



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

### Inmarsat & ACeS Collaboration

On September 4, **Inmarsat plc** and **ACeS International Ltd.** (ACeS) of Jakarta, a leading Asian hand-held voice satellite services operator, announced collaboration arrangements to offer low-cost hand-held and fixed voice services, initially in the Asian market with extended coverage expected in early 2007 and global service following the contemplated 4Q2007 launch of the third **Inmarsat-4** satellite. Inmarsat will assume responsibility for satellite and network operations, wholesale service provision and product and service development while ACeS will focus on distribution of mobile satellite services products, including Inmarsat's **BGAN** services, in the Asian land and maritime markets. The collaboration will include a \$45 million investment by Inmarsat over 4 years to accelerate network upgrades and to modernize the **ACeS R190** hand-held satellite phone. The deal is viewed as a "win-win" by industry analysts as it provides ACeS access to robust space segment assets and new broadband applications to compensate for its impaired **Garuda-1** satellite while accelerating Inmarsat's entry into the global handheld satphone services market and access to additional L-band spectrum in the Asian region.

### Lockheed Martin to Sell ILS Interest

On September 7, **Lockheed Martin Corporation** announced the proposed sale of its ownership interests in **Khrunichev Energia International, Inc.** (LKEI) and **ILS International Launch Services, Inc.** (ILS) to **Space Transport Inc.**, a British Virgin Islands company established by Mario Lemme, a current member of the ILS Board of Directors. LKEI was formed as a joint venture between Lockheed Martin and two Russian companies, **Khrunichev State Research and Production Space Center** and **S.P. Korolev Rocket and Space Corporation Energia** to provide sales, marketing and mission management support for launches of both the Lockheed Martin-built **Atlas** and Khrunichev-built **Proton** and **Angara** rockets to commercial customers. ILS has launched 37 commercial Protons and has a backlog for 11 additional launches. Following the sale, which remains subject to completion of regulatory reviews and other closing conditions, ILS will continue to market the Proton and Angara launch vehicles and expects to provide all the same sales, contracting, licensing, mission management and customer support services. Lockheed Martin, in turn, will offer commercial Atlas launch services through its subsidiary, **Lockheed Martin Commercial Launch Services**.

### Telesat Canada IPO Registration

**Telesat Holding Inc.** and its shareholder **BCE Inc.** on September 18 filed a preliminary prospectus and registration statement for an initial public offering of non-voting shares of Telesat Holding Inc. in Canada and the U.S. **Goldman, Sachs & Co.**, **Citigroup Corporate and Investment Banking** and **RBC Capital Markets** will act as lead underwriters and joint book-running managers for the offering. Prior to completion of the offering, Telesat will incur certain indebtedness the net proceeds of which, together with the net proceeds of the offering, will be distributed to BCE. The prospectus indicates that the minority stake offering is contemplated for approximately \$400 million Canadian dollars (\$358 million), however cautions that this figure may change. Despite Canadian laws requiring that 80% of Telesat's voting shares remain owned and controlled by Canadian interests, certain industry analysts believe that a strategic sale of Telesat remains possible.

### August Satellite & Launch Orders

On September 1, **Alcatel Alenia Space** announced the award of a contract from **Eutelsat Communications** for the 1Q2009 delivery of the **W2A** communications satellite. Based on the **Spacebus 4000C4** platform, the spacecraft features a baseline hybrid payload consisting of 37 Ku-band transponders dedicated to a fixed European Widebeam, up to 12 Ku-band transponders connected to a second fixed beam with coverage of southern Africa and the Indian Ocean region and 10 C-band transponders with pan-African coverage for broadband and communications services. The contract also provides for head start activities for a state-of-the-art 2.2 GHz payload and 12-meter unfurlable S-band antenna capable of providing mobile multimedia broadcast services directly to user terminals in key markets within Europe as part of a hybrid satellite/terrestrial broadcast network. A final decision regarding the S-band payload will be made in 4Q2006 upon completion of market demand, regulatory and financing assessments. W2A is designed to deliver 11kW of payload power with a maximum launch mass of 5.7 tons. On September 25, **Arianespace** announced that it was selected by the **French Defense Ministry** to launch the **Helios 2B** optical reconnaissance satellite in the first half of 2009. Built by a consortium of European contractors, including **EADS Astrium** and **Alcatel Alenia Space**, the 4200 kg spacecraft will operate in a sun-synchronous orbit and is capable of providing ground resolution of about 50 centimeters or better.

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