Space Business Review

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

Loral Acquires Telesat

Loral Space & Communications (Loral) and Canada's ***Public Sector Pension Investment Board*** successfully concluded the C$3.25bn acquisition of ***Telesat Canada***. The transaction was financed by a US$2.9bn debt facility that closed oversubscribed, with the debt being distributed to over 100 institutions. ***JP Morgan***, ***Morgan Stanley*** and ***UBS*** were mandated lead arrangers on the deal. The secured debt facility was split between funded portions including a term loan B of approximately US$1.8bn, a C$200m term loan A and a C$25m revolving credit facility, as well as an unfunded portion consisting of a C$128m revolver and a US$150m delayed draw loan. The financing also included a US$910m unsecured bridge facility. Following completion of the Telesat acquisition, Loral announced plans to restructure its corporate functions, including a reduction of employees at its headquarters, consolidation of critical functions at its satellite manufacturing subsidiary, ***Space Systems/Loral***, and the transfer its fixed satellite services business, ***Loral Skynet***, to Telesat Canada.

Abertis Invests in Hispasat

Abertis Telecom, the telecommunications subsidiary of ***Abertis***, announced that it reached an agreement with two private shareholders of ***Hispasat, ENSAFECA Holding Empresarial*** and ***BBVA***, to acquire shares representing a 28.4% stake in the Spanish satellite operator. The transaction, which remains subject to approval by the Council of Ministers of Spain, involves a €199m investment by Abertis Telecom in Hispasat and will be financed by existing short-term credit facilities.

C-Band Spectrum Protected at WRC-07

Following weeks of intense negotiations at the 2007 ***International Telecommunication Union*** (ITU) ***World Radiocommunication Conference*** (WRC-07), which concluded on November 16, the satellite industry succeeded in protecting global users of C-band spectrum from interference caused by terrestrial International Mobile Telecommunications (IMT) services, including WiMax. While the "no-change" result achieved at WRC-07 permits for authorization of C-band spectrum for terrestrial use on a national basis via an "opt-in" provision, it is expected that ITU coordination requirements will provide satellite operators significant protection from IMT services interference in the future.

Inmarsat & Astrium Ink Alphasat Contract

On November 23, ***Astrium*** announced the execution of a contract with ***Inmarsat*** for delivery of the ***Alphasat 1-XL*** satellite to augment Inmarsat's ***Broadband Global Area Network*** (BGAN) service. The Alphasat contract is supported by the ***European Space Agency*** as part of an initiative to develop a next generation "large" satellite platform. The Alphasat 1-XL satellite will be equipped with advanced digital signal processor payload technology and a 12-meter aperture antenna reflector. The satellite will provide capacity to handle more than 750 L-band channels and significantly improve throughput and service quality for satellite phone users. Alphasat 1-XL will have a launch mass of more than 6,000 kg, a 12 kW electric power budget and a design life of 15 years. Following its planned launch in 2012, the satellite will provide mobile services across Europe, Asia, Africa and the Middle East.

November Launch Services

On November 14, ***Arianespace*** successfully launched the ***Star One C1*** commercial communications satellite for Brazilian operator ***Star One*** and the ***Skynet 5B*** military communications satellite for ***Paradigm***, a private company that offers secure communications services for the British Ministry of Defence. The launch was performed by an ***Ariane 5 ECA*** vehicle from the ***European Spaceport*** in Kourou, French Guiana. Star One C1, weighing in with a launch mass of 4,100 kg, was built by ***Thales Alenia Space*** based on its ***Spacebus 3000 B3*** platform and is equipped with 28 C-band, 14 Ku-band and a single X-band transponder. The satellite will provide communications, multimedia and broadband Internet services throughout South America. On November 18, ***International Launch Services*** announced the successful launch of the ***SIRIUS 4*** satellite for ***SES SIRIUS*** from the ***Baikonur Cosmodrome*** in Kazakhstan on a ***Proton Breeze M*** launch vehicle. Built by ***Lockheed Martin*** based on its ***A2100*** platform, SIRIUS 4 is a 4,385 kg, multi-mission Ku/Ka-band satellite equipped with 54 active transponders designed to provide a wide range of telecommunications services. Of the 52 Ku-band transponders on the satellite, 46 will cover Europe and 6 will serve Africa. One Ka-band transponder will cover the Baltic-Nordic region of Europe and the other will serve Africa.

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