

WEEK OF STOCK MARKET OF KAZAKHSTAN November 30 - December 6

1 US dollar = **144.15** tenge at official rate for the end of the period
1 US dollar = **144.44** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during November 30 - December 6. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Investment attractiveness of stock exchange instruments from November 30 through December 6

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
Securities Repo	USD	*15.97 (–)	31.7 (0)	219.5 (0)
RENTb	USD	15.04 (15.04)	0 (0)	0 (0)
ALKSb	USD	14.45 (14.54)	0 (0)	0 (0)
KOMBb	USD	11.78 (11.00)	0 (8.0)	0 (55.6)
ATFBb	USD	11.39 (10.95)	5.0 (0)	34.5 (0)
KZOLb	USD	10.52 (10.97)	1.4 (17.3)	9.8 (119.8)
HSBKb	USD	10.39 (10.37)	0 (0)	0 (0)
KZTOb	USD	10.38 (10.38)	0 (0)	0 (0)
TMJLb	USD	10.10 (10.10)	0 (0)	0 (0)
Euronotes-4	USD	9.50 (9.55)	852.2 (372.5)	5,904.1 (2,584.8)
KKGBb	USD	9.04 (9.07)	0 (0)	0 (0)
Euronotes -3	USD	8.99 (9.09)	2,288.2 (643.8)	15,852.5 (4,467.3)
Euronotes -2	USD	8.90 (9.02)	134.1 (28.9)	929.1 (200.8)
TEBNb	USD	8.17 (8.25)	0 (0)	0 (0)
MEKAVM	USD	*7.74 (8.56)	345.9 (425.5)	2,396.6 (2,952.3)
MEKKAM, notes	KZT	*8.59 (8.09)	1,207.0 (1,474.6)	8,362.3 (10,232.4)
GB repo	KZT	*3.85 (6.76)	3,665.5 (3,946.5)	25,394.7 (27,385.1)

Notes: yields of ATFBb and KZOLb are calculated as average of deals; for other corporate bonds - as average of bid quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a **trend of 12.13% APR**.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

INDICATORS OF INTERBANK DEPOSIT MARKET

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

Indicators of Kazakhstan interbank deposit market as of December 6, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	7.00	-0.75
2 weeks	KZT	7.53	-0.91
1 month	KZT	8.33	-0.92
2 months	KZT	9.08	-0.92
3 months	KZT	9.58	-1.11

During the period, as usually, the dynamics of the offering rates was dependent on the repayment and floatation schedule of the government bonds. Under a general declining trend of the rates, local growth was observed only on Tuesday and Wednesday, when the banks traditionally have limited liquidity due to the need to transfer money by the results of previous auctions. During the remaining days (especially on Thursday and Friday) the cost of the money was falling. Here, two distinctive features should be mentioned. With respect to previous period, the rates have slowed their declining speed noticeably, and during the last two days the rates of the shortest deposits were growing, whereas offering rates for 2 and 3 months were falling. Partially, this situation was because of the acceleration of the tenge devaluation during the week, and partially, by a shrinkage of the monetary base, caused by big volumes of the National Bank borrowings, and partially by the Ministry of Finance's borrowings on the GB primary market at the beginning of the week.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 14 deals amounting to **\$12,140.2 th.** were made in **purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$5,781.3 th., 16 deals) weekly turnover of the sector increased 2.1 times.

In terms of deal volumes **common shares of Halyk Bank of Kazakhstan OJSC** (Almaty, official list of securities, category "A", HSBK) were the leaders, with their proportion in total turnover of securities reaching 87.0%. All turnover of these securities (\$10.6 mln) was handled on the first day of the period - November 30. IRBIS analysts relate the complex of deals with the offering of the fifth issue of the bank's shares, which were registered with the National Securities Commission of Kazakhstan (NSC) on November 16, 00 (#A3387-4, 18,075,333 shares with KZT100 face value, NIN KZ1C33870410). It does not mean that the deals were made in the shares of the fifth issue.

Last week the market leaders were **common shares of Bank TuranAlem OJSC** (KZ1C34920412, official list of the KASE securities, category "A", BTAS).

During the week the price of HSBK grew by 16.4% relative to the last deals of the period, the value of KZTKp - by 16.8%, BTAS did not change. The yields of ATFBb fell from 11.3760 to 11.3753% APR, KZOLb - 10.5415% to 10.5011% APR.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

Results of the trades in shares from November 30 - December 6

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.154	0.308
Bank TuranAlem OJSC	BTAS	70.99	70.99	17 325	70.99	70.99
Bank CenterCredit OJSC	CCBN	1.5282		0	1.2878	1.3847
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324	0.8470	12 475 897	0.9000	0.8324
KAZKOMMERTSBANK OJSC	KKGB	0.7000		0	0.2500	0.5000
Kazakhtelecom	KZTK	14.50		0	13.50	16.50
Kazakhtelecom	KZTKp	11.75	10.82	27 638	11.75	10.00
Rakhat JSC	RAHT			0	*0.45	
SAUR OJSC	SAYR			0		*0.3500
SHNOS OJSC	SYRG	1.63		0	1.3000	
Temirbank OJSC	TEBN	*1.10		0	0.694	3.620
UKTMK OJSC	UTMK	*50.00		0	5.00	145.00
UKTMK OJSC	UTMKp	28.00		0	5.00	

Results of the trades in bonds from November 30 - December 6

yield for the buyer in % APR till maturity, unless otherwise specified

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb	USD	15.03		0	17.26	14.49
AMB CJSC	ATFBb	USD	11.38	11.38	34.45	11.38	11.38
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.00		0	13.34	10.41
KAZKOMMERTSBANK OJSC	KKGBb	USD	12.76		0	13.48	9.06
Komirbank OJSC	KOMBb	USD	11.00		0	4.11	14.41
NOC Kazakhoil CJSC	KZOLb	USD	10.50	10.52	9.82	10.50	10.67
NOTC KazTransOil CJSC	KZTOb	USD	10.46		0	10.80	10.46
RENATA LLP	RENTb	USD			0		*15.04
Temirbank OJSC	TEBNb	USD	11.28		0	12.23	8.21
Kazakhstan Temir Joly NSE	TMJLb	USD	10.82		0	10.60	10.10

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

The KASE index that reflects the changes in the bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers, **grew by 0.0092** during the week, at **106.2644** at December 6 closing.

In the securities repo sector 2 deals were made during the week:

- opening of 10 day repo on preferred shares of Kazakhtelecom for \$11,793.60 at **11.11% APR** (declared rate) expressed in dollars;
- opening of 30 day repo on common shares of Bank CenterCredit for \$207,704.19 at **15.12% APR** (declared rate) expressed in dollars;

At the end of the period **eight** indexed securities repos were opened at the trade floor of the Exchange for a total of **\$6,324.0 th.** Common shares of following companies were used as the object of repo deals: Bank TuranAlem OJSC, Bank CenterCredit OJSC, Voskhod OJSC, TEMIRBANK OJSC, as well as preferred shares of Kazakhtelecom. The terms vary from 10 to 215 days, and the rates in USD from 2.98 to 15.12% APR. It

should be noted that it not advisable to use these rates as market indicators, since in some cases the rates are obviously low because some deal counteragents are affiliated.

Capitalization

On December 6, 2000 the **capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,354.5 mln** or KZT195.6 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number increased **by \$4.3 mln** in terms of dollars was caused by a growth in the values of Halyk Bank of Kazakhstan common shares and Kazakhtelecom preferred shares (see above).

The capitalization of the exchange market of corporate bonds by the best bids, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$129.7 mln** as of December 6, or KZT18,740.57 mln. This indicator **grew by \$0.2 mln**. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$132.8 mln** as of this check date. or **KZT19,178.7 mln**.

November results

Due to an end of the month the agency IRBIS has made an analysis of the securities trades in all sectors of the KASE in November. Total volume of the deals equaled **\$31,582.0 th.**, or **KZT4,545.7 mln** at current rate of the Exchange effective on the day the deals were made on.

Volumes of deals with securities at KASE in 2000 grouped by the months (thousand US dollars)

Month	Sector of the securities exchange market			Total
	Primary	Purchase and sale	Repo	
January		21,410.1		21,410.1
February	464.8	963.8		1,428.6
March		2,284.3	385.7	2,670.0
April	338.4	840.9	1,057.7	2,237.1
May	3.9	1,633.3	9.1	1,646.3
June	818.5	8,677.2	17.8	9,513.5
July	13,503.2	8,190.1	196.9	21,890.1
August	2,253.4	1,773.5	1,087.1	5 114.00
September		7,071.6		7,071.6
October	1,293.2	17,493.8	3,550.8	22,337.8
November		22,749.0	8,833.1	31,582.0
TOTAL	18,675.4	92,105.6	15,131.2	125,912.1

Comments: In 1999 the volumes of securities operations at KASE were equal to \$21,603.2 th. IRBIS specialists warn that hidden repo deals can be made at the securities purchase and sale sector of the KASE, therefore the volumes of deals shown for this segment of the market can include the volumes of such deals.

The table shows that the volume that was reached in November is a record high both in terms of the sectors' totals and as a whole. Besides, this figure is a record high for the monthly volumes of the deals in securities at the KASE since the beginning of the trades in these securities (September 1997). Following are the tables illustrating the liquidity of the securities at the KASE in November, as well as the change in major indicators of the securities market of the Exchange in this month.

Table of securities liquidity at the KASE in November 2000

Code	Brief title of the issuer	Volume of deals, th. USD	Volume of deals, mln KZT	Volume of deals in of deals securities	Number of deals
BTAS	Bank TuranAlem OJSC	15,908.547	2,291.309	255,253	18
HSBK	Halyk Bank of Kazakhstan OJSC	10,576.779	1,524.641	12,489,597	6
VTBN	VALUT-TRANZIT BANK OJSC	1,721.204	245.715	659,231	4
KZTOb	NOTC KazTransOil CJSC	909.133	129.771	9,330	10
CCBN	Bank CenterCredit OJSC	761.879	109.319	511,091	3
KZOLb	NOC Kazakhoil CJSC	594.404	85.110	6,060	8
ALKZ	Aliuminii Kazakhstana OJSC	467.246	67.407	591,450	2
VTBNp	VALUT-TRANZIT BANK OJSC	162.722	23.433	73,334	2
KZMS	Corporation Kazakhmys OJSC	157.190	22.586	11,294	3
KZMSp	Corporation Kazakhmys OJSC	84.021	11.983	24,006	1
ALKSb	Almaty Kus OJSC	73.912	10.631	730	1
KZTKp	Kazakhtelecom	58.616	8.448	5,775	1
KOMBb	Komirbank OJSC	58.431	8.420	5,566	3
KZCR	Kazchrome OJSC	19.675	2.830	2,830	3
VOCH	Voskhod OJSC	14.040	2.024	156	1
TEBN	Temirbank OJSC	14.000	2.020	2,700	1
JGOKp	Jairemskii GOK OJSC	0.205	0.030	52	1
SSGPp	SSGPO JSC	0.017	0.002	6	1
SAYH	AVTOVOKZAL-SAYAKHAT OJSC	0.014	0.002	2	2

Comments: The securities were sorted in descending order based on the volumes of deals expressed in U.S. dollars. The volumes of the deals are given for all sectors of the market, including repo deals.

Table of the dynamics of the main indicators of the securities market in November 2000

Date	The KASE index	Capitalization of the bond market, mln USD	Capitalization of the share market, mln USD	Volume of deals, th. USD
Oct.31.00	106.1661		1,305.6	362.5
Nov.01.00	106.1714		1,239.5	1,228.6
Nov.02.00	106.1754		1,249.1	922.2
Nov.03.00	106.1797		1,248.8	558.3
Nov.06.00	106.1754		1,250.1	72.6
Nov.07.00	106.1907		1,249.8	343.5
Nov.08.00	106.1858		1,248.2	97.4
Nov.09.00	106.0709		1,253.9	714.4
Nov.10.00	108.9210		1,253.5	100.9
Nov.13.00	106.0792		1,259.4	240.6
Nov.14.00	108.2292		1,259.4	233.6
Nov.15.00	106.0173		1,259.7	0
Nov.16.00	106.0233		1,255.3	0
Nov.17.00	106.0290		1,255.1	126.8
Nov.20.00	106.0376	131.104	1,347.5	43.5
Nov.21.00	106.0499	131.127	1,369.3	508.7
Nov.22.00	106.0562	131.059	1,369.5	86.6
Nov.23.00	106.2357	131.064	1,367.6	144.4
Nov.24.00	106.0646	131.091	1,347.0	227.8
Nov.27.00	106.2437	131.118	1,349.5	132.5
Nov.28.00	106.2495	131.287	1,349.4	2.9
Nov.29.00	106.2552	131.287	1,350.2	6,484.3
Nov.30.00	105.6012	131.313	1,354.5	11,787.5

Comments: **The KASE index** reflects the changes in the bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers. **The capitalization of the bond market** – indicator that reflects the volume of corporate debt circulating on the KASE as the bonds of the companies. It is calculated on the basis of the number of issued bonds and the bonds admitted to the trades and their market values. In case of the absence of the last figure, face value is used instead. It is fixed daily from Nov.20,00. **The capitalization of the share market** – indicator that reflects the market capitalization of the companies whose shares were entered into all the lists of the KASE securities. It is calculated on the basis of the number of issued shares and their last market values. In case of the absence of the deals the face values of the securities, expressed in U.S. dollars (if necessary) at the rate of the Exchange for the current day, are used.

SECTOR OF GOVERNMENT BONDS (GB)

In **GB purchase and sale sector** of KASE total volume of **88 deals** equaled **KZT5,094.2 mln**. In previous week the turnover reached KZT3,022.7 mln with 66 deals made.

Parameters of stock exchange transactions in SS from November 30 - December 6

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted GB: MEKKAM-6, 12, notes				23.7% (48.8%) of purchase and sale sector's turnover		
less than 8	5.73	5.73	5.73	5.73 (6.50)	4.5	2
8 – 14	6.08	8.11	6.08	7.00 (6.97)	482.4	9
15 – 28	6.50	6.54	6.50	6.51 (6.99)	27.8	5
64 – 91	7.80	7.94	7.80	7.85 (7.91)	36.0	5
92 – 181	7.85	8.26	8.26	8.23 (–)	68.4	2
182 – 364	9.50	10.50	9.50	9.85 (9.54)	588.0	9
Total					1,207.0 (1,474.6)	32 (32)
Discounted indexed GB: MEKAVM-12				6.8% (14.1%) of purchase and sale sector's turnover		
64 – 91	7.45	7.60	7.50	7.51 (–)	345.9	3
Total					345.9 (425.5)	3 (3)
Coupon GS: MEOKAM-24, MEOKAM-36				5.2% (2.6%) of purchase and sale sector's turnover		
680	16.33	16.33	16.33	16.33 (–)	83.7	2
1,065 - 1,091	17.99	18.03	17.99	18.01 (17.99)	183.1	12
Total					266.8 (77.5)	14 (4)
Euronotes of Kazakhstan, USD				64.3% (34.5%) of purchase and sale sector's turnover		
*656 - 662	8.80	9.01	9.01	8.90 (9.02)	134.1	6
**1,392 - 1,398	8.85	9.09	8.92	8.99 (9.03)	2,288.2	23
***2,315 - 2,320	9.48	9.51	9.49	9.50 (9.55)	852.2	10
Total					3,274.4 (1,045.2)	39 (27)
SUBTOTAL					5,094.2 (3,022.7)	88 (66)

Notes: for euronotes (* - second issue, ** - third issue, *** - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic GS are calculated considering official rate of USD/KZT.

Like in previous week, growing liquidity of the participants caused the GB purchase and sale sector to rev up. Along with this, the sector of repo deals was shrinking. The next acceleration of the devaluation caused the volumes of the deals in Kazakhstani euronotes to grow. Thanks to a great demand their yields fell noticeably.

In GB repo sector 60 deals for a total of KZT6,670.6 mln were made during the period. Of this number 28 deals (for KZT3,665.5 mln) were repo opening deals and 32 (KZT3,005.1 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT7,716.2 mln. After closing of the trades on December 6 total amount of opened repo equaled KZT3,001.9 mln. For the reasons mentioned above the rates kept falling. Current weighted average rates as of December 6 (% APR) equaled: for 6 days – 2.03; for 9 days – 9.00; for 13 days – 9.00; for 14 days – 9.00; for 15 days – 5.00; for 20 days – 9.00; for 21 days – 9.00; for 24 days – 8.00; for 25 days – 10.50; for 28 days – 9.50; for 29 days – 9.00; for 92 days – 9.86.

Total of 148 deals amounting to **KZT11,764.4 mln** were made in GB on trade floors of KASE during last period (purchase and sale and repo sector). Last week volume of 168 deals was KZT10,738.9 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations (including euronotes and repo operations) equaled **61.1%**, for last week it was 77.2%.

November results

In November 2000 705 deals for a total of **KZT41,512.7 mln** (\$288.0 mln at current rate of the Exchange) were made in all sectors of the government bonds (GB) market of Kazakhstan Stock Exchange.

Volumes of deals in GB at KASE in year 2000

(mln KZT).				
Month	Sector of the GS exchange market			Total
	Primary	Purchase-sale	Repo	
January		7,295.9	2,133.0	9,428.9
February		13,832.7	2,854.5	16,687.2
March		10,389.4	10,448.1	20,837.4
April		7,740.1	17,067.0	24,807.1
May		13,002.4	15,928.1	28,930.5
June		11,407.8	23,592.0	34,999.7
July	650.0	8,282.1	35,152.3	44,084.4
August		11,369.3	36,744.8	48,114.1
September		14,659.2	49,410.1	64,069.3
October		21,219.9	21,754.4	42,974.3
November		17,240.0	24,272.7	41,512.7
TOTAL	650.0	136,438.8	239,357.0	376,445.6

In 1999 the volume of GS operations at KASE equaled to **KZT161,460.7 mln**

It should be noted that the turnover structure of the government bonds in November was identical to that of previous month. MEKKAM and notes accounted for 30.3% of the turnover, MEKAVM - 5.9%, MEOKAM - 5.6%, euronotes - 58.2%. The difference did not exceed 1.5% for all the securities relative to October.

In October **the share of the Exchange's turnover** in total volume of the deals made on the Kazakhstan GB secondary market based on comparable operations (including euronotes and repo deals) equaled **66.3%** (in October – 71.7%).

INFORMATION ON LISTED COMPANIES

Almaty Merchant Bank OJSC (AMB OJSC), in accordance with the listing requirements, informed KASE on entry of its bonds in the securities market of the Republic of Kyrgyzstan. The registered coupon bonds of the AMB (KZ2CKAN3AA16, KASE trade code - ATFBb) were admitted to circulation by the National Securities Commission of the Republic of Kyrgyzstan. At present bonds are passing listing procedure at Kyrgyzstan Stock Exchange CJSC in first category.

NOC KAZAKHOIL CJSC (Astana) sent an official letter to the Kazakhstan Stock Exchange (KASE), where it says that on December 5 of this year, in accordance with the issue terms of its first issue bonds (KZ72IAG56A20; official list of the KASE securities of category "A"; code KZOLb; \$25.0 mln; \$100; June 5,00 - June 5.02; semiannual coupon at 9.0% APR) **the company made the first coupon payments to the holders of the bonds**. By the data of the NOC KAZAKHOIL CJSC, the coupon, after tax has been paid by the issuer, equaled **KZT161,897,801.20**. The information on the holders of the bonds was provided by an independent registrar Fondovyi Tsentri CJSC (Almaty). Based on the issue terms of the bonds, the coupon is paid on the basis of 360/30 (360 days in a year, 30 days in a month) time base, semiannually in six, twelve, eighteen and twenty four months after the bonds begin to circulate, respectively, and in KZT at weighted average rate of KZT/USD, that settles at the main (morning) trade session of the KASE on the payment date. The individuals, who purchased the bonds **not later than 30 days** prior to the payment, date are entitled to receive a coupon. The payment of the first coupon allows the company to strengthen its positions on the capital markets, start its

credit history successfully and increase the trust of external investors, is said in the message of the NOC KAZAKHOIL CJSC public relations department.

Komirbank OJSC (Ekibastuz), in accordance with the listing requirements, provided the Kazakhstan Stock Exchange (KASE) with its financial statements for 9 months of 2000: balance sheet and income statement. By the data of the issuer, following are his results in 9 months of 2000

Comparable figures of the Komirbank OJSC financial and economic activities in 9 months of 2000

(in th. KZT, unless otherwise specified)

Indicator	As of	As of	Change, %
	Oct.1,99	Oct.1,00	
Authorized capital	1,000,000	1,500,000	+50.0
Shareholders' equity	1,043,465	1,597,848	+53.1
Total assets	1,574,454	6,934,182	+340.4
Liquid assets	99,747	1,126,820	+1,029.7
Total liabilities	530,989	5,336,334	+77.6
Loans and deposits	464,399	5,260,043	+1,032.7
Credits granted	1,259,821	5,037,425	+299.9
Operating income	501,960	667,943	+33.1
General expenses	364,388	645,651	+77.2
Net income of the period	137,572	22,292	-83.8

Compared to similar period of 1999 growth took place in:

- shareholders' equity of the bank - by KZT554.5 mln, or 53.1% (as a result of merger of Latur Alians Bank OJSV - KZT500.0 mln, final amount of undistributed income - KZT9.3 mln, accumulations in the funds and reserves - KZT45.1 mln);
- assets - by KZT5.4 bln, or 4.4% times, of which loan portfolio grew by KZT3.8 bln.;
- liabilities - by KZT4.8 bln, or 10 times, of which deposits growth KZT4.5 bln (15 times), issued bonds - KZT387.2 mln;
- operating income - by KZT166.0 mln, or 33.1% as a result of increase in credit operations;
- expenses - by KZT281.3 mln, or 77.2% as a result of increase in deposit payments and bonds servicing.

Net income of Komirbank OJSC received in 9 months of the year 2000 equaled KZT22.3 mln, that is KZT115.3 mln or 6.2 times less than for corresponding period of 1999.

Dynamics of some indicators during the year 2000 on a quarterly and non-accruing sum basis

(in mln KZT)

Indicator	I-2000	II-2000	Change,	III-2000	Change,
			%		%
Client deposits	641.8	355.6	-44.6	2 442.2	+586.7
Operating income	183.1	264.0	+44.2	220.9	-16.3
Net income	4.5	25.1	+451.4	-7.3	-129.3

Kazakhtelecom (Astana), in accordance with the listing obligations, informed the Kazakhstan Stock Exchange (KASE) of calling an extraordinary general meeting of its shareholders on January 21, 2001 with following agenda:

- Issuance of Kazakhtelecom bonds on domestic market of Kazakhstan.
- Approval of issue terms of Kazakhtelecom bonds.

The list of shareholders, who have the voting rights, will be prepared as of December 22, 2000.

The meeting will be held at: 240b, Furmanov St., office 311. In case of the absence of the quorum, the meeting will be held again on January 23, 2001 at the same place.

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The bonds of VITA LLP were entered into official list of the KASE securities under category “B”

Special issue based on the information of VITA LLP and Kazakhstan Stock Exchange (KASE)

On December 6, 2000 by the decision of the Exchange Council of KASE of the same date, the second issue inscribed coupon bonds of VITA Limited liability partnership (Almaty) were entered into official list of the Exchange's securities under category “B”. Bonds holding **KZ2CKAPUBA19** national identification number were registered by National Securities Commission on November 10, 2000 in the state register under the number A25 and trade code **VITAb2**. Quotation accuracy in the KASE trade system is set at four decimal places. The trades in these securities started on December 7, 2000. **RG Securities LLP** was going to a market-maker of these securities.

GENERAL INFORMATION OF THE BOND ISSUE

Issue registration date - November 10, 2000. Circulation starts on - December 1, 2000. Floatation lasts for 6 months from the circulation starting date. Circulation term - 1 year. Maturity - December 1, 2001. Face value - USD100.00. Issue volume at face value - \$1.5 mln (15 th. bonds). Coupon rate - 14.0%. Coupon is paid twice a year on June 1 and December 1, 2001. The issuer's register is maintained by Reestr-Servis LLP (Almaty) the license #200500070 of the National Securities Commission of Kazakhstan issued on March 6, 1996.

The payments for the bonds of VITA LLP are to be made by the residents of Kazakhstan in tenges at official rate of the National Bank of Kazakhstan, effective on the payment date, by the non-residents, in accordance with existing law of Kazakhstan.

Coupon payments on the bonds will be paid twice a year, in six and twelve months after the circulation starts. Persons, who bought the bonds of the bank **not later than 30 days** prior to the payment date, are eligible to receive a coupon. If the date of coupon payment date falls on week-end (holiday), the payment will be made on the next business day. The coupon is paid in tenges **at official rate** of the National Bank, effective on the payment date.

Bonds redemption will be executed at face value simultaneously with repayment of the last coupon in tenge by transferring the money to a holder's account registered in holders-registrar **30 days prior** to the maturity day. The repayment of the bonds is made in tenges **at official rate** of the National Bank, effective on the maturity date. If the maturity date falls on week-end, the payment will be made on the next business day. The bonds holder does not have right to demand compensation for a such kind of delays. None of the holders has the right to early maturity of the bonds, unless the cases stipulated in the law of Kazakhstan.

The funds raised through the bond issue will be used to put into operation the chemical refining and deodorization of vegetable oil workshop. Particularly, to purchase raw materials, increase the number of workers, expand the branch network and create strong marketing support. RG Securities LLP (Almaty) is a financial consultant of the VITA LLP on the bond issue.

GENERAL INFORMATION

The date of initial government registration is December 4, 1991. The legal form is limited liability partnership. The company is held by private entity. Legal and actual addresses of the head office - 93, Bekmakhhanov St., Almaty 480030, Kazakhstan. The major activities of the company are processing, production and selling of fat-and-oil products. The major products are unrefined, refined and sweet sunflower oil (Extra), butter oil (Irtish) and Kretsyanskoye.

VITA LLP is a member of “Kazakhstan food-stuff producers association.”

On February 25, 1999 the company registered its Irtish trademark with the National Patent Bureau of Kazakhstan.

The products of VITA LLP have following rewards: golden medals on “Food-stuff market-99” exhibition and “FOODEXPO KAZAKSTAN-99” international exhibition. It also received the award for faultless business for year 2000 from the Association of faultless business of Kazakhstan.

The company was created in December 1991 when necessary conditions were formed in Kazakhstan for conducting private business. Initial registration of the company is Limited liability company VITA located in Almaty.

On February 25, 2000 VITA LLP increased its authorized capital to KZT100.0 mln. Correspondingly, the company has registered its new constitutive documents with the Justice department of Almaty. The registration number is 3998-1910-LLP.

As of July 1, 2000 staff of the company equaled 109 people. About 60% of employees are university graduates including two science candidates, and eight patent holders.

CAPITAL AND FOUNDERS OF THE ISSUER

There are currently 5 founders of the company. As of October 1, 2000 announced authorized capital amounted to **KZT100.0 mln** and paid-up part was **KZT54,432,500**.

INVESTMENTS

In July 2000, VITA LLP acquired 34% stake in oil producing company Montajmalikmunai LLP. The latter develops Chingiz-Telsu oil field located in Karatobe district of the Western Kazakhstan region. Besides, VITA LLP is a founder of Irtish OJSC (100% stake) registered on November 5, 1998. Presently, Irtish OJSC does not conduct financial activity.

BRIEF CHARACTERISTIC OF ACTIVITY

VITA LLP was initially created to conduct activity in processing, production and selling of fat-and-oil products. IRTISH trade mark is distributed all over Kazakhstan. The company produces vegetable and butter oil. The share of vegetable oil in Almaty and Almaty region is 30% the corresponding figure for butter oil is 10%.

In 1999, due to low sunflower harvest prices for raw materials increased substantially. Despite this, VITA LLP increased sales of oil keeping the price of processed oil on the same level. This led to some fall in profitability.

Supply of raw materials. The major providers of raw materials are Russian and Ukrainian producers. The packaging materials are produced by the company itself using foreign technologies. For production of butter oil, the company exclusively relies on import materials from Lithuania, New Zealand and Australia.

Production facilities. The main production and storing facility located in Almaty (93 Bekmakhnov St.). The total capacity exceeds 1,200 tons. The location allows to unload raw materials directly from rail-road (the structure has its own branch line).

Distribution. The company has nine branches in Astana, Karagandy, Jezkazgan, Taraz, Taldykorgan, Kostanai, Pavlodar and Semei. The distribution is conducted among organized and unorganized segments of the market. The company's distribution is based on sale contracts and order system. Presently, there are 600 shops distributing goods of the company in Almaty.

Sales volume. Annual average growth of sales is 7-15%. In 1999 there were sold 3,340 tons of vegetable and 1,760 tons of butter oil. For 9 months of 2000 corresponding figures equal to 3,982 and 1,303 tons. The company plans to produce 12,500 and 2,900 tons of oil in year 2003. Considerable growth could be achieved in the next year as the company will shift to chemical refinement method (current method is mechanical).

New programs. Investments into production for last three years totaled \$1,640,000. For the same period, company launched bottling facility for vegetable oil. VITA LLP also innovated production of soybean products such as milk, cheese and yogurt. It is reported that the profitability of these goods equals to 100% even in case of high prices. For instance, 1 kilo of soybean (KZT25) gives 1 kg of cheese or 7.5 liters of milk. The installation of packaging facilities substantially decreased the cost of final goods.

DEVELOPMENT STRATEGY.

Long term strategy of VITA LLP is made up of following directions:

- full processing of oil-bearing crops with production of final goods (oil, oilcake);
- production of new butter oil;
- processing of soybeans with extraction of oil, soybean meal, milk powder, textures;
- new markets development.

Considering growth in world consumption and production of soybean products (consumption of soybean oil increased by 29% whereas, sunflower oil - 19%) the company plans to set industrial scale facilities for soybean production. Besides, residuals of soybean processing are in high demand among poultry farms because of protein richness.

CAPITAL EXPENDITURES PLAN

The plan stipulates three stages.

In the first year investments will reach \$1,575 th. This stage includes launching of deodorization facility for vegetable oil and setting of light oils facility. These projects are short-term but profitability is high. About three months after financing would be needed to launch facility. Besides, company plans to start construction of oil-extraction workshops with capacity of 100 tons of seeds per day. The major contractor is "Potential" construction company. The cost of work is \$615 th. The equipment for the workshops is produced in Kazakhstan, CIS countries and the rest of the world. The plant will be launched by Spring 2001.

Second year. Completion of oil-extraction plant. Investments would be executed using reinvested earnings from received by results of the first stage (\$1,095 th.).

Third year. It is planned to increase capacity of oil-extraction plant to 400 tons. About 2,430 th. dollars (reinvested earnings) planned to invest in the project.

According to the management of VITA LLP, net profit for next five years could reach **\$2,448,288**.

CREDITS RECEIVED

CenterCredit Bank OJSC (Almaty). The agreement on credit limits was signed on September 21, 1999 for a total of \$2.0 mln the contract stipulates following conditions: credits will be granted on renewal basis, each allocation will be agreed by separate credit contract. The limit for the credit was prolonged till year 2004. Credit's aim is a filling up of working capital.

ABN AMRO BANK CJSC (Almaty). Credit contract dated July 26, 2000 for a total of \$470 th., maturity date - July 26, 2001, interest rate - LIBOR + 6%. The present contract has limitless time maturity if both parties agree to prolong it. Credit's aim is a filling up of working capital.

Following are financial and economic ratios of VITA LLP (Almaty), made by the data of the Listing Commission of Kazakhstan Stock Exchange (KASE). The information is published in connection with admission of the bank bonds into official list of securities, category "B". The management of VITA LLP assumes full responsibility for the authenticity of presented information.

FINANCIAL STATEMENT DATA PRESENTED BY THE ISSUER

Following is the table created by the KASE specialists based on VITA LLP financial statements (in th. KZT, unless otherwise specified), which, in turn, was made in accordance with the Kazakhstani accounting standards (KAS): balance sheets, income and cash flow statements for the years 1997-1999, as well as intermediate statement for the year 2000.

Index	As of	As of	As of	As of
	Jan.1 '98	Jan.1 '99	Jan.1 '00	Oct.1 '00
Authorized capital	1,450	1,450	54,433	54,433
Shareholders' equity	196,721	208,747	291,620	312,751
Book value of the assets	257,682	336,335	603,863	722,774
Working capital	125,604	-26,247	59,373	304,740
Accounts receivable	72,200	70,146	117,568	91,036
Liabilities	60,961	127,588	312,243	410,024
Loans attracted	9,383	68,344	105,585	327,538
Accounts payable	51,577	59,244	206,490	82,318
Sales	135,315	164,336	120,891	341,044
Net profit (loss)	15,254	12,026	29,891	21,131
Return on sales (ROE), %	12.1	16.1	39.8	21.6
Return on equity (ROE), %	5.9	3.6	4.9	2.9
Return on assets (ROA), %	7.8	5.8	10.2	6.8

Authorized capital of VITA LLP was increased based on the decision of the founders extraordinary meeting held on September 14, 1999.

The growth of the assets in 1999 was due to the purchases of fixed assets by attracting long-term loans received from Bank CenterCredit OJSC.

AUDITING REPORT DATA

Following is the table created by the KASE specialists based on auditing report of KPMG-Janat, made on the company's 1999 financial statements in accordance with the Kazakhstani and International accounting standards, as well as auditing report for the first half of the year 2000, made by Tsentraudit-Kazakhstan (Almaty, Kazakhstan) in accordance with the Kazakhstani accounting standards (in th. KZT, unless otherwise specified).

Index	As of Dec.31 '99
Authorized capital (paid)	54,433
Shareholders' equity	234,529
Book value of the assets	571,034
Working capital	42,355
Accounts receivable	146,843
Liabilities	336,505
Loans attracted	165,295
Accounts payable	171,210
Sales	115,166
Net profit (loss)	(27,201)

The auditing report reads that financial statements of VITA LLP made as of December 31, 1998 have not been audited, therefore the auditor had no chance to get sufficient proofs to determine the accuracy the beginning balance of 1999. As a result of the corrections made to the balance sheet as of December 31, 1998 could have noticeable impact on the balance sheet, income statement and undistributed income as of December 31, 1999.

Also, KPMG-Janat did not confirm the taking the stock of inventory because the auditor did not participate during this process as of December 31, 1999.

It is also said that except for these matters, financial statements give accurate picture of the company's financial situation as of December 31, 1999, as well as its activities and cash flows as of indicated period in accordance with the KAS.

In conclusion, the Tsentraudit-Kazakhstan said that considering the records, the data of the balance sheet of the VITA LLP are reliable in all aspects as of July 1, 2000.

COMMENTS OF THE KASE COMMISSION

Government regulation. The legislation does not create any government restrictions for VITA LLP activity. The activity is not regulated by licenses and anti trust government bodies.

Macroeconomic risks. According to the managers, macroeconomic risks are not of a prime concern for the company as fat-and-oil products are the essential commodities. There is no tight relationship between demand and income level of population. Production process of the primary goods could be changed in respect of refinement ratio, thus making it possible to change the costs of goods (yet still damaging their quality). This fact decreases the exposure to macroeconomic risks.

Supply risks. There is a probability of bad harvest and consecutive increase in cost of raw materials. The company also depends on foreign suppliers. The share of Ukraine and Russia in vegetable oil supplies take 80%, New Zealand and Lithuania take the same share for butter oil inputs. Presently, the company developed project on complete production process that would evaluate dependence from suppliers and seasonal fluctuations.

Competition. The major competitors of VITA LLP are importers of the vegetable oil. About 65% of total consumed oil in Kazakhstan is imported. The company has some advantages because of value added tax and duties.

THE FIRST BOND ISSUE

The first issue bonds of VITA LLP (KZ26KA5S6998) were registered with the National Securities Commission of Kazakhstan (NSC) on Dec.28,98 under the number A5 in the state register of the securities. The issue volume equaled 100,000 bonds with KZT100 face value (KZT100 mln).

December 28, 98 was used as the issue date. The repayment began on December 29, 99 and ended December 29, 00. The NSC has set the circulation term as such. The circulation of the bonds ends after twelve months from the state registration of the issue. Floatation ends after nine months from the state registration of the issue. Repayment starts from the next day after the circulation ends, that is, after twelve months from the state registration of the issue. Coupon rate was set by the issuer at 15% APR expressed in dollars.

The bonds were offered at face value. With that, the purchasing amount was calculated in dollars at current rate of the National Bank of Kazakhstan. Coupon was paid on 15th of each month. The repayment was also conducted at face value. Issue prospectus provided for the drawings of the prizes. The numbers of personal accounts of the bond owners were used in the drawings, the size of the prize was proportionate to the number of bonds in the personal account.

It was the first bond issue in Kazakhstan registered by private company. The issue goal of the bonds was to attract the public money to increase working capital of the issuer.

The bonds were admitted to the trades of the Exchange on May 5, 99 in "Non-listed securities" sector under the second admittance level and assigned a trade code VITAb. All issue volume of the bonds was floated through the Exchange on September 28, 1999 at \$0.71 per bond. Due to the end of the circulation the bonds were removed from the trade lists of the KASE on January 12, 2000. No deals were made in these bonds while they were in the trade lists of the Exchange.

Based on the documents presented to the KASE, this issue of the bonds was completely repaid on January 29, 2000 with simultaneous payment of the coupon.

Prepared by the agency «IRBIS»