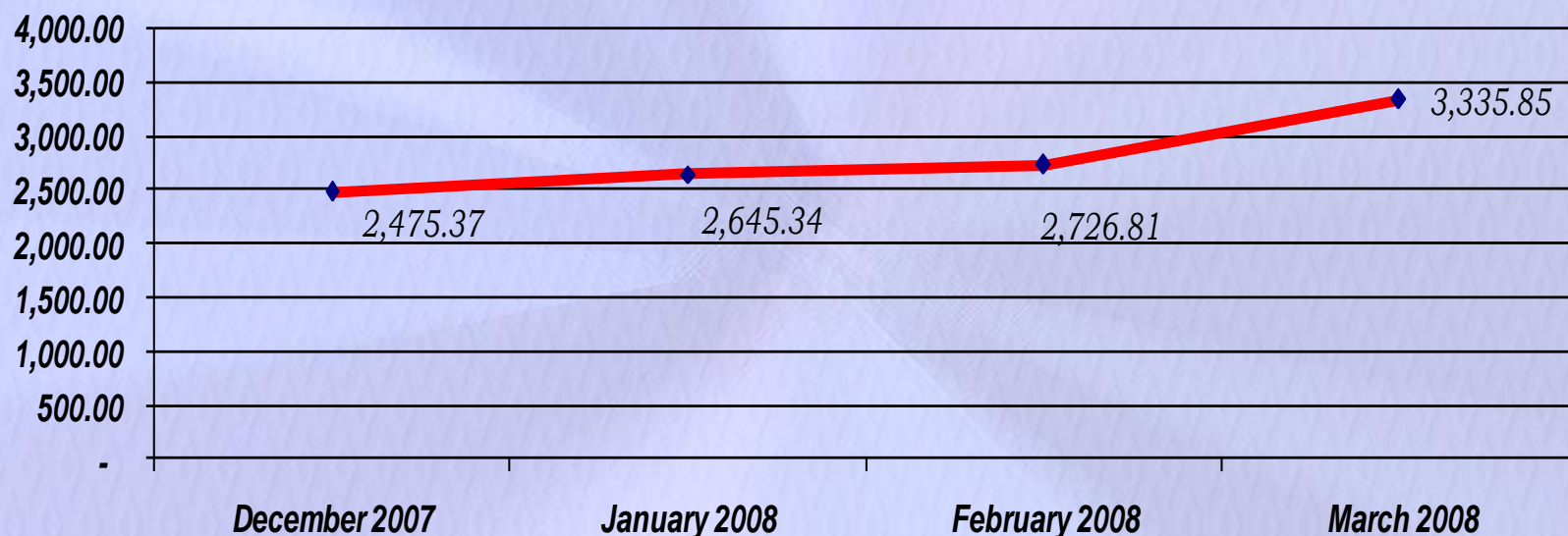


***State Oil Fund of the  
Republic of Azerbaijan***

***Results of the investment operations  
for the first quarter of 2008***

# Monthly dynamics of change in SOFAZ's currency assets in 2008

Assets (mln. USD)



mln. USD

|                                                         |                 |
|---------------------------------------------------------|-----------------|
| <b>SOFAZ's currency assets in the beginning of 2008</b> | <b>2,475.37</b> |
| <b>SOFAZ's currency assets by March 2008</b>            | <b>3,335.85</b> |
| <b>Change in currency assets for 2008</b>               | <b>860.48</b>   |

## ***SOFAZ'S portfolio breakdown by foreign currencies (by 31.03.2008)***

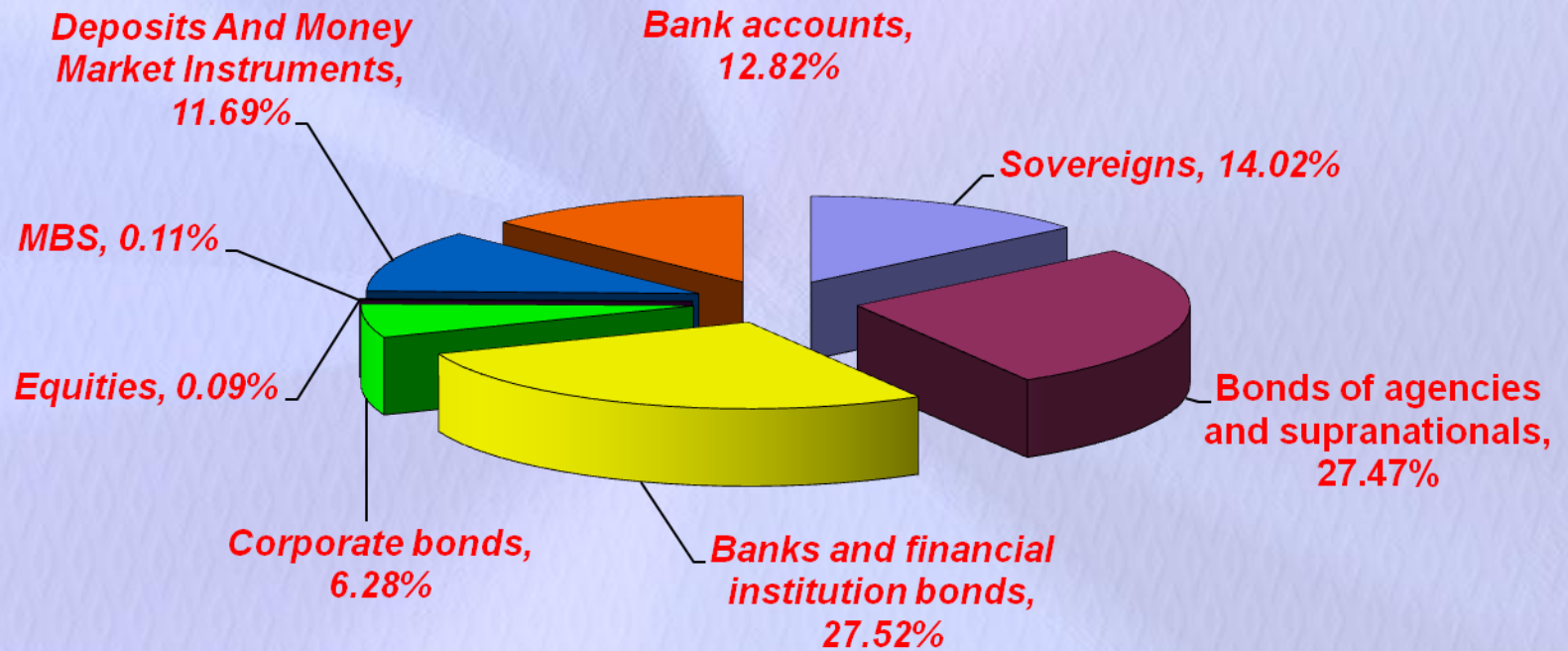
| <b>Currencies</b>                  | <b>mln.</b>        | <b>%</b>       |
|------------------------------------|--------------------|----------------|
| <b>TOTAL INVESTMENT PORTFOLIO:</b> | <b>\$ 3,305.81</b> | <b>99.10%</b>  |
| <i>with</i>                        |                    | <i>100%</i>    |
| <i>USD</i>                         | <i>\$ 2,149.78</i> | <i>65.03%</i>  |
| <i>Euro</i>                        | <i>€ 654.77</i>    | <i>31.29%</i>  |
| <i>GBP</i>                         | <i>£ 60.90</i>     | <i>3.68%</i>   |
| <b>TOTAL AZERBAIJAN MANAT</b>      | <b>\$ 30.04</b>    | <b>0.90%</b>   |
| <b>TOTAL ASSETS:</b>               | <b>\$ 3,335.85</b> | <b>100.00%</b> |



## **SOFAZ's portfolio breakdown by asset class** **(by 31.03.2008)**

| <b>Assets</b>                                | <b>mln</b>         | <b>%</b>       |
|----------------------------------------------|--------------------|----------------|
| <b>TOTAL SECURITIES:</b>                     | <b>\$ 2,495.32</b> | <b>75.49%</b>  |
| <i>with</i>                                  |                    |                |
| <i>Sovereigns</i>                            | <i>\$ 463.46</i>   | <i>14.02%</i>  |
| <i>Bonds of agencies and supranationals</i>  | <i>\$ 908.18</i>   | <i>27.47%</i>  |
| <i>Banks and financial institution bonds</i> | <i>\$ 909.62</i>   | <i>27.52%</i>  |
| <i>Corporate bonds</i>                       | <i>\$ 207.60</i>   | <i>6.28%</i>   |
| <i>MBS</i>                                   | <i>\$ 3.65</i>     | <i>0.11%</i>   |
| <i>Equities</i>                              | <i>\$ 2.81</i>     | <i>0.09%</i>   |
| <b>DEPOSITS AND MONEY MARKET INSTRUMENTS</b> | <b>\$ 386.55</b>   | <b>11.69%</b>  |
| <b>BANK ACCOUNTS</b>                         | <b>\$ 423.94</b>   | <b>12.82%</b>  |
| <b>TOTAL INVESTMENT PORTFOLIO:</b>           | <b>\$ 3,305.81</b> | <b>100.00%</b> |

# ***SOFAZ's portfolio breakdown by asset class (by 31.03.2008)***

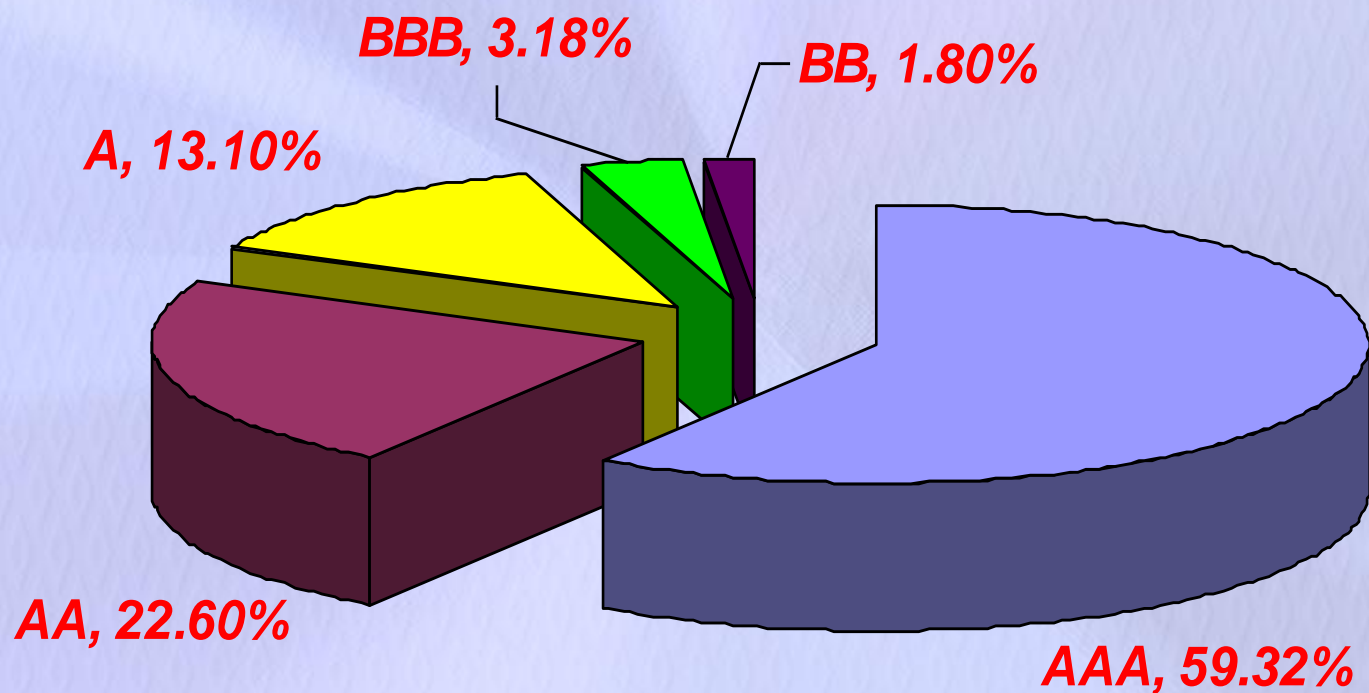


## **Classification of the bonds in SOFAZ's portfolio by credit ratings (by 31.03.2008)**

| <b>S&amp;P / Moody's</b>                  | <b>mln</b>         | <b>%</b>       |
|-------------------------------------------|--------------------|----------------|
| <b>AAA / Aaa</b>                          | <b>\$ 1,478.61</b> | <b>59.32%</b>  |
| <b>AA, AA+, AA- / Aa1, Aa2, Aa3</b>       | <b>\$ 563.21</b>   | <b>22.60%</b>  |
| <b>A, A+, A- / A1, A2, A3</b>             | <b>\$ 326.62</b>   | <b>13.10%</b>  |
| <b>BBB, BBB+, BBB- / Baa1, Baa2, Baa3</b> | <b>\$ 79.12</b>    | <b>3.18%</b>   |
| <b>BB, BB+, BB- / Ba1, Ba2, Ba3</b>       | <b>\$ 44.95</b>    | <b>1.80%</b>   |
| <b>TOTAL BONDS:</b>                       | <b>\$ 2,492.51</b> | <b>100.00%</b> |



## *Classification of the bonds in SOFAZ's portfolio by credit ratings (by 31.03.2008)*

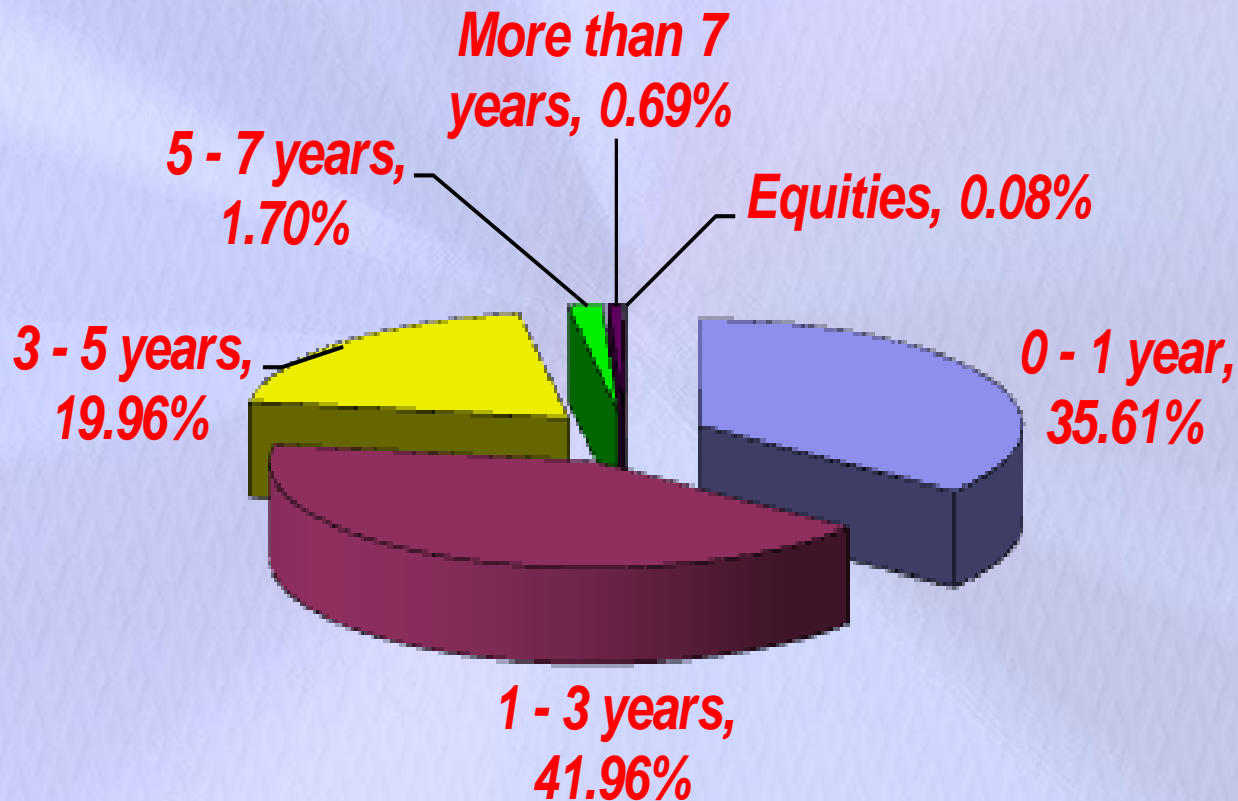


## ***SOFAZ's portfolio breakdown by maturities (by 31.03.2008)***

| <b><i>Period (year)</i></b>              | <b><i>mln.</i></b>        | <b><i>%</i></b>       |
|------------------------------------------|---------------------------|-----------------------|
| <b><i>0 - 1 year</i></b>                 | <b><i>\$ 1,177.25</i></b> | <b><i>35.61%</i></b>  |
| <b><i>1 - 3 years</i></b>                | <b><i>\$ 1,387.11</i></b> | <b><i>41.96%</i></b>  |
| <b><i>3 - 5 years</i></b>                | <b><i>\$ 659.84</i></b>   | <b><i>19.96%</i></b>  |
| <b><i>5 - 7 years</i></b>                | <b><i>\$ 56.10</i></b>    | <b><i>1.70%</i></b>   |
| <b><i>More than 7 years</i></b>          | <b><i>\$ 22.70</i></b>    | <b><i>0.69%</i></b>   |
| <b><i>Equities</i></b>                   | <b><i>\$ 2.81</i></b>     | <b><i>0.08%</i></b>   |
| <b><i>Total investment portfolio</i></b> | <b><i>\$ 3,305.81</i></b> | <b><i>100.00%</i></b> |



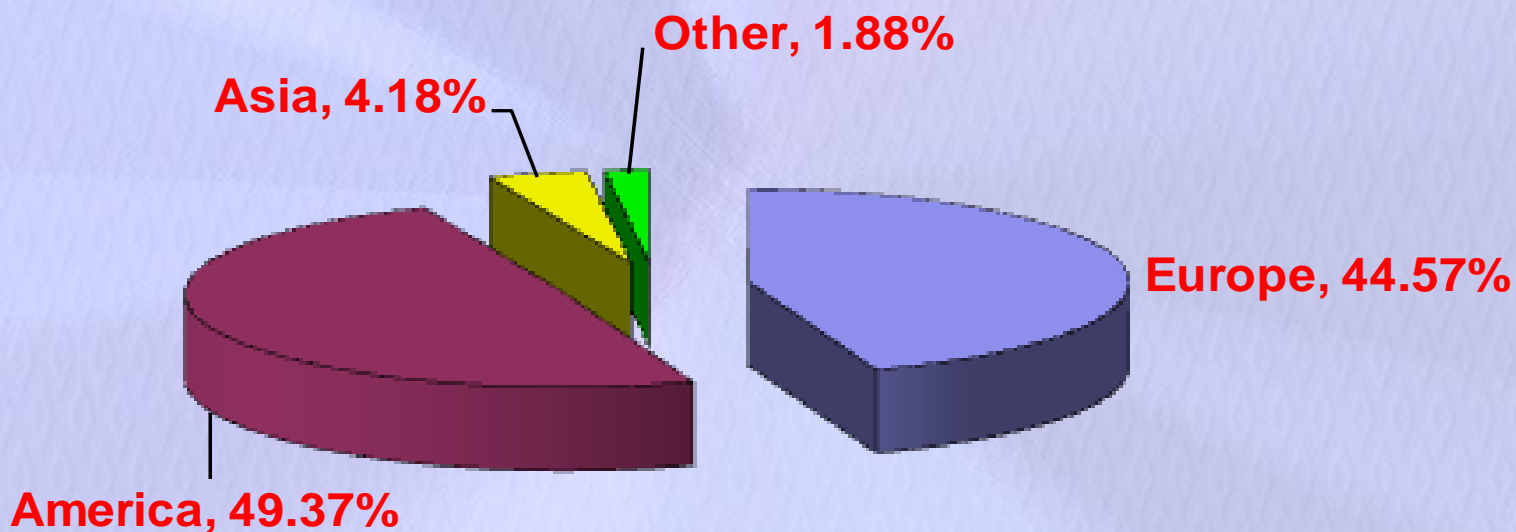
## ***SOFAZ's portfolio breakdown by maturities (by 31.03.2008)***



## ***SOFAZ's portfolio breakdown by geographic regions (by 31.03.2008)***

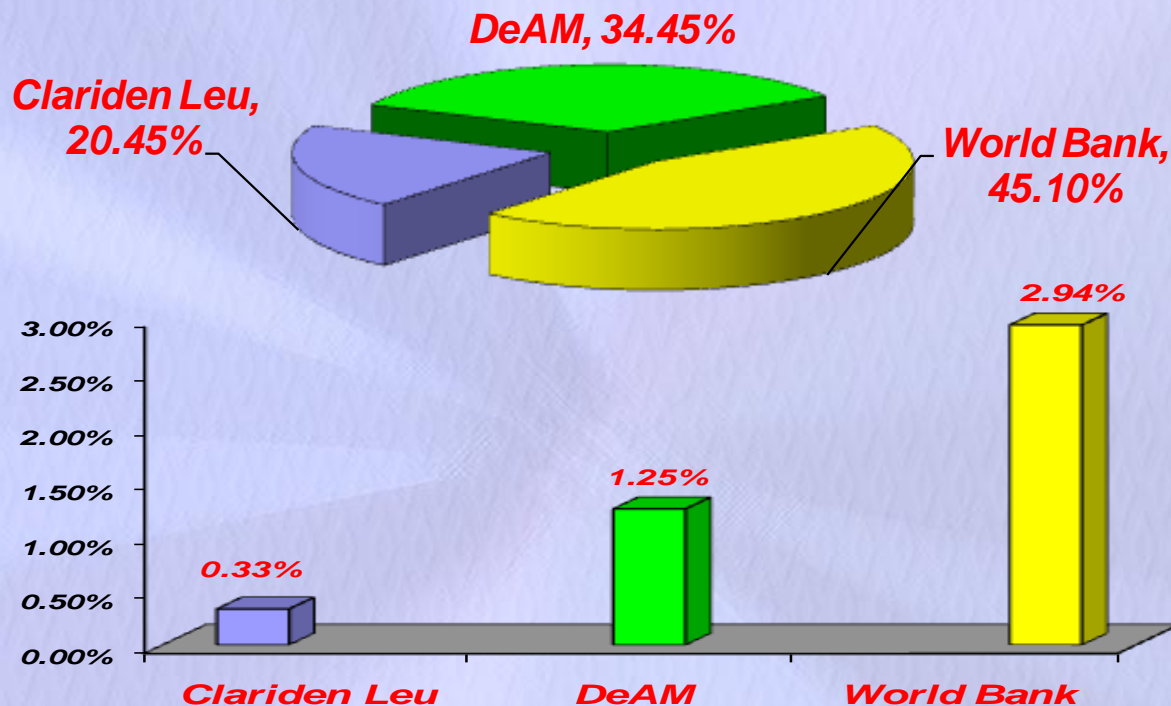
| <b><i>Regions</i></b>                     | <b><i>mln</i></b>         | <b><i>%</i></b>       |
|-------------------------------------------|---------------------------|-----------------------|
| <b><i>Europe</i></b>                      | <b><i>\$ 1,473.49</i></b> | <b><i>44.57%</i></b>  |
| <b><i>America</i></b>                     | <b><i>\$ 1,631.98</i></b> | <b><i>49.37%</i></b>  |
| <b><i>Asia</i></b>                        | <b><i>\$ 138.09</i></b>   | <b><i>4.18%</i></b>   |
| <b><i>Other</i></b>                       | <b><i>\$ 62.25</i></b>    | <b><i>1.88%</i></b>   |
| <b><i>Total investment portfolio:</i></b> | <b><i>\$ 3,305.81</i></b> | <b><i>100.00%</i></b> |

## ***SOFAZ's portfolio breakdown by geographic regions (by 31.03.2008)***





## **Assets of SOFAZ managed by external managers and their profitability for the first quarter**



mln. USD

|                                           |               |
|-------------------------------------------|---------------|
| Clariden Leu                              | 49.96         |
| Deutsche Asset Management (DeAM)          | 84.17         |
| World Bank                                | 110.18        |
| <b>Total external managers' portfolio</b> | <b>244.31</b> |