



# **Broadband & Satellite Russia Newsletter**

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Contents	
TTK as a Close-Knit Team	
Inmarsat-5F3 Brings the Era of Omnipresent Internet Closer	
Battle for Moscow	
Russian Share of Eutelsat	
Airbus Opens Production in Russia 5	
1800 MHz will be Put up for Auction 5	
About Us. Contacts	

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One of the largest communications providers in Russia, TTK Company (TTK) assigned Stepan Lysenko as Head of Human Resource Management Department. Previously, he held a variety of positions in the national operator Rostelecom, including Director of Organizational Development and Human Resource Management in Center Macroregional Division. Before coming to TTK, S. Lysenko was employed at RT Labs, Rostelecom's subsidiary for large infrastructure projects, as Deputy Head of Organizational Development and Human Resource Management. TTK's Human Resource Management Department is engaged in selecting new staff members, forming talent pool, organizing corporate training, etc.

"Active development of new business areas and internal transitions connected with TTK's shift to a branch management structure make it necessary for the company to put effort into working with its employees. We aim to create such an environment where the changes would motivate the professional and personal growth of people", sad President of TTK Artem Kudryavtsev.

#### Inmarsat-5F3 Brings the Era of Omnipresent Internet Closer

Inmarsat-5 F3 (I-5 F3) satellite belonging to UK-based company Inmarsat was launched in the end of August. It is the last of three fifth-generation satellites in the Global Express (GX) broadband network. The satellite was to be placed into the orbit in the end of May 2015, but the crash of Proton-M rocket on 16 May 2015 delayed this event until 28 August. Inmarsat-5 F3 will be providing communications services in the Pacific region, and the company plans to launch it into commercial operation before the end of the current year. With the arrival of this satellite, Inmarsat's GX networks will be able to cover the entire globe. The launch of Proton-M was the fourth in 2015 and the first after the crash of MexSat-1, a Mexican satellite, which took place on 16 May 2015. The reason for this accident was the third stage failure.



#### Battle for Moscow

VimpelCom left MTS behind in the number of subscribers in Moscow and became the largest player of the "big three" Russian mobile operators.

By the end of the second quarter of 2015, VimpelCom became the leader in the number of subscribers in Moscow – it had 13.8 million active SIM cards, as stated by VimpelCom's marketing director in the Moscow region. A representative of MTS admits that the company has been overtaken by VimpelCom taking the first place, although the gap, in his opinion, is not very significant – 0.5%. This week, MegaFon reported that it had 12.6 million subscribers in Moscow. A representa-

tive from AC&M Consulting said that the statistical data for the second quarter of 2015 had not arrived so far. And in the first quarter MTS had the biggest number of subscribers in Moscow: it occupied a market share of 35%, and VimpelCom – 34%. In total, Moscow and the Moscow region had 39.06 million active SIM cards in the end of March.

In the past, there was a time when VimpelCom left MTS behind in the number of subscribers in Moscow. It took the first place in April-June of last year, being 0.3% ahead of its competitor, but one quarter later MTS regained its previous status.

#### Russian Share of Eutelsat

Russian Space Communications Company (RSCC), which owns the largest Russian satellite constellation, also owns 36 mln shares of European satellite operator Eutelsat, and is trying to retain them. This package is contested by an offshore company Orion Satellite Communication, which made arrangements with RSCC for purchasing the shares for  $\in$ 23 mln, but eventually did not receive these shares. The

court of Paris, which is settling the dispute, suspected a fraud and started an investigation. The United States District Court for the District of Delaware ruled to carry out interrogations and gather evidence for the criminal investigation related to Space Communications' property initiated by France.



#### Airbus Opens Production in Russia

The brightest highlight of the first day of the International Aviation and Space Salon MAKS 2015 was the signing of an agreement to produce satellite equipment in Russia; the agreement was concluded between Airbus Defence and Space (ADS) and Russian Space Systems (RSS). According to Head of RSS Andrey Tyulin, Airbus Defence and Space and his company have already agreed upon the product range to be manufactured in Russia on the sites belonging to RSS subsidiary – Sinertek. "Together with Airbus, we have prepared a joint program for the development and production of a wide range of radio technical systems and space modules", says A. Tyulin. "The representatives of Airbus will soon visit Sinertek's manufacturing sites we have prepared in Moscow. We are strengthening Sinertek with technical experts. We have confirmed with Airbus that Sinertek's production will not only be offered in Russia, but also exported". According to A. Tyulin, Sinertek will produce equipment for navigation satellites, Earth remote sensing (ERS) spacecrafts and communications satellites.

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In October 2015, Russian State Commission for Radio Frequencies (SCRF) ordered to hold an auction for frequency packages in the ranges of 1740–1755 MHz and 1835–1850 MHz in nine regions: Dagestan, Karachay-Cherkessia, North Ossetia, The Republic of Buryatia, as well as Stavropol, Perm, Orenburg, Samara and Amur regions. The starting price of 10 lots is slightly more than \$15.5 mln. When the Commission discussed an auction for the first time, a source close to SCRF claimed that the free bands in the 1800 MHz-range had been found due to the input of operators, which had swapped frequen-

cies and had united gaps between them. According to one of the operators, most of the bands have been free for a long time, but nobody really worked with them. MTS and VimpelCom submitted orders for all lots, as reported by their representatives. MegaFon's representatives did not specify the content of their order.

Acquiring additional frequencies in the 1800-MHz range will allow all operators, among other things, to consolidate their position in the LTE market and speed up the construction of 4G networks.

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