6 Marjanishvili Street, Tbilisi, (www.greenbuilding.ge), and the company is now developing the following projects: 7 Freedom Square (former Tsekavshiri Building), Central Railway Station, Lisi Lake and Cinema City;