

THE BUSINESS PLAN
of “Uzbek Republican Commodity Exchange ” Open Joint-stock Company
for 2014

Tashkent 2013

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Full name of the organization	“Uzbek Republican Commodity Exchange” Open Joint-stock Company
Short form of the name	“UzRTSB” OJSC
Founded on the basis of	The Decree of the Republic of Uzbekistan adopted on the 28 th of February, 1994 and numbered as UP-772
INT (identification number of a taxpayer)	200933985
CCBNE (common classifier of the branches of national economy)	84100
CCEO (common classifier of enterprises and organizations)	15350786
Main occupation	Exchange services
License	№ DB 001 000006, issued by the State Committee of Property выдана (State Committee of Competition) of the Republic of Uzbekistan on the 26 th of March, 2003
Legal address	77 Babur St/ Tashkent City
Actual address	77 Babur St/ Tashkent City



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Introduction

The business plan of “UzRCE” OJSC (“Uzbek Republican Commodity Exchange” open joint-stock company) is elaborated as a document defining main areas of the Exchange in 2014.

The plan is elaborated taking to account the usage of existing and potential facilities of the Exchange, and it defines the targets of the company in 2014, also it contains corporate tasks setting, formulates certain organizational-technical and financial activities by which the tasks fulfilled with implementation, it also serves as a programme stimulating competitiveness and effectiveness of the Exchange.

The activities of the Business Plan will be fulfilled basing on conducting systematic work on realization of all the activities included in it, and on regular supervision of its fulfillment by the administration of the Exchange, and also based on the control by the corporate consultant and by the internal auditing service and Supervisory Board.

Information about the company

Uzbek Republican Commodity Exchange is founded in the structure of “Uzoptbirtorg” Association according to the Decree of the President of the Republic of Uzbekistan adopted on the 28th of February, 1994 and numbered as UP-772.

“UZRCE” OJSC was excluded from “Uzoptbirtorg” Association according to the Decree of the Republic of Uzbekistan adopted on the 27th of April, 2001 and numbered as UP-2836, and it functions as an independent market structure.

The license numbered as RR38-02 was given on the 28th of March, 2003 according to the Decree of the President of the Republic of Uzbekistan “About licensing the exchange” adopted on the 4th of February, 2003 and numbered as 66.

The Exchange functions as a joint stock company of open type.

The authorized fund is formed in the amount of money as 8 620 218,3 thousand sums, number of allocated shares is 24 986 140.

Share of the state in the authorized fund is 26,01%.

Other shareholders of the Exchange:

“Trustbank” - 22,13 %;

«PRESYSTEM UNIVERSAL» LLC JV - 14,68 %;

«Uznefmaxsulot» JSC - 6 %;

AMSP (Almalik mining and smelting plant) – 6 %;

«Uzbek metallurgical plant» OJSC - 6 %;

Other juridical entities and individuals – no less than 20 %.

Corporate targets and tasks of the exchange in 2014

The year 2014 is a significant year in the history of development of the exchange.

On the 28 of February it will have been 20 years since the moment of adopting the Decree of the President of the Republic Uzbekistan “About abolishing “Uzkontraktorg” Uzbek State Joint-stock Association for contracts and trade and about founding “Uzoptbirjetorg” State Joint-stock Association for wholesale and exchange trade” numbered as UP-772, according to which Uzbek Republican Joint-stock Exchange was established.

On the 5th of February it will have been 10 years since the moment of adopting the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “About further implementation of marketing mechanisms of realization of high-liquid goods, raw and other materials” which gave new impulse to exchange trade in the county.

Main goals of “UzRCE” OJSC in 2014 are:

15 % increase of the volume of the deals made in the Exchange;

Improving the mechanisms of conducting exchange, exhibition trades and auctions and calculation-clearing services for the customers;

improving the economic indexes characterizing the functions of the Company (incomes, profits, amount of the dividends paid to shareholders) including:

incomes of the Exchange - 17 %;

profits - 6 %;

amount of the dividends paid to shareholders as 181 sums per a share.

Strategy of the company in 2014

The strategy of the Exchange is pointed to usage of competitive presences of the exchange to achieve goals by fulfilling the following tasks:

increase in the commodity turnover of the Exchange by enhancing the number of items and the volume of production realized on the exchange and sales exhibition and auctions, also improvement of the mechanisms of conducting the sales;

satisfying the informational demands of the shareholders and participants of the exchange-commodity markets, and also business sectors of the Republic and foreign investors giving them trustworthy information about the Exchange and its function.

Technical and technological modernization of the Exchange;

Optimizing operative management, organizational structure and increasing the effectiveness of personnel policy of “UzRCE” OJSC.

Review of the exchange market and the competitive environment

The exchange market of the Republic of Uzbekistan is divided into three main segments like commodity (goods and raw material), stock and currency. “UzRCE” OJSC is concentrated on the exchange-commodity market.

Exchange trade plays significant role in social-economic reformation, supplying with:

- equal access to the material and raw material sources not depending on the capacity of the enterprises and their location, form of property and organizational-legal form;

- opportunity to realize the goods, produced by the enterprises, at new markets;
- optimal formation of prices basing on publicity and openness of the bargains and maximum competition on the sales;

- guarantee of execution of conventional obligations.

The advantages of the exchange trade are:

- high level of organization of the sales, publicity and predictability of the trade rules and norms of the turnover in the business;

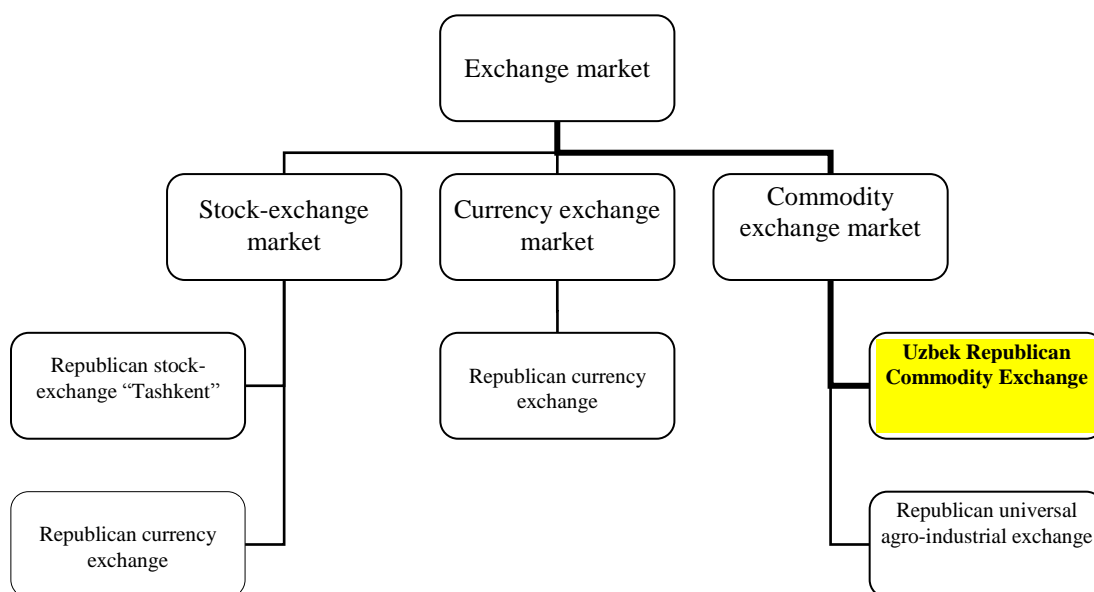
- high liquidity of the market, concentration of the demands and offers on the sales;

- public fixation of the rights and obligations on the sales, and opportunity of quick and public arbitration investigations;

- low price of transactions.

Basing on significance of the exchange trade in the economic reforms being done by the Government of The Republic, and also basing on the admitting the advantages of the exchange by the entities, it can be seen that development of the branch is in perspective, and growth is being expected in all segments of the exchange market.

The Structure of the exchange market in the Republic of Uzbekistan



The competitor of the exchange is the Republican universal agro-industrial exchange. The share of “UzRCE” OJSC at the commodity exchange market exchange market is more than 90 % .

Main competitive advantages of “UzRCE” OJSC are:

rendering wide range of services in high demand;

multi-branched infrastructure of exchange trade;

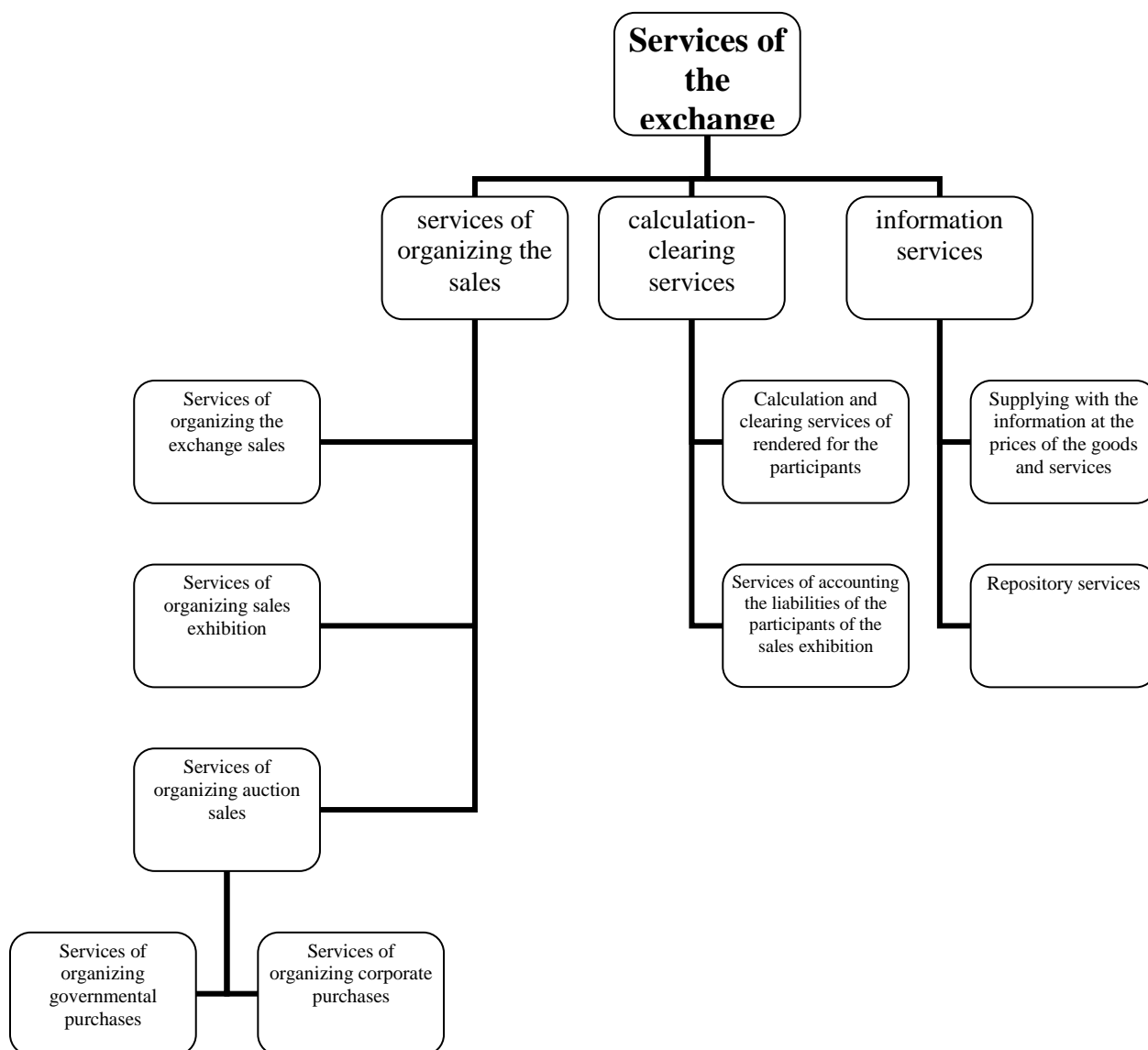
well-qualified employees;

using the modern information technologies and their regular modernization.

The exchange has occupied leading position since the year of establishment 1994 because of effective taking the above mentioned advantages.

The exchange functions organizing exhibition and auction sales, rendering calculation-clearing and information services along with organization and conducting the exchange sales.

Scheme of rendering the services to the customers of the exchange



Main function areas of the “UzRCE” OJSC

Types of services rendered by the exchange	Beneficiaries of the services	Advantages for the participants
Organizing and conducting the exchange sales	<p>sellers- enterprises– monopolists;</p> <p>customers– entities of all types of properties</p>	<p>Enhancement in the number of the customers, additional incomes basing on the increase of starting prices on the competitive tenders and also guarantee of fulfillment of the obligations by the contractors;</p> <p>Getting equal access to high-liquid resources and the guarantee of fulfillment of the obligations by the contractors</p>
Organizing and conducting the sales	Sellers and customers – entities of all types of	Enhancement of the marketing area, low price of the research new contractors,

exhibition	properties	quickness of making deals, public fixation of the rights and obligations through the bargains and opportunities of quick and public arbitrary investigation
Organizing and conducting the auction sales for placement of government orders	Clients – recipients of budgetary funds suppliers – entities of all types of property, mainly subjects of small business	Decreasing the prices of goods, work and services in case of government purchases, decrease of the price of order placement procedure; Getting equal access to the government order, public fixation of the rights and obligations on the bargain
Organizing and conducting the auction sales for placement of corporate orders	Clients – subjects of real monopolies, enterprises with the government’s share Suppliers - entities of all types of property, mainly subjects of small business	Decrease of the prices of goods, work and services of placement procedure of orders; Getting equal access to corporate orders, public fixation of the rights and obligations on the bargain
Calculation-clearing service	Enterprises – participants of the sales	Guarantees of fulfillment of the obligations by the participants of the trade
Information services	предприятия всех форм собственности	Receiving the information about situation of commodity markets

The Exchange is intending to reach commodity turnover in amount of 7786,0 billion sums, making growth for 15 % comparing to year 2013.

At the same time, the increase of commodity turnover will be reached by the growth of the turnover of all electronic trade platforms of the exchange like: exchange, exhibition, auction (on the organization of government and corporate purchases).

Prediction of growth in turnover of sales in “UzRCE” OJSC in 2014

(billion sums)

	2012г.	2013г. expected	2014г. predicted	2014 in % to 2013
Sales turnover in total	5760,6	6771,0	7786,0	115,0
including:				
Exchange sales	4979,5	5636,3	6209,9	110,2
Sales exhibition (realization of the production)	433,2	680,7	813,3	119,5
Government purchases	347,9	405,2	511,3	126,2
Corporate purchases*)	*)	48,8	251,5	515,4

*the sales of 2013 began in the month of September

Quick growth, predicted for the year 2014, is based on the successful results

of the Company in 2013, also on the economic growth in the Republic.

The results of the company in 2013

The sales turnover of “UzRCE” OJSC comprised 5154,8 million sums with the growth for 24,4 % (76 % to 2013 confirmed by the business plan) comparing to the similar period of last year.

The volume of bargains on the platform of exchange sales has been increased for 22,4 %, also for 45,5 % on the sales exhibition and for 23,3 % on the auctions of government purchases.

Comparative chart of numbers of bargains in “UzRCE” OJSC for 9 months of 2012-2013

(billion sums)

Indexes	as per the business plan for 2013	9 months		9 months of 2013 in %	
		2012	2013	Business plan	9 months of 2012
Sales in total	6771	4143,3	5154,8	76,1	124,4
including:					
Exchange sales	5893	3579,4	4381,9	74,4	122,4
Sales exhibition (realization of the production)	498	317,4	461,4	92,6	145,4
Government purchases*	380	246,5	303,9	80,0	123,3
Corporate purchases	*)	*)	7,6	-	-

*)implemented in September, 2013

The production in amount of 3723,2 billion sums was realized on the platform of the exchange sales with growth for 21,7 % and the volume of the share of the bargains made on the exchange sales for 85%.

High quality production was significantly increased and realized like of: coal for 61,5 %, food for cattle for 66,2 %, food for cattle made from cotton seeds for 53,1 %, cement for 49,5 %, roof slate 47,7 %, aluminum secondary for 38,1 %, vegetable oil for 32,5 %, polyethylene for 31,2 %.

Export through the exchange and sales exhibition comprised 123,7 million US dollars, which shows improvement comparing to 2012.

The producers received additional incomes forming real market prices on sales (increasing the starting prices) in amount of 1642,2 billion sums, which shows the growth for 26,4 % comparing to similar period of 2012.

The entrepreneurs made deal for 2,52 trillion sums against 2,19 trillion sums for 9 months in 2012 (growth for 15 %).

In order to decrease the starting prices, government purchases was realized for 303,9 billion sums with the growth for 23,3 % comparing to the similar period of the last year on the electronic system of the auctions. Budget savings comprised 58 billion sums (16 % comparing to the starting prices of the purchases)

In total, the share of the subjects of small business comprised 82,9 %.

In order to decrease the starting prices (works and services) on corporate purchase the mechanism of electronic auction was implemented according the Decree of the President of Uzbekistan “About optimization electronic purchases and enhancement in the access of the subjects of business to them” adopted on 5th of April, 2013 and numbered as PP-1948.

The subjects of real monopoly, government unitary enterprises and other business companies, functioning with the share of government for 50 %, purchased electronic types of goods worth 7,6 billion sums for the reporting period which helped to save 1,2 billion sums or 13 % of the starting price of purchases.

Certain activities were made to define the sectors of improvement of information technologies.

By the protocol of the Cabinet of Ministers adopted on 25.09.2013 and numbered as 02-02/107 it was instructed to elaborate technical tasks for infrastructure of engineering and IT of the information processing centre, local computer networks, software of electronic exchange and auction sales, automatized work places.

The technical tasks for all sectors of IT has been elaborated.

In total for the last period the “UzRCE”OJSC functioned with the increase in the volume of bargains and incomes.

At the same time the suppliers of high-liquid and monopoly production, confirmed according to the material balances and realized through the exchange, did not follow the schedule, and this caused detention in growth of exchange trade.

The activities on increasing commodity turnover of the exchange and on improving the mechanisms of trade process and calculation-clearing services

Increase in commodity turnover of the exchanging trades

It's being planned to increase the turnover of the goods realized on the exchange to 6209,9 billion sums.

Realize high-liquid types of production is predicted, such as:

ferrous metal 51 thousand tons;
copper production 28,8 thousand tons;
liquefied gas 350 thousand tons
mineral fertilizers 225,5 thousand tons;
polyethylene 96,4 thousand tons;
and other high-liquid production.

It will be continued to work with the regional bodies of the Committee of the Republic of Uzbekistan for privatization and demonopolization and development of competition and also with the branches for controlling the presentation of high-liquid and monopoly goods, raw and other types of materials by the monopolist enterprises, and this will significantly raise up the level of execution of the indexes stipulated by the material balance.

In 2014 it will be continued to work on researching the unused potential of the local producer in order to attract the goods produced by them to the Exchange sales their inclusion into bulletin of the exchange.

Improvement of the mechanism of electronic auctions on organization of government and corporate purchases

The enhancement in the turnover of auction for organization of electronic corporate and government purchases at the expenses of conducting following activities:

enlarge the list of the goods (works and services), which will be purchased on the electronic auction sales conducted by the Exchange to decrease the starting price;

increase the number of the participants of corporate purchases, participation of which in the electronic sales is not necessary;

regularly analyzing the results of the sales, finding and removing the causes due to which the purchase of goods on electronic system of claims haven't been satisfactory.

In 2014 it's being predicted to achieve the turnover of the electronic sales at the level of 762,8 billion sums, including:

electronic auction sales for organization of government purchases - 511,3 billion sums (growth for 25 %);

electronic auction sales for organization of corporate purchases – 251,5 billion sums (growth for 515 %).

The centre for promoting the goods will work on researching leading foreign experience on organization of government and corporate purchases, its adaptation to

the condition of Uzbekistan and improvement of the regulatory acts, local acts of the exchange and the structure of the organizing process of the electronic auction sales.

Increase in the turnover of exhibition trade

In order to attract a range of additional participants and basing on the creation of more attractive and favorable conditions for them in the sales, the Centre for promoting the production of the subjects of small business will research and implement the experience of more successful electronic trade sections abroad and it will be proposed to improve the process of sales exhibition held “UzRCE” OJSC.

The improvement mechanism of guaranteed sales exhibition and also implementation of the easement activities in the process of bargaining and execution of the bargains (also the foreign ones) in 2014 will be one of the main directions of improvement of the sales exhibition.

As a result of the improvement activities held in sales exhibition and attraction of new participants and enhancing the range of the goods realized on the sales, it’ being planned to reach growth for 22 % increasing the turnover of the sales up to 813,3 billion sums in the sales exhibition in “UzRCE” OJSC in 2014.

Improving the calculation-clearing service

In order to improve the calculation and clearing services for the clients in 2014, followings are being planned:

- implementation of the software for calculation of the exchange bargains with guarantee;

- implementation of the software for calculation of the exhibition bargains with guarantee;

- enlargement of the access for the employees of the branches to software systems in order to serve the participants of the exchange sales.

In 2014 the Chamber of calculation-clearing will conduct range of activities to improve the function of chamber and to create regulatory base for implementation of new mechanisms letting the participants of the exchange sales fulfill the obligations.

Informational serving the participants of exchange and exhibition trade and auction

The Exchange is intending to reach new level of the quality of information services rendered for the customers in 2014. Starting of new information portal and the increase in the number of functions will be main priority related to improvement of the informational and analytical activities of the Exchange. Improving the special information portal’s functioning will start repository services, new type of services in the Republic, which will show positive changes in the incomes flow in the Exchange.

Giving the information about quotation, the analysis and others to the public and ministries and other organizations will be done in the information sector.

All the information transmitting resources, like the corporate portal, the newspaper and the TV program “UzEXNews” will be significantly modernized and updated. Main purpose of these activities is to supply the users with the information and to be more popular among them.

In purpose of giving the information quickly to Board of Supervisors and the shareholders of “UzRCE” OPSC, the electronic version of the “The Exchange Bulletin” will be sent them.

The paid information services will also be developed. These services include transition of the information through the corporate portal, also spreading the information about the rates depending on the requests of the customers, informational and analytical comments through the orders of the customers, advertisement on the information resources of the Exchange.

In general, the above mentioned means will create better facility for the Exchange to be highly enlightened on the mass media and it will give the opportunity to get additional profit.

Taking to account the growing demand of the producers and in order to receive additional profit, joining procedure to the information packages will be organized and those packages will include the information about the auction, competitive and tender sales on government and corporate purchases in the Republic, also the transmission of the information about the prices of the exchange, exhibition and auction sales of various kinds of goods and services on paid basis.

Analyzing the results of the sales, permanent supervision and analysis of the situation at the world markets and foreign exchanges let make up analytical materials and their enlightening in purpose of further usage of them to enlighten the Exchange.

Analytical review of separate segments of the commodity markets will give information about the situation at the market with long-term and short-term predictions.

Range activities will be conducted on maintaining foreign relations and organization of international exhibitions and fairs.

Organization of advertising and marketing and PR activities will be the most important factor in successful informational and analytical functioning.

Besides, cooperation with Mass media is very important for the Exchange. Some other activities are also being planned to be done:

- preparation and usage in new form of the corporate TV program “UzEXNews”.

- preparation of press-releases and information material.

- maintaining the relationship with information agencies, and cooperation with foreign mass media for full and objective enlightening of the Exchange.

- permanent supervision and enlightening of the Exchange for making relevant report to the administration.

Modernization of the technical facilities and the technological process, also updating main facilities

Implementation (done by “UzRCE” OJSC) of new areas such as government corporate purchases on the electronic auction sales and growth in the volume of realization of the commodity assets on the exchange and sales exhibition has set more load on the electronic auction sales which showed the need for estimation of the used information and communication systems.

In purpose of conducting the activities, “Integral Asia” independent consulting company was chosen on competitive base, and the made analysis on current situation in serving and developing the informational structure of the Exchange.

Followings things were found as a result of the audit conducted by the company:

- the infrastructure of “UzRCE” OJSC includes the Centre for processing the data, the necessary software, local computing networks. Along with the growth of number of the customers and deals made with them, also the growth can be seen in the number of claims given to the trade system, and so is the load on the infrastructure.

- the network device, which is being used, got morally old and is not physically fit to use (2004-2007) and they were removed from the production process, and there is not any opportunity to be technically supported by the producers of them.

- due to the lack of licensed software some problems with compatibility are rising up, which brings to detention of trade systems, inability in implementation of new applications, the most important of the which is electronic digital signature.

In purpose of solution of all the above mentioned issues and according to the protocol of the operational meeting, held in the Cabinet of Ministers adopted on 25.09.2013 and numbered as 02-02/107-85 on modernization of IT – the infrastructure of “UzRCE” OJSC, special plan on modernization of the IT – the infrastructure of “UzRCE” OJSC was elaborated and confirmed in cooperation with “GoscomSITT” for period of 2013-2014.

The plan of activities include certain areas of its realization and the executors like:

- forming the technical requirements for the engineering and computing infrastructure of the main Centre for processing the data (CPD), Local computing network(LCN) and the specialized Software (SW) for conducting the sales in “UzRCE” OJSC, the computing and office devices (computers, printers, multifunctional devices), the Atomized work places(AWP);

- an appraisal (by GoscomSITT) of the technical tasks on the engineering and computing infrastructure of CPD, LCD, SW and AWP;

- conducting the tenders for the purchasing the equipment defining the Operational body of the tender commission;

- conducting tenders on choosing the executors of the activities of all branches of IT – the infrastructure;

- the appraisal (by GoscomSITT) of the software.

Also it's being intended to repair the buildings Andijan, Navoi and Djizak regional branches and also to repair the central office “UzRCE” OJSC during the 2014-2015 period.

At the moment, more than 200 brokers' offices and 500 traders are being placed in the halls of the second and third floors.

In order to create favorable conditions for the brokers and also for the employees of the Exchange, the buildings of the branches and of the Company and the central office were researched

The research showed that due to repairing activities, which haven't been done for a long time in the halls of the second and third floors of the Exchange, the brokers' offices face unfavorable conditions.

Particularly, the pad of the electrification systems does not correspond to safety requirements, the floors covered in the halls are worn out, the heating system is working properly.

Besides, the trade halls don't correspond to world standards of exchange structures as information support. The trade halls must be provided with the information panels which supply the participants of the sales with the operative information about current situation and the prices.

Also, the research on the material and technical equipment of trade halls and the office accommodation of the buildings of the branches and the central office followings were found:

- organizing technical means are practically expired (physically and morally);

- the furniture is not in usable condition;

- due to the lack of sources of uninterruptable power, the electricity may not be at the regional branches during the exchange sales.

According to the decisions of the Common meetings of shareholders of "UzRCE" OJSC, with further capitalization to the authorized fund 6 215 372,5 thousand sums were allotted for modernization of the technical and technological complexes of "UzRCE" OJSC.

Optimization of operative management and increasing the effectiveness of personnel policy

As per the present growth of realization of the production and number of the customers, implementation of new mechanisms of government and corporate purchases, and also development of other areas, the number of the employees of

“UzRCE” OJSC isn’t found enough, and the organizational structure of the Exchange is found incomplete and it doesn’t correspond to any requirements.

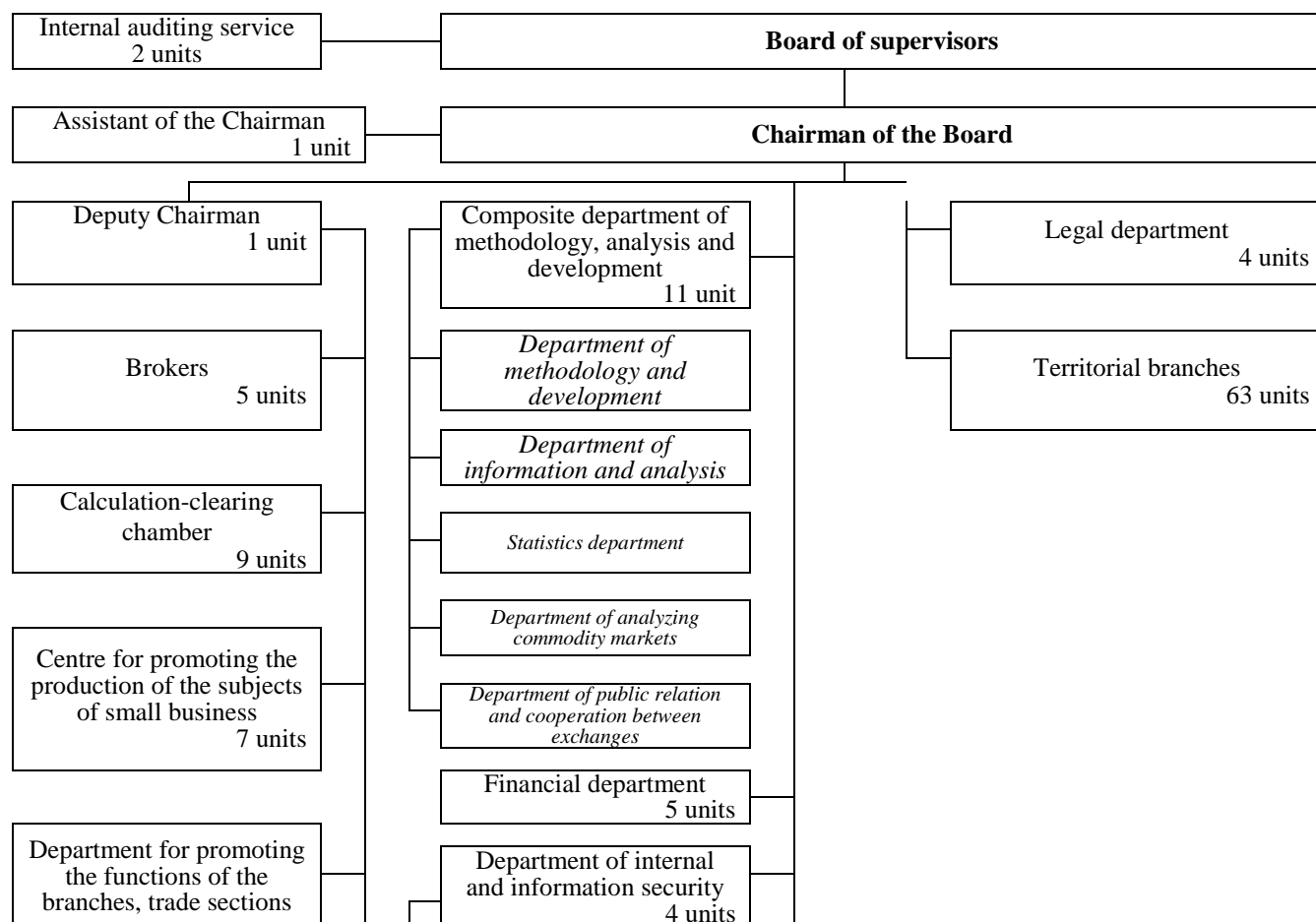
According to the results of the analysis on the demand for human recourses for realization of the goals which were set for the Company in 2014, 192 positions (jobs) of administration, technical and serving staff including:

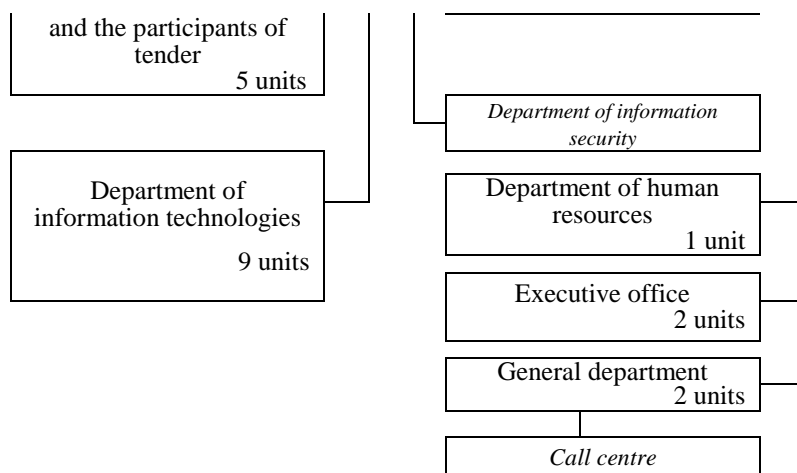
132 positions of administrative staff (69 are in the Central apparatus and 63 are at the regional branches;

23 positions of technical staff (13 are in the Central apparatus and 10 are at the regional branches) for maintaining the function of the Administrative staff of the Exchange;

37 positions of serving young staff (24 are in the Central apparatus and 13 are at the regional branches) for technical and common servicing the buildings and territories, guarding them and transport services.

Suggested organizational structure of the Company





The goals on HR policy at the “UzRCE” OJSC will be reached on the basis of effective usage of effective mechanism of HR management which is based on the principals of social partnership, demonstration of high results of the Exchange, decrease in the turnover of human resources and high motivation of the staff in reaching the targets set by the Business plan, harmonic combination among the employees of the Company and the shareholders of the exchange.

Main goals of the HR policy of the Exchange are preparation and regular improvement of the qualification of the specialists, creating competitive conditions, awarding and strong social policy.

The complexity of the issue can be seen in lack of secondary and high education institutions providing preparing the specialists for exchange, exhibition and fair and auction trade.

Following things are planning to be done In 2014:

The Department of HR will hold the seminars and trainings on organization of exchange, exhibition and fair and auction trade for the employees of the Exchange on the 1st quarter of 2014 in cooperation with the Department of methodology, analysis and development;

organization of monthly briefings on the changes in the laws and local regulatory acts of the Exchange;

organization of the courses of in riving the knowledge of using computers and research the technologies used at the Exchange;

establishment of corporate library to create opportunities of self-improving and rise up the professional level of the employees.

According to the Regulations, about the requirements of material and moral stimulation of the results given by the employees of “UzRCE” OJSC, confirmed by the top management of the Exchange, the fulfillment of the tasks by the staff will be objectively estimated at the end of each quarter.

Growth in the volume of export through the currency section, enhancement of the items realized on the exchange, increase of the number of the customers, the indexes showing the efforts made by each employee in order to achieve best results - all are considered as the estimation criteria.

In order to rise up the level of business action in execution of the programme documents of development of the Exchange and according to the system confirmed by Executive body, the development of the business environment at the branches will be estimated quarterly.

The activities on social development will elaborated and realized jointly with the Trade union of the Exchange and following things will be provided with:

- comfortable and safe conditions to work;
- medical service;
- guarantee of protection from accidents in production;
- support and development of physical culture and sports;
- development of creativity of the employees.

Financial-economical information

1. Main incomes of the Exchange is the amount of money of commission fees received by the exchange services:

- on the guaranteed bargains in the national currency;
- on the guaranteed currency bargains;
- clearing services;
- the bargains of the sales exhibition system
- the bargains of the system of government purchases;
- the bargains of the corporate purchases system;
- fees for the announcements on the special information portal;
- information services (prices);
- informational and analytical material.

Incomes from the services rendered to the members of the Exchange:

- Fees for the automatized work places;
- Fees for broker's place;
- deposit for linking up the trade sections;
- other incomes from main areas:
- short-term rent.

incomes from the finance:

- percentages from distribution of spare assets;
- positive rate margins.

The incomes flow planned through the incomes item, shown in certain amount and divided into quarters:

(thousand sums)

Income item	I quarter	II quarter	III quarter	IV quarter
guaranteed bargains	2 971 252	3 100 437	3 229 622	3 617 177
guaranteed currency bargains	43 269	45 151	47 032	52 676
clearing services	1 498 330	1 563 475	1 628 620	1 824 054
charges for non-budget fund of ME (Ministry of	957 274	998 894	1 040 515	1 165 377

economy)				
bargains in the structure of sales exhibition	374 118	390 384	406 650	455 448
bargains in the structure of corporate and government purchases	233 289	243 432	253 575	284 004
Fees for automatized work place	73 744	77 431	82 252	82 248
Fees for broker's place	41 290	43 355	46 054	46 052
deposits for involving trade sections	33 998	35 697	37 920	37 918
other incomes	46 254	48 567	51 591	51 588
percentage of receiving	32 000	32 000	32 000	32 000
positive rate margins	476 757	502 194	535 451	535 425
Total	6 781 575	7 081 018	7 391 280	8 183 966

2. Prices of the services of the exchanges

1. The volume of commissioning fee for the services related to the exchange bargains and the services related to the system of UZBEX, the services of calculation-clearing chamber and also information services are regulated by the Declaration of limited tariffs for the services of "UzRCE" OJSC which is registered in the Ministry of Finance of the Republic Uzbekistan with the number YoT/15-04-Y3-2010/7 on 27.04.2010 (without the VAD).

2. The volume of the commission charges for the bargains in system of government purchases comprises 0,05 % from the sum of the deals with each participant of the sales basing on the Decree of President adopted on 5.04.13 and numbered as PP-1948(VAD is included).

3. The volume of the commission charges for bargains in the system of corporate purchases comprises 0,1 % from the amount of the money of bargain of each participant of the sales according to the letter of the Cabinet of Ministers dated as 31.05.13 and numbered as MA/15-04-19-12/69-621. (without VAD)

4. The volume of the charges for advertisement on the special portal of corporate purchases comprises 4200 sums according to the letter of the Cabinet of Ministers dated as 25.07.13 and numbered as MA/15-04-19-12/99-938 (VAD is included).

5. The volume of the charges for informational and analytical materials are given as 4919 sums for one page according to the Protocol of the meeting of the Board adopted on 21.12.12 and numbered as 74 (VAD is included).

6. Charges for automatized work place of the broker is made as 30 US dollars in the central hall of the Exchange, and 20 US dollars in the halls of the regional branches monthly according to the Protocol of the meeting of the Board dated on the 19.02.13 and numbered as 18. (VAD is included) 7.Charges for broker's place (right for the access to the system of ESBT) according to the tariffs coming out from such a calculation like, 50 USD for one trades for a year basing on the Protocol of the meeting of Board adopted on the 19.02.2013 numbered as 18. (VAD is included).

8. Deposits for connecting one trade section:

situated in Tashkent city – 7 minimal salaries for a month

situated in the centre of the region – 5 minimal salaries for a month.

in the cities and districts of the regions on privilege basis(free)

3. Permanent and variable expenses

Permanent expenses are the costs, volume of which doesn't depend on changing the volume of rendered services.

Permanent expenses are:

renting and using the buildings – 198494 thousand sums;

amortization of main assets and non-material assets:

a) meant for production - 1072701 thousand sums;

b) meant for administration - 66638 thousand sums;

communication services:

a) meant for production -203598 thousand sums

b) meant for administration - 2695 thousand sums;

c) expenditure for the labor of the administrative staff –
1741868 thousand sums;

d) deductions for social insurance – 281764 thousand sums;

e) maintenance and serving the technical means – 16562 thousand sums;

f) travel expenses of the administrative staff
28632 thousand sums;

g) expenses on representation - 14983 thousand sums.

In total: 3 627 936 thousand sums.

Permanent expenses consist of :

purchased material for production - 2 090 41 thousand sums;

natural raw material, fuel and all types of energy for
135211 thousand sums;

expenses for the salary of the employees of production will comprise 4 000 158
thousand sums;

deduction for social insurance will comprise 1 000 040 thousand sums.

Besides, the variable expenses include other payments for production(technical service and repairmen of the main assets, renting the communication channel of the Central Bank, travel expenses) in total will comprise 363437 thousand sums and the for advertisement it will be in amount of 13300 thousand sums.

Total amount of the expenses for production and administration will comprise
5 721 187 thousand sums.

Other types functioning expenses will comprise in total 7 574 626 thousand
sums.

4. Expenses on giving the salary

The salary expenses on production will include the salary calculated for production and administration for the actual work coming out from the tariffs and position fees according to the adopted form timely system of salary including payments which will give the stimulation meant by the regulations “About stimulation of and social support of the employees of the Exchange” and “About rewarding the employees at the end of the year” which were confirmed with the collective

agreement. Thus, the expenses for the salary will comprise in total 5 742 026 thousand sums, including 4 000 158 thousand sums (2 523 153 thousand sums for salary, production reward 1 477 005 thousand sums) meant for production and also mean for administration 1 127 057 thousand sums (1 127 057 thousand sums for the salary, 614 811 thousand sums for rewarding).

5. Amortization of the fixed assets

The sum of amortization deduction coming out from the initial price of the productive assets and the norms confirmed according the regulations is included in the expenses of amortization main assets and non-material assets meant for production.

Coming out from the price of the main assets, which was formed according to the situation to the preparation moment of the Business plan, the amortization of the main assets for production will comprise 66 638 thousand sums which is in total 1 139 339 thousand sums which includes depreciation of non-material assets calculated depending on the initial price and the their period of usage.

6. Usage of borrowed assets and returning them

To the moment of making the business plan, the borrowed assets will not be used and it's not being planned to get loans in 2014.

7. Taxes and the obligatory payments.

The Exchange pays the taxes established generally and these expenses include obligatory payments for the budget, taxes, fees, deductions for the government purpose funds which are regulated according to the current laws.

Tax payment is done by the calculation according to the rates regulated by the current laws of the Republic of Uzbekistan:

VAT – 20 %;

Incomes tax– 9 %;

Tax for accomplishment and development of the infrastructure – 8 %;

Tax for using the water (by calculating);

Land tax (by calculating);

Tax for the property– 3,5 %;

Incomes tax, paid as dividends – 10 %;

Income tax for individuals;

Deductions to non-budget funds:

Pension fund:

a) ESP from the fund of payment for the labor– 25 %;

б) From the volume of rendered services– 1,6 %;

в) Necessary insurance payments of the citizens – 6%.

Republican highway fund – 1,4 %;

Fund of reconstruction and repairment and equipment of education and medical institutions – 0,5 %.

Thus, the payments to budget (tax for the property, land tax and the tax for using water resources) will comprise 317 386 thousand sums as deduction to non-

budget funds (pension, highway, and for development of education at schools) which are calculated from the rendered services will comprise 872 860 thousand sums, and income tax will comprise 1 323 681 thousand sums, and the taxes for accomplishment and development of the infrastructure will comprise 787 367 thousand sums.

8. Information about the cash flow.

(thousand sums)

Description of the indexes	The codes	Receipt	Expenditure
1	2	3	4
Operative function			
Money receipts from realization of production (goods, works and services)	10	71 552 338	
Payments to the suppliers for the material, goods, works and services	20		929 335
Payments to the employees and also from them	30		6 095 524
Other money receipts and payments from the operational functioning	40	1 811 404	18 044 280
Total: net cash inflow / outflow from operational functioning (010-020-030+/-040)	50	48 294 602	
Investment			
Purchasing and selling main assets	60		4 800 000 000
Purchasing and selling intangible assets	70		139 200
Purchasing and selling long-term and short-term investments	80		
Other money receipts and payments from making investment	90		
Total: net cash inflow/outflow from investment (060+/-070+/-080+/-090)	100		4 800 139 200
Financial functioning			
Received and paid percentage	110		
Received and paid dividends	120		3 951 160
Other money receipts and payments from financial functioning	170	256 000	
Total: Net cash inflow/outflow from financial functioning (110+/-120+130-140+/-150+/-160+/-170)	180		3 695 160
Taxation			
Paid income taxes (The fragment line in the edition of the Order of MF, registered MJ on 11.10.2012/11.10.2012 numbered as 1209-5)	190		697 055
Other paid taxes	200		6 433 900
Total: paid taxes (190+200)	210		0
Total: net cash inflow / outflow from financial and economical functioning (050+/-100+/-180-210)	220		

Balance of rate margins generated by overestimation of the bankroll in a foreign currency	221	324 500 000	
Bankroll for the beginning of the year	230		
Bankroll for the beginning of the year	240		

Reference on the cash flow in foreign currency

(USD)

Description of the indexes	The codes	Amount	
Remains to the beginning of the year	250		
Received currency, total (261+262+263+264) including	260	90 000	
Gain from the realization	261	90 000	
Converted	262		
On financial functioning	263		
Other sources	264		
Spent currency, total (271+272+273), including	270		
Payment to the suppliers and contractors	271		7 000
Financial functioning payments	272		
For other purposes	273		

9. Prediction of profits and losses.

Finnacial results of the Exchange are described income indexes given below:

Gross profit from realization of the products, which is difined as the margin between net earnings from realization and manufacturing costs of the realized products, is equal to 19 879 332 thousand sums.

the profit from the main area, which is difined as the margin between gross profit from realization of the production and expences of the period, plus other incomes or minus other losses from main area, is equal to 10 336 263 thousand sums.

profit from general economic area, which is calculated as the amount from the main area plus incomes and minus expenses of the financial area, is equal to 11 165 771 thousand sums.

profit before the taxes, which is defined as the profit from general economic area plus extemely profit and minus extemely losses, is equal to the profit from general economic area without planning the profits and losses.

net profit of the year, which is still owned by the Exchange, after paying the tax is thought as the profit before paying the taxes which exclude the income taxes and minus the tax for infrastructure. The net profit planned with calculation will comprise 9 054 723 sums in 2014.

Reports about the proits and losses are shown in the system of incomes and costs (financial plan).

**Estimation of
the incomes and expenses (financial plan)
on “UzRCE” OJSC for 2014**

(thsnd. sums)

INDEXES		Plan for 2014 calculated	per quarters of the year			
			1 quarter	2 quarter	3 quarter	4 quarter
I	Incomes – total	29 437 839	6 781 575	7 081 018	7 391 280	8 183 966
	including:					
	Gain from the commissioning fees	26 424 055	6 077 533	6 341 773	6 606 014	7 398 735
	Incomes from rendering the services to the members of the exchange	637 958	149 032	156 483	166 225	166 218
	Other incomes from the main occupation	198 000	46 254	48 567	51 591	51 588
	Incomes from the financial functioning	2 177 826	508 757	534 194	567 451	567 425
II	Expenses – in total	16 923 750	3 889 133	4 429 941	4 140 720	4 463 955
	including :					
1	Production cost in total	7 182 681	1 664 332	2 018 179	1 750 104	1 750 066
	Hereof					
1.1	Material cost, including	542 746	126 790	133 129	141 417	141 411
	purchased material	209 041	48 834	51 275	54 467	54 465
	renting and using the buildings	198 494	46 370	48 688	51 719	51 717
	Natural raw material	8 683	2 028	2 130	2 262	2 262
	Fuel of all types	10 621	2 481	2 605	2 767	2 767
	Energy of all types	115 908	27 077	28 431	30 201	30 199
1.2	Payments for labor	4 000 158	920 871	1 237 545	920 871	920 871
1.3	Deductions for social insurance	1 000 040	233 617	245 298	260 569	260 557
1.4	Amortization of fixed assets and also non-material assets	1 072 701	250 591	263 121	279 501	279 488
1.5	Other production expenses	567 036	132 464	139 087	147 746	147 739
2	Expenses for the period	9 741 069	2 224 801	2 411 762	2 390 617	2 713 889
2.1	Expenses for realization	13 300	3 107	3 262	3 465	3 465
	Advertisement	13 300	3 107	3 262	3 465	3 465
2.2	Administrative expenses	2 153 143	498 941	633 505	510 351	510 346
	Expenses for labor	1 741 868	402 864	532 624	403 190	403 190
	Deduction for social insurance	281 764	65 822	69 113	73 416	73 413

	Amortization of administrative fixed assets	66 638	15 567	16 345	17 363	17 362
	Communication services	2 695	630	661	702	702
	Maintenance and serving the technical means	16 562	3 869	4 062	4 315	4 315
	Travelling expenses	28 632	6 689	7 023	7 460	7 460
	Expenses of representation	14 983	3 500	3 675	3 904	3 904
2.3	Other operational expenses	7 574 626	1 722 753	1 774 995	1 876 800	2 200 078
	Payments for budget	317 386	74 144	77 851	82 697	82 694
	Deductions for government's purpose fund	872 860	203 907	214 102	227 431	227 420
	Payments for compensation and stimulation	907 802	165 333	139 704	139 704	463 061
	Deductions for social insurance	226 951	53 017	55 668	59 134	59 131
	Expenses to support Trade union	48 987	11 444	12 016	12 764	12 763
	Auditing, banking and depositing services	155 983	36 439	38 261	40 643	40 641
	Sponsor's aids	860 989	201 134	211 190	224 338	224 328
	Insurance of the estate	182 269	42 579	44 708	47 492	47 490
	Other expenses	346 486	80 942	84 989	90 280	90 276
	Deduction for the non-budget fund of the Ministry of Economy	3 654 913	853 815	896 506	952 318	952 274
3.	Expenses on financial functioning	1 348 318	314 977	330 726	351 315	351 299
III	Financial result until paying the taxes					
		11 165 771	2 577 465	2 320 350	2 899 244	3 368 711
IV	Taxation					
	Income tax	1 323 681	305 554	275 073	343 700	399 354
	Other taxes (infrastructure)	787 367	181 753	163 622	204 444	237 549
V	Net profit	9 054 723	2 090 158	1 881 655	2 351 101	2 731 809

10. Predicted balance for 2014

(thsnd.sums)

Description of the index	To the beginning of the period	To the end of the period	Description of the index	To the beginning of the period	To the end of the period
ASSETS			LIABILITES		
<i>Long-term assets in total</i>	11 046 388	16 240 943	<i>Sources of own funds</i>	23 347 219	24 340 073
Assets at balance-sheet value	15 838 543	19 852 643	Authorized capital	8 620 218	8 620 218
Fixed assets at depreciated cost	9 840 380	14 383 655	Added capital	564 835	564 835
Non-material assets at balance-sheet value	715 526	854 726	Reserved capital	4 925 505	5 378 241
Non-material assets at depreciated cost	3 600	143 475	Purchased own shares		
Long-term investments	41 500	66 500	Surplus earning	8 514 605	9 054 723

Equipment for installation	146 069	146 069	Targeted earnings	-	
Capital investments	1 014 839	1 051 244	Reserves for forthcoming expenses and payments	722 056	722 056
<i>Current assets</i>	282 227 270	227 872 018	<i>Obligations</i>	269 926 439	219 322 888
Production reserves	140 282	200 285	Current bills payable	269 926 439	219 322 888
Expenses of the periods in future	62 273	128 675	Long-term loans		
Receivables	23 373 926	1 763 358	Long-term banking credits		
Bankroll	258 581 696	225 753 935			
Short-term investment					
Other current assets	69 093	25 765			
BALANCE	293 273 658	243 662 961		293 273 658	243 662 961

11.Liquidity, rentability, ratio of workability no less than the defined limit below.

Basing on the predicted balance and the financial plan of the Exchange for 2014 following economic indexes are calculated:

Ceficient of liquidity - 1,04;

Ceficient of rentability of the assets – 0,04;

Ceficient of rentability of the expenses – 0,66;

Ceficient of being provided with own assets – 0,04;

Coefficient of the relation of own and short-term borrowed assets– 0,1;

Coefficient of deterioration of the main assets – 0,2.

However, it's important to note that the bankroll of the clients and the members of the exchange and also their obligations on returning the assets after compeling the bargains are included into the balance-sheet-account of the “bankroll” and the “obligations”.

Therefore, the predicted balance for 2014 was calculated without the assets of the customers and the members of the Exchange and aslo the done the calculation of the coefficients accordingly.

Predictable balance for 2014 (without the assets of the customers and members of the exchange)

(thousand sums)

Description of the index	To the beginning of the period	To the end of the period	Description of the index	To the beginning of the period	To the end of the period
ASSETS			LIABILITIES		
<i>Long-term assets in total</i>	11 046 388	15 790 943	<i>Sources of own funds</i>	23 347 219	24 340 073
Fixed assets at balance-sheet value	15 838 543	19 852 643	Authorized capital	8 620 218	8 620 218
Fixed assets at depreciated cost	9 840 380	14 383 655	Added capital	564 835	564 835
Non-material assets at balance-sheet value	715 526	854 726	Reserved capital	4 925 505	5 378 241
Non-material assets at depreciated cost	3 600	143 475	Purchased own shares		
Long-term investments	41 500	66 500	Surplus earnings	8 514 605	9 054 723
Equipment for installation	146 069	146 069	Targeted earnings	-	

Capital investments	1 014 839	1 051 244	Reserves for forthcoming expenses and payments	722 056	722 056
<i>Current assets</i>	282 227 270	32 872 018	<i>Obligations</i>	269 926 439	24 322 888
Production reserves	140 282	200 285	Current bills payable	269 926 439	24 322 888
Expenses of the future periods	62 273	128 675	Long-term loans		
Receivables	23 373 926	1 763 358	Long-term banking credits		
Bankroll	258 581 696	30 753 935			
Short-term investment					
Other current assets	69 093	25 765			
Balance	293 273 658	48 662 961		293 273 658	48 662 961

The indexes change accordingly as in the following :

Coefficient of liquidity- 1,32;

Coefficient of rentability of the assests– 0,06;

Coefficient of rentability of expenses – 0,66;

Coefficient of being provied with own assets – 0,24;

Coefficient of the relation of own and short-term borrowed assets – 1,00;

Coeficent of deterioration of the main assets – 0,2.

Thus, all the finaicial and economic indexes for the predicted period describe stable econimc state of the Exchange.

12. The activites on recovering the receivables and shortening the payables

The “UzRCE” OJSC will permanently conduct activities on decreasing the receivables and the obligations towards the suppliers by analyzing the fulfilment of the agreements made according to the inventory holdings and services, and also by mutaul settlement with the suppliers and customers on regular basis.