

- Appraiser of SJSCB «Asaka» has been chosen**
 As an appraiser of 51% shares of SJSCB "Asaka", intended for privatization till 2009, chosen one of the largest world banks BNP Paribas.
- Commodity turnover between Azerbaijan and Uzbekistan**
 On 26th of February 1998, it has been created Uzbek-Azerbaijan joint intergovernmental commission on bilateral cooperation.
- Credit Union «Osiyo Trast»: results of activity**
 Assets of the company for 8 months of 2007 have reached UZ\$5,5 billion.
- MTS has approved its development plan**
 According to Melamed, MTS negotiates in all CIS countries, except for Moldova.
- Comments on trading results at UzSE «Toshkent»**
 According to trading results carried on out 6th of September 2007 at UzSE "Toshkent", the total volume of trades amounted to UZ\$14 308 250.

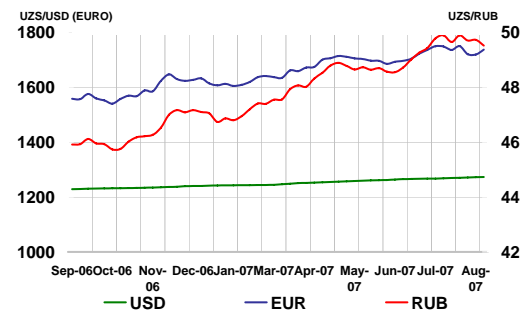
Official exchange rate of the CB RU to major world currencies (UZ\$)

	04.09.2007	28.08.2007	chg./%
1 USD	1272,54	1271,72	0,06%↑
1 EUR	1736,1	1718,09	1,05%↑
1 GBP	2558,49	2530,85	1,09%↑
10 JPY	110,1	110,4	-0,27%↓
1 RUR	49,51	49,72	-0,42%↓

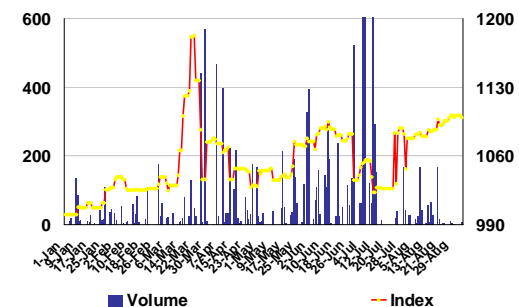
Key interest rates in national currency (in % per annum)

	06.09.2007	Change in 3 months
CBU rate	14,00	-2%
UZIBOR (12 m.)	14,00	+1,37%
AIBC	1099,168	+1.49%

Dynamics of exchange rates for 52 weeks



AIBC dynamic



The main macroeconomic indicators of Uzbekistan for 2002-2007.

indicator	2002	2003	2004	2005	2006	1H07
GDP, trill. UZ\$	7,45	9,84	12,2	15,2	20,8	10.1
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	6.6
Inflation (CPI). %	-	3.8	3.7	7.8	6.8	2.7

Quotations of share prices at exchange list of UzSE «Toshkent» for 06.09.2007

Issuer	Price of last transaction (UZ\$)	Change (%)	Issuer	Price of last transaction (UZ\$)	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	0%

Appraiser of SJSCB «Asaka» has been chosen

As an appraiser of 51% shares of SJSCB "Asaka", intended for privatization till 2009, chosen one of the largest world banks BNP Paribas, informs "State Property Committee of the Republic of Uzbekistan".

The previous competition has won Deloitte, however results were cancelled and the new tender had been carried out, the winner of which became French bank.

SJSCB "Asaka" functions in the domestic market of financial services for more than 10 years. It is formed in November 1995 and for today it is second-largest commercial bank in the republic according to volume of the capital and assets. It is positioned in the market as large universal financial and credit institution with a wide spectrum of traditional and modern bank services.

Bank "Asaka" is the active participant of the external economic cooperation. It promotes on attraction of direct foreign investments in development of strategic branches of domestic economy. It repeatedly received an estimation "The Best bank of year in Uzbekistan" from well-known foreign publishing houses as "Euromoney", "Global Finance" and "The Banker".

Information:

"BNP Paribas" is the French bank and it is one of the largest banks of Europe and the world. It takes the second place in France and approximately the sixth in the world according to its size of assets. According to market capitalization and the size of profit, it is the first bank in eurozone.

"BNP Paribas" is created in 2000 by merge of banks "Banque Nationale de Paris" (BNP) and "Paribas". Today together with "Societe Generale" and "Credit Lyonnais" makes "a greater three" of French banking industry.

Commodity turnover between Azerbaijan and Uzbekistan

In the first half of 2007 commodity turnover between Azerbaijan and Uzbekistan has made USD37,2 million, informs internet site "*day.uz*".

The given parameter much more exceeds last year's similar indicator. For the specified period, Uzbekistan had exported to Azerbaijan commodity for total sum USD32,9 million, and imported products for - USD4,3 million.

In January-June period of 2007, the basic part of the goods imported from Uzbekistan has made mechanical equipment, vehicles and their spare parts, production of agriculture and the textile industry, and also services. Basic products, imported from Azerbaijan were chemical products and plastic, mechanical equipment and others.

On 26th of February 1998, it has been created Uzbek-Azerbaijan joint intergovernmental commission on bilateral cooperation. For today, 7 sessions on inter-state commission, which distances a new impulse to expansion of economic cooperation between Uzbekistan and Azerbaijan had been already lead.

Cedit Union «Osiyo Trast»: results of activity

The credit union "Osiyo Trast", located in Tashkent has begun its activity from 3rd of August 2004, and operated in Uzbek financial market for 3 years. For today, the union totals 2083 members, informs information agency "*press-uz.info*".

According to the chief accountant of the credit union "Osiyo Trast" Abdurashid Bajmetov, assets of the company for 8 months of 2007 have reached UZS5,5 billion, while in the beginning of this year they was UZS2,063 billion.

The size of capital of the credit union for the analyzed period has made UZS1163 million, that by 843 million more in comparison with the beginning of this year, and the net profit of the union for 1st of September has made UZS216 million, that on UZS83 million more than in the beginning of year.

The credit union within 8 months of current year actively provided credits to physical persons and for today its credit portfolio makes UZS5 023 million and this parameter in the beginning of 2007 was UZS1 876 million.

As for 1st of April 2007, high rates of growth of credit unions are monitored, observed by quantity indicators. Total number of members of the credit unions has reached more than 54 thousand person, and a total sum of assets - more than UZS22 billion.

MTS has approved its development plan

The board of directors of MTS as a whole has approved the updated strategy of its development informs internet site of newspaper "Vedomosti". Up to present moment, MTS has focused on financial expediency of purchases, but now the company will consider also their strategic importance, the president of the company Leonid Melamed has declared yesterday.

Former strategy provided that the minimal profitability of the invested capital (ROIC) should make 25% per year within five years; t. e. plowback period of investments should be a maximum four years. "We are still not going to overpay for assets, - has explained Melamed. - But we are ready to operate more aggressively concerning mobile assets in the CIS and to pay on the top border of the range of the prices recognized by investors if we understand that this asset is strategically attractive". "Earlier we tried to monitor equally strict criteria of plowback period under each project. Now these parameters can differ from project to project though the cumulative portfolio of projects should, as well as earlier, to provide ROIC at a level above 25% during the nearest five years".

According to Melamed, MTS negotiates in all CIS countries, except for Moldova. (in this country three cellular companies under control TeliaSonera, France Telecom and Russian Eventis Telecom.) One of interesting for MTS operators is Armenian "To-TV set" (brand VivaCell), but negotiations are not completed yet, he has noted.

As strategically important project, MTS considers development of a network of mobile communication of the third generation (3G) in Uzbekistan. "By the end of 2008, we plan to construct a network in Tashkent, and further - in Samarkand, Bukhara and Andizhan", - the press-secretary of MTS Irina Osadchaya tells. The time of recovery of outlay of a 3G-network in Uzbekistan, by estimations of MTS, slightly exceeds four years.

The average cost of one cellular subscriber in Russia and CIS - USD400-500. In August, "Vimpelcom" has bought from Tele2 the Irkutsk operator "Northern crown", proceeding from the price USD406 per one subscriber, and in June 2007, MTS has bought additional 26% shares of Uzbek Uzdunrobita for USD520 per one subscriber. In that case, Armenian VivaCell might cost for MTS more than USD400-500 million, Azerbaijan Backcell - in USD440-550 million, Georgian Magticom - in USD400-500 million, Tadjik Babilon Mobile - in USD200-250 million and Kazakh Mobile Telecom Service - in USD40-50 million.

Cost of subscriber depends on a level of penetration, potential growth of the market, the senior analyst of "Troyka Dialog" Andrey Bogdanov speaks. "To find assets with the guaranteed plowback not less than 25% per year is hard, therefore MTS is necessary to be more flexible", - he explains. In March 2005, Spanish Telefonica buying Cesky Telecom has paid 6,1 parameter EBITDA (USD8,3 billion) and in October 2005, has bought British O2, having estimated it in 8,2 EBITDA (USD30,5 billion). In March 2006, Softbank has redeemed Japanese division of Vodafone for 3,8 EBITDA (USD16,5 billion).

MTS has conceded a victory over tenders for purchase of Turkish operator Telsim (December 2005; Vodafone has won which offered USD4,55 billion) and on the third GSM-license in Egypt (July 2006, the victory has got Etisalat from the United Arab Emirates at the price of USD2,89 billion). MTS explained that it is not ready to pay for these assets in several times more than their fair cost.

The general market of mobile communication in CIS countries will grow in 2007 by 17 % - up to USD26,3 billion.

So, the volume of the Russian market, under forecasts of MTS will make USD18,6 billion at an expected level of penetration which is 116%. The Ukrainian market of mobile communication according to results of 2007 is estimated in USD3,9 billion with level of penetration in the country - 112%.

Kazakhstan takes in this list the third place with volume USD950 million and with the level of penetration 67%. Further follow Belarus (USD780 million, penetration 79%), Azerbaijan (USD440 million, 59%), Georgia (USD360 million, 63%), Uzbekistan (USD350 million, 16%), Armenia (USD300 million, 57%), Turkmenistan (USD200 million, 8%), Kirghizia (USD170 million, 30%), Moldova (USD160 million, 54 %) and Tajikistan (USD100 million, 24%).

Comment: MTS - the largest cellular operator of Russia according to quantity of subscribers and the size of proceeds. It serves about 78,5 million subscribers in Russia, in Ukraine, in Belarus, Uzbekistan and Turkmenistan. 52,8% of shares of the company belong to AFK "Sistema", about 40% bargains at the New York stock exchange in the form of ADR. Capitalization for 4th of September has made USD25,8 billion.

The proceeds of MTS on US GAAP in II quarter 2007 have grown in comparison with the similar period 2006 by 31,9%, and in comparison with I quarter 2007 by 13% also has made USD1,97 billion. The net profit of the company has grown by 72,4% and 13,2% respectively up to USD507,9 million, OIBDA has increased by 39,5% and 12,8% up to USD1,019 billion, while profitability on OIBDA has increased up to 51,7% against 48,9% in II quarter 2006. Positive pure monetary stream on results of the first half of 2007 has made USD825 million. Analysts seven investment banks interrogated by "Interfax" expected more modest results: according to their forecasts, quarterly proceeds of MTS should grow for year by 29,4%, EBITDA - by 37%, and net profit - by 62,6%.

Comments on trading results at UzSE «Toshkent»

According to trading results carried on out 6th of September 2007 at UzSE "Toshkent", the total volume of trades amounted to UZS14 308 250. Transactions with 12 657 units of shares from 5 issuers have been carried out.

The leader in volume of the tenders became - "Ahangarantsement" - one transaction for total amount of UZS69 million (12 129 units of shares at price which has exceeded its nominal value by 5.70 times) has been concluded with the shares of the company. In second place "Turon-Onix" - one transaction for a total amount of UZS8.8 million (63 units of shares at price which has exceeded its nominal value by 17.5 times) has been concluded.

Trading results at UzSE «Toshkent» for 06.09.2007

Issuer	Region	Sector	Max. Price of transac., UZS/USD	Number of shares	Amount of transaction, UZS	Price / nominal
Ahangarantsement	Tashkent reg	Construction	5 700	12 129	69 135 300	5,70
Turon Onix	Tashkent	Construction	140 000	63	8 820 000	17,50
PP Kosonsoy	Namangan	Food industry	1 170	5 550	6 493 500	1,22
JV Alfa Group	Tashkent	Finance	3 526	1 496	5 274 896	3,53
Daromad Plyus	Tashkent	Finance	150	3 429	514 350	1,50
Foicon	Tashkent	Finance	200	1 979	395 800	2,00
Hamroh Invest	Tashkent	Finance	130	2 700	351 000	1,00
Kapital Invest	Tashkent	Finance	150	1 993	298 950	1,50
JSC Uzneftgazqazib chiqarish	Tashkent	Energy sector	2 250	36	81 000	2,25
Chelek MTP	Samarqand	Agriculture	1 100	72	79 200	1,10
Total:				29 691	91 476 996	

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».