

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

DIRECTV and Liberty Entertainment Merge

On May 4, the **DIRECTV Group, Inc.** and **Liberty Media Corporation** announced definitive agreements for the combination of DIRECTV Group with **Liberty Entertainment, Inc.** (LEI), a company to be spun-off from Liberty Media. LEI will be comprised of 54% of the common stock of DIRECTV Group, three regional sports networks, a 65% stake in both **Game Show Network** and **FUN Technologies**, approximately \$30m in cash and \$2b in debt. DIRECTV Group agreed to provide Liberty up to \$650m to service existing LEI debt pursuant to a term loan facility. LEI and DIRECTV Group will merge under the newly created parent company **DIRECTV** in the fourth quarter of 2009.

Successful Launch of IndoStar II/ProtoStar II International Launch Services (ILS)

announced on May 16 the successful launch of the **Indostar II/ProtoStar II** satellite from the **Baikonur Cosmodrome** in Kazakhstan on a **Proton Breeze M** launcher. The satellite, built for **ProtoStar II Ltd.** by **Boeing Satellite Systems** based on its **601 HP** platform, is equipped with 22 active Ku-band transponders and 10 active S-band transponders. From its 107.7°EL orbital location, the satellite will provide broadcast, broadband and communications services throughout the Asia-Pacific region, including follow-on and expansion capacity for **PT MNC Skyvision/Indovision's** direct-to-home service in Indonesia.

May Launch Orders

On May 20, **Arianespace S.A.** announced that it was selected by **Inmarsat** to launch its **Alphasat I-XL** communications satellite in 2012 from Kourou, French Guiana, using an **Ariane 5 ECA** launcher. Alphasat I-XL is being built by **EADS Astrium** using its **Alphabus** platform as part of a joint developmental initiative by the **European Space Agency** and **CNES**, the French space agency. The satellite will be positioned at the 25°EL orbital location to provide advanced mobile voice and data communications services across Europe, Africa, the Middle East and parts of Asia. On May 22, **International Launch Services** announced that it will launch the **SkyTerra 2** satellite on a **Proton** launcher in late 2010. The satellite is being manufactured for **SkyTerra Communications** by **Boeing Satellite Systems** based on its **702** platform.

May Satellite Orders

On May 5, **Space Systems/Loral** (SS/L) announced that it has been selected to build the **AsiaSat 5C** satellite for **Asia Satellite Telecommunications Company Ltd.** (AsiaSat) as a back-up for **AsiaSat 5**, also under construction by SS/L. Based on the SS/L **1300** platform, the satellite will be equipped with 26 C-band and 14 Ku-band transponders to provide broadcast, voice, VSAT and broadband multimedia services across the Asia Pacific region from the 100.5°EL orbital location. On May 14, **Eutelsat Communications** announced the selection of **EADS Astrium** to build its **ATLANTIC BIRD™ 7** communications satellite, based on the **Eurostar E3000** platform. The satellite will be equipped with up to 44 Ku-band transponders providing direct-to-home services to customers in the Middle East and North Africa and up to 12 Ku-band transponders designed for broadcast and broadband services with coverage of North-West Africa, across the Maghreb countries and extending to the Gulf of Guinea. As part of Eutelsat's collaboration with Egyptian operator **Nilesat**, **ATLANTIC BIRD™ 7** will be co-located with the **Nilesat 101** and **102** satellites at the 7°WL orbital position. **Russian Satellite Communications Company** (RSCC) on May 21 announced the tentative selection (subject to signature of final contracts) of **ISS Reshetnev** and **Thales Alenia Space** to build the **Express-AM5** and **Express-AM6** satellites under a contract valued at approximately \$370m. The procurement involves the development of a new satellite platform tailored for the Russian market, as well as certain satellite payload technology transfer. Express-AM5 will be equipped with 36 Ku-band, 30 C-band, 14 Ka-band and three L-band transponders and operate at the 140°EL orbital position while Express-AM6 will have a similar payload (20 Ka-band and 14 C-band transponders, instead of 14 and 30, respectively) and will operate at the 53°EL orbital position.

Results of the S-Band Auction in Europe

On May 14 the **European Commission** published its selection decision for the S-band process in Europe. The Commission has selected two operators, **Solaris Mobile Limited** and **Inmarsat Ventures Limited**, each of which receive 2 x 15 MHz of S-band spectrum, to provide mobile satellite services across Europe.

To learn about Milbank's Space Business Practice, or view previous issues of the Space Business Review, please visit www.milbank.com. The information contained herein is provided for informational purposes only and should not be construed as legal advice on any subject matter. Recipients of this publication should not take or refrain from taking any action based upon content included herein. If you do not wish to receive this newsletter, please send an e-mail to MilbankSBG@milbank.com with the word "unsubscribe" in the subject line. ATTORNEY ADVERTISING. Prior results do not guarantee similar results.
© 2009 - Milbank, Tweed, Hadley & McCloy LLP.