

Caucasus Energy & Infrastructure Group


**International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor's Report**

31 December 2012

Caucasus Energy & Infrastructure Group
Consolidated Statement of Financial Position
(Amounts expressed in thousands of Georgian Lari)

	Note	31 December 2012	31 December 2011
ASSETS			
Non-current assets			
Property, plant and equipment	8	32,713	28,892
Advance payment for non-current assets	4	6,939	8,826
Investment property	9	8,549	7,942
Restricted cash	10	1,657	1,670
Deferred income tax assets	11	-	1,161
Total non-current assets		49,858	48,491
Current assets			
Other receivables	12	3,711	4,512
Current income tax prepayments		223	223
Cash and cash equivalents	13	605	3,815
Total current assets		4,539	8,550
TOTAL ASSETS		54,397	57,041
EQUITY			
Share capital	15	11,784	11,784
Share premium	15	40,804	40,804
Treasury shares	15	(5,438)	(5,438)
Retained earnings		5,585	8,604
TOTAL EQUITY		52,735	55,754
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	11	636	342
Total non-current liabilities		636	342
Current liabilities			
Trade and other payables	14	1,026	843
Current income tax liability		-	102
Total current liabilities		1,026	945
TOTAL LIABILITIES		1,662	1,287
TOTAL LIABILITIES AND EQUITY		54,397	57,041

Approved for issue and signed on behalf of the Management of the Group on 14 May 2013:



Bidzina Bezhushvili
Head of Supervisory Board





George Rusitashvili
Chief Financial Officer

Caucasus Energy & Infrastructure Group
Consolidated Statement of Comprehensive Loss
(Amounts expressed in thousands of Georgian Lari)

	Notes	2012
Net gain/(loss) from revaluation of investment property	9	606
Other income		74
Salaries and other benefits		(1,001)
General and administrative expenses	16	(812)
Depreciation and amortisation charges	8	(289)
Loss on disposals of property, plant and equipment	8	(260)
Foreign exchange loss, net		(20)
Operating loss		(1,702)
Finance income	17	138
Loss before income tax		(1,564)
Income tax expense	11	(1,455)
Loss for the year		(3,019)
Other comprehensive income		-
Total comprehensive loss for the year		(3,019)

The accompanying notes on pages 5 to 21 form an integral part of these consolidated financial stat

Caucasus Energy & Infrastructure Group
Consolidated Statement of Changes in Equity
(Amounts expressed in thousands of Georgian Lari)

	Share capital	Share premium	Treasury shares	Retained earnings
At 31 January 2011	11,784	40,804	(5,438)	14,818
Total comprehensive loss for the year	-	-	-	(6,214)
At 31 December 2011	11,784	40,804	(5,438)	8,604
Total comprehensive loss for the year	-	-	-	(3,019)
At 31 December 2012	11,784	40,804	(5,438)	5,585

The accompanying notes on pages 5 to 21 form an integral part of these consolidated financial state

Caucasus Energy & Infrastructure Group**Consolidated Statement of Cash Flows***(Amounts expressed in thousands of Georgian Lari)*

	Notes	2012
Cash flows from operating activities		
Salaries and other benefits paid		(827)
Administrative and other operating expenses paid		(821)
Taxes paid other than on income		(478)
Other income		74
Net cash used in operating activities		(2,052)
Cash flows from investing activities		
Purchase of property, plant and equipment	8	(2,783)
Proceeds from sale of property, plant and equipment	8	1,501
Interest received		138
Withdrawal of restricted cash		-
Withdrawal of bank deposits		-
Net cash used in investing activities		(1,144)
Effect of exchange rate on cash and cash equivalents		(14)
Net decrease in cash and cash equivalents		(3,210)
Cash and cash equivalents at beginning of the year	13	3,815
Cash and cash equivalents at end of the year	13	605

The accompanying notes on pages 5 to 21 form an integral part of these consolidated financial stat