

- “Ferghanaazot” is being modernized**
 The project will be financed through the funds of the Uzbekistan Fund for Reconstruction and Development in the amount of 10 mln USD.
- BCS is put into operation at “Zevardy”**
 Production capacity of the “Uzbekneftegaz” allows extraction of about 60 bln cubic meters of natural gas and 8 mln tons of liquid hydrocarbons per year.
- Modernization of cement plants**
 As a result of implementing the modernization program in 2011 production of cement is forecasted to be 1.5 times of the 2006 up to 8.326 mln tons.
- Alcatel Shanghai Bell modernized TV and radio broadcasting**
 Modernization costs amounted to 7 mln USD.
- Uzbekistan will sell shares of electric power plants**
 Starting price for two enterprises is about 230 mln USD.
- PCJSCB “Parvina bank”: operating results**
 Assets of the bank are 65.2 bln USD.
- Comments on trade results at RSE “Toshkent”**
 Consolidated sales volume at RSE “Toshkent” was 223.8 mln UZS.

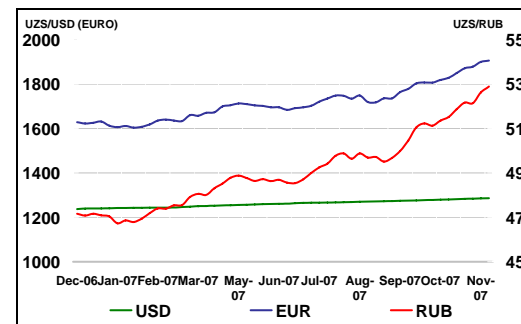
Official exchange rate of the CB RU to major world currencies (UZS)

	11.12.2007	04.12.2007	chg./%
1 USD	1287,58	1286,30	0,10%↑
1 EUR	1886,82	1906,04	1,01%↓
1 GBP	2630,01	2660,58	1,15%↓
10 JPY	116,3	117,88	1,34%↓
1 RUR	52,65	52,89	0,45%↓

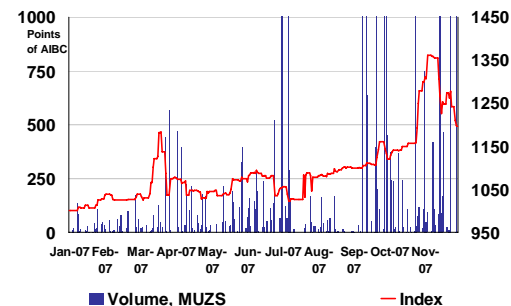
Key interest rates in national currency (in % per annum)

	12.12.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,57	
AWACRI	18,52	-4,55%
AIBC	1156,455	+5,23%

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	2 030,0	-11,7%	Xamkor Bank	100,0	0%
Galla Bank	104,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 100,00	+10%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	0%	Aloka bank	154,00	0%
Turonbank	1000,00	0%			

“Ferghanaazot” is being modernized

Czech MBNS won the tender, announce by the government of Uzbekistan in September, 2007, and will be reconstructing the ammonia unit AM-76 at OJSC “Ferghanaazot”. The value of the construct is 25 mln USD and it will be financed by the funds of Uzbekistan Fund for Reconstruction and Development in the amount of 10 mln USD, own resources of the enterprise – 2.9 mln USD, as well as loans of foreign and local banks – in the amount of 11.8 mln USD, finance.uz informs.

State Joint Stock Company “Uzkhimprom”, which include the enterprise producing chemical products, plans to implement modernization program and technical re-equipment of the sector in 2007-2011 for total cost of 167.96 mln USD.

Most of the attracted investments are expected to be directed for implementation of the production modernization projects of nitrogen containing fertilizers at three biggest chemical plants OJSC “Navoiyazot”, OJSC “Ferghanaazot” and OJSC Maksam-Chirchik” – 142.85 mln USD.

OJSC “Ferghanaazot” – leading producer of ammonium nitrate and carbamide, was established in 1962. By the results of the 1st half of the year, net profit of the company was 44.239 trln UZS. Producer of chemical products owes 92.7 trln UZS to creditors.

“MBNS-International” Company was established in 1995 in Brno, Czech Republic and continued the operations of “MBNS Joint Venture”, joint Czech-Russian enterprise, whose operations in delivering equipment for chemical and oil refining industries dates back to 1990.

BCS is put into operation at “Zevardy”

National Holding Company (NHC) “Uzbekneftegaz” put into operation a booster compression station (BCS) at “Zevardy” deposit in KAshkadarya region, with a value of 75 mln USD, finance.uz informs.

General contractor, constructing the plant with production capacity of 3.5 bln cubic meters of natural gas per year, was Swiss Zeromax GmbH. Suppliers of the equipment for BCS were Ukrainian scientific-production association after M. V. Frunze (Sumy) and Russian “Dvigateli NK” (Samara). The project was financed by own funds of the NHC “Uzbekneftegaz”.

By the end of 2008, “Uzbekneftegaz” plans to construct three BCS’s at deposits in the south of the country for a total value of 170 mln USD. In the start of 2008, “Uzbekneftegaz” plans to attract credits of Korean Development Bank (KDB) in the amount of 32.5 mln USD for realization of 2 gas projects.

The credit of the Korean bank in the amount of 15.4 mln USD is expected to be directed for construction of BCS at Pamuk deposit in Kashkadarya region with a total value of 85.6 mln USD. The second credit in the amount of 17 mln USD is attracted for realization of reconstruction of the gas prefinishing unit at Dengizkul’ deposit in Kashkadarya region along with construction of BCS with production capacity of 3 bln cubic meters of natural gas per year for a total value of 96 mln USD.

Besides the credits of KDB, the projects are financed through funds of Uzbekistan Fund for Reconstruction and Development in the amount of 43.5 mln USD, own funds of NHC “Uzbekneftegaz” – 105.6 mln USD. In the second half of 2007, the holding started implementing the projects with its own funds and is carrying out general construction works. Projects are expected to finish by the end of 2008. Loans of KDB will directed at purchasing technical equipment.

NHC “Uzbekneftegaz” plans to invest until 2010 into expansion of export system of gas pipelines, reconstruction of internal gas pipelines and development of related infrastructure in Uzbekistan up to 1.5 bln USD.

Production capacity of the “Uzbekneftegaz” allows extraction of about 60 bln cubic meters of natural gas and 8 mln tons of liquid hydrocarbons per year.

In Uzbekistan, 190 oil and gas deposits were discovered. Including, 88 deposits in the development stage, 58 are ready for development, explored – 35, abandoned – 9 deposits.

Modernization of cement plants

Cyprian Nabolena Ltd. and Kaden Invest (registered in the British Virginian Islands) in 2007-2009 are investing 70 mln USD into modernization of two cement plants in Uzbekistan, was said in the association of "Uzstroyaterialy", which includes cement plants, finance.uz informs.

In particular, Kaden Invest, who owns 54.7% of OJSC "Bekabadcement", will invest in 2007-2009 47 mln USD for modernization of existing production with construction of the new line for production of cement by dry means. During the modernization process it is planned to increase production capacity of the plant up to 850 thousand tons of cement clinker.

Cyprian Nabolena Ltd, owner of 59.5% of OJSC "Quvasaycement", will invest 23 mln USD in 2007-2008 for construction of a new cement mill station for processing the clinker, produced by OJSC "Bekabadcement". Modernization process will increase production capacity of the plant up to 1 mln tons per year.

In Uzbekistan, program for modernization and technical re-equipment of the enterprises producing construction materials was adopted for 2007-2011 with a total value of 343 mln USD. Most of the attracted investments are expected to be directed at realization of projects for modernization of cement production – 302.4 mln USD, including 146.5 mln USD of foreign direct investments and debt financing. In the framework of the mentioned projects, it is planned to renew open-cut equipment, modernization of cement mills, construction of new lines of cement production by dry process, as well as reconstruction of existing productions. As a result of implementing the investment program, in 2011 cement production is forecast to increase by 1.5 times as compared with 2006 up to 8.326 mln tons.

Alcatel Shanghai Bell modernized TV and radio broadcasting

Chinese Alcatel Shanghai Bell executed a project to organize TV and radio broadcasting in difficult to access regions of Uzbekistan for a total value of about 7 mln USD, finance.uz informs.

The project is financed with the loan of Chinese Eximbank in the amount of 5 mln USD, as well as resources of fund for development of UzACI. TV-radio broadcasting equipment was installed in more than 300 far and difficult to access populated areas in 5 regions of the country. It resulted in increased coverage of population with state TV and radio programs up to 100% versus 85% currently.

Earlier it was announced that Japanese Mitsui and Co. Ltd in the beginning of 2005 had finished execution of the 2nd stage of enlargement of the telecommunications network of Uzbekistan for a total value of 110 mln USD.

Japanese company delivered the equipment, supervised installation process and putting into operation digital phone network in the western and central regions of Uzbekistan with total capacity of 37 thousand numbers, 185 units of data transmission, 63 TV and 36 radio transmitters, as well as they constructed 2697 kilometers of main fiber-optic lines of communication. Subcontractor of the project was Japanese NEC Corp.

Uzbekistan will sell shares of electric power plants

Uzbekistan is offering to foreign investors 48% shares of Syrdarya and 47% shares of Tashkent thermal power plants (TPP), vesti.uz informs.

Starting price of the 1st TPP is about 223 mln USD, and for shares of the 2nd one authorities would like to receive 7.35 mln USD. In this regard, investors must invest into development of these capacities 358.8 mln USD and 135.7 mln USD, respectively. The deadline for tender bids is January 29, 2008, results will be out by the end of March.

Earlier, in 2005-2007, Uzbekistan has already offered shares of 6 TPP's at once, including Syrdarya and Tashkent. Syrdarya TPP is the biggest in the central Asia. It produces 13 bln kWh per year – almost one third of all electricity produced in the country.

Government plans to privatize almost 1.5 thousand objects by 2009. Moreover, investors are offered more than 100 enterprises, having strategic importance for the country. I.e. national holding company "Uzbekneftegaz", airlines "Uzbekistan Airways" (49%), "Uzkhimprom" company, Samarkand chemical plant, Ferghana chemical fiber plant and many others.

PCJSCB “Parvina bank”: operating results

AS at December 1, 2007 assets of “Parvina bank” were 65.2 bln UZS, bankir.uz informs. Authorized capital of the bank was 1.5 bln UZS, credit portfolio (excluding reserves on probable losses) – 35.3 bln UZS. Liabilities – 60.5 bln UZS. Net profit – 1.2 bln UZS. Deposits of the bank as at December 1, 2007 were 35.7 bln UZS, portfolio of securities – 33.8 bln UZS.

Commercial Bank “Parvina bank” was established in line with articles of incorporation dated January 21, 1994 in the form of Limited Liability Company with an authorized capital of 2 mln UZS, contributed by 69 founders.

Major founder of the bank was Private Merchant-Producer firm “Parvina”. In the August, 1996 Commercial Bank “Parvina bank” was reformed into Joint Stock Company of private form. On January 25, 2005 PCJSCB “Parvina bank” received a General license #40 granting a right to conduct general banking operations.

Comments on trade results at RSE “Toshkent”

Consolidated sales volume on December 12, 2007 at RSE “Toshkent” was 223.8 mln UZS. 25 420 shares of 10 entities were traded during the day.

Leader by sales was “Dustlik don mahsulotlari” – 200 mln UZS. It should be noted that the price of the transaction was 20 thousand UZS, which is 20 times the nominal value of shares.

There were no trades in the primary market (both for national and hard convertible currency) and secondary market for hard convertible currency.

Trading results at RSE “Toshkent” (12.12.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Dustlik don mahsulotlari	Djizzakh	Food	20 000	10 027	200 540 000	20,00
UzPSB	Tashkent city	Bank	2 070	3 682	7 491 060	1,04
Turon bank	Tashkent city	Bank	1 300	4 960	6 448 000	1,30
Uzneftemahsulot	Tashkent city	FEC	3 200	1 234	3 948 800	3,20
Termezskaaya pticefabrika	Surkhandarya	Food	1 883	1 165	2 193 695	3,77
Kvarts	Ferghana	Construction	5 100	171	872 100	2,21
Kizilkumcement	Navoi	Construction	15 625	42	656 250	20,83
Uzneftegazkazibchikarish	Tashkent city	FEC	3 000	180	540 000	3,00
Yerostigaz	Tash. reg.	FEC	5 100	70	357 000	5,10
Dori Darmon	Tashkent city	Chemicals	100	2 800	280 000	1,00
Total:				25 420	223 858 655	

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

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