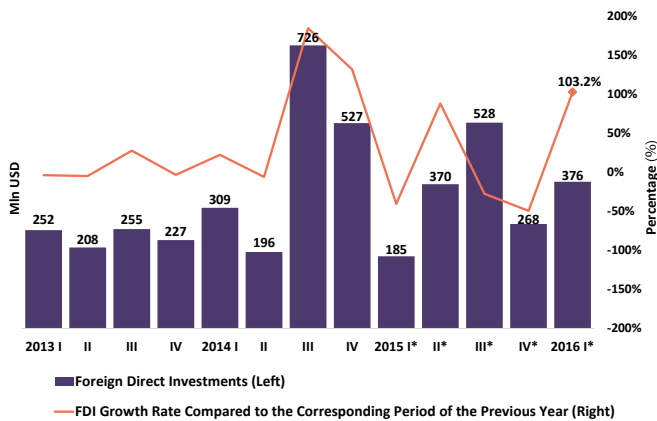


In the first quarter of 2016, according to the preliminary data:

- The volume of Foreign Direct Investment (FDI) in Georgia increased by 103% compared to the first quarter of 2015 and amounted to US\$376.4 mln.
- The highest proportion of FDI was invested in Tbilisi (63%).
- The biggest three investors in Georgia by country were Azerbaijan (36.4%), Turkey (15%) and United Kingdom (11.7%).
- Looking at investment by sector, the most attractive sectors for investors were transport and communications (53.2%), financial services (15.3%) and energy (10.6%).

The Dynamics of FDI and its Growth Rate, 2013-16

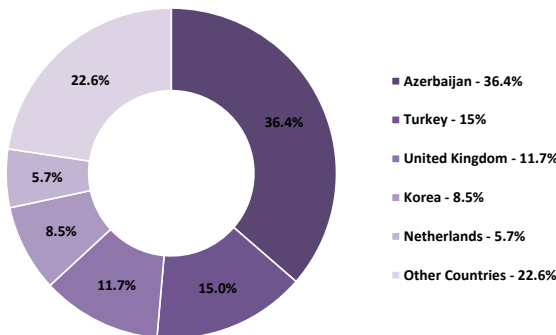


Based on preliminary data, in the first quarter of 2016 compared to the first quarter of 2015, the volume of FDI in the country increased significantly - by 103.2% (US\$191 mln) and amounted to US\$376.4 mln.

Source: GeoStat

In the first quarter of 2016, the top five investors in Georgia by country were as follows: Azerbaijan (36.4%; US\$137 mln), Turkey (15%; US\$57 mln), United Kingdom (11.7%; US\$44 mln), South Korea (8.5%; US\$32 mln) and Netherlands (5.7%; US\$22 mln). This breakdown differs from the FDI results in the corresponding period of 2015, when the structure of the top five foreign investors included Russia (17%; US\$23 mln) and Denmark (12%; US\$21 mln), while United Kingdom and South Korea were not among them.

The Structure of FDI by countries, I Quarter, 2016



The Changes of FDI by Countries, I Quarter, 2015-16

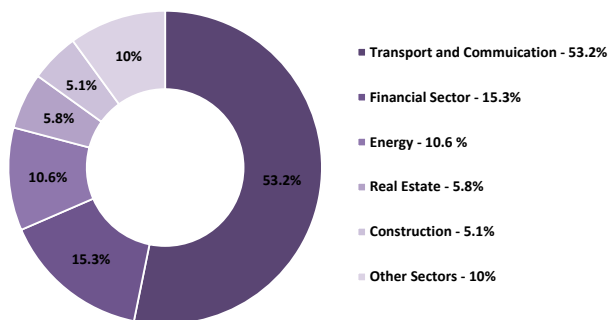


Source: GeoStat

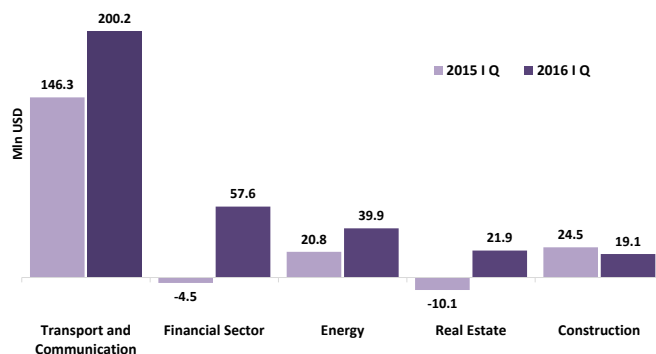
In the first quarter of 2016, compared to the corresponding period in the previous year, the volume of FDI increased significantly from the following countries: Azerbaijan (132%), Turkey (113%), United Kingdom (254%) and South Korea, while FDI decreased from Netherlands (-32%). Interestingly, in the first quarter of 2016 the volume of FDI from South Korea was the highest among investments from this country (In the first quarter of 2015 - only US\$0.1 mln; In the first quarter of 2016 - US\$32.1 mln).

In the first quarter of 2016, the breakdown of FDI by economic sector was as follows: transport and communications (53.2%; US\$200 mln), financial sector (15.3%; US\$58 mln), energy (10.6%; US\$40 mln), real estate (5.8%; US\$22 mln), construction (5.1%; US\$19 mln) and other sectors (10%; US\$38 mln). This composition differs from the FDI structure in the corresponding period of 2015. In 2015, included in the top five sectors were mining (10%) and hotels and restaurants (9%), while the financial sector and real estate did not appear.

The Structure of FDI by Sectors, I Quarter, 2016



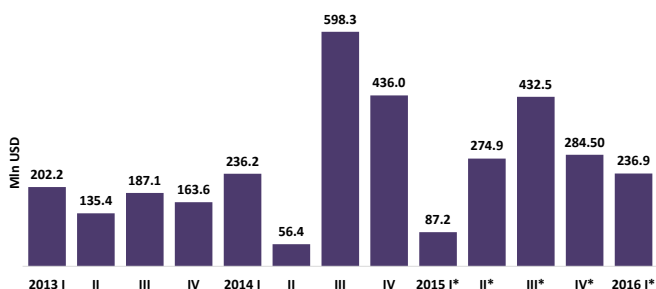
The Changes of FDI by Sectors, I Quarter, 2015-16



Source: GeoStat

During the first quarter of 2016, compared to the corresponding period in 2015, the volume of FDI increased in the following sectors: transport and communications (37%), energy (92%), financial sector (14-times) and real estate (216%), while the volume of FDI declined in the construction sector (-22%).

The Dynamics of FDI in Tbilisi, 2013-16



The Changes of FDI by Regions, I Quarter, 2015-16



Source: GeoStat

Compared to the first quarter in 2015, FDI is concentrated more in Tbilisi. In the first quarter of 2016, 65% of total investments came to Tbilisi (in the first quarter of 2015 this figure was 47%). Both the share and volume of FDI increased into Tbilisi in this period. The volume of FDI into Tbilisi increased by 78%.

It should be noted that during the first quarter of 2016, the most popular regions, after Tbilisi, among foreign investors were: Adjara (18%), Samegrelo-Zemo Svaneti and Guria (15%) and Samtskhe-javakheti (4%).

Here, compared to the first quarter of the previous year, the volume of investments increased in Adjara (78%) and Samgrelo-Zemo Svaneti and

Basic Economic Indicators	2012	2013	2014	I 2015	II 2015	III 2015	IV 2015	2015	I 2016
Nominal GDP (mIn USD)	15846.8	16139.9	16528.5	3325.0*	3407.6*	3545.0*	6682.3*	13959.9*	
Per capita GDP (USD)	3523.4	3599.6	3680.8	884.5*	913.4*	950.5*	994.7*	3743.1*	
GDP real growth (%)	6.4%	3.3%	4.8%	3.2%*	2.5%*	2.5%*	2.9%*	2.8%*	
Inflation	-0.9%	-0.5%	3.1%					4.0%	
Foreign Direct Investment (mIn USD)	911.6	941.9	1 758.4	175.3*	354.7*	489.0*	267.9*	1 351.1*	376.4*
Unemployment Rate (%)	15%	14.6%	12.4%					12%	
External Public Debt (mIn USD)	4739	4202	4200	3989	4181	4195	4315	4315	4396
Poverty level (relative)	22.4%	21.4%	21.4%					20.1%	

Source: National Statistics Office of Georgia  
National Bank of Georgia  
Ministry of Finance of Georgia

\* Forecasted