



## B20

### **Communication Services for Russian and International Operators**

Rostelecom has over 30 cable border crossing points with communication operators of the neighboring states and direct connections with the networks of more than 200 operators from more than 70 countries of the world.

The Company provides communication services to more than 2.5 thou. operators of fixed-line and mobile telephony, to Internet and content providers.

Rostelecom subscribers make over 150 mln calls every month; it is a huge traffic amounting to mlns of minutes. The objective of Rostelecom is to direct it to the partner operators' networks on beneficial terms providing a high quality of communication. For this purpose, Company's employees interact on a daily basis not only with all communication operators in Russia, but also with more than 170 international partners.

We provide 800 Gb/s of transit channels. Main areas are the Transit Europe – Asia (TEA project), which connects Japan and China with Europe, and the project of transit between Central Asia, Souths Caucasus and Middle East states and Europe via North – South and EGEG (Europe Persia Express Gateway) transit directions. Over the last five years, the market share of Rostelecom has grown more than three times, to 15%, and the Company possesses about 70% of the market within the Transit Europe – Asia among all landline routes.

### **Interconnection and Traffic Transit Services**

The service of getting connected to the network comprises the organization of interaction between the Company's network and operators' communication networks for traffic transit between them.

The Company renders interconnection and voice traffic transit services at the local, interurban and international interconnection level to more than 2,300 Russian and foreign operators of fixed-line and mobile communication.

In 2015, Rostelecom actively fought against illegal traffic, i.e. traffic coming to or from the Rostelecom's network in violation of the current regulations and/or laws. The Company regularly introduced new technical means and solutions to detect and prevent illegal traffic, updated contract terms and conditions, and interacted with operators, including litigation.

The result of this work was an increased margin of traffic transit services.

### **Making Communication Channels Available for Use**

In 2015, Rostelecom took a leading position in the market of making digital assigned channels available for use within the entire territory of the Russian Federation and abroad. Main users of these services are corporate clients and communication operators.

### **Data Transfer Services**

In 2015, while expanding its business, Rostelecom gave special priority to the development of data transfer and telematics services, including Internet access services, the organization of private virtual networks and data centres.

As the largest operator at the trunk level, we can provide a very important service to clients, which is traffic monitoring and the protection against DDoS attacks. DDoS attacks are one of the most common ways to block the operation of websites and services provided via the Internet.

The service is available since 2012 and is subject to annual performance tests within such projects as the Uniform State Exam or the live



broadcast nationwide phone-in conference with the President of the Russian Federation. We provide a steady support to solutions accepted at the state level as part of the concept of national information security.

At the same time our services are commercially successful in the B2B market. We protect the platforms hosting game servers among other things, as well as bank resources, registers, TV channels, e.g. VGTRK (All-Russian State Television and Radio Broadcasting Company).

#### **Cable Line Communication Facilities (CLCF)**

Rostelecom has a unique resource, a well-developed system of cable line communication facilities and infrastructure.

This resource is intended not only for the development of the Rostelecom's network, but also is actively used by operators, including the construction of own communication networks and servicing of the clients' needs.

Unfortunately, it is not an uncommon situation when unauthorized equipment and communication cables are placed in the Company's facilities under improperly formalized contractual relations. Regular inventory taking, negotiations with counterparties on a voluntary legalization of using cable infrastructure (amnesties, etc.) are conducted in order to reconcile discrepancies). Also the Company applies the programs of employee incentives aimed at finding and resolving of discrepancies. The result of these activities for Rostelecom was a receipt of additional income of RUB 370 mln in 2015.

#### **Maintenance and Emergency Recovery Operations**

In 2015, Rostelecom launched the pilot project for maintenance and emergency recovery operations in communication lines of the third-party operators using efforts of employees of

the Technical Division. For the Company, this is new market segment, new source of income, and experience that enables strengthening and extending the cooperation with operators.

Our partners are interested in a large reliable provider of services with a wide geographical footprint. Moreover, operators' linear routes are, as a rule, intercrossed; that is why Rostelecom can maintain its own networks and clients' networks in parallel, almost with no increase in the staff headcount.

Being backed by our own human resources and technical capabilities, we have made a confident step into the project early 2015, and within the year we have accepted for maintenance about 30 thou. kilometres of cables of the third-party communication operators. Today, the project encompasses 13 regions in the Volga River basin; it involves all Big Four communication operators: MTS, VimpelCom, Megafon, Tele2 Russia.