

Chinese President First to Own a YotaPhone 2

Vladimir Putin gives a brand-new Russian smartphone to Xi Jinping

Vladimir Putin has given to Chinese President and leader Xi Jinping the latest Russian smartphone – a second-generation YotaPhone in a meeting at the APEC leaders summit in Beijing.

YotaPhone 2 is a new smartphone developed and produced by Yota Devices, a Russian company in which Rostec Corporation holds a 25% stake. The new smartphone has two screens and a unique feature set which includes a security system developed by Russian engineers, making the smartphone unique in terms of security it can provide. Russian experts have also developed the architecture and design of the new smartphone, with more than 10 patented technologies used in the communication device.

The choice of a YotaPhone as a present to the Chinese leader is a symbol and a result of successful cooperation between the two countries in high-tech sectors.

Yota Devices owns the know-how and holds intellectual property patents for the smartphone. The company has developed and brought the phone to mass production, while Chinese experts, the world leaders in microelectronics manufacturing, have been able to implement the Russian engineers' concepts, organizing complete-cycle

production and ensuring high quality of the smartphone by using quality Chinese components and ensuring assembly that meets the most stringent of standards.

“A new global consumer electronics business is developing in Russia under Rostec’s auspices. In a globalized economy, it would be impossible to create a competitive world-standard product within a single country, it has to draw on the best practices of international companies. All intellectual solutions in the new YotaPhone are Russian: the concept, the development, the design, the architecture. The value-adding center is in Russia,” Rostec CEO Sergey Chemezov said.

While developing the smartphone, Yota Devices has established an extensive network for cooperation with top global manufacturers of parts and components, according to Sergey Chemezov. “Cooperation with Chinese partners has enabled the phone to preserve its high quality while also being cost-competitive, making it very appealing for [consumers]. This makes the new smartphone a global innovative product,” the Rostec CEO said.

In just three years, Yota Devices has turned from a small startup into a global business with offices around the world and a constantly expanding geography of sales. Over these three years, the company has been able to organize sales of its first-generation smartphone in more than 20 countries.

“President Vladimir Putin’s decision to give a YotaPhone to Chinese leader Xi Jinping is a sign of very high appreciation for our product. Yota Devices is a young, fast-growth Russian company building a global business. China is potentially our largest market, and we have recently opened an office here,” Yota Devices CEO Vladislav Martynov said. “We appreciate our cooperation with Chinese partners. While developing the original YotaPhone, we were able to establish effective international cooperation with leading component manufacturers in the world, including some based in China.”

The new-generation YotaPhone will be launched in Russia in December 2014, at the same time it will go on sale. After this, it will become available in Europe, and will be released for Chinese and Southeast Asian markets in 1Q 2015.

Developing its relationship with China is one of top priorities for Rostec Corporation, which has signed several agreements with China's government-owned corporations, including China Poly Group Corporation, CETC, an electronics technology company, Xinwei Telecom Enterprise Group, CASIC, the China Aerospace Science and Technology Corporation (CASC) and others.

One of the largest recent projects had to do with signing a deal with Shenhua, a global leader in coal production and distribution. The deal offers a comprehensive solution to development of industrial infrastructure in Siberia and the Russian Far East, with total investment in projects of up to US\$ 10 billion.

Projects are also underway to develop new markets by Rostec in cooperation with Chinese partners. In one of these projects, Rostec and SINOMACH, China's major engineering corporation, have agreed in principle to set up a joint venture for special projects with US\$ 10 billion in investments, which will focus, among other things, on the CIS, Africa, and Latin America.