



Share Data	31-Dec-09	Share Price Performance
Authorized shares, mln	70.0	
Outstanding shares, mln	21.3	
Price per share, GEL	0.60	
GSE ticker	NRGY	
Price change, since the IPO	-62.5%	
MCap, GEL mln	12.8	
MCap, US\$ mln	7.6	

Source: Georgian Stock Exchange

This report provides CEI’s (the “Company” or “us”) investors with an overview of the significant developments in the company, its operating and financial activities in Q4, 2009.

News

The actual construction of Mtkvari HPP was launched in November 2009, after all the preliminary studies and reports were completed. The infrastructural developments on the site are currently fully under way paving the way for the smooth and on-time completion of the building works. Below are the developments in a much more detail:

- Turkish company ENCON completed the environmental and social impact assessment of Mtkvari HPP, which was approved by the Ministry of Environment Protection and Natural Resources of Georgia.
- Mtkvari HPP has completed the archeological study on the construction site.
- Mtkvari HPP LLC has been granted a license from the Akhaltsikhe Municipality for the construction of the power plant at the designated power house site in village Sakuneti.
- The actual construction of Mtkvari HPP was launched in November 2009. President of Georgia, Mikheil Saakashvili ceremonially unveiled the start of the building works and gave the speech about the importance of such energy projects as Mtkvari HPP.
- Infrastructural developments are fully under way on the construction site with Mtkvari HPP LLC completing the construction of a 10 kilowatt transmission line connecting the site directly to the grid and CHC, a contractor company of Mtkvari HPP, completing the access road from the village Sakuneti to the construction site.
- HEH, the winner of the tender, has commenced the construction of the bridge connecting the main highway to the power house. The bridge shall be completed by May 2010.
- CHC has concluded the negotiations for the purchase of DOSCO MK4 tunnel construction machine, a roadheader, which shall be delivered on the site in April 2010.
- Extraordinary General Meeting of Shareholder, held on December 30, 2009 replaced Alexander Liparteliani by Kalim Aziz (a representative of Kairos Funds), as a CEI board member and approved the proposed conversion of the Asset Management Contract between CEI and Abbey Asset Management into an Executive Chairman contract between CEI and the head of Abbey Asset Management Bidzina Bejuashvili.



SUMMARY OF FINANCIAL HIGHLIGHTS

As at and for the twelve months ended 31 December 2009

(Amounts in thousands of Georgian Lari, except financial ratios and per share data)

SELECTED INCOME STATEMENT DATA

	QUARTERLY TRENDS							YEAR-TO-DATE		
	Q4-2009 (Unaudited)	Q3-2009 (Unaudited)	Q2-2009 (Unaudited)	Q1-2009 (Unaudited)	Q4-2008 (Unaudited)	Q4-09 Change, % Q-O-Q Y-O-Y		2009 (Unaudited)	2008 (Unaudited)	Change, %
Revenue	6	4	5	4	-	33.8%	n/a	19	-	n/a
Operating costs	(718)	(374)	(429)	(493)	(5,343)	91.8%	-86.6%	(2,014)	(5,965)	-66.2%
Net foreign currency gains/(losses) on monetary assets and liabilities	(44)	1,060	605	(446)	8,445	n/a	n/a	1,175	8,111	-85.5%
Net gain from investment securities available-for-sale	2,500	-	-	-	-	n/a	n/a	2,500	-	n/a
EBITDA	1,743	690	182	(935)	3,102	152.8%	-43.8%	1,680	2,146	-21.7%
Depreciation and amortization charges	(5)	(8)	(6)	(6)	(5)	-36.4%	3.2%	(25)	(13)	87.2%
EBIT	1,738	681	176	(941)	3,097	155.0%	-43.9%	1,655	2,133	-22.4%
Net finance income	600	1,173	1,163	1,990	2,381	-48.9%	-74.8%	4,926	6,481	-24.0%
EBT	2,338	1,855	1,339	1,049	5,478	26.1%	-57.3%	6,581	8,613	-23.6%
Profit/(loss) for the period	2,143	1,746	1,264	1,049	4,635	22.7%	-53.8%	6,202	7,300	-15.0%

SELECTED BALANCE SHEET DATA (Period-end)

Cash and cash equivalents	40,440	38,492	36,336	37,505	66,329	5.1%	-39.0%	40,440	66,329	-38.3%
Trade and other receivables	2,349	1,244	2,781	5,179	4,646	88.9%	-49.4%	2,349	4,646	-82.5%
Other assets	17,033	18,849	17,074	14,544	14,851	-9.6%	14.7%	17,033	14,851	42.3%
Total assets	59,822	58,585	56,191	57,228	85,826	2.1%	-30.3%	59,822	85,826	-30.3%
Borrowings	-	-	-	-	26,395	n/a	n/a	-	26,395	n/a
Other liabilities	563	532	425	310	1,788	5.8%	-68.5%	563	1,788	-68.5%
Total liabilities	563	532	425	310	28,183	5.8%	-98.0%	563	28,183	-98.0%
Minority interests	69	96	96	96	97	-27.7%	-28.4%	96	97	n/a
Total shareholders' equity	59,259	58,053	55,766	56,917	57,644	2.1%	2.8%	59,259	57,644	2.8%

PER SHARE VALUES

Share price, GEL	0.60	0.70	0.70	1.60	1.60	-14.3%	-62.5%	0.60	1.60	-62.5%
Market capitalization	12,778	14,908	14,906	34,056	34,041	-14.3%	-62.5%	12,778	38,626	-66.9%
Price earnings (P/E) ratio, annualized	2.06	2.75	3.22	8.11	3.75	-25.2%	-45.0%	2.06	5.15	-60.1%
Basic quarterly earnings per share	0.10	0.08	0.06	0.05	0.11	22.7%	-5.7%	0.29	0.31	-6.1%
Diluted quarterly earnings per share	0.10	0.08	0.06	0.05	0.11	22.7%	-5.7%	0.29	0.31	-6.1%
Book value per share, GEL	2.78	2.73	2.62	2.67	2.71	2.1%	2.7%	2.78	2.36	18.0%

ORDINARY SHARES OUTSTANDING

Weighted-average ordinary shares outstanding, basic	21,281	21,288	21,283	21,279	43,410	0.0%	-51.0%	21,281	23,516	-9.5%
Weighted-average ordinary shares outstanding, diluted	21,281	21,288	21,283	21,279	43,410	0.0%	-51.0%	21,281	23,516	-9.5%
Ordinary shares outstanding at period end	21,297	21,297	21,294	21,285	21,276	0.0%	0.1%	21,297	24,142	-11.8%
Ordinary shares outstanding diluted at period end	21,297	21,297	21,294	21,285	21,276	0.0%	0.1%	21,297	24,142	-11.8%

FINANCIAL RATIOS

ROA, Annualized	14.8%	12.2%	8.9%	5.9%	0.0%			10.4%	8.5%	
ROE, Annualized	14.9%	12.3%	9.0%	7.3%	0.0%			10.5%	12.7%	



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