

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

### ABS Closes \$215M Bank Loan

On May 18, **Asia Broadcast Satellite's** holding company, **Kingsbridge Ltd**, announced the closing of a \$215m five-year senior bank loan from a consortium of lenders comprised of **Goldman Sachs, HSBC, ING, Société Générale** and **Standard Chartered**. ABS intends to use the loan proceeds to fund the **ABS-2** satellite and other future acquisitions. ABS-2, which is being built by **Space Systems/Loral**, is expected to be launched in April 2013 and positioned at 75°E to service markets in the Middle East, Africa, the Asia Pacific and the CIS/Russia.

### DISH Network and EchoStar Debt Offerings

On May 3, **DISH Network Corporation**, through its subsidiary **DISH DBS Corporation**, announced a \$2b bond financing. The bonds carry a coupon of 6.75% and are priced at 99.09% to yield 6.875%. DISH intends to use the net proceeds from the offering for general corporate purposes. In an unrelated development, **EchoStar Corporation**, through its wholly-owned subsidiary **EH Holding Corporation**, announced on May 18 a \$2b bond offering consisting of \$1.1b in 6.5% 8-year senior secured notes and \$900m in 7.625% 10-year senior unsecured notes. EchoStar intends to use the net proceeds from the offering to fund its \$2.17b acquisition of **Hughes Communications, Inc.**

### Inmarsat Secures \$700M U.S. Ex-Im Financing

On May 12, **Inmarsat plc** announced the signing of a \$700m, 12.5 year direct financing agreement with the **Export-Import Bank of the United States** to fund construction of the 3 **Inmarsat-5 Global Xpress** Ku-band satellites being built by **Boeing Space and Intelligence Systems**. The credit facility will have an availability period of 4 years, after which borrowings will be repayable in equal installments over a period of 8.5 years. Interest under the facility will be incurred at a fixed rate.

### May Launch Services Orders

On May 25, **International Launch Services** and **EchoStar** announced an agreement for the launch of **EchoStar XVI** on a **Proton Breeze M** vehicle in 2012. Being built by **Space Systems/Loral** on its 1300 platform, EchoStar XVI will be equipped with 32 Ku-band transponders and positioned at 61.5°W to support **DISH Network's** expanded services, including HD programming, for more than 14m DTH subscribers in the United States.

### Satmex Restructuring Approved

On May 16, the **U.S. Bankruptcy Court for the District of Delaware** confirmed the prepackaged plan of reorganization of **Satélites Mexicanos, S.A. de C.V.** (Satmex). As part of its restructuring, Satmex has completed a \$325m bond offering (arranged by **Jefferies & Co**) consisting of 9.5% 6-year senior secured notes. First-priority noteholders, owed \$238.2m, will be paid in full (principal plus accrued interest), and second-priority noteholders, owed \$201.9m, will have a pro-rata share of 7.15% of reorganized Satmex's equity and an option to participate in a \$96.25m rights offering for 85.75% of the equity. Residual proceeds from the debt and equity offerings will be used to fund construction of the **Satmex-8** satellite, which is being built by **Space Systems/Loral** and is scheduled for a 3Q 2012 launch to replace **Satmex-5** at 116.8°W.

### May Launches

On May 20, **Arianespace** successfully orbited the **ST-2** and **GSAT-8** communications satellites from the **Guiana Space Center** on an **Ariane 5 ECA** launcher. ST-2, built by **Mitsubishi Electric Corporation** based on its **DS-2000** platform for a joint-venture between **Singapore Telecommunications Ltd.** and Taiwan's **Chunghwa Telecom Company**, is equipped with Ku- and C-band payloads and will provide IP-based fixed and mobile, as well as voice and data transmission satellite services to businesses, particularly DTH operators and maritime companies in Asia and the Middle East. GSAT-8, built by the **Indian Space Research Organization**, is equipped with 24 Ku-band transponders to provide DTH broadcast services to the Indian subcontinent and includes a GPS-aided augmented navigation payload to support aircraft navigation services over Indian airspace and adjoining areas. On May 21, **International Launch Services** successfully placed into geostationary transfer orbit the **Telstar 14R/Estrela do Sul 2** satellite from the **Baikonur Cosmodrome** on a **Proton Breeze M** launcher. Built for **Telesat** by **Space Systems/Loral** based on its 1300 platform Telstar 14R/Estrela do Sul 2 will replace Telstar 14/Estrela do Sul at 63°W and augment the Atlantic Ocean region Ku-band capacity provided by the **Telstar 14** and **Telstar 11N** satellites for services in Brazil, the continental United States, the southern cone of South America, the Andean region and the north and middle Atlantic Ocean.