

- **“UzDaewooAuto”:** production growth  
In January-November, 2007 production increased by 26.5%.
- **SJSRC “Uzbekiston Temir Yullari” will purchase equipment worth 54 mln USD**  
CJSC “Transpromresurs” and SJSRC “UTY” signed a contract to modernize diesel locomotives.
- **Uzbekistan will receive 75.3 mln USD from ADB**  
ADB has approved lending in the amount of 75.3 mln USD to reconstruct 2 sections of Guzar-Bukhara-Nukus-Beyneu highway.
- **MTS and Beeline: growth in the number of subscribers in November**  
Share of their Uzbek divisions is equal approximately to 3%.
- **Essential facts about issuers**
- **RSE “Toshkent”**  
Consolidated sales volume at RSE “Toshkent” was 6.1 bln UZS.

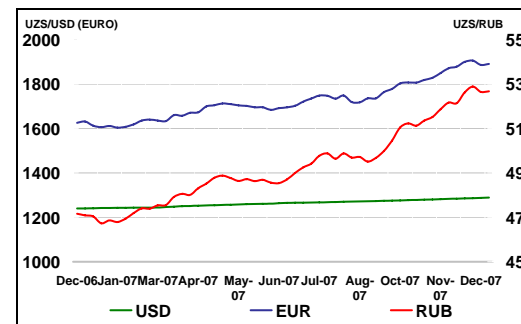
#### Official exchange rate of the CB RU to major world currencies (UZS)

	18.12.2007	11.12.2007	chg./%
1 USD	1288,74	1287,58	0,09%↑
1 EUR	1890,97	1886,82	0,22%↑
1 GBP	2629,67	2630,01	-0,01%↓
10 JPY	115,45	116,3	-0,73%↓
1 RUR	52,68	52,65	0,06%↑

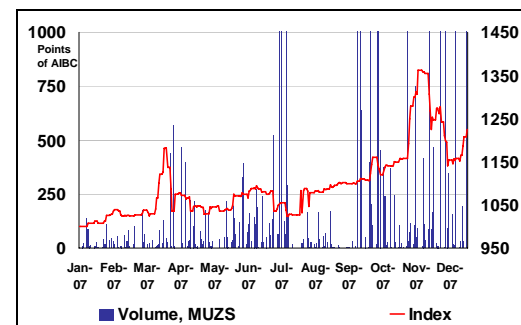
#### Key interest rates in national currency (in % per annum)

	24.12.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,57	
AWACRI	18,52	-4,55%
AIBC	1224,875	+10,65%

#### 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	2 600,0	+20.4%	Xamkor Bank	100,0	0%
Galla Bank	104,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 000,00	0%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	0%	Aloka bank	154,00	0%
Turonbank	1000,00	0%	Trastbank	1 000.00	0%

**“UzDaewooAuto”: production growth**

JSC “UzDaewooAuto” has increased production of cars by 26.5% in January-November, 2007 against corresponding period of 2006 – up to 159 419 units, gudok.ru informs.

During this period, there produced 78 281 units of Nexia (increase of 17.1%), 58 796 units of Matiz (increase of 32.2%), 19 446 units of Damas (increase of 36.1%), 1 722 units of Lacetti (increase of 4.5 times). In October the company started production of Chevrolet cars. In October-November, there were produced 104 units of Captiva, 207 units of Epica, 863 units of Tacuma.

In 2006 “UzDaewooAuto” had produced 140.08 thousand cars, that is 38.7% more than in 2005. In 2007, the company plans to produce 170 thousand cars.

JSC “UzDaewooAuto” was established on equal terms between the government of Uzbekistan and South Korean Daewoo Motors. In 1996, the company put into operation a car manufacturing plant in Andijan region with production capacity of 200 thousand cars per year. In October, 2005 Uzbekistan bought out 50% of shares of Daewoo Motors in JV “UzDaewooAuto”.

In October, 2007 “Uzavtoprom” and General Motors signed an agreement to establish on the basis of “UzDaewooAuto” plant a joint venture “GM Uzbekistan” for production and sale of Chevrolet cars. GM owns 25% of shares in the charter capital of the JV.

**SJSRC “Uzbekiston Temir Yullari” will purchase equipment worth 54 mln USD**

Russian CJSC “Transpromresurs” and State Joint-Stock Railroad Company “Uzbekiston Temir Yullari” at the end of the current week signed a contract to modernize diesel locomotives for the total of 54 mln USD, gudok.ru informs.

The Russian company, representing the interests of Kolomen locomotive building plant, will deliver diesel-generator units with service equipment to change 90 sections of long-distance locomotives in use. Duration of the project is 2 years.

In May, 2005 “Transpromresurs” won a tender in one of the lots of “Modernization of diesel locomotives and reconstruction of foundries” project, which is financed with the loan of EBRD in the amount of 68 mln USD.

The tender included such participants as Japanese Marubeni and German Zeppelin Russland GmbH. However, EBRD had not approved the decision of the tender committee. At the end of 2006 re-tender was announced with only “Transpromresurs” making its bid. Once Swiss SGS conducted the expert evaluation of the Russian company’s bid and considered it to be reasonable in terms of technical and cost parameters, EBRD consented to sign a contract.

Tender of the second lot – to select contractor for reconstruction of foundries – OD “Uzzheldorrem mash” (a subsidiary of the railroad company) has not been finished yet.

“Modernization of diesel locomotives and reconstruction of foundries” project for the total value of 83 mln USD foresees construction on the basis of OD “Uzzheldorrem mash” locomotive assembly plant with production capacity of 292 locomotives per year, as well as modernization of foundries with production capacity of 25.2 thousand tons of foundry annually.

The project is financed with the loan from EBRD and own funds of the railroad company. More than 70% of cargo and almost all passenger electrical and diesel locomotives are morally and physically obsolete and require renewal.

“Modernization of diesel locomotives and reconstruction of foundries” is a second project in the sphere of the railroad transportation of Uzbekistan, which is financed with a loan from EBRD. In 1999 EBRD gave 40 mln USD loan to Uzbekistan to renew electrical locomotives. In the tender of this project Chinese ZhuZhou Electric Locomotives (ZELV) was the winner. In 2004 the Chinese company delivered 12 cargo electrical locomotives and parts for them for the total of 39 mln USD.

**Uzbekistan will receive 75.3 mln USD from ADB**

ADB’s Board of Directors approved 75.3 mln USD loan for reconstruction of 2 sections of Guzar-Bukhara-Nukus-Beyneu (A-380) road, vesti.uz informs.

The loan will be granted with the guarantees of the government of Uzbekistan for the period of 20 years with 4-year grace period at preferential interest rate of LIBOR+0.2%.

Total cost of the project is 173.5 mln USD. It foresees the reconstruction of 131 km long highway, in particular its two sections – 90 km and 41 km long – in Karakalpakstan autonomous republic in the north-west of Uzbekistan. The project is to be completed in 2 years. The loan will be directed at realization of construction works, purchase of road-construction equipment and management of the project. The project will also be financed with the funds of the government of Uzbekistan in the amount of 98.2 mln USD. 1 204 km long A-380 highway is part of the transit corridor, connecting Uzbekistan with Afghanistan and Turkmenistan in the south and Kazakhstan in the north. Since 1995, ADB has loaned more than 1 bln USD to Uzbekistan for realization of 25 projects in the sphere of education, agriculture, modernization of transportation systems and energy sector, as well as presented 69 grants of technical assistance for the total of 37.24 mln USD.

### MTS and Beeline: growth in the number of subscribers in November

According to the information of Russian consulting company ACM-Consulting, cellular service operator “MTS-Uzbekistan” has increased its subscribers by 176 thousand in November totaling 2.5 mln subscribers, with “Beeline” in Uzbekistan increasing its subscribers by 184 thousand and hitting a total of 1.9 mln users.

It should be noted that “Beeline” is ahead of MTS by monthly growth rate of subscribers for the 3rd month in a row. MTS has increased its subscribers by 1.03 mln users from the start of the year. Consolidated number of subscribers of “MTS” and “VimpelCom” at the end of August, 2007 was 83.9 and 62.4 mln, correspondingly. Share of their Uzbek divisions is equal to 3%.

As at December 1, 2007 cellular network subscribers in Uzbekistan comprised more than 5.372 mln. At the start of the year this figure was 2.72 mln users. In November alone, about 450 thousand new users subscribed with cellular network operators. In this way, during 11 months of 2007 cellular network subscribers in Uzbekistan practically doubled, constituting to 97.5% increase from the start of the year. Penetration level of cellular network in the country is 19.9%.

It is noteworthy that all 5 operating companies in Uzbekistan have stably exceeding 7% per month subscription rate since August, with the average monthly subscription rate from the start of the year exceeding 6.1%.

An important event in the cellular network market in November was reception of the license to conduct services in 3G format by Beeline. At the same time MTS had received this type of license in April. Offering services in this format will allow increasing speed of data transfer, including implementation of stable video communication among subscribers.

### Subscribers of MTS and VimpelCom

Company	01.12.2007	Share, %	Change	Change, %	01.11.2007	Share, %
<b>MTS, including</b>	83 939 993	100,0%	1 113 955	1,3%	82 826 038	100,0%
Russia	56 010 710	66,7%	859 679	1,6%	55 151 031	66,6%
Moscow	13 118 822	15,6%	226 559	1,8%	12 892 263	15,6%
Ukraine (UMC)	19 934 798	23,7%	32 818	0,2%	19 901 980	24,0%
MTS-Uzbekistan	2 585 667	3,1%	176 326	7,3%	2 409 341	2,9%
Turkmenistan	330 146	0,4%	20 840	6,7%	309 306	0,4%
Armenia (Viva Cell)	1 346 351	1,6%	-5 230	-0,4%	1 351 581	1,6%
Belarus	3 732 321	4,4%	29 522	0,8%	3 702 799	4,5%
<b>VimpelCom, including</b>	62 430 363	100,0%	741 990	1,2%	61 688 373	100,0%
Russia	51 050 860	81,8%	410 561	0,8%	50 640 299	82,1%
Moscow	10 390 512	16,6%	-23 754	-0,2%	10 414 266	16,9%
Kazakhstan (KaR-Tel)	5 810 197	9,3%	153 500	2,7%	5 656 697	9,2%
Ukraine (WellCOM)	2 714 356	4,3%	-43 387	-1,6%	2 757 743	4,5%
Tajikistan	351 216	0,6%	28 503	8,8%	322 713	0,5%
Uzbekistan	1 990 957	3,2%	184 788	10,2%	1 806 169	2,9%
Armenia (Armentel)	461 156	0,7%	-202	0,0%	461 358	0,7%
Georgia	51 621	0,1%	8 227	19,0%	43 394	0,1%

Source: ACM-Consulting, Calculations: Avesta Research

### Essential facts about issuers

JSCB “Ipoteka bank”, on December 17 during the general meeting announced dividend payments on preferred shares by the results of the 3rd quarter. For every share dividend will be 100 UZS or 10% of the nominal value of the share. Total number of preferred shares which will receive dividends is 1 622 619.

PJSCB “Universalbank” has registered the prospect of 7.5 bln UZS issue. This issue will allow the bank to increase its charter capital by 4 times.

During the extraordinary general meeting of shareholders of JSCB “Turonbank” a decision was made to go ahead with the 9th issue for the total of 4 bln UZS.

JV OJSC “Chirchik transformator zavodi” announced issuing 8 bln UZS shares. The issue will be placed privately with the nominal value of 200 UZS to the advantage of foreign investor Seten Enterprises Ltd., which has increased its share in the charter capital up to 99%.

### Comments on trade results at RSE “Toshkent”

Consolidated sales volume on December 24, 2007 at RSE “Toshkent” was 6.1 bln UZS. 6 074 154 shares of 10 issuers were traded during the day.

Leader in sales volume was “Ipoteka bank” – 5.1 bln UZS. There were sold more than 5 mln shares of the bank in the primary market for national currency. The selling price was 1 010 UZS per share, 1% above the nominal value. Following the leader was “Pakhta bank” – 1 bln UZS. Modest sale of “Uzpromstroybank” share for the total of 31.9 mln UZS assured the 3rd spot in sales volume.

There were no trades in the primary and the secondary markets for hard convertible currency.

**Trading results at RSE "Toshkent" (24.12.2007)**

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Ipoteka bank	Tashkent city	Bank	1 010	5 070 000	5 120 700 000	1,01
Pakhta bank	Tashkent city	Bank	1 050	967 868	1 016 261 400	1,05
UzPSB	Tashkent city	Bank	2 600	12 308	31 999 000	1,30
Kuva tum. MTP	Ferghana	APK	1 050	2 946	3 093 300	1,05
Okhangaranshifer	Tash. reg.	Construction	20 000	139	2 780 000	20,00
Uzneftmahsulot	Tashkent city	FEC	2 250	757	1 703 250	2,25
Yengil metall kurilmalari zavodi	Tashkent city	Construction	100	14 834	1 483 400	1,00
Bravo-sut	Samarkand	Food	500	2 708	1 354 000	2,50
Mingbuloq MTP	Namangan	APK	1 000	675	675 000	1,00
Samarkand liftsozlik zavodi	Samarkand	Machine building	4 450	62	275 900	1,09
<b>Total:</b>				<b>6 074 154</b>	<b>6 180 673 800</b>	

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

## Contact information

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### **Avesta Investment Group (CJSC)**

License of CSM for Investment advisor №1012

**Legal Address:** 25 Amir Temur str., 100000

Tashkent, Uzbekistan

**Postal address:** 36 Navoi str., 100011

Tashkent, Uzbekistan

**Tel:** +998 (71) 144-3363, 144-3685

**Tel/fax:** +998 (71) 144-3667

**E-mail:** [info@avestagroup.com](mailto:info@avestagroup.com)

**Internet:** <http://www.avestagroup.com>

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### **Depository Avesta Trust (LLC)**

License of CSM for Securities custodian №1053, registry holder №1054 and nominal securities holder №1055

**Postal address:** 36 Navoi str., 100011

Tashkent, Uzbekistan Republic

**Tel:** +998 (71) 144-3685

**Tel/fax:** +998 (71) 144-3667

**E-mail:** [trust@avestagroup.com](mailto:trust@avestagroup.com)

**Internet:** <http://trust.avestagroup.com>

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### **Brokerage house Avesta Securities™ (Avesta Sekurities LLC)**

License of CSM for Securities №1133

**Tel:** +998 (71) 132-6202

**Tel/fax:** +998 (71) 144-3667

**E-mail:** [securities@avestagroup.com](mailto:securities@avestagroup.com)

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