

#1 - M&A Transactions Keep Pace

Despite challenging credit markets, merger, acquisition and investment activity kept pace in 2007. **Abertis & Caisse des Dépôts et consignations** purchase 32% (€1.07B) and 25.5% (€862.7M) stakes, respectively, in **Eutelsat** (Jan.). **GE Capital** sells back its 19.5% interest in **SES Global** for €588 million in cash and assets including stakes in **AsiaSat**, **Star One** and **Orbcomm** (Feb.). **JSAT & SKY Perfect Communications** merge (March). **BC Partners** to acquire **Intelsat Ltd.** for \$16.4 billion, including debt (June). **Carlyle Group** to acquire **ARINC** (July). **Apax Partners France** purchases **Telenor Satellite Services** for \$400 million (Sept.). **Loral Space & Communications** and **PSP Canada** conclude C\$3.25 billion acquisition of **Telesat Canada**. **Abertis** to acquire 28.4% stake in **Hispasat** (Nov.). **CIP Canada Investment**, indirectly financed by **Inmarsat**, completes \$636 million (including debt) acquisition of **Stratos** (Dec.).

#2 - C-Band Protected at WRC-07

Following weeks of intense negotiations, the satellite industry succeeded at the 2007 **International Telecommunication Union World Radiocommunication Conference** (WRC-07) in protecting global users of C-band spectrum from interference caused by terrestrial International Mobile Telecommunications services, including WiMax.

#3 - Launch Services Demand Spikes

Sea Launch and **ILS** failures impact launch manifests, however 22 commercial satellites are launched. **Ariane**: Astra-1L, Galaxy 17, SPACEWAY-3, BSAT-3a, Intelsat 11, Optus D2, Star One C1, INSAT 4B, Horizons-2, RASCOM-QAF1. **Boeing Delta**: WorldView-1. **ISC Kosmotras Dnepr**: TerraSAR-X. **Proton**: Anik F3, DIRECTV-10, SIRIUS 4. **Long March**: SINOSAT-3, NIGCOMSAT-1, Zhongxing-6B (ChinaSat-6B). **Soyuz**: Globalstar launch (four satellites).

#4 - Satellite Broadband Takes Off

WildBlue Communications, Inc.'s broadband service enjoys significant subscriber growth in North America. **Hughes Network Systems, LLC** launches **SPACEWAY-3** to serve government and enterprise markets in the Americas. **Avanti Communications Group plc** fully finances its European-coverage **HYLAS** satellite. **Eutelsat** and **ViaSat, Inc.** announce cooperation agreement for consumer broadband services in European markets. **iPStar** exceeds 100,000 active user terminals.

#5 - 50th Anniversary of Sputnik

As we celebrate the 50th anniversary of the satellite that introduced the "space age", approximately 1,000 satellites now orbit the Earth and the space business has grown to more than \$100 billion in annual revenues.

#6 - Satellite Manufacturers Remain Busy

18 commercial satellite orders announced in 2007. **Ball Aerospace & Technologies**: WorldView-2. **EADS Astrium**: YahSat 1A and 1B, Arabsat 5A, BADR-5 (the foregoing in cooperation with Thales Alenia Space) and Alphasat 1-XL. **Israel Aerospace Industries**: Amos-4. **Lockheed Martin Commercial Space Systems**: JCSAT-12. **Orbital Sciences Corporation**: Optus-D3, AMC-5R. **Space Systems/Loral**: Nimiq 5, ProtoStar 1, Intelsat 14, SIRIUS FM-6, EchoStar XIV, NSS-12. **Thales Alenia Space**: THOR 6, Palapa-D.

#7 - S-band In Vogue?

EchoStar Communications Corp. reveals S-band broadcast satellite project for mobile video in China in time for 2008 Olympics. **Ondas Media** to contract for 3 elliptical orbit S-band satellites to provide digital radio in Europe. **Inmarsat**, **ICO** and **TerreStar** also have indicated interest in S-band audio or video broadcast projects for Europe.

#8 - XM – SIRIUS Satellite Merger?

Rival satellite digital audio services providers **XM** and **SIRIUS** announced a planned merger of equals in February, creating a company with a market value of roughly \$13 billion. The transaction remains under review by the **U.S. Department of Justice** and the **Federal Communications Commission**.

#9 - EchoStar Developments

EchoStar Communications Corp. spins off **EchoStar Holding Corp.**, a publicly traded company holding its set-top box business (including **Sling Media** acquired in 2007) and certain technology and satellite assets and renames core satellite direct-to-home service as **DISH Network Corp.**

#10 - Galileo Revamped & Funded

European transport ministers agree to proceed with development of the **Galileo** satellite navigation system by authorizing public financing of the €2.4 billion (from unused EU agriculture, research and transport budgets) needed to complete the project and grant the **European Space Agency** broad discretion to manage the program, including selection of satellite contractors.

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