



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

EC Approves SES - Eutelsat Joint Venture

On July 26, the *European Commission* (EC) announced its approval of the proposed joint venture between *SES Astra* and *Eutelsat Communications*. The EC concluded that the business arrangement would not significantly impede competition in Europe for the delivery of multimedia mobile services. The 50/50 joint venture company will operate and commercialize the 2.2 GHz S-band payload on *W2A*, a *Spacebus 4000 C4* variant spacecraft ordered from *Thales Alenia Space* by Eutelsat with an expected launch mass of 5.7 tonnes and 11 kW of payload power. W2A is scheduled for launch in 2009 on a *Sea Launch Zenit-3SL* vehicle and will be positioned at 10°EL to provide, among other things, multimedia broadcast services such as mobile video and digital radio directly to user fixed and mobile terminals in key markets in western Europe.

Avanti Communications Financing

Avanti Communications announced on July 23 that it has completed a final round of financing for its *HYLAS* satellite with a syndicated seven-year £32m PIK note secured from investment funds *Avenue Capital*, *JO Hambro*, *Capital Management*, *Caledonia Investments plc* and *Frost City Limited*. The financing proceeds will be applied to satellite construction, launch services, insurance and operating expenses. Based on the *Indian Space Research Organization 1-2K* platform, the *HYLAS* satellite will be equipped with a flexible payload (can share and adapt payload resources between frequency bands and services) supplied by *EADS Astrium* capable of high power transmissions of 62 dBW in the Ka-band and 54 dBW in the Ku-band. The satellite will operate from the 33.5°WL orbital position and provide broadband Internet access and high definition television services to European customers.

Spacecom Orders Amos-4 Satellite

Israel Aerospace Industries (IAI) announced on July 10 that it has signed a \$365 million contract with *Space Communication Ltd. (Spacecom)*, a company in which IAI holds approximately 20% interest, for the in-orbit delivery of the *Amos-4* satellite. The spacecraft will be equipped with hybrid payload of Ka- and Ku- band transponders and is expected to be deployed at an orbital position between 64°EL and 76°EL during 3Q 2012. The 3.4 ton spacecraft has a design life of 12 years and will provide communications services to Southeast Asia, Central Asia and Africa. A significant portion of the capacity on the *Amos-4* has been pre-sold to the government of Israel on an end-of-life basis.

July Satellite Launches

On July 5, China launched the *Zhongxing-6B (ChinaSat-6B)* communications satellite from the *Xichang Satellite Launch Center* on a *Long March 3B* vehicle. The spacecraft, manufactured by *Thales Alenia Space* based on its *Spacebus 4000 C2* platform, is equipped with 38 C-band transponders and will allow *ChinaSatcom*, the satellite operator, to expand its direct-to-home services throughout mainland China. *ChinaSat-6B* has a design life of more than 15 years and will be operated from the 115.5°EL orbital position. On July 7, *International Launch Services* deployed the *DIRECTV-10* communications satellite from the *Baikonur Cosmodrome* in Kazakhstan on a *Proton Breeze M* vehicle. Based on the *Boeing 702* platform, the spacecraft is *DIRECTV Inc.'s* heaviest and most powerful ever, equipped with a payload of 131 Ka-band transponders and a launch mass of approximately 5,893 kg. *DIRECTV-10* will be operated at the 102.8°WL orbital position and will be used to expand *DIRECTV's* high-definition services across the United States, including Alaska and Hawaii.

Carlyle Group to Acquire ARINC

On July 5, global private equity firm *The Carlyle Group* announced that it has reached a definitive agreement to acquire *ARINC Incorporated* from its current shareholders, including several prominent commercial airlines such as *American* and *United*. *ARINC* was founded in 1929 to provide radio communications for commercial aircraft and the company currently develops and operates communications and information processing systems and provides systems engineering and integration solutions for airports, aviation, defense, government and surface transportation. *ARINC* has approximately 3,300 employees in 100 offices worldwide, generating annual revenues in excess of \$900 million. The transaction is expected to close in 3Q 2007 subject to regulatory approvals.

World Summit for Satellite Financing

As part of *Euroconsult's World Satellite Business Week*, the 2007 *World Summit for Satellite Financing* will be held at the Westin Hotel in Paris on Sept. 4-6. The conference will be preceded by a seminar on market forecasts on Sept. 3 and followed by the *World Space Risk & Insurance Forum* on the afternoon of Sept. 6. Last year's conference attracted over 450 industry executives and included approximately 80 speakers representing all sectors of the commercial space industry. *Milbank* is proud to once again be an official partner for this highly-regarded industry event.

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