

- Manufacturing growth rates in CIS**
 Uzbekistan by the results of 9 months is 2nd among CIS countries in manufacturing growth rates.
- II-114-100 will finish certification at the end of 2007**
 For a long time orders for II-114 were passive as a result of considerable price – more than 10 mln USD.
- JSCB “Pakhta bank”: 9 month results**
 Assets of the bank are 957 bln UZS.
- Construction of transit roads**
 PR of China and RUz plan to increase bilateral turnover up to 1.5 bln USD in 2010.
- Investment attractiveness rating of cellular markets**
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- “Monolit” LLC is inclined to buy OJSC “Kokandskiy superfosfatniy zavod”**
 “Monolit” LLC is planning to buy the plant for 3.6 mln USD.
- Comments on trade results at RSE “Toshkent”**
 Consolidated sales volume at RSE “Toshkent” was 54 mln UZS.

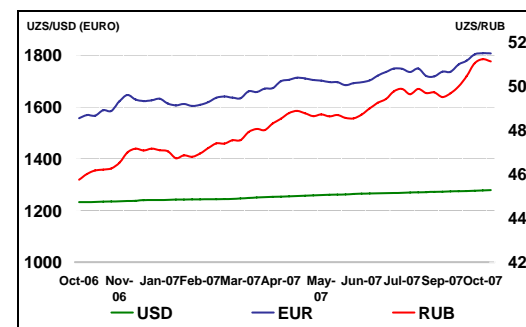
Official exchange rate of the CB RU to major world currencies (UZS)

	06.11.2007	30.10.2007	chg./%
1 USD	1281,77	1280,65	0,09%↑
1 EUR	1849,85	1828,64	1,16%↑
1 GBP	2651,08	2620,72	1,16%↑
10 JPY	104,24	111,99	6,92%↓
1 RUR	51,87	51,52	0,68%↑

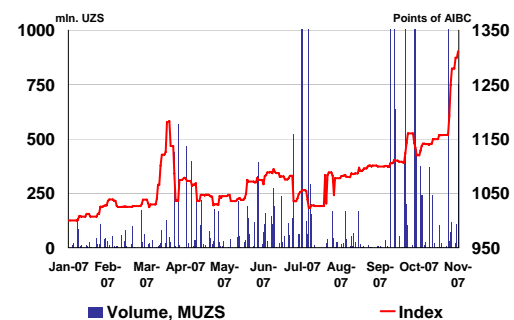
Key interest rates in national currency (in % per annum)

	07.11.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,71	
AWACRI	20,59	-4,55%
AIBC	1311,291	+11,4%

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. UZS	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	--	+1,9
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 15.10.2007

Issuer	Price of last transaction (UZS)	Change (%)	Issuer	Price of last transaction (UZS)	Change (%)
Uzsanoatqurilishbanki	2 100,0	+4%	Xamkor Bank	100,0	-4%
Galla Bank	100,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 111,0	+11%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	0%	Aloka bank	117,00	0%
Turonbank	1165,00	16.5%			

Overall results of Uzbekistan during 9 month of 2007

Uzbekistan took 2nd place among CIS countries in manufacturing growth rate, uzreport.uz informed. It was 11.9% in comparison with corresponding period of 2006.

On average manufacturing growth rate in CIS countries was 7% as compared with analogous period of the previous year.

First place is still held by Azerbaijan, who is leading by a significant margin, its growth rate is 27%. Third place is taken up by Ukraine – 10.7%. Fourth on the list is Belarus – 8.2%, and fifth is Tajikistan – 7.7%. Russia, sixth on the list, enjoyed 6.6% growth in manufacturing.

Manufacturing in January-September, 2007 grew by 6.5% in Kyrgyzstan, 4.7% in Kazakhstan, 2.1% in Armenia, 0.6% in Moldova.

Statistical committee of CIS does not have data on dynamics of manufacturing in Georgia and Turmenistan.

II-114-100 will finish certification at the end of 2007

Airplane II-114-100, equipped with two shaft-turbine engines of Pratt&Whitney PW-127H type and 586E-7 propellers of Hamilton Standard firm, with partial on-board equipment of foreign production, continues certification flights in Tashkent which are scheduled to finish at the end of this year, AviaPort.ru informs.

For the moment there is one order for 6 planes in modification of II-114-100 for national carrier of Uzbekistan "Uzbekistan Airways". After the successful end of certification flights of the plane and receipt of the certificate, orders for the plane should be placed from others as well. For a long time orders for II-114 were passive as a result of considerable price – more than 10 mln USD. Metal, parts and finished goods, up to 90% are imported from Russia.

JSCB "Pakhta bank": 9 month results

Assets of the bank by the results of the 3rd quarter are 957 bln UZS. From that, assets yielding profit are 756 bln UZS or 79% of total assets, bankir.uz informs.

Authorized capital of the bank is 20 bln UZS. Aggregate capital of the bank is 86.218 bln UZS. Resource base of the bank has increased by 54%, totaling 437 bln UZS on October 1, 2007. Credit investment of the bank in foreign currency made up 49.4 bln UZS.

Specializes Joint Stock Commercial Bank "Pakhta bank", founded in 1995, is an assignee of the "Uzagroprombank" in terms of financial, property and other liabilities and requirements.

China and Uzbekistan agreed upon acceleration of transit roads construction through Kyrgyzstan

China and Uzbekistan agreed upon acceleration of transit roads construction through Kyrgyzstan. Both sides confirmed the agreement during the official visit of the Prime Minister of the State Counsel of PR of China to Uzbekistan, Turkmenistan, Belarus and Russia.

As reported by 24.kg, PR of China and RUz plan to increase bilateral turnover up to 1.5 bln USD in 2010. To achieve this goal both sides think that construction of highway and railroad through Kyrgyzstan should be accelerated. China plans to increase direct import of cotton from Uzbekistan.

Investment attractiveness rating of cellular markets from Altimo

Altimo presented the 2nd rating of investment attractiveness of world cellular markets.

Rating was compiled in cooperation with University of Cambridge, London School of Business and Russian School of Economy, informed vedomosti.ru.

Altimo assessed markets according to 6 criteria, based on the information from operators, World Bank and assessment of Wireless Intelligence: population's expenses for communication, margin of EBITDA of local operators, growth rate of penetration level during a year, ratio of capital investment to revenue, population size and GDP per capita at PPP.

The first version of the index was issued in March. Leaders are Bangladesh, China and India. Authors of the research indicate that since that time in India competition has intensified and level of penetration has increased. As well as China and Bangladesh let Vietnam pass by them. Earlier there was not exact information about its market, explains vice-president of Altimo Kirill Babaev, who was supervising the development of the rating. Also he explained the absence of Kazakhstan in the previous version, where VimpelCom has been operating for 3 years, and continuing absence of Kyrgyzstan (90% of the market is controlled by Altimo linked "Sky mobile").

Russia and Ukraine lost attractiveness: in the opinion of Altimo, these markets, where already sim-cards are more than population, are close to satiety level.

Altimo named Italy (#13) as most attractive West European market, explaining this by the talkativeness of the local people. It (Altimo) is not planning to go to Italy – it is interested only in South-Eastern Asia.

In 2008, he says, Altimo hopes to announce big deals in Indonesia (Singaporean papers were writing about its interests in Indosat operator) and in Vietnam (in the fall Altimo reached an agreement on strategic partnership with Viettel).

All big investors aim at going abroad. AFC "System" in September paid 11.4 mln USD for 10% stake of indian CDMA-operator Shyam Telelink (for the time being operating only in one state, but has pretensions of receiving GSM-license for the whole country). Earlier, the president of AFC showed interest in Vietnam and Indonesia.

President of norwegian Telenor Jon Fredrick Baxaas in April called as most prospective markets the Philippines, Indonesia and Vietnam, where the company would like to enter, reminds representative of Telenor Russia Anna Ivanova-Galitsina. Representative of Vodafone Mark Percy says criteria used by Altimo is 'reasonable', however his company takes into account specific features of every market.

The same criteria are used by Eventis Telecom, says its representative. It owns operators in Kyrgyzstan, Moldova, and interested in Angola, where "only one GSM-operator". Altimo notes that purchasing capacity of the African countries is low yet.

As on September 1 level of penetration in Uzbekistan is 16% (4.2 mln subscribers). Cellular market consists of 4 operators. Is telecommunication market of Uzbekistan investment-attractive? This question was answered by MTS, Beeline and Teliasonera (the last operator, bought shares of JV Coscom, in October announced about its plans to invest 160 mln USD into the development of the company). MTS bought local leader "Uzdunrobita" for 200 mln USD.

In Uzbekistan users talk longer, and pay more, than ukrainians. Only in the 2nd quarter revenue of MTS in Uzbekistan increased twofold, and net profit – more than 4 times. In August alone subscribers of MTS increased by 148 thousand users.

Uzbek market is at the initial stage of development, as many other markets. In upcoming years cellular services market of Uzbekistan will grow many times quicker.

“Monolit” LLC is inclined to buy OJSC “Kokandskiy superfosfatniy zavod”

Russian “Monolit” LLC made a bid in the tender for the sale of 85.2% state shares of OJSC “Kokandskiy superfosfatniy zavod” (OJSC “Kokand superphosphate plant”), the only producer of ammoniated superphosphate in the country, with starting price of 3.615 mln USD, gki.uz informs.

On October 1 in the State Property Committee (SPC) of Uzbekistan sealed bids for the tender were opened.

Besides russian company documents were submitted on time by another company – australian AQUILA Shipping and Shipmanagement GmbH.

The tender was called at the end of September of the current year. Its results are planned to announce at the end of 2007.

By the terms of the contest, advantage will be given to the contender who is ready to offer the highest price for the offered package and to undertake the highest amount of investment obligations, minimum of these are set at 5 mln USD.

According to information from SPC, in the summer of 2006 sales contract of assets of chemical plant with the russian company was cancelled due to not fulfilling investment obligations by the investor.

Kokand superphosphate plant was established on the basis of fertilizer mixing plant, operating since 1935, and was reformed into Joint Stock Company in October 1997. Production capacity at the moment allows processing 178 thousand tons of phosphorite concentrates per year. The enterprise has decreased production of ammoniated superphosphate in 2006 by 24.7% in comparison with 2005 to 140.6 thousand tons.

Authorized capital of the enterprise is 292.6 mln UZS. Besides 85.2% of shares on sale, remaining 14.8% of shares belong to minority shareholders.

During three year the government of Uzbekistan is trying to sell to strategic investors three mineral fertilizer manufacturing enterprises – OJSC “Navoiyazot”, OJSC “Ammofos” and OJSC “Elektrokhimprom”.

In May of the current year spanish Maxam Corp SAU bought 49% shares of OJSC “Elektrokhimprom” for 22 mln USD. Investment obligations of the spanish company are 53 mln USD for 5 years to develop and modernize the enterprise.

At the present moment tender procedure is called again for the sale of 49% state shares in OJSC “Navoiyazot” and OJSC “Ammofos”, two biggest producers of mineral fertilizers in the country, with starting price of 60.009 mln USD and 17.164 mln USD, respectively. Tender results are planned to announce by the end of the year.

Comments on trade results at RSE “Toshkent”

Sales volume on October 8, 2007 at RSE “Toshkent” was 54.5 mln UZS. Transactions occurred with 36 808 shares of 7 entities.

Leader in sales volume was “Pakhta bank”, who placed in the primary market 29 772 shares at the price of 1 100 UZS per share. Volume of the transaction was 32.7 mln UZS.

There were transactions with shares of “UzPSB” both in the primary and secondary markets for national currency. Price of the transaction was 25% above the face value.

The highest ratio of price to nominal value was recorded on shares of “Khorazmmaksustuzatish” – 53.33 times.

Trading results at RSE “Toshkent” (30.10.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Pakhta bank	Tashkent city	Bank	1 100	29772	32 749 200	1,10
UzPSB	Tashkent city	Bank	2 500	6533	15 823 507	1,25
Kizilkumcement	Navoi	Construction	15 625	215	3 359 375	15,63
Khorazmmaksustuzatish	Khorezm	Other	40 000	56	2 240 000	53,33
Yog-moy taminot	Tashkent city	Food	1 250	170	212 500	1,00
Kukonagrokurilish	Ferghana	Construction	3 900	31	120 900	1,25
Motor car park #9	Ferghana	Transport	2 000	20	40 000	1,00
Total:				36 808	54 572 982	

Source: RSE «Toshkent», Calculations: Avesta Investment Group

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