



- A monthly round-up of space industry developments for the information of our clients and friends -

### August Satellite & Launch Services Orders

On August 2, *Space Systems/Loral* (SS/L) announced that it has been awarded a contract to build the *SIRIUS FM-6* satellite for *SIRIUS Satellite Radio*. Based on SS/L's *FS-1300* space-proven platform, the spacecraft will operate in a highly inclined elliptical orbit. SIRIUS FM-6 will be equipped with an X-band uplink and S-band downlink payload that will provide nearly double the power of the current satellites in SIRIUS' constellation. The satellite is scheduled for completion in 2010 and will have a design life of more than 15 years. On August 7, *International Launch Services* and *Inmarsat Plc* announced a contract for the early 2008 launch of the *Inmarsat 4-F3* satellite on a *Proton Breeze M* vehicle. Built by *EADS Astrium* based on its *Eurostar E3000* platform, the satellite will enable Inmarsat to provide global coverage with its high-speed *BGAN* mobile broadband service. Weighing more than 5,900 kg, the Inmarsat 4-F3 satellite will be one of the heaviest commercial payloads to date for the Proton vehicle.

### Inmarsat Details Alphasat Investment

On August 7, *Inmarsat* announced that it will invest approximately \$350 million in the *Alphasat* program partnership with the *European Space Agency*. The investment, to be paid between 2008 and 2012, will be applied to develop the L-band payload and procure launch services for the *Alphasat* multipurpose satellite platform. The Alphasat program will provide Inmarsat access to a next-generation satellite platform and a 30% increase in L-band spectrum capacity to serve Europe, the Middle East and Africa.

### August Launch Services

On August 14, *Arianespace* successfully launched two communications satellites, *SPACEWAY-3* and *BSAT-3a*, on an *Ariane 5 ECA* vehicle from the *European Spaceport* in *Kourou, French Guiana*. *SPACEWAY-3*, built by *Boeing Satellite Systems, Inc.* based on its *702* satellite platform, will be operated by *Hughes Network Systems, LLC* as part of a new satellite network that will provide broadband services for government and commercial customers throughout North America, Alaska, Hawaii and parts of Latin America. The spacecraft is equipped with 68 Ka-band transponders and will be positioned at 95°WL. The *BSAT-3a* satellite, built for *Broadcasting Satellite System Corporation* of Japan by *Lockheed Martin Commercial Space Systems*, is based on Lockheed's *A2100A* platform and equipped with twelve 130-watt Ku-band channels, eight operating at one time, to provide direct digital television links throughout Japan. *BSAT-3a* will be positioned at 110°EL and has a design life of more than 13 years.

### BC Partners Intelsat Acquisition Update

On August 10, *Intelsat* submitted an application to the *U.S. Federal Communications Commission* (FCC) for consent to transfer its ownership to various funds advised by *BC Partners* (BCP). The *U.S. Department of Justice* granted its approval for the contemplated \$16.5 billion transaction earlier this month. The FCC application indicates that BCP plans to create a new entity, *Serafina Holdings*, to acquire Intelsat. The BCP ownership structure will consist of 35 limited partnerships based in the U.K., five French "co-invest" partnerships and one Guernsey limited partnership holding 71% of the equity and voting interests in Serafina. *Silver Lake*, a U.S.-based investment firm, will hold nearly 17% of Serafina, along with other investors including *Banc of America Capital Investors* (3%), Intelsat's 13-member management team (2%) and *CSFB Strategic Partners III*, a US entity controlled indirectly by *Credit Suisse* (1%). BCP is soliciting investors for a remaining 5% of Serafina. The transaction is expected to close at the end of this year, subject to regulatory approvals.

### Orbital Closes \$100 Million Credit Facility

*Orbital Sciences Corporation* announced on August 22 that it has entered into a \$100 million five-year revolving credit facility to replace the company's existing \$50 million facility that matures at the end of 2009. The new facility, led by *Citibank* with the participation of *Bank of America*, *Wachovia Bank*, *PNC Bank* and *Sovereign Bank*, permits the aggregate commitment to increase up to \$175 million.

### Possible Abertis - Hispasat Deal

*Abertis Telecom*, a subsidiary of leading Spanish telecoms infrastructure and services provider *Abertis*, is engaged in negotiations to acquire an approximate 40% stake in Spanish satellite operator *Hispasat* for a reported €375 million. Earlier this year, Abertis Telecom concluded a transaction to acquire a 32% stake in *Eutelsat Communications*, which currently holds a 27.7% stake in Hispasat, for €1.07 billion.

### Forecast International Satcom Study

On August 13, *Forecast International* released a study indicating that the global communications satellite market is expected to generate approximately 218 geostationary or medium-Earth orbit commercial satellites worth \$26 billion over next ten years. The low-Earth orbit satellite market is predicted to involve 69 spacecraft worth about \$927 million. The study also indicates that the market share for U.S. satellite suppliers will continue to decline, after already decreasing by 30% over the last three years.

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