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VOLUME 2
APPENDIX 3(A)
FOR
FINANCIAL RESTATEMENT AND VALUATION OF THE GEORGIA ELECTRIC DISTRIBUTION SECTOR

Georgia Power Sector Reform
Contract No. LAG-I-00-98-00005-00
Task Order No. 4

Final Report

Prepared for:

U.S Agency for International Development
Bureau for Europe and NIS
Office of Environment, Energy and Urban Development
Energy and Infrastructure Division

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APPENDIX 3(A)

VALUATION OF INDIVIDUAL DISTRIBUTION COMPANIES

Table 10
Abasha
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	426	434	673	923	1,182	1,451	1 471	1,492	1,513	1,535	1,558	1,582	1,606	1,630	1,656	1,682	1,710	1,737	59,063
Operational Expenses																			
Operating Expenses	(49)	(50)	(54)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(2,390)
Purchased Power	(396)	(404)	(552)	(699)	(845)	(990)	(982)	(996)	(1,011)	(1 026)	(1 042)	(1 058)	(1,074)	(1,091)	(1,109)	(1,127)	(1,145)	(1,164)	(39,584)
Wages & Social Costs	(8)	(8)	(26)	(50)	(70)	(77)	(79)	(80)	(81)	(82)	(83)	(85)	(86)	(87)	(89)	(90)	(92)	(93)	(3,166)
Total Operating Expenses	(453)	(462)	(632)	(805)	(972)	(1,126)	(1,120)	(1,136)	(1,153)	(1,170)	(1,188)	(1,206)	(1,225)	(1,244)	(1,264)	(1,285)	(1,306)	(1,328)	(45,141)
Sales and Administrative Expenses	0	0	(22)	(52)	(76)	(85)	(86)	(87)	(89)	(90)	(91)	(93)	(94)	(96)	(97)	(99)	(100)	(102)	(3,466)
Depreciation[3]	0	0	(22)	(43)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	0
Total Operational Costs	(453)	(462)	(676)	(900)	(1,112)	(1,275)	(1,270)	(1,288)	(1 306)	(1 324)	(1,344)	(1,364)	(1,384)	(1,404)	(1,426)	(1,448)	(1,471)	(1,494)	(50,807)
Utility Operating Income	(27)	(28)	(2)	23	71	176	200	204	207	211	214	218	222	226	230	234	238	243	8,256
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(1)	(1)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(166)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	70	77	73	59	34	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(13)	(121)	(188)	(211)	(198)	(188)	(117)	(45)	(45)	(46)	(47)	(47)	(48)	(49)	(50)	(50)	(51)	(52)	(1,772)
Budget and Non Budget Taxes	(66)	0	0	0	0	(4)	(17)	(32)	(32)	(33)	(34)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(1,297)
Total Financial Costs and Taxes	(79)	(51)	(111)	(138)	(139)	(158)	(134)	(77)	(78)	(79)	(80)	(82)	(83)	(84)	(86)	(87)	(89)	(90)	(3,069)
Net Income	(106)	(78)	(113)	(115)	(68)	18	66	127	129	132	134	137	139	142	144	147	150	153	5,187
Adjustments for Cash Flow																			
Depreciation	0	0	22	43	65	65	65	65	65	65	65	65	65	65	65	65	65	65	2,200
Change In Working Capital[4]			(29)	(31)	(32)	(33)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(427)	(427)	(427)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(113)	(115)	(68)	22	83	159	162	165	168	171	174	177	180	184	187	191	6 484
Taxes on EBIT			0	0	0	(4)	(17)	(32)	(32)	(33)	(34)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(1,297)
Cash Flow Adjustments[5]			(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Adjusted Free Cash Flow			(548)	(530)	(463)	49	129	189	191	194	196	198	201	203	206	208	211	214	7 272
Discounted Adjusted Free Cash Flow			(456)	(368)	(268)	24	52	63	53	45	38	32	27	23	19	16	14	12	58

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only.
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 9,274
[7] Number of Customers 7,121
[8] Market Value (GEL) (159,962)

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Table 10
Abasha
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	426	434	673	923	1,182	1,451	1,471	1,492	1,513	1,535	1,558	1,582	1,606	1,630	1,656	1,682	1,710	1,737	59,063
Operational Expenses																			
Operating Expenses	(49)	(50)	(54)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(2,390)
Purchased Power	(396)	(404)	(552)	(699)	(845)	(990)	(982)	(996)	(1,011)	(1,026)	(1,042)	(1,058)	(1,074)	(1,091)	(1,109)	(1,127)	(1,145)	(1,164)	(39,584)
Wages & Social Costs	(8)	(8)	(26)	(50)	(70)	(77)	(79)	(80)	(81)	(82)	(83)	(85)	(86)	(87)	(89)	(90)	(92)	(93)	(3,166)
Total Operating Expenses	(453)	(462)	(632)	(805)	(972)	(1,126)	(1,120)	(1,136)	(1,153)	(1,170)	(1,188)	(1 206)	(1,225)	(1 244)	(1 264)	(1 285)	(1,306)	(1 328)	(45,141)
Sales and Administrative Expenses	0	0	(22)	(52)	(76)	(85)	(86)	(87)	(89)	(90)	(91)	(93)	(94)	(96)	(97)	(99)	(100)	(102)	(3,466)
Depreciation[3]	0	0	(22)	(43)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	0
Total Operational Costs	(453)	(462)	(676)	(900)	(1 112)	(1 275)	(1 270)	(1,288)	(1,306)	(1,324)	(1,344)	(1,364)	(1,384)	(1,404)	(1,426)	(1,448)	(1,471)	(1,494)	(50,807)
Utility Operating Income	(27)	(28)	(2)	23	71	176	200	204	207	211	214	218	222	226	230	234	238	243	8 256
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(1)	(1)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(166)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	70	77	73	59	34	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(13)	(121)	(188)	(211)	(198)	(188)	(117)	(45)	(45)	(46)	(47)	(47)	(48)	(49)	(50)	(50)	(51)	(52)	(1,772)
Budget and Non Budget Taxes	(66)	0	0	0	0	(4)	(17)	(32)	(32)	(33)	(34)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(1,297)
Total Financial Costs and Taxes	(79)	(51)	(111)	(138)	(139)	(158)	(134)	(77)	(78)	(79)	(80)	(82)	(83)	(84)	(86)	(87)	(89)	(90)	(3,069)
Net Income	(106)	(78)	(113)	(115)	(68)	18	66	127	129	132	134	137	139	142	144	147	150	153	5,187
Adjustments for Cash Flow																			
Depreciation	0	0	22	43	65	65	65	65	65	65	65	65	65	65	65	65	65	65	2,200
Change In Working Capital[4]			(29)	(31)	(32)	(33)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(427)	(427)	(427)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(113)	(115)	(68)	22	83	159	162	165	168	171	174	177	180	184	187	191	6,484
Taxes on EBIT			0	0	0	(4)	(17)	(32)	(32)	(33)	(34)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(1,297)
Cash Flow Adjustments[5]			(435)	(415)	(395)	32	62	62	62	62	62	62	62	62	62	61	61	61	2,085
Adjusted Free Cash Flow			(548)	(530)	(463)	49	129	189	191	194	196	198	201	203	206	208	211	214	7,272
Discounted Adjusted Free Cash Flow			(456)	(368)	(268)	24	52	63	53	45	38	32	27	23	19	16	14	12	58

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

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[5] Includes depreciation, changes in working capital, investments and financial costs.

[6] MWH Sold in 1998 9,274

[7] Number of Customers 7 121

[8] Market Value (GEL) (159 962)

Table 1
Abasha
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	105	111	136	74	426
Operational Expenses					
Operating Expenses	(12)	(12)	(13)	(12)	(49)
Purchased Power	(90)	(127)	(110)	(69)	(396)
Wages & Social Costs	(2)	(2)	(2)	(2)	(8)
Total Operating Expenses	(105)	(141)	(124)	(83)	(453)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(105)	(141)	(124)	(83)	(453)
Utility Operating Income	0	(30)	12	(9)	(27)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(1)
Net Other Income	(0)	(0)	(0)	(0)	(1)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(13)	(13)
Budget and Non Budget Taxes	(16)	(16)	(18)	(17)	(66)
Total Financial Cost and Taxes	(16)	(16)	(18)	(30)	(80)
NET INCOME	(16)	(46)	(7)	(39)	(108)

[1] It is assumed that accounts receivable 90 days or older are written off and treated as income.
[2] It is assumed that accounts receivable 90 days or older are written off as bad debt expense

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Table 2
Abasha
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	28	46.1	1.3	3	66 7	0.2	4	28 6	0.1	844	44.8	37.8	16	42.9	0.7
February	25	44.9	1.1	3	37.0	0.1	4	46.5	0.2	682	44 6	30.4	11	45.9	0.5
March	24	45.1	1.1	3	29.4	0.1	4	28 6	0.1	693	44.6	30.9	5	38 5	0.2
April	26	50 6	1.3	3	34 5	0.1	4	50 0	0.2	637	44.4	28.3	9	45.5	0.4
May	13	40 0	0 5	7	43 5	0.3	3	34.5	0.1	779	44 9	35 0	13	48.0	0.6
June	33	51.7	1.7	2	42.9	0.1	2	45 0	0.1	887	44.8	39.7	56	44 6	2.5
July	121	45.4	5.5	4	55 6	0 2	0	0.0	0.0	1,229	45.0	55.3	31	44.5	1.4
August	20	45 7	0.9	11	45 9	0.5	1	45.5	0.1	946	40.9	38 6	53	44.9	2.4
September	14	44.4	0.6	1	41 7	0 1	1	40 0	0 0	650	44.9	29.2	27	43 8	1.2
October	29	45.0	1.3	1	40 0	0 0	1	40.0	0.0	453	60.1	27.2	10	60 0	0.6
November	36	60 4	2 2	0	0 0	0.0	1	58.3	0.1	432	60 0	25.9	6	54.5	0.3
December	5	63 8	0.3	0	0 0	0.0	0	0 0	0.0	372	44.4	16.5	0	0 0	0 0

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Table 3
Abasha
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,050	33.0	35
February	851	33.0	28
March	840	33.0	28
April	1,150	33.0	38
May	1,202	33.0	40
June	1,489	33.0	49
July	1,342	33.0	44
August	1,245	33.0	41
September	733	33.0	24
October	710	42.0	30
November	672	42.0	28
December	259	42.0	11

Tables 4
Abasha
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
February	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
March	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
April	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
May	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
June	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6
July	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	6
August	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	7
September	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6
October	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
November	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	6
December	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6

Table 5
Abasha
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	40	28	12					12	12
February	32	36	8	0				8	8
March	32	25	15	0	0			15	15
April	30	29	16	0	0	0		16	16
May	37	26	27	0	0	0	0	27	27
June	44	52	19	0	0	0	0	19	19
July	62	32	49	0	0	0	0	49	49
August	42	7	42	43	0	0	0	85	85
September	31	28	31	42	14	0	0	88	88
October	29	39	29	31	18	0	0	78	78
November	28	5	28	29	31	13	0	102	102
December	17	0	17	28	29	31	13	105	119

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance*
- *7* *After 90 days the debt is written off and treated as income to the firm.*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs*

Table 6
Abasha
Georgia Power Privatization
Determination and Aging of Accounts Payable

(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	35	29	5					5	5
February	28	35	(2)	0				(2)	(2)
March	28	27	(1)	0	0			(1)	(1)
April	38	31	6	0	0	0		6	6
May	40	27	18	0	0	0	0	18	18
June	49	50	17	0	0	0	0	17	17
July	44	33	28	0	0	0	0	28	28
August	41	10	41	18	0	0	0	59	59
September	24	33	24	26	0	0	0	50	50
October	30	42	30	9	0	0	0	39	39
November	28	5	28	30	4	0	0	62	62
December	11	4	11	28	30	0	0	69	69

Sources (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 10
Adigeni
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	193	196	299	407	518	634	642	649	657	664	672	680	689	697	706	715	724	733	24,936
Operational Expenses																			
Operating Expenses	(4)	(4)	(10)	(17)	(23)	(25)	(26)	(26)	(26)	(27)	(27)	(27)	(28)	(28)	(28)	(29)	(29)	(29)	(1,001)
Purchased Power	(152)	(153)	(215)	(280)	(348)	(420)	(427)	(432)	(437)	(442)	(447)	(452)	(458)	(464)	(469)	(475)	(482)	(488)	(16,585)
Wages & Social Costs	(12)	(12)	(18)	(25)	(31)	(34)	(34)	(35)	(35)	(35)	(36)	(36)	(37)	(37)	(38)	(38)	(39)	(39)	(1 327)
Total Operating Expenses	(169)	(169)	(243)	(323)	(403)	(479)	(487)	(492)	(498)	(504)	(510)	(516)	(522)	(529)	(535)	(542)	(549)	(556)	(18,913)
Sales and Administrative Expenses	0	0	(10)	(23)	(33)	(37)	(37)	(38)	(38)	(39)	(39)	(40)	(40)	(41)	(41)	(42)	(42)	(43)	(1,452)
Depreciation[3]	(0)	(0)	(16)	(32)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	0
Total Operational Costs	(169)	(169)	(269)	(378)	(484)	(564)	(572)	(578)	(584)	(591)	(597)	(604)	(610)	(617)	(625)	(632)	(639)	(647)	(22,002)
Utility Operating Income	25	27	30	29	35	70	69	71	72	74	75	77	78	80	81	83	85	86	2,935
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(19)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	15	17	16	14	8	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(101)	(165)	(252)	(276)	(262)	(225)	(123)	(19)	(20)	(20)	(20)	(20)	(21)	(21)	(21)	(21)	(22)	(22)	(748)
Budget and Non Budget Taxes	(18)	0	0	0	0	0	0	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(437)
Total Financial Costs and Taxes	(118)	(150)	(235)	(260)	(248)	(217)	(123)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)	(34)	(34)	(35)	(1,185)
Net Income	(94)	(123)	(205)	(231)	(214)	(147)	(54)	41	42	43	44	45	46	47	48	49	50	51	1,749
Adjustments for Cash Flow																			
Depreciation	0	0	16	32	48	48	48	48	48	48	48	48	48	48	48	48	48	48	1,636
Change In Working Capital[4]			(13)	(13)	(14)	(14)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(321)	(321)	(321)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1,597
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1,597
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(205)	(231)	(214)	(147)	(54)	51	53	54	55	56	57	59	60	61	63	64	2,186
Taxes on EBIT			0	0	0	0	0	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(437)
Cash Flow Adjustments[5]			(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1 597
Adjusted Free Cash Flow			(522)	(533)	(500)	(113)	(7)	88	89	90	91	92	93	94	95	96	97	98	3,346
Discounted Adjusted Free Cash Flow			(435)	(370)	(289)	(54)	(3)	30	25	21	18	15	13	11	9	7	6	5	27

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 4 026

[7] Number of Customers 5,347

[8] Market Value (GEL) (530,892)

Table 10
Adigeni
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	*193*	*195*	*299*	*407*	*518*	*634*	*642*	*649*	*657*	*664*	*672*	*680*	*689*	*697*	*706*	*715*	*724*	*733*	*24,936*
Operational Expenses																			
Operating Expenses	(4)	(4)	(10)	(17)	(23)	(25)	(26)	(26)	(26)	(27)	(27)	(27)	(28)	(28)	(28)	(29)	(29)	(29)	(1,001)
Purchased Power	(152)	(153)	(215)	(280)	(348)	(420)	(427)	(432)	(437)	(442)	(447)	(452)	(458)	(464)	(469)	(475)	(482)	(488)	(16,585)
Wages & Social Costs	(12)	(12)	(18)	(25)	(31)	(34)	(34)	(35)	(35)	(35)	(36)	(36)	(37)	(37)	(38)	(38)	(39)	(39)	(1,327)
Total Operating Expenses	(169)	(169)	(243)	(323)	(403)	(479)	(487)	(492)	(498)	(504)	(510)	(516)	(522)	(529)	(535)	(542)	(549)	(556)	(18,913)
Sales and Administrative Expenses	0	0	(10)	(23)	(33)	(37)	(37)	(38)	(38)	(39)	(39)	(40)	(40)	(41)	(41)	(42)	(42)	(43)	(1,452)
Depreciation[3]	(0)	(0)	(16)	(32)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	0
Total Operational Costs	(169)	(169)	(269)	(378)	(484)	(564)	(572)	(578)	(584)	(591)	(597)	(604)	(610)	(617)	(625)	(632)	(639)	(647)	(22,002)
Utility Operating Income	25	27	30	29	35	70	69	71	72	74	75	77	78	80	81	83	85	86	2,935
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(19)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	15	17	16	14	8	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(101)	(165)	(252)	(276)	(262)	(225)	(123)	(19)	(20)	(20)	(20)	(20)	(21)	(21)	(21)	(21)	(22)	(22)	(748)
Budget and Non Budget Taxes	(18)	0	0	0	0	0	0	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(437)
Total Financial Costs and Taxes	(118)	(150)	(235)	(260)	(248)	(217)	(123)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)	(34)	(34)	(35)	(1,185)
Net Income	(94)	(123)	(205)	(231)	(214)	(147)	(54)	41	42	43	44	45	46	47	48	49	50	51	1,749
Adjustments for Cash Flow																			
Depreciation	0	0	16	32	48	48	48	48	48	48	48	48	48	48	48	48	48	48	1,636
Change In Working Capital[4]			(13)	(13)	(14)	(14)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(321)	(321)	(321)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1,597
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1,597
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(205)	(231)	(214)	(147)	(54)	51	53	54	55	56	57	59	60	61	63	64	2,186
Taxes on EBIT			0	0	0	0	0	(10)	(11)	(11)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(437)
Cash Flow Adjustments[5]			(317)	(302)	(286)	34	47	47	47	47	47	47	47	47	47	47	47	47	1,597
Adjusted Free Cash Flow			(522)	(533)	(500)	(113)	(7)	88	89	90	91	92	93	94	95	96	97	98	3,346
Discounted Adjusted Free Cash Flow			(435)	(370)	(289)	(54)	(3)	30	25	21	18	15	13	11	9	7	6	5	27

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 4,026

[7] Number of Customers 5,347

[8] Market Value (GEL) (530,892)

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Table 1
Adigeni
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	37	54	52	51	193
Operational Expenses					
Operating Expenses	(0)	(1)	(2)	(1)	(4)
Purchased Power	(29)	(43)	(42)	(38)	(152)
Wages & Social Costs	0	(4)	(6)	(2)	(12)
Total Operating Expenses	(30)	(48)	(49)	(42)	(169)
Sales & Administrative	0	0	0	0	0
Depreciation	0	(0)	0	0	(0)
Total Operational Expenses	(30)	(48)	(49)	(42)	(169)
Utility Operating Income	7	5	3	9	25
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(0)	0	0	(0)
Net Other Income	(0)	(0)	0	0	(0)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	(11)	(45)	(44)	(101)
Budget and Non Budget Taxes	(1)	(6)	(8)	(4)	(18)
Total Financial Cost and Taxes	(1)	(17)	(53)	(48)	(118)
NET INCOME	6	(12)	(50)	(39)	(94)

[1] It is assumed that accounts receivable 90 days or older are written off and treated as income.
[2] It is assumed that accounts receivable 90 days or older are written off as bad debt expense

Table 2
Adigeni
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	0	0.0	0.0	0	45.0	0.0	0	50.0	0.0	310	44.8	13.9	3	33.3	0.1
February	0	0.0	0 0	0	0.0	0 0	0	50 0	0.0	144	44.4	6.4	5	40.0	0 2
March	0	0 0	0 0	0	0.0	0.0	0	50.0	0 0	350	45.1	15.8	8	50 0	0.4
April	0	0.0	0.0	0	0 0	0.0	12	41.0	0.5	496	44.4	22.0	2	45 5	0.1
May	0	0.0	0.0	0	45.0	0.0	0	60 0	0.0	352	45.5	16.0	9	44.4	0 4
June	0	0.0	0 0	0	33.3	0.0	1	47.0	0 0	321	43 6	14.0	12	41.7	0.5
July	0	0.0	0.0	0	55 0	0.0	10	49.0	0.5	423	44.9	19.0	12	41.7	0.5
August	0	0 0	0.0	0	0.0	0.0	0	25 0	0.0	291	45.0	13.1	19	47.4	0.9
September	0	0.0	0 0	0	43.3	0.0	10	39.6	0 4	388	44.8	17.4	6	50.0	0.3
October	0	0.0	0.0	0	0 0	0 0	10	48.1	0.5	286	59.4	17.0	17	52 9	0.9
November	0	0 0	0.0	0	0.0	0.0	0	0.0	0.0	253	63.2	16.0	3	66.7	0.2
December	0	0.0	0 0	0	50.0	0.0	10	59.4	0 6	248	60.5	15.0	12	50.8	0.6

Table 3
Adigeni
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	341	33.0	11
February	163	33.0	5
March	390	33.0	13
April	555	33.0	18
May	393	33.0	13
June	353	33.0	12
July	484	33.0	16
August	338	33.0	11
September	439	33.0	14
October	341	42.0	14
November	279	42.0	12
December	293	42.0	12

Tables 4
Adigeni
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	3
May	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	2
June	0	0	0	0	0	0	0	0	0	1	3	0	0	0	0	4
July	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	3
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	4
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	4

Table 5
Adigeni
Georgia Power Privatization
Determination and Aging of Accounts Receivable
(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	14	1	13					13	13
February	7	1	7	12				18	18
March	16	2	16	7	10			32	32
April	23	4	23	16	7	6		51	51
May	16	1	16	23	16	5	6	61	67
June	15	5	15	16	23	11	5	65	76
July	20	3	20	15	16	20	11	71	94
August	14	3	14	20	15	14	20	62	105
September	18	3	18	14	20	12	14	64	120
October	18	1	18	18	14	19	12	69	137
November	16	0	16	18	18	14	19	67	153
December	16	7	16	16	18	11	14	62	163

Sources: (By Column)

1 Actual figures provided by company.
2 Actual figures provided by company
3 Column 1 -Column 2
4-6 Assumed that money paid goes first to the oldest unpaid balance.
7 After 90 days the debt is written off and treated as income to the firm.
8 Sum of columns 3, 4, 5, and 6
9 Cumulative accounts receivable without write-offs

Table 6
Adigeni
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	11	12	(1)					(1)	(1)
February	5	14	(9)	0				(9)	(9)
March	13	9	(5)	0	0			(5)	(5)
April	18	12	1	0	0	0		1	1
May	13	14	(0)	0	0	0	0	(0)	(0)
June	12	29	(18)	0	0	0	0	(18)	(18)
July	16	8	(10)	0	0	0	0	(10)	(10)
August	11	4	(3)	0	0	0	0	(3)	(3)
September	14	17	(5)	0	0	0	0	(5)	(5)
October	14	3	6	0	0	0	0	6	6
November	12	2	12	4	0	0	0	16	16
December	12	13	12	2	0	0	0	15	15

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 10
Ambrolauri
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	722	718	1,123	1,545	1,984	2,438	2,467	2 497	2,527	2,557	2,589	2,621	2,654	2,687	2,721	2,756	2,791	2,827	96,124
Operational Expenses																			
Operating Expenses	(178)	(177)	(163)	(130)	(105)	(98)	(99)	(100)	(102)	(103)	(104)	(106)	(107)	(108)	(110)	(111)	(113)	(114)	(3,877)
Purchased Power	(611)	(605)	(847)	(1,098)	(1,357)	(1,625)	(1,644)	(1,664)	(1,684)	(1,705)	(1,727)	(1,749)	(1,771)	(1,793)	(1,816)	(1,840)	(1,864)	(1,888)	(64,202)
Wages & Social Costs	0	0	(34)	(79)	(116)	(130)	(132)	(133)	(135)	(136)	(138)	(140)	(142)	(143)	(145)	(147)	(149)	(151)	(5,135)
Total Operating Expenses	(790)	(783)	(1,043)	(1,307)	(1,578)	(1,853)	(1,875)	(1,898)	(1,921)	(1,945)	(1,969)	(1,994)	(2,019)	(2,045)	(2,071)	(2 098)	(2,126)	(2,153)	(73,214)
Sales and Administrative Expenses	0	0	(37)	(87)	(127)	(142)	(144)	(146)	(148)	(149)	(151)	(153)	(155)	(157)	(159)	(161)	(163)	(165)	(5,622)
Depreciation[3]	0	0	(29)	(43)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	0
Total Operational Costs	(790)	(783)	(1,109)	(1,437)	(1,761)	(2,052)	(2,075)	(2,100)	(2,125)	(2,150)	(2,177)	(2,204)	(2,231)	(2,258)	(2,286)	(2,315)	(2,345)	(2,375)	(80,751)
Utility Operating Income	(68)	(65)	14	108	223	386	392	397	402	407	412	418	423	429	435	440	446	452	15,373
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(2)	(2)	(4)	(5)	(6)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(309)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	225	251	244	201	121	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(72)	(335)	(523)	(585)	(555)	(498)	(289)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(2,884)
Budget and Non Budget Taxes	(248)	0	0	0	0	(2)	(21)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(72)	(73)	(2,498)
Total Financial Costs and Taxes	(319)	(110)	(272)	(341)	(353)	(379)	(310)	(139)	(141)	(143)	(145)	(146)	(148)	(150)	(152)	(154)	(156)	(158)	(5,382)
Net Income	(387)	(175)	(258)	(233)	(131)	7	82	258	261	264	268	271	275	279	282	286	290	294	9,992
Adjustments for Cash Flow																			
Depreciation	0	0	29	43	56	56	56	56	56	56	56	56	56	56	56	56	56	56	1,915
Change In Working Capital[4]			(50)	(52)	(54)	(56)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	
Capital Investments	0	0	(271)	(271)	(271)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(258)	(233)	(131)	8	103	322	326	330	335	339	344	348	353	358	362	367	12,489
Taxes on EBIT			0	0	0	(2)	(21)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(72)	(73)	(2,498)
Cash Flow Adjustments[5]			(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Adjusted Free Cash Flow			(550)	(513)	(399)	7	135	310	314	317	320	324	327	331	334	338	342	346	11 757
Discounted Adjusted Free Cash Flow			(458)	(356)	(231)	3	54	104	87	74	62	52	44	37	31	26	22	19	93

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 15 537

[7] Number of Customers 4 518

[8] Market Value (GEL) 122,547

Table 10
Ambrolauri
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual [1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement [2]																			
Net Sales	722	718	1,123	1,545	1,984	2,438	2,467	2,497	2,527	2,557	2 589	2,621	2,654	2,687	2,721	2,756	2,791	2,827	96,124
Operational Expenses																			
Operating Expenses	(178)	(177)	(163)	(130)	(105)	(98)	(99)	(100)	(102)	(103)	(104)	(106)	(107)	(108)	(110)	(111)	(113)	(114)	(3,877)
Purchased Power	(611)	(605)	(847)	(1,098)	(1,357)	(1,625)	(1,644)	(1,664)	(1,684)	(1,705)	(1,727)	(1,749)	(1,771)	(1,793)	(1 816)	(1,840)	(1,864)	(1,888)	(64,202)
Wages & Social Costs	0	0	(34)	(79)	(116)	(130)	(132)	(133)	(135)	(136)	(138)	(140)	(142)	(143)	(145)	(147)	(149)	(151)	(5,135)
Total Operating Expenses	(790)	(783)	(1 043)	(1 307)	(1,578)	(1,853)	(1,875)	(1,898)	(1,921)	(1,945)	(1,969)	(1,994)	(2,019)	(2,045)	(2,071)	(2,098)	(2,126)	(2,153)	(73,214)
Sales and Administrative Expenses	0	0	(37)	(87)	(127)	(142)	(144)	(146)	(148)	(149)	(151)	(153)	(155)	(157)	(159)	(161)	(163)	(165)	(5,622)
Depreciation [3]	0	0	(29)	(43)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	0
Total Operational Costs	(790)	(783)	(1,109)	(1,437)	(1,761)	(2,052)	(2,075)	(2,100)	(2,125)	(2,150)	(2,177)	(2,204)	(2,231)	(2 258)	(2,286)	(2,315)	(2,345)	(2,375)	(80,751)
Utility Operating Income	(68)	(65)	14	108	223	386	392	397	402	407	412	418	423	429	435	440	446	452	15,373
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(2)	(2)	(4)	(5)	(6)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(309)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	225	251	244	201	121	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(72)	(335)	(523)	(585)	(555)	(498)	(289)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(2,884)
Budget and Non Budget Taxes	(248)	0	0	0	0	(2)	(21)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(72)	(73)	(2,498)
Total Financial Costs and Taxes	(319)	(110)	(272)	(341)	(353)	(379)	(310)	(139)	(141)	(143)	(145)	(146)	(148)	(150)	(152)	(154)	(156)	(158)	(5,382)
Net Income	(387)	(175)	(258)	(233)	(131)	7	82	258	261	264	268	271	275	279	282	286	290	294	9,992
Adjustments for Cash Flow																			
Depreciation	0	0	29	43	56	56	56	56	56	56	56	56	56	56	56	56	56	56	1,915
Change in Working Capital [4]			(50)	(52)	(54)	(56)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	
Capital Investments	0	0	(271)	(271)	(271)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(258)	(233)	(131)	8	103	322	326	330	335	339	344	348	353	358	362	367	12,489
Taxes on EBIT			0	0	0	(2)	(21)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(72)	(73)	(2,498)
Cash Flow Adjustments [5]			(292)	(280)	(269)	0	53	53	53	53	52	52	52	52	52	52	52	52	1,765
Adjusted Free Cash Flow			(550)	(513)	(399)	7	135	310	314	317	320	324	327	331	334	338	342	346	11,757
Discounted Adjusted Free Cash Flow			(458)	(356)	(231)	3	54	104	87	74	62	52	44	37	31	26	22	19	93

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 15,537
[7] Number of Customers 4,518
[8] Market Value (GEL) 122,547

Table 1
Ambrolauri
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	156	141	219	206	722
Operational Expenses					
Operating Expenses	(38)	(42)	(46)	(52)	(178)
Purchased Power	(123)	(116)	(183)	(190)	(611)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(161)	(159)	(228)	(242)	(790)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(161)	(159)	(228)	(242)	(790)
Utility Operating Income	(5)	(17)	(10)	(36)	(68)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(0)	(1)	(1)	(2)
Net Other Income	(0)	(0)	(1)	(1)	(2)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(72)	(72)
Budget and Non Budget Taxes	(40)	(65)	(67)	(76)	(248)
Total Financial Cost and Taxes	(40)	(65)	(68)	(149)	(321)
NET INCOME	(45)	(82)	(78)	(186)	(392)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Ambrolauri
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	7	45.0	0.3	0	0.0	0.0	6	45.0	0.3	1,297	45.0	58.4	4	45.0	0.2
February	8	45.0	0.3	5	45.0	0.2	3	45.0	0.2	1,145	45.0	51.5	3	45.0	0.1
March	16	45.0	0.7	2	45.0	0.1	9	45.0	0.4	962	45.0	43.3	6	45.0	0.3
April	32	45.0	1.4	0	0.0	0.0	0	0.0	0.0	883	45.0	39.7	6	45.0	0.3
May	37	45.0	1.7	0	0.0	0.0	6	45.0	0.3	784	45.0	35.3	16	45.0	0.7
June	36	45.0	1.6	0	0.0	0.0	1	45.0	0.0	1,331	45.0	59.9	9	45.0	0.4
July	17	45.0	0.8	0	45.0	0.0	14	45.0	0.7	1,481	45.0	66.6	13	45.0	0.6
August	20	45.0	0.9	1	45.0	0.0	7	45.0	0.3	1,782	45.0	80.2	6	45.0	0.3
September	34	45.0	1.5	0	45.0	0.0	4	45.0	0.2	1,474	45.0	66.3	9	45.0	0.4
October	27	45.0	1.2	0	0.0	0.0	3	45.0	0.2	930	45.0	41.9	6	45.0	0.3
November	89	45.0	4.0	0	0.0	0.0	2	45.0	0.1	1,467	45.0	66.0	8	45.0	0.3
December	15	60.0	0.9	0	60.0	0.0	0	0.0	0.0	1,500	60.0	90.0	14	60.0	0.9

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Table 3
Ambrolauri
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	1,339	33.0	44
February	1,296	33.0	43
March	1,100	33.0	36
April	1,084	33.0	36
May	910	33.0	30
June	1,523	33.0	50
July	1,721	33.0	57
August	2,016	33.0	67
September	1,794	33.0	59
October	1,074	42.0	45
November	1,739	42.0	73
December	1,700	42.0	71

Tables 4
Ambrolauri
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	6	1	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	6	1	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	16	1	0	0	0	0	1	0	0	0	0	0
April	0	0	0	0	6	1	0	0	0	0	1	0	0	0	0	0
May	0	0	0	0	7	1	0	0	0	0	1	0	0	0	0	0
June	0	0	0	0	18	1	0	0	0	0	1	0	0	0	0	0
July	0	0	0	0	7	1	0	0	0	0	1	0	0	0	0	0
August	0	0	0	0	7	1	0	0	0	0	1	0	0	0	0	1
September	0	0	0	0	18	2	0	0	0	0	1	0	0	0	0	0
October	0	0	0	0	9	2	0	0	0	0	1	0	0	0	0	0
November	0	0	0	0	8	2	0	0	0	0	1	0	0	0	0	0
December	0	0	0	0	20	2	0	0	0	0	1	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	13
February	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	13
March	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	33
April	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	17
May	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	15
June	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	33
July	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	16
August	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	17
September	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	38
October	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	20
November	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	19
December	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	44

Table 5
Ambrolauri
Georgia Power Privatization
Determination and Aging of Accounts Receivable
(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	59	34	25					25	25
February	52	38	40	0				40	40
March	45	35	45	5	0			49	49
April	41	47	41	2	0	0		43	43
May	38	44	37	0	0	0	0	37	37
June	62	81	18	0	0	0	0	18	18
July	69	28	58	0	0	0	0	58	58
August	82	15	82	43	0	0	0	125	125
September	68	27	68	82	16	0	0	167	167
October	44	20	44	68	78	0	0	190	190
November	70	6	70	44	68	72	0	254	254
December	92	9	92	70	44	59	72	265	337

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs.*

Table 6
Ambrolauri
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	44	34	10					10	10
February	43	38	15	0				15	15
March	36	35	16	0	0			16	16
April	36	47	5	0	0	0		5	5
May	30	44	(10)	0	0	0	0	(10)	(10)
June	50	81	(40)	0	0	0	0	(40)	(40)
July	57	28	(12)	0	0	0	0	(12)	(12)
August	67	15	40	0	0	0	0	40	40
September	59	27	59	13	0	0	0	72	72
October	45	20	45	52	0	0	0	97	97
November	73	5	73	45	47	0	0	165	165
December	71	9	71	73	45	37	0	227	227

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs.*

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Table 10
Aspindza
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	136	133	204	277	354	433	438	443	449	454	460	466	472	478	485	491	498	505	17,168
Operational Expenses																			
Operating Expenses	(12)	(12)	(14)	(15)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(689)
Purchased Power	(97)	(96)	(137)	(182)	(230)	(282)	(291)	(295)	(299)	(302)	(306)	(310)	(314)	(318)	(322)	(327)	(331)	(336)	(11,418)
Wages & Social Costs	(10)	(10)	(13)	(18)	(21)	(23)	(23)	(24)	(24)	(24)	(24)	(25)	(25)	(25)	(26)	(26)	(26)	(27)	(913)
Total Operating Expenses	(119)	(118)	(165)	(215)	(268)	(322)	(332)	(336)	(340)	(345)	(349)	(353)	(358)	(363)	(368)	(373)	(378)	(383)	(13,021)
Sales and Administrative Expenses	0	0	(7)	(15)	(22)	(25)	(26)	(26)	(26)	(26)	(27)	(27)	(27)	(28)	(28)	(29)	(29)	(29)	(1,000)
Depreciation[3]	(0)	(0)	(10)	(20)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	0
Total Operational Costs	(120)	(118)	(181)	(251)	(321)	(378)	(388)	(393)	(397)	(401)	(405)	(411)	(416)	(421)	(426)	(432)	(437)	(443)	(15 054)
Utility Operating Income	16	15	23	26	33	55	50	51	52	53	54	55	56	57	58	60	61	62	2,114
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(9)	(8)	(13)	(18)	(23)	(28)	(28)	(28)	(29)	(29)	(29)	(30)	(30)	(30)	(31)	(31)	(32)	(32)	(1,093)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	21	24	24	20	12	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(45)	(69)	(77)	(72)	(66)	(40)	(13)	(13)	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(515)
Budget and Non Budget Taxes	1	0	0	0	0	(0)	(2)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(320)
Total Financial Costs and Taxes	1	(24)	(45)	(53)	(52)	(54)	(42)	(21)	(21)	(21)	(22)	(22)	(23)	(23)	(23)	(24)	(24)	(25)	(835)
Net Income	17	(9)	(23)	(27)	(19)	1	8	30	31	31	32	33	34	34	35	36	37	38	1,279
Adjustments for Cash Flow																			
Depreciation	0	0	10	20	30	30	30	30	30	30	30	30	30	30	30	30	30	30	1,033
Change in Working Capital[4]			(9)	(9)	(9)	(10)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(203)	(203)	(203)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(23)	(27)	(19)	1	10	38	38	39	40	41	42	43	44	45	46	47	1,599
Taxes on EBIT			0	0	0	(0)	(2)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(320)
Cash Flow Adjustments[5]			(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Adjusted Free Cash Flow			(224)	(218)	(201)	21	37	60	60	61	62	62	63	64	65	66	66	67	2,283
Discounted Adjusted Free Cash Flow			(187)	(151)	(116)	10	15	20	17	14	12	10	9	7	6	5	4	4	18

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only.
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 2 747
[7] Number of Customers 3 375
[8] Market Value (GEL) (116,231)

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Table 10
Aspindza
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	136	133	204	277	354	433	438	443	449	454	460	466	472	478	485	491	498	505	17,168
Operational Expenses																			
Operating Expenses	(12)	(12)	(14)	(15)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(689)
Purchased Power	(97)	(96)	(137)	(182)	(230)	(282)	(291)	(295)	(299)	(302)	(306)	(310)	(314)	(318)	(322)	(327)	(331)	(336)	(11,418)
Wages & Social Costs	(10)	(10)	(13)	(18)	(21)	(23)	(23)	(24)	(24)	(24)	(24)	(25)	(25)	(25)	(26)	(26)	(26)	(27)	(913)
Total Operating Expenses	(119)	(118)	(165)	(215)	(268)	(322)	(332)	(336)	(340)	(345)	(349)	(353)	(358)	(363)	(368)	(373)	(378)	(383)	(13,021)
Sales and Administrative Expenses	0	0	(7)	(15)	(22)	(25)	(26)	(26)	(26)	(26)	(27)	(27)	(27)	(28)	(28)	(29)	(29)	(29)	(1,000)
Depreciation[3]	(0)	(0)	(10)	(20)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	0
Total Operational Costs	(120)	(118)	(181)	(251)	(321)	(378)	(388)	(393)	(397)	(401)	(406)	(411)	(416)	(421)	(426)	(432)	(437)	(443)	(15,054)
Utility Operating Income	16	15	23	26	33	55	50	51	52	53	54	55	56	57	58	60	61	62	2,114
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(9)	(8)	(13)	(18)	(23)	(28)	(28)	(28)	(29)	(29)	(29)	(30)	(30)	(30)	(31)	(31)	(32)	(32)	(1 093)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	21	24	24	20	12	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(45)	(69)	(77)	(72)	(66)	(40)	(13)	(13)	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(515)
Budget and Non Budget Taxes	1	0	0	0	0	(0)	(2)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(320)
Total Financial Costs and Taxes	1	(24)	(45)	(53)	(52)	(54)	(42)	(21)	(21)	(21)	(22)	(22)	(23)	(23)	(23)	(24)	(24)	(25)	(835)
Net Income	17	(9)	(23)	(27)	(19)	1	8	30	31	31	32	33	34	34	35	36	37	38	1,279
Adjustments for Cash Flow																			
Depreciation	0	0	10	20	30	30	30	30	30	30	30	30	30	30	30	30	30	30	1,033
Change In Working Capital[4]			(9)	(9)	(9)	(10)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(203)	(203)	(203)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(23)	(27)	(19)	1	10	38	38	39	40	41	42	43	44	45	46	47	1,599
Taxes on EBIT			0	0	0	(0)	(2)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(320)
Cash Flow Adjustments[5]			(201)	(191)	(182)	21	30	30	30	30	30	30	30	30	30	30	30	30	1,004
Adjusted Free Cash Flow			(224)	(218)	(201)	21	37	60	60	61	62	62	63	64	65	66	66	67	2,283
Discounted Adjusted Free Cash Flow			(187)	(151)	(116)	10	15	20	17	14	12	10	9	7	6	5	4	4	18

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 2,747
[7] Number of Customers 3 375
[8] Market Value (GEL) (116,231)

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Table 1
Aspindza
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	23	26	41	45	136
Operational Expenses					
Operating Expenses	(2)	(3)	(3)	(5)	(12)
Purchased Power	(16)	(19)	(30)	(32)	(97)
Wages & Social Costs	0	(5)	(4)	(0)	(10)
Total Operating Expenses	(18)	(27)	(37)	(37)	(119)
Sales & Administrative	0	0	0	0	0
Depreciation	(0)	0	0	0	(0)
Total Operational Expenses	(19)	(27)	(37)	(37)	(120)
Utility Operating Income	4	(1)	4	9	16
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(2)	(3)	(2)	(9)
Net Other Income	(2)	(2)	(3)	(2)	(9)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	0	0
Budget and Non Budget Taxes	0	0	(0)	0	1
Total Financial Cost and Taxes	0	(2)	(3)	(2)	(6)
NET INCOME	2	(5)	(1)	4	1

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**
[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Aspindza
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	0	0.0	0 0	1	100.0	0.1	0	0.0	0.0	224	45.1	10.1	2	50.0	0 1
February	0	0.0	0 0	1	100 0	0.1	0	0 0	0.0	104	45.2	4.7	0	0.0	0 0
March	0	0 0	0.0	0	0.0	0.0	12	41.7	0.5	154	44.8	6.9	1	100.0	0.1
April	0	0.0	0 0	0	0.0	0.0	0	0.0	0.0	150	44.6	6.7	4	52.6	0.2
May	0	0.0	0 0	1	500 0	0 5	0	0.0	0 0	148	44.7	6.6	2	65.2	0.2
June	0	0 0	0 0	3	46.2	0.1	12	41.7	0.5	242	44.7	10 8	9	53.9	0.5
July	0	0.0	0 0	3	33.3	0.1	0	0.0	0.0	337	45.1	15.2	9	44.0	0.4
August	0	0.0	0.0	0	0 0	0.0	0	0 0	0 0	352	44.9	15.8	3	50.0	0.2
September	0	0 0	0.0	1	50.0	0.0	12	41.7	0.5	198	45 0	8 9	7	48 6	0.4
October	0	0.0	0 0	1	55.6	0.1	0	0.0	0 0	217	60.4	13.1	6	72.1	0.4
November	0	0.0	0.0	11	55 6	0.6	0	0.0	0 0	334	59.9	20.0	3	93.6	0.3
December	0	0 0	0.0	5	66.7	0.3	23	61.9	1.4	137	60 0	8.2	20	54 2	1.1

Table 3
Aspindza
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	227	33.0	7
February	105	33.0	3
March	167	33.0	6
April	154	33.0	5
May	151	33.0	5
June	265	33.0	9
July	349	33.0	12
August	356	33.0	12
September	218	33.0	7
October	224	42.0	9
November	348	42.0	15
December	184	42.0	8

Tables 4
Aspindza
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
March	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0
June	0	0	0	0	0	0	0	0	0	2	0	1	0	0	1	0
July	0	0	0	0	0	0	0	0	0	1	0	2	0	0	1	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	1	0	3	0	0	1	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0

Table 5
Aspindza
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	10	10	(0)					(0)	(0)
February	5	2	3	0				3	3
March	8	7	4	0	0			4	4
April	7	7	4	0	0	0		4	4
May	7	9	2	0	0	0	0	2	2
June	12	18	(4)	0	0	0	0	(4)	(4)
July	16	6	6	0	0	0	0	6	6
August	16	4	16	2	0	0	0	18	18
September	10	14	10	4	0	0	0	14	14
October	14	6	14	8	0	0	0	21	21
November	21	1	21	14	7	0	0	41	41
December	11	6	11	21	14	0	0	46	46

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs*

Table 6
Aspindza
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	7	9	(1)					(1)	(1)
February	3	9	(6)	0				(6)	(6)
March	6	5	(5)	0	0			(5)	(5)
April	5	6	(6)	0	0	0		(6)	(6)
May	5	8	(9)	0	0	0	0	(9)	(9)
June	9	16	(16)	0	0	0	0	(16)	(16)
July	12	3	(8)	0	0	0	0	(8)	(8)
August	12	3	1	0	0	0	0	1	1
September	7	14	(5)	0	0	0	0	(5)	(5)
October	9	2	2	0	0	0	0	2	2
November	15	1	15	1	0	0	0	16	16
December	8	2	8	13	0	0	0	21	21

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 2
Akhaltsikhe
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1995)	72	45.0	3.2	5	62.4	0.3	143	45.0	6.4	2,134	45.0	96.0	161	45.0	7.3
February	92	45.0	4.1	12	45.0	0.5	160	45.0	7.2	1,465	45.0	65.9	210	45.0	9.5
March	159	45.0	7.1	7	45.0	0.3	137	45.0	6.2	1,485	45.0	66.8	222	45.0	10.0
April	110	45.0	4.9	5	44.9	0.2	335	45.0	15.1	2,043	45.0	91.9	216	45.0	9.7
May	92	45.0	4.1	8	44.8	0.4	108	45.0	4.9	1,752	45.0	78.9	252	45.0	11.4
June	61	45.0	2.7	3	44.8	0.2	96	45.0	4.3	1,870	45.0	84.1	200	45.0	9.0
July	60	45.0	2.7	3	45.0	0.1	196	45.0	8.8	2,462	45.0	110.8	234	45.0	10.6
August	94	45.0	4.2	118	45.0	5.3	96	45.0	4.3	1,596	45.0	71.8	237	45.0	10.7
September	101	45.0	4.5	26	44.9	1.2	306	45.0	13.8	775	45.0	34.9	298	45.0	13.4
October	107	60.0	6.4	19	60.0	1.2	130	60.0	7.8	1,117	60.0	67.0	233	60.0	14.0
November	102	60.2	6.2	54	60.0	3.2	153	60.0	9.2	852	6.0	5.1	243	60.0	14.6
December	75	60.0	4.5	21	60.0	1.3	344	60.0	20.6	1,661	60.0	100.9	264	60.0	15.9

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Table 10
Akhaltsikhe
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	1,188	1,163	1 835	2 540	3,277	4 045	4,117	4,204	4,294	4,388	4,487	4,589	4,702	4,820	4,944	5,074	5,210	5,350	181,888
Operational Expenses																			
Operating Expenses	(150)	(147)	(155)	(157)	(160)	(163)	(166)	(170)	(173)	(177)	(181)	(185)	(190)	(195)	(200)	(205)	(211)	(216)	(7,360)
Purchased Power	(1,641)	(1,637)	(2,032)	(2,369)	(2,665)	(2,930)	(2,749)	(2,808)	(2,869)	(2,933)	(3,000)	(3,070)	(3,146)	(3,226)	(3,310)	(3,398)	(3,490)	(3,585)	(121,884)
Wages & Social Costs	(14)	(14)	(66)	(137)	(193)	(216)	(220)	(225)	(230)	(235)	(240)	(246)	(252)	(258)	(265)	(272)	(279)	(287)	(9,749)
Total Operating Expenses	(1,804)	(1,798)	(2,254)	(2,664)	(3,018)	(3,310)	(3,135)	(3,202)	(3,272)	(3,345)	(3,421)	(3,501)	(3,588)	(3,679)	(3,775)	(3,875)	(3,980)	(4,088)	(138,993)
Sales and Administrative Expenses	0	0	(61)	(144)	(210)	(237)	(241)	(246)	(251)	(257)	(263)	(269)	(276)	(283)	(290)	(298)	(306)	(314)	(10,673)
Depreciation[3]	(0)	(0)	(62)	(103)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	0
Total Operational Costs	(1,805)	(1,798)	(2,376)	(2 910)	(3 373)	(3,691)	(3,521)	(3,593)	(3,668)	(3 746)	(3 828)	(3 914)	(4,008)	(4,106)	(4,209)	(4,317)	(4,430)	(4,546)	(154,578)
Utility Operating Income	(617)	(635)	(542)	(371)	(96)	354	596	611	626	642	658	675	694	714	735	757	780	803	27,310
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(6)	(6)	(9)	(13)	(16)	(20)	(21)	(21)	(21)	(22)	(22)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(907)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	114	1,075	1,067	933	700	385	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(426)	(675)	(1,065)	(1,195)	(1,142)	(1,012)	(577)	(126)	(129)	(132)	(135)	(138)	(141)	(145)	(148)	(152)	(156)	(160)	(5,457)
Budget and Non Budget Taxes	(1)	0	0	0	0	0	(4)	(97)	(99)	(102)	(105)	(108)	(111)	(114)	(117)	(121)	(125)	(129)	(4,371)
Total Financial Costs and Taxes	(312)	400	2	(262)	(442)	(628)	(581)	(223)	(228)	(234)	(239)	(245)	(252)	(259)	(266)	(273)	(281)	(289)	(9,827)
Net Income	(929)	(236)	(540)	(632)	(538)	(273)	16	388	398	408	419	430	443	456	469	484	499	514	17,482
Adjustments for Cash Flow																			
Depreciation	0	0	62	103	144	144	144	144	144	144	144	144	144	144	144	144	144	144	4,912
Change In Working Capital[4]			(83)	(87)	(91)	(95)	(9)	(11)	(11)	(12)	(12)	(13)	(14)	(15)	(15)	(16)	(17)	(17)	
Capital Investments	0	0	(826)	(826)	(826)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(847)	(810)	(773)	50	136	134	133	133	132	132	131	130	129	128	128	127	4 325
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(847)	(810)	(773)	50	136	134	133	133	132	132	131	130	129	128	128	127	4,325
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(540)	(632)	(538)	(273)	19	485	497	510	524	538	553	570	587	605	623	643	21 853
Taxes on EBIT			0	0	0	0	(4)	(97)	(99)	(102)	(105)	(108)	(111)	(114)	(117)	(121)	(125)	(129)	(4,371)
Cash Flow Adjustments[5]			(847)	(810)	(773)	50	136	134	133	133	132	132	131	130	129	128	128	127	4,325
Adjusted Free Cash Flow			(1 387)	(1 443)	(1 310)	(223)	151	522	531	541	551	562	573	586	599	612	626	641	21 808
Discounted Adjusted Free Cash Flow			(1 156)	(1,002)	(758)	(108)	61	175	148	126	107	91	77	66	56	48	41	35	173

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 25,613

[7] Number of Customers 13 774

[8] Market Value (GEL) (665,753)

Table 1
Akhaltsikhe
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	291	322	297	278	1,188
Operational Expenses					
Operating Expenses	(33)	(38)	(40)	(40)	(150)
Purchased Power	(229)	(242)	(176)	(994)	(1,641)
Wages & Social Costs	(3)	(3)	(4)	(4)	(14)
Total Operating Expenses	(265)	(283)	(219)	(1,037)	(1,804)
Sales & Administrative	0	0	0	0	0
Depreciation	(0)	(0)	0	(0)	(0)
Total Operational Expenses	(265)	(283)	(219)	(1,037)	(1,805)
Utility Operating Income	26	39	78	(760)	(617)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(3)	(1)	(1)	(6)
Net Other Income	(1)	(3)	(1)	(1)	(6)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	19	94	114
Unrealized Accounts Receivable [2]	0	(17)	(156)	(252)	(426)
Budget and Non Budget Taxes	(0)	(0)	(0)	(0)	(1)
Total Financial Cost and Taxes	(0)	(20)	(138)	(159)	(317)
NET INCOME	25	17	(62)	(920)	(940)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Akhaltsikhe
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	72	45.0	3.2	5	62.4	0.3	143	45.0	6.4	2,134	45.0	96.0	161	45.0	7.3
February	92	45.0	4.1	12	45.0	0.5	160	45.0	7.2	1,465	45.0	65.9	210	45.0	9.5
March	159	45.0	7.1	7	45.0	0.3	137	45.0	6.2	1,485	45.0	66.8	222	45.0	10.0
April	110	45.0	4.9	5	44.9	0.2	335	45.0	15.1	2,043	45.0	91.9	216	45.0	9.7
May	92	45.0	4.1	8	44.8	0.4	108	45.0	4.9	1,752	45.0	78.9	252	45.0	11.4
June	61	45.0	2.7	3	44.8	0.2	96	45.0	4.3	1,870	45.0	84.1	200	45.0	9.0
July	60	45.0	2.7	3	45.0	0.1	196	45.0	8.8	2,462	45.0	110.8	234	45.0	10.6
August	94	45.0	4.2	118	45.0	5.3	96	45.0	4.3	1,596	45.0	71.8	237	45.0	10.7
September	101	45.0	4.5	26	44.9	1.2	306	45.0	13.8	775	45.0	34.9	298	45.0	13.4
October	107	60.0	6.4	19	60.0	1.2	130	60.0	7.8	1,117	60.0	67.0	233	60.0	14.0
November	102	60.2	6.2	54	60.0	3.2	153	60.0	9.2	852	6.0	5.1	243	60.0	14.6
December	75	60.0	4.5	21	60.0	1.3	344	60.0	20.6	1,681	60.0	100.9	264	60.0	15.9

Table 3
Akhaltsikhe
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	2,010	33.0	66
February	2,709	33.0	89
March	2,213	33.0	73
April	2,230	33.0	74
May	2,956	33.0	98
June	2,141	33.0	71
July	1,506	33.0	50
August	1,607	42.0	67
September	1,404	42.0	59
October	2,385	42.0	100
November	25,615	34.9	894
December	0	#DIV/0!	0

Tables 4
Akhaltsikhe
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	2

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	1	4	0	0	2	0
June	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	1	5	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	1	4	0	0	6	0

Table 5
Akhaltsikhe
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	113	10	103					103	103
February	87	18	87	85				172	172
March	90	107	90	65	0			155	155
April	122	32	122	90	33	0		245	245
May	100	16	100	122	90	17	0	329	329
June	100	102	100	100	111	0	17	311	328
July	133	25	133	100	100	86	0	419	436
August	96	29	96	133	100	71	86	401	503
September	68	46	68	96	133	54	71	351	525
October	96	14	96	68	96	119	54	380	607
November	38	17	38	96	68	79	119	281	628
December	143	81	143	38	83	0	79	264	690

Sources. (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 6
Akhaltsikhe
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	66	14	53					53	53
February	89	24	89	29				118	118
March	73	112	73	6	0			79	79
April	74	36	74	43	0	0		117	117
May	98	25	98	74	18	0	0	189	189
June	71	104	71	85	0	0	0	156	156
July	50	30	50	71	55	0	0	175	175
August	67	36	67	50	71	19	0	207	207
September	59	51	59	67	50	19	19	195	215
October	100	21	100	59	67	29	19	256	294
November	894	21	894	100	59	46	29	1,099	1,167
December	0	89	0	894	70	0	46	964	1,077

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs.*

Akhalgori

Form #1

(000 GEL)

Assets	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Contributions Not Paid Yet to the Enterprise Charter Capital (75)						
Including: Contributions With the Expired Date Due	10	0	0	0	0	0
	11	0	0	0	0	0
	12	0	0	0	0	0
Total for Section I	20	0	0	0	0	0
II. Capital Employed						
Fixed assets:						
Land with Buildings (01)	30	0	0	0	0	0
Land Without Buildings (01)	40	0	0	0	0	0
Buildings and Premises on Other's Land (01)	50	0	0	0	0	0
Machines, Equipment Facilities and Automobiles (01)	60	0	0	0	0	0
Store and Office Supplies (01)	70	0	0	0	0	0
Perennials (01)	80	0	0	0	0	0
Other Fixed Assets (01,03)	90	0	0	0	0	0
Equipment to be Installed (07)	100	0	0	0	0	0
Capital Investments in Work (08)	110	0	0	0	0	0
Long term financial investments (06)	111	0	0	0	0	0
Intangible Asset:						
Concessions, Intellectual Property and Licenses (04)	120	0	0	0	0	0
Firm Value (Goodwill) (04)	130	0	0	0	0	0
Other Intangible Assets (04)	140	0	0	0	0	0
	141	0	0	0	0	0
Investments:		0	0	0	0	0
Participation in Other Companies (06)	150	0	0	0	0	0
Bond and Securities (06)	160	0	0	0	0	0
Loans Issued for More than 1 Year (06)	170	0	0	0	0	0
Including: Those Under Land Mortgage	171	0	0	0	0	0
	172	0	0	0	0	0
Section II in Total	180	0	0	0	0	0
III. Capital Employed						
Stock:						
Supplies (10, 15, 16)	190	0	0	0	0	0
Low Price and Usable Items (12)	200	0	0	0	0	0
Cattle (11)	210	0	0	0	0	0
Production in Progress (20,21,23,29,30,36,44)	220	0	0	0	0	0
Finished Product (40)	230	0	0	0	0	0
Goods (41)	240	0	0	0	0	0
Value Added Tax on Purchased Valuables (19)	250	0	0	0	0	0
	251	0	0	0	0	0
Other Working Assets:						
Unearned Revenues Paid to Suppliers and Lesors (61)	260	0	0	0	0	0
Claims From Supply and Service (45,62,76)	270	0	0	0	0	0
Received (62)	280	0	0	0	0	0
Checks (55)	290	0	0	0	0	0
Cash in Hand (50)	300	0	0	0	0	0
Money in Bank Accounts (51)	310	0	0	0	0	0
Currency Accounts (52)	320	0	0	0	0	0
Other Money (55, 56, 57)	330	0	0	0	0	0
Short Term Investments (58)	340	0	0	0	0	0
Claims Against Affiliates (78)	350	0	0	0	0	0
Claims from Credit Issued to Managers and Supervisory Council (73)	360	0	0	0	0	0
Claims from Credit Issued to Enterprise Partners (73)	370	0	0	0	0	0
Other Working Assets (09,63,71,73,76)	380	0	0	0	0	0
	381	0	0	0	0	0
Section III in Total	390	0	0	0	0	0
IV. Expense of Future Periods (31)	400	0	0	0	0	0
Balance (total of 020, 180,390,400)	410	0	0	0	0	0

Equity and Liabilities	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Owner's Equity						
Statutory capital (85)	500	0	0	0	0	0
Reserves (86)	510	0	0	0	0	0
Target Financing (96)	520	0	0	0	0	0
Retained Earnings of Past Years (87)	530	0	0	0	0	0
Uncovered Loss of Past Years (87)	540	0	0	0	0	0
Loss of Fiscal Year (87)	550	0	0	0	0	0
Earnings:						
of the Fiscal Year (80)*	560	0	0	0	0	0
Used (81)**	570	0	0	0	0	0
Retained Earnings of Fiscal Year (87)	580	0	0	0	0	0
	581	0	0	0	0	0
Section I in Total	590	0	0	0	0	0
II. Allowance						
Allowance for Doubtful Claims (82)	600	0	0	0	0	0
Allowance for Expected Expenditures and Payments (89)	610	0	0	0	0	0
Section II in Total	620	0	0	0	0	0
III. Attracted Capital and Other Liabilities						
Short Term Liabilities with Banks (92)	630	0	0	0	0	0
Long Term Liabilities with Banks (90)	640	0	0	0	0	0
Including : Land Under Mortgage	641	0	0	0	0	0
Long term Loans (95)	650	0	0	0	0	0
Short Term Loans (94)	660	0	0	0	0	0
Liabilities To Supply and Services According to Notes (60,76)	670	0	0	0	0	0
According to Notes (60)	680	0	0	0	0	0
Unearned Payment (64)	690	0	0	0	0	0
Liabilities to Affiliates (78)	700	0	0	0	0	0
Liabilities To Budget (75)	710	0	0	0	0	0
Liabilities To Employees (70)	720	0	0	0	0	0
Liabilities to the Budget (68)	730	0	0	0	0	0
Liabilities to Social Welfare (69)	740	0	0	0	0	0
Other Liabilities (65,67,97)	750	0	0	0	0	0
	751	0	0	0	0	0
Section III in Total	760	0	0	0	0	0
IV. Gains for Future Periods (83)	770	0	0	0	0	0
Balance (590, 620, 760, 770)	780	0	0	0	0	0

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Table 10
Akhalgori
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	426	434	673	923	1,182	1,451	1,471	1,492	1,513	1,535	1,558	1,582	1,606	1,630	1,656	1,682	1,710	1,737	59,063
Operational Expenses																			
Operating Expenses	(49)	(50)	(54)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(2,390)
Purchased Power	(396)	(404)	(552)	(699)	(845)	(990)	(982)	(996)	(1,011)	(1,026)	(1,042)	(1,058)	(1,074)	(1,091)	(1,109)	(1,127)	(1,145)	(1,164)	(39,584)
Wages & Social Costs	(8)	(8)	(26)	(50)	(70)	(77)	(79)	(80)	(81)	(82)	(83)	(85)	(86)	(87)	(89)	(90)	(92)	(93)	(3,166)
Total Operating Expenses	(453)	(462)	(632)	(805)	(972)	(1,126)	(1,120)	(1,136)	(1,153)	(1,170)	(1,188)	(1,206)	(1,225)	(1,244)	(1,264)	(1,285)	(1,306)	(1,328)	(45 141)
Sales and Administrative Expenses	0	0	(22)	(52)	(76)	(85)	(86)	(87)	(89)	(90)	(91)	(93)	(94)	(96)	(97)	(99)	(100)	(102)	(3,466)
Depreciation[3]	0	0	(9)	(17)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	0
Total Operational Costs	(453)	(462)	(662)	(874)	(1,073)	(1,237)	(1,232)	(1,249)	(1,267)	(1,286)	(1,305)	(1,325)	(1,345)	(1,366)	(1,387)	(1,410)	(1 433)	(1,456)	(49,498)
Utility Operating Income	(27)	(28)	11	49	109	214	239	242	246	249	253	257	260	264	268	273	277	281	9,564
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(1)	(1)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(166)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	70	77	73	59	34	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(13)	(121)	(188)	(211)	(198)	(188)	(117)	(45)	(45)	(46)	(47)	(47)	(48)	(49)	(50)	(50)	(51)	(52)	(1,772)
Budget and Non Budget Taxes	(66)	0	0	0	0	(12)	(24)	(39)	(40)	(41)	(41)	(42)	(42)	(43)	(44)	(44)	(45)	(46)	(1,558)
Total Financial Costs and Taxes	(79)	(51)	(111)	(138)	(139)	(166)	(142)	(84)	(85)	(87)	(88)	(89)	(91)	(92)	(93)	(95)	(96)	(98)	(3,330)
Net Income	(106)	(78)	(100)	(89)	(30)	49	97	158	160	163	165	167	170	172	175	178	181	183	6,234
Adjustments for Cash Flow																			
Depreciation	0	0	9	17	26	26	26	26	26	26	26	26	26	26	26	26	26	26	892
Change In Working Capital[4]			(29)	(31)	(32)	(33)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(175)	(175)	(175)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(196)	(188)	(181)	(7)	24	24	24	23	23	23	23	23	23	23	23	23	776
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(196)	(188)	(181)	(7)	24	24	24	23	23	23	23	23	23	23	23	23	776
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(100)	(89)	(30)	61	122	197	200	203	206	209	212	215	219	222	226	229	7,792
Taxes on EBIT			0	0	0	(12)	(24)	(39)	(40)	(41)	(41)	(42)	(42)	(43)	(44)	(44)	(45)	(46)	(1,558)
Cash Flow Adjustments[5]			(196)	(188)	(181)	(7)	24	24	24	23	23	23	23	23	23	23	23	23	776
Adjusted Free Cash Flow			(295)	(277)	(210)	42	121	182	184	186	188	191	193	196	198	201	203	206	7,010
Discounted Adjusted Free Cash Flow			(246)	(193)	(122)	20	49	61	51	43	36	31	26	22	19	16	13	11	56

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 9,274

[7] Number of Customers 2,914

[8] Market Value (GEL) 139,142

Table 1
Akhalgori
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	105	111	136	74	426
Operational Expenses					
Operating Expenses	(12)	(12)	(13)	(12)	(49)
Purchased Power	(90)	(127)	(110)	(69)	(396)
Wages & Social Costs	(2)	(2)	(2)	(2)	(8)
Total Operating Expenses	(105)	(141)	(124)	(83)	(453)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(105)	(141)	(124)	(83)	(453)
Utility Operating Income	0	(30)	12	(9)	(27)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(1)
Net Other Income	(0)	(0)	(0)	(0)	(1)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(13)	(13)
Budget and Non Budget Taxes	(16)	(16)	(18)	(17)	(66)
Total Financial Cost and Taxes	(16)	(16)	(18)	(30)	(80)
NET INCOME	(16)	(46)	(7)	(39)	(108)

[1] It is assumed that accounts receivable 90 days or older are written off and treated as income.

[2] It is assumed that accounts receivable 90 days or older are written off as bad debt expense

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Table 2
Akhalgori
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1995)	28	46 1	1 3	3	66 7	0 2	4	28.6	0.1	844	44.8	37.8	16	42.9	0.7
February	25	44.9	1 1	3	37.0	0 1	4	46.5	0.2	682	44.6	30.4	11	45.9	0 5
March	24	45.1	1.1	3	29 4	0 1	4	28.6	0.1	693	44.6	30.9	5	38.5	0.2
April	26	50 6	1 3	3	34 5	0.1	4	50.0	0.2	637	44.4	28.3	9	45.5	0.4
May	13	40.0	0 5	7	43.5	0.3	3	34.5	0.1	779	44 9	35 0	13	48.0	0.6
June	33	51.7	1.7	2	42.9	0 1	2	45 0	0.1	887	44.8	39.7	56	44.6	2.5
July	121	45.4	5.5	4	55.6	0.2	0	0.0	0.0	1,229	45.0	55.3	31	44 6	1 4
August	20	45 7	0.9	11	45 9	0 5	1	45.5	0.1	946	40 8	38 6	53	44.9	2.4
September	14	44 4	0 6	1	41 7	0.1	1	40 0	0.0	650	44.9	29.2	27	43 8	1.2
October	29	45.0	1.3	1	40.0	0.0	1	40.0	0.0	453	60.1	27.2	10	60.0	0 6
November	36	60 4	2.2	0	0 0	0.0	1	58.3	0.1	432	60.0	25.9	6	54.5	0.3
December	5	63 8	0 3	0	0 0	0 0	0	0.0	0.0	372	44.4	16.5	0	0 0	0 0

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Table 3
Akhalgori
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,050	33.0	35
February	851	33.0	28
March	840	33.0	28
April	1,150	33.0	38
May	1,202	33.0	40
June	1,489	33.0	49
July	1,342	33.0	44
August	1,245	33.0	41
September	733	33.0	24
October	710	42.0	30
November	672	42.0	28
December	259	42.0	11

Tables 4
Akhalgori
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Month	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
February	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
March	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
April	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
May	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6
June	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	6
July	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	7
August	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6
September	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	5
October	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	6
November	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6
December	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	6

Table 5
Akhalgori
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	40	28	12					12	12
February	32	36	8	0				8	8
March	32	25	15	0	0			15	15
April	30	29	16	0	0	0		16	16
May	37	26	27	0	0	0	0	27	27
June	44	52	19	0	0	0	0	19	19
July	62	32	49	0	0	0	0	49	49
August	42	7	42	43	0	0	0	85	85
September	31	28	31	42	14	0	0	88	88
October	29	39	29	31	18	0	0	78	78
November	28	5	28	29	31	13	0	102	102
December	17	0	17	28	29	31	13	105	119

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company.*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs.*

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Table 6
Akhalgori
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	35	29	5					5	5
February	28	35	(2)	0				(2)	(2)
March	28	27	(1)	0	0			(1)	(1)
April	38	31	6	0	0	0		6	6
May	40	27	18	0	0	0	0	18	18
June	49	50	17	0	0	0	0	17	17
July	44	33	28	0	0	0	0	28	28
August	41	10	41	18	0	0	0	59	59
September	24	33	24	26	0	0	0	50	50
October	30	42	30	9	0	0	0	39	39
November	28	5	28	30	4	0	0	62	62
December	11	4	11	28	30	0	0	69	69

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs.*

Akhmeta

Form #1

(000 GEL)

Assets	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Contributions Not Paid Yet to the Enterprise Charter Capital (75)						
Including: Contributions With the Expired Date Due	10	0	0	0	0	0
	11	0	0	0	0	0
	12	0	0	0	0	0
Total for Section I	20	0	0	0	0	0
II. Capital Employed						
Fixed assets:						
Land with Buildings (01)	30	0	0	0	0	0
Land Without Buildings (01)	40	0	0	0	0	0
Buildings and Premises on Other's Land (01)	50	0	0	0	0	0
Machines, Equipment Facilities and Automobiles (01)	60	0	0	0	0	0
Store and Office Supplies (01)	70	0	0	0	0	0
Perennials (01)	80	0	0	0	0	0
Other Fixed Assets (01,03)	90	0	0	0	0	0
Equipment to be Installed (07)	100	0	0	0	0	0
Capital Investments in Work (08)	110	0	0	0	0	0
Long term financial investments (06)	111	0	0	0	0	0
Intangible Asset:						
Concessions, Intellectual Property and Licenses (04)	120	0	0	0	0	0
Firm Value (Goodwill) (04)	130	0	0	0	0	0
Other Intangible Assets (04)	140	0	0	0	0	0
	141	0	0	0	0	0
Investments:		0	0	0	0	0
Participation in Other Companies (06)	150	0	0	0	0	0
Bond and Securities (06)	160	0	0	0	0	0
Loans Issued for More than 1 Year (06)	170	0	0	0	0	0
Including: Those Under Land Mortgage	171	0	0	0	0	0
	172	0	0	0	0	0
Section II in Total	180	0	0	0	0	0
III. Capital Employed						
Stock:						
Supplies (10, 15, 16)	190	0	0	0	0	0
Low Price and Usable Items (12)	200	0	0	0	0	0
Cattle (11)	210	0	0	0	0	0
Production in Progress (20,21,23,29,30,36,44)	220	0	0	0	0	0
Finished Product (40)	230	0	0	0	0	0
Goods (41)	240	0	0	0	0	0
Value Added Tax on Purchased Valuables (19)	250	0	0	0	0	0
	251	0	0	0	0	0
Other Working Assets:						
Unearned Revenues Paid to Suppliers and Lessors (61)	260	0	0	0	0	0
Claims From Supply and Service (45,62,76)	270	0	0	0	0	0
Received (62)	280	0	0	0	0	0
Checks (55)	290	0	0	0	0	0
Cash in Hand (50)	300	0	0	0	0	0
Money in Bank Accounts (51)	310	0	0	0	0	0
Currency Accounts (52)	320	0	0	0	0	0
Other Money (55, 56, 57)	330	0	0	0	0	0
Short Term Investments (58)	340	0	0	0	0	0
Claims Against Affiliates (78)	350	0	0	0	0	0
Claims from Credit Issued to Managers and Supervisory Council (73)	360	0	0	0	0	0
Claims from Credit Issued to Enterprise Partners (73)	370	0	0	0	0	0
Other Working Assets (09,63,71,73,76)	380	0	0	0	0	0
	381	0	0	0	0	0
Section III in Total	390	0	0	0	0	0
IV. Expense of Future Periods (31)	400	0	0	0	0	0
Balance (total of 020, 180,390,400)	410	0	0	0	0	0

Equity and Liabilities	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Owner's Equity						
Statutory capital (85)	500	0	0	0	0	0
Reserves (86)	510	0	0	0	0	0
Target Financing (96)	520	0	0	0	0	0
Retained Earnings of Past Years (87)	530	0	0	0	0	0
Uncovered Loss of Past Years (87)	540	0	0	0	0	0
Loss of Fiscal Year (87)	550	0	0	0	0	0
Earnings:						
of the Fiscal Year (80)*	560	0	0	0	0	0
Used (81)**	570	0	0	0	0	0
Retained Earnings of Fiscal Year (87)	580	0	0	0	0	0
	581	0	0	0	0	0
Section I in Total	590	0	0	0	0	0
II. Allowance						
Allowance for Doubtful Claims (82)	600	0	0	0	0	0
Allowance for Expected Expenditures and Payments (89)	610	0	0	0	0	0
Section II in Total	620	0	0	0	0	0
III. Attracted Capital and Other Liabilities						
Short Term Liabilities with Banks (92)	630	0	0	0	0	0
Long Term Liabilities with Banks (90)	640	0	0	0	0	0
Including: Land Under Mortgage	641	0	0	0	0	0
Long term Loans (95)	650	0	0	0	0	0
Short Term Loans (94)	660	0	0	0	0	0
Liabilities To Supply and Services According to Notes (60,76)	670	0	0	0	0	0
According to Notes (60)	680	0	0	0	0	0
Unearned Payment (64)	690	0	0	0	0	0
Liabilities to Affiliates (78)	700	0	0	0	0	0
Liabilities To Budget (75)	710	0	0	0	0	0
Liabilities To Employees (70)	720	0	0	0	0	0
Liabilities to the Budget (68)	730	0	0	0	0	0
Liabilities to Social Welfare (69)	740	0	0	0	0	0
Other Liabilities (65,67,97)	750	0	0	0	0	0
	751	0	0	0	0	0
Section III in Total	760	0	0	0	0	0
IV. Gains for Future Periods (83)	770	0	0	0	0	0
Balance (590, 620, 760, 770)	780	0	0	0	0	0

Table 10
Akhmeta
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	333	337	507	685	869	1,060	1,079	1,102	1,125	1,151	1,177	1,205	1,232	1,260	1,290	1,321	1,354	1,387	47,149
Operational Expenses																			
Operating Expenses	(29)	(29)	(33)	(38)	(41)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(52)	(53)	(54)	(56)	(57)	(1,940)
Purchased Power	(263)	(273)	(378)	(487)	(600)	(716)	(727)	(743)	(760)	(778)	(796)	(816)	(835)	(855)	(876)	(899)	(922)	(945)	(32,131)
Wages & Social Costs	(5)	(5)	(19)	(37)	(51)	(57)	(58)	(59)	(61)	(62)	(64)	(65)	(67)	(68)	(70)	(72)	(74)	(76)	(2,570)
Total Operating Expenses	(297)	(307)	(431)	(562)	(693)	(816)	(829)	(847)	(867)	(887)	(908)	(931)	(953)	(975)	(999)	(1,025)	(1,051)	(1,078)	(36,641)
Sales and Administrative Expenses	0	0	(16)	(38)	(56)	(63)	(64)	(65)	(67)	(68)	(70)	(71)	(73)	(75)	(77)	(79)	(81)	(83)	(2,814)
Depreciation[3]	0	0	(32)	(64)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	0
Total Operational Costs	(297)	(307)	(479)	(664)	(844)	(974)	(988)	(1,008)	(1,028)	(1,050)	(1,073)	(1,098)	(1,121)	(1,146)	(1,172)	(1,199)	(1,227)	(1,256)	(42,696)
Utility Operating Income	36	30	28	21	25	86	91	94	97	100	104	107	111	115	119	123	127	131	4,453
Other Income and Expenses																			
Other Income	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	43
Other Expenses	(18)	(18)	(28)	(38)	(48)	(58)	(59)	(60)	(62)	(63)	(65)	(66)	(68)	(69)	(71)	(72)	(74)	(76)	(2,586)
Net Other Income	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	43
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	(24)	(26)	(26)	(21)	(13)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(49)	(74)	(84)	(76)	(81)	(57)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(1,414)
Budget and Non Budget Taxes	0	0	0	0	0	0	(7)	(12)	(13)	(13)	(14)	(14)	(15)	(16)	(16)	(17)	(17)	(18)	(616)
Total Financial Costs and Taxes	0	(73)	(100)	(109)	(97)	(93)	(64)	(45)	(47)	(48)	(49)	(51)	(52)	(53)	(55)	(56)	(58)	(60)	(2,031)
Net Income	36	(43)	(71)	(88)	(71)	(6)	28	49	51	53	56	58	60	62	65	67	70	72	2,465
Adjustments for Cash Flow																			
Depreciation	0	0	32	64	95	95	95	95	95	95	95	95	95	95	95	95	95	95	3,242
Change in Working Capital[4]			(21)	(22)	(23)	(24)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	
Capital Investments	0	0	(636)	(636)	(636)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(625)	(594)	(563)	72	93	93	92	92	92	92	92	92	92	91	91	91	3,105
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(625)	(594)	(563)	72	93	93	92	92	92	92	92	92	92	91	91	91	3,105
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(71)	(88)	(71)	(6)	34	62	64	67	70	72	75	78	81	84	87	91	3,081
Taxes on EBIT			0	0	0	0	(7)	(12)	(13)	(13)	(14)	(14)	(15)	(16)	(16)	(17)	(17)	(18)	(616)
Cash Flow Adjustments[5]			(625)	(594)	(563)	72	93	93	92	92	92	92	92	92	92	91	91	91	3,105
Adjusted Free Cash Flow			(696)	(682)	(634)	66	121	142	144	146	148	150	152	154	156	159	161	164	5,570
Discounted Adjusted Free Cash Flow			(580)	(474)	(367)	32	48	48	40	34	29	24	20	17	15	12	10	9	44

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 6,926

[7] Number of Customers 10,594

[8] Market Value (GEL) (457,457)

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Table 6
Chiatura
Georgia Power Privatization
Determination and Aging of Accounts Payable

(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	43	49	(7)					(7)	(7)
February	60	64	(10)	0				(10)	(10)
March	27	28	(12)	0	0			(12)	(12)
April	38	39	(13)	0	0	0		(13)	(13)
May	49	54	(18)	0	0	0	0	(18)	(18)
June	82	85	(22)	0	0	0	0	(22)	(22)
July	40	52	(34)	0	0	0	0	(34)	(34)
August	16	17	(35)	0	0	0	0	(35)	(35)
September	43	46	(37)	0	0	0	0	(37)	(37)
October	11	12	(39)	0	0	0	0	(39)	(39)
November	1	3	(41)	0	0	0	0	(41)	(41)
December	0	3	(43)	0	0	0	0	(43)	(43)

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm.*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs.*

Table 6
Dmanisi
Georgia Power Privatization
Determination and Aging of Accounts Payable

(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	26	1	25					25	25
February	14	0	14	25				38	38
March	26	48	16	0	0			16	16
April	22	6	22	10	0	0		32	32
May	30	19	30	13	0	0	0	42	42
June	22	51	13	0	0	0	0	13	13
July	21	13	21	0	0	0	0	21	21
August	20	7	20	14	0	0	0	34	34
September	23	32	23	2	0	0	0	25	25
October	35	18	35	8	0	0	0	43	43
November	22	3	22	35	4	0	0	62	62
December	26	6	26	22	34	0	0	82	82

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 10
Bagdadi-2
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	214	214	340	472	608	750	759	768	778	788	797	807	818	828	839	851	862	874	29,704
Operational Expenses																			
Operating Expenses	(4)	(4)	(11)	(20)	(27)	(30)	(31)	(31)	(31)	(32)	(32)	(32)	(33)	(33)	(34)	(34)	(35)	(35)	(1,196)
Purchased Power	(213)	(209)	(286)	(362)	(437)	(511)	(506)	(512)	(518)	(525)	(531)	(538)	(545)	(552)	(560)	(567)	(575)	(583)	(19,809)
Wages & Social Costs	0	0	(10)	(24)	(36)	(40)	(40)	(41)	(41)	(42)	(42)	(43)	(44)	(44)	(45)	(45)	(46)	(47)	(1,585)
Total Operating Expenses	(217)	(213)	(307)	(406)	(500)	(581)	(577)	(584)	(591)	(599)	(606)	(614)	(622)	(630)	(638)	(647)	(655)	(664)	(22,590)
Sales and Administrative Expenses	0	0	(11)	(27)	(39)	(44)	(44)	(45)	(45)	(46)	(47)	(47)	(48)	(48)	(49)	(50)	(50)	(51)	(1,735)
Depreciation[3]	(82)	(82)	(8)	(16)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	0
Total Operational Costs	(298)	(295)	(326)	(449)	(562)	(649)	(645)	(652)	(660)	(668)	(676)	(685)	(693)	(702)	(711)	(720)	(730)	(739)	(25,135)
Utility Operating Income	(84)	(81)	14	23	46	101	115	116	118	119	121	123	125	127	128	130	132	134	4,569
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(10)	(10)	(16)	(22)	(28)	(34)	(35)	(35)	(36)	(36)	(37)	(37)	(38)	(38)	(39)	(39)	(40)	(40)	(1,365)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	70	150	164	156	126	74	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(67)	(151)	(241)	(270)	(259)	(226)	(126)	(23)	(23)	(24)	(24)	(24)	(25)	(25)	(25)	(26)	(26)	(26)	(891)
Budget and Non Budget Taxes	(81)	0	0	0	0	0	0	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(21)	(21)	(21)	(22)	(736)
Total Financial Costs and Taxes	(79)	(1)	(76)	(114)	(133)	(153)	(126)	(42)	(42)	(43)	(43)	(44)	(45)	(45)	(46)	(46)	(47)	(48)	(1,627)
Net Income	(163)	(82)	(63)	(91)	(87)	(51)	(11)	74	76	77	78	79	80	81	83	84	85	87	2,942
Adjustments for Cash Flow																			
Depreciation	82	82	8	16	24	24	24	24	24	24	24	24	24	24	24	24	24	24	810
Change In Working Capital[4]			(16)	(16)	(17)	(17)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(159)	(159)	(159)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	82	82	(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	82	82	(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(63)	(91)	(87)	(51)	(11)	93	94	96	97	99	100	102	103	105	107	108	3,678
Taxes on EBIT			0	0	0	0	0	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(21)	(21)	(21)	(22)	(736)
Cash Flow Adjustments[5]			(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Adjusted Free Cash Flow			(229)	(250)	(239)	(45)	11	97	98	99	100	102	103	104	105	106	108	109	3,703
Discounted Adjusted Free Cash Flow			(191)	(174)	(138)	(22)	5	33	27	23	19	16	14	12	10	8	7	6	29

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 4,765

[7] Number of Customers 2,647

[8] Market Value (GEL) (124,469)

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Tsalenjikha

Form #1

(000 GEL)

Assets	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Contributions Not Paid Yet to the Enterprise Charter Capital (75)						
Including. Contributions With the Expired Date Due	10	0	0	0	0	0
	11	0	0	0	0	0
	12	0	0	0	0	0
Total for Section I	20	0	0	0	0	0
II. Capital Employed						
Fixed assets:						
Land with Buildings (01)	30	0	0	0	0	0
Land Without Buildings (01)	40	0	0	0	0	0
Buildings and Premises on Other's Land (01)	50	0	0	0	0	0
Machines, Equipment Facilities and Automobiles (01)	60	0	0	0	0	0
Store and Office Supplies (01)	70	0	0	0	0	0
Perennials (01)	80	0	0	0	0	0
Other Fixed Assets (01,03)	90	0	0	0	0	0
Equipment to be Installed (07)	100	0	0	0	0	0
Capital Investments in Work (08)	110	0	0	0	0	0
Long term financial investments (06)	111	0	0	0	0	0
Intangible Asset:						
Concessions, Intellectual Property and Licenses (04)	120	0	0	0	0	0
Firm Value (Goodwill) (04)	130	0	0	0	0	0
Other Intangible Assets (04)	140	0	0	0	0	0
	141	0	0	0	0	0
Investments:		0	0	0	0	0
Participation in Other Companies (06)	150	0	0	0	0	0
Bond and Securities (06)	160	0	0	0	0	0
Loans Issued for More than 1 Year (06)	170	0	0	0	0	0
Including: Those Under Land Mortgage	171	0	0	0	0	0
	172	0	0	0	0	0
Section II in Total	180	0	0	0	0	0
III. Capital Employed						
Stock:						
Supplies (10, 15, 16)	190	0	0	0	0	0
Low Price and Usable Items (12)	200	0	0	0	0	0
Cattle (11)	210	0	0	0	0	0
Production in Progress (20,21,23,29,30,36,44)	220	0	0	0	0	0
Finished Product (40)	230	0	0	0	0	0
Goods (41)	240	0	0	0	0	0
Value Added Tax on Purchased Valuables (19)	250	0	0	0	0	0
	251	0	0	0	0	0
Other Working Assets:						
Unearned Revenues Paid to Suppliers and Lessors (61)	260	0	0	0	0	0
Claims From Supply and Service (45,62,76)	270	0	0	0	0	0
Received (62)	280	0	0	0	0	0
Checks (55)	290	0	0	0	0	0
Cash in Hand (50)	300	0	0	0	0	0
Money in Bank Accounts (51)	310	0	0	0	0	0
Currency Accounts (52)	320	0	0	0	0	0
Other Money (55, 56, 57)	330	0	0	0	0	0
Short Term Investments (58)	340	0	0	0	0	0
Claims Against Affiliates (78)	350	0	0	0	0	0
Claims from Credit Issued to Managers and Supervisory Council (73)	360	0	0	0	0	0
Claims from Credit Issued to Enterprise Partners (73)	370	0	0	0	0	0
Other Working Assets (09,63,71,73,76)	380	0	0	0	0	0
	381	0	0	0	0	0
Section III in Total	390	0	0	0	0	0
IV. Expense of Future Periods (31)	400	0	0	0	0	0
Balance (total of 020, 180,390,400)	410	0	0	0	0	0

Equity and Liabilities	Row no.	1/1/98	3/31/98	6/31/98	9/31/98	12/31/98
I. Owner's Equity						
Statutory capital (85)	500	0	0	0	0	0
Reserves (86)	510	0	0	0	0	0
Target Financing (95)	520	0	0	0	0	0
Retained Earnings of Past Years (87)	530	0	0	0	0	0
Uncovered Loss of Past Years (87)	540	0	0	0	0	0
Loss of Fiscal Year (87)	550	0	0	0	0	0
Earnings:						
of the Fiscal Year (80)*	560	0	0	0	0	0
Used (81)**	570	0	0	0	0	0
Retained Earnings of Fiscal Year (87)	580	0	0	0	0	0
	581	0	0	0	0	0
Section I in Total	590	0	0	0	0	0
II. Allowance						
Allowance for Doubtful Claims (82)	600	0	0	0	0	0
Allowance for Expected Expenditures and Payments (89)	610	0	0	0	0	0
Section II in Total	620	0	0	0	0	0
III. Attracted Capital and Other Liabilities						
Short Term Liabilities with Banks (92)	630	0	0	0	0	0
Long Term Liabilities with Banks (90)	640	0	0	0	0	0
Including: Land Under Mortgage	641	0	0	0	0	0
Long term Loans (95)	650	0	0	0	0	0
Short Term Loans (94)	660	0	0	0	0	0
Liabilities To Supply and Services According to Notes (60,76)	670	0	0	0	0	0
According to Notes (60)	680	0	0	0	0	0
Unearned Payment (64)	690	0	0	0	0	0
Liabilities to Affiliates (78)	700	0	0	0	0	0
Liabilities To Budget (75)	710	0	0	0	0	0
Liabilities To Employees (70)	720	0	0	0	0	0
Liabilities to the Budget (66)	730	0	0	0	0	0
Liabilities to Social Welfare (69)	740	0	0	0	0	0
Other Liabilities (65,67,97)	750	0	0	0	0	0
	751	0	0	0	0	0
Section III in Total	760	0	0	0	0	0
IV. Gains for Future Periods (83)	770	0	0	0	0	0
Balance (590, 620, 760, 770)	780	0	0	0	0	0

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Table 10
Tsalka
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	845	834	1 170	1,520	1,889	2,283	2,424	2,643	2,882	3,144	3,429	3,740	4,018	4,316	4 636	4,981	5 351	5,712	194,214
Operational Expenses																			
Operating Expenses	(72)	(71)	(80)	(89)	(98)	(102)	(108)	(118)	(128)	(140)	(153)	(167)	(179)	(192)	(207)	(222)	(239)	(255)	(8,657)
Purchased Power	(762)	(744)	(970)	(1,203)	(1,446)	(1,702)	(1,788)	(1,950)	(2,126)	(2,319)	(2,530)	(2,760)	(2,965)	(3,185)	(3,422)	(3,677)	(3,950)	(4,217)	(143,378)
Wages & Social Costs	(0)	(0)	(37)	(84)	(121)	(135)	(143)	(156)	(170)	(186)	(202)	(221)	(237)	(255)	(274)	(294)	(316)	(337)	(11,469)
Total Operating Expenses	(834)	(815)	(1,086)	(1,376)	(1,664)	(1,938)	(2,039)	(2,223)	(2,425)	(2,645)	(2,885)	(3,148)	(3,381)	(3,633)	(3,903)	(4,193)	(4,505)	(4,809)	(163,504)
Sales and Administrative Expenses	0	0	(40)	(92)	(132)	(147)	(157)	(171)	(186)	(203)	(222)	(242)	(260)	(279)	(300)	(322)	(346)	(369)	(12,555)
Depreciation[3]	(0)	(0)	(33)	(67)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	0
Total Operational Costs	(834)	(815)	(1,160)	(1,536)	(1,897)	(2,186)	(2,296)	(2,494)	(2,712)	(2,949)	(3,207)	(3,490)	(3,742)	(4,012)	(4,303)	(4,615)	(4,951)	(5,279)	(179,475)
Utility Operating Income	11	19	10	(16)	(8)	96	128	149	171	195	222	250	276	304	334	366	400	433	14,738
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(211)	(209)	(293)	(380)	(472)	(571)	(606)	(661)	(721)	(786)	(858)	(936)	(1,005)	(1,080)	(1,160)	(1,246)	(1,339)	(1,429)	(48,579)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	(4)	(4)	(4)	(3)	(2)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(78)	(109)	(123)	(106)	(126)	(103)	(79)	(86)	(94)	(103)	(112)	(121)	(129)	(139)	(149)	(161)	(171)	(5,826)
Budget and Non Budget Taxes	0	0	0	0	0	0	(5)	(14)	(17)	(20)	(24)	(28)	(31)	(35)	(39)	(43)	(48)	(52)	(1,782)
Total Financial Costs and Taxes	0	(82)	(114)	(127)	(109)	(128)	(108)	(93)	(103)	(114)	(127)	(140)	(152)	(164)	(178)	(193)	(208)	(224)	(7,609)
Net Income	11	(63)	(103)	(143)	(117)	(32)	20	56	68	81	95	111	125	140	156	173	192	210	7,130
Adjustments for Cash Flow																			
Depreciation	0	0	33	67	100	100	100	100	100	100	100	100	100	100	100	100	100	100	3,416
Change in Working Capital[4]			(41)	(43)	(46)	(49)	(17)	(27)	(30)	(32)	(35)	(38)	(34)	(37)	(40)	(42)	(46)	(45)	
Capital Investments	0	0	(670)	(670)	(670)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(678)	(646)	(615)	52	83	73	71	68	65	62	66	64	61	58	55	56	1 903
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(678)	(646)	(615)	52	83	73	71	68	65	62	66	64	61	58	55	56	1,903
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(103)	(143)	(117)	(32)	25	69	84	101	119	138	156	174	195	216	239	262	8 912
Taxes on EBIT			0	0	0	0	(5)	(14)	(17)	(20)	(24)	(28)	(31)	(35)	(39)	(43)	(48)	(52)	(1,782)
Cash Flow Adjustments[5]			(678)	(646)	(615)	52	83	73	71	68	65	62	66	64	61	58	55	56	1,903
Adjusted Free Cash Flow			(781)	(788)	(732)	20	103	129	139	149	160	173	191	203	217	231	246	266	9 033
Discounted Adjusted Free Cash Flow			(651)	(548)	(424)	10	41	43	39	35	31	28	26	23	20	18	16	14	72

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs.

[6] MWH Sold in 1998 18,060

[7] Number of Customers 11,165

[8] Market Value (GEL) (556,002)

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Table 10
Chiatura
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	971	996	1,519	2,068	2,640	3,236	3,290	3,352	3,417	3,485	3,555	3,627	3,709	3,793	3 882	3 974	4,070	4,170	141,784
Operational Expenses																			
Operating Expenses	(215)	(220)	(204)	(167)	(138)	(130)	(132)	(135)	(138)	(140)	(143)	(146)	(149)	(153)	(156)	(160)	(164)	(168)	(5,716)
Purchased Power	(409)	(768)	(1,083)	(1,417)	(1,770)	(2,141)	(2,193)	(2,235)	(2,278)	(2,324)	(2,371)	(2,420)	(2,474)	(2,531)	(2,591)	(2,653)	(2,718)	(2,784)	(94,673)
Wages & Social Costs	(26)	(26)	(64)	(115)	(156)	(173)	(175)	(179)	(182)	(186)	(190)	(194)	(198)	(202)	(207)	(212)	(217)	(223)	(7,573)
Total Operating Expenses	(650)	(1 014)	(1,352)	(1,699)	(2,064)	(2,444)	(2,500)	(2,548)	(2,598)	(2,650)	(2,704)	(2,759)	(2,822)	(2,887)	(2,954)	(3,025)	(3,099)	(3,175)	(107,962)
Sales and Administrative Expenses	0	0	(48)	(115)	(168)	(189)	(192)	(196)	(200)	(203)	(208)	(212)	(217)	(222)	(227)	(232)	(238)	(244)	(8,290)
Depreciation[3]	0	0	(52)	(104)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	0
Total Operational Costs	(650)	(1,014)	(1,452)	(1,918)	(2,387)	(2,788)	(2,848)	(2,900)	(2,953)	(3,009)	(3,067)	(3,127)	(3,194)	(3,264)	(3,337)	(3,413)	(3,492)	(3,575)	(121,535)
Utility Operating Income	321	(18)	67	150	253	448	442	453	464	476	488	501	515	530	545	561	578	596	20,249
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(5)	(5)	(7)	(10)	(13)	(15)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(18)	(19)	(19)	(19)	(20)	(676)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	(81)	(92)	(90)	(75)	(45)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(263)	(532)	(811)	(895)	(846)	(749)	(430)	(101)	(103)	(105)	(107)	(109)	(111)	(114)	(116)	(119)	(122)	(125)	(4,254)
Budget and Non Budget Taxes	(247)	0	0	0	0	0	(2)	(70)	(72)	(74)	(76)	(78)	(81)	(83)	(86)	(88)	(91)	(94)	(3,199)
Total Financial Costs and Taxes	(510)	(613)	(903)	(985)	(921)	(795)	(433)	(171)	(175)	(179)	(183)	(187)	(192)	(197)	(202)	(208)	(213)	(219)	(7,453)
Net Income	(189)	(631)	(836)	(836)	(668)	(347)	9	282	289	297	305	314	323	333	343	354	365	376	12,796
Adjustments for Cash Flow																			
Depreciation	0	0	52	104	155	155	155	155	155	155	155	155	155	155	155	155	155	155	5 283
Change In Working Capital[4]			(64)	(68)	(71)	(73)	(7)	(8)	(8)	(8)	(9)	(9)	(10)	(10)	(11)	(11)	(12)	(12)	
Capital Investments	0	0	(1 036)	(1,036)	(1,036)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(1,049)	(1 000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(1,049)	(1 000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(836)	(836)	(668)	(347)	12	352	362	371	382	392	404	416	429	442	456	470	15,996
Taxes on EBIT			0	0	0	0	(2)	(70)	(72)	(74)	(76)	(78)	(81)	(83)	(86)	(88)	(91)	(94)	(3,199)
Cash Flow Adjustments[5]			(1,049)	(1,000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Adjusted Free Cash Flow			(1,884)	(1,835)	(1,619)	(265)	158	430	437	444	452	460	468	478	488	498	508	519	17,662
Discounted Adjusted Free Cash Flow			(1 570)	(1 275)	(937)	(128)	64	144	122	103	88	74	63	54	46	39	33	28	140

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs.
[6] MWH Sold in 1998 20,448
[7] Number of Customers 17,265
[8] Market Value (GEL) (1,342,335)

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Table 10
Chiatura
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	971	996	1,519	2,068	2,640	3,236	3,290	3,352	3,417	3,485	3,555	3,627	3,709	3,793	3,882	3,974	4,070	4,170	141,784
Operational Expenses																			
Operating Expenses	(215)	(220)	(204)	(167)	(138)	(130)	(132)	(135)	(138)	(140)	(143)	(146)	(149)	(153)	(156)	(160)	(164)	(168)	(5,716)
Purchased Power	(409)	(768)	(1,083)	(1,417)	(1,770)	(2,141)	(2,193)	(2,235)	(2,278)	(2,324)	(2,371)	(2,420)	(2,474)	(2,531)	(2,591)	(2,653)	(2,718)	(2,784)	(94,673)
Wages & Social Costs	(26)	(26)	(64)	(115)	(156)	(173)	(175)	(179)	(182)	(186)	(190)	(194)	(198)	(202)	(207)	(212)	(217)	(223)	(7,573)
Total Operating Expenses	(650)	(1,014)	(1,352)	(1,699)	(2,064)	(2,444)	(2,500)	(2,548)	(2,598)	(2,650)	(2,704)	(2,759)	(2 822)	(2 887)	(2 954)	(3,025)	(3,099)	(3,175)	(107,962)
Sales and Administrative Expenses	0	0	(48)	(115)	(168)	(189)	(192)	(196)	(200)	(203)	(208)	(212)	(217)	(222)	(227)	(232)	(238)	(244)	(8,290)
Depreciation[3]	0	0	(52)	(104)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	0
Total Operational Costs	(650)	(1,014)	(1,452)	(1,918)	(2,387)	(2,788)	(2,848)	(2,900)	(2,953)	(3,009)	(3,067)	(3,127)	(3,194)	(3,264)	(3,337)	(3,413)	(3,492)	(3,575)	(121,535)
Utility Operating Income	321	(18)	67	150	253	448	442	453	464	476	488	501	515	530	545	561	578	596	20,249
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(5)	(5)	(7)	(10)	(13)	(15)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(18)	(19)	(19)	(19)	(20)	(676)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	(81)	(92)	(90)	(75)	(45)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(263)	(532)	(811)	(895)	(846)	(749)	(430)	(101)	(103)	(105)	(107)	(109)	(111)	(114)	(116)	(119)	(122)	(125)	(4,254)
Budget and Non Budget Taxes	(247)	0	0	0	0	0	(2)	(70)	(72)	(74)	(76)	(78)	(81)	(83)	(86)	(88)	(91)	(94)	(3,199)
Total Financial Costs and Taxes	(510)	(613)	(903)	(985)	(921)	(795)	(433)	(171)	(175)	(179)	(183)	(187)	(192)	(197)	(202)	(208)	(213)	(219)	(7,453)
Net Income	(189)	(631)	(836)	(836)	(668)	(347)	9	282	289	297	305	314	323	333	343	354	365	376	12,796
Adjustments for Cash Flow																			
Depreciation	0	0	52	104	155	155	155	155	155	155	155	155	155	155	155	155	155	155	5,283
Change In Working Capital[4]			(64)	(68)	(71)	(73)	(7)	(8)	(8)	(8)	(9)	(9)	(10)	(10)	(11)	(11)	(12)	(12)	
Capital Investments	0	0	(1,036)	(1,036)	(1,036)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(1,049)	(1,000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(1,049)	(1,000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(836)	(836)	(668)	(347)	12	352	362	371	382	392	404	416	429	442	456	470	15,996
Taxes on EBIT			0	0	0	0	(2)	(70)	(72)	(74)	(76)	(78)	(81)	(83)	(86)	(88)	(91)	(94)	(3,199)
Cash Flow Adjustments[5]			(1,049)	(1,000)	(951)	82	149	148	147	147	147	146	145	145	144	144	144	143	4,865
Adjusted Free Cash Flow			(1,884)	(1,835)	(1,619)	(265)	158	430	437	444	452	460	468	478	488	498	508	519	17,662
Discounted Adjusted Free Cash Flow			(1,570)	(1,275)	(937)	(128)	64	144	122	103	88	74	63	54	46	39	33	28	140

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 20,448

[7] Number of Customers 17,265

[8] Market Value (GEL) (1,342,335)

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Table 7
Tskaltubo
Georgia Power Privatization
Actual Collections of Sales / Actual Payments of Costs

	Actual Collections Received from Customers			Actual Payments Made for Electricity Only			Actual Payments Made for Expenses Other Than Electricity		
Month	**Cash**	**Barter**	**Off Set**	**Cash**	**Barter**	**Off Set**	**Cash**	**Barter**	**Off Set**
January (1998)	17.8	0.0	127.7	18.7	0 0	127.7	0.7	0.0	0.0
February	17.6	0.0	137.6	0.0	0.0	137.6	0.1	0 0	0 0
March	5.4	0.0	138 9	3.6	0.0	138.9	0.0	0.0	0.0
April	14.0	0.0	112.3	5.9	0.0	112.3	0.7	0.0	0.0
May	12 6	0.0	124.4	3.0	0.0	124.4	0.5	0.0	0 0
June	12 2	0.0	173.0	2.1	0.0	173.0	5.5	0.0	0.0
July	7.3	0.0	182.6	2.3	0 0	182.6	0.7	0.0	0.0
August	17.0	0.0	14.2	8.1	0.0	14.2	0.8	0.0	0.0
September	11.4	0.0	18.2	4.5	0.0	18.2	2.5	0.0	0.0
October	10.0	0.0	145.5	1.1	0.0	145.5	0.8	0.0	0.0
November	39.8	0.0	4.7	34.7	0.0	4.7	1.0	0 0	0.0
December	25 5	0.0	0 4	16.1	0.0	0.4	4.2	0.0	0.0

Table 10
Tskaltubo
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	3,732	3,705	5,576	7,534	9,580	11,714	11,968	12,297	12,645	13,013	13,404	13,818	14,241	14,686	15,157	15,653	16,178	16,708	568,071
Operational Expenses																			
Operating Expenses	(105)	(105)	(204)	(332)	(435)	(477)	(488)	(502)	(516)	(532)	(548)	(566)	(584)	(602)	(622)	(643)	(665)	(688)	(23,385)
Purchased Power	(2 992)	(2,934)	(4,085)	(5,293)	(6,558)	(7,883)	(8,077)	(8,306)	(8,549)	(8,807)	(9,081)	(9,372)	(9,666)	(9,977)	(10,306)	(10,653)	(11,020)	(11,391)	(387,281)
Wages & Social Costs	(33)	(33)	(189)	(399)	(565)	(632)	(646)	(664)	(684)	(704)	(726)	(750)	(773)	(798)	(824)	(852)	(882)	(911)	(30,978)
Total Operating Expenses	(3,130)	(3,071)	(4,478)	(6 024)	(7,558)	(8 992)	(9 210)	(9,472)	(9,750)	(10,044)	(10,356)	(10,687)	(11,023)	(11,378)	(11,753)	(12,149)	(12,567)	(12,990)	(441,643)
Sales and Administrative Expenses	0	0	(179)	(422)	(615)	(692)	(707)	(727)	(749)	(771)	(795)	(821)	(846)	(874)	(902)	(933)	(965)	(997)	(33,913)
Depreciation[3]	0	0	(53)	(107)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	0
Total Operational Costs	(3,130)	(3,071)	(4,711)	(6,553)	(8,334)	(9,844)	(10,078)	(10,360)	(10,658)	(10,975)	(11,311)	(11,668)	(12,030)	(12,412)	(12,815)	(13,241)	(13,692)	(14,147)	(480,995)
Utility Operating Income	602	634	865	982	1 246	1 870	1 890	1,937	1 987	2,039	2 093	2,150	2,211	2,275	2,341	2,412	2,486	2,561	87,076
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(14)	(14)	(21)	(29)	(37)	(45)	(46)	(47)	(48)	(50)	(51)	(53)	(55)	(56)	(58)	(60)	(62)	(64)	(2,175)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	417	1,662	1,851	1,799	1,486	893	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(733)	(2,345)	(3,529)	(3,860)	(3,638)	(3,176)	(1,802)	(369)	(379)	(390)	(402)	(415)	(427)	(441)	(455)	(470)	(485)	(501)	(17,042)
Budget and Non Budget Taxes	0	0	0	0	0	0	(18)	(314)	(321)	(330)	(338)	(347)	(357)	(367)	(377)	(388)	(400)	(412)	(14,007)
Total Financial Costs and Taxes	(316)	(683)	(1,678)	(2,061)	(2,152)	(2,283)	(1,820)	(683)	(701)	(720)	(740)	(762)	(784)	(807)	(832)	(858)	(885)	(913)	(31,049)
Net Income	286	(49)	(813)	(1,079)	(906)	(414)	71	1,255	1,286	1,319	1,353	1,388	1,427	1,467	1,509	1,554	1,600	1,648	56,027
Adjustments for Cash Flow																			
Depreciation	0	0	53	107	160	160	160	160	160	160	160	160	160	160	160	160	160	160	5,439
Change In Working Capital[4]			(231)	(241)	(252)	(263)	(31)	(41)	(43)	(45)	(48)	(51)	(52)	(55)	(58)	(61)	(65)	(65)	
Capital Investments	0	0	(1 066)	(1,066)	(1 066)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(1 244)	(1 201)	(1,159)	(103)	129	119	117	115	112	109	108	105	102	99	95	95	3,217
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(1 244)	(1 201)	(1,159)	(103)	129	119	117	115	112	109	108	105	102	99	95	95	3,217
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(813)	(1 079)	(906)	(414)	88	1,568	1,607	1,648	1,691	1,736	1,784	1,834	1,887	1,942	2,000	2,060	70,033
Taxes on EBIT			0	0	0	0	(18)	(314)	(321)	(330)	(338)	(347)	(357)	(367)	(377)	(388)	(400)	(412)	(14,007)
Cash Flow Adjustments[5]			(1,244)	(1,201)	(1,159)	(103)	129	119	117	115	112	109	108	105	102	99	95	95	3,217
Adjusted Free Cash Flow			(2,056)	(2,281)	(2,064)	(517)	199	1,374	1,403	1,433	1,464	1,497	1,535	1,572	1,611	1,652	1 696	1,742	59,244
Discounted Adjusted Free Cash Flow			(1 714)	(1 584)	(1 195)	(249)	80	460	392	333	284	242	207	176	151	129	110	94	470

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation).

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 76,279

[7] Number of Customers 17,774

[8] Market Value (GEL) 100,048

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Table 10
Dedoplis Charv
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	407	411	644	886	1,138	1,400	1,420	1,442	1,464	1,488	1,512	1,537	1,563	1,590	1,618	1,648	1,678	1,709	58,097
Operational Expenses																			
Operating Expenses	(189)	(191)	(162)	(110)	(70)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(67)	(68)	(69)	(2 348)
Purchased Power	(310)	(313)	(446)	(591)	(746)	(914)	(947)	(962)	(978)	(993)	(1,010)	(1,027)	(1,045)	(1,063)	(1,082)	(1,102)	(1,123)	(1,144)	(38,885)
Wages & Social Costs	0	0	(19)	(46)	(66)	(75)	(76)	(77)	(78)	(79)	(81)	(82)	(84)	(85)	(87)	(88)	(90)	(91)	(3,110)
Total Operating Expenses	(498)	(504)	(627)	(746)	(882)	(1,045)	(1,080)	(1,097)	(1,115)	(1,133)	(1,152)	(1,171)	(1,191)	(1,212)	(1,234)	(1,257)	(1 280)	(1,304)	(44,343)
Sales and Administrative Expenses	0	0	(21)	(50)	(73)	(82)	(83)	(84)	(86)	(87)	(88)	(90)	(91)	(93)	(95)	(97)	(98)	(100)	(3,405)
Depreciation[3]	0	0	(27)	(55)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	0
Total Operational Costs	(498)	(504)	(676)	(851)	(1 037)	(1,209)	(1,245)	(1,264)	(1,282)	(1,302)	(1,322)	(1,343)	(1,365)	(1,388)	(1,411)	(1,435)	(1,461)	(1,487)	(50,541)
Utility Operating Income	(92)	(92)	(32)	35	101	191	174	178	182	186	190	194	198	203	207	212	217	222	7,556
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(182)	(184)	(288)	(397)	(510)	(627)	(636)	(645)	(655)	(666)	(677)	(688)	(700)	(712)	(724)	(737)	(751)	(765)	(26,003)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	13	23	26	26	22	13	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(75)	(172)	(269)	(302)	(286)	(259)	(153)	(43)	(44)	(45)	(45)	(46)	(47)	(48)	(49)	(49)	(50)	(51)	(1,743)
Budget and Non Budget Taxes	(371)	0	0	0	0	0	(4)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(33)	(33)	(34)	(1,163)
Total Financial Costs and Taxes	(433)	(149)	(243)	(276)	(264)	(246)	(157)	(70)	(72)	(73)	(74)	(76)	(77)	(79)	(80)	(82)	(84)	(85)	(2,905)
Net Income	(524)	(241)	(275)	(241)	(162)	(55)	17	108	110	113	115	118	121	124	127	130	133	137	4,650
Adjustments for Cash Flow																			
Depreciation	0	0	27	55	82	82	82	82	82	82	82	82	82	82	82	82	82	82	2,793
Change In Working Capital[4]			(29)	(30)	(31)	(32)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	
Capital Investments	0	0	(548)	(548)	(548)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2,663
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2 663
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(275)	(241)	(162)	(55)	22	135	138	141	144	148	151	155	159	163	167	171	5 813
Taxes on EBIT			0	0	0	0	(4)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(33)	(33)	(34)	(1,163)
Cash Flow Adjustments[5]			(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2,663
Adjusted Free Cash Flow			(824)	(763)	(659)	(5)	97	187	190	192	195	197	200	203	206	209	212	215	7 314
Discounted Adjusted Free Cash Flow			(687)	(530)	(381)	(2)	39	63	53	45	38	32	27	23	19	16	14	12	58

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation).

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 8,942

[7] Number of Customers 9,127

[8] Market Value (GEL) (476 297)

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Table 10
Dedoplis Charv
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	407	411	644	886	1,138	1,400	1,420	1,442	1,464	1,488	1,512	1,537	1,563	1,590	1,618	1,648	1,678	1,709	58,097
Operational Expenses																			
Operating Expenses	(189)	(191)	(162)	(110)	(70)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(67)	(68)	(69)	(2,348)
Purchased Power	(310)	(313)	(446)	(591)	(746)	(914)	(947)	(962)	(978)	(993)	(1,010)	(1,027)	(1,045)	(1,063)	(1,082)	(1,102)	(1,123)	(1 144)	(38,885)
Wages & Social Costs	0	0	(19)	(46)	(66)	(75)	(76)	(77)	(78)	(79)	(81)	(82)	(84)	(85)	(87)	(88)	(90)	(91)	(3,110)
Total Operating Expenses	(498)	(504)	(627)	(746)	(882)	(1,045)	(1,080)	(1,097)	(1,115)	(1,133)	(1,152)	(1,171)	(1,191)	(1,212)	(1,234)	(1,257)	(1,280)	(1,304)	(44,343)
Sales and Administrative Expenses	0	0	(21)	(50)	(73)	(82)	(83)	(84)	(86)	(87)	(88)	(90)	(91)	(93)	(95)	(97)	(98)	(100)	(3,405)
Depreciation[3]	0	0	(27)	(55)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	0
Total Operational Costs	(498)	(504)	(676)	(851)	(1,037)	(1,209)	(1,245)	(1,264)	(1,282)	(1,302)	(1,322)	(1,343)	(1,365)	(1,388)	(1,411)	(1 435)	(1 461)	(1,487)	(50,541)
Utility Operating Income	(92)	(92)	(32)	35	101	191	174	178	182	186	190	194	198	203	207	212	217	222	7,556
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(182)	(184)	(288)	(397)	(510)	(627)	(636)	(645)	(655)	(666)	(677)	(688)	(700)	(712)	(724)	(737)	(751)	(765)	(26,003)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	13	23	26	26	22	13	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(75)	(172)	(269)	(302)	(286)	(259)	(153)	(43)	(44)	(45)	(45)	(46)	(47)	(48)	(49)	(49)	(50)	(51)	(1,743)
Budget and Non Budget Taxes	(371)	0	0	0	0	0	(4)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(33)	(33)	(34)	(1,163)
Total Financial Costs and Taxes	(433)	(149)	(243)	(276)	(264)	(246)	(157)	(70)	(72)	(73)	(74)	(76)	(77)	(79)	(80)	(82)	(84)	(85)	(2,905)
Net Income	(524)	(241)	(275)	(241)	(162)	(55)	17	108	110	113	115	118	121	124	127	130	133	137	4 650
Adjustments for Cash Flow																			
Depreciation	0	0	27	55	82	82	82	82	82	82	82	82	82	82	82	82	82	82	2,793
Change In Working Capital[4]			(29)	(30)	(31)	(32)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	
Capital Investments	0	0	(548)	(548)	(548)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2 663
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2 663
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(275)	(241)	(162)	(55)	22	135	138	141	144	148	151	155	159	163	167	171	5,813
Taxes on EBIT			0	0	0	0	(4)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(32)	(33)	(33)	(34)	(1,163)
Cash Flow Adjustments[5]			(549)	(523)	(497)	50	80	79	79	79	79	79	79	79	79	79	78	78	2,663
Adjusted Free Cash Flow			(824)	(763)	(659)	(5)	97	187	190	192	195	197	200	203	206	209	212	215	7 314
Discounted Adjusted Free Cash Flow			(687)	(530)	(381)	(2)	39	63	53	45	38	32	27	23	19	16	14	12	58

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only.
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 8,942
[7] Number of Customers 9,127
[8] Market Value (GEL) (476,297)

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Table 10
Lagodexi
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	621	550	925	1,318	1,728	2,154	2,186	2,223	2,261	2,301	2,341	2,383	2,430	2,478	2,528	2,581	2,635	2,691	91,499
Operational Expenses																			
Operating Expenses	(42)	(37)	(51)	(67)	(81)	(87)	(88)	(89)	(91)	(93)	(94)	(96)	(98)	(100)	(102)	(104)	(106)	(108)	(3,685)
Purchased Power	(433)	(525)	(737)	(959)	(1,190)	(1,431)	(1,456)	(1,481)	(1,507)	(1,533)	(1,560)	(1,588)	(1,620)	(1,652)	(1,686)	(1,721)	(1,757)	(1,795)	(61,028)
Wages & Social Costs	(12)	(12)	(39)	(75)	(103)	(115)	(116)	(118)	(121)	(123)	(125)	(127)	(130)	(132)	(135)	(138)	(141)	(144)	(4,882)
Total Operating Expenses	(486)	(574)	(827)	(1,101)	(1 374)	(1,632)	(1,661)	(1,689)	(1,718)	(1,748)	(1,779)	(1,811)	(1,847)	(1,884)	(1,922)	(1,962)	(2,004)	(2,047)	(69,594)
Sales and Administrative Expenses	(1)	(1)	(34)	(77)	(112)	(126)	(128)	(130)	(132)	(134)	(137)	(139)	(142)	(145)	(148)	(151)	(154)	(157)	(5,344)
Depreciation[3]	0	0	(41)	(82)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	(122)	0
Total Operational Costs	(488)	(576)	(901)	(1,259)	(1,608)	(1,880)	(1,911)	(1,941)	(1,972)	(2,005)	(2,038)	(2,073)	(2,111)	(2,151)	(2,193)	(2,236)	(2,280)	(2,327)	(79,103)
Utility Operating Income	133	(25)	24	59	119	273	276	282	289	296	303	310	319	327	336	345	355	365	12,396
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(5)	(4)	(7)	(10)	(13)	(16)	(17)	(17)	(17)	(17)	(18)	(18)	(18)	(19)	(19)	(19)	(20)	(20)	(691)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	92	103	101	83	50	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(57)	(246)	(414)	(479)	(463)	(424)	(248)	(67)	(68)	(69)	(70)	(71)	(73)	(74)	(76)	(77)	(79)	(81)	(2,745)
Budget and Non Budget Taxes	0	0	0	0	0	0	(6)	(43)	(44)	(45)	(47)	(48)	(49)	(51)	(52)	(54)	(55)	(57)	(1,930)
Total Financial Costs and Taxes	(57)	(154)	(310)	(379)	(380)	(374)	(253)	(110)	(112)	(114)	(117)	(119)	(122)	(125)	(128)	(131)	(134)	(138)	(4,675)
Net Income	76	(179)	(286)	(320)	(261)	(100)	22	172	177	181	186	191	197	202	208	214	221	227	7,721
Adjustments for Cash Flow																			
Depreciation	0	0	41	82	122	122	122	122	122	122	122	122	122	122	122	122	122	122	4,165
Change In Working Capital[4]			(46)	(48)	(50)	(53)	(4)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(7)	(7)	
Capital Investments	0	0	(817)	(817)	(817)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(822)	(783)	(745)	70	118	118	118	118	117	117	117	117	116	116	116	116	3,929
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(822)	(783)	(745)	70	118	118	118	118	117	117	117	117	116	116	116	116	3,929
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(286)	(320)	(261)	(100)	28	215	221	227	233	239	246	253	260	268	276	284	9,651
Taxes on EBIT			0	0	0	0	(6)	(43)	(44)	(45)	(47)	(48)	(49)	(51)	(52)	(54)	(55)	(57)	(1,930)
Cash Flow Adjustments[5]			(822)	(783)	(745)	70	118	118	118	118	117	117	117	117	116	116	116	116	3,929
Adjusted Free Cash Flow			(1,108)	(1 103)	(1,005)	(31)	141	290	295	299	304	308	313	319	324	330	336	343	11,650
Discounted Adjusted Free Cash Flow			(923)	(766)	(582)	(15)	57	97	82	70	59	50	42	36	30	26	22	19	92

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 13,671
[7] Number of Customers 13,610
[8] Market Value (GEL) (681,623)

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Table 10
Gori
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual [1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement [2]																			
Net Sales	2,247	2,247	3,793	5,418	7,118	8,891	9 047	9,235	9,430	9,634	9,846	10,068	10,311	10,565	10,831	11,110	11,401	11,701	397,845
Operational Expenses																			
Operating Expenses	(135)	(135)	(197)	(271)	(332)	(359)	(365)	(373)	(381)	(389)	(398)	(407)	(417)	(427)	(438)	(449)	(461)	(474)	(16,105)
Purchased Power	(2,161)	(2,174)	(3,052)	(3,971)	(4,931)	(5,932)	(6,043)	(6,170)	(6,303)	(6,441)	(6,586)	(6,737)	(6,901)	(7,074)	(7,254)	(7,443)	(7,641)	(7,845)	(266,716)
Wages & Social Costs	(124)	(124)	(218)	(338)	(434)	(475)	(483)	(494)	(504)	(515)	(527)	(539)	(552)	(566)	(580)	(595)	(611)	(627)	(21,334)
Total Operating Expenses	(2,420)	(2,433)	(3,466)	(4,580)	(5,697)	(6,765)	(6,891)	(7,037)	(7,188)	(7,346)	(7,510)	(7,682)	(7,870)	(8,067)	(8,272)	(8,488)	(8,714)	(8 946)	(304,155)
Sales and Administrative Expenses	0	0	(133)	(316)	(461)	(520)	(529)	(540)	(552)	(564)	(577)	(590)	(604)	(619)	(635)	(652)	(669)	(687)	(23,355)
Depreciation [3]	(17)	(17)	(79)	(158)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	(236)	0
Total Operational Costs	(2,438)	(2,450)	(3,678)	(5,053)	(6,395)	(7,522)	(7,657)	(7,813)	(7,976)	(8,146)	(8,323)	(8,508)	(8,711)	(8,922)	(9,144)	(9,376)	(9,619)	(9,869)	(335,544)
Utility Operating Income	(190)	(203)	115	365	723	1,369	1,390	1,421	1,454	1,488	1,523	1,559	1,600	1,643	1,687	1,734	1,782	1,832	62,301
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(26)	(26)	(43)	(62)	(81)	(101)	(103)	(105)	(108)	(110)	(112)	(115)	(118)	(121)	(124)	(127)	(130)	(134)	(4,542)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	256	288	281	233	140	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(473)	(798)	(945)	(899)	(908)	(598)	(277)	(283)	(289)	(295)	(302)	(309)	(317)	(325)	(333)	(342)	(351)	(11,935)
Budget and Non Budget Taxes	(3)	0	0	0	(11)	(120)	(158)	(229)	(234)	(240)	(246)	(251)	(258)	(265)	(272)	(280)	(288)	(296)	(10,073)
Total Financial Costs and Taxes	(3)	(217)	(510)	(664)	(678)	(889)	(756)	(506)	(517)	(529)	(541)	(554)	(568)	(582)	(597)	(613)	(630)	(647)	(22,008)
Net Income	(193)	(420)	(396)	(299)	45	480	634	916	937	959	982	1,006	1,033	1,061	1,090	1,120	1,152	1,185	40,292
Adjustments for Cash Flow																			
Depreciation	17	17	79	158	236	236	236	236	236	236	236	236	236	236	236	236	236	236	8,034
Change In Working Capital [4]			(191)	(200)	(210)	(219)	(19)	(23)	(24)	(25)	(26)	(27)	(30)	(31)	(33)	(34)	(36)	(37)	
Capital Investments	0	0	(1,575)	(1,575)	(1,575)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	17	17	(1,687)	(1,618)	(1,549)	18	217	213	212	211	210	209	206	205	204	202	200	199	6,777
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	17	17	(1,687)	(1,618)	(1,549)	18	217	213	212	211	210	209	206	205	204	202	200	199	6,777
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(396)	(299)	57	691	792	1,144	1,171	1,199	1,228	1,257	1,291	1 326	1,362	1,400	1,440	1,481	50 365
Taxes on EBIT			0	0	(11)	(120)	(158)	(229)	(234)	(240)	(246)	(251)	(258)	(265)	(272)	(280)	(288)	(296)	(10,073)
Cash Flow Adjustments [5]			(1,687)	(1,618)	(1,549)	18	217	213	212	211	210	209	206	205	204	202	200	199	6,777
Adjusted Free Cash Flow			(2,083)	(1,917)	(1,503)	498	851	1,129	1,149	1,170	1 192	1,215	1,239	1,266	1,293	1,322	1,353	1 384	47,069
Discounted Adjusted Free Cash Flow			(1,736)	(1,331)	(870)	240	342	378	321	272	231	196	167	142	121	103	88	75	374

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 56 179

[7] Number of Customers 26,255

[8] Market Value (GEL) 847,940

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Table 10
Lanchxuti
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	862	862	1,334	1,826	2 338	2,868	2,914	2,967	3,023	3,082	3,144	3,210	3,272	3,337	3,405	3,476	3,550	3,624	123,218
Operational Expenses																			
Operating Expenses	(32)	(32)	(55)	(84)	(107)	(116)	(118)	(121)	(123)	(125)	(128)	(131)	(134)	(136)	(139)	(142)	(145)	(149)	(5,052)
Purchased Power	(690)	(699)	(979)	(1,275)	(1,586)	(1,913)	(1,959)	(1,997)	(2,036)	(2,077)	(2,121)	(2,168)	(2,211)	(2,257)	(2,305)	(2,356)	(2,408)	(2,461)	(83,667)
Wages & Social Costs	(8)	(8)	(47)	(98)	(138)	(154)	(157)	(160)	(163)	(166)	(170)	(173)	(177)	(181)	(184)	(188)	(193)	(197)	(6,692)
Total Operating Expenses	(730)	(739)	(1,081)	(1,457)	(1,831)	(2,184)	(2,234)	(2,277)	(2,322)	(2,369)	(2,419)	(2,472)	(2,522)	(2,574)	(2,629)	(2,686)	(2,747)	(2,806)	(95,412)
Sales and Administrative Expenses	0	0	(44)	(103)	(150)	(169)	(172)	(175)	(178)	(182)	(186)	(190)	(194)	(198)	(202)	(206)	(211)	(215)	(7,326)
Depreciation[3]	0	0	(31)	(62)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	0
Total Operational Costs	(730)	(739)	(1,156)	(1,622)	(2,075)	(2,446)	(2,499)	(2,545)	(2,593)	(2,644)	(2,698)	(2,755)	(2,809)	(2,865)	(2,924)	(2,986)	(3,051)	(3,115)	(105,916)
Utility Operating Income	132	123	178	204	262	422	415	422	430	438	446	454	463	471	480	490	499	509	17,302
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(4)	(4)	(6)	(8)	(10)	(12)	(12)	(13)	(13)	(13)	(13)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(523)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	120	351	394	384	319	192	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(239)	(519)	(804)	(891)	(845)	(743)	(421)	(89)	(91)	(92)	(94)	(96)	(98)	(100)	(102)	(104)	(107)	(109)	(3,697)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(67)	(68)	(69)	(70)	(72)	(73)	(74)	(76)	(77)	(79)	(80)	(2,721)
Total Financial Costs and Taxes	(119)	(168)	(410)	(507)	(526)	(550)	(421)	(156)	(158)	(161)	(165)	(168)	(171)	(174)	(178)	(181)	(185)	(189)	(6,418)
Net Income	13	(45)	(232)	(303)	(264)	(128)	(6)	266	271	276	281	287	292	297	303	308	314	320	10,884
Adjustments for Cash Flow																			
Depreciation	0	0	31	62	93	93	93	93	93	93	93	93	93	93	93	93	93	93	3,178
Change In Working Capital[4]			(58)	(61)	(63)	(65)	(6)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	
Capital Investments	0	0	(623)	(623)	(623)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(650)	(621)	(593)	28	88	87	87	86	86	85	86	85	85	85	84	84	2,868
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(650)	(621)	(593)	28	88	87	87	86	86	85	86	85	85	85	84	84	2,868
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(232)	(303)	(264)	(128)	(6)	333	339	345	352	358	365	371	378	385	393	400	13,605
Taxes on EBIT			0	0	0	0	0	(67)	(68)	(69)	(70)	(72)	(73)	(74)	(76)	(77)	(79)	(80)	(2,721)
Cash Flow Adjustments[5]			(650)	(621)	(593)	28	88	87	87	86	86	85	86	85	85	85	84	84	2,868
Adjusted Free Cash Flow			(882)	(924)	(857)	(100)	81	353	358	362	367	372	378	383	388	393	398	404	13,752
Discounted Adjusted Free Cash Flow			(735)	(642)	(496)	(48)	33	118	100	84	71	60	51	43	36	31	26	22	109

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 18,638
[7] Number of Customers 10,385
[8] Market Value (GEL) (402,198)

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Table 10
Marneuli
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual [1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement [2]																			
Net Sales	1,468	856	1,705	2,596	3,525	4,490	4 554	4,623	4,696	4,770	4,849	4,930	5,010	5,093	5,180	5,270	5,363	5,457	185,526
Operational Expenses																			
Operating Expenses	(130)	(76)	(106)	(141)	(169)	(181)	(184)	(187)	(190)	(193)	(196)	(200)	(203)	(206)	(210)	(214)	(218)	(222)	(7,535)
Purchased Power	(2,146)	(2,109)	(2,508)	(2,825)	(3,089)	(3,317)	(3,046)	(3,094)	(3,143)	(3,195)	(3,249)	(3,306)	(3,361)	(3,418)	(3,478)	(3,540)	(3,605)	(3,670)	(124,783)
Wages & Social Costs	0	0	(62)	(146)	(214)	(240)	(244)	(247)	(251)	(256)	(260)	(264)	(269)	(273)	(278)	(283)	(288)	(294)	(9,981)
Total Operating Expenses	(2,276)	(2,185)	(2,675)	(3,112)	(3,472)	(3,738)	(3,474)	(3,528)	(3,585)	(3,644)	(3,705)	(3,770)	(3,833)	(3,898)	(3,967)	(4,037)	(4,111)	(4,185)	(142,299)
Sales and Administrative Expenses	0	0	(68)	(160)	(234)	(263)	(267)	(271)	(275)	(280)	(285)	(289)	(294)	(299)	(305)	(310)	(316)	(321)	(10,927)
Depreciation [3]	0	0	(91)	(181)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	0
Total Operational Costs	(2,276)	(2,185)	(2,834)	(3,454)	(3 978)	(4 274)	(4 013)	(4 071)	(4 132)	(4,196)	(4 262)	(4,331)	(4 399)	(4,470)	(4,543)	(4,620)	(4,699)	(4,779)	(162,482)
Utility Operating Income	(808)	(1,329)	(1,129)	(858)	(453)	217	541	552	563	575	587	599	611	624	637	650	664	678	23 043
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(30)	(17)	(35)	(53)	(72)	(91)	(92)	(94)	(95)	(97)	(98)	(100)	(102)	(103)	(105)	(107)	(109)	(111)	(3,766)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	204	1,711	1,627	1,375	1,002	538	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(421)	(756)	(1,507)	(1,851)	(1,869)	(1,668)	(914)	(139)	(141)	(143)	(145)	(148)	(150)	(153)	(155)	(158)	(161)	(164)	(5,566)
Budget and Non Budget Taxes	(862)	0	0	0	0	0	0	(83)	(84)	(86)	(88)	(90)	(92)	(94)	(96)	(98)	(101)	(103)	(3,496)
Total Financial Costs and Taxes	(1,079)	955	121	(476)	(867)	(1,130)	(914)	(221)	(225)	(229)	(234)	(238)	(242)	(247)	(252)	(256)	(261)	(267)	(9,061)
Net Income	(1,887)	(375)	(1,008)	(1,334)	(1,320)	(913)	(373)	331	338	345	353	361	368	377	385	393	402	411	13,982
Adjustments for Cash Flow																			
Depreciation	0	0	91	181	272	272	272	272	272	272	272	272	272	272	272	272	272	272	9,256
Change In Working Capital [4]			(105)	(110)	(115)	(119)	(8)	(9)	(9)	(9)	(10)	(10)	(10)	(10)	(11)	(11)	(12)	(12)	
Capital Investments	0	0	(1,815)	(1,815)	(1,815)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(1,829)	(1,743)	(1,657)	153	264	264	263	263	263	262	262	262	262	261	261	261	8 864
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(1,829)	(1,743)	(1,657)	153	264	264	263	263	263	262	262	262	262	261	261	261	8,864
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(1,008)	(1,334)	(1,320)	(913)	(373)	414	422	432	441	451	461	471	481	492	503	514	17,478
Taxes on EBIT			0	0	0	0	0	(83)	(84)	(86)	(88)	(90)	(92)	(94)	(96)	(98)	(101)	(103)	(3,496)
Cash Flow Adjustments [5]			(1,829)	(1,743)	(1,657)	153	264	264	263	263	263	262	262	262	262	261	261	261	8,864
Adjusted Free Cash Flow			(2,837)	(3,077)	(2,977)	(760)	(108)	594	601	608	615	623	631	639	646	655	663	672	22,846
Discounted Adjusted Free Cash Flow			(2,364)	(2,137)	(1,723)	(367)	(44)	199	168	141	119	101	85	72	60	51	43	36	181

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 28 550

[7] Number of Customers 30,248

[8] Market Value (GEL) (3,013,115)

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Table 1
Akhmeta
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	55	87	103	88	333
Operational Expenses					
Operating Expenses	(4)	(6)	(10)	(8)	(29)
Purchased Power	(43)	(68)	(85)	(67)	(263)
Wages & Social Costs	(5)	(0)	(0)	(0)	(5)
Total Operating Expenses	(52)	(75)	(95)	(75)	(297)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(52)	(75)	(95)	(75)	(297)
Utility Operating Income	3	12	8	13	36
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(3)	(4)	(6)	(5)	(18)
Net Other Income	(3)	(4)	(6)	(4)	(18)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	0	0
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(4)	(6)	(4)	(15)
NET INCOME	(0)	3	(4)	5	3

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Akhmeta
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	18	43.5	0 8	2	47.6	0.1	1	50 0	0.0	592	44.9	26.6	0	0 0	0 0
February	29	44.4	1.3	1	42.9	0.0	0	50.0	0.0	210	45.2	9.5	0	0 0	0.0
March	37	43 7	1 6	4	48 8	0.2	1	40 0	0.0	323	44.9	14.5	0	0.0	0.0
April	63	44.7	2.8	15	47.6	0.7	3	33 3	0.1	657	45.1	29.6	0	0.0	0.0
May	82	45.0	3.7	12	42.7	0.5	1	46.2	0.1	434	45 0	19 6	0	0 0	0.0
June	69	45.2	3 1	11	44 2	0.5	1	50.0	0.0	581	44.9	26.1	0	0.0	0.0
July	86	45.2	3.9	20	45.0	0.9	2	44 4	0.1	509	45.0	22.9	0	0.0	0.0
August	118	44 8	5.3	20	45.5	0.9	3	35.7	0.1	906	45 0	40 8	0	0 0	0 0
September	161	44.8	7 2	16	43 5	0 7	1	41.7	0.1	458	45.0	20.6	0	0 0	0.0
October	111	55.0	6.1	18	61.5	1.1	1	61 5	0.1	444	60.1	26.7	0	0.0	0.0
November	121	60.4	7.3	26	61.2	1 7	2	55.6	0.1	405	59 9	24 3	0	0 0	0 0
December	61	60 8	3 7	23	57.8	1.3	1	57.1	0.1	265	59.9	15.9	0	0.0	0.0

Table 3
Akhmeta
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	659	33.0	22
February	259	33.0	9
March	392	33.0	13
April	793	33.0	26
May	569	33.0	19
June	711	33.0	23
July	664	33.0	22
August	1,226	33.0	40
September	684	33.0	23
October	740	31.0	23
November	650	40.0	26
December	452	39.0	18

Tables 4
Akhmeta
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	0	2	0	0	0	0	0	0	0	2	0	1	0
February	0	0	0	0	1	0	0	0	0	0	0	0	2	0	1	0
March	0	0	0	0	1	0	0	0	0	0	0	0	2	0	1	0
April	0	0	0	0	2	0	0	0	0	0	0	0	2	0	1	0
May	0	0	1	0	1	0	0	0	0	0	0	0	2	0	1	0
June	0	0	1	0	2	0	0	0	0	0	0	0	3	0	1	0
July	0	0	1	0	2	0	0	0	0	0	0	0	2	0	1	0
August	0	0	1	0	3	0	0	0	0	0	0	0	3	0	1	0
September	0	0	1	0	2	0	0	0	0	0	0	2	2	0	1	0
October	0	0	0	0	2	0	0	0	0	0	0	0	3	0	1	0
November	0	0	0	0	2	0	0	0	0	0	0	0	3	0	1	0
December	0	0	0	0	2	0	0	0	0	0	0	2	3	0	1	0

Table 5
Akhmeta
Georgia Power Privatization
Determination and Aging of Accounts Receivable
(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	28	23	4					4	4
February	11	36	(21)	0				(21)	(21)
March	16	16	(21)	0	0			(21)	(21)
April	33	24	(11)	0	0	0		(11)	(11)
May	24	31	(19)	0	0	0	0	(19)	(19)
June	30	59	(48)	0	0	0	0	(48)	(48)
July	28	23	(43)	0	0	0	0	(43)	(43)
August	47	12	(8)	0	0	0	0	(8)	(8)
September	29	25	(5)	0	0	0	0	(5)	(5)
October	34	9	20	0	0	0	0	20	20
November	33	8	33	11	0	0	0	45	45
December	21	17	21	27	0	0	0	48	48

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 6
Akhmeta
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	22	23	(2)					(2)	(2)
February	9	36	(29)	0				(29)	(29)
March	13	16	(32)	0	0			(32)	(32)
April	26	24	(30)	0	0	0		(30)	(30)
May	19	31	(42)	0	0	0	0	(42)	(42)
June	23	59	(78)	0	0	0	0	(78)	(78)
July	22	23	(79)	0	0	0	0	(79)	(79)
August	40	13	(51)	0	0	0	0	(51)	(51)
September	23	25	(54)	0	0	0	0	(54)	(54)
October	23	9	(40)	0	0	0	0	(40)	(40)
November	26	8	(23)	0	0	0	0	(23)	(23)
December	18	18	(23)	0	0	0	0	(23)	(23)

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company.*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs.*

Table 10
Baddadi-1
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual [1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement [2]																			
Net Sales	554	554	880	1,220	1,573	1,938	1,960	1,982	2,003	2 025	2,047	2,069	2 092	2,115	2,139	2,162	2,187	2,211	75,182
Operational Expenses																			
Operating Expenses	(10)	(10)	(28)	(52)	(70)	(78)	(79)	(80)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(3,023)
Purchased Power	(396)	(474)	(665)	(865)	(1,072)	(1,287)	(1,305)	(1,319)	(1,333)	(1,348)	(1,362)	(1,377)	(1,393)	(1,408)	(1,424)	(1,440)	(1,456)	(1,473)	(50,066)
Wages & Social Costs	(3)	(3)	(29)	(64)	(92)	(103)	(104)	(105)	(107)	(108)	(109)	(110)	(111)	(113)	(114)	(115)	(116)	(118)	(4,005)
Total Operating Expenses	(408)	(486)	(722)	(980)	(1,235)	(1,468)	(1,488)	(1,504)	(1,520)	(1,537)	(1,554)	(1,571)	(1,588)	(1,606)	(1,624)	(1,642)	(1,660)	(1,679)	(57,094)
Sales and Administrative Expenses	0	0	(29)	(69)	(101)	(113)	(114)	(115)	(117)	(118)	(119)	(121)	(122)	(123)	(125)	(126)	(128)	(129)	(4,384)
Depreciation [3]	0	0	(22)	(44)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	0
Total Operational Costs	(408)	(486)	(773)	(1,093)	(1,401)	(1,647)	(1,668)	(1,685)	(1,703)	(1,721)	(1,739)	(1,757)	(1 776)	(1,795)	(1,814)	(1,834)	(1,854)	(1,874)	(63,722)
Utility Operating Income	146	68	107	127	172	291	292	296	300	304	308	312	316	320	324	328	333	337	11,460
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(20)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	58	243	273	266	220	132	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(211)	(361)	(573)	(643)	(615)	(540)	(302)	(59)	(60)	(61)	(61)	(62)	(63)	(63)	(64)	(65)	(66)	(66)	(2,255)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(47)	(48)	(49)	(49)	(50)	(51)	(51)	(52)	(53)	(53)	(54)	(1,841)
Total Financial Costs and Taxes	(153)	(118)	(300)	(377)	(395)	(408)	(302)	(107)	(108)	(109)	(111)	(112)	(113)	(115)	(116)	(118)	(119)	(120)	(4,096)
Net Income	(7)	(50)	(193)	(250)	(223)	(117)	(10)	189	192	195	197	200	202	205	208	211	214	217	7,364
Adjustments for Cash Flow																			
Depreciation	0	0	22	44	66	66	66	66	66	66	66	66	66	66	66	66	66	66	2,244
Change in Working Capital [4]			(40)	(42)	(44)	(45)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(440)	(440)	(440)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(193)	(250)	(223)	(117)	(10)	237	240	243	246	250	253	257	260	264	267	271	9,205
Taxes on EBIT			0	0	0	0	0	(47)	(48)	(49)	(49)	(50)	(51)	(51)	(52)	(53)	(53)	(54)	(1,841)
Cash Flow Adjustments [5]			(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Adjusted Free Cash Flow			(651)	(688)	(641)	(96)	53	253	255	258	260	263	266	268	271	274	277	280	9,505
Discounted Adjusted Free Cash Flow			(543)	(478)	(371)	(46)	21	85	71	60	50	42	36	30	25	21	18	15	75

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investment only
[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.
[5] Includes depreciation, changes in working capital, investments and financial costs
[6] MWH Sold in 1998 12,306
[7] Number of Customers 7 333
[8] Market Value (GEL) (343,646)

Table 10
Baddadi-1
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	554	554	880	1,220	1,573	1,938	1,960	1,982	2,003	2,025	2,047	2,069	2,092	2,115	2,139	2,162	2,187	2,211	75,182
Operational Expenses																			
Operating Expenses	(10)	(10)	(28)	(52)	(70)	(78)	(79)	(80)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(3,023)
Purchased Power	(396)	(474)	(665)	(865)	(1,072)	(1,287)	(1,305)	(1,319)	(1,333)	(1,348)	(1,362)	(1,377)	(1,393)	(1,408)	(1,424)	(1,440)	(1,456)	(1,473)	(50,066)
Wages & Social Costs	(3)	(3)	(29)	(64)	(92)	(103)	(104)	(105)	(107)	(108)	(109)	(110)	(111)	(113)	(114)	(115)	(116)	(118)	(4,005)
Total Operating Expenses	(408)	(486)	(722)	(980)	(1,235)	(1,468)	(1,488)	(1,504)	(1,520)	(1,537)	(1,554)	(1,571)	(1,588)	(1,606)	(1,624)	(1,642)	(1,660)	(1,679)	(57,094)
Sales and Administrative Expenses	0	0	(29)	(69)	(101)	(113)	(114)	(115)	(117)	(118)	(119)	(121)	(122)	(123)	(125)	(126)	(128)	(129)	(4,384)
Depreciation[3]	0	0	(22)	(44)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	(66)	0
Total Operational Costs	(408)	(486)	(773)	(1 093)	(1,401)	(1,647)	(1,668)	(1,685)	(1,703)	(1,721)	(1,739)	(1,757)	(1,776)	(1,795)	(1,814)	(1,834)	(1,854)	(1,874)	(63,722)
Utility Operating Income	146	68	107	127	172	291	292	296	300	304	308	312	316	320	324	328	333	337	11,460
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(20)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	58	243	273	266	220	132	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(211)	(361)	(573)	(643)	(615)	(540)	(302)	(59)	(60)	(61)	(61)	(62)	(63)	(63)	(64)	(65)	(66)	(66)	(2,255)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(47)	(48)	(49)	(49)	(50)	(51)	(51)	(52)	(53)	(53)	(54)	(1,841)
Total Financial Costs and Taxes	(153)	(118)	(300)	(377)	(395)	(408)	(302)	(107)	(108)	(109)	(111)	(112)	(113)	(115)	(116)	(118)	(119)	(120)	(4,096)
Net Income	(7)	(50)	(193)	(250)	(223)	(117)	(10)	189	192	195	197	200	202	205	208	211	214	217	7,364
Adjustments for Cash Flow																			
Depreciation	0	0	22	44	66	66	66	66	66	66	66	66	66	66	66	66	66	66	2,244
Change In Working Capital[4]			(40)	(42)	(44)	(45)	(7)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(440)	(440)	(440)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(193)	(250)	(223)	(117)	(10)	237	240	243	246	250	253	257	260	264	267	271	9,207
Taxes on EBIT			0	0	0	0	0	(47)	(48)	(49)	(49)	(50)	(51)	(51)	(52)	(53)	(53)	(54)	(1,841)
Cash Flow Adjustments[5]			(458)	(438)	(418)	21	63	63	63	63	63	63	63	63	63	63	63	63	2,141
Adjusted Free Cash Flow			(651)	(688)	(641)	(96)	43	253	255	258	260	263	266	268	271	274	277	280	9,507
Discounted Adjusted Free Cash Flow			(543)	(478)	(371)	(46)	21	85	71	60	50	40	36	30	25	21	16	15	75

[1] The financial statements have been restated to reflect an IAS equivalent.
[2] Projected Income Statement is real GEL (1998) and does not reflect changes in purchasing power (inflation)
[3] Based mainly on new investments only.
[4] Assumed to be the difference between current vs prior year sales times 45 days sales in accounts receivable
[5] Includes depreciation, changes in working capital, investments and financial costs.
[6] MWH Sold 12,306
[7] Number of Customers 7,333
[8] Market Value (GEL) (343 646)

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Table 1
Baddadi-1
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	110	177	163	104	554
Operational Expenses					
Operating Expenses	(2)	(3)	(2)	(3)	(10)
Purchased Power	(89)	(66)	(132)	(108)	(396)
Wages & Social Costs	(1)	(1)	(1)	(1)	(3)
Total Operating Expenses	(92)	(69)	(136)	(112)	(408)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(92)	(69)	(136)	(112)	(408)
Utility Operating Income	18	108	27	(7)	146
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	0	0	0	(0)	(0)
Net Other Income	0	0	0	(0)	(0)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	58	58
Unrealized Accounts Receivable [2]	0	0	(19)	(193)	(211)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	0	(19)	(134)	(153)
NET INCOME	18	108	8	(142)	(8)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Baddadi-1
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	12	45.0	0.5	10	45.0	0.4	2	45.0	0.1	762	45.0	34.3	0	0.0	0.0
February	7	45.0	0.3	10	45.0	0.4	2	45.0	0.1	768	45.0	34.6	0	0.0	0.0
March	7	45.0	0.3	10	45.0	0.4	2	45.0	0.1	845	45.0	38.0	0	0.0	0.0
April	7	45.0	0.3	9	45.0	0.4	2	45.0	0.1	730	45.0	32.8	0	0.0	0.0
May	7	45.0	0.3	9	45.0	0.4	2	45.0	0.1	792	45.0	35.7	0	0.0	0.0
June	6	45.0	0.3	4	45.0	0.2	1	45.0	0.0	2,369	45.0	106.6	0	0.0	0.0
July	4	45.0	0.2	5	45.0	0.2	0	45.0	0.0	1,798	45.0	80.9	0	0.0	0.0
August	9	45.0	0.4	6	45.0	0.3	1	45.0	0.0	770	45.0	34.6	0	0.0	0.0
September	5	45.0	0.2	6	45.0	0.3	1	45.0	0.0	1,008	45.0	45.4	0	0.0	0.0
October	5	45.0	0.2	6	45.0	0.3	1	45.0	0.0	790	45.0	35.5	0	0.0	0.0
November	5	45.0	0.2	6	45.0	0.3	1	45.0	0.0	797	45.0	35.9	0	0.0	0.0
December	5	45.0	0.2	6	45.0	0.3	1	45.0	0.0	696	45.0	31.3	0	0.0	0.0

Table 3
Baddadi-1
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	870	33.0	29
February	875	33.0	29
March	960	33.0	32
April	830	33.0	27
May	900	33.0	30
June	264	33.0	9
July	2,003	33.0	66
August	874	33.0	29
September	1,133	33.0	37
October	890	42.0	37
November	899	42.0	38
December	787	42.0	33

Tables 4
Baddadi-1
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0

Table 5
Baddadi-1
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	35	15	21					21	21
February	35	16	35	5				40	40
March	39	20	39	20	0			59	59
April	34	24	34	35	0	0		68	68
May	36	25	36	34	10	0	0	80	80
June	107	41	107	36	2	0	0	146	146
July	81	12	81	107	26	0	0	215	215
August	35	8	35	81	107	19	0	242	242
September	46	20	46	35	81	87	19	250	268
October	36	8	36	46	35	73	87	190	296
November	36	3	36	36	46	32	73	151	330
December	32	1	32	36	36	45	32	150	361

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs.*

Table 6
Baddadi-1
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	29	14	14					14	14
February	29	16	27	0				27	27
March	32	20	32	7	0			39	39
April	27	24	27	15	0	0		42	42
May	30	25	30	17	0	0	0	47	47
June	9	41	9	6	0	0	0	14	14
July	66	12	66	3	0	0	0	69	69
August	29	8	29	60	0	0	0	89	89
September	37	20	37	29	41	0	0	107	107
October	37	9	37	37	29	32	0	135	135
November	38	2	38	37	37	26	32	139	171
December	33	1	33	38	37	36	26	145	203

Sources. (By Column)

1 Actual figures provided by company.
2 Actual figures provided by company.
3 Column 1 -Column 2
4-6 Assumed that money paid goes first to the oldest unpaid balance.
7 After 90 days the debt is written off and treated as income to the firm
8 Sum of columns 3, 4, 5, and 6.
9 Cumulative accounts receivable without write-offs

Table 10
Bagdadi-2
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	214	214	340	472	608	750	759	768	778	788	797	807	818	828	839	851	862	874	29,704
Operational Expenses																			
Operating Expenses	(4)	(4)	(11)	(20)	(27)	(30)	(31)	(31)	(31)	(32)	(32)	(32)	(33)	(33)	(34)	(34)	(35)	(35)	(1,196)
Purchased Power	(213)	(209)	(286)	(362)	(437)	(511)	(506)	(512)	(518)	(525)	(531)	(538)	(545)	(552)	(560)	(567)	(575)	(583)	(19,809)
Wages & Social Costs	0	0	(10)	(24)	(36)	(40)	(40)	(41)	(41)	(42)	(42)	(43)	(44)	(44)	(45)	(45)	(46)	(47)	(1,585)
Total Operating Expenses	(217)	(213)	(307)	(406)	(500)	(581)	(577)	(584)	(591)	(598)	(606)	(614)	(622)	(630)	(638)	(647)	(655)	(664)	(22,590)
Sales and Administrative Expenses	0	0	(11)	(27)	(39)	(44)	(44)	(45)	(45)	(46)	(47)	(47)	(48)	(48)	(49)	(50)	(50)	(51)	(1,735)
Depreciation[3]	(82)	(82)	(8)	(16)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	0
Total Operational Costs	(298)	(295)	(326)	(449)	(562)	(649)	(645)	(652)	(660)	(668)	(676)	(685)	(693)	(702)	(711)	(720)	(730)	(739)	(25,135)
Utility Operating Income	(84)	(81)	14	23	46	101	115	116	118	119	121	123	125	127	128	130	132	134	4,569
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(10)	(10)	(16)	(22)	(28)	(34)	(35)	(35)	(36)	(36)	(37)	(37)	(38)	(39)	(39)	(39)	(40)	(40)	(1,365)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	70	150	164	156	126	74	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(67)	(151)	(241)	(270)	(259)	(226)	(126)	(23)	(23)	(24)	(24)	(24)	(25)	(25)	(25)	(26)	(26)	(26)	(891)
Budget and Non Budget Taxes	(81)	0	0	0	0	0	0	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(21)	(21)	(21)	(22)	(736)
Total Financial Costs and Taxes	(79)	(1)	(76)	(114)	(133)	(153)	(126)	(42)	(42)	(43)	(43)	(44)	(45)	(45)	(46)	(46)	(47)	(48)	(1,627)
Net Income	(163)	(82)	(63)	(91)	(87)	(51)	(11)	74	76	77	78	79	80	81	83	84	85	87	2,942
Adjustments for Cash Flow																			
Depreciation	82	82	8	16	24	24	24	24	24	24	24	24	24	24	24	24	24	24	810
Change In Working Capital[4]			(16)	(16)	(17)	(17)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Capital Investments	0	0	(159)	(159)	(159)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	82	82	(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	82	82	(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(63)	(91)	(87)	(51)	(11)	93	94	96	97	99	100	102	103	105	107	108	3,678
Taxes on EBIT			0	0	0	0	0	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(21)	(21)	(21)	(22)	(736)
Cash Flow Adjustments[5]			(166)	(159)	(152)	6	23	23	23	23	23	23	23	23	22	22	22	22	761
Adjusted Free Cash Flow			(229)	(250)	(239)	(45)	11	97	98	99	100	102	103	104	105	106	108	109	3,703
Discounted Adjusted Free Cash Flow			(191)	(174)	(138)	(22)	5	33	27	23	19	16	14	12	10	8	7	6	29

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 4,765

[7] Number of Customers 2,647

[8] Market Value (GEL) (124,469)

Table 1
Bagdadi-2
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	28	51	68	68	214
Operational Expenses					
Operating Expenses	(1)	(1)	(1)	(1)	(4)
Purchased Power	(46)	(41)	(54)	(71)	(213)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(47)	(42)	(55)	(72)	(217)
Sales & Administrative	0	0	0	0	0
Depreciation	(20)	(20)	(20)	(20)	(82)
Total Operational Expenses	(68)	(63)	(75)	(92)	(298)
Utility Operating Income	(40)	(12)	(8)	(24)	(84)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	0	(3)	(3)	(3)	(10)
Net Other Income	0	(3)	(3)	(3)	(10)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	25	45	70
Unrealized Accounts Receivable [2]	0	0	(8)	(59)	(67)
Budget and Non Budget Taxes	0	(27)	(27)	(27)	(81)
Total Financial Cost and Taxes	0	(30)	(13)	(45)	(88)
NET INCOME	(40)	(46)	(24)	(72)	(182)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**
[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Bagdadi-2
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	5	45.0	0.2	0	0.0	0.0	10	45.0	0.5	173	45.0	7.8	13	45.5	0.6
February	4	45.0	0.2	0	0.0	0.0	15	45.0	0.7	185	45.0	8.3	0	0.0	0.0
March	14	45.0	0.6	0	0.0	0.0	11	45.0	0.5	184	45.0	8.3	0	0.0	0.0
April	5	45.0	0.2	0	0.0	0.0	12	45.0	0.5	267	45.0	12.0	0	0.0	0.0
May	4	45.0	0.2	0	0.0	0.0	10	45.0	0.5	264	45.0	11.9	0	0.0	0.0
June	3	45.0	0.2	0	0.0	0.0	9	45.0	0.4	554	45.0	24.9	0	0.0	0.0
July	2	45.0	0.1	0	0.0	0.0	7	45.0	0.3	631	45.0	28.4	0	0.0	0.0
August	17	45.0	0.8	0	0.0	0.0	6	45.0	0.3	346	45.0	15.5	0	0.0	0.0
September	6	45.0	0.3	4	45.0	0.2	10	45.0	0.5	476	45.0	21.4	0	0.0	0.0
October	2	45.0	0.1	1	45.0	0.0	5	45.0	0.2	464	45.0	20.9	0	0.0	0.0
November	2	45.0	0.1	0	45.0	0.0	15	45.0	0.7	584	45.0	26.3	0	0.0	0.0
December	3	45.0	0.1	0	45.0	0.0	15	45.0	0.7	426	45.0	19.2	0	0.0	0.0

Table 3
Bagdadi-2
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	223	33.0	7
February	227	33.0	7
March	958	33.0	32
April	316	33.0	10
May	309	33.0	10
June	630	33.0	21
July	712	33.0	23
August	369	33.0	12
September	551	33.0	18
October	525	42.0	22
November	669	42.0	28
December	494	42.0	21

Tables 4
Bagdadi-2
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
																0
																0
																4

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	27
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	27
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	27
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	28

Table 5
Bagdadi-2
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	9	4	5					5	5
February	9	6	9	0				9	9
March	9	3	9	5	0			15	15
April	13	5	13	9	1	0		23	23
May	13	8	13	13	2	0	0	27	27
June	25	5	25	13	9	0	0	47	47
July	29	9	29	25	13	0	0	67	67
August	17	5	17	29	25	8	0	79	79
September	22	6	22	17	29	19	8	87	95
October	21	4	21	22	17	25	19	85	112
November	27	1	27	21	22	16	25	86	138
December	20	6	20	27	21	17	16	85	152

Sources (By Column)

- *1* *Actual figures provided by company*
- *2* *Actual figures provided by company.*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs*

Table 6
Bagdadi-2
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	7	1	6					6	6
February	7	6	7	0				8	8
March	32	3	32	5	0			36	36
April	10	5	10	32	0	0		42	42
May	10	8	10	10	23	0	0	44	44
June	21	5	21	10	10	18	0	60	60
July	23	9	23	21	10	1	18	56	74
August	12	5	12	23	21	5	1	62	81
September	18	6	18	12	23	14	5	68	93
October	22	4	22	18	12	19	14	72	111
November	28	1	28	22	18	11	19	79	138
December	21	6	21	28	22	12	11	83	153

Sources. (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 10
Borjomi
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	1,630	1,653	2,532	3,452	4,412	5,412	5,511	5,632	5,758	5,891	6,030	6,177	6,331	6,493	6 663	6,841	7,028	7,219	245,445
Operational Expenses																			
Operating Expenses	(92)	(94)	(129)	(170)	(204)	(219)	(223)	(228)	(233)	(239)	(245)	(251)	(257)	(264)	(271)	(278)	(286)	(294)	(9,994)
Purchased Power	(1,376)	(1,411)	(1,952)	(2,507)	(3,076)	(3,658)	(3,693)	(3,776)	(3,863)	(3,955)	(4,051)	(4,152)	(4 258)	(4,369)	(4,485)	(4,608)	(4,737)	(4,868)	(165,513)
Wages & Social Costs	(25)	(25)	(94)	(187)	(260)	(290)	(295)	(302)	(309)	(316)	(324)	(332)	(341)	(349)	(359)	(369)	(379)	(389)	(13,239)
Total Operating Expenses	(1,493)	(1,530)	(2,175)	(2,864)	(3,540)	(4,167)	(4,212)	(4,306)	(4 406)	(4,510)	(4,619)	(4,734)	(4,855)	(4,982)	(5,115)	(5,255)	(5,402)	(5,551)	(188,746)
Sales and Administrative Expenses	0	0	(82)	(193)	(282)	(317)	(323)	(331)	(338)	(346)	(355)	(364)	(373)	(383)	(393)	(404)	(415)	(426)	(14,493)
Depreciation[3]	0	0	(29)	(59)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	0
Total Operational Costs	(1,493)	(1,530)	(2,286)	(3,116)	(3,910)	(4,573)	(4,623)	(4,725)	(4,832)	(4,944)	(5,062)	(5,186)	(5,316)	(5 453)	(5,596)	(5,747)	(5,905)	(6,066)	(206,236)
Utility Operating Income	136	123	246	336	501	839	888	907	926	947	968	991	1,015	1,040	1,067	1,095	1,123	1,153	39,209
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(13)	(13)	(20)	(27)	(34)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(52)	(53)	(55)	(56)	(1,905)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	505	871	964	928	759	452	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(669)	(1,109)	(1 699)	(1,874)	(1,776)	(1,550)	(872)	(169)	(173)	(177)	(181)	(185)	(190)	(195)	(200)	(205)	(211)	(217)	(7,363)
Budget and Non Budget Taxes	0	0	0	0	0	0	(3)	(148)	(151)	(154)	(157)	(161)	(165)	(169)	(173)	(178)	(183)	(187)	(6,369)
Total Financial Costs and Taxes	(164)	(238)	(735)	(945)	(1,017)	(1,098)	(875)	(316)	(323)	(331)	(338)	(346)	(355)	(364)	(373)	(383)	(393)	(404)	(13,733)
Net Income	(28)	(115)	(489)	(610)	(515)	(259)	13	590	603	616	630	644	660	676	694	711	730	749	25,477
Adjustments for Cash Flow																			
Depreciation	0	0	29	59	88	88	88	88	88	88	88	88	88	88	88	88	88	88	2,996
Change In Working Capital[4]			(108)	(113)	(118)	(123)	(12)	(15)	(16)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
Capital Investments	0	0	(588)	(588)	(588)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(489)	(610)	(515)	(259)	16	738	754	770	787	805	825	846	867	889	913	937	31,846
Taxes on EBIT			0	0	0	0	(3)	(148)	(151)	(154)	(157)	(161)	(165)	(169)	(173)	(178)	(183)	(187)	(6,369)
Cash Flow Adjustments[5]			(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Adjusted Free Cash Flow			(1,156)	(1,252)	(1,133)	(295)	89	663	675	688	701	714	729	745	761	778	795	814	27,674
Discounted Adjusted Free Cash Flow			(963)	(869)	(656)	(142)	36	222	188	160	136	115	98	84	71	61	52	44	220

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation).

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 34,681

[7] Number of Customers 9,792

[8] Market Value (GEL) (181 057)

Table 10
Borjomi
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	1,630	1,653	2,532	3,452	4,412	5,412	5,511	5,632	5,758	5,891	6,030	6,177	6,331	6,493	6,663	6,841	7,028	7,219	245,445
Operational Expenses																			
Operating Expenses	(92)	(94)	(129)	(170)	(204)	(219)	(223)	(228)	(233)	(239)	(245)	(251)	(257)	(264)	(271)	(278)	(286)	(294)	(9,994)
Purchased Power	(1,376)	(1,411)	(1,952)	(2,507)	(3,076)	(3,658)	(3,693)	(3,776)	(3 863)	(3,955)	(4,051)	(4,152)	(4,258)	(4,369)	(4,485)	(4,608)	(4,737)	(4,868)	(165,513)
Wages & Social Costs	(25)	(25)	(94)	(187)	(260)	(290)	(295)	(302)	(309)	(316)	(324)	(332)	(341)	(349)	(359)	(369)	(379)	(389)	(13,239)
Total Operating Expenses	(1,493)	(1,530)	(2,175)	(2,864)	(3,540)	(4,167)	(4,212)	(4,306)	(4,406)	(4,510)	(4,619)	(4,734)	(4,855)	(4,982)	(5,115)	(5,255)	(5,402)	(5,551)	(188,746)
Sales and Administrative Expenses	0	0	(82)	(193)	(282)	(317)	(323)	(331)	(338)	(346)	(355)	(364)	(373)	(383)	(393)	(404)	(415)	(426)	(14,493)
Depreciation[3]	0	0	(29)	(59)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	0
Total Operational Costs	(1,493)	(1,530)	(2,286)	(3,116)	(3,910)	(4,573)	(4,623)	(4,725)	(4,832)	(4,944)	(5,062)	(5,186)	(5,316)	(5,453)	(5,596)	(5,747)	(5,905)	(6,066)	(206,236)
Utility Operating Income	136	123	246	336	501	839	888	907	926	947	968	991	1,015	1,040	1,067	1,095	1,123	1,153	39,209
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(13)	(13)	(20)	(27)	(34)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(52)	(53)	(55)	(56)	(1,905)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	505	871	964	928	759	452	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(669)	(1,109)	(1,699)	(1,874)	(1,776)	(1,550)	(872)	(169)	(173)	(177)	(181)	(185)	(190)	(195)	(200)	(205)	(211)	(217)	(7,363)
Budget and Non Budget Taxes	0	0	0	0	0	0	(3)	(148)	(151)	(154)	(157)	(161)	(165)	(169)	(173)	(178)	(183)	(187)	(6,369)
Total Financial Costs and Taxes	(164)	(238)	(735)	(945)	(1,017)	(1,098)	(875)	(316)	(323)	(331)	(338)	(346)	(355)	(364)	(373)	(383)	(393)	(404)	(13,733)
Net Income	(28)	(115)	(489)	(610)	(515)	(259)	13	590	603	616	630	644	660	676	694	711	730	749	25,477
Adjustments for Cash Flow																			
Depreciation	0	0	29	59	88	88	88	88	88	88	88	88	88	88	88	89	88	88	2,996
Change In Working Capital[4]			(108)	(113)	(118)	(123)	(12)	(15)	(16)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
Capital Investments	0	0	(588)	(588)	(588)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(489)	(610)	(515)	(259)	16	738	754	770	787	805	825	846	867	889	913	937	31,846
Taxes on EBIT			0	0	0	0	(3)	(148)	(151)	(154)	(157)	(161)	(165)	(169)	(173)	(178)	(183)	(187)	(6,369)
Cash Flow Adjustments[5]			(666)	(642)	(618)	(35)	76	73	73	72	71	70	69	68	67	66	65	65	2,197
Adjusted Free Cash Flow			(1,156)	(1,252)	(1,133)	(295)	89	663	675	688	701	714	729	745	761	778	795	814	27,674
Discounted Adjusted Free Cash Flow			(963)	(869)	(656)	(142)	36	222	188	160	136	115	98	84	71	61	52	44	220

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 34,681

[7] Number of Customers 9 792

[8] Market Value (GEL) (181 057)

Table 1
Borjomi
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	442	429	422	336	1,630
Operational Expenses					
Operating Expenses	(22)	(25)	(22)	(23)	(92)
Purchased Power	(379)	(366)	(358)	(273)	(1,376)
Wages & Social Costs	(6)	(7)	(7)	(6)	(25)
Total Operating Expenses	(407)	(398)	(387)	(303)	(1,493)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(407)	(398)	(387)	(303)	(1,493)
Utility Operating Income	35	32	36	33	136
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(1)	(2)	(7)	(13)
Net Other Income	(2)	(1)	(2)	(7)	(13)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	176	329	505
Unrealized Accounts Receivable [2]	0	0	(267)	(402)	(669)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(1)	(93)	(80)	(175)
NET INCOME	34	29	(60)	(54)	(51)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Borjomi
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	89	45.1	4.0	8	48.8	0.4	376	44.7	16.8	3,043	45.0	136.9	248	44.8	11.1
February	149	45.1	6.7	9	43.0	0.4	247	36.1	8.9	1,916	45.0	86.2	440	45.0	19.8
March	147	44.3	6.5	11	45.0	0.5	197	45.1	8.9	2,773	45.0	124.7	224	45.5	10.2
April	291	45.1	13.1	8	48.2	0.4	238	45.0	10.7	2,344	45.0	105.5	199	44.8	8.9
May	353	45.4	16.0	6	50.0	0.3	174	44.8	7.8	2,513	45.0	113.0	95	45.3	4.3
June	329	45.0	14.8	8	47.6	0.4	269	44.9	12.1	2,508	45.0	112.8	206	45.1	9.3
July	319	45.1	14.4	74	44.8	3.3	233	45.1	10.5	2,447	45.0	110.1	316	45.0	14.2
August	405	45.0	18.2	6	53.6	0.3	203	44.8	9.1	2,721	45.0	122.4	359	45.1	16.2
September	276	44.9	12.4	7	442.9	3.1	217	45.1	9.8	1,529	45.0	68.8	208	44.8	9.3
October	179	51.9	9.3	5	61.2	0.3	156	56.3	8.8	1,054	45.0	47.4	112	54.6	6.1
November	171	59.8	10.2	8	60.2	0.5	165	60.6	10.0	1,719	60.0	103.1	128	48.4	6.2
December	103	59.3	6.1	9	57.5	0.5	167	55.2	9.2	1,788	60.0	107.3	182	60.3	11.0

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Table 3
Borjomi
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	4,376	33.0	144
February	3,210	33.0	106
March	3,897	33.0	129
April	3,581	33.0	118
May	3,652	33.0	121
June	3,861	33.0	127
July	3,940	33.0	130
August	4,295	33.0	142
September	2,602	33.0	86
October	1,751	33.0	58
November	2,549	42.0	107
December	2,614	41.6	109

Tables 4
Borjomi
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
February	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	2	7	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	2	7	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	2	8	0	0	1	0
May	0	0	0	0	0	0	0	0	0	0	2	8	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	2	8	0	0	1	0
July	0	0	0	0	0	0	0	0	0	0	2	8	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	2	7	0	0	1	0
September	0	0	0	0	0	0	0	0	0	0	2	7	0	0	1	0
October	0	0	0	0	0	0	0	0	0	0	2	8	0	0	1	0
November	0	0	0	0	0	0	0	0	0	0	2	7	0	0	1	0
December	0	0	0	0	0	0	0	0	0	1	2	8	0	0	1	0

Table 5
Borjomi
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	169	85	85					85	85
February	122	56	122	29				151	151
March	151	69	151	82	0			233	233
April	139	47	139	151	35	0		324	324
May	141	50	141	139	136	0	0	416	416
June	149	78	149	141	139	58	0	487	487
July	153	47	153	149	141	91	58	535	593
August	166	24	166	153	149	118	91	586	735
September	103	41	103	166	153	109	118	531	798
October	72	19	72	103	166	133	109	475	850
November	130	7	130	72	103	160	133	465	974
December	134	15	134	130	72	89	160	425	1,093

Sources. (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm.*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs.*

Table 6
Borjomi
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	144	79	65					65	65
February	106	53	106	12				118	118
March	129	68	129	51	0			179	179
April	118	46	118	129	4	0		251	251
May	121	48	121	118	85	0	0	323	323
June	127	77	127	121	118	8	0	374	374
July	130	51	130	127	121	67	8	445	453
August	142	20	142	130	127	101	67	500	575
September	86	45	86	142	130	82	101	440	616
October	58	16	58	86	142	114	82	399	657
November	107	9	107	58	86	133	114	383	755
December	109	14	109	107	58	71	133	345	849

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 10
Tsalenjikha
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	1,937	1 939	3,040	4,190	5,385	6,624	6,707	6,790	6,876	6,963	7,051	7,142	7,239	7,339	7,442	7,547	7,654	7,765	264,009
Operational Expenses																			
Operating Expenses	(267)	(267)	(275)	(268)	(264)	(266)	(269)	(273)	(276)	(280)	(283)	(287)	(291)	(295)	(299)	(303)	(307)	(312)	(10,603)
Purchased Power	(1,456)	(1,493)	(2,129)	(2,813)	(3,544)	(4,326)	(4,461)	(4,516)	(4,573)	(4,631)	(4,690)	(4,750)	(4,815)	(4,881)	(4,950)	(5,019)	(5,091)	(5,165)	(175,599)
Wages & Social Costs	(8)	(8)	(97)	(218)	(314)	(352)	(357)	(361)	(366)	(370)	(375)	(380)	(385)	(390)	(396)	(401)	(407)	(413)	(14,046)
Total Operating Expenses	(1,730)	(1,768)	(2,502)	(3,299)	(4,123)	(4,945)	(5,087)	(5,150)	(5,215)	(5,281)	(5,348)	(5,417)	(5,491)	(5,567)	(5,644)	(5,724)	(5,806)	(5,890)	(200,248)
Sales and Administrative Expenses	0	0	(99)	(235)	(343)	(386)	(391)	(395)	(400)	(406)	(411)	(416)	(422)	(427)	(433)	(440)	(446)	(452)	(15,377)
Depreciation[3]	0	0	(29)	(58)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	0
Total Operational Costs	(1,730)	(1,768)	(2,630)	(3,593)	(4,553)	(5,418)	(5,565)	(5,633)	(5,703)	(5,774)	(5,847)	(5,921)	(6,000)	(6,082)	(6,165)	(6,251)	(6,339)	(6,430)	(218,604)
Utility Operating Income	207	171	409	597	832	1,206	1,142	1,157	1,173	1,188	1,205	1,221	1,239	1,257	1,276	1,295	1,315	1,335	45,405
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(30)	(30)	(47)	(65)	(83)	(102)	(103)	(105)	(106)	(107)	(109)	(110)	(112)	(113)	(115)	(116)	(118)	(120)	(4,073)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	276	782	892	884	742	453	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(631)	(1,246)	(1,953)	(2,179)	(2,076)	(1,822)	(1,023)	(204)	(206)	(209)	(212)	(214)	(217)	(220)	(223)	(226)	(230)	(233)	(7,920)
Budget and Non Budget Taxes	(307)	0	0	0	0	0	(24)	(191)	(193)	(196)	(199)	(201)	(204)	(207)	(211)	(214)	(217)	(221)	(7,497)
Total Financial Costs and Taxes	(662)	(464)	(1,061)	(1,295)	(1,334)	(1,369)	(1,047)	(394)	(400)	(405)	(410)	(416)	(422)	(428)	(434)	(440)	(447)	(453)	(15,417)
Net Income	(455)	(293)	(652)	(698)	(502)	(163)	95	763	773	784	795	806	818	830	842	855	868	882	29,988
Adjustments for Cash Flow																			
Depreciation	0	0	29	58	88	88	88	88	88	88	88	88	88	88	88	88	88	88	2,980
Change In Working Capital[4]			(136)	(142)	(147)	(153)	(10)	(10)	(11)	(11)	(11)	(11)	(12)	(12)	(13)	(13)	(13)	(14)	
Capital Investments	0	0	(584)	(584)	(584)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(691)	(668)	(644)	(65)	77	77	77	77	77	76	76	75	75	75	74	74	2,516
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(691)	(668)	(644)	(65)	77	77	77	77	77	76	76	75	75	75	74	74	2,516
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(652)	(698)	(502)	(163)	119	953	966	980	993	1,007	1,022	1,037	1,053	1,069	1,086	1,103	37,485
Taxes on EBIT			0	0	0	0	(24)	(191)	(193)	(196)	(199)	(201)	(204)	(207)	(211)	(214)	(217)	(221)	(7,497)
Cash Flow Adjustments[5]			(691)	(668)	(644)	(65)	77	77	77	77	77	76	76	75	75	75	74	74	2,516
Adjusted Free Cash Flow			(1,343)	(1,366)	(1,146)	(228)	172	840	850	861	871	882	893	905	917	930	943	956	32,504
Discounted Adjusted Free Cash Flow			(1 119)	(948)	(663)	(110)	69	281	237	200	169	142	120	102	86	72	61	52	258

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation)

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 41 924

[7] Number of Customers 9,737

[8] Market Value (GEL) 128 836

Table 1
Tsalenjikha
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	564	434	448	491	1,937
Operational Expenses					
Operating Expenses	(61)	(66)	(73)	(67)	(267)
Purchased Power	(413)	(317)	(329)	(397)	(1,456)
Wages & Social Costs	(2)	(2)	(2)	(3)	(8)
Total Operating Expenses	(475)	(384)	(404)	(467)	(1,730)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(475)	(384)	(404)	(467)	(1,730)
Utility Operating Income	88	50	44	24	207
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(4)	(8)	(6)	(12)	(30)
Net Other Income	(4)	(8)	(6)	(12)	(30)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	36	67	173	276
Unrealized Accounts Receivable [2]	0	(149)	(171)	(312)	(631)
Budget and Non Budget Taxes	(71)	(73)	(80)	(83)	(307)
Total Financial Cost and Taxes	(71)	(194)	(190)	(233)	(688)
NET INCOME	14	(152)	(152)	(222)	(511)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Tsalenjikha
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	0	0.0	0.0	4	45.0	0.2	63	45.0	2.8	5,447	45.0	245.1	140	45.0	6.3
February	1	45.0	0.0	10	45.0	0.5	61	45.0	2.7	3,378	45.0	152.0	130	45.0	5.9
March	2	45.0	0.1	14	45.0	0.6	63	45.0	2.8	3,079	45.0	138.6	136	45.0	6.1
April	1	45.0	0.0	16	45.0	0.7	61	45.0	2.7	2,451	45.0	110.3	130	45.0	5.9
May	1	45.0	0.0	17	45.0	0.8	61	45.0	2.7	2,408	45.0	108.4	157	45.0	7.1
June	0	0.0	0.0	19	45.0	0.9	62	45.0	2.8	4,041	45.0	181.8	220	45.0	9.9
July	1	45.0	0.0	20	45.0	0.9	61	45.0	2.7	3,866	45.0	174.0	249	45.0	11.2
August	1	45.0	0.0	21	45.0	0.9	61	45.0	2.7	2,618	45.0	117.8	207	45.0	9.3
September	1	45.0	0.0	1	45.0	0.0	62	45.0	2.8	2,693	45.0	121.2	97	45.0	4.4
October	0	0.0	0.0	1	45.0	0.0	62	45.0	2.8	2,124	45.0	95.6	55	45.0	2.5
November	1	45.0	0.0	1	45.0	0.0	62	45.0	2.8	4,060	45.0	182.7	86	45.0	3.9
December	1	60.0	0.0	2	60.0	0.1	62	60.0	3.7	3,143	60.0	188.6	134	60.0	8.0

Table 3
Tsalenjikha
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	5,695	32.8	187
February	3,577	33.0	118
March	3,888	27.9	108
April	2,645	33.0	87
May	2,629	33.0	87
June	4,324	33.0	143
July	4,238	33.0	140
August	2,887	33.0	95
September	2,853	33.0	94
October	2,241	33.0	74
November	4,134	42.0	174
December	3,556	42.0	149

Tables 4
Tsalenjikha
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
February	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
March	0	5	0	0	9	0	0	0	0	0	0	0	0	0	0	0
April	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
May	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
June	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
July	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
August	0	5	0	0	9	0	0	0	0	0	0	0	0	0	0	0
September	0	5	0	0	11	0	0	0	0	0	0	0	0	0	0	0
October	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
November	0	5	0	0	10	0	0	0	0	0	0	0	0	0	0	0
December	0	5	0	0	12	0	0	0	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	2	0	0	0	0	0	0	0	0	1	2	0	0	2	20
February	0	7	0	0	0	0	0	0	0	0	1	2	0	0	1	25
March	0	3	0	0	0	0	0	0	0	0	1	2	0	0	4	24
April	0	2	0	0	0	0	0	0	0	0	1	2	0	0	2	21
May	0	8	0	0	0	0	0	0	0	0	1	2	0	0	2	29
June	0	5	0	0	0	0	0	0	0	0	1	2	0	0	2	25
July	0	9	0	0	0	0	0	0	0	0	1	2	0	0	2	28
August	0	9	0	0	0	0	0	0	0	0	1	2	0	0	2	27
September	0	5	0	0	0	0	0	0	0	0	1	3	0	0	8	33
October	0	1	0	0	0	0	0	0	0	0	1	3	0	0	2	22
November	0	1	0	0	0	0	0	0	0	0	1	9	0	0	2	28
December	0	4	0	0	0	0	0	0	0	0	1	3	0	0	1	26

Table 5
Tsalenjikha
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	254	37	218					218	218
February	161	75	161	143				304	304
March	148	52	148	161	91			400	400
April	120	60	120	148	161	31		460	460
May	119	44	119	120	148	118	31	504	535
June	195	106	195	119	120	42	118	476	624
July	189	99	189	195	119	21	42	524	714
August	131	11	131	189	195	108	21	623	835
September	128	42	128	131	189	153	108	601	920
October	101	158	101	128	131	31	153	391	863
November	189	3	189	101	128	128	31	547	1,050
December	201	6	201	189	101	122	128	613	1,244

Sources: (By Column)

- *1* *Actual figures provided by company*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6.*
- *9* *Cumulative accounts receivable without write-offs*

Table 6
Tsalenjikha
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	187	37	150					150	150
February	118	77	118	73				191	191
March	108	52	108	118	21			247	247
April	87	60	87	108	79	0		275	275
May	87	44	87	87	108	36	0	318	318
June	143	106	143	87	87	2	36	319	355
July	140	99	140	143	75	0	2	358	396
August	95	11	95	140	143	65	0	443	480
September	94	42	94	95	140	100	65	430	532
October	74	158	74	94	77	0	100	245	448
November	174	4	174	74	94	73	0	415	618
December	149	5	149	174	74	89	73	486	762

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 6
Tsalka
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	57	57	(0)					(0)	(0)
February	77	77	(0)	0				(0)	(0)
March	52	52	(0)	0	0			(0)	(0)
April	48	48	(0)	0	0	0		(0)	(0)
May	74	74	(0)	0	0	0	0	(0)	(0)
June	43	43	(0)	0	0	0	0	(0)	(0)
July	69	69	(0)	0	0	0	0	(0)	(0)
August	34	34	0	0	0	0	0	0	0
September	24	24	0	0	0	0	0	0	0
October	65	65	0	0	0	0	0	0	0
November	112	116	(4)	0	0	0	0	(4)	(4)
December	107	107	(4)	0	0	0	0	(4)	(4)

Sources: (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

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Table 1
Tsalka
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	215	191	147	292	845
Operational Expenses					
Operating Expenses	(18)	(18)	(18)	(18)	(72)
Purchased Power	(186)	(165)	(127)	(284)	(762)
Wages & Social Costs	(0)	(0)	(0)	(0)	(0)
Total Operating Expenses	(204)	(183)	(145)	(302)	(834)
Sales & Administrative	0	0	0	0	0
Depreciation	(0)	(0)	(0)	(0)	(0)
Total Operational Expenses	(204)	(183)	(145)	(302)	(834)
Utility Operating Income	12	8	2	(11)	11
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(36)	(51)	(61)	(63)	(211)
Net Other Income	(36)	(51)	(61)	(63)	(211)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	0	0
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(51)	(61)	(63)	(175)
NET INCOME	(25)	(94)	(120)	(137)	(376)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**
[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Tsalka
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	1,435	45 0	64 6	0	0.0	0.0	0	0.0	0.0	22	45.0	1.0	0	0.0	0.0
February	1,970	45.0	88.7	0	0.0	0.0	0	45.0	0.0	22	45.0	1.0	0	0 0	0.0
March	1,316	45 0	59 2	0	45 0	0 0	1	45 0	0 0	21	45 0	1 0	0	0.0	0.0
April	1,217	45.0	54.8	0	0 0	0.0	0	45.0	0.0	23	45.0	1.0	0	0.0	0.0
May	1,876	45.0	84.4	0	0.0	0.0	0	45.0	0.0	23	45.0	1.0	0	0 0	0 0
June	1,083	45 0	48 7	2	45.0	0.1	0	0 0	0.0	20	45 0	0.9	0	0.0	0.0
July	1,731	45.0	77.9	26	45.0	1.2	0	45.0	0.0	21	45.0	0.9	0	0.0	0.0
August	861	45 0	38.7	0	0.0	0.0	0	45.0	0.0	22	45.0	1.0	0	0 0	0.0
September	591	45.0	26 6	0	0 0	0 0	0	45.0	0.0	21	45.0	1.0	0	0.0	0.0
October	1,298	45.0	58.4	2	45.0	0.1	0	0.0	0.0	24	45.0	1.1	0	0 0	0.0
November	2,235	45 0	100.6	0	0.0	0.0	0	0.0	0 0	29	45.0	1.3	0	0 0	0 0
December	2,139	60.0	128 3	0	0 0	0 0	0	60 0	0.0	29	60 0	1.7	0	0.0	0.0

Table 3
Tsalka
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,714	33.0	57
February	2,344	33.0	77
March	1,574	33.0	52
April	1,459	33.0	48
May	2,234	33.0	74
June	1,299	33.0	43
July	2,092	33.0	69
August	1,039	33.0	34
September	721	33.0	24
October	1,557	42.0	65
November	2,664	42.0	112
December	2,550	42.0	107

Tables 4
Tsalka
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	12
February	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	12
March	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	12
April	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	19
May	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	19
June	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	19
July	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	21
August	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	21
September	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	21
October	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	21
November	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	21
December	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	24

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 5
Tsalka
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	66	57	9					9	9
February	90	77	21	0				21	21
March	60	52	30	0	0			30	30
April	56	48	37	0	0	0		37	37
May	85	74	49	0	0	0	0	49	49
June	50	43	50	6	0	0	0	56	56
July	80	69	67	0	0	0	0	67	67
August	40	34	40	33	0	0	0	72	72
September	28	24	28	40	9	0	0	76	76
October	60	65	60	11	0	0	0	70	70
November	102	116	56	0	0	0	0	56	56
December	130	107	79	0	0	0	0	79	79

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm.*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs.*

Table 6
Tsalka
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	57	57	(0)					(0)	(0)
February	77	77	(0)	0				(0)	(0)
March	52	52	(0)	0	0			(0)	(0)
April	48	48	(0)	0	0	0		(0)	(0)
May	74	74	(0)	0	0	0	0	(0)	(0)
June	43	43	(0)	0	0	0	0	(0)	(0)
July	69	69	(0)	0	0	0	0	(0)	(0)
August	34	34	0	0	0	0	0	0	0
September	24	24	0	0	0	0	0	0	0
October	65	65	0	0	0	0	0	0	0
November	112	116	(4)	0	0	0	0	(4)	(4)
December	107	107	(4)	0	0	0	0	(4)	(4)

Sources: (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 - Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 1
Chiatura
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	265	255	248	203	971
Operational Expenses					
Operating Expenses	(50)	(55)	(52)	(57)	(215)
Purchased Power	(130)	(168)	(99)	(12)	(409)
Wages & Social Costs	(6)	(7)	(7)	(6)	(26)
Total Operating Expenses	(186)	(230)	(158)	(75)	(650)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(186)	(230)	(158)	(75)	(650)
Utility Operating Income	80	24	90	127	321
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(1)	(2)	(1)	(5)
Net Other Income	(1)	(1)	(2)	(1)	(5)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	(39)	(224)	(263)
Budget and Non Budget Taxes	(60)	(66)	(66)	(57)	(247)
Total Financial Cost and Taxes	(60)	(66)	(106)	(282)	(514)
NET INCOME	19	(43)	(17)	(156)	(197)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Chiatura
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	31	45.6	1.4	63	44.3	2.8	1	42.9	0.0	2,271	45.2	102.7	327	45.0	14.7
February	83	44.6	3.7	77	44.4	3.4	1	42.9	0.0	1,161	45.0	52.2	158	44.9	7.1
March	35	45.3	1.6	61	44.6	2.7	0	0.0	0.0	1,480	45.0	66.6	145	44.9	6.5
April	32	43.8	1.4	38	45.1	1.7	21	43.7	0.9	1,503	45.0	67.6	116	44.7	5.2
May	34	43.6	1.5	24	45.1	1.1	16	45.7	0.8	1,700	45.0	76.5	118	45.0	5.3
June	37	43.8	1.6	23	44.4	1.0	16	43.5	0.7	1,592	45.0	71.6	391	45.0	17.6
July	43	43.9	1.9	16	49.1	0.8	23	43.7	1.0	1,793	45.0	80.2	519	44.9	23.3
August	33	44.9	1.5	17	47.9	0.8	20	44.1	0.9	1,460	45.0	65.7	364	45.0	16.4
September	35	46.2	1.6	20	45.9	0.9	13	39.7	0.5	768	45.0	34.6	403	44.9	18.1
October	33	60.8	2.0	8	62.5	0.5	10	57.7	0.6	800	59.9	47.9	289	59.8	17.3
November	31	61.3	1.9	22	59.4	1.3	3	74.1	0.2	911	60.0	54.6	274	59.9	16.4
December	32	58.8	1.9	23	60.1	1.4	9	57.5	0.5	674	60.1	40.5	260	60.1	15.6

Table 3
Chiatura
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	2,894	14.7	43
February	1,591	37.8	60
March	1,851	14.6	27
April	1,835	20.7	38
May	2,034	23.9	49
June	2,213	36.9	82
July	2,510	15.8	40
August	2,038	7.9	16
September	1,331	32.5	43
October	1,226	8.6	11
November	1,334	1.0	1
December	1,085	0.4	0

Tables 4
Chiatura
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
July	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
December	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	9	0	0	0	0	0	0	2	7	0	0	0	18
February	0	0	0	10	0	0	0	0	0	0	2	7	0	0	0	20
March	0	0	0	9	0	0	0	0	0	0	2	7	0	0	0	20
April	0	0	0	11	0	0	0	0	0	0	3	9	0	0	0	24
May	0	0	0	10	0	0	0	0	0	0	2	7	0	0	0	21
June	0	0	0	10	0	0	0	0	0	0	2	7	0	0	0	21
July	0	0	0	10	0	0	0	0	0	0	2	7	0	0	0	22
August	0	0	0	10	0	0	0	0	0	0	2	8	0	0	0	22
September	0	0	0	9	0	0	0	0	0	0	2	7	0	0	0	19
October	0	0	0	9	0	0	0	0	0	0	2	7	0	0	0	20
November	0	0	0	8	0	0	0	0	0	0	2	6	0	0	0	18
December	0	0	0	14	0	0	0	0	0	0	3	11	0	0	0	31

Table 5
Chiatura
Georgia Power Privatization
Determination and Aging of Accounts Receivable
(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	122	49	72					72	72
February	66	64	66	8				75	75
March	77	28	77	47	0			124	124
April	77	39	77	77	7	0		162	162
May	85	54	85	77	31	0	0	193	193
June	93	85	93	85	22	0	0	200	200
July	107	52	107	93	56	0	0	256	256
August	85	17	85	107	93	39	0	324	324
September	56	46	56	85	107	47	39	295	334
October	68	12	68	56	85	95	47	305	390
November	74	3	74	68	56	82	95	280	461
December	60	3	60	74	68	53	82	255	518

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company.*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs*

Table 1
Tskaltubo
Georgia Power Privatization
Income Statement for the Period Ending

(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	707	705	967	1,353	3,732
Operational Expenses					
Operating Expenses	(23)	(27)	(28)	(27)	(105)
Purchased Power	(577)	(575)	(788)	(1,053)	(2,992)
Wages & Social Costs	(7)	(8)	(9)	(8)	(33)
Total Operating Expenses	(607)	(610)	(825)	(1,088)	(3,130)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(607)	(610)	(825)	(1,088)	(3,130)
Utility Operating Income	100	95	142	265	602
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(2)	(7)	(4)	(14)
Net Other Income	(1)	(2)	(7)	(4)	(14)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	417	417
Unrealized Accounts Receivable [2]	0	0	(7)	(726)	(733)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(2)	(14)	(314)	(329)
NET INCOME	99	91	121	(53)	258

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**

[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Tskaltubo
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	780	45.1	35.2	40	42.5	1.7	1,290	45.0	58.1	3,020	44.7	135.1	140	46.3	6.5
February	880	45.3	39.9	35	45.7	1.6	1,000	45.1	45.1	3,000	44.9	134.7	360	45.0	16.2
March	740	45.5	33.7	30	50.0	1.5	1,070	45.4	48.6	3,120	45.1	140.6	180	45.9	8.3
April	1,060	45.3	48.0	32	45.6	1.5	1,870	21.0	39.3	2,370	45.0	106.7	160	45.6	7.3
May	1,100	45.1	49.6	31	46.1	1.4	760	45.1	34.3	2,700	45.1	121.9	100	46.6	4.7
June	1,130	44.9	50.7	30	43.3	1.3	640	45.0	28.8	4,500	45.2	203.3	130	46.0	6.2
July	1,300	44.3	57.6	28	46.4	1.3	570	45.8	26.1	5,200	44.9	233.7	110	46.7	5.4
August	1,170	45.1	52.8	27	46.3	1.3	530	45.8	24.3	5,680	45.0	255.8	160	47.1	7.5
September	880	45.0	39.6	30	49.0	1.5	580	45.2	26.2	5,030	45.0	226.5	170	45.6	7.8
October	970	60.0	58.2	32	60.6	1.9	610	60.8	37.1	4,570	60.1	274.5	130	60.2	7.8
November	850	60.4	51.4	31	61.3	1.9	800	59.3	47.4	6,220	60.0	373.4	90	63.1	5.7
December	810	60.1	48.7	33	60.3	2.0	850	60.2	51.2	6,410	60.0	384.9	110	63.5	7.0

Table 3
Tskaltubo
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	5,867	33.0	194
February	5,869	33.0	194
March	5,745	33.0	190
April	5,006	33.0	165
May	5,233	33.0	173
June	7,171	33.0	237
July	8,001	33.0	264
August	8,435	33.0	278
September	7,445	33.0	246
October	7,029	42.0	295
November	8,886	42.0	373
December	9,146	42.0	384

Tables 4
Tskaltubo
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 80-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	2	8	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	3	10	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	3	10	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	3	9	0	0	0	0

Table 5
Tskaltubo
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	237	146	91					91	91
February	238	155	173	0				173	173
March	233	144	233	29	0			262	262
April	203	126	203	135	0	0		338	338
May	212	137	212	201	0	0	0	413	413
June	290	185	290	212	16	0	0	518	518
July	324	190	324	290	38	0	0	652	652
August	342	31	342	324	290	7	0	963	963
September	302	30	302	342	324	261	7	1,228	1,235
October	380	156	380	302	342	169	261	1,191	1,459
November	480	44	480	380	302	297	169	1,458	1,894
December	494	26	494	480	380	276	297	1,629	2,362

Sources: (By Column)

- *1* *Actual figures provided by company.*
- *2* *Actual figures provided by company.*
- *3* *Column 1 -Column 2*
- *4-6* *Assumed that money paid goes first to the oldest unpaid balance.*
- *7* *After 90 days the debt is written off and treated as income to the firm*
- *8* *Sum of columns 3, 4, 5, and 6*
- *9* *Cumulative accounts receivable without write-offs*

Table 6
Tskaltubo
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	194	147	47					47	47
February	194	138	102	0				102	102
March	190	143	150	0	0			150	150
April	165	119	165	31	0	0		196	196
May	173	128	173	68	0	0	0	241	241
June	237	181	237	60	0	0	0	297	297
July	264	186	264	111	0	0	0	375	375
August	278	23	278	264	88	0	0	630	630
September	246	25	246	278	264	63	0	851	851
October	295	147	295	246	278	117	63	936	999
November	373	40	373	295	246	238	117	1,152	1,331
December	384	21	384	373	295	225	238	1,278	1,695

Sources (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm.*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*

Table 1
Dedoplis Charv
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	134	78	117	78	407
Operational Expenses					
Operating Expenses	(50)	(43)	(51)	(44)	(189)
Purchased Power	(98)	(57)	(86)	(69)	(310)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(148)	(100)	(137)	(113)	(498)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(148)	(100)	(137)	(113)	(498)
Utility Operating Income	(14)	(23)	(20)	(35)	(92)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(13)	(44)	(60)	(65)	(182)
Net Other Income	(13)	(44)	(60)	(65)	(182)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	13	13
Unrealized Accounts Receivable [2]	0	0	(19)	(55)	(75)
Budget and Non Budget Taxes	(57)	(96)	(105)	(113)	(371)
Total Financial Cost and Taxes	(57)	(140)	(184)	(221)	(602)
NET INCOME	(85)	(206)	(264)	(321)	(875)

[1] It is assumed that accounts receivable 90 days or older are written off and treated as income.
[2] It is assumed that accounts receivable 90 days or older are written off as bad debt expense

Table 2
Dedoplis Charv
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1995)	0	0.0	0.0	66	45.0	3.0	6	45.0	0.3	1,413	45.0	63.6	0	0.0	0.0
February	9	45 0	0 4	25	45 0	1.1	6	45 0	0.3	377	45.0	17.0	0	0.0	0 0
March	9	45.0	0 4	35	45.0	1.6	6	45 0	0 3	1,027	45.0	46 2	0	0 0	0 0
April	11	45.0	0.5	25	45.0	1.1	14	45.0	0.6	410	45 0	18.5	0	0.0	0.0
May	95	45.0	4 3	50	45 0	2.3	5	45.0	0.2	489	45.0	22.0	0	0.0	0.0
June	55	45.0	2.5	40	45.0	1.8	5	45 0	0.2	527	45.0	23.7	0	0 0	0.0
July	20	45.0	0.9	10	45.0	0.5	6	45 0	0.3	514	45.0	23.1	0	0.0	0.0
August	13	45.0	0.6	11	45.0	0.5	326	45.0	14.7	1,200	45.0	54.0	0	0 0	0.0
September	0	0.0	0.0	4	45.0	0.2	6	45 0	0.3	490	45.0	22 1	0	0 0	0.0
October	36	45 0	1.6	10	45.0	0.5	4	45.0	0.2	450	45 0	20.3	0	0.0	0.0
November	44	45.0	2 0	10	45.0	0 5	6	45.0	0.3	776	45.0	34.9	0	0 0	0.0
December	26	60.0	1.6	10	60.0	0.6	4	60 0	0.2	260	60.0	15.6	0	0 0	0.0

Table 3
Dedoplis Charv
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,485	33.0	49
February	417	33.0	14
March	1,077	33.0	36
April	460	33.0	15
May	639	33.0	21
June	627	33.0	21
July	550	33.0	18
August	1,550	33.0	51
September	500	33.0	17
October	500	42.0	21
November	836	42.0	35
December	300	42.0	13

Tables 4
Dedoplis Charv
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	14	0	0	0	20
February	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	19
March	0	0	0	0	0	0	0	0	0	0	0	21	0	0	0	43
April	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	26
May	0	0	0	0	0	0	0	0	0	0	0	16	0	0	0	27
June	0	0	0	0	0	0	0	0	0	0	0	12	0	0	0	30
July	0	0	0	0	0	0	0	0	0	0	0	17	0	0	0	35
August	0	0	0	0	0	0	0	0	0	0	0	16	0	0	0	41
September	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	53
October	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	38
November	0	0	0	0	0	0	0	0	0	0	0	14	0	0	0	22
December	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	29

Table 5
Dedoplis Charv
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	67	15	52					52	52
February	19	25	19	26				45	45
March	48	17	48	19	9			76	76
April	21	17	21	48	11	0		80	80
May	29	23	29	21	36	0	0	86	86
June	28	35	28	29	21	1	0	79	79
July	25	22	25	28	28	0	1	81	82
August	70	10	70	25	28	18	0	141	142
September	23	36	23	70	17	0	18	109	128
October	23	25	23	23	61	0	0	106	125
November	38	6	38	23	23	55	0	138	157
December	18	5	18	38	23	17	55	95	170

Sources. (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 6
Dedoplis Charv
Georgia Power Privatization
Determination and Aging of Accounts Payable
(000 GEL)

Month	1 Total Expenses of Electricity (000 GEL)	2 Realization Paid (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Payable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
Janurary	49	16	33					33	33
February	14	24	14	9				23	23
March	36	19	36	4	0			40	40
April	15	18	15	22	0	0		37	37
May	21	22	21	15	0	0	0	36	36
June	21	35	21	1	0	0	0	21	21
July	18	19	18	2	0	0	0	21	21
August	51	9	51	11	0	0	0	62	62
September	17	25	17	37	0	0	0	53	53
October	21	22	21	17	15	0	0	53	53
November	35	2	35	21	17	13	0	86	86
December	13	76	10	0	0	0	13	10	23

Sources. (By Column)

1	*Actual figures provided by company.*
2	*Actual figures provided by company.*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6.*
9	*Cumulative accounts receivable without write-offs*

Table 10
Dmanisi
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	370	371	573	785	1,005	1,232	1,249	1,266	1,285	1,303	1,323	1,344	1,364	1,384	1,406	1,428	1,451	1,474	50,124
Operational Expenses																			
Operating Expenses	(40)	(40)	(43)	(46)	(48)	(50)	(50)	(51)	(52)	(53)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(2,032)
Purchased Power	(286)	(285)	(404)	(531)	(666)	(810)	(834)	(846)	(859)	(872)	(886)	(900)	(913)	(928)	(943)	(958)	(974)	(990)	(33,651)
Wages & Social Costs	(19)	(19)	(32)	(48)	(61)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(77)	(78)	(79)	(2,692)
Total Operating Expenses	(345)	(343)	(479)	(624)	(775)	(926)	(951)	(965)	(980)	(994)	(1,010)	(1,026)	(1,042)	(1,058)	(1,075)	(1,092)	(1,110)	(1,129)	(38,375)
Sales and Administrative Expenses	(5)	(5)	(22)	(46)	(65)	(72)	(73)	(74)	(75)	(76)	(78)	(79)	(80)	(81)	(83)	(84)	(85)	(87)	(2,947)
Depreciation[3]	0	0	(39)	(78)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	0
Total Operational Costs	(349)	(348)	(540)	(749)	(957)	(1,115)	(1,142)	(1,157)	(1,172)	(1,188)	(1,205)	(1,222)	(1,239)	(1,256)	(1,275)	(1,293)	(1,313)	(1,333)	(45,307)
Utility Operating Income	20	23	33	36	48	117	107	110	113	115	119	122	125	128	131	135	138	142	4,817
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(5)	(5)	(8)	(11)	(14)	(18)	(18)	(18)	(18)	(19)	(19)	(19)	(20)	(20)	(20)	(20)	(21)	(21)	(717)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	81	92	91	76	46	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(192)	(333)	(515)	(569)	(541)	(465)	(254)	(38)	(39)	(39)	(40)	(40)	(41)	(42)	(42)	(43)	(44)	(44)	(1,504)
Budget and Non Budget Taxes	(69)	0	0	0	0	0	0	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(19)	(663)
Total Financial Costs and Taxes	(261)	(252)	(423)	(478)	(465)	(418)	(254)	(52)	(53)	(54)	(55)	(57)	(58)	(59)	(60)	(61)	(62)	(64)	(2,166)
Net Income	(241)	(229)	(390)	(441)	(418)	(302)	(147)	57	59	61	63	65	67	69	71	73	76	78	2,650
Adjustments for Cash Flow																			
Depreciation	0	0	39	78	117	117	117	117	117	117	117	117	117	117	117	117	117	117	3,986
Change In Working Capital[4]			(25)	(26)	(27)	(28)	(2)	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(782)	(782)	(782)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(390)	(441)	(418)	(302)	(147)	72	74	76	79	81	84	86	89	92	95	97	3,313
Taxes on EBIT			0	0	0	0	0	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(19)	(663)
Cash Flow Adjustments[5]			(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Adjusted Free Cash Flow			(1,157)	(1,171)	(1,109)	(212)	(32)	172	174	176	178	180	182	184	186	188	190	192	6,539
Discounted Adjusted Free Cash Flow			(964)	(813)	(642)	(102)	(13)	58	49	41	34	29	24	21	17	15	12	10	52

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation).

[3] Based mainly on new investment only.

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs

[6] MWH Sold in 1998 7,898

[7] Number of Customers 13,026

[8] Market Value (GEL) (1,207,633)

Table 10
Dmanisi
Georgia Power Privatization
Projected Income Statement for Distribution Assets
(GEL 000)

	Actual[1] 1998	1999	1 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 2010	12 2011	13 2012	14 2013	15 2014	16 2015	2016-2048
Projected Income Statement[2]																			
Net Sales	370	371	573	785	1,005	1,232	1,249	1,266	1,285	1 303	1 323	1,344	1,364	1,384	1,406	1,428	1,451	1,474	50,124
Operational Expenses																			
Operating Expenses	(40)	(40)	(43)	(46)	(48)	(50)	(50)	(51)	(52)	(53)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(2,032)
Purchased Power	(286)	(285)	(404)	(531)	(666)	(810)	(834)	(846)	(859)	(872)	(886)	(900)	(913)	(928)	(943)	(958)	(974)	(990)	(33,651)
Wages & Social Costs	(19)	(19)	(32)	(48)	(61)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(77)	(78)	(79)	(2,692)
Total Operating Expenses	(345)	(343)	(479)	(624)	(775)	(926)	(951)	(965)	(980)	(994)	(1,010)	(1,026)	(1,042)	(1,058)	(1,075)	(1,092)	(1,110)	(1,129)	(38,375)
Sales and Administrative Expenses	(5)	(5)	(22)	(46)	(65)	(72)	(73)	(74)	(75)	(76)	(78)	(79)	(80)	(81)	(83)	(84)	(85)	(87)	(2,947)
Depreciation[3]	0	0	(39)	(78)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	(117)	0
Total Operational Costs	(349)	(348)	(540)	(749)	(957)	(1,115)	(1,142)	(1,157)	(1,172)	(1,188)	(1 205)	(1 222)	(1,239)	(1,256)	(1,275)	(1,293)	(1,313)	(1,333)	(45,307)
Utility Operating Income	20	23	33	36	48	117	107	110	113	115	119	122	125	128	131	135	138	142	4,817
Other Income and Expenses																			
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	(5)	(5)	(8)	(11)	(14)	(18)	(18)	(18)	(18)	(19)	(19)	(19)	(20)	(20)	(20)	(20)	(21)	(21)	(717)
Net Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs and Taxes																			
Unrealized Accounts Payable	0	81	92	91	76	46	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(192)	(333)	(515)	(569)	(541)	(465)	(254)	(38)	(39)	(39)	(40)	(40)	(41)	(42)	(42)	(43)	(44)	(44)	(1,504)
Budget and Non Budget Taxes	(69)	0	0	0	0	0	0	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(19)	(663)
Total Financial Costs and Taxes	(261)	(252)	(423)	(478)	(465)	(418)	(254)	(52)	(53)	(54)	(55)	(57)	(58)	(59)	(60)	(61)	(62)	(64)	(2,166)
Net Income	(241)	(229)	(390)	(441)	(418)	(302)	(147)	57	59	61	63	65	67	69	71	73	76	78	2,650
Adjustments for Cash Flow																			
Depreciation	0	0	39	78	117	117	117	117	117	117	117	117	117	117	117	117	117	117	3,986
Change In Working Capital[4]			(25)	(26)	(27)	(28)	(2)	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(782)	(782)	(782)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual Cash Flow Available to Investors	0	0	(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Dividends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Surplus / Amount Financed	0	0	(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(390)	(441)	(418)	(302)	(147)	72	74	76	79	81	84	86	89	92	95	97	3,313
Taxes on EBIT			0	0	0	0	0	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)	(18)	(19)	(19)	(663)
Cash Flow Adjustments[5]			(767)	(729)	(691)	89	115	115	115	115	115	115	115	115	115	114	114	114	3,889
Adjusted Free Cash Flow			(1,157)	(1,171)	(1,109)	(212)	(32)	172	174	176	178	180	182	184	186	188	190	192	6,539
Discounted Adjusted Free Cash Flow			(964)	(813)	(642)	(102)	(13)	58	49	41	34	29	24	21	17	15	12	10	52

[1] The financial statements have been restated to reflect an IAS equivalent.

[2] Projected Income Statement is in real GEL (1998) and does not reflect changes in purchasing power (inflation).

[3] Based mainly on new investment only

[4] Assumed to be the difference in current vs prior year sales times 45 days sales in accounts receivable.

[5] Includes depreciation, changes in working capital, investments and financial costs.

[6] MWH Sold in 1998 7,898

[7] Number of Customers 13,026

[8] Market Value (GEL) (1,207,633)

Table 1
Dmanisi
Georgia Power Privatization
Income Statement for the Period Ending
(000 GEL)

UTILITY OPERATING INCOME	3/31/98	6/31/98	9/31/98	12/31/98	Annual
Net Sales	89	79	88	113	370
Operational Expenses					
Operating Expenses	(8)	(10)	(11)	(11)	(40)
Purchased Power	(65)	(73)	(65)	(83)	(286)
Wages & Social Costs	(4)	(4)	(5)	(6)	(19)
Total Operating Expenses	(77)	(87)	(80)	(101)	(345)
Sales & Administrative	(1)	(1)	(1)	(1)	(5)
Depreciation	0	0	0	0	0
Total Operational Expenses	(78)	(88)	(82)	(102)	(349)
Utility Operating Income	12	(8)	6	11	20
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(1)	(1)	(2)	(5)
Net Other Income	(1)	(1)	(1)	(2)	(5)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	(43)	(75)	(74)	(192)
Budget and Non Budget Taxes	(13)	(17)	(19)	(20)	(69)
Total Financial Cost and Taxes	(13)	(61)	(95)	(97)	(266)
NET INCOME	(3)	(70)	(90)	(87)	(251)

[1] **It is assumed that accounts receivable 90 days or older are written off and treated as income.**
[2] **It is assumed that accounts receivable 90 days or older are written off as bad debt expense**

Table 2
Dmanisi
Georgia Power Privatization
Sales of Electricity

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Month	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)	Total Sold (MWH)	Average Price (GEL per Unit)	Total Sales (000 GEL)
		Industrial			Local Budget			Central Budget			Residential			Other	
January (1998)	27	45.3	1.2	5	43.5	0.2	3	42.9	0.1	757	45.0	34.1	0	0.0	0.0
February	64	45.2	2.9	1	41.7	0.1	4	52.6	0.2	342	45.1	15.4	0	0.0	0.0
March	47	44.6	2.1	91	45.1	4.1	4	46.8	0.2	641	44.9	28.8	0	0.0	0.0
April	43	44.2	1.9	2	42.1	0.1	2	43.5	0.1	607	45.0	27.3	0	0.0	0.0
May	34	44.3	1.5	2	44.4	0.1	2	41.7	0.1	419	45.1	18.9	0	0.0	0.0
June	49	44.8	2.2	2	45.7	0.1	1	46.2	0.1	804	33.8	27.2	0	0.0	0.0
July	28	43.6	1.2	2	45.5	0.1	1	41.1	0.0	606	45.0	27.3	0	0.0	0.0
August	22	41.5	0.9	2	46.7	0.1	1	50.0	0.0	591	45.0	26.6	0	0.0	0.0
September	25	44.4	1.1	2	46.7	0.1	1	45.5	0.1	681	44.9	30.6	0	0.0	0.0
October	22	59.1	1.3	2	66.7	0.1	2	52.6	0.1	817	60.0	49.0	0	0.0	0.0
November	16	58.1	0.9	2	66.7	0.1	3	74.1	0.2	500	47.8	23.9	0	0.0	0.0
December	14	57.6	0.8	2	66.7	0.1	5	55.6	0.3	603	60.0	36.2	0	0.0	0.0

Table 3
Dmanisi
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	788	33.0	26
February	411	33.0	14
March	784	33.0	26
April	654	33.0	22
May	895	33.0	30
June	656	33.0	22
July	637	33.0	21
August	615	33.0	20
September	708	33.0	23
October	843	42.0	35
November	519	42.0	22
December	624	42.0	26

Tables 4
Dmanisi
Georgia Power Privatization
Main Production Costs
(000 GEL)

Month	Depreciation 2	Leased Assets 3	Low Value Assets 13	Basic Production 20	Semi Finished Goods 21	Auxiliary Production 23	General Production Cost 25	General Administrative Cost 26	Defective Products 28	Service Sector 29	Non Captial Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0

	Money Assets 50-58	Settlements Suppliers 60	Settlements Advances Paid 61	Settlements Buyers 62	Settlements Claims 63	Settlements Advances Rec 64	Settlements Insurance 65	Settlements Non State 67	Settlements Payments 68	Settlements Social Ins 69	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	4
February	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	4
March	0	1	0	0	0	0	0	0	0	0	1	3	0	0	0	6
April	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	5
May	0	0	0	0	0	0	0	0	0	0	1	3	0	0	0	5
June	0	0	0	0	0	0	0	0	0	0	2	3	0	0	0	6
July	0	0	0	0	0	0	0	0	0	0	2	3	0	0	0	6
August	0	0	0	0	0	0	0	0	0	0	2	3	0	0	1	6
September	0	0	0	0	0	0	0	0	0	0	2	3	0	0	1	7
October	0	1	0	0	0	0	0	0	0	0	2	3	0	0	1	7
November	0	0	0	0	0	0	0	0	0	0	2	3	0	0	1	7
December	0	0	0	0	0	0	0	0	0	0	2	3	0	0	1	7

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Table 5
Dmanisi
Georgia Power Privatization
Determination and Aging of Accounts Receivable

(000 GEL)

Month	1 Total Sales of Electricity (000 GEL)	2 Realization Received (000 GEL)	3 End of Month Unpaid Balance (000 GEL)	4 30 Days Unpaid Balance (000 GEL)	5 60 Days Unpaid Balance (000 GEL)	6 90 Days Unpaid Balance (000 GEL)	7 Write-Offs (000 GEL)	8 Total Electric Receivable (000 GEL)	9 Receivable Without Write-Offs (000 GEL)
January	36	1	35					35	35
February	19	1	19	34				53	53
March	35	6	35	19	28			82	82
April	29	2	29	35	19	26		110	110
May	21	2	21	29	35	17	26	102	128
June	30	4	30	21	29	31	17	111	154
July	29	4	29	30	21	26	31	104	179
August	28	3	28	29	30	18	26	104	204
September	32	4	32	28	29	26	18	114	232
October	51	6	51	32	28	23	26	133	277
November	25	2	25	51	32	26	23	133	300
December	37	5	37	25	51	27	26	140	332

Sources. (By Column)

1	*Actual figures provided by company*
2	*Actual figures provided by company*
3	*Column 1 -Column 2*
4-6	*Assumed that money paid goes first to the oldest unpaid balance.*
7	*After 90 days the debt is written off and treated as income to the firm*
8	*Sum of columns 3, 4, 5, and 6*
9	*Cumulative accounts receivable without write-offs*