

- **Uzbekistan will reduce cotton sown area**

It is planned to increase the land areas under ear grains, vegetables, oil-bearing crops and other bread grains by reducing the land areas under cotton, «gazeta.uz» reports.

- **East Telecom will increase the service speed**

East Telecom communication operator will finish modernization of NGN next spring, «gazeta.uz» informs referencing first deputy general director of the company Sung Yung Ug.

- **Comments on the results of trades in RSE "Toshkent"**

On October 22, 2008 the turnover of the stock exchange made more than 594m sum.

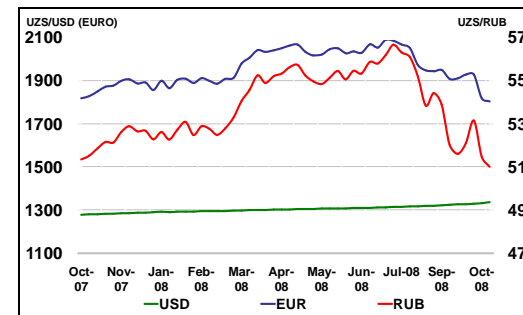
#### Official exchange rates of CB to the main international currencies (sum)

	21.10.2008	14.10.2008	Chg./%
1 USD	1 340,81	1 336,53	0,32↑
1 EUR	1 806,21	1 804,45	0,10↑
1 GBP	2 326,57	2 272,50	2,38↑
10 JPY	131,75	133,79	1,52↓
1 RUR	51,08	51,00	0,16↑

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

	22.10.2008	3-months change
Rate of CB RU	14,00	0%
UZIBOR (12 months)	13,50	0%
AWACRI	17,61	0%
AIBC	1 182,8	-9,38%

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

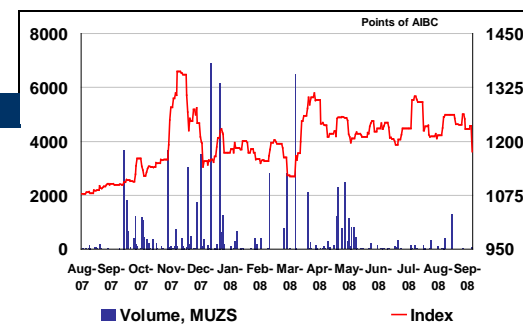


#### Main macroeconomic figures of Uzbekistan for 2004-2007

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 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»
- November 14:** Special meeting of the shareholders of OJSC «Kuvasaycement»
- November 21:** General meeting of the shareholders of OJSC «Delta Qurmah»

## Uzbekistan will reduce cotton sown area

The volumes of cotton production in 2009 will be reduced by 200 ths tons in Uzbekistan from the expected amount of collection this year (up to 3,4m tons), «gazeta.uz» reports. The reduction is anticipated by the decree of the President of Uzbekistan «On measures of optimization areas under crop, and increasing bread grain production».

Decrease of cotton harvest is related to reduction of cotton sown area in 2008-2009 by 75,8 ths ha to 1,314m ha. As it is noted in the decree, shortage of water recurring over several years is creating significant problems in cotton production, and is badly affecting its productivity.

Further optimization of sown area usage with the consideration of not only increasing resources deficit but also of growing production, and securing the food supply of the country is taking on a special significance.

It is planned to increase grain-crops sown area of the 2009 harvest by 48,8 ths ha up to 1,13m ha by decreasing cotton sown areas. Areas where crops as: vegetables, oil-bearing crops, and others are sown are going to be planted in the other areas.

According to the estimations, total area under all kinds of agricultural crops this year made 3,57m ha, which is by 8 ths ha more that it was planted in 2007.

About 3,6m tons of cotton and 1-1,2m tons of Balsam wool is produced in Uzbekistan annually. About 75% of the cotton produced is exported.

According to the estimations, Balsam wool production in Uzbekistan in 2008 might reach about 1m tons against 1,125m tons in 2007. 700 ths tons of that amount will be exported, and the other 300 ths tons will be processed in the local market.

## East Telecom will increase the service speed

East Telecom communication operator will finish modernization of NGN network next spring, reports «gazeta.uz» referencing to the first deputy general director of the company co Sung Yung Ug.

The company has invested about 27m USD this year into full covering the regions of Uzbekistan with optical cable and creating intra-areal connection rings of communication inside within the cities. The project on modernization and improvement of the network has been finished by 80% already. The transportation network will be fully put into operation by the end of March 2009.

Realization of the investment project will increase the capacity of NGN (Next Generation Network) capacity, and ensure providing services of a new generation on the basis of the company's main network. Sun Yung Ug has also told that, the mobile communication companies operating in Uzbekistan will also be able to use the main network of East Telecom.

JV East Telecom is the first communication operator in the country that is using technology and NGN multi-service telecommunication system solutions that, provides integration of traditional (telephone) communication services, and of a new ones (video-telephony, video-conference, interactive TV, and others). Korea Telecom owns 51% shares of the JV, Sumitomo – 34%, «Uzbektelecom» – 15%.

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

Total turnover of the stock exchange on October 22 of 2008 made more than 594m sum. 140 exchanges on the shares of 9 companies went through exchanges at RSE «Toshkent». 30 exchanges were held for national currency, 25 of them on premium shares, and the rest on ordinary shares.

110 exchanges were held for hard currency, 108 of them on ordinary shares of OJSC «Mubarekneftegazmontaj» for more than 60,9 ths USD (81,7m sum), and 2 on premium shares of JSC «Uztransgaz» for 4,4 ths USD (5,9m sum).

The greatest volume of sales was registered during one exchange on the shares of OJSC«Uzshakharxozlik liti» for 486,9m sum.

Total turnover at RSE «Toshkent» since the beginning of 2008 has reached 96,879 billion sum. Turnover at RSE «Toshkent» during September made 15,709 billion sum.

### Results of the exchanges at RSE «Toshkent» for 22.10.2008

Issuer	Type	Region	Sector	Max. Price of the deals, UZS/\$	Qty of the shares, units	% of the charter capital	Volume, sum
OJSC «Uzshakharxozlik liti»	Ord.	Tashkent city	Construction	291,7	1 669 333	15,4%	486 944 436
OJSC «Mubarekneftegazmontaj»	Ord.	Tashkent city	Energy	\$12,00	5 078	1,8%	81 703 598
JSC «Uzbektelecom»	Prem.	Tashkent city	Telecom	2 500	3 139	0,01%	7 847 500
OJSC «Chiment MTP»	Ord.	Fergana	Agriculture	1 735	4 043	14,3%	7 014 605
JSC «Uztransgaz»	Prem.	Tashkent city	Energy	\$4,25	1 039	0,0002%	5 920 682
OJSC «Uzneftegazqazibchiqarish»	Prem.	Tashkent city	Energy	1 350	2 133	0,002%	2 879 550
JSC «UzBMZ»	Ord.	Tashkent region	Agriculture	47 700	39	0,17%	1 860 000

OJSC «Uzbekkumir»	Ord.	Tashkent city	Energy	10 000	16	0,001%	160 000
OJSC «Toshneftegazqurilish»	Ord.	Tashkent city	Energy	1 227	62	0,009%	76 074
<b>Total:</b>							<b>594 406 745</b>

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	September
Total turnover (m. shares)	10,2	15,4	13,1	11,7	45,3	12,4	7,8	17	1,7
Total turnover (b. sum)	3,3	9,1	16,0	7,8	13,5	16,0	7,8	4,8	15,7
Average daily turnover (thousand shares)	537	734	688	534	2 158	592,6	370	810	81
Average daily turnover (m. sum)	175	433	844	353	643	761	370	199	748
The volume of primary distribution (m. sum)	918,5	2 121	8 857	2 008	5 068	4 139	0	1 603	1 965
Turnover in national currency (m. sum)	3 214	8 125	15 450	7 508	9 743	7 200	4 104	3 724	5 579
Turnover in USD (m. sum in equivalent)	120	961	594	264	3 760	8 783	3 663	458	10 130

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	September
Services	64%	72%	90%	72%	61%	40%	33%	52%	12,2%
Industry	26%	16%	9%	19%	26%	59%	64%	35%	86,6
Agriculture	9%	12%	1%	8%	12%	1%	2%	6%	0%
Other	1%	4%	0%	1%	1%	0%	1%	8%	1%

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	14 590	18,1	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	6 647	5,6	1 530	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%
Suv mash	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	2 313	10,4	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	96,88	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	1 183	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

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Trade volumes at the SEN	2,77	2,00	78,70
Exchanges amount at the SEN, thn.	0,27	0,3	9,70

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

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