

- Pakhtabank: increasing charter capital up to UZS50 billion**
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- Attracting more than UZS4.7 billion investments in Dzhizak region**
 In a number of the enterprises manufacture of new production has been adjusted.
- Hotel «Tashkent Palace Hotel» will be sold**
 The starting price of the specified shares will not be less than USD30,616 thousand.
- Results of 1st half of 2007 at Interbank Trading System of Uzbekistan**
 For the given period, leaders among participants according to their active trading at ITS and the best bonds have been defined.
- Projects on modernization of enterprises of chemical industry of Uzbekistan**
 Projects are planned to be financed due to extra means by realization of state assets of chemical enterprises.
- Volume of insurance premiums collected by «Uzbekinvest» has increased for two times**
 In the first half-year of 2007 the volume of insurance payments of the company increased by 23.6 percent up to UZS1,07 million.

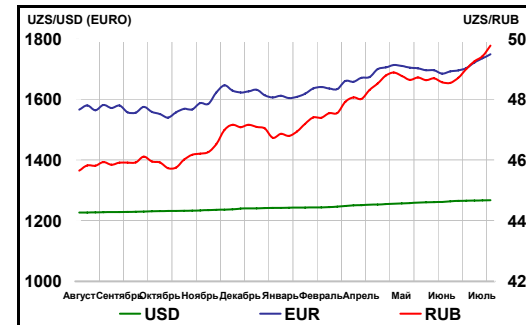
Official exchange rate of the CB RU to major world currencies (UZS)

| | 07.08.2007 | 31.07.2007 | chg./% |
|--------|------------|------------|---------|
| 1 USD | 1269.08 | 1267.96 | +0,09%↑ |
| 1 EUR | 1734.83 | 1747.50 | -0,73%↓ |
| 1 GBP | 2574.07 | 2606.16 | -1,23%↓ |
| 10 JPY | 106.94 | 105.46 | +1,40%↑ |
| 1 RUR | 49.64 | 49.88 | -0,48%↓ |

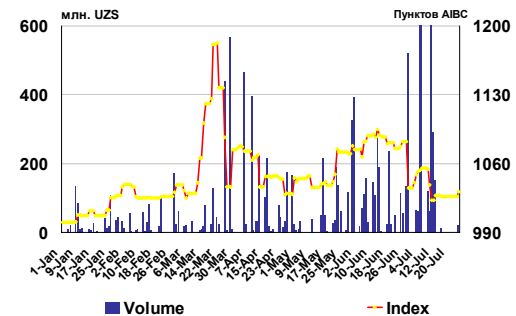
Key interest rates in national currency (in % per annum)

| | 28.08.2007 | Change in 3 months |
|----------------|------------|--------------------|
| CBU rate | 14,00 | -2% |
| UZIBOR (12 m.) | 14,00 | +1,37% |
| AIBC | 1083,547 | -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 | 1П07 |
|---|------|------|------|------|------|------|
| 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 | 9,7 |
| 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 | 2,7 |

Source: State Committee of Statistics of RUZ, Avesta Research

Quotations of share prices at exchange list of UzSE «Toshkent» for 28.08.2007

| Issuer | Price of last transaction (UZS) | Change (%) | Issuer | Price of last transaction (UZS) | Change (%) |
|-----------------------|---------------------------------|------------|----------------|---------------------------------|------------|
| Uzsanoatqurilishbanki | 2 000,0 | 0% | Xamkor Bank | 100,0 | 0% |
| Galla Bank | 100,0 | 0% | Ipak Yuli Bank | 100,0 | 0% |
| Ipoteka Bank | 1 000,0 | 0% | Kapital bank | 10 500,0 | 0% |
| Pakhta Bank | 1 000,00 | 0% | Aloka bank | 117,00 | 17% |

Pakhtabank: increasing charter capital up to UZ\$50 billion

The decision of the Head of the State from 12th of July 2007 "About measures on further increase of capitalization of banks and promoting of their participation in investment processes on modernization of economy" is considered to have great value in the further increase of banks' capitalization level, safeguarding their wide participation in investment processes, structural transformations in the economy, modernization of manufacture and technical and technological re-conditioning, informs "bankir.uz".

According to the given document, "Pakhtabank", alongside with other banks has made means of UZ\$25 billion available. UZ\$15 billion out of these will be directed to increasing charter capital, while the rest of funds is from on lines of credit for realization of investment projects on full processing vegetable and cattle-breeding production.

These means will serve on increasing the level of capitalization of the bank. At an extraordinary assembly of shareholders of the bank, which took place on 14th of July 2007, a decision on additional issuance of shares at the amount of UZ\$30 billion and increasing the bank's charter capital up to UZ\$50 billion have been taken.

Attracting more than UZ\$4.7 billion investments in Dzhizak region

In the Dzhizak region, according to the regional program of liquidation and structural transformation of unprofitable enterprises, it is planned to attract more than UZ\$4,7 billion in investments, to create 318 new workplaces and to increase the volume of manufacture up to UZ\$23,4 billion. In the first half of 2007, already more than UZ\$3,2 billion in investments could be attracted.

As a result of actions directed on improvement of financial conditions of enterprises, practically in all 34 industrial enterprises involved positive changes were observed. In a number of the enterprises manufacture of new production has been adjusted.

Up to recently, the Dzhizak factory for ferro-concrete products was unprofitable. Starting from April 2007, the plant has begun manufacture of bricks, which promoted stabilization of the enterprise and its growth. Private enterprises, which process vegetable oil, "El-Erk-Nur" and "Nurli-Don" located in Dustlik district, attracted USD340 thousand in investments.

Hotel «Tashkent Palace Hotel» will be sold

The State Property Committee of the Republic of Uzbekistan, according to decision of the President of Uzbekistan PP-672 from July 20, 2007 has declared the tender on sale of joint venture LLC "HAK-SEL" (Hotel "Tashkent Palace Hotel"), informs internet site "bankir.uz".

Accordingly, 99 percent of shares of the joint Uzbek-Turkish enterprise "HAK-SEL" are planned to be realized.

The starting price of the specified shares will not be less than USD30,616 thousand. Investment obligations of the investor will be covering debts of the joint venture "HAK-SEL" (USD17,411 thousand). The participant in the tender, who has offered the greatest price for 99 percent of shares and will be ready to take up the greatest volume of investment obligations, will have priority.

Magnificent Hotel "Tashkent", located in the city centre, opposite to theatre, opera and ballet named after Alisher Navoi, was built in 1958. To the right there is the Central Department Store of the capital, to the left a museum of history of Uzbekistan. The reconstruction of the hotel was carried out in 2002-2003. In May 2003 it was put in operation again. "Tashkent Palace Hotel" is a "4 stars" hotel.

The hotel consists of six floors and a basement where administrative offices are located. It has 232 rooms, located on the first to the fifth floor, including single rooms - 149, double - 39, and improved (superior) - 29, a junior suite - 13, lux - 2. In addition, there are three restaurants, one of which is located on the 6th floor (1 - winter, 2 - summer), 2 bars, health club (an exercise room, the open pool, a sauna, a massage cabinet), three rooms for carrying out business meetings and conferences for 10-40 the people (meeting room), business center, hairdresser's interior and currency exchange center.

Results of 1st half of 2007 at Interbank Trading System of Uzbekistan

According to results of the first over-the-counter electronic trading platform of LLC "Banklararo savdo tizimi" for the period from January to August 2007, volume of trades made UZS2 413,1 million. In the primary market the volume of trades amounted to UZS2 200 000, in the secondary market to UZS213,15 million, informs internet site "cbonds.info".

From the moment of the first trades (17/11/2005), transactions for a total amount of UZS4,880,7 million (229 400 pieces of bonds) were carried out on the trading platform of ITS; including primary market, UZS3 061,6 million (62,7% of total amount) and secondary market, UZS1 819,1 million (37,3%). Corporate bonds of eight issuing institutions traded at the ITS reached a total of UZS3,810,0 million, while total number of bonds was 145,300 .

For the given period, leaders among participants according to their active trading at ITS and the best bonds have been defined. Leadership in trades claims Asaka Bank (50,7% from the general turnover). The leader in securities sales traded at ITS are subordinated bonds of AKB "Kapitalbank" (45,1% from total amount of transactions).

It is necessary to note that the purchase/sale of bonds was made on market prices on the basis of supply and demand. Accordingly, transactions where the market price exceeded the face-value of bonds have been observed, thus forming additional income for the seller/issuer (in the primary market).

For the expired period, ITS created conditions of facilitated access to all trades, with exception of legal entities, which got an opportunity to sell and get the bonds without investment intermediaries, that is, independently to participate at the tenders.

It is necessary to pay attention also to that fact that short-term plans of ITS include the introduction of new trading rules, which will allow physical people to participate in trading with a number of direct participants, such as banks, financial institutions and other legal entities.

As of today today, the number of participants of ITS has reached 21. Among these are 14 commercial banks: "Asaka Bank", "Kapitalbank", "NBU", "Uzpromstrojbank", "Trastbank", "Ravnak Bank", "Ipak Juli", "Alp Jamol Bank", "UzKDB Bank", "Hamkor Bank", "Ipoteka Bank", "Credit - Standard Bank", "Mikrokreditbank", "Savdogarbank", together with three issuers: JSC "Uzvtortsvetmet", LLC "Karvon Kijim Elit", "Kapitalbank"; five financial institutions: Broker office "Delta Maks Broker", "Ishonch", "Ahbor Rating", Joint-Stock Company "Fotis Sugurta" and JSC "Invest Trust".

It is necessary to note that first steps have been undertaken to establish a full electronic document circulation between participants of the securities market and ITS at use for trading and clearing "Easy trading". In particular, ITS has passed certification of electronic keys and has received the certificate of established trademark, which has been given out by the Center of Scientific and Technical and Marketing Researches, confirming a digital signature of ITS.

Projects on modernization of enterprises of chemical industry of Uzbekistan

The state-joint-stock company (SJSC) "Uzhimprom", a holding structure which includes chemical producers, plans to carry out a program of modernization and technical re-conditioning of the whole sector from 2007-2011 at a total cost of USD167,96 million, informs internet site "finance.uz".

Projects are planned to be financed due to extra means by realization of state assets of chemical enterprises to foreign investors at an amount of USD53,56 million, from own means of enterprises USD65,13 million, from the Fund of Reconstruction and Development of Uzbekistan USD22 million, loans of local and foreign banks USD17,3 million, and also from own means of SJSC "Uzhimprom", USD9,8 million.

The greatest volume of attracted investments (USD142,85 million) are planned to be directed for realization of projects on modernization of manufacture of nitrogen fertilizers at the three largest chemical plants: JSC "Navoiazot", JSC "Ferganaazot" and JSC "Elektrohimprom".

Within the framework of the program, during 2007-2008, it is foreseen to carry out two reconstruction projects with respect to the unit of ammonia AM-76 at JSC "Elektrohimprom" and at JSC "Ferganaazot" at a total cost of USD59,12 million.

Realization of these projects will allow to increase ammonia outputs at these enterprises up to 420 and 400 thousand tons against 244 thousand tons and 295 thousand tons respectively as of today.

JSC "Navoiazot" during 2007-2011 plans to carry out a complex reconstruction of units of nitric acid on the basis of new power facilities and new process equipment at an amount of USD21,6 million.

JSC "Elektrohimprom" also plans to carry out modernization of carbamide processing for USD14 million, that will allow to output increase of fertilizers by 2011 up to 270 thousand tons against 167 thousand tons (2006).

For processing of phosphoric fertilizers for a period of five years it has been envisaged to attract USD24,7 million in investments, through reconditioning and upgrading of JSC "Ammofos", JSC "Samarqandkimyo" and JSC "Kokandskiy superfosfatniy zavod".

At JSC "Samarqandkimyo", up to end of 2008, at estimated costs of USD5,6 million the industrial production of fertilizer with new nitrogen-phosphorus-calcium (nitrokaltsifosfat) shall reach a production capacity of 34 thousand tons annually.

Within the framework of the program, JSC "Kokand superphosphate factory", plans to modernize its production facilities for ammoniated super phosphate. The investment will amount up to USD1 million. Processing volume for washed fos-concentrate 200 thousand tons per year. Designed capacity of phosphate fertilizers per year 30 thousand tons (20 thousand as of today).

JSC "Uzhimprom" expects that as a result of realization of the investment programs listed above by 2011 the output in comparison with 2006 will be as follows: nitric fertilizers – up by 17,7% to 955,8 thousand tons, phosphoric fertilizers – up by 33,2% to 171,2 thousand tons, calcium soda – increase by 7.8 times up to 100 thousand tons, hydrate of sodium – up by 19,8% to 26 thousand tons.

As a result of program realization the export volume of this industry should increase within five years by 1.7 times up to UZS155,3 million, the production volume by 1.47 times up to UZS763,9 billion, including the framework of the project of modernization up to UZS694 billion (up by 1.42 times). SJSC "Uzhimprom" has been formed in March 2001 on the basis of the association of the chemical industry enterprises "Uzhimprom". Charter fund of SJSC "Uzhimprom" of UZS130,78 billion is made up of the property of state enterprises, state shares in 43 enterprises and organizations.

According to the program of privatization of chemical industries, for six enterprises, processing mineral fertilizers and three enterprises, processing synthetic materials, participation of foreign investors is expected. In May 2007 of, the Spanish MAXAM Corp S.A.U. in an international tender purchased 49 percent of shares of "Elektrohimprom" for a total of USD22 million with investment commitments of USD53 million for development and modernization of the enterprise., applicable within five years. At present, the of sale 49 percent state shares in JSC "Navoiazot" and JSC "Ammofos" is in process.

Volume of insurance premiums collected by «Uzbekinvest» has increased for two times

Insurance premium volume of the National Company of Export-Import Insurance (UNIC) "Uzbekinvest", the largest insurance company in the market Uzbekistan market, between January and June period 2007 has increased twice in comparison with the same period of 2006, up to UZS10,8 billion, informed the press-service of the company and internet site "finance.uz".

In the first half-year of 2007 the volume of insurance payments of the company increased by 23.6 percent up to UZS1,07 million, including export contracts USD153,5 thousand (+32.4%). The volume of insurance obligations has grown by 36.7 percent up to UZS2,322 trillion, including obligations for insuring personal and property interests of foreign investors, which increased by 17.8, up to USD1,085 billion.

From January to June the company concluded 32,267 contracts, which by 27 percent exceed the parameter for the first half of 2006.

The National Company of Export-Import Insurance "Uzbekinvest" was established in 1994 and represents itself as the state agent for insuring export contracts and credits of commercial banks of the Republic.

In 2006, "Uzbekinvest" increased premium collection in comparison with 2005 by 1.8 times, up to UZS11,7 billion, while the volume of insurance increased by 1.4 times, up to UZS2,4 billion.

At present, there are 25 insurance companies, including one company in the field of life insurance, 24 in general insurance and one re-insurance company operating in Uzbekistan. The aggregate charter capital of all insurance companies in the country is USD66,7 million and UZS15,8 billion.

In 2006, the total volume of insurance premiums collected by the insurance companies in Uzbekistan grew in comparison with 12 months earlier by 13.7 percent, up to UZS48,5 billion, while the total volume of insurance payments increased by 1.4 times, up to UZS6,2 billion.

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