

Avesta Research

UZBEKISTAN DAILY

Business update

15 August 2005

Main economic events

- GSM operator “Uzmacom” stops its operations**
 On 5th August the validity period of the license of “Uzmacom” on rendering mobile services was expired and the company decided not to prolong it. Factual disconnection of subscribers took place on 14th August 2005.
- Ipoteka bank rendered the credits in the amount 14.6B soum**
 During 7 months of current year 2 949 small business subjects were rendered the credits in the amount of 8 896.6M soum.
- Bank “Credit-Standart” launched activities with “Xpress Money”**
 Commission on transfer is charged from the sender by the bank and depends on the sum of transfer: from \$10 (one time transfer up to \$100) to \$62 (one time transfer from \$4 500 to \$5 000).
- UzPak will be reorganized into the branch of JSC O’zbektelekom**
 Enterprise of state network on data transmission UzPAK will be reorganized into the branch of Joint Stock Company “O’zbektelekom” at the expense of merger with the branch of “O’zbektelekom” – UzNET.
- “Inform-Mobil” came to Uzbekistan together with MTS**
 In its turn Uzbekistan became the fourth country of presence for “Inform-Mobil” in CIS. The countries where the representatives of the company were opened earlier are Belarus, Ukraine and Kyrgyzstan.

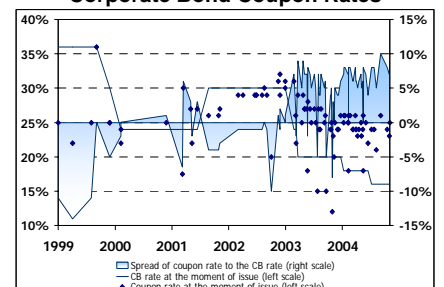
Official exchange rate of the CB RU to major world currencies (USZ)

	09.08.2005	02.08.2005	Chg./%
1 USD	1127.03	1124.85	+0.19 ↑
1 EUR	1389.97	1370.40	+1.43 ↑
1 GBP	1999.46	1981.65	+0.90 ↑
10 JPY	100.22	100.29	-0.07 ↓
1 RUR	39.66	39.28	+0.97 ↑

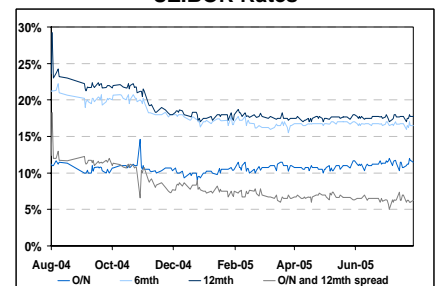
Key interest rates in national currency as of 15.08.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.75
AWACRI	23.29
CBCAP* (UZS)	199.80
CBCAP* (USD)	173.56

Corporate Bond Coupon Rates



UZIBOR Rates



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

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

Today

Coupon payments on corporate bonds:

OJSC “Almalyk MMC” (3B UZS)

4th coupon payment

- coupon rate – CB + 0%

- amount of coupon payment – 120M soum

LLC “Nuron Savdo”- 2 (700M UZS)

2th coupon payment

- coupon rate – 21%

- amount of coupon payment – 36.75M soum

Upcoming events calendar

August 15 – 18: Exhibition «Made in Uzbekistan» will be held in Uzexpocentre, Tashkent.

August 16: Payment of 4th coupon of 1st CB issue of LLC “Rundis” is expected.

August 17: Payment of 3rd coupon of 1st CB issue of LLC “Bortex” is expected.

August 18: Payment of 2nd coupon of 1st CB issue of CJSC “Shark Telekom” is expected.

August 18: Payment of 5th coupon of 2nd CB issue of OJSC “Marvel Juice Co.” is expected.

GSM operator “Uzmacom” stops its operations

Last weekend JV “Uzmacom” made a decision to terminate its operations in GSM-900 standard, informed “PRIME-TASS” with a reference to the administration of Uzbek Agency of Communication and Informatization.

“On 5th August the validity period of the license of “Uzmacom” on rendering mobile services was expired and the company decided not to prolong it. Factual disconnection of subscribers took place on 14th August 2005”, specified the agency. UzACI emphasized the fact that at present time “Uzmacom” owns only the license on rendering data transmission services.

According to the representatives of the agency, the termination of customer services and refusal of prolongation without any limitations set by UzACI may be due to the decision of Russian “Alfa-Telecom”, owner of 74% of operator’s stock, to consolidate its efforts on the development of one new company instead of two operators, whose stock belongs to “Alfa-Telecom”.

The network of “Uzmacom” in GSM-900 standard was introduced in autumn 1996. At the end of 2004, the number of subscribers made up approximately 9 000. Until recent times JV “Uzmacom” owned the license on rendering mobile services in GSM-900 standard in Tashkent city and Tashkent region.

Ipoteka bank rendered the credits for the amount 14.6B soum

By results of 1st August 2005 Ipoteka-bank provides services to 33 761 small business subjects, reports “Uzreport.com”.

The credits rendered to small business subjects at the expense of own funds made up 14 604.6M soum during 7 months of 2005. In total there were formed additional 2 046 working places in the Republic during the quarter because of rendered credits to support small business subjects.

The bank established the Fund of beneficial crediting. During 7 months of 2005 there were 91 small business subjects financed at the expense of FPC in total amount of 1 247M soum.

Bank “Credit-Standart” launched activities with “Xpress Money”

From August bank “Credit-Standart” launched activities with the system of money transfers “Xpress Money”, is reported on the web site of “Uzreport.com”.

Commission on transfer is charged from the sender by the bank and depends on the sum of transfer: from \$10 (one time transfer up to \$100) to \$62 (one time transfer from \$4 500 to \$5 000).

At present time transfer system Western Union is functioning in the bank. Also another system of money transfer is going to be introduced, on which the bank is carrying negotiations with a large Russian bank.

UzPak will be reorganized into the branch of JSC “O‘zbektelekom”

Enterprise of state network on data transmission UzPAK will be reorganized into the branch of Joint Stock Company “O‘zbektelekom” due to the merger with the branch of “O‘zbektelekom” – UzNET. According to the resolution of President of Uzbekistan from 8th August 2005 “On measures of development of data transmission services and preparation to the privatization of Joint Stock Company “O‘zbektelekom”, it is going to take place until 1st September 2005.

According to the resolution “O‘zbektelekom” will be a successor of UzPAK on its agreements and liabilities, including redemption of credits guaranteed by Uzbek government in amount and terms set by the resolution of Cabinet of Ministers from 5th December 2001. It is also stated in the resolution that State Property Committee is responsible for transferring property from UzPAK to statutory capital of “O‘zbektelekom” within a month.

“Inform-Mobil” came to Uzbekistan together with MTS

Russian content provider entered VAS (value added services) market of Uzbekistan through its regular partner – MTS, reports inform agency “NOVECON”.

Uzbek operator “Uzdunrobita”, 74% of which is owned by MTS, has launched informational and entertainment services of “Inform-mobil”. Thus, “Inform-mobil” became the second company (after Nikita) that represents Russian VAS market in Uzbekistan.

In its turn Uzbekistan became the fourth country of presence for “Inform-Mobil” in CIS. The countries where the representatives of the company were opened earlier are Belarus, Ukraine and Kyrgyzstan.

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