

- World bank is crediting agricultural sector of Uzbekistan**
 Uzbekistan and the World bank have signed an agreement on financing of the credit for 67,96m USD, «gazeta.uz» informs.
- «Pakhta-bank» and «Galla-bank» will increase the amount of their charter capitals**
 Shareholders of «Pakhta-bank» and «Galla-bank» have decided on additional shares emission in the years 2008-2009, «gazeta.uz» reports.
- «Navoiazot» is retrofitting its units**
 The largest chemical enterprise of Uzbekistan «Navoiazot» will retrofit its units in the years 2008-2012 for the total of 40,4m USD, «gazeta.uz» writes.
- Collaboration of Uzbek and Kazakh railway men**
 «Uzbekiston temir yullari» and «Kazakh temir joli» have signed an agreement on partnership in the field of railway transport, «vesti.uz» says.
- Comments on the results of trades in RSE «Toshkent»**
 On October 13, 2008 the turnover of the stock exchange made more than 287m sum.

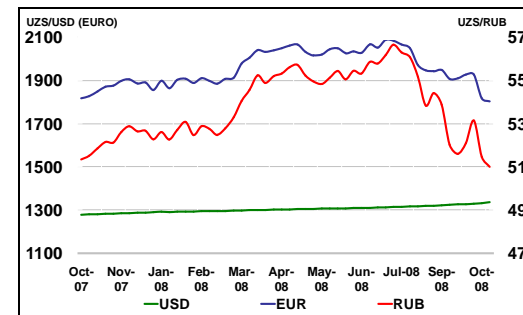
Official exchange rates of CB to the main international currencies (sum)

	14.10.2008	07.10.2008	Chg./%
1 USD	1 336,53	1 333,29	0,24↑
1 EUR	1 804,45	1 818,61	0,78↓
1 GBP	2 272,50	2 351,26	3,35↓
10 JPY	133,79	127,78	4,70↑
1 RUR	51,00	51,48	0,93↓

Main interest rates in national currency (in % annual)

	13.10.2008	3-months change
Rate of CB RU	14,00	0%
UZIBOR (12 months)	13,75	0%
AWACRI	17,61	0%
AIBC	1 229,9	0.04%

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

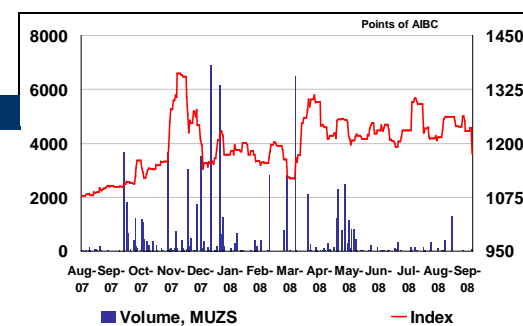


Main macroeconomic figures of Uzbekistan for 2004-2007

Figures	2002	2003	2004	2005	2006	2007	1H 2008
GDP, trillion sum	7,45	9,8	12,2	15,2	20,8	28,2	13,6
Real GDP growth, %	4,0	4,4	7,7	7	7,3	9,5	9,3
Administration of the state budget, to GDP	-0,8	-0,4	-0,4	+0,1	-0,5	1,1	1,9
Foreign trade turnover, bill. USD	5,7	6,7	8,7	9,5	10,7	14,2	9,8
Inflation, %	-	3,8	3,7	7,8	6,8	6,8	-

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

Dynamics of AIBC index



Events Calendar

- October 15:** Uzbek international exhibition «Textile Expo Uzbekistan 2008»
- October 27:** Special meeting of the shareholders of OJSC «Makhsus tajriba avtokorkhona»
- November 5:** Special meeting of the shareholders of OJSC «Ammofos»
- November 6:** Special meeting of the shareholders of OJSC «STM»

World bank is crediting agricultural sector of Uzbekistan

Uzbek government and the World bank have signed an agreement on financing the credit of 67,96m USD for realization of the project on supporting and developing agricultural branch of the country's economy, *«gazeta.uz»* informs.

The credit agreement was signed by the first deputy prime minister of the country Rustam Azimov and the head of the WB representative in Uzbekistan Lu Brefor. The credit was provided from the funds of the International Development Association (IDA, from the group of the WB) for the 10 year grace period with the interest rate of annual 0,75%.

The project for the total of 76,9m USD is aimed at increasing productivity, financial and ecological stability, and rehabilitation of irrigation and drainage systems, developing the management of recreated farms and enterprises of agricultural sector in 90 districts of 7 regions of the country. Along with the credit of the WB, the Uzbek party will provide 8,98m USD for realization of the project

During the realization of the project it is planned that agricultural enterprises should enter their projected capacity on producing agricultural products for not less than 51,5m USD annually, including cotton for not less than 32,8m USD, and grain for not less than 18,7m USD. The project is planned to be completed by the end of 2014.

The new project is the continuation of the project on supporting agricultural enterprises that is being fulfilled since 2001. Then the WB has provided Uzbekistan with the credit for 36m USD for the project that had the total cost of 43,45m USD. That project was concentrated on supporting agricultural enterprises in 5 districts of the country.

Since 1995 the WB has provided Uzbekistan with the credits for the total of 722m USD on realization of 14 projects.

«Pakhta-bank» and «Galla-bank» will increase the amount of their charter capitals

Shareholders of two large banks of Uzbekistan «Pakhta-bank» and «Galla-bank» have decided on additional shares emission in the years 2008-2009, *«gazeta.uz»* informs.

Joint stock commercial bank «Pakhta-bank» will be issuing additional shares for the total of 50 bln sum, increasing its charter capital up to 100 bln sum. The amount of additional shares of JSCB «Galla-bank» will make 36 bln sum, and the charter capital of the bank will reach 50 bln sum.

Proposals of the Ministry of Finance, of the Central bank, of the Reconstruction and Development Fund, and the proposal of the two banks mentioned earlier on additional issue of shares during 2008-2009 have been approved by the decree of the president of Uzbekistan from October 8.

Shares worth 25 bln sum from the total additional volume issued by «Pakhta-bank» will pertain to the Ministry of Finance, 19 bln sum worth to the Reconstruction and Development Fund, 5 bln sum worth to «Uzpakhtasanoat» association, and 1 bln sum worth to the state joint stock insurance company «Uzagrosugurta».

In the structure of the shares additional issued by «Galla-bank» Ministry of Finance will own shares for 20 bln sum, Reconstruction and development fund for 10,5 bln sum, «Uzbekiston temir yullari» for 2 bln sum, «Uzdonmakhsulot» for 2 bln sum, «Uzagrosugurta» for 1 bln sum, and «Uzvinprom-holding» for 0,5 bln sum.

It should be reminded that, due to the funds of Ministry of Finance, and Reconstruction and Development Fund «Uzpromstroybank» had announced about an additional shares emission in August. Issuing additional shares for the total of 65,4 bln sum has enabled UzPSB to raise its charter capital up to 100 bln sum.

«Galla-bank» was created in 1994 for financing of enterprises of the grain production complex of Uzbekistan. Main activity of «Pakhta-bank that was created in 1995 is crediting cotton sector of the country.

«Navoiazot» is retrofitting its units

The largest chemical enterprise of Uzbekistan «Navoiazot» will be retrofitting its production unit for the total cost of 40,4m USD in 2008-2012, *«gazeta.uz»* informs.

During this time the enterprise will hold a complex reconstruction of nitric acid aggregates on basis of new energetic and technological equipment for the total of 21,6m USD. The tender on selection of a «turnkey» consumer of this project is already announced.

It is planned to use some of the aggregates that were used only for steam output before and, correspondingly, to increase output of ammonium nitrate up to the 100% of the aggregates' capacities within the framework of the project.

In 2010 «Navoiazot» is planning to put in practice granulation of ammonium nitrate with addition of phosphor stuff that is supplied from Kizilkum phosphor complex, the main phosphor supplier of the country. Putting a new technology for the total of 2,5m USD will enable the company to produce up to 180 ths tons of complex phosphor-ammonia fertilizer a year.

Introduction of energy saving technologies will be implemented in main production plants of «Navoiazot» during the next 5 years for the total of 16m USD. Particularly, it is planned to reconstruct the technological line of natural gas conversion in accordance with the «Tandem» scheme for the total cost of 5,8m USD by the end of 2009.

Moreover, it is projected to introduce the technology of getting liquid cyanogens salts from reactionary gas, to set up two steam-boilers for utilization of the oxide carbonic fraction combustion heat, to change reactor burners at the acetylene plants, to design the scheme of scrubbing and utilization of hydrogenous gas from ammonium nitrate.

Financing of this program is planned to be carried by the own means of «Navoiyazot». Some of the projects on energy saving will be implemented within the project of «mechanism of pure development» (MPD) that is realized by Japanese Mitsubishi Corp.

OJSC «Navoiyazot» (Former Navoi chemical plant) is a 100% state enterprise. It was put into operation in 1964 and specializes in production of nitrogen fertilizers, nitronic fiber, and integral production of organic synthesis. At the end of 2001 German Lurgy Hemnitz GmbH had put production of chlorine and hydrate of sodium into operation at the enterprise for the total cost of 25m USD. Today the total capacity of the plant on hydrate of sodium production make 26 ths tons annually.

Tender on sales of 49% shares of the enterprise for the starting price of more than 60m USD has been started. The tender was announced in April of 2007, and has repeatedly been prolonged.

At the end of August of this year International Petroleum Investment Co (IPIC) from UAE and Austrian Borealis AS, controlled by IPIC have signed a memorandum with SJSC «Uzkhimprom» on construction of a chemical complex on the base of «Navoiyazot» for about 800m USD.

The complex will include production of ammonium of 500 ths tons and carbamide of 450 ths tons, and production of PVC of 50 ths tons annually. Putting the new complex into operation is planned for the end of 2012.

Collaboration of Uzbek and Kazakh railway men

«Uzbekiston temir yullari» and «Kazakhstan temir joli» have signed an agreement on partnership in the sphere of railway transport, «*vesti.uz*» writes.

According to «Kazakhstan temir joli», the volume of cargo transportation through Uzbek-Kazakh frontier passing during the first 8 months of this year made 12,5m tons that, exceeds the figure for the last year by 966 ths tons (or 8%).

Comments on the results of trades in RSE «Toshkent»

On October 13 of 2008 the turnover of the stock exchange made almost 287m sum. 29 exchanges on the shares of 8 companies went through exchanges at RSE «Toshkent». 10 of the exchanges were implemented for national currency and with the ordinary shares of 5 companies for the total of 184m sum. 6 of them included shares of OJSC «Kuvaycement». However, the largest amount of sales was implemented on the shares of OJSC «Kurilishashyosavdo» - 179,8m sum. 19 more exchanges were carried out for 77,4 ths USD (103m sum). 13 of them took place on premium shares of JSC «Uztransgazoil» for the total amount of 13,6 ths USD. The rest of the exchanges were implemented on ordinary shares of OJSC «Uzkimyosanoatloyiha» and OJSC «Uzbekkumir» for the total of 59,2 and 4,6 thousand USD respectively.

Exchanges on the shares of «Khamkorbank» in the amount of more than 11 ths shares have positively effected the index of banking capitalization (AIBC) calculated by Avesta Investment Group. In particularly, the index has reached the level it had been on 3 months ago for the first time for this 4 weeks.

Total turnover at RSE «Toshkent» since the beginning of 2008 has reached 96,084 billion sum. Turnover at RSE «Toshkent» during September made 15,709 billion sum.

Results of the exchanges at RSE «Toshkent» for 13.10.2008

Issuer	Type	Region	Sector	Max. Price of the deals, UZS/\$	Qty of the shares, units	Volume, sum
OJSC «Uzkurilishashyosavdo»	Ord.	Tashkent city	Construction	377,77	532 420	179 835 503
OJSC «Uzkimyosanoatloyiha»	Ord.	Tashkent region	Chemistry	\$10,00	5 915	78 864 104
JSC «Uztransgaz»	Prem.	Tashkent city	Energy	\$4,25	3 213	18 206 408
OJSC «Uzbekkumir»	Ord.	Tashkent city	Mining	\$11,50	400	6 133 134
OJSC «Kuvaycement»	Ord.	Fergana	Construction	20 000	142	2 840 000
OJSCB «Khamkorbank»	Ord.	Andijan	Bank	130	11 139	1 448 070
OJSC «Samgeoltechservis»	Ord.	Samarkand	Other	1 000	230	230 000
JV OJSC «Uzkabel»	Ord.	Tashkent city	Industry	1 500	21	31 500
Total:						287 588 719

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

General statistics of the market at RSE «Toshkent» since the beginning of 2008

	January	February	March	April	May	June	July	August
Total turnover (m. shares)	10,2	15,4	13,1	11,7	45,3	12,4	7,8	17
Total turnover (b. sum)	3,3	9,1	16,0	7,8	13,5	16,0	7,8	4,8
Average daily turnover (thousand shares)	537	734	688	534	2 158	592,6	370	810
Average daily turnover (m. sum)	175	433	844	353	643	761	370	199
The volume of primary distribution (m. sum)	918,5	2 121	8 857	2 008	5 068	4 139	0	1 603
Turnover in national currency (m. sum)	3 214	8 125	15 450	7 508	9 743	7 200	4 104	3 724
Turnover in USD (m. sum in equivalent)	120	961	594	264	3 760	8 783	3 663	458

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

Shares of the sectors at the exchange market from the beginning of 2008

Sector	January	February	March	April	May	June	July	August
Services	64%	72%	90%	72%	61%	40%	33%	52%
Industry	26%	16%	9%	19%	26%	59%	64%	35%
Agriculture	9%	12%	1%	8%	12%	1%	2%	6%
Other	1%	4%	0%	1%	1%	0%	1%	8%

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

Top -10 according to the turnover volume at the RSE «Toshkent» since the beginning of 2008

Company	Turnover volume, m sum		Last price, sum	Average price, sum	% of the charter capital	% of the volume for the year	Dividends in 2007, sum	
	Year	Month					sum	% of the nom.
Pakhta bank	14 588	1,6	1 000	1 058	29,1%	15,9%	160	16,0%
Kvartz	9 249	0,0	\$90,05	101 018	2 760,9%	10,1%	0	0,0%
Kizilkumcement	6 729	0,0	\$95	116 352	4,0%	7,3%	5 950	7,4%
Ipotekabank	6 644	3,3	1 000	1 050	9,8%	7,2%	120	12,0%
Alokabank	3 966	0,0	120	120	11,7%	4,3%	11	11,0%
Kapital sugurta	3 924	0,0	250	235	98,1%	4,3%	0	0,0%
Suvmash	2 976	0,0	\$42,47	\$42,47	262,7%	3,3%	2 534	25,3%
Kredit-standard	2 404	0,0	\$282,78	\$282,78	21,4%	2,6%	0	0,0%
Khamkorbank	2 304	1,5	130	103	21,8%	2,5%	400	400,0%
UzKKhMLizing	2 142	0,0	\$2	2 098	22,9%	2,3%	-	-

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

Main indicators for the year 2008, billion sum

	Last figures	A month ago	2007
Cumulative turnover of RSE	96,08	85,27	110,21
Cumulative turnover of ESNET	6,15	5,75	12,94
AWACRI, %	17,91	17,51	18,52
Refinancing rate of CB RUz, %	14,00	14,00	14,00
AIBC, units	1 226	1 228	1 079,94
Total assets of the banks	11 097,00	11 097,00	9 106,70
Total capital of the banks	1 657,00	1 657,00	1 349,60
Average price of property, \$/sq.m	814,00	785,00	727,00
Lease of offices, \$/sq.m	9,40	11,40	9,90
Trade volumes at the SEN	4,33	2,00	78,70
Exchanges amount at the SEN, thn.	0,22	0,3	9,70

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

Main indicators for the year 2008, billion sum

	Last figures	A month ago	2007
Cumulative turnover of RSE	94,68	78,02	110,21
Cumulative turnover of ESNET	5,78	5,45	12,94
AWACRI, %	17,91	17,51	18,52
Refinancing rate of CB RUz, %	14,00	14,00	14,00
AIBC, units	1 181	1263	1 079,94
Total assets of the banks	11 097,00	11 097,00	9 106,70
Total capital of the banks	1 657,00	1 657,00	1 349,60
Average price of property, \$/sq.m	814,00	785,00	727,00
Lease of offices, \$/sq.m	9,40	11,40	9,90
Trade volumes at the SEN	2,26	2,00	78,70
Exchanges amount at the SEN, thn.	0,45	0,3	9,70

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

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