

- Cotton-fiber production has increased by 22.9%**
 In January-November 2005, the cotton-fiber production in Uzbekistan reached the level of 1.069m tons.
- The output at UzDaewooAuto was 1.5 times more**
 For 11 months of 2005 the production output at UzDaewooAuto rose by 47.9% (comparing to 2004) to 92,971 vehicles.
- Steel production has stepped up by 3%**
 In January-November 2005, 565,812 tons of steel were produced (+2.8% comparing to the analogous indicator in 2004).
- Output of ethyl alcohol-raw has increased by 15.9%**
 The output of food alcohol totaled 2.916m daL (+16.1%), of technical alcohol – 23,200 daL (-7.1%), pure alcohol – 720,800 daL (-1.8%).
- Regular meeting of State Tender Commission**
 At this meeting the issues about the tender terms on the sale of the state enterprises and assets at null redemption value were discussed.

Main macroeconomic indicators of Uzbekistan, 2000-2005.

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

Today

Coupon payments on CB are not expected

Upcoming events calendar

- 29 December.** Start of payment of 5th coupon of the 4th CB issue of **JV «Coscom»** is expected.
- 30 December.** Start of payment of 5th coupon of the 3rd CB issue of **OJSC «Marvel Juice Co.»** is expected.
- 1 January.** Start of payment of 2nd coupon of the 1st CB issue of **BE «Cassidy Trade & Finance»** is expected.
- 2 January.** Start of payment of 5th coupon of the 1st CB issue of **LLC «Elekon Servis»** is expected.

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Business update

27 – 28 December 2005

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

	27.12.2005	20.12.2005	Chg./%
1 USD	1180.00	1177.09	+0.25 ↑
1 EUR	1395.94	1413.45	-1.24 ↓
1 GBP	2044.11	2083.92	-1.91 ↓
10 JPY	101.39	101.22	+0.17 ↑
1 RUR	41.00	41.08	-0.19 ↓

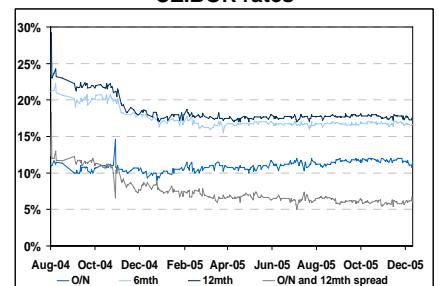
Key interest rates in national currency as of 28.12.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12months)	17.75
AWACRI	22.75
CBCAP (UZS)	184.52
CBCAP (USD)	153.09

Corporate Bond Coupon Rate



UZIBOR rates



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

Cotton-fiber production has increased by 22.9%

In January-November 2005, the cotton-fiber production in Uzbekistan reached the level of 1.069m tons, as reported at the website of *"Kazkommertsbank"* referencing to State Statistics Committee of RU. In particular, the output at the cotton-processing enterprises of association "Uzkhlopkoprom" rose by 23.2% to 1.061m tons. Enterprises with Foreign Investments decreased the production to 8,035 tons (-3.1%).

Harvest of cotton in 2005 amounted to 3.78m tons (+6.5% comparing to 2004). In the middle of October the agricultural enterprises of Uzbekistan for the first time fulfilled the forecasted figures on cotton harvest in the volume of 3.6m tons. The forecasted level of cotton-fiber production in 2005 has been raised up to 1.18m tons vs. 1.04m tons projected at the beginning of the harvesting campaign in September 2005.

The output at UzDaewooAuto was 1.5 times more

"UzDaewooAuto" for 11 months of 2005 increased the production by 47.9% (comparing to analogous indicator in 2004) to 92,971 vehicles, *«RBC»* reports at *«autonews.ru»* referencing to the sources at the enterprise. 58,884 Daewoo Nexia (+67%), 20,209 Daewoo Matiz (+14.8%), 11,267 Daewoo Damas (+35.5%) and 2,611 Daewoo Lacetti (5.3 times more) were produced. As it was reported earlier, UzDaewooAuto planned to increase the output to 130,000 in 2006, vs. 110,500 as planned production in 2005. It is expected that the export of vehicles in 2005 will amount to 56,926. Last year 35,659 out of 70,070 produced vehicles were exported, mainly to Russia. In May 2005 JSC "Uzautoprom" purchased 50% of Korean Daewoo Motor at UzDaewooAuto. In the middle of October 2005 UzDaewooAuto prolonged the contract with General Motors on the delivery of the component parts from South Korean enterprises up to 2010.

Steel production has stepped up by 3%

In January-November 2005, 565,812 tons of steel were produced (+2.8% comparing to the analogous indicator in 2004), as reported at the website of *"Kazkommertsbank"* referencing to State Statistics Committee of RU. The output of rolled ferrous metals reached 527,131 tons (+4.7%).

In Uzbekistan 99% of steel production accounts to "Uzmetkombinat" as well as the 100% of rolled ferrous metals production.

Output of ethyl alcohol-raw has increased by 15.9%

For 11 months of 2005 the production of ethyl alcohol-raw increased to 2.936m daL (+15.9% comparing to 2004), *"Prime-TASS"* reports referencing to official statistics. The output of food alcohol totaled 2.916m daL (+16.1%), of technical alcohol – 23,200 daL (-7.1%), pure alcohol – 720,800 daL (-1.8%), vodka and liqueur-vodka drinks – 5.077m daL (-4.2%), cognac – 25,000 daL (+8.7%), wine - 2.036m daL (-1.4%), champagne– 103,000 daL (-21.4%), beer – 9.872m daL (+12.7%).

Regular meeting of State Tender Commission

At this meeting the issues on the tender terms on sale of state enterprises and assets at null redemption value under investment commitments, carrying out the tenders on sale of state share holdings and assets to foreign investors were discussed, as reported at the website of State Property Committee (*SPC*). As the result of these tender projects the investment inflows of near 1b UZS, including about 0.5b up to the end of 2006, are expected for the coming 3 years. The commission has reached the decision on the tender sale of share holdings of JSCs "Navoiyazot"(49%), "Navoi TES" (39%), "Tashkent TES" (38.9%), "Uzbekiston pochta" (25.4%), "Toshkent yog-moy kombinati"(10%), "Guliston ekstrakt yog" (25%), and hotel complex "Chorsu" to foreign investors (combined starting price 100m USD).

As there was not any offer on the tenders on the sale of JSCs such as "Syrdarya TES" (39%), "Tashkent TES" (38%), "Mubarek TES" (39.23%), "Urganch ekskavator" (74%), "Avtogaz" (95%), SPC was charged to work with potential investors and inform the commission about the results. The commission also took into consideration that SPC RU jointly with JSC "Uzstroyateriali" had concluded a contract on the sale of 30.77% of JSC "Bukharagips" to the company Knauf (Germany) for \$1.55m and paying in additional investments of \$6.3m during 4 years. SPC RU also concluded a contract on the sale of 75% of JSC "Samarkandskiy liftostroitelnii zavod" to the named company for \$1m as redemption value and investment commitments of \$23–27m during 5 years (to increase the annual production of lifts up to 2 000 units and organize the production of detergents of 120,000 tons annually).

Contact information

Avesta Investment Group (CJSC)

License of CSM for Investment advisor №1012

Address: 25, Amir Temur str., 700000,
Tashkent, Uzbekistan Republic

Tel: +998 (71) 132-6202, 134-1383

Tel/fax: +998 (71) 132-6203

E-mail: info@avestagroup.com

Internet: <http://www.avestagroup.com> or <http://www.avesta.uz>

Depository Avesta Trust (LLC)

License of CSM for Securities custodian №1053, registry holder №1054 and nominal securities holder №1055

Tel: +998 (71) 134-1283

Tel/fax: +998 (71) 132-6203

E-mail: trust@avestagroup.com

Internet: <http://trust.avestagroup.com>

Avesta Research

E-mail: research@avestagroup.com

Internet: <http://research.avestagroup.com>

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