

Avesta Research

UZBEKISTAN DAILY

Business update

31 May 2005

Main economic events

- Gas output in Uzbekistan during 4 months made up 20.22 bln. m³**
 According to the data of State Statistics Committee of RU, natural gas output in Uzbekistan in Jan-April 2005 comprised 20.22 bln. m³ and fell by 1.2% compared to the same period of 2004.
- Uzmacom will invest \$3.3 mln. to GSM-network expansion in 2005**
 "Uzmacom" LLC (mobile operator of GSM-standard in Uzbekistan) will invest \$3.3 mln. of own funds in GSM-Network expansion.
- Agreement on establishing JV "UzCNPC Petroleum" is signed**
 Chinese National Petroleum Corporation and National Holding Company "Uzbekneftegaz" signed an agreement on establishing joint venture "UzCNPC Petroleum" for exploration of low debit oilfields in Uzbekistan.
- Net profit of Asakabank decreased to 1.239 bln. soum**
 Net profit of State Joint-Stock Commercial Bank "Asaka", second biggest bank in Uzbekistan, for 2004 according to IAS decreased by 6.2 times to 1.239 bln. soum, as indicated in audited balance sheet of the bank.
- OJSC "Uzbekistan pochasi" will modernize post network for \$30 mln.**
 OJSC "Uzbekiston Pochtasi", national operator of postal service, will carry out modernization of mail network, which will cost about \$30 mln.

Main macroeconomic indicators of Uzbekistan (2000-2004)

Indicators	2000	2001	2002	2003	2004
GDP, trln. soum	3.25	4.92	7.45	9.84	12.2
Real GDP growth, %	3.8	4.2	4.0	4.4	7.7
State budget execution, % to GDP (-def./+prof.)	-1.0	-1.0	-0.8	-0.4	-0.4
Foreign trade turnover, billion USD	6.2	6.3	5.7	6.7	8.7
Inflation (CPI), %	-	-	-	3.8	3.7

Source: State Statistics Committee, Avesta Research

Official exchange rate of the CB RU to major world currencies (USZ)

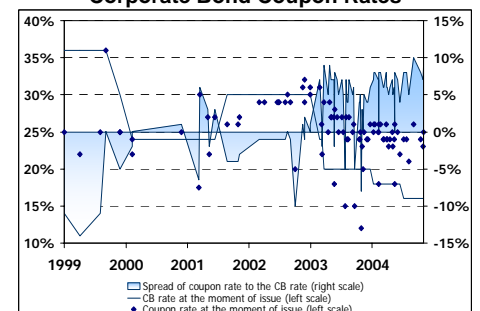
	31.05.2005	24.05.2005
1 USD	1102.59	1099.73
1 EUR	1382.54	1381.70
1 GBP	2012.12	2009.87
10 JPY	102.27	101.87
1 RUR	39.29	39.32

Key interest rates in national currency as of 30.05.2005 (in % per annum)

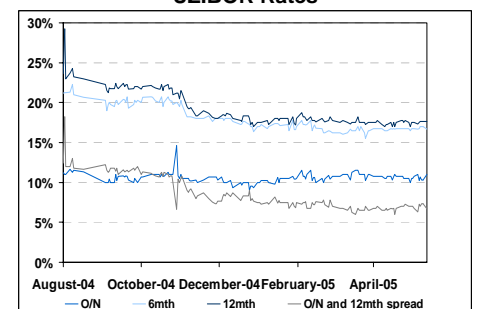
Refinancing rate of CB RU	16,00
UZIBOR (12 months)	17,67
AWACRI*	23,82

* - Avesta Weighted Average Coupon Rate Index

Corporate Bond Coupon Rates



UZIBOR Rates



Sources: Avesta Research, Central Bank of RU, Uzbekistan Banking Association

Today

Coupon payments on corporate bonds are not expected

Upcoming events calendar

June 7: Payment of the 4th coupon of the 4th CB issue of LLC "Sovplastital" is expected.

June 8: Shareholders Meeting of OJSC "Foton".

June 8: Payment of the 2nd coupon of the 2nd CB issue of LLC "NIGSA" is expected.

June 9: Payment of the 7th coupon of the 1st CB issue of "BVV Business Report" is expected.

Gas output in Uzbekistan during 4 months made up 20.22 bln. m³

According to the data of State Statistics Committee of RU, natural gas output in Uzbekistan in Jan-April 2005 comprised 20.22 bln. m³ and fell by 1.2% compared to the same period of 2004, informed "Reuters".

Along with this, NHC "Uzbekneftegaz", single producer of carbohydrates in Uzbekistan, for the period of 4 months of 2005 produced 1.9 Mt of oil, 478.2 kt of gasoline, 483.6 kt of diesel oil.

Uzmacom will invest \$3.3 mln. to GSM-network expansion in 2005

"Uzmacom" LLC (mobile operator of GSM-standard in Uzbekistan) will invest \$3.3 mln. of own funds in GSM-Network expansion, reported "Interfax" with the reference to the managing director R. Yunusov.

According to Yunusov, Chinese Huawei Technologies delivered technology equipment with total capacity of 60 thousand numbers within the scope of GSM-network expansion project. It is expected, that new network will be put into operation during next two months.

Currently, JV Uzmacom possesses a license permitting to render services of cellular communication in GSM-900 standard in Tashkent and Tashkent region. Company plans to apply for receiving a license, enabling an access to the whole territory of Uzbekistan.

74% of Uzmacom were recently acquired by Russian "Alfa Telecom", the rest belonging to Uzbektelekom. Number of subscribers of this mobile operator is about 11 thousand.

Agreement on establishing JV "UzCNPC Petroleum" is signed

According to news agency "NOVECON", Chinese National Petroleum Corporation (CNPC) and National Holding Company "Uzbekneftegaz" signed an agreement on establishing joint venture "UzCNPC Petroleum" for exploration of low debit oilfields in Uzbekistan.

Total value of future projects is \$600 mln. Statutory fund of JV "UzCNPC Petroleum", established on a par basis, makes up \$96 mln. The project envisages supplementary exploration, construction and bringing in development 23 oilfields with hardly extracting reserves in Bukhara-Khiva oil and gas bearing region, as well as plateau Ustyurt. Project implementation is intended for 25 years, with coming out to project capacity of 1Mt of oil and gas condensate by 2015.

Net profit of Asakabank decreased to 1.239 bln. soum

Net profit of State Joint-Stock Commercial Bank "Asaka", second biggest bank in Uzbekistan, for 2004 according to IAS decreased by 6.2 times to 1.239 bln. soum, as indicated in audited balance sheet of the bank, published in republican press. Earlier, there was informed that net profit of Asakabank according to preliminary balance sheet for 2004 increased by 21.8% compared to 2003 to 7.41 bln. soum.

According to the audited financials by IAS, in 2004 bank's assets grew by 51.8% up to 515.8 bln. soum, liabilities to 367.8 bln. soum (+1.86 times), capital – up to 147.99 bln. soum (+4.2%). In accordance with the denationalization and privatization program for 2005-2006, 51% of the bank's shares is planned for sale to foreign investors.

OJSC "Uzbekistan pochasi" will modernize post network for \$30 mln.

OJSC "Uzbekiston Pochtasi", national operator of postal service, will carry out modernization of mail network, which will cost about \$30 mln., reported "Prime-TASS" with the reference to source in company.

Representative of postal company said that the project will be carried out within the frame of governmental program on mail network modernization and development of new services on information technology basis until 2010.

First stage (2005-2007) foresees creation telecommunication system with connection to the regional and urban post-offices. At the second stage (2008-2010) automation of remaining urban and rural post-offices will be completed.

Program financing will be carried out at the expense of own funds of "Uzbekistan pochasi", resources of information technology development fund, foreign investments and credits.

Representative of OJSC "Uzbekiston pochasi" specified, that program of introduction of information technology into mail services system at the expense of foreign funds in amount of \$11.5 mln.

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