

Caucasus Energy & Infrastructure Group
Audited Consolidated Financial Statements
31 December 2011

Caucasus Energy & Infrastructure Group
Consolidated Statement of Financial Position
In thousands of Georgian Lari

	Notes	31 December 2011	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment	8	28,892	19,078
Advance payment for non-current assets		8,826	107
Investment property	9	7,942	11,718
Restricted cash	10	1,670	11,655
Deferred income tax assets	11	1,161	1,014
Total non-current assets		48,491	43,572
Current assets			
Other receivables	12	4,512	2,797
Current income tax prepayments		223	223
Bank deposits	13	-	6,322
Cash and cash equivalents	14	3,815	10,059
Total current assets		8,550	19,401
TOTAL ASSETS		57,041	62,973
EQUITY			
Share capital	16	11,784	11,784
Share premium	16	40,804	40,804
Treasury shares	16	(5,438)	(5,438)
Retained earnings		8,604	14,818
TOTAL EQUITY		55,754	61,968
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	11	342	53
Total non-current liabilities		342	53
Current liabilities			
Trade and other payables	15	843	799
Current income tax liability		102	153
Total current liabilities		945	952
TOTAL LIABILITIES		1,287	1,005
TOTAL LIABILITIES AND EQUITY		57,041	62,973

Approved for issue and signed on behalf of

the Management of the Group on 18 June 2012



George Abdushelishvili
Chief Executive Officer



George Rusitashvili
Chief Financial Officer

Caucasus Energy & Infrastructure Group
Consolidated Statement of Comprehensive Income
In thousands of Georgian Lari

	Notes	2011	2010
Foreign exchange (loss)/gain, net	17	(976)	653
Gain from sale of available-for-sale financial assets		-	533
Gain on sale of a subsidiary		-	24
Gain less losses on disposals of property, plant and equipment		(690)	-
Other income		428	426
Net losses from revaluation of investment property	9	(3,776)	(65)
Share-based compensation		-	(2,044)
Salaries and other benefits		(964)	(1,020)
General and administrative expenses	18	(816)	(775)
Depreciation and amortisation charges		(98)	(40)
Operating loss		(6,892)	(2,308)
Finance income	19	878	3,384
(Loss)/profit before income tax		(6,015)	1,076
Income tax (expense)/credit	11	(200)	303
(Loss)/profit for the year		(6,214)	1,379
Other comprehensive income/(loss)			
Available-for-sale financial assets:			
- Fair value gains arising during the year		-	164
- Gains less losses recycled to profit or loss		-	(533)
- Income tax recorded directly in other comprehensive income		-	56
Total other comprehensive loss for the year		(6,214)	(313)
Total comprehensive income/(loss) attributable to:			
- Company's equity holders		(6,214)	1,066
Total comprehensive (loss)/income for the year		(6,214)	1,066

Caucasus Energy & Infrastructure Group
Consolidated Statement of Changes in Equity
In thousands of Georgian Lari

	Attributable to the Company's equity holders						NCI*	Total equity
	Share capital	Share premium	Treasury Shares	Retained earnings	Other reserve	Total		
At 1 January 2010	11,784	40,117	(6,460)	13,439	313	59,193	64	59,257
Total comprehensive income for the year	-	-	-	1,379	(313)	1,066	-	1,066
Sale of subsidiary	-	-	-	-	-	-	(64)	(64)
Share-based payments	-	613	1,022	-	-	1,635	-	1,635
Issue of share capital	-	74	-	-	-	74	-	74
At 31 December 2010	11,784	40,804	(5,438)	14,818	-	61,968	-	61,968
Total comprehensive loss for the year	-	-	-	(6,214)	-	(6,214)	-	(6,214)
At 31 December 2011	11,784	40,804	(5,438)	8,604	-	55,754	-	55,754

Caucasus Energy & Infrastructure Group
Consolidated Statement of Cash Flows
In thousands of Georgian Lari

	Note	2011	2010
Cash flows from operating activities			
Salaries and other benefits paid		(964)	(938)
Administrative and other operating expenses paid		(725)	(939)
Taxes paid other than on income		(617)	(1,387)
Income tax paid		-	(61)
Net cash used in operating activities		(2,306)	(3,325)
Cash flows from investing activities			
Proceeds from sale of available-for-sale investment securities		-	1,202
Proceeds from sale of subsidiary		-	263
Prepayments for construction		(8,719)	737
Other income		428	508
Purchase of property, plant and equipment		(11,726)	(14,610)
Withdrawal of restricted cash		9,953	2,277
Withdrawal of bank deposits		5,370	10,288
Interest received		878	3,431
Net cash (used in)/generated from investing activities		(3,816)	4,096
Effect of exchange rate on cash and cash equivalents		(122)	33
Net (decrease)/increase in cash and cash equivalents		(6,244)	804
Cash and cash equivalents at beginning of the year	14	10,059	9,255
Cash and cash equivalents at end of the year	14	3,815	10,059