

- **Increase of capitalization of banking sector**

Aggregate capital of banks of Uzbekistan by 1st of January 2008 will increase by 40% in comparison with the last year - up to UZS1,5 trillion.

- **Tender on reconstruction of «Qizilqumtsement»**

Reconstruction of "Qizilqumtsement" is being carried out within the framework of the program of modernization of this sector in 2007-2011.

- **«Uzbekistan airway» has increased transportation of passengers by 16%**

The volume of transportations of passengers on international lines has increased by 7,4%.

- **Comments on trading results at UzSE «Toshkent»**

According to trading results carried on out 25th of July, 2007 at UzSE "Toshkent", the total volume of trades amounted to UZS285 851 000.

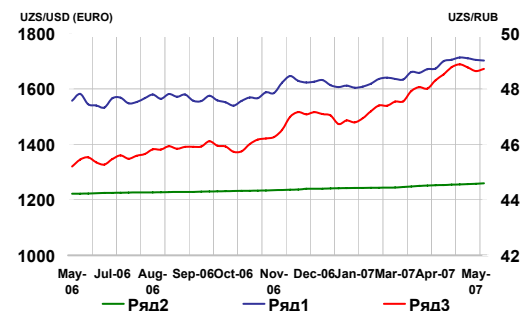
Official exchange rate of the CB RU to major world currencies (UZS)

	24.07.2007	17.07.2007	Chg./%
1 USD	1267.01	1266.52	+0.04↑
1 EUR	1748.35	1735.20	+0.76↑
1 GBP	2592.05	2561.13	+1.21↑
10 JPY	103.95	103.25	+0.68↑
1 RUR	49.77	49.42	+0.71↑

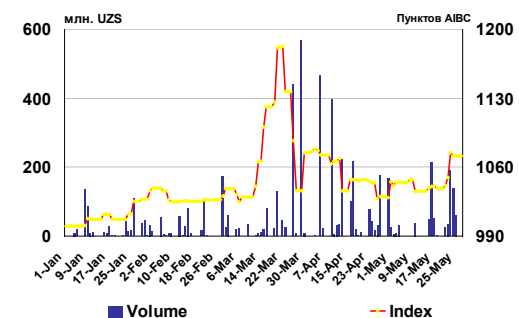
Key interest rates in national currency (in % per annum)

	16.07.2007	Change in 3 months
CBU rate	14,00	-2%
UZIBOR (12 m.)	14,00	+1,37%
AWACRI	21,74	-4,6%
AIBC	1026,75	-2,94%

Dynamics of exchange rates for 52 weeks



AIBC dynamic



The main macroeconomic indicators of Uzbekistan for 2002-2006.

indicator	2002	2003	2004	2005	2006
GDP, trill. UZS	7,45	9,84	12,2	15,2	20,8
Real GDP growth %	4,0	4,4	7,7	7	7,3
State budget execution % to GDP (-deficit./+surplus.)	-0,8	-0,4	-0,4	+0,1	--
Foreign trade turnover, billions of USD	5,7	6,7	8,7	9,5	10,7
Inflation (CPI). %	-	3,8	3,7	7,8	6,8

Quotations of share prices at exchange list of UzSE «Toshkent» for 25.07.2007

Issuer	Price of last transaction (UZS)	Change (%)	Issuer	Price of last transaction (UZS)	Change (%)
Uzsanoatqurilishbanki	1 875,0	-1,10%	Xamkor Bank	100,0	0%
Galla Bank	100,0	0%	Ipak Yuli Bank	100,0	-0,5%
Ipoteka Bank	1 010,1	-1,03%	Kapital bank	10 300,0	0%
Pakhta Bank	1 000,0	-1,05%	Aloka bank	100,0	0%

Today

Upcoming events calendar

No events expected

Increase of capitalization of banking sector

Aggregate capital of banks of Uzbekistan by 1st of January 2008 will increase by 40% in comparison with the last year - up to UZS1,5 trillion, thus growth of capitalization will be provided, basically, due to release of additional issued of shares, informs interne site "vesti.uz".

Up to the end of this year, banks are planning to carry out release of shares for total amount UZS230 billion due to which accomodation, the level of capitalization of banking system will increase by 40%.

By present time, the total volume of issues declared by banks makes nearby UZS100 billion. Including, Uzpromstroybank plans to issue shares for amount UZS25,4 billion, Mikrokreditbank - for UZS25 billion, Ipotekabank - for UZS15 billion, Alokabank and Gallabank - for UZS6 billion each, Hamkorbank - for UZS3 billion, Pahtabank carries out accomodation of shares for UZS6,5 billion, Kapitalbank - for UZS3 billion sum, and bank "Ipak Yuli" - for UZS2 billion.

In the middle of July 2007, the president of Uzbekistan H.E. Islam Karimov has decided to direct UZS62 billion from profit of the Central Bank on increasing charter capitals of three banks, including Mikrokreditbank - UZS32 billion, Pahtabank and Ipotekabank - UZS15 billion each.

According to the Central Bank, in January-June period of current year, aggregate capital of banks of the republic has grown by 14% in comparison with parameter of 2006 - up to UZS1,220 trillion.

Aggregate assets of commercial banks of Uzbekistan have increased in 2006 by 28% in comparison with the last year - up to UZS7,207 trillion, while aggregate capital of commercial banks has grown by 14,9% - up to UZS1,070 trillion.

Tender on reconstruction of «Qizilqumtsement»

JSC "Qizilqumtsement", the largest cement producing company in Uzbekistan, has declared the international tender for carrying out of reconstruction of the enterprise in starting cost USD150 million, informs internet site "vesti.uz".

According to tender announcement, published in a local press, company needs contractor for construction of the fourth technological line and reconstruction of operating capacities up to 2011, which will allow increasing manufacture of cement in the plant up to 4 million tons per year against 3 million tons today.

Deadline of submission of tender offers is 21st of August 2007. Results of competition are supposed to be brought up to the end of current year.

Reconstruction of "Qizilqumtsement" is being carried out within the framework of the program of modernization of this sector in 2007-2011. The project is being financed from own means of cement manufacturing plant, as well as from Fund of reconstruction and development of Uzbekistan and the credit of Islamic Development Bank.

At the present moment there are six cement producing plants operating in Uzbekistan with general production capacity 6,5 million tons per year.

In 2006, the government of Uzbekistan has refused participation of foreign investors in privatization of Joint Stock Company "Qizilqumtsement" and for that reason; it remains the unique enterprise in branch which is supervised by the state.

Coming to present moment, 64% of shares of the company belong to the state, about 24% - to labor collective, other shareholders owns 13% of shares.

«Uzbekistan airway» has increased transportation of passengers by 16%

The national airline company of Uzbekistan "Uzbekistan Airways" in January – June period of 2007 has increased transportation of passengers by 16% in comparison with the similar period of 2006, informs internet site "finance.uz".

The volume of transportations of passengers on international lines has increased by 7,4%, on lines of CIS - by 32,3%, on local airlines - by 5,3%.

The general increase in transportations of passengers is connected with optimization of commercial loading and increase in flights - up to 11 069 flights (by 3,8%). Average loading of flights in first half of 2007 has increased up to 79,4% against 73,8% for six months of 2006.

In particular, flights from Tashkent to Sochi and Cairo, and also from Termez to Moscow have been started. Frequency of weekly flights has been increased: from Tashkent to New York - up to two times, to Tel Aviv - up to four times, to Bangkok - up to five times, from Samarqand to St.-Petersburg - up to three times.

The volume of freight traffic of "Uzbekistan Airways" for six months of current year has increased by 17,3%.

The national airline company carries out flights to 22 cities of European countries, as well as to America, the Near East, Asia, to 21 cities of CIS countries and in 11 directions on local airlines.

In 2006-2008 periods, it is planned to carry out privatization of "Uzbekistan Airways" with participation of foreign investors. In particular, the tender on sale of 49% shares of Airline Company is planned for declaring in second half of 2008.

Comments on trading results at UzSE «Toshkent»

According to trading results carried on out 25th of July, 2007 at UzSE "Toshkent", the total volume of trades amounted to UZS285 851 000. Transactions with 54 122 units of shares from 7 issuers have been carried out.

The leader in volume of the tenders became - "Erostigaz" - one transaction with hard currency for total amount of UZS231 million (13 075 units of shares at price which has exceeded its nominal value by 17.74 times) has been concluded with the shares of the company. In second place "Ahangaranshifer" - 19 transactions for a total amount of UZS30.9 million (1 549 units of shares at price which has exceeded its nominal value by 20 times) has been concluded.

Trading results at UzSE «Toshkent» for 25.07.2007

Issuer	Region	Sector	Max. Price of transac., UZS/USD	Number of shares	Amount of transaction, UZS	Price / nominal
Erostigaz	Tashkent reg.	Energy sector	\$14	13 075	231 926 181	17,74
Ahangaranshifer	Tashkent reg.	Construction	20 000	1 549	30 980 000	20,00
Ipoteka-bank	Tashkent	Bank	1 100	18 191	20 008 969	1,10
Qumqurgan-Invest	Сурхандарья	Finance	100	14 400	1 440 000	1,00
Chirchiqnon	Tashkent reg.	Food industry	150	6 667	1 006 850	1,00
Fargona-Lada	Ferghana	Trade	5 000	90	450 000	5,00
Tashkent regional trading	Tashkent reg.	Finance	260	150	39 000	2,60
Total:				54 122	285 851 000	

Source: UzSE «Toshkent», Calculations by: Avesta Research

Contact information

Avesta Investment Group (CJSC)

License of CSM for Investment advisor №1012

Legal Address: 25, Amir Temur str., 100000
Tashkent, Uzbekistan Republic
Postal address: 107a, Amir Temur str., 100084
Tashkent, Uzbekistan Republic
Tel: +998 (71) 138-5750
Tel/fax: +998 (71) 138-5751
E-mail: info@avestagroup.com
Internet: <http://www.avestagroup.com>

Depository Avesta Trust (LLC)

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

Tel: +998 (71) 132-2841
Tel/fax: +998 (71) 138-5751
E-mail: trust@avestagroup.com
Internet: <http://trust.avestagroup.com>

Brokerage house Avesta Securities™ (Avesta Sekurities LLC)

License of CSM for Securities №1133

Tel: +998 (71) 132-6202
Tel/fax: +998 (71) 138-5751
E-mail: securities@avestagroup.com

Avesta Research

Tel: +998 (71) 138-5750
Tel/Fax: +998 (71) 138-5751
E-mail: research@avestagroup.com
Internet: <http://research.avestagroup.com>

The information and opinions in this report were prepared by Avesta Investment Group or one of its affiliates (collectively "Avesta"). The information herein is believed by Avesta to be reliable and has been obtained from public sources believed to be reliable, but Avesta makes no representation as to the accuracy or completeness of such information. Important Information Regarding Our Independence. The research analysts responsible for the preparation of this report receive compensation that is based upon, among other factors, Avesta's overall revenues. Avesta may engage in securities transactions in a manner inconsistent with this research report and with respect to securities covered by this report, will sell to or buy from customers on a principal basis. Disclosures of conflicts of interest, if any, are discussed at the end of the text of this report or on the Avesta Investment Group's website at <http://www.avestagroup.com>. Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Avesta and are subject to change without notice. Avesta has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Unless governing law provides otherwise, all transactions should be executed in the investor's home jurisdiction. Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Avesta prior written consent. Please cite source when quoting. Copyright 2004-2005 Avesta Investment Group

© 2003-2007 CJSC «Avesta Investment Group».