

Uzbekistan Daily

Review of Main Economic Events

- Chemical industry has produced output for \$480 mln**
 The export rate of chemical goods mad more than 170%.
- «Microcreditbank» is increasing its capital**
 According to the document the charter capital of «Microcreditbank» will be increased through issuing shares for the total of 72 bln sum.
- JV «Gissarneftegaz»: a new well was put into operation**
 Commercial gas flow rate of 750 ths cubic meters, and 100 tons of condensate daily was received while holding testing under 3 184 meters of depth.
- \$623 mln for improving water quality**
 The greatest amount of credits, 365,7 mln USD for realization of 12 projects, is planned to be attracted from Chinese government
- Comments on the results of trades in RSE «Toshkent»**
 Total turnover of the stock exchange on November 12 of 2008 made more than 189 mln sum.

Daily Update

November 13, 2008

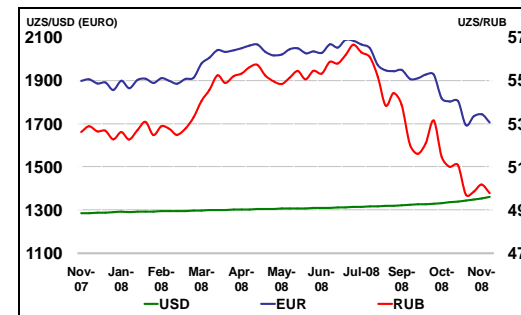
Official exchange rates of CB to the main international currencies (sum)

| | 11.11.2008 | 28.10.2008 | Chg./% |
|--------|------------|------------|--------|
| 1 USD | 1 355,38 | 1 350,26 | 0,38↑ |
| 1 EUR | 1 744,37 | 1 734,95 | 0,54↑ |
| 1 GBP | 2 145,02 | 2 194,98 | 2,28↓ |
| 10 JPY | 137,24 | 136,17 | 0,79↑ |
| 1 RUR | 50,19 | 49,86 | 0,66↑ |

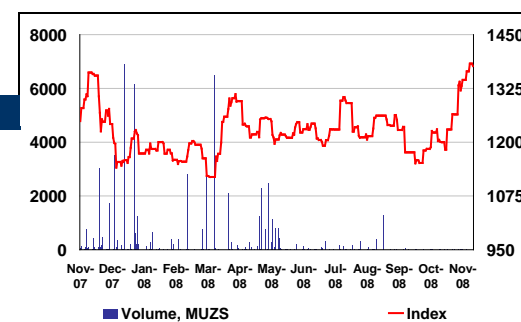
Main interest rates in national currency (in % annual)

| | 13.11.2008 | 3-months change |
|--------------------|------------|-----------------|
| Rate of CB RU | 14,00 | 0% |
| UZIBOR (12 months) | 13,75 | 0% |
| AWACRI | 17,61 | 0% |
| AIBC | 1 364,7 | +12,41% |

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 | 9M 2008 |
|--------------------------------------------|------|------|------|------|------|------|---------|
| GDP, trillion sum | 7,45 | 9,8 | 12,2 | 15,2 | 20,8 | 28,2 | 24,7 |
| Real GDP growth, % | 4,0 | 4,4 | 7,7 | 7 | 7,3 | 9,5 | 9,4 |
| 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 | 15,7 |
| Inflation, % | - | 3,8 | 3,7 | 7,8 | 6,8 | 6,8 | 4,5 |

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

Events Calendar

- November 14:** Special meeting of the shareholders of OJSC «Kuvasaycement»
- November 15:** Special meeting of the shareholders of OJSMCB «Ipak Yuli»
- November 21:** General meeting of the shareholders of OJSC «Delta Qurmah»
- November 27:** Special meeting of the shareholders of OJSC «Republic Stock Exchange «Тoшкент»
- December 4:** Special meeting of the shareholders of OJSC «Uzsuvloyiha»

Chemical industry has produced output for \$480 mln

The production volume of chemical enterprises of Uzbekistan during the third quartile of 2008 has exceeded 648 bln sum (480 mln USD), «12.uz» reports.

The total of consumer goods produced made 34,2 bln sum (25,3 mln USD), of mineral fertilizers 795,6 ths tons, of which nitrogenous ones 685,8 ths tons, and phosphorous ones 109,8 ths tons. The export rate of chemical goods made more than 170%.

One of the key roles in those achievements have played the realization of the program on modernization, technical and technological re-equipment of chemical enterprises for the years 2007-2011, and the entrance of new chemical enterprises the industry. Thus, Kungrad soda plant that provides its products not only to the local market, but also is engaged in soda ash export to Maylisuy electric light bulb plant in Kyrgyzstan with the total production volume of more than four ths tons was built as a joint venture with Chinese «Sitic» engineering company. Another example would be Broyan chemical company (Russia), where nine ths tons of soda ash was sent. The products of the company are also purchased by «Power Global Engineering» limited liability company from Kazakhstan, and «Летрех-инвест» from Turkmenistan. The number of the company's partners who are outputting production using local raw materials is also increasing. At the moment, the enterprise is working in 80% of its planned capacity, which makes 100 ths tons of soda ash annually.

Special emphasis in modernization of technological processes at the enterprise is put on realization of the projects that would enable the enterprise to produce new types of products, and increase the productivity.

It should be noted, the program on modernization, technical and technological re-equipment of chemical enterprises for the years 2007-2011 covers realization of 30 projects with the projected cost of 280 mln USD. Full implementation of the program will result in decrease of energy content, increase of export potential of the sector, and in raising the production volume by 1,4 times.

«Microcreditbank» is increasing its capital

Joint stock commercial «Microcreditbank» will double its charter capital in 2008-2009 increasing it up to 150 bln sum, «gazeta.uz» informs.

This action was foreseen by the decree of the President of Uzbekistan «On measurements of further expansion of activities of JSCB «Microcreditbank»», signed on November 10.

According to the document the charter capital of «Microcreditbank» will be increased through issuing shares for the total of 72 bln sum. Allocation of the shares is foreseen by closed subscription among current shareholders of the bank. Besides, Central bank of Uzbekistan that will purchase 40 bln sum worth securities will also become a shareholder of the bank. Correspondingly, the state owned share (in the person of Ministry of Finance and Central banks) of the charter capital of the bank will make 80%.

«Microcreditbank» was created in accordance with Presidential decree in May of 2006 on the basis of «Tadbirkor» commercial bank with the charter capital of 15 bln sum and 50 mln USD (in equivalent of foreign currency). The bank specializes in providing wide range of banking and consulting services to small-scale businesses, private enterprises, and farm owners.

At the moment the charter capital of the bank makes 78 bln sum, where the share of the main shareholder, the ministry of Finance makes 80%. Four of the largest Uzbek banks are also among its shareholders: National bank (2,6%), «Asaka» bank (2%), Uzpromstroybank and «Pakhta-bank» (1,35% each), besides, «Uzbekinvest», Uzbekistan banks association, «Uzbekneftegaz», «Uzbektelecom» (1,35% each), «Uzchimprom», «Uzagromashservis» and Chamber of commerce and industry of Uzbekistan (0,65% each). Generated charter capital of «Tadbirkorbank» in the volume of 4 bln sum (5,35%) was considered in forming the charter capital of «Microcreditbank».

JV «Gissarneftegaz»: a new well was put into operation

JV «Gissarneftegaz», created on parity basis with NHC «Uzbekneftegaz», has put a new well at Beshkent field, situated in Kashkadarya region of Uzbekistan into operation, stated on the web site of «Zeromax GmbH» company.

Drilling of the well №10 at condensate field Beshkent had been started on July 24 and finished on November 11 of current year. Commercial gas flow rate of 750 ths cubic meters, and 100 tons of condensate daily was received while holding testing under 3 184 meters of depth.

Currently 17,750 mln cubic meters of natural gas and 1 860 tons of liquidated nitrogen is being received at the fields of JV «Gissarneftegaz» daily.

All the natural gas, extracted by the JV, is being exported. Oil and gas condensate are being sold in the local market of the country after being processed.

\$623 mln for improving water quality

In 2008-2009 Uzbek government plans to attract foreign credits for 622,5 mln USD in order to fulfill the investment projects on providing drinking water for population, «gazeta.uz» writes.

Loans will be attracted with the aim of realization of the investment program approved by the government that includes 23 projects on reconstruction and expansion of current water systems, construction of new water supply and water intake facilities. The program is being completed with the support of international financial institutions.

The greatest amount of credits, 365,7 mln USD for realization of 12 projects, is planned to be attracted from Chinese government from the funds reserved for ShOA countries.

Funds of International reconstruction and development bank (from World bank group) are to be attracted for implementation of the four projects for the total of 76 mln USD.

Two projects for the cost of 69,6 mln USD will be fulfilled due to the funds of Islamic development bank, another two for 60,2 mln USD with the funds of Asian development bank, and with the credits from Eksimbank of South Korea four projects for the total of 51 mln USD.

Comments on the results of trades in RSE «Toshkent»

Total turnover of the stock exchange on November 12 of 2008 made more than 189 mln sum. 25 exchanges on the shares of 8 companies went through exchanges at RSE «Toshkent». All the exchanges were held for national currency.

The greatest amount of sales was held on ordinary shares of OJSC «Uzkirilishashesavdo» for 173 mln sum. This amount was registered during 1 sale.

Total turnover at RSE «Toshkent» since the beginning of 2008 has reached 99,178 billion sum. Total turnover at RSE «Toshkent» for October made 2,494 bln sum.

Results of the exchanges at RSE «Toshkent» for 12.11.2008

| Issuer | Type | Region | Sector | Max. Price of the deals, UZS/\$ | Qty of the shares, units | Volume, sum |
|-------------------------------|-------|----------------|---------------|---------------------------------|--------------------------|--------------------|
| Uzkurilishashesavdo | Ord. | Tashkent city | Trade | 325 | 532 420 | 173 036 595 |
| Termezskeya ptisefabrika | Ord. | Surkhondarya | Agriculture | 2 000,25 | 6 381 | 12 763 595 |
| Uzbektelecom | Prem. | Tashkent city | Communication | 1 090 | 1 977 | 2 154 930 |
| Portillashanoat | Prem. | Tashkent city | Industry | 25 000 | 30 | 750 000 |
| Kashkadaryo parmalash ishlari | Ord. | Kashkadarya | Industry | 28 150 | 10 | 281 500 |
| Delta qurmah | Ord. | Tashkent city | Construction | 4 176 | 50 | 208 800 |
| Kamalak | - | Andijan | Other | 500 | 65 | 32 500 |
| Eggar | Ord. | Karakalpakstan | Food | 14 595 | 1 | 14 595 |
| Total: | | | | | | 189 242 516 |

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 | 0,0 | 1 050 | 1 090 | 29,1% | 15,9% | 160 | 16,0% |

| | | | | | | | | |
|-----------------|-------|-----|----------|----------|---------|-------|-------|--------|
| Kvartz | 9 250 | 1,8 | 92 000 | 101 018 | 2760,9% | 10,1% | 0 | 0,0% |
| Kizilkumcement | 6 729 | 0,0 | \$95 | 116 352 | 4,0% | 7,3% | 5 950 | 7,4% |
| Ipotekabank | 6 646 | 0,0 | 1 100 | 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 | 2 356 | 6,5 | 130 | 103 | 21,8% | 2,5% | 40 | 400,0% |
| UzKKhMLizing | 2 200 | 2,7 | 2 200 | 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 | 98,97 | 94,46 | 110,21 |
| Cumulative turnover of ESNET | 6,15 | 5,78 | 12,94 |
| AWACRI, % | 17,91 | 17,51 | 18,52 |
| Refinancing rate of CB RUz, % | 14,00 | 14,00 | 14,00 |
| AIBC, units | 1 364,72 | 1 176,40 | 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 | 804,00 | 814,00 | 727,00 |
| Lease of offices, \$/sq.m | 9,40 | 9,40 | 9,90 |
| Trade volumes at the SEN | 2,76 | 2,00 | 78,70 |
| Exchanges amount at the SEN, thn. | 0,24 | 3,20 | 9,70 |

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

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