

- SPECIAL EDITION – THE TOP-10 SPACE BUSINESS STORIES OF 2012 -

Space Business Review

#1 – All-Electric Satellites Take Charge

Electric propulsion satellites - a new trend? **Asia Broadcast Satellite Holdings Ltd.** and **Satélites Mexicanos, S.A. de C.V.** jointly procured from **Boeing** a total of 4 new **702 SP** satellites, featuring an all-electric xenon-ion propulsion system, and **SES S.A.** and the **European Space Agency** (ESA) formed a partnership to develop a European all-electric propulsion satellite platform, with **OHB-System AG** serving as prime contractor.

#2 – Launch Services Ups and Downs

24 commercial satellite launch missions: **Arianespace** rolled on: ASTRA 2F, EchoStar XVII, EUTELSAT 21B, Galileo IOV-1 (2 satellites), GSAT-10, HYLAS 2, Intelsat 20, JCSAT-13, Mexsat Bicentenario, MSG-3, Skynet 5D, Star One C3 and VINASAT-2; **China Great Wall Industry Corporation:** Chinasat 12/SupremeSAT 1 and VesselSat 2; **ILS International Launch Services:** EchoStar XVI, Intelsat 22, Intelsat 23, Nimiq 6, SES-4 and SES-5, then suspended **Proton Breeze-M** missions to improve industrial quality control; **Mitsubishi Heavy Industries, Ltd.** assumed full **H2-B** launch operations; **Sea Launch AG** resumed operations with the launches of Eutelsat 70B and Intelsat 21; and **Space Exploration Technologies Corp.** added commercial customers to its burgeoning **Falcon 9** manifest.

#3 – Whither ATC?

Seeking time to resolve its spectrum use, in May, **LightSquared Inc.** filed for protection under Chapter 11 of the U.S. Bankruptcy Code. In December, the **Federal Communications Commission** granted **DISH Network L.L.C.** authority to use S-band spectrum holdings originally intended for satellite use for a terrestrial wireless network instead. Will integrated satellite and terrestrial mobile broadband blossom in 2013?

#4 – Imaging Eye-to-Eye

DigitalGlobe and **GeoEye** combined in a stock and cash transaction valued at roughly \$900m. Motivated in part by U.S. Department of Defense spending cuts, the merger was intended to result in greater revenue certainty and lower capital expenditures.

#5 – Space Systems/Loral Finds a Suitor

MacDonald Dettwiler and Associates Ltd. (MDA) acquired **Space Systems/Loral, Inc.** in a transaction valued at approximately \$1.1b, transforming MDA into a commercially-focused global communications company and affording it an important foothold in the U.S. market.

#6 – Broadband Ku- or Ka-? HTS?

Avanti Communications announced its **HYLAS 3** Ka-band payload; **Hughes** launched **EchoStar® XVII** with **JUPITER** Ka-band High-Throughput technology; **Intelsat** announced its new **Epic^{NG}** platform with innovative multi-band, spot beam and frequency reuse technology; **Inmarsat's Global Xpress** marched on; **NBN Co. Limited** procured 2 satellites for its planned broadband service to rural and remote areas of Australia.

#7 – Public Equity To Be Continued ...

Intelsat filed for an IPO on the **New York Stock Exchange** to raise roughly \$1.75b, **NewSat Ltd.** prepared for new equity funding and **Telesat Canada** passed on the opportunity to go public. What's next in 2013?

#8 – Hosted Payloads Evolve

2012 witnessed significant growth for hosted payloads. **NASA** and **ESA** took steps to further develop hosted payloads with commercial partners; **Intelsat-22** was launched with a UHF communications payload for the **Australian Defence Force**; **NAV CANADA** and **Iridium Communications Inc.** established the **Aireon LLC** joint venture to support air traffic management globally; and the **U.S. Air Force** will be requesting funding in 2013 for a follow-on to **CHIRP**.

#9 – 2012 Commercial Satellite Orders

Boeing: ABS-3A, Intelsat 29e, Satmex 7, SES-9 and two other satellites (for ABS/Satmex); **EADS Astrium:** Express AM4R and Express AM7; **Israel Aerospace Industries:** AMOS-6; **Orbital Sciences:** Amazonas 4A and 4B; **Space Systems/Loral:** NBN Co 1A and 1B; and **Thales Alenia Space:** EUTELSAT 8WB.

#10 – Global Positioning Goes Global

Global competitors to the **GPS** system took major steps forward in 2012: **OHB-System AG** was selected to build 8 additional satellites (14 satellites under construction) for the **Galileo** constellation; China launched commercial and public services across the Asia-Pacific region on its **Beidou** system, which is expected to provide global coverage by 2020; and Russia pressed forward with further development of its **GLONASS** system.

Plus – Breaking News – ITAR Reform

On Dec. 21st the **U.S. Congress** approved **ITAR** reform legislation authorizing the President to determine export jurisdiction for satellites and related components – stay tuned for additional details in January.

BEIJING
FRANKFURT
HONG KONG
LONDON
LOS ANGELES
MUNICH
NEW YORK
SÃO PAULO
SINGAPORE
TOKYO
WASHINGTON DC

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.
© 2012 - Milbank, Tweed, Hadley & McCloy LLP.

Milbank
Space Smart®