

## Summary Consolidated Financial Statements (IFRS-based, unaudited)

GEL '000, unless otherwise noted

Income Statement	Q3 2008	Q3 2007	Change %	Balance Sheet	9/30/2008	12/31/2007	Change %
Revenues From Operating Activities	1,463	1,159	26%	Cash	2,970	5,214	-43%
Revenues Of Disposed Activities	-	367	-100%	Securities Available For Sale	17,604	5,617	213%
<b>Total Revenues</b>	<b>1,463</b>	<b>1,526</b>	<b>-4%</b>	Other Current Assets	1,846	1,902	-3%
Operating Costs	(935)	(2,167)	-57%	<b>Total Current Assets</b>	<b>22,421</b>	<b>12,733</b>	<b>76%</b>
Operating Costs Of Disposed Activities	-	(567)	-100%	Investment Property	60,910	39,474	54%
<b>Total Operating Costs</b>	<b>(935)</b>	<b>(2,734)</b>	<b>-66%</b>	Investments In Associates	13,146	4,363	201%
Investment Advisory Fees	(510)	(452)	13%	Other Long-Term Assets	13,040	17,187	-24%
<b>EBITDA</b>	<b>17</b>	<b>(640)</b>	<b>N/A</b>	<b>Total Assets</b>	<b>109,517</b>	<b>73,757</b>	<b>48%</b>
<i>of which:</i>				Short-Term Loans	14,078	6,293	124%
<i>EBITDA Of Disposed Activities</i>	-	(200)	N/A	Other Current Liabilities	5,797	14,893	-61%
Other Expenses, Net	(770)	(695)	11%	<b>Total Current Liabilities</b>	<b>19,876</b>	<b>21,187</b>	<b>-6%</b>
<b>EBT</b>	<b>(753)</b>	<b>(1,335)</b>	<b>-44%</b>	Long-Term Loans	2,741	6,611	-59%
Accrued Bonus Expense	(162)	(120)	35%	Other Long-Term Liabilities	5,538	3,001	85%
Income Tax	151	327	-54%	<b>Total Liabilities</b>	<b>28,155</b>	<b>30,798</b>	<b>-9%</b>
<b>Net Income (Loss)</b>	<b>(763)</b>	<b>(1,128)</b>	<b>-32%</b>	Minority Interest	23,093	-	N/A
				<b>Shareholders' Equity</b>	<b>58,270</b>	<b>42,959</b>	<b>36%</b>

## Share Price and Market Capitalisation

	Q3 2008	Q3 2007	Y-o-Y Growth	FY 2007	FY 2006
Shares Outstanding, '000	60,306	46,431	30%	52,431	45,259
Price Per Share, GEL, e-o-p	1.10	1.79	-39%	1.50	1.19
Free Float, %, e-o-p	34%	25%	38%	25%	23%
MCap, GEL mln	66	83	-20%	79	54
Trading Volume, '000 Shares (GSE & OTC)	32	43	-26%	627	398
Trading Volume, GEL '000 (GSE & OTC)	35	84	-58%	1,421	6,285

## Share Price Performance: LC\* vs Selected MSCI\*\* Indices

	GTC	EM	EMEA	CEE	Russia	Turkey
YTD 2008	-26.7%	-32.1%	-30.7%	-41.3%	-46.1%	-36.5%
Q3 2008	-12.0%	-21.6%	-25.2%	-36.2%	-44.0%	3.3%
Q2 2008	0.0%	-2.3%	2.3%	5.4%	9.7%	-12.1%
Q1 2008	-16.7%	-11.3%	-9.4%	-12.8%	-12.3%	-30.0%
2007	26.4%	30.4%	19.1%	17.9%	21.2%	40.7%
2006***	97.8%	6.3%	6.5%	8.0%	8.6%	-1.8%
Inception***-June 08	83.3%	-5.8%	-12.2%	-25.3%	-29.1%	-12.3%

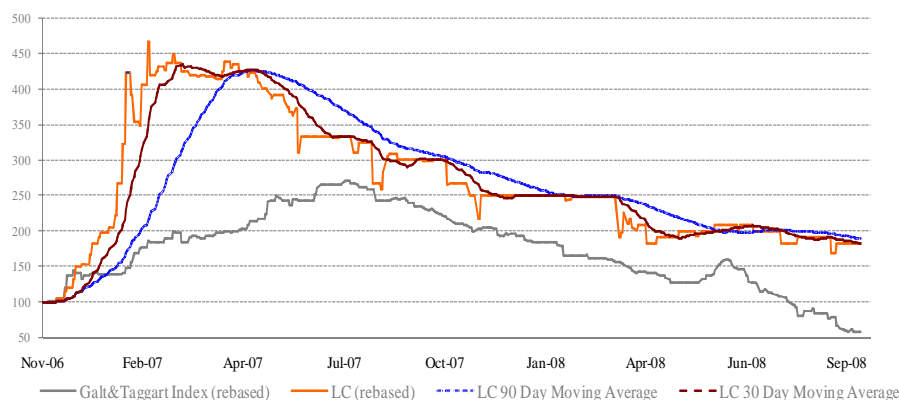
\* Not adjusted for accrued or paid Management or Performance Fees

\*\* MSCI local price indices

\*\*\* November 15-December 31, 2006 only, in order to compare to GTC share performance

\*\*\*\* November 15, 2006

## Share Price Performance



## Key Terms

Domicile	Georgia
Status	Joint Stock Company
Inception	15 Nov 2006
Expected Life	Evergreen
Geographic Focus	Georgia
Focus Sectors	<ul style="list-style-type: none"> <li>§ Retail</li> <li>§ Consumer goods</li> <li>§ TMT</li> <li>§ Business support services</li> <li>§ Real estate</li> </ul>
Investment Advisor	JSC Galt & Taggart Asset Management
Registrar	JSC Kavkasreestri
GSE Ticker Code	GTC
ISIN	GE000A0M1QQ7 US3640981037
CUSIP	364098103
Counsel	BGI Legal
Auditor	Ernst & Young Georgia LLC
Base Currency	Georgian Lari (GEL)
Valuation	The Georgian Stock Exchange trading session or OTC closing price
Management Fee	2% of Market Cap less Net Cash, payable quarterly in arrears
Performance Fee	Up to 15% over Hurdle Rate, depending on annual average free float, payable annually in arrears
Hurdle Rate	Equal to Bank of Georgia's one-year GEL term deposit, set annually (13% YTD 2008)

## Key Assets Owned

Company	Sector	% Owned	Purchased Or Disposed Off In Q3 2008
Populi	Food retail	21%	
Nikora	Food processing and retail	11%	
Teliani Valley	Wine production and distribution	26%	
CAR	Car retail	30%	
mgroup	Restaurants and casual dining	33%	
Intertour	Tourism and travel	84%	
N-Tour	Tourism and travel	30%	
Prime Fitness	Fitness centres	100%	
iCall	Business services	27%	
GC Holding	Business services	8%	
InfoGeorgia XXI	Business services	50%	
One Team	Business services	25%	
MetroNet	Telecommunications	100%	
SB Outdoor & Indoor	Media	100%	
SB Real Estate	Real estate	52%	
Planeta Forte	Newspaper retail	51%	

We are issuing this Investor Report after the toughest quarter in our history. The August 2008 conflict between Russia and Georgia, coupled with the world economic crisis, led to a significant deterioration in the Georgian economic environment. Having achieved a 12% real GDP growth in 1H 2008, Georgia's full year growth is forecasted at a mere 3.5%, with 2009 official forecasts standing at modest 2%-4%. Foreign direct investment ("FDI"), which together with a wide availability of bank credit spurred the rapid growth of the economy before the summer of 2008, has seemingly dried up.

On the positive side, the West has hurried to stand alongside Georgia during and in the aftermath of the conflict. Last October an impressive aid package of approximately US\$4.5 bn, or approximately 44% of the 2007 Georgian GDP, over three years, was announced at a dedicated donor conference. International financial institutions ("IFI"s) play an important role in this package, providing a safety net for the Georgian banking system, while infrastructure spending, expected to boom as and when the bulk of the aid is received, is likely to serve as a catalyst for the country's broader economic recovery. Consequently, we are not overly worried with regards to a further deterioration of the economic situation in the country.

In November 2008 National Bank of Georgia ("NBG") let Lari depreciate abruptly from GEL/US\$ 1.44 to GEL/US\$ 1.65 within several business days and announced that new equilibrium had been reached; the GEL/US\$ exchange rate has been stable since and we do not anticipate a further significant depreciation of the local currency in the near term. The above adjustment was warranted, in our view, as NBG was forced to keep US\$/GEL exchange rate flat during the Russian conflict and afterwards, mainly for psychological reasons, despite the fact that the US dollar had appreciated against every major currency in the world during that period. It is notable that despite the above adjustment, GEL has outperformed EUR by 2.7% since the start of the Russian conflict on August 7, 2008 to date.

Consumer confidence has been relatively depressed in the aftermath of the conflict, but we are seeing encouraging signs of a rebound in October and November. We expect this trend to strengthen through 2009, as the financial aid is disbursed and directed towards significant infrastructure projects, while IFI funding is expected to improve the situation with respect to the availability of credit to Georgian companies and consumers.

In light of the above developments we decided to revise LC's NAV. In the absence of a reliable basis for asset valuation in the new environment, we had to apply our best judgment and make moderately conservative assumptions, which led us to the company's new post-conflict NAV per share of GEL 0.73, compared to GEL 1.21 at the end of Q2 2008. This is equivalent to a 40% decrease in the company's NAV per share on a q-o-q basis. The bulk of the NAV reduction should be attributed to a revision of the Georgian real estate prices as well as fair values of Populi and Teliani Valley:

- The number of real estate transactions has dried up after the conflict and we could find no valid comparable values on the market. Hence, we solely relied on our judgment when we lowered the value of the SBRE and Prime Fitness assets by some 43% on average. SBRE has procured an independent appraisal of its assets, which we expect to receive by the year end and, if necessary, we will revise our NAV calculations accordingly.
- As far as Populi is concerned we have considerably revised our valuation of the company, even though the latest rights issue at much higher valuation was successfully completed well after the hostilities were over.
- We calculated the Teliani Valley's value based on the current market price of GEL 0.50 per share.

We have not reflected the NAV values in our financial statements, wherever appropriate, as we have not used any external validation of the asset values. We expect to reflect these and other potential changes in the Q4 2008 financial statements.

## LC news

During the reporting period the extraordinary general meeting of shareholders changed the company's name from JSC Galt & Taggart Capital to JSC Liberty Consumer. In addition, the shareholders resolved to reduce the number of the Supervisory Board members from five to three and imposed a limit on the company's operating costs at 1% of its market capitalisation.

## Populi

- § We are very proud to report that in late August, after the conflict, Populi closed a capital increase (rights issue) raising GEL 3.3 mln from existing shareholders. Liberty Consumer did not participate in the rights issue and now we own 19.82% of the company.
- § The company showed remarkable resilience during and immediately after the conflict, with revenue in August exceeding that in July by 11%. The growth is partially attributed to the heightened sales during the conflict days as the Tbilisi residents were stocking up on food supplies.
- § In Q3 2008 Populi opened 5 new stores: 2 PopuliXL supermarkets in Tbilisi, 1 neighbourhood store in Batumi and 2 PopuliExpress stores in Tbilisi. In November the company opened additional 2 PopuliExpress stores and 1 neighbourhood store in Tbilisi. The new PopuliExpress format – small, up to 120 m<sup>2</sup> stores in high-traffic areas – is proving to be very successful. The company reports average sales per m<sup>2</sup> in this format to be double that of other stores in Tbilisi on average.
- § Thanks to the new format, average daily sales per m<sup>2</sup> jumped in Q3 to GEL 25.8 per day, compared to GEL 18.3 in Q2 2008

and GEL 20.5 in Q3 2007. We are pleased that the company is becoming more efficient as same-store sales grew by 3.6% compared to Q2 2008 and 25.7% compared to Q3 2007.

- § The conflict caused logistical disruption for importers and distributors in Georgia and, as roads from Turkey and the ports were virtually closed, imports could not enter the country. In addition, trade terms of the importers have worsened and their working capital financing requirement has increased. Commercial banks have resumed lending specifically for working capital by late September but not all importers have been able to tap this source. All this resulted in a reduction of the variety of food products and other FMCG. Although we see definite improvement in availability of products, there are several categories where shortages are still present.
- § Supply problems and, probably, lower consumer confidence led to 11% drop in revenue in September m-o-m. In October we saw partial rebound with 6% growth m-o-m. Populi served more customers in September than in August (3.5% growth) but average check size in September was GEL 8.8 (including VAT), while in August it reached GEL 10.1 (including VAT). In October average check size grew slightly to GEL 9.0 (including VAT) and the number of customers grew by 4.1% m-o-m.
- § We expect Populi to continue gaining market share in 2009 as the company will enjoy substantial advantage over competitors in access to funding and bargaining power with suppliers. Small grocery stores are likely to suffer from worsened trade terms with suppliers.

### Nikora

- § Nikora also reports almost business as usual, although the company expects to undershoot its revenue target for 2008 by 5-7%.
- § The company's plant in Poti was not damaged during the hostilities, despite (a polite) visit by Russian soldiers. Logistical disruptions did have an impact on the company however, as the Poti plant produce could not be shipped out and new high-end products were in shortage. On the import side, Nikora's reserves of beef and pork allowed the company to continue production normally. On the other hand, the shipment of the highly popular Lowenbrau beer as well as other imports was stalled for several weeks till mid-September.
- § The recent GEL/US\$ exchange rate adjustment is unlikely to have a significant impact on Nikora, as the company expects to be able to pass the price increase of imported materials onto its customers.

### Teliani Valley

- § The conflict has caused logistical disruption to the company, as for approximately three weeks starting from August 7th 2008 Teliani Valley was unable to export its products and receive imported materials and equipment. As a result, wine bottling was significantly affected during the period, as the company awaited the shipment of bottles and corks. The shipment of the new vinification equipment (see below) has been delayed as well. Disruption in exports resulted in the loss of shelf space in certain countries. In Q4 2008 the company expects to fully regain the lost positions in every market except Ukraine, where several large Russian-owned retail chains, including Velyka Kishenia, have banned Georgian products from their stores for political reasons. Currently, Teliani Valley is conducting negotiations with these chains seeking to find ways to resume working with them before the highly important New Year and Christmas season. At this moment, the company cannot predict the outcome of these negotiations.
- § The Georgian economy has been substantially affected by the conflict with Russia, as Georgian consumers have temporarily decreased the consumption of almost all products other than essential food and medicine. The consumption of high-end products, such as bottled wine and spirits, has diminished significantly. After the initial drop in domestic wine sales in August and September the company sees some rebound in sales from October onwards, in line with evidence from other consumer businesses in the country. Teliani Valley expects Q4 domestic sales to be better than those in Q3, although a relative weakness of the domestic market is expected to continue throughout 2009.
- § Teliani Trading's revenues were not affected as much, thanks to strong sales of Medoff vodka and Heineken and Grolsch beer, as Russian imports, most importantly vodka and beer, are swiftly being replaced by other products and Teliani Trading has benefited from this trend, increasing its market share. Teliani Trading is a 100%-owned subsidiary of Teliani Valley, which engages in the distribution of Teliani Valley's products and the import and distribution of third-party products.
- § From August 1, 2008 Teliani Valley officially owns 100% equity interest in Teliani Trading Ukraine ("TTUA"). In Q3 2008 TTUA continued its efforts to smoothly transfer the import and distribution of Teliani Valley products in Ukraine from Olevier, the previous distributor and the former owner of 50% equity interest in TTUA. Agreements have been signed with almost all major retail chains. In the event TTUA is successful in its efforts to overcome the embargo of the Russian-owned chains (see above) the company expects to see the full effect of the change in distribution from 2009. The political and economical instability in Ukraine, significantly augmented in Q3 2008 and widely expected to be in force throughout 2009, is expected to impact the company's sales in this country, as Ukrainian growth slows and the consumers are affected by the devaluation of Hryvna.

- § In Q3 2008 Teliani Valley increased its capital by GEL 699,850 by means of selling 777,612 new shares at GEL 0.9 per share.
- § Proceeds of the capital increase were used in the capital expenditure programme approved by the company's Supervisory Board. Teliani Valley purchased and installed 58 new stainless steel fermentation and vinification tanks and new grape crusher, renovated the fermentation room at the winery and installed new cooling system. These acquisitions increased the company's total wine and spirit storage capacity by 1.0 million litres, or by 30%. The new equipment significantly increases the winemaker's control over the fermentation and vinification process and is likely to result in higher quality of the company products.
- § In July 2008 Teliani Valley acquired 19.96% equity interest stake in JSC Telavi Wine Cellar, a leading winery in Georgia.
- § During the autumn harvest Teliani Valley received 3,400 tons of grapes, 300 tons, or 9%, of which from its own vineyards. As of today the winery stores approximately 3 million litres of wine material and 250,000 litres of brandy liquid.

### **SB Real Estate ("SBRE")**

- § In Q3 2008 SBRE completed the Gldani Mega Center project and reported 98% occupancy rate.
- § SBRE looks to be in a good shape relative to most of its peers in Georgia, as the company's leverage is within prudent limits and it enjoys steady rental income from typically high-quality tenants with long-term contracts. Impact of the currency adjustment is expected to be limited, as many of the contracts are US\$-pegged.
- § The company intends to streamline its funding structure to ensure sustainability of the operations in the near future.

### **Prime Fitness**

- § In Q3 2008 Prime Fitness opened its second branch in Gldani and now the company is in the process of aggressive client acquisition campaign aimed at Gldani and neighbouring districts.
- § In August the company closed Vake branch for renovation. This explains the drop in number of customers as seen in the graph in Annex C. Now we can personally attest that the customers are coming back and at peak times the premises get crowded.
- § In the Krtsanisi property the company has completed the demolition of the existing sports complex building.

### **SB Outdoor & Indoor**

- § In Q3 2008 SBOI completed the rollout of its flatscreen monitor network in GPC pharmacies. The company owns and operates 30 monitors in these pharmacies on an air time sharing basis.
- § Advertising media market was amongst the hardest hit after the conflict. Although no reliable data is readily available, we can attest that TV advertising time and billboard space purchases have visibly declined from the highs of the summer. This observation is further validated by the interviews SBOI conducts with its existing and potential clients.
- § SBOI established a sizeable network of flatscreen monitors in the Bank of Georgia branches and GPC pharmacies in 2008 (see the network development graph in Annex E) and aspires to leverage this footprint by offering cost-effective media solution to its clients.

### **Caucasus Automotive Retail ("CAR")**

- § This quarter began for CAR with record sales in Georgia, 29 new cars and SUVs sold, and the company commenced the re-export of vehicles to a dealer in Armenia (see the sales development graph in Annex H).
- § Following our investment in the company in March this year, CAR was able to increase its orders of vehicles, mainly from Ssang Young, and still sensed that the market was ready to absorb even more. At the beginning of the conflict CAR had 19 vehicles in stock and additional two shipments were on their way to meet the demand.
- § The company used its channel in Armenia to offload 14 vehicles since August. As at November 18, the company had 51 vehicles in stock. CAR is offering various incentives to spur sales.
- § Post-conflict decline in the availability of consumer credit resulted in substantial slowdown of new vehicle sales in Georgia and this had significant impact on CAR as well, as we see from the monthly sales figures. A resumption of lending in October increased the sales from 7 vehicles in September to 17 in October.
- § CAR's service centre provides sufficient revenue to cover overhead and working capital financing.
- § As and when consumer lending is resumed on a full scale, the company expects to benefit from its highly competitive products

– well-priced (relatively) fuel-efficient SUVs – and low leverage to gain market share in Georgia.

**InfoGeorgia XXI**

- § We have brokered an agreement between InfoGeorgia XXI and the majority shareholders of iCall whereby InfoGeorgia XXI will acquire 73% equity interest stake in iCall from these shareholders. Given substantial synergies between the companies, this acquisition is likely to lead to significant cost savings and new business for iCall.
- § The company's business appears to be unaffected from the economic situation, as customer calls remain relatively steady (see graph in Annex F).

**m|group**

- § m|group has shown remarkable resilience in the aftermath of the conflict. Although its high-end restaurants have seen a decline in number of customers, the casual dining chain Maspindzelo (three outlets so far) started in 2008 is proving to be successful. Overall, m|group recuperated from the August drop and continues its operations almost as usual (see the number of customers served in Annex D).
- § In the near future the company intends to re-examine the profitability of its catering business and realign its focus on restaurant and casual dining business lines.

**Annex A: Consolidated Financial Statements (IFRS-based, unaudited)**
**Income Statement**
*GEL, unless otherwise noted*

	Q3 2008	Q3 2007	Change, %	9M 2008	9M 2007	Change, %
<b>Revenue</b>						
Revenue From Services Rendered	202,923	248,089	-18%	1,059,119	843,982	25%
Trade Revenue	-	103,112	N/A	161,103	660,418	-76%
Revenue From Lease Of Properties, Net	337,566	358,584	-6%	1,087,246	807,348	35%
Revenue From Airtickets Sales & Tourism	334,944	695,211	-52%	1,019,686	1,015,690	0%
Gain (Loss) From Sale Of Assets	405,134	-	N/A	29,979	1,225,801	-98%
Revaluation Gain On Investment Property	-	-	N/A	11,149,685	8,034,232	39%
Results Of Associates	174,242	-	N/A	331,593	37,029	795%
Other Operating Income	7,757	-	N/A	21,462	26,401	-19%
<b>Total Revenue</b>	<b>1,462,566</b>	<b>1,520,817</b>	<b>-4%</b>	<b>14,859,873</b>	<b>12,650,901</b>	<b>17%</b>
<b>Recurring Operating Costs</b>						
Personnel Costs	(482,601)	(640,283)	-25%	(1,783,549)	(1,680,572)	6%
Selling, General & Administrative Expenses	(315,478)	(511,163)	-38%	(1,288,675)	(1,360,767)	-5%
Cost Of Goods Sold	(68,643)	(375,257)	-82%	(465,921)	(882,202)	-47%
Investment Advisory Fees, of which:	(509,624)	(451,549)	13%	(1,492,525)	(1,917,724)	-22%
<i>Management Fee Expense</i>	<i>(509,624)</i>	<i>(449,715)</i>	<i>13%</i>	<i>(1,492,525)</i>	<i>(1,499,160)</i>	<i>0%</i>
<i>Performance Fee Expense</i>	<i>-</i>	<i>(1,834)</i>	<i>N/A</i>	<i>-</i>	<i>(418,564)</i>	<i>N/A</i>
Other Operating Expenses	(68,757)	(171,463)	-60%	(154,718)	(125,869)	23%
Commissions, Depository & Stock Exchange Fees	-	(16,489)	N/A	(5,345)	(12,390)	-57%
<b>Total Recurring Operating Costs</b>	<b>(1,445,103)</b>	<b>(2,166,205)</b>	<b>-33%</b>	<b>(5,190,732)</b>	<b>(5,979,523)</b>	<b>-13%</b>
<b>EBITDA, Normalized</b>	<b>17,463</b>	<b>(645,388)</b>	<b>N/A</b>	<b>9,669,140</b>	<b>6,671,377</b>	<b>45%</b>
<i>Adjusted EBITDA, Gross Of Investment Advisory Fees</i>	<i>527,087</i>	<i>(193,838)</i>	<i>N/A</i>	<i>11,161,666</i>	<i>8,589,101</i>	<i>30%</i>
Depreciation & Amortization	(89,027)	(232,299)	-62%	(368,334)	(314,694)	17%
Unrealized Gain (Loss) From Revaluation Of Derivative Fin. Inst.	-	27,655	N/A	-	175,527	N/A
Non-Recurring Income (Expenses), Net	(138)	(14,008)	-99%	3,721,596	(278,793)	N/A
Foreign Exchange Gain (Loss), Net	57,981	253,497	-77%	1,092,332	217,940	401%
<b>EBIT</b>	<b>(13,721)</b>	<b>(610,543)</b>	<b>-98%</b>	<b>14,114,735</b>	<b>6,471,357</b>	<b>118%</b>
Net Interest Income (Expense)	(738,922)	(746,472)	-1%	(2,005,129)	(1,610,618)	24%
<b>EBT</b>	<b>(752,643)</b>	<b>(1,357,015)</b>	<b>-45%</b>	<b>12,109,606</b>	<b>4,860,739</b>	<b>149%</b>
Income Tax Benefit (Expense)	151,376	327,168	-54%	(1,734,275)	(991,887)	75%
<b>Net Income (Loss)</b>	<b>(762,769)</b>	<b>(1,149,511)</b>	<b>-34%</b>	<b>9,887,776</b>	<b>3,621,981</b>	<b>173%</b>
<i>Adjusted Net Income, Gross Of Investment Advisory Fees</i>	<i>(329,589)</i>	<i>(810,396)</i>	<i>-59%</i>	<i>11,156,423</i>	<i>5,015,739</i>	<i>122%</i>
<b>Attributable To:</b>						
- Shareholders Of GTC	(537,766)	(1,149,511)	-53%	6,667,200	3,621,981	84%
- Minority Interest	(225,004)	-	N/A	3,220,576	-	N/A
	<b>(762,769)</b>	<b>(1,149,511)</b>	<b>-34%</b>	<b>9,887,776</b>	<b>3,621,981</b>	<b>173%</b>
Average Number Of Shares	60,305,844	46,431,242	30%	56,567,286	46,431,242	22%
Number Of Shares Outstanding	60,305,844	46,431,242	30%	60,305,844	46,431,242	30%
Net Income (Loss) Per Share, Basic	-0.0126	-0.0248	-49%	0.1748	0.0780	124%
Net Income (Loss) Per Share, Diluted	-0.0126	-0.0248	-49%	0.1640	0.0780	110%

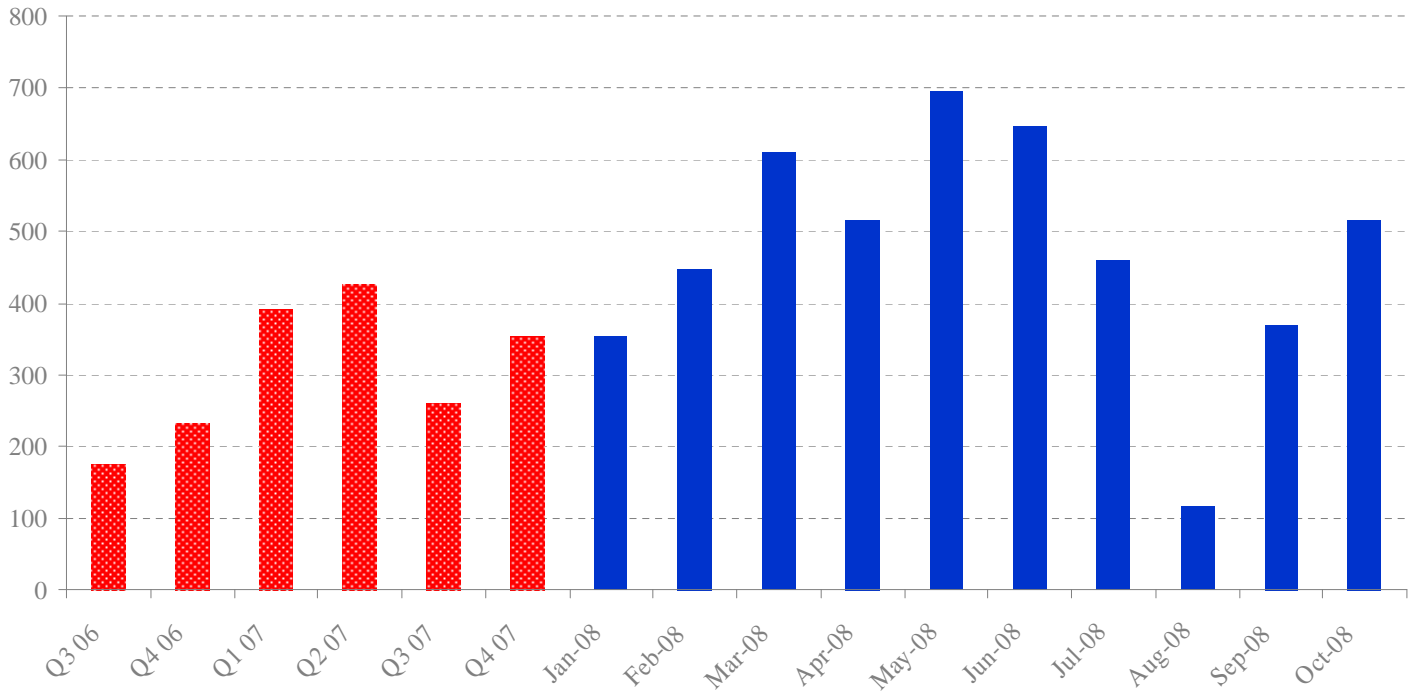
**Annex A: Consolidated Financial Statements (IFRS-based, unaudited)**
**Balance Sheet**
*GEL, unless otherwise noted*

	30-Sep-08	31-Dec-07	Change, %	30-Sep-07	Change, %
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash & Cash Equivalents	1,287,171	5,214,091	-75%	1,673,925	-23%
Securities Available For Sale	16,079,869	5,617,430	186%	4,062,057	296%
Accounts Receivable	1,928,563	607,476	217%	877,131	120%
Inventory	9,797	750,547	-99%	878,122	-99%
Prepayments & Other Assets	1,227,277	543,850	126%	883,368	39%
<b>Total Current Assets</b>	<b>20,532,677</b>	<b>12,733,394</b>	<b>61%</b>	<b>8,374,603</b>	<b>145%</b>
<b>Long-Term Assets:</b>					
Property & Equipment, Net	10,362,894	15,077,137	-31%	7,279,214	42%
Investment Property	61,428,862	39,473,537	56%	30,980,420	98%
Investments In Associates & Non-Consolidated Subsidiaries	15,224,438	4,363,383	249%	5,153,009	195%
Intangible Assets, Net	47,198	169,637	-72%	158,247	-70%
Other Long-Term Assets	1,689,429	1,084,972	56%	311,296	443%
Goodwill	896,304	855,332	5%	1,119,496	-20%
<b>Total Long-Term Assets</b>	<b>89,649,125</b>	<b>61,023,997</b>	<b>47%</b>	<b>45,001,682</b>	<b>99%</b>
<b>TOTAL ASSETS</b>	<b>110,181,803</b>	<b>73,757,391</b>	<b>49%</b>	<b>53,376,285</b>	<b>106%</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	1,119,867	2,899,869	-61%	1,825,166	-39%
Management Fees Accrued	509,623	504,791	1%	1,499,160	-66%
Short-Term Loans	17,695,943	6,293,401	181%	14,693,249	20%
Derivative Financial Instrument Liabilities	-	208,669	N/A	243,037	N/A
Other Current Liabilities	3,423,522	11,279,792	-70%	3,677,617	-7%
<b>Total Current Liabilities</b>	<b>22,748,954</b>	<b>21,186,521</b>	<b>7%</b>	<b>21,938,229</b>	<b>4%</b>
<b>Long-Term Liabilities:</b>					
Long-Term Loans	1,441,743	6,610,600	-78%	6,028,159	-76%
Deferred Tax Liability	5,385,639	3,000,824	79%	1,740,139	209%
<b>Total Long-Term Liabilities</b>	<b>6,827,381</b>	<b>9,611,424</b>	<b>-29%</b>	<b>7,768,298</b>	<b>-12%</b>
<b>TOTAL LIABILITIES</b>	<b>29,576,335</b>	<b>30,797,945</b>	<b>-4%</b>	<b>29,706,527</b>	<b>0%</b>
<b>Shareholders' Equity:</b>					
Share Capital	603,058	524,412	15%	463,042	30%
Share Premium	36,412,816	26,614,650	37%	17,673,252	106%
Retained Earnings	6,715,596	2,975,855	126%	-1,069,399	N/A
Net Income (Loss) Of The Period	6,661,537	8,867,840	-25%	3,621,981	84%
Revaluation Reserve	7,344,671	3,976,688	85%	2,980,882	146%
<b>Total Equity Attributable To Shareholders</b>	<b>57,737,679</b>	<b>42,959,446</b>	<b>34%</b>	<b>23,669,758</b>	<b>144%</b>
Minority Interest	22,867,788	-	N/A	-	N/A
<b>Total Shareholders' Equity</b>	<b>80,605,467</b>	<b>42,959,446</b>	<b>88%</b>	<b>23,669,758</b>	<b>241%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>110,181,803</b>	<b>73,757,391</b>	<b>49%</b>	<b>53,376,285</b>	<b>106%</b>
Number Of Shares Outstanding, Basic	60,305,844	46,431,242	30%	46,431,242	30%
Book Value Per Share, Basic	0.9574	0.9252	3%	0.5098	88%
Number Of Shares Outstanding, Diluted	60,305,844	46,431,242	30%	46,431,242	30%
Book Value Per Share, Diluted	0.9574	0.9252	3%	0.5098	88%

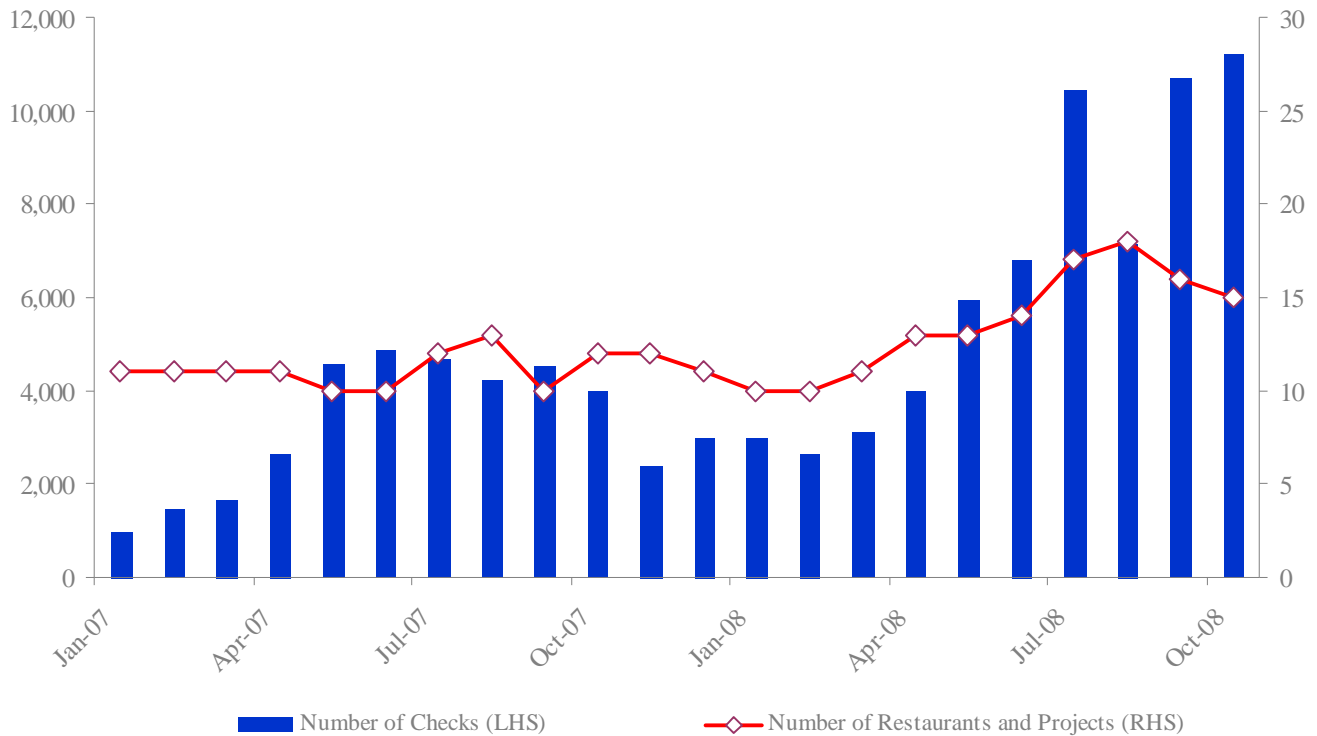
**Annex B: Selected Valuation Metrics**

<i>GEL '000, unless otherwise stated</i>			Per Share Data (GEL)								
Sector	% Owned	9/30/2008	6/30/2008	12/31/2007	12/31/2006	9/30/2008	6/30/2008	12/31/2007	12/31/2006	Comments	
Market Capitalisation		66,336	75,382	78,648	53,723						
Share Price, e-o-p		1.10	1.25	1.50	1.19						
Number Of Shares, e-o-p		60,305,848	60,305,848	52,432,222	45,259,375						
Number Of Shares, Fully Diluted e-o-p		60,305,848	60,305,848	52,571,335	45,259,375						
Book Value, Basic		57,738	58,361	42,959	15,031	0.96	0.97	0.82	0.33		
Book Value, Diluted						0.96	0.97	0.82	0.33		
<b>Gross CAAC*</b>		<b>47,842</b>	<b>47,603</b>	<b>29,211</b>	<b>14,332</b>	<b>0.00</b>	<b>0.00</b>	<b>0.56</b>	<b>0.32</b>		
Less Net Debt		(5,214)	(7,851)	(1,428)	-	(0.09)	(0.13)	(0.03)	-		
<b>Net CAAC</b>		<b>42,628</b>	<b>39,752</b>	<b>27,783</b>	<b>14,332</b>	<b>0.71</b>	<b>0.66</b>	<b>0.53</b>	<b>0.32</b>		
<b>Sum-Of-The-Parts (SOTP)</b>											
<i>of which:</i>											
Cash		1,020	2,001	4,390	3,275	0.02	0.03	0.08	0.07		
LC Share In SBRE NAV	Real estate	52%	12,276	25,097	19,707	15,137	0.20	0.42	0.38	0.33	LC estimate
Populi	Food retail	21%	6,937	9,175	5,988	1,105	0.12	0.15	0.11	0.02	LC estimate
Teliani Valley	Wine production and distribution	26%	7,263	13,797	12,995	-	0.12	0.23	0.25	-	LC estimate
Telavi Wine Cellar	Wine production	0%	-	2,000	2,000	-	-	0.03	0.04	-	
Intertour	Tourism and travel	84%	1,007	1,259	1,259	1,259	0.02	0.02	0.02	0.03	LC estimate
Prime Fitness	Fitness centres	100%	6,247	9,588	5,938	4,842	0.10	0.16	0.11	0.11	LC estimate
MetroNet	Telecommunications	100%	500	1,538	1,538	1,068	0.01	0.03	0.03	0.02	Cost of investment
iCall	Business services	27%	300	603	603	543	0.00	0.01	0.01	0.01	LC estimate
Direct Debit Georgia (iPay.ge) *	Business services	0%	-	-	1,581	1,581	-	-	0.03	0.03	Disposed in Q2 2008
One Team	Business services	25%	-	80	80	0	-	0.00	0.00	-	
SBOI	Media	100%	608	675	675	468	0.01	0.01	0.01	0.01	LC estimate
SB Trade*	Electronics wholesale and retail	0%	-	-	15	0	-	-	0.00	-	Disposed in Q2 2008
SB Transport*	Transportation	0%	-	-	90	-	-	-	0.00	-	Disposed in Q2 2008
Nikora	Food processing and retail	11%	6,179	6,865	-	-	0.10	0.11	-	-	Cost of investment
Caucasus Automotive Retail	Car retail	30%	1,083	1,203	-	-	0.02	0.02	-	-	LC estimate
InfoGeorgia XXI	Business services	50%	1,319	1,466	-	-	0.02	0.02	-	-	LC estimate
migroup	Restaurants and casual dining	33%	1,715	3,812	-	-	0.03	0.06	-	-	LC estimate
N-Tour	Tourism and travel	30%	1,475	1,639	-	-	0.02	0.03	-	-	LC estimate
GC Holding	Business services	8%	1,264	1,581	-	-	0.02	0.03	-	-	LC estimate
Planeta Forte	Newspaper retail	51%	333	370	370	-	0.01	0.01	0.01	-	LC estimate
Capital Gains Tax Net Of Tax Losses Carried Forward		(390)	(1,957)	(2,840)	(2,454)	(0.01)	(0.03)	(0.05)	(0.05)		
<b>Gross SOTP Value</b>		<b>49,136</b>	<b>80,792</b>	<b>54,388</b>	<b>26,823</b>	<b>0.81</b>	<b>1.34</b>	<b>1.04</b>	<b>0.59</b>		
Less Net Debt		(5,214)	(7,851)	(1,428)	-	(0.09)	(0.13)	(0.03)	-		
<b>Net SOTP Value</b>		<b>43,922</b>	<b>72,941</b>	<b>52,960</b>	<b>26,823</b>	<b>0.73</b>	<b>1.21</b>	<b>1.01</b>	<b>0.59</b>		
MCap/BV		1.1	1.3	1.8	3.6						
MCap/Net SOTP		1.5	1.0	1.5	2.0						
Net SOTP Value/ Net CAAC		1.0	1.8	1.9	1.9						
Gross SOTP Value/ Gross CAAC		1.0	1.7	1.9	1.9						

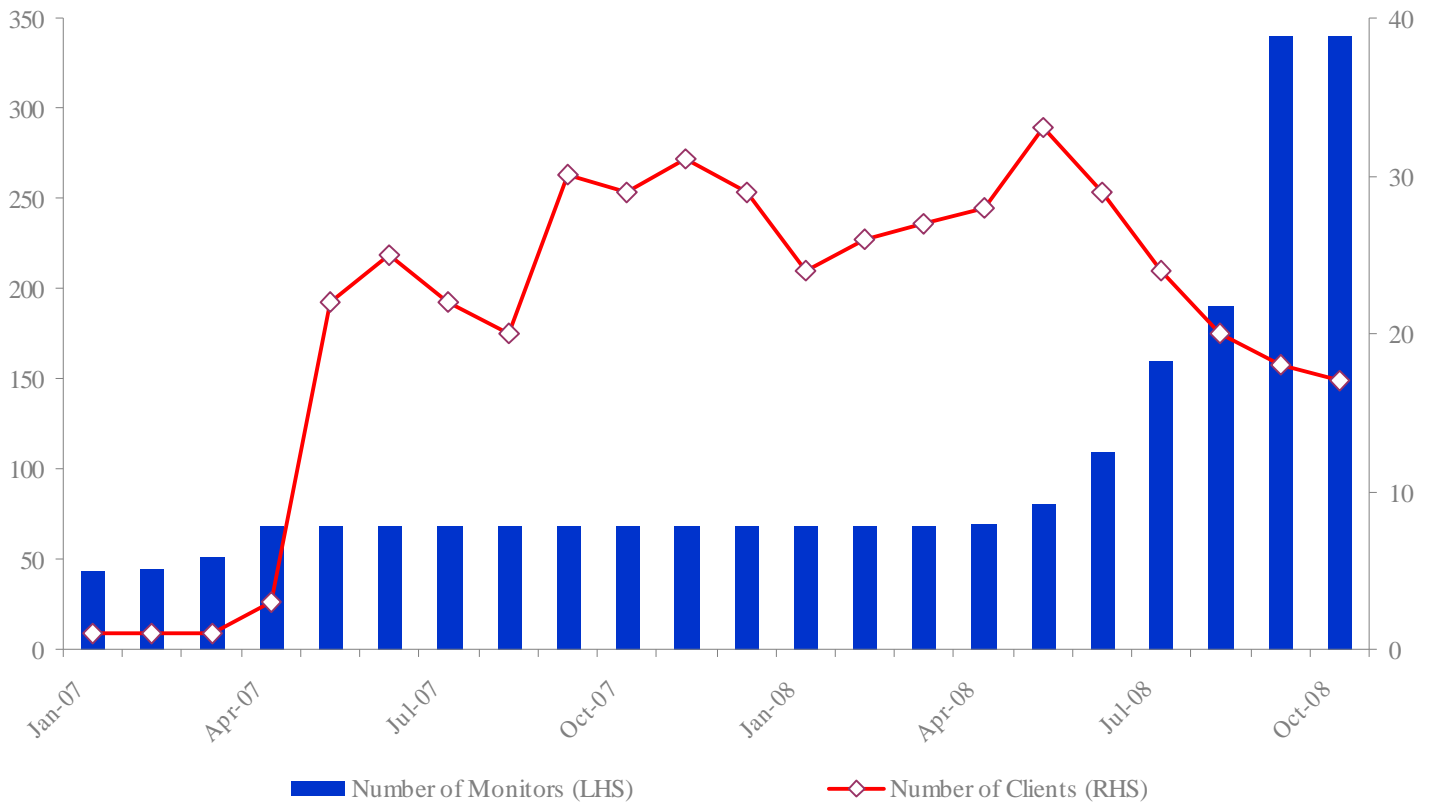
**Annex C: Membership at Prime Fitness**



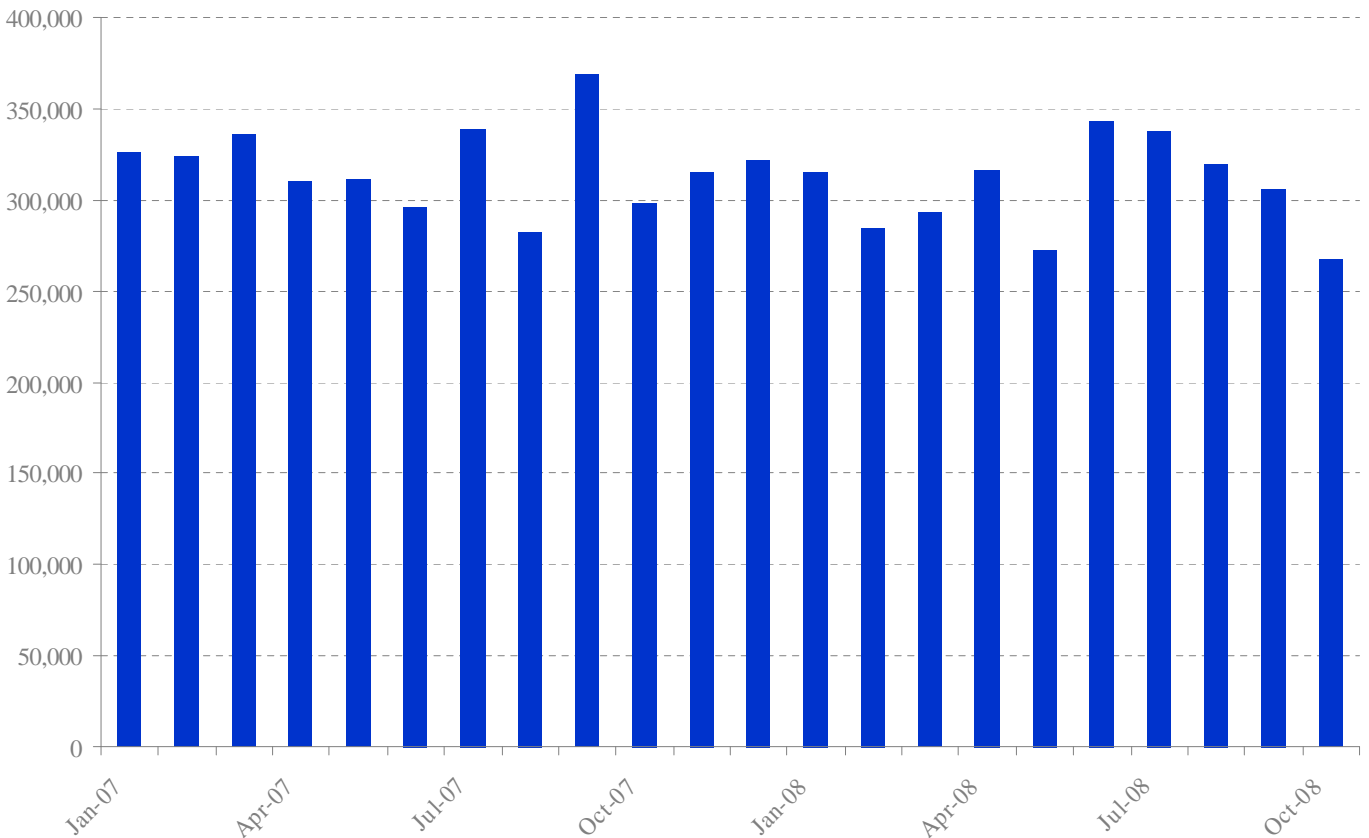
**Annex D: Customers Served vs. Restaurants and Catering Projects Operated by m|group**



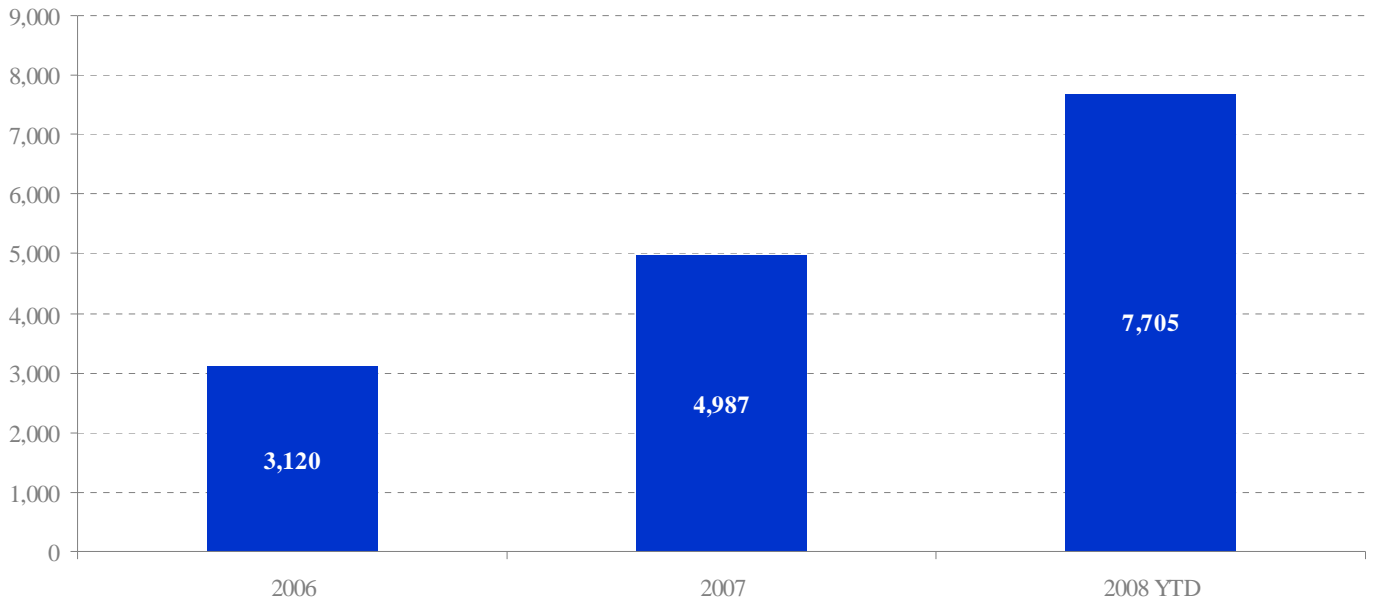
**Annex E: Development of the SBOI Flatscreen Network**



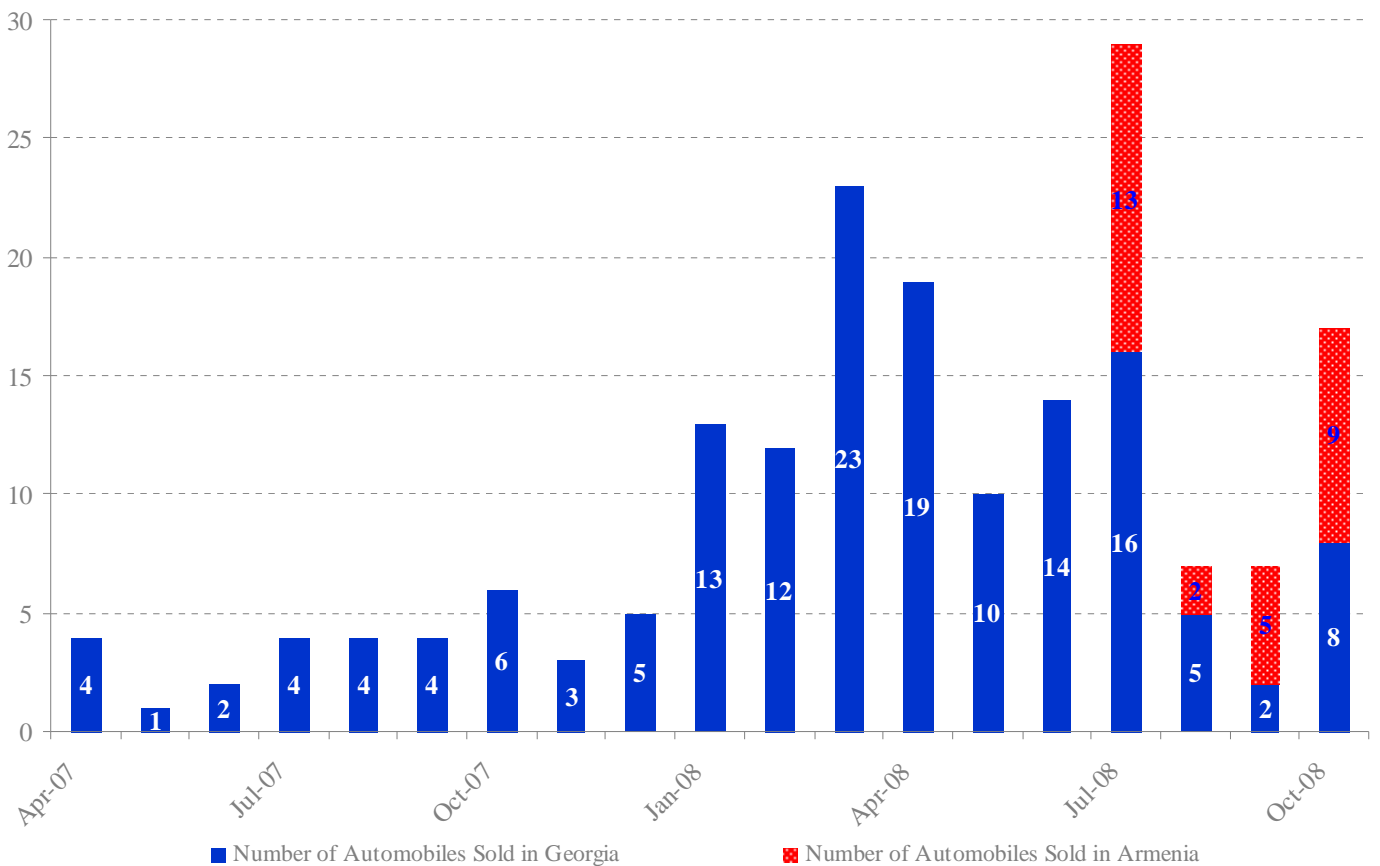
**Annex F: Calls Handled by InfoGeorgia XXI**



**Annex G: Number of Tour Packages Sold by N-Tour**



**Annex H: Automobiles Sold by CAR**



**Annex I: SBRE Portfolio Breakdown And Risk Variables (GEL '000, unless otherwise noted)**

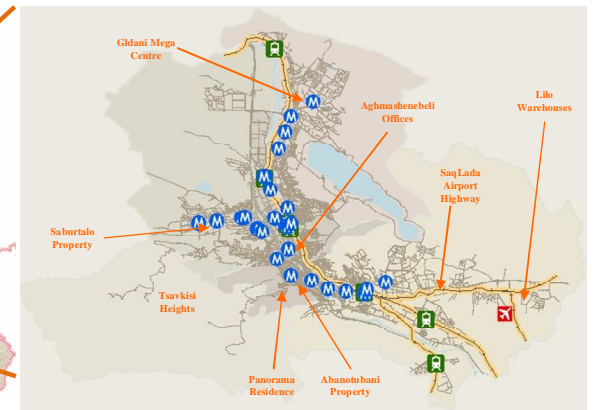
Property	Asset Class	Status	Rent Income Q3	Rent Income Q2	Occupancy Rate Q3	Acquisition Date	Completion Date
Lilo Warehouse (Yumoshev 3)	Warehouse/Logistics	Completed/Income Generating	11	11	100%	Sep-06	Sep-06
Lilo Warehouse (Yumoshev 6)	Warehouse/Logistics	Completed/Income Generating	112	92	99%	Sep-06	Sep-07
Aghmashenebeli Office	Office	Completed/Income Generating	66	68	100%	Sep-06	May-07
Gldani Megacentre	Retail	Completed/Income Generating	185	113	98%	Nov-06	Sep-08
Abanotubani Office	Office	Under Development	-	-	-	Feb-08	N/A
Kazbegi Ave Office	Office	Under Development	-	-	-	Feb-08	N/A
Tsavkisi Heights	Second Home/Residential	Held for Investment/Future Development	-	-	-	Mar-07	N/A
Panorama Residence	Residential	Held for Investment/Future Development	-	-	-	Jun-07	N/A
Saq Lada Airport Highway	Retail/Office	Held for Investment/Future Development	19	15	nmf	Apr-08	N/A
Gudauri	Hospitality	Held for Investment/Future Development	-	-	-	Mar-08	N/A
Kolkheti Legend	Hospitality	Held for Investment/Partly Developed	9	5	nmf	Jun-07	N/A
Kvavilnari Coast	Second Home/Hospitality	Held for Investment/Future Development	-	-	-	Sep-06	N/A
Ureki Properties	Second Home/Hospitality	Held for Investment/Future Development	-	-	-	Sep-06	N/A
Gonio Land	Second Home/Hospitality	Held for Investment/Future Development	-	-	-	Sep-06	N/A

Portfolio Composition GBA*, m2	30-Sep-08
Office	3,579
Retail	15,642
Warehouse	12,902
Hospitality	3,558
Residential	4,500
Mixed-Use	-
Land	27,851
<b>Total</b>	<b>68,032</b>

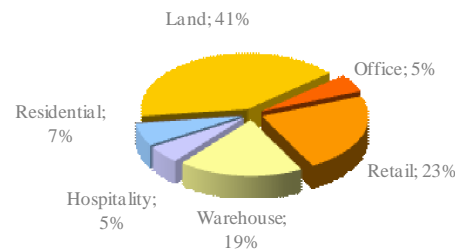
Portfolio Breakdown, NAV (GEL millions)	
Office	6.8
Retail	12.8
Warehouse	2.7
Hospitality	0.7
Residential	5.3
Mixed-Use	-
Land	6.0
<b>Total</b>	<b>34.2</b>

Portfolio Concentration, as % of NAV	
Value Of The Biggest Project	21%
Value Of The Three Biggest Project	53%

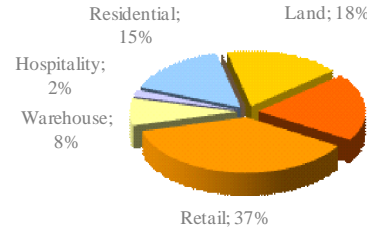
Leverage Ratios, %	
Property Portfolio Leverage	31%
Debt To Equity	45%



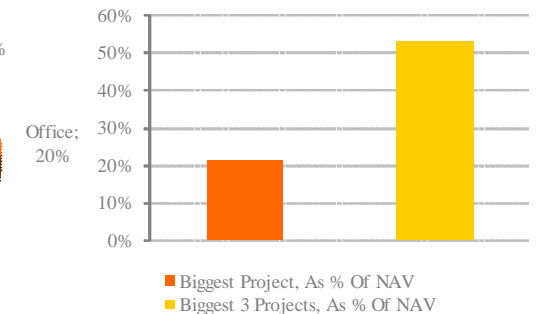
Portfolio composition as % of total GBA



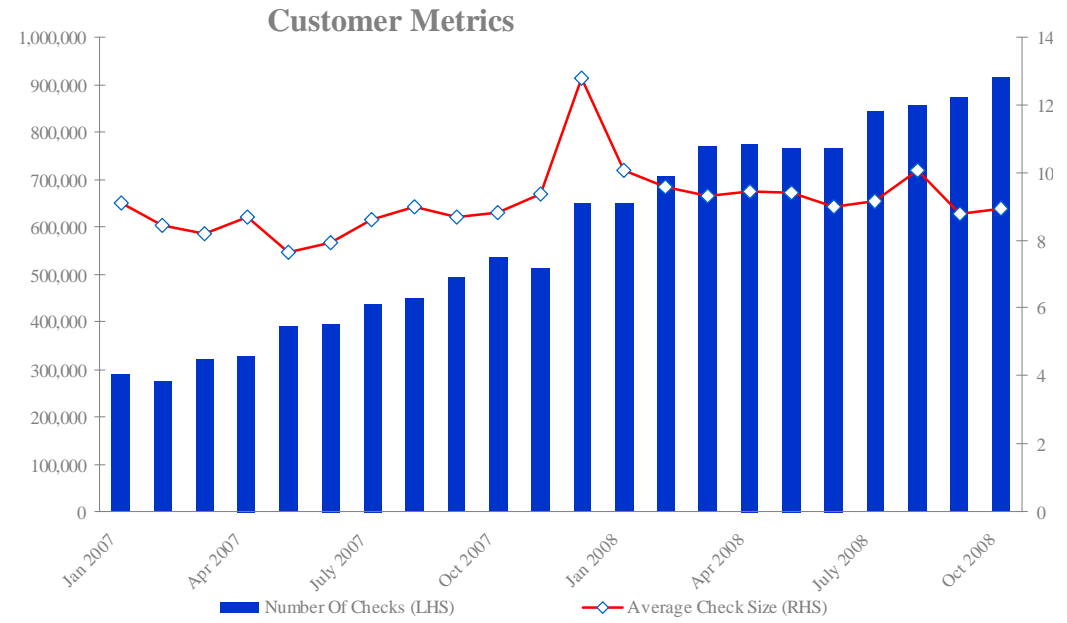
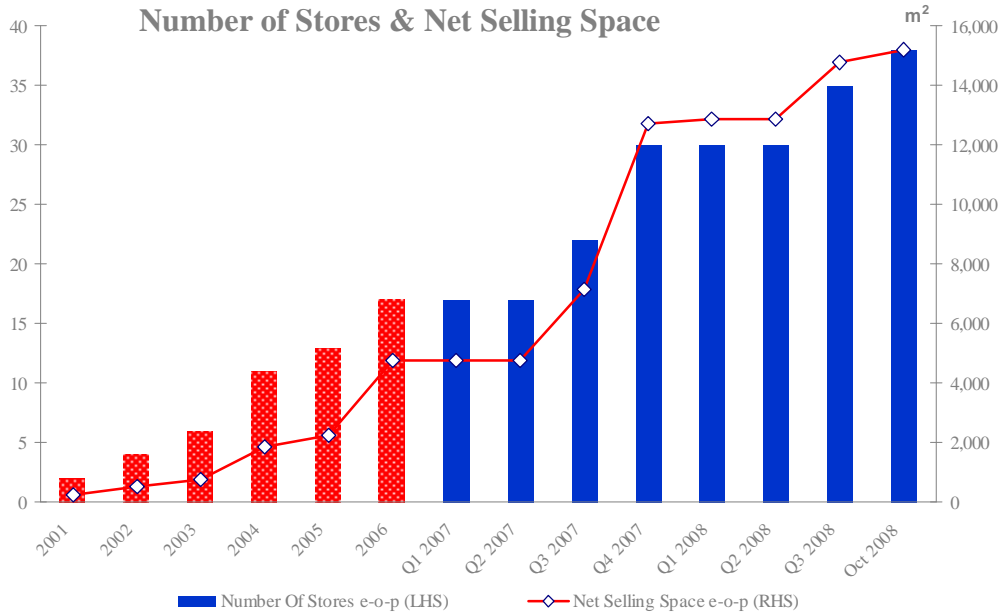
Portfolio breakdown as % of total NAV



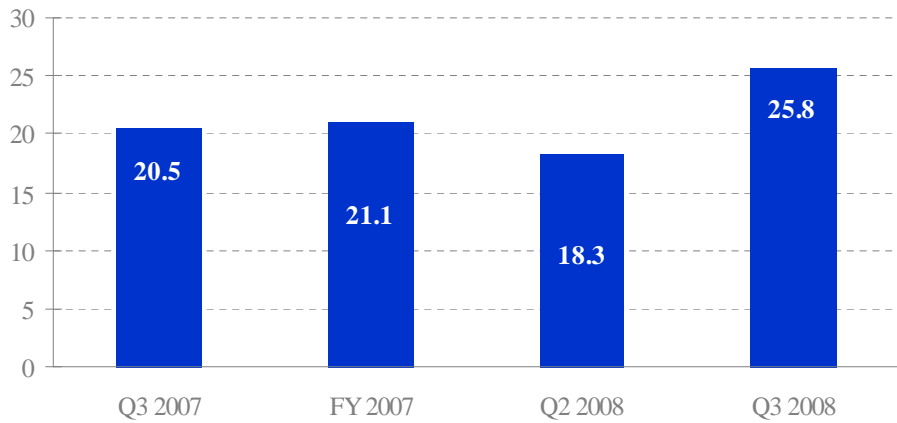
Portfolio concentration



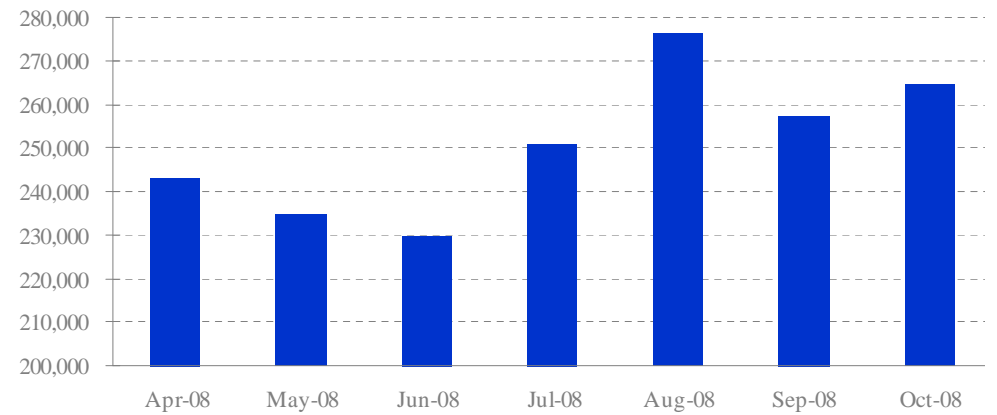
### Annex J: Populi Selected Data *(GEL, unless otherwise noted)*



#### Average Sales per m<sup>2</sup> (Selected Data)



#### Average Daily Sales Revenue



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