

Igor Kot, Deputy Director-General, Gazprom Space Systems

One satellite company that is aggressively pursuing expansion plans is Russia-based operator Gazprom Space Systems (GSS). At the recent IBC show in Amsterdam, GSS announced that it entered into a strategic partnership with global satellite operator SES to provide additional satellite capacity to serve the Russian market. Under the terms of a multi-year agreement, SES has re-located its ASTRA 1F satellite previously located at 51 degrees East to the orbital location 55 degrees East. GSS will utilize 16 Ku-band FSS transponders on the ASTRA 1F satellite to provide communication services for Western Russia prior to the launch of GSS' Yamal-402 satellite in 2012. In return, SES will use capacity on GSS' Yamal-402 once it becomes operational at 55 degrees East. Yamal-402 is currently under construction and scheduled for launch in October 2012. To shed light on this agreement and their future plans, Satellite Executive Briefing spoke to GSS' Deputy Director-General Igor Kot. Excerpts of the interview follows:



Igor Kot

What is the significance of your recent strategic partnership with SES? How will this improve your company's position in the market?

This is the first time we have entered into such a strategic agreement with another operator. Our main purpose was to start our business development activities for our new orbital slot 55E before the launch of the Yamal-402 satellite at this position at the end of 2012. The idea behind this scenario is to provide for the continuity of services between the temporary and permanent satellites, allowing our clients smooth transition from ASTRA 1F to Yamal-402. Once it becomes operational, Yamal-402 will have higher power and wider service coverage over Russia. We hope ASTRA 1F will relieve the acute situation of scarcity in terms of domestic satellite capacity in the Russian market.

To be honest, SES was not the only international satellite operator we had similar discussions in the past. It turned out that in this case our interests met, they definitely had what we needed, so the deal was concluded in a very short time. Also we hope to extend our partnership in the future. We see this part-

nership as benefiting both parties in the mutual promotion of new satellite capacity in different markets.

To develop satellite services provision for the Russian market we are building a new modern teleport facility. We hope to leverage the extensive experience of SES ASTRA in their core competency and expertise in the TV broadcasting and broadband services for the consumer market.

A new satellite always presents new opportunities for all players involved. For the operator/service provider, it represents a new asset to that can generate revenues, and a new base to develop business in line with technical developments to meet the growing expectations of customers. For end users, it is a new offering that ensures new services and makes existing ones more affordable. The introduction of new capacity is always a driver for new service developments and expansion. New capacity for the market is like fresh air in a closed space. It enhances the market's level of health. All that improves an operator's economic position and overall image in the market. For example when we announced the ASTRA 1F deal at the IBC we immediately felt the

increased interest from the satellite community. And hopefully this is only the beginning...

What can we expect from Gazprom Space Systems in 2012? What are your targets for next year?

We are hopeful and we will do our best in order that 2012 will become one of the most significant years in the history of our company. We expect two satellites to be launched next year. The first will be Yamal-300K aimed at strengthening our Russian business at 90E in May 2012 and then in October 2012 Yamal-402 will be launched in the 55E slot to support ASTRA 1F in the Russian market and increase our coverage and capabilities for the international market. The importance of these long-awaited events is obvious and so all our main activities will revolve around them.

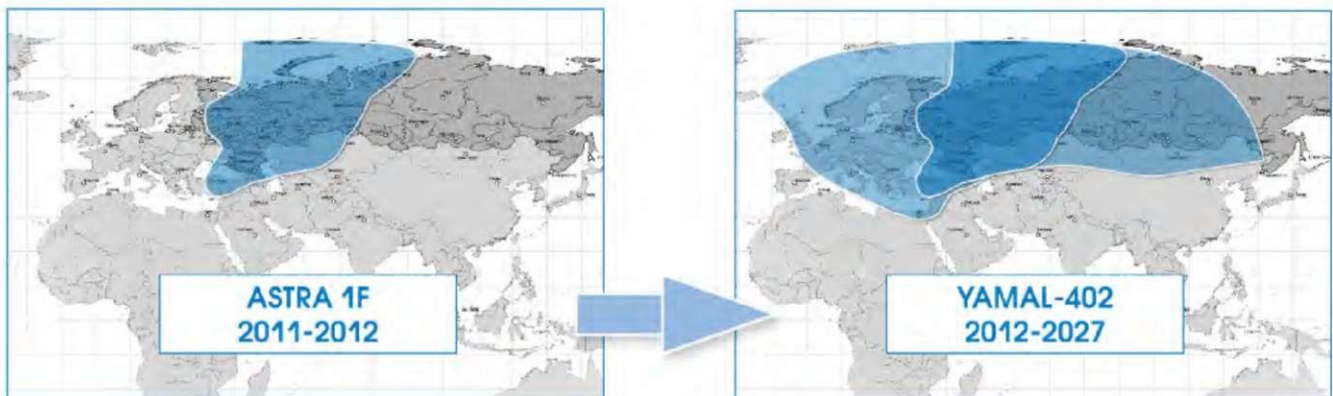
What markets segments or regions will you be focusing in the next few months?

The regions and market segments that

interests us are predetermined by the parameters of our new satellites to be launched next year and the interests of our main shareholder Gazprom.

As I already mentioned Yamal-300K will add new capacity to the Russian market thereby enlarging the volume of our current, one can call, traditional services, i.e. Data, Internet and TV distribution. And to be prepared, we updated our own infrastructure and perform some "educational" work among our customers in order that their infrastructure will also be ready to interface

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The agreement between SES and GSS will move the ASTRA 1F satellite to the 55 E orbital position and will operate there until the Yamal-402 satellite is launched in that position in October 2012. GSS will have exclusive rights to all of ASTRA 1F's available capacity of 16 Ku-band transponders. This will give GSS a jump start on their marketing efforts prior to the launch of Yamal-402 next year and address the current shortage of available capacity in the Russian market. (image courtesy of GSS)

with our new satellites. Also Yamal-402 beams will be high powered beams. So we are exploring the opportunities for new services for Russia including DTH TV and broadband for the consumer market.

Yamal-402 will extend our presence on the international market. Together with Russian beams it will have European, African fixed beams and steerable beam can be pointed over for example, to Australia or to South Africa—all new regions for us that will be in our focus in the coming years.

How do you plan to address the markets you are targeting?

With regards to the Russian market, which is our main target, it is new high quality capacity for traditional and new services.

The international market is also very important for us in order to distribute the commercial risks involved in this business. Our Yamal-202 at 49E is well known among our international clients from the Middle East and South East Asia. Now a quarter of our annual revenue comes from the international market. We hope Yamal-402 will support this "business tradition" and lead us to the new markets such as the African and may be the Australian markets. Here our partnership with SES or any

other operator can play a significant role.

In conclusion I would like to note that we are very excited with these long-awaited events in the coming year—our new satellites launch. We can be very optimistic as we feel well prepared to meet the challenges and opportunities ahead.. We have a team of highly qualified professionals, a new teleport, wide client base, favorable market situation and established partnerships. What else do we need? Just good luck! We are confident that we will achieve our goals, because as the saying goes: "Walk and ye shall reach."

