

London, 12 December 2016

BGEO Group's water utility business issues GEL30 million local currency bond

BGEO Group PLC (the “**Group**” or “**BGEO**”), announces that the Group’s wholly owned utility and energy subsidiary, Georgia Global Utilities (“**GGU**”) has successfully placed a GEL30 million local currency bond for its water utility business unit, Georgian Water and Power LLC (“**GWP**”). The placement is the largest amount ever issued in local currency by a non-financial institution in Georgia. The bonds were issued with a 5 year tenor, with an annual coupon rate of National Bank of Georgia local currency refinancing rate plus 3.5%. The Group’s investment banking arm Galt & Taggart acted as a joint placement agent.

Irakli Gilauri, Group CEO commented: “I am glad to see that GGU continues to demonstrate its access to capital and has completed the issuance of the largest placement by a non-financial institution in Georgia. This is in line with GGU’s funding strategy to continue to raise new funding in local currency, with longer-term maturity. GGU is diversifying its sources of local currency funding through this bond placement, following its conversion of foreign currency borrowings into local currency, through local commercial banks, earlier this year. Finally, I am glad that Galt & Taggart, our investment banking and brokerage subsidiary, acted as a placement agent, and thus successfully continues to lead the local capital market development in Georgia.”

Name of authorised official of issuer responsible for making notification: Ekaterina Shavgulidze, Head of Investor Relations and Funding.

About BGEO Group PLC

The Group: BGEO Group PLC (“BGEO” or the “Group” – LSE: BGEO LN) is a UK incorporated holding company of a Georgia-focused investment platform. BGEO invests in the banking and non-banking sectors in Georgia (BGEO and its subsidiaries, the “Group”). BGEO aims to deliver on a 4x20 strategy: at least 20% ROAE and at least 20% growth of retail loan book in Banking Business, and at least 20% IRR and up to 20% of the Group’s profit from Investment Business.

Banking Business: Our Banking Business comprises at least 80% of the Group’s profit and consists of Retail Banking, Corporate Banking and Investment Management businesses at its core and other banking businesses such as P&C Insurance, Leasing, Payment Services and Banking operations in Belarus (“BNB”). The Group strives to benefit from the underpenetrated banking sector in Georgia especially through its Retail Banking services. JSC Bank of Georgia (“BOG” or the “Bank”) is the main entity in the Group’s Banking Business.

Investment Business: Our Investment Business comprises up to 20% of the Group’s profit and consists of Georgia Healthcare Group (Healthcare Business) – an LSE (London Stock Exchange PLC) premium listed company, m2 Real Estate (Real Estate Business), Georgia Global Utilities (Utility Business or GGU) and Teliani Valley (Beverage Business). Georgia’s fast-growing economy provides opportunities in a number of underdeveloped markets and the Group is well positioned to capture growth opportunities in the Georgian corporate sector.

JSC BGEO Group has, as of the date hereof, the following credit ratings:

Bank of Georgia has, as of the date hereof, the following credit ratings:

Fitch Ratings
Moody’s

‘BB-/B’
B1/NP (FC) & B1/NP (LC)

Fitch Ratings
Moody’s

‘BB-/B’
‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

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