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APPENDIX 3(C)
FOR
FINANCIAL RESTATEMENT AND VALUATION OF THE GEORGIA ELECTRIC DISTRIBUTION SECTOR

Georgia Power Sector Reform
Contract No. LAG-I-00-98-00005-00
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Final Report

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APPENDIX 3(C)

VALUATION OF INDIVIDUAL DISTRIBUTION COMPANIES

Table 10
Signagi
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	529	525	803	1,092	1,394	1,708	1,737	1,772	1,809	1,847	1,887	1,928	1,972	2,018	2,066	2,116	2 169	2,222	75,553
Operational Expenses																			
Operating Expenses	(12)	(12)	(27)	(47)	(63)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(80)	(82)	(84)	(86)	(88)	(90)	(3,072)
Purchased Power	(385)	(384)	(546)	(723)	(913)	(1,118)	(1,163)	(1,187)	(1,212)	(1,238)	(1,266)	(1,295)	(1,325)	(1,356)	(1,389)	(1,423)	(1,460)	(1,496)	(50,876)
Wages & Social Costs	0	0	(24)	(56)	(81)	(91)	(93)	(95)	(97)	(99)	(101)	(104)	(106)	(108)	(111)	(114)	(117)	(120)	(4,069)
Total Operating Expenses	(397)	(396)	(597)	(825)	(1 057)	(1,279)	(1,327)	(1,354)	(1,382)	(1,412)	(1,443)	(1,476)	(1,510)	(1,546)	(1,584)	(1,623)	(1,664)	(1,706)	(58,017)
Sales and Administrative Expenses	0	0	(26)	(61)	(89)	(100)	(102)	(104)	(106)	(108)	(111)	(113)	(116)	(119)	(122)	(125)	(128)	(131)	(4,455)
Depreciation[3]	0	0	(37)	(74)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	(111)	0
Total Operational Costs	(397)	(396)	(660)	(960)	(1,257)	(1,490)	(1,540)	(1,569)	(1,600)	(1,632)	(1,665)	(1,701)	(1,738)	(1,776)	(1,817)	(1,859)	(1,903)	(1,949)	(66,251)
Utility Operating Income	132	130	143	132	137	218	198	203	209	215	221	228	235	242	249	257	265	274	9,302
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	(50)	(50)	(77)	(104)	(133)	(163)	(166)	(169)	(173)	(176)	(180)	(184)	(188)	(193)	(197)	(202)	(207)	(212)	(7,213)
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	19	22	22	18	11	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(168)	(257)	(286)	(268)	(249)	(153)	(53)	(54)	(55)	(57)	(58)	(59)	(61)	(62)	(63)	(65)	(67)	(2,267)
Budget and Non Budget Taxes	0	0	0	0	0	0	(9)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(39)	(40)	(41)	(1,407)
Total Financial Costs and Taxes	0	(149)	(235)	(265)	(250)	(238)	(162)	(83)	(85)	(87)	(90)	(92)	(94)	(97)	(99)	(102)	(105)	(108)	(3,674)
Net Income	132	(19)	(93)	(133)	(112)	(20)	36	120	124	128	132	136	140	145	150	155	160	166	5,628
Adjustments for Cash Flow																			
Depreciation	0	0	37	74	111	111	111	111	111	111	111	111	111	111	111	111	111	111	3,779
Change In Working Capital[4]			(34)	(36)	(37)	(39)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(7)	
Capital Investments	0	0	(741)	(741)	(741)	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	(738)	(703)	(667)	72	108	107	107	106	106	106	106	105	105	105	105	105	3,554
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	(738)	(703)	(667)	72	108	107	107	106	106	106	106	105	105	105	105	105	3,554
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(93)	(133)	(112)	(20)	45	150	155	160	165	170	175	181	187	194	200	207	7,035
Taxes on EBIT			0	0	0	0	(9)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(39)	(40)	(41)	(1,407)
Cash Flow Adjustments[5]			(738)	(703)	(667)	72	108	107	107	106	106	106	106	105	105	105	105	105	3,554
Adjusted Free Cash Flow			(831)	(835)	(779)	52	143	227	230	234	238	242	246	250	255	260	265	270	9,183
Discounted Adjusted Free Cash Flow			(665)	(535)	(399)	21	47	60	48	39	32	26	21	17	14	11	9	8	30

[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 10,967

[7] Number of Customers 12 349

[8] Market Value (GEL) (549,253)

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Table 1
Signagi
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	98	135	146	150	529
Operational Expenses					
Operating Expenses	(2)	(3)	(3)	(4)	(12)
Purchased Power	(72)	(99)	(107)	(107)	(385)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(73)	(102)	(110)	(111)	(397)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(73)	(102)	(110)	(111)	(397)
Utility Operating Income	24	33	36	39	132
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(29)	(14)	(4)	(4)	(50)
Net Other Income	(29)	(14)	(4)	(4)	(50)
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	(14)	(4)	(4)	(22)
NET INCOME	(4)	5	28	31	60

[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
Signagi
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)	49	45.0	2.2	20	45.0	0.9	0	0.0	0.0	723	44.9	32.5	8	50.0	0.4
February	25	44.8	1.1	0	0.0	0.0	0	0.0	0.0	634	44.9	28.5	11	44.5	0.5
March	53	45.7	2.4	38	44.7	1.7	0	0.0	0.0	599	44.9	26.9	11	45.9	0.5
April	82	44.9	3.7	27	44.3	1.2	33	45.0	1.5	753	45.0	33.9	4	50.0	0.2
May	26	43.4	1.2	18	44.4	0.8	66	45.2	3.0	879	45.0	39.6	9	44.9	0.4
June	31	45.5	1.4	20	44.6	0.9	30	46.7	1.4	1,014	45.0	45.6	5	37.7	0.2
July	99	45.3	4.5	36	44.8	1.6	119	44.7	5.3	819	45.0	36.9	27	7.4	0.2
August	63	44.6	2.8	18	44.4	0.8	67	45.0	3.0	1,048	45.0	47.1	5	240.0	1.2
September	98	44.8	4.4	183	44.8	8.2	72	44.4	3.2	560	45.0	25.2	37	45.8	1.7
October	108	58.4	6.3	22	60.0	1.3	186	59.9	11.2	725	60.0	43.5	6	49.2	0.3
November	92	59.9	5.5	93	60.5	5.6	29	59.5	1.7	959	60.0	57.6	28	57.8	1.6
December	46	60.7	2.8	24	59.1	1.4	167	45.4	7.6	49	60.7	3.0	14	58.8	0.8

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Table 3
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Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	800	33.0	26
February	670	33.0	22
March	700	33.0	23
April	900	33.0	30
May	1,000	33.0	33
June	1,100	33.0	36
July	1,100	33.0	36
August	1,200	33.0	40
September	950	33.0	31
October	1,047	42.0	44
November	1,200	42.0	50
December	300	42.0	13

Tables 4
Signagi
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	1	0	0	0	0	0	0	0	0	0	10
February	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	9
March	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	9
April	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2
May	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2
June	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
July	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
August	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
September	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
October	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
November	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
December	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	1

Month	Monthly Assets 50-59	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 60-78	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

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Table 5
Signagi
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	33	3					3	3
February	30	41	(8)	0				(8)	(8)
March	32	28	(4)	0	0			(4)	(4)
April	41	29	8	0	0	0		8	8
May	45	45	8	0	0	0	0	8	8
June	50	72	(15)	0	0	0	0	(15)	(15)
July	49	25	8	0	0	0	0	8	8
August	55	24	39	0	0	0	0	39	39
September	43	26	43	13	0	0	0	56	56
October	63	14	63	42	0	0	0	105	105
November	72	3	72	63	39	0	0	174	174
December	16	20	16	72	63	19	0	169	169

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
Signagi
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	32	(5)					(5)	(5)
February	22	43	(26)	0				(26)	(26)
March	23	27	(30)	0	0			(30)	(30)
April	30	31	(31)	0	0	0		(31)	(31)
May	33	45	(43)	0	0	0	0	(43)	(43)
June	36	73	(79)	0	0	0	0	(79)	(79)
July	36	26	(69)	0	0	0	0	(69)	(69)
August	40	23	(52)	0	0	0	0	(52)	(52)
September	31	29	(50)	0	0	0	0	(50)	(50)
October	44	13	(19)	0	0	0	0	(19)	(19)
November	50	5	26	0	0	0	0	26	26
December	13	20	13	7	0	0	0	19	19

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
Sagareyo
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	205	220	158	87	669
Operational Expenses					
Operating Expenses	(13)	(13)	(15)	(16)	(57)
Purchased Power	(161)	(179)	(129)	(83)	(552)
Wages & Social Costs	(9)	(9)	(9)	(10)	(37)
Total Operating Expenses	(184)	(201)	(153)	(108)	(646)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(184)	(201)	(153)	(108)	(646)
Utility Operating Income	21	19	5	(21)	23
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(1)	(1)	(1)	(4)
Net Other Income	(1)	(1)	(1)	(1)	(4)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	91	91
Unrealized Accounts Receivable [2]	0	0	(94)	(149)	(242)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(1)	(95)	(59)	(155)
NET INCOME	20	17	(91)	(82)	(136)

[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 10
Sagareyo
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	669	680	1,062	1,462	1,879	2,312	2,347	2,387	2,428	2,471	2,515	2,561	2,610	2,661	2,715	2,770	2,828	2,887	98,153
Operational Expenses																			
Operating Expenses	(57)	(58)	(69)	(80)	(89)	(93)	(95)	(96)	(98)	(100)	(101)	(103)	(105)	(107)	(110)	(112)	(114)	(117)	(3,967)
Purchased Power	(552)	(567)	(794)	(1,032)	(1,281)	(1,539)	(1,566)	(1,593)	(1,621)	(1,650)	(1,680)	(1,711)	(1,745)	(1,779)	(1,815)	(1,853)	(1,892)	(1,932)	(65,698)
Wages & Social Costs	(37)	(37)	(61)	(90)	(113)	(123)	(125)	(127)	(130)	(132)	(134)	(137)	(140)	(142)	(145)	(148)	(151)	(155)	(5,255)
Total Operating Expenses	(646)	(662)	(924)	(1,202)	(1,483)	(1,756)	(1,786)	(1,817)	(1,848)	(1,882)	(1,916)	(1,951)	(1,990)	(2,029)	(2,070)	(2,113)	(2,158)	(2,204)	(74,919)
Sales and Administrative Expenses	0	0	(35)	(82)	(120)	(135)	(137)	(139)	(142)	(144)	(147)	(150)	(153)	(156)	(159)	(162)	(166)	(169)	(5,753)
Depreciation[3]	0	0	(45)	(91)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	(136)	0
Total Operational Costs	(646)	(662)	(1,004)	(1,375)	(1,739)	(2,027)	(2,059)	(2,092)	(2,126)	(2,162)	(2,199)	(2,237)	(2,278)	(2,321)	(2,365)	(2,411)	(2,460)	(2,509)	(85,298)
Utility Operating Income	23	18	58	87	140	285	288	295	301	309	316	324	332	340	349	359	368	378	12,856
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)	(9)	(11)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(16)	(16)	(16)	(17)	(17)	(17)	(590)
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	91	178	200	195	161	97	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(242)	(351)	(549)	(613)	(583)	(520)	(299)	(72)	(73)	(74)	(75)	(77)	(78)	(80)	(81)	(83)	(85)	(87)	(2,945)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(45)	(46)	(47)	(48)	(49)	(51)	(52)	(54)	(55)	(57)	(58)	(1,982)
Total Financial Costs and Taxes	(152)	(173)	(349)	(419)	(422)	(423)	(299)	(116)	(119)	(121)	(124)	(126)	(129)	(132)	(135)	(138)	(142)	(145)	(4,927)
Net Income	(129)	(156)	(291)	(332)	(282)	(138)	(11)	178	183	188	192	197	203	209	214	220	227	233	7,929
Adjustments for Cash Flow																			
Depreciation	0	0	45	91	136	136	136	136	136	136	136	136	136	136	136	136	136	136	4,625
Change In Working Capital[4]			(47)	(49)	(51)	(53)	(4)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	
Capital Investments	0	0	(907)	(907)	(907)	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	(909)	(866)	(822)	83	132	131	131	131	131	130	130	130	129	129	129	129	4,378
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	(909)	(866)	(822)	83	132	131	131	131	131	130	130	130	129	129	129	129	4,378
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(291)	(332)	(282)	(138)	(11)	223	229	234	241	247	254	261	268	276	283	292	9,911
Taxes on EBIT			0	0	0	0	0	(45)	(46)	(47)	(48)	(49)	(51)	(52)	(54)	(55)	(57)	(58)	(1,982)
Cash Flow Adjustments[5]			(909)	(866)	(822)	83	132	131	131	131	131	130	130	130	129	129	129	129	4,378
Adjusted Free Cash Flow			(1 200)	(1 197)	(1,104)	(55)	121	309	314	318	323	328	333	338	344	350	356	362	12 306
Discounted Adjusted Free Cash Flow			(960)	(766)	(565)	(23)	40	81	66	53	43	35	29	23	19	15	13	10	41

[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 14,717

[7] Number of Customers 15 115

[8] Market Value (GEL) (886,289)

Table 1
Sagareyo
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	205	220	158	87	669
Operational Expenses					
Operating Expenses	(13)	(13)	(15)	(16)	(57)
Purchased Power	(161)	(179)	(129)	(83)	(552)
Wages & Social Costs	(9)	(9)	(9)	(10)	(37)
Total Operating Expenses	(184)	(201)	(153)	(108)	(646)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(184)	(201)	(153)	(108)	(646)
Utility Operating Income	21	19	5	(21)	23
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(1)	(1)	(1)	(1)	(4)
Net Other Income	(1)	(1)	(1)	(1)	(4)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	91	91
Unrealized Accounts Receivable [2]	0	0	(94)	(149)	(242)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(1)	(95)	(59)	(155)
NET INCOME	20	17	(91)	(82)	(136)

[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
Sagareyo
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)	24	45.0	1.1	4	45.0	0.2	14	45.0	0.6	1,873	45.0	84.3	32	45.0	1.4
February	93	45.0	4.2	6	45.0	0.3	25	45.0	1.1	1,169	45.0	52.6	39	45.0	1.8
March	43	45.0	2.0	8	45.0	0.4	20	45.0	0.9	1,169	45.0	52.6	25	45.0	1.1
April	25	45.0	1.1	0	0.0	0.0	76	45.0	3.4	940	45.0	42.3	25	45.0	1.1
May	60	45.0	2.7	0	0.0	0.0	88	45.0	4.0	1,576	45.0	70.9	125	45.0	5.6
June	52	45.0	2.3	68	45.0	3.0	345	45.0	15.5	1,465	45.0	65.9	33	45.0	1.5
July	42	45.0	1.9	7	45.0	0.3	2	45.0	0.1	1,518	45.0	68.3	30	45.0	1.3
August	61	45.0	2.8	13	45.0	0.6	197	45.0	8.9	1,104	45.0	49.7	7	45.0	0.3
September	67	45.0	3.0	7	45.0	0.3	193	45.0	8.7	252	45.0	11.3	15	45.0	0.7
October	26	45.0	1.1	29	45.0	1.3	36	45.0	1.6	387	45.0	17.4	87	45.0	3.9
November	23	45.0	1.0	1	45.0	0.0	69	45.0	3.1	647	45.0	29.1	13	45.0	0.6
December	3	60.0	0.2	1	60.0	0.0	55	60.0	3.3	400	60.0	24.0	2	60.0	0.1

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Table 3
Sagareyo
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	2,164	33.0	71
February	1,459	33.0	48
March	1,270	33.0	42
April	1,185	33.0	39
May	2,055	33.0	68
June	2,181	33.0	72
July	1,775	33.0	59
August	1,537	33.0	51
September	594	33.0	20
October	627	42.0	26
November	834	42.0	35
December	511	42.0	21

Tables 4
Sagareyo
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	4	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	1
May	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	1
November	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	5	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 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0

Table 5
Sagareyo
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	88	20	67					67	67
February	60	34	60	33				93	93
March	57	25	57	60	8			125	125
April	48	33	48	57	35	0		140	140
May	83	35	83	48	57	0	0	188	188
June	88	50	88	83	48	6	0	226	226
July	72	23	72	88	83	25	6	269	275
August	62	21	62	72	88	62	25	285	316
September	24	23	24	62	72	65	62	224	317
October	25	25	25	24	62	47	65	159	318
November	34	26	34	25	24	36	47	119	326
December	28	7	28	34	25	17	36	103	346

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
Sagareyo
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	71	26	45					45	45
February	48	39	48	7				55	55
March	42	29	42	26	0			68	68
April	39	38	39	29	0	0		68	68
May	68	31	68	37	0	0	0	105	105
June	72	56	72	49	0	0	0	121	121
July	59	25	59	72	25	0	0	155	155
August	51	28	51	59	68	0	0	178	178
September	20	26	20	51	59	43	0	171	171
October	26	30	26	20	51	28	43	125	167
November	35	31	35	26	20	20	28	101	172
December	21	20	21	35	26	0	20	83	173

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
Samtredia
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	624	478	476	758	2,335
Operational Expenses					
Operating Expenses	(12)	(15)	(12)	(12)	(51)
Purchased Power	(508)	(389)	(388)	(589)	(1,875)
Wages & Social Costs	(3)	(4)	(3)	(3)	(14)
Total Operating Expenses	(523)	(408)	(404)	(604)	(1,939)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(523)	(408)	(404)	(604)	(1,939)
Utility Operating Income	100	70	72	153	396
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	216	216
Unrealized Accounts Receivable [2]	0	(170)	(236)	(334)	(740)
Budget and Non Budget Taxes	(0)	(0)	(0)	(0)	(0)
Total Financial Cost and Taxes	(0)	(170)	(236)	(118)	(524)
NET INCOME	100	(100)	(164)	35	(129)

[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 10
Samtredia
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	2,335	2,324	3,531	4,791	6,102	7,462	7,571	7 693	7 820	7 951	8 087	8,228	8,375	8,527	8,685	8,849	9,020	9,194	312,590
Operational Expenses																			
Operating Expenses	(51)	(51)	(117)	(204)	(273)	(301)	(305)	(310)	(316)	(321)	(327)	(332)	(338)	(345)	(351)	(358)	(365)	(372)	(12,658)
Purchased Power	(1 875)	(1,854)	(2 592)	(3 359)	(4,157)	(4 983)	(5 057)	(5,140)	(5,226)	(5,316)	(5,409)	(5,506)	(5,606)	(5,710)	(5,818)	(5,930)	(6,047)	(6,166)	(209,642)
Wages & Social Costs	(14)	(14)	(114)	(249)	(356)	(399)	(405)	(411)	(418)	(425)	(433)	(440)	(448)	(457)	(465)	(474)	(484)	(493)	(16,769)
Total Operating Expenses	(1,939)	(1,919)	(2,822)	(3,812)	(4,786)	(5,683)	(5,767)	(5,862)	(5,960)	(6,062)	(6,168)	(6,279)	(6,393)	(6,511)	(6,634)	(6,763)	(6,896)	(7,031)	(239,069)
Sales and Administrative Expenses	0	0	(113)	(266)	(388)	(436)	(443)	(450)	(458)	(465)	(474)	(482)	(491)	(500)	(509)	(519)	(530)	(540)	(18,358)
Depreciation[3]	0	0	(49)	(98)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	0
Total Operational Costs	(1 939)	(1,919)	(2,984)	(4,176)	(5,320)	(6,265)	(6,357)	(6,458)	(6,564)	(6,674)	(6 788)	(6,908)	(7 030)	(7,158)	(7,290)	(7,428)	(7,572)	(7,718)	(262,408)
Utility Operating Income	396	406	547	615	782	1,196	1,215	1,235	1,255	1,276	1,298	1,321	1,345	1,369	1,395	1,421	1,448	1,476	50,181
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)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(73)
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	216	859	961	934	770	462	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(740)	(1,592)	(2,419)	(2,655)	(2,508)	(2,179)	(1,219)	(231)	(235)	(239)	(243)	(247)	(251)	(256)	(261)	(265)	(271)	(276)	(9,378)
Budget and Non Budget Taxes	(0)	0	0	0	0	0	0	(201)	(204)	(208)	(211)	(215)	(219)	(223)	(227)	(231)	(235)	(240)	(8,161)
Total Financial Costs and Taxes	(524)	(733)	(1,458)	(1,721)	(1,738)	(1,717)	(1,219)	(432)	(439)	(446)	(454)	(462)	(470)	(478)	(487)	(497)	(506)	(516)	(17 538)
Net Income	(128)	(328)	(911)	(1,105)	(956)	(521)	(4)	803	817	830	845	859	875	891	907	924	942	960	32,643
Adjustments for Cash Flow																			
Depreciation	0	0	49	98	147	147	147	147	147	147	147	147	147	147	147	147	147	147	4,982
Change In Working Capital[4]			(149)	(155)	(162)	(168)	(14)	(15)	(16)	(16)	(17)	(17)	(18)	(19)	(19)	(20)	(21)	(21)	
Capital Investments	0	0	(977)	(977)	(977)	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	(1,077)	(1,034)	(992)	(21)	133	131	131	130	130	129	128	128	127	126	125	125	4,254
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	(1,077)	(1,034)	(992)	(21)	133	131	131	130	130	129	128	128	127	126	125	125	4,254
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(911)	(1,105)	(956)	(521)	(4)	1,004	1,021	1,038	1,056	1,074	1,093	1,113	1,134	1,155	1,177	1,200	40,804
Taxes on EBIT			0	0	0	0	0	(201)	(204)	(208)	(211)	(215)	(219)	(223)	(227)	(231)	(235)	(240)	(8,161)
Cash Flow Adjustments[5]			(1,077)	(1,034)	(992)	(21)	133	131	131	130	130	129	128	128	127	126	125	125	4,254
Adjusted Free Cash Flow			(1,988)	(2,140)	(1,948)	(542)	129	935	948	961	974	988	1,003	1,018	1,034	1,051	1 067	1 085	36,897
Discounted Adjusted Free Cash Flow			(1 590)	(1,369)	(997)	(222)	42	245	199	161	131	106	86	70	57	46	38	31	122

[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 47 683

[7] Number of Customers 16,280

[8] Market Value (GEL) (1,255,463)

Table 1
Samtredia
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	624	478	476	758	2,335
Operational Expenses					
Operating Expenses	(12)	(15)	(12)	(12)	(51)
Purchased Power	(508)	(389)	(388)	(589)	(1,875)
Wages & Social Costs	(3)	(4)	(3)	(3)	(14)
Total Operating Expenses	(523)	(408)	(404)	(604)	(1,939)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(523)	(408)	(404)	(604)	(1,939)
Utility Operating Income	100	70	72	153	396
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	216	216
Unrealized Accounts Receivable [2]	0	(170)	(236)	(334)	(740)
Budget and Non Budget Taxes	(0)	(0)	(0)	(0)	(0)
Total Financial Cost and Taxes	(0)	(170)	(236)	(118)	(524)
NET INCOME	100	(100)	(164)	35	(129)

[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
Samtredia
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)	159	44.7	7.1	33	45.6	1.5	4	55.6	0.2	4,802	45.0	216.1	438	45.0	19.7
February	209	45.0	9.4	33	46.0	1.5	3	30.3	0.1	3,440	45.0	154.8	179	45.2	8.1
March	222	45.1	10.0	27	44.8	1.2	3	35.7	0.1	3,720	45.0	167.4	590	45.1	26.6
April	226	45.1	10.2	34	43.9	1.5	3	34.5	0.1	3,747	45.0	168.6	177	44.8	7.9
May	182	45.0	8.2	31	44.7	1.4	3	38.5	0.1	3,234	45.0	145.5	188	44.7	8.4
June	221	44.9	9.9	30	43.6	1.3	3	40.0	0.1	2,267	45.0	102.0	272	45.2	12.3
July	245	44.8	11.0	33	45.2	1.5	4	51.3	0.2	2,389	45.0	107.5	221	44.8	9.9
August	189	45.0	8.5	30	43.5	1.3	4	55.6	0.2	3,920	45.0	176.4	164	45.1	7.4
September	122	45.2	5.5	39	45.9	1.8	6	53.6	0.3	2,914	45.0	131.1	300	44.9	13.5
October	115	59.9	6.9	30	59.4	1.8	3	64.5	0.2	3,168	60.0	190.1	234	59.5	13.9
November	148	60.2	8.9	23	59.8	1.4	3	64.5	0.2	4,667	60.0	280.0	156	59.8	9.3
December	108	60.2	6.5	26	58.4	1.5	3	64.5	0.2	3,776	60.0	226.5	168	60.2	10.1

Table 3
Samtredia
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	6,039	33.0	199
February	4,294	33.0	142
March	5,068	33.0	167
April	4,652	33.0	154
May	4,042	33.0	133
June	3,102	33.0	102
July	3,214	33.0	106
August	4,785	33.0	158
September	3,757	33.0	124
October	3,944	42.0	166
November	5,553	42.0	233
December	4,534	42.0	190

Tables 4
Samtredia
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	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	5	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	1	5	0	0	0	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	4	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0

Table 5
Samtredia
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	245	33	212					212	212
February	174	51	174	161				335	335
March	205	53	205	174	108			487	487
April	188	49	188	205	174	59		627	627
May	164	63	164	188	205	111	59	668	727
June	126	123	126	164	188	83	111	560	730
July	130	91	130	126	164	97	83	517	770
August	194	108	194	130	126	56	97	505	856
September	152	40	152	194	130	85	56	561	967
October	213	47	213	152	194	83	85	642	1,133
November	300	28	300	213	152	166	83	831	1,405
December	245	50	245	300	213	102	166	859	1,600

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
Samtredia
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	199	47	152					152	152
February	142	91	142	61				202	202
March	167	199	167	4	0			171	171
April	154	67	154	104	0	0		257	257
May	133	72	133	154	32	0	0	319	319
June	102	122	102	133	63	0	0	299	299
July	106	122	106	102	75	0	0	283	283
August	158	119	158	106	58	0	0	322	322
September	124	37	124	158	106	21	0	409	409
October	166	50	166	124	158	56	21	503	524
November	233	19	233	166	124	139	56	662	739
December	190	61	190	233	166	63	139	652	868

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
Senaki
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	445	460	418	462	1,785
Operational Expenses					
Operating Expenses	(79)	(65)	(139)	(45)	(327)
Purchased Power	(388)	(411)	(361)	(374)	(1,534)
Wages & Social Costs	(5)	(24)	(1)	(4)	(34)
Total Operating Expenses	(471)	(500)	(501)	(423)	(1,895)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(471)	(500)	(501)	(423)	(1,895)
Utility Operating Income	(25)	(40)	(83)	39	(110)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(2)	(2)	(4)	(10)
Net Other Income	(2)	(2)	(2)	(4)	(10)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	131	131
Unrealized Accounts Receivable [2]	0	(247)	(366)	(443)	(1,056)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(249)	(368)	(316)	(933)
NET INCOME	(27)	(291)	(454)	(281)	(1,053)

[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 10
Senaki
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	1,785	1,808	2,724	3,678	4,669	5,698	5,795	5,909	6,029	6,155	6,289	6,431	6,566	6,707	6,855	7,011	7 175	7,337	249,475
Operational Expenses																			
Operating Expenses	(327)	(332)	(315)	(272)	(240)	(231)	(235)	(240)	(245)	(251)	(257)	(263)	(268)	(274)	(281)	(287)	(294)	(301)	(10,244)
Purchased Power	(1 534)	(1,542)	(2,115)	(2,697)	(3,286)	(3,883)	(3,900)	(3,980)	(4,065)	(4,154)	(4,248)	(4,349)	(4,444)	(4,543)	(4,648)	(4,759)	(4,875)	(4,990)	(169,654)
Wages & Social Costs	(34)	(34)	(106)	(201)	(277)	(307)	(312)	(318)	(325)	(332)	(340)	(348)	(355)	(363)	(372)	(381)	(390)	(399)	(13,570)
Total Operating Expenses	(1,895)	(1,907)	(2,536)	(3,170)	(3,802)	(4,421)	(4,448)	(4,539)	(4,635)	(4,737)	(4,845)	(4,959)	(5,067)	(5,181)	(5,301)	(5,427)	(5,559)	(5,690)	(193,468)
Sales and Administrative Expenses	0	0	(87)	(206)	(299)	(336)	(342)	(349)	(356)	(364)	(372)	(381)	(389)	(398)	(407)	(417)	(427)	(437)	(14,856)
Depreciation[3]	0	0	(40)	(79)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	(119)	0
Total Operational Costs	(1,895)	(1,907)	(2,663)	(3,455)	(4,220)	(4,876)	(4,908)	(5,006)	(5,110)	(5,219)	(5,335)	(5,458)	(5,575)	(5,698)	(5,827)	(5,962)	(6,104)	(6,246)	(212,356)
Utility Operating Income	(110)	(99)	60	223	449	823	887	903	919	936	954	972	990	1,009	1,029	1,049	1,071	1,092	37,119
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)	(15)	(21)	(26)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(38)	(39)	(40)	(40)	(41)	(1,407)
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	131	595	653	624	507	299	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(1,056)	(1,642)	(2,473)	(2,693)	(2,544)	(2,172)	(1,191)	(177)	(181)	(185)	(189)	(193)	(197)	(201)	(206)	(210)	(215)	(220)	(7,484)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(145)	(148)	(150)	(153)	(156)	(159)	(162)	(165)	(168)	(171)	(174)	(5,927)
Total Financial Costs and Taxes	(924)	(1,047)	(1,820)	(2,069)	(2,037)	(1,873)	(1,191)	(322)	(328)	(335)	(342)	(349)	(356)	(363)	(370)	(378)	(386)	(394)	(13,411)
Net Income	(1,035)	(1,146)	(1,760)	(1,846)	(1,587)	(1,050)	(304)	580	591	601	612	624	635	646	659	671	684	697	23,708
Adjustments for Cash Flow																			
Depreciation	0	0	40	79	119	119	119	119	119	119	119	119	119	119	119	119	119	119	4,032
Change In Working Capital[4]			(113)	(118)	(122)	(127)	(12)	(14)	(15)	(16)	(16)	(17)	(17)	(17)	(18)	(19)	(20)	(20)	
Capital Investments	0	0	(791)	(791)	(791)	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	(864)	(829)	(794)	(8)	107	105	104	103	102	101	102	101	100	99	98	99	3,351
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	(864)	(829)	(794)	(8)	107	105	104	103	102	101	102	101	100	99	98	99	3,351
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(1,760)	(1,846)	(1,587)	(1,050)	(304)	725	738	751	765	779	794	808	823	839	855	872	29,634
Taxes on EBIT			0	0	0	0	0	(145)	(148)	(150)	(153)	(156)	(159)	(162)	(165)	(168)	(171)	(174)	(5,927)
Cash Flow Adjustments[5]			(864)	(829)	(794)	(8)	107	105	104	103	102	101	102	101	100	99	98	99	3,351
Adjusted Free Cash Flow			(2,624)	(2,675)	(2,382)	(1,058)	(198)	685	694	704	714	725	737	748	759	771	783	796	27,058
Discounted Adjusted Free Cash Flow			(2,099)	(1,712)	(1,219)	(433)	(65)	180	146	118	96	78	63	51	42	34	28	22	90

[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 37,106

[7] Number of Customers 13,176

[8] Market Value (GEL) (2,482,909)

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

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Net Sales	445	460	418	462	1,785
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Total Operating Expenses	(471)	(500)	(501)	(423)	(1,895)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
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Utility Operating Income	(25)	(40)	(83)	39	(110)
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Other Income	0	0	0	0	0
Other Expenses	(2)	(2)	(2)	(4)	(10)
Net Other Income	(2)	(2)	(2)	(4)	(10)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	131	131
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Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(249)	(968)	(316)	(933)
NET INCOME	(27)	(291)	(454)	(281)	(1,053)

[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
Senaki
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)	397	45.1	17.9	28	45.9	1.3	36	44 6	1 6	3,296	45.0	148 3	3	30.3	0.1
February	315	45.0	14.2	20	41.0	0.8	35	45 2	1.6	3,030	45 0	136 4	5	40.0	0.2
March	312	44.8	14.0	29	44 4	1 3	35	45 8	1.6	2,352	45.0	105.9	5	40.0	0.2
April	356	45 0	16.0	14	44.4	0.6	31	45 6	1.4	2,767	45 0	124 5	45	44.2	2.0
May	448	45.1	20 2	11	46.9	0.5	30	43.6	1.3	2,552	45 0	114 8	21	47.8	1.0
June	417	44.9	18 7	9	47.8	0 4	23	42.7	1.0	3,472	45.0	156.2	30	43 3	1.3
July	384	45 0	17.3	12	43.3	0.5	23	45.1	1.1	2,947	45 0	132 6	20	45 0	0.9
August	485	45.0	21 9	10	43.3	0.5	29	45.0	1.3	2,779	45 0	125 0	15	46.7	0.7
September	406	44.9	18.2	10	44 7	0.5	30	44.9	1.3	2,120	45.0	95.4	20	45 0	0 9
October	439	60 0	26 4	10	59 8	0.6	31	59 9	1.8	2,197	60.0	131.8	25	60.0	1.5
November	388	60.0	23 3	8	61 4	0.5	32	60.3	1 9	2,439	60.0	146 4	33	60.2	2.0
December	255	60.0	15.3	11	58 7	0.6	41	59.9	2.5	1,762	60 0	105.7	20	60 0	1.2

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Table 3
Senaki
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	4,701	33.0	155
February	4,007	33.0	132
March	3,039	33.0	100
April	3,693	33.0	122
May	3,826	33.0	126
June	4,950	33.0	163
July	3,983	33.0	131
August	3,904	33.0	129
September	3,046	33.0	101
October	3,105	42.0	130
November	3,373	42.0	142
December	2,429	42.0	102

Tables 4
Senaki
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	23	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	23	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	18	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	17	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	18	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	21	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	83	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	10	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	2	0	0	1	0
February	0	0	0	0	0	0	0	0	0	2	0	1	0	0	0	0
March	0	0	0	0	0	0	0	0	0	4	0	7	0	0	2	0
April	0	0	0	0	0	0	0	0	0	4	0	4	0	0	0	0
May	0	0	0	0	0	0	0	0	0	16	0	1	0	0	0	0
June	0	0	0	0	0	0	0	0	0	1	0	5	0	0	1	0
July	0	0	0	0	0	0	0	0	0	0	0	4	0	0	1	0
August	0	0	0	0	0	0	0	0	0	0	0	3	0	0	1	0
September	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	4	0	0	2	0
November	0	0	0	0	0	0	0	0	0	3	1	4	0	0	1	0
December	0	0	0	0	0	0	0	0	0	1	0	9	0	0	1	0

Table 5
Senaki
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	7	163					163	163
February	153	11	153	152				305	305
March	123	18	123	153	133			410	410
April	145	12	145	123	153	121		542	542
May	138	28	138	145	123	125	121	531	652
June	178	24	178	138	145	99	125	559	805
July	152	8	152	178	138	136	99	604	950
August	149	7	149	152	178	131	136	610	1,092
September	116	7	116	149	152	171	131	588	1,201
October	162	8	162	116	149	144	171	572	1,355
November	174	21	174	162	116	128	144	581	1,508
December	125	13	125	174	162	103	128	565	1,620

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
Senaki
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	155	67	88					88	88
February	132	97	124	0				124	124
March	100	85	100	38	0			139	139
April	122	81	122	57	0	0		179	179
May	126	64	126	115	0	0	0	242	242
June	163	137	163	105	0	0	0	268	268
July	131	116	131	152	0	0	0	284	284
August	129	20	129	131	132	0	0	392	392
September	101	57	101	129	131	75	0	436	436
October	130	182	130	101	78	0	75	309	384
November	142	21	142	130	101	57	0	429	504
December	102	15	102	142	130	86	57	460	592

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
Telavi
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	186	236	200	203	825
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(147)	(187)	(157)	(154)	(645)
Wages & Social Costs	(7)	0	0	(2)	(9)
Total Operating Expenses	(155)	(187)	(157)	(156)	(654)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(155)	(187)	(157)	(156)	(654)
Utility Operating Income	31	49	43	47	171
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(17)	(22)	(15)	(22)	(76)
Net Other Income	(17)	(22)	(15)	(22)	(76)
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	(22)	(15)	(22)	(59)
NET INCOME	14	6	13	3	36

[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 10
Telavi
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	825	961	1,424	1,905	2 407	2,932	3,014	3,127	3 249	3 380	3,521	3,673	3,814	3,963	4,123	4,292	4,473	4,651	158,146
Operational Expenses																			
Operating Expenses	0	0	(32)	(75)	(109)	(122)	(125)	(130)	(136)	(141)	(147)	(154)	(160)	(167)	(174)	(181)	(189)	(197)	(6,695)
Purchased Power	(645)	(766)	(1,054)	(1,356)	(1,674)	(2 008)	(2,075)	(2,157)	(2,245)	(2,339)	(2,442)	(2,552)	(2,654)	(2,762)	(2,878)	(3,001)	(3,132)	(3,261)	(110,875)
Wages & Social Costs	(9)	(9)	(50)	(103)	(145)	(161)	(166)	(172)	(180)	(187)	(195)	(204)	(212)	(221),	(230)	(240)	(251)	(261)	(8 869)
Total Operating Expenses	(654)	(776)	(1,135)	(1,534)	(1,927)	(2,292)	(2,366)	(2,459)	(2,560)	(2,668)	(2,784)	(2,910)	(3,026)	(3,150)	(3,282)	(3,422)	(3,572)	(3,719)	(126,438)
Sales and Administrative Expenses	0	0	(47)	(109)	(158)	(177)	(182)	(189)	(197)	(205)	(214)	(223)	(232)	(242)	(252)	(263)	(274)	(286)	(9,709)
Depreciation[3]	0	0	(59)	(117)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	0
Total Operational Costs	(654)	(776)	(1,241)	(1,760)	(2,261)	(2,644)	(2,724)	(2,824)	(2,932)	(3,049)	(3,174)	(3,310)	(3,435)	(3,568)	(3,709)	(3,861)	(4,022)	(4,180)	(142,129)
Utility Operating Income	171	186	183	145	147	288	290	303	317	331	347	363	379	396	413	432	452	471	16,017
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	(76)	(89)	(131)	(175)	(222)	(270)	(278)	(288)	(299)	(311)	(324)	(338)	(351)	(365)	(380)	(395)	(412)	(428)	(14,563)
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	(135)	(148)	(143)	(118)	(71)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(79)	(118)	(137)	(119)	(150)	(122)	(94)	(97)	(101)	(106)	(110)	(114)	(119)	(124)	(129)	(134)	(140)	(4,744)
Budget and Non Budget Taxes	0	0	0	0	0	(14)	(34)	(42)	(44)	(46)	(48)	(51)	(53)	(55)	(58)	(61)	(63)	(66)	(2,255)
Total Financial Costs and Taxes	0	(214)	(266)	(280)	(237)	(234)	(156)	(136)	(141)	(147)	(154)	(161)	(167)	(174)	(182)	(189)	(198)	(206)	(6,999)
Net Income	171	(28)	(83)	(135)	(90)	54	134	167	175	184	193	202	212	221	232	242	254	265	9,018
Adjustments for Cash Flow																			
Depreciation	0	0	59	117	176	176	176	176	176	176	176	176	176	176	176	176	176	176	5,981
Change In Working Capital[4]			(57)	(59)	(62)	(65)	(10)	(14)	(15)	(16)	(17)	(19)	(17)	(18)	(20)	(21)	(22)	(22)	
Capital Investments	0	0	(1,173)	(1,173)	(1,173)	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	(1,171)	(1,115)	(1,059)	111	166	162	161	160	159	157	159	157	156	155	154	154	5,235
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	(1,171)	(1,115)	(1,059)	111	166	162	161	160	159	157	159	157	156	155	154	154	5,235
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(83)	(135)	(90)	68	168	209	219	230	241	253	265	277	290	303	317	332	11,273
Taxes on EBIT			0	0	0	(14)	(34)	(42)	(44)	(46)	(48)	(51)	(53)	(55)	(58)	(61)	(63)	(66)	(2,255)
Cash Flow Adjustments[5]			(1 171)	(1 115)	(1,059)	111	166	162	161	160	159	157	159	157	156	155	154	154	5,235
Adjusted Free Cash Flow			(1,254)	(1,250)	(1,149)	165	300	329	336	344	351	360	370	379	388	397	407	419	14,253
Discounted Adjusted Free Cash Flow			(1,003)	(800)	(588)	68	98	86	71	58	47	39	32	26	21	17	14	12	47

[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 20 078

[7] Number of Customers 19,547

[8] Market Value (GEL) (751,842)

Table 1
Telavi
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	186	236	200	203	825
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(147)	(187)	(157)	(154)	(645)
Wages & Social Costs	(7)	0	0	(2)	(9)
Total Operating Expenses	(155)	(187)	(157)	(156)	(654)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(155)	(187)	(157)	(156)	(654)
Utility Operating Income	31	49	43	47	171
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(17)	(22)	(15)	(22)	(76)
Net Other Income	(17)	(22)	(15)	(22)	(76)
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	(22)	(15)	(22)	(59)
NET INCOME	14	6	13	3	36

[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
Telavi
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)	283	44.9	12.7	24	46.2	1.1	64	45.5	2.9	1,649	45.0	74.2	0	0.0	0.0
February	233	45.1	10.5	13	44.8	0.6	25	43.7	1.1	602	45.0	27.1	0	0.0	0.0
March	270	49.3	13.3	35	57.1	2.0	34	44.8	1.5	865	45.0	38.9	0	0.0	0.0
April	281	44.9	12.6	32	44.0	1.4	41	45.9	1.9	1,447	45.0	65.1	0	0.0	0.0
May	3,283	4.5	14.7	28	46.3	1.3	41	46.0	1.9	1,129	45.0	50.8	0	0.0	0.0
June	281	44.5	12.5	35	45.6	1.6	84	45.2	3.8	1,517	45.0	68.3	0	0.0	0.0
July	411	44.5	18.3	36	44.8	1.6	37	45.5	1.7	1,120	45.0	50.4	0	0.0	0.0
August	462	45.0	20.8	32	44.3	1.4	36	44.2	1.6	1,136	45.0	51.1	0	0.0	0.0
September	469	44.6	20.9	23	44.4	1.0	30	43.8	1.3	604	50.0	30.2	0	0.0	0.0
October	418	59.6	24.9	23	61.4	1.4	32	58.6	1.9	743	60.0	44.6	0	0.0	0.0
November	393	60.0	23.6	29	59.6	1.7	29	59.6	1.7	859	60.0	51.5	0	0.0	0.0
December	353	60.0	21.2	20	60.0	1.2	26	58.1	1.5	463	60.0	27.8	0	0.0	0.0

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Table 3
Telavi
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	2,183	33.0	72
February	945	33.0	31
March	1,330	33.0	44
April	1,947	33.0	64
May	1,651	33.0	54
June	2,072	33.0	68
July	1,734	33.0	57
August	1,801	33.0	59
September	1,219	33.0	40
October	1,314	42.0	55
November	1,415	42.0	59
December	933	42.0	39

Tables 4
Telavi
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	2
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	6
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
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	2
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	2
December	0	0	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	0	0	0	3	0
February	0	0	0	0	0	0	0	0	0	0	3	0	0	0	5	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
November	0	0	0	0	0	0	0	0	0	0	2	0	0	0	3	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0

Table 5
Telavi
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	91	68	23					23	23
February	39	73	(11)	0				(11)	(11)
March	56	36	9	0	0			9	9
April	81	68	22	0	0	0		22	22
May	69	57	33	0	0	0	0	33	33
June	86	111	8	0	0	0	0	8	8
July	72	43	37	0	0	0	0	37	37
August	75	66	46	0	0	0	0	46	46
September	53	48	52	0	0	0	0	52	52
October	73	66	58	0	0	0	0	58	58
November	79	87	50	0	0	0	0	50	50
December	52	33	52	16	0	0	0	68	68

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
Telavi
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	72	66	6					6	6
February	31	83	(46)	0				(46)	(46)
March	44	26	(28)	0	0			(28)	(28)
April	64	71	(35)	0	0	0		(35)	(35)
May	54	63	(43)	0	0	0	0	(43)	(43)
June	68	113	(87)	0	0	0	0	(87)	(87)
July	57	40	(70)	0	0	0	0	(70)	(70)
August	59	74	(84)	0	0	0	0	(84)	(84)
September	40	48	(92)	0	0	0	0	(92)	(92)
October	55	66	(102)	0	0	0	0	(102)	(102)
November	59	87	(130)	0	0	0	0	(130)	(130)
December	39	23	(113)	0	0	0	0	(113)	(113)

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
Telrickaro-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	44	36	41	42	162
Operational Expenses					
Operating Expenses	(5)	(6)	(5)	(4)	(20)
Purchased Power	(32)	(26)	(32)	(30)	(121)
Wages & Social Costs	(1)	(1)	(1)	(1)	(2)
Total Operating Expenses	(38)	(33)	(38)	(35)	(144)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(38)	(33)	(38)	(35)	(144)
Utility Operating Income	6	3	3	7	18
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(12)	(0)	(11)	(25)
Net Other Income	(2)	(12)	(0)	(11)	(25)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	4	4
Unrealized Accounts Receivable [2]	0	(4)	(13)	(24)	(41)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(16)	(13)	(31)	(60)
NET INCOME	4	(25)	(11)	(35)	(66)

[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 10
Telrickaro-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	162	158	250	346	446	550	559	568	578	589	600	611	623	635	648	661	675	689	23,426
Operational Expenses																			
Operating Expenses	(20)	(20)	(21)	(21)	(22)	(22)	(23)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(27)	(28)	(951)
Purchased Power	(121)	(123)	(176)	(233)	(294)	(360)	(374)	(380)	(387)	(394)	(402)	(410)	(418)	(426)	(435)	(444)	(454)	(463)	(15,752)
Wages & Social Costs	(2)	(2)	(9)	(19)	(26)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(33)	(34)	(35)	(36)	(36)	(37)	(1,260)
Total Operating Expenses	(144)	(146)	(206)	(273)	(342)	(412)	(426)	(434)	(442)	(450)	(458)	(467)	(477)	(486)	(496)	(506)	(517)	(528)	(17,963)
Sales and Administrative Expenses	0	0	(8)	(20)	(29)	(32)	(33)	(33)	(34)	(35)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(41)	(1,379)
Depreciation [3]	0	0	(27)	(54)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	0
Total Operational Costs	(144)	(146)	(242)	(346)	(451)	(524)	(539)	(548)	(556)	(565)	(574)	(584)	(594)	(604)	(615)	(626)	(638)	(649)	(22,081)
Utility Operating Income	18	12	8	(0)	(5)	26	19	21	22	24	26	27	29	31	33	35	37	40	1,346
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	(25)	(24)	(38)	(53)	(68)	(84)	(85)	(87)	(89)	(90)	(92)	(94)	(95)	(97)	(99)	(101)	(103)	(105)	(3,584)
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	4	44	50	49	42	25	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(41)	(89)	(141)	(159)	(151)	(134)	(77)	(17)	(17)	(18)	(18)	(18)	(19)	(19)	(19)	(20)	(20)	(21)	(703)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(129)
Total Financial Costs and Taxes	(37)	(45)	(91)	(109)	(110)	(109)	(77)	(18)	(18)	(19)	(20)	(20)	(21)	(21)	(22)	(23)	(24)	(24)	(831)
Net Income	(19)	(34)	(83)	(110)	(115)	(83)	(57)	3	4	5	6	7	9	10	11	12	14	15	514
Adjustments for Cash Flow																			
Depreciation	0	0	27	54	81	81	81	81	81	81	81	81	81	81	81	81	81	81	2,738
Change In Working Capital [4]			(11)	(12)	(12)	(13)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	
Capital Investments	0	0	(537)	(537)	(537)	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	(521)	(495)	(469)	68	79	79	79	79	79	79	79	79	79	79	79	79	2,679
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	(521)	(495)	(469)	68	79	79	79	79	79	79	79	79	79	79	79	79	2,679
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(83)	(110)	(115)	(83)	(57)	4	5	6	8	9	11	12	14	15	17	19	643
Taxes on EBIT			0	0	0	0	0	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(129)
Cash Flow Adjustments [5]			(521)	(495)	(469)	68	79	79	79	79	79	79	79	79	79	79	79	79	2,679
Adjusted Free Cash Flow			(605)	(605)	(584)	(15)	22	82	83	84	85	86	88	89	90	91	93	94	3,193
Discounted Adjusted Free Cash Flow			(484)	(387)	(299)	(6)	7	22	17	14	11	9	8	6	5	4	3	3	11

[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 — 3 528
[7] Number of Customers — 8 947
[8] Market Value (GEL) — (571,669)

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Table 1
Telrickaro-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	44	36	41	42	162
Operational Expenses					
Operating Expenses	(5)	(6)	(5)	(4)	(20)
Purchased Power	(32)	(26)	(32)	(30)	(121)
Wages & Social Costs	(1)	(1)	(1)	(1)	(2)
Total Operating Expenses	(38)	(33)	(38)	(35)	(144)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(38)	(33)	(38)	(35)	(144)
Utility Operating Income	6	3	3	7	18
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(12)	(0)	(11)	(25)
Net Other Income	(2)	(12)	(0)	(11)	(25)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	4	4
Unrealized Accounts Receivable [2]	0	(4)	(13)	(24)	(41)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(16)	(13)	(31)	(60)
NET INCOME	4	(25)	(11)	(35)	(66)

[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 3
Telrickaro-1
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	390	33.0	13
February	260	33.0	9
March	320	33.0	11
April	200	33.0	7
May	300	33.0	10
June	300	33.0	10
July	340	33.0	11
August	320	33.0	11
September	320	33.0	11
October	260	33.0	9
November	290	42.0	12
December	228	42.0	10

Table 2
Telrickaro-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)	19	45.0	0.8	9	45.0	0.4	26	45.0	1.2	337	45.0	15.1	0	0.0	0.0
February	15	45.0	0.7	6	45.0	0.3	0	0.0	0.0	239	45.0	10.8	0	0.0	0.0
March	52	45.0	2.3	5	45.0	0.2	36	45.0	1.6	228	45.0	10.3	0	0.0	0.0
April	4	45.0	0.2	0	0.0	0.0	29	45.0	1.3	168	45.0	7.6	0	0.0	0.0
May	4	45.0	0.2	4	45.0	0.2	29	45.0	1.3	264	45.0	11.9	0	0.0	0.0
June	25	45.0	1.1	4	45.0	0.2	29	45.0	1.3	243	45.0	10.9	0	0.0	0.0
July	17	45.0	0.8	5	45.0	0.2	0	0.0	0.0	319	45.0	14.3	0	0.0	0.0
August	27	45.0	1.2	0	0.0	0.0	0	0.0	0.0	294	45.0	13.2	0	0.0	0.0
September	4	45.0	0.2	0	0.0	0.0	0	0.0	0.0	238	45.0	10.7	0	0.0	0.0
October	34	45.0	1.5	0	0.0	0.0	78	45.0	3.5	206	45.0	9.3	0	0.0	0.0
November	3	45.0	0.1	0	0.0	0.0	19	45.0	0.9	287	45.0	12.9	0	0.0	0.0
December	12	60.0	0.7	3	60.0	0.2	0	0.0	0.0	214	60.0	12.8	0	0.0	0.0

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Tables 4
Telrickaro-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	1	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	1	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	1	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	1	0	0	0	0	0	0	0	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	1	0
March	0	0	0	0	0	0	0	0	0	0	0	1	0	0	8	0
April	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	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	1	0	0	1	0
October	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0
November	0	0	0	0	0	0	0	0	0	0	0	1	0	0	10	0
December	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0

Table 5
Telrickaro-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	18	4	14					14	14
February	12	7	12	7				18	18
March	14	5	14	12	2			28	28
April	9	4	9	14	10	0		33	33
May	14	5	14	9	14	4	0	41	41
June	13	14	13	14	9	0	4	36	40
July	15	3	15	13	14	6	0	48	53
August	14	7	14	15	13	7	6	50	60
September	11	2	11	14	15	11	7	52	69
October	14	7	14	11	14	9	11	48	77
November	14	10	14	14	11	4	9	43	80
December	14	2	14	14	14	9	4	51	92

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
Telrickaro-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	13	4	9					9	9
February	9	8	9	1				9	9
March	11	12	8	0	0			8	8
April	7	4	7	4	0	0		11	11
May	10	7	10	4	0	0	0	13	13
June	10	14	9	0	0	0	0	9	9
July	11	5	11	4	0	0	0	15	15
August	11	4	11	11	0	0	0	22	22
September	11	2	11	11	9	0	0	30	30
October	9	7	9	11	11	3	0	32	32
November	12	9	12	9	11	1	3	33	35
December	10	2	10	12	9	8	1	39	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 1
Telrickaro-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	135	98	182	139	555
Operational Expenses					
Operating Expenses	(4)	(5)	(10)	(11)	(30)
Purchased Power	(97)	(85)	(114)	(111)	(407)
Wages & Social Costs	0	(1)	(25)	(6)	(32)
Total Operating Expenses	(100)	(92)	(149)	(127)	(469)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(100)	(92)	(149)	(127)	(469)
Utility Operating Income	35	6	34	12	86
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(2)	(2)	(2)	(5)
Net Other Income	(0)	(2)	(2)	(2)	(5)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	(0)	(54)	(54)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(2)	(2)	(56)	(59)
NET INCOME	35	3	30	(46)	22

[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 10
Telrickaro-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	555	556	778	1,008	1,252	1,513	1,608	1,756	1,917	2,093	2,286	2,496	2 683	2 884	3 100	3,333	3,583	3 826	130 095
Operational Expenses																			
Operating Expenses	(30)	(30)	(40)	(53)	(63)	(67)	(72)	(78)	(86)	(93)	(102)	(111)	(120)	(129)	(138)	(149)	(160)	(171)	(5,805)
Purchased Power	(407)	(428)	(574)	(732)	(906)	(1,098)	(1,188)	(1,297)	(1,417)	(1,547)	(1,689)	(1,844)	(1,983)	(2,131)	(2,291)	(2,463)	(2,649)	(2 828)	(96,135)
Wages & Social Costs	(32)	(32)	(48)	(68)	(83)	(89)	(95)	(104)	(113)	(124)	(135)	(148)	(159)	(170)	(182)	(197)	(212)	(226)	(7,690)
Total Operating Expenses	(469)	(490)	(662)	(853)	(1,052)	(1,254)	(1,355)	(1,479)	(1,615)	(1,764)	(1,926)	(2,103)	(2,261)	(2,430)	(2,613)	(2,809)	(3,019)	(3,224)	(109,630)
Sales and Administrative Expenses	0	0	(27)	(61)	(88)	(98)	(104)	(114)	(124)	(135)	(148)	(162)	(174)	(187)	(201)	(216)	(232)	(248)	(8,418)
Depreciation[5]	0	0	(7)	(13)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	0
Total Operational Costs	(469)	(490)	(696)	(927)	(1,160)	(1,372)	(1,479)	(1,613)	(1,759)	(1,919)	(2,094)	(2,285)	(2,455)	(2,637)	(2,833)	(3,044)	(3,271)	(3,492)	(118,727)
Utility Operating Income	86	66	82	81	93	140	129	143	158	174	192	211	229	247	267	289	312	334	11,368
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)	(9)	(12)	(14)	(15)	(16)	(18)	(20)	(21)	(23)	(25)	(27)	(29)	(31)	(34)	(36)	(1,218)
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	95	102	98	81	49	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(54)	(239)	(335)	(353)	(323)	(288)	(177)	(53)	(58)	(63)	(69)	(75)	(80)	(87)	(93)	(100)	(107)	(115)	(3,903)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(18)	(20)	(22)	(25)	(27)	(30)	(32)	(35)	(38)	(41)	(44)	(1,493)
Total Financial Costs and Taxes	(54)	(144)	(233)	(256)	(243)	(239)	(177)	(71)	(78)	(85)	(93)	(102)	(110)	(119)	(128)	(138)	(148)	(159)	(5,396)
Net Income	32	(78)	(150)	(174)	(150)	(98)	(48)	72	80	89	99	109	118	129	139	151	163	176	5,972
Adjustments for Cash Flow																			
Depreciation	0	0	7	13	20	20	20	20	20	20	20	20	20	20	20	20	20	20	679
Change In Working Capital[4]			(27)	(28)	(30)	(32)	(12)	(18)	(20)	(22)	(24)	(26)	(23)	(25)	(27)	(29)	(31)	(30)	
Capital Investments	0	0	(133)	(133)	(133)	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	(154)	(148)	(143)	(12)	8	2	0	(2)	(4)	(6)	(3)	(5)	(7)	(9)	(11)	(10)	(342)
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	(154)	(148)	(143)	(12)	8	2	0	(2)	(4)	(6)	(3)	(5)	(7)	(9)	(11)	(10)	(342)
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(150)	(174)	(150)	(98)	(48)	90	100	111	123	136	148	161	174	189	204	220	7 466
Taxes on EBIT			0	0	0	0	0	(18)	(20)	(22)	(25)	(27)	(30)	(32)	(35)	(38)	(41)	(44)	(1,493)
Cash Flow Adjustments[3]			(154)	(148)	(143)	(12)	8	2	0	(2)	(4)	(6)	(3)	(5)	(7)	(9)	(11)	(10)	(342)
Adjusted Free Cash Flow			(304)	(322)	(293)	(111)	(40)	74	80	87	95	103	115	124	133	142	153	166	5,630
Discounted Adjusted Free Cash Flow			(243)	(206)	(150)	(45)	(13)	19	17	15	13	11	10	8	7	6	5	5	19

[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 12 018

[7] Number of Customers 2,218

[8] Market Value (GEL) (279 834)

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Table 1
Telrickaro-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	135	98	182	139	555
Operational Expenses					
Operating Expenses	(4)	(5)	(10)	(11)	(30)
Purchased Power	(97)	(85)	(114)	(111)	(407)
Wages & Social Costs	0	(1)	(25)	(6)	(32)
Total Operating Expenses	(100)	(92)	(149)	(127)	(469)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(100)	(92)	(149)	(127)	(469)
Utility Operating Income	35	6	34	12	86
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(2)	(2)	(2)	(5)
Net Other Income	(0)	(2)	(2)	(2)	(5)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	(0)	(54)	(54)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(2)	(2)	(56)	(59)
NET INCOME	35	3	30	(46)	22

[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
Telrickaro-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)	988	45.0	44.4	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
February	1,025	45.0	46.1	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	1.3
March	912	45.0	41.0	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	2.1
April	550	45.0	24.7	0	45.0	0.0	0	45.0	0.0	0	45.0	0.0	0	0.0	0.0
May	1,000	45.0	45.0	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
June	633	45.0	28.5	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
July	1,704	45.0	76.7	0	45.0	0.0	0	45.0	0.0	0	45.0	0.0	0	0.0	0.0
August	1,153	45.0	51.9	0	45.0	0.0	1	45.0	0.0	1	45.0	0.0	0	0.0	0.0
September	1,195	45.0	53.8	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
October	983	45.0	44.3	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
November	1,143	45.0	51.4	0	45.0	0.0	0	45.0	0.0	1	45.0	0.0	0	0.0	0.0
December	722	60.0	43.3	0	0.0	0.0	0	60.0	0.0	1	60.0	0.0	0	0.0	0.0

Table 3
Telrickaro-2
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	988	33.0	33
February	1,025	33.0	34
March	912	33.0	30
April	955	33.0	32
May	1,000	33.0	33
June	633	33.0	21
July	1,104	33.0	36
August	1,153	33.0	38
September	1,195	33.0	39
October	983	33.0	32
November	1,143	42.0	48
December	722	42.0	30

Tables 4
Teirickaro-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	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	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	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	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	0	1

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 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	1	0	1	0	0	0	0
May	0	0	0	0	0	0	0	0	0	1	0	2	0	0	0	0
June	0	0	0	0	0	0	0	0	0	7	0	2	0	0	0	0
July	0	0	0	0	0	0	0	0	0	17	0	3	0	0	0	0
August	0	0	0	0	0	0	0	0	0	5	0	3	0	0	0	0
September	0	0	0	0	0	0	0	0	0	1	0	3	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0
November	0	0	0	0	0	0	0	0	0	1	0	4	0	0	0	0
December	0	0	0	0	0	0	0	0	0	1	0	4	0	0	0	0

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Table 5
Telrickaro-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	44	18	26					26	26
February	47	44	29	0				29	29
March	43	18	43	11	0			54	54
April	25	15	25	40	0	0		64	64
May	45	14	45	25	26	0	0	96	96
June	29	26	29	45	25	0	0	99	99
July	77	58	77	29	12	0	0	117	117
August	52	82	52	35	0	0	0	87	87
September	54	16	54	52	19	0	0	124	125
October	44	13	44	54	52	6	0	156	156
November	51	4	51	44	54	48	6	198	204
December	43	8	43	51	44	46	48	185	239

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
Telrickaro-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	33	18	14					14	14
February	34	44	4	0				4	4
March	30	18	16	0	0			16	16
April	32	15	32	1	0	0		33	33
May	33	14	33	19	0	0	0	52	52
June	21	26	21	26	0	0	0	47	47
July	36	58	26	0	0	0	0	26	26
August	38	82	(19)	0	0	0	0	(19)	(19)
September	39	16	5	0	0	0	0	5	5
October	32	13	24	0	0	0	0	24	24
November	48	4	48	20	0	0	0	68	68
December	30	8	30	48	12	0	0	90	90

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
Terjola
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	196	228	302	185	911
Operational Expenses					
Operating Expenses	(0)	(0)	(3)	(2)	(5)
Purchased Power	(157)	(182)	(236)	(145)	(720)
Wages & Social Costs	(25)	(24)	(18)	(11)	(78)
Total Operating Expenses	(182)	(206)	(257)	(157)	(802)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(182)	(206)	(257)	(157)	(802)
Utility Operating Income	14	23	45	27	109
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(12)	(5)	(5)	(8)	(31)
Net Other Income	(12)	(5)	(5)	(8)	(31)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(193)	(193)
Budget and Non Budget Taxes	(0)	0	(0)	(0)	(1)
Total Financial Cost and Taxes	(0)	(5)	(6)	(201)	(212)
NET INCOME	2	12	33	(181)	(134)

[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 10
Terjola
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	911	936	1,418	1,920	2,441	2,981	3,025	3,073	3,125	3,178	3,234	3,292	3,348	3,407	3,468	3,531	3,597	3,663	124,540
Operational Expenses																			
Operating Expenses	(5)	(5)	(35)	(76)	(108)	(121)	(122)	(124)	(127)	(129)	(131)	(134)	(136)	(139)	(141)	(144)	(147)	(149)	(5,080)
Purchased Power	(720)	(730)	(1,023)	(1,330)	(1,651)	(1,987)	(2,028)	(2,062)	(2,097)	(2,134)	(2,174)	(2,215)	(2,254)	(2,295)	(2,337)	(2,382)	(2,428)	(2,474)	(84,129)
Wages & Social Costs	(78)	(78)	(101)	(129)	(150)	(160)	(162)	(165)	(168)	(171)	(174)	(177)	(180)	(184)	(187)	(191)	(194)	(198)	(6,729)
Total Operating Expenses	(802)	(813)	(1,159)	(1,534)	(1,909)	(2,267)	(2,312)	(2,351)	(2,392)	(2,434)	(2,479)	(2,526)	(2,570)	(2,617)	(2,665)	(2,716)	(2,769)	(2,822)	(95,939)
Sales and Administrative Expenses	0	0	(45)	(107)	(156)	(175)	(178)	(181)	(184)	(187)	(190)	(194)	(197)	(201)	(205)	(209)	(213)	(217)	(7,367)
Depreciation[3]	0	0	(33)	(66)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	0
Total Operational Costs	(802)	(813)	(1,238)	(1,707)	(2,164)	(2,541)	(2,588)	(2,630)	(2,674)	(2,720)	(2,768)	(2,818)	(2,866)	(2,916)	(2,969)	(3,023)	(3,080)	(3,137)	(106,657)
Utility Operating Income	109	123	180	213	277	440	436	443	451	458	466	474	482	491	499	508	517	526	17,883
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	(31)	(31)	(47)	(64)	(82)	(100)	(101)	(103)	(105)	(106)	(108)	(110)	(112)	(114)	(116)	(118)	(120)	(123)	(4,170)
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	(813)	(1,022)	(897)	(825)	(496)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(193)	(263)	(398)	(443)	(419)	(389)	(243)	(92)	(94)	(95)	(97)	(99)	(100)	(102)	(104)	(106)	(108)	(110)	(3,736)
Budget and Non Budget Taxes	(1)	0	0	0	0	0	(39)	(70)	(71)	(73)	(74)	(75)	(76)	(78)	(79)	(80)	(82)	(83)	(2,829)
Total Financial Costs and Taxes	(194)	(1,076)	(1,421)	(1,340)	(1,237)	(885)	(281)	(162)	(165)	(168)	(171)	(174)	(177)	(180)	(183)	(186)	(190)	(193)	(6,566)
Net Income	(85)	(1,053)	(1,241)	(1,927)	(960)	(445)	155	281	286	290	295	300	306	311	316	322	327	333	11,318
Adjustments for Cash Flow																			
Depreciation	0	0	33	66	99	99	99	99	99	99	99	99	99	99	99	99	99	99	5,951
Change in Working Capital[4]			(59)	(62)	(64)	(67)	(5)	(6)	(6)	(7)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	0
Capital Investments	0	0	(657)	(657)	(657)	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	(684)	(653)	(622)	32	93	93	92	92	92	91	92	91	91	91	90	90	5,076
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 / Additional Financed	0	0	(684)	(653)	(622)	32	93	93	92	92	92	91	92	91	91	91	90	90	5,076
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(1,241)	(1,927)	(960)	(445)	194	351	357	363	369	376	382	388	395	402	408	416	14,147
Taxes on EBIT			0	0	0	0	(39)	(70)	(71)	(73)	(74)	(75)	(76)	(78)	(79)	(80)	(82)	(83)	(2,829)
Cash Flow Adjustments[5]			(684)	(653)	(622)	32	93	93	92	92	92	91	92	91	91	91	90	90	5,076
Adjusted Free Cash Flow			(1,924)	(2,580)	(1,582)	(413)	248	373	378	382	387	392	397	402	407	412	418	423	14,393
Discounted Adjusted Free Cash Flow			(1,540)	(1,203)	(819)	(169)	81	98	79	64	52	42	34	28	22	18	15	12	48

[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 19,28
[7] Number of Customers 10,92
[8] Market Value (GEL) (1,589,

Table 1
Terjola
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	196	228	302	185	911
Operational Expenses					
Operating Expenses	(0)	(0)	(3)	(2)	(5)
Purchased Power	(157)	(182)	(236)	(145)	(720)
Wages & Social Costs	(25)	(24)	(18)	(11)	(78)
Total Operating Expenses	(182)	(206)	(257)	(157)	(802)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(182)	(206)	(257)	(157)	(802)
Utility Operating Income	14	23	45	27	109
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(12)	(5)	(5)	(8)	(31)
Net Other Income	(12)	(5)	(5)	(8)	(31)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(193)	(193)
Budget and Non Budget Taxes	(0)	0	(0)	(0)	(1)
Total Financial Cost and Taxes	(0)	(5)	(6)	(201)	(212)
NET INCOME	2	12	33	(181)	(134)

[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
Terjola
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)	137	45.2	6.2	9	42.6	0.4	0	0.0	0 0	1,472	45 0	66.2	0	0.0	0.0
February	130	45 3	5 9	19	43 2	0 8	2	66.7	0.1	1,260	45 0	56.7	0	0 0	0.0
March	134	45.5	6.1	1	44.4	0.0	0	0.0	0.0	1,195	45 0	53 8	0	0 0	0.0
April	157	38.9	6.1	1	42.9	0.0	1	71.4	0.1	1,819	45.0	81.8	0	0.0	0.0
May	151	45.1	6.8	1	76.9	0.1	10	39.6	0.4	1,276	45.0	57 4	0	0.0	0.0
June	83	44.5	3.7	8	51.3	0 4	4	28.6	0.1	1,590	45 0	71 5	0	0 0	0.0
July	121	44.7	5.4	0	0.0	0.0	0	0.0	0 0	2,046	45.0	92.1	0	0.0	0.0
August	153	45.2	6 9	11	44 2	0 5	0	0 0	0.0	2,122	45.0	95 5	0	0.0	0.0
September	87	43.7	3.8	22	45.2	1 0	0	0.0	0.0	2,155	45 0	96.9	0	0 0	0.0
October	142	49.9	7.1	10	40.4	0.4	0	0.0	0 0	904	59 9	54.2	0	0.0	0.0
November	196	59 2	11 6	0	0 0	0 0	0	0 0	0 0	759	59 9	45.5	0	0.0	0.0
December	128	52.5	6 7	33	52.3	1 7	2	588 2	1.0	938	60.0	56.3	0	0.0	0 0

Table 3
Terjola
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,752	33.0	58
February	1,566	33.0	52
March	1,430	33.0	47
April	2,151	33.0	71
May	1,548	33.0	51
June	1,804	33.0	60
July	2,302	33.0	76
August	2,440	33.0	81
September	2,418	33.0	80
October	1,174	42.0	49
November	1,061	42.0	45
December	1,222	42.0	51

Tables 4
Terjola
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	5
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	1
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
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	2
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
October	0	0	0	0	0	0	0	0	0	0	0	0	0	-0	0	2
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
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 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	2	7	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	2	6	0	0	0	1	0
April	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	2	6	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	1	4	1	0	0	0	0
August	0	0	0	0	0	0	0	0	0	1	4	1	0	0	1	0
September	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	1	3	0	0	0	1	0
November	0	0	0	0	0	0	0	0	0	1	3	1	0	0	0	0
December	0	0	0	0	0	0	0	0	0	1	3	1	0	0	1	0

Table 5
Terjola
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	73	41	32					32	32
February	64	52	43	0				43	43
March	60	45	58	0	0			58	58
April	88	33	88	25	0	0		113	113
May	65	51	65	62	0	0	0	127	127
June	76	79	76	48	0	0	0	123	123
July	98	36	98	76	12	0	0	185	185
August	103	18	103	98	69	0	0	270	270
September	102	45	102	103	98	25	0	327	327
October	62	19	62	102	103	79	25	345	370
November	57	13	57	62	102	90	79	310	414
December	66	223	63	0	0	0	90	63	256

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
Terjola
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	58	41	17					17	17
February	52	52	16	0				16	16
March	47	45	18	0	0			18	18
April	71	33	56	0	0	0		56	56
May	51	51	51	5	0	0	0	56	56
June	60	79	37	0	0	0	0	37	37
July	76	36	76	1	0	0	0	77	77
August	81	1,183	(1,025)	0	0	0	0	(1,025)	(1,025)
September	80	45	(990)	0	0	0	0	(990)	(990)
October	49	19	(960)	0	0	0	0	(960)	(960)
November	45	13	(928)	0	0	0	0	(928)	(928)
December	51	22	(899)	0	0	0	0	(899)	(899)

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
Tkibuli-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	39	43	45	51	178
Operational Expenses					
Operating Expenses	(2)	(3)	(4)	(4)	(13)
Purchased Power	(41)	(45)	(46)	(54)	(186)
Wages & Social Costs	(1)	(1)	(3)	(2)	(7)
Total Operating Expenses	(44)	(49)	(52)	(59)	(205)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(44)	(49)	(52)	(59)	(205)
Utility Operating Income	(5)	(6)	(8)	(8)	(27)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(2)	(4)	(5)	(12)
Net Other Income	(2)	(2)	(4)	(5)	(12)
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	(2)	(4)	(5)	(10)
NET INCOME	(7)	(9)	(15)	(18)	(50)

[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 10
Tkibuli-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	178	180	272	368	468	572	585	601	618	636	656	677	697	717	739	763	787	812	27,592
Operational Expenses																			
Operating Expenses	(13)	(13)	(16)	(19)	(22)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(1,150)
Purchased Power	(186)	(134)	(189)	(248)	(312)	(381)	(398)	(409)	(421)	(434)	(449)	(464)	(478)	(493)	(508)	(525)	(543)	(560)	(19,047)
Wages & Social Costs	(7)	(7)	(13)	(22)	(28)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(41)	(42)	(43)	(45)	(1,524)
Total Operating Expenses	(205)	(153)	(218)	(289)	(363)	(436)	(453)	(467)	(481)	(495)	(512)	(529)	(545)	(562)	(580)	(599)	(619)	(639)	(21,721)
Sales and Administrative Expenses	0	0	(9)	(21)	(30)	(34)	(35)	(36)	(37)	(38)	(39)	(41)	(42)	(43)	(45)	(46)	(48)	(49)	(1,668)
Depreciation[3]	0	0	(5)	(9)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	0
Total Operational Costs	(205)	(153)	(231)	(319)	(407)	(484)	(502)	(516)	(531)	(547)	(565)	(583)	(600)	(619)	(638)	(659)	(680)	(702)	(23,862)
Utility Operating Income	(27)	26	40	49	61	89	83	85	87	89	91	94	96	99	101	104	107	110	3,731
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	(12)	(13)	(19)	(26)	(33)	(40)	(41)	(42)	(43)	(45)	(46)	(47)	(49)	(50)	(52)	(53)	(55)	(57)	(1,934)
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	11	13	12	10	6	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(33)	(49)	(56)	(51)	(52)	(35)	(18)	(19)	(19)	(20)	(20)	(21)	(22)	(22)	(23)	(24)	(24)	(828)
Budget and Non Budget Taxes	0	(1)	(1)	(1)	(4)	(9)	(10)	(13)	(14)	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(17)	(17)	(581)
Total Financial Costs and Taxes	0	(22)	(37)	(44)	(45)	(54)	(45)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(1,408)
Net Income	(27)	4	3	4	17	35	38	53	55	56	57	59	60	62	63	65	67	68	2,322
Adjustments for Cash Flow																			
Depreciation	0	0	5	9	14	14	14	14	14	14	14	14	14	14	14	14	14	14	473
Change In Working Capital[4]			(11)	(12)	(12)	(13)	(2)	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(93)	(93)	(93)	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	(99)	(95)	(91)	1	12	12	12	12	11	11	11	11	11	11	11	11	371
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	(99)	(95)	(91)	1	12	12	12	12	11	11	11	11	11	11	11	11	371
Valuation																			
Earnings Before Interest and Taxes (EBIT)			4	6	21	43	48	67	68	70	72	73	75	77	79	81	83	85	2,903
Taxes on EBIT			(1)	(1)	(4)	(9)	(10)	(13)	(14)	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(17)	(17)	(581)
Cash Flow Adjustments[5]			(99)	(95)	(91)	1	12	12	12	12	11	11	11	11	11	11	11	11	371
Adjusted Free Cash Flow			(96)	(91)	(74)	36	50	65	66	68	69	70	72	73	74	76	77	79	2,693
Discounted Adjusted Free Cash Flow			(77)	(58)	(38)	15	17	17	14	11	9	8	6	5	4	3	3	2	9

[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 3,799

[7] Number of Customers 1,545

[8] Market Value (GEL) 26,517

Table 1
Tkibuli-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	39	43	45	51	178
Operational Expenses					
Operating Expenses	(2)	(3)	(4)	(4)	(13)
Purchased Power	(41)	(45)	(46)	(54)	(186)
Wages & Social Costs	(1)	(1)	(3)	(2)	(7)
Total Operating Expenses	(44)	(49)	(52)	(59)	(205)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(44)	(49)	(52)	(59)	(205)
Utility Operating Income	(5)	(6)	(8)	(8)	(27)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(2)	(4)	(5)	(12)
Net Other Income	(2)	(2)	(4)	(5)	(12)
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	(2)	(4)	(5)	(10)
NET INCOME	(7)	(9)	(15)	(18)	(50)

[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
Tkibuli-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)	49	45.0	2.2	14	45.0	0.6	0	0.0	0.0	331	30.5	10.1	0	0.0	0.0
February	63	45.0	2.8	16	39.4	0.6	0	0.0	0.0	200	45.0	9.0	0	0.0	0.0
March	56	45.0	2.5	17	45.0	0.7	0	0.0	0.0	230	45.0	10.4	0	0.0	0.0
April	58	45.0	2.6	15	45.0	0.7	0	0.0	0.0	218	45.0	9.8	0	0.0	0.0
May	96	45.0	4.3	10	44.9	0.4	0	0.0	0.0	227	45.0	10.2	0	0.0	0.0
June	131	45.0	5.9	0	0.0	0.0	0	0.0	0.0	201	45.0	9.0	0	0.0	0.0
July	77	45.0	3.5	0	0.0	0.0	0	0.0	0.0	240	45.0	10.8	0	0.0	0.0
August	97	45.0	4.4	0	0.0	0.0	0	0.0	0.0	273	41.7	11.4	0	0.0	0.0
September	76	45.0	3.4	5	45.0	0.2	0	0.0	0.0	249	45.0	11.2	0	0.0	0.0
October	69	60.0	4.2	12	45.0	0.5	0	0.0	0.0	232	60.0	13.9	0	0.0	0.0
November	51	60.0	3.1	14	60.0	0.8	0	0.0	0.0	202	60.5	12.2	0	0.0	0.0
December	36	60.0	2.2	12	60.0	0.7	0	0.0	0.0	224	60.0	13.4	0	0.0	0.0

Table 3
Tkibuli-1
Georgia Power Privatization
Electricity Purchases

Month	Electricity Purchased		
	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	306	45.0	14
February	292	45.0	13
March	319	45.0	14
April	303	45.0	14
May	347	45.0	16
June	342	45.0	15
July	332	45.0	15
August	351	45.0	16
September	343	45.0	15
October	327	60.0	20
November	280	60.0	17
December	287	60.0	17

Tables 4
Tkibuli-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	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	0	3

	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	1	0	0	1	0
March	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	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	1	0	1	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0
August	0	0	0	0	0	0	0	0	0	0	0	2	0	0	1	0
September	0	0	0	0	0	0	0	0	0	1	0	1	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	1	0
December	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0

Table 5
Tkibuli-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	13	2	11					11	11
February	12	16	7	0				7	7
March	14	12	9	0	0			9	9
April	13	31	(9)	0	0	0		(9)	(9)
May	15	15	(9)	0	0	0	0	(9)	(9)
June	15	18	(13)	0	0	0	0	(13)	(13)
July	14	18	(17)	0	0	0	0	(17)	(17)
August	16	5	(6)	0	0	0	0	(6)	(6)
September	15	7	1	0	0	0	0	1	1
October	19	12	8	0	0	0	0	8	8
November	16	2	16	6	0	0	0	22	22
December	16	6	16	16	0	0	0	32	32

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
Tkibuli-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	14	3	10					10	10
February	13	18	5	0				5	5
March	14	13	7	0	0			7	7
April	14	33	(12)	0	0	0		(12)	(12)
May	16	13	(10)	0	0	0	0	(10)	(10)
June	15	24	(18)	0	0	0	0	(18)	(18)
July	15	19	(22)	0	0	0	0	(22)	(22)
August	16	5	(12)	0	0	0	0	(12)	(12)
September	15	13	(9)	0	0	0	0	(9)	(9)
October	20	13	(2)	0	0	0	0	(2)	(2)
November	17	4	10	0	0	0	0	10	10
December	17	12	15	0	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 1
Tkibuli-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	493	383	357	423	1,656
Operational Expenses					
Operating Expenses	(8)	(12)	(14)	(17)	(51)
Purchased Power	(372)	(313)	(292)	(333)	(1,309)
Wages & Social Costs	(7)	(8)	(10)	(11)	(36)
Total Operating Expenses	(387)	(332)	(316)	(361)	(1,396)
Sales & Administrative	0	0	0	0	0
Depreciation	(0)	(0)	(0)	0	(0)
Total Operational Expenses	(387)	(333)	(316)	(361)	(1,397)
Utility Operating Income	106	50	41	62	259
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(4)	(5)	(5)	(5)	(19)
Net Other Income	(4)	(5)	(5)	(5)	(19)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	67	209	252	529
Unrealized Accounts Receivable [2]	0	(164)	(282)	(316)	(763)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(102)	(78)	(69)	(249)
NET INCOME	102	(58)	(42)	(12)	(9)

[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 10
Tkibuli-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	1,656	1 679	2,526	3,408	4,326	5,278	5,370	5,480	5,597	5,721	5,851	5,990	6,121	6,259	6,403	6,555	6 715	6,874	233,712
Operational Expenses																			
Operating Expenses	(51)	(52)	(96)	(152)	(197)	(215)	(219)	(223)	(228)	(234)	(239)	(245)	(251)	(257)	(263)	(269)	(276)	(283)	(9,623)
Purchased Power	(1,309)	(1,313)	(1,832)	(2,376)	(2,945)	(3,540)	(3,620)	(3,698)	(3,780)	(3 868)	(3,961)	(4,059)	(4 152)	(4 250)	(4 353)	(4 461)	(4,575)	(4,687)	(159,371)
Wages & Social Costs	(36)	(36)	(102)	(188)	(257)	(284)	(290)	(296)	(302)	(309)	(317)	(325)	(332)	(340)	(348)	(357)	(366)	(375)	(12,748)
Total Operating Expenses	(1,396)	(1,401)	(2,029)	(2,716)	(3,399)	(4,039)	(4,128)	(4,217)	(4,311)	(4,411)	(4,517)	(4,629)	(4,735)	(4,846)	(4,963)	(5,087)	(5,217)	(5,345)	(181,742)
Sales and Administrative Expenses	0	0	(81)	(191)	(277)	(311)	(317)	(324)	(331)	(339)	(347)	(355)	(364)	(372)	(381)	(391)	(401)	(410)	(13,956)
Depreciation[3]	(0)	(0)	(21)	(41)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	0
Total Operational Costs	(1,397)	(1,401)	(2,131)	(2,948)	(3,738)	(4,413)	(4,507)	(4,603)	(4,704)	(4,812)	(4,926)	(5,047)	(5,161)	(5,281)	(5,407)	(5,540)	(5,680)	(5,818)	(197,813)
Utility Operating Income	259	278	395	460	587	864	862	877	893	909	926	943	960	978	997	1,016	1,036	1,056	35,898
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	(19)	(19)	(29)	(38)	(49)	(60)	(61)	(62)	(63)	(65)	(66)	(68)	(69)	(71)	(72)	(74)	(76)	(78)	(2 638)
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	529	936	1,045	1,016	840	505	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(763)	(1,298)	(1,952)	(2,128)	(2,006)	(1,727)	(959)	(164)	(168)	(172)	(176)	(180)	(184)	(188)	(192)	(197)	(201)	(206)	(7,011)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(143)	(145)	(147)	(150)	(153)	(155)	(158)	(161)	(164)	(167)	(170)	(5,777)
Total Financial Costs and Taxes	(234)	(362)	(908)	(1,112)	(1,166)	(1,222)	(959)	(307)	(313)	(319)	(326)	(332)	(339)	(346)	(353)	(360)	(368)	(376)	(12,789)
Net Income	25	(84)	(513)	(652)	(579)	(357)	(97)	570	580	590	600	611	621	632	644	655	667	680	23,110
Adjustments for Cash Flow																			
Depreciation	0	0	21	41	62	62	62	62	62	62	62	62	62	62	62	62	62	62	2,116
Change in Working Capital[4]			(104)	(109)	(113)	(117)	(11)	(14)	(14)	(15)	(16)	(17)	(16)	(17)	(18)	(19)	(20)	(20)	
Capital Investments	0	0	(415)	(415)	(415)	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	(498)	(482)	(466)	(55)	51	49	48	47	46	45	46	45	44	43	42	43	1,452
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	(498)	(482)	(466)	(55)	51	49	48	47	46	45	46	45	44	43	42	43	1,452
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(513)	(652)	(579)	(357)	(97)	713	725	737	750	764	777	790	804	819	834	850	28,887
Taxes on EBIT			0	0	0	0	0	(143)	(145)	(147)	(150)	(153)	(155)	(158)	(161)	(164)	(167)	(170)	(5,777)
Cash Flow Adjustments[5]			(498)	(482)	(466)	(55)	51	49	48	47	46	45	46	45	44	43	42	43	1,452
Adjusted Free Cash Flow			(1,012)	(1 134)	(1 045)	(413)	(46)	619	628	637	646	656	667	677	688	699	710	722	24,561
Discounted Adjusted Free Cash Flow			(809)	(726)	(535)	(169)	(15)	162	132	107	87	70	57	47	38	31	25	20	81

[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 34,494

[7] Number of Customers 6,914

[8] Market Value (GEL) (587,745)

Table 1
Tkibuli-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	493	383	357	423	1,656
Operational Expenses					
Operating Expenses	(8)	(12)	(14)	(17)	(51)
Purchased Power	(372)	(313)	(292)	(333)	(1,309)
Wages & Social Costs	(7)	(8)	(10)	(11)	(36)
Total Operating Expenses	(387)	(332)	(316)	(361)	(1,396)
Sales & Administrative	0	0	0	0	0
Depreciation	(0)	(0)	(0)	0	(0)
Total Operational Expenses	(387)	(333)	(316)	(361)	(1,397)
Utility Operating Income	106	50	41	62	259
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(4)	(5)	(5)	(5)	(19)
Net Other Income	(4)	(5)	(5)	(5)	(19)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	67	209	252	529
Unrealized Accounts Receivable [2]	0	(164)	(282)	(316)	(763)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(102)	(78)	(69)	(249)
NET INCOME	102	(58)	(42)	(12)	(9)

[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
Tkibuli-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)	461	44.9	20.7	44	43.2	1.9	15	40.0	0.6	3,264	45.0	146.8	0	0.0	0.0
February	383	44.9	17.2	43	44.2	1.9	17	41.2	0.7	3,762	45.0	169.2	0	0.0	0.0
March	439	44.9	19.7	41	43.9	1.8	18	44.4	0.8	2,490	45.0	112.0	0	0.0	0.0
April	386	44.8	17.3	33	42.4	1.4	11	36.4	0.4	2,603	45.0	117.1	0	0.0	0.0
May	446	44.8	20.0	29	44.8	1.3	10	40.0	0.4	2,477	45.0	111.4	0	0.0	0.0
June	501	44.9	22.5	31	41.9	1.3	6	33.3	0.2	1,983	45.0	89.2	0	0.0	0.0
July	439	44.9	19.7	21	42.9	0.9	5	40.0	0.2	2,226	45.0	100.1	0	0.0	0.0
August	394	44.9	17.7	20	45.0	0.9	6	33.3	0.2	2,154	45.0	96.9	0	0.0	0.0
September	510	44.9	22.9	29	44.8	1.3	5	40.0	0.2	2,133	45.0	96.2	0	0.0	0.0
October	347	59.9	20.8	29	58.6	1.7	5	60.0	0.3	1,844	60.0	110.6	0	0.0	0.0
November	325	60.0	19.5	27	59.3	1.6	7	57.1	0.4	1,947	60.0	116.8	0	0.0	0.0
December	223	59.6	13.3	32	59.4	1.9	11	45.5	0.5	2,256	60.0	135.3	0	0.0	0.0

Table 3
Tkibuli-2
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	4,365	33.0	144
February	3,582	33.0	118
March	3,327	33.0	110
April	3,388	33.0	112
May	3,300	33.0	109
June	2,791	33.0	92
July	2,994	33.0	99
August	2,868	33.0	95
September	2,975	33.0	98
October	2,476	42.0	104
November	2,571	42.0	108
December	2,873	42.0	121

Tables 4
Tkibuli-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	1
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
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	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 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	2	3	0	0	1	0
March	0	0	0	0	0	0	0	0	0	0	3	3	0	0	1	0
April	0	0	0	0	0	0	0	0	0	0	3	3	0	0	1	0
May	0	0	0	0	0	0	0	0	0	0	3	4	0	0	2	0
June	0	0	0	0	0	0	0	0	0	0	3	4	0	0	1	0
July	0	0	0	0	0	0	0	0	0	0	3	5	0	0	1	0
August	0	0	0	0	0	0	0	0	0	0	3	5	0	0	2	0
September	0	0	0	0	0	0	0	0	0	0	4	5	0	0	1	0
October	0	0	0	0	0	0	0	0	0	0	4	5	0	0	1	0
November	0	0	0	0	0	0	0	0	0	0	4	6	0	0	1	0
December	0	0	0	0	0	0	0	0	0	0	4	6	0	0	1	0

Table 5
Tkibuli-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	170	30	140					140	140
February	189	56	189	84				273	273
March	134	37	134	189	48			371	371
April	136	34	136	134	189	14		473	473
May	133	39	133	136	134	150	14	554	567
June	113	60	113	133	136	75	150	457	621
July	121	14	121	113	133	123	75	490	728
August	116	48	116	121	113	85	123	435	796
September	121	12	121	116	121	101	85	458	904
October	133	14	133	121	116	106	101	476	1,023
November	138	7	138	133	121	109	106	501	1,155
December	151	26	151	138	133	94	109	517	1,280

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
Tkibuli-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	144	30	115					115	115
February	118	56	118	58				176	176
March	110	37	110	118	22			250	250
April	112	34	112	110	106	0		328	328
May	109	39	109	112	110	67	0	398	398
June	92	60	92	109	112	50	67	363	430
July	99	14	99	92	109	98	50	398	515
August	95	48	95	99	92	61	98	347	562
September	98	12	98	95	99	80	61	371	648
October	104	14	104	98	95	84	80	381	737
November	108	7	108	104	98	88	84	398	839
December	121	26	121	108	104	72	88	405	933

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
Vani
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	197	162	173	113	644
Operational Expenses					
Operating Expenses	(1)	(1)	(1)	(1)	(3)
Purchased Power	(161)	(132)	(141)	(86)	(520)
Wages & Social Costs	(0)	(0)	(0)	(0)	(1)
Total Operating Expenses	(162)	(133)	(142)	(88)	(524)
Sales & Administrative	0	0	0	0	0
Depreciation	(3)	(3)	(3)	(3)	(10)
Total Operational Expenses	(164)	(136)	(145)	(90)	(534)
Utility Operating Income	33	26	28	23	110
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(19)	(21)	(22)	(25)	(88)
Net Other Income	(19)	(21)	(22)	(25)	(88)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	96	96
Unrealized Accounts Receivable [2]	0	0	(52)	(136)	(188)
Budget and Non Budget Taxes	(0)	(0)	(0)	(0)	(0)
Total Financial Cost and Taxes	(0)	(21)	(74)	(65)	(160)
NET INCOME	14	(16)	(69)	(68)	(138)

[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 10
Vani
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	644	667	1,017	1,381	1,758	2,149	2,175	2,201	2,227	2,254	2,281	2,309	2 338	2,367	2,397	2,427	2,459	2 491	84,686
Operational Expenses																			
Operating Expenses	(3)	(3)	(25)	(54)	(77)	(86)	(87)	(88)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(98)	(99)	(100)	(3,409)
Purchased Power	(520)	(531)	(744)	(965)	(1,194)	(1,430)	(1,448)	(1,465)	(1,483)	(1,501)	(1,519)	(1,538)	(1 557)	(1,577)	(1,597)	(1,618)	(1,639)	(1,660)	(56,452)
Wages & Social Costs	(1)	(1)	(31)	(70)	(102)	(114)	(116)	(117)	(119)	(120)	(122)	(123)	(125)	(126)	(128)	(129)	(131)	(133)	(4,516)
Total Operating Expenses	(524)	(536)	(799)	(1 089)	(1,373)	(1,631)	(1,651)	(1,671)	(1,691)	(1,712)	(1,733)	(1,754)	(1,776)	(1,798)	(1,821)	(1,845)	(1,869)	(1,893)	(64,376)
Sales and Administrative Expenses	0	0	(32)	(77)	(112)	(125)	(127)	(128)	(130)	(131)	(133)	(135)	(136)	(138)	(140)	(142)	(144)	(145)	(4,943)
Depreciation[3]	(10)	(10)	(27)	(53)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	0
Total Operational Costs	(534)	(546)	(859)	(1,219)	(1,565)	(1,836)	(1,858)	(1,880)	(1,901)	(1,923)	(1,946)	(1,969)	(1,992)	(2,017)	(2 041)	(2,067)	(2 093)	(2 119)	(72,047)
Utility Operating Income	110	121	158	161	194	312	316	321	326	330	335	340	345	350	355	361	366	372	12,639
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	(88)	(91)	(138)	(188)	(239)	(293)	(296)	(300)	(303)	(307)	(311)	(314)	(318)	(322)	(326)	(331)	(335)	(339)	(11,533)
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	96	209	234	228	188	112	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(188)	(341)	(519)	(572)	(539)	(478)	(274)	(66)	(67)	(68)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(2,541)
Budget and Non Budget Taxes	(0)	0	0	0	0	0	(8)	(51)	(52)	(53)	(53)	(54)	(55)	(56)	(57)	(58)	(58)	(59)	(2,020)
Total Financial Costs and Taxes	(92)	(132)	(285)	(345)	(351)	(365)	(283)	(117)	(119)	(120)	(122)	(123)	(125)	(127)	(129)	(130)	(132)	(134)	(4,560)
Net Income	18	(11)	(127)	(183)	(157)	(53)	34	204	207	210	213	217	220	223	227	230	234	238	8,079
Adjustments for Cash Flow																			
Depreciation	10	10	27	53	80	80	80	80	80	80	80	80	80	80	80	80	80	80	2,728
Change In Working Capital[4]			(43)	(45)	(47)	(48)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	
Capital Investments	0	0	(535)	(535)	(535)	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	10	10	(551)	(526)	(501)	32	77	77	77	77	77	77	77	77	77	76	76	76	2,594
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	10	10	(551)	(526)	(501)	32	77	77	77	77	77	77	77	77	77	76	76	76	2 594
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(127)	(183)	(157)	(53)	42	255	259	263	267	271	275	279	283	288	292	297	10 098
Taxes on EBIT			0	0	0	0	(8)	(51)	(52)	(53)	(53)	(54)	(55)	(56)	(57)	(58)	(58)	(59)	(2,020)
Cash Flow Adjustments[5]			(551)	(526)	(501)	32	77	77	77	77	77	77	77	77	77	76	76	76	2,594
Adjusted Free Cash Flow			(678)	(710)	(659)	(21)	111	281	284	287	290	293	297	300	303	307	310	314	10,673
Discounted Adjusted Free Cash Flow			(543)	(454)	(337)	(8)	36	74	60	48	39	31	25	21	17	13	11	9	35

[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 13,693
[7] Number of Customers 8,914
[8] Market Value (GEL) (380,291)

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Table 1
Vani
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	197	162	173	113	644
Operational Expenses					
Operating Expenses	(1)	(1)	(1)	(1)	(3)
Purchased Power	(161)	(132)	(141)	(86)	(520)
Wages & Social Costs	(0)	(0)	(0)	(0)	(1)
Total Operating Expenses	(162)	(133)	(142)	(88)	(524)
Sales & Administrative	0	0	0	0	0
Depreciation	(3)	(3)	(3)	(3)	(10)
Total Operational Expenses	(164)	(136)	(145)	(90)	(534)
Utility Operating Income	33	26	28	23	110
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(19)	(21)	(22)	(25)	(88)
Net Other Income	(19)	(21)	(22)	(25)	(88)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	96	96
Unrealized Accounts Receivable [2]	0	0	(52)	(136)	(188)
Budget and Non Budget Taxes	(0)	(0)	(0)	(0)	(0)
Total Financial Cost and Taxes	(0)	(21)	(74)	(65)	(160)
NET INCOME	14	(16)	(69)	(68)	(138)

[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
Vani
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)	15	46.1	0.7	23	42.9	1.0	2	62.5	0.1	1,755	45.0	79.0	6	51.7	0.3
February	12	48.8	0.6	23	44.2	1.0	1	0.0	0.0	1,144	45.0	51.5	6	50.6	0.3
March	12	43.1	0.5	22	45.9	1.0	1	0.0	0.0	1,353	45.0	60.9	4	47.6	0.2
April	11	46.3	0.5	23	47.0	1.1	1	71.4	0.1	1,523	45.0	68.5	7	46.2	0.3
May	10	39.6	0.4	20	44.8	0.9	1	0.0	0.0	986	45.0	44.4	5	39.2	0.2
June	12	48.4	0.6	25	44.5	1.1	2	58.8	0.1	966	44.9	43.4	6	35.7	0.2
July	13	46.5	0.6	26	46.2	1.2	1	76.9	0.1	1,409	45.0	63.4	7	42.3	0.3
August	12	43.5	0.5	22	46.5	1.0	2	66.7	0.1	1,492	45.0	67.1	7	42.9	0.3
September	16	43.2	0.7	32	43.9	1.4	2	52.6	0.1	792	45.0	35.6	6	48.4	0.3
October	18	59.8	1.1	25	61.2	1.5	1	71.4	0.1	641	60.0	38.5	5	55.6	0.3
November	16	56.6	0.9	13	59.7	0.8	2	62.5	0.1	749	60.0	44.9	6	53.6	0.3
December	10	61.2	0.6	14	58.8	0.8	1	0.0	0.0	375	60.0	22.5	4	69.8	0.3

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Table 3
Vani
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	2,001	33.0	66
February	1,318	33.0	43
March	1,546	33.0	51
April	1,738	33.0	57
May	1,136	33.0	38
June	1,122	33.0	37
July	1,618	33.0	53
August	1,704	33.0	56
September	942	33.0	31
October	768	42.0	32
November	873	42.0	37
December	419	42.0	18

Tables 4
Vani
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 Capital Work 30	Prepaid Expenses 31	Sales Expenses 43	Distribution Costs 44	Other Income 47, 48	Other Expenses 1-50
January (1998)	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	1	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	0	0	0	6	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 5
Vani
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	81	31	50					50	50
February	53	29	53	21				75	75
March	63	29	63	46	0			108	108
April	71	33	71	63	12	0		145	145
May	46	44	46	71	31	0	0	147	147
June	45	60	45	46	42	0	0	133	133
July	66	26	66	45	46	16	0	173	173
August	69	10	69	66	45	36	16	216	232
September	38	25	38	69	66	21	36	193	245
October	42	19	42	38	69	46	21	195	268
November	47	0	47	42	38	69	46	195	314
December	24	9	24	47	42	29	69	142	329

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
Vani
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	31	35					35	35
February	43	29	43	6				50	50
March	51	29	51	21	0			72	72
April	57	33	57	38	0	0		96	96
May	38	44	38	52	0	0	0	89	89
June	37	60	37	29	0	0	0	66	66
July	53	26	53	37	4	0	0	94	94
August	56	10	56	53	31	0	0	141	141
September	31	25	31	56	53	6	0	147	147
October	32	19	32	31	56	34	6	154	160
November	37	0	37	32	31	56	34	156	196
December	18	9	18	37	32	22	56	108	204

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
Xaragauli
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	73	127	92	90	382
Operational Expenses					
Operating Expenses	(23)	(30)	(30)	(28)	(112)
Purchased Power	(60)	(103)	(75)	(84)	(322)
Wages & Social Costs	(4)	(21)	(22)	(14)	(61)
Total Operating Expenses	(87)	(154)	(127)	(126)	(494)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(87)	(154)	(127)	(126)	(494)
Utility Operating Income	(14)	(28)	(35)	(36)	(113)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	0	(2)	(2)	(2)	(6)
Net Other Income	0	(2)	(2)	(2)	(6)
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	(1)	(1)	(1)	(1)	(3)
Total Financial Cost and Taxes	(1)	(3)	(3)	(3)	(9)
NET INCOME	(14)	(33)	(40)	(41)	(128)

[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 10
Xaragauli
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	382	381	598	823	1,058	1,301	1,319	1,339	1,359	1,380	1,401	1,423	1,446	1,470	1,494	1,520	1,546	1,573	53,481
Operational Expenses																			
Operating Expenses	(112)	(112)	(100)	(76)	(58)	(52)	(53)	(54)	(55)	(56)	(57)	(57)	(58)	(59)	(60)	(61)	(62)	(64)	(2,161)
Purchased Power	(322)	(323)	(451)	(585)	(724)	(868)	(880)	(893)	(907)	(921)	(936)	(951)	(966)	(983)	(999)	(1,017)	(1,035)	(1,053)	(35,796)
Wages & Social Costs	(61)	(61)	(65)	(66)	(68)	(69)	(70)	(71)	(73)	(74)	(75)	(76)	(77)	(79)	(80)	(81)	(83)	(84)	(2,863)
Total Operating Expenses	(494)	(495)	(616)	(728)	(850)	(990)	(1,004)	(1,019)	(1,034)	(1,050)	(1,067)	(1,084)	(1,102)	(1,120)	(1,140)	(1 159)	(1,180)	(1,201)	(40 821)
Sales and Administrative Expenses	0	0	(20)	(46)	(68)	(76)	(77)	(78)	(79)	(81)	(82)	(83)	(85)	(86)	(88)	(89)	(91)	(92)	(3,135)
Depreciation[3]	0	0	(22)	(43)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	0
Total Operational Costs	(494)	(495)	(657)	(818)	(983)	(1,131)	(1,146)	(1,162)	(1,179)	(1,196)	(1,214)	(1,233)	(1,252)	(1,272)	(1,292)	(1,313)	(1,336)	(1,358)	(46,170)
Utility Operating Income	(113)	(113)	(60)	6	75	170	173	177	180	183	187	190	194	198	202	206	211	215	7,311
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)	(10)	(14)	(18)	(22)	(22)	(22)	(23)	(23)	(24)	(24)	(24)	(25)	(25)	(25)	(26)	(26)	(897)
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	20	22	21	18	11	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(79)	(124)	(141)	(131)	(131)	(86)	(40)	(41)	(41)	(42)	(43)	(43)	(44)	(45)	(46)	(46)	(47)	(1,604)
Budget and Non Budget Taxes	(3)	0	0	0	0	(10)	(17)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(33)	(34)	(1,141)
Total Financial Costs and Taxes	(3)	(59)	(102)	(120)	(114)	(131)	(104)	(67)	(69)	(70)	(71)	(72)	(74)	(75)	(76)	(78)	(79)	(81)	(2,746)
Net Income	(116)	(173)	(161)	(114)	(39)	40	70	109	111	114	116	118	121	123	126	129	131	134	4,565
Adjustments for Cash Flow																			
Depreciation	0	0	22	43	65	65	65	65	65	65	65	65	65	65	65	65	65	65	2,215
Change In Working Capital[4]			(27)	(28)	(29)	(30)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	
Capital Investments	0	0	(434)	(434)	(434)	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	(439)	(419)	(398)	35	63	63	63	63	63	62	62	62	62	62	62	62	2,103
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	(439)	(419)	(398)	35	63	63	63	63	63	62	62	62	62	62	62	62	2,103
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(161)	(114)	(39)	50	87	136	139	142	145	148	151	154	157	161	164	168	5,707
Taxes on EBIT			0	0	0	(10)	(17)	(27)	(28)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(33)	(34)	(1 141)
Cash Flow Adjustments[5]			(439)	(419)	(398)	35	63	63	63	63	63	62	62	62	62	62	62	62	2,103
Adjusted Free Cash Flow			(601)	(533)	(437)	75	133	172	174	176	178	181	183	185	188	191	193	196	6,668
Discounted Adjusted Free Cash Flow			(481)	(341)	(224)	31	43	45	36	30	24	19	16	13	10	8	7	6	22

[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 8 295
[7] Number of Customers 7,238
[8] Market Value (GEL) (254,846)

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Table 1
Xaragauli
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	73	127	92	90	382
Operational Expenses					
Operating Expenses	(23)	(30)	(30)	(28)	(112)
Purchased Power	(60)	(103)	(75)	(84)	(322)
Wages & Social Costs	(4)	(21)	(22)	(14)	(61)
Total Operating Expenses	(87)	(154)	(127)	(126)	(494)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(87)	(154)	(127)	(126)	(494)
Utility Operating Income	(14)	(28)	(35)	(36)	(113)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	0	(2)	(2)	(2)	(6)
Net Other Income	0	(2)	(2)	(2)	(6)
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	(1)	(1)	(1)	(1)	(3)
Total Financial Cost and Taxes	(1)	(3)	(3)	(3)	(9)
NET INCOME	(14)	(33)	(40)	(41)	(128)

[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
Xaragauli
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)	71	45.0	3.2	0	0.0	0.0	2	45.0	0.1	653	45.0	29.4	29	45.0	1.3
February	0	0.0	0.0	1	45.0	0.1	3	45.0	0.1	361	45.0	16.3	48	45.0	2.2
March	22	45.0.	1.0	0	0.0	0.0	0	0.0	0.0	433	45.0	19.5	6	45.0	0.3
April	25	45.0	1.1	0	0.0	0.0	0	0.0	0.0	854	45.0	38.4	60	45.0	2.7
May	13	45.0	0.6	2	45.0	0.1	0	0.0	0.0	774	45.0	34.8	56	45.0	2.5
June	19	45.0	0.8	0	0.0	0.0	0	0.0	0.0	996	45.0	44.8	14	45.0	0.6
July	28	45.0	1.3	1	45.0	0.0	1	45.0	0.1	598	45.0	26.9	56	45.0	2.5
August	25	45.0	1.1	0	0.0	0.0	0	0.0	0.0	681	45.0	30.6	4	45.0	0.2
September	24	45.0	1.1	25	45.0	1.1	8	45.0	0.3	560	45.0	25.2	38	45.0	1.7
October	10	45.0	0.5	1	45.0	0.0	2	45.0	0.1	633	45.0	28.5	7	45.0	0.3
November	31	45.0	1.4	1	45.0	0.0	0	0.0	0.0	524	45.0	23.6	37	45.0	1.7
December	21	60.0	1.3	5	60.0	0.3	0	0.0	0.0	450	60.0	27.0	84	60.0	5.1

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Table 3
Xaragauli
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	839	33.0	28
February	459	33.0	15
March	512	33.0	17
April	1,044	33.0	34
May	937	33.0	31
June	1,143	33.0	38
July	760	33.0	25
August	789	33.0	26
September	728	33.0	24
October	726	42.0	30
November	659	42.0	28
December	623	42.0	26

Tables 4
Xaragauli
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 Capital 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	3	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	4	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	3	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	4	1	5	0	0	0	0
April	0	0	0	0	0	0	0	0	0	6	1	5	0	0	0	0
May	0	0	0	0	0	0	0	0	0	6	1	5	0	0	2	0
June	0	0	0	0	0	0	0	0	0	10	1	5	0	0	0	0
July	0	0	0	0	0	0	0	0	0	4	1	5	0	0	1	0
August	0	0	0	0	0	0	0	0	0	3	1	5	0	0	0	0
September	0	0	0	0	0	0	0	0	0	5	1	5	0	0	1	0
October	0	0	0	0	0	0	0	0	0	2	1	5	0	0	1	0
November	0	0	0	0	0	0	0	0	0	2	1	5	0	0	1	0
December	0	0	0	0	0	0	0	0	0	4	1	5	0	0	0	0

Table 5
Xaragauli
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	34	21	13					13	13
February	19	34	(2)	0				(2)	(2)
March	21	30	(12)	0	0			(12)	(12)
April	42	33	(3)	0	0	0		(3)	(3)
May	38	34	2	0	0	0	0	2	2
June	46	56	(8)	0	0	0	0	(8)	(8)
July	31	20	2	0	0	0	0	2	2
August	32	15	20	0	0	0	0	20	20
September	29	28	22	0	0	0	0	22	22
October	29	6	29	15	0	0	0	45	45
November	27	8	27	29	7	0	0	63	63
December	34	17	34	27	19	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
Xaragauli
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	28	21	7					7	7
February	15	34	(12)	0				(12)	(12)
March	17	30	(26)	0	0			(26)	(26)
April	34	33	(24)	0	0	0		(24)	(24)
May	31	34	(27)	0	0	0	0	(27)	(27)
June	38	56	(45)	0	0	0	0	(45)	(45)
July	25	20	(40)	0	0	0	0	(40)	(40)
August	26	15	(29)	0	0	0	0	(29)	(29)
September	24	28	(32)	0	0	0	0	(32)	(32)
October	30	6	(8)	0	0	0	0	(8)	(8)
November	28	8	11	0	0	0	0	11	11
December	26	17	20	0	0	0	0	20	20

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
Xashuri
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	271	376	447	438	1,531
Operational Expenses					
Operating Expenses	(0)	(0)	(0)	(0)	(1)
Purchased Power	(319)	(469)	(458)	(1,973)	(3,218)
Wages & Social Costs	(16)	(16)	(17)	(22)	(71)
Total Operating Expenses	(334)	(485)	(475)	(1,996)	(3,290)
Sales & Administrative	0	0	0	0	0
Depreciation	(12)	(12)	(12)	(12)	(49)
Total Operational Expenses	(347)	(497)	(487)	(2,008)	(3,339)
Utility Operating Income	(75)	(122)	(41)	(1,570)	(1,808)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(3)	(2)	(3)	(2)	(10)
Net Other Income	(3)	(2)	(3)	(2)	(10)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	139	331	471
Unrealized Accounts Receivable [2]	0	0	(33)	(272)	(305)
Budget and Non Budget Taxes	(18)	(9)	(9)	(9)	(46)
Total Financial Cost and Taxes	(18)	(11)	94	48	112
NET INCOME	(97)	(134)	50	(1,525)	(1,706)

[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 10
Xashuri
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	1,531	1,540	2,301	3,095	3,921	4,781	4,880	5,007	5,141	5,285	5 438	5,601	5,755	5,917	6 089	6 270	6 462	6,652	226,169
Operational Expenses																			
Operating Expenses	(1)	(1)	(52)	(120)	(174)	(196)	(200)	(205)	(211)	(217)	(224)	(231)	(238)	(245)	(252)	(260)	(268)	(276)	(9,399)
Purchased Power	(3,218)	(2 381)	(2,777)	(3,092)	(3,357)	(3,588)	(3,311)	(3,401)	(3,497)	(3,599)	(3 709)	(3 826)	(3,936)	(4 052)	(4 174)	(4,305)	(4 442)	(4,578)	(155 668)
Wages & Social Costs	(71)	(71)	(122)	(187)	(238)	(259)	(265)	(272)	(280)	(288)	(297)	(306)	(315)	(324)	(334)	(344)	(355)	(366)	(12,452)
Total Operating Expenses	(3,290)	(2,453)	(2 950)	(3 399)	(3,770)	(4 043)	(3,775)	(3 878)	(3 988)	(4,104)	(4,229)	(4,363)	(4,488)	(4,620)	(4,760)	(4,909)	(5,066)	(5,221)	(177,520)
Sales and Administrative Expenses	0	0	(74)	(174)	(253)	(284)	(290)	(298)	(306)	(315)	(325)	(335)	(345)	(355)	(366)	(377)	(389)	(401)	(13,631)
Depreciation [3]	(49)	(49)	(50)	(99)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	(149)	0
Total Operational Costs	(3,339)	(2,502)	(3,074)	(3,672)	(4,171)	(4,475)	(4,214)	(4,324)	(4,442)	(4,568)	(4,703)	(4,847)	(4,982)	(5,124)	(5,275)	(5,434)	(5,604)	(5,771)	(196,207)
Utility Operating Income	(1,808)	(962)	(773)	(577)	(250)	306	666	682	699	716	735	754	773	793	814	836	858	881	29,962
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)	(15)	(20)	(25)	(31)	(32)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(41)	(42)	(43)	(1,466)
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	471	1,889	1,762	1,472	1,065	569	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(305)	(871)	(1,301)	(1,419)	(1,330)	(1,167)	(669)	(150)	(154)	(159)	(163)	(168)	(173)	(178)	(183)	(188)	(194)	(200)	(6,785)
Budget and Non Budget Taxes	(46)	(11)	0	0	0	0	0	(106)	(109)	(112)	(114)	(117)	(120)	(123)	(126)	(130)	(133)	(136)	(4,635)
Total Financial Costs and Taxes	119	1,007	461	53	(265)	(598)	(669)	(257)	(263)	(270)	(277)	(285)	(293)	(301)	(309)	(318)	(327)	(336)	(11,420)
Net Income	(1,689)	45	(312)	(524)	(515)	(292)	(3)	426	436	446	457	469	481	493	505	518	532	545	18,541
Adjustments for Cash Flow																			
Depreciation	49	49	50	99	149	149	149	149	149	149	149	149	149	149	149	149	149	149	5,056
Change In Working Capital [4]			(94)	(98)	(102)	(106)	(12)	(16)	(17)	(18)	(19)	(20)	(19)	(20)	(21)	(22)	(24)	(23)	
Capital Investments	0	0	(991)	(991)	(991)	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	49	49	(1,036)	(990)	(945)	43	137	133	132	131	130	129	130	129	128	126	125	125	4,261
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	49	49	(1,036)	(990)	(945)	43	137	133	132	131	130	129	130	129	128	126	125	125	4,261
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(312)	(524)	(515)	(292)	(3)	532	545	558	572	586	601	616	631	648	665	682	23,177
Taxes on EBIT			0	0	0	0	0	(106)	(109)	(112)	(114)	(117)	(120)	(123)	(126)	(130)	(133)	(136)	(4,635)
Cash Flow Adjustments [5]			(1,036)	(990)	(945)	43	137	133	132	131	130	129	130	129	128	126	125	125	4,261
Adjusted Free Cash Flow			(1,348)	(1 514)	(1 460)	(250)	134	559	568	577	587	598	610	621	633	644	657	671	22,802
Discounted Adjusted Free Cash Flow			(1,078)	(969)	(747)	(102)	44	146	119	97	79	64	52	43	35	28	23	19	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 31,611

[7] Number of Customers 16,524

[8] Market Value (GEL) (993,874)

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Table 1
Xashuri
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	271	376	447	438	1,531
Operational Expenses					
Operating Expenses	(0)	(0)	(0)	(0)	(1)
Purchased Power	(319)	(469)	(458)	(1,973)	(3,218)
Wages & Social Costs	(16)	(16)	(17)	(22)	(71)
Total Operating Expenses	(334)	(485)	(475)	(1,996)	(3,290)
Sales & Administrative	0	0	0	0	0
Depreciation	(12)	(12)	(12)	(12)	(49)
Total Operational Expenses	(347)	(497)	(487)	(2,008)	(3,339)
Utility Operating Income	(75)	(122)	(41)	(1,570)	(1,808)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(3)	(2)	(3)	(2)	(10)
Net Other Income	(3)	(2)	(3)	(2)	(10)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	139	331	471
Unrealized Accounts Receivable [2]	0	0	(33)	(272)	(305)
Budget and Non Budget Taxes	(18)	(9)	(9)	(9)	(46)
Total Financial Cost and Taxes	(18)	(11)	94	48	112
NET INCOME	(97)	(134)	50	(1,525)	(1,706)

[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
Xashuri
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)	521	44.7	23.3	15	48.3	0.7	20	45.0	0.9	1,411	45.0	63.5	29	45.3	1.3
February	460	45.0	20.7	7	45.5	0.3	11	45.5	0.5	1,083	45.0	48.7	21	42.9	0.9
March	429	45.0	19.3	5	40.8	0.2	20	44.3	0.9	1,984	45.0	89.3	19	43.0	0.8
April	635	45.1	28.6	20	44.8	0.9	8	45.5	0.4	1,621	45.0	73.0	51	44.8	2.3
May	496	45.0	22.3	3	31.3	0.1	25	44.4	1.1	2,486	45.0	111.9	24	46.4	1.1
June	544	45.0	24.5	109	45.0	4.9	10	45.0	0.5	2,257	45.0	101.6	57	45.8	2.6
July	719	44.9	32.3	8	45.0	0.4	10	48.1	0.5	2,584	45.0	116.3	43	45.0	2.0
August	648	44.9	29.1	23	43.7	1.0	17	45.5	0.8	2,632	45.0	118.4	61	44.3	2.7
September	512	44.9	23.0	6	44.8	0.3	9	46.5	0.4	2,604	45.0	117.2	55	45.8	2.5
October	640	59.7	38.2	11	57.5	0.7	10	61.9	0.6	1,874	60.0	112.4	56	53.8	3.0
November	458	59.9	27.4	4	54.1	0.2	11	59.6	0.7	1,881	60.0	112.8	55	60.1	3.3
December	414	60.1	24.9	3	66.7	0.2	20	59.4	1.2	1,802	60.0	108.1	65	60.4	3.9

Table 3
Xashuri
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	1,757	45.0	79
February	2,730	45.0	123
March	2,594	45.0	117
April	3,371	45.0	152
May	3,308	45.0	149
June	3,738	45.0	168
July	3,755	45.0	169
August	3,539	45.0	159
September	2,879	45.0	130
October	2,676	60.0	161
November	2,561	60.0	154
December	35,123	47.2	1,659

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Tables 4
Xashuri
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	1
March	12	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	12	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	12	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	1
December	12	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	12	1	4	0	0	0	0	0
February	0	0	0	0	0	0	0	0	3	1	4	0	0	0	0	0
March	0	0	0	0	0	0	0	0	3	1	4	0	0	0	0	0
April	0	0	0	0	0	0	0	0	3	1	4	0	0	0	0	0
May	0	0	0	0	0	0	0	0	3	1	5	0	0	0	1	0
June	0	0	0	0	0	0	0	0	5	1	4	0	0	0	3	0
July	0	0	0	0	0	0	0	0	1	1	4	0	0	0	0	0
August	0	0	0	0	0	0	0	0	4	1	5	0	0	0	0	0
September	0	0	0	0	0	0	0	0	4	1	4	0	0	0	0	0
October	0	0	0	0	0	0	0	0	5	1	5	0	0	0	0	0
November	0	0	0	0	0	0	0	0	1	7	4	0	0	0	0	0
December	0	0	0	0	0	0	0	0	2	1	4	0	0	0	0	0

Table 5
Xashuri
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	90	52	38					38	38
February	71	59	50	0				50	50
March	111	52	109	0	0			109	109
April	105	42	105	66	0	0		172	172
May	137	70	137	101	0	0	0	238	238
June	134	95	134	137	7	0	0	277	277
July	151	61	151	134	82	0	0	368	368
August	152	50	152	151	134	33	0	470	470
September	143	70	143	152	151	64	33	511	543
October	155	56	155	143	152	96	64	546	642
November	144	39	144	155	143	113	96	556	748
December	138	20	138	144	155	123	113	560	866

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
Xashuri
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	79	52	27					27	27
February	123	59	91	0				91	91
March	117	52	117	39	0			156	156
April	152	42	152	114	0	0		265	265
May	149	70	149	152	44	0	0	344	344
June	168	95	168	149	101	0	0	418	418
July	169	61	169	168	149	40	0	526	526
August	159	50	159	169	168	99	40	596	636
September	130	70	130	159	169	98	99	556	695
October	161	56	161	130	159	113	98	562	800
November	154	39	154	161	130	120	113	564	914
December	1,659	20	1,659	154	161	109	120	2,082	2,553

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
Xobi
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	13	19	21	504	557
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(118)	(147)	(151)	(649)	(1,065)
Wages & Social Costs	(34)	(36)	(32)	(19)	(121)
Total Operating Expenses	(152)	(182)	(183)	(668)	(1,186)
Sales & Administrative	(26)	(19)	(22)	(20)	(87)
Depreciation	0	0	0	0	0
Total Operational Expenses	(178)	(202)	(205)	(688)	(1,273)
Utility Operating Income	(165)	(183)	(184)	(184)	(715)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(4)	(4)	(2)	(11)
Net Other Income	(2)	(4)	(4)	(2)	(11)
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)	(4)	(2)	(9)
NET INCOME	(167)	(190)	(191)	(188)	(736)

[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 10
Xobi
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	557	560	876	1,206	1,549	1,905	1,932	1,961	1,991	2,022	2,054	2,087	2,121	2,157	2,195	2,233	2,273	2,314	78,685
Operational Expenses																			
Operating Expenses	0	0	(20)	(47)	(68)	(77)	(78)	(79)	(80)	(81)	(83)	(84)	(86)	(87)	(89)	(90)	(92)	(93)	(3,175)
Purchased Power	(1,065)	(1,067)	(1,192)	(1,287)	(1,364)	(1,430)	(1,288)	(1,308)	(1,328)	(1,349)	(1,370)	(1,393)	(1,416)	(1,440)	(1,466)	(1,492)	(1,519)	(1,547)	(52,587)
Wages & Social Costs	(121)	(121)	(120)	(110)	(103)	(102)	(103)	(105)	(106)	(108)	(110)	(111)	(113)	(115)	(117)	(119)	(122)	(124)	(4,206)
Total Operating Expenses	(1,186)	(1,188)	(1,332)	(1,444)	(1,535)	(1,608)	(1,469)	(1,491)	(1,514)	(1,538)	(1,563)	(1,588)	(1,615)	(1,643)	(1,671)	(1,701)	(1,732)	(1,764)	(59,969)
Sales and Administrative Expenses	(87)	(87)	(96)	(102)	(108)	(111)	(113)	(115)	(116)	(118)	(120)	(122)	(124)	(126)	(128)	(131)	(133)	(135)	(4,605)
Depreciation[3]	0	0	(29)	(58)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	(88)	0
Total Operational Costs	(1,273)	(1,275)	(1,457)	(1,604)	(1,730)	(1,807)	(1,670)	(1,694)	(1,718)	(1,744)	(1,770)	(1,798)	(1,827)	(1,857)	(1,887)	(1,920)	(1,953)	(1,987)	(67,555)
Utility Operating Income	(715)	(715)	(581)	(399)	(181)	98	263	268	273	278	283	289	295	301	307	314	320	327	11,130
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	(11)	(11)	(18)	(24)	(31)	(38)	(39)	(39)	(40)	(41)	(41)	(42)	(43)	(43)	(44)	(45)	(46)	(46)	(1,580)
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	567	507	410	290	152	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	0	(97)	(152)	(174)	(161)	(166)	(113)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(2,361)
Budget and Non Budget Taxes	0	0	0	0	0	(17)	(30)	(42)	(43)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(52)	(1,754)
Total Financial Costs and Taxes	0	470	355	236	129	(31)	(143)	(101)	(102)	(104)	(106)	(108)	(110)	(112)	(114)	(116)	(119)	(121)	(4,114)
Net Income	(715)	(245)	(226)	(163)	(52)	67	119	167	170	174	177	181	185	189	193	197	202	206	7,016
Adjustments for Cash Flow																			
Depreciation	0	0	29	58	88	88	88	88	88	88	88	88	88	88	88	88	88	88	2,982
Change In Working Capital[4]			(39)	(41)	(42)	(44)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	
Capital Investments	0	0	(585)	(585)	(585)	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	(594)	(567)	(539)	44	84	84	84	84	84	84	83	83	83	83	83	83	2,810
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	(594)	(567)	(539)	44	84	84	84	84	84	84	83	83	83	83	83	83	2,810
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(226)	(163)	(52)	84	149	209	213	217	222	226	231	236	241	247	252	258	8,770
Taxes on EBIT			0	0	0	(17)	(30)	(42)	(43)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(52)	(1,754)
Cash Flow Adjustments[5]			(594)	(567)	(539)	44	84	84	84	84	84	84	83	83	83	83	83	83	2,810
Adjusted Free Cash Flow			(820)	(729)	(592)	111	204	251	254	258	261	265	268	272	276	280	285	289	9,826
Discounted Adjusted Free Cash Flow			(656)	(467)	(303)	45	67	66	53	43	35	28	23	19	15	12	10	8	33

[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 12 106

[7] Number of Customers 9,744

[8] Market Value (GEL) (311,748)

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Table 1
Xobi
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	13	19	21	504	557
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(118)	(147)	(151)	(649)	(1,065)
Wages & Social Costs	(34)	(36)	(32)	(19)	(121)
Total Operating Expenses	(152)	(182)	(183)	(668)	(1,186)
Sales & Administrative	(26)	(19)	(22)	(20)	(87)
Depreciation	0	0	0	0	0
Total Operational Expenses	(178)	(202)	(205)	(688)	(1,273)
Utility Operating Income	(165)	(183)	(184)	(184)	(715)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(2)	(4)	(4)	(2)	(11)
Net Other Income	(2)	(4)	(4)	(2)	(11)
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)	(4)	(2)	(9)
NET INCOME	(167)	(190)	(191)	(188)	(736)

[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
Xobi
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)	17	45.0	0.8	11	45.0	0.5	5	45.0	0.2	1	45.0	0.1	33	45.0	1.5
February	22	45.0	1.0	9	45.0	0.4	7	45.0	0.3	1	45.0	0.1	80	45.0	3.6
March	9	45.0	0.4	11	45.0	0.5	5	45.0	0.2	10	45.0	0.4	71	45.0	3.2
April	7	45.0	0.3	11	45.0	0.5	13	45.0	0.6	8	45.0	0.4	80	45.0	3.6
May	49	45.0	2.2	11	45.0	0.5	2	45.0	0.1	11	45.0	0.5	37	45.0	1.7
June	71	45.0	3.2	8	45.0	0.4	4	45.0	0.2	13	45.0	0.6	86	45.0	3.9
July	20	45.0	0.9	9	45.0	0.4	4	45.0	0.2	13	45.0	0.6	121	45.0	5.4
August	50	45.0	2.2	7	45.0	0.3	4	45.0	0.2	14	45.0	0.6	85	45.0	3.8
September	47	45.0	2.1	7	45.0	0.3	4	45.0	0.2	12	45.0	0.6	76	45.0	3.4
October	8	45.0	0.4	12	45.0	0.5	5	45.0	0.2	9,951	45.0	447.8	45	45.0	2.0
November	5	45.0	0.2	8	45.0	0.4	2	45.0	0.1	10	45.0	0.5	41	45.0	1.9
December	12	60.0	0.7	10	60.0	0.6	3	60.0	0.2	775	60.0	46.5	42	60.0	2.5

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Table 3
Xobi
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	1,413	33.0	47
February	1,167	33.0	39
March	1,005	33.0	33
April	1,250	33.0	41
May	1,535	33.0	51
June	1,665	33.0	55
July	1,642	33.0	54
August	1,488	33.0	49
September	1,134	42.0	48
October	1,198	42.0	50
November	935	42.0	39
December	16,059	34.8	559

Tables 4
Xobi
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 Capital 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	10	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	45,435	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	10	0	0	0	0	1	0
February	0	0	0	0	0	0	0	0	0	12	0	0	0	0	1	0
March	0	0	0	0	0	0	0	0	0	8	0	0	0	0	1	0
April	0	0	0	0	0	0	0	0	0	19	0	0	0	0	1	0
May	0	0	0	0	0	0	0	0	0	8	0	0	0	0	2	0
June	0	0	0	0	0	0	0	0	0	8	0	0	0	0	3	0
July	0	0	0	0	0	0	0	0	0	15	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	9	0	0	0	0	1	0
September	0	0	0	0	0	0	0	0	0	8	0	0	0	0	2	0
October	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	7	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
Xobi
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	3	37	(34)					(34)	(34)
February	5	59	(87)	0				(87)	(87)
March	5	39	(122)	0	0			(122)	(122)
April	5	54	(171)	0	0	0		(171)	(171)
May	5	32	(198)	0	0	0	0	(198)	(198)
June	8	74	(264)	0	0	0	0	(264)	(264)
July	8	78	(335)	0	0	0	0	(335)	(335)
August	7	8	(335)	0	0	0	0	(335)	(335)
September	7	35	(364)	0	0	0	0	(364)	(364)
October	451	39	48	0	0	0	0	48	48
November	3	2	3	46	0	0	0	49	49
December	51	3	51	3	43	0	0	96	96

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
Xobi
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	47	39	8					8	8
February	39	59	(12)	0				(12)	(12)
March	33	39	(19)	0	0			(19)	(19)
April	41	54	(31)	0	0	0		(31)	(31)
May	51	33	(13)	0	0	0	0	(13)	(13)
June	55	74	(32)	0	0	0	0	(32)	(32)
July	54	78	(56)	0	0	0	0	(56)	(56)
August	49	7	(15)	0	0	0	0	(15)	(15)
September	48	36	(3)	0	0	0	0	(3)	(3)
October	50	40	8	0	0	0	0	8	8
November	39	39	8	0	0	0	0	8	8
December	559	2	559	7	0	0	0	566	566

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
Xoni
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	143	188	174	107	612
Operational Expenses					
Operating Expenses	(2)	(3)	(3)	(2)	(10)
Purchased Power	(122)	(158)	(144)	(100)	(525)
Wages & Social Costs	0	(10)	(12)	(8)	(30)
Total Operating Expenses	(124)	(171)	(160)	(110)	(565)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(124)	(171)	(160)	(110)	(565)
Utility Operating Income	20	17	14	(4)	47
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(8)	(11)	(15)	(11)	(44)
Net Other Income	(8)	(11)	(15)	(11)	(44)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(55)	(55)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(11)	(15)	(66)	(92)
NET INCOME	12	(5)	(16)	(81)	(90)

[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 10
Xoni
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	612	620	961	1,318	1,692	2,082	2,124	2,179	2,236	2,295	2,358	2,425	2,496	2,570	2,648	2,730	2,817	2,906	98,788
Operational Expenses																			
Operating Expenses	(10)	(10)	(30)	(56)	(76)	(84)	(86)	(88)	(91)	(93)	(96)	(99)	(102)	(105)	(108)	(111)	(115)	(119)	(4,034)
Purchased Power	(525)	(533)	(740)	(954)	(1,175)	(1,404)	(1,427)	(1,464)	(1,503)	(1,545)	(1,588)	(1,634)	(1,683)	(1,734)	(1,788)	(1,844)	(1,904)	(1,965)	(66,815)
Wages & Social Costs	(30)	(30)	(52)	(80)	(102)	(112)	(114)	(117)	(120)	(124)	(127)	(131)	(135)	(139)	(143)	(148)	(152)	(157)	(5,344)
Total Operating Expenses	(565)	(574)	(822)	(1,089)	(1,353)	(1,600)	(1,627)	(1,669)	(1,714)	(1,761)	(1,811)	(1 864)	(1,919)	(1,977)	(2 039)	(2 103)	(2 172)	(2,241)	(76,194)
Sales and Administrative Expenses	0	0	(32)	(75)	(109)	(122)	(125)	(128)	(132)	(135)	(139)	(143)	(147)	(152)	(157)	(162)	(167)	(172)	(5 851)
Depreciation[3]	0	0	(26)	(53)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	0
Total Operational Costs	(565)	(574)	(880)	(1,217)	(1,541)	(1,802)	(1,831)	(1,877)	(1,925)	(1,976)	(2,029)	(2,086)	(2,145)	(2,208)	(2,274)	(2,344)	(2,417)	(2,492)	(84,733)
Utility Operating Income	47	45	81	102	151	280	293	302	311	320	329	339	350	362	374	386	400	413	14,054
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	(44)	(45)	(70)	(96)	(123)	(151)	(154)	(158)	(162)	(167)	(171)	(176)	(181)	(186)	(192)	(198)	(204)	(211)	(7,168)
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	114	127	123	101	60	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(55)	(190)	(295)	(332)	(312)	(293)	(182)	(65)	(67)	(69)	(71)	(73)	(75)	(77)	(79)	(82)	(85)	(87)	(2,964)
Budget and Non Budget Taxes	0	0	0	0	0	(9)	(22)	(47)	(49)	(50)	(52)	(53)	(55)	(57)	(59)	(61)	(63)	(65)	(2,218)
Total Financial Costs and Taxes	(55)	(76)	(168)	(209)	(211)	(243)	(204)	(113)	(116)	(119)	(122)	(126)	(130)	(134)	(138)	(143)	(148)	(152)	(5,182)
Net Income	(8)	(30)	(87)	(107)	(60)	38	90	189	195	201	207	213	220	228	235	244	252	261	8,873
Adjustments for Cash Flow																			
Depreciation	0	0	26	53	79	79	79	79	79	79	79	79	79	79	79	79	79	79	2 688
Change In Working Capital[4]			(42)	(44)	(46)	(48)	(5)	(7)	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(10)	(11)	(11)	
Capital Investments	0	0	(527)	(527)	(527)	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	(543)	(518)	(494)	31	74	72	72	72	71	71	70	70	69	69	68	68	2,317
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	(543)	(518)	(494)	31	74	72	72	72	71	71	70	70	69	69	68	68	2,317
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(87)	(107)	(60)	47	112	236	244	251	259	266	275	285	294	305	315	326	11,091
Taxes on EBIT			0	0	0	(9)	(22)	(47)	(49)	(50)	(52)	(53)	(55)	(57)	(59)	(61)	(63)	(65)	(2,218)
Cash Flow Adjustments[5]			(543)	(518)	(494)	31	74	72	72	72	71	71	70	70	69	69	68	68	2,317
Adjusted Free Cash Flow			(630)	(626)	(554)	69	163	262	267	272	278	284	291	298	305	313	321	329	11,190
Discounted Adjusted Free Cash Flow			(504)	(401)	(284)	28	54	69	56	46	37	31	25	20	17	14	11	9	37

[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 — 13 406

[7] Number of Customers — 8,785

[8] Market Value (GEL) — (231,149)

Table 1
Xoni
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	143	188	174	107	612
Operational Expenses					
Operating Expenses	(2)	(3)	(3)	(2)	(10)
Purchased Power	(122)	(158)	(144)	(100)	(525)
Wages & Social Costs	0	(10)	(12)	(8)	(30)
Total Operating Expenses	(124)	(171)	(160)	(110)	(565)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(124)	(171)	(160)	(110)	(565)
Utility Operating Income	20	17	14	(4)	47
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(8)	(11)	(15)	(11)	(44)
Net Other Income	(8)	(11)	(15)	(11)	(44)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	0	0	(55)	(55)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(11)	(15)	(66)	(92)
NET INCOME	12	(5)	(16)	(81)	(90)

[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
Xoni
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)	76	45.0	3.5	19	45.0	0.9	248	45.0	11.2	715	45.0	32.2	26	0.0	0.0
February	76	45.0	3.4	21	45.0	0.9	233	45.0	10.5	575	45.0	25.9	20	0.0	0.0
March	77	45.0	3.8	26	45.0	1.2	346	45.0	15.6	728	45.0	32.8	20	105.0	2.1
April	117	45.0	5.3	17	45.0	0.8	228	45.0	10.3	885	45.0	39.8	18	5.5	0.1
May	137	45.0	6.2	14	45.0	0.6	217	45.0	9.8	1,041	45.0	46.8	8	0.0	0.0
June	185	45.0	8.3	17	45.0	0.8	207	45.0	9.3	1,098	45.0	49.4	10	70.0	0.7
July	223	45.0	10.0	10	45.0	0.5	141	45.0	6.3	1,281	45.0	57.6	14	35.7	0.5
August	225	45.0	10.1	9	45.0	0.4	157	45.0	7.1	981	45.0	44.1	10	30.0	0.3
September	73	45.0	3.3	10	45.0	0.5	142	45.0	6.4	562	45.0	25.3	5	220.0	1.1
October	52	45.0	2.3	8	45.0	0.4	154	45.0	6.9	493	45.0	22.2	6	50.0	0.3
November	88	45.0	4.0	12	45.0	0.5	226	45.0	10.2	421	45.0	18.9	4	0.0	0.0
December	58	60.0	3.5	10	60.0	0.6	216	60.0	13.0	398	60.0	23.9	10	10.0	0.1

Table 3
Xoni
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	MWH Purchased	GEL Paid Per MWH	Total Cost (000)
January (1998)	1,225	33.0	40
February	1,073	33.0	35
March	1,386	33.0	46
April	1,444	33.0	48
May	1,618	33.0	53
June	1,735	33.0	57
July	1,902	33.0	63
August	1,574	33.0	52
September	894	33.0	30
October	815	42.0	34
November	828	42.0	35
December	748	42.0	31

Tables 4
Xoni
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 Capital 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	2
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	2
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	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3

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 60-79	Payment Budget 81
January (1998)	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
February	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
March	0	0	0	0	0	0	0	0	0	0	10	1	7	0	3	0
April	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
May	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
June	0	0	0	0	0	0	0	0	0	0	12	1	7	0	4	0
July	0	0	0	0	0	0	0	0	0	0	0	1	0	0	4	0
August	0	0	0	0	0	0	0	0	0	0	8	1	6	0	5	0
September	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
October	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0
November	0	0	0	0	0	0	0	0	0	0	22	1	6	0	3	0
December	0	0	0	0	0	0	0	0	0	0						

Table 5
Xoni
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	48	29	19					19	19
February	41	32	28	0				28	28
March	55	48	35	0	0			35	35
April	56	33	56	2	0	0		58	58
May	63	35	63	23	0	0	0	86	86
June	69	75	69	11	0	0	0	80	80
July	75	38	75	42	0	0	0	117	117
August	62	28	62	75	14	0	0	151	151
September	37	36	37	62	53	0	0	151	151
October	32	52	32	37	62	1	0	132	132
November	34	8	34	32	37	54	1	156	157
December	41	10	41	34	32	26	54	133	188

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
Xoni
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	40	30	10					10	10
February	35	33	13	0				13	13
March	46	48	11	0	0			11	11
April	48	30	28	0	0	0		28	28
May	53	38	44	0	0	0	0	44	44
June	57	68	33	0	0	0	0	33	33
July	63	39	56	0	0	0	0	56	56
August	52	22	52	34	0	0	0	86	86
September	30	34	30	51	0	0	0	81	81
October	34	47	34	30	4	0	0	68	68
November	35	6	35	34	28	0	0	97	97
December	31	16	31	35	34	12	0	113	113

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
Zestafoni
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	258	259	235	221	973
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(237)	(238)	(215)	(215)	(905)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(237)	(238)	(215)	(215)	(905)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(237)	(238)	(215)	(215)	(905)
Utility Operating Income	22	22	20	6	69
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(118)	(5)	(0)	(123)
Net Other Income	(0)	(118)	(5)	(0)	(123)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	(99)	(165)	(215)	(479)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(217)	(170)	(215)	(602)
NET INCOME	21	(313)	(155)	(210)	(656)

[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 10
Zestafoni
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	973	978	1,531	2,113	2,723	3,359	3,420	3,494	3,571	3,651	3,734	3 821	3,919	4 022	4,130	4,243	4,361	4,483	152,421
Operational Expenses																			
Operating Expenses	0	0	(35)	(82)	(120)	(135)	(138)	(141)	(144)	(147)	(150)	(154)	(158)	(162)	(167)	(171)	(176)	(181)	(6,151)
Purchased Power	(905)	(925)	(1,266)	(1,607)	(1,949)	(2,291)	(2,281)	(2,330)	(2,382)	(2,436)	(2,492)	(2,551)	(2,617)	(2 686)	(2 759)	(2 835)	(2,914)	(2,996)	(101,877)
Wages & Social Costs	0	0	(46)	(109)	(159)	(179)	(182)	(186)	(191)	(195)	(199)	(204)	(209)	(215)	(221)	(227)	(233)	(240)	(8,149)
Total Operating Expenses	(905)	(925)	(1,346)	(1,798)	(2,227)	(2,605)	(2,601)	(2,658)	(2,717)	(2,778)	(2,842)	(2,909)	(2,985)	(3,063)	(3,146)	(3,233)	(3,323)	(3 417)	(116,178)
Sales and Administrative Expenses	0	0	(50)	(119)	(174)	(196)	(200)	(204)	(209)	(213)	(218)	(223)	(229)	(235)	(242)	(248)	(255)	(262)	(8,921)
Depreciation [3]	0	0	(57)	(114)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	(171)	0
Total Operational Costs	(905)	(925)	(1,453)	(2,031)	(2,573)	(2,972)	(2,972)	(3,033)	(3 096)	(3,163)	(3,232)	(3,304)	(3,385)	(3,470)	(3,559)	(3,652)	(3,750)	(3,851)	(130,919)
Utility Operating Income	69	53	78	83	150	386	448	461	474	488	502	517	535	552	571	591	611	632	21,502
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	(123)	(124)	(194)	(268)	(345)	(426)	(433)	(443)	(452)	(463)	(473)	(484)	(497)	(510)	(523)	(538)	(553)	(568)	(19,315)
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	(219)	(239)	(228)	(184)	(108)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(479)	(754)	(1,181)	(1,316)	(1,259)	(1,096)	(609)	(105)	(107)	(110)	(112)	(115)	(118)	(121)	(124)	(127)	(131)	(134)	(4,573)
Budget and Non Budget Taxes	0	0	0	0	0	0	0	(71)	(73)	(76)	(78)	(81)	(83)	(86)	(89)	(93)	(96)	(100)	(3,386)
Total Financial Costs and Taxes	(479)	(972)	(1,420)	(1,544)	(1,444)	(1,205)	(609)	(176)	(181)	(185)	(190)	(195)	(201)	(207)	(213)	(220)	(227)	(234)	(7,958)
Net Income	(410)	(920)	(1,342)	(1,461)	(1,294)	(818)	(161)	285	294	303	312	322	334	345	358	371	384	398	13,543
Adjustments for Cash Flow																			
Depreciation	0	0	57	114	171	171	171	171	171	171	171	171	171	171	171	171	171	171	5,820
Change In Working Capital [4]			(68)	(72)	(75)	(78)	(8)	(9)	(9)	(10)	(10)	(11)	(12)	(13)	(13)	(14)	(15)	(15)	
Capital Investments	0	0	(1,141)	(1 141)	(1,141)	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	(1,152)	(1 099)	(1,045)	93	164	162	162	161	161	160	159	159	158	157	157	156	5,308
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	(1 152)	(1,099)	(1,045)	93	164	162	162	161	161	160	159	159	158	157	157	156	5,308
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(1,342)	(1,461)	(1,294)	(818)	(161)	356	367	379	390	403	417	432	447	463	480	498	16,929
Taxes on EBIT			0	0	0	0	0	(71)	(73)	(76)	(78)	(81)	(83)	(86)	(89)	(93)	(96)	(100)	(3,386)
Cash Flow Adjustments [5]			(1,152)	(1 099)	(1 045)	93	164	162	162	161	161	160	159	159	158	157	157	156	5,308
Adjusted Free Cash Flow			(2,494)	(2,560)	(2,339)	(725)	2	447	455	464	473	483	493	504	516	528	541	554	18 851
Discounted Adjusted Free Cash Flow			(1,996)	(1,639)	(1,197)	(297)	1	117	95	78	64	52	42	35	28	23	19	16	62

[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 21,139

[7] Number of Customers 19,021

[8] Market Value (GEL) (2,500,955)

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Table 1
Zestafoni
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	258	259	235	221	973
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(237)	(238)	(215)	(215)	(905)
Wages & Social Costs	0	0	0	0	0
Total Operating Expenses	(237)	(238)	(215)	(215)	(905)
Sales & Administrative	0	0	0	0	0
Depreciation	0	0	0	0	0
Total Operational Expenses	(237)	(238)	(215)	(215)	(905)
Utility Operating Income	22	22	20	6	69
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(0)	(118)	(5)	(0)	(123)
Net Other Income	(0)	(118)	(5)	(0)	(123)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	0	0	0
Unrealized Accounts Receivable [2]	0	(99)	(165)	(215)	(479)
Budget and Non Budget Taxes	0	0	0	0	0
Total Financial Cost and Taxes	0	(217)	(170)	(215)	(602)
NET INCOME	21	(313)	(155)	(210)	(656)

[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
Zestafoni
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)	33	45.0	1.5	33	45.0	1.5	4	45.0	0.2	1,584	45.0	71.3	505	45.0	22.7
February	62	45.0	2.8	26	45.0	1.2	5	45.0	0.2	1,547	45.0	69.6	465	45.0	20.9
March	60	45.0	2.7	27	45.0	1.2	5	45.0	0.2	910	45.0	41.0	476	45.0	21.4
April	64	45.0	2.9	32	45.0	1.4	5	45.0	0.2	1,240	45.0	55.8	340	45.0	15.3
May	57	45.0	2.6	28	45.0	1.3	4	45.0	0.2	1,302	45.0	58.6	557	45.0	25.1
June	45	45.0	2.0	31	45.0	1.4	4	45.0	0.2	1,709	45.0	76.9	349	45.0	15.7
July	69	45.0	3.1	27	45.0	1.2	23	45.0	1.0	1,089	45.0	49.0	429	45.0	19.3
August	48	45.0	2.2	25	45.0	1.1	4	45.0	0.2	1,546	45.0	69.6	386	45.0	17.4
September	41	45.0	1.8	65	45.0	2.9	4	45.0	0.2	1,194	45.0	53.7	265	45.0	11.9
October	44	45.0	2.0	58	45.0	2.6	9	45.0	0.4	1,119	45.0	50.4	266	45.0	12.0
November	49	45.0	2.2	34	45.0	1.5	5	45.0	0.2	1,059	45.0	47.7	292	45.0	13.1
December	54	60.0	3.2	25	60.0	1.5	5	60.0	0.3	1,042	60.0	62.5	354	60.0	21.3

Table 3
Zestafoni
Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	2,699	33.0	89
February	2,630	33.0	87
March	1,849	33.0	61
April	2,101	33.0	69
May	2,435	33.0	80
June	2,672	33.0	88
July	2,046	33.0	68
August	2,511	33.0	83
September	1,960	33.0	65
October	1,870	33.0	62
November	1,799	42.0	76
December	1,851	42.0	78

Tables 4
Zestafoni
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 Capital 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	116
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	5
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 80	Settlements Advances Paid 81	Settlements Buyers 82	Settlements Claims 83	Settlements Advances Rec 84	Settlements Insurance 85	Settlements Non State 87	Settlements Payments 88	Settlements Social Ins 89	Settlements Labor 70	Settlements Acc. Persons 71	Settlements Employees 73	Settlements Founders 75	Settlements Other 60-79	Payment Budget 91
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
Zestafoni
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	97	15	82					82	82
February	95	20	95	62				157	157
March	67	20	67	95	42			203	203
April	76	21	76	67	95	21		257	257
May	88	17	88	76	67	78	21	308	329
June	96	18	96	88	76	48	78	308	407
July	74	28	74	96	88	48	48	305	452
August	90	19	90	74	96	69	48	329	524
September	71	16	71	90	74	81	69	315	579
October	67	15	67	71	90	59	81	287	631
November	65	15	65	67	71	76	59	278	681
December	89	20	89	65	67	51	76	272	750

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
Zestafoni
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	89	90	(1)					(1)	(1)
February	87	131	(45)	0				(45)	(45)
March	61	97	(82)	0	0			(82)	(82)
April	69	92	(104)	0	0	0		(104)	(104)
May	80	120	(144)	0	0	0	0	(144)	(144)
June	88	206	(262)	0	0	0	0	(262)	(262)
July	68	67	(261)	0	0	0	0	(261)	(261)
August	83	37	(216)	0	0	0	0	(216)	(216)
September	65	198	(349)	0	0	0	0	(349)	(349)
October	62	25	(313)	0	0	0	0	(313)	(313)
November	76	15	(252)	0	0	0	0	(252)	(252)
December	78	40	(214)	0	0	0	0	(214)	(214)

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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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 (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
Zugdidi
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	9,488	9,473	14 848	20,458	26,284	32,316	32,704	33,085	33,473	33,868	34,271	34,681	35,108	35,545	35,990	36,446	36,912	37,386	1,271,121
Operational Expenses																			
Operating Expenses	0	0	(335)	(792)	(1,156)	(1,298)	(1,314)	(1,329)	(1,345)	(1,361)	(1,377)	(1,394)	(1,411)	(1,429)	(1,447)	(1,465)	(1,484)	(1,503)	(51,103)
Purchased Power	(13,241)	(13,361)	(16 492)	(19,125)	(21,393)	(23,389)	(21,763)	(22,017)	(22,276)	(22,540)	(22,809)	(23,084)	(23,369)	(23,661)	(23,959)	(24,263)	(24,575)	(24,892)	(846,332)
Wages & Social Costs	(317)	(317)	(690)	(1,176)	(1,563)	(1,720)	(1,741)	(1,761)	(1 782)	(1,803)	(1 825)	(1,846)	(1 869)	(1,893)	(1,916)	(1,941)	(1,966)	(1,991)	(67,697)
Total Operating Expenses	(13,558)	(13,678)	(17,518)	(21,093)	(24,112)	(26,408)	(24,817)	(25,108)	(25,403)	(25,704)	(26,011)	(26,324)	(26,650)	(26,982)	(27,322)	(27,669)	(28,025)	(28,386)	(965,132)
Sales and Administrative Expenses	0	0	(486)	(1,149)	(1,676)	(1,883)	(1,906)	(1,928)	(1,951)	(1,974)	(1 997)	(2,021)	(2,046)	(2,072)	(2 098)	(2,125)	(2,152)	(2,180)	(74,110)
Depreciation [3]	(33)	(33)	(57)	(113)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	0
Total Operational Costs	(13,591)	(13,711)	(18,061)	(22,356)	(25,958)	(28,461)	(26,893)	(27,206)	(27,524)	(27,848)	(28,179)	(28,516)	(28,866)	(29,224)	(29,590)	(29,964)	(30,347)	(30,736)	(1,045,026)
Utility Operating Income	(4,103)	(4,239)	(3,213)	(1,898)	326	3,855	5,811	5,879	5,949	6,020	6,092	6,165	6,242	6,320	6,400	6,482	6,565	6,650	226,095
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	(249)	(248)	(389)	(536)	(689)	(846)	(857)	(867)	(877)	(887)	(898)	(908)	(920)	(931)	(943)	(955)	(967)	(979)	(33,296)
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	2,481	11,230	11,090	9,645	7,192	3,932	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrealized Accounts Receivable	(3,137)	(7,364)	(11,543)	(12,847)	(12,261)	(10,631)	(5,870)	(993)	(1,004)	(1 016)	(1,028)	(1,040)	(1,053)	(1,066)	(1 080)	(1,093)	(1,107)	(1,122)	(38,134)
Budget and Non Budget Taxes	(53)	0	0	0	0	0	0	(977)	(989)	(1,001)	(1,013)	(1,025)	(1,038)	(1,051)	(1,064)	(1,078)	(1,092)	(1,106)	(37,592)
Total Financial Costs and Taxes	(709)	3,866	(453)	(3,202)	(5,068)	(6,699)	(5,870)	(1,970)	(1,993)	(2,017)	(2,041)	(2,065)	(2,091)	(2,117)	(2 144)	(2 171)	(2 199)	(2,227)	(75 726)
Net Income	(4,811)	(373)	(3 667)	(5,099)	(4,742)	(2,844)	(59)	3,909	3,956	4,003	4,051	4,100	4,151	4,203	4,256	4,311	4,366	4,423	150,369
Adjustments for Cash Flow																			
Depreciation	33	33	57	113	170	170	170	170	170	170	170	170	170	170	170	170	170	170	5,784
Change In Working Capital [4]			(663)	(692)	(718)	(744)	(48)	(47)	(48)	(49)	(50)	(51)	(53)	(54)	(55)	(56)	(57)	(58)	
Capital Investments	0	0	(1 134)	(1,134)	(1,134)	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	33	33	(1,740)	(1 712)	(1,682)	(573)	122	123	122	121	120	120	117	116	115	114	113	112	3,796
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	33	33	(1,740)	(1 712)	(1,682)	(573)	122	123	122	121	120	120	117	116	115	114	113	112	3,796
Valuation																			
Earnings Before Interest and Taxes (EBIT)			(3,667)	(5,099)	(4,742)	(2,844)	(59)	4,887	4,945	5,004	5,064	5,125	5 189	5 254	5 321	5,388	5,458	5,528	187,962
Taxes on EBIT			0	0	0	0	0	(977)	(989)	(1,001)	(1,013)	(1,025)	(1,038)	(1,051)	(1,064)	(1,078)	(1,092)	(1,106)	(37,592)
Cash Flow Adjustments [5]			(1 740)	(1 712)	(1 682)	(573)	122	123	122	121	120	120	117	116	115	114	113	112	3,796
Adjusted Free Cash Flow			(5,407)	(6,812)	(6,424)	(3,418)	63	4,032	4,078	4,124	4,172	4,220	4,269	4,320	4,372	4,425	4,479	4,534	154 166
Discounted Adjusted Free Cash Flow			(4,325)	(4 360)	(3,289)	(1,400)	21	1,057	855	692	560	453	367	297	240	195	158	128	510

[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 205,104

[7] Number of Customers 18,902

[8] Market Value (GEL) (3,516,693)

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Table 1
Zugdidi
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	2,060	1,256	3,752	2,420	9,488
Operational Expenses					
Operating Expenses	0	0	0	0	0
Purchased Power	(997)	(1,667)	(2,642)	(7,934)	(13,241)
Wages & Social Costs	(79)	(81)	(72)	(86)	(317)
Total Operating Expenses	(1,076)	(1,749)	(2,714)	(8,020)	(13,558)
Sales & Administrative	0	0	0	0	0
Depreciation	(1)	(3)	(8)	(21)	(33)
Total Operational Expenses	(1,077)	(1,752)	(2,722)	(8,041)	(13,591)
Utility Operating Income	984	(496)	1,030	(5,621)	(4,103)
Other Income and Expenses					
Other Income	0	0	0	0	0
Other Expenses	(19)	(135)	(74)	(21)	(249)
Net Other Income	(19)	(135)	(74)	(21)	(249)
Financial Costs and Taxes					
Unrealized Accounts Payable [1]	0	0	126	2,355	2,481
Unrealized Accounts Receivable [2]	0	(370)	(802)	(1,965)	(3,137)
Budget and Non Budget Taxes	(12)	(12)	(17)	(12)	(53)
Total Financial Cost and Taxes	(12)	(516)	(766)	356	(938)
NET INCOME	953	(1,147)	190	(5,285)	(5,289)

[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
Zugdidi
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)	17	45.0	0.8	8	45.0	0.4	64	45.0	2.9	15,016	45.0	675.7	2,612	45.0	117.5
February	17	45.0	0.8	9	45.0	0.4	90	45.0	4.1	16,743	45.0	753.4	245	45.0	11.0
March	322	45.0	14.5	9	45.0	0.4	58	45.0	2.6	10,292	45.0	463.1	287	45.0	12.9
April	359	45.0	16.1	13	45.0	0.6	56	45.0	2.5	9,921	45.0	446.4	355	45.0	16.0
May	330	45.0	14.8	14	45.0	0.6	38	45.0	1.7	7,940	45.0	357.3	224	45.0	10.1
June	60	45.0	2.7	14	45.0	0.6	32	45.0	1.5	8,249	45.0	371.2	297	45.0	13.4
July	60	45.0	2.7	14	45.0	0.6	30	45.0	1.4	17,442	45.0	784.9	574	45.0	25.8
August	0	0.0	0.0	11	45.0	0.5	45	45.0	2.0	23,473	45.0	1,056.3	226	45.0	10.2
September	0	0.0	0.0	10	45.0	0.5	32	45.0	1.4	41,215	45.0	1,854.7	247	45.0	11.1
October	0	0.0	0.0	9	45.0	0.4	30	45.0	1.3	13,359	45.0	601.2	221	45.0	9.9
November	14	45.0	0.6	11	45.0	0.5	52	45.0	2.3	16,819	45.0	756.9	275	45.0	12.4
December	26	60.0	1.6	13	60.0	0.8	70	60.0	4.2	16,915	60.0	1,014.9	220	60.0	13.2

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Table 3
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Georgia Power Privatization
Electricity Purchases

	Electricity Purchased		
Month	**MWH Purchased**	**GEL Paid Per MWH**	**Total Cost (000)**
January (1998)	10,967	33.0	362
February	10,703	33.0	353
March	8,547	33.0	282
April	8,653	33.0	286
May	18,120	33.0	598
June	23,755	33.0	784
July	42,576	33.0	1,405
August	14,396	33.0	475
September	18,151	42.0	762
October	17,595	42.0	739
November	208,283	34.5	7,195
December	0	#DIV/0!	0

Tables 4
Zugdidi
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	1	0	0	0	0	0	0	0	0	0	0	0	0	17
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	99
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23
June	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	56
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
September	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	14
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	21	0	0	0	0	0	0	0	0	0	0	0	0	107

	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	4	0	24	0	0	0	0	0
February	0	0	0	0	0	0	0	0	4	0	27	0	0	0	1	0
March	0	0	0	0	0	0	0	0	4	0	27	0	0	0	6	0
April	0	0	0	0	0	0	0	0	4	0	27	0	0	0	0	0
May	0	0	0	0	0	0	0	0	4	0	28	0	0	0	4	0
June	0	0	0	0	0	0	0	0	3	0	23	0	0	0	3	0
July	0	0	0	0	0	0	0	0	4	0	24	0	0	0	1	0
August	0	0	0	0	0	0	0	0	10	0	25	0	0	0	0	0
September	0	0	0	0	0	0	0	0	4	0	28	0	0	0	0	0
October	0	0	0	0	0	0	0	0	5	0	31	0	0	0	2	0
November	0	0	0	0	0	0	0	0	4	0	27	0	0	0	4	0
December	0	0	0	0	0	0	0	0	1	0	9	0	0	0	7	0

Table 5
Zugdidi
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	797	215	583					583	583
February	770	305	770	278				1,047	1,047
March	494	308	494	740	0			1,233	1,233
April	482	251	482	494	489	0		1,464	1,464
May	385	119	385	482	494	370	0	1,730	1,730
June	389	267	389	385	482	227	370	1,483	1,852
July	815	255	815	389	385	226	227	1,816	2,413
August	1,069	36	1,069	815	389	348	226	2,622	3,445
September	1,868	83	1,868	1,069	815	306	348	4,058	5,230
October	613	208	613	1,868	1,069	608	306	4,157	5,635
November	773	18	773	613	1,868	1,051	608	4,304	6,390
December	1,035	48	1,035	773	613	1,820	1,051	4,240	7,376

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
Zugdidi
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	362	215	147					147	147
February	353	305	196	0				196	196
March	282	308	170	0	0			170	170
April	286	251	205	0	0	0		205	205
May	598	119	598	86	0	0	0	684	684
June	784	267	784	417	0	0	0	1,201	1,201
July	1,405	255	1,405	784	162	0	0	2,351	2,351
August	475	36	475	1,405	784	126	0	2,790	2,790
September	762	83	762	475	1,405	701	126	3,343	3,469
October	739	208	739	762	475	1,197	701	3,174	4,000
November	7,195	18	7,195	739	762	457	1,197	9,154	11,177
December	0	48	0	7,195	739	714	457	8,648	11,129

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.*