

IFC Supports Real Estate Development in Georgia by Partnering with Georgian Reconstruction and Development Company

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Tbilisi, September 27, 2007 — IFC, a member the World Bank Group, will invest in the Georgian Reconstruction and Development Company's real estate development projects, which will address Georgia's increasing demand for quality commercial and residential real estate infrastructure in urban areas. The \$48 million debt financing will also help create jobs and contribute to growth.

With IFC's financing, GRDC will implement up to seven real estate development projects, most of which are in the capital city of Tbilisi and are at an advanced stage of preparation, spanning commercial, residential, and mixed-use sectors.

"For the past four years, Tbilisi has seen improved commercial and residential facilities due to recent construction and renovation," said Mamuka Khazaradze, GRDC's President. "IFC is helping GRDC contribute to better real estate infrastructure by matching new growth with upgraded facilities that cater to consumers looking for both quality and value."

"Supporting GRDC will help develop important real estate urban infrastructure in Georgia. This will have a catalytic effect on the domestic economy, as well as make the country more attractive for foreign direct investments," said Edward Nassim, IFC Regional Vice President.

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

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that poor people have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through loan participations and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit www.ifc.org.

IFC in Georgia

Georgia became a shareholder and a member of IFC in 1995. As of September 30, 2007, IFC has committed nearly \$258 million in 23 projects in Georgia's financial, power, oil and gas, and manufacturing sectors. In addition to investments, IFC conducts advisory programs in Georgia to promote corporate governance and improve the business-enabling environment with the support of BP and its Oil and Gas partners and the Canadian International Development Agency (CIDA). The corporate governance project helps companies and banks improve their governance practices, which has helped bring millions in outside investment to Georgia. IFC's business-enabling environment project helps government agencies streamline the regulatory framework for businesses. It also monitors the local business climate through a regular survey of entrepreneurs. This survey and the IFC/World Bank *Doing Business* report help the government pinpoint priority areas for reform.

About the Georgian Reconstruction and Development Company

GRDC was founded in 2004 by the first foreign investor in Georgia, Bob Meijer, and local partners Mamuka Khazaradze and Badri Japaridze.

GRDC is a leading real estate and development company, with operations in the Republic of 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;

A feature of GRDC's commitment to sustainable and responsible development is its objective of working closely with international property professionals to create buildings and spaces that provide exciting, vibrant and functional working and living environments.