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

Intelsat-PanAmSat Merger Completed

At our publication deadline on July 3, ***Intelsat Ltd***. announced the completion of its merger with ***PanAmSat Holding Corporation***. As part of the transaction, Intelsat acquired all of the outstanding shares of PanAmSat for approximately $3.2 billion, with each share of PanAmSat common stock converted into the right to receive $25 plus a $0.00927 pro rata quarterly dividend per share without interest. The total value of the transaction, including PanAmSat debt that was assumed or refinanced, is approximately $6.4 billion. In late June, Intelsat released details of its acquisition financing package, including $750 million 9¼% Senior Notes due 2016, $260 million Floating Rate Senior Notes (LIBOR + 600 basis points) due 2013 and $1.330 billion 11¼% Senior Notes due 2016 issued by Intelsat (Bermuda) Ltd. and $575 million 9% Senior Notes due 2016 issued by PanAmSat Corporation. The net proceeds from these offerings, along with a new $600 million Intelsat senior unsecured credit facility, were applied to consummate the transaction and purchase certain outstanding notes of PanAmSat. Following the merger, PanAmSat is now a wholly-owned subsidiary of Intelsat and its common stock has been delisted from the New York Stock Exchange. The new, combined Intelsat-PanAmSat business consists of 51 satellites, over 50 points of presence in almost 40 cities, 25% of all television channels transmitted over fixed satellites worldwide via 27 distinct DTH platforms, and for the 12 month period ending March 31, 2006, pro forma revenues of more than $2 billion.

Galaxy 16 & KazSat 1-Launched

The ***Sea Launch Company*** on June 16 successfully deployed ***PanAmSat***'s **Galaxy 16** satellite on a ***Zenit-3SL*** vehicle from the ***Odyssey*** launch platform positioned at 154º W.L. in the equatorial Pacific. Built by ***Space Systems/Loral*** and based on its proven ***1300*** platform, the spacecraft is equipped with 24 C-band and 24 Ku-band transponders and is designed to replace Galaxy 4R at 99º W.L. to meet the needs of various broadcast customers in the continental United States, Alaska, Hawaii, Mexico and Canada. On June 19, Kazakhstan's first national satellite, ***KazSat-1***, was launched on a ***Proton/Block DM*** rocket from the ***Baikonur Cosmodrome***. Built by the ***Khrunichev Space Research and Production Space Center***, the spacecraft carries 12 Ku-band transponders designed to provide broadcast, voice and Internet services to users across Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and parts of Russia.

June Satellite & Launch Service Orders

On June 6, ***EADS Astrium*** and ***ARABSAT*** signed a contract for the construction of the ***BADR-6*** ("Full Moon") satellite. The spacecraft, scheduled for delivery in 2008, is based on the ***Eurostar 2000+*** platform and will be equipped with 24 C- and 20 Ku-band transponders and offer payload power of about 6 kW for its 15-year service life. BADR-6 will be positioned at 26º E.L. and provide direct-to-home, interactive TV and Internet services to the Middle East, North Africa and a large part of sub-Saharan Africa. On June 8, ***Space Systems/Loral*** announced its selection by ***Sirius Satellite Radio Inc***. to build the **SIRIUS FM-5** geostationary satellite. The spacecraft, scheduled for delivery in 4Q 2008, will be based on SS/L's ***FS 1300*** platform and include an X-band uplink and S-band downlink payload with end-of-life power capability at more than 20 kW. SIRIUS-5 will also be equipped with a 9-meter unfurlable reflector intended for highly-concentrated transmissions to small, advanced devices. On June 12, 2006, the ***Sea Launch Company*** announced that as part of a contract signed by ***Thuraya Satellite Telecommunications Company*** with ***Boeing Satellite Systems International*** (BSSI), a Sea Launch ***Zenit-3SL*** vehicle will launch the 5250 kg ***Thuraya-3*** satellite in January 2007. BSSI is building the 702-variant ***GEO-Mobile*** spacecraft for expansion of the Thuraya system, which integrates high-power satellites, a ground segment and user handsets to provide a range of cellular-like voice and data services. Celebrating its 275th launch contract awarded since March 1980, on June 20, ***Arianespace*** announced that it will launch the ***VINASAT-1*** satellite on an Ariane 5 vehicle during the first half of 2008 for the ***Vietnam Posts and Telecommunications Group***. The spacecraft, being constructed by ***Lockheed Martin Commercial Space Systems*** based on its ***A2100*** platform, will include 20 C- and Ku-band transponders, is expected to weigh about 2,600 kg at launch and will offer a design life exceeding 15 years.

WildBlue Inks Distribution Agreements

WildBlue Communications, Inc. on June 9 announced the execution of wholesale distribution agreements with ***EchoStar Communications Corporation*** and ***DIRECTV, Inc***. These agreements provide that WildBlue will be the exclusive satellite-based Internet solution that each of EchoStar and DIRECTV will offer to their combined total of more than 27 million customers in the United States for the next 5 years.

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