

INFORMATION MEMORANDUM

Full and short name: Open Joint Stock Company Giprosvjaz
OJSC Giprosvjaz

Legal address: Surganov Str. 24, Minsk, 220012

Web-site: www.giprosvjaz.by

State registration: OJSC Giprosvjaz is registered in the Unified State Register of Corporate Entities and Private Entrepreneurs. State registration number – 100230534 dated June 12, 2009.

Contact information:

Director – Siarhei Novikau, tel: 8 (017) 331 26 18;
Deputy Director for Engineering Design – Andrei Ryukind,
tel: 8 (017) 331 95 13;
Deputy Director for Research and Development – Uladzimir Ivashka,
tel: 8 (017) 331 06 14;
Chief Accountant – Svetlana Tribusheuskaya, tel: 8 (017) 296 62 16.

PART I GENERAL INFORMATION

1. History

January 03, 1968 – Minsk office of integrated design.

April 01, 1970 – Minsk office of research institute Giprosvjaz.

June 28, 1989 – Giprosvjaz-6 under the Ministry of Communications of the USSR.

January 28, 1992 – Giprosvjaz under the Ministry of Communications of the Republic of Belarus.

1993 – RUE Giprosvjaz is certified by the National Certification System of the Republic of Belarus as Certification body of telecommunication facilities and services.

September 01, 1993 – according to the decree of the Ministry of Communications of the Republic of Belarus and State Standardization, Metrology and Certification Committee of the Republic of Belarus № 108/89 of September 01, 1993 Giprosvjaz was established as State Head Standardization body in the sphere of telecommunications in the Republic of Belarus.

1996 – according to the resolution of the Ministry of Communications of the Republic of Belarus № 29-1 (§4.2) of December 05, 1996 Giprosvjaz was tasked with scientific development in the spheres of telecommunications, construction,

orbit-spectrum resource, international communications, standardization, metrology and certification.

February 24, 1997 – state construction design and R&D enterprise Giprosvjaz.

July 06, 2000 – construction design and R&D republican unitary enterprise Giprosvjaz.

2002 – unitary enterprise Giprosvjaz was certified by the National Certification System of the Republic of Belarus as Certification body of telecommunication facilities and services.

June 12, 2009 – Open Joint Stock Company Giprosvjaz (OJSC Giprosvjaz).

As of January 01, 2016 OJSC Giprosvjaz is an independent organization under the Ministry of Communications and Informatization of the Republic of Belarus. OJSC Giprosvjaz is a leading organization in the fields of network and communication systems design, R&D, scientific development in the sphere of telecommunications. OJSC Giprosvjaz is Head Organization in the spheres of metrology, standardization and certification of telecommunication facilities and services in the Republic of Belarus. OJSC Giprosvjaz is highly experienced in network and communication systems design, R&D in the sphere of telecommunications, development of annual plans of action and their implementation. OJSC Giprosvjaz actively participates in development of state standards and regulatory documents in the sphere of telecommunications. All major projects in the field of network construction and development in the Republic of Belarus were developed by OJSC Giprosvjaz.

2. Core activities

OJSC Giprosvjaz core activity is 71121 (design and engineering, technical consulting). Its share in total revenue is 59.2% at year-end 2015.

3. Related activities

Other related activities of OJSC Giprosvjaz at year-end 2015 are the following:

Engineering services – 6.2%;

R&D – 9.5%;

Telecommunication facilities and services certification – 21.7%;

Other activities (information services, standards and technical documentation development, Vesnik Suvyazi periodical) – 3.3%.

4. Scientific capacity

OJSC Giprosvjaz is well-known for its highly qualified specialists in network and communication systems design and R&D. Among OJSC Giprosvjaz specialists there are 4 employees with PhD degree, 7 research professors, 12 employees with Master's degree, and 21 employees are certified by the Ministry of Architecture and Construction of the Republic of Belarus.

5. Strong points

One of OJSC Giprosvjaz strong points is its favorable location.

OJSC Giprosvjaz was awarded with conformity certificates by the Ministry of Architecture and Construction of the Republic of Belarus. According to the certificates OJSC Giprosvjaz is certified to develop preliminary project documentation and pre-investment documentation, act as general design contractor and develop construction project drawings and specifications for objects of 1-4 grades of difficulty.

6. Certificates and licenses

License № 02300/1973 issued on November 20, 2009 № 21 by the Ministry of Emergency Situations of the Republic of Belarus to carry out activities to ensure fire safety is valid through November 19, 2019.

License № 02010/11267 issued on July 31, 2009 by the Ministry of Internal Affairs of the Republic of Belarus to carry out security activities is valid through July 31, 2014.

License № 01019/3 issued on August 03, 2009 № 58 by the Operation and Analytical Centre under the President of the Republic of Belarus to carry out activities of technical and/or cryptographic information protection is valid through August 02, 2019.

Conformity certificate is registered in the Registry of National Conformity Assessment System of the Republic of Belarus № BY/112 05.01. 002 00173 on November 29, 2002. Conformity certificate issued by the State Standardization Committee of the Republic of Belarus states that OJSC Giprosvjaz quality management system applies to development of construction documents for telecommunication networks, systems and buildings, for buildings of all responsibility levels and for carrying out engineering exploration and meets the requirements of STB ISO 9001–2009. Conformity certificate is valid through June 21, 2016.

Conformity certificate issued by Belarusian State Institute of Standardization and Certification states that OJSC Giprosvjaz quality management system applies to development of construction documents for telecommunication networks, systems and buildings, for buildings of all responsibility levels and for carrying out engineering exploration and meets the requirements of DIN EN ISO 9001:2008. Conformity certificate was issued on June 21, 2013 with registration number QMS-00119 and is valid through June 20, 2016.

Accreditation certificate BY/112 030.01 issued on November 30, 1993 by National Accreditation Body of the Republic of Belarus states that OJSC Giprosvjaz meets the requirements of National Accreditation System of the Republic of Belarus and GOST ISO/IEC 17065-2013. Accreditation certificate is valid through May 16, 2016.

Conformity certificate № BY/112 05.04. 010 00392 issued on August 30, 2010 states that system of labor protection management for development of construction documents for telecommunication networks, systems and buildings, for building of I

and II responsibility levels and for carrying out engineering exploration meets the requirements of STB ISO 18001–2009. Conformity certificate is valid through August 30, 2016.

Accreditation certificate № BY/112 02.1.0.0332 issued on June 01, 1998 states that EMC Laboratory of OJSC Giprosvjaz meets the requirements of Accreditation System of the Republic of Belarus and STB ISO/IEC 17025. Accreditation certificate is valid through July 30, 2015.

Accreditation certificate № BY/112 02.1.0.0519 issued on April 21, 2008 states that Communication Systems and Devices Laboratory of OJSC Giprosvjaz meets the requirements of Accreditation System of the Republic of Belarus and STB ISO/IEC 17025. Accreditation certificate is valid through April 21, 2016.

Accreditation certificate № BY/112 02.1.0.0382 issued on January 03, 2001 states that Terminal Equipment Laboratory of OJSC Giprosvjaz meets the requirements of Accreditation System of the Republic of Belarus and STB ISO/IEC 17025. Accreditation certificate is valid through May 07, 2015.

Certificate of compliance № 0000186-ГП issued on December 31, 2014 by the Ministry of Architecture and Construction of the Republic of Belarus certifies OJSC Giprosvjaz to act as general design contractor. The certificate is valid through December 31, 2019.

Certificate of compliance №0000284-ПП issued on December 31, 2014 by the Ministry of Architecture and Construction of the Republic of Belarus certifies OJSC Giprosvjaz to develop construction project drawings and specifications for objects of 1-4 grades of difficulty:

- general layout and transport systems;

- architectural concepts;

- cost estimate documentation;

- construction concepts;

- internal engineering equipment, internal networks and systems (water supply systems, sewage systems, heating systems, ventilation and air conditioning systems, electricity supply systems, radio and television systems);

- external networks and systems (water supply systems, sewerage systems, electricity supply systems, communication systems, radio and television systems);

- technological concepts;

- environmental protection systems, civil defense engineering measures, measures for prevention emergency situations, construction management.

The certificate is valid through December 31, 2019.

Certificate of compliance № 0000220-ПП issued on December 31, 2014 by the Ministry of Architecture and Construction of the Republic of Belarus certifies OJSC Giprosvjaz to develop preliminary project documentation and pre-investment documentation. The certificate is valid through December 31, 2019.

Certificate of compliance № 0000206-ИЗ issued on July 06, 2015 by the Ministry of Architecture and Construction of the Republic of Belarus certifies OJSC Giprosvjaz to carry out design and exploration activities for objects of 1-4 grades of difficulty. The certificate is valid through July 06, 2020.

**PART II
FINANCIAL INDICATORS**

Indicator	2013	2014	2015
Net asset value, million BYR	6936	10568	13666
Service revenue, million BYR	29042	41673	53012
Total profit (Profit and Loss Statement, p. 160 (200)), million BYR	3062	5181	5897
Sales profit, million BYR	4737	6928	7590
Net profit, million BYR	2301	3905	4180
Profit margin, %	19,9	19,9	19,9
Accounts receivable*, million BYR	6174	6561	11118
Accounts payable*, million BYR	6078	4290	8348
Average pay, thousand BYR	6319	8195	9085

**PART III
SERVICES AND ACTIVITIES**

Services and activities	Output value	Year		
		2013	2014	2015
Activity in the spheres of architecture, engineering services	84648	18300	31647	34701
R&D	16961	6695	5253	5013
Telecommunication facilities and services certification	29343	7508	10298	11537
Other activities (information services, standards and technical documentation development, Vesnik Suvyazi periodical)	5166	1561	1844	1761
Total	136118	34064	49042	53012

Investment projects (implemented in last 3 years, ones being implemented today, planned for implementation in the future) are shown in the table below.

Investment project	Marketing cost, million BYR	Investment amount, million BYR
2013		
IT-department establishment for web-sites, databases and software development and maintenance	23.5	19.6
Terminal Equipment Laboratory accreditation for multiservice networks terminal equipment testing for compliance with technical regulations of the Customs Union "Safety of low voltage equipment" and	1280.6	1067.2

Number of employees :	193
office and management personnel	19
operating personnel	156
incl. direct labor personnel	18

PART VI MARKET DISTRIBUTION

Market, %	2013	2014	2015
Domestic market	78	87	83
Export market	22	13	17
Total	100	100	100

Key markets for products distribution

Republic of Belarus: RUE Beltelecom, RUE Belpost, OJSC Promsvyaz, Ministry of Communications and Informatization of the Republic of Belarus, Ministry of Defense of the Republic of Belarus, Ministry of Internal Affairs of the Republic of Belarus, State Security Committee of the Republic of Belarus, etc.

Non-resident companies: Nokia Corporation (Finland), Samsung Electronics (South Korea), Panasonic CIS OY (Finland), Nokia Siemens Net. OY (Finland), Sony Ericsson (Sweden), Ericsson Nikola Tesla (Croatia), NEC Corporation (Japan), Alcatel Lucent International (France), ZTE Corp. (China), Huawei Tech. Invest. (Hong Kong), D-Link Corp (Taiwan), etc.

PART VII PLOTS OF LAND

There are no land plots used or leased by OJSC Giprosvjaz.

Land plot	Area, ha	Land leasehold	State Registration Certificate
0	0	0	0
0	0	0	0

PART VIII BULIDINGS AND CONSTRUCTIONS

There are no buildings and constructions on the balance sheet of OJSC Giprosvjaz.

Lessor: State Institution of Administration and Maintenance under the Administration of the President of the Republic of Belarus.

PART IX
MACHINERY AND EQUIPMENT

Machinery and equipment	Number of units	Intended use	Commissioning year	Depreciation rate
Power machinery and equipment	8	Protection of state secrets from leaking information on supply lines	1998–2013	43.6
Operating machinery and equipment	92	Air-conditioning, etc.	1970–2014	82.3
Measuring instrumentation and controllers, laboratory equipment	210	Telecommunication facilities and services testing	1974–2014	22.03
IT-equipment and office equipment	850	R&D process automation	1995–2016	63.82

Director
OJSC Giprosvjaz

Siarhei Novikau

Chief accountant
OJSC Giprosvjaz

Svetlana Tribusheuskaya