

22 January 2010

## Daily review of economic news of Uzbekistan

- ✓ Uzbekistan's economy to grow by 6.5% in the next two years.
- ✓ AGMK realizes US \$ 98.7mln project at Kalmakyr mine
- ✓ EDCF allocates US\$ 80mln to Uzbekistan in 2010-12
- ✓ RA's expert withdraws UzPSB bank's rating
- ✓ Qishloq Qurilish Bank raises charter capital to 150 bln soums
- ✓ Agrobank's assets increased by 44.3% in 2009
- ✓ NBU issues 100 bln soums corporate bonds
- ✓ Stock market review
- ✓ Investment Calendar

UZBEKISTAN ECONOMY REVIEW

### Equity Indexes

| 22-Jan-10      | Value  | Δ       | % Δ   |
|----------------|--------|---------|-------|
| DJIA           | 10,390 | -213.27 | -2.0% |
| S&P 500        | 1,116  | -21.56  | -1.9% |
| NASDAQ         | 2,266  | -25.55  | -1.1% |
| FTSE 100       | 5,274  | -61.00  | -1.1% |
| NIKKEI 225     | 10,591 | -277.86 | -2.6% |
| Rus. MICEX     | 1,399  | -37.36  | -2.6% |
| Rus. RTS       | 1,485  | -45.20  | -3.0% |
| Ukr. Eq. Index | 1,592  | -48.40  | -3.0% |
| Kazak. KASE    | 1,859  | -58.87  | -3.1% |
| Uzbek. TASIX   | 75     | 0.00    | 0.0%  |

Source: Bloomberg (17.30 Tashkent time)

### Commodity Futures

| 22-Jan-10                      | Value    | Δ     | % Δ    |
|--------------------------------|----------|-------|--------|
| Oil Brent Crude Futr (USD/bbl) | 74.43    | -0.15 | -0.20% |
| Oil WTI Crude Futr (USD/bbl)   | 75.89    | -0.19 | -0.25% |
| Gas Natural Futr (USD/MMBtu)   | 5.73     | 0.12  | 2.05%  |
| Cotton No.2 Futr (USD/lb)      | 71.75    | -0.10 | -0.14% |
| Gold 100 oz Futr (USD/t oz.)   | 1,094.70 | -8.50 | -0.77% |
| Silver Futr (USD/t oz.)        | 17.39    | -0.13 | -0.71% |
| Copper Futr (USD/lb)           | 330.25   | 0.75  | 0.23%  |

Source: Bloomberg (17.30 Tashkent time)

### Exchange rate

| 22 Jan 2010 | UZS      |
|-------------|----------|
| USD         | 1,520.76 |
| EUR         | 2,203.12 |
| GBP         | 2,480.06 |
| JPY         | 16.74    |
| RUR         | 51.45    |

Source: CB UZ

**22 January 2010**

**Uzbekistan's economy to grow by 6.5% in the next two years.**

Gross domestic product (GDP) of Uzbekistan will grow by 6.5% in 2010 and 2011, World Bank reported in its Global Economic Prospects 2010, released on 21 January 2010.

Uzbekistan state authorities plans an 8.3% GDP growth in 2010. Economist Intelligence Unit (EIU) forecasted that Uzbekistan GDP will grow by 8.1% in 2010 and will be one of the fastest growing economies in the world.

World Bank estimated current account balance to GDP ratio of Uzbekistan at 16.9% in 2009. The bank assumed that this ratio will rise to 20.4% in 2010 and decrease to 19.2% in 2011.

*Source: UzDaily.com*

**AGMK to realize US \$98.7mln project at Kalmakyr mine**

Open joint stock "Almalyk Mining and Metallurgy Combine" (AGMK) will invest US\$ 98.7 million in reconstruction and expansion of Kalmakyr mine. Kalmakyr mine is the main resource base of the company.

Currently AGMK started initial stage of mine reconstruction, which will be completed in the beginning of 2012. The project implementation will raise ore mining capacity by 3.5 million a year. AGMK plans to construct fourth trans-shipping line and reconstruct railroad. The company will also buy mine transport.

Fund for Reconstruction and Development of Uzbekistan allocated US\$ 63 million, local commercial banks issued US\$ 20 million loan and AGMK will direct US\$ 15.7 million to support the project.

*Source: UzDaily.com*

| <i>Macro Data Uzbekistan</i> | 2008  | 2009  | 2010* |
|------------------------------|-------|-------|-------|
| Real GDP (current bln USD)   | 27.9  | 29.9  | 35.8  |
| GDP growth rate              | 9%    | 7%    | 7%    |
| CPI (year average)           | 12.7  | 12.5  | 9,5   |
| Current account (bln USD)    | 3.56  | 2.20  | 2.30  |
| Current account (% of GDP)   | 12.8  | 7.4   | 6.41  |
| Exchange rate (year average) | 1,323 | 1,469 | 1,544 |
| CBUz refinancing rate        | 0.14  | 0.14  | 0.14  |
| Population, mln              | 28    | 28    | 29    |
| Unemployment, %              | 0.3   | 0.3   | 0.3   |

*Source: Uz. State Committee, IMF, \*OCM Estimates*

Kalmakyr mine is among ten largest copper mining enterprises of the world. The mine has been developed since 1954. Along with copper, Kalmakyr mine contains gold, silver, molybdenum, selenium, tellurium and rhenium.

22 January 2010

**EDCF allocates US\$ 80mln to Uzbekistan in 2010-2012**

The Economic Development Cooperation Fund (EDCF, Korea) will issue US\$ 80 million loan to Uzbekistan in 2010-2012. The loan will support economic and social development of Uzbekistan.

The corresponding agreements were reached during the visit of the Director-General of the Ministry of Strategy and Finance of Korea Joo Hyung Hwan to Uzbekistan (18-21 January).

EDCF plans to raise financing from US\$ 120 million to US\$ 200 million due to “green development” projects and projects in communal and electrotechnical industry.

In particular, Uzbekistan will receive US\$ 15 million for creation of national Geographic Information System (GIS) and US\$ 17.6 million for reconstruction of clearing establishments in Navoi.

*Source: UzDaily.com*

**Expert RA withdraws UzPSB bank’s rating**

Expert RA rating agency (Russia) withdrew solvency rating of Uzpromstroybank of Uzbekistan.

The rating was withdrawn due to end of rating term and refusal of the bank from actualization. Earlier, the bank had rating at the B++ level (acceptable level of solvency).

Uzpromstroybank is one of the biggest commercial bank by assets in Uzbekistan and its business mainly focuses on providing loans to industrial and construction organization of the country.

As of 1 January 2009, assets of Uzpromstroybank totalled US\$ 1.04 billion (84th place in ranking of Expert RA) and shareholder’s capital comprised US\$ 117 million.

*Source: UzDaily.com*

| Company                     | UzPSB |
|-----------------------------|-------|
| Market Price per share, USD | 1.49  |
| Face value per share, USD   | 1.49  |
| Mar. Cap. mln USD           | 71.52 |
| Min (52 wks)                | 1.49  |
| Max (52 wks)                | 1.5   |

22 January 2010

### Qishloq Qurilish Bank raises charter capital to 150 bln soums

Open joint stock commercial “Qishloq Qurilish Bank” will place common shares for 100 billion soums. The stock issue will realize presidential resolution “On creation of joint stock commercial bank Qishloq Qurilish Bank”.

In line with the resolution, Galla Bank was reorganized into Qishloq Qurilish Bank with the requirement to form a 150 bln soum charter capital. Currently, the authorized capital of the bank is 50 billion soums.

According to the issue prospectus, Ministry of Finance of Uzbekistan will acquire 60 billion soums common shares and Fund for Reconstruction and Development of Uzbekistan (FRDU) will buy 25 billion soums common shares.

Uzdonmahsulot (Uzbek Grain Products) joint stock company and Uzbekistan Temir Yollari (Uzbekistan Railways) will purchase shares for 4 billion soums each. Uzagrosugurta state joint stock insurance company and Uzvinpromholding (Uzbek Wine Industry Holding) will get securities for 1.5 billion soums each. The bank will place shares for 4 billion soums among other shareholders.

As a result of share placement, the Ministry of Finance of Uzbekistan will possess 53.3% stake (80 billion soums) in the bank’s charter capital, FRDU – 23.7% (35.5 billion soums), Uzdonmahsulot – 5.8% (8.7 billion soums) and Uzbekistan Temir Yollari – 4% (6 billion soums).

Share of Uzagrosugurta and Uzvinpromholding will constitute 1.8% (2.7 billion soums) and 1.3% (2 billion soums) respectively. Minority shareholders will hold 10.1% share.

Source: UzDaily.com

### Agrobank’s assets increased by 44.3% in 2009

Assets of open joint stock commercial Agrobank grew by 44.3% in 2009 to 1.378 trillion UZS. Loan portfolio of the bank increased by 1.4 times in 2009 to 1.018 trillion UZS and total volume of liabilities rose by 46.3% to 1.205 trillion UZS.

As of 1 January 2010, capital of the bank grew by 31.6% to 172.6 billion UZS. According to preliminary data, net income of Agrobank comprised 15.5 billion UZS.

Source: UzDaily.com

| Company                     | QQB   |
|-----------------------------|-------|
| Market Price per share, USD | 0.066 |
| Face value per share, USD   | 0.066 |
| Mar. Cap. mln USD           | 33.1  |
| Min (52 wks)                | 0.066 |
| Max (52 wks)                | 0.066 |

| Company                     | Agrobank |
|-----------------------------|----------|
| Market Price per share, USD | 0.662    |
| Face value per share, USD   | 0.662    |
| Mar. Cap. mln USD           | 65.87    |
| Min (52 wks)                | 0.662    |
| Max (52 wks)                | 0.662    |

22 January 2010

#### **NBU issues 100 bln soums corporate bonds**

National Bank for Foreign Economic Activity of Uzbekistan (NBU) registered three issues of corporate bonds with total sum of 100 billion soums.

The issue is the largest in history of corporate bonds of Uzbekistan and it comprises 47.5% of total volume of corporate bonds.

The bank reported that issues differ in volume, maturity term and coupon payments. The par value of each bond is 1 million soums and maturity term is between four to ten years.

The first issue was registered by the Center for coordination and control of securities market on 6 January 2010. Total volume of issue is 35 billion soums with maturity term of four years. The 90-day coupon payment rate is 9% APR.

Two days later, the bank registered the second issue for 35 billion soums with maturity term of seven years. The 90-day coupon payment rate is 10.5% APR.

NBU registered third issue of corporate bonds on 12 January with total volume of 30 billion soums. The maturity term of the issue is 10 years and coupon rate set at 12% APR.

*Source: UzDaily.com*

Overall, 123 issues of corporate bonds for 210.47 billion soums were issued in Uzbekistan. Currently, along with NBU emissions, five issues for 22.5 billion soums circulate in the market, of which two for 13 billion soums were registered in 2009.

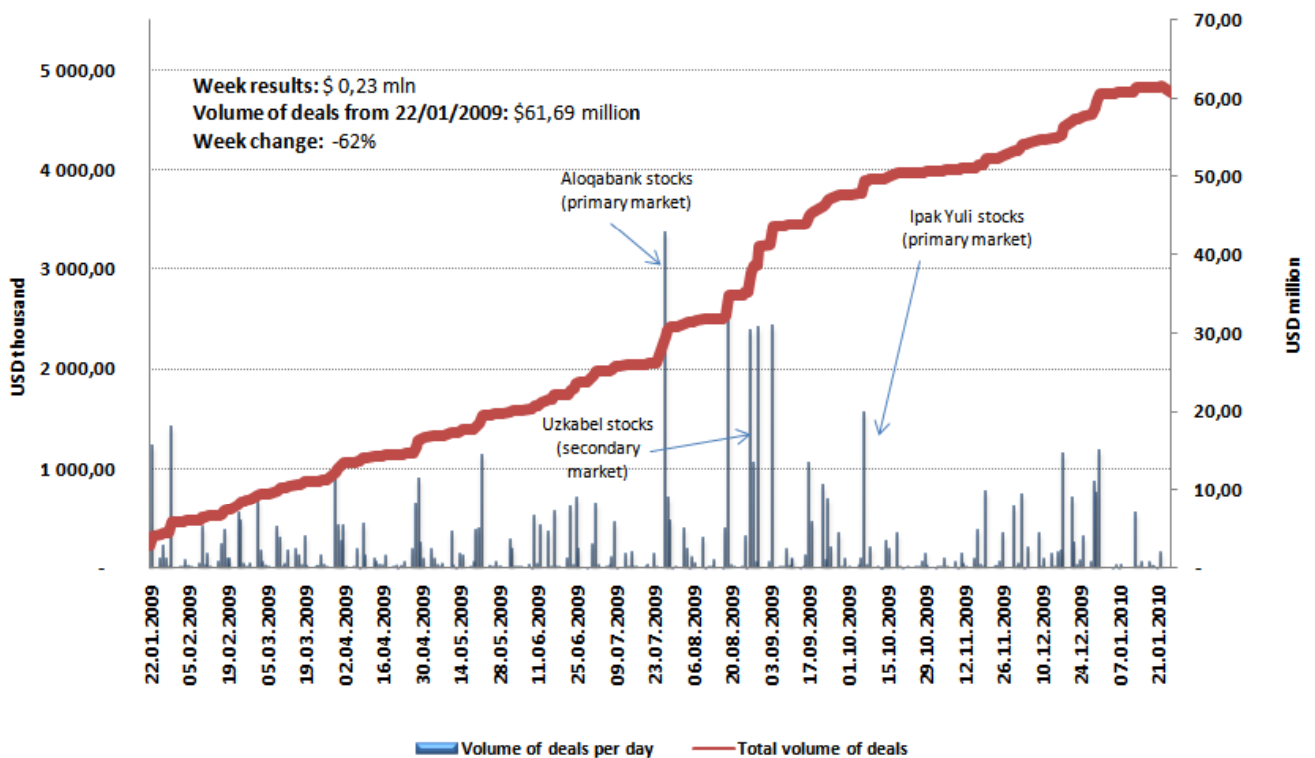
22 January 2010

RSE "Toshkent" review

|    | Issuer                         | Number of transactions | Turnover(\$)  | % of total  | Industry    |
|----|--------------------------------|------------------------|---------------|-------------|-------------|
| 1  | O'ZOG'IRSANOATLOYIHA           | 1                      | 115,60        | 49,70%      | Institute   |
| 2  | Qishloq Qurilish bank          | 1                      | 39,55         | 17,00%      | Banks       |
| 3  | ALLIANCE-LEASING               | 1                      | 31,56         | 13,57%      | Leasing     |
| 4  | Ipak Yuli                      | 2                      | 18,23         | 7,84%       | Banks       |
| 5  | Chorsu dehqon bozori           | 5                      | 10,24         | 4,40%       | Retail      |
| 6  | Hamkorbank                     | 1                      | 9,34          | 4,01%       | Banks       |
| 7  | Urganch markaziy dehqon bozori | 49                     | 3,38          | 1,45%       | Retail      |
| 8  | MAXSUSENERGOGAZ                | 7                      | 2,61          | 1,12%       | Energy      |
| 9  | SARBON-NEFTEGAZ                | 1                      | 1,99          | 0,85%       | Oil and gas |
| 10 | AVTOTEXXIZMAT                  | 2                      | 0,11          | 0,05%       | Service     |
|    | <b>Total</b>                   | <b>70</b>              | <b>232,61</b> | <b>100%</b> |             |

During January 18-22, 10 companies were traded, with total turnover of 232.6 thousand USD on RSE Tashkent. We could observe a 62% decrease in total turnover, compared with the previous 5-day period.

UZBEKISTAN ECONOMY REVIEW



**22 January 2010**

|          | Issuer                         | Number of transactions | Turnover(\$) | % of total turnover | Industry |
|----------|--------------------------------|------------------------|--------------|---------------------|----------|
| <b>1</b> | Urganch markaziy dehqon bozori | 49                     | 3,38         | 1,45%               | Retail   |

Only one company was traded during a week on stock exchange "Tashkent"

**TOP10 issuers by turnover in 2010**

|           | Issuer                | Stock Turnover (\$) |
|-----------|-----------------------|---------------------|
| <b>1</b>  | Turon bank            | 341,49              |
| <b>2</b>  | OTEL SAYOHAT          | 176,40              |
| <b>3</b>  | Kapital sugurta       | 115,60              |
| <b>4</b>  | O'ZOG''IRSANOATLOYIHA | 57,00               |
| <b>5</b>  | Qishliq qurilish bank | 39,55               |
| <b>6</b>  | ALLIANCE-LEASING      | 31,56               |
| <b>7</b>  | Qizilkumcement        | 30,38               |
| <b>8</b>  | O'ZBEKKO'MIR          | 29,82               |
| <b>9</b>  | Quvasoycement         | 28,08               |
| <b>10</b> | Ipak Yuli             | 18,23               |

## Investment calendar

| Date       | Event  | Comment                         |
|------------|--|---------------------------------|
| 27.01.2010 | Special general shareholders meeting of JSC «Mehnatobod MTP»                     |                                 |
| 30.01.2010 | Special general shareholders meeting of JSC «Bogot-don»                          |                                 |
| 30.01.2010 | Special general shareholders meeting of JSC «Shovotdonmahsulotlari»              |                                 |
| 04.02.2010 | Special general shareholders meeting of JSC «Peshky pahta tozalash»              |                                 |
| 05.02.2010 | Special general shareholders meeting of JSC «Hatirchi MTP»                       |                                 |
| 06.02.2010 | Special general shareholders meeting of JSC «Sarvat-Invest»                      |                                 |
| 10.02.2010 | Special general shareholders meeting of JSC «Chorsu dekhon bozori»               |                                 |
| 10.02.2010 | Special general shareholders meeting of JSC «Uzbek Republican Currency Exchange» |                                 |
| 10.02.2010 | Special general shareholders meeting of CJSC «Stroygorod»                        |                                 |
| 12.02.2010 | Special general shareholders meeting of JSC «Ravnak-bank»                        |                                 |
| 12.02.2010 | Special general shareholders meeting of JSC «Kichintoy»                          |                                 |
| 13.02.2010 | Special general shareholders meeting of JSC «Gala Osiyo MTP»                     |                                 |
| 15.02.2010 | Special general shareholders meeting of JSC «Uzagrosygyrta»                      |                                 |
| 15.02.2010 | Special general shareholders meeting of OJSPB «Alp Jamol» Bank                   | Changes in organization charter |
| 17.02.2010 | Annual general shareholders meeting of JSC «Quqonmash»                           | Annual Financial Results        |
| 19.02.2010 | Special general shareholders meeting of JSC «UzRTSB»                             | Changes in charter capital      |
| 19.02.2010 | Special general shareholders meeting of JSC «Uktambank»                          | Changes in organization charter |
| 24.02.2010 | Special general shareholders meeting of JSC «Santehyigish»                       | Reorganization into LLC.        |

## Dividends

| Company                        | Share     | Dividends (UZS) | Face value | Ex-dividend date |
|--------------------------------|-----------|-----------------|------------|------------------|
| JSC «Invest Finance Bank»      | Common    | 125             | 1000       | 10.12.2009       |
| JSC «Asaka»                    | Common    | 4065,69         | 50000      | 11.12.2009       |
| JSC «Andijon nashiyot-matbaa»  | Common    | 50              | 1000       | 12.11.2009       |
|                                | Preferred | 1000            | 1000       | 12.11.2009       |
| JSC «Qzneftgazdobicha»         | Common    | 7               | 1000       | 14.11.2009       |
|                                | Preferred | 250             | 1000       | 14.11.2009       |
| JSC «Matbuot tarkatuvchi»      | Common    | 325,5           | 288        | 16.12.2009       |
| JSC «Qurilishtrans»            | Common    | 500             | 835        | 17.11.2009       |
| JSC «Trastbank»                | Common    | 650             | 1000       | 17.12.2009       |
| JSC «Yuktrans»                 | Common    | 4330,0          | 5000       | 20.11.2009       |
| JSC «Kapitalbank»              | Common    | 10000           | 10000      | 21.11.2009       |
| JSC «Kapitalbank»              | Common    | 10000           | 10000      | 21.11.2009       |
| JSC «O'zavtotexxizmat»         | Common    | 216000          | 135000     | 23.11.2009       |
| JSC «Kvarc»                    | Common    | 41316,0         | 2310       | 24.11.2009       |
| JSC «Qishlokhujalikkime»       | Common    | 196             | 1000       | 26.11.2009       |
| JSC «Ozodlik»                  | Preferred | 40              | 200        | 26.12.2009       |
| JSC «Avtotexxizmat»            | Common    | 10000           | 11000      | 27.11.2009       |
| JSC «Sergeli-avtotexservis»    | Common    | 20000           | 25000      | 28.11.2009       |
| JSC «Ygazstroy»                | Common    | 3250            | 5000       | 30.11.2009       |
| JSC «Buxoroavtotexxizmat»      | Common    | 6000            | 6000       | 30.11.2009       |
|                                | Preferred | 6000            | 6000       | 30.11.2009       |
| JSC «Alokabank»                | Preferred | 20              | 100        | 30.11.2009       |
| JSC «Buxoroneftgazsuvqurilish» | Common    | 20500           | 95000      | 30.11.2009       |



15 January 2010

©Orient Capital Management LLC, 2009.  
All rights reserved.

The information contained herein is based on sources approved by Orient Capital Management as reliable. However, the company will not be held responsible for accuracy and completeness of this information. The information, presented in the review was taken from the following resources: Media, Internet. The review is irrelevant to investment objectives or financial situation of any third parties. The review has been prepared by Orient Capital Management for the purposes of distribution among professional market participants and institutional investors.

**Orient Capital Management address:**

20, Kalandar str., Mirzo-Ulugbek district, 100170, Tashkent, Uzbekistan

Phone: + 998 71 267 21 40/43/48

Fax: + 998 71 267 21 64

E-mail: [info@orientcap.uz](mailto:info@orientcap.uz)

Web: [www.orientcap.uz](http://www.orientcap.uz)

**LLC Orient Capital Management**

Successfully started its activity in Uzbekistan in March 2006. Company offers full range of high quality investment banking services to strategic and portfolio investors investing in Central Asian region.

**Investment Banking:**

Strategic investment advisory services in Uzbekistan, consultancy services on security issues, M&A and fund raising.

**Research:**

Macro analysis, industry research and company research coverage.

**Orient securities:**

LLC Orient Securities provides full range of brokerage services in Uzbekistan securities market.

**Depository:**

LLC Birinchi Banklararo Depositariy (BBD) is the second largest depository institution in Uzbekistan. Orient Capital Management is a co-founder and BBD's strategic partner.

Web: [www.bbd.uz](http://www.bbd.uz)

E-mail: [bbd@albatros.uz](mailto:bbd@albatros.uz)

Phone: +998 71 233 06 52

+998 71 233 29 07