



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

SES & Eutelsat S-band Mobile Venture

On October 30, **SES Global** and **Eutelsat Communications**, Europe's largest satellite fleet operators, announced a joint investment of €130 million to create a new venture company to operate the S-band payload on Eutelsat's **W2A** satellite currently being manufactured by **Alcatel Alenia Space** and scheduled for deployment to the 10°EL orbital position on a **Sea Launch Company LLC Zenit-3SL** rocket in 1Q 2009. The joint investment will fund the development of a 12-meter antenna and related 2.2 GHz hardware to be incorporated on-board the W2A satellite to support the broadcasting of video, radio and data services to mobile user terminals in France, Germany, Italy, Poland, Spain and the UK. The contemplated mobile S-band service will be based on the **DVB-H** standard and require the development of a terrestrial **Complementary Ground Component** repeater network (commonly known as an **Ancillary Terrestrial Component** in North America) in Europe to overcome line-of-sight obstructions.

Apax To Acquire Telenor Satellite Unit

Telenor ASA announced on October 25 that it has entered into a definitive agreement with **Apax Partners France** for the sale of **Telenor Satellite Services** (TSS) to funds managed by Apax Partners for \$400 million in cash (NOK\$2,640 million), representing a 2006 EBITDA multiple of approximately 7.3x. The satellite services division, considered by Telenor as a non-core business, employs 550 people and reported \$371 million (NOK\$2,430 million) in 2005 revenue. TSS provides mobile communication solutions via satellite to land, air and sea-based customers and is a leading competitor in the high growth VSAT business segment. With the announced acquisition earlier this year of **France Telecom Mobile Satellite Communications**, Apax Partners France will own companies with a combined **Inmarsat** services distribution market share of 38.1%.

SES Global €800 Million Bond Issue

SES Global S.A. on October 11 successfully completed a 2-tranche €800 million bond offering, comprising a €300 million 3-year floating rate note priced at par with a coupon of 3-month Euribor +25 bps and a €500 million 7-year fixed rate note priced at 7-year Mid Swaps +55 bps, achieving a coupon of 4.375%.

Barclays Capital, **Citigroup** and **Société Générale** acted as joint bookrunners for the offering, which was 2.6 times oversubscribed with orders from nearly 120 investors from Europe and the US.

October Satellite Launches & Orders

On October 13, an **Ariane 5 ECA** launch vehicle successfully placed the **DIRECTV 9S** and **OPTUS D1** commercial communications satellites into geostationary transfer orbit from the European Spaceport in Kourou, French Guiana for **DIRECTV, Inc.** and **Optus Networks Pty Limited**, respectively. **DIRECTV 9S**, based on the **Space Systems/Loral 1300** platform, is equipped with 52 high-power Ku- and 2 Ka- band transponders and will be positioned at the 101°EL orbital position over the United States to provide local and national digital video services using advanced digital compression technologies. **OPTUS D1**, manufactured by **Orbital Sciences Corporation** and based on its **STAR™** platform, is equipped with 24 active Ku-band transponders and will provide fixed communications and direct broadcasting services to Australia and New Zealand from the 160°EL orbital position. **Eutelsat Communications** announced on October 20 that it awarded **EADS Astrium** a contract to build the **HOT BIRD™ 10** broadcast satellite, scheduled for launch in 1Q 2009. The spacecraft, based on Astrium's **Eurostar E3000** platform and equipped with 64 high-power Ku-band transponders, is intended to augment Eutelsat's on-orbit capacity and redundancy at its prime 13°EL video neighborhood for cable and satellite broadcasting and increase overall fleet flexibility. Eutelsat's 13°EL video neighborhood broadcasts 950 television channels and 540 radio stations to 110 million homes across Europe, North Africa and the Middle East. On October 29, a **Long March-3B** rocket successfully deployed the **Sinosat-2** satellite for **Sinosat Communications Co. Ltd.** of Beijing. Based on the **China Academy of Space Technology DFH-4** platform, Sinosat-2 is equipped with 18 36-MHz and 4 54-MHz Ku-band transponders and will provide television broadcast and broadband multimedia services to the Chinese mainland from the 92.2°EL orbital position. On October 30, the **Sea Launch Company LLC** successfully launched the **XM-4** broadcast satellite on a **Zenit-3SL** rocket from the **Odyssey** launch platform positioned in the equatorial Pacific Ocean for **XM Satellite Radio Inc.** Manufactured by the **Boeing Satellite Development Center** and based on its **702** platform, XM-4 is equipped with a high-power S-band Digital Audio Radio Service payload provided by **Alcatel Alenia Space** and will transmit XM Radio's direct broadcast of digital radio programming to cars, homes and portable radios throughout the continental United States and Canada from the 115°WL orbital position.

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