

- **Investments into UzKDB**
Capital of UzKDB increased on \$3.67 mln.
- **Russia and Uzbekistan: JV for railcar production**
Russia has a huge shortage of railcars, so does Uzbekistan.
- **TAPOiCh is in cooperation with UAC**
There should be produced minimum of 120-150 planes until 2015.
- **PAZ will establish a JV in Uzbekistan**
JV for production of reinforcing steel
- **Comments on trade results at RSE "Toshkent"**
Consolidated sales volume at RSE "Toshkent" was 3.5 bln UZS.

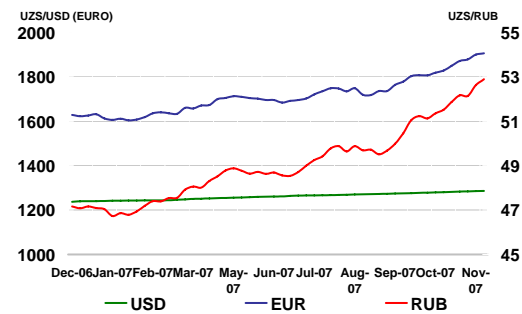
Official exchange rate of the CB RU to major world currencies (UZS)

	04.12.2007	28.11.2007	chg./%
1 USD	1286,30	1285,23	0,08%↑
1 EUR	1906,04	1900,47	0,29%↑
1 GBP	2660,58	2649,24	0,43%↑
10 JPY	117,88	117,59	0,25%↑
1 RUR	52,89	52,63	0,49%↑

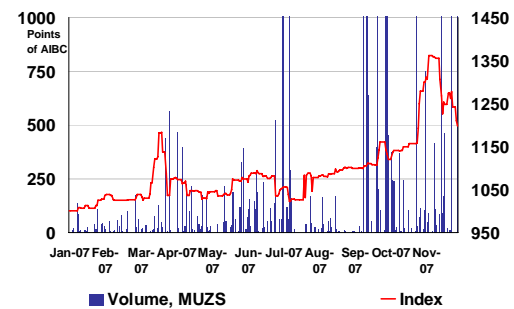
Key interest rates in national currency (in % per annum)

	04.12.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,71	
AWACRI	18,52	-4,55%
AIBC	1199,077	+9,00%

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	2 000,0	0%	Xamkor Bank	100,0	0%
Galla Bank	105,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 000,00	0%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	+9,30%	Aloka bank	154,00	0%
Turonbank	1000,00	0%			

Investments into UzKDB

Shareholders of UzKDB have signed an agreement on inflow of extra capital into the bank amounting to 3.27 mln USD, correspondingly charter capital of the bank will increase by 36%.

At the present moment charter capital of the bank is 9 mln USD, 61% of which is owned by KDB, 28% by European Bank for Reconstruction and Development (EBRD), 5.5% apiece by National Bank for Foreign Economic Relations (NBU) and OJSCB "Turon bank". It is planned to form charter capital of 12.27 mln USD at the end of 2007. EBRD, in its turn, is participating in expansion of charter capital of UzKDB with subscription for newly issued 22 263 ordinary shares for a total of 909.17 thousand USD.

Russia and Uzbekistan: JV for railcar production

Russia and Uzbekistan will establish JV for production of railcars, vesti.uz informs. Agreement on the question of establishing such enterprise was reached during the meeting of intergovernmental committee for economic cooperation of two countries, which took place on Wednesday in Tashkent.

Russia has a huge shortage of railcars, so does Uzbekistan, which led for necessity of establishing Russian-Uzbek enterprise for production of railcars based on one of the existing plant in Uzbekistan.

Output of this enterprise will satisfy, first of all, internal demand of the two countries. If production capacity will be high enough, railcars will be sold in third country.

At the present moment in Uzbekistan, there are 2 functioning repair plants for passenger and cargo railcars.

TAPOiCh is in cooperation with UAC

SJSC "Tashkent aviation industrial association named after V. P. Chkalov" (SJSC TAPOiCh) in cooperation with Russian OJSC "United aero-construction corporation" (OJSC UAC) should produce 120-150 Il-114 planes until 2015, vesti.uz informs. Production of Il-114 planes will be main business-line for this enterprise (for TAPOiCh), which will be the basis for cooperation with TAPOiCh.

TAPOiCh will be the sole producer of Il-114 planes. At the present moment, activities are carried out for optimization of kitting, delivery system, after sale maintenance so that the plane would be well accepted by the market.

There is a big demand in Russia for this plane. There is a contract for the 1st lot of 30 planes, part of this will be supplied from existing reserves in Tashkent, and another part will be constructed from scratch.

In line with the business plan of this line, it is assumed that until 2015 there will be produced a minimum of 120-150 planes of this class. The plane, certainly, must get development in comparison with the current version; this will be the foundation from where we can have initial point for development of Tashkent aircraft factory.

Regarding the production of Il-76 planes, it is planned to have a transitional period, for which there will be two assembly lines. At the present moment this model is undergoing deep modernization, which should become foundation of Russian military forces for the period until 2030, and "final cooperation on these models will be decided after intergovernmental agreement will be signed and inclusion status of TAPOiCh into UAC will be clarified."

On Wednesday, November 28, in Tashkent memorandum was signed between the government of Uzbekistan and UAC on coordination of integration mechanism of TAPOiCh and UAC. It is expected that intergovernmental agreement on inclusion of Tashkent aircraft factory into UAC will be signed by the end of 2007, with inclusion procedure of TAPOiCh into UAC finishing in the middle of 2008.

TAPOiCh produces Il-76 cargo and Il-114 passenger planes, as well as wings for An-70 planes. The government owns 51% of enterprise's shares, 10% is owned by employees, 6.7% apiece are owned by NBU and Ministry for Foreign Economic Relations, Investments and Trade of Uzbekistan, 25.6% of shares are for free sale, including to foreign investors.

PAZ will establish a JV in Uzbekistan

Penza reinforcing steel plant (OJSC PAZ) plans to organize a JV in Uzbekistan for production of reinforcing steel, mc.ru informs. Prospects of this project were discussed by parties during Russian national exhibition in Uzbekistan. The exhibition was organized by Ministry for Foreign Economic Relations, Investments and Trade of Uzbekistan, Ministry for Economic Development and Trade of Russian Federation, as well as chambers of commerce and industry of both sides.

OJSC PAZ is one of the leading reinforcing steel enterprises of the Russia, specializing on production of stop valves with diameters ranging from 3 to 80 mm and pressures up to 70MPa.

Comments on trade results at RSE “Toshkent”

On December 4, 2007 consolidated sales volume at RSE “Toshkent” was 3.5 bln UZS. 3 492 208 share of 12 issuers were traded during the day.

Leader by sales volume was “Ipoteka-bank” – sales volume of this issuer was 3.3 bln UZS. There was recorded one transaction with shares of this issuer in the primary market for national currency amounting to 3.3 bln UZS. At the present moment the bank is selling 3rd issue of 15 bln UZS. Today's transaction is about 20% of that issue. The biggest increase of price over nominal value for the day was recorded on shares of Quvasaycement, it was 40 times.

There were no trades in the secondary market for hard convertible currency.

Trading results at RSE “Toshkent” (04.12.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Ipoteka-bank	Tashkent city	Bank	1 010	3 275 315	3 308 043 150	1,01
Pakhta-bank	Tashkent city	Bank	1 050	190 324	199 840 200	1,05
Farg'ona shah. Pakhtani qayta ishlash	Ferghana	Cotton and textile	250	23 094	5 773 500	2,50
Uzkishloqxujalikmashlizing	Tashkent city	Finance	2 050	1 180	2 419 000	1,03
Quvasaycement	Ferghana	Construction	20 000	63	1 260 000	40,00
Namangan bus park #17	Namangan	Transport	500	2 026	1 013 000	1,00
Uzelektromontaj	Tashkent city	Construction	5 000	44	220 000	1,00
UzPSB	Tashkent city	Bank	2 000	30	60 000	1,00
Dunyo-M	Kashkadarya	Food	1 025	48	49 200	1,03
Zarbdor elevatori	Djizzakh	Food	205	60	12 300	1,03
Total:				3 492 208	3 518 708 950	

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

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