

- **Zeromax plans to purchase 24.1% shares of Ipoteka bank**
Zeromax plans to purchase this package for 5 mln USD.
- **Zeromax plans to purchase 37.3% shares of Uznvshneftegaz**
The starting price is about 961 thousand USD.
- **Feasibility report for modernization of “Angrenskiy” coal strip mine**
Modernizations will cost about 215 mln USD.
- **Samavto: output expansion**
During 10 months of 2007, 1064 vehicles were produced at Samavto.
- **Samarkandskiy liftostroitel’niy zavod: production growth**
In 2008, output for a total of 3.5 mln USD is planned to be exported.
- **Tender for 47% of Kokandskiy spirtzavod is rescheduled**
The starting price of the package is 8.16 mln USD
- **RSE “Toshkent”**
Consolidated sales volume at RSE “Toshkent” was 6.9 bln UZS.

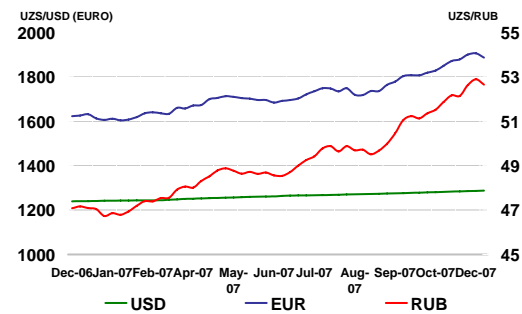
Official exchange rate of the CB RU to major world currencies (UZS)

	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%↓

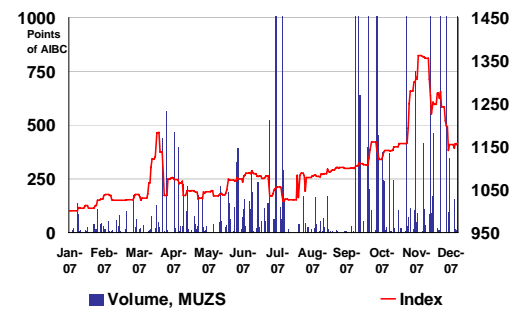
Key interest rates in national currency (in % per annum)

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

Zeromax plans to purchase 24.1% shares of Ipoteka bank

Foreign subsidiary enterprise (FSE) "UzGazOil", subsidiary of Swiss Zeromax in Uzbekistan, plans to purchase 24.1% shares of Uzbek Joint-Stock Commercial Ipoteka bank for 5 mln USD by the end of 2007, Prime-Tass reports.

UzGazOil, by the end of the year plans to purchase shares in the secondary market from the volume of already placed issues of the bank in the amount of 6 273 mln shares at market price of 0.78 USD per share, which will make up 24.1% in the authorized capital of the bank at the moment of full placement of issues.

In the mid-August the bank had started placement of its third additional issue for 15 bln UZS, consisting of 14.5 mln ordinary and 0.5 preferred shares with par value of 1 thousand UZS each. The decision on this issue of shares was approved during the annual meeting of the shareholders in May. The shares are publicly placed through RSE "Toshkent". As a result of this additional issue, by the end of the current year authorized capital of the bank is to increase by 2.4 times up to 26 bln UZS. At the present moment, authorized capital of the bank in the amount of 11 bln UZS consists of 9.5 mln ordinary and 1.5 preferred shares with par value of 1 thousand UZS, which are owned by 10.6 thousand shareholders. The biggest shareholders of the bank are insurance company "Tashkentsugurta" (10.03%), State Property Committee (7.9%), insurance agency "Madad" (5.59%), The Ministry of Finance (1.83%).

In August of the current year, shareholders of the bank approved the decision to increase authorized capital of the bank by 6.6 times up to 67 bln UZS by the end of 2008, by issuing the 3rd additional issue for 15 bln UZS and the 4th additional issue for 41 bln UZS.

JSCB Ipoteka bank, one of the five largest banks of Uzbekistan, was established in April, 2005 by merging JSCB "Uzjilsberbank" and Mortgage loans bank "Zamin". The bank specializes in long-term preferential loans for individuals constructing housing and financing enterprises, producing construction materials in high demand.

FSE UzGazOil was established by Zeromax in 2003 and specializes in delivery of technological equipment and export-import operations for units of national holding company "Uzbekneftegaz". Structure of the enterprise includes about 50 gas stations throughout the country. Zeromax GmbH is operating in Uzbekistan since 1999. The Swiss company specializes in oil and gas, textile, food, electro-technical spheres; production of construction materials. The company has agro-industrial enterprises, which farm and process cotton, vegetables and animal products.

Zeromax plans to purchase 37.3% shares of Uzneshneftegaz

Swiss Zeromax GmbH made a bid in the tender sales of 37.3% state assets of OJSC "Uzneshneftegaz" (part of the NHC "Uzbekneftegaz"), specialized in delivery of material-technical equipment for the holding and export of oil and gas products, with the starting price of 961.8 thousand USD, gki.uz informs.

On December 13, 2007, in the State Property Committee (SPC) of Uzbekistan envelopes with bids for 37.3% shares of OJSC "Uzneshneftegaz" were opened, as it was said in the announcement of SPC. Besides the Swiss company, documents by the deadline were presented by one more company – Ystral Limited (registered at the British Virginia Islands).

In accordance with the operating regulations of the state tender committee, bids of Zeromax GmbH and Ystral Limited were passed over to be reviewed by the interagency task group for expert evaluation.

The tender sales of 37.3% state assets of OJSC "Uzneshneftegaz" was announced in the beginning of November of the current year. Its results are planned to announce in the beginning of 2008. Authorized capital of OJSC "Uzneshneftegaz" is 199.992 bln UZS. The biggest shareholder is NHC "Uzbekneftegaz", who owns 51% of shares. Besides 37.3% of shares offered in the tender, 11.7% are owned by minority shareholders.

According to audited balance sheet, net profit of the enterprise for 2005 increased by 4.1 times up to 3.498 bln UZS. As operations reported for 2005, exports of oil and gas products was 25.24 mln USD (+15.8%), including liquid gas for 6.2 mln USD (+12.7%).

In 2005, the company signed 350 contracts for delivery of equipment, parts and materials for enterprises of oil and gas sector with foreign suppliers for 166.73 mln USD (16.5%). Data for 2006 is undisclosed. Zeromax GmbH is operating in Uzbekistan since 1999. The Swiss company specializes in oil and gas, textile, food, electro-technical spheres; production of construction materials. The company has agro-industrial enterprises, which farm and process cotton, vegetables and animal products.

Feasibility report for modernization of "Angrenskiy" coal strip mine

Russian CJSC "Zapadno Uralskiy Mashinostroitel'niy Konzern" (Perm) will prepare preliminary feasibility report for modernization of "Angrenskiy" coal strip mine, worth 215 mln USD, finance.uz informs.

The Russian company won the tender, announced in April of the current year on one of the 2 lots, foreseeing development of feasibility report on technical re-equipment of the "Angrenskiy" coal strip mine along with increasing production capacity of coal up to 7.5 mln tons per year by the year of 2011. The Russian company should prepare preliminary feasibility report by February, 2008. During the 1st half of the year, it is planned to announce a tender for selection of main contractor for reconstruction of the coal strip.

In October of the current year, ZUMK won the tender for construction of ready-to-operate mining complex for Dekhkanabad plant of potassium fertilizers in Kashkadarya region, worth 50 mln USD.

In April of the current year, state institute of engineering in electrical energy industry, oil and gas processing, chemical and heavy industries (“Uztyazhneftegazkhimproekt”) announced tender for preparation of preliminary feasibility reports for modernization projects of Novo-Angren thermal power station and “Angrenskiy” coal strip mine in Tashkent region, worth about 480 mln USD.

Later, cost of the project was corrected to 305 mln USD. Projects will be financed through credits of Uzbekistan Fund for Reconstruction and Development in the amount of 60 mln USD, own funds of SJSC “Uzbekenergo” in the amount of 164 mln USD, as well as credits of foreign banks – 81 mln USD.

OJSC “Teploelektrjproekt” (part of SJSC “Uzbekenergo”) won the lot for development of feasibility report for switching Novo-Angren thermal power station to year-long coal burning by building 8th energy unit of the station worth about 90 mln USD. The government of Uzbekistan, in 2002, approved the program for development of the coal industry, which foresees to increase the share of coal in the production of electric power in the country up to 15% by 2010 versus 4% in 2002. Meanwhile, share of gas in this production should decrease from 86.7% down to 71.7%.

In 2006, Uzbekistan increased coal production by 4.1% against 2005 up to 3.298 mln tons. In 2007, coal production is expected to be at 3.6 mln tons, including at “Angrenskiy” coal strip mine up to 2.85 mln USD versus 2.65 tons in 2006.

In May, 2003 German consortium of TyssenKrupp furdertechnik GmbH and MAN Tankraf GmbH finished the 1st stage of technical re-equipment of the coal strip for the total of 19.7 mln USD.

The 1st stage is financed with the loan of Bank Gesellschaft Berlin AG in the amount of 16.6 mln USD, obtained under the guarantees of the government of Uzbekistan, as well as funds of JSC “Ugol” and credit of the government of Uzbekistan.

As a result of the 1st stage of the work in changing cyclical technology of overburden processing to stream technology, coal production at the coal strip exceeded 3 mln tons.

At the present moment, OJSC “Uzbekugol” who has a share of 98% in hard fuel production in the country, is carrying out industrial development of the biggest – Angren brown coalfield deposit in Tashkent region with known reserves of 1.9 bln tons. OJSC “Shargunugol” has a license for development of Baysun and Shargun carbonous coal deposits in Surkhandarys region in the south of Uzbekistan with total known reserves of 45.8 mln tons of coal.

According to estimates of experts, annual demand of Uzbekistan for hard fuel is about 4 mln tons. Main consumers of coal in the country are still enterprises of SJSC “Uzbekenergo”, which consume about 3 mln tons of hard fuel per year.

Samavto: output expansion

“Sasmarkandskiy avtomobil’niy zavod” LLC (“SamAvto”) plans to start producing heavy-weight Isuzu trucks and 12-meter long Golden Dragon Chinese buses in 2008, finance.uz informs.

Isuzu, Itochu, “Uzavtoprom” and “SamAvto” LLC signed an Agreement on strategic partnership. The document envisages further deepening of cooperation in the sphere of producing commercial transportation, including joint work on a number of new projects, among them is the project for organization of production in Uzbekistan heavy-weight Isuzu trucks (18-45 tons of capacity) and 12-meter long jumbo buses.

Within the framework of the agreement, Isuzu Motors Ltd. will provide technical assistance addressing questions of quality improvement and implementation of modern production technologies at “SamAuto”. Testing of the new models at the plant is planned to finish by the end of 2007 and based on these results the final decision will be made about the parameters of their assembly.

In January of the current year, “SamAvto” started assembling cars of Japanese Isuzu Motors. In line with the production development program, in 2007 it is planned to produce 1.5 thousand cars of different body modifications with gradual achievement of the full capacity of 4 thousand cars per year by 2010. During 10 months of 2007, “SamAvto” has produced 1064 cars.

The plant produces middle class trucks with capacity of 7 tons, passenger city buses with capacity of 37 men, shuttle buses – 22 men, as well as trucks with capacity of 4-5 tons. Assembly production is carried out in line with the agreement on technical cooperation between Isuzu Motors and “SamAvto”, who is transferring to Samarkand based plant technologies of producing buses and light-weight Isuzu trucks. In line with the privatization program for 2007-2011, the government of Uzbekistan plans to sell off 50% of state assets of OJSC “SamAvto” to investors.

Samarkandskiy liftostroitel’niy zavod: production growth

OJSC “Samarkandskiy liftostroitel’niy zavod” (“Samarkand elevator building plant”) has fine-tuned production of passenger and cargo elevators of new series.

On the account of 7 mln USD investments, which will be invested by the big Russian manufacturing enterprise, the plant will be equipped with state-of-the-art technology which will allow increasing production capacity. From the start of the, 2.5 mln USD has already been received. Reconstruction of the units of the plant is being carried out. If in the

current year the plant has produced 300 elevators, then in the future with introduction of new technologies this figure is expected to go up to 750. Number of employees will increase up to 1000.

In line with the localization program, partnerships were established with more than 20 enterprises of the region. Production of 3 types of passenger and 7 types of cargo elevators will allow not only satisfying domestic demand but also export of the output. In particular, in 2008 it is planned to export 3.5 mln USD worth output.

At the "Liftexpo-2007" exhibition, which took place in May in Moscow city, elevators produced by Samarkand based plant were highly praised.

Tender for 47% of Kokandskiy spirtzavod is rescheduled

The State Property Committee of Uzbekistan (SPC), for the second time is prolonging tender sales of 47% shares of OJSC "Kokand-spirit", the biggest alcohol producing plant of the country, with the starting price of 8.16 mln USD, gki.uz informs.

The deadline for placing a bid is prolonged up to January 14, 2008, with the results expected to be announced by the end of January of the next year. Earlier, tender results were planned to announce by the end of the current year.

Initially, the bidding for the tender, announced at the end of September, was planned to finish by November 1, with the results of the tender expected to be announced by the end of the current month. Later, it was allowed to place bids up until December 4. SPC does not comment on the cause of tender rescheduling.

By the terms of the contest, advantage is given to the company which offers the highest price for the package offered and ready to undertake minimum investment obligations in the amount of 3 mln USD.

In March, 2004 SPC of Uzbekistan announced international tenders of sales to foreign investors 45% shares of each of the 2 biggest alcohol producing plants – OJSC "Kokand-spirit" and OJSC "Andijan biokhimicheskiy zavod" with the starting price of 3.96 and 3.15 mln USD respectively. However, due to not having competitive bids tenders were dismissed. The consultant in sales of assets of alcohol producing plants was British Maxwell Stamp.

OJSC "Kokand-spirit" was put into operation in 1985 and initially was specialized in production of phosphorus fertilizers. In 1989, due to ecological problems was converted into ethanol producing plant. At the present moment the plant is the biggest alcohol producer of the country (35% of the domestic market). Its full capacity is 2.7 mln liters of alcohol per year.

Authorized capital of OJSC "Kokand-spirit" is 39.65 mln USD. Besides 47% shares for sale at the tender, another 51% is owned by the government and 2% by the employees of the plant.

In January, 2004 the government of Uzbekistan approved the decision to organize Joint Stock Company "Uzspirtprom" inside HC "Uzvinprom-holding" (before "Uzplodovoshvinprom-holding").

JSC "Uzspirtprom" includes 5 enterprises, producing ethanol using wheat: OJSC "Kokand-spirit", OJSC "Andijan biokhimicheskiy zavod" and OJSC "Yangiyul biokhim" – earlier members of SJSC "Uzkhimprom", as well as OJSC "Kombinat "Tashkentvino" and OJSC "Zarafshan" – divisions of HC "Uzplodovoshvinprom-holding".

In accordance with the decision of the government, enterprises of JSC "Uzspirtprom" were granted the monopolists' rights to produce ethanol using wheat, the rest of the alcohol producing enterprises were liquidated.

At the end of 2006, the President of Uzbekistan Islam Karimov introduced a ban on production and bottling of alcoholic output of the alcohol producing plants of the country.

Sale of potable alcohol to enterprises producing alcoholic products, holding a license, and to other consumers is carried out only at trade fairs organized by HC "Uzvinprom-holding".

Starting from May 1 of the current year retail sales of alcoholic beverages in Uzbekistan is done only through specialized sections of sales area of the stores at a distance of 500 meters, at least, from socio-cultural and educational institutions.

Production of ethanol-raw material in Uzbekistan in 2006 increased by 6.4% against 3.43 mln liters in 2005.

Comments on trade results at RSE "Toshkent"

Consolidated sales volume on December 14, 2007 at RSE "Toshkent" was 6.97 bln UZS. 6 336 200 shares of 8 issuers were traded during the day.

Leader in sales volume was "Ipoteka bank" with sales volume of 9.6 mln UZS. The selling price was 1100 UZS per share, which is 10% more than the nominal value. It was followed by "Turkiston bank" – 58.06 mln UZS. There was sold 1 share of "Ta'minot markazi" in the primary market for national currency, should be noted that the selling price was 9.94 times the nominal value.

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

Trading results at RSE "Toshkent" (14.12.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Ipoteka bank	Tashkent city	Bank	1 100	6 272 815	6 900 096 500	1,10

Turkiston bank	Tashkent city	Bank	1 000	58 060	58 060 000	1,00
Ulugnor MTP	Andijan	APK	3 000	4 833	14 499 000	1,07
Elektrtarmokkurilish	Tashkent city	FEC	600	472	283 200	1,00
Yangi Angren Issiklik Elektr Stantsiyasi	Tashkent city	Other	10 000	6	60 000	1,00
Ta'minot markazi	Khorezm	Food	29 900	1	29 900	9,94
Guliston ekstrakt yog	Syrdarya	Food	1 000	12	12 000	2,00
Alfa group	Tashkent city	Finance	3 526	1	3 526	3,53
Total:				6 336 200	6 973 044 126	

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

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