

- Inflation in the first quarter**

Inflation rate in Uzbekistan in January-March of 2008 was 2,4% against 2,9% in the first quarter of 2007, notes «*vesti.uz*».

- Gas-chemical complex will be built**

NHC «Uzbekneftegaz» and Russian OJSC «Lukoil» plan to build a modern gas-chemical complex with a production capacity of 8 billion cubic meters of gas a year, informs «*Uzbekistan Today*».

- Chinese CNPC and (NHC) «Uzbekneftegaz» will create a JV**

Chinese CNPC and NHC «Uzbekneftegaz» have signed an agreement «On terms of creation of a joint venture», reports «*vesti.uz*».

- JV GM Uzbekistan will enter its productive capacity**

In 2008 JV GM Uzbekistan will enter its productive capacity that makes 200 thousand cars a year, writes «*Uzbekistan Today*».

- Comments on the results of trades in RSE «Toshkent»**

On June 6, 2008 the turnover of the stock exchange made almost 523mln sum

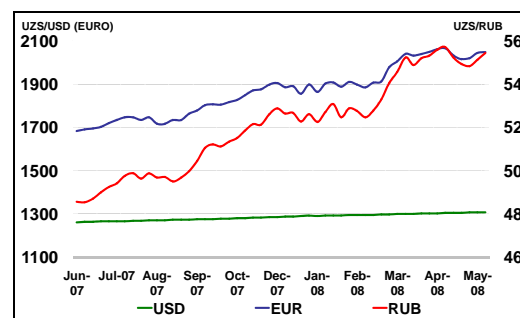
#### Official exchange rates of CB to the main international currencies (sum)

	03.06.2008	27.05.2008	Chg./%
1 USD	1 308,08	1 307,50	0,04%↑
1 EUR	2 051,07	2 046,89	0,20%↑
1 GBP	2 588,17	2 570,02	0,71%↑
10 JPY	125,58	126,07	-0,39%↓
1 RUR	55,45	55,14	0,56%↑

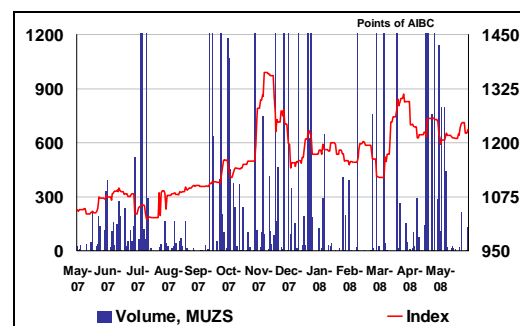
#### Main interest rates in national currency (in % annual)

	06.06.2008	3-months change
Rate of CB RU	14,00	0%
UZIBOR (12 months)	14,00	0%
AWACRI	17,61	-0,91%
AIBC	1230,320	5,84%

#### Dynamics of the change in the exchange rate of international currencies to sum



#### Dynamics of AIBC index



#### Main macroeconomic figures of Uzbekistan for 2004-2007

Figures	2002	2003	2004	2005	2006	2007
GDP, trillion sum	7,45	9,8	12,2	15,2	20,8	28,2
Real GDP growth, %	4,0	4,4	7,7	7	7,3	9,5
Administration of the state budget, to GDP	-0,8	-0,4	-0,4	+0,1	-0,5	1,1
Foreign trade turnover, bill. USD	5,7	6,7	8,7	9,5	10,7	14,2
Inflation, %	-	3,8	3,7	7,8	6,8	6,8

Source: State Committee on Statistics of RU, Avesta Investment Group

## Event Calendar

- June 27:** Annual meeting of shareholders of OJSC «Uzbektelecom»
- June 27:** Annual meeting of shareholders of OJSC «Kizilkumcement»
- June 27:** Annual meeting of shareholders of OJSC «Yo`lrefrans»
- June 28:** Annual meeting of shareholders of JV OJSC «Alskom»
- June 30:** Annual meeting of shareholders of JSC «O`zneftgazqazibchigarish»
- June 30:** Annual meeting of shareholders of SJSC «TAPOiCh»

**Inflation in the first quarter**

According to the information provided by State Committee on Statistics of RUz, inflation rate in Uzbekistan in January-March of 2008 was 2,4% against 2,9% in the first quarter of 2007, notes «*vesti.uz*».

During the first 3 months prices on foodstuffs have grown for 2,6% (3,1% in previous year), on nonfoods - for 2,7% (1,1%), paid services for population for 1,2% (5,3%).

In 2007 inflation in the country made 6,8%, which corresponds to the figure in 2006. Prices for foodstuffs in 2007 have increased by 3,3% (3,9% in previous year), nonfoods by 8,4% (8%), paid services for population by 17,2% (15,4%).

In accordance with the voted budget for 2008 the inflation rate in Uzbekistan is to be kept within the level of 6-8%.

**«Uzbekneftegaz» and «Lukoil» will build a gas-chemical complex**

National holding company «Uzbekneftegaz» and Russian OJSC «Lukoil» plan to build a modern gas-chemical complex with a production capacity of 8 billion cubic meters of gas annually at the Kandim group fields, informs «*Uzbekistan Today*».

Khauzak-Shadi-Kungrad project is being realized within the framework of an agreement on division of production (ADP) by Republic of Uzbekistan and consortium of investors consisting of OJSC «Lukoil» and NHC «Uzbekneftegas» in June 2004.

Within the limits of the project it is planned to build a gas-chemical complex with the production capacity of 8 billion cubic meters of gas annually on Kandim field, with the first line setting up in 2011.

The plant will be producing three types of products - gas, gas condensate and sulfur. In accordance with the conditions of the agreement gas will be sold for export, gas condensate will be processed at the oil processing plants of Uzbekistan, sulfur will also be sold to the consumers of the country, particularly to the organizations of chemical branch, agricultural goods producers and etc.

At the end of the last year, Khauzak gas complex with the production capacity on gas extraction of 3 billion cubic meters was put into operation. More than 500mln USD was invested into project up to date, works at Shadi and Kandim group fields still continue. Exploration works at Kungrad block of Ust Yurt region with large forecasted reserves of hydrocarbon continue actively.

**Chinese CNPC and (NHC) «Uzbekneftegaz» will create a JV**

Chinese National oil-gas Corporation (CNPC) and National holding company (NHC) «Uzbekneftegas» have signed an agreement «About terms of creating a joint venture on joint additional exploration and processing of Mingbulak field», informs «*vesti.uz*».

In accordance with the agreement, parties start works on preparation of the charter and constituent instrument of the JV that is planned to be created on parity basis.

Mingbulak oil field (Namangan region), situated in Fergana oil-gas region, that was created in 1992. The field is being developed by JSC «Uzneftegazdobicha» (organization department of «Uzbekneftegaz»).

In December of 2006 Chinese national corporation on exploration and processing of oil and gas (CNODC, is included in CNPC) has created a subsidiary CNPC Silk Road in Uzbekistan with a 100% Chinese capital for carrying out exploration works in oil gas fields of the country.

CNPC Silk Road has a license to hold exploration works on 5 investments blocks within Ust Yurt, Bukharo-Khiva and Fergana regions. From 2007 Chinese company has been carrying out exploration works on licensed fields.

According to the conditions of the agreement within 5 years CNODC will be investing 208,5mln USD into exploration in Uzbekistan.

NHC «Uzbekneftegas», monopoly operator of oil-gas complex of Uzbekistan, was created in 1998 and unites 6 joint stock companies.

**JV GM Uzbekistan will enter its production capacity**

In 2008 automobile factory JV General Motors Uzbekistan (JV GM Uzbekistan) will enter its production capacity that makes 200 thousand motor cars annually. From 2010 annual volume of production is planned to be increased up to the level of 250 thousand units, writes «*Uzbekistan Today*».

This was announced on a press conference in Tashkent by the deputy general director JV GM Uzbekistan Garry Weston.

He also noted that, exclusive models of cars that will not be produced on any other car factories of General Motors (GM) Corporation that, holds production operations in 35 countries, will be produced here.

During January-April 2008 output of the cars from conveyers at Asaka car production has increased by 23,3% comparing to the corresponding period of 2007 and made a little more than 61 thousand cars. This rate of increase in the level of production will be continued as works on optimization of production are being held nowadays. In particular, the construction of a new hammer shop is being carried out.

Production of three models of Chevrolet cars: Captiva, Epica и Takuma had started at JV GM Uzbekistan in fall of 2007. Joint stock company «Uzavtosanoat» (with a share of 75% in its charter capital) and one of the largest corporations in the world, the leader of world auto construction General Motors (with a share of 25% with a possible extension to 40%) are acting as its founders.

#### Comments on the results of trades in RSE «Toshkent»

On June 6 of 2008 the turnover of the stock exchange made almost 523mln sum. Maximum volume of exchanges was observed on the shares of «Capital sugurta» - the sum of the exchanges made about 523mln sum. The exchange of the shares of «Uztransgaz» was conducted for hard currency. The total of the exchanges for hard currency was equivalent to about 9,5mln sum.

#### Results of the exchanges at RSE «Toshkent» for 6.06.2008

Issuer	Region	Sector	Max. Price of the deals, UZS/\$	Qty of the shares, units	Volume, sum
Capital sugurta	Fergana	Finance	216	2 000 000	432 000 000
Okhangaronshifer	Tashkent city	Construction	20 000	3 562	71 240 000
Uztransgaz	Tashkent city	Утуқпн	\$4,25	1 700	9 450 878
Tashlak tum.MTP	Andijan	Agriculture	1 627,5	3 216	5 234 040
Uzbekgazsuvkurulish	Tashkent region	Construction	1 000	2 671	2 671 000
Khamkorbank	Tashkent city	Bank	100	24 444	2 444 400
Toshkent lok-buyok zavodi	Navoi	Chemistry	1 000	183	183 000
Kizilkumcement	Sirdarya	Construction	82 778	1	82 778
Sirdaryo viloyati kishlokkhujalikkimyo	Tashkent city	Chemistry	1 806	1	1 806
<b>Total:</b>					<b>523 307 902</b>

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

## Contact Information

---

### **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>

---

### **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://www.avestagroup.com/trust/>

---

### **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)

---

The information and opinions in this report were prepared by Avesta Investment Group or one of its affiliates (collectively "Avesta"). The information herein is believed by Avesta to be reliable and has been obtained from public sources believed to be reliable, but Avesta makes no representation as to the accuracy or completeness of such information. Important Information Regarding Our Independence. The research analysts responsible for the preparation of this report receive compensation that is based upon, among other factors, Avesta's overall revenues. Avesta may engage in securities transactions in a manner inconsistent with this research report and with respect to securities covered by this report, will sell to or buy from customers on a principal basis. Disclosures of conflicts of interest, if any, are discussed at the end of the text of this report or on the Avesta Investment Group's website at <http://www.avestagroup.com>. Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Avesta and are subject to change without notice. Avesta has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Unless governing law provides otherwise, all transactions should be executed in the investor's home jurisdiction. Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Avesta prior written consent. Please cite source when quoting. Copyright 2004-2005 Avesta Investment Group

© 2003-2008 CJSC «Avesta Investment Group».