

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

Space System/Loral to Build Satmex 7

Satélites Mexicanos, S.A. de C.V. (Satmex) announced on June 24 that it has issued an Authorization to Proceed for construction of the **Satmex 7** satellite to **Space Systems/Loral** (SS/L). Based on SS/L's **1300** series platform, the spacecraft will likely be equipped with 24 Ku-band transponders and 24 C-band transponders and is designed to provide Fixed Satellite Services (FSS), including broadband, voice and data transmission, as well as video broadcasting in HDTV to markets in North and South America from the 114.9°WL orbital location (currently occupied by **Solidaridad 2**). Satmex 7 is scheduled for launch in 2010.

SIA's State of the Satellite Industry Report

On June 11, the **Satellite Industry Association** (SIA) released its 2008 State of the Satellite Industry Report. Worldwide commercial satellite industry revenues were reported at \$123b, representing an average annual growth of 11.5% between 2002-2007 and a 16% increase from 2006. The study, conducted by **Futron Corporation**, was based on the results of a poll involving over 70 companies from each major segment of the industry, including satellite manufacturing, launch services, satellite services and ground equipment manufacturing. The report indicates that satellite services revenues increased by more than 18% to reach an aggregate of \$73.9b in 2007, with satellite television as the major contributor, while launch services revenue grew nearly 19% to \$3.2b in 2007.

Intelsat Proposes Offerings of Senior Notes

On June 23, **Intelsat, Ltd.** announced the following offerings by its subsidiaries: (i) **Intelsat (Bermuda) Ltd.** offering an aggregate principal amount of approx. \$2.8b of 11¼% senior notes due 2017 and an aggregate principal amount of approx. \$2.2b of 11½%/12½% senior PIK election notes due 2017; (ii) **Intelsat Intermediate Holding Company, Ltd.** (Intermediate Holdco) offering an aggregate principal amount at maturity of approx. \$481.0m of 9½% senior discount notes due 2015; and (iii) **Intelsat Subsidiary Holding Company, Ltd.** (Intelsat Sub Holco) offering an aggregate principal amount of approx. \$681.0m of 8¾% senior notes due 2015. The net proceeds of these offerings, together with cash on hand, will be used to repay outstanding senior unsecured loan credit agreements.

EC Clears Abertis Acquisition of Hispasat

On June 26, the **European Commission** (EC) announced that it has cleared the proposed acquisition of joint control over **Hispasat** by **Abertis** and the Spanish state-owned entities **SEPI**, **CDTI** and **INTA**. After examining the transaction, the EC concluded that the acquisition would not significantly impede effective competition in the European Economic Area or any substantial part of it.

June Launches

On June 9, the **ChinaSat-9** satellite was successfully launched by a **Long March 3B** rocket from the **XiChang Satellite Launch Center** in the province of Sichuan, China. The satellite, built by **Thales Alenia Space** based on its **4000 C2** platform, will be operated by **China Direct Broadcast Satellite Co Ltd.** and will provide direct broadcast television services to approximately 98% of the population of China from its 92.2°EL orbital location. ChinaSat-9 is equipped with 22 active Ku-band transponders. On June 12, **Arianespace** successfully launched the **SkyNet 5C** military communications satellite for the **British Ministry of Defence** and the **Turksat 3A** civil communications satellite for operator **Turksat AS**. The launch was performed from the **European Space Center** in Kourou, French Guiana on an **Ariane 5 ECA** rocket. Turksat 3A was built by **Thales Alenia Space** based on its space bus **4000 B2** and is equipped with 24 Ku-band transponders to provide communications services and direct TV broadcasting to Turkey, Europe and Central Asia from its 42°EL orbital location. On June 19, **ORBCOMM Inc.** announced that six of its communications satellites have been successfully launched by a **Cosmos 3M** rocket from **Kasputin Yar** launch facility in Russia. One of the satellites, **ORBCOMM CDS**, was developed under a contract with the **United States Coast Guard** and will use an Automatic Identification System to monitor international shipping on a global basis. The other five satellites, known collectively as **ORBCOMM Quick Launch**, are designed to replace satellites from the ORBCOMM original constellation and to provide asset tracking and other low-data-rate communications services. **OHB-System AG** of Germany served as the prime contractor for the construction and testing of the satellites, and **Orbital Sciences Corp.** supplied the UHF and VHF communication payloads.

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