

Strategic Assets.

1. 40cm width land plot along the Railway (including main line and all branchlines).

For new fiber optic backbone construction GRT is the best alternative from the point of view of simplicity, cost, security and time. There are several alternatives. The current operators do not have enough capacity and quality. As for construction there is a company Energo pro with possibility of having fiber-optic cable in the Air (along with energy distribution infrastructure). This method is unsafe and expensive. Another alternative is the highway, but it will not be available for the next several years and the industry already has need now. There also is a possibility to construct the duct under private land plots, but it needs much more negotiations, is more expensive and is unsafe. The only best alternative left is GRT's asset – 40cm land plot along the railway.

Current backbone goes along with main line only, land on branch lines will allow GRT to expand in regions as well, where it will be the only owner of infrastructure.

2. Contract with “Georgian Railway” LLC on cable laying works (for ~3 times lower price)

GRT has the contract with Georgian Railway allowing to lay the new fiber-optic backbone much cheaper than the market price and much faster. Estimated market price of the service is more than 15 mln GEL and GR has the obligation to do it for 3'357'181.62, which is nearly 5 times less.

Georgian Railway has large amount of staff distributed along the whole line, therefore lot of works can be started simultaneously.

Total time for laying the cable by contract is 1 year.

3. GRT owns the only specialized building (with the main fiber-optic backbone connected to the building) for construction of Data-centre.

The current place where a much lower level data-centre exists is planned to be sold.

No other buildings are connected to the backbone.

4. GRT has a 49 year contract with Georgian Railway on 5 sq.m space in stations and on the roof of the stations.

This is the asset that can be used with traffic business or duct business, as the companies using the backbone also want wireless distribution, which will be available from these 5sq.m spaces and the roofs.

The space can also be used for equipment needed for the backbone.

The payment can be distributed monthly or can be prepaid in Advance.

5. GRT owns 1 pair of fiber in the backbone.

The technical description is given below:

The company began operations in 2005 after installation of Ericsson-Axxesit equipment on fiber optic network on STM4 level. The network was connected to GRT partner's networks in Azerbaijan, Armenia and Turkey.

Later GRT further upgraded its network; installation of CVDM equipment of BTI-Systems production increased the capacity and enabled the company to transmit several Gigabits per second through its channels.

Recently Georgian Railway Telecom launched International Leased Line service provision. The company has acquired a Point of Presence in Frankfurt, Ancotel. On a PoP to PoP basis GRT offers the local and international customers E1, E3, DS3, STM1, STM4 and STM16 dedicated circuits that provide a clear transmission channel for voice, data or video.

For traffic business GRT has it's own niche for customers who need dedicated service and quality (with SLA – Service level agreement). The size of the company allows it to be much more flexible than it's competitors.