

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

ILS Successfully Launches SES-1

On April 24, **International Launch Services** (ILS) announced the successful launch of the **SES-1** satellite for **SES WORLD SKIES** on a **Proton Breeze M** launcher from the **Baikonur Cosmodrome** in Kazakhstan. Built by **Orbital Sciences Corporation** based on its **Star™ 2.4** platform, SES-1 is equipped with 24 Ku-band and 24 C-band transponders to power networks encompassing thousands of VSAT terminals, deliver high-definition video channels and other communications services to customers in North America from the 101°WL orbital location.

April Satellite Orders

On April 1, **Satélites Mexicanos, S.A. de C.V.** (Satmex) announced the execution of an Authorization to Proceed (ATP) with **Space Systems/Loral, Inc.** (SS/L) for the design and manufacture of the **Satmex 8** satellite, to replace the **Satmex 5** satellite. Under the terms of the ATP, Satmex paid SS/L \$2m for the performance of certain engineering and development tasks. Satmex 8 will be equipped with a total of 64 C-band and Ku-band transponders to provide communication services to the continental U.S., the Caribbean, all of Latin America and the major cities of Brazil. Press reports indicate that **Russian Satellite Communications Company** is in the process of completing request for proposal documentation for two new satellites, **Express-AT1** and **Express-AT2**, tentatively scheduled for launch in 2012.

U.S. Export Control Reform Initiative

On April 20, the White House announced that a comprehensive executive branch review of the U.S. export control system, including the **International Traffic in Arms Regulations** and **Export Administration Regulations**, has revealed that the current system, rooted in the Cold War era, is too fragmented, overly complicated and needs to be updated to address the changing global security, economic and technological landscape. The goal of the reform effort is to "build higher walls around a smaller yard" of products and technologies. Key recommendations include migration to a single munitions/commodities control list and the designation of a single licensing agency and primary enforcement coordination agency among the Departments of State, Defense and Commerce. As a next step, the White House will consult with Congress and seek its input on the proposed reforms.

Financing Developments

Eutelsat Communications recently announced the refinancing of all **Eutelsat S.A.**'s existing credit agreements (which were entered into in November 2004 and were due in November 2011) in a total amount of €1.3b. The refinancing involved the issuance of 7-year senior unsecured bonds in a total amount of €850m and the conclusion of a 5-year new senior unsecured revolving credit facility in a total amount of €450m. On April 4, **Inmarsat plc** announced that it completed an 8-year facility agreement from the **European Investment Bank** (EIB) to fund the manufacture and launch of its next generation, high-power **Alphasat** geo-mobile communications satellite. Under the agreement, Inmarsat may borrow up to €225m and expects to make an initial draw down under the facility during the second quarter of this year. The EIB financing will rank as senior secured debt of **Inmarsat Investments Limited**, a direct subsidiary of **Inmarsat Group Limited**. On April 22, **ViaSat Inc.** announced the commencement of an exchange offer for its outstanding unregistered 8.875% senior notes due 2016. These notes were originally issued on October 22, 2009 in a private placement in an aggregate principal amount of \$275m to partially finance the acquisition of **WildBlue Communications Inc.** The notes may be exchanged for an equal principal amount of a new issue of 8.875% senior notes due 2016. The exchange offer is due to expire on May 21, unless extended. On April 28, **SIRIUS XM Radio** announced that on June 1, 2010 **XM Satellite Radio Inc.** will redeem all of its outstanding 10% senior PIK secured notes due 2011 at a redemption price of 100% plus accrued interest. As of the redemption date, approximately \$113.7m of 10% senior PIK secured notes due 2011 will be outstanding. The early retirement of these notes will reduce SIRIUS XM's interest expense and increase free cash flow.

IS22 Hosted Payload Contract Extended

On April 28, **Intelsat S.A.** announced that the **Australian Defence Force** exercised its option to purchase the remainder of the specialized UHF communications payload being integrated in the **Intelsat 22 (IS22)** satellite, as part of a hosted payload agreement signed in April 2009. IS22 is expected to be launched in the first quarter of 2012 and will be positioned at the 72°EL orbital location over the Indian Ocean region.

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