

### Investment vector of attraction

In 2009 Uzbekistan plans to assimilate foreign investments of 1,864 bln USD on 86 investments projects, «gazeta.uz» informs.

### Cement prospects of Surkhandarya

At the beginning of 2009 Russian «Kompaniya nefti I gaza» plans to build a cement plant for a total of about 50 mln USD in Surkhandarya region in the South of Uzbekistan, «gazeta.uz» reports.

### Uzbek government sells 49% shares of «Navoiyazot»

Uzbek government has made a decision on sales of the state share holding of OJSC «Navoiyazot» at the public exchange, «12.uz» says.

### «Uzbekiston temir yullari» have transferred 10,6 mln passengers

During the first nine months of current year «Uzbekiston temir yullari» has transferred 10,6 mln passengers, which is by 1,3 mln more than in the same period of last year, «gazeta.uz» states.

## Daily Update

October 28, 2008

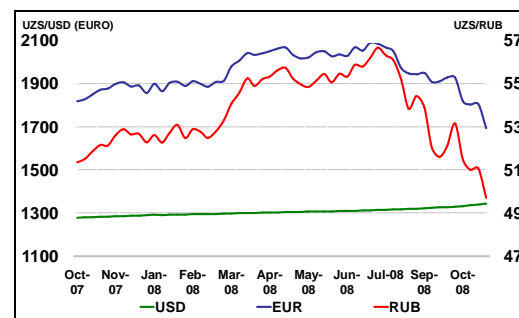
### Official exchange rates of CB to the main international currencies (sum)

	28.10.2008	21.10.2008	Chg./%
1 USD	1 345,43	1 340,81	0,34↑
1 EUR	1 694,70	1 806,21	6,17↓
1 GBP	2 118,11	2 326,57	8,96↓
10 JPY	143,16	131,75	8,66↑
1 RUR	49,72	51,08	2,66↓

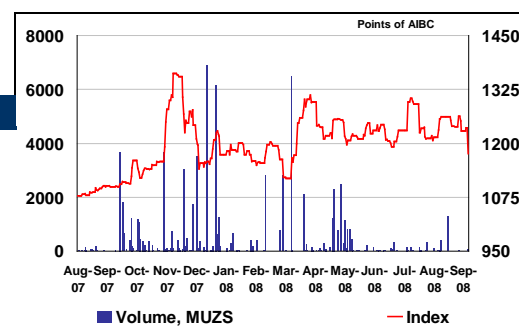
### Main interest rates in national currency (in % annual)

	28.10.2008	3-months change
Rate of CB RU	14,00	0%
UZIBOR (12 months)	13,75	0%
AWACRI	17,61	0%
AIBC	1 265,1	+3,30%

### 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	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

## Events Calendar

- 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»

**Investment vector of attraction**

In 2009 Uzbekistan plans to assimilate 1,864 bln USD of foreign investment on 86 projects, *«gazeta.uz»* reports. 481,75 mln of the mentioned amount is projected to be assimilated under state guarantee on 47 projects, and 1,382 bln USD of foreign direct investments on 39 projects.

The greatest amount of investments 1,061 bln USD on 17 projects is planned to be received in energy sector. 970,95 mln USD of them is going to be invested into 13 projects in oil-and-gas branch due to the direct investments of foreign companies.

In particularly, Chinese CNPC will be investing 244,4 mln USD in construction of Uzbek part of «Srednyaya Azia-Kitay» gas-pipeline for the total cost of 2,9 bln USD. International consortium lead by KOGAZ will start realization of the project on construction of gas-chemical center at «Surgil» field of Ust Yurt for the total of 1,5 bln USD. Total volume of investments planned for the next year is 145 mln USD.

Russian «Lukoil» will continue realization of the project for the total cost of about 2 bln USD on assimilation of the gas fields at Kandim group of Bukhara region, and geological exploration works at Ust Yurt (121,2 mln USD in 2009). The company will also start processing fields at Ust Yurt and Southern Gissar for the total of 462 mln USD. The company intends to invest 116 mln USD this year.

In 2009 Malaysian Petronas plans to start extracting hydrocarbon within the limits of two projects for the total cost of 1,16 bln USD. Particular, the company will be investing 50 mln USD into processing the fields at Ust Yurt within ADP for the cost of 500 mln USD.

Petronas is also intended to begin extracting gas at the fields of Surkhandarya region for 660 mln USD, planning to compile the second ADP by the end of 2008. Investments to be made into this project next year make 72,4 mln USD.

«Gazprom» will be investing 35,5 mln USD into holding geological exploration works at Ust Yurt region with the total amount of 400 mln USD to be made by the end of 2010.

Swiss Zeromax GmbH will continue exploration of oil-and-gas carrying fields at Gissar region of South Western Uzbekistan for the total of 400,5 mln USD. The amount of investments planned for 2009 makes 51,8 mln USD. The company is also going to continue geological exploration in Bukhara-Khiva region for the cost 238,7 mln USD, and 55 mln USD in 2009 only.

Consortium of investors including «Uzbekneftegaz», Russian «Lukoil Overseas», Malaysian Petronas, Korean KNOC and Chinese CNPC will finish geological exploration at Uzbek part of Aral Sea in accordance with the conditions of ADP for the total of 99,8 mln USD. It is planned invest 45,2 mln USD for those projects in 2009.

In the sphere of power industry it is planned to finish two projects for the total of 146,7 mln USD with participation of Islamic bank's investment of 55,3 mln USD in 2009.

Particularly, SJSC «Uzbekenergo» will be implementing a project on construction of VI 500 kWt Sirdarya HGS-PS «Sogdiana» for the total of 53,7 mln USD in 2009. It is also planned to build VI 500 kWt «Guzar-Surkhan» for the total of 93 mln USD next year.

In communication sphere it is planned to assimilate 220,57 mln USD of investments on four projects, 200,2 mln USD of which will make investments into mobile communication operators. Particularly, FE «Uzdunrobita» (subsidiary of Russian MTS) plans to invest 120 mln USD into development of the network, «Unitel» LLC (subdary of «Vimpelcom») – 19 mln USD, and Coscom LLC (controlled by TeliaSonera) – 61,2 mln USD.

In accordance with the program foreign companies plan to invest direct investments of 87,2 mln USD on seven projects into development of textile industry of Uzbekistan in years 2008-2012.

In chemical industry Russian Western Ural machine-building center and Chinese CITIC will finish construction of Dekhkanabad plant of potassium fertilizers in the South of the country for the total of 123,7 mln USD. In 2009 it is planned to assimilate 16,4 mln USD of foreign credits within the framework of the project.

In the sector of construction materials production it is planned to receive 72,5 mln USD from foreign investments on three projects. German Knauf will continue realization of the project on organization of gypsum plasterboard production for the total of 62 mln USD. Kazakh «Kaspiyskiye resursi» will finish modernization of two cement plants controlled by the company «Kuvasaycement» and «Bekabadcement» for the total of 197 mln USD.

It is planned to assimilate 90,7 mln USD in 2009 in infrastructure. Particularly, the mountainous area of Tashguzar-Boysun-Kumkurgan line in the sphere of railway transportation will be finished due to the means of JBIC Japanese bank (32 mln USD). Moreover, electrification of Tashkent-Angren road will be held for 80 mln USD.

Reconstruction of regional motor ways of the country for the total of 180 mln USD will be continued due to 75,3 mln USD of ABD. It is planned to invest 58,6 mln USD into the project in 2009.

Investments of 137,8 mln USD will be directed to the social sphere next year. Particularly, realization of the projects on equipping enterprises of social purposes (schools, hospitals, rehabilitation centers) with necessary technology is going to be implemented due to the funds of international financial institutions provided under the guarantee of Uzbek government.

Another 71,2 mln USD is planned to be received on realization of 11 reclamation-irrigation projects in 2009. Particularly, reconstruction of Amu-Sangak channel pumping installation with the total amount of 73,2 mln USD (24,45 mln USD in 2009); installation of two energy aggregates for small HPS for the total of 15,9 mln USD; and reconstruction of three pumping stations due to the credits of Chinese Eksimbank for the total of 10 mln USD will be finished.

This year Uzbekistan plans to assimilate 1,435 bln USD on 79 investment projects. The amount of foreign investments received in 2007 according to the results 9 months had increased by 12,9% in comparison with the amount received during the nine months of 2006 and made 1,014 bln USD.

### **Cement prospects of Surkhandarya**

Russian «Kompaniya nefti i gaza» plans to construct a cement plant for a bout 50 mln USD in Surkhandarya region in Southern Uzbekistan at the end of 2009, «*gazeta.uz*» writes.

The company has created a subsidiary FC «Surkhancementinvest» LLC for realization of the project. Planned capacity of the plant, construction of which had started in September, makes 360 ths tons of cement a year with application of shaft furnaces. Up to 60% of the production is planed to be exported to the neighboring countries.

The technology of cement production with the usage of shaft furnaces allows decreasing the sizes of production fields and heat expenses, which in its own turn results in decrease of capital expenditure. Financing of the project will be carried out on the means of Russian company's direct investments.

2 more new plants with the total capacity of 2,7 mln tons a year for the cost of 450 mln USD are planned to be built in Surkhandarya region by the end of 2012.

Particularly, Korean Natural Cement and Uzbek Asia Cement International LLC have created a JV Natural Cement Group for construction of a plant with the capacity of 1,7 mln tons and the cost of about 300 mln USD. Another South Korean comany Dseko Posko plans to build a plant with the capacity of 1 mln tons and the cost of 150 mln USD in the region within five years.

Moreover, it is planned to build six more cement plants with the capacity of 9,5 mln tons and the total cost of 1,415 bln USD in Uzbekistan within the years 2008-2012. Financing of the plants that are being constructed will be carried on the means of foreign direct investment, own means of the enterprises, and credits attracted without governmental guarantee.

Besides the plant in Surkhandarya region, there are plans of building plants in Djizakh region with the capacity of 3 mln tons, in Kashkadarya region and Karakalpakstan 1,5 mln tons each, and in Tashkent region 800 ths tons.

According to the results of 2007 the amount of cement produced in Uzbekistan has increased by 6,6% in comparison with 2006 and has made up 5,95 mln tons. The export volume at that time made 77,5 mln USD (1,5 times more).

There are six cement plants with the set capacity of 6,5 mln tons are operating in the country at the moment. The largest ones among them are OJSC «Kizilkumcement» (3,08 mln otns), OJSC «Akhangarancement» (1,74 mln tons), and OJSC «Kuvayacement» (920 ths tons). 72% of the total amount of construction materials produced in the country, and 75% of the exported construction goods fall on the share of cement producing enterprises.

During the recent years the government of Uzbekistan managed to sell controlling or retaining package of securities of three out of four largest cement plants to foreign investors.

Particularly, Russian «Euro cement group» has purchased 75% shares of OJSC «Akhangarancement» (Tashkent region) from Uzbek-Swiss JV «Bentonit» and its founder Swiss Zeromax; Kazakh TOO «Kaspiyskie resurci» has bought out controlling package of OJSC «Kuvayacement» (Fergana region) and OJSC «Bekabadcement» (Tashkent region). At the same time the government has decided to keep control over OJSC «Kizilkumcement», the largest cement producer in the country.

### **Uzbek government is selling 49% shares of «Navoiyazot»**

Uzbek government has decided to sell state owned shares of OJSC «Navoiyazot» at public exchanges under determined investment responsibilities on modernization, technical and technological re-equipment of production, output of competitive export-oriented goods on the basis of State tender committee decision, «*12.uz*» reports.

The amount of not registered (state owned) shares of OJSC «Navoiyazot» makes 49%.

Nowadays, OJSC «Navoiyazot» is one of the leading mineral fertilizer producing enterprises of the country. It is the top «nitron» synthetic fiber producing company. The company's share makes 30% of the whole output of Navoiy region industry. Within the framework of the investment program, there has been constructed a line on liquidated chlorine, chlorine products and hydrate of sodium (this will create additional currency saving for the company and give opportunities to increase production of liquidated chlorine, hypochlorite sodium and hydrochloric acid).

Moreover, during the years 2008-2012 OJSC «Navoiyazot» will be holding modernization of production for the total cost of 40,4. It is planned to fulfill complex reconstruction of nitric acid aggregates on basis of a new energetic and technological equipment for the total of 21,6 mln USD within this modernization. At the moment, a tender on selection of a turnkey contractor for given. It is also planned to enable some of the aggregates previously used only for steam output, and consequently, to increase production of ammonium nitrate up to the level of 100% of aggregates' capacity.

In 2010 it is planned to start granulating ammonium nitrate with addition of phosphor material, supplied by Kizilkum phosphorite center, the main supplier of phosphorite in the country. Introduction of the new technology for the total of 2,5 mln USD will allow production of up to 180 ths tons of complex phosphorite-ammonium fertilizer annually. Additionally, introduction of energy saving units for the total cost of about 16 mln USD will be held in production centers of «Navoiyazot» within the next five years. In particular, it is planned to reconstruct natural gas conversion unit on

«Tandem» scheme for the total of 5,8 mln USD by the end of 2009. Along with that technologies on extracting liquidated cyanogens salts from reactionary gases are being introduced, two steam builders are being installed for utilization of oxide-carbonic fraction combustion, replacement of reactor burners at acetylene center is being carried out, and the scheme purification and utilization of water carrying gas from ammonium nitrate center is being developed.

OJSC «Navoiyazot» is sole production-economic unit that consist of interrelated technological chains. Its organizational structure is built on basis of full centralization of management, in other words with the whole enterprise management personnel. Besides the nitrogenous group of plants, and ancillary units, the enterprise has none-production group of plants that includes planting of greenery and welfare plant, a sanatorium-preventorium, a library, a stadium, and «Oftobjon» recreation area.

The main activity of the enterprise is realization of mineral fertilizers, «nitron» fiber, acetaldehyde, acetic acid, sulphate ammonium, consumption goods and other chemical production. Main types of chemical production of the enterprise are technical ammonium, caustic soda, chlorine and chlorine products, prussic and acrylic acids, cyanogens salts, methanol adobe, granulated polyacrylamide, gum and unifloc. The production of the enterprise includes more than 90 types of chemical and other types of production, that is used in agriculture (mineral fertilizers), light industry (nitron fiber, acetate natrium), furniture production (glue, fabrics).

Gold extracting industry cannot exist without cyanic natrium, polyacrylimide, and ammonium water produced at OJSC «Navoiyazot». Acetate natrium is used in medicine and airline industry, the latter one requires zinc nitrate; oil-and-gas industry consumes methanol, and construction industry acetylene and oxygen. More than 50% of the production of OJSC «Navoiyazot» consists of ammonium nitrate that is mainly consumed by subdivisions of TAO «Kishlokkhujalikkimyo» («Selkhozkhimiya»).

Main customers of the enterprise in the international market are CIS countries (Russia, Ukraine, Byelorussia, Kazakhstan, Tajikistan, Turkmenistan) and far foreign countries (Iran, Pakistan, Turkey, China, Afghanistan, India), particularly, «SESLI TEKSTIL SAN ve TIC.A.S.» (Turkey), «Pumice Trading Co LTD» (UK), SJSVC «Markazsanoateksport», «Intercoop Management» company (Sweden), Dmitrievskiy ximicheskiy zavod, JV «Zarafshon Newmont», and OJSC «Elektrosanoat».

Navoiy chemical center had been put into operation in 1964. In 1975 it was reformed to production unit (PU) «Navoiyazot», in 2002 into open joint stock company «Navoiyazot». A unit of nitrile acryl acid has been operating at the enterprise since 1970. Production of «nitron» fiber and accelerator has been put into operation in 1977. Thiourea, and hydrochloric acid production units have been operating since 1988. The center on production of caustic soda and liquidated chlorine is functioning since 2001.

### **«Jelezniye dorogi Uzbekistana» have transported 10,6 mln people**

During the first nine months of current year «Uzbekiston temir yullari» has transported 10,6 mln passengers, which is by 1,3 mln more than during the same period of the last year, «gazeta.uz» informs.

Average admission of the carts made 33,6 people that is 11,6% higher than the figure for the corresponding period of 2007. Total passenger turnover made 1,83 bln passenger-kilometers or by 11% more than during the nine months of the last year.

As the president of the company Achilbay Ramatov said at the board of directors that took place last week, 46,5 mln tons of cargo (increase of 8,7%) has been transferred in January-September. Total cargo turnover made 17,1 bln tons-kilometers (increase of 7,1%).

Industrial goods for the total of 86,3 bln sum in comparable prices, or in other words by 11,1% more than in corresponding period of the last year were produced by enterprises of «Uzbekiston temir yullari» during the nine months.

State joint stock railway company «Uzbekiston temir yullari» was formed in November of 1994 on basis of former Central Asian railway situated on the territory of Uzbekistan.

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

Total turnover of the stock exchange on October 28 of 2008 made more than 49,1m sum. 12 exchanges on the shares of 5 companies and 2 banks went through exchanges at RSE «Toshkent». 11 exchanges were held for national currency, 10 of them on ordinary shares, and 1 on premium shares. One exchange was held for hard currency.

The greatest amount of sales was held on ordinary shares of OJSCB «Khamkorbank» - 36,2 mln sum, the amount was received during 2 exchanges. Both of the exchanges were held for the price of 131 sum for a share. As a whole, 276 298 ordinary shares of the bank have participated at the exchanges. However, this amount makes only 0,15% of the total shares issued by the bank. Moreover, one exchange on premium shares of another bank JSCB «UzPSB» took place today, as well. 97 shares for the price of 3000 sum per share participated at the exchanges.

The next larges issuer for the day was OJSC «Sirdaryo vino» that received 6,3 mln sum from 2 exchanges. It is followed by OJSC «Toshkentdonmakhsulot», whose shares were traded for hard currency. Thus, shares of the food industry representative were traded for the price of 0,55 USD (740 cym) for a share. 6240 ordinary shares for the total of 4,6 mln sum participated at the exchanges.

4 exchanges were held on the shares of OJSC «Samarkand liftsozlik zavodi», but the amount received from exchanges didn't exceed 500 ths sum.

Total turnover at RSE «Toshkent» since the beginning of 2008 has reached 96,888 billion sum. Turnover at RSE «Toshkent» during September had made 15,709 billion sum.

### Results of the exchanges at RSE «Toshkent» for 28.10.2008

Issuer	Type	Region	Sector	Max. Price of the deals, UZS/\$	Qty of the shares, units	% of the charter capital	Volume, sum
OJSCB «Khamkorbank»	Ord.	Andijon	Bank	131	276 298	0,15%	36 195 038
OJSC «Sirdaryo vino»	Ord.	Sirdarya	Food	305	20 744	5,25%	6 326 920
OJSC «Toshkentdonmakhsulot»	Ord.	Tashkent city	Food	\$0,55	6 240	0,02%	4 617 516
OJSC «Karakalpkastan dan onimlari»	Ord.	Karakalpkastan	Food	750	978	0,18%	733 500
OJSC «Chimen MTP»	Ord.	Fergana	Agriculture	1 735	288	1,02%	499 680
OJSC «Samarkand liftsozlik zavodi»	Ord.	Samarkand	Engineering	4 450	108	0,34%	480 600
OJSCB «UzPSB»	Prem.	Tashkent city	Bank	3 000	97	0,0003%	291 000
<b>Total:</b>							<b>49 144 254</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	6 646	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%
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	2 350	46,6	131	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	96,89	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	1 265	1 228	1 079,94
Total assets of the banks	11 798,00	11 097,00	9 106,70
Total capital of the banks	1 760,00	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	2,77	2,00	78,70
Exchanges amount at the SEN, thn.	0,27	0,3	9,70

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

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