

**Bank of Georgia Announces the Sale of 341,500 Treasury Shares  
To Firebird Global Fund**

JSC Bank of Georgia (GSE: GEB), a leading Georgian commercial bank, announced today the sale of 341,500 treasury shares to Firebird Global Fund. The trade was executed today on the Georgian Stock Exchange, where Bank of Georgia remains the most liquid and the sole listed stock. All of the shares were sold at GEL 6.0 per share. The bank's book value, as of September 30, 2004, was GEL 5.72 per share. As a result of these transactions, Bank of Georgia has increased in equity capital to GEL 51.1 million.

**Lado Gurgenidze**, Chief Executive Officer of Bank of Georgia, commented, "I am very pleased to welcome Firebird Global Fund. The ongoing upgrading and diversification of our shareholder base, against the backdrop of improving liquidity and 195% increase YTD in the bank's share price, has been the most significant development on the GSE in 2004. Since January, several western investment funds and highly sophisticated non-resident individual investors have purchased significant stakes in Bank of Georgia. The fact that Firebird Global Fund has now joined these shareholders is yet another proof that the market is taking seriously our strategic plan to build Bank of Georgia into a modern universal bank with recurring, diversified revenue streams and multi-channel delivery of our broad range of products, and anticipates further improvements in the liquidity of the stock."

"Firebird Management is very proud to have Firebird Global Fund participating in the share capital of Bank of Georgia. We are very excited about the bank's prospects and we believe that this investment is the perfect way for our investors to get exposure to Georgia. With the return of democracy and the approaching completion of the strategic oil transit infrastructure, we think the country's economic prospects are particularly bright", says **Ian Hague**, a Principal at Firebird Management LLC in New York.

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**About Bank of Georgia**

Bank of Georgia is a leading Georgian universal bank, with an approximately 19.4 % market share in loans and 17.2 % market share in deposits. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking (through its affiliate, Galt & Taggart Securities) services to corporate clients. As at September 30, 2004, the bank had GEL 279.2 million in assets. In 2003, the bank earned net income of GEL 9.2 million.

**About Firebird Global Fund and Firebird Management LLC**

Firebird Global Fund is a portfolio equity fund that invests in emerging markets and sectors around the world. Firebird Global Fund is one of the six funds managed by Firebird Management LLC, a portfolio investment fund manager with approximately \$700 million in portfolio funds dedicated to equity investments in Russia, Eastern Europe and Central Asia. Firebird Management LLC has vast experience in investing in financial institutions across the CIS countries.

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