

- Uzpromstroybank will consider the merger with Uzprivatbank**
 Shareholders of Uzpromstroybank at the special meeting (on January 20, 2006) will discuss the issue on reorganization of the bank through a merger with Uzprivatbank and will fix the date of the joint meeting.
- NMMC is planning to borrow a \$33m loan**
 Loan means will be directed to the purchase of the equipment for the realization of the first construction stage of the gold-extracting factory in Uchkuduk.
- Results of the survey in food and light industry**
 The survey showed that less than half of companies' management (41.3%) think that their businesses are quite competitive.
- 87.5% of JSC "Gurlan" are put for sale**
 822,421 shares (selling price of 1 share is 1,400 UZS) of OJSC "Gurlan" for total amount of 1,151.39m UZS were put for sale at RSE "Tashkent".

Business update

20 December 2005

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

	20.12.2005	13.12.2005	Chg./%
1 USD	1177.09	1174.09	+0.26 ↑
1 EUR	1413.45	1389.77	+1.70 ↑
1 GBP	2083.92	2066.99	+0.82 ↑
10 JPY	101.22	97.20	+4.14 ↑
1 RUR	41.08	40.51	+1.41 ↑

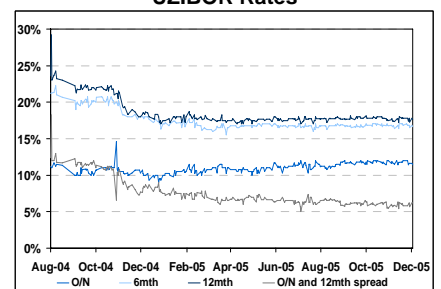
Key interest rates in national currency as of 20.12.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.60
AWACRI	22.75
CBCAP (UZS)	184.52
CBCAP (USD)	153.47

Corporate Bond Coupon Rates



UZIBOR Rates



Main macroeconomic Indicators of Uzbekistan, 2002-2005.

Indicators	2002	2003	2004	2004 1st Q	2005 1st Q
GDP, trillion sums	7.45	9.84	12.2	2.1	2.5
Real GDP growth, %	4.0	4.4	7.7	4.8	4.8
State budget execution, % to GDP (-def./+prof.)	-0.8	-0.4	-0.4	4.0	1.9
Foreign trade turnover, billion USD	5.7	6.7	8.7	2.1	2.3
Inflation (CPI), %	-	3.8	3.7	1.1	2.2

Source: State Statistics Committee, Avesta Research

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

Today

Coupon payments on CB are not expected

Upcoming events calendar

21 December. Special general meeting of shareholders of JSC "Uzpromstroybank" will take place.

20-23 December. At showroom of "Uzkurgazmasavdo", Central-Asian exhibition of textile, textile industry and technologies «CENTRAL ASIA GARMENT TECH» is taking place organized.

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Uzpromstroybank will consider the merger with Uzprivatbank

Shareholders of Uzpromstroybank at the special meeting on 20 January, 2006 will discuss the issue on reorganization of the bank through the merger with Uzprivatbank and will fix the date of the joint meeting, as reported at *"Norodnoye slovo"*. Analogous question will be considered by the shareholders of Uzprivatbank on 19 January, 2006. Uzpromstroybank is one of the largest banks, assets as of beginning of October 2005 amounted to 518.12b UZS, own capital– 43.76b UZS. Bank comprises 31,400 shareholders, the largest ones are "Uzneftegazdepozit" (6.17%), Ferghana OPP (5.88%) and Bukhara OPP (5.06%). In the beginning of November the bank issued the 6th stock issue for 1.8b UZS, planning to increase the statutory fund by 17.7% to 12b UZS. Uzprivatbank was founded in 1995. Holland Fortis Bank, financial corporation Inter Republic Holdings (Luxemburg), Uzpromstroybank, Navoi and Almalyk MMCs are among its shareholders. Assets as of the beginning of 2005 amounted to 27.3b UZS (website of credit organization).

Comment: This event is an additional evidence of continuing tendency of Uzbek banks' assets consolidation observed during 2 years. Note, that in 2004 two mergers took place: "Ipoteka-bank" was created, and "Aviabank" merged with "Kapitalbank".

NMMC is planning to borrow a \$33m loan

Navoi Mining Metallurgical Complex, the main gold producer and monopoly producer of uranium in Uzbekistan, plans to borrow \$33m from French Societe Generale, in first quarter of 2005, for the construction of gold-extracting complex in Central Kyzylkums region, *"Prime-TASS"* reports referencing to the head of NMMC. Loan means will be directed to the purchase of the equipment for the realization of the first construction stage of the gold-extracting factory in Uchkuduk. In November 2004, NMMC began the construction of the gold-extracting complex, total cost of about \$150m. According to the business plan of the project the construction will consist of two stages. First stage (2004-2007), cost of \$80.5m, objects on dressing and bio-oxidation of gold-sulfide ore in "Kokpaks" field will be built (annual projected capacity 3m tons of ore and 10 tons of gold). Second stage (2008-2010), cost of about \$70m, extension of the complex capacity to double the production. In June 2002 South-African Bateman concluded a contract with NMMC (\$197.8m) on the planning and construction of the complex with projected capacity 20 tons a year. In March 2004 the Uzbek Government decided to reconsider the construction project parameters of \$250m as initial cost.

Annual gold production at NMMC during last years amounted to 57-59 tons. NMMC consists of 3 metallurgical plants in Navoi, Zarafshan, and Uchkuduk.

Results of the survey in food and light industry

In hotel «Dedeman Silk Road» the seminar on the results of survey in food and light industry took place. It was organized by the Business Women Association (BWA) RUz in the context of the project "Development of skills of employer-organizations on the productivity and competitiveness – Uzbekistan", as reported at website of *«Uzreport.com»*. Social consulting Agency «Spectrum» jointly with BWA RUz "Tadbirkor ayol" with the support of ILO conducted this social survey. 450 subjects of small and private enterprises, and managers of large enterprises (in Bukhara, Namangan, Samarkand, Tashkent regions and Tashkent city) were surveyed. The results showed that less than half of respondents (41.3%) considered their enterprises to be competitive. Experts think unanimously that those enterprises are not competitive both at internal and external market, though they have the potential. Among the strong points the quality of goods (51.8%) and production basis (44.2%), profitability (14.9%), the possibility of technological innovations (13.6%), competitive position of the company (11%) and monopoly in the local market (7%) were distinguished. As the weak points the lack of financing (47.9%), obsolete equipment (38.4%), weak development strategy (12.9%), goods weak by technical parameters (8.4%), insufficient qualification and experience of the key specialists (7.8%) were noted. Insufficient training of employees, passivity in the employment of new technologies, low technological level of production, weak development of marketing technologies, lack of information on realization markets, and so on, were distinguished as main problems hindering the increase of local producers' competitiveness.

87.5% of JSC "Gurlan" are put for sale

As reported at the official website of State Property Committee (*spc.gov.uz*), 822,421 shares (selling price of 1 share is 1,400 UZS) of OJSC "Gurlan" for total sum of 1,151.39m UZS were put for sale at RSE "Toshkent". The main activity of the company is the knit work production. Statutory fund amounts to 940m UZS. Nominal value of 1 share is 1000 UZS. The value of the fixed capital as of October 1, 2005 was 1,739.1m UZS, net profit– 17.5m UZS, inventory – 1,329.2m UZS, property – 2,514.6m UZS. For 9 months total production amounted to 2,368.5m UZS, net sales revenue – 2,394.6m UZS, the export of goods – 20%. The usage of production capacities makes up 93%, at present 914 workers are employed at the factory. Besides that OJSC "Gurlan" is the founder of the JV «GURLAN-DORA LTD» (statutory fund of \$85,000) in the amount of 49.3%.

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