

Russian Satellite
Communications Company

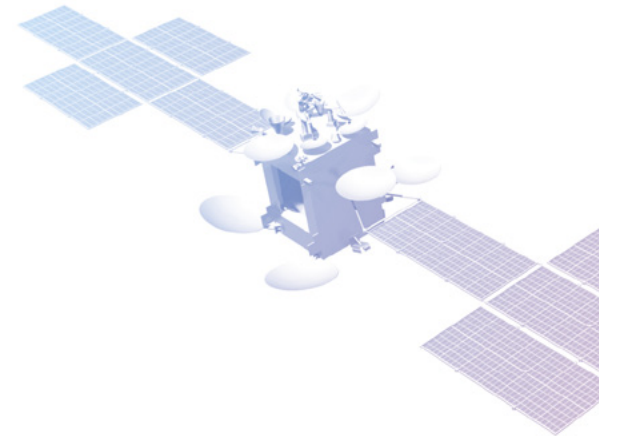
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❖ The Broadband Forum and Rostelecom

The major domestic event on broadband technologies – Broadband Russia Forum'2012 will take place in Moscow on November 21-22 for the second time. Assessing the last year's success the national operator Rostelecom and the Broadband Forum – a global consortium focused on engineering smarter and faster broadband connections provided support to the event from its launch.

Rostelecom has become a strategic partner of the Forum organized by ComNews. Ericsson became the bronze sponsor of the Broadband Russia Forum'2012, the event will be held with the participation of the Russian ICT developer – Protei. About 300 attendees are expected. The largest operators, associations, and

the world's leading vendors, as well as representatives of the national regulator will join the Forum.

The rapid spread of broadband access (BBA) is a powerful market and social trends in modern Russia. In one teleman's apt words, the broadband access market in Russia today is 85% of the operators' business and 100% of their hopes. No wonder the broadband projects of Rostelecom were mentioned among the priority in Russia.

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❖ RSCC lends Directv-1R

RSCC is negotiating on transfer of Intelsat's Directv-1R spacecraft in the position of 56 degrees east longitude. Now this position is occupied by RSCC's Bonum-1, whose lifespan is over. It is to be replaced with Express-AT1, but its Russian manufacture JSC «Academician M. F. Reshetnev «Information Satellite Systems» may miss the deadline. At the moment RSCC agrees a contract with Intelsat, and prepares materials for submission to the regulatory agencies to obtain permits that allow establishment and operation of the foreign

spacecraft in Russia's orbital position. The Russian operators of direct satellite TV requested RSCC to find the ways to solve the problem of renting a spacecraft, which could, in the case of an emergency, replace Bonum-1 before the launch of Express-AT1. Express-AT1 is to be launched in 2013, replacing Bonum-1, which has already run out its lifespan. However, RSCC is convinced that regular delays in spacecraft's manufacturing threaten the planned replacement of Bonum-1.

❖ Russia lost 2 spacecrafts again

On the night of July 7 the carrier rocket Proton with the upper stage Breeze-M was not able to bring into orbit two communication satellites – Express-MD2 and Telkom-3. The reason for the failure, according to preliminary data, was the malfunction of the booster. The problem with the upper stage operation of Breeze-M series appears for the second time: last year the latest telecommunication satellite Express-AM4 was lost because of the problems in its engine unit. The spacecraft Express-MD2 was created by ISS-Reshetnev in cooperation with the Italian division of

Thales Alenia Space. The spacecraft was designed for continuous round-the-clock data rebroadcasting in the system of satellite communication and broadcasting of the Russian Federation. Telkom-3 was created by JSC «Academician M. F. Reshetnev «Information Satellite Systems» on the order of the Indonesian PT Telekomunikasi Indonesia Tbk. It was intended to provide communications and TV broadcasting in Indonesia and Indochina. All spacecraft launches with Breeze-M upper stage are frozen prior to the causation of all failures.

❖ Yamal-300 is frozen

Due to the spacecraft Express-MD2 launch failure the launch of another satellite Yamal-300 of the Russian company Gazprom – Space Systems, which was scheduled for early September, is postponed. Yamal's launch is postponed for the second time. Now it will be postponed until the Federal Space Agency deals with the problems in the upper stage Breeze-M,

which caused emergency starts. Yamal-300 is manufactured by ISS-Reshetnev and is intended to supplement the Yamal group of Gazprom – Space Systems. The spacecraft will be launched in the point of 90 degrees east longitude to provide Russia and CIS with all kinds of advanced services in the frequencies of C and Ku-bands.

❖ Medvedev gave Roscosmos a month

The Russian Prime Minister Dmitry Medvedev ordered to work out the issues of manufacture quality control at the enterprises of space industry at the government level during one month. Among the objective difficulties of failures, the Prime Minister mentioned an outdated manufacturing base – 90% of capacity is in operation for over 20 years. In addition, the problem of the Russian space industry is the weak component base. The Russian rocket and space technology is poorly endowed with necessary construction materials. There is also a lack of personnel. «Nevertheless, all these things do not justify the failures of

spacecraft launches in recent years, – Medvedev said. – In the past year and a half there were seven emergency starts and ten satellites were lost – the difference is huge compared to the results of other space-faring nations».

The sad situation occurs despite the fact that the Russian government invests more and more every year in development of the space industry. So, in 2012-2015 it is planned to invest 650 billion rubles (over \$ 20 billion).

❖ Free Wi-Fi in Moscow parks

The Moscow IT Department announced deployment of free Wi-Fi networks in 14 Moscow parks. It is reported that networks will provide wireless Internet access at speeds of 0,5 Mbit/s. «Each park will have at least five public Wi-Fi hot spots to provide uniform coverage of the entrance area, the central alleys and places adjacent to the bandstands. The Wi-Fi

equipment is installed on the lighting lampposts and administrative buildings within each park area. One can enjoy free Internet access with no restrictions. Hot spots are not planned to be removed in winter. Wi-Fi network is deployed by Tascom under the terms of the three-year contract on rendering services for cultural institutions of Moscow. ❖

❖ Scartel makes price for 4G

Scartel and MegaFon (from July 2012, both operators are affiliated by Garsdale holding controlled by Alisher Usmanov) will jointly provide not only 4G but also 3G services. Scartel proposed other telecom operators to use its 4G network, but they do not show much enthusiasm. Scartel offered two options for the market. The first involves the federal agreement: the operator can use LTE equipment of Scartel wherever it launched 4G network, if a potential partner

guarantees the payment of not less than \$150 million (including VAT) by the end of 2014. The second option – 4G network of Yota is used only in some federal districts: in this case the operator pays not less than \$20 million for any district, except the central (for \$70 million) by the end of 2014. The actual amount of payment depends on the download speed in Yota network, where 1 Mbit/s charged at 4720 rubles, including VAT (about \$150). ❖

❖ To wear 4G from MegaFon

Along with the launch of the first LTE networks MegaFon (the second largest Russia's mobile operator) updates the line of its mobile Internet packages from August 15 – now it includes 4G. Packages are classified by analogy with the clothes sizes: S, M, L, XL and XXL. The tariff packages L, XL and XXL, are recommended for the owners of generic modems, routers, and tablets, the operator included LTE services for the first time. More democratic packages S and M are limited to 3G network communication. The cheapest version of 3G will cost 390 rubles (about \$12) per month, and the minimum package for 3G/4G is 990 rubles (around \$ 31) per month. The maximum package XXL, which gives access

to 30 GB of data at the maximum rate, will cost 1590 rubles (\$50) per month.

«The owners of 4G devices (modems, tablets, routers) get an advantage: internet access at 4G speeds (up to 50 Mbit/s) and maintaining connection even when the device switches from 4G to 3G», – the company said.

Simultaneously with the appearance of new packages MegaFon reduces the cost of universal 4G modems up to 1990 rubles (around \$62). ❖

❖ 4G smartphones appear in autumn

In October Samsung, LG, HTC, ZTE and Huawei are going to bring to Russia about 20 thousand 4G phones. Retailers and experts are not sure that a new generation of smart phones will be snap up quickly, because users are not ready to pay more for speed. This was reported by Deputy Director General for Strategic Development of MegaFon Mikhail Dubin. «We are also negotiating to sell branded 4G phones. But they may appear later»,- said Mr. Dubin. MTS negotiates with several vendors, explores existing market solutions and plans to release an LTE smartphone. Mobile retail market players promise that Scartel and

MegaFon will be the first to sell branded LTE phones. Later will appear smartphones from Samsung and HTC, and closer to December – special smartphones from ZTE and Huawei under the brands of other Russian operators.

The senior analyst at Mobile Research Group Eldar Murtazin believes that the cost of such premium smartphones will be from 25 to 30 thousand rubles. In his opinion, very few people are willing to pay only for the use of LTE in the presence of cheaper devices with comparable functionality. ❖

❖ Ministry of Telecom cheapens LTE conversion

The Ministry of Telecom and Mass Communications is considering technical options for reducing the cost of LTE frequencies conversion for mobile operators, said the Minister Nikolai Nikiforov to journalists in St. Petersburg. Conversion will be financed by the winners of the LTE competition (Rostelecom, Mobile Telesystems (MTS), MegaFon and VimpelCom).

«Our objective is to minimize the cost of conversion, because every ruble spent on the conversion is a ruble from the budget for

the development of communication networks, – said Nikiforov. – I believe that we will find an optimal solution to reduce the expenses of the market players».

The cost of conversion is estimated at 100 billion rubles (about \$ 3.1 billion), approximately 40% of this amount will be spent on replacement of the old fleet of the Russian air traffic control systems at airports. ❖

❖ Yota switches on LTE in St. Petersburg

Scartel (Yota brand Yota) tested its 4G network of LTE standard in St. Petersburg on 8-15 August. It will be brought into commercial operation by August 19. Those users who have already received LTE devices in exchange for their WiMax modems can connect to

the network. St. Petersburg will be the eighth city, where Yota deployed LTE network. Previously, the company switched its WiMax networks to LTE in Moscow, Samara, Novosibirsk, Krasnodar, Sochi, Vladivostok and Ufa. ❖

❖ RSCC moves north

The state owned company RSCC in cooperation with VizCom and the State Scientific Center «Arctic and Antarctic Research Institute» (AARI) equipped the ship «Mikhail Somov» with marine satellite communication station operating in VSAT-RSCC network via the satellites Express-AM22 and Express-A2. Previously, the ships in the North have used only the foreign systems of mobile satellite communications – Iridium and

Inmarsat. The ship will make a voyage to the Arctic seas of «the Northern Sea Route» from Arkhangelsk to Wrangel Island and back. The station provides VSAT satellite communication channel in Ku-band at the speed of more than 2 Mbit/s. Among the objectives of the project is development of satellite channels technologies and provision of all services available over IP, in the most northern latitudes of the country. ❖

❖ MTC fastens 3G in Moscow

Expecting the launch of LTE MTS transferred 62% of its 3G base stations in Moscow to HSPA +, Evolved High-Speed Packet Access technology. The new technology enables the operator to reach speeds of Internet access of up to 42 Mbit/s.

«MTS focuses on development of data networks, and in the run-up to LTE deployment on 1 September this year we «speed up» 3G

network to the speeds comparable with 4G. Thus, MTS provides subscribers with the benefits of high-speed mobile Internet, no matter which network they use – 3G or 4G», – said Director of MTS in the Moscow region, Konstantin Markov. ❖

❖ TTK plans to migrate to LTE

TransTeleCom (TTK) plans to convert WiMAX networks to LTE: if Scartel got such possibility, then TTK also has a chance. «We see no obstacles to regulation by changing technology in 3.5 GHz band», – said Artyom Kudryavtsev, President of TTK, and added that TTK was thinking about operating as MVNO in the LTE networks of the Big Three.

TTK received licenses for fixed wireless Internet access in 25 cities in September 2011 and planned to start providing fixed WiMAX services in sparsely populated cities in Russia in 2012, investing about 1 billion rubles in network construction. However, the equipment supplier is not chosen yet. «Now migration to LTE is not viable as the user equipment

for WiMAX is much cheaper than for LTE», – notes Artyom Kudryavtsev. According to him, the migration will become effective when the cost of LTE modem will drop to 1,5-2 thousand rubles (\$ 45-75).

At year-end 2011, TTK earned one billion rubles (about \$31 million) in net profit compared to 50 million rubles (about \$1,6 million) loss in 2010 and the main driver of growth for the company was rendering broadband services in the Russian regions. This year, TTK has increased the number of fixed broadband users by 134% compared to 2011 – now over 800 thousand subscribers are connected to TTK's network. ❖

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Professional corporate communications

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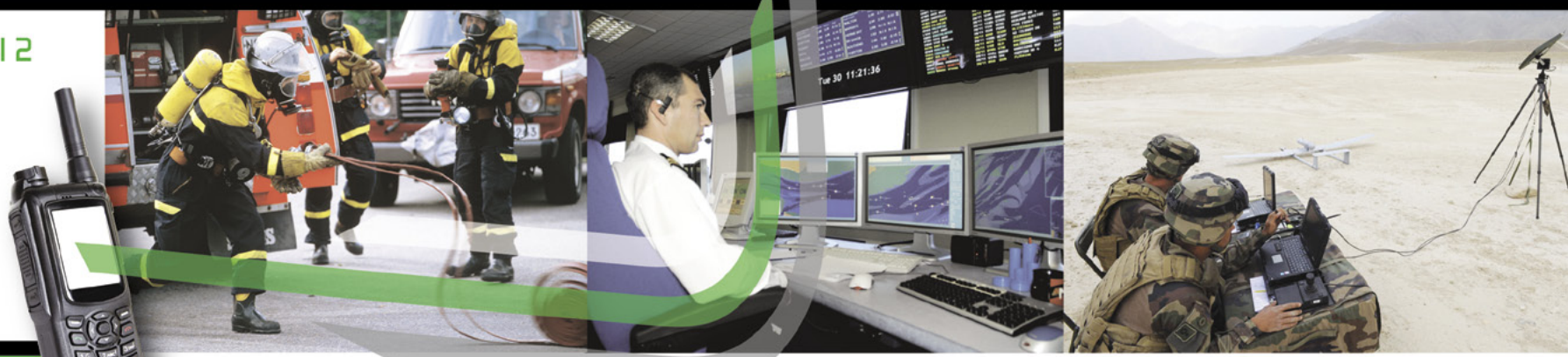
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Key topics of the Conference:

Professional mobile & critical communication market in Russia. Current state and prospects

The role and influence of the State on the PMR market as a service consumer

Production of PMR equipment in the Russian Federation

Use of GLONASS satellite navigation technologies in PCS for control and coordination.

Wireless broadband technologies and cognitive radio systems development for effective supply of social security and network in emergency situations.

Migration strategies from current analogue radio systems to semi-digital and fully-digital solutions

Offering PMR services to corporate and departmental clients in existing cellular networks

PMR, LTE and WiMax combining possibilities to guarantee the best communication solutions

Is it possible to replace TETRA with LTE? What are the obstacles?

Next generation situational centers

Modern cloud technologies for situational centers and control points

Interaction of network operators with unified alert and control services on the passage of calls to the unified number "112"

Construction and control of the distributed call centers

Municipal, regional and federal support of decision making information systems of special reaction

Network services organizations and offers to government and security structures at the Winter Olympics 2014 in Sochi.

Radio communication basic development trends for emergency operating services of fast response and public safety

About Us

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