



Summary Consolidated Financial Statements (IFRS-based, unaudited)

GEL '000, unless otherwise noted

Income Statement	Q4 07	Q3 07	Q2 07	Q1 07	FY 07	Balance Sheet	31.12.2007	30.09.2007	30.06.2007	31.12.2006
Revenue	12,596	1,504	9,478	1,729	25,306	Cash	5,214	1,678	2,483	4,788
Recurring Operating Costs	1,488	1,698	1,564	800	5,549	Other Current Assets	7,519	7,181	7,918	2,163
Investment Advisory Fees Of Which	518	452	513	953	2,435	Total Current Assets	12,733	8,859	10,400	6,951
Management Fee Paid	505	450	508	542	2,004	Long-term Assets	61,024	45,869	41,085	16,135
Performance Fee Accrued	13	2	5	411	431	Total Assets	73,757	54,728	51,485	23,086
EBITDA	10,590	(645)	7,401	(25)	17,322	Short-term Loans	6,293	14,242	15,074	6,190
<i>Adjusted EBITDA, Gross Of</i>						Other Current Liabilities	14,893	7,072	4,140	2,014
<i>Investment Advisory Fees</i>	<i>11,108</i>	<i>(194)</i>	<i>7,914</i>	<i>929</i>	<i>19,757</i>	Total Current Liabilities	21,187	21,314	19,214	8,204
Non-Recurring Operating Costs (Revenues)	(255)	(16)	(11)	(20)	(301)	Long-term Loans	6,611	6,483	6,845	-
EBT	10,207	(1,359)	6,742	(399)	15,191	Other Long-term Liabilities	3,001	1,740	2,093	(149)
Income Tax (Benefit)	1,887	(327)	888	(57)	2,390	Total Liabilities	30,798	29,538	28,152	8,055
Net Income (Loss)	8,257	(1,151)	5,795	(411)	12,490	Shareholders' Equity	42,959	25,190	23,333	15,031
<i>Adjusted Net Income, Gross Of</i>										
<i>Investment Advisory Fees</i>	<i>8,631</i>	<i>(810)</i>	<i>6,087</i>	<i>352</i>	<i>14,260</i>					

Share Price and Market Capitalisation

	Q4 2007	Q3 2007	Q2 2007	Q1 2007	FY 2007	2006 e-o-p	Y-o-Y Growth	Growth since inception
Shares Outstanding	52,431	46,431	46,431	45,430	nmf	45,259	nmf	47%
Price Per Share, GEL, e-o-p	1.5	1.79	2	2.5	nmf	1.19	50%	213%
Free Float, %, e-o-p	25%	23%	23%	23%	nmf	23%	nmf	nmf
Mcap, GEL mln	78.6	82.9	92.9	113.6	nmf	53.7	46%	359%
Trading Volume, '000 Shares (GSE & OTC)	59	43	134	391	627	398	57%	nmf
Trading Volume, GEL '000 (GSE & OTC)	92	84	293	952	1,421	6,285	-77%	nmf

Share Price Performance: GTC* vs Selected MSCI** Indices

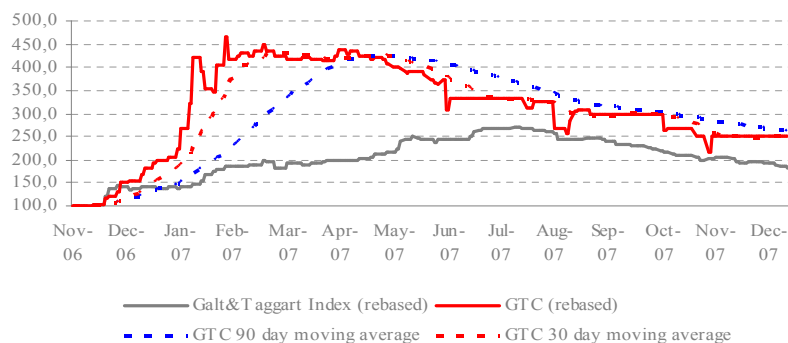
	GTC	EM	EM EMEA	EM EASTERN EUROPE	Russia	Turkey
YTD 2007	26.37%	30.40%	19.07%	17.93%	21.18%	40.72%
Q4 2007	-15.97%	2.62%	6.74%	11.40%	16.94%	2.38%
Dec 07	0.00%	0.55%	1.66%	3.50%	4.57%	2.36%
Nov 07	-6.25%	-6.22%	-2.39%	-0.76%	1.63%	-7.01%
Oct 07	-10.36%	8.82%	7.57%	8.46%	10.04%	7.57%
Q3 2007	-10.75%	11.81%	4.85%	5.00%	8.16%	15.39%
Q2 2007	-20.00%	11.66%	2.64%	2.29%	-1.04%	6.58%
Q1 2007	110.61%	1.78%	3.66%	-1.43%	-3.18%	11.76%
2006***	97.83%	6.32%	6.45%	7.95%	8.59%	-1.82%
Inception-Dec 07	150.00%	38.64%	26.75%	27.31%	31.59%	38.16%

* Not adjusted for accrued or paid Management or Performance Fees

** MSCI local price indices, copyright MSCI

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

Share Price Performance



Key Assets Owned

Company	Sector	% Owned	Purchased Or Disposed Off In Q4 07
Populi	Food retail	19.95%	
Teliani Valley	Wine production and distribution	25.16%	
Intertour	Travel services	83.64%	
Prime Fitness	Fitness centres	100%	
MetroService+	Business services	80%	
iCall	Business services	27.03%	
iPay.ge (Direct Debit Georgia)	Business services	100%	
One Team	Business services	25%+1	
MetroNet	Telecommunications	100%	
SB Outdoor & Indoor	Media	100%	
SB Real Estate	Real estate	61.98%	Land Plots in Tsavkisi Acquired in Q4
SB Transport	Transportation	100%	
SB Trade	Electronics wholesale & retail	100%	
Planeta Forte	Newspaper retail	51%	
Telavi Wine Cellar	Wine production and distribution	19.96%	Equity Interest Acquired in Q4

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"> Consumer goods Retail TMT Business support services Real estate
Investment Advisor	JSC Galt & Taggart Asset Management
Registrar	JSC Kavkasreestri
GSE Ticker Code	GTC
ISIN	GE000A0M1QQ7
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 (11% in 2007)



GTC News And Portfolio Company Highlights

In Q4 2007 our share price further pulled back 16% from GEL 1.79, and is now trading at MCap/Net SOTP of 1.49x as at 31 December 2007 (see Annex D). We are proud of our outstanding record of underlying value-creation as evidenced by Net SOTP/Net CAAC of 1.91x. In Q4 our Net SOTP per share grew by 19%.

GTC news

- Our shareholders are probably well aware of the fact that Lado Gurgenzidze has been appointed Georgia's new Prime Minister. Following his appointment, Mr. Gurgenzidze has resigned from his position of the Chairman of the Supervisory Board of Galt & Taggart Capital. Irakli Burdiladze has been appointed by GTC's Board to be acting Chairman. We would like to thank Lado for his visionary leadership and relentless support and wish him success in his new position. Bank of Georgia and Galt & Taggart Securities intend to name Bidzina Bejuashvili, CEO of Galt & Taggart Asset Management, as their candidate for the post of the Chairman of GTC's Supervisory Board.
- In late December GTC acquired a 19.96% equity stake in Telavi Wine Cellar ("TWC"), a leading Georgian winery. We believe that this acquisition is a major step towards the consolidation of the growing bottled wine industry in Georgia. According to Galt and Taggart securities estimates TWC's market share is 20% on the domestic market of bottled wine, it is also estimated that company accounts for 10% in Georgia's bottled wine exports. TWC enjoys strong domestic franchise and has built a sizable distribution footprint in selected CEE & CIS countries. The winery is located in the Kurdghelauri village, just outside Telavi. The production facilities include vinification equipment with the approximate storage capacity of 4.5 million litres. TWC owns approximately 200ha of high-quality vineyards and approximately 200ha of land suitable for vineyards in the Kakheti region. In the coming months we hope to work closely with TWC's incumbent shareholders to formulate a growth strategy and will contemplate a merger between TWC and Teliani Valley.
- We are announcing a change in the accounting policy of GTC and its subsidiaries, whereby Investment Property, as defined by International Accounting Standard ("IAS") 40, is carried at fair value. Earlier, Investment Property in GTC's consolidated financial statements was carried at cost. We believe that this approach will better reflect true economic effect of the companies' performance. In addition, certain assets, which were classified as Property and Equipment ("PP&E") and treated under IAS 16, are now classified as Investment Property. *

SB Real Estate

- The changes in the accounting policy mainly affected SBRE. The independent appraisal of SBRE's assets carried out by George Lezhava, an independent appraiser, has resulted in the revaluation gain of GEL 11.2 mln in Q4 2007.
- Most of the proceeds from Karit's capital injection were used to decrease the company's leverage and interest expense. SBRE will be able to increase back leverage once the investment opportunities in the pipeline are transformed into transactions.
- SBRE acquired two small yet important land plots in Tsavkisi. This acquisition completes the build up of the Tsavkisi Heights project land bank, which now comprises approximately 10ha of land. The company has procured a master plan for the entire land plot, which envisages the development of a gated community of approximately 110 houses with a community centre and sports complex.
- At the same time, SBRE has continued its development activities focusing in Q4 on:
 - **Gldani Mega Centre** where the second floor frame has been constructed;
 - **Lilo Warehouses** where SBRE has completed the final phase of the warehouse renovation; and
 - **Panorama Residence** for which the company has procured preliminary architectural design and carried out geological survey (phase 1).
- SBRE intends to develop a chain of three and two star hotels and resorts across Georgia to capitalise on the growing domestic demand as well as projected surge of incoming tourism. SBRE is expected to hold a 75% equity interest in the venture, which will be developed jointly with a strategic partner with unique knowledge of land development in Georgia; Intertour is also expected to hold an equity interest in the joint venture.
- SBRE and Bank of Georgia have signed a contract with Queensborough Project Management LLC, a British based project management company, which will oversee the development of Vere+. Once the project manager commences work, SBRE and BoG will proceed with the nomination of the project architect.

* Changes in accounting principles are described in greater detail in the annex F.



Populi

- Populi opened eight supermarkets in Q4, with four of them being opened in the last week of December, capturing the pre-New Year shopping spree. The new outlets have increased Populi's net selling space by approximately 5,560m², or 78%. Four of the new outlets are situated outside Tbilisi – in Kutaisi, Telavi, Gori and Rustavi. Five of the supermarkets are of the PopuliXL format, which contains larger assortment than the neighbourhood stores.
- The opening of these supermarkets has completed the expansion plan for 2007, whereby the Company has opened 14 new supermarkets and closed one small discounter. Today Populi operates 30 supermarkets with total net selling space of 12,700 m². Eight of the supermarkets are in the PopuliXL format, with total net selling space of 8,200m², and 22 stores are in the neighbourhood store format. 25 stores are located in Tbilisi and five outlets are located outside the capital.
- Annex B shows the development of Populi's retail chain over the years.
- The company's revenue in 2007 reached GEL 40.8 mln, up from GEL 14 mln in 2006. Hand in hand with the opening of the new stores the economies of scale kicked in, accompanied with operational improvements, as demonstrated by the 48% y-o-y same-store sales increase.
- It is a bit premature to judge the success of populi's regional expansion, as the first major supermarket outside Tbilisi opened in late October. We would like to ascertain that the company successfully copes with the management of the stores in the regions and the logistics chain is up to the job. Hence, no further expansion plan for 2008 has been approved by the company's shareholders as of now. We expect to discuss such expansion in detail over the course of Q1 2008 and commence its execution early in Q2.

Teliani Valley

- The company has continued to come up with new products in Q4. The new paradigm is blending internationally renowned varieties with indigenous Georgian ones. The new 50%-50% Cabernet Sauvignon-Saperavi blend is definitely the company's (and probably the country's) flagship wine, as we can happily attest. In addition, Teliani Valley introduced a Chardonnay-Rkatsiteli blend and Sauvignon Blanc and has launched an improved and redesigned sparkling wine.
- In 2007 Teliani Valley intended to transfer its import to and distribution in Ukraine to Teliani Trading Ukraine, a joint venture with Olever, the existing distributor in this country, and thus increase its control over the marketing activities in its largest market and consolidating respective part of the distribution margin in Ukraine. These plans have not materialised due to a failure to agree terms with Olever. In light of this situation, the company has decided to completely take over the import activities to Ukraine through Teliani Trading Ukraine, now a 100% owned subsidiary of Teliani Valley, which has already applied for the import license and expects to receive it in Q2 2008.

Prime Fitness

- Prime Fitness won a Tbilisi Municipality privatisation auction for the Krtsanisi Sports Complex. The complex is situated on a 14,000m² land plot within a 5 minutes' drive from downtown Tbilisi. The main building includes two swimming pools, a basketball hall and several large rooms suitable for a fitness centre. While the swimming pools are in a working condition and serve several hundred customers, the company is aware that the main building and its infrastructure require substantial renovation. The auction terms also require the construction of a third swimming pool.
- Approximately 7,000m² of the land plot had been conceded by the Municipality to Tbilisi Tennis Club ("TTC"), which has constructed seven outdoor and four indoor tennis courts on the premises. TTC owned the buildings but not the land. In order to fully utilise the potential of the sports complex and consolidate the ownership, Prime Fitness decided to buy the assets of TTC. The title to the assets has already been transferred to Prime Fitness. Following this transaction, Prime Fitness will pay total of US\$1.5 mln for the Krtsanisi Sports Complex.
- SBRE acts as the project manager for the development of the Krtsanisi Sports Complex. SBRE has already procured a geological and construction surveys of the plot and commenced working on the initial architectural design. The completion of the project is expected in 1H 2009.

Intertour

- GTC's Board has approved Intertour's strategic development principles, which call for further diversification of the company's client base and product offering, capturing a dominant position on the market. This requires strong organic growth hand in hand with several strategic acquisitions, to be financed by equity infusion from GTC. We expect the travel sector in Georgia to grow at a substantially higher rate than real GDP in the next five years. Hence we consider the travel services sector as one of the growth



engines for the Georgian economy and, consequently, for GTC.

SB Outdoor & Indoor

- SBOI's Board has approved new strategic development plan for the company, which envisages substantial increase of the company's indoor proposition to several hundreds of flatscreen monitors by YE 2008 and commencement of outdoor advertising operations. In addition to organic growth, SBOI is likely to contemplate one or more acquisitions to achieve its strategic goals. A combination of debt and equity funding has been approved to this end.
- SBOI has already commenced installation of indoor and window flatscreen monitors in the redesigned Bank of Georgia service centres.

SB Transport

- The Orange Cabs commenced operations in October. So far, this is a success story with the Orange Cabs becoming an instant icon on the streets of Tbilisi. We realise that efficient operations and effective coverage of the city is only possible with much larger pool of cabs than the six vehicles SB Transport operates today. Hence, we are considering a new order of 20 additional cabs.

iCall

- iCall has won the tender of the Ministry of Labour, Health and Social Affairs of Georgia for the operation of a contact centre within the Presidents employment initiative. The bulk of the work has been carried out in December, during the peak of the programme. This win further validates our view of iCall's potential as the sophistication and scale of operations of Georgian public organisations and private enterprises grows.



Annex A: Consolidated Financial Statements (IFRS-based, unaudited)

Income Statement

GEL, unless otherwise noted

	FY 2007	FY 2006	Change, %	Q4 2007	Q4 2006	Change, %
Revenue						
Revenue From Services Rendered	1,267,667	425,357	198%	423,685	340,414	24%
Sales Revenue	706,501	-	N/A	49,414	-	N/A
Revenue From Lease Of Properties, Net	1,223,729	20,090	5991%	398,377	14,020	2741%
Revenue From Airtickets Sales & Tourism	1,351,724	496,475	172%	336,034	96,988	246%
Gain (Loss) From Sale Of Property	379,747	-	N/A	3,361	-	N/A
Gain (Loss) From Trading Securities	849,413	72,060	1079%	(471)	72,060	N/A
Interest Income	112,762	-	N/A	67,857	(845)	N/A
Revaluation Gain Of Investment Property	19,217,405	-	N/A	11,183,172	-	N/A
Results of Associates	114,522	-	N/A	80,815	-	N/A
Other Operating Income	82,684	5,765	1334%	53,556	1,250	4184%
Total Revenue	25,306,154	1,019,747	2382%	12,595,800	523,887	2304%
Recurring operating costs						
Personnel Costs	2,341,349	671,441	249%	661,572	401,380	65%
Selling, General & Administrative Expenses	2,011,658	482,510	317%	655,446	250,100	162%
Cost Of Goods Sold	1,024,677	-	N/A	140,311	-	N/A
Investment Advisory Fees, Of Which:	2,435,200	-	N/A	517,500	369,000	40%
<i>Management Fee Expense</i>	<i>2,003,951</i>	<i>113,000</i>	<i>1673%</i>	<i>504,815</i>	<i>113,000</i>	<i>347%</i>
<i>Performance Fee Expense</i>	<i>431,249</i>	<i>256,000</i>	<i>68%</i>	<i>12,685</i>	<i>256,000</i>	<i>-95%</i>
Other Operating Expenses	153,453	161,307	-5%	29,643	129,106	-77%
Commissions, Depository & Stock Exchange Fees	18,098	-	N/A	979	-	N/A
Total Recurring Operating Costs	7,984,435	1,749,819	356%	2,005,451	1,215,147	65%
EBITDA, Normalized	17,321,719	(730,073)	N/A	10,590,349	(691,261)	N/A
<i>Adjusted EBITDA, Gross Of Investment Advisory Fees</i>	<i>19,756,919</i>	<i>(361,960)</i>	<i>N/A</i>	<i>11,107,849</i>	<i>(322,261)</i>	<i>N/A</i>
Depreciation & Amortization Expense	485,047	97,506	397%	45,230	67,462	-33%
Unrealized Gain (Loss) From Revaluation Of Derivative Fin. Inst.	222,580	-	N/A	47,053	-	N/A
Negative Goodwill	-	-	N/A	-	-	N/A
Non-Recurring Income (Expenses), Net	(301,386)	-	N/A	(255,151)	-	N/A
Foreign Exchange Gain (Loss), Net	643,456	-	N/A	425,516	-	N/A
EBIT	17,401,321	(827,579)	N/A	10,762,537	(758,722)	N/A
Interest Expense	2,210,721	145,274	1422%	555,224	122,269	354%
EBT	15,190,600	(972,853)	N/A	10,207,313	(880,992)	N/A
Accrued Bonus Expense	310,867	-	N/A	63,203	-	N/A
Income Tax Expense (Benefit)	2,389,911	(108,314)	N/A	1,887,024	(124,327)	N/A
Net Income (Loss)	12,489,822	(864,539)	N/A	8,257,086	(756,665)	N/A
<i>Adjusted Net Income, Gross Of Investment Advisory Fees</i>	<i>14,259,849</i>	<i>(496,426)</i>	<i>N/A</i>	<i>8,631,433</i>	<i>(461,465)</i>	<i>N/A</i>
Attributable To:						
- Shareholders Of GTC	12,489,822	(864,539)	N/A	8,100,347	(756,665)	N/A
- Minority Interest	-	-	N/A	156,739	-	N/A
	12,489,822	(864,539)	N/A	8,257,086	(756,665)	N/A
Number Of Shares Outstanding, Basic	52,431,241	452,593,750	-88%	46,431,242	35,000,000	33%
Number Of Shares Outstanding, Diluted	52,571,354	452,728,159	-88%	46,566,243	35,000,000	33%
Net Income (Loss) Per Share, Basic	0.2382	(0.0019)	N/A	0.1778	(0.0216)	N/A
Net Income (Loss) Per Share, Diluted	0.2376	(0.0019)	N/A	0.1773	(0.0216)	N/A



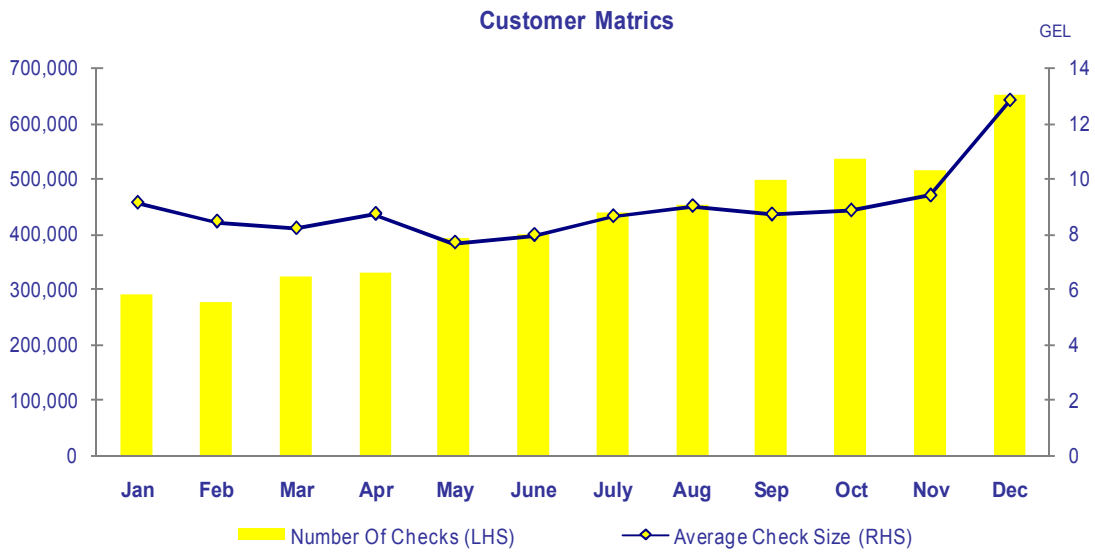
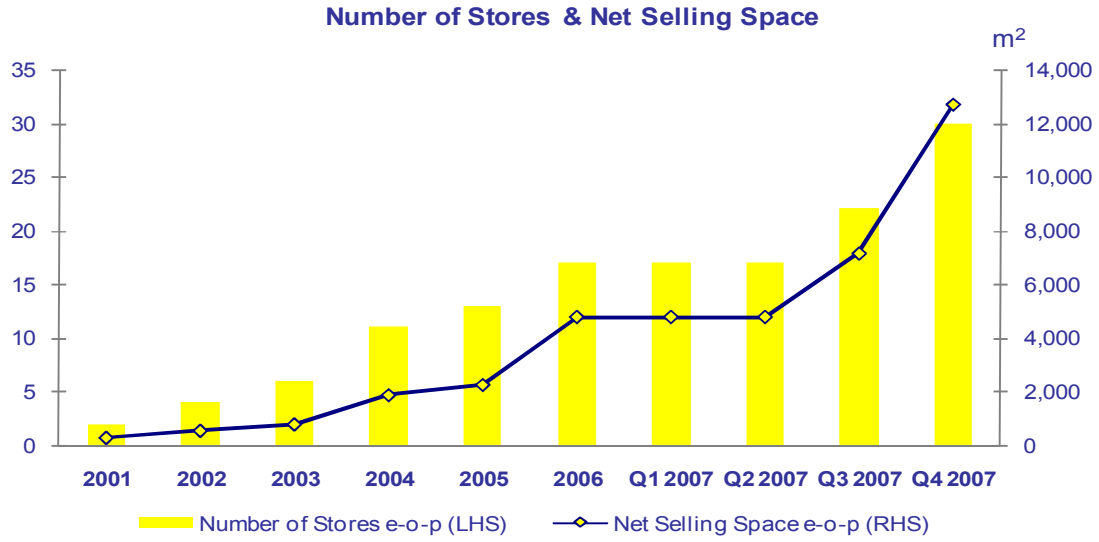
Balance Sheet

GEL, unless otherwise noted

	31-Dec-07	31-Dec-06	Change, %	30-Sep-07	30-Sep-06	Change, %
ASSETS						
Current Assets:						
Cash And Cash Equivalents	5,214,091	4,787,796	9%	1,677,812	172,677	872%
Securities Available For Sale	5,617,430	349,851	1506%	4,062,059	458,200	787%
Accounts Receivable	607,476	489,593	24%	1,076,530	624,031	73%
Inventory	750,547	985	76098%	1,232,182	-	N/A
Prepayments & Other Assets	543,850	1,322,318	-59%	810,447	907,683	-11%
Total Current Assets	12,733,394	6,950,542	83%	8,859,029	2,162,591	310%
Long-Term Assets:						
Property And Equipment, Net	15,077,137	13,056,002	15%	39,506,424	7,812,039	406%
Investment Property	39,473,537	1,223,723	3126%	-	-	N/A
Investments In Associates And Non-Consolidated Subsidiaries	4,328,515	289,162	1397%	5,153,009	784,682	557%
Intangible Assets, Net	169,637	49,393	243%	158,247	38,532	311%
Other Long-Term Assets	1,084,972	661,424	64%	311	8,005	-96%
Goodwill	890,200	855,332	4%	1,050,872	559,452	88%
Total Long-Term Assets	61,023,997	16,135,037	278%	45,868,864	9,202,710	398%
TOTAL ASSETS	73,757,391	23,085,579	219%	54,727,893	11,365,302	382%
LIABILITIES						
Current Liabilities:						
Accounts Payable	2,899,869	1,873,783	55%	2,002,342	653,671	206%
Performance Fees Accrued	-	-	N/A	-	-	N/A
Management Fees Accrued	504,791	-	N/A	1,499,136	-	N/A
Short-Term Loans	6,293,401	6,190,009	2%	14,242,249	1,008,000	1313%
Derivative Financial Instrument Liabilities	208,671	-	N/A	243,037	-	N/A
Other Current Liabilities	11,279,779	140,192	7946%	3,327,496	113,098	2842%
Total Current Liabilities	21,186,510	8,203,984	158%	21,314,260	1,774,769	1101%
Long-Term Liabilities:						
Long-Term Loans	6,610,600	-	N/A	6,483,159	-	N/A
Deferred Tax Liability	3,000,824	(149,087)	N/A	1,740,139	(5,685)	N/A
Total Long-Term Liabilities	9,611,424	(149,087)	N/A	8,223,298	(5,685)	N/A
TOTAL LIABILITIES	30,797,934	8,054,897	282%	29,537,557	1,769,084	1570%
Shareholders' Equity						
Share Capital	524,322	452,594	16%	464,312	350,000	33%
Treasury Shares	-	-	N/A	-	-	N/A
Share Premium	26,614,740	15,425,060	73%	17,448,423	9,372,029	86%
Retained Earnings	(646,113)	18,017	N/A	(646,113)	-	N/A
Net Income (Loss) Of The Period	12,489,822	(864,538)	N/A	4,232,736	(131,958)	N/A
Revaluation Reserve	3,976,688	(450)	N/A	3,589,362	6,147	58292%
Total Equity Attributable To Shareholders	42,959,460	15,030,683	186%	25,088,720	9,596,218	161%
Minority Interest	-	-	N/A	101,615	-	N/A
Total Shareholders' Equity	42,959,460	15,030,683	186%	25,190,336	9,596,218	163%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	73,757,394	23,085,580	219%	54,727,893	11,365,302	382%
Number Of Shares Outstanding, Basic	52,432,222	45,259,400	16%	46,431,242	35,000,000	33%
Book Value Per Share, Basic	0.8193	0.3321	147%	0.5403	0.2742	97%
Number Of Shares Outstanding, Diluted	52,571,335	45,430,180	16%	46,566,243	35,000,000	33%
Book Value Per Share, Diluted	0.8172	0.3309	147%	0.5388	0.2742	97%



Annex B: Populi's Retail Chain Development



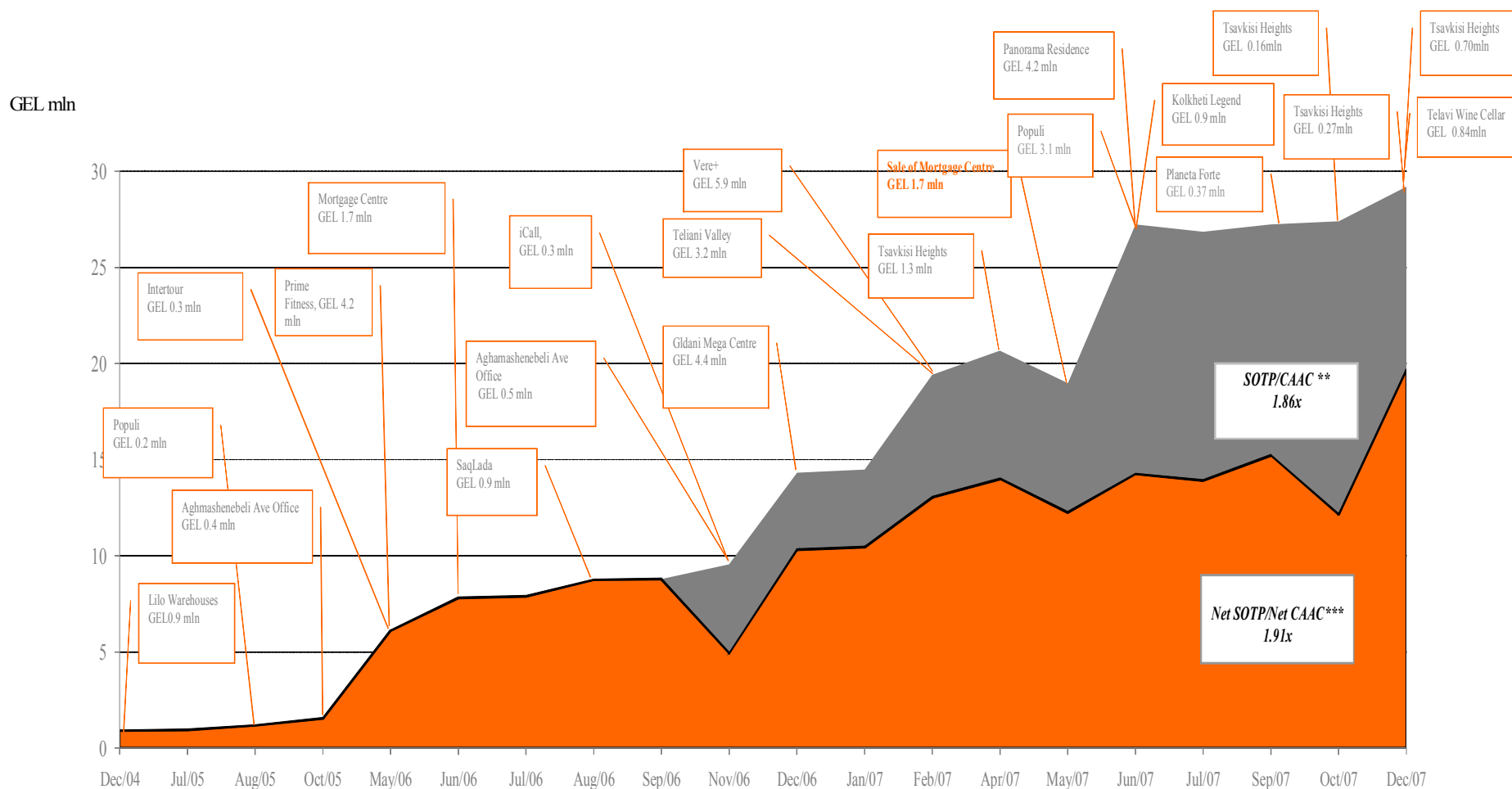
Kutaisi Supermarket Opening



Rustavi Supermarket



Annex C: Accumulation Of Assets At Historical Acquisition Costs*



* Original cash consideration or equivalent thereof

** Sum-Of-The-Parts Value/Cumulative Asset Acquisition Cost

***Sum-Of-The-Parts Value Less Debt/Cumulative Asset Acquisition Cost Less Debt



Annex D: Selected Valuation Metrics

GEL '000, except per share data or unless otherwise stated	31.12.2007	30.09.2007	30.06.2007	31.03.2007	Per Share Data				Comments
					31.12.2007	30.09.2007	30.06.2007	31.03.2007	
Market Capitalisation	78,648	82,880	92,862	113,575					
Share Price, e-o-p	1.5	1.8	2.0	2.5					
Number Of Shares, e-o-p	52,432,222	46,431,222	46,431,222	45,430,155					
Number Of Shares, fully diluted e-o-p	52,571,335	46,565,670	46,565,651	45,562,866					
Book Value, basic	42,959	25,089	23,333	15,717	0.82	0.54	0.50	0.42	
Book Value, diluted					0.82	0.54	0.50	0.41	
Gross CAAC	29,211	27,234	27,242	19,423	0.56	0.59	0.59	0.43	
Less Net Debt	(1,428)	(2,754)	(2,022)	(500)	(0.03)	(0.06)	(0.04)	(0.16)	
Net CAAC	27,783	24,480	25,220	12,041	0.53	0.53	0.54	0.27	
Sum-Of-The-Parts (SOTP)									
of which:									
Cash	4,390	414	164	315	0.08	0.01	0.00	0.01	
GTC Share in SBRE NAV	19,707	17,301	15,242	16,073	0.38	0.37	0.33	0.35	Based on independent appraisal dated December 2007
Populi	5,988	3,998	4,499	1,105	0.11	0.09	0.10	0.02	Galt & Taggart Securities valuation
Teliani Valley	12,995	12,995	11,045	3,569	0.25	0.28	0.24	0.08	Valuation based on the market share price
Intertour	1,259	1,259	1,259	1,259	0.02	0.03	0.03	0.03	Galt & Taggart Securities valuation
Prime Fitness	5,938	4,842	4,842	4,842	0.11	0.10	0.10	0.11	Galt & Taggart Securities valuation
Metro Service+ & MetroNet	1,538	1,538	1,068	1,068	0.03	0.03	0.02	0.02	Cost of investment
iCall	603	573	543	543	0.01	0.01	0.01	0.01	Galt & Taggart Securities valuation
Direct Debit Georgia (iPay.ge)	1,581	1,581	1,581	1,581	0.03	0.03	0.03	0.03	Galt & Taggart Securities valuation
One Team	80	80	80	80	0.00	0.00	0.00	0.00	Cost of investment
SBOI	675	675	675	675	0.01	0.01	0.01	0.01	Galt & Taggart Securities valuation + cost of investment in Matsne+
SB Trade	15	15	15	15	0.00	0.00	0.00	0.00	Cost of investment
SB Transport	90	90	90	90	0.00	0.00	0.00	0.00	Cost of investment
Planeta Forte	370	370	-	-	0.01	0.01	-	-	Cost of investment
Telavi Wine Cellar	2,000	-	-	-	0.04	-	-	-	Galt & Taggart Securities valuation
Capital Gains Tax Net Of Tax Losses Carried Forward	(2,840)	(3,369)	(1,599)	(1,131)	(0.05)	(0.07)	(0.03)	(0.02)	
Gross SOTP Value	54,388	42,361	39,504	30,082	1.04	0.91	0.85	0.66	
Less Net Debt	(1,428)	(2,754)	(2,022)	(500)	(0.03)	(0.06)	(0.04)	(0.01)	
Net SOTP Value	52,960	39,607	37,482	29,582	1.01	0.85	0.81	0.65	
MCap/ BV	1.83	3.30	3.98	7.23					
MCap/ Net SOTP	1.49	2.09	2.48	3.84					
Net SOTP Value/ Net CAAC	1.91	1.62	1.49	2.46					
Gross SOTP Value/ Gross CAAC	1.86	1.56	1.45	1.90					



Annex E: SBRE Portfolio Breakdown And Risk Variables

GEL' 000, unless otherwise noted

Portfolio composition GBA* m2		31-Dec-07
Office		25,000
Retail		15,642
Warehouse		12,902
Hospitality		3,558
Residential		24,562
Mixed-use		-
Land		26,200
Total		107,864

Portfolio composition GBA m2 as % of Total GBA	
Office	23.2%
Retail	14.5%
Warehouse	12.0%
Hospitality	3.3%
Residential	22.8%
Mixed-use	-
Land	24.3%
Total	100.0%

Portfolio breakdown, NAV	
Office	7,678
Retail	12,308
Warehouse	5,141
Hospitality	1,226
Residential	6,526
Mixed-use	-
Land	6,596
Total	39,474

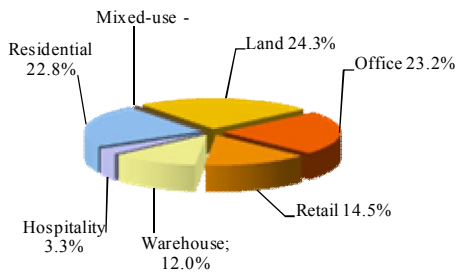
Portfolio breakdown, as % of Total NAV	
Office	19.5%
Retail	31.2%
Warehouse	13.0%
Hospitality	3.1%
Residential	16.5%
Mixed-use	-
Land	16.7%
Total	100.0%

Portfolio Concentration as % of NAV	
Value of the biggest project	23.0%
Value of the three biggest project	50.9%

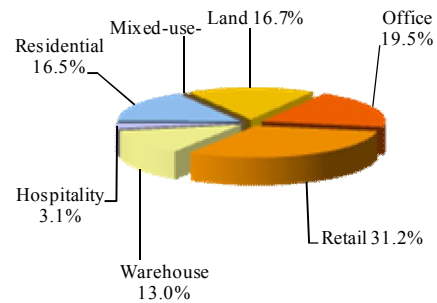
Leverage Ratios, %	
Property portfolio leverage	16.7%
Debt to Equity	22.3%

* Gross Building Area

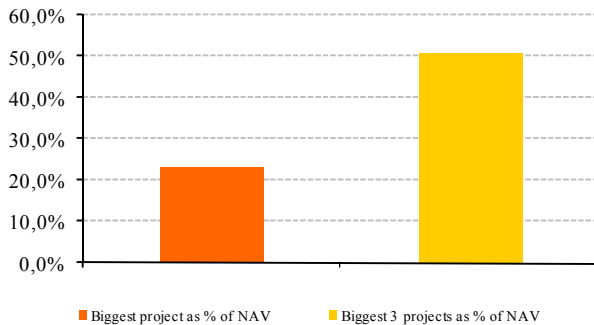
Portfolio Composition GBA m² As % Of Total GBA, December 31, 2007



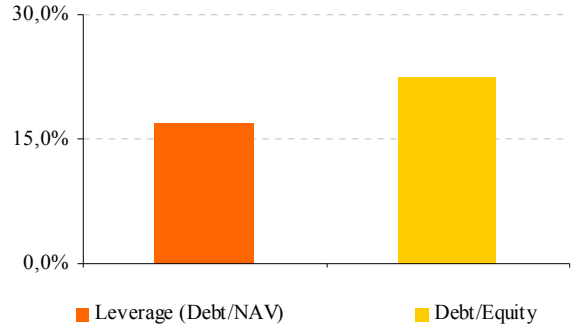
Portfolio Breakdown, As % Of Total NAV, December 31, 2007



Portfolio Concentration, December 31, 2007



Leverage, December 31, 2007





Annex F: Changes in accounting policies

- Following the changes in the accounting policy, initial revaluation gains following the reclassification had been recognised in shareholders' equity, while subsequent and ongoing gains are recognised in income statement. The consolidated financial statements attached to this report as Annex A reflect the change in the accounting policy and asset classification as applied from January 1, 2007. The above changes are likely to result in the restatement of 2006 consolidated financial statements, as we have been advised by Ernst & Young, our auditors.

- For your information, below please find an excerpt from IAS 40:

“Investment property is held to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process. IAS 16 *Property Plant and Equipment* applies to owner-occupied property.

The following are examples of investment property:

- (a) land held for long-term capital appreciation rather than for short-term sale in the ordinary course of business.
- (b) land held for a currently undetermined future use. (If an entity has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation.)
- (c) a building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases.
- (d) a building that is vacant but is held to be leased out under one or more operating leases.

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* states that a voluntary change in accounting policy shall be made only if the change will result in a more appropriate presentation of transactions, other events or conditions in the entity's financial statements. It is highly unlikely that a change from the fair value model to the cost model will result in a more appropriate presentation.”



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