Beierl Philip G
Form 4
February 19, 2019

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Beierl Philip G

(Last) (First) (Middle)

11911 FM 529

(Street)

HOUSTON, TX 77041

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
OCEANEERING INTERNATIONAL INC [OII]

3. Date of Earliest Transaction (Month/Day/Year)
02/18/2019

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP, Advanced Technologies

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/18/2019		F		391	D	$ 16.65	8,563 (1)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships: Director	10% Owner	Officer	Other
Beierl Philip G 11911 FM 529 HOUSTON, TX 77041			SVP, Advanced Technologies	

Signatures

/s/David K. Lawrence, Attorney-in-Fact for Philip G. Beierl	02/19/2019
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Also owns 13,785 of common stock equivalents in 401(k) plan - Indirect

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Completion and extension of international, national and regional voice and data networks; and

Highly specialized fixed and mobile military applications, such as secure communications networks and bandwidth to enable manned and unmanned aerial vehicle missions.

We provide our infrastructure services on a satellite fleet comprised of over 50 satellites, covering 99% of the earth s populated regions. Our satellite capacity is complemented by IntelsatONE[SM], our terrestrial network comprised of leased fiber optic cable and owned and operated teleports. We believe that our hybrid satellite-terrestrial network provides significant differentiation and is an important element of our growth strategy.

We have a reputation for operational and engineering leadership, built on our experience of over 45 years in the FSS sector. The reliability of our network is outstanding, delivering 99.998% network availability on station-kept satellites to our customers in 2010. We built our centrally operated, fully integrated network using the world s largest collection of FSS spectrum rights at valuable orbital locations, from which we can deliver services to established regions as well as higher-growth emerging regions.

We operate in an attractive, well-developed sector of the satellite communications industry, which is benefiting from increasing demand for capacity from the commercial sector and governments. The FSS sector is characterized by steady and predictable contracted revenue streams, high operating margins, strong cash flows

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and long-term contractual commitments. We believe these sector characteristics, coupled with our cost-efficient, fully integrated operating structure and favorable tax profile, provide us with an attractive business model.

As of September 30, 2011, our revenue backlog, which is our expected future revenue under existing customer contracts, was approximately $10.7 billion. We typically contract with our customers for long-term commitments of up to 15 years. Approximately 86% of this backlog related to contracts that are non-cancelable and approximately 10% related to contracts that were cancelable subject to substantial termination fees. For the nine months ended September 30, 2011 and for the year ended December 31, 2010, we generated revenue of $1.9 billion and $2.5 billion, respectively.

We believe that our global scale and efficient operating profile, diversified customer sets and sizeable backlog, together with the growing worldwide demand for entertainment and connectivity, provide us with a platform for success.

The FSS Sector

Fixed satellite services are an integral part of the global communications infrastructure. The global FSS sector is expected to generate revenues of approximately $10.4 billion in 2011 according to NSR, a leading international market research and consulting firm specializing in satellite and wireless technology and applications.

Our customers use our services because of the distinct technical and economic benefits that satellite services provide for certain critical applications. Satellites provide a number of advantages over terrestrial communications systems, including the following:

- Satellite beams effectively blanket service regions with bandwidth, enabling any user within a coverage area to have equal access to highly reliable bandwidth;
- Efficient content distribution through the ability to broadcast high quality signals from a single location to many locations simultaneously;
- The ability to extend beyond terrestrial network end points, or provide an alternative path to terrestrial infrastructure, thus avoiding points of congestion or unreliability;
- Fast network deployments, with network performance easily replicated across each site regardless of geography or infrastructure, and efficient centralized control and management;
- Superior end-to-end network availability as compared to the availability of terrestrial networks; and
- Instant communications infrastructure for disaster recovery.

There is a finite number of geostationary orbital slots in which FSS satellites can be located, and many orbital locations already hold operational satellites. The owners of these satellites operate them under coordination agreements designed to avoid interference with other operators satellites.

Today, there are only three FSS operators, including us, providing global services, which is increasingly important as multinationals and governments seek a one-stop solution for obtaining global connectivity. In addition, there are a number of operators with fewer satellites that provide regional and/or national services. Intelsat is the largest of any operator in terms of rights to orbital slots in the most valuable C- and Ku-band spectrums.

We believe a number of trends are creating increasing demand for satellite services, expanding the FSS sector:

Globalization of economic activities is increasing the geographic expansion of corporations and the communications networks that support them and creating new audiences for content. Globalization also increases the communications requirements for governments supporting embassy and military applications.

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Connectivity and broadband access are essential elements of infrastructure supporting the rapid economic growth of developing nations. Globally dispersed organizations are increasingly moving to satellite-based infrastructure to provide better access, reliability and control.

Proliferation of content and formats is resulting in increased bandwidth requirements as content owners seek to maximize distribution to multiple viewing audiences across multiple technologies. HDTV, 3DTV, Internet distribution of traditional television programming, IPTV and video to the handset are all examples of the expanding format and distribution requirements of media programmers.

Mobility applications, such as wireless phone services, maritime communications and aeronautical services, are fueling demand for bandwidth on the move. Rapid growth in cellular services for developing regions is expected to transition demand for voice only services to demand for data and video services over time, resulting in increased network bandwidth requirements. Given the low penetration of fixed-line telephone services in emerging markets and the introduction of smart phones and netbooks, Internet access in these markets may be primarily mobile. Significant technology advancements in aeronautical data and video services for government applications, such as unmanned aerial vehicles, are also resulting in increased demand for satellite-based bandwidth.

In total, C- and Ku-band transponder service revenue in the FSS sector is expected to grow at a CAGR of 5.1% from 2011 to 2016 according to *NSR*. The fundamentals of the sector have consistently improved over the past few years, with continued strong demand despite the generally poor economic environment in many regions of the world.

Our Customer Sets

We are the largest FSS operator and, based on the number of transponders contracted, we hold the leading position in each of our three customer sectors: network services, media and government. Characteristics of our customer sets are summarized below:

Year Ended December 31, 2010*	**% of 2010 Total Revenue**	**% of Total Backlog(1)**	**Backlog to Revenue Multiple**	**Representative Customers**
Network Services	49%	35%	2.8x	Bharti, France Telecom, MTN Group, Caprock UK Limited, Verizon, Vodaphone
Media	31%	53%	6.6x	Discovery Communications, Fox Entertainment Group, Home Box Office, DIRECTV, The Walt Disney Company, Turner Broadcasting Company, Vivendi
Government	19%	9%	1.9x	Australian Defence Force, U.S. National Oceanic and Atmospheric Administration, U.S. Department of Defense, U.S. Department of State, U.S. Navy, U.S. Air Force

* Does not include Satellite Related Services and Other

(1) Backlog as of December 31, 2010

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We provide satellite capacity and related communications services for the transmission of video, data and voice signals. Our customer contracts offer four different service types: transponder services, managed services, channel services and mobile satellite services and other. We also perform satellite-related consulting and technical services for various third parties, such as operating satellites for other satellite owners.

Network Services

Network services is our largest customer set, and for the year ended December 31, 2010 accounted for 49% of our revenue and a contracted backlog of $3.5 billion as of December 31, 2010. Our business generated from the network services sector is generally characterized by three to five year, and up to 15 year, contracts with many of the world s leading communications providers, including:

- Wireline and wireless telecommunications carriers, including global, regional and national providers;
- Corporate network service providers;
- Value-added services providers, such as those serving the oil and gas and maritime industries; and
- Multinational corporations and entities.

There is an increasing need for basic and high-speed connectivity in developed and emerging regions around the world. Our satellite capacity, paired with our terrestrial network comprised of leased fiber, teleports, and data networking platforms, enables the transmission of video, data and voice to and from virtually any point on the surface of the earth. We provide an essential element of the infrastructure supporting the rapid expansion of wireless services in many emerging markets. Penetration of 3G wireless services in developing regions is expected to reach over one billion subscribers by 2011 according to the International Telecommunications Union (ITU).

Our network services offerings are comprised of three primary categories:

- *Transponder services* full-time capacity services used by telecom operators, wireless companies, data network operators and value-added network operators for telecom or broadband network infrastructure.
- *Managed services* full-time services used by value-added network operators, mobile services operators, telecom operators and ISPs that provide integrated networking platforms comprised of satellite capacity, fiber, teleport and hardware. Operators and service providers use these shared, managed platforms as the basis for, or an economical extension of, their service offerings.
- *Channel services* full-time point-to-point service offerings used by telecom operators to supplement international network connectivities where there are no fiber alternatives or as a backup system to fiber routes.

Our network services offerings are an essential component of our customers services, providing backbone infrastructure, expanded service areas and hard-to-reach connectivities. We believe that Intelsat is a preferred provider because of our global service capability and our expertise in delivering service operator-grade network availability and efficient network control.

We have established regional shared data networking platforms at our teleports that are connected to over 40 of our satellites. As a result, our customers can quickly establish highly reliable services across multiple regions, yet operate them on a centralized basis. Our satellite-based solutions allow customers to rapidly expand their service territories, increase the access speed and capabilities for their existing networks and efficiently address new customer and end-user requirements.

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Highlights of our network services business include the following:

- We provide services to many of the world s largest telecommunications companies. Of the customers we categorize as telecommunications companies, our revenue from the top 25 in aggregate has grown at a CAGR of 15.2% from 2007 to 2010;

- We believe we are the leading provider of satellite capacity for cellular backhaul applications connecting a cellular access point to the telecommunications network, providing network extensions in emerging regions. Approximately 60 of our customers use our satellite-based backhaul services as a core component of their network infrastructure due to unreliable or non-existent terrestrial infrastructure. Our cellular backhaul customers include the top ten mobile groups in Africa, such groups representing 73% of the region s subscribers; and

- Over 200 value-added network operators use our global broadband hybrid infrastructure to deliver regional and global services. Applications for these services include corporate networks for multi-nationals, Internet access and broadband for maritime applications.

We believe we are the leading provider of satellite capacity for network services, and that we are well positioned to benefit from the growing segments of this market. These segments include:

- Satellite-based private data networks, including VSAT networks. C- and Ku-band transponder demand for VSAT services is expected to grow at a CAGR of 5.8% from 2011 to 2016, according to *NSR*;

- Cellular backhaul via satellite, for which satellite capacity demand is expected to grow by a CAGR of 5.8% from 2011 to 2016, according to *NSR*; and

- Broadband for maritime applications, which is expected to grow by a CAGR of 17.1% from 2011 to 2016 according to *NSR*.

Media

Media customers were the second largest source of our revenue for the year ended December 31, 2010, accounting for 31% of our revenue and a contracted backlog of $5.2 billion as of December 31, 2010. We provide satellite capacity for the transmission of entertainment, news, sports and educational programming for approximately 300 content providers and direct-to-home (DTH) platform operators worldwide. Our revenue generated from the media sector is generally characterized by non-cancelable, long-term contracts with terms of up to 15 years with premier customers including:

- National broadcasters;

- Content providers and distributors;

- Cable programmers; and

- DTH platform operators.

Broadcasters, content providers and cable programmers seek efficient distribution of their content to make it easily obtainable by affiliates, cable operators and DTH platforms. Our strong cable distribution neighborhoods offer media customers high penetration of regional and national audiences.

Broadcasters, content providers and cable programmers also select us because our global capabilities enable the distribution or retrieval of content to or from virtually any point on earth. For instance, we regularly provide fully integrated global distribution networks for content providers that need to distribute their products across multiple continents. We believe DTH platform operators turn to us because the scale and flexibility of our fleet lowers their operating risk, as we have multiple satellites serving every region.

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Our media sector service offerings are comprised of two primary categories:

- Transponder services, which include:
  - Video distribution services full-time services used by programmers and broadcasters to distribute content to cable systems and to affiliates;
  - DTH television services full-time services used by DTH platform operators to distribute their content to consumer set-top boxes; and
  - Video contribution services full-time and part-time services used to gather news and events from a remote location for delivery to a production facility.
- Managed services, which include:
  - Hybrid satellite, fiber and teleport managed services full-time services typically used by programmers to outsource additional elements of their transmission infrastructure, such as uplinking programming in digitally compressed formats; and
  - Part-time managed services, including occasional use services for news, sports and entertainment organizations gathering programming from a remote location for delivery to a production facility.

We believe that we enjoy a strong reputation for delivering the high network reliability required to serve the demanding media sector.

Our fully integrated satellite, fiber and teleport facilities provide enhanced quality control for programmers. We are increasingly offering bundled, value-added services under our IntelsatONE^{SM} brand that include managed fiber services, digital encoding of video channels and up-linking and down-linking services to and from our satellites and teleport facilities. Our IntelsatONE^{SM} bundled services address programmers interests in delivering content to multiple distribution channels, such as television and Internet, and their needs for launching programs to new regions in a cost-efficient manner.

Highlights of our media business include the following:

- Of our 52 satellites, 28 host premium video neighborhoods, offering programmers superior audience penetration, according to Lyngsat, with 9 serving the United States, 6 serving Latin America, 5 serving Asia, 5 serving Europe, and 3 serving Africa and the Middle East.
- We are a leading provider of capacity used in global content distribution to media customers, according to Euroconsult. Our top 10 video distribution customers buy service on our network across three or more geographic regions, demonstrating the value provided by the global reach of our network.
- In North America, we believe that we are the leading provider of FSS capacity for the distribution of high definition and cable programming. Our Galaxy 13 satellite provided the first high definition neighborhood in North America, and today, the Galaxy fleet distributes over 175 high definition channels, and we distribute nearly 350 high definition channels on a global basis. In its 2010 study, *NSR* forecasted that the number of standard and high definition television channels are expected to grow at a CAGR of 7.7% from 2011

to 2016.

We are a leading provider of FSS capacity for DTH services, according to Euroconsult, delivering programming to millions of viewers and supporting more than 30 DTH platforms around the world.

We are a leading provider of capacity used in video contribution managed occasional use services supporting coverage of major events for news and sports organizations, according to Euroconsult. In early 2010, we landed a special events team in Haiti within hours of its tragic earthquake, providing a critical link for broadcast teams reporting on the event. In the eleven days following the event, we uplinked over 500 hours of broadcasts from the disaster zone.

Global C- and Ku-band transponder revenue from FSS video applications is forecasted to grow at an overall CAGR of approximately 5.2% from 2011 to 2016, according to *NSR*.

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Government

The government sector accounted for 19% of our revenue for the year ended December 31, 2010 and $917 million of our contracted backlog as of December 31, 2010. We consider each party within the Department of Defense and other U.S. governmental agencies that has the ability to initiate a purchase requisition and select a contractor to provide services to be a separate customer, although such party may not be the party that awards us the contract for the services. Our customer base includes many of the leading government communications providers, including:

- U.S. military and allied partners;
- Civilian agencies; and
- Commercial customers serving the defense sector.

We are a leading FSS provider of commercial satellite services to the government sector, and have built a reputation as a trusted partner for the provision of highly customized, secure satellite-based solutions. Our government sector service offerings are comprised of three primary categories:

- Transponder services, which include:
  - Full time services, for use in private, secure data networks and providing bandwidth for operating unmanned aerial vehicles;
- Managed services, which include:
  - Secure access to broadband networking platforms for fast deployments of services; and
- Mobile satellite services and other, which include:
  - Resale of full-time and on-demand services for L-band mobile satellite services (MSS), X-band and other spectrums not available on our network, as further described below;
  - Technical consulting services; and
  - Sales of equipment and hardware as part of turn-key satellite solutions.

The government sector has grown more rapidly than our other customer sets in the past two years. We attribute our strength in this area to our global capacity, flexible fleet, quality reputation and unique, satellite-specific system integration skills. In responding to customer requirements, we also procure and integrate satellite services provided by other satellite operators, either to supplement our capacity or to obtain capacity in frequencies not available on our fleet, such as L-band MSS, X-band or UHF. These mobile satellite services are low risk in nature and have minimal, if any, associated capital investment, but come with lower margins as compared to satellite services sold on Intelsat owned satellites. The terms and conditions of the procured capacity are generally matched to contractual commitments from our customers.

Our leading position with the government sector has allowed us to benefit from a number of recent trends. These include:

Growth in demand for secure high bandwidth services related to the surge in use of mobile solutions for intelligence, surveillance and reconnaissance, such as unmanned aerial vehicles;

Growth in demand for commercial capacity resulting from the cancelation or delay of proprietary government satellite programs;

Growth in rapid response managed and turn-key, secure communication systems including design, hardware, installation and transmission capacity; and

Long-term contracts resulting from the use of commercial satellite programs to host proprietary military payloads, providing a shared ride to space and on-going operations and maintenance.

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We believe our reputation as a provider of secure solutions, our global fleet, our customer relationships, our ability to provide turn-key services and our demonstrated willingness to reposition or procure capacity to support specific requirements position us to successfully compete for the increasing demand for satellite solutions for military and civilian applications.

Highlights of our government business include the following:

- We are the leading FSS provider of government satellite services in the U.S., according to research consultants, Frost & Sullivan.

- The reliability and scale of our fleet and planned launches of new and replacement satellites allows us to address changing demand for satellite coverage and to provide mission-critical communications capabilities. For instance, our Intelsat 22 satellite will host a UHF payload under a 15-year agreement with the Australian Defence Force.

- Our business generated from the government sector is generally characterized by annual contracts with multi-year renewal options, consistent with U.S. government procurement practices. We have historically been successful in achieving very high renewal rates on our government sector business, which were above 88% on an annual basis between 2008 and 2010.

- The U.S. government and military is one of the largest users of commercial FSS satellites for government/military applications on a global basis. We currently serve approximately 200 U.S. government customers, either directly or as a sub-contractor.

- According to Frost & Sullivan, U.S. government and military spending on commercial satellite capacity is expected to grow by a CAGR of 12.5% from 2010 to 2015.

Our Diverse Business

Our revenue and backlog diversity spans customer sets and applications, as discussed above, as well as geographic regions and satellites. We believe our diversity allows us to recognize trends to capture new growth opportunities, and gain experience that can be transferred to customers in different regions. For further details regarding geographic distribution of our revenue, see footnote 17 to our consolidated financial statements included elsewhere in this prospectus.

We believe we are the sector leader by transponder share in all but two of the geographic regions covered by our network, and our leading positions align to the regions identified by industry analysts as those that either purchase the most satellite capacity or are emerging regions that have the highest growth prospects, such as Africa and Latin America.

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Source: Euroconsult 2011 Satellite Communications & Broadcasting Markets Survey

(1) Based on in-service transponder units as of 12/31/10

Our diversity also reduces our business risk. The diversity of our revenue and customer base enables us to capitalize on changing market conditions and mitigates the impact of fluctuations in any specific customer type or geographic region. The scale of our fleet can also reduce the financial impact of satellite failures and protect against service interruption. No single satellite generated more than 4% of our revenue and no single customer accounted for more than 4% of our revenue for the year ended December 31, 2010.

By region and service sector, our backlog as of December 31, 2010 was as follows:

Note: Regional designation for backlog is based on customer billing address.

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Our Strategy

We seek revenue growth and increased cash flows by expanding our leading FSS business in high growth regions and applications while maintaining our focus on operational discipline. Given our efficient operating structure, we believe our strategies will position us to continue to deliver high operating margins, and to generate strong cash flow and growth as our current fleet investment program is completed. The key components of our strategy include the following:

Focus our core business on attractive and growing applications

We have an industry-leading position in each of the customer sets served by our business. We believe our global network and regional strengths will allow us to capture new business opportunities as a result of the following:

Network Services:

- Growth in multinational enterprise broadband access requirements resulting from globalization;
- The continued expansion of cellular networks and voice and data growth in emerging regions with inadequate infrastructure; and
- New broadband connectivity requirements for aerial and maritime applications.

Media:

- Programmers and broadcasters seeking new global distribution capabilities to deliver content in new regions;
- New and expanding DTH platforms in fast growing emerging regions; and
- Content and format proliferation, such as standard definition and high definition formats, increasing the capacity needs of our programmer customers.

Government:

- The need for broadband and turn-key networks for in-theatre communications;
- Rapidly increasing bandwidth requirements resulting from the use of manned and unmanned aerial vehicles; and
- Hosted payload opportunities as government customers increasingly seek timely and cost efficient access to space, filling capacity gaps by co-locating their space assets on commercial satellites.

Optimize our space-based assets, including orbital locations and spacecraft

We are nearing the completion of a $3.7 billion fleet investment program that began in 2008 and will be substantially complete in 2012. Our program is designed to position the Intelsat satellite network to capitalize on the FSS sector s best growth opportunities globally, while providing optimal coverage to meet needs across our targeted customer sets. By the conclusion of the current investment cycle in 2012, the characteristics of our refreshed fleet are expected to include the following:

A significant increase in the proportion of high-power, land mass-focused transponders suitable for broadband and video applications, which typically command a higher price, resulting in an opportunity to increase the overall yield on our fleet;

Expanded capacity to serve our faster-growth network services and government customers, particularly in emerging markets;

Expanded capacity at our most valuable regional video distribution neighborhoods;

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Reduced risk of anomalies resulting from the replacement of satellites with known health issues;

A modest increase in the total amount of station-kept transponder capacity after the majority of the satellites in this program have been launched and placed into service in 2013; and

A longer average remaining useful life of our satellite fleet.

Incorporate new technology into our core network to capture growth from new applications and evolving customer requirements

Our global scale, diversity, collection of spectrum rights, technical expertise and fully integrated hybrid network form a strategic platform that positions us to identify and capitalize on new opportunities in satellite services. Our fleet is large and diversified by coverage, manufacturer and age. As satellites reach the end of their service lives, we have an ongoing opportunity to refresh the technology we use to serve our customers, resulting in flexibility to address new opportunities as they are identified. Our newer assets, including our enhanced terrestrial network, IntelsatONE^{SM} , are used to address current market requirements, allowing older assets to be redeployed to serve legacy customer applications still efficiently served by those assets.

As a result, we believe that we are well positioned to accommodate new business models as they are adopted by our customers. We expect to benefit from the general trend towards IP-based networking and distribution, including growing use of new media formats, as well as infrastructure applications in emerging regions.

We are also investing in enhanced technology in our terrestrial network to deliver converging video and IP content, thus expanding the services we provide to the media and telecommunications industries. We intend to continue to implement compression technologies into our ground network to reduce the bandwidth necessary for network service applications, increasing our customers efficiency and expanding our market potential, particularly in emerging regions. Finally, we intend to leverage our frequent satellite launches to offer government and other customers the ability to integrate their payloads with our spacecraft, providing fast and cost-effective access to space.

Opportunistically use acquisitions and creative business structures for cost-efficient growth and attractive returns

Our record of capitalizing on strategic growth opportunities through targeted acquisitions and business ventures is well established. In addition, we have demonstrated our ability to integrate acquisitions efficiently and quickly, due to our scale and our centralized satellite operations philosophy. In 2006, we completed the largest acquisition in the history of the FSS sector with our $6.4 billion acquisition of PanAmSat Holding Corporation (PanAmSat). In recent years, we have completed other, smaller transactions often involving single satellites with partners in diverse regions, such as JSAT International, Inc. (JSAT) in Asia, Telenor Inma AS (Telenor) in Europe, Convergence SPV, Ltd. (Convergence Partners) in Africa, and Corporativo W. Com S. de R.L. de C.V. (Corporativo) in Mexico. We will continue to evaluate potential asset purchases, joint ventures and creative business and financial structures that complement our global fleet, provide growth capacity and allow us to respond to customer needs.

Our Network

Our global network is comprised of 52 satellites and ground facilities, including teleports and leased fiber that support our commercial services and the operation and control of our satellites.

Our customers depend on our global communications network and our operational and engineering leadership. Highlights of our network include:

Prime orbital locations, reflecting a valuable portfolio of coordinated fixed satellite spectrum rights;

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Highly reliable services, including network availability of 99.998% on station-kept satellites for the year ended December 31, 2010;

Flexibility to relocate satellites to other orbital locations as demand patterns change or in response to new customer requirements;

Design features and steerable beams on many of our satellites that enable us to reconfigure capacity to provide different areas of coverage; and

Resilience, with multiple satellites serving each region, allowing for improved restoration alternatives should a satellite anomaly occur.
As we design our new satellites, we work closely with our strategic customers to incorporate technology and service coverage that provides them with a cost-effective platform for their respective requirements.

The table below provides a summary of our satellite fleet as of September 30, 2011.

Satellite	Manufacturer	Orbital Location	Launch Date	Estimated End of Service Life (1)
Station Kept in Primary Orbital Role (2):				
IS-701	SS/L(3)	180°E	10/93	07/12
IS-707	SS/L	307°E	3/96	1/13
IS-805	LMC(4)	304.5°E	6/98	6/16
IS-7	SS/L	68.65°E	9/98	3/16
IS-8	SS/L	166°E	11/98	5/19
Galaxy 11	BSS(5)	304.5°E	12/99	4/15
IS-9	BSS	58°W	7/00	4/13
IS-12	SS/L	45°E	10/00	1/16
IS-10	BSS	68.5°E	5/01	7/15
IS-901	SS/L	342°E	6/01	6/19
IS-902	SS/L	62°E	8/01	8/19
IS-903	SS/L	325.5°E	3/02	4/19
IS-904	SS/L	60°E	2/02	1/20
IS-905	SS/L	335.5°E	6/02	6/20
Galaxy 3C	BSS	95.05°W	6/02	9/20
IS-906	SS/L	64.15°E	9/02	9/20
IS-907	SS/L	332.5°E	2/03	2/21
Galaxy 12	ORB(7)	133°W	4/03	1/19
Galaxy 23 (8)	SS/L	121°W	8/03	8/21
Galaxy 13/Horizons-1 (9)	BSS	127°W	9/03	12/18
IS-10-02 (10)	EADS Astrium	359°E	6/04	1/22
Galaxy 28	SS/L	89°W	6/05	10/22
Galaxy 14	ORB	125°W	8/05	5/22
Galaxy 15	ORB	133.1W	10/05	10/23
Galaxy 16	SS/L	99°W	6/06	6/24
Galaxy 17	Thales(11)	91°W	5/07	2/24
Horizons-2 (12)	ORB	74.05°W	12/07	12/25
IS-11	ORB	317°E	10/07	2/23
Galaxy 18	SS/L	123°W	5/08	5/24
IS-25	SS/L	328.5°E	07/08	7/24
Galaxy 19	SS/L	97°W	9/08	9/24
IS-14	SS/L	315°E	11/09	11/25
IS-15	ORB	85.15°E	11/09	11/25

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Satellite	Manufacturer	Orbital Location	Launch Date	Estimated End of Service Life (1)
IS-16	ORB	58.1°W	2/10	2/26
IS-17	SS/L	66°E	11/10	5/26
New Dawn	ORB	32.5E	4/11	12/24
Station Kept in Secondary Orbital Role (13):				
HGS-3	BSS	38°E	2/96	12/11
IS-709	SS/L	72.1°E	6/96	6/12
Galaxy 25	SS/L	93.1°W	5/97	12/16
IS-5	BSS	169°E	8/97	1/14
Galaxy 26	SS/L	50°E	2/99	12/16
Galaxy 27	SS/L	45.1°E	9/99	10/14
IS-1R	BSS	50°W	11/00	2/16
Inclined Orbit:				
IS-602	BSS	177.85°E	10/89	9/12
Leasat F5 (14)	BSS	72°E	1/90	8/15
IS-603	BSS	348.5°W	3/90	11/12
IS-706	SS/L	72.1°E	5/95	8/16
IS-24	IAI(15)	31°E	5/96	2/13
IS-26	BSS	50.3W	2/97	12/14
IS-801	LMC	330.5°E	3/97	5/13
IS-702	SS/L	47.5°E	6/94	11/20

(1) Engineering estimates of the service life as of June 30, 2011, as determined by remaining fuel levels, consumption rates and other considerations (including power) and assuming no relocation of the satellite.
(2) Primary orbital roles are those that are populated with station-kept satellites, generally, but not always, in their initial service positions, and where our current expectation is to provide continuity of service over the long-term.
(3) Space Systems/Loral, Inc.
(4) Lockheed Martin Corporation.
(5) Boeing Satellite Systems, Inc., formerly Hughes Aircraft Company.
(6) This satellite is drifting to 304.5°E and is expected to arrive in August 2011.
(7) Orbital Sciences Corporation.
(8) EchoStar Communications Corporation owns all of this satellite s Ku-band transponders and a portion of the common elements of the satellite.
(9) Horizons, our joint venture with JSAT, owns and operates the Ku-band payload on this satellite. We are the exclusive owner of the C-band payload.
(10) Telenor owns 18 Ku-band transponders (measured in equivalent 36 MHz transponders) on this satellite.
(11) Thales Alenia Space.
(12) Horizons owns the payload on this satellite, and we operate the payload for the joint venture.
(13) Secondary orbital roles are those where we intend to maintain the role and provide service through the deployment of station-kept satellites that are typically, but not always, relocated from initial service positions. Secondary orbital roles may from time to time be populated with inclined orbit satellites, depending upon the applications being serviced by that orbital location.
(14) Leasat F5 provides services in the X-band and UHF-band frequencies for military applications.
(15) Israel Aerospace Industries, Ltd.

Satellite Systems

There are three primary types of commercial communications satellite systems: low-earth orbit systems, medium-earth orbit systems and geosynchronous systems. All of our satellites are geosynchronous satellites and are located approximately 22,300 miles, or 35,700 kilometers, above the equator. These satellites can receive

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radio frequency communications from an origination point, relay those signals over great distances and distribute those signals to a single receiver or multiple receivers within the coverage areas of the satellites transmission beams.

Geosynchronous satellites send these signals using various parts of the radio frequency spectrum. The spectrum available for use at each orbital location includes the following frequency bands in which most commercial satellite services are offered today:

- *C-band* low power, broad beams requiring use of relatively larger antennae, valued as spectrum least susceptible to transmission impairments such as rain;

- *Ku-band* high power, narrow to medium size beams facilitating use of smaller antennae favored by businesses, but somewhat less reliable due to weather-related impairments; and

- *Ka-band* very high power, very narrow beams facilitating use of very small transmit/receive antennae, but less reliable due to high transmission weather-related impairments. The Ka-band is utilized for various applications, including broadband services.

Substantially all of the station-kept satellites in our fleet are designed to provide capacity using the C- and/or Ku-bands of this spectrum.

A geosynchronous satellite is referred to as geostationary, or station-kept, when it is operated within an assigned orbital control, or station-keeping box, which is defined by a specific range of latitudes and longitudes. Geostationary satellites revolve around the earth with a speed that corresponds to that of the earth s rotation and appear to remain above a fixed point on the earth s surface at all times. Geosynchronous satellites that are not station-kept are in inclined orbit. The daily north south motion of a satellite in inclined orbit exceeds the specified range of latitudes of its assigned station-keeping box, and the satellite appears to oscillate slowly, moving above and below the equator every day. An operator will typically operate a satellite in inclined orbit toward the end of its service life because the operator is able to save significant amounts of fuel by not controlling the north-south position of the satellite and is thereby able to substantially extend the service life of the satellite. The types of services and customers that can access an inclined orbit satellite have traditionally been limited due to the movement of the satellite relative to a fixed ground antenna, however, recent technology innovations now allow the use of inclined orbit capacity for certain applications. As a result, we anticipate demand for inclined orbit capacity may increase over the next few years if these applications are successfully introduced. As of December 31, 2010, 10 of our satellites were operating in an inclined orbit, with most continuing to earn revenue beyond our original estimated life for each of these satellites.

In-Orbit Satellites

We believe that our strong operational performance is due primarily to our satellite procurement and operations philosophy. Our operations and engineering staff is involved from the design through the decommissioning of each satellite that we procure. Our staff works at the manufacturers and launchers sites to monitor progress, allowing us to maintain close technical collaboration with our contractors during the process of designing, manufacturing and launching a satellite. We continue our engineering involvement throughout the operating lifetime of each satellite. Extensive monitoring of earth station operations and around-the-clock satellite control and network operations support ensure our consistent operational quality, as well as timely corrections when problems occur. In addition, we have in place contingency plans for technical problems that may occur during the lifetime of a satellite.

These features also contribute to the resilience of our network, which enables us to ensure the continuity of service that is important for our customers and to retain revenue in the event that we need to move customers to alternative capacity. The design flexibility of some of our satellites enables us to meet customer demand and respond to changing market conditions.

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As of September 30, 2011 our in-orbit fleet of satellites had 1,213 and 857 36-MHz equivalent transponders available for transmitting in the C-band and the Ku-band, respectively. These totals measure transponders on station-kept satellites. The average system fill factor for our satellites, which represents the percentage of our total available transponder capacity that is in use or that is reserved at a given time (including guaranteed reservations for service), was 78%, 78%, 77% and 78% in the quarters ended December 31, 2010, March 31, 2011, June 30, 2011 and September 30, 2011, respectively. The decline in average system fill factor over this period is primarily related to a net decline of in-use transponders related to the release of restoration capacity following the resolution of an anomaly, and the non-renewal and terminations of certain services, partially offset by new and expanded customer services. Total available capacity increased slightly over this period as a result of new satellite launches offset by satellites deorbited.

The design life of a satellite is the length of time that the satellite s hardware is designed by the manufacturer to remain operational under normal operating conditions. In contrast, a satellite s orbital maneuver life is the length of time the satellite has enough fuel to remain operational. A satellite s service life is based upon fuel levels and other considerations, including power. Satellites launched in the recent past are generally expected to remain in service for the lesser of maneuver life or 16 years. Satellites typically have enough fuel to maintain between 16 and 18 years of station-kept operations. The average remaining service life of our satellites was approximately 8.5 years as of December 31, 2010 weighted on the basis of nominally available capacity for the station-kept satellites we own.

Planned Satellites

As of September 30, 2011, we had orders for the following nine satellites, of which six are replacement satellites. Generally, these satellites are being built over a period of three years. In the following table, a replacement satellite refers to a new satellite to be located in a position currently occupied by a primary orbital role satellite.

Satellite	Manufacturer	Role	Earliest Expected Launch Date	Expected Launch Provider
IS-18	Orbital	Replacement satellite for IS-701 located at 180°E.	Launched October 5, 2011	Sea Launch
IS-19	SS/L	Replacement satellite for IS-8 located at 166°E.	Q2 2012	Sea Launch
IS-20	SS/L	Replacement satellite for IS-10 and IS-7 co-located at 68.5°E.	Q3 2012	Arianespace
IS-21	Boeing	Replacement satellite for IS-9 located at 302°E.	Q3 2012	Sea Launch
IS-22	Boeing	New satellite that includes a specialized UHF communications payload built in connection with an agreement with the Australian Defence Force. To be located at 72°E.	Q1 2012	ILS
IS-23	Orbital	Replacement satellite for IS-707 located at 307°E.	Q2 2012	ILS
IS-27	Boeing	Replacement satellite for IS-805 and Galaxy 11 located at 304.5°E.	Q1 2013	Sea Launch
IS-30	SS/L	New satellite for a DTH customer serving Latin America to be located at 95°W.	Q3 2014	Arianespace
IS-31	SS/L	New satellite for a DTH customer serving Latin America to be located at 95°W.	Q3 2015	Undetermined

Future Satellites

We would expect to replace other existing satellites, as necessary, with satellites that meet customer needs and that have a compelling economic rationale. We periodically conduct evaluations to determine the current and projected strategic and economic value of our existing and any planned satellites and to guide us in redeploying satellite resources as appropriate.

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Network Operations and Current Ground Facilities

We control and operate each of our satellites and manage the communications services for which each satellite is used from the time of its initial deployment through the end of its operational life, and we believe that our technical skill in performing these critical operations differentiates us from our competition. We provide most of these services from our satellite operations centers in Washington, D.C. and Long Beach, California and our customer service center in Ellenwood, Georgia. In the event of a natural disaster or other situation disabling one of the facilities, each satellite operations center has the functional ability to provide instantaneous restoration of services on behalf of the other, demonstrating the efficiency and effectiveness of our network. Utilizing state-of-the-art satellite command and control hardware and software, our satellite operations centers analyze telemetry from our satellites in order to monitor their status and track their location.

Our satellite operations centers use a network of ground facilities to perform their functions. This network includes 22 earth stations (TT&C stations) that provide tracking, telemetry and control (TT&C) services for our satellites and various other earth stations worldwide. Through our ground facilities, we constantly monitor signal quality, protect bandwidth from piracy or other interference and maintain customer installed equipment.

Our customer service center located in Ellenwood, Georgia includes a specialized video operations center, data operations center, and rapid access center. This facility is responsible for managing the communications services that we provide to our customers and is the first point of contact for customers needing assistance in using our network. We also maintain a back-up operations facility and data center a relatively short distance from our Washington, D.C. facility in Hagerstown, Maryland. This facility provides back-up emergency operational services in the event that our Ellenwood, Georgia customer service center experiences an interruption.

We have invested heavily in our fully integrated IntelsatONE^{SM} terrestrial network which complements our satellite network. Our network includes teleport, leased fiber and network performance monitoring systems and enables us to provide end-to-end managed solutions to our customers. In addition to leased fiber connecting high-density routes, our ground network also features strategically located points of presence, which are drop-off points for our customers traffic that are close to major interconnection hubs for telecommunications applications, video transmissions and trunking to the Internet backbone. Our terrestrial network is an all IP network environment that results in improved ground support of high bandwidth applications such as HD video. The CISCO-based network architecture allows us to converge our media and network services terrestrial network infrastructures, resulting in reduced costs, and provides opportunities for generating additional revenue from existing and new customers by bundling combinations of media and network services products that can be offered through a single access circuit into our network.

Capacity Sparing and Backup and General Satellite Risk Management

As part of our satellite risk management, we continually evaluate, and design plans to mitigate, the areas of greatest risk within our fleet, especially for those satellites with known technical risks. We believe that the availability of spare transponder services capacity, together with the overlapping coverage areas of our satellites and flexible satellite design features described in Our Network Satellite Systems above, are important aspects of our ability to provide reliable service to our customers. In addition, these factors could help us to mitigate the financial impact to our operations attributable to the occurrence of a major satellite anomaly, including the loss of a satellite. Although we do not maintain backup for all of our transponder services operating capacity, we maintain some form of backup capacity for each satellite designated as being in primary operating service. Our restoration backup capacity may include any one or more of the following:

- designated reserve transponders on the satellite or other on-board backup systems or designed-in redundancies,
- an in-orbit spare satellite, or
- interim restoration capacity on other satellites.

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In addition, we provide some capacity on a preemptible basis and could preempt the use of this capacity to provide backup capacity in the event of a loss of a satellite.

We typically obtain launch insurance for our satellites at the time of launch and will decide whether or not to obtain such insurance taking into consideration launch insurance rates, terms of available coverage and alternative risk management strategies, including the availability of backup satellites and transponders in the event of a launch failure. Launch insurance coverage is typically in an amount equal to the fully capitalized cost of the satellite, which generally includes the construction costs, the portion of the insurance premium related to launch, the cost of the launch services and capitalized interest (but may exclude any unpaid incentive payments to the manufacturer).

As of December 31, 2010, five of the satellites in our fleet were covered by in-orbit insurance. In-orbit insurance coverage may initially be for an amount comparable to launch insurance levels, generally decreases over time and is typically based on the declining book value of the satellite. We do not currently insure against lost revenue in the event of a total or partial loss of a satellite.

One of the five insured satellites, Galaxy 13/Horizons-1, was covered by an insurance policy with substantial exclusions or exceptions to coverage for failures of specific components identified by the underwriters as at risk for possible failure, primarily related to XIPS related anomalies (Significant Exclusion Policies). The Significant Exclusion Policies reduce the probability of an insurance recovery in the event of a loss on this satellite.

Sales, Marketing and Distribution Channels

Our company tagline, Closer, by far, describes the close working relationship we strive to build with our customers. Our Intelsat Global Sales & Marketing Ltd. subsidiary (Intelsat Global Sales), located in London, England, is our global sales and marketing headquarters. In addition, we have established local sales and marketing support offices in the following countries around the world:

Australia	Japan
Brazil	Mexico
China	Singapore
France	South Africa
Germany	United Arab Emirates
India	United States

By establishing local offices closer to our customers and staffing those offices with experienced personnel, we believe that we are able to provide flexible and responsive service and technical support to our customers. Our sales and marketing organization reflects our corporate focus on our three principal customer sets of network services, media and government. Our sales team includes technical marketing and sales engineering application expertise and a sales approach focused on creating integrated solutions for our customers communications requirements.

We use a range of direct and wholesale distribution methods to sell our services, depending upon the region, applicable regulatory requirements and customer application.

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Satellite Health and Technology

Our satellite fleet is diversified by manufacturer and satellite type, and as a result, our fleet is generally healthy, with 99.998% availability of station-kept satellite capacity during the year ended December 31, 2010. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

Significant Anomalies

On November 28, 2004, our Galaxy 27 satellite experienced a sudden anomaly in its north electrical distribution system which resulted in the loss of control of the satellite and the interruption of customer services on the satellite. Galaxy 27 is a FS 1300 series satellite manufactured by SS/L. Our engineers were able to regain command and control of Galaxy 27, and it was placed back in service, with reduced payload capacity, following operational testing. We have determined that the north electrical distribution system on Galaxy 27 and the communications capacity associated with it are not operational, and the satellite has lost redundancy in nearly all of its components. As a result, Galaxy 27 faces an increased risk of loss in the future. As of September 30, 2011, a substantial subset of Galaxy 27 s transponders, which are all powered by the south electrical distribution system, have been tested, are performing normally and are available for service to our customers. Some of these transponders are currently being used by our customers.

On January 14, 2005, our IS-804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite. IS-804 was a Lockheed Martin 7000 series (the LM 7000 series) satellite, and as of September 30, 2011 we operated two other satellites in the LM 7000 series, IS-801 and IS-805. Of these two satellites, only IS-805 remains in a primary orbital role. Based on the report of the failure review board that we established with Lockheed Martin Corporation, we believe that the IS-804 failure was not likely to have been caused by an IS-804 specific workmanship or hardware element, but was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system. We therefore believe that although this risk exists for our other LM 7000 series satellites, the risk of any individual satellite having a similar anomaly is low.

On September 21, 2006, our IS-802 satellite experienced a reduction of electrical power capability that resulted in a degraded capability of the satellite. A substantial subset of transponders on IS-802 was subsequently reactivated and is operating normally. The anomaly review board that we established with Lockheed Martin Corporation to investigate the cause of the anomaly concluded that the IS-802 anomaly was most likely caused by an electrical short internal to the solar array harness located on the south solar array boom. The anomaly review board found that this anomaly was significantly different from previous LM 7000 series spacecraft failures and was the first failure of this type on a solar array of the LM 7000 series. We therefore believe that although this risk exists for our other LM 7000 series satellites, the risk of any individual satellite having a similar anomaly is low.

On June 29, 2008, our Galaxy 26 satellite experienced a sudden and unexpected electrical distribution anomaly causing the loss of a substantial portion of the satellite power generating capability and resulting in the interruption of some of the customer services on the satellite. Galaxy 26 is a FS 1300 series satellite. Certain transponders continue to operate normally. However, the anomaly resulted in a reduction to the estimated remaining useful life of the satellite.

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With respect to both the Galaxy 27 and Galaxy 26 anomalies, the failure review boards that we established with SS/L identified the likely root cause of the anomalies as a design flaw which is affected by a number of parameters and in some extreme cases can result in an electrical system anomaly. The design flaw also exists on IS-8. This satellite has been in service since November 1998 and has not experienced an electrical system anomaly. Along with the manufacturer, we continually monitor this problem and we have ordered a replacement for IS-8 expected to be launched in 2012.

On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. We transitioned all media traffic on this satellite to our Galaxy 12 satellite, which was our designated in-orbit spare satellite for the North America region. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. On December 23, 2010, we recovered command of the spacecraft and we began diagnostic testing and uploading of software updates that protect against future anomalies of this type. Galaxy 15 was drifted to an interim orbital location where we concluded our in-orbit testing to confirm the functionality of every aspect of the spacecraft, a critical phase that our satellite engineering and operations team was managing. In February 2011, Galaxy 15 initiated a drift to 133.1°W and returned to service, initially as an in-orbit spare.

On April 22, 2011, the Intelsat New Dawn satellite was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by Orbital Sciences Corporation, including those in the Intelsat fleet. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board was established to determine the cause of the anomaly. The Failure Review Board completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. Parallel efforts continue in an attempt to deploy the C-band reflector. The New Dawn Failure Review Board also recommended corrective actions for Orbital Sciences Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on Intelsat 18, which was successfully launched on October 5, 2011, and will be implemented on Intelsat 23, which is currently being manufactured by Orbital Sciences Corporation. At present, it is not believed that any needed modifications would delay current launch expectations.

Other Anomalies

We have also identified three other types of common anomalies among the satellite models in our fleet, which have had an operational impact in the past and could, if they materialize, have an impact in the future. These are:

- failure of the SCP in Boeing 601 (BSS 601) satellites;
- failure of the on-board XIPS used to maintain the in-orbit position of Boeing 601 High Power Series (BSS 601 HP) satellites; and
- accelerated solar array degradation in early Boeing 702 (BSS 702) satellites.

SCP Failures. Many of our satellites use an on-board SCP to provide automatic on-board control of many operational functions. SCPs are a critical component in the operation of such satellites. Each such satellite has a backup SCP, which is available in the event of a failure of the primary SCP. Certain BSS 601 satellites have experienced SCP failures. The risk of SCP failure appears to decline as these satellites age.

On February 1, 2010 our IS-4 satellite experienced an anomaly of its backup SCP which caused this satellite to be deemed unrecoverable. Launched in 1995, IS-4 was expected to reach its end of service life later in 2010. IS-4 had previously experienced the failure of its primary SCP and was operating on its backup SCP.

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As of September 30, 2011, we operated two BSS 601 satellites: HGS-3, which is utilized by a third party, IS-3R and IS-26. These satellites have been identified as having heightened susceptibility to the SCP problem. IS-3R and IS-26 have been in continuous operation since 1996 and 1997, respectively. Both primary and backup SCPs on these satellites are monitored regularly and remain fully functional. Accordingly, we believe it is unlikely that additional SCP failures will occur; however, should they occur, we do not anticipate an interruption in business or early replacement of these satellites as a result.

BSS 601 HP XIPS. The BSS 601 HP satellite uses XIPS as its primary propulsion system. There are two separate XIPS on each BSS 601 HP, each one of which is capable of maintaining the satellite in its orbital position. The satellite also has a completely independent bi-propellant propulsion system as a backup to the XIPS. As a result, the failure of a XIPS on a BSS 601 HP typically would have no effect on the satellite s performance or its operating life. However, the failure of both XIPS would require the use of the backup bi-propellant propulsion system, which could result in a shorter operating life for the satellite depending on the amount of bi-propellant fuel remaining. XIPS failures do not typically result in a catastrophic failure of the satellite or affect the communications capability of the satellite.

As of September 30, 2011, we operated four BSS 601 HP satellites, IS-5, IS-9, IS-10 and Galaxy 13/Horizons-1. IS-5 and Galaxy 13/Horizons-1 continue to have both XIPS available as their primary propulsion system. IS-10 has experienced a failure of one of its XIPS and IS-9 and IS-5 have experienced the failure of both XIPS and are operating on their backup bi-propellant systems. IS-9 and IS-10 are expected to be replaced by 2013 and 2014, respectively, and IS-5 is operating in a secondary role. Our BSS 601 HP satellites had available bi-propellant fuel for a range of approximately two to seven years from June 30, 2011. No assurance can be given that we will not have further XIPS failures that result in shortened satellite lives. We have decommissioned three satellites that had experienced failure of both XIPS. IS-6B was replaced by IS-11 during the first quarter of 2008, Galaxy 10R was replaced by Galaxy 18 during the second quarter of 2008, and Galaxy 4R was decommissioned in March 2009.

BSS 702 Solar Arrays. All of our satellites have solar arrays that power their operating systems and transponders and recharge the batteries used when solar power is not available. Solar array performance typically degrades over time in a predictable manner. Additional power margins and other operational flexibility are designed into satellites to allow for such degradation without loss of performance or operating life. Certain BSS 702 satellites have experienced greater than anticipated degradation of their solar arrays resulting from the design of the solar arrays. Such degradation, if continued, results in a shortened operating life of a satellite or the need to reduce the use of the communications payload.

As of September 30, 2011, we operated three BSS 702 satellites, two of which are affected by accelerated solar array degradation, Galaxy 11 and IS-1R. Service to customers has not been affected, and we expect that both of these satellites will continue to serve customers until we replace or supplement them with new satellites. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. Due to this continued degradation, Galaxy 11 s estimated end of service life is April 2015 and IS-1R s estimated end of service life is February 2016. IS-1R is currently operating in a secondary orbital role. Galaxy 11 is currently operating in a primary orbital role, bridging service until the entry into service of IS-27, which is expected to occur in early 2013. The third BSS 702 satellite that we operated as of September 30, 2011, Galaxy 3C, was launched after the solar array anomaly was identified, and it has a substantially different solar array design intended to eliminate the problem. This satellite has been in service since September 2002 and has not experienced similar degradation problems.

Competition

We compete in the communications market for the provision of video, data and voice connectivity worldwide. Communications services are provided using various communications technologies, including satellite networks, which provide services as a substitute for, or as a complement to, the capabilities of terrestrial networks. We also face competition from suppliers of terrestrial communications capacity.

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We operate at a global scale. Our competition includes providers of fixed satellite services of varying size. We compete with other satellite operators for both point-to-multipoint and point-to-point services.

We also compete with providers of terrestrial fiber optic cable capacity on certain routes and networks, principally for point-to-point services. As a result, we have been experiencing, and expect to continue to experience, a decline in certain of our revenues due to the build-out of fiber optic cable capacity. However, we believe that satellites have advantages over fiber optic cables in certain regions and for certain applications. The primary use of fiber optic cable is carrying high-volume communications traffic from point to point, and fiber capacity is available at substantially lower prices than satellite capacity once operational. Consequently, the growth in fiber optic cable capacity has led voice, data and video contribution customers that require service between major city hubs to migrate from satellite to fiber optic cable. However, satellite capacity remains competitive for signals that need to be transmitted beyond the main termination points of fiber optic cable, for point-to-multipoint transmissions such as for video broadcast and for signals seeking to bypass congested terrestrial networks. Satellite capacity is also competitive in parts of the world where providing fiber optic cable capacity is not yet cost-effective, reliable or is physically not feasible. We believe that in those applications and regions where we do compete with fiber optic cable companies, the basis for competition is primarily price. See Our Sector for a description of the FSS sector generally and the advantages of satellite communications.

We also face competition from resellers of satellite and fiber capacity. Resellers purchase FSS or fiber capacity from current or future providers and then resell the capacity to their customers.

Regulation

As an operator of a privately owned global satellite system, we are subject to U.S. government regulation; regulation by foreign national telecommunications authorities; and the International Telecommunication Union frequency coordination process and regulations.

U.S. Government Regulation

FCC Regulation. Almost all of the satellites in our current constellation are licensed and regulated by the FCC. We have final or temporary FCC authorization for all of our U.S.-licensed operating satellites. We currently have five special temporary authorizations (STAs) in effect relating to our satellites, as well as five applications for extensions of those STAs. These STAs cover various time periods and thus the number held at any given time varies. In some cases, we have sought STAs because we needed temporary operational authority while we are awaiting grant of identical permanent authority. In others, we sought STAs because the activity was temporary in nature and thus no permanent authority was needed. Historically we have been able to obtain the STAs that we have needed on a timely basis. In addition, based on the current launch schedule through the end of 2012, we will need final FCC licenses for six new satellites, the application for one of which has been filed. It is not uncommon for licenses for new satellites to be granted just prior to launch and we expect to receive such licenses for all planned satellites. FCC satellite licenses typically have a fifteen-year term. At the end of a license term, we can request an extension to continue operating a satellite. In addition, our FCC satellite licenses which relate to use of those orbital locations and associated frequencies that were transferred to the United States at the time of our privatization in July 2001 are conditioned on our remaining a signatory to the Public Services Agreement with the International Telecommunications Satellite Organization described below under Our History The Privatization. Furthermore, any transfer of these licenses by us to a third party or a successor-in-interest is only permitted if such third party or successor-in-interest has undertaken to perform our obligations under the Public Services Agreement. Some of our authorizations contain waivers of technical regulations. Many of our technical waivers were required when our satellites were initially licensed by the United States at privatization in 2001 because, as satellites previously operated by an intergovernmental entity, they had not been built in compliance with certain U.S. regulations. Since privatization, several replacement satellites for satellites licensed at privatization also have needed technical waivers as they are technically similar to the satellites they are replacing.

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Changes to our satellite system generally require prior FCC approval. From time to time, we have pending applications for permanent or temporary changes in orbital locations, frequencies and technical design. From time to time, we also file applications for replacement or additional satellites. Replacement satellite applications are eligible for streamlined processing if they seek authority for the same orbital location, frequency bands and coverage area as an existing satellite and will be brought into use at approximately the same time, but no later than, the existing satellite is retired. In the case of additional FSS geostationary satellites, the FCC processes requests for new orbital locations or frequencies on a first come, first served basis and requires licensees to post a $3.0 million bond and to comply with a schedule of progress milestones, establishing deadlines to sign a satellite construction contract; complete critical design review; begin spacecraft construction; and launch and operate the satellite. Upon an FCC determination that each milestone has been completed, the amount of the bond is reduced by $750,000. A satellite licensee not satisfying a milestone will lose its license and must forfeit the remaining amount on its bond absent circumstances warranting a milestone extension under the FCC s rules and policies.

We hold other FCC licenses, including earth station licenses associated with technical facilities located in several states and in Washington, D.C. We must pay FCC filing fees in connection with our space station and earth station applications, and we must also pay annual regulatory fees to the FCC. Violations of the FCC s rules can result in various sanctions including fines, loss of authorizations or the denial of applications for new authorizations or the renewal of existing authorizations.

We are not regulated as a common carrier for most of our activities. Therefore we are not subject to rate regulation or the obligation not to discriminate among customers and we operate most of our activities with minimal governmental scrutiny of our business decisions. One of our subsidiaries is regulated as a common carrier. Common carriers are subject to FCC requirements, which include: traffic and revenue reports, international circuit status reports, international interconnected private line reports, notification and approval for foreign carrier affiliations, filing of contracts with international carriers, annual financial reports, equal employment opportunity reports, assistance for law enforcement and maintenance of customer billing records for 18 months. We currently qualify for exemptions from several of these reporting requirements. In addition, other common carrier requirements (e.g. certain foreign ownership restrictions) do not apply to us because our common carrier affiliate does not hold any FCC spectrum licenses.

U.S. Export Control Requirements and Sanctions Regulation. We must comply with U.S. export control laws and regulations, specifically the Arms Export Control Act, the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations and the trade sanctions laws and regulations administered by the Treasury Department s Office of Foreign Assets Control (OFAC) in the operation of our business. The export of satellites, satellite hardware, defense services and technical data relating to satellites to non-U.S. satellite manufacturing firms, launch services providers, insurers, customers, employees and other non-U.S. persons is regulated by the U.S. Department of State s Directorate of Defense Trade Controls (DDTC), under the ITAR. Certain of our contracts for the manufacture, launch, operation and insurance of our satellites involve the export to non-U.S. persons of technical data or hardware regulated by the ITAR. We believe that we have obtained all of the specific DDTC authorizations currently needed in order to fulfill our obligations under contracts with non-U.S. entities, and we believe that the terms of these licenses are sufficient given the scope and duration of the contracts to which they pertain. Many of our employees are non-U.S. nationals. We have obtained a license from the DDTC to allow certain of our non-U.S. national employees access to our technical data that is controlled under the ITAR.

The U.S. Department of Commerce s Bureau of Industry and Security (BIS) also regulates some of our activities under the Export Administration Regulations. BIS regulates our export of equipment to earth stations in our ground network located outside of the United States. It is our practice to obtain all licenses necessary for the furnishing of original or spare equipment for the operation of our TT&C stations in a timely manner in order to facilitate the shipment of this equipment when needed.

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We cannot provide services to certain countries subject to U.S. trade sanctions laws and regulations unless we first obtain the necessary authorizations from the OFAC. Where required, the OFAC has granted us the authorizations needed to provide satellite capacity and related administrative services to U.S.-sanctioned countries.

U.S. Department of Defense Security Clearances. To participate in classified U.S. government programs, we entered into a proxy agreement with the U.S. government that allows one of our subsidiaries to obtain security clearance from the U.S. Department of Defense as required under the national security laws and regulations of the United States. Such a proxy agreement is required to insulate the subsidiary performing this work from inappropriate foreign influence and control by our parent company, which has significant non-U.S. investment and employees. Security clearances are subject to ongoing scrutiny by the issuing agency, as well as renewal every five years, and if we do not maintain the security clearances that we have obtained from the U.S. Department of Defense, we will not be able to perform our obligations under any classified U.S. government contracts to which our subsidiary is a party. Under those circumstances, the U.S. government would have the right to terminate our contracts requiring access to classified information and we would not be able to enter into new classified contracts. Compliance with the proxy agreement is regularly monitored by the U.S. Department of Defense and reviewed at least annually, and if we materially violate the terms of the proxy agreement, the subsidiary holding the security clearances may be suspended or debarred from performing any government contracts, whether classified or unclassified. Our current proxy agreement expires in 2019 and is subject to extension with the agreement of the U.S. Department of Defense.

Regulation by Non-U.S. National Telecommunications Authorities

U.K. Regulation. The United Kingdom is the licensing jurisdiction for the BSS portion of the Ku-band on the IS-805 satellite. Satellite operators in the United Kingdom are regulated by the U.K. s Office of Communications.

Papua New Guinea Regulation. The Papua New Guinea Telecommunication Authority (PANGTEL) is the licensing jurisdiction for our use of the C-band payload on the Galaxy 23 satellite. We are required to pay fees to PANGTEL in connection with our use of this orbital location. In 2003, the FCC added this C-band payload to its Permitted Space Station List, enabling use of the payload to provide non-DTH services in the United States.

German Regulation. We hold licenses for several earth stations in Germany, as well as authorizations to operate the IS-12, IS-601, Galaxy 27 and IS-24 satellites.

South African Regulation. We hold a license for an earth station in South Africa.

Japan Regulation. We and JSAT are the sole members of Horizons and in 2002 the Japanese telecommunications ministry authorized Horizons to operate the Ku-band payload on the Galaxy 13/Horizons-1 satellite. In 2003, the FCC added this Ku-band payload to its Permitted Space Station List, enabling Horizons to use the payload to provide non-DTH services in the United States, and in May 2004, the FCC expanded this authority to include one-way DTH services. We are the exclusive owner of the C-band payload on Galaxy 13/Horizons-1, which the FCC has licensed us to operate.

Other National Telecommunications Authorities. As a provider of satellite capacity, we are also subject to the national communications and broadcasting laws and regulations of many other countries in which we operate. In addition, in some cases our ability to operate a satellite in a non-U.S. jurisdiction also arises from a contractual arrangement with a third party. Some countries require us to obtain a license or other form of written authorization from the regulator prior to offering service. We have obtained these licenses or written authorizations in all countries that have required us to obtain them. As satellites are launched or relocated we determine whether such licenses or written authorizations are required and, if so, we obtain them. Most countries allow authorized telecommunications providers to own their own transmission facilities and to purchase satellite

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capacity without restriction, facilitating customer access to our services. Other countries maintain strict monopoly regimes or otherwise regulate the provision of our services. In order to provide services in these countries, we may need to negotiate an operating agreement with a monopoly entity that covers the types of services to be offered by each party, the contractual terms for service and each party s rates. As we have developed our ground network and expanded our service offerings, we have been required to obtain additional licenses and authorizations. To date, we believe that we have identified and complied with all of the regulatory requirements applicable to us in connection with our ground network and expanded services.

The International Telecommunication Union Frequency Coordination Process and Regulation

Our use of orbital locations is subject to the frequency coordination and recording process of the International Telecommunication Union. In order to protect satellite systems from harmful radio frequency interference from other satellite systems, the International Telecommunication Union maintains a Master International Frequency Register of radio frequency assignments and their associated orbital locations. Each International Telecommunication Union notifying administration is required by treaty to give notice of, coordinate and record its proposed use of radio frequency assignments and associated orbital locations with the International Telecommunication Union s Radiocommunication Bureau.

When the coordination process is completed, the International Telecommunication Union formally notifies all proposed users of frequencies and orbital locations in order to protect the recorded assignments associated with a given orbital location from subsequent or nonconforming interfering uses by Member States of the International Telecommunication Union. The International Telecommunication Union s Radio Regulations do not contain mandatory dispute resolution or enforcement mechanisms. The Radio Regulations arbitration procedure is voluntary and neither the International Telecommunication Union specifically, nor international law generally, provides clear remedies if this voluntary process fails. Only nations have full standing as International Telecommunication Union members. Therefore, we must rely on governments to represent our interests before the International Telecommunication Union, including obtaining new rights to use orbital locations and resolving disputes relating to the International Telecommunication Union s regulations.

Employees

As of December 31, 2010, we had 1,117 full-time regular employees. These employees consisted of:

531 employees in engineering, operations and related information systems;

278 employees in finance, legal, corporate information systems and other administrative functions;

211 employees in sales, marketing and strategy; and

97 employees in support of government sales and marketing.

We believe that our relations with our employees are good. None of our employees is represented by a union or covered by a collective bargaining agreement.

Properties

We own the two facilities in which most of our operations and employees are located in Washington, D.C. and Ellenwood, Georgia. We own the Washington, D.C. building where our administrative headquarters and primary satellite operations center are located. The land that underlies this building is leased from the U.S. government pursuant to a lease that expires in 2081. The building has approximately 917,000 gross square feet, of which approximately 546,500 square feet is used for office space and satellite operations facilities. See Business Our Network Network Operations and Current Ground Facilities for descriptions of these facilities. The building also houses the majority of our sales and marketing support staff and other administrative personnel. We also lease approximately 29,699 square feet in Bethesda, Maryland where the employees of our Intelsat General subsidiary are located. The lease expires on January 31, 2017.

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We also own a facility in Ellenwood, Georgia in which our primary customer service center is located. The facility has approximately 129,000 square feet of office space and operations facilities, which are based in two buildings and multiple antenna shelters on the property. See Business Our Network Network Operations and Current Ground Facilities for a description of this facility.

Our backup satellite operations center is located at a facility that we own in Long Beach, California, which includes approximately 68,875 square feet for administrative and operational facilities. Our current plan is to lease a significant portion of this facility to third parties.

We use a worldwide ground network to operate our satellite fleet and to manage the communications services that we provide to our customers. This network is comprised of 51 owned and leased earth station and teleport facilities around the world, including 22 earth stations that perform TT&C services.

The seven TT&C earth stations in our ground network that we own are located in Hagerstown, Maryland, in Ellenwood, Georgia, in Fillmore, Napa and Riverside, California, in Paumalu, Hawaii and in Fuchsstadt, Germany. We lease facilities at 15 other locations for satellite operations. We also contract with the owners of some of these facilities for the provision of additional services. The locations of other earth stations in our ground network include Argentina, Australia, Bahrain, China, India, Israel, Kazakhstan, Kenya, Mongolia, the Netherlands, New Zealand, Nigeria, South Korea, South Africa, French Polynesia, Taiwan, Uruguay and the United Arab Emirates. Our network also consists of the leased communications links that connect the earth stations to our satellite operations center located at our Washington, D.C. building and to our back-up operations facility.

In addition to providing TT&C services for the operation of our satellite fleet, we own and lease facilities in order to provide teleport services to our customers. We own seven teleports in Riverside, Napa and Fillmore, California, in Ellenwood, Georgia, in Paumalu, Hawaii, in Hagerstown, Maryland and in Fuchsstadt, Germany. We lease teleport facilities at a number of other U.S. and international locations, including Castle Rock, Colorado, Australia, Cyprus, Hong Kong, Kuwait, South Korea, the United Arab Emirates and the United Kingdom.

We have established points of presence connected by leased fiber at key traffic exchange points around the world, including Atlanta, Los Angeles, New York, McLean, Virginia, Hong Kong, and London. We lease our facilities at these traffic exchange points. We have also established video points of presence connected by leased fiber at key video exchange points around the world, including Los Angeles, Denver, New York, Washington, D.C. and London. We lease our facilities at these video exchange points. We use our teleports and points of presence in combination with our satellite network to provide our customers with managed data and video services.

We lease office space in Luxembourg, London, England, and Wilton, Connecticut. Our Luxembourg office serves as the headquarters for Intelsat Global, Intelsat Global Subsidiary, Intelsat Holdings, Intelsat S.A., Intelsat Luxembourg, Intelsat Jackson, Intermediate Holdco and Intelsat Sub Holdco. Prior to the Migration, the headquarters of these companies was located in Bermuda. Our London office houses the employees of Intelsat Global Sales, our sales and marketing subsidiary, administrative support offices and functions as our global sales headquarters. The Wilton, Connecticut office formerly housed the administrative functions of the prior PanAmSat business. This facility is under a lease set to expire in 2011, and we subleased this space to third parties beginning in mid-2007, when we discontinued our operations at this facility under our integration plans. We also lease office space in New York, Florida, Delaware, Australia, Brazil, China, Hong Kong, France, Germany, India, Japan, Mexico, Singapore, South Africa and the United Arab Emirates for our local sales and marketing and administrative support offices.

Legal Proceedings

We are subject to litigation in the ordinary course of business, but management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

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Environmental Matters

Our operations are subject to various laws and regulations relating to the protection of the environment, including those governing the management, storage and disposal of hazardous materials and the cleanup of contamination. As an owner or operator of property and in connection with current and historical operations at some of our sites, we could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations. For instance, some of our operations require continuous power supply, and, as a result, current and past operations at our teleport and other technical facilities include fuel storage and batteries for back-up power generators. We believe, however, that our operations are in substantial compliance with environmental laws and regulations.

Our History

Intelsat, Ltd. was the successor entity to the International Telecommunications Satellite Organization (the IGO). The IGO was a public intergovernmental organization created on an interim basis by its initial member states in 1964 and formally established in February 1973 upon entry into force of an intergovernmental agreement. The member states that were party to the treaty governing the IGO designated certain entities, known as the Signatories, to market and use the IGO s communications system within their territories and to hold investment share in the IGO. Signatories were either private telecommunications entities or governmental agencies of the applicable party s country or territory. Some Signatories authorized certain other entities located within their territories that used the IGO s satellite system, known as the Investing Entities, to invest in the IGO as well. Both Signatories and Investing Entities made capital contributions to the IGO and received capital repayments from the IGO in proportion to their investment share in the IGO. Signatories and Investing Entities were also the IGO s principal customers. Each Signatory s and Investing Entity s investment share in the IGO was based on its level of use of the IGO s satellite system as compared to the use by other Signatories and Investing Entities.

As a public intergovernmental organization, the IGO was exempt from various taxes and enjoyed privileges, exemptions and immunities in many of its member states. However, due to its status as an intergovernmental organization, the IGO s business was subject to certain operating restrictions. For example, the IGO could not own or operate its own earth stations or provide retail services directly to end users in certain countries. It also could not set market-based pricing for its services or engage in business relationships with non-Signatories without first obtaining Signatory approval.

The Privatization

Our management began contemplating privatization in the mid-1990s in order to be able to operate our business free of the restrictions described above and to better position us to be responsive to a number of commercial, competitive and regulatory forces. In November 2000, the IGO s Assembly of Parties unanimously approved our management s specific plan for our privatization and set the date of privatization for July 18, 2001. On July 18, 2001, substantially all of the assets and liabilities of the IGO were transferred to us.

The privatization required the amendment of the two formal agreements establishing the IGO. These two agreements were the Agreement Relating to the International Telecommunications Satellite Organization INTELSAT, known as the INTELSAT Agreement, and the Operating Agreement Relating to the International Telecommunications Satellite Organization INTELSAT, known as the Operating Agreement, which both entered into force in February 1973. Because the process to formally ratify the amendments to the INTELSAT Agreement was expected to be lengthy, the IGO s Assembly of Parties decided to provisionally apply, or rapidly

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implement, the amendments on a consensus basis with effect from July 18, 2001, pending their formal ratification. Formal entry into force of the amendments to the INTELSAT Agreement occurred on November 30, 2004.

Upon our privatization, each Signatory and Investing Entity that executed and delivered the required privatization agreements, including a shareholders agreement, received shares in Intelsat, Ltd. in proportion to its investment share in the IGO. The IGO, referred to post-privatization as the International Telecommunications Satellite Organization (ITSO), continues to exist as an intergovernmental organization and will continue to exist as such for a period of at least 12 years after July 18, 2001, and then may be terminated by a decision of a governing body of ITSO called the Assembly of Parties. Pursuant to a Public Services Agreement among ITSO and Intelsat, Ltd. and certain of our subsidiaries, we have an obligation to provide our services in a manner consistent with the core principles of global coverage and connectivity, lifeline connectivity and non-discriminatory access, and ITSO monitors our implementation of this obligation. These core principles are described below under Certain Customer Service Agreements Novation Agreements Certain Customer Service Agreements Lifeline Connectivity Obligation Contracts.

The 2005 Acquisition Transactions

On January 28, 2005, Intelsat, Ltd. was acquired by Intelsat Holdings for total cash consideration of approximately $3.2 billion, with pre-acquisition debt of approximately $1.9 billion remaining outstanding. Intelsat Holdings was initially formed as a Bermuda company at the direction of funds advised by or associated with Apax Partners Worldwide LLP and Apax Partners, L.P., Apollo Management V, L.P., MDP Global Investors Limited, and Permira Advisers LLC (collectively, the Former Sponsors).

The PanAmSat Acquisition Transactions

On August 28, 2005, Intelsat (Bermuda), Ltd. (Intelsat Bermuda), our direct wholly-owned subsidiary now known as Intelsat (Luxembourg) S.A., PanAmSat and Proton Acquisition Corporation, a wholly-owned subsidiary of Intelsat Bermuda, signed a definitive merger agreement pursuant to which Intelsat Bermuda acquired all of the outstanding equity interests in PanAmSat for $25.00 per common share in cash, or approximately $3.2 billion in the aggregate (plus approximately $0.00927 per share as the pro rata share of undeclared regular quarterly dividends). Upon completion of the acquisition on July 3, 2006, PanAmSat and Intelsat Sub Holdco became separate direct or indirect wholly-owned subsidiaries of Intelsat Bermuda. As part of this transaction, approximately $3.2 billion in existing debt of PanAmSat and its subsidiaries was either refinanced or remained outstanding. The acquisition and the related transactions are referred to collectively as the PanAmSat Acquisition Transactions. Concurrently with the PanAmSat Acquisition Transactions, Intelsat General, the entity that operates our government services business, purchased the government services business of PanAmSat.

The New Sponsors Acquisition Transactions

On February 4, 2008, Serafina completed its acquisition of 100% of the equity ownership of Intelsat Holdings (the New Sponsors Acquisition) for total cash consideration of approximately $5.0 billion, pursuant to a share purchase agreement among Serafina, Intelsat Holdings, certain shareholders of Intelsat Holdings and Serafina Holdings (the BC Share Purchase Agreement). Serafina Holdings is an entity formed by funds controlled by BC Partners Holdings Limited (the BCEC Funds) and certain other investors. Subsequent to the execution of the BC Share Purchase Agreement, two investment funds controlled by Silver Lake Partners, L.P. (Silver Lake Partners) and other equity investors joined the BCEC Funds as the equity sponsors of Serafina Holdings. We refer to the BCEC Funds, the Silver Lake Partners funds and the other equity sponsors collectively as the New Sponsors. As a result of completion of the New Sponsors Acquisition and related financing transactions, we and our subsidiaries assumed aggregate net incremental debt of approximately $3.7 billion. See Management s Discussion and Analysis of Financial Condition and Results of Operations Impact of the New Sponsors Acquisition Transactions.

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The Luxembourg Migration

On December 15, 2009, Intelsat, Ltd. and certain of its parent holding companies and subsidiaries migrated their jurisdiction of organization from Bermuda to Luxembourg (the Migration). As a result of the Migration, our headquarters are located in Luxembourg. Each company that migrated has continued its corporate and legal personality in Luxembourg. Subsequent to the Migration, Intelsat Global, Ltd. is now known as Intelsat Global S.A., Intelsat Global Subsidiary, Ltd. is now known as Intelsat Global Subsidiary S.A., Intelsat Holdings, Ltd. is now known as Intelsat Holdings S.A., Intelsat, Ltd. is now known as Intelsat S.A., Intelsat (Bermuda), Ltd. is now known as Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings, Ltd. is now known as Intelsat Jackson Holdings S.A., Intelsat Intermediate Holding Company, Ltd. is now known as Intelsat Intermediate Holding Company S.A. and Intelsat Subsidiary Holding Company, Ltd. is now known as Intelsat Subsidiary Holding Company S.A.

Certain Customer Service Agreements

Our Intelsat Global Sales subsidiary is the contracting party for certain of our customer service agreements. For regulatory reasons, some of our Brazilian customers contract with our Brazilian subsidiaries. Our U.S., Canadian and Caribbean customers enter into agreements with certain of our U.S. subsidiaries. References to our, we and us below in our discussion of our service agreements are to the Intelsat entities that are the actual contracting parties to the service agreements.

Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. These agreements offer different service types, including transponder services, managed services, mobile satellite services and channel. For a description of these service types and a breakdown of our revenue by service type, see Management s Discussion and Analysis of Financial Condition and Results of Operations Revenue and Results of Operations.

Most customer service commitments entered into prior to our privatization were transferred to us from the IGO pursuant to novation agreements. Since the privatization, our customers generally order services pursuant to master service agreements. The novation agreements and the master service agreements that Intelsat entered into in connection with the privatization contain provisions that restrict certain aspects of our business. These provisions are described below. Following our privatization, we have entered into master service agreements that do not contain these types of restrictions.

Novation Agreements

Each Intelsat novation agreement sets forth the terms and conditions upon which the service commitments entered into prior to the privatization are provided and the same terms and conditions generally apply to all customer service commitments transferred by the IGO pursuant to a novation agreement. Certain outstanding customer commitments represented in our December 31, 2010 backlog are covered by novation agreements.

Lifeline Connectivity Obligation Contracts

In connection with our privatization, customers that novated service commitments and that met specified eligibility criteria had the option of entering into LCO contracts. An LCO contract provides price and capacity protection for a covered service commitment until the earlier of July 18, 2013 or the expiration of the commitment, which may be renewed as many times as required up to July 18, 2013 at a price no higher than the price charged for that service on the privatization date. Our customers cannot elect to receive LCO protection on contracts effective after the privatization date, except in limited circumstances. As of December 31, 2010, approximately 1.2% of the outstanding customer commitments in our backlog were LCO-protected. The LCO contracts obligate us, in some circumstances, to reduce the prices we charge for covered service commitments, based on the cumulative price increases and decreases of our non-LCO protected service commitments against a specified pricing index calculated annually on July 18. Because the cumulative decrease in pricing to non-LCO customers through July 18, 2010 has been less than 15%, we have not as of yet been required to reduce prices for our LCO-protected service commitments.

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Pursuant to a Public Services Agreement that Intelsat entered into with ITSO in connection with the privatization, ITSO monitors our implementation of the LCO protections. Under the Public Services Agreement, we are obligated to provide our services in a manner consistent with the core principles of global coverage and connectivity, lifeline connectivity and non-discriminatory access. Global coverage and connectivity refers to the principle that our satellite system should provide the maximum coverage of the earth available from satellites in geostationary orbit and that it should have sufficient interconnection capabilities to make communication possible within and between Africa, Asia, Europe, North America and South America. Lifeline connectivity refers to the principle that we should make our satellite system available at protected price levels to users in low income countries, countries with low teledensity and other countries that are dependent on our system for access to international telecommunications services. Non-discriminatory access refers to the principle that all entities should have a fair and equal opportunity to access our satellite system.

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MANAGEMENT

Executive Officers and Directors

Intelsat S.A. s and its subsidiaries current executive officers and directors are as follows:

Name	Age	Position
David McGlade	51	Director, Deputy Chairman and Chief Executive Officer, Intelsat S.A.
Raymond Svider	49	Chairman and Director, Intelsat S.A.
Michael McDonnell	47	Executive Vice President and Chief Financial Officer, Intelsat S.A.
Phillip Spector	61	Executive Vice President, Business Development, General Counsel and Assistant Secretary, Intelsat S.A.
Stephen Spengler	52	Executive Vice President, Sales, Marketing and Strategy, Intelsat Corporation
Thierry Guillemin	52	Senior Vice President and Chief Technical Officer, Intelsat Corporation
Linda Bartlett	53	Senior Vice President and Controller, Intelsat Corporation
Justin Bateman	38	Director
Egon Durban	38	Director
David Roux	55	Director
Denis Villafranca	39	Director

The following is a brief biography of each of Intelsat S.A. s and its subsidiaries executive officers and directors:

Mr. McGlade has been the Chief Executive Officer of Intelsat S.A. since April 2005 and became Deputy Chairman of the board of directors in August 2008. Prior to that, Mr. McGlade was the Chief Executive Officer of O2 UK, the largest subsidiary of O2 plc and a leading U.K. cellular telephone company, a position he took in October 2000. He was also an Executive Director of O2 plc. During his tenure at O2 UK and O2, Mr. McGlade was a director of the GSM Association, a trade association for GSM mobile operators, and served as Chairman of its Finance Committee from February 2004 to February 2005. He was also a director of Tesco Mobile from September 2003 to March 2005 and a director of The Link, a distributor of mobile phones and other high technology consumer merchandise, from December 2000 to May 2004. Mr. McGlade is currently a director of Skyworks Solutions, Inc. Mr. McGlade holds a Communications Degree from Rutgers University. We believe Mr. McGlade s extensive telecommunications industry experience is of benefit to our board. Mr. McGlade s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Svider became a director of Intelsat S.A. in February 2008 and became the Chairman of the board of directors of Intelsat S.A. in May 2008. Mr. Svider has been Co-Chairman of BC Partners since December 2008 and has been a Managing Partner of BC Partners, since 2003. He joined BC Partners in 1992 in Paris before moving to London in 2000 to lead its investments in the technology and telecoms industries. Over the years, Mr. Svider has participated in or led a variety of investments including Tubesca, Nutreco, UTL, Neopost, Polyconcept, Neuf Telecom, Unity Media/Tele Columbus, Office Depot Inc. and ATI Enterprises. He is currently on the board of Office Depot Inc. and ATI Enterprises. Prior to joining BC Partners; Mr. Svider worked in investment banking at Wasserstein Perella in New York and Paris, and at the Boston Consulting Group in Chicago. Mr. Svider holds a Master of Business Administration from the University of Chicago and a Master of Science in Engineering from both École Polytechnique and École Nationale Superieure des Telecommunications in France. We believe Mr. Svider s experience overseeing other BC Partners portfolio companies is of benefit to our board. Mr. Svider s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

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Mr. McDonnell became the Executive Vice President and Chief Financial Officer of Intelsat S.A. in November 2008. He was previously Executive Vice President, Chief Financial Officer and Treasurer of MCG Capital Corporation, a publicly-held commercial finance company, from September 2004 and its Chief Operating Officer from August 2006 through October 2008. From August 2000 to August 2004, Mr. McDonnell was employed by direct-to-home satellite television operator, EchoStar Communications Corporation (f/k/a DISH Network Corporation), where he served as Executive Vice President and Chief Financial Officer from July 2004 to August 2004 and as Senior Vice President and Chief Financial Officer from August 2000 to July 2004. Prior to joining EchoStar, from 1986 to 2000 Mr. McDonnell was employed by PricewaterhouseCoopers LLP, where he was a partner from 1996. He also currently serves on the board of directors of Catalyst Health Solutions, Inc., a pharmacy benefit management company. Mr. McDonnell has a Bachelor of Science degree in accounting from Georgetown University. Mr. McDonnell s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Spector became the Executive Vice President and General Counsel of Intelsat S.A. in February 2005 and the Head of Business Development in April 2007. He was previously the managing partner of the Washington, D.C. office of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, and chair of the firm s Communications & Technology Group. He is the former Chairman of the American Bar Association s International Communications Committee, and served in the U.S. government as Associate Assistant to the President and as a law clerk to a Supreme Court justice. Mr. Spector is a magna cum laude graduate of the Harvard Law School and holds a Master in Public Policy degree from Harvard s Kennedy School of Government. Mr. Spector s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Spengler became the Executive Vice President, Sales and Marketing of Intelsat Corporation in February 2008 and became Executive Vice President, Sales, Marketing and Strategy in November 2011. From July 2006 to February 2008, he served as Intelsat Corporation s Senior Vice President, Europe, Middle East, Africa & Asia Pacific Sales. From February 2006 to July 2006, Mr. Spengler served as Acting Senior Vice President Sales & Marketing of Intelsat Global Service Corporation, leading Intelsat S.A. s global marketing and sales organizations immediately prior to the acquisition of PanAmSat. From July 2003 to February 2006, he served as Vice President, Sales, Network Services & Telecom of Intelsat Global Service Corporation. Before joining Intelsat, Mr. Spengler held various positions in the telecommunications industry, including Senior Vice President of Global Sales, Broadband Access Networks, at Cirronet, Inc., Vice President for Sales and Marketing at ViaSat Satellite Networks, Regional Sales Director for Satellite Networks in Europe, Middle East and Africa for Scientific-Atlanta Europe based in London, and sales and marketing positions at GTE Spacenet and GTE Corporation. Mr. Spengler received his Bachelor of Arts degree from Dickinson College in Carlisle, Pennsylvania, and his Master s in Business Administration from Boston University in Massachusetts. Mr. Spengler s business address is 3400 International Drive, N.W., Washington, D.C. 20008, United States.

Mr. Guillemin became the Senior Vice President and Chief Technical Officer of Intelsat Corporation in February 2008, with responsibility for customer operations, space systems management and planning, and satellite operations. From July 2006 to February 2008, he served as Intelsat Corporation s Vice President of Satellite Operations & Engineering, in which role he was responsible for the service availability of Intelsat s entire in-orbit fleet of satellites (combined with PanAmSat s). From July 2005 to July 2006, Mr. Guillemin served as Vice President of Satellite Engineering & Program Management of Intelsat Global Service Corporation, and from January 2003 to July 2005, he served as Senior Director of Satellite Operations. He has over 25 years experience in the satellite industry, in disciplines including spacecraft development, launch and operations. Mr. Guillemin earned a Master s Degree in Space Engineering from the Ecole Nationale Superieure de l Aeronautique et de l Espace in Toulouse, France. Mr. Guillemin s business address is 3400 International Drive, N.W., Washington, D.C. 20008, United States.

Ms. Bartlett became the Senior Vice President and Controller of Intelsat Corporation on January 3, 2011. Prior to joining Intelsat, Ms. Bartlett served as Executive Vice President, Global Finance/Chief Financial Officer of the International Lodging Division of Marriott International, Inc. from 2004. She was employed by Marriott in

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various finance and accounting roles from 1989 to 1993 and 1994 to 2010, and was first appointed as Executive Vice President in 2002. Ms. Bartlett holds a Bachelor s degree in Accounting and a Master s degree in Finance from Loyola College in Baltimore, Maryland. Ms. Bartlett s business address is 3400 International Drive N.W., Washington, D.C. 20008, United States.

Mr. Bateman became a director of Intelsat S.A. in August 2008. Mr. Bateman is a Senior Partner of BC Partners based in its New York office, the investment arm of which he co-established in early 2008. He initially joined BC Partners London office in 2000 from PricewaterhouseCoopers, where he spent three years in Transaction Services working on due diligence projects for both financial investors and corporate clients. In 2002/2003 he left BC Partners to complete his MBA at INSEAD before rejoining its London office. Mr. Bateman serves on the board of Office Depot Inc. He has a degree in economics from the University of Cambridge in the UK. We believe Mr. Bateman s accounting and financial education and experience are of benefit to our board. Mr. Bateman s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Durban became a director of Intelsat S.A. in February 2008. Mr. Durban is a Managing Director of Silver Lake based in Menlo Park. Mr. Durban joined Silver Lake in 1999 as a founding principal and has worked in the firm s Menlo Park, London and New York offices. Mr. Durban serves on the board of directors of NXP Semiconductors N.V. and as an observer on the Operating Committee of SunGard Data Systems Inc. He is also a member of Silver Lake s Management, Investment, Operating and Valuation Committees. Prior to joining Silver Lake, Mr. Durban worked in Morgan Stanley s Investment Banking Division. Mr. Durban graduated from Georgetown University with a BS in Finance. We believe Mr. Durban s experience overseeing Silver Lake portfolio companies is of benefit to our board. Mr. Durban s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Roux became a director of Intelsat S.A. in May 2010. Mr. Roux is a co-founder and Chairman of Silver Lake. Prior to joining Silver Lake in 1999, he was Chairman and CEO of Liberate Technologies, Executive Vice President at Oracle Corporation and Senior Vice President at Lotus Development. Mr. Roux began his technology career as co-founder and CEO of Datext, Inc., the first commercial CD-ROM publishing company. He currently serves on the board of Avaya Inc. and is a member of its Compensation Committee. Previously, he served on the boards of directors of Business Objects S.A., Gartner, Inc., Symantec Corporation, Thomson S.A., UGS Corp., Seagate Technology and was Chairman of Serena Software, Inc. He is also on the board of the Institute for Health Metrics and Evaluation, a member of the DuBois Institute s National Advisory Board, a Director at The Center for Advanced Study in the Behavioral Sciences at Stanford University, a board member of The Jackson Laboratory and an advisor to the Positive Coaching Alliance. Mr. Roux holds an M.B.A. from Harvard Business School and an M. Phil. from King s College, Cambridge University. He is a graduate of Harvard College. We believe Mr. Roux s experience overseeing Silver Lake portfolio companies is of benefit to our board. Mr. Roux s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Villafranca became a director of Intelsat S.A. in August 2010. Mr. Villafranca joined BC Partners in 1999, where he is a Senior Partner. He previously worked for Bain & Company in Paris as a management consultant specializing in M&A advisory, corporate strategy and operational improvements. Mr. Villafranca is a graduate in business administration from the École des Hautes Études Commerciales (HEC) in Paris. He also holds an MBA from Harvard Business School. We believe Mr. Villafranca s experience overseeing other BC Partners portfolio companies is of benefit to our board. Mr. Villafranca s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Board Leadership Structure

Intelsat S.A. s board of directors is led by a Chairman who is a Managing Partner of a private equity firm that is affiliated with entities that own or control more than 70% of the outstanding equity of Intelsat Global. Our Chief Executive Officer is also the Deputy Chairman of our board and has an employment agreement pursuant to

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which he reports to the board of directors. The separation of the Chairman and Chief Executive Officer positions is appropriate for a privately-held company such as ours.

Audit Committee

Intelsat S.A. has an audit committee consisting of Messrs. Svider, Durban and Bateman. The members are not independent since they are associated with the New Sponsors. Pursuant to its charter and the authority delegated to it by the board of directors, the audit committee has sole authority for the engagement, compensation and oversight of our independent registered public accounting firm. In addition, the audit committee reviews the results and scope of the audit and other services provided by our independent registered public accounting firm and also reviews our accounting and control procedures and policies. The audit committee also is a primary monitor of risks impacting the Company, and performs the primary risk oversight role of the board of directors. The audit committee meets as often as it determines necessary but not less frequently than once every fiscal quarter. Our board of directors has determined that each member of the audit committee is an audit committee financial expert.

Compensation Committee

Intelsat S.A. has a compensation committee consisting of Messrs. Svider and Durban. The members are not independent since they are associated with the New Sponsors. Pursuant to its charter and the authority delegated to it by the board of directors, the compensation committee has responsibility for the approval and evaluation of all of our compensation plans, policies and programs as they affect Intelsat S.A. s chief executive officer and its other executive officers. The compensation committee meets as often as it determines necessary.

Compensation Committee Interlocks and Insider Participation

Intelsat S.A. s compensation committee is currently comprised of Messrs. Svider and Durban. None of these individuals has been at any time an officer or employee of Intelsat S.A., other than Mr. Svider who serves as our Chairman. During 2010, Intelsat S.A. had no compensation committee interlocks meaning that it was not the case that an executive officer of ours served as a director or member of the compensation committee of another entity and an executive officer of the other entity served as a director or member of our compensation committee.

Executive Compensation

Compensation Discussion and Analysis

Introduction

The Company s senior executive team includes:

- David McGlade, Deputy Chairman and Chief Executive Officer;
- Michael McDonnell, Executive Vice President and Chief Financial Officer;
- Phillip Spector, Executive Vice President, Business Development and General Counsel;
- Stephen Spengler, Executive Vice President, Sales and Marketing, Intelsat Corporation; and
- Thierry Guillemin, Senior Vice President and Chief Technical Officer, Intelsat Corporation.

During 2010, Messrs. McGlade, McDonnell, Spector, Spengler and Guillemin comprised the Named Executive Officers (the NEOs) for the Company. For a portion of 2010, Anita Beier served as an executive officer of the Company in the position of Senior Vice President and Controller. On November 19, 2010, Ms. Beier resigned from her position with the Company and received certain severance related payments that, when combined with her other compensation during 2010, result in her addition as an NEO for 2010.

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The Company s compensation objectives and policies, together with specific information on the compensation for each NEO, are described herein. With respect to Ms. Beier, some of the information provided is not relevant going forward since she is no longer employed by the Company.

Compensation Objectives

Our executive compensation programs are designed to encourage our executives to think and act like owners of the Company. We want our executive officers to focus on generating returns for our shareholders, but at the same time to share the downside risk if their decisions cause poor performance. Through our performance management and rewards programs, we endeavor to create an environment that fosters and rewards increasing enterprise value.

The Company has developed a set of strategic corporate objectives designed to support long term growth in its enterprise value. The strategic corporate objectives are set in four areas: financial, customer, internal processes, and people and infrastructure. Through this process, the Company achieves a balanced focus on corporate performance without overemphasizing one area over others. Additionally, the Company sets specific metrics and initiatives designed to measure performance against the strategic goals. Through our pay-for-performance culture, a significant portion of our executives compensation is linked to performance against these objectives.

Our Compensation Committee reviews the compensation policies covering NEOs and approves all compensation for the NEOs with employment agreements, as described below.

Compensation Policy

We believe that in order to achieve our objectives, our executive compensation programs must be competitive, properly reward results and provide incentives for both short and long term performance to sustain and enhance long-term shareholder value. Our overall executive compensation philosophy is one based upon alignment with our shareholders. Through a mixture of fixed and performance dependent income and long and short term incentives, we strive for a balance of risk and reward. The level of total compensation varies based upon the returns ultimately achieved by our shareholders. The amount of variable compensation also increases with the level of the executive officer.

Our performance-driven compensation consists of the following three components:

- base salary;
- short-term incentive awards (in the form of annual cash bonuses); and
- long-term incentive awards (in the form of restricted shares and options).

We use short-term compensation (base salaries and annual cash bonuses) to provide competitive levels of cash compensation for our executives and to focus them on our annual goals and objectives. We use long-term compensation (restricted shares and options) to achieve our goal of driving long-term growth in share value. This long-term compensation element is designed to emphasize the performance measures our executives need to achieve in order to deliver shareholder value. Our NEOs hold a mixture of previously granted restricted shares and options, and newly granted restricted shares and options awarded in connection with the New Sponsors Acquisition Transactions. These newly granted equity incentive awards are subject to a variety of time and performance vesting requirements, all closely linked to the long-term growth in the value of the Company.

We carefully determine the percentage mix of compensation components we think is appropriate for each of our NEOs. This is not a mechanical process and we use our judgment and experience to determine the appropriate mix of compensation for each individual. We also look at market data for comparable executive

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positions. The number of restricted shares and options each currently serving NEO received was based on the expectations we have for the individual and, over time, on such officer s performance against those expectations.

Base salary may constitute a minority portion of the total compensation of our NEOs. We set salary to provide adequate cash compensation to be competitive in the market for executive talent, but we focus on total compensation, including short-term and long-term compensation, so that our NEOs are prepared to have at risk a significant portion of their total compensation.

The level and terms of compensation for Messrs. McGlade, McDonnell and Spector are set forth in the terms of employment agreements between Intelsat Global S.A. and the executive. The terms of compensation for Messrs. Spengler and Guillemin and for Ms. Beier are governed by the general policies and plans of the Company and are not set forth in employment agreements, with the exception of letters regarding arrangements for severance under certain conditions.

Elements of Compensation

Base Salary. Base salary is used to recognize the experience, skills, knowledge and responsibilities required of the executive officers in their roles. When establishing the 2010 base salaries of the NEOs, the Compensation Committee and management considered a number of factors, including the functional role of the position, the individual s performance, the level of the individual s responsibility, the individual s prior experience in similar positions, competitive market data, the ability to replace the individual, the base salary of the individual at his or her prior employment or prior position within the Company and the number of well-qualified candidates available. The salaries of the NEOs are reviewed on an annual basis, as well as at the time of promotion or other changes in responsibilities.

Annual Cash Bonuses. We maintain a corporate bonus plan, which was adopted by the board of directors in March 2006 (the Bonus Plan). The Bonus Plan provides that certain of our and our subsidiaries employees, including the NEOs, may be awarded cash bonuses based on the attainment of specific performance goals and business criteria established by our board of directors for participants in the Bonus Plan. The goals and criteria for the 2010 and 2011 fiscal years included certain revenue, backlog, and adjusted EBITDA targets, all as defined by the Compensation Committee.

Annual cash bonuses are short-term incentive awards intended to reward individual performance for the prior fiscal year and will, therefore, vary from year to year. These bonuses are determined on a discretionary basis. Our Compensation Committee, in consultation with management, establishes performance targets which determine bonus eligibility for our executives. The Compensation Committee also has discretion to award additional bonuses to our executives up to specified percentages of annual base salary. Bonus targets are determined based upon the executive s level in the Company as well as by a total cash compensation market comparison. Awards for the subject year are determined based upon completion of the audited consolidated financial statements for that year.

The employment agreements for Messrs. McGlade, McDonnell and Spector specify that their annual target bonus percentages are 100%, 65% and 65%, respectively, of the executive s annual base salary. These bonus amounts are paid in the event of the Company s achievement of pre-established metrics at the target level. The Compensation Committee also has discretion, in the event of significant outperformance of target objective criteria, to award additional bonuses. The Compensation Committee has established two additional levels of performance, tied to objective criteria at two tiers above the target levels, at which Messrs. McGlade, McDonnell and Spector may achieve additional bonuses. At the first tier of stretch performance, Messrs. McGlade, McDonnell and Spector may each receive an additional bonus of up to 50% of such executive s annual base salary. At the second tier of stretch performance, Mr. McGlade may achieve an additional bonus of up to another 50% of his annual base salary and Messrs. McDonnell and Spector may each achieve an additional bonus of up to another 15% of such executive s annual base salary. In the case of Messrs. Spengler and Guillemin and

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Ms. Beier, their target bonus percentages have been established pursuant to the terms of the Bonus Plan at 60%, 45%, and 40% respectively, of the executive s annual base salary. In the event that the corporate performance achieves the first tier of stretch performance and based upon each executive s individual performance, Messrs. Spengler and Guillemin and Ms. Beier each has the ability to obtain a maximum additional bonus in the amounts of 40.8%, 30.6%, and 27.2% respectively, of annual base salary.

Each of the target goals and criteria for bonuses referred to above is based on thorough discussion between the Compensation Committee and management as to budgets and projections for the relevant year. Great care is taken to ensure that the targets are difficult to achieve but achievable, thereby ensuring that the NEOs and other management are appropriately incentivized to perform at the highest levels. The Bonus Plan is a discretionary plan and the Compensation Committee retains the right to award compensation absent the attainment of performance criteria. In 2010, the Company achieved some, but not all, of the financial metrics established as targets for the Bonus Plan. In determining the amount of the incentive awards for the NEOs for 2010, the Compensation Committee exercised its discretion to increase the awards under the Bonus Plan for all of the NEOs, with the exception of Ms. Beier, who was not eligible for an award.

Long-Term Incentive Awards

Shares and Options. At the NEO level, we have sought to weight our compensation programs to ownership of common shares. We believe that share ownership by our executives enhances our ability to deliver superior shareholder returns by increasing the alignment between the interests of our employees and our shareholders. The equity awards granted to our executives are governed by the terms of the Intelsat Global, Ltd. 2008 Share Incentive Plan (the 2008 Share Plan). The goal of the 2008 Share Plan is to engage our NEOs and other key employees as partners in the Company s success and help the Company realize the maximum return from its strategy. We do not have a formal requirement for share ownership by any group of employees. The 2008 Share Plan provides for the granting of incentive share options, nonqualified share options, restricted shares, restricted share units, share appreciation rights, phantom shares and performance awards to our and our subsidiaries and specified affiliates employees, officers and directors, including the NEOs.

The Compensation Committee has exclusive authority to select the persons to receive awards and the amount and the type of equity awards under the 2008 Share Plan. At the time of each award, the Compensation Committee determines the terms of the award, including the performance period (or periods) and the performance objectives relating to the award. The Company s policy has been to grant equity awards that align with the ownership objectives of our principal shareholders. Because the Company is privately held, the grant is typically a one-time grant at the outset of the shareholder investment, with vesting and other performance criteria aligned with the growth expected and the length of investment expected by the shareholders. For example, Messrs. McGlade, Spector, Spengler, and Guillemin each received a grant of shares in connection with the investment of prior sponsors in January of 2005. Upon the disposition of the prior sponsor shares, these executives received compensation commensurate with the return on investment received by the prior sponsors. As described more fully below in the equity award agreements narrative, each of the NEOs received new equity grants in connection with the investment of the New Sponsors, with terms and conditions aligned with the New Sponsors investment horizon. Additional grants may also occur upon the promotion or hire of a new executive.

Based upon the rights of the executive and the Company under the terms of their award agreements, some option grants are considered to be a share-based compensation arrangement (an SCA) for accounting purposes rather than an option; however, from a compensation policy perspective, the award is intended to operate like an option. For purposes of this Compensation Discussion and Analysis section and the tables included in this Executive Compensation item, any reference to an option includes SCAs. For further explanation of the accounting treatment of options and SCAs, see Note 5 to the consolidated financial statements included elsewhere in this prospectus.

In addition to grants made under the 2008 Share Plan, Messrs. McGlade and Spector each purchased for cash certain unrestricted shares of Intelsat Global pursuant to subscription agreements entered into in May 2009.

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Restricted Shares. Each of the NEOs, except Ms. Beier, holds restricted shares that are subject to transfer, vesting and other restrictions as set forth in their applicable award agreements. A portion of these restricted shares vests each month with full vesting being achieved over a period of five years, subject to the executive s continued employment. Certain of the shares awarded are also subject to the meeting of performance criteria based on annual performance targets and cumulative total return earned by certain principal shareholders of Intelsat Global on their investment. These annual performance goals relate to certain revenue and adjusted EBITDA targets which were set by the Compensation Committee at the grant date based on the Company s five year business plan. We believe these goals are difficult to achieve, but achievable. The cumulative return goals were established by the principal shareholders at the grant date and are intended to incentivize the executive to operate the Company in a manner designed to meet the total return goals of the principal shareholders of Intelsat Global. Upon termination of employment, Intelsat Global retains the unilateral right to repurchase vested shares at a value as defined in the 2008 Share Plan. See the discussion of individual agreements following the Summary Compensation Table for further details regarding these restricted shares.

Options. Each of the NEOs, except Ms. Beier, holds options that are subject to transfer, vesting and other restrictions as set forth in their applicable award agreements. Ms. Beier held such options prior to her departure from the Company. A portion of these options vests upon the meeting of annual performance targets and a portion vests upon the determination of the cumulative total return earned by certain principal shareholders of Intelsat Global on their investment. These annual performance goals relate to certain revenue and adjusted EBITDA targets which were set by the Compensation Committee at the grant date based on the Company s five year business plan. We believe these goals are difficult to achieve, but achievable. The cumulative return goals were established by the principal shareholders at the grant date and are intended to incentivize the executive to operate the Company in a manner designed to meet the total return goals of the principal shareholders of Intelsat Global. These options are also subject to forfeiture and other restrictions as set forth in the executives respective award agreements. Upon termination of employment, the Company retains the right to cancel vested options or to repurchase shares acquired upon exercise of the options in exchange for an amount set forth in the 2008 Share Plan. See the discussion of individual agreements following the Summary Compensation Table for further details regarding these options.

Other Elements. Other elements of our executive compensation program include certain severance arrangements and perquisites, all of which are more fully described in those parts of this Management which follow this Compensation Discussion and Analysis. Our philosophy with respect to these items is to maintain competitive overall compensation programs. The NEOs also participate in our other benefit plans on the same terms as other employees. These plans include a 401(k) plan, medical, dental, disability and life insurance. However, under the terms of their employment agreements, Messrs. McGlade and Spector are provided with certain retiree medical benefits that are not otherwise provided to participants under the terms of the medical plan. Additionally, for employees hired prior to July 19, 2001, the Company maintains a defined benefit pension plan. Of the NEOs, only Mr. Guillemin is eligible to participate in this plan.

Competitive Market Review

During 2010, the Company conducted a review of our executive short-term compensation program. The objective of the review was to determine relative market competitiveness of our compensation to enable the Company to attract and to retain key executive talent.

In setting compensation we target the median compensation range for base salary and above median for total cash compensation (base salary and target bonus). Using market survey data we compared our executive officers total direct compensation levels to an industry peer group of companies and other general survey data. The peer group was selected based on industry, size (determined by reviewing both revenue levels and enterprise value) and other factors such as market capitalization. Based on this review, it was determined that the short term elements of our executive compensation program were reasonably competitive with market rates for comparable executives.

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Role of Executive Officers in Setting Executive Compensation

The Compensation Committee approves the final determination of compensation for Messrs. Spector and McDonnell, acting on recommendation of our Chief Executive Officer, David McGlade, and in consultation with the head of our human resources department. The Compensation Committee determines the compensation of Mr. McGlade acting with advice from the head of our human resources department. Mr. McGlade plays no role in determining his own compensation. The compensation for Messrs. Spengler and Guillemin is set by Mr. McGlade, in consultation with the head of our human resources department. Prior to her departure, the compensation for Ms. Beier was set by Mr. McDonnell, in consultation with the head of our human resources department.

Conclusion

Our compensation policies are designed to recruit, retain and motivate our senior executive officers, to align their interests with those of our shareholders, and ultimately to reward them for outstanding performance.

Summary Compensation Table

The following summarizes the compensation earned during the year ended December 31, 2010 by our NEOs, who are our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers who were serving as executive officers on December 31, 2010. In addition, one former executive, Ms. Beier, is included in the table because her compensation during 2010 through her resignation on November 19, 2010 when added to her severance payments would otherwise make her one of the three most highly compensated executive officers but for the fact that she was not employed on December 31, 2010.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
David McGlade Deputy Chairman and Chief Executive	2010	$ 1,037,262	$ 648,516(2)	$	$	$ 346,800(2)	$	$ 47,840(4)	$ 2,080,418
Officer	2009	$ 1,016,923	$	$ 3,427,935	$	$ 2,040,000	$	$ 1,931,407	$ 8,416,265
	2008	$ 978,538	$	$	$	$ 2,000,000	$	$ 52,929	$ 3,031,467
Michael McDonnell Executive Vice President	2010	$ 536,809	$ 218,155(2)	$	$	$ 116,660(2)	$	$ 49,779(5)	$ 921,403
and Chief Financial Officer	2009	$ 525,894	$	$ 865,686	$	$ 686,238	$	$ 565,285	$ 2,643,103
	2008	$ 69,327	$ 100,000	$	$	$ 167,375	$	$ 7,349	$ 344,051
Phillip Spector Executive Vice President, Business Development and	2010	$ 536,809	$ 218,155(2)	$	$	$ 116,660(2)	$	$ 52,593(6)	$ 924,218
General Counsel	2009	$ 525,894	$	$ 865,686	$	$ 686,238	$	$ 457,023	$ 2,534,841
	2008	$ 512,115	$	$	$	$ 669,500	$	$ 55,698	$ 1,237,313
Stephen Spengler Executive Vice President, Sales	2010	$ 355,923	$ 133,518(2)	$	$	$ 71,400(2)	$	$ 32,017(7)	$ 592,858
and Marketing	2009	$ 347,692	$ 50,085	$ 507,744	$	$ 325,080	$	$ 337,826	$ 1,551,731
	2008	$ 326,269	$ 33,389	$	$	$ 311,148	$	$ 37,757	$ 675,174
Thierry Guillemin Senior Vice President and	2010	$ 305,631	$ 111,249(2)	$	$	$ 59,492(2)	$ 44,093(3)	$ 22,140(8)	$ 542,605
Chief Technical Officer	2009	$ 292,452	$	$ 330,033	$	$ 205,932	$ 60,263	$ 247,570	$ 1,136,250
	2008	$ 269,558	$	$	$	$ 191,565	$ 32,804	$ 21,399	$ 515,326
Anita Beier(9) Former Senior Vice President and Controller	2010	$ 274,192	$	$	$	$	$	$ 255,523(9)	$ 529,715

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(1) The salaries set forth in this column reflect the actual earnings for each NEO during fiscal year 2010. The base salary for each NEO generally changes annually in the month of February. The base salaries in effect for Messrs. McGlade, McDonnell, Spector, Spengler, Guillemin and Ms. Beier from February 16, 2009 through February 14, 2010 were, respectively, $1,020,000, $527,875, $527,875, $350,000, $295,625 and $286,474. The base salaries in effect for Messrs. McGlade, McDonnell, Spector, Spengler, Guillemin and Ms. Beier from February 15, 2010 through February 13, 2011 were, respectively, $1,040,400, $538,433, $538,433, $357,000, $307,450 and $290,055. Effective, February 14, 2011, the base salaries for Messrs. McGlade, McDonnell, Spector, Spengler and Guillemin were increased to $1,071,612, $559,970, $554,585, $364,140 and $322,054, respectively.

(2) In accordance with the Bonus Plan described above, incentive awards earned for 2010 performance were based upon the Company s financial performance against criteria established at the beginning of 2010 and the Compensation Committee s approval of discretionary funding for the Bonus Plan. The discretionary portion of the award is reflected in the column headed Bonus and the remainder of the award is reflected in the column headed Non-Equity Incentive Plan Compensation. These payments were made in March 2011.

(3) Mr. Guillemin participates in the Company s Pension Plan and Restoration Plan, as described below in the Pension Benefits section. This amount reflects the change in the actuarial present value of his accrued benefit over the 12 month period from December 31, 2009 through December 31, 2010, using a discount rate of 5.30% for the fiscal year ended December 31, 2010, a discount rate of 5.88% for the fiscal year ended December 31, 2009, and a discount rate of 6.27% for the fiscal year ended December 31, 2008, and using an assumed retirement date of November 1, 2019 (age 60). No other NEO participates in the Pension Plan or the Restoration Plan.

(4) This amount includes: (a) an auto/financial planning/club dues allowance of $20,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $7,615 for life insurance, $2,146 ($782 of which was to cover taxes) for personal excess liability insurance, and $930 for long-term disability insurance; and (c) $17,150 in contributions to Mr. McGlade s 401(k) plan account.

(5) This amount includes: (a) an auto/financial planning/club dues allowance of $20,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $3,208 for life insurance, $2,359 ($996 of which was to cover taxes) for personal excess liability insurance, $6,132 ($2,588 of which was to cover taxes) for a comprehensive physical examination, and $930 for long-term disability insurance; and (c) $17,150 in contributions to Mr. McDonnell s 401(k) plan account.

(6) This amount includes: (a) an auto/financial planning/club dues allowance of $20,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $8,342 for life insurance, $2,146 ($782 of which was to cover taxes) for personal excess liability insurance, and $4,955 ($1,806 of which was to cover taxes) for a comprehensive physical examination; and (c) $17,150 in contributions to Mr. Spector s 401(k) plan account.

(7) This amount includes: (a) an auto allowance of $6,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $2,921 for life insurance, $2,146 ($782 of which was to cover taxes) for personal excess liability insurance, $2,870 ($1,070 of which was to cover taxes) for a comprehensive physical examination, and $930 for long-term disability insurance; and (c) $17,150 in contributions to Mr. Spengler s 401(k) plan account.

(8) This amount includes: (a) an auto allowance of $6,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $2,413 for life insurance, $2,521 ($1,157 of which was to cover taxes) for personal excess liability insurance, $7,832 ($3,595 of which was to cover taxes) for a comprehensive physical examination; and $925 for long-term disability insurance; and (c) $2,450 in contributions to Mr. Guillemin s 401(k) plan account.

(9) On November 19, 2010, Ms Beier terminated employment with the Company. The other compensation amount includes: (a) an auto allowance of $6,000; (b) executive benefits paid for by the Company including tax gross up payments where applicable, in the amounts of $2,840 for life insurance, $2,455 ($1,091 of which was to cover taxes) for personal excess liability insurance, and $827 for long-term disability insurance; (c) $233,495 in severance-related payments; and (d) $10,367 in contributions to Ms. Beier s 401(k) plan account.

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Grants of Plan-Based Awards

There were no grants of equity plan-based awards or other stock or option awards to any of the NEOs during the year ended December 31, 2010. The following table sets forth information concerning the grant of annual non-equity incentive awards under our cash Bonus Plan during the year ended December 31, 2010. The actual payout of the awards is reflected in the Summary Compensation Table.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards		
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**
David McGlade	3/3/2010	$ 520,200	$ 1,040,400	$ 2,080,800
Michael McDonnell	3/3/2010	$ 174,991	$ 349,981	$ 699,963
Phillip Spector	3/3/2010	$ 174,991	$ 349,981	$ 699,963
Stephen Spengler	3/3/2010	$ 107,100	$ 214,200	$ 359,856
Thierry Guillemin	3/3/2010	$ 69,176	$ 138,353	$ 232,432
Anita Beier	3/3/2010	$ 61,490	$ 122,980	$ 206,606

Employment and Other Agreements

Messrs. McGlade, McDonnell and Spector each are employed with the Company pursuant to employment agreements with Intelsat Management LLC, a direct subsidiary of Intelsat S.A. (Intelsat Management).

Pursuant to his employment agreement, Mr. McGlade serves as Deputy Chairman of the Board of Directors and Chief Executive Officer. Mr. McDonnell serves as Executive Vice President and Chief Financial Officer and Mr. Spector serves as Executive Vice President and General Counsel of the Company.

Messrs. Spengler and Guillemin are not party to employment agreements with the Company; however, the Company does have certain severance and other obligations to them pursuant to Company policies and each has a letter agreement covering the payment of severance benefits in the event of certain termination circumstances.

Ms. Beier also was not party to an employment agreement with the Company; however, the Company had certain severance and other obligations to her pursuant to Company policies as set forth below.

Each of the NEOs is a party to agreements governing the terms of his restricted share awards and option awards. Details of the agreements in place for 2010 for each of the NEOs appear below.

Employment Agreements with Messrs. McGlade, McDonnell and Spector

McGlade Employment Agreement. On December 29, 2008, Mr. McGlade entered into a new employment agreement with Intelsat Global and the Company, effective as of February 4, 2008, as amended on May 6, 2009 and assigned to Intelsat Management on December 21, 2009 (the McGlade Employment Agreement). The McGlade Employment Agreement provides for Mr. McGlade s continued employment as Chief Executive Officer of each of Intelsat Global and the Company, his continued service as a member of the board of directors of each of Intelsat Global and the Company, and his nomination for reelection as a member of the board of directors of each of Intelsat Global and the Company at the expiration of the then current term. The McGlade Employment Agreement supersedes the terms and conditions of his prior employment agreement.

McDonnell Employment Agreement. On May 6, 2009, Mr. McDonnell entered into an employment agreement with Intelsat Global and the Company, as assigned to Intelsat Management on December 21, 2009

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(the McDonnell Employment Agreement). The McDonnell Employment Agreement provides for Mr. McDonnell s continued employment as Executive Vice President and Chief Financial Officer of each of Intelsat Global and the Company. The McDonnell Employment Agreement supersedes the terms and conditions of the offer letter between Mr. McDonnell and the Company.

Spector Employment Agreement. On May 6, 2009, Mr. Spector entered into an employment agreement with Intelsat Global and the Company, as assigned to Intelsat Management on December 21, 2009 (the Spector Employment Agreement). The Spector Employment Agreement provides for Mr. Spector s continued employment as Executive Vice President and General Counsel of each of Intelsat Global and the Company. The Spector Employment Agreement supersedes the terms and conditions of his prior employment agreement.

Compensation and Benefits. The McGlade, McDonnell and Spector Employment Agreements each has a term of one year and renews automatically for successive one year periods, unless earlier terminated. The McGlade Employment Agreement provides that Mr. McGlade will be paid an annual base salary of no less than $1,000,000 during the term, which will be reviewed for increase no less frequently than annually. The McDonnell and Spector Employment Agreements provide that Messrs. McDonnell and Spector will each be paid an annual base salary of no less than $527,875 during the term, which will be reviewed for increase no less frequently than annually.

The McGlade Employment Agreement also provides that Mr. McGlade will be eligible for (i) a basic annual bonus of 100% of annual base salary, based on meeting pre-established performance criteria, and (ii) two additional annual bonuses, the stretch bonus and super stretch bonus, each of 50% of annual base salary and each based on meeting incrementally more difficult to achieve pre-established performance criteria. In exchange for Mr. McGlade s waiver of any relocation reimbursement commitments set forth in his prior employment agreement, the Company paid Mr. McGlade consideration in the amount of $300,000.

The McDonnell and Spector Employment Agreements also provide that Messrs. McDonnell and Spector will be eligible for (i) a basic annual bonus of 65% of annual base salary, based on meeting pre-established performance criteria, and (ii) two additional annual bonuses, the stretch bonus at 50% of base salary and the super stretch bonus at 15% of annual base salary and each based on meeting incrementally more difficult to achieve pre-established performance criteria.

During the employment term, Messrs. McGlade, McDonnell and Spector will each be eligible to participate in the Company s employee benefit plans and programs. The McGlade Employment Agreement and Spector Employment Agreement also provide for them to receive certain retiree medical benefits for the respective lifetimes of Mr. McGlade and Mr. Spector and their spouses under the Intelsat Group Welfare Benefits Plan.

The McGlade, McDonnell and Spector Employment Agreements also provide for the executives to receive certain perquisites as set forth therein and quantified and summarized in the Summary Compensation Table set forth above.

Severance Benefits. The McGlade, McDonnell and Spector Employment Agreements also provide for certain severance benefits to be paid to the executive in the event of employment termination under certain circumstances. Specifically, if the executive s employment is terminated without cause or if he resigns for good reason (in either case as defined in the McGlade, McDonnell and Spector Employment Agreements) on or after January 1, 2009, subject to his timely execution and non-revocation of a waiver and release of claims and the executive s continued compliance with the terms of the employment agreement, and except as otherwise required by law or by the terms of the Company s benefit plans (excluding severance plans), the executive will be paid severance, which severance amount shall be payable on the sixtieth day after such termination of employment. In

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the case of Mr. McGlade, the severance amount is equal to 1.5 times the sum of the executive s (i) annual base salary plus (ii) the basic annual bonus and the stretch annual bonus (as in effect on the date of such termination of employment). In the case of Messrs. McDonnell and Spector, the severance amount is equal to 1.25 times the sum of the executive s (i) annual base salary plus (ii) the basic annual bonus (as in effect on the date of such termination of employment).

In addition, in connection with a termination of the executive s employment without cause or for good reason, and in the event of a termination of his employment by reason of his death or disability, the executive will be paid any earned but unpaid compensation and a pro-rata Target Bonus for the year of his termination of employment based on actual results and the portion of the fiscal year the executive was employed by the Company through the effective date of such termination of employment, payable in the calendar year following such termination of employment at such time bonuses are paid to the Company s other senior executives. The McGlade, McDonnell and Spector Employment Agreements define good reason to include any of (i) a material diminution of title, position or responsibilities, (ii) a material breach by the Company of any terms of the applicable executive s Employment Agreement; (iii) a reduction of the executive s base salary or bonus potential, and (iv) under certain specified conditions, relocation or a requirement to work from a location other than the principal place of employment.

In the event that certain specified change in control transactions occur, and the affirmative written consent of certain shareholders is not required for the Company to terminate the executive s employment at the time of such termination, and the executive is terminated without cause or resigns for good reason (each as defined in the applicable McGlade, McDonnell or Spector Employment Agreement), then applicable vesting provisions of the executive s equity award agreements shall apply as if a change in control (as defined in the applicable McGlade, McDonnell or Spector Employment Agreement) had occurred immediately prior to such termination of employment. If the affirmative written consent of certain shareholders or a representative thereof is required for the Company to terminate the executive s employment at the time of such termination following such a corporate transaction, and the executive is terminated without cause or resigns for good reason on or after the date that is eighteen months following the date of such corporate transaction, then the applicable vesting provision of the executive s equity award agreements shall apply as if a change in control had occurred immediately prior to such termination of employment.

Partial Gross Up Payment. In the event that excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the Code), will be imposed on any compensation or benefits received by Messrs. McGlade, McDonnell or Spector, then, if (i) no shares of the Company are readily tradable on an established securities market or otherwise and (ii) the shareholders that controlled more than 75% of the voting power of the Company entitled to vote on February 4, 2008 no longer hold 75% of such voting power at the time such excise tax would be imposed, the Company shall pay the executive an additional payment (the Partial Gross-Up Payment) equal to the amount of the excise tax that will be imposed on such compensation or benefits; provided, that such Partial Gross-Up Payment will not include any additional payments for any federal, state or local income taxes imposed on such compensation or benefits or on the Partial Gross-Up Payment, including any excise tax imposed on the Partial Gross-Up Payment. In the event that excise tax under Section 4999 of the Code will be imposed on any compensation or benefits received by Messrs. McGlade, McDonnell or Spector and the Company s shares are readily tradable on an established securities market or otherwise at such time, then the Company shall pay the executive an additional payment such that he will be placed in the same after-tax position that he would have been in had no excise tax been imposed.

Non-Competition. The McGlade, McDonnell and Spector Employment Agreements each provide that, during the executive s employment with the Company and for one year after termination of his employment, whether voluntary or involuntary, the executive will not compete with the Company or its affiliates or hire or attempt to hire any person who is or was, during the year prior to the termination of his employment, an employee of the Company.

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Employment Arrangements with Messrs. Spengler and Guillemin

Messrs. Spengler and Guillemin do not have employment agreements, but under the terms of the Company s severance plans and agreements, in the event their employment is involuntarily terminated without cause, Messrs. Spengler and Guillemin are entitled to a severance benefit equal to nine months salary and eight months salary, respectively, and executive outplacement services. The severance benefits are contingent upon the executive signing a standard release of claims and a non-compete, non-solicitation and non-disparagement agreement. Cause is defined as willful misconduct or negligence in the performance of duties. Additionally, on May 8, 2009, Intelsat Global entered into letter agreements with Messrs. Spengler and Guillemin providing for an enhanced severance benefit under certain limited circumstances (the Severance Agreements). The Severance Agreements provide that in the event the executive is terminated without cause or resigns for good reason (in either case as defined in the Severance Agreement) following certain specified corporate transactions identified in the Severance Agreements, the executive will be paid an amount equal to one times base salary as in effect on the date of termination, payable in a lump sum on the sixtieth day after such termination of employment. The Severance Agreements will supersede each executive s previously existing severance arrangements to the extent the Severance Agreements apply with respect to an executive s termination of employment.

Employment Arrangement with Ms. Beier

Ms. Beier did not have an employment agreement, but in connection with her resignation Ms. Beier received severance-related payments equivalent to those that would be paid under the termination without cause provision of the severance plan and her equity awards. Under the terms of the Company s severance plan and policies, Ms. Beier was entitled to receive a severance benefit equal to eight months salary and executive outplacement services, contingent upon the executive entering into a standard release of claims and a non-compete, non-solicitation and non-disparagement agreement. Ms. Beier received severance benefits in the amount of $233,495 for severance, accrued vacation and executive outplacement.

Equity Award Agreements

McGlade, McDonnell and Spector Awards. On May 6, 2009, Messrs. McGlade and Spector each entered into a Class A Restricted Share Agreement, a Class B Restricted Share Agreement and an Option Agreement and Mr. McDonnell entered into a Class B Restricted Share Agreement and an Option Agreement, each with Intelsat Global.

The Class A Restricted Share Agreements entered into with Messrs. McGlade and Spector govern the terms and conditions applicable to the executive s outstanding restricted share awards under a previous plan that were unvested at the time of the New Sponsors Acquisition Transaction and were exchanged for restricted shares in the new corporate entity (Rollover Shares). These Rollover Shares are subject to vesting and forfeiture provisions. Subject to the executive s continued employment, the Class A Shares subject to the Class A Restricted Share Agreement vest in twenty-four equal monthly installments on the last day of each month commencing February 29, 2008. As of January 31, 2010, these Rollover Shares were 100% vested. The Class A Restricted Share Agreement also provides that in the event of the executive s termination of employment, Intelsat Global may repurchase the Rollover Shares generally for fair market value, unless the termination is for cause. If the executive is terminated for cause, the shares may be repurchased for the executive s purchase price or the per share fair market value of the Class A Shares as of February 4, 2008. The Class A Restricted Share Agreements govern 158,810.45 Rollover Shares for Mr. McGlade and 70,165.54 Rollover Shares for Mr. Spector.

The Class B Restricted Share Agreements entered into with Messrs. McGlade, McDonnell and Spector govern the terms and conditions applicable to the Class B Shares issued to each executive as of May 6, 2009. A portion of the Class B Shares subject to the Class B Restricted Share Agreement are subject to time vesting (Class B Time-Vesting Shares) and a portion of the Class B Shares are subject to annual performance-based vesting upon the achievement of certain adjusted EBITDA and revenue goals for fiscal years 2008 and 2009 for Messrs. McGlade and Spector and for fiscal years 2008, 2009 and 2010 for Mr. McDonnell (Class B Performance Shares).

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Mr. McGlade was awarded 319,472 Class B Shares, with 228,194 designated as Class B Time-Vesting Shares and the remaining 91,278 designated as Class B Performance Shares. Of the 228,194 Class B Time-Vesting Shares issued to Mr. McGlade, 25% were vested on the date of grant and the remaining shares vest in equal installments over 45 months from the date of grant, commencing on June 4, 2009. Mr. McDonnell was awarded 80,679 Class B Shares, with 57,628 designated as Class B Time-Vesting Shares and the remaining 23,051 designated as Class B Performance Shares. Of the 57,628 Class B Time-Vesting Shares issued to Mr. McDonnell, 10% were vested on the date of grant and the remaining shares vest in equal installments over 54 months from the date of grant, commencing on June 4, 2009. Mr. Spector was awarded 80,679 Class B Shares, with 57,628 designated as Class B Time-Vesting Shares and the remaining 23,051 designated as Class B Performance Shares. Of the 57,628 Class B Time-Vesting Shares issued to Mr. Spector, 25% were vested on the date of grant and the remaining shares vest in equal installments over 45 months from the date of grant, commencing on June 4, 2009.

In the event of a change in control, as defined in the 2008 Share Plan, the Class B Time-Vesting Shares become fully vested, and the Class B Performance Shares vest if, upon a change in control or other realization event, certain principal shareholders receive a three times multiple on their investment (four times if it occurs after February 4, 2015). In the event the executive dies or becomes disabled, the Class B Time-Vesting Shares become fully vested and the Class B Performance Shares cease vesting and unvested shares are forfeited, unless, within six months following such termination, an initial public offering occurs or Intelsat Global enters into a definitive agreement resulting in a change in control, in which case the unvested shares will be eligible to become vested as if a change in control had occurred immediately prior to termination (Transaction Vesting Protection). In the event the executive is terminated without cause or resigns for good reason (in either case as defined in the executive s Employment Agreement), the Transaction Vesting Protection applies to both the Class B Time-Vesting and Class B Performance Shares, and if such termination occurs after July 31, 2010 (April 30, 2011 for Mr. McDonnell), 50% of the unvested Class B Time-Vesting Shares vest. The Class B Restricted Share Agreements for Messrs. McGlade, McDonnell and Spector provide for similar repurchase rights for Intelsat Global as are set forth in the executive s Class A Restricted Share Agreement, provided, however, that the repurchase price is generally a liquidation fair market value. In the event the executive breaches any covenants contained in the executive s Employment Agreement, he will be required to repay Intelsat Global for all the Class B Shares which vested during the twelve months preceding the breach of the covenants.

The Option Agreements entered into with Messrs. McGlade, McDonnell and Spector govern the terms and conditions applicable to options to purchase Class A Shares granted to each executive as of May 6, 2009. The exercise price of each option is $100 per share. Each option is subject to performance vesting. Each option will vest with respect to a portion of the Class A Shares (the Annual Performance Options) based upon the achievement of certain adjusted EBITDA and revenue goals for 2010, 2011 and 2012 (and 2013 with respect to Mr. McDonnell), as defined in the Option Agreement, subject to catch-up vesting upon achievement of targets in later years or if certain principal shareholders of Intelsat Global receive a three times multiple on their investment in connection with a change in control or other realization event (four times if it occurs after February 4, 2015). Upon the occurrence of a change in control or other realization event for certain specified shareholders, the option will vest ratably with respect to the remaining Class A Shares (the Exit Performance Option) based upon a sliding scale of return on their investment from 3.3 times to 4.1 times. The option generally expires on the earliest to occur of: (i) February 4, 2018, (ii) 90 days following resignation without good reason, (iii) one year following termination without cause or for good reason or upon death or disability, or (iv) the date of termination for cause. The option is subject to Transaction Vesting Protection following a termination due to death or disability, a termination without cause, or a resignation for good reason. Additionally, in the event that the executive is terminated without cause or resigns for good reason following certain specified corporate transactions, the option will vest as if a change in control had occurred immediately prior to termination. The Class A Shares acquired upon exercise of the options are subject to Intelsat Global repurchase rights similar to the rights specified in the executives Class A Restricted Share Agreements. In the event the executive breaches any covenants contained in the executive s Employment Agreement, he will be required to repay Intelsat Global an amount equal to the number of shares acquired pursuant to the option during the twelve months preceding the breach of the covenants multiplied by the excess of the fair market value of the shares over the exercise price paid.

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Mr. McGlade was awarded options to purchase 251,013 Class A Shares, with 136,916 designated as Annual Performance Options and the remaining 114,097 designated as Exit Performance Options. Mr. McDonnell was awarded options to purchase 63,391 Class A Shares, with 34,577 designated as Annual Performance Options and the remaining 28,814 designated as Exit Performance Options. Mr. Spector was awarded options to purchase 63,391 Class A Shares, with 34,577 designated as Annual Performance Options and the remaining 28,814 designated as Exit Performance Options.

Spengler and Guillemin Awards. On May 8, 2009, Intelsat Global entered into Class A Restricted Share Agreements, Class B Restricted Share Agreements and Option Agreements with each of Messrs. Spengler and Guillemin.

The Class A Restricted Share Agreements govern the terms and conditions applicable to Rollover Shares, consisting of the Class A Shares issued to Messrs. Spengler and Guillemin as of February 4, 2008 in exchange for a previous equity award. Mr. Spengler s Class A Restricted Share Agreement covers 16,237.41 Class A Shares and Mr. Guillemin s Class A Restricted Share Agreement covers 3,044.47 Class A Shares. The shares are subject to vesting and forfeiture provisions. Subject to each of their continued employment, the Class A Shares subject to the Class A Restricted Share Agreements vest in twenty-three equal monthly installments on the first day of each month commencing on March 1, 2008. As of January 1, 2010, these Rollover Shares were 100% vested. The Class A Restricted Share Agreements provide that in the event of the holder s termination of employment, Intelsat Global may repurchase the shares subject to the agreement generally for fair market value, unless the executive resigns or the termination is for cause. If either Mr. Spengler or Mr. Guillemin resigns, his shares may be repurchased at a price per share equal to the lesser of the fair market value on the date of resignation or $100. If either Mr. Spengler or Mr. Guillemin is terminated for cause, his shares may be repurchased at a price per share equal to par value.

The Class B Restricted Share Agreements govern the terms and conditions applicable to the Class B Shares issued to Messrs. Spengler and Guillemin as of May 8, 2009. Mr. Spengler s Class B Restricted Share Agreement covers 47,320 Class B Shares of which 33,800 are designated as Class B Time-Vesting Shares and the remaining 13,520 are designated as Class B Performance Shares. Mr. Guillemin s Class B Restricted Share Agreement covers 30,758 Class B Shares of which 21,970 are designated as Class B Time-Vesting Shares and the remaining 8,788 are designated as Class B Performance Shares. With respect to the Class B Time-Vesting Shares issued to each of Messrs. Spengler and Guillemin, 25% of the shares vested as of the date of grant and the remaining shares vesting in equal installments over 45 months from the date of grant, commencing on June 4, 2009.

In the event of a change in control, as defined in the award agreements, the Class B Time-Vesting Shares issued to Messrs. Spengler and Guillemin become fully vested, and their Class B Performance Shares vest if, upon a change in control or other realization event, certain principal shareholders of Intelsat Global receive a three times multiple on their investment (four times if it occurs after February 4, 2015). In the event that either Mr. Spengler or Mr. Guillemin is terminated without cause, as defined in the 2008 Share Plan, resigns for any reason, dies or becomes disabled, his Class B Time-Vesting Shares and Class B Performance Shares cease vesting and all unvested shares are forfeited.

In the event that either Mr. Spengler or Mr. Guillemin is terminated without cause or resigns for good reason (as defined in the Class B Restricted Share Agreement) following certain specified corporate transactions, his respective Class B Time-Vesting Shares and Class B Performance Shares will vest as if a change in control had occurred immediately prior to such termination. The Class B Restricted Share Agreements also provide that in the event of the holder s termination of employment without cause or for good reason, Intelsat Global may repurchase the shares subject to the agreement generally for a liquidation fair market value, unless the termination is for cause. If the termination is for cause, the shares may be repurchased at a price per share equal to par value. The Class B Restricted Share Agreements also contain covenants generally restricting Messrs. Spengler and Guillemin from competing against Intelsat Global for a period of one year following termination. In the event of a breach of this covenant, or any other applicable covenants, the executive will be required to repay Intelsat Global for all the Class B Shares which vested during the twenty-four months preceding the breach of the covenants.

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The Option Agreements govern the terms and conditions applicable to options to purchase Class A Shares granted to Messrs. Spengler and Guillemin as of May 8, 2009. Mr. Spengler was awarded an option to purchase 37,180 Class A Shares, with 20,280 designated as Annual Performance Options and the remaining 16,900 designated as Exit Performance Options. Mr. Guillemin was awarded an option to purchase 24,167 Class A Shares, with 13,182 designated as Annual Performance Options and the remaining 10,985 designated as Exit Performance Options. The exercise price of each option is $100 per share. The options are subject to performance vesting as set forth above for the other executives Annual Performance Options and Exit Performance Options. The options generally expire on the earliest to occur of: (i) February 4, 2018, (ii) 90 days following termination of employment, other than as a result of death or disability, (iii) one year following termination upon death or disability, and (iv) the date of termination for cause. In the event that either Mr. Spengler or Mr. Guillemin is terminated without cause or resigns for good reason following certain specified corporate transactions, his respective options will vest as if a change in control had occurred immediately prior to such termination. The Class A Shares acquired upon exercise of the options are subject to repurchase rights similar to the rights specified in the Class A Restricted Share Agreements. The Option Agreements contain similar covenants as the Class B Restricted Share Agreements. In the event of a breach of any of the covenants contained in the Option Agreements, or any other applicable covenants, the individual will be required to repay Intelsat Global an amount equal to the number of shares acquired pursuant to the option during the twenty-four months preceding the breach of the covenants multiplied by the excess of the fair market value of the shares over the exercise price paid.

Beier Awards. On May 8, 2009, Intelsat Global entered into a Share Option Agreement, Class B Restricted Share Agreement and Option Agreement with Ms. Beier.

The Share Option Agreement governed the terms and conditions applicable to options to purchase Class A shares issued to Ms. Beier as of February 4, 2008 in exchange for a previous equity award. Ms. Beier s Share Option Agreement provided an option to purchase 5,463.37 Class A Shares. The rollover options were subject to vesting and forfeiture provisions and vested over twenty-four equal monthly installments on the first day of each month commencing on February 29, 2008. As of January 31, 2010, these rollover options were 100% vested. The Share Option Agreement also provided that in the event of the holder s termination of employment without cause, Intelsat Global could cancel the options in exchange for a payment equal to the number of shares covered by the option multiplied by the fair market value of the Class A Shares on the termination date minus the exercise price of the options. The exercise price for the rollover options was $25 per share. The Company exercised its right to cancel the vested options in exchange for a payment of $530,275. Pursuant to a promissory note entered into with Ms. Beier, this payment is to be paid out in five equal installments over a twenty-four month period.

The Class B Restricted Share Agreement governed the terms and conditions applicable to the Class B Shares issued to Ms. Beier as of May 8, 2009. Ms. Beier s Class B Restricted Share Agreement covered 9,817 Class B Shares of which 7,012 were designated as Class B Time-Vesting Shares and the remaining 2,805 were designated as Class B Performance Shares. The vesting provisions of Ms. Beier s Class B Shares were the same as those described above with respect to Messrs. Spengler and Guillemin. Intelsat Global exercised the repurchase right under the Class B Restricted Share Agreement and repurchased the vested Class B Shares at the Class B Repurchase Price of $22.06 and the unvested Class B Shares at par value. At the time of termination of employment, Ms. Beier had 6,661.66 vested and 3,155.34 unvested Class B Shares. The repurchase payment for the Class B Shares was combined with the payment to cancel the rollover options described above and is to be paid pursuant to the promissory note in five equal installments over a twenty-four month period.

The Option Agreement governed the terms and conditions applicable to options to purchase Class A Shares granted to Ms. Beier as of May 8, 2009. Ms. Beier was awarded an option to purchase 7,713 Class A Shares, with 4,207 designated as Annual Performance Options and the remaining 3,506 designated as Exit Performance Options. The exercise price of each option was $100 per share. None of these options were vested on the date of Ms. Beier s resignation and pursuant to the terms of the Option Agreement all of these unvested options were forfeited.

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Management Shareholders Agreement. Each recipient of an equity award is, or prior to the exercise of any options, will become, a party to that certain Management Shareholders Agreement, entered into on May 6, 2009 and effective as of February 4, 2008, by and among Intelsat Global, the principal shareholders of Intelsat Global and all employees (the Management Shareholders) who hold Class A Shares or Class B Shares (the Management Shareholders Agreement). The Management Shareholders Agreement governs the terms and conditions of a Management Shareholder s ownership of Class A Shares and Class B Shares and applies to each Management Shareholder and any person or entity to whom the Management Shareholder s shares are transferred (whether voluntarily or involuntarily).

In general, the Management Shareholders Agreement prevents Management Shareholders from transferring any Class A Shares or Class B Shares without the consent of the Board of Directors of Intelsat Global. If the Board approves any such transfer, certain shareholders have a right of first offer to purchase the shares proposed to be transferred. Notwithstanding the general prohibition on transferring shares, Management Shareholders may be permitted to transfer shares pursuant to tag along and drag along rights set forth in the Management Shareholders Agreement.

In addition, the Management Shareholders Agreement permits certain principal shareholders to repurchase Class A Shares and/or Class B shares from a Management Shareholder following the Management Shareholder s termination of employment if Intelsat Global does not repurchase such shares pursuant to the applicable award agreement. The Management Shareholders Agreement also provides priority subscription rights. If certain principal shareholders purchase additional shares, the priority subscription rights allow Management Shareholders to purchase additional shares on the same terms as the sponsor shareholders.

The Management Shareholders Agreement terminates upon an initial public offering (generally defined as a public offering of at least 20% of outstanding shares of Intelsat Global), the liquidation of Intelsat Global or sale of all or substantially all of Intelsat Global s assets, or a date established by the Board to terminate the Management Shareholders Agreement. In addition, the Management Shareholders Agreement may terminate at specified times following Intelsat Global s merger with a public company.

Each of Messrs. McGlade, Spector, and McDonnell have entered into letter agreements (the MSA Letter Agreements) amending the Management Shareholders Agreement as it applies to the shares held by such executives. The MSA Letter Agreements generally provide for piggy back registration rights, additional option grants upon certain conversions of Class B Shares, and limits on Intelsat Global s ability to repurchase co-invest Class A Shares purchased by certain of the executives pursuant to subscription agreements if the fair market value is less than the original purchase price per share for such shares.

Unallocated Bonus Plan

On August 20, 2010, Intelsat Global adopted the Unallocated Bonus Plan (the Unallocated Plan) in connection with the equity awards available to management under the 2008 Share Plan. Pursuant to the 2008 Share Plan, 1,989,975 shares (approximately 10% of the shares of Intelsat Global) may be awarded to management as options and/or restricted shares (the Pool). The Unallocated Plan provides for the distribution of the value of any unallocated shares that remain in the Pool, and that otherwise would have been vested, on certain measurement dates to the recipients of equity under the 2008 Share Plan who remain employed by the Company at that time. Each such equity participant will be eligible to receive a pro-rata share of the value of the unallocated Pool, based on the percentage of allocated shares held by such participant and the length of time elapsed since such participant was granted the underlying award(s). The bonus will be payable in the form of cash or shares of the Company, as set forth in the Unallocated Plan. If equity participants do not become eligible to receive a bonus under the Unallocated Plan on or prior to February 4, 2015, the Unallocated Plan expires and no bonuses will be payable. At the same time as and in connection with the adoption of the Unallocated Plan, Intelsat Global entered into letter agreements with Messrs. McGlade, Spector and McDonnell providing that the Unallocated Plan may not be amended in any manner that would adversely affect the rights of any of Mr. McGlade, Mr. Spector or Mr. McDonnell under the plan without such individual s prior consent.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information concerning the number and value of any outstanding unvested restricted share awards and unexercised options held by the NEOs at December 31, 2010. There was no public market for Intelsat Global s common stock as of December 31, 2010.

	Option Awards			Stock Awards			
Name	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested**
David McGlade	136,916(1)	$ 100.00	2/8/2018	98,884	$ 6,020,066(3)	0	$
	114,097(2)	$ 100.00	2/8/2018				
Michael McDonnell	34,577(1)	$ 100.00	2/8/2018	33,616	$ 2,046,559(3)	8,645	$ 526,308(4)
	28,814(2)	$ 100.00	2/8/2018				
Phillip Spector	34,577(1)	$ 100.00	2/8/2018	24,972	$ 1,520,300(2)	0	$
	28,814(2)	$ 100.00	2/8/2018				
Stephen Spengler	20,280(1)	$ 100.00	2/8/2018	14,647	$ 891,693(2)	0	$
	16,900(2)	$ 100.00	2/8/2018				
Thierry Guillemin	13,182(1)	$ 100.00	2/8/2018	9,520	$ 579,594(2)	0	$
	10,985(2)		2/8/2018				

(1) The vesting date for the Annual Performance Option awards is annually on the date the board of directors approves the audited financial statements of 2010, 2011 and 2012 (and 2013 in the case Mr. McDonnell) for the Annual Performance Options, contingent upon meeting annual revenue and adjusted EBITDA performance targets.

(2) The vesting date for the Exit Performance Option awards is contingent upon certain principal shareholders of Intelsat Global receiving cumulative returns on their investment in excess of 3.3 times their initial investment.

(3) This award is for Class B Shares of Intelsat Global. The market value reflected here is based upon management s estimate of fair value, relying in part on the most recent independent valuation performed, dated as of December 31, 2010, which set forth a Class B Share fair value of $60.88 per share. The vesting date for the Class B Time-Vesting Shares is monthly, with full vesting occurring for Messrs. McGlade, Spector, Spengler and Guillemin on February 4, 2013 and for Mr. McDonnell on November 4, 2013.

(4) This award is for Class B Shares of Intelsat Global. The market value reflected here is based upon management s estimate of fair value, relying in part on the most recent independent valuation performed, dated as of December 31, 2010, which set forth a Class B Share fair value of $60.88 per share. The vesting date for the Performance Shares is annually on the date the board of directors approves the audited financial statements contingent upon meeting annual revenue and adjusted EBITDA performance targets.

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Option Exercises and Stock Vested

The following table sets forth certain information regarding the number of restricted shares and options that vested in 2010, together with the corresponding amounts realized by the NEOs.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
David McGlade		$ (1)	6,617	$ 807,689(3)
			91,278	$ 4,056,384(4)
Michael McDonnell		$ (1)		$
			23,051	$ 1,024,370(4)
Phillip Spector		$ (1)	2,924	$ 356,862(3)
			23,051	$ 1,024,393(4)
Stephen Spengler		$ (1)	706	$ 86,183(3)
			13,520	$ 600,827(4)
Thierry Guillemin		$ (1)	132	$ 16,152(3)
			8,788	$ 390,540(4)
Anita Beier	5,463.37	$ 530,275.00(2)		$
			2,688	$ 119,455(4)

(1) There were no options exercised during 2010 by these NEOs.

(2) Upon her resignation, each of the vested options held by Ms. Beier was cancelled in exchange for a payment equal to the fair market value of a Class A Share on the date of termination, minus the exercise price of the option ($25). Because Intelsat Global is privately held there is not a public market for the securities. The payment made to Ms. Beier was based upon management s estimate of the fair value at the time of the payment, $122.06 per Class A Share, relying in part on the most recent independent valuation performed as of the date of the payment, which was dated as of December 31, 2009.

(3) This award is for Class A Shares. Because Intelsat Global is privately held, there is no public market for these securities. The value realized on vesting provided here is based upon management s estimate of the fair value at the time of vesting, $122.06 per Class A Share, relying in part on the most recent independent valuation performed at the time of vesting, which was dated as of December 31, 2009.

(4) This award is for Class B Shares. Because Intelsat Global is privately held, there is no public market for these securities. The value realized on vesting provided here is based on management s estimate of the fair value at the time of vesting, $44.44 per Class B Share, relying in part on the most recent independent valuation performed at the time of vesting, which was dated as of December 31, 2009.

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Pension Benefits

The following table sets forth the actuarial present value of accumulated benefits for Mr. Guillemin, the only one of our NEOs who is eligible to participate in the pension plan of the Company.

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit	Payments During the Last Fiscal Year
Thierry Guillemin	Intelsat Staff Retirement Plan	11.1667	$ 286,528	
	Intelsat Restoration Plan	9.9167	$ 0	
Total			$ 286,528	

The Intelsat Staff Retirement Plan is a tax-qualified defined benefit pension plan covering U.S.-based employees of Intelsat who were hired prior to July 19, 2001. The benefits under the plan are calculated based upon a set of formulas that take into account the participant s hire date, years of service and average compensation. For Mr. Guillemin, the formula is 2.0% of final average earnings for each year of service prior to 2002, plus 1.5% of final average earnings for each year of service on or after 2002. Final average earnings for Mr. Guillemin includes regular earnings and does not include bonus payments, and is based on average earnings over the 60 months of employment that produces the highest average. Early retirement is available at age 55 with three years of service, and there is a seven year vesting schedule. The portion of Mr. Guillemin s benefit attributable to pre-2002 service is payable on an unreduced basis at age 60. Benefit payments may be taken in the form of a single life annuity, a partially subsidized 60% or 75% joint and survivor annuity if married at the time of benefit commencement, a 50% or 100% joint and survivor annuity if unmarried at the time of benefit commencement, a lump sum or a reduced annuity plus a partial lump sum. Benefits paid in the form of an annuity are adjusted for cost of living increases but only on the portion of the benefit attributable to pre-2002 service and pre-2006 compensation. See Note 6 Retirement Plans and Other Retiree Benefits to our consolidated financial statements included elsewhere in this prospectus for additional disclosure on the assumptions used to value pension benefits.

As a tax-qualified plan, benefits under the Intelsat Staff Retirement Plan are subject to certain Code limitations on benefits and compensation. The Intelsat Restoration Plan is a non-qualified retirement plan that is intended to make participants whole if their benefit under the Intelsat Staff Retirement Plan is diminished due to limits on annual benefits under Section 415 of the Code or limits on includable compensation under Section 401(a)(17) of the Code. Effective on September 30, 2009, the Intelsat Restoration Plan was frozen and there are no benefit accruals under that plan after that date. Based on this freezing of accruals under the Intelsat Restoration Plan, the number of years of credited service reflected in the table for Mr. Guillemin is less than his actual years of service and reflects service through September 30, 2009.

Nonqualified Deferred Compensation

No deferred compensation programs are maintained for the Company s NEOs.

Severance and Change of Control Arrangements

Upon termination of employment, the NEOs may receive payments under their employment agreements or Company policies, as applicable, which are described in detail in the section entitled Employment and Other Agreements.

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Benefits and Payments Upon Termination

The following is a table which shows, hypothetically, what each of the current NEOs would receive upon termination of employment under varying circumstances, assuming such termination occurred on December 31, 2010 and assuming that Intelsat Global repurchased equity at an assumed fair market value and repurchase price set by the Board of Directors in March of 2011. However, this table does not take into account all of the restrictions and other provisions of relevant employment contracts described earlier. Thus, this table does not represent guarantees to any NEO that he will receive the amounts set forth herein.

Name	Resignation Without Good Reason	Resignation With Good Reason or Involuntary Termination Without Cause	Resignation With Good Reason or Involuntary Termination Without Cause Following a Change of Control	Death or Disability	Termination For Cause
David McGlade					
Accrued Salary and Vacation (1)	$ 150,058	$ 150,058	$ 150,058	$ 150,058	$ 150,058
Accrued Bonus (2)	$	$ 1,560,600	$ 1,560,600	$ 1,560,600	$
Severance (3)	$	$ 3,901,500	$ 3,901,500	$	$
Vested Shares and Options	$ 39,343,037(4)	$ 42,400,534(6)	$ 45,458,031(7)	$ 45,458,032(8)	$ 15,883,251(9)
Unvested Shares and Options (10)	$ 989	$ 494	$	$	$ 494
Medical Benefits (11)	$ 402,223	$ 402,223	$ 402,223	$ 402,223	$
TOTAL	$ 39,896,307	$ 48,415,409	$ 51,472,412	$ 47,570,913	$ 16,033,803
Michael McDonnell					
Accrued Salary and Vacation (1)	$ 82,836	$ 82,836	$ 82,836	$ 82,836	$ 82,836
Accrued Bonus (2)	$	$ 619,198	$ 619,198	$ 619,198	$
Severance (3)	$	$ 1,110,518	$ 1,110,518	$	$
Vested Shares and Options	$ 384(4)	$ 2,375,752(6)	$ 4,989,189(7)	$ 4,454,583(8)	$ 384(9)
Unvested Shares and Options (10)	$ 423	$ 423	$	$ 86	$ 423
TOTAL	$ 83,643	$ 4,188,727	$ 6,801,741	$ 5,156,703	$ 83,643
Phillip Spector					
Accrued Salary and Vacation (1)	$ 82,836	$ 82,836	$ 82,836	$ 82,836	$ 82,836
Accrued Bonus (2)	$	$ 619,198	$ 619,198	$ 619,198	$
Severance (3)	$	$ 1,110,518	$ 1,110,518	$	$
Vested Shares and Options	$ 14,800,508(4)	$ 15,572,644(6)	$ 16,344,780(7)	$ 16,344,780(8)	$ 7,017,111(9)
Unvested Shares and Options (10)	$ 250	$ 125	$	$	$ 125
Medical Benefits (11)	$ 263,034	$ 263,034	$ 263,034	$ 263,034	$
TOTAL	$ 15,146,628	$ 17,648,355	$ 18,420,366	$ 17,309,848	$ 7,100,072
Stephen Spengler					
Accrued Salary and Vacation (1)	$ 54,923	$ 54,923	$ 54,923	$ 54,923	$ 54,923
Accrued Bonus (2)	$	$	$	$ 214,200	$
Severance (3)	$	$ 267,750	$ 267,750	$	$
Vested Shares and Options	$ 1,624,068(5)	$ 4,648,377(6)	$ 5,554,131(7)	$ 4,648,377(8)	$ 489(9)
Unvested Shares and Options (10)	$ 146	$ 146	$	$ 146	$ 146
TOTAL	$ 1,679,137	$ 4,971,196	$ 5,876,804	$ 4,917,647	$ 55,558

Thierry Guillemin										
Accrued Salary and Vacation (1)	$	39,841	$	39,841	$	39,841	$	39,841	$	39,841
Accrued Bonus (2)	$		$		$		$	138,353	$	
Severance (3)	$		$	204,967	$	204,967	$		$	
Vested Shares and Options	$	304,659(5)	$	1,806,058(6)	$	2,394,792(7)	$	1,806,058(8)	$	243(9)
Unvested Shares and Options (10)	$	95	$	95	$		$	95	$	95
TOTAL	$	344,595	$	2,050,961	$	2,639,599	$	1,984,347	$	40,179

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(1) This reflects unpaid salary for days worked prior to termination and accrued but unpaid vacation as of December 31, 2010.

(2) It is currently the policy under our Bonus Plan that no bonus payments are made to plan participants who leave prior to the bonus payment date in March of the following year, unless otherwise provided for in an applicable employment agreement or in the event of death or disability. In the event of death or disability, the NEOs not covered by an employment agreement receive a pro-rata bonus, based upon actual financial performance, pro-rated for the date of death or disability. This number assumes a date of death or disability on December 31, 2010, and corporate and individual performance at the target level. For the NEOs with employment agreements (Messrs. McGlade, McDonnell and Spector), the agreements provide for a pro-rata bonus at the tier 1 stretch level for the year of termination based on actual results and the portion of the year he was employed. This amount assumes the maximum amount payable for a full year of employment and corporate results achieved at the tier 1 stretch level.

(3) For NEOs with employment agreements, the severance payment is equal to (a) a severance multiple, times (b) the sum of base salary plus bonus calculated at the tier 1 stretch level for Mr. McGlade and at the basic level for Messrs. McDonnell and Spector, payable in a lump sum on the 60th day following termination. The severance multiples are 1.5 for Mr. McGlade, and 1.25 for Messrs. McDonnell and Spector. For Messrs. Spengler and Guillemin, the severance payment is equal to nine months and eight months, respectively, of base salary.

(4) Rollover Shares that are vested may be repurchased at any time during the two years following a resignation at a price per share equal to the fair market value of the share on the date of resignation. Management estimates, relying in part on the most recent independent valuation performed, that the fair market value of the Class A Shares as of December 31, 2010 was $161.84. With respect to the Class B shares held by Messrs. McGlade and Spector, Class B shares that are vested may be repurchased at any time during the two years following a resignation at the Class B repurchase price defined in the 2008 Share Plan on the date of termination. For purposes of this table, the Class B repurchase price on December 31, 2010 was assumed to be $61.84 (the Class B Repurchase Price). For purposes of the Class B shares held by Mr. McDonnell upon a resignation that occurs before April 30, 2011, vested shares may be repurchased at a price per share equal to the lesser of the (a) the Class B repurchase price at May 6, 2009 (which equaled $0) or (b) the Class B Repurchase Price. Accordingly, the vested Class B shares for Messrs. McDonnell, Spengler and Guillemin were given no value other than par value at $0.01 per share.

(5) Rollover Shares that are vested may be repurchased at any time following a resignation at a price per share equal to the lesser of the fair market value of such share on (i) the date of resignation or (ii) February 4, 2008 ($100). The assumed fair market value of the Class A Shares as of December 31, 2010 was $161.84. Accordingly, the value assumes a repurchase of vested Rollover Shares for $100.00 per share. Class B Time-Vesting Shares that are vested may be repurchased at any time following termination at a price per share equal to the lesser of the Class B repurchase price at May 6, 2009 or the Class B Repurchase Price. Accordingly, because the Class B repurchase price at grant date was $0, no value has been given to any vested Class B shares, other than par value at $0.01 per share.

(6) Rollover Shares that are unvested at the time of termination immediately vest upon termination. Vested Rollover Shares may be repurchased at any time during the two years following the termination at a price per share equal to the fair market value of the share on the date of termination. Based upon management s estimate of the fair value, relying in part on the most recent independent valuation performed, the fair market value of the Class A Shares as of December 31, 2010 was $161.84 per share. Accordingly, the value assumes all vested Rollover Shares are repurchased by Intelsat Global at $161.84 per share. The equity award agreements for Messrs. McGlade and Spector also provide that in the event of a change of control or initial public offering within six months of the termination of employment where the share value exceeds $161.84, the executive is entitled to an additional payment equal to the number of vested shares times the excess of the higher share value over $161.84. Class B Shares that are vested may be repurchased at any time during the two-year period following termination at a price per share equal to Class B Repurchase Price.

(7) Vested Rollover Shares may be repurchased at any time during the two years following the termination at a price per share equal to the fair market value on the date of termination. This value is based on the Class A

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Share value of $161.84 per share. All unvested Class B Time-Vesting Shares immediately vest upon a change of control. Class B Performance Shares vest if performance criteria are met within six months from the date of the change in control. The value shown reflects 100% vesting on all Class B Time-Vesting and Performance Shares and assumes that the shares are repurchased at a Class B repurchase price of $61.84 per share. With respect to unvested options, vesting only occurs upon a change in control if the performance criteria related to the investment return are achieved by certain principal shareholders. If all investment return objectives are met at the highest levels thus causing 100% of the Exit Performance Options to vest, additional amounts would be payable to Messrs. McGlade, McDonnell, Spector, Spengler and Guillemin in the amounts of $15,522,645, $3,920,100, $3,920,099, $2,299,211 and $1,494,487, respectively.

(8) For Messrs. McGlade, McDonnell and Spector, all Class B Time-Vesting Shares become immediately vested upon the termination of the executive s employment due to death or disability. Messrs. Spengler and Guillemin do not receive accelerated vesting upon death or disability. This value reflects a repurchase of vested Rollover Shares at $161.84 per share and a repurchase of vested Class B Shares at the Class B Repurchase Price.

(9) Upon a termination for cause, with respect to Messrs. McGlade and Spector, any vested Rollover Shares are repurchased at the paid-in-capital price of $100 per share, and with respect to Messrs. Spengler and Guillemin, any vested Rollover Shares are repurchased at par value ($0.01). Vested Class B Shares for all NEOs are also repurchased at par value ($0.01).

(10) Any unvested shares are forfeited upon termination of employment, but must be repurchased at the par value of the shares ($0.01) and returned to the corporate treasury.

(11) The McGlade and Spector Employment Agreements provide for Messrs. McGlade and Spector to receive retiree medical benefits for the executive and his spouse upon termination of employment. This represents the present value of Intelsat s net premium cost, using the same actuarial methods and assumptions used in connection with other post-retirement obligations as further described in Note 6 to the consolidated financial statements. The value also assumes immediate retirement on December 31, 2010 and that each executive and each spouse live to age 80.

Effective November 19, 2010, Ms. Beier s resigned from her position and in connection with that resignation she received severance-related payments equivalent to those that would be paid under the termination without cause provisions of the severance plan and her equity awards. As a result, her actual benefits and payments upon termination are known. The payments made were as follows: (a) a payment for accrued wages and vacation in the amount of $27,890; (b) a severance benefit in the amount of $193,370; (c) executive outplacement counseling valued at $12,230; (d) vested options canceled in exchange for a payment in the amount of $530,275; (e) vested Class B shares repurchased at the Class B repurchase price on the date of termination of $22.06 per share for a total amount of $146,956; and (f) unvested Class B shares repurchased at par value for a total of $3.16. Pursuant to a promissory note entered into with Ms. Beier, payments of the $530,275 for vested options, $146,956 for vested Class B Shares, and $3.16 for unvested Class B Shares will be paid out in five equal installments over a twenty-four month period.

Director Compensation

We do not compensate our directors for their service on the board of directors or any committee of the board of directors. Non-executive members of the board are reimbursed for travel and other out-of-pocket expenses related to their board service pursuant to a monitoring fee agreement entered into with certain principal shareholders on February 4, 2008. For more information regarding the monitoring fee agreement, see Certain Relationships and Related Transactions, and Director Independence Certain Relationships and Related Transactions Monitoring Fee Agreements and Transaction Fees. Mr. Raymond Svider, a Managing Partner of BC Partners, Intelsat s majority shareholder, is currently and has been since May 1, 2008, the Chairman of our Board of Directors.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Related Party Transactions

Monitoring Fee Agreements and Transaction Fees

In connection with the closing of the New Sponsors Acquisition Transactions, Intelsat Bermuda entered into a monitoring fee agreement (the 2008 MFA) with the New Sponsors, or affiliates of, or entities advised by, designated by or associated with the New Sponsors, as the case may be (collectively, the 2008 MFA parties), pursuant to which the 2008 MFA parties provide certain monitoring, advisory and consulting services to Intelsat Bermuda. Pursuant to the 2008 MFA, an annual fee equal to the greater of $6.25 million and 1.25% of adjusted EBITDA (as defined in the Senior Bridge Loan Credit Agreement) is paid to the 2008 MFA parties, and Intelsat Bermuda reimburses the 2008 MFA parties for their out-of-pocket expenses. Intelsat Bermuda also agreed to indemnify the 2008 MFA parties and their directors, officers, employees, agents and representatives for losses relating to the services contemplated by the 2008 MFA and the engagement of the 2008 MFA parties pursuant to, and the performance by them of the services contemplated by, the 2008 MFA. We recorded expenses for services associated with the 2008 MFA of $8.5 million, $23.2 million and $24.7 million during the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively.

As payment for certain structuring and advisory services rendered, Intelsat Bermuda paid an aggregate transaction and advisory fee of $60.0 million to the 2008 MFA parties at the closing of the New Sponsors Acquisition Transactions.

2008 Share Plan, Employment Agreements and Award Agreements

On May 6, 2009, the Board of Directors of Intelsat Global adopted the 2008 Share Plan, under which certain employees and directors are eligible to be granted awards. On May 6, 2009, Intelsat Global also entered into or amended employment agreements with Messrs. McGlade, Spector, and McDonnell, entered into agreements with Messrs. Spengler and Guillemin providing certain severance benefits, and entered into equity award agreements with Messrs. McGlade, Spector, McDonnell, Spengler and Guillemin. See Management Executive Compensation Employment and Other Agreements.

Subscription Agreements

On May 6, 2009, Intelsat Global entered into Subscription Agreements with certain trusts established for the benefit of Mr. McGlade and his family (the McGlade Trust) and the benefit of Mr. Spector and his family (the Spector Trusts), pursuant to which the McGlade Trust purchased 100,000 Class A common shares and the Spector Trusts purchased 20,000 Class A common shares of Intelsat Global for an aggregate purchase price of $10 million and $2 million, respectively.

WildBlue Option Agreement

On August 17, 2009 we entered into an agreement with WildBlue, in which we had an ownership interest of approximately 28% prior to December 15, 2009, granting WildBlue the exclusive option to acquire certain of our rights to operate a Ka-Band satellite system at a designated orbital location for $0.2 million. This amount is included in other income, net for the year ended December 31, 2009 in our consolidated statement of operations. On December 15, 2009 we sold our ownership interest in WildBlue to Viasat Inc. in exchange for newly issued shares of Viasat Inc. common stock. A gain on the sale was recorded within our consolidated statement of operations for $27.3 million for the year ended December 31, 2009.

2010 Severance Arrangement

Ms. Beier s employment terminated on November 19, 2010 and she received compensation and benefits consistent with our plans and policies. See Management Executive Compensation Employment Arrangement with Ms. Beier.

Unallocated Bonus Plan

On August 20, 2010, Intelsat Global adopted the Unallocated Bonus Plan in connection with the equity awards available to management under the 2008 Share Plan. See Management Executive Compensation.

SCAs and Restricted Shares

In connection with the closing of the New Sponsors Acquisition Transactions, Messrs. McGlade, Freimark, our former Executive Vice President and Chief Finanical Officer, and Spector received (prior to the effect of any applicable federal or state or local taxes) $6,313,639, $2,401,841 and $6,995,762, respectively, in exchange for the purchase of their owned Intelsat Holdings shares; Messrs. Frownfelter and Wright received (prior to the effect of any applicable federal or state or local taxes) $2,582,486 and $3,443,064, respectively, in exchange for the cancelation of the rollover SCAs they received as part of a rollover of stock options of PanAmSat Holdco they previously held; and Messrs. McGlade, Freimark, Frownfelter, Spector, Spengler, Guillemin and Wright and Ms. Beier received (prior to the effect of any applicable federal or state or local taxes) $81,191,359, $9,367,983, $10,326,092, $35,871,919, $6,847,952, $1,283,971, $8,604,998 and $614,629, respectively, cash payments in exchange for the cancelation of other SCAs or purchase of their Intelsat Holdings restricted shares. In addition, Mr. Freimark will receive an aggregate of $3,406,539 related to the cash out of his SCAs upon his resignation in June 2008, which is payable in five equal installments. We have made all of the foregoing payments.

Sponsor and Executive Investments

During the second quarter of 2008, affiliates or associates of funds and investment vehicles advised or controlled by one of the New Sponsors, Silver Lake, purchased $90.9 million principal amount of the 2017 Senior Notes and affiliates or associates of funds and investment vehicles advised or controlled by another of the New Sponsors, BC Partners, also purchased $90.9 million principal amount of the 2017 Senior Notes.

During the third quarter of 2008, an entity associated with funds and investment vehicles advised or controlled by Silver Lake purchased a further $100.0 million principal amount of the 2017 Senior Notes and $650.0 million principal amount of the 2017 PIK Notes. Mr. Svider, Mr. McGlade and a trust of which Mr. Spector is the beneficiary, invested $3.8 million, $2.5 million and $0.6 million, respectively, as limited partners in the entity through which the notes were purchased.

In October 2010, ISAT Limited, our affiliate, as it is an affiliate of BC Partners, one of our principal shareholders, sold $90.9 million aggregate principal amount of Intelsat Luxembourg s 2017 Senior Notes in a registered resale. We did not receive any proceeds from the resale of such notes, but in connection with such resale we agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

In April 2011, entities associated with Silver Lake sold all of the $190.9 million aggregate principal amount of the 2017 Senior Notes and $854 million aggregate principal amount of the 2017 PIK Notes that they had purchased in 2008.

Horizons

As a result of the PanAmSat Acquisition Transactions, we have a joint venture with JSAT, a leading satellite operator in the Asia-Pacific region. The joint venture is named Horizons Satellite Holdings, LLC, and consists of two investments: Horizons-1 and Horizons-2. See Management s Discussion and Analysis of Financial Condition and Results of Operations Off-Balance Sheet Arrangements.

New Dawn

In June 2008, we entered into a project and shareholders agreement with Convergence SPV Ltd. (Convergence Partners) pursuant to which New Dawn Satellite Company Ltd (New Dawn), a recently formed Mauritius company in which we have a 74.9% indirect ownership interest and Convergence Partners has

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a 25.1% noncontrolling ownership interest, intends to procure and launch a new satellite to provide satellite transponder services to customers in Africa. We account for the percentage interest in New Dawn owned by Convergence Partners as minority interest.

Review and Approval of Related Party Transactions

We review all relationships and transactions in which we and our directors, executive officers or any beneficial owner of greater than 5% of Intelsat Global s common shares or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. Our legal staff is primarily responsible for the development and implementation of processes and controls to obtain information from our directors and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether we or a related person has a direct or indirect material interest in the transaction. As required under SEC rules, transactions that are determined to be directly or indirectly material to us or a related person are disclosed in our Annual Report on Form 10-K. Our audit committee charter also provides for the review of related party transactions by our audit committee.

In addition, we and our board of directors follow the requirements set forth in the transactions with affiliates covenant contained in our indentures and credit agreement. In summary, these agreements provide that we will not, and we will not permit any of our restricted subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of our properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with or for the benefit of, any affiliate (as defined in the agreements) involving aggregate consideration in excess of specified thresholds, unless we determine that the terms of such transaction are not materially less favorable to such company than those that could have been obtained in a comparable transaction by such company with an unrelated person and that the terms of such transaction are substantially as favorable to such company as it would obtain in a comparable arm s-length transaction with a person that is not an affiliate, subject to certain exceptions specified in such agreements. Copies of our indentures and credit agreement are on file with the SEC as exhibits to our periodic filings.

Director Independence

We are a privately held corporation. Under current rules of public trading markets, such as the NASDAQ and the New York Stock Exchange, none of our directors would be deemed to be independent , as each of them is either associated with the New Sponsors or is a member of our management.

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PRINCIPAL SHAREHOLDERS

Intelsat S.A. is an indirect, wholly-owned subsidiary of Intelsat Global. Shares of Intelsat Global are currently held by the New Sponsors and certain members of our management and other designated employees.

The members of Intelsat S.A. s board of directors nominated by a New Sponsor may be deemed to beneficially own shares owned by such New Sponsors. The following table and accompanying footnotes show information regarding the beneficial ownership of Intelsat Global s common shares by:

- each person known by us to beneficially own 5% or more of Intelsat Global s outstanding common shares;
- each of Intelsat Global s and our directors;
- each Named Executive Officer; and
- all directors and executive officers as a group.

The percentage of beneficial ownership set forth below is based on approximately 14,909,421.47 Intelsat Global Class A common shares and 848,321.00 Class B common shares issued and outstanding as of December 19, 2011. All Class A common and Class B common shares listed in the table below are entitled to one vote per share, unless otherwise indicated in the notes thereto. Unless otherwise indicated, the address of each person named in the table below is c/o Intelsat Global S.A., 4, rue Albert Borschette, L-1246 Luxembourg.

Name of Beneficial Owner:	Number of Class A Common Shares Beneficially Owned(1)	% of Class A Common Shares Beneficially Owned(1)	Number of Class B Common Shares Beneficially Owned(1)	% of Class B Common Shares Beneficially Owned(1)	Number of All Voting Shares Beneficially Owned(1)	% of All Voting Shares Beneficially Owned(1)
Funds advised by BC Partners(2)	11,330,000.04	76.0%			11,330,000.04	71.9%
Funds advised by Silver Lake Partners(3)	2,489,976.25	16.7%			2,489,976.25	15.8%
David McGlade(4)	304,449.12	2.0%	319,472.00	37.7%	623,921.12	3.9%
Phillip Spector(5)	101,691.21	*	80,679.00	9.5%	182,370.21	1.2%
Michael McDonnell(6)	*	*	80,679.00	9.5%	*	*
Stephen Spengler(7)	*	*	47,320.00	5.6%	*	*
Thierry Guillemin(8)	*	*	30,758.00	3.6%	*	*
Directors and Executive Officers as a Group (12 persons)(9)	14,260,141.50	95.2%	558,908.00	65.9%	14,819,049.50	93.6%

* Represents beneficial ownership of less than one percent of common shares outstanding.

(1) The amounts and percentages of Intelsat Global s common shares beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within sixty days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has an economic interest.

(2) Represents shares held by BC European Capital VIII funds, BC European Capital Intelsat Co-Investment and Intelsat Co-Investment 1 and BC European Capital Intelsat Syndication L.P.

(3) Represents shares held by Silver Lake Partners III, L.P. and Silver Lake Technology Investors III, L.P.

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(4) Includes shares held by The David P. McGlade 2009 GRAT dated May 12, 2009, The David P. McGlade 2010 GRAT dated August 24, 2010, The David P. McGlade 2011 GRAT dated August 25, 2011 and McGlade Investments II, LLC. Mr. McGlade exercises voting power over these shares. Mr. McGlade also holds options entitling him to purchase 45,638.67 Class A common shares within sixty days of December 19, 2011. A portion of these shares and options is subject to vesting and other restrictions described in Management Executive Compensation Compensation Discussion and Analysis.

(5) Includes shares held by The Phillip L. Spector Trust U/A dated 12/21/07, The Phillip L. Spector 2007 Family Trust, The Phillip L. Spector GRAT#2, The Phillip L. Spector GRAT#3, The Adam L. Spector 2011 Descendants Trust U/A dated September 30, 2011 and The David L. Spector 2011 Descendants Trust U/A dated September 30, 2011. Mr. Spector exercises voting power over these shares. Mr. Spector also holds options entitling him to purchase 11,525.67 Class A common shares within sixty days of December 19, 2011. A portion of these shares and options is subject to vesting and other restrictions described in Management Executive Compensation Compensation Discussion and Analysis.

(6) Includes shares held by The McDonnell 2010 GRAT and The McDonnell 2011 GRAT, over which Mr. McDonnell exercises voting power. Mr. McDonnell also holds options entitling him to purchase 2,881.00 Class A common shares within sixty days of December 19, 2011. A portion of these shares and options is subject to vesting and other restrictions as described in Management Executive Compensation Compensation Discussion & Analysis.

(7) Mr. Spengler exercises voting power over 16,237.41 Class A common shares and 47,320.00 Class B common shares, and holds options entitling him to purchase 6,760.00 Class A common shares within sixty days of December 19, 2011. A portion of these shares and options is subject to vesting and other restrictions as described in Management Executive Compensation Compensation Discussion and Analysis. Mr. Spengler s business address is 3400 International Drive, N.W., Washington, D.C. 20008.

(8) Mr. Guillemin exercises voting power over 3,044.47 Class A common shares and 30,758.00 Class B common shares, and holds options entitling him to purchase 4,394.00 Class A common shares within 60 days of December 19, 2011. A portion of these shares and options is subject to vesting and other restrictions as described in Management Executive Compensation Compensation Discussion and Analysis. Mr. Guillemin s business address is 3400 International Drive, N.W., Washington, D.C. 20008.

(9) Directors and executive officers as a group hold 368,257.87 Class A common shares, 558,908.00 Class B common shares and options and share-based compensation arrangements entitling them to purchase 71,907.34 Class A common shares that are exercisable within sixty days of December 19, 2011 under applicable vesting schedules.

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DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of our outstanding indebtedness other than the notes. The following summary does not reflect some of the name changes effected in connection with the Migration. For additional information regarding our historical debt and other financing arrangements, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

Intelsat Jackson Senior Secured Credit Facilities

On January 12, 2011, Intelsat Jackson, our wholly-owned subsidiary, entered into the Intelsat Jackson Secured Credit Agreement, which includes a $3.25 billion term loan facility maturing in April 2018 and a $500.0 million revolving credit facility with a five year maturity, and borrowed the full $3.25 billion available under the term loan facility.

The term loan facility requires regularly scheduled quarterly payments of principal equal to 0.25% of the original principal amount of the term loan, beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity on April 2, 2018. Up to $350.0 million of the revolving credit facility is available for issuance of letters of credit. Additionally, up to $70.0 million of the revolving credit facility is available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans reduce availability under the revolving credit facility on a dollar for dollar basis. Intelsat Jackson is required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 0.375%.

As of September 30, 2011, Intelsat Jackson had $462.0 million (net of standby letters of credit) of availability remaining under its revolving credit facility. On August 3, 2011, we borrowed $200.0 million under the Intelsat Jackson revolving credit facility and on August 19, 2011 we repaid this amount, together with accrued interest.

Interest rates for borrowings under the term loan facility and the revolving credit facility range from (i) the LIBOR plus 3.50% to the LIBOR plus 3.75%, or (ii) the ABR plus 2.50% to the ABR plus 2.75%, depending on the ratio of Intelsat Jackson s consolidated total debt to consolidated EBITDA, as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement. The LIBOR and the ABR, plus the applicable margins, are determined as specified in the Intelsat Jackson Secured Credit Agreement and the LIBOR will not be less than 1.50% per annum.

The Intelsat Jackson Secured Credit Agreement includes two financial covenants. Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio of less than or equal to 3.50 to 1.00 at the end of each fiscal quarter as well as a consolidated EBITDA to consolidated interest expense ratio of greater than or equal to 1.75 to 1.00 at the end of each fiscal quarter, in each case as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement. We were in compliance with these financial maintenance covenant ratios with a consolidated secured debt to consolidated EBITDA ratio of 1.48 to 1.00 and a consolidated EBITDA to consolidated interest expense ratio of 2.74 to 1.00 as of September 30, 2011. In the event we were to fail to comply with these financial maintenance covenant ratios and were unable to obtain waivers, we would default under the Intelsat Jackson Secured Credit Agreement, and the lenders under the Intelsat Jackson Secured Credit Agreement could accelerate our obligations thereunder, which would result in an event of default under our existing notes and the Intelsat Jackson Unsecured Credit Agreements.

Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement are guaranteed by Intelsat Luxembourg, the direct parent of Intelsat Jackson, pursuant to the Intelsat Jackson Secured Credit Agreement and by certain of Intelsat Jackson s subsidiaries pursuant to a Guarantee dated as of January 12, 2011. Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement are secured by a first priority security interest in substantially all of the assets of Intelsat Jackson and the guarantors, to the extent legally permissible and subject to certain agreed exceptions, and by a pledge of the equity interests of the subsidiary guarantors and the direct subsidiaries of each guarantor, subject to certain exceptions, including exceptions for equity interests in certain non-U.S. subsidiaries, existing contractual prohibitions and prohibitions under other legal requirements.

Intelsat Jackson Senior Unsecured Credit Agreement

Intelsat Jackson is party to a senior unsecured credit agreement, referred to as the Intelsat Jackson Senior Unsecured Credit Agreement, which includes a senior unsecured term loan facility due 2014 with $195.2 million outstanding at September 30, 2011. Pursuant to the Intelsat Bermuda Transfer, the Intelsat Jackson Senior Unsecured Credit Agreement was transferred to Intelsat Jackson, and Intelsat Bermuda executed a supplemental agreement pursuant to which it became a guarantor of the Intelsat Jackson Senior Unsecured Credit Agreement.

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement bear interest at either (i) LIBOR plus 250 basis points or (ii) the ABR, which is the rate for any day equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1.00% and (b) the rate of interest in effect for such day as its prime rate, plus 150 basis points.

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement are prepayable at any time without premium or penalty. With respect to a change of control or asset sales, the Intelsat Jackson Senior Unsecured Credit Agreement contains substantially the same prepayment provisions as apply to Intelsat Jackson s 9 1/2% Senior Notes due 2016.

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement are guaranteed by Intelsat S.A., Intelsat Luxembourg and all of Intelsat Jackson s subsidiaries that guarantee Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement.

The Intelsat Jackson Senior Unsecured Credit Agreement contains substantially the same covenants and events of default as apply to Intelsat Jackson s 11 1/4% Senior Notes due 2016.

New Intelsat Jackson Senior Unsecured Credit Agreement

On July 1, 2008, Intelsat Jackson entered into a senior unsecured credit agreement, referred to as the New Intelsat Jackson Senior Unsecured Credit Agreement, consisting of a senior unsecured term loan facility due 2014 with $810.9 million outstanding as of September 30, 2011. Intelsat Jackson used the proceeds from the borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement, together with cash on hand, to repay loans tendered in a change of control offer relating to the Intelsat Jackson Senior Unsecured Credit Agreement. The New Intelsat Jackson Senior Unsecured Credit Agreement and the Intelsat Jackson Senior Unsecured Credit Agreement are referred to together as the Intelsat Jackson Unsecured Credit Agreements.

Borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement bear interest at either (i) LIBOR plus 300 basis points or (ii) the ABR, which is the rate for any day equal to the higher of (a) the Federal Funds Rate plus 50 basis points or (b) the prime rate, plus 200 basis points.

Borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement are prepayable at any time without premium or penalty. With respect to a change of control or asset sales, the New Intelsat Jackson Senior Unsecured Credit Agreement contains substantially the same prepayment provisions as apply to Intelsat Jackson s 9 1/2% Senior Notes due 2016.

Borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement are guaranteed by Intelsat S.A., Intelsat Luxembourg and all of Intelsat Jackson s subsidiaries that guarantee Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement.

The New Intelsat Jackson Senior Unsecured Credit Agreement contains substantially the same covenants and events of default as apply to Intelsat Jackson s 11 1/4% Senior Notes due 2016.

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2006 Jackson Notes

On July 3, 2006, in connection with the PanAmSat Acquisition Transactions, Intelsat Bermuda, our wholly-owned subsidiary, issued $1.33 billion in aggregate principal amount of its 11 1/4% Senior Notes due 2016, referred to as the 2006 Jackson Notes, in a private placement to initial purchasers that resold the notes pursuant to Rule 144A in the United States and in accordance with Regulation S outside of the United States. On April 5, 2007, Intelsat Bermuda exchanged substantially all of the unregistered 2006 Jackson Notes for notes registered under the Securities Act, through an exchange offer conducted pursuant to registration rights agreements entered into with the initial purchasers of the 2006 Jackson Notes.

In connection with the Sponsors Acquisition, Intelsat Bermuda transferred the 2006 Jackson Notes to Intelsat Jackson, which then became the obligor on the 2006 Jackson Notes. Following the transfer, Intelsat Bermuda became a guarantor of the 2006 Jackson Notes.

Interest is payable on the 2006 Jackson Notes semi-annually on June 15 and December 15. At any time prior to June 15, 2011, Intelsat Jackson was permitted to redeem some or all of the 2006 Jackson Notes at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes. Now, Intelsat Jackson may redeem some or all of the respective notes at the applicable redemption prices set forth in the respective notes.

The 2006 Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness. The 2006 Jackson Notes are guaranteed by Intelsat S.A. and Intelsat Luxembourg, each of which are wholly-owned subsidiaries of ours.

The consummation of the Sponsors Acquisition resulted in a change of control under the indentures governing the 2006 Jackson Notes, giving the holders the right to require Intelsat Jackson to repurchase such notes at 101% of their principal amount, plus accrued interest to the date of repurchase. On July 1, 2008, Intelsat Jackson repurchased $281.8 million of the 2006 Jackson Notes pursuant to change of control offers.

As of September 30, 2011, $1.0 billion in aggregate principal amount of the 2006 Jackson Notes was outstanding.

Covenants

The terms of the 2006 Jackson Notes include the following covenants:

- a limitation on Intelsat Jackson s and some of its subsidiaries ability to incur additional debt or issue disqualified or preferred stock;
- a limitation on Intelsat Jackson s and some of its subsidiaries ability to pay dividends or repurchase Intelsat Jackson s ordinary shares;
- a limitation on Intelsat Jackson s and some of its subsidiaries ability to make certain investments;
- a limitation on Intelsat Jackson s and some of its subsidiaries ability to enter into transactions with affiliates;
- a limitation on merger, consolidation and sale of our assets, applicable to Intelsat Jackson and some of its subsidiaries; and
- a limitation on Intelsat Jackson s and some of its subsidiaries ability to incur liens on any of our assets securing other indebtedness, unless the 2006 Jackson Notes are equally and ratably secured.

Events of Default

The 2006 Jackson Notes contain events of default with respect to:

default in payments of interest after a 30-day grace period or a default in the payment of principal when due;

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- default in the performance of any covenant in the indenture that continues for more than 60 days after notice of default has been provided to Intelsat Jackson;

- failure to make any payment when due, including applicable grace periods, under any indebtedness for money borrowed by Intelsat S.A., Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of $75 million;

- the acceleration of the maturity of any indebtedness for money borrowed by Intelsat S.A., Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of $75 million;

- insolvency or bankruptcy of Intelsat S.A., Intelsat Jackson or a significant subsidiary thereof; and

- failure by Intelsat S.A., Intelsat Jackson or a significant subsidiary thereof to pay final judgments aggregating in excess of $75 million, which are not discharged, waived or stayed for 60 days after the entry thereof.

If any event of default occurs and is continuing with respect to the applicable 2006 Jackson Notes, the trustee or the holders of at least 25% in principal amount of the applicable 2006 Jackson Notes may declare the entire principal amount of the applicable 2006 Jackson Notes to be immediately due and payable. If any event of default with respect to the 2006 Jackson Notes occurs because of events of bankruptcy, insolvency or reorganization, the entire principal amount of the 2006 Jackson Notes will be automatically accelerated, without any action by the trustee or any holder.

2008 Jackson Notes

On July 1, 2008, Intelsat Jackson issued $701.9 million of 9 1/2% Senior Notes due 2016. These notes are guaranteed by Intelsat S.A., Intelsat Luxembourg and all of Intelsat Jackson s subsidiaries that guarantee Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement. The proceeds of these notes were used, together with cash on hand, to fund the repurchase of the 2006 Jackson Notes tendered in change of control offers. These notes have covenants and events of default substantially similar to those of the 2006 Jackson Notes.

As of September 30, 2011, Intelsat Jackson has $701.9 million in aggregate principal amount of its 9 1/2% Senior Notes due 2016 outstanding.

2019 Jackson 8 1/2% Notes

On October 20, 2009, Intelsat Jackson issued $500.0 million of 8 1/2% Senior Notes due 2019 (the 2019 Jackson Notes). These notes are guaranteed by Intelsat S.A., Intelsat Luxembourg and all of Intelsat Jackson s subsidiaries that guarantee Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement. The 2019 Jackson Notes have covenants and events of default substantially similar to those of the 2006 Jackson Notes.

2020 Jackson Notes

On September 30, 2010, Intelsat Jackson issued $1.0 billion aggregate principal amount of 7 1/4% Senior Notes due 2020. These notes are guaranteed by Intelsat S.A., Intelsat Luxembourg and all of Intelsat Jackson s subsidiaries that guarantee Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement. The 2020 Jackson Notes have covenants and events of default substantially similar to those of the 2006 Jackson Notes.

2017 Luxembourg Notes

On June 27, 2008, Intelsat Luxembourg, our wholly-owned subsidiary, issued $2.81 billion aggregate principal amount of 2017 Senior Notes and $2.23 billion aggregate principal amount of 2017 PIK Notes (collectively, the 2017 Luxembourg Notes).

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The 2017 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s existing and future senior indebtedness and is senior in right of payment to any future subordinated indebtedness of Intelsat Luxembourg. The 2017 Luxembourg Notes are effectively subordinated to any secured indebtedness of Intelsat Luxembourg to the extent of the value of the assets securing such secured indebtedness and are effectively subordinated to any indebtedness and other liabilities of any subsidiaries of Intelsat Luxembourg. No subsidiaries of Intelsat Luxembourg guaranteed the 2017 Luxembourg Notes. Intelsat S.A. guarantees the 2017 Luxembourg Notes but is under no obligation to continue such guarantee. These notes have covenants and events of default substantially similar to those of the 2006 Jackson Notes.

Intelsat S.A. Senior Notes due 2013

On November 7, 2003, Intelsat, Ltd. (now known as Intelsat S.A.) issued $700.0 million in aggregate principal amount of 6 $^1/2$% Senior Notes due 2013, referred to as the Original 2013 Senior Notes, in a private placement to initial purchasers that resold the notes pursuant to Rule 144A in the United States and in accordance with Regulation S outside of the United States. In February 2004, Intelsat, Ltd. exchanged substantially all of these notes for notes registered under the Securities Act, referred to as the 2013 Senior Notes, after an exchange offer conducted pursuant to a registration rights agreement that Intelsat, Ltd. entered into with the initial purchasers of the Original 2013 Senior Notes. Interest is payable on the 2013 Senior Notes semi-annually on May 1 and November 1 of each year. Intelsat, Ltd. may redeem some or all of the 2013 Senior Notes at any time at the redemption prices set forth in the 2013 Senior Notes. Intelsat, Ltd. may also redeem the outstanding 2013 Senior Notes in whole in the event of certain tax changes affecting such notes, as set forth in the indenture to the 2013 Senior Notes.

The 2013 Senior Notes are senior unsecured obligations of Intelsat S.A. and rank equally with our other senior unsecured indebtedness.

On February 12, 2009, Intelsat Sub Holdco purchased $346.5 million of the 2013 Senior Notes for $254.6 million pursuant to a tender offer. In October 2009, these notes were distributed to Intelsat, Ltd., at which time they were cancelled.

Covenants

The terms of the 2013 Senior Notes include the following covenants:

- a limitation on merger, consolidation and sale of our assets, applicable to Intelsat S.A. and some of its subsidiaries;
- a limitation on the ability of Intelsat S.A. and some of its subsidiaries to incur liens on any of their respective assets securing other indebtedness, unless the 2013 Senior Notes are equally and ratably secured; and
- a limitation on sale leaseback transactions, applicable to Intelsat S.A. and some of its subsidiaries.

On April 22, 2010, Intelsat S.A. completed a consent solicitation that amended certain terms of the indenture governing the 2013 Senior Notes. The most significant amendments replaced the limitation on secured debt covenant, which limited secured debt of Intelsat S.A. and its restricted subsidiaries to 15% of their consolidated net tangible assets (subject to certain exceptions), with a new limitation on liens covenant, which generally limits such secured debt to two times the adjusted EBITDA of Intelsat S.A. plus certain general baskets (subject to certain exceptions), and made certain corresponding changes to the sale and leaseback covenant as a result of the addition of the new limitation on liens covenant.

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Events of Default

The 2013 Senior Notes contain events of default with respect to:

- default in payments of interest after a 30-day grace period or a default in the payment of principal when due;
- default in the performance of any covenant in the indenture that continues for more than 90 days after notice of default has been provided to Intelsat S.A.;
- failure to make any payment when due, including applicable grace periods, under any indebtedness for money borrowed by Intelsat S.A. or a significant subsidiary thereof having a principal amount in excess of $50 million;
- the acceleration of the maturity of any indebtedness for money borrowed by Intelsat S.A. or a significant subsidiary thereof having a principal amount in excess of $50 million; or
- insolvency or bankruptcy of Intelsat S.A. or one of its significant subsidiaries.

If any of these events of default occurs and is continuing with respect to the 2013 Senior Notes, the trustee or the holders of not less than 25% in principal amount of the 2013 Senior Notes may declare the entire principal amount of the 2013 Senior Notes to be immediately due and payable. If any event of default with respect to the 2013 Senior Notes occurs because of events of bankruptcy, insolvency or reorganization, the entire principal amount of the 2013 Senior Notes will be automatically accelerated, without any action by the trustee or any holder.

New Dawn Credit Facilities

On December 5, 2008, New Dawn, a majority owned subsidiary of ours, entered into a $215.0 million secured financing arrangement with an eight year maturity that consists of senior and mezzanine term loan facilities. The credit facilities are non-recourse to New Dawn s shareholders, including us and our wholly-owned subsidiaries, beyond the shareholders scheduled capital contributions. The senior facility provides for a commitment of up to $125.0 million. The interest rate on term loans under the senior facility is the aggregate of LIBOR plus an applicable margin between 3.0% and 4.0% and certain costs, if incurred. The mezzanine facility provides for a commitment of up to $90.0 million. The interest rate on term loans under the mezzanine facility is the aggregate of LIBOR plus an applicable margin between 5.3% and 6.3% and certain costs, if incurred. New Dawn is required to pay a commitment fee at a rate per annum of 0.5% on any unused commitments under the credit facilities. During the year ended December 31, 2010, New Dawn paid $49.3 million of satellite related capital expenditures, and as of September 30, 2011, it had aggregate outstanding borrowings of $187.2 million under its credit facilities.

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DESCRIPTION OF NOTES

General

Capitalized terms used in this Description of Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of Notes section, the *Issuer*, *we*, *us* and *our* mean Intelsat Jackson Holdings S.A. and not any of its Subsidiaries, and *Holdings* means Intelsat S.A. and not any of its Subsidiaries.

The Issuer issued the original notes on April 5, 2011 and will issue up to $2,650,000,000 in aggregate principal amount of new notes, consisting of $1,500,000,000 aggregate principal amount of 7 1/4% senior notes due 2019 (the 2019 notes) and $1,150,000,000 aggregate principal amount of 7 1/2% senior notes due 2021 (the 2021 notes , and together with the 2019 notes, the notes), that will be guaranteed by the Guarantors under an indenture (the *indenture*), dated as of April 5, 2011, among the Issuer, Holdings, Intelsat Luxembourg, the other Guarantors and Wells Fargo Bank, National Association, as Trustee. Copies of the indenture may be obtained from the Issuer upon request. The 2019 notes and the 2021 notes will each be issued as a separate series, but will be treated as a single class for all purposes under the indenture.

The following summary of certain provisions of the indenture and the notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the indenture, including the definitions of certain terms therein and those terms made a part thereof by the TIA.

We may issue additional 2019 notes (additional 2019 notes) and additional 2021 notes (additional 2021 notes , and together with the additional 2019 notes, the additional notes) from time to time without notice or the consent of holders of notes. Any offering of additional notes is subject to the covenant described below under the caption Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Except as otherwise specified herein, all references to the notes include additional notes.

Principal of, premium, if any, and interest on the notes will be payable, and the notes may be exchanged or transferred, at the office or agency of the Issuer as specified in the indenture (which initially shall be the designated corporate trust office of the Trustee), except that, at the option of the Issuer, payment of interest may be made by check mailed to the holders at their registered addresses.

The notes will be issued only in fully registered form, without coupons, in minimum denominations of $2,000 and any integral multiple of $1,000. No service charge will be made for any registration of transfer or exchange of notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Terms of the Notes

Each series of the notes will be senior unsecured obligations of the Issuer. The notes will not be entitled to the benefit of any mandatory sinking fund.

2019 Notes . The 2019 notes will mature on April 1, 2019 at their principal amount, plus accrued and unpaid interest to, but not including, the maturity date. Interest on the 2019 notes will accrue at 7 1/4% per annum and will be payable semi-annually in arrears on April 1 and October 1. Interest will be payable to the holders of record of the 2019 notes on the immediately preceding March 15 and September 15. Interest on the 2019 notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

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2021 Notes. The 2021 notes will mature on April 1, 2021 at their principal amount, plus accrued and unpaid interest to, but not including, the maturity date. Interest on the 2021 notes will accrue at $7^1/_2$% per annum and will be payable semi-annually in arrears on April 1 and October 1. Interest will be payable to the holders of record of the 2021 notes on the immediately preceding March 15 and September 15. Interest on the 2021 notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

2019 Notes . On and after April 1, 2015, the Issuer may redeem the 2019 notes, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on April 1 of the years set forth below:

Period	Redemption Price
2015	103.625%
2016	101.813%
2017 and thereafter	100.000%

In addition, prior to April 1, 2015, the Issuer may redeem the 2019 notes, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address, at a redemption price equal to 100% of the principal amount of the 2019 notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

2021 Notes. On and after April 1, 2016, the Issuer may redeem the 2021 notes, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on April 1 of the years set forth below:

Period	Redemption Price
2016	103.750%
2017	102.500%
2018	101.250%
2019 and thereafter	100.000%

In addition, prior to April 1, 2016, the Issuer may redeem the 2021 notes, at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address, at a redemption price equal to 100% of the principal amount of the 2021 notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

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Optional Redemption Upon Equity Offering. Notwithstanding the foregoing, at any time and from time to time on or prior to April 1, 2014, the Issuer may redeem in the aggregate up to 35% of the aggregate principal amount of the notes (calculated after giving effect to any issuance of additional notes) with the net cash proceeds of one or more Equity Offerings by the Issuer or by any Parent of the Issuer, in each case, to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, or from the cash contribution of equity capital to the Issuer, at a redemption price equal to (i) 107.250% of the principal amount thereof in the case of the 2019 notes and (ii) 107.500% of the principal amount thereof in the case of the 2021 notes, plus, in each case, accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 65% of the original aggregate principal amount of the applicable series of notes (calculated after giving effect to any issuance of any applicable series of additional notes) must remain outstanding after each such redemption; and *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering or cash contribution of equity capital to the Issuer is consummated upon not less than 30 nor more than 60 days prior notice mailed to each holder of notes being redeemed and otherwise in accordance with the procedures set forth in the indenture.

Notice of any redemption may, at the Issuer s discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering.

The Issuer, its Subsidiaries or any Parent of the Issuer may at any time and from time to time purchase notes in the open market or otherwise. The Issuer may also redeem the notes under the circumstances described below under Redemption for Taxation Reasons.

Payment of Additional Amounts

If the Issuer (or any Guarantor) or other applicable withholding agent is required by law to deduct or withhold taxes imposed by Luxembourg or another Relevant Tax Jurisdiction on payments to holders under or with respect to the notes or any Guarantee, the Issuer or such Guarantor will pay additional amounts on those payments to the extent described in this section. *Relevant Tax Jurisdiction* means Luxembourg, or another jurisdiction in which the Issuer or a Guarantor, if any, or a successor of any of them, is organized, is resident or engaged in business for tax purposes or through which payments are made on or in connection with the notes or Guarantees.

The Issuer (or any Guarantor) will pay or cause to pay to any holder so entitled all additional amounts that may be necessary so that every net payment of interest, principal, premium or other amount on that note will not be less than the amount provided for in that note. *Net payment* refers to the amount the Issuer or any paying agent pays the holder after deducting or withholding an amount for or on account of any present or future tax, assessment or other governmental charge imposed with respect to that payment by a taxing authority (including any withholding or deduction attributable to additional amounts payable hereunder).

The Issuer (and any Guarantor) will also indemnify and reimburse holders for

- taxes (including any interest, penalties and related expenses) imposed on the holders by a Relevant Tax Jurisdiction if and to the same extent that a holder would have been entitled to receive additional amounts if the Issuer (or any Guarantor) had been required to deduct or withhold those taxes from payments on the notes or with respect to any Guarantee; and

- stamp, court, documentary or similar taxes or charges (including any interest, penalties and related expenses) imposed by a Relevant Tax Jurisdiction in connection with the notes or the execution, delivery, enforcement, registration of the notes, or payment under or with respect to other related documents and obligations (including the Guarantees).

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This obligation to pay additional amounts is subject to several important exceptions, however. The Issuer (or any Guarantor) will not pay additional amounts to any holder for or on account of any of the following:

- any tax, assessment or other governmental charge imposed solely because at any time there is or was a connection between the holder (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of or possessor of power over the relevant holder if the holder is an estate, nominee, trust, partnership, limited liability company, or corporation) and the jurisdiction imposing the tax (other than the mere receipt of a payment or the acquisition, ownership, disposition or holding of, or enforcement of rights under, a note);

- any estate, inheritance, gift or any similar tax, assessment or other governmental charge;

- any tax, assessment or other governmental charge imposed solely because the holder (or if the holder is not the beneficial owner, the beneficial owner) that is legally able to do so fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the taxing jurisdiction of the holder or any beneficial owner of the note, if compliance is required by law or by an applicable income tax treaty to which the jurisdiction imposing the tax is a party, as a precondition to exemption from the tax, assessment or other governmental charge and the Issuer has given the holders at least 60 days notice that holders will be required to provide such information and identification;

- any tax, assessment or other governmental charge with respect to a note presented for payment more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holder of the note would have been entitled to additional amounts on presenting the note for payment on any date during the 30-day period; and

- any withholding or deduction imposed on a payment to an individual or residual entity that is required to be made pursuant to the European Union Directive on the taxation of savings income (2003/48/EC), which was adopted by the ECOFIN Council on June 3, 2003, or any law implementing or complying with, or introduced in order to conform to, such Directive (including as it may be amended including pursuant to the amending proposal (164731/1/09 FISC REV 1 as corrected by 16473/1/09 FISC REV 1 COR1) or the Luxembourg laws of June 21, 2005 and December 23, 2005.

The obligations described under this heading will survive any termination, defeasance or discharge of the indenture and will apply *mutatis mutandis* to any successor Person to the Issuer or a Guarantor and to any jurisdiction in which such successor is organized, doing business or is otherwise resident for tax purposes or any jurisdiction from or through which payment is made by such successor or its respective agents. Whenever the indenture or this Description of Notes refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any note or under any Guarantee, such reference includes the payment of additional amounts or indemnification payments as described hereunder, if applicable.

Redemption for Taxation Reasons

The Issuer will be entitled, at its option, to redeem the notes in whole if at any time it becomes obligated to pay additional amounts on any notes on the next interest payment date with respect to such notes, but only if its obligation results from a change in, or an amendment to, the laws or treaties (including any regulations or rulings promulgated thereunder) of a Relevant Tax Jurisdiction (or a political subdivision or taxing authority thereof or therein), or from a change in any official position regarding the interpretation, administration or application of those laws, treaties, regulations or rulings (including a change resulting from a holding, judgment or order by a court of competent jurisdiction), that becomes effective or is announced after the Issue Date (or, if the Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a later date, after such later date) and provided the Issuer cannot avoid the obligation after taking reasonable measures to do so. If the Issuer redeems the notes in these circumstances, it will do so at a redemption price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest and additional interest, if any, and any other amounts due to the redemption date.

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If the Issuer becomes entitled to redeem the notes in these circumstances, it may do so at any time on a redemption date of its choice. However, the Issuer must give the holders of the notes being redeemed notice of the redemption not less than 30 days or more than 60 days before the redemption date and not more than 90 days before the next date on which it would be obligated to pay additional amounts. In addition, the Issuer s obligation to pay additional amounts must remain in effect when it gives the notice of redemption. Notice of the Issuer s intent to redeem the notes shall not be effective until such time as it delivers to the Trustee both a certificate signed by two of its officers stating that the Issuer s obligation to pay additional amounts cannot be avoided by taking reasonable measures and an opinion of independent legal counsel or an independent auditor of recognized international standing stating that the Issuer is obligated to pay additional amounts because of an amendment to or change in law, treaties or position as described in the preceding paragraph.

Selection

In the case of any partial redemption, selection of the notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which such notes are listed, or if such notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); *provided* that no notes of $2,000 or less shall be redeemed in part. If any note is to be redeemed in part only, the notice of redemption relating to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. On and after the redemption date, interest will cease to accrue on notes or portions thereof called for redemption so long as the Issuer has deposited with the paying agent funds sufficient to pay the principal of, plus accrued and unpaid interest and additional interest (if any) on, the notes to be redeemed. Any redemption and notice thereof may, at the Issuer s discretion, be subject to one or more conditions precedent.

Ranking

The Indebtedness evidenced by the notes will be senior unsecured Indebtedness of the Issuer, will rank pari passu in right of payment with all existing and future senior Indebtedness of the Issuer and will be senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer. The notes will also be effectively subordinated to any Secured Indebtedness of the Issuer to the extent of the value of the assets securing such Secured Indebtedness.

The Indebtedness evidenced by the Guarantees of the notes will be senior unsecured Indebtedness of the applicable Guarantor, will rank pari passu in right of payment with all existing and future senior Indebtedness of such Guarantor and will be senior in right of payment to all existing and future Subordinated Indebtedness of such Guarantor. The Guarantees will also be effectively subordinated to any Secured Indebtedness of the applicable Guarantor to the extent of the value of the assets securing such Secured Indebtedness.

At September 30, 2011:

(1) the Issuer and its Subsidiaries, excluding our New Dawn joint venture, had approximately $10.2 billion aggregate principal amount of Indebtedness (including the notes) ranking pari passu with the notes outstanding on a consolidated basis, approximately $3.3 billion of which was Secured Indebtedness (including capital leases but excluding unused commitments);

(2) the Issuer did not have any Subordinated Indebtedness outstanding;

(3) the Issuer s Subsidiaries, excluding our New Dawn joint venture, had approximately $9.2 billion of third-party Indebtedness outstanding (including guarantees of the notes); and

(4) the Issuer s Subsidiaries that are not Guarantors of the notes had approximately $261 million of third-party Indebtedness outstanding, all of which was effectively senior to the notes.

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In addition, as of September 30, 2011, excluding our New Dawn joint venture, (x) Intelsat Luxembourg had approximately $15.5 billion principal amount of Indebtedness on a consolidated basis and (y) Holdings had approximately $15.9 billion aggregate principal amount of Indebtedness on a consolidated basis, in each case, approximately $3.3 billion of which was Secured Indebtedness.

Although the indenture contains limitations on the amount of additional Indebtedness which the Issuer and its Subsidiaries may Incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Secured Indebtedness. See Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens.

Substantially all of the operations of the Issuer are conducted through its Subsidiaries. Unless any such Subsidiary is a Guarantor, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Issuer, including holders of the notes. The notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that are not Guarantors. Although the indenture limits the Incurrence of Indebtedness by and the issuance of Disqualified Stock and Preferred Stock of certain of the Issuer s Subsidiaries, such limitation is subject to a number of significant qualifications. See Risk Factors Risk Factors Relating to Our Indebtedness and the Notes.

Guarantees

Each of the Issuer s direct and indirect Restricted Subsidiaries that guarantees Indebtedness under the Credit Agreement (other than any License Subsidiary) will jointly and severally irrevocably and unconditionally guarantee on a senior unsecured basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the indenture and the notes, whether for payment of principal of, premium, if any, or interest or additional interest on the notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Guarantors being herein called the *Guaranteed Obligations*). Such Guarantors will agree to pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the holders in enforcing any rights under the Guarantees.

Each Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering the Guarantee, as it relates to such Guarantor, voidable under applicable law relating to corporate benefit, fraudulent conveyance, fraudulent transfer or similar laws affecting the rights of creditors generally. The Issuer will cause each Restricted Subsidiary (unless such Subsidiary is a Receivables Subsidiary or any License Subsidiary) that guarantees certain Indebtedness to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the notes on a senior unsecured basis. See Certain Covenants Future Guarantors.

Each Guarantee will be a continuing guarantee and, subject to the next succeeding paragraph, shall:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) be binding upon each such Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

A Guarantee of a Subsidiary Guarantor will be automatically released and discharged upon:

(1) (a) the sale, disposition or other transfer (including through merger, amalgamation or consolidation) of the Capital Stock (including any sale, disposition or other transfer following which an applicable Subsidiary Guarantor is no longer a Restricted Subsidiary), or all or substantially all the assets, of the applicable Subsidiary Guarantor if such sale, disposition or other transfer is made in compliance with the indenture;

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(b) the Issuer designating a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the provisions set forth under Certain Covenants Limitation on Restricted Payments and the definition of Unrestricted Subsidiary ;

(c) in the case of any Restricted Subsidiary which, after the Issue Date, is required to guarantee the notes pursuant to the covenant described under Certain Covenants Future Guarantors, the release or discharge of the guarantee by such Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer or such Restricted Subsidiary or the repayment of the Indebtedness, in each case, which resulted in the obligation to guarantee the notes; or

(d) the Issuer s exercise of its legal defeasance option or covenant defeasance option as described under Defeasance, or if the Issuer s obligations under the indenture are discharged in accordance with the terms of the indenture; and

(2) in the case of clause (1)(a) above, such Subsidiary Guarantor is released from its guarantees, if any, of, and all pledges and security, if any, granted in connection with, the Credit Agreement and any other Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer.

A Guarantee also will be automatically released upon the applicable Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Bank Indebtedness or other exercise of remedies in respect thereof.

On the date of issuance of the notes, the Subsidiary Guarantors will be each of the Issuer s direct and indirect Restricted Subsidiaries that guarantees Indebtedness under the Credit Agreement. Any Parent of the Issuer may guarantee the notes, but no value should be assigned to such guarantee, such guarantor will not be subject to the covenants of the Indenture and such guarantee may be released at any time. Upon issuance thereof, the notes will be unconditionally guaranteed by Holdings and Intelsat Luxembourg. Holdings and Intelsat Luxembourg are not subject to the covenants in the indenture and you should not assign any value to such guarantees.

Change of Control

Upon the occurrence of any of the following events (each, a *Change of Control*), each holder will have the right to require the Issuer to repurchase all or any part of such holder s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuer has previously elected to redeem notes as described under Optional Redemption :

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders, and other than any transaction in compliance with the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets where the Successor Company is a Wholly-Owned Subsidiary of a Parent of the Issuer; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, amalgamation, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the

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Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer or any Parent of the Issuer.

Notwithstanding the foregoing, none of (i) the PanAmSat Acquisition and the Acquisition (and any related change in the composition of the Board of Directors of Holdings in connection therewith), (ii) any Specified Merger/Transfer Transaction or (iii) any Subsidiary Transfer Transaction, shall constitute a Change of Control.

Within 90 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the notes as described under Optional Redemption, the Issuer shall mail a notice (a *Change of Control Offer*) to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Issuer, consistent with this covenant, that a holder must follow in order to have its notes purchased.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes validly tendered and not withdrawn under such Change of Control Offer.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this paragraph by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between the Issuer and the Initial Purchasers. The Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer could decide to do so in the future. Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the capital structure or credit ratings of the Issuer or any of its affiliates.

The Credit Agreement, the Intelsat Jackson Unsecured Credit Agreement, the New Intelsat Jackson Unsecured Credit Agreement and the indentures governing our existing and future notes contain or will contain, and other existing and future indebtedness of the Issuer and its Subsidiaries may contain, prohibitions on the occurrence of certain events that would constitute a Change of Control or require such indebtedness to be repaid or purchased upon a Change of Control. There can be no assurance that sufficient funds will be available when necessary to make any required purchases. The Credit Agreement, the Intelsat Jackson Unsecured Credit Agreement and the New Intelsat Jackson Unsecured Credit Agreement do not, and other existing and future indebtedness may not, permit the Issuer s Subsidiaries to pay dividends or make distributions to the Issuer for the purpose of purchasing notes in the event of a Change of Control. Even if sufficient funds were otherwise available, the terms of certain of the Issuer s indebtedness and other future indebtedness could prohibit the prepayment of notes prior to their scheduled maturity. Consequently, if the Issuer is not able to prepay such indebtedness, it will be unable to fulfill its repurchase obligations if holders of notes exercise their repurchase rights following a Change of Control. The failure to make or consummate the Change of Control Offer or pay the purchase price when due will give the Trustee and the holders the rights described under Events of Default. In the event that the Issuer is required to purchase outstanding notes pursuant to a Change of Control Offer, the Issuer expects to seek third-party financing to the extent it lacks available funds to meet its purchase obligations. However, there can be no assurance that we would be able to obtain such financing.

The definition of Change of Control includes a phrase relating to the sale, lease or transfer of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole. Although there is a developing body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Issuer to repurchase such notes as a result of a sale, lease or transfer of less than all of the assets of the Issuer and its Subsidiaries, taken as a whole, to another Person may be uncertain.

Certain Covenants

The indenture contains provisions in respect of certain covenants including, among others, those summarized below:

Suspension of Covenants. During any period of time that: (i) the notes have Investment Grade Ratings from two Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing under the indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a *Covenant Suspension Event*), the Issuer and the Restricted Subsidiaries will not be subject to the following provisions of the indenture:

(1) Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(2) Limitation on Restricted Payments ;

(3) Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries ;

(4) Asset Sales ;

(5) Transactions with Affiliates ;

(6) clause (4) of the first paragraph of Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets ;

(7) Future Guarantors ; and

(8) Maintenance of Insurance

(collectively, the *Suspended Covenants*). Upon the occurrence of a Covenant Suspension Event, any Guarantees of the Subsidiary Guarantors, if any, will also be suspended as of such date (the *Suspension Date*). In the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the *Reversion Date*) one or both of the Rating Agencies withdraws its Investment Grade Rating or downgrades the rating assigned to the notes below an Investment Grade Rating, then the Issuer and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events and the Guarantees, if any, of any Subsidiary Guarantors will be reinstated if such guarantees are then required by the terms of the indenture. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the *Suspension Period*. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

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On the Reversion Date, all Indebtedness Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified as having been Incurred or issued pursuant to the first paragraph of Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock below or one of the clauses set forth in the second paragraph of Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock below (to the extent such Indebtedness or Disqualified Stock or Preferred Stock would be permitted to be Incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness or Disqualified Stock or Preferred Stock would not be so permitted to be Incurred or issued pursuant to the first or second paragraph of Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, such Indebtedness or Disqualified Stock or Preferred Stock will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (c) of the second paragraph of Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Limitation on Restricted Payments will be made as though the covenant described under Limitation on Restricted Payments had been in effect since the Issue Date (with amounts calculated from the respective dates specified in that covenant and the related definitions) and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of Limitation on Restricted Payments. As described above, however, no Default or Event of Default will be deemed to have occurred on the Reversion Date as a result of any actions taken by the Issuer or its Restricted Subsidiaries during the Suspension Period.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The indenture provides that:

(1) the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) the Issuer will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock;

provided, *however*, that the Issuer and any Restricted Subsidiary of the Issuer may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any Restricted Subsidiary may issue shares of Preferred Stock, in each case if the Debt to Adjusted EBITDA Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would be less than or equal to 6.75 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries of the Issuer that are not Guarantors shall not exceed $200.0 million at any one time outstanding (the *Non-Guarantor Exception*).

The foregoing limitations will not apply to (collectively, *Permitted Debt*):

(a) the Incurrence by the Issuer or its Restricted Subsidiaries of Indebtedness under the Credit Agreement and the issuance and creation of letters of credit and bankers acceptances thereunder (with letters of credit and bankers acceptances being deemed to have a principal amount equal to the face amount thereof) up to an aggregate principal amount of $4,000.0 million outstanding at any one time;

(b) the Incurrence by the Issuer and the Guarantors of Indebtedness represented by the notes (not including any additional notes) and the Guarantees, as applicable (and any exchange notes and guarantees thereof);

(c) Indebtedness of the Issuer and its Restricted Subsidiaries existing on the Issue Date, including any Indebtedness Incurred on the Issue Date (other than Indebtedness described in clauses (a) and (b));

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(d) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding that was Incurred pursuant to this clause (d), does not exceed the greater of (x) $450.0 million and (y) 4% of Total Assets of the Issuer at the time of Incurrence;

(e) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers compensation claims;

(f) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or the disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of the indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Issuer to a Restricted Subsidiary; *provided* that any such Indebtedness is subordinated in right of payment to the obligations of the Issuer under the notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an Incurrence of such Indebtedness;

(h) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock;

(i) Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that, if a Guarantor incurs such Indebtedness, and such Indebtedness is owed to a Restricted Subsidiary that is not a Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Guarantor; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an Incurrence of such Indebtedness;

(j) Hedging Obligations (other than for speculative purposes): (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the indenture to be outstanding or (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges;

(k) obligations (including reimbursement obligations with respect to letters of credit and bank guarantees) in respect of performance, bid, appeal and surety bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(l) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate

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principal amount which, when aggregated with the principal amount or liquidation preference of all other Indebtedness and Disqualified Stock then outstanding and Incurred pursuant to this clause (l), does not exceed the greater of (x) $450.0 million and (y) 4% of Total Assets of the Issuer at any one time outstanding (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued under this clause (l) shall cease to be deemed Incurred or outstanding for purposes of this clause (l) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer or the Restricted Subsidiary, as the case may be, could have Incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance upon this clause (l));

(m) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other Obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness or other Obligations by the Issuer or such Restricted Subsidiary is permitted under the terms of the indenture; *provided* that if such Indebtedness is by its express terms subordinated in right of payment to the notes or the Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of such guarantor with respect to such Indebtedness shall be subordinated in right of payment to the notes or such Guarantor s Guarantee, as applicable, substantially to the same extent as such Indebtedness is subordinated to the notes or the Guarantee of such Restricted Subsidiary, as applicable;

(n) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer which serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock as permitted under the first paragraph of this covenant and clauses (b), (c), (d), (n), (o), (s), (t) and (v) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums and fees in connection therewith (subject to the following proviso, *Refinancing Indebtedness*) prior to its respective maturity; *provided*, *however*, that such Refinancing Indebtedness:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that was due on or after the date one year following the last maturity date of any notes then outstanding were instead due on such date one year following the last date of maturity of any notes then outstanding;

(2) to the extent such Refinancing Indebtedness refinances (a) Indebtedness junior to the notes, such Refinancing Indebtedness is junior to the notes, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock;

(3) is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus premium and fees Incurred in connection with such refinancing;

(4) shall not include (x) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Subsidiary Guarantor that refinances Indebtedness of the Issuer or a Restricted Subsidiary that is a Subsidiary Guarantor, or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary; and

(5) in the case of any Refinancing Indebtedness Incurred to refinance Indebtedness outstanding under clause (d) or (t), shall be deemed to have been Incurred and to be outstanding under such clause (d) or (t), as applicable, and not this clause (n) for purposes of determining amounts outstanding under such clauses (d) and (t);

and *provided*, *further*, that subclause (1) of this clause (n) will not apply to any refunding, refinancing or defeasance of (A) the notes or (B) any Secured Indebtedness;

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(o) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged or amalgamated into the Issuer or a Restricted Subsidiary in accordance with the terms of the indenture; *provided*, *however*, that such Indebtedness, Disqualified Stock or Preferred Stock is not Incurred in contemplation of such acquisition, merger or amalgamation; *provided*, *further*, *however*, that after giving effect to such acquisition, merger or amalgamation, either (A) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Debt to Adjusted EBITDA Ratio test set forth in the first paragraph of this covenant or (B) the Debt to Adjusted EBITDA Ratio of the Issuer would be less than or equal to such ratio immediately prior to such acquisition;

(p) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not recourse (except for Standard Securitization Undertakings) to the Issuer or any Restricted Subsidiary other than a Receivables Subsidiary;

(q) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within five Business Days of its Incurrence;

(r) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(s) Contribution Indebtedness;

(t) (1) if the Issuer could Incur $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to such Incurrence, Indebtedness of Restricted Subsidiaries that are not Guarantors not otherwise permitted hereunder or (2) if the Issuer could not Incur $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to such Incurrence, Indebtedness of Restricted Subsidiaries that are not Guarantors Incurred for working capital purposes; *provided*, *however*, that the aggregate principal amount of Indebtedness Incurred under this clause (t), when aggregated with the principal amount of all other Indebtedness then outstanding and Incurred pursuant to this clause (t), does not exceed the greater of (x) $75.0 million and (y) 10% of the Total Assets of the Restricted Subsidiaries of the Issuer that are not Guarantors;

(u) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business; and

(v) Indebtedness of the Issuer or any of its Restricted Subsidiaries Incurred to repay, repurchase or refinance any of the Existing Subsidiary Notes.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock meets the criteria of one or more of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (a) through (v) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, divide, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock in any manner that complies with this covenant and such item of Indebtedness, Disqualified Stock or Preferred Stock will be treated as having been Incurred pursuant to one or more of such clauses or pursuant to the first paragraph hereof; *provided* that all Indebtedness under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred pursuant to clause (a). Accrual of interest, the accretion of accreted value, amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to,

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Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced.

Limitation on Restricted Payments. The indenture provides that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of the Issuer s or any of its Restricted Subsidiaries Equity Interests, including any payment with respect to such Equity Interests made in connection with any merger, amalgamation or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(2) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent of the Issuer;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Indebtedness of the Issuer or any Restricted Subsidiary (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) Indebtedness permitted under clauses (g) and (i) of the second paragraph of the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock); or

(4) make any Restricted Investment

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as *Restricted Payments*), unless, at the time of such Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, the Issuer would have a Debt to Adjusted EBITDA Ratio of less than or equal to 6.0 to 1.0; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after January 28, 2005 (including Restricted Payments permitted by clauses (1), (4) (only to the extent of one-half of the amounts paid pursuant to such clause), (6), (8) and (13)(d) (only to the extent that the Issuer does not designate any such Parent Principal Distributions to reduce the amount of Restricted Payments that may be made in reliance on clause (10)) of the next

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succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the amount equal to the difference between (1) the Cumulative Credit and (2) 1.4 times Cumulative Interest Expense (it being understood that for purposes of calculating Cumulative Interest Expense for this purpose only, any of the Issuer s or its Subsidiaries non-cash interest expense and amortization of original issue discount shall be excluded).

As of December 31, 2010, the amount available for Restricted Payments pursuant to the foregoing clause (c) was greater than $2.5 billion.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the indenture;

(2) (a) the repurchase, retirement or other acquisition of any Equity Interests (*Retired Capital Stock*) of the Issuer or any Parent of the Issuer or Subordinated Indebtedness of the Issuer or any Subsidiary Guarantor in exchange for, or out of the proceeds of, the substantially concurrent sale (other than the sale of any Disqualified Stock or any Equity Interests sold to a Restricted Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Equity Interests of the Issuer or any Parent of the Issuer or contributions to the equity capital of the Issuer (collectively, including any such contributions, *Refunding Capital Stock*), and

(b) the declaration and payment of accrued dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock;

(3) the redemption, repurchase or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Subsidiary Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Issuer or any Subsidiary Guarantor which is Incurred in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock so long as:

(a) the principal amount of such new Indebtedness does not exceed the principal amount of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired plus any fees incurred in connection therewith),

(b) such Indebtedness is subordinated to the notes, or the related Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, acquired or retired for value,

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired or (y) one year following the maturity date of any notes then outstanding, and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, acquired or retired that were due on or after the date one year following the last maturity date of any notes then outstanding were instead due on such date one year following the date of maturity of any notes then outstanding;

(4) the repurchase, retirement or other acquisition (or dividends to any Parent of the Issuer to finance any such repurchase, retirement or other acquisition) for value of Equity Interests of the Issuer or any Parent

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of the Issuer held by any future, present or former employee, director or consultant of the Issuer, any Parent of the Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided*, *however*, that the aggregate amounts paid under this clause (4) do not exceed $35.0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over to succeeding calendar years subject to a maximum payment (without giving effect to the following proviso) of $70.0 million in any calendar year); *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent of the Issuer (to the extent contributed to the Issuer) to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any Parent of the Issuer that occurs after January 28, 2005 (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the immediately preceding paragraph); *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer, any Parent of the Issuer (to the extent contributed to the Issuer) or the Issuer s Restricted Subsidiaries after January 28, 2005;

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year; and *provided*, *further*, that the cancellation of Indebtedness owing to the Issuer from members of management of the Issuer, of any direct or indirect Parent of the Issuer or of any Restricted Subsidiary of the Issuer in connection with a repurchase of Equity Interests of the Issuer or any Parent of the Issuer will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the indenture;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or incurred in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(6) the declaration and payment of dividends or distributions (a) to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after January 28, 2005, (b) to any Parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any Parent of the Issuer issued after January 28, 2005 and (c) on Refunding Capital Stock in excess of amounts permitted pursuant to clause (2) of this paragraph; *provided*, *however*, that (A) in the case of (a), (b) and (c) of this clause (6), for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Debt to Adjusted EBITDA Ratio test in the first paragraph of the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, and (B) the aggregate amount of dividends declared and paid pursuant to clauses (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after January 28, 2005;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed $125.0 million at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) the payment of dividends on the Issuer s ordinary shares or common stock (or the payment of dividends to any Parent of the Issuer, as the case may be, to fund the payment by any Parent of the Issuer of

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dividends on such entity s ordinary shares or common stock) of up to 7.5% per annum of the net proceeds received by the Issuer from any public offering of ordinary shares or common stock or contributed to the Issuer by any Parent of the Issuer from any public offering of ordinary shares or common stock;

(9) Investments that are made with Excluded Contributions;

(10) other Restricted Payments in an aggregate amount not to exceed $200.0 million if, immediately after giving effect to such Restricted Payment on a pro forma basis, the Issuer would have a Debt to Adjusted EBITDA Ratio of less than or equal to 6.0 to 1.0; *provided* that the amount of Restricted Payments permitted pursuant to this clause (10) shall be reduced (but not to less than zero) by an amount equal to the amount of Parent Principal Distributions that the Issuer designates at the time of making such Parent Principal Distributions to reduce the amount of Restricted Payments that may be made pursuant to this clause (10);

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(12) (a) with respect to any tax year or portion thereof that a Tax-affected Investor would be required to recognize on a current basis taxable income attributable to earnings and profits of the Issuer or its Subsidiaries in advance of any distribution of such earnings and profits by the Issuer, an amount equal to the product of (i) the amount of the income so required to be included (it being understood that for purposes of calculating such income pursuant to clause (a), any of the Issuer s non-cash interest expense and amortization of original issue discount shall be excluded) and (ii) the Presumed Tax Rate; *provided* that in the case of any such distribution other than a distribution solely on account of any Parent of the Issuer qualifying as a Flow Through Entity, the Trustee shall have received an opinion of nationally recognized tax counsel to the effect that the earnings and profits of the Issuer and its Subsidiaries are subject to inclusion in income of a Tax-affected Investor on a current basis in advance of any distribution of such earnings and profits; and

(b) for any taxable year, payment of dividends or other distributions to any Parent of the Issuer if any Parent of the Issuer is required to file a consolidated, unitary or similar tax return reflecting income of the Issuer or its Restricted Subsidiaries in an amount equal to the portion of such taxes attributable to the Issuer and/or its Restricted Subsidiaries that are not payable directly by the Issuer or its Restricted Subsidiaries, but not to exceed the amount that the Issuer or such Restricted Subsidiaries would have been required to pay in respect of taxes if the Issuer and such Restricted Subsidiaries had been required to pay such taxes directly as standalone taxpayers (or a standalone group separate from such Parent);

(13) the payment of dividends, other distributions or other amounts by the Issuer to, or the making of loans to, any Parent, in amounts required for such Parent to:

(a) pay amounts equal to the amounts required for any Parent of the Issuer to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any Parent of the Issuer and general corporate overhead expenses of any Parent of the Issuer, in each case to the extent such fees, expenses, salaries, bonuses, benefits and indemnities are attributable to the ownership or operation of the Issuer and its Subsidiaries;

(b) pay amounts equal to amounts required for any Parent of the Issuer to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(c) pay cash interest on the Existing Holdings Notes and the Existing Luxembourg Notes pursuant to the terms of the agreements governing such Existing Holdings Notes and such Existing

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Luxembourg Notes as in effect on the Issue Date and to pay any cash interest on any Indebtedness refinancing the Existing Holdings Notes and the Existing Luxembourg Notes; *provided*, that such Indebtedness remains the sole obligation of Holdings or Intelsat Luxembourg, respectively (or any successor thereto), and the principal amount of any such Indebtedness redeeming, refinancing or replacing the Existing Holdings Notes or the Existing Luxembourg Notes does not exceed the principal amount of the Indebtedness refinanced, plus any premiums, fees and expenses payable in connection with such refinancing; and

(d) pay principal and premium, if any, on the Existing Holdings Notes pursuant to the terms of the agreements governing such Existing Holdings Notes as in effect on the Issue Date and to pay any principal and premium, if any, on any Indebtedness refinancing the Existing Holdings Notes (any such payments made pursuant to this subclause (d), *Parent Principal Distributions*); *provided* that the Issuer shall deliver a certificate to the Trustee at the time of making any Parent Principal Distributions that designates a reduction of an equal amount of Restricted Payments that may be made pursuant to clause (10) of this paragraph and/or clause (c) of the first paragraph of this covenant (which latter clause may be reduced to below zero) in such proportion as the Issuer designates in such certificate;

(14) any Restricted Payment used to fund the Transactions and the fees and expenses related thereto or made in connection with the consummation of the Transactions (including pursuant to or as contemplated by the Transaction Documents, whether prior to or on the Issue Date or thereafter), or owed by the Issuer or any Parent of the Issuer or Restricted Subsidiaries of the Issuer to Affiliates, in each case to the extent permitted by the covenant described under Transactions with Affiliates ;

(15) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(16) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(17) the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness, Disqualified Stock or Preferred Stock of the Issuer and its Restricted Subsidiaries pursuant to provisions similar to those described under Change of Control and Asset Sales ; *provided* that, prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer (or a third party to the extent permitted by the indenture) has made a Change of Control Offer or Asset Sale Offer, as the case may be, with respect to the notes as a result of such Change of Control or Asset Sale, as the case may be, and has repurchased all notes validly tendered and not withdrawn in connection with such Change of Control Offer or Asset Sale Offer, as the case may be;

(18) any payments made in connection with the consummation of the Transactions or as contemplated by the Transaction Documents (other than payments to any Permitted Holder or any Affiliate thereof);

(19) [Intentionally omitted];

(20) the repurchase, redemption or other acquisition or retirement for value of any of the Existing Holdings Notes from the proceeds of a Specified Sale/Leaseback Transaction (including any payments to any Parent of the Issuer to effect the foregoing); and

(21) the payment of dividends, other distributions or other amounts by the Issuer to, or the making of loans by the Issuer or any of its Restricted Subsidiaries to, any Parent of the Issuer to the extent that amounts equal to such dividends, distributions, other amounts or loans are promptly contributed to the capital of the Issuer by such Parent or otherwise promptly repaid by such Parent to the Issuer or any Restricted Subsidiary of the Issuer (whether in the form of interest or principal or other payment on debt existing on the Issue Date); *provided*, that any amounts contributed to the capital of the Issuer or otherwise repaid pursuant to this clause (21) shall be excluded from the calculation set forth in the definition of the term Cumulative Credit ;

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provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (5), (6), (7), (10), (11), (13)(c) and (17), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

As of the issue date, all of the Issuer s Subsidiaries will be Restricted Subsidiaries, except for Intelsat New Dawn Company, Ltd., New Dawn Satellite Company, Ltd. and New Dawn Distribution Company, Ltd. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the last sentence of the definition of Investments. Such designation will only be permitted if Restricted Payments or Permitted Investments in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Matters Relating to Government Business Subsidiaries. The indenture provides that the Issuer will use its commercially reasonable efforts (as may be permitted under that certain proxy agreement (the *Proxy Agreement*) among Intelsat General Corporation (*Intelsat General*) and the other parties thereto, and as may be permitted under any substantially similar agreement), and will use its commercially reasonable efforts (as may be permitted under the Proxy Agreement, and as may be permitted under any substantially similar agreement) to cause its Restricted Subsidiaries (other than Intelsat General, and other than any other Government Business Subsidiary), not to allow or permit, directly or indirectly, Intelsat General, or such other Government Business Subsidiary, to take, or fail to take, any action that would violate the covenants and terms of the indenture governing the notes.

Dividend and Other Payment Restrictions Affecting Subsidiaries. The indenture provides that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (1) on its Capital Stock; or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(b) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect or entered into on the Issue Date, including pursuant to the Credit Agreement and the other Senior Credit Documents, the Intelsat Jackson Unsecured Credit Agreement, the New Intelsat Jackson Unsecured Credit Agreement, documents and agreements relating to the Specified Intercompany Agreements, the Existing Holdings Notes, the Existing Luxembourg Notes, the Existing Jackson Notes, the Existing Subsidiary Notes and the Intelsat Luxembourg Intercompany Loan;

(2) the indenture and the notes (and any exchange notes) and guarantees thereof;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

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(5) contracts or agreements for the sale of assets, including customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to the covenants described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Liens that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements and other similar agreements (including customary provisions in agreements relating to any Joint Venture);

(9) purchase money obligations for property acquired and Capitalized Lease Obligations in the ordinary course of business that impose restrictions of the nature discussed in clause (c) above on the property so acquired;

(10) customary provisions contained in leases, licenses, contracts and other similar agreements entered into in the ordinary course of business that impose restrictions of the type described in clause (c) above on the property subject to such lease;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing that, in the good faith judgment of the Issuer, are necessary or advisable in connection therewith; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) agreements and instruments, including agreements and instruments governing Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary of the Issuer that is Incurred subsequent to the Issue Date and permitted pursuant to the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; *provided* that either (A) the provisions relating to such encumbrance or restriction contained in such agreements or instruments are no less favorable to the Issuer, taken as a whole, as determined by the Board of Directors of the Issuer in good faith, than the provisions contained in the Credit Agreement and the other Senior Credit Documents, the Intelsat Jackson Unsecured Credit Agreement, the New Intelsat Jackson Unsecured Credit Agreement, the Intelsat Luxembourg Intercompany Loan or in an indenture governing the Existing Holdings Notes, the Existing Luxembourg Notes, the Existing Jackson Notes, the Existing Subsidiary Notes or the notes offered hereby, in each case, as in effect or entered into on the Issue Date or (B) such encumbrances and restrictions contained in any agreement or instrument will not materially affect the Issuer s ability to make anticipated principal or interest payments on the notes (as determined by the Issuer in good faith);

(13) any Restricted Investment not prohibited by the covenant described under Limitation on Restricted Payments and any Permitted Investment; and

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive as a whole with respect to such encumbrances and restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on ordinary shares shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

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Asset Sales. The indenture provides that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that the amount of:

(a) any liabilities (as shown on the Issuer s or such Restricted Subsidiary s most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the notes) that are assumed by the transferee of any such assets,

(b) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed 6.25% of Total Assets of the Issuer at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value)

shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 485 days after the Issuer s or any Restricted Subsidiary of the Issuer s receipt of the Net Proceeds of any Asset Sale (or Event of Loss Proceeds), the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale (together with any Event of Loss Proceeds), at its option:

(1) to permanently reduce Obligations under Secured Indebtedness or Pari Passu Indebtedness (*provided* that if the Issuer or any Guarantor shall so reduce Obligations under Pari Passu Indebtedness (other than Pari Passu Indebtedness that is Secured Indebtedness and other than Pari Passu Indebtedness that is Indebtedness represented by the Issuer s guarantee of Indebtedness of any Restricted Subsidiary of the Issuer), the Issuer will equally and ratably reduce Obligations under the notes if the notes are then prepayable or, if the notes may not then be prepaid, by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, the pro rata principal amount of notes that would otherwise be prepaid) or Indebtedness of a Restricted Subsidiary that is not a Guarantor, in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer; *provided* that if an offer to purchase any Indebtedness of the Issuer or its Restricted Subsidiaries is made in accordance with the terms of such Indebtedness, the obligation to permanently reduce Indebtedness of the Issuer or a Restricted Subsidiary, as the case may be, will be deemed to be satisfied to the extent of the amount of the offer, whether or not accepted by the holders thereof, and no Net Proceeds in the amount of such offer will be deemed to exist following such offer,

(2) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), or capital expenditures or assets, in each case used or useful in a Similar Business, and/or

(3) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), properties or assets that replace the properties and assets that are the subject of such Asset Sale or Event of Loss;

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provided that in the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment and, in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment within nine months of such cancellation or termination of the prior binding commitment. Pending the final application of any such Net Proceeds (or Event of Loss Proceeds), the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds (or Event of Loss Proceeds) in Cash Equivalents or Investment Grade Securities. The indenture provides that any Net Proceeds from any Asset Sale (or Event of Loss Proceeds) that are not applied as provided and within the time period set forth in the first sentence of this paragraph (it being understood that any portion of such Net Proceeds (or Event of Loss Proceeds) used to make an offer to purchase notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute *Excess Proceeds*. When the aggregate amount of Excess Proceeds exceeds \$55.0 million, the Issuer shall make an offer to all holders of notes (and, at the option of the Issuer, to holders of any Pari Passu Indebtedness) (an *Asset Sale Offer*) to purchase the maximum principal amount of notes (and such Pari Passu Indebtedness) that is an integral multiple of \$1,000, *provided* that no notes of \$2,000 or less shall be purchased in part, that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest and additional interest, if any (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the indenture. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten Business Days after the date that Excess Proceeds exceed \$55.0 million by mailing the notice required pursuant to the terms of the indenture, with a copy to the Trustee. To the extent that the aggregate amount of notes (and such Pari Passu Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of notes surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the notes (and such Pari Passu Indebtedness) to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the indenture by virtue thereof.

If more notes (and such Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, the principal amount of the notes (and Pari Passu Indebtedness) to be purchased will be determined pro rata based on the principal amount so tendered and the selection of the actual notes of each series for purchase will be made by the Trustee on a pro rata basis to the extent practicable; *provided*, *however*, that no notes (or Pari Passu Indebtedness) of \$2,000 or less shall be purchased in part.

Notice of an Asset Sale Offer shall be mailed by first-class mail, postage prepaid, at least 30 but not more than 60 days before the purchase date to each holder of notes at such holder s registered address. If any note is to be purchased in part only, any notice of purchase that relates to such note shall state the portion of the principal amount thereof that has been or is to be purchased.

A new note in principal amount equal to the unpurchased portion of any note purchased in part will be issued in the name of the holder thereof upon cancellation of the original note. On and after the purchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on notes or portions thereof purchased.

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Transactions with Affiliates. The indenture provides that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an *Affiliate Transaction*) involving aggregate consideration in excess of $15.0 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $35.0 million, the Issuer delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Issuer or any Parent of the Issuer approving such Affiliate Transaction and set forth in an Officers Certificate certifying that such Affiliate Transaction complies with clause (a) above.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer and/or any of its Restricted Subsidiaries and (b) any merger or amalgamation of the Issuer and any direct parent company of the Issuer, *provided* that such parent company shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger or amalgamation is otherwise in compliance with the terms of the indenture and effected for a bona fide business purpose;

(2) (a) Restricted Payments permitted by the provisions of the indenture described above under the covenant Limitation on Restricted Payments and (b) Investments under the definition of Permitted Investments ;

(3) the entering into of any agreement to pay, and the payment of, management, consulting, monitoring and advisory fees and expenses to the Sponsors in an aggregate amount in any fiscal year not to exceed the greater of (x) $12.5 million and (y) 1.25% of Adjusted EBITDA of the Issuer and its Restricted Subsidiaries for the immediately preceding fiscal year;

(4) the payment of reasonable and customary fees to, and indemnity provided on behalf of officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary of the Issuer or any Parent of the Issuer;

(5) payments by the Issuer or any of its Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are (x) approved by a majority of the Board of Directors of the Issuer in good faith or (y) made pursuant to any agreement described under Item 13 Certain Relationships and Related Transactions, and Director Independence in Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2010;

(6) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(7) payments or loans (or cancellation of loans) to employees or consultants that are approved by a majority of the Board of Directors of the Issuer in good faith;

(8) any agreement as in effect as of the Issue Date and any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the

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holders of the notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby;

(9) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, the Transaction Documents and any amendment thereto or similar agreements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing agreement together with all amendments thereto, taken as a whole, or new agreement are not otherwise more disadvantageous to the holders of the notes in any material respect than the original agreement as in effect on the Issue Date;

(10) transactions to effect the Transactions and the payment of all fees and expenses related to the Transactions;

(11) (a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the indenture which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable judgment of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party and (b) transactions with Joint Ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(12) any transaction effected as part of a Qualified Receivables Financing;

(13) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer to any Permitted Holder or to any director, officer, employee or consultant of the Issuer or any Parent of the Issuer;

(14) the issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any Parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate, in good faith;

(15) the entering into of any tax sharing agreement or arrangement and any payments permitted by clause (12) of the second paragraph of the covenant described under Limitation on Restricted Payments ;

(16) any contribution to the capital of the Issuer;

(17) transactions permitted by, and complying with, the provisions of the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets ;

(18) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer or any Parent of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such Parent, as the case may be, on any matter involving such other Person;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business; and

(21) any transaction pursuant to or in connection with the Specified Intercompany Agreements.

Liens . The indenture provides that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) that secures any

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obligations under Indebtedness of the Issuer or any Subsidiary Guarantor against or on any asset or property now owned or hereafter acquired by the Issuer or any such Subsidiary Guarantor, or any income or profits therefrom, unless:

(1) in the case of Liens securing Indebtedness that is Subordinated Indebtedness, the notes or such Guarantee of such Subsidiary Guarantor is secured by a Lien on such property or assets that is senior in priority to such Liens; and

(2) in all other cases, the notes or such Guarantee of such Subsidiary Guarantor is equally and ratably secured;

provided that any Lien which is granted to secure the notes or such Guarantee under this covenant shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure the notes or such Guarantee under this covenant.

Reports and Other Information. The indenture provides that notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, the Issuer will file with the SEC (unless the SEC will not accept such a filing), and provide the Trustee and holders with copies thereof, without cost to each holder, within 15 days after it files or, in the case of a Form 6-K, furnishes (or attempts to file or furnish) them with the SEC,

(1) within 90 days after the end of each fiscal year (or such longer period as may be permitted by the SEC if the Issuer were then subject to such SEC reporting requirements as a required filer, voluntary filer or otherwise), an annual report (which, if permitted under applicable rules of the SEC, may be the annual report of Holdings or another Parent of the Issuer) on Form 10-K or 20-F (or any successor or comparable forms) containing the information required to be contained therein (or required in such successor or comparable form) and

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year (or such longer period as may be permitted by the SEC if the Issuer were then subject to such SEC reporting requirements as a required filer, voluntary filer or otherwise), a quarterly report (which, if permitted under applicable rules of the SEC, may be the quarterly report of Holdings or another Parent of the Issuer) on Form 10-Q or 6-K (or any successor or comparable forms), including a Management s Discussion and Analysis of Financial Condition and Results of Operations or substantially similar section (whether or not required by such form).

In addition, the Issuer will make such information available to prospective investors upon request. In addition, the Issuer has agreed that, for so long as any notes remain outstanding during any period when it is not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g3-2(b) of the Exchange Act, it will furnish to the holders of the notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Notwithstanding the foregoing, the Issuer will be deemed to have furnished such reports referred to above to the Trustee and the holders if it or Holdings or another Parent of the Issuer has filed (or, in the case of a Form 6-K, furnished) such reports with the SEC via the EDGAR filing system and such reports are publicly available.

In the event that any Parent of the Issuer is or becomes a Guarantor or co-obligor of the notes, the indenture will permit the Issuer to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to such Parent; *provided* that, if Regulation S-X under the Securities Act were to apply and so require, the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such Parent and any of its Subsidiaries

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other than the Issuer and its Subsidiaries, on the one hand, and the information relating to the Issuer, the Subsidiary Guarantors, if any, and the other Subsidiaries of the Issuer on a stand-alone basis, on the other hand. The indenture will specifically permit the Issuer to satisfy this covenant by furnishing financial information relating to Holdings.

Future Guarantors. The Issuer will not permit any of its Restricted Subsidiaries (other than (i) any Receivables Subsidiary formed in connection with a Qualified Receivables Financing and (ii) any License Subsidiary in connection with any guarantee of the Credit Agreement) that is not a Subsidiary Guarantor to, directly or indirectly, guarantee the payment of any Indebtedness of the Issuer or any other Restricted Subsidiary of the Issuer (other than (1) Indebtedness Incurred pursuant to the Non-Guarantor Exception and (2) Permitted Debt of a Restricted Subsidiary of the Issuer), unless such Subsidiary executes and delivers to the Trustee a guarantee or a supplemental indenture in form and substance satisfactory to the Trustee (together with such opinions or certificates reasonably requested in connection therewith) pursuant to which such Subsidiary will guarantee payment of the notes. Each Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to corporate benefit, fraudulent conveyance, fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Guarantee of a Guarantor shall be released in accordance with the provisions of the indenture described under Guarantees. Any Parent of the Issuer may guarantee the notes, but no value should be assigned to such guarantee, such guarantor will not be subject to the covenants of the indenture and such guarantee may be released at any time.

Maintenance of Insurance. The Issuer will, and will cause each Restricted Subsidiary to, obtain, maintain and keep in full force and effect at all times (i) with respect to each Satellite procured by the Issuer or any Restricted Subsidiary for which the risk of loss passes to the Issuer or such Restricted Subsidiary at or before launch, and for which launch insurance or commitments with respect thereto are not in place as of the Issue Date, launch insurance with respect to each such Satellite covering the launch of such Satellite and a period of time thereafter, but only to the extent, if at all, and on such terms (including coverage period, exclusions, limitations on coverage, co-insurance, deductibles and coverage amount) as is determined by the Issuer to be in the best interests of the Issuer, (ii) with respect to each Satellite it currently owns or for which it has risk of loss (or, if the entire Satellite is not owned, the portion it owns or for which it has risk of loss), other than any Excluded Satellite, In-Orbit Insurance and (iii) at all times subsequent to the coverage period of the launch insurance described in clause (i) above, if any, or if launch insurance is not procured, at all times subsequent to the initial completion of in-orbit testing, in each case with respect to each Satellite it then owns or for which it has risk of loss (or portion, as applicable), other than any Excluded Satellite, In-Orbit Insurance; *provided*, *however*, that at any time with respect to a Satellite that is not an Excluded Satellite, none of the Issuer or any of its Subsidiaries shall be required to maintain In-Orbit Insurance in excess of 33% of the aggregate net book value of all in-orbit Satellites (and portions it owns or for which it has risk of loss) insured (it being understood that any Satellite (or portion, as applicable) protected by In-Orbit Contingency Protection shall be deemed to be insured for a percentage of its net book value as set forth in the definition of In-Orbit Contingency Protection). In the event that the expiration and non-renewal of In-Orbit Insurance for such a Satellite (or portion, as applicable) resulting from a claim of loss under such policy causes a failure to comply with the proviso in the immediately preceding sentence, the Issuer and its Restricted Subsidiaries shall be deemed to be in compliance with the proviso in the immediately preceding sentence for the 120 days immediately following such expiration or non-renewal, *provided* that the Issuer or any of its Restricted Subsidiaries, as the case may be, procures such In-Orbit Insurance or provides such In-Orbit Contingency Protection as necessary to comply with the preceding proviso within such 120-day period.

The insurance required by this covenant shall name the Issuer or the applicable Restricted Subsidiary as the named insured.

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In the event of the unavailability of any In-Orbit Contingency Protection for any reason, the Issuer or a Restricted Subsidiary, as the case may be, shall, subject to the proviso to the first sentence of the first paragraph of this covenant above, within 120 days of such unavailability, be required to have in effect In-Orbit Insurance complying with clause (ii) or (iii) of the first paragraph above, as applicable, with respect to all Satellites (or portions, as applicable), other than Excluded Satellites that the unavailable In-Orbit Contingency Protection was intended to protect and for so long as such In-Orbit Contingency Protection is unavailable, *provided* that the Issuer and its Restricted Subsidiaries shall be considered in compliance with this insurance covenant for the 120 days immediately following such unavailability.

In the event that the Issuer or any of its Restricted Subsidiaries receives any Event of Loss Proceeds in respect of an Event of Loss, such Event of Loss Proceeds shall be applied in the manner provided for under Asset Sales.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The indenture provides that the Issuer may not consolidate, amalgamate or merge with or into or wind up into (whether or not the Issuer is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(1) the Issuer is a surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, under the laws of the jurisdiction of organization of the Issuer or any Subsidiary or Parent of the Issuer or under the laws of Bermuda or any country that is a member of the European Union (the Issuer or such Person, as the case may be, being herein called the *Successor Company*);

(2) the Successor Company (if other than the Issuer) expressly assumes all the obligations of the Issuer under the indenture and the notes pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after giving effect to such transaction no Default or Event of Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either

(a) the Successor Company would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Debt to Adjusted EBITDA Ratio test set forth in the first paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; or

(b) the Debt to Adjusted EBITDA Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or less than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction;

(5) each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person s obligations under the indenture and the notes; and

(6) the Issuer shall have delivered to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures (if any) comply with the indenture.

The Successor Company (if other than the Issuer) will succeed to, and be substituted for, the Issuer under the indenture and the notes, and the Issuer will automatically be released and discharged from its obligations under the indenture and the notes. Notwithstanding the foregoing clauses (3) and (4), (a) the Issuer or any Restricted Subsidiary may consolidate or amalgamate with, merge into, sell, assign or transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Issuer or to another Restricted Subsidiary and (b) the Issuer may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in a (or another) state of the United States, the District of Columbia, any territory of the United States, Bermuda or any country that is a member of the European Union so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby (any transaction described in this sentence a *Specified Merger/Transfer Transaction*).

The indenture contains similar provisions relating to the consolidation, amalgamation, merger or sale of all or substantially all of the assets of any Subsidiary Guarantor.

Notwithstanding the foregoing, nothing in this covenant shall prevent any Subsidiary Transfer Transaction, which need not comply with this covenant.

Defaults

An Event of Default is defined in the indenture as:

(1) a default in any payment of interest on any note when due continues for 30 days,

(2) a default in the payment of principal or premium, if any, of any note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise,

(3) the failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice with its other agreements contained in the notes or the indenture; *provided*, *however*, that to the extent such failure relates solely to an action or inaction by Intelsat General or another Government Business Subsidiary, and the Issuer and its Restricted Subsidiaries have otherwise complied with the covenant described under Certain Covenants Matters Relating to Government Business Subsidiaries, no Event of Default shall occur,

(4) the failure by Holdings, the Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to a Parent of the Issuer or a Restricted Subsidiary of the Issuer) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $75.0 million or its foreign currency equivalent (the *cross-acceleration provision*),

(5) certain events of bankruptcy, insolvency or reorganization of Holdings, the Issuer or a Significant Subsidiary (the *bankruptcy provisions*),

(6) failure by Holdings, the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of $75.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the *judgment default provision*), or

(7) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof) or any Guarantor that qualifies as a Significant Subsidiary denies or disaffirms its obligations under the indenture or any Guarantee and such Default continues for 10 days.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

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However, a default under clause (3) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding notes under the indenture notify the Issuer of the default and the Issuer does not cure such default within the time specified in clause (3) hereof after receipt of such notice.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding notes under the indenture by notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest on all the notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding notes may rescind any such acceleration with respect to the notes and its consequences.

In the event of any Event of Default specified in clause (4) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the notes, if within 30 days after such Event of Default arose the Issuer delivers an Officers Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the indenture or the notes unless:

(1) such holder has previously given the Trustee written notice that an Event of Default is continuing,

(2) holders of at least 25% in principal amount of the outstanding notes under the indenture make a written request to the Trustee to pursue the remedy,

(3) such holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense,

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the holders of a majority in principal amount of the outstanding notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The indenture provides that if a Default occurs and is continuing and is actually known to the Trustee, the Trustee must mail to each holder of notes notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any note, the Trustee may withhold notice if and so long as it in good faith determines that withholding notice is in the interests of the noteholders. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the indenture may be amended with the consent of the holders of a majority in principal amount of the notes then outstanding under the indenture and any past default or compliance with any provision may be waived with the consent of the holders of a majority in principal amount of the notes then outstanding under the indenture. However, without the consent of each holder of an outstanding note affected, no amendment may, among other things:

(1) reduce the amount of notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any note,

(3) reduce the principal of or change the Stated Maturity of any note,

(4) reduce the premium payable upon the redemption of any note or change the time at which any note may be redeemed as described under Optional Redemption,

(5) make any note payable in money other than that stated in such note,

(6) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder s notes,

(7) make any change in the amendment provisions which require each holder s consent or in the waiver provisions,

(8) expressly subordinate the notes or any Guarantee of the notes to any other Indebtedness of the Issuer or any Guarantor, or

(9) modify the Guarantees in any manner materially adverse to the holders.

Notwithstanding the preceding, without the consent of any holder, the Issuer and the Trustee may amend the indenture to cure any ambiguity, omission, defect or inconsistency, to provide for the assumption by a Successor Company of the obligations of the Issuer under the indenture and the notes, to provide for the assumption by a successor Guarantor of the obligations of a Subsidiary Guarantor under the indenture and its Guarantee, to provide for uncertificated notes in addition to or in place of certificated notes (*provided* that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated notes are described in Section 163(f)(2)(B) of the Code), to add Guarantees with respect to the notes, to secure the notes, to add to the covenants of the Issuer or any Parent of the Issuer for the benefit of the holders or to surrender any right or power conferred upon the Issuer or any Parent of the Issuer, to make any change that does not adversely affect the rights of any holder, to comply with any requirement of the SEC in connection with the qualification of the indenture under the TIA, to effect any provision of the indenture (including to release any Guarantees in accordance with the terms of the indenture) or to make certain changes to the indenture to provide for the issuance of additional notes.

The consent of the noteholders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

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After an amendment under the indenture becomes effective, the Issuer is required to mail to the noteholders under such indenture a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or holder of any Equity Interests in the Issuer (other than Holdings) or any Parent of the Issuer, as such, will have any liability for any obligations of the Issuer under the notes or the indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange notes in accordance with the indenture. Upon any transfer or exchange, the registrar and the Trustee may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a noteholder to pay any taxes required by law or permitted by the indenture. The Issuer is not required to transfer or exchange any note selected for redemption or to transfer or exchange any note for a period of 15 days prior to a selection of notes to be redeemed. The notes will be issued in registered form and the registered holder of a note will be treated as the owner of such note for all purposes.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of notes, as expressly provided for in the indenture) as to all outstanding notes under the indenture when:

(1) either (a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the notes (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer and/or the Guarantors have paid all other sums payable under the indenture; and

(3) the Issuer has delivered to the Trustee an Officers Certificate and an Opinion of Counsel stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture have been complied with.

Defeasance

The Issuer at any time may terminate all its obligations under the notes and the indenture (*legal defeasance*), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain

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a registrar and paying agent in respect of the notes. The Issuer at any time may terminate its obligations under certain covenants that are described in the indenture, including the covenants described under Certain Covenants, the operation of the cross-acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries and the judgment default provision described under Defaults and the undertakings and covenants contained under Change of Control and Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets (*covenant defeasance*). If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Guarantor, if any, will be released from all of its obligations with respect to its Guarantee.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option, payment of the notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) (with respect only to Significant Subsidiaries), (6) or (7) under Defaults or because of the failure of the Issuer to comply with the undertakings and covenants contained under Change of Control or Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the *defeasance trust*) with the Trustee money or U.S. Government Obligations sufficient in the opinion of a firm of independent certified public accountants for the payment of principal, premium (if any) and interest on the notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of notes will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable federal income tax law). Notwithstanding the foregoing, the Opinion of Counsel required by the immediately preceding sentence with respect to a legal defeasance need not be delivered if all notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

Concerning the Trustee

Wells Fargo Bank, National Association is the Trustee under the indenture and has been appointed by the Issuer as registrar and a paying agent with regard to the notes.

Governing Law

The indenture provides that it and the notes will be governed by, and construed in accordance with, the laws of the State of New York, and for the avoidance of doubt, the applicability of articles 86 to 94-8 of the amended Luxembourg law on commercial companies shall be excluded.

Certain Definitions

Acquired Indebtedness means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or becomes a Restricted Subsidiary of such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person,

in each case, other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by such Person, or such asset was acquired by such Person, as applicable.

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Acquisition means the transactions pursuant to which Serafina Acquisition Limited became the owner of all of the outstanding share capital of Intelsat Holdings pursuant to the Transaction Agreement.

Adjusted EBITDA means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Income:

(1) Consolidated Taxes; *plus*

(2) Consolidated Interest Expense; *provided* that any interest expense set forth in clause (4) of the definition of Consolidated Interest Expense shall be included in the calculation of Adjusted EBITDA solely for purposes of calculating Cumulative Credit, unless the same was deducted in calculating Consolidated Net Income; *plus*

(3) Consolidated Non-cash Charges; *plus*

(4) the amount of any restructuring charges or expenses (which, for the avoidance of doubt, shall include retention, severance, systems establishment costs, facility closure costs, leasehold termination costs or excess pension charges); *plus*

(5) (a) the amount of any fees or expenses incurred or paid in such period for transition services related to satellites or other assets or businesses acquired and (b) the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors or any other Permitted Holder (or any accruals relating to such fees and related expenses) during such period, *provided* that such amount pursuant to subclause (b) shall not exceed in any four-quarter period the greater of (x) $12.5 million and (y) 1.25% of Adjusted EBITDA of such Person and its Restricted Subsidiaries; *plus*

(6) collections on investments in sales-type leases during such period, to the extent not otherwise included in Consolidated Net Income for such period; *plus*

(7) leaseback expenses net of deferred gains;

less, without duplication,

(8) any gross profit (loss) on sales-type leases included in Consolidated Net Income for such period; and

(9) non-cash items increasing Consolidated Net Income for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period and any items for which cash was received in any prior period).

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, control (including, with correlative meanings, the terms controlling, controlled by and under common control with), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

Applicable Premium means, with respect to any note on any applicable redemption date, the greater of:

(1) 1.0% of the then outstanding principal amount of such note; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of such note at April 1, 2015, in the case of 2019 notes, or at April 1, 2016, in the case of 2021 notes (such redemption price being set forth in the applicable table appearing above under Optional Redemption) plus (ii) all required interest payments due on such note through April 1, 2015, in the case of 2019 notes, or April 1, 2016, in the case of 2021 notes (in each case, excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

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(b) the then outstanding principal amount of such note;

Asset Sale means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a disposition) or

(2) the issuance or sale of Equity Interests (other than directors qualifying shares or shares or interests required to be held by foreign nationals) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of Cash Equivalents or Investment Grade Securities or obsolete or worn out property or equipment in the ordinary course of business (including the sale or leasing (including by way of sales-type lease) of transponders or transponder capacity and the leasing or licensing of teleports);

(b) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to the provisions described above under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under Certain Covenants Limitation on Restricted Payments ;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary with an aggregate Fair Market Value of less than $50.0 million;

(e) any disposition of property or assets or the issuance of securities by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

(f) any exchange of assets for assets (including a combination of assets and Cash Equivalents) of reasonably comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer, which in the event of an exchange of assets with a Fair Market Value in excess of (1) $50.0 million shall be evidenced by an Officers Certificate, and (2) $100.0 million shall be set forth in a resolution approved in good faith by at least a majority of the Board of Directors of the Issuer;

(g) foreclosures on assets or property of the Issuer or its Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) any disposition of inventory or other assets (including transponders, transponder capacity and teleports) in the ordinary course of business;

(j) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(k) a sale of accounts receivable (including in respect of sales-type leases) and related assets (including contract rights) of the type specified in the definition of Receivables Financing to a Receivables Subsidiary in a Qualified Receivables Financing or in factoring or similar transactions;

(l) a transfer of accounts receivable and related assets of the type specified in the definition of Receivables Financing (or a fractional undivided interest therein) by a Receivables Subsidiary in a Qualified Receivables Financing;

(m) the grant in the ordinary course of business of any license of patents, trademarks, know-how and any other intellectual property;

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(n) any Event of Loss;

(o) any sale or other disposition of assets or property in connection with a Specified Sale/Leaseback Transaction;

(p) any sale of an Excluded Satellite; *provided*, that for purposes of this clause (p) of this definition of Asset Sale, references in the definition of Excluded Satellite to $75.0 million shall be deemed to be $50.0 million; and *provided further*, that any cash and Cash Equivalents received in connection with the sale of an Excluded Satellite shall be treated as Net Proceeds of an Asset Sale and shall be applied as provided for under the provisions described under Certain Covenants Asset Sales ;

(q) any disposition of assets, equity or property of the Issuer or any Restricted Subsidiary of the Issuer pursuant to the Specified Intercompany Agreements; and

(r) any disposition of assets in connection with the Transactions.

Bank Indebtedness means any and all amounts payable under or in respect of the Credit Agreement or any other Senior Credit Documents, as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of the Credit Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

Board of Directors means as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

Business Day means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City.

Capital Stock means:

(1) in the case of a corporation or a company, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Capitalized Lease Obligation means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

Cash Contribution Amount means the aggregate amount of cash contributions made to the capital of the Issuer or any Guarantor described in the definition of Contribution Indebtedness.

Cash Equivalents means:

(1) U.S. dollars, pounds sterling, euros, national currency of any participating member state in the European Union or, in the case of any Foreign Subsidiary that is a Restricted Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

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(2) securities issued or directly and fully guaranteed or insured by the government of the United States or any country that is a member of the European Union or any agency or instrumentality thereof, in each case with maturities not exceeding two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers acceptances, in each case with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $250.0 million, or the foreign currency equivalent thereof, and whose long-term debt is rated A or the equivalent thereof by Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least A-1 or the equivalent thereof by Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than the Sponsors or any of their Affiliates) with a rating of A or higher from S&P or A-2 or higher from Moody s (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition; and

(8) investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above.

Change of Control Offers means (a) each offer to purchase outstanding notes of the Issuer and any Parent, Subsidiary or Affiliate of the Issuer (including Intelsat Luxembourg, Intermediate Holdco, Intelsat Sub Holdco and Intelsat Corp) pursuant to the indentures governing such notes, and (b) the offer to repay outstanding loans pursuant to the Intelsat Jackson Unsecured Credit Agreement, under which, in each case, the Acquisition resulted in a change of control as defined in each such agreement.

Code means the Internal Revenue Code of 1986, as amended.

Consolidated Interest Expense means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding amortization of deferred financing fees, expensing of any bridge or other financing fees and any interest under Satellite Purchase Agreements);

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued;

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than such Person and its Restricted Subsidiaries; and

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(4) with respect to any Person, consolidated interest expense of any Parent of such Person for such period with respect to the Existing Holdings Notes and the Existing Luxembourg Notes or any refinancing thereof to the extent cash interest is paid thereon pursuant to clause (13)(c) of the second paragraph of the covenant described under Limitation on Restricted Payments ;

less interest income for such period; *provided* that for purposes of calculating Consolidated Interest Expense, no effect shall be given to the effect of any purchase accounting adjustments in connection with the Transactions; *provided*, *further*, that for purposes of calculating Consolidated Interest Expense, no effect shall be given to the discount and/or premium resulting from the bifurcation of derivatives under FASB Accounting Standards Codification (ASC) 815, *Derivatives and Hedging* and related interpretations as a result of the terms of the Indebtedness to which such Consolidated Interest Expense relates.

Consolidated Net Income means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided*, *however*, that:

(1) any net after-tax extraordinary or nonrecurring or unusual gains or losses (less all fees and expenses relating thereto), or income or expense or charge (including, without limitation, any severance, relocation or other restructuring costs) and fees, expenses or charges related to any offering of equity interests of such Person, Investment, acquisition, disposition, recapitalization or Indebtedness permitted to be Incurred by the indenture (in each case, whether or not successful), including any such fees, expenses, charges or change in control payments related to the Transactions, in each case, shall be excluded;

(2) any increase in amortization or depreciation or any one-time non-cash charges resulting from purchase accounting in connection with the Transactions or any acquisition that is consummated prior to, on or after the Issue Date shall be excluded;

(3) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness shall be excluded;

(7) the Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the referent Person shall be increased by the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount of the Cumulative Credit, the Net Income for such period of any Restricted Subsidiary (other than any Subsidiary Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income is not at the date of determination permitted by the operation of the terms of any agreement applicable to such Restricted Subsidiary, unless (x) such restrictions with respect to the payment of dividends or similar distributions have been legally waived or (y) such restriction is permitted by the covenant described under Dividend and Other Payment Restrictions Affecting Subsidiaries ; *provided* that the Consolidated Net Income of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

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(9) (a) any non-cash impairment charge or asset write-off resulting from the application of FASB ASC 350 and 360, and the amortization of intangibles arising pursuant to FASB ASC 805, shall be excluded and (b) the effects of adjustments in any line item in such Person s consolidated financial statements required or permitted by FASB ASC 805 and 350 resulting from the application of purchase accounting, net of taxes, shall be excluded;

(10) any non-cash expenses realized or resulting from employee benefit plans or post-employment benefit plans, grants of stock appreciation or similar rights, stock options or other rights to officers, directors and employees of such Person or any of its Restricted Subsidiaries shall be excluded;

(11) any (a) severance or relocation costs or expenses, (b) one-time non-cash compensation charges, (c) solely for purposes of calculating the Debt to Adjusted EBITDA Ratio, the costs and expenses after January 28, 2005 related to employment of terminated employees, (d) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (e) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on January 28, 2005 of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(12) accruals and reserves that are established within twelve months after the Issue Date and that are so required to be established in accordance with GAAP shall be excluded;

(13) (a)(i) the non-cash portion of straight-line rent expense shall be excluded and (ii) the cash portion of straight-line rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by FASB ASC 815 and related interpretations shall be excluded;

(14) an amount equal to the amount of tax distributions actually made to the holders of Capital Stock of such Person or any Parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under Certain Covenants Limitation on Restricted Payments shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(15) any net loss resulting from currency exchange risk Hedging Obligations shall be excluded;

(16) any reserves for long-term receivables and sales type lease adjustments, including customer-related long-term receivables evaluated as uncollectable shall be excluded;

(17) non-operating expenses, including transaction related fees and expenses related to acquisitions and due diligence for acquisitions shall be excluded; and

(18) minority interest expenses (less cash dividends actually paid to the holders of such minority interests) shall be excluded.

Notwithstanding the foregoing, for the purpose of the covenant described under Certain Covenants Limitation on Restricted Payments only, there shall be excluded from the calculation of Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to such Person or a Restricted Subsidiary of such Person in respect of or that originally constituted Restricted Investments to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (5) or (6) of the definition of Cumulative Credit.

Consolidated Non-cash Charges means, with respect to any Person for any period, the aggregate depreciation, amortization, impairment, compensation, rent and other non-cash expenses of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding (i) any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period and (ii) the non-cash impact of recording the change in fair value of any embedded derivatives under FASB ASC 815 and related interpretations as a result of the terms of any agreement or instrument to which such Consolidated Non-cash Charges relate.

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Consolidated Taxes means, with respect to any Person and its Restricted Subsidiaries on a consolidated basis for any period, provision for taxes based on income, profits or capital, including, without limitation, state franchise and similar taxes, withholding taxes paid or accrued and including an amount equal to the amount of tax distributions actually made to the holders of Capital Stock of such Person or any Parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under Certain Covenants Limitation on Restricted Payments, which shall be included as though such amounts had been paid as income taxes directly by such Person.

Consolidated Total Indebtedness means, as at any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of such Person and its Restricted Subsidiaries and (2) the aggregate amount of all outstanding Disqualified Stock of such Person and all Preferred Stock of its Restricted Subsidiaries, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP.

For purposes hereof, the *maximum fixed repurchase price* of any Disqualified Stock or Preferred Stock that does not have a fixed price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock, such fair market value shall be determined reasonably and in good faith by the Board of Directors of the Issuer.

Contingent Obligations means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (*primary obligations*) of any other Person (the *primary obligor*) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

Contribution Indebtedness means Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount not greater than twice the aggregate amount of cash contributions (other than Excluded Contributions) made (without duplication) to the capital of the Issuer or such Restricted Subsidiary after January 28, 2005 (other than any cash contributions in connection with the Transactions), *provided* that (1) if the aggregate principal amount of such Contribution Indebtedness is greater than the aggregate amount of such cash contributions to the capital of the Issuer or such Restricted Subsidiary, as applicable, the amount in excess shall be Indebtedness (other than Secured Indebtedness) that ranks subordinate to the notes with a Stated Maturity later than the Stated Maturity of the notes, and (2) such Contribution Indebtedness (a) is Incurred within 210 days after the making of such cash contributions and (b) is so designated as Contribution Indebtedness pursuant to an Officers Certificate on the date of Incurrence thereof.

Credit Agreement means the Intelsat Jackson Secured Credit Agreement.

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Cumulative Credit means the sum of (without duplication):

(1) cumulative Adjusted EBITDA of the Issuer for the period (taken as one accounting period) from and after January 1, 2005 to the end of the Issuer s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Adjusted EBITDA for such period is a negative, minus the amount by which cumulative Adjusted EBITDA is less than zero), *plus*

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in accordance with the next succeeding sentence) of property other than cash, received by the Issuer after January 28, 2005 from the issue or sale of Equity Interests of the Issuer or any Parent of the Issuer (excluding (without duplication) Refunding Capital Stock, Designated Preferred Stock, Excluded Contributions, Disqualified Stock and the Cash Contribution Amount), including Equity Interests issued upon conversion of Indebtedness or upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries), *plus*

(3) 100% of the aggregate amount of contributions to the capital of the Issuer received in cash and the Fair Market Value (as determined in accordance with the next succeeding sentence) of property other than cash after January 28, 2005 (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, Disqualified Stock and the Cash Contribution Amount), *plus*

(4) the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock, of the Issuer or any Restricted Subsidiary thereof issued after January 28, 2005 (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in the Issuer or any Parent of the Issuer (other than Disqualified Stock), *plus*

(5) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary since January 28, 2005 in cash and the Fair Market Value (as determined in accordance with the next succeeding sentence) of property other than cash received by the Issuer or any Restricted Subsidiary from:

(A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments),

(B) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary or

(C) a distribution, dividend or other payment from an Unrestricted Subsidiary, *plus*

(6) in the event any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer after January 28, 2005, the Fair Market Value (as determined in accordance with the next succeeding sentence) of the Investments of the Issuer in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable) (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments or constituted a Permitted Investment).

The Fair Market Value of property other than cash covered by clauses (2), (3), (4), (5) and (6) above shall be determined in good faith by the Issuer and

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(A) in the event of property with a Fair Market Value in excess of $50.0 million, shall be set forth in an Officers Certificate or

(B) in the event of property with a Fair Market Value in excess of $100.0 million, shall be set forth in a resolution approved by at least a majority of the Board of Directors of the Issuer.

Cumulative Interest Expense means, in respect of any Restricted Payment, the sum of the aggregate amount of Consolidated Interest Expense of the Issuer and the Restricted Subsidiaries for the period from and after January 1, 2005 to the end of the Issuer s most recently ended fiscal quarter for which internal financial statements are available and immediately preceding the proposed Restricted Payment.

Debt to Adjusted EBITDA Ratio means, with respect to any Person for any period, the ratio of (i) Consolidated Total Indebtedness as of the date of calculation (the *Calculation Date*) to (ii) Adjusted EBITDA of such Person for the four consecutive fiscal quarters immediately preceding such Calculation Date. In the event that such Person or any of its Restricted Subsidiaries Incurs or redeems any Indebtedness (other than in the case of revolving credit borrowings, in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Debt to Adjusted EBITDA Ratio is being calculated but prior to the Calculation Date, then the Debt to Adjusted EBITDA Ratio shall be calculated giving pro forma effect to such Incurrence or redemption of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and other operational changes that such Person or any of its Restricted Subsidiaries has both determined to make and made after January 28, 2005 and during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations and other operational changes (and the change of any associated fixed charge obligations and the change in Adjusted EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into such Person or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Debt to Adjusted EBITDA Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate,

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shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate. Any such pro forma calculation may include adjustments appropriate, in the reasonable determination of the Issuer as set forth in an Officers Certificate, to reflect, among other things, (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from any acquisition, amalgamation, merger or operational change (including, without limitation, from the Transactions) and (2) all adjustments used in connection with the adjusted EBITDA calculations set forth in (i) footnote (4) to the Summary Historical and Pro Forma Consolidated Financial Data section of the offering memorandum dated June 19, 2006 in connection with the offering of notes of Intelsat (Bermuda), Ltd. (which notes were subsequently assumed by the Issuer) and (ii) Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2010, in each case, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

Default means any event which is, or after notice or passage of time or both would be, an Event of Default.

Designated Non-cash Consideration means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers Certificate setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

Designated Preferred Stock means Preferred Stock of the Issuer, its Restricted Subsidiaries or any Parent of the Issuer or its Restricted Subsidiaries, as applicable (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in the definition of Cumulative Credit.

Disqualified Stock means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale; *provided* that the relevant asset sale or change of control provisions, taken as a whole, are no more favorable in any material respect to holders of such Capital Stock than the asset sale and change of control provisions applicable to the notes and any purchase requirement triggered thereby may not become operative until compliance with the asset sale and change of control provisions applicable to the notes (including the purchase of any notes tendered pursuant thereto)),

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock, or

(3) is redeemable at the option of the holder thereof, in whole or in part, in each case prior to 91 days after the maturity date of the notes;

provided, *however*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee s termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

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Employee Transfer Agreement means the intercompany agreement regarding the transfer of substantially all of the employees of Intelsat Global Service Corporation to Intelsat Corp, dated as of July 3, 2006, between Intelsat Global Service Corporation and Intelsat Corp, as amended from time to time (*provided* that no such amendment materially affects the ability of the Issuer to make anticipated principal or interest payments on the notes).

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Equity Offering means any public or private sale after the Issue Date of common stock or ordinary shares or Preferred Stock of the Issuer or any Parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer s or such Parent s common stock or ordinary shares registered on Form S-8; and

(2) any such public or private sale that constitutes an Excluded Contribution.

Event of Loss means any event that results in the Issuer or its Restricted Subsidiaries receiving proceeds from any insurance covering any Satellite, or in the event that the Issuer or any of its Restricted Subsidiaries receives proceeds from any insurance maintained for it by any Satellite Manufacturer or any launch provider covering any of such Satellites.

Event of Loss Proceeds means, with respect to any proceeds from any Event of Loss, all Satellite insurance proceeds received by the Issuer or any of the Restricted Subsidiaries in connection with such Event of Loss, after

(1) provision for all income or other taxes measured by or resulting from such Event of Loss,

(2) payment of all reasonable legal, accounting and other reasonable fees and expenses related to such Event of Loss,

(3) payment of amounts required to be applied to the repayment of Indebtedness secured by a Lien on the Satellite that is the subject of such Event of Loss,

(4) provision for payments to Persons who own an interest in the Satellite (including any transponder thereon) in accordance with the terms of the agreement(s) governing the ownership of such interest by such Person (other than provision for payments to insurance carriers required to be made based on projected future revenues expected to be generated from such Satellite in the good faith determination of the Issuer as evidenced by an Officers Certificate), and

(5) deduction of appropriate amounts to be provided by the Issuer or such Restricted Subsidiary as a reserve, in accordance with GAAP, against any liabilities associated with the Satellite that was the subject of the Event of Loss.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Excluded Contributions means the Cash Equivalents or other assets (valued at their Fair Market Value as determined by the Issuer in good faith) received by the Issuer after January 28, 2005 from:

(1) contributions to its common equity capital, and

(2) the sale (other than to a Subsidiary of the Issuer or pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer or any of its Subsidiaries) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer, in each case designated as Excluded Contributions pursuant to an Officers Certificate, which are excluded from the calculation set forth in the definition of Cumulative Credit.

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Excluded Satellite means any Satellite (or, if the entire Satellite is not owned by the Issuer or any Restricted Subsidiary, as the case may be, the portion of the Satellite it owns or for which it has risk of loss) (i) that is not expected or intended, in the good faith determination of the Issuer, to earn revenue from the operation of such Satellite (or portion, as applicable) in excess of $75.0 million for the immediately succeeding 12-month calendar period or (ii) that has a net book value not in excess of $200.0 million or (iii) that (1) the procurement of In-Orbit Insurance therefor in the amounts and on the terms required by the indenture would not be available for a price that is, and on other terms and conditions that are, commercially reasonable or (2) the procurement of such In-Orbit Insurance therefor would be subject to exclusions or limitations of coverage that would make the terms of the insurance commercially unreasonable, in either case, in the good faith determination of the Issuer or (iv) for which In-Orbit Contingency Protection is available or (v) whose primary purpose is to provide In-Orbit Contingency Protection for the Issuer s or its Subsidiaries Satellites (or portions) and otherwise that is not expected or intended, in the good faith determination of the Issuer, to earn revenue from the operation of such Satellite (or portion, as applicable) in excess of $75.0 million for the immediately succeeding 12-month calendar period.

Existing Luxembourg Notes means (i) the 11 1/4% Senior Notes due 2017 (including any notes issued in exchange therefor) and (ii) the 11 1/2%/12 1/2% Senior PIK Election Notes due 2017 (including any notes issued in exchange therefor), in each case, of Intelsat Luxembourg.

Existing Holdings Notes means (a) the 5 5/8% Senior Notes due 2012 and (b) the 6 1/2% Senior Notes due 2013, in each case, of Holdings.

Existing Jackson Notes means the 11 1/4% Senior Notes due 2016, the 11 1/2% Senior Notes due 2016 (including any notes issued in exchange therefor), the 9 1/4% Senior Notes due 2016, the 9 1/2% Senior Notes due 2016 (including any notes issued in exchange therefor), the 8 1/2% Senior Notes due 2019 (including any notes issued in exchange therefor) and the 7 1/4% Senior Notes due 2020 (including any notes issued in exchange therefor), in each case, of the Issuer.

Existing Subsidiary Notes means (a) the 8 1/4% Senior Notes due 2013, the 8 1/2% Senior Notes due 2013 (including any notes issued in exchange therefor), the 8 5/8% Senior Notes due 2013, the 8 7/8% Senior Notes due 2015 (including any notes issued in exchange therefor) and the 8 7/8% Senior Notes due 2015, Series B (including any notes issued in exchange therefor), in each case, of Intelsat Sub Holdco, (b) the 9 1/4% Senior Discount Notes due 2015 and the 9 1/2% Senior Discount Notes due 2015 (including any notes issued in exchange therefor), in each case, of Intermediate Holdco, and (c) the 6 7/8% Senior Secured Debentures due 2028, the 9% Senior Notes due 2014, the 9 1/4% Senior Notes due 2014 (including any notes issued in exchange therefor), the 9% Senior Notes due 2016, the 9 1/4% Senior Notes due 2016 (including any notes issued in exchange therefor), in each case, of Intelsat Corp, and the Intelsat Luxembourg Intercompany Loan.

Fair Market Value means, with respect to any asset or property, the price which could be negotiated in an arm s-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

FCC Licenses means all authorizations, licenses and permits issued by the Federal Communications Commission or any governmental authority substituted therefor to the Issuer or any of its Subsidiaries, under which the Issuer or any of its Subsidiaries is authorized to launch and operate any of its Satellites or to operate any of its TT&C Earth Stations (other than authorizations, orders, licenses or permits that are no longer in effect).

Flow Through Entity means an entity that is treated as a partnership not taxable as a corporation, a grantor trust or a disregarded entity for U.S. federal income tax purposes or subject to treatment on a comparable basis for purposes of state, local or foreign tax law.

Foreign Subsidiary means a Restricted Subsidiary not organized or existing under the laws of the United States of America or any state or territory thereof or the District of Columbia and any direct or indirect subsidiary of such Restricted Subsidiary.

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G2 Transfer Agreement means the Agreement and Plan of Merger, dated as of July 3, 2006, among Intelsat General, G2 Satellite Solutions Corporation and Intelsat Corp, as amended from time to time (*provided* that no such amendment materially affects the ability of the Issuer to make anticipated principal or interest payments on the notes), and the other agreements entered into in connection therewith on or prior to July 3, 2006.

GAAP means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on January 28, 2005. For the purposes of the indenture, the term *consolidated* with respect to any Person means such Person consolidated with its Restricted Subsidiaries, and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary will be accounted for as an Investment.

Government Business Subsidiary means any Restricted Subsidiary of the Issuer, including Intelsat General Corporation for so long as it is a Restricted Subsidiary of the Issuer, that (i) is engaged primarily in the business of providing services to customers similar to the services provided on the Issue Date by Intelsat General Corporation and services or activities that are reasonably similar thereto or a reasonable extension, development or expansion thereof, or is complementary, incidental, ancillary or related thereto and (ii) is subject to the Proxy Agreement or a substantially similar agreement substantially restricting the Issuer s control of such Restricted Subsidiary.

guarantee means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

Guarantee means any guarantee of the obligations of the Issuer under the indenture and the notes by any Person in accordance with the provisions of the indenture.

Guarantor means any Person that Incurs a Guarantee; *provided* that upon the release or discharge of such Person from its Guarantee in accordance with the indenture, such Person ceases to be a Guarantor.

Hedging Obligations means, with respect to any Person, the obligations of such Person under:

(1) currency exchange or interest rate swap agreements, cap agreements and collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange or interest rates.

holder or *noteholder* means the Person in whose name a note is registered on the registrar s books.

Holdings means Intelsat S.A., until a successor replaces it, and thereafter means such successor.

Incur means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

Indebtedness means, with respect to any Person:

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers acceptances (or, without duplication, reimbursement agreements in respect

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thereof), (c) representing the deferred and unpaid purchase price of any property, except any such balance that constitutes a current account payable, trade payable or similar obligation Incurred, (d) in respect of Capitalized Lease Obligations, or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided, however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination, and (b) the amount of such Indebtedness of such other Person; and

(4) to the extent not otherwise included, with respect to the Issuer and its Restricted Subsidiaries, the amount then outstanding (i.e., advanced, and received by, and available for use by, the Issuer or any of its Restricted Subsidiaries) under any Receivables Financing (as set forth in the books and records of the Issuer or any Restricted Subsidiary and confirmed by the agent, trustee or other representative of the institution or group providing such Receivables Financing);

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) obligations to make payments to one or more insurers under satellite insurance policies in respect of premiums or the requirement to remit to such insurer(s) a portion of the future revenue generated by a satellite which has been declared a constructive total loss, in each case in accordance with the terms of the insurance policies relating thereto; (5) Obligations under or in respect of any Qualified Receivables Financing; or (6) any obligations to make progress or incentive payments or risk money payments under any satellite manufacturing contract or to make payments under satellite launch contracts in respect of launch services provided thereunder, in each case, to the extent not overdue by more than 90 days.

Notwithstanding anything in the indenture, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of FASB ASC 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under the indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the indenture.

Independent Financial Advisor means an accounting, appraisal or investment banking firm or consultant to Persons engaged in a Similar Business, in each case of nationally recognized standing that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

Initial Purchasers means the initial purchasers party to the purchase agreement entered into in connection with the offer and sale of the notes.

In-Orbit Contingency Protection means transponder capacity that in the good faith determination of the Issuer is available on a contingency basis by the Issuer or its Subsidiaries, directly or by another satellite operator pursuant to a contractual arrangement, to accommodate the transfer of traffic representing at least 25% of the revenue-generating capacity with respect to any Satellite (or, if the entire Satellite is not owned by the Issuer or any Restricted Subsidiary, as the case may be, the portion of the Satellite it owns or for which it has risk of loss) that may suffer actual or constructive total loss and that meets or exceeds the contractual performance

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specifications for the transponders that had been utilized by such traffic; it being understood that the Satellite (or portion, as applicable) shall be deemed to be insured for a percentage of the Satellite s (or applicable portion s) net book value for which In-Orbit Contingency Protection is available.

In-Orbit Insurance means, with respect to any Satellite (or, if the entire Satellite is not owned by the Issuer or any Restricted Subsidiary, as the case may be, the portion of the Satellite it owns or for which it has risk of loss), insurance (subject to a right of co-insurance in an amount up to $150.0 million) or other contractual arrangement providing for coverage against the risk of loss of or damage to such Satellite (or portion, as applicable) attaching upon the expiration of the launch insurance therefor (or, if launch insurance is not procured, upon the initial completion of in-orbit testing) and attaching, during the commercial in-orbit service of such Satellite (or portion, as applicable), upon the expiration of the immediately preceding corresponding policy or other contractual arrangement, as the case may be, subject to the terms and conditions set forth in the indenture.

Intelsat Bermuda Transfer means the transfer by Intelsat (Bermuda), Ltd. (now known as Intelsat (Luxembourg) S.A.) of certain of its assets and certain of its liabilities and obligations to Intelsat Jackson Holdings, Ltd. (now known as Intelsat Jackson Holdings S.A.) on February 4, 2008.

Intelsat Corp means Intelsat Corporation (formerly PanAmSat Corporation), until a successor replaces it, and thereafter means such successor.

Intelsat Corp Tender Offers means the tender offers by Intelsat Corp for its 9 1/4% Senior Notes due 2014 and its 6 7/8% Senior Secured Debentures due 2028.

Intelsat Holdings means Intelsat Holdings S.A., a Luxembourg company, until a successor replaces it, and thereafter means such successor.

Intelsat Jackson Secured Credit Agreement means (i) the credit agreement entered into on January 12, 2011 among the Issuer, Intelsat Luxembourg, Bank of America, N.A., as Administrative Agent, the financial institutions named therein, and the other parties thereto, and the guarantees thereof provided by certain subsidiaries of the Issuer, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any one or more agreements or indentures extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof, and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of Intelsat Jackson Secured Credit Agreement, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers, whether secured or unsecured, and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

Intelsat Jackson Unsecured Credit Agreement means (i) the senior unsecured credit agreement entered into on February 2, 2007 among Intelsat Luxembourg, Holdings, the financial institutions named therein and Bank of America, N.A., as administrative agent, and the guarantees thereof provided by Intelsat Sub Holdco and certain subsidiaries of Intelsat Sub Holdco, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any one or more agreements or indentures extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under

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such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof, including any agreement entered into in connection with the refinancing thereof as a result of the change of control prepayment offer by the Issuer in May 2008, and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of Intelsat Jackson Unsecured Credit Agreement, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

Intelsat Luxembourg means Intelsat (Luxembourg) S.A., until a successor replaces it, and thereafter means such successor.

Intelsat Luxembourg Intercompany Loan means the intercompany loans by Intelsat (Bermuda), Ltd. (now Intelsat Luxembourg) (irrespective of any subsequent holder of such loans so long as a subsidiary of the Issuer) to PanAmSat Holding Corporation (now Intelsat Corp) to fund the payment of a portion of the purchase price of the PanAmSat Acquisition and to fund the purchase of PanAmSat Holding Corporation s 10 3/8% Senior Discount Notes due 2014 and, in each case, fees and expenses related thereto.

Intelsat Sub Holdco means Intelsat Subsidiary Holding Company S.A., until a successor replaces it, and thereafter means such successor.

Intermediate Holdco means Intelsat Intermediate Holding Company S.A., until a successor replaces it, and thereafter means such successor.

Investment Grade Rating means a rating equal to or higher than Baa3 (or equivalent) by Moody s or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency.

Investment Grade Securities means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents),

(2) securities that have an Investment Grade Rating, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries,

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution, and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

Investments means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of Unrestricted Subsidiary and the covenant described under Certain Covenants Limitation on Restricted Payments :

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(1) Investments shall include the portion (proportionate to the Issuer s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) the Issuer s Investment in such Subsidiary at the time of such redesignation *less*

(b) the portion (proportionate to the Issuer s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

Issue Date means April 5, 2011, the date on which the original notes were be initially issued.

Issuer means Intelsat Jackson Holdings S.A., until a successor replaces it, and thereafter means the successor. For the avoidance of doubt, for any periods or dates which the Issuer does not have historical financial statements available, it shall be entitled to use and rely on the financial statements of its predecessor or successor or an assignor or a transferor that has assigned or transferred to the Issuer assets in the Intelsat Bermuda Transfer or any Specified Merger/Transfer Transaction.

Joint Venture means any Person, other than an individual or a Subsidiary of the Issuer, (i) in which the Issuer or a Restricted Subsidiary of the Issuer holds or acquires an ownership interest (whether by way of Capital Stock or otherwise) and (ii) which is engaged in a Similar Business.

License Subsidiary means one or more wholly-owned Restricted Subsidiaries of the Issuer (i) that holds, was formed for the purpose of holding or is designated to hold FCC Licenses for the launch and operation of Satellites or for the operation of any TT&C Earth Station (other than any FCC License held by Intelsat General Corporation or any of its Subsidiaries) and (ii) all of the shares of capital stock and other ownership interests of which are held directly by the Issuer or a Subsidiary Guarantor.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any other agreement to give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

Management Group means the group consisting of the directors, executive officers and other management personnel of the Issuer or any Parent of the Issuer, as the case may be, on the Issue Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any Parent of the Issuer, as applicable, was approved by a vote of a majority of the directors of the Issuer or any Parent of the Issuer, as applicable, then still in office who were either directors on the Issue Date or whose election or nomination was previously so approved and (2) executive officers and other management personnel of the Issuer or any Parent of the Issuer, as applicable, hired at a time when the directors on the Issue Date together with the directors so approved constituted a majority of the directors of the Issuer or any Parent of the Issuer, as applicable.

Master Intercompany Services Agreement means the Amended and Restated Master Intercompany Services Agreement, dated as of January 12, 2011, among Intelsat Luxembourg and certain direct and indirect Parent companies and Subsidiaries of Intelsat Luxembourg and the other parties thereto, as in effect on the Issue Date and as amended from time to time thereafter (*provided* that no such amendment materially affects the ability of the Issuer to make anticipated principal or interest payments on the notes).

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Moody s means Moody s Investors Service, Inc. or any successor to the rating agency business thereof.

Net Income means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

Net Proceeds means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale, including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), and any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under Certain Covenants Asset Sales) to be paid as a result of such transaction (including to obtain any consent therefor), and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

Net Transponder Capacity means the aggregate transponder capacity for all in-orbit transponders then owned by the Issuer and its Restricted Subsidiaries.

New Intelsat Jackson Unsecured Credit Agreement means (i) the senior unsecured credit agreement entered into on July 1, 2008 among the Issuer, Holdings, Intelsat Luxembourg, Credit Suisse, Cayman Islands Branch, as Administrative Agent, the financial institutions named therein, and the other parties thereto, and the guarantees thereof provided by Intelsat Sub Holdco and certain subsidiaries of Intelsat Sub Holdco, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any one or more agreements or indentures extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof, and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of New Intelsat Jackson Unsecured Credit Agreement, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the notes.

Officer means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Issuer, any Parent of the Issuer or any of the Issuer s Restricted Subsidiaries.

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Officers Certificate means a certificate signed on behalf of the Issuer by two Officers of the Issuer, any Parent of the Issuer or any of the Issuer s Restricted Subsidiaries, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer, any Parent of the Issuer or any of the Issuer s Restricted Subsidiaries, that meets the requirements set forth in the indenture.

Opinion of Counsel means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee.

PanAmSat Acquisition means the transaction pursuant to which Intelsat (Bermuda), Ltd. (now Intelsat Luxembourg) became the owner of all of the outstanding share capital of PanAmSat Holding Corporation (now Intelsat Corp).

Parent means, with respect to any Person, any other Person of which such Person is a direct or indirect Subsidiary.

Pari Passu Indebtedness means:

(1) with respect to the Issuer, the notes and any Indebtedness which ranks pari passu in right of payment with the notes; and

(2) with respect to any Guarantor, its Guarantee and any Indebtedness which ranks pari passu in right of payment with such Guarantor s Guarantee.

Permitted Holders means, at any time, (i) the Sponsors, (ii) the Management Group, (iii) any Parent of the Issuer, and (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders specified in clauses (i), (ii) and/or (iii) above, and that (directly or indirectly) hold or acquire beneficial ownership of the Voting Stock of the Issuer or any Parent of the Issuer (a Permitted Holder Group), so long as no Person or other group (other than Permitted Holders specified in clauses (i) (iii) above) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by such Permitted Holder Group. Any one or more Persons or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the indenture will thereafter, together with its (or their) Affiliates, constitute an additional Permitted Holder or Permitted Holders, as applicable.

Permitted Investments means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person that is primarily engaged in a Similar Business if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of Certain Covenants Asset Sales or any other disposition of assets not constituting an Asset Sale;

(5) Investments not in excess of $40.0 million outstanding at any one time in the aggregate made or contemplated to be made in Intelsat New Dawn Company, Ltd., an Unrestricted Subsidiary of the Issuer;

(6) advances to employees not in excess of $40.0 million outstanding at any one time in the aggregate;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer or borrower of such other Investment or accounts receivable, or (b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under clause (j) of the Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock covenant;

(9) any Investment (x) existing on the Issue Date, (y) made pursuant to binding commitments in effect on the Issue Date and (z) that replaces, refinances, refunds, renews or extends any Investment described under either of the immediately preceding clauses (x) or (y), *provided* that any such Investment is in an amount that does not exceed the amount replaced, refinanced, refunded, renewed or extended;

(10) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding, not to exceed the greater of (x) $350.0 million and (y) 3% of Total Assets of the Issuer at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors and employees for business-related travel expenses, moving and relocation expenses and other similar expenses, in each case Incurred in the ordinary course of business;

(12) Investments the payment for which consists of Equity Interests of the Issuer or any Parent of the Issuer (other than Disqualified Stock); *provided, however*, that such Equity Interests will not increase the amount available for Restricted Payments under the calculation set forth in the definition of the term Cumulative Credit ;

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under Certain Covenants Transactions with Affiliates (except transactions described in clauses (2)(a), (6), (7) and (11)(b) of such paragraph);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees not prohibited by or required pursuant to, as the case may be, the covenants described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Future Guarantors ; *provided* that the proceeds of the Indebtedness being guaranteed would be applied in a manner that would otherwise comply with the first paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments (other than clause (4) of the first paragraph thereof);

(16) any Investments by Subsidiaries that are not Restricted Subsidiaries in other Subsidiaries that are not Restricted Subsidiaries of the Issuer;

(17) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

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(18) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness; *provided, however*, that any Investment in a Receivables Subsidiary is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest;

(19) Investments resulting from the receipt of non-cash consideration in a sale of assets or property that does not constitute an Asset Sale or in an Asset Sale received in compliance with the covenant described under Certain Covenants Asset Sales ;

(20) additional Investments in Joint Ventures of the Issuer or any of its Restricted Subsidiaries existing on the Issue Date in an aggregate amount not to exceed $50.0 million outstanding at any one time;

(21) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(22) Investments in Subsidiaries or Joint Ventures formed for the purpose of selling or leasing transponders or transponder capacity to third-party customers in the ordinary course of business of the Issuer and its Restricted Subsidiaries which investments are in the form of transfers to such Subsidiaries or Joint Ventures for fair market value transponders or transponder capacity sold or to be sold or leased or to be leased by such Subsidiaries or Joint Ventures; *provided* that all such Investments in Subsidiaries and Joint Ventures do not exceed 10% of Net Transponder Capacity; and

(23) any Investment in the notes, Existing Subsidiary Notes, or any other Indebtedness incurred or assumed in connection with the Transactions.

Permitted Liens means, with respect to any Person:

(1) pledges or deposits by such Person under workmen s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers , warehousemen s and mechanics Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued at the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

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(6) (A) Liens securing an aggregate principal amount of Pari Passu Indebtedness not to exceed the greater of (x) the aggregate principal amount of Pari Passu Indebtedness permitted to be Incurred pursuant to clause (a) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and (y) the maximum principal amount of Indebtedness that, as of such date, and after giving effect to the Incurrence of such Indebtedness and the application of the proceeds therefrom on such date, would not cause the Secured Indebtedness Leverage Ratio of the Issuer to exceed 2.50 to 1.00 and (B) Liens securing Indebtedness permitted to be Incurred pursuant to the Non-Guarantor Exception and clauses (b), (d) (*provided* that such Liens do not extend to any property or assets that are not property being purchased, leased, constructed or improved with the proceeds of such Indebtedness being Incurred pursuant to clause (d)), (l) or (t) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ; *provided* that in the case of the Non-Guarantor Exception and clause (t), such Lien does not extend to the property or assets of the Issuer or any Subsidiary of the Issuer other than a Restricted Subsidiary of the Issuer that is not a Guarantor;

(7) Liens existing on the Issue Date;

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, *however*, that such Liens may not extend to any other property owned by the Issuer or any Subsidiary Guarantor of the Issuer;

(9) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that the Liens may not extend to any other assets or property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary of the Issuer permitted to be Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(11) Liens securing Hedging Obligations permitted to be Incurred under clause (j) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock ;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person s obligations in respect of bankers acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(15) Liens in favor of the Issuer or any Restricted Subsidiary;

(16) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer s client at which such equipment is located;

(17) Liens on accounts receivable and related assets of the type specified in the definition of Receivables Financing Incurred in connection with a Qualified Receivables Financing;

(18) deposits made in the ordinary course of business to secure liability to insurance carriers;

(19) Liens on the Equity Interests of Unrestricted Subsidiaries;

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(20) grants of software and other technology licenses in the ordinary course of business;

(21) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6)(B), (7), (8), (9), (10), (11) and (15); *provided, however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6)(B), (7), (8), (9), (10), (11) and (15) at the time the original Lien became a Permitted Lien under the indenture, and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; and

(22) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed $75.0 million at any one time outstanding.

Person means any individual, corporation, partnership, limited liability company, Joint Venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Preferred Stock means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution or winding up.

Presumed Tax Rate means the highest effective marginal statutory combined U.S. federal, state and local income tax rate prescribed for an individual residing in New York City (taking into account (i) the deductibility of state and local income taxes for U.S. federal income tax purposes, assuming the limitation of Section 68(a)(2) of the Code applies and taking into account any impact of Section 68(f) of the Code, and (ii) the character (long-term or short-term capital gain, dividend income or other ordinary income) of the applicable income).

Purchase Money Note means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from the Issuer or any Subsidiary of the Issuer to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

Qualified Receivables Financing means any Receivables Financing of a Receivables Subsidiary that meets the following conditions:

(1) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary,

(2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at Fair Market Value (as determined in good faith by the Issuer), and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Bank Indebtedness shall not be deemed a Qualified Receivables Financing.

Rating Agency means (1) each of Moody s and S&P and (2) if Moody s or S&P ceases to rate the notes for reasons outside of the Issuer s control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or any Parent of the Issuer as a replacement agency for Moody s or S&P, as the case may be.

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Receivables Fees means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

Receivables Financing means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

Receivables Repurchase Obligation means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

Receivables Subsidiary means a Wholly-Owned Restricted Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings,

(b) with which neither the Issuer nor any other Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer, and

(c) to which neither the Issuer nor any other Subsidiary of the Issuer has any obligation to maintain or preserve such entity s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing conditions.

Refinancings means, collectively, the (i) redemption of the Issuer s Floating Rate Senior Notes due 2013 and Floating Rate Senior Notes due 2015 and (ii) redemption of the outstanding Holdings 5 $^{1}/4$% Senior Notes due 2008.

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Reorganization means the transactions pursuant to which the Subsidiaries of Holdings were restructured, which were consummated on January 12, 2011.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this Description of Notes, all references to Restricted Subsidiaries mean Restricted Subsidiaries of the Issuer.

S&P means Standard & Poor s Ratings Group or any successor to the rating agency business thereof.

Sale/Leaseback Transaction means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

Satellite means any satellite owned by the Issuer or any of its Restricted Subsidiaries and any satellite purchased by the Issuer or any of its Restricted Subsidiaries pursuant to the terms of a Satellite Purchase Agreement, whether such satellite is in the process of manufacture, has been delivered for launch or is in orbit (whether or not in operational service).

Satellite Manufacturer means, with respect to any Satellite, the prime contractor and manufacturer of such Satellite.

Satellite Purchase Agreement means, with respect to any Satellite, the agreement between the applicable Satellite Purchaser and the applicable Satellite Manufacturer relating to the manufacture, testing and delivery of such Satellite.

Satellite Purchaser means the Issuer or Restricted Subsidiary that is a party to a Satellite Purchase Agreement.

SEC means the Securities and Exchange Commission or any successor thereto.

Secured Indebtedness means any Indebtedness secured by a Lien.

Secured Indebtedness Leverage Ratio means, with respect to any Person, at any date the ratio of (i) Secured Indebtedness of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) to (ii) Adjusted EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs or redeems any Indebtedness subsequent to the commencement of the period for which the Secured Indebtedness Leverage Ratio is being calculated but prior to the event for which the calculation of the Secured Indebtedness Leverage Ratio is made (the *Secured Leverage Calculation Date*), then the Secured Indebtedness Leverage Ratio shall be calculated giving pro forma effect to such Incurrence or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and other operational changes that such Person or any of its Restricted Subsidiaries has both determined to make and made after January 28, 2005 and during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Secured Leverage Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations, discontinued operations and other operational changes (and the change in Adjusted EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into such Person or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Secured Indebtedness Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable determination of the Issuer as set forth in an Officers Certificate, to reflect, among other things, (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from any acquisition, merger or operational change (including, without limitation, from the Transactions) and (2) all adjustments used in connection with the adjusted EBITDA calculations set forth in (i) footnote (4) to the Summary Historical and Pro Forma Consolidated Financial Data section of the offering memorandum dated June 19, 2006 in connection with the offering of notes of Intelsat (Bermuda), Ltd. (which notes were subsequently assumed by the Issuer) and (ii) Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2010, in each case, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Senior Credit Documents means the collective reference to the Intelsat Jackson Secured Credit Agreement, the senior secured credit facilities thereunder and the guarantees thereof, the collateral documents relating thereto and any intercreditor documents relating thereto, in each case, as amended, supplemented or otherwise modified from time to time.

Serafina Assignment means the assignment by Serafina Acquisition Limited, immediately following the Intelsat Bermuda Transfer on February 4, 2008, of certain of its liabilities and obligations to Intelsat (Bermuda), Ltd. (now Intelsat Luxembourg), and the assumption by Intelsat (Bermuda), Ltd. of such liabilities and obligations.

Significant Subsidiary means any Restricted Subsidiary that would be a significant subsidiary of the Issuer within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC or any successor provision.

Similar Business means any business or activity of the Issuer or any of its Subsidiaries currently conducted or proposed as of the Issue Date, or any business or activity that is reasonably similar thereto or a reasonable extension, development or expansion thereof, or is complementary, incidental, ancillary or related thereto.

Specified Intercompany Agreements means the Master Intercompany Services Agreement, the Employee Transfer Agreement, the G2 Transfer Agreement and the agreements or promissory notes evidencing the Intelsat Luxembourg Intercompany Loan and, in each case, agreements in connection therewith.

Specified Redemptions means the redemption of (1) Holdings 7 5/8% Senior Notes due 2012, (2) Intermediate Holdco s 9 1/4% Senior Discount Notes due 2015, (3) Intelsat Sub Holdco s 8 1/2% Senior Notes

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due 2013 and (4) Intelsat Corp s 9 1/4% Senior Notes due 2014, 9 1/4% Senior Notes due 2016 and 6 7/8% Senior Secured Debentures due 2028.

Specified Sale/Leaseback Transaction means one Sale/Leaseback Transaction pursuant to which the Issuer or its Restricted Subsidiaries sell one Satellite and related assets that is designated as a Specified Sale/Leaseback Transaction pursuant to an Officers Certificate.

Sponsors means (1) one or more investment funds advised, managed or controlled by BC Partners Holdings Limited or any Affiliate thereof, (2) one or more investment funds advised, managed or controlled by Silver Lake or any Affiliate thereof and (3) one or more investment funds advised, managed or controlled by any of the Persons described in clauses (1) and (2) of this definition, and, in each case, (whether individually or as a group) their Affiliates; *provided* that, for purposes of determining the fees and expenses that may be added back pursuant to clause (5)(b) within the definition of Adjusted EBITDA for any period before February 4, 2008, the term Sponsor shall also mean one or more investment funds advised, managed or controlled by Apax Partners Worldwide, LLP, Apax Partners, L.P., Apollo Management V, L.P., Madison Dearborn Partners, LLC or Permira Advisers, LLC or any of their respective Affiliates.

Standard Securitization Undertakings means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

Stated Maturity means, with respect to any loan or security, the date specified in such loan or security as the fixed date on which the final payment of principal of such loan or security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such loan or security at the option of the holder or lender thereof upon the happening of any contingency beyond the control of the issuer or borrower, as applicable, unless such contingency has occurred).

Subordinated Indebtedness means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the notes, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to its Guarantee.

Subsidiary means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity and (3) any Person that is consolidated in the consolidated financial statements of the specified Person in accordance with GAAP.

Subsidiary Guarantor means each Subsidiary of the Issuer that is a Guarantor.

Subsidiary Transfer Transaction means the transfer of all or a portion of the equity, assets and liabilities of any of the Issuer or any of its Restricted Subsidiaries between or among any of the Issuer and/or any of its Restricted Subsidiaries.

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Tax-affected Investor means any holder of capital stock in any Parent of the Issuer that is subject (or if such holder is a Flow-Through Entity, any partner in which is subject) to a tax regime (for example, as a United States shareholder within the meaning of section 951(b) of the Code) that requires such person to recognize on a current basis taxable income attributable to earnings and profits of the Issuer, or its Subsidiaries in advance of any distribution of such earnings and profits.

TIA means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of the indenture.

Total Assets means, with respect to any Person, the total consolidated assets of such Person and its Restricted Subsidiaries, as shown on the most recent balance sheet.

Transaction Agreement means the Share Purchase Agreement, dated as of June 19, 2007, among Serafina Holdings Limited, Serafina Acquisition Limited, Intelsat Holdings and certain shareholders of Intelsat Holdings, as amended, supplemented or modified from time to time.

Transaction Documents means the Transaction Agreement, the Credit Agreement, the indenture governing the notes offered hereby, the Existing Subsidiary Notes, the Existing Jackson Notes, the Existing Luxembourg Notes, the Specified Intercompany Agreements and, in each case, any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time.

Transactions means the Acquisition and the transactions related thereto (including the Intelsat Bermuda Transfer, the Serafina Assignment, the Change of Control Offers and the Refinancings, as applicable), including as contemplated by the Transaction Documents (including any Equity Interest payments made in connection therewith (whether on the Issue Date or thereafter)), the offering of the 9% Senior Notes due 2016 in connection with the PanAmSat Acquisition and the borrowing under the Intelsat Luxembourg Intercompany Loan, the entry into the Intelsat Jackson Unsecured Credit Agreement and the New Intelsat Jackson Unsecured Credit Agreement, the issuance of the notes offered hereby and related tender offers, the Existing Subsidiary Notes, the Existing Jackson Notes and the Existing Luxembourg Notes, amendments and borrowings made pursuant to the Credit Agreement, the execution and performance of the Specified Intercompany Agreements, the Subsidiary Transfer Transactions, the Intelsat Corp Tender Offers, the Specified Redemptions, the Reorganization and the other transactions in connection with the foregoing.

Treasury Rate means with respect to the notes, as of the applicable redemption date, the yield to maturity, as of such redemption date, interpolated on a straight-line basis between United States Treasury securities with constant maturities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to April 1, 2015, in the case of the 2019 notes, or April 1, 2016, in the case of 2021 notes; provided, *however*, that if the period from such redemption date to April 1, 2015, in the case of the 2019 notes, or April 1, 2016, in the case of 2021 notes, is less than one year, the weekly average yield on one year constant maturity United States Treasury security (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)).

Trust Officer means any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, trust officer, assistant trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person s knowledge of and familiarity with the particular subject, and who shall have direct responsibility for the administration of the indenture.

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Trustee means the respective party named as such in the indenture until a successor replaces it and, thereafter, means the successor.

TT&C Earth Station means any earth station licensed for operation by the FCC or by any international, federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body, authority, agency or commission or legislative body or other governmental entity outside of the United States used for the provision of TT&C Services that is owned and operated by the Issuer or any of its Subsidiaries.

TT&C Services means the provision of tracking, telemetry and command services for the purposes of operational control of any Satellite.

Unrestricted Subsidiary means:

(1) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries (other than Equity Interests of Unrestricted Subsidiaries); *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under the covenant described under Certain Covenants Limitation on Restricted Payments.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, *however*, that immediately after giving effect to such designation no Event of Default shall have occurred and be continuing and either (1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Debt to Adjusted EBITDA Ratio test described in the first paragraph under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, or (2) the Debt to Adjusted EBITDA Ratio for the Issuer and its Restricted Subsidiaries would be less than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing provisions.

On the issue date, Intelsat New Dawn Company, Ltd., New Dawn Satellite Company, Ltd. and New Dawn Distribution Company, Ltd. will be Unrestricted Subsidiaries.

U.S. Government Obligations means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

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(3) which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or

interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Weighted Average Life to Maturity means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

Wholly-Owned Restricted Subsidiary is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

Wholly-Owned Subsidiary of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares or shares or interests required to be held by foreign nationals) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person and one or more Wholly-Owned Subsidiaries of such Person.

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BOOK-ENTRY; DELIVERY AND FORM

As used in this Book-Entry; Delivery and Form section, *exchange notes* means the new notes issued pursuant to the exchange offer.

Book-Entry, Delivery and Form

The exchange notes will be represented by one or more global notes in registered, global form without interest coupons (collectively, the Global Exchange Notes). The Global Exchange Notes initially will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company, or DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant as described below.

Except as set forth below, the Global Exchange Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Exchange Notes may not be exchanged for exchange notes in certificated form except in the limited circumstances described below. See Exchange of Global Exchange Notes for Certificated Notes. In addition, transfers of beneficial interests in the Global Exchange Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

The notes may be presented for registration of transfer and exchange at the offices of the registrar.

Depository Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the participants) and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the indirect participants). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

(1) upon deposit of the Global Exchange Notes, DTC will credit the accounts of participants with portions of the principal amount of the Global Exchange Notes; and

(2) ownership of these interests in the Global Exchange Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the Global Exchange Notes).

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Investors in the Global Exchange Notes who are participants in DTC s system may hold their interests therein directly through DTC. Investors in the Global Exchange Notes who are not participants may hold their interests therein indirectly through organizations which are participants in such system. All interests in a Global Exchange Note may be subject to the procedures and requirements of DTC. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Exchange Note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a Global Exchange Note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of an interest in the Global Exchange Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or holders thereof under the indenture for any purpose.

Payments in respect of the principal of, and interest and premium on a Global Exchange Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, we and the Trustee will treat the persons in whose names the notes, including the Global Exchange Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither we, the Trustee nor any agent of us or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC s records or any participant s or indirect participant s records relating to or payments made on account of beneficial ownership interests in the Global Exchange Notes or for maintaining, supervising or reviewing any of DTC s records or any participant s or indirect participant s records relating to the beneficial ownership interests in the Global Exchange Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or us. Neither we nor the Trustee will be responsible or liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between participants in DTC will be effected in accordance with DTC s procedures, and will be settled in same-day funds.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Exchange Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the Global Exchange Notes for legended notes in certificated form, and to distribute such notes to its participants.

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Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Exchange Notes among participants, it is under no obligation to perform such procedures, and such procedures may be discontinued or changed at any time. Neither we, the Trustee nor any agent of us or the Trustee will have any responsibility or liability for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Exchange Notes for Certificated Notes

A Global Exchange Note is exchangeable for definitive notes in registered certificated form (Certificated Notes) if DTC (A) notifies us that it is unwilling or unable to continue as depositary for the Global Exchange Notes and a successor depositary is not appointed or (B) has ceased to be a clearing agency registered under the Exchange Act.

In addition, beneficial interests in a Global Exchange Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Exchange Note or beneficial interests in Global Exchange Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures).

Same Day Settlement and Payment

We will make payments in respect of the notes represented by the Global Exchange Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the Global Exchange Note holder. We will make all payments of principal, interest and premium with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder s registered address. The notes represented by the Global Exchange Notes are expected to be eligible to trade in DTC s Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

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THE EXCHANGE OFFER

Purpose and Effect of Exchange Offer; Registration Rights

On April 5, 2011, we sold the original notes to Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc., HSBC Securities (USA) Inc., RBC Capital Markets, LLC and UBS Securities LLC as initial purchasers in a private offering pursuant to a purchase agreement. These initial purchasers subsequently sold the original notes to qualified institutional buyers under Rule 144A under the Securities Act of 1933 and to certain sophisticated investors in offshore transactions in reliance on Regulation S under the Securities Act of 1933. As a condition to the sale of the original notes to the initial purchasers, we entered into a registration rights agreement with those initial purchasers.

The registration rights agreement requires us to file a registration statement under the Securities Act of 1933 offering to exchange your original notes for new notes. Accordingly, we are offering you the opportunity to exchange your original notes for the same principal amount of new notes. The new notes will be registered and issued without a restrictive legend. The registration rights agreement relating to the notes also requires us to use commercially reasonable efforts to cause the registration statement to be declared effective by the SEC and to complete the exchange offer by May 4, 2012. In the event that we are unable to satisfy these requirements, holders of the original notes would be entitled to additional interest on the original notes at a rate equal to 0.25% per annum for the first 90-day period from and including the specified date and increasing by an additional 0.25% per annum for each subsequent 90-day period. The aggregate amount of the additional interest in respect of each note payable will in no event exceed 1.00% per annum. The registration rights agreement provides that the accrual of additional interest will cease once we satisfy the requirements described above.

A copy of the registration rights agreement has been filed as an exhibit to this registration statement. You are strongly encouraged to read the entire text of the agreement. Except as discussed below, we will have no further obligation to register your original notes upon the completion of the exchange offer.

We believe that the notes issued to you in this exchange offer may be offered for resale, sold and otherwise transferred by you, without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933, only if you are able to make these four representations:

- you are acquiring the notes issued in the exchange offer in the ordinary course of your business;
- you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in the distribution of the notes issued to you in the exchange offer;
- you are not an affiliate, as defined under the Securities Act of 1933, of Intelsat S.A.; and
- you are not a broker-dealer tendering original notes acquired directly from us for your own account.

Our belief is based upon existing interpretations by the SEC s staff contained in several no-action letters to third parties unrelated to us. If you tender your original notes in the exchange offer for the purpose of participating in a distribution of new notes, you cannot rely on these interpretations by the SEC s staff and you must comply with the registration and prospectus delivery requirements of the Securities Act of 1933 in connection with a secondary resale transaction.

The SEC considers broker-dealers that acquired original notes directly from us, but not as a result of market-making activities or other trading activities, to be making a distribution of the new notes if they participate in the exchange offer. Consequently, these broker-dealers cannot use this prospectus for the exchange offer in connection with a resale of the new notes and, absent an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act of 1933 in connection with a resale of the new notes. These broker-dealers cannot rely on the position of the SEC s staff set forth in the Exxon Capital Holdings Corporation no-action letter (available May 13, 1988) or similar letters.

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A broker-dealer that has bought original notes for market-making or other trading activities must deliver a prospectus in order to resell any new notes it receives for its own account in the exchange offer. The SEC has taken the position that such broker-dealers may fulfill their prospectus delivery requirements with respect to the new notes by delivering the prospectus contained in the registration statement for the exchange offer. Accordingly, this prospectus may be used by such a broker-dealer to resell any of its new notes. We have agreed in the registration rights agreement to send a prospectus to any broker-dealer that requests copies in the notice and questionnaire included in the letter of transmittal accompanying the prospectus for a period of up to 90 days after the date of expiration of this exchange offer. Unless you are required to do so because you are such a broker-dealer, you may not use this prospectus for an offer to resell, resale or other retransfer of new notes.

We are not making this exchange offer to, nor will we accept tenders for exchange from, holders of original notes in any jurisdiction in which the exchange offer or the acceptance of it would not be in compliance with the securities or blue sky laws of that jurisdiction.

You may suffer adverse consequences if you fail to exchange your original notes. Following the completion of the exchange offer, except as set forth below and in the registration rights agreement, you will not have any further registration rights and your original notes will continue to be subject to certain restrictions on transfer. Accordingly, if you do not participate in the exchange offer, your ability to sell your original notes could be adversely affected.

Under the registration rights agreement, we are required to use commercially reasonable efforts to file a shelf registration statement with the SEC to cover resales of the original notes or the new notes by holders if we are not permitted to consummate the exchange offer because we determine that the exchange offer is not permitted by applicable law or SEC policy, if the exchange offer is not for any reason consummated on or prior to May 4, 2012, or if any holder of registrable securities notifies us prior to the 20th business day following the consummation of the exchange offer that it may not resell the notes acquired by it in the exchange offer to the public without restriction under U.S. federal and state securities laws.

For purposes of the preceding paragraph, registrable securities means each original note or new note until the earliest to occur of:

- the date on which that original note has been exchanged for a new note in the exchange offer;
- the date on which that original note or new note has been effectively registered under the Securities Act of 1933 and disposed of in accordance with the shelf registration statement;
- the date on which that original or new note ceases to be outstanding for purpose of the governing indenture; or
- the date on which that original note may be sold by the holder to the public pursuant to Rule 144 under the Securities Act of 1933 or any similar provision then in force, by a person that is not an affiliate without restrictions and does not bear any restrictive legends relating to the Securities Act of 1933.

If we are obligated to file a shelf registration statement, we will be required to keep such shelf registration statement effective for up to three years after the date that the original notes were issued.

Representations We Need From You Before You May Participate in the Exchange Offer

We need representations from you before you can participate in the exchange offer.

These representations are that:

- the notes that you will acquire in the exchange offer are being obtained in the ordinary course of your business;

neither you nor any person you are acting for is engaging in or intends to engage in a distribution of the notes;

neither you nor any person you are acting for has an arrangement or understanding with any person to participate in the distribution of notes;

neither you nor any person you are acting for is our affiliate, as defined under Rule 405 of the Securities Act of 1933 or, if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act of 1933 and will provide information to be included in the shelf registration statement in order to have your notes included in such shelf registration statement;

neither you nor any person receiving new notes from you is prohibited by any law or policy of the Commission from participating in the exchange offer; and

if you or any other person you are acting for is a broker-dealer, and you receive notes for your own account in exchange for original notes that were acquired as a result of market-making or other trading activities, you will comply with the applicable provisions of the Securities Act of 1933, including delivering a prospectus in connection with any resale of such notes.

In relation to each Relevant Member State, you will need to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) you have not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that you may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the representatives of the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive

provided that no such offer of notes shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Terms of the Exchange Offer

We will accept any validly tendered original notes that are not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will issue $2,000 principal amount, and integral multiples in excess of $1,000 thereof, of new notes in exchange for each $2,000 principal amount, and integral multiples of $1,000 in excess thereof, of your original notes tendered. Holders may tender some or all of their original notes in the exchange offer.

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The form and terms of the new notes will be substantially the same as the form and terms of your original notes except that:

- interest on the new notes will accrete or accrue, as the case may be, from the last interest payment date on which interest accreted or was paid on your original notes, or, if no interest has accreted or been paid on the original notes, from the date of the original issuance of your original notes;
- the new notes have been registered under the Securities Act of 1933 and will not bear a legend restricting their transfer; and
- the provisions for payment of additional interest in the case of non-registration will be eliminated.

The new notes will be issued under, and entitled to the benefits of, the same indenture governing your original notes.

This prospectus and the documents you received with this prospectus are being sent to you and to others believed to have beneficial interests in the original notes. We intend to conduct the exchange offer in accordance with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC.

We will have accepted your validly tendered original notes when we have given oral or written notice to Wells Fargo Bank, National Association, referred to as Wells Fargo Bank. Wells Fargo Bank will act as agent for you for the purpose of receiving the notes. If any tendered original notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events or otherwise, certificates sent to Wells Fargo Bank will be returned to you, without expense, as promptly as practicable, unless you request in the letter of transmittal that the notes be sent to someone else.

You will not be required to pay brokerage commissions, fees or transfer taxes in the exchange of your original notes. We will pay all charges and expenses in connection with the exchange offer except for any taxes you may incur in effecting the transfer of your original notes or new notes to some other person, or if a transfer tax is imposed for any reason other than the exchange of notes pursuant to the exchange offer.

Expiration Date; Extensions; Amendments

The exchange offer will expire at 5:00 p.m., New York City time, on February 2, 2012, unless we extend the exchange offer, in which case the exchange offer shall terminate at 5:00 p.m., New York City time, on the last day of the extension. We do not currently intend to extend the expiration date. In any event, the exchange offer will be held open for at least 20 business days. In order to extend the exchange offer, we will issue a notice by press release or other public announcement.

We reserve the right, in our sole discretion:

- to delay accepting your original notes;
- to extend the exchange offer;
- to terminate the exchange offer, if any of the conditions shall not have been satisfied; or
- to amend the terms of the exchange offer in any manner.

If we delay, extend, terminate or amend the exchange offer, we will give notice to the exchange agent and issue a press release or other public announcement.

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Procedures for Tendering Your Original Notes

Except in limited circumstances, only a DTC participant listed on a DTC securities position listing with respect to the original notes may tender original notes in the exchange offer. Except as stated below under Book-Entry Transfer, to tender in the exchange offer:

- if you do not hold your position through DTC, Euroclear or Clearstream, Luxembourg, you must, on or before the expiration date, deliver a duly completed letter of transmittal to the exchange agent at its address specified in the letter of transmittal, and certificates for your original notes must be received by Wells Fargo Bank along with the letter of transmittal;

- if you hold your position through DTC, you must instruct DTC and a DTC participant by completing the form *Instruction to Registered Holder from Beneficial Holder* accompanying this prospectus of your intention whether or not you wish to tender your original notes for new notes, and you must in turn follow the procedures for book-entry transfer as set forth below under Book-Entry Transfer and in the letter of transmittal; or

- if you hold your position through Euroclear or Clearstream, Luxembourg, the form *Instruction to Registered Holder from Beneficial Holder* with respect to original notes held through Euroclear or Clearstream, Luxembourg must be completed by a direct accountholder in Euroclear or Clearstream, Luxembourg, and interests in the original notes must be tendered in compliance with procedures established by Euroclear or Clearstream, Luxembourg.

If you intend to use the guaranteed delivery procedures, you must comply with the guaranteed delivery procedures described below.

Neither Intelsat S.A. nor the exchange agent will be responsible for the communication of tenders by holders to the accountholders in DTC, Euroclear or Clearstream, Luxembourg through which they hold original notes or by such accountholders to the exchange agent, DTC, Euroclear or Clearstream, Luxembourg.

Holders will not be responsible for the payment of any fees or commissions to the exchange agent for the original notes.

In no event should a holder submitting a tender for exchange send a letter of transmittal or original notes to any agent of Intelsat S.A. other than the exchange agent, or to DTC, Euroclear or Clearstream, Luxembourg.

Holders may contact the exchange agent for assistance in filling out and delivering letters of transmittal and for additional copies of the exchange offer materials.

To be tendered effectively, a letter of transmittal or, as described below under Book-Entry Transfer, an agent s message and other required documents must be received by Wells Fargo Bank at its address set forth under Exchange Agent below prior to the expiration date.

If you do not withdraw your tender before the expiration date, your tender will constitute an agreement between you and us in accordance with the terms and conditions in this prospectus and in the letter of transmittal.

The method of delivery of your original notes, the letter of transmittal and all other required documents to be delivered to Wells Fargo Bank is at your election and risk. Instead of delivery by mail, it is recommended that you use an overnight or hand delivery service. In all cases, you should allow sufficient time to ensure delivery to Wells Fargo Bank before the expiration date. No letter of transmittal or original notes should be sent to us. You may request your brokers, dealers, commercial banks, trust companies or nominees to effect these transactions on your behalf.

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Procedure if the Original Notes Are Not Registered in Your Name

If your original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your original notes, then you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on behalf of a registered owner, you must, prior to completing and executing a letter of transmittal and delivering the registered owner s original notes, either make appropriate arrangements to register ownership of the original notes in your name or obtain a properly completed power of attorney or other proper endorsement from the registered holder. We strongly urge you to act immediately since the transfer of registered ownership may take considerable time.

Signature Requirements and Signature Guarantees

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, referred to as an eligible institution, that is a member of specified signature guarantee programs. Signatures on a letter of transmittal or a notice of withdrawal will not be required to be guaranteed if the original notes are tendered:

- by a registered holder that has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

- for the account of an eligible institution.

If a letter of transmittal or any notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing. Evidence satisfactory to us of their authority to so act must be submitted with such letter of transmittal unless waived by us.

Conditions to the Exchange Offer

All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tendered notes will be determined by us, in our sole discretion, and our determination will be final and binding. We reserve the absolute right to reject any and all original notes not properly tendered or any original notes the acceptance of which would be unlawful in the opinion of us or our counsel. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular original notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in a letter of transmittal, will be final and binding on all parties. Any defects or irregularities in connection with tenders of original notes must be cured within such time as we shall determine, unless waived by us. Although we intend to notify you of defects or irregularities with respect to tenders of original notes, neither we, Wells Fargo Bank nor any other person shall be under any duty to give such notification or shall incur any liability for failure to give such notification. Tenders of original notes will not be deemed to have been made until all such defects and irregularities have been cured or waived. Any original notes received by Wells Fargo Bank that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by Wells Fargo Bank as soon as practicable following the expiration date to you, unless you request in the letter of transmittal that the notes be sent to someone else.

In addition, we reserve the right in our sole discretion to purchase or make offers for any original notes that remain outstanding after the expiration date and, to the extent permitted by applicable law, to purchase original notes in the open market in privately negotiated transactions, or otherwise. The terms of any such purchases or offers could differ from the terms of this exchange offer.

Despite any other term of the exchange offer, we will not be required to accept for exchange, or exchange new notes for, any original notes, and we may terminate the exchange offer, if:

- the exchange offer, or the making of any exchange by a holder, violates, in our good faith determination or on the advice of counsel, any applicable law, rule or regulation or any applicable interpretation of the staff of the SEC;

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- any action or proceeding is instituted or threatened in any court or by the SEC or any other governmental agency with respect to the exchange offer that, in our judgment, would impair our ability to proceed with the exchange offer; or

- we have not obtained any governmental approval which we, in our sole discretion, consider necessary for the completion of the exchange offer as contemplated by this prospectus.

The conditions listed above are for our sole benefit and may be asserted by us at any time, regardless of the circumstances giving rise to any of these conditions, or may be waived by us in whole or in part at any time in our sole discretion. The failure by us to exercise any of our rights shall not be a waiver of our rights. We are required to use reasonable efforts to obtain the withdrawal of any stop order at the earliest possible time.

In all cases, the issuance of new notes for tendered original notes that are accepted for exchange in the exchange offer will be made only after timely receipt by Wells Fargo Bank of:

- certificates for original notes or a timely confirmation from DTC of such original notes into Wells Fargo Bank s account at DTC,

- a properly completed and duly executed letter of transmittal or, with respect to DTC and its participants, an agent s message described further below in which the tendering holder acknowledges its receipt of and agreement to be bound by the letter of transmittal for such exchange offer, and

- all other required documents.

If we do not accept your tendered original notes or if you submit original notes for a greater aggregate principal amount than you desire to exchange, then the unaccepted or unexchanged original notes will be returned without expense to you or, in the case of notes tendered by book-entry transfer into Wells Fargo Bank s account at DTC pursuant to the book-entry transfer procedures described below, such non-exchanged notes will be credited to an account maintained with DTC, as promptly as practicable.

Book-Entry Transfer

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the original notes at DTC for the purpose of facilitating the exchange offer. Any financial institution that is a participant in DTC s system may make book-entry delivery of original notes by causing DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to transfer such original notes into the exchange agent s DTC account in accordance with DTC s electronic Automated Tender Offer Program procedures for such transfer. The exchange of new notes for tendered original notes will only be made after timely:

- confirmation of book-entry transfer of the original notes into the exchange agent s account; and

- receipt by the exchange agent of an executed and properly completed letter of transmittal or an agent s message and all other required documents specified in the letter of transmittal.

The confirmation, letter of transmittal or agent s message and any other required documents must be received at the exchange agent s address listed below under Exchange Agent on or before 5:00 p.m., New York time, on the expiration date of the exchange offer or, if the guaranteed delivery procedures described below are complied with, within the time period provided under those procedures.

As indicated above, delivery of documents to any of DTC, Euroclear or Clearstream, Luxembourg in accordance with its procedures does not constitute delivery to the exchange agent.

The term agent s message means a message, transmitted by DTC and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from a participant in DTC tendering original notes stating:

the aggregate principal amount of original notes that have been tendered by the participant;

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- that such participant has received an appropriate letter of transmittal and agrees to be bound by the terms of the letter of transmittal and the terms of the exchange offer; and

- that we may enforce such agreement against the participant.

Delivery of an agent s message will also constitute an acknowledgment from the tendering DTC participant that the representations contained in the letter of transmittal are true and correct.

Guaranteed Delivery Procedures

If you wish to tender your original notes and the original notes are not immediately available, or time will not permit your original notes or other required documents to reach Wells Fargo Bank before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if:

- the tender is made through an eligible institution;

- before the expiration date, Wells Fargo Bank has received from such eligible institution a properly completed and duly executed letter of transmittal, or a facsimile thereof, and notice of guaranteed delivery substantially in the form provided by us, by facsimile transmission, mail or hand delivery. The notice of guaranteed delivery shall state your name and address and the amount of the original notes tendered, shall state that the tender is being made thereby and shall guarantee that, within three New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered original notes, in proper form for transfer, or a confirmation from DTC of book-entry transfer, the letter of transmittal, or a manually executed facsimile thereof, properly completed and duly executed, and any other documents required by the applicable letter of transmittal will be deposited by the eligible institution with Wells Fargo Bank; and

- the certificates for all physically tendered original notes, in proper form for transfer, or a confirmation from DTC of book-entry transfer, the properly completed and duly executed letter of transmittal, or a manually executed facsimile thereof, and all other documents required by the applicable letter of transmittal are received by Wells Fargo Bank within three New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery.

Withdrawal Rights

You may withdraw your tender of original notes at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal of tendered notes to be effective, a written, or for a DTC participant electronic, notice of withdrawal must be received by Wells Fargo Bank, at its address set forth in the next section of this prospectus entitled Exchange Agent, prior to 5:00 p.m., New York City time, on the expiration date.

Any such notice of withdrawal must:

- specify your name;

- identify the original notes to be withdrawn, including, if applicable, the certificate number or numbers and aggregate principal amount of such original notes;

- be signed by you in the same manner as the original signature on the letter of transmittal by which your original notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient for the trustee of your original notes to register the transfer of those notes into the name of the person withdrawing the tender; and

specify the name in which you want the withdrawn original notes to be registered, if different from your name.

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All questions as to the validity, form and eligibility, including time of receipt, of such notices will be determined by us, and our determination shall be final and binding on all parties. Any original notes withdrawn will be considered not to have been validly tendered for exchange for the purposes of the exchange offer. Any notes that have been tendered for exchange but that are not exchanged for any reason will be returned to you without cost as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer relating to such original notes. Properly withdrawn original notes may be retendered by following one of the procedures described above in Procedures for Tendering Your Original Notes at any time on or prior to the expiration date.

Exchange Agent

All executed letters of transmittal should be directed to the exchange agent. We have appointed Wells Fargo Bank, National Association as the exchange agent for the exchange offer. Questions, requests for assistance and requests for additional copies of the prospectus or letter of transmittal should be directed to the exchange agent at its offices at:

By Registered or Certified Mail:

WELLS FARGO BANK, N.A.

Corporate Trust Operations

MAC N9303-121

PO Box 1517

Minneapolis, MN 55480

In Person by Hand Only:

WELLS FARGO BANK, N.A.

12th Floor Northstar East Building

Corporate Trust Operations

608 Second Avenue South

Minneapolis, MN 55479

By Regular Mail or Overnight Courier:

WELLS FARGO BANK, N.A.

Corporate Trust Operations

MAC N9303-121

Sixth & Marquette Avenue

Minneapolis, MN 55479

By Facsimile (For Eligible Institutions only):

fax. (612) 667-6282

Attn. Bondholder Communications

For Information or Confirmation by

Telephone: (800) 344-5128, Option 0

Attn. Bondholder Communications

Fees and Expenses

We will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer, other than to the exchange agent. The principal solicitation is being made by mail. However, additional solicitations may be made in person or by telephone by our officers and employees.

The cash expenses to be incurred in connection with the exchange offer will be paid by us and are estimated in the aggregate to be approximately $900,050, which includes the SEC s registration fee, fees and expenses of Wells Fargo Bank, as exchange agent, and accounting, legal, printing and related fees and expenses.

Transfer Taxes

If you tender original notes for exchange, you will not be obligated to pay any transfer taxes unless you instruct us to register your new notes in a different name or if a transfer tax is imposed for a reason other than the exchange of notes pursuant to this exchange offer. If you request that your original notes not tendered or not accepted in the exchange offer be returned to a different person, you will be responsible for the payment of any applicable transfer tax.

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Consequences of Failure to Properly Tender Original Notes in the Exchange

We will issue new notes in exchange for original notes under the exchange offer only after timely receipt by the exchange agent of the original notes, a properly completed and duly executed letter of transmittal or agent s message and all other required documents. Therefore, holders of the original notes desiring to tender original notes in exchange for new notes should allow sufficient time to ensure timely delivery. We are under no duty to give notification of defects or irregularities of tenders of original notes for exchange. Upon completion of the exchange offer, specified rights under the registration rights agreement, including registration rights and any right to additional interest, will be either limited or eliminated.

Participation in the exchange offer is voluntary. In the event the exchange offer is completed, we will not be required to register the remaining original notes, except in the limited circumstances described under Purpose and Effect of Exchange Offer; Registration Rights. Original notes that are not tendered or that are tendered but not accepted by us will, following completion of the exchange offer, continue to be subject to the following restrictions on transfer:

- holders may resell original notes only if an exemption from registration under the Securities Act of 1933 is available or, outside of the United States, to non-U.S. persons in accordance with the requirements of Regulation S under the Securities Act of 1933; and

- the remaining original notes will bear a legend restricting transfer in the absence of registration or an exemption from registration.

To the extent that original notes are tendered and accepted in connection with the exchange offer, any trading market for remaining original notes could be adversely affected.

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TAXATION

Luxembourg

The following summary of certain Luxembourg tax consequences of the exchange of the original notes for the new notes pursuant to the exchange offer and the acquisition, ownership and disposition of the new notes is based on present law and interpretation, published rulings and court decisions, all as currently in effect. Any of these are subject to change, possibly on a retroactive basis.

This summary is not a complete analysis or description of all of the possible Luxembourg tax consequences of such transactions and does not address all tax considerations that might be relevant to a particular holder s or purchaser s decision to proceed to the exchange, or to acquire, hold or dispose of, new notes. The discussion is a summary only; it is not a substitute for tax advice.

The following summary is of a general nature and is included herein solely for information purposes and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to proceed to the exchange of the original notes, or to purchase or to dispose of the new notes. It is based on the laws, regulations and administration and judicial interpretations presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Investors or prospective investors in the notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/ or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds de chômage*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Exchange of Notes

The exchange of the original notes for the new notes might be a taxable transaction for Luxembourg tax purposes in which gain or loss would generally be recognized. The amount of any gain recognized upon the exchange would be determined by reference to the estimated realisation price (article 27 of the Luxembourg income tax law) of the new notes. Generally any gain or loss realized as a result of the exchange may be taxed under the rules described below under Income Taxation .

Withholding Tax

Non-Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the *June 2005 Laws*) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of notes, nor on accrued but unpaid interest in respect of the notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the notes held by non-resident holders of notes.

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Under the June 2005 Laws implementing the Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the *Territories*), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories, will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 35%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the notes coming within the scope of the June 2005 Laws would at present be subject to withholding tax of 35%.

Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005 (the December 2005 *Law*) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of notes, nor on accrued but unpaid interest in respect of the notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the notes held by Luxembourg resident holders of notes. Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg or to certain residual entities established in another Member State or in the Territories receiving payments of interest for the benefit of such individual beneficial owner, will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the paying agent. Payments of interest under the notes coming within the scope of the December 2005 Law would be subject to a withholding tax of 10%.

When used in the preceding paragraphs, interest , residual entity and paying agent have the meaning given thereto in the June 2005 Laws and the December 2005 Law.

Income Taxation

Non-Resident Holders of Notes

A non-resident holder of notes, not having a fixed place of business, a permanent establishment or permanent representative in Luxembourg to which such notes are attributable, is not subject to Luxembourg income tax on income accrued or received, redemption premiums or issue discounts, under the notes. A gain realized by such non-resident holder of notes on the sale or disposal, in any form whatsoever, of the notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of notes or a non-resident individual holder of notes acting in the course of the management of a professional or business undertaking, who has a fixed place of business, a permanent establishment or permanent representative in Luxembourg to which such notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the notes and on any gains realized upon the sale or disposal, in any form whatsoever, of the notes.

Resident Holders of Notes

A corporate holder of notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of notes, acting in the course of the management of a professional or business undertaking.

A holder of notes that is governed by and compliant with the law of December 20, 2002 on undertakings for collective investment, as amended, the law of February 13, 2007 on specialized investment funds or the law of May 11, 2007 on family estate management companies is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realized on the sale or disposal, in any form whatsoever, of the notes.

A gain (other than interest) realized by an individual holder of notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of notes is not subject to Luxembourg income tax, provided this sale or disposal takes place more than six months after the notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to a withholding tax of 10%.

Net Wealth Taxation

A corporate holder of new notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such notes are attributable, is subject to Luxembourg wealth tax on such notes, except if the holder of notes is governed by and compliant with the law of May 11, 2007 on family estate management companies, the law of December 20, 2002 on undertakings for collective investment, as amended or the law of February 13, 2007 on specialized investment funds, or is a securitization company governed by and compliant with the law of March 22, 2004 on securitization, or a capital company governed by and compliant with the law of June 15, 2004 on venture capital vehicles.

An individual holder of notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such notes.

VAT

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the notes or in respect of the payment of interest or principal under the notes or a transfer of the notes, provided that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Other Taxes

Neither the issuance nor the transfer of notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, provided that the relevant issue or transfer agreement is not registered in Luxembourg which is not mandatory.

No estate or inheritance tax is levied on the transfer of notes upon death of a holder of notes in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Where a holder of notes is a resident of Luxembourg for tax purposes at the time of his/her death, the notes are included in his/her taxable estate for inheritance tax or estate tax purposes.

Gift tax may be due on a gift or donation of notes if passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

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EU Directive on the Taxation of Savings Income (2003/48/EC)

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State, details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also, a number of non-EU countries and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State.

In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Investors should note that the European Commission presented an amending proposal to the Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in an EU Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. For the time being, no certainty exists over whether and when the proposed amendments to the Savings Directive will be effectively implemented. Further developments in this respect should thus be monitored on a continuing basis.

U.S. Federal Income Tax Considerations

Subject to the limitations and qualifications set forth herein (including Exhibit 8.1 hereto), this discussion is the opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, our U.S. federal income tax counsel. The following is a discussion of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of the exchange of original notes for new notes pursuant to the exchange offer and the ownership and disposition of the new notes. This discussion is not a complete analysis or description of all of the possible tax consequences of such transactions and does not address all tax considerations that might be relevant to particular U.S. Holders in light of their personal circumstances or to persons that are subject to special tax rules, such as:

- dealers in securities or currencies,
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings,
- banks,
- financial institutions,
- insurance companies,
- tax-exempt organizations,
- partnerships or other pass-through entities (or persons that hold the original notes or the new notes through partnerships or other pass-through entities),

persons subject to alternative minimum tax,

persons that own the original notes or the new notes as part of a hedge or that are hedged against interest rate risks,

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persons that own the original notes or the new notes as part of a straddle, conversion, constructive sale or other integrated transaction for tax purposes,

holders whose functional currency for tax purposes is not the U.S. dollar, or

U.S. expatriates.

The information set forth below deals only with U.S. Holders that hold the original notes and new notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code).

This section is based on the Code, its legislative history, existing and proposed Treasury regulations, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. We have not sought and will not seek any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the exchange of original notes for new notes pursuant to the exchange offer and ownership or disposition of the new notes acquired by U.S. Holders pursuant to the exchange offer or that any such position would not be sustained. This section does not discuss any tax consequences arising under the U.S. federal estate and gift tax laws or the laws of any state, local or other taxing jurisdiction.

This discussion is for general information only and is not intended as tax advice. Prospective investors should consult their own tax advisors concerning the tax consequences discussed below in light of their particular circumstances, including the application of any state, local, foreign or other tax laws, including gift and estate tax laws.

A U.S. Holder is a beneficial owner of an original note or a new note that is: (1) a citizen or resident alien of the United States as determined for U.S. federal income tax purposes, (2) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (4) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust, or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If an entity taxable as a partnership for U.S. federal income tax purposes holds the new notes, the U.S. federal income tax treatment of a partner (or other owner) will depend on the status of the partner (or other owner) and the activities of the entity. Such partner (or other owner) that acquires or holds the new notes should consult its own tax advisors.

Exchange Offer

The exchange of the original notes for new notes in this exchange offer will not constitute a taxable event for U.S. Holders. Consequently, an exchanging U.S. Holder will not recognize gain or loss on the exchange. The holding period of the new note will include the holding period of the original note and the basis of the new note will be the same as the basis of the original note immediately before the exchange.

Notes Subject to Contingencies

In certain circumstances (see *Description of Notes Optional Redemption* and *Description of Notes Change of Control*), we may be obligated to pay amounts in excess of stated interest or principal on the new notes, or to pay the full principal amount of some or all of the new notes before their stated maturity date. In each case, this may cause the new notes to be subject to special rules for debt instruments with contingent payments unless the likelihood of the event that would result in such payment is remote or the amount of such payment is incidental. We believe that as of the date of this prospectus, such contingencies are remote and/or incidental

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and that the new notes are therefore not subject to special rules governing contingent payment debt instruments. Our determination that the contingencies giving rise to such payments are remote is binding on a U.S. Holder unless such U.S. Holder discloses its contrary position in the manner required by applicable Treasury Regulations. However, our determination is not binding on the Internal Revenue Service (the IRS), and if the IRS were to successfully challenge this determination, or if any such contingencies were actually to occur, the amount, timing, and character of income from the new notes could be materially different from that described below. U.S. Holders should consult their own tax advisors regarding the rules applicable to notes that provide for contingent payment. The remaining discussion assumes that the new notes are not contingent payment debt instruments.

Payments of Stated Interest

Payments of stated interest (including any additional amounts) on a new note generally will be taxable to a U.S. Holder as ordinary interest income at the time that such payments are received or accrued, in accordance with such U.S. Holder s regular method of accounting for U.S. federal income tax purposes.

Market Discount and Bond Premium

If a U.S. Holder purchased an original note at a price that was lower than the original note s stated redemption price at maturity by 0.25% or more of the stated redemption price at maturity multiplied by the number of remaining whole years to maturity, the original note had market discount in the hands of such U.S. Holder. Such U.S. Holder had the option to either (i) elect to include market discount in gross income currently as it accrues (ratably, or if elected, using a constant-yield method) or (ii) treat any gain realized on the disposition of the original note as ordinary interest income to the extent of the market discount that accrued on the original note during the U.S. Holder s holding period. The tax treatment of any original notes acquired with market discount will not change as a result of this exchange offer, and the new notes for which such original notes are exchanged will be subject to the rules described in the previous sentence.

If a U.S. Holder purchased an original note at a cost greater than the original note s stated redemption price at maturity, the U.S. Holder purchased the original note at a premium. Such U.S. Holder had the option to either (i) include the entire amount of premium in the U.S. Holder s tax basis in the original note, or (ii) elect to amortize the premium as an offset to interest income, using a constant-yield method, over the remaining term of the original note, and make corresponding reductions in the U.S. Holder s tax basis in the original note. The tax treatment of any original notes acquired at a premium will not change as a result of this exchange offer, and the new notes for which such original notes are exchanged will be subject to the rules described in the previous sentence.

Sale, Exchange, Retirement, or Other Taxable Disposition of New Notes

Upon the sale, exchange, retirement, or other taxable disposition of a new note, a U.S. Holder generally will recognize U.S. source gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued but unpaid stated interest, which will be taxable as ordinary interest income to the extent not previously included in income by the U.S. Holder) and U.S. Holder s the adjusted tax basis in the new note. A U.S. Holder s adjusted tax basis in a new note will, in general, be its cost for that new note. Except as discussed above with respect to market discount, gain or loss realized by a U.S. Holder on such sale, redemption or other disposition generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of the disposition, the new notes have been held for more than one year. Long-term capital gain of individuals may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Tax Credit Considerations

The Luxembourg withholding tax imposed on interest payments (including any additional amounts) will be treated as a foreign income tax eligible, subject to generally applicable limitations and conditions under U.S. tax law, for credit against a U.S. Holder s federal income tax liability or, at the U.S. Holder s election, for deduction

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in computing the holder s taxable income. Interest (including any additional amounts) paid on the new notes generally will be foreign source passive category income or, in the case of certain U.S. Holders, general category income for purposes of computing the foreign tax credit allowable under U.S. federal income tax laws. Gain or loss realized by a U.S. Holder on the sale or other disposition of a new note generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their own tax advisors regarding the application of the foreign tax credit in their particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to payments on the new notes and to the proceeds of the sale, exchange, retirement or other taxable disposition of a note paid to a U.S. Holder unless such U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number or a certification that it is not subject to backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder s U.S. federal income tax liability provided the required information is timely furnished to the IRS.

New Investor Reporting Requirements

The Hiring Incentives to Restore Employment (HIRE) Act of 2010, enacted March 18, 2010, imposes reporting requirements with respect to investment by certain U.S. Holders in new notes not held through a custodial account with a U.S. financial institution. Investors that fail to report this required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in the new notes.

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CERTAIN ERISA CONSIDERATIONS

To ensure compliance with Treasury Department rules, we inform you that this summary was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on any taxpayer. This summary was written to support the promotion or marketing of the transactions addressed by these Offering Materials. Each taxpayer should seek advice based on such taxpayer´s particular circumstances from an independent tax advisor.

The United States Employee Retirement Income Security Act of 1974, as amended (ERISA) imposes certain requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, ERISA Plans), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA s general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan s investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan s particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under Risk Factors and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of any notes it may acquire.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those pension, profit-sharing and other retirement plans and accounts that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities that are deemed to hold assets of any of the foregoing) and certain persons (referred to as parties in interest or disqualified persons) having certain relationships to such plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Governmental plans, foreign plans and certain church plans not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code may nevertheless be subject to foreign, federal, state or local laws that are materially similar to the foregoing provisions of ERISA and the Code (any such law a Similar Law, and such plans, collectively with ERISA Plans and plans subject to Section 4975 of the Code, Plans).

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if notes are acquired by a Plan with respect to which the issuers, the initial purchasers or any of their respective affiliates is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction class exemption (PTCE) 96-23 (relating to transactions directed by an in-house asset manager); PTCE 95-60 (relating to transactions involving insurance company general accounts); PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager) and PTCE 90-1 (relating to investments by insurance company pooled separate accounts). There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the notes.

Each person that acquires the notes will be deemed by such acquisition to have represented and warranted that either: (i) no assets of any Plan have been used to acquire the notes or (ii) the acquisition and holding of the notes will not result in non-exempt prohibited transaction under ERISA or the Code and will not result in a violation of Similar Law.

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The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering acquiring or holding the notes on behalf of, or with the assets of, any Plan consult with counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such transactions.

The sale of any notes to a Plan is in no respect a representation by the issuers or the initial purchasers that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such an investment is appropriate for Plans generally or any particular Plan.

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PLAN OF DISTRIBUTION

Each broker-dealer that receives notes for its own account in this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of these notes. This prospectus, including any amendments or supplements to the prospectus that may be issued from time to time, may be used by a broker-dealer in connection with resales of new notes that were received in exchange for original notes where the original notes were acquired as a result of market-making or other trading activities. We have agreed that, for a period of 90 days after the expiration of the exchange offer, we will make available a prospectus that meets the requirements of the Securities Act of 1933 to any broker-dealer for use in this type of resale.

We will not receive any proceeds from any sale of notes by any broker-dealer or any other person. Notes received by broker-dealers for their own accounts in the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the notes or through a combination of these methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale of notes may be made directly to purchases or to or through brokers or dealers that may receive compensation in the form of commissions or concessions from any such broker-dealer or from the purchasers of the notes.

Any broker-dealer that resells notes that were received by it for its own account in the exchange offer and any broker or dealer that participates in a distribution of these notes may be deemed to be an underwriter within the meaning of the Securities Act of 1933, and any profit on any such resale of notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act of 1933. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933.

For a period of 90 days after the expiration of the exchange offer, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests these documents in the letter of transmittal. We have agreed to pay all expenses incident to our performance of, or compliance with, our registration rights agreement with the initial purchaser of the original notes. In addition, we will indemnify holders of the original notes, including any broker-dealers, against certain liabilities, including certain liabilities under the Securities Act of 1933.

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LEGAL MATTERS

Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, will pass on the validity of the exchange notes and certain of the guarantees offered hereby. Kelley Drye & Warren LLP will pass on the validity of the guarantees of PanAmSat Communications Japan, Inc. and Southern Satellite Corporation offered hereby. Elvinger, Hoss & Prussen, will pass on certain legal matters of Luxembourg law relating to the guarantees by Intelsat S.A., Intelsat (Luxembourg) S.A., Intelsat Intermediate Holding Company S.A., Intelsat Phoenix Holdings S.A., Intelsat Subsidiary Holding Company S.A., Intelsat Operations S.A., and Intelsat (Luxembourg) Finance Company S.a.r.l. Triay Stagnetto Neish will pass on certain legal matters of Gibralter law relating to the guarantees by Intelsat (Gibraltar) Limited, Intelsat New Dawn (Gibraltar) Limited and Intelsat Subsidiary (Gibraltar) Limited. Baker & McKenzie LLP will pass on certain legal matters of English and Welsh law relating to the guarantees by Intelsat Global Sales & Marketing Ltd. and Intelsat UK Financial Services Ltd. Baker & McKenzie Krzyzowski i Wspolnicy sp.k. will pass on certain legal matters of Polish law relating to the guarantees by Intelsat (Poland) Sp. z o.o. Paul, Weiss, Rifkind, Wharton & Garrison LLP has relied upon the opinions of these other firms as to matters of law in the indicated jurisdictions.

EXPERTS

The consolidated financial statements and schedule of Intelsat S.A. as of December 31, 2009 and 2010, and for the period January 1, 2008 to January 31, 2008 (predecessor entity), the period February 1, 2008 to December 31, 2008 (successor entity) and the years ended December 31, 2009 and 2010 (successor entity), have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-4 under the Securities Act of 1933 with respect to this offering of new notes. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information with respect to us and the notes, you should refer to the registration statement and the exhibits filed as a part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each of the statements in this prospectus relating to a document that has been filed as an exhibit is qualified in all respects by the filed exhibit.

Intelsat S.A. and Intelsat Corporation file annual and quarterly reports and other information with the SEC in accordance with the requirements of their indentures. You may inspect a copy of the registration statement, including exhibits thereto, as well as the reports Intelsat S.A. and Intelsat Corporation have filed with the SEC, without charge at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Copies of all or any part of the registration statement and these reports may be obtained from the public reference room upon payment of fees prescribed by the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site at http://www.sec.gov which contains registration statements, reports and other information regarding registrants that file electronically with the SEC.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholder

Intelsat S.A.

We have audited the consolidated financial statements of Intelsat S.A. and subsidiaries as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Intelsat S.A. and subsidiaries as of December 31, 2009 and 2010, and the results of their operations and their cash flows for the period January 1, 2008 to January 31, 2008 (predecessor entity), the period February 1, 2008 to December 31, 2008 (successor entity) and the years ended December 31, 2009 and 2010 (successor entity), in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

McLean, Virginia

March 8, 2011, except for Note 20, as to which the date is December 21, 2011

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INTELSAT S.A.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	As of December 31, 2009	As of December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 477,571	$ 692,930
Receivables, net of allowance of $20,517 in 2009 and $21,748 in 2010	294,539	250,351
Deferred income taxes	50,643	24,090
Prepaid expenses and other current assets	33,561	31,817
Total current assets	856,314	999,188
Satellites and other property and equipment, net	5,781,955	5,997,283
Goodwill	6,780,827	6,780,827
Non-amortizable intangible assets	2,458,100	2,458,100
Amortizable intangible assets, net	978,599	848,318
Other assets	487,140	508,651
Total assets	$ 17,342,935	$ 17,592,367
LIABILITIES AND SHAREHOLDER S DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 157,519	$ 140,984
Taxes payable		2,342
Employee related liabilities	48,882	35,217
Accrued interest payable	369,376	403,446
Current portion of long-term debt	97,689	94,723
Deferred satellite performance incentives	18,683	16,693
Deferred revenue	53,671	79,845
Other current liabilities	68,823	67,584
Total current liabilities	814,643	840,834
Long-term debt, net of current portion	15,223,010	15,821,902
Deferred satellite performance incentives, net of current portion	128,774	132,884
Deferred revenue, net of current portion	254,636	407,103
Deferred income taxes	548,719	484,076
Accrued retirement benefits	239,873	257,455
Other long-term liabilities	335,159	326,531
Redeemable noncontrolling interest	8,884	18,621
Commitments and contingencies (Notes 15 and 16)		
Shareholder s deficit:		
Ordinary shares, $1.00 par value, 100,000,000 shares authorized and 5,000,000 shares issued and outstanding at December 31, 2009 and December 31, 2010, respectively	5,000	5,000
Paid-in capital	1,520,616	1,548,380
Accumulated deficit	(1,667,998)	(2,175,814)
Accumulated other comprehensive loss	(68,381)	(76,507)

Total Intelsat S.A. shareholder s deficit	(210,763)	(698,941)
Noncontrolling interest		1,902
Total liabilities and shareholder s deficit	$ 17,342,935	$ 17,592,367

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

	Predecessor Entity Period January 1, 2008 to January 31, 2008	Successor Entity Period February 1, 2008 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Revenue	$ 190,261	$ 2,174,640	$ 2,513,039	$ 2,544,652
Operating expenses:				
Direct costs of revenue (exclusive of depreciation and amortization)	25,683	337,466	401,826	413,400
Selling, general and administrative	18,485	182,957	259,944	220,207
Depreciation and amortization	64,157	795,663	804,037	798,817
Transaction costs	313,102	1,926		
Impairment of asset value		390,444	499,100	110,625
Losses on derivative financial instruments	11,431	155,305	2,681	89,509
Total operating expenses	432,858	1,863,761	1,967,588	1,632,558
Income (loss) from operations	(242,597)	310,879	545,451	912,094
Interest expense, net	80,275	1,295,458	1,362,823	1,379,019
Gain (loss) on early extinguishment of debt		576	4,697	(76,849)
Other income (expense), net	535	(11,957)	42,013	9,627
Loss before income taxes	(322,337)	(995,960)	(770,662)	(534,147)
Provision for (benefit from) income taxes	(10,476)	(109,561)	11,399	(26,378)
Net loss	(311,861)	(886,399)	(782,061)	(507,769)
Net loss attributable to noncontrolling interest		93	369	2,317
Net loss attributable to Intelsat S.A.	$ (311,861)	$ (886,306)	$ (781,692)	$ (505,452)

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER S EQUITY (DEFICIT)

(in thousands, except share amounts)

	Ordinary Shares	Ordinary Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Intelsat S.A. Shareholder s Equity (Deficit)	Noncontrolling Interest	Total Comprehensive Loss
Predecessor entity								
Balance, January 1, 2008	12,000	$ 12	$ 35,091	$ (763,561)	$ 6,074	$ (722,384)	$	
Adjustment to apply SFAS No. 158, net of tax of $0.2 million				(421)		(421)		
Net loss for the period January 1, 2008 to January 31, 2008				(311,861)		(311,861)		$ (311,861)
Liabilities assumed by parent			196,414			196,414		
Other comprehensive loss					(293)	(293)		(293)
Total comprehensive loss								$ (312,154)
Balance, January 31, 2008 (prior to Acquisition Transactions)	12,000	$ 12	$ 231,505	$ (1,075,843)	$ 5,781	$ (838,545)	$	
Acquisition Transactions		$	$ 1,221,755	$ 1,075,843	$ (5,781)	$ 2,291,817	$	
Successor entity								
Balance, February 1, 2008	12,000	$ 12	$ 1,453,260	$	$	$ 1,453,272	$	
Net loss for the period February 1, 2008 to December 31, 2008(2)				(886,306)		(886,306)		$ (886,306)
Liabilities assumed by parent			7,746			7,746		
Postretirement/pension liability adjustment, net of tax of $39.2 million					(67,744)	(67,744)		(67,744)
Other comprehensive loss					(2,621)	(2,621)		(2,621)
Total comprehensive loss								$ (956,671)
Balance, December 31, 2008	12,000	$ 12	$ 1,461,006	$ (886,306)	$ (70,365)	$ 504,347	$	
Net loss for the year ended December 31, 2009(2)				(781,692)		(781,692)		$ (781,692)
Liabilities assumed by parent and other contributed capital			56,965			56,965		
Change of Domicile:								
Recapitalization of common shares	4,988,000	4,988				4,988		
Contribution surplus			7,012			7,012		
Mark to market valuation adjustment for redeemable noncontrolling interest			(4,367)			(4,367)		
Postretirement/pension liability adjustment, net of tax of $0.3 million					(250)	(250)		(250)
Other comprehensive income, net of tax of ($0.5) million					2,234	2,234		2,234

Total comprehensive loss								$ (779,708)
Balance, December 31, 2009	5,000,000	$ 5,000	$ 1,520,616	$ (1,667,998)	$ (68,381)	$ (210,763)	$	
Net loss for the year ended December 31, 2010(2)				(505,452)		(505,452)	(19)	$ (505,471)
Liabilities assumed by parent and other contributed capital			38,672			38,672		
Consolidation of WP Com(1)				(2,364)	1,846	(518)	1,921	
Mark to market valuation adjustment for redeemable noncontrolling interest			(10,908)			(10,908)		
Postretirement/pension liability adjustment, net of tax of $6.2 million					(9,579)	(9,579)		(9,579)
Other comprehensive income, net of tax of $0.3 million					(393)	(393)		(393)
Total comprehensive loss								$ (515,443)
Balance, December 31, 2010	5,000,000	$ 5,000	$ 1,548,380	$ (2,175,814)	$ (76,507)	$ (698,941)	$ 1,902	

(1) See Note 9 Investments for further discussion of the consolidation of WP Com.

(2) Excludes loss related to redeemable noncontrolling interest of $0.1 million, $0.4 million and $2.3 million for the successor period February 1, 2008 to December 31, 2008, and the years ended December 31, 2009 and 2010, respectively. See Note 4 Fair Value Measurements for further discussion of activity related to our redeemable noncontrolling interest.

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Predecessor Entity	Successor Entity		
	Period January 1, 2008 to January 31, 2008	Period February 1, 2008 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Cash flows from operating activities:				
Net loss	$ (311,861)	$ (886,399)	$ (782,061)	$ (507,769)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	64,157	795,663	804,037	798,817
Impairment of asset value		390,444	499,100	110,625
Provision for doubtful accounts	3,922	(9,137)	3,387	7,839
Foreign currency transaction (gain) loss	(137)	6,241	(7,798)	(1,057)
Loss on disposal of assets		588	2,709	354
Share-based compensation expense	196,414	3,150	56,965	20,673
Deferred income taxes	(16,668)	(146,758)	(43,258)	(45,223)
Amortization of discount, premium, issuance costs and other non-cash items	6,494	195,714	125,337	97,174
Interest paid-in-kind		210,481	298,030	244,859
(Gain) loss on early extinguishment of debt		(592)	(5,180)	73,988
Share in (gain) loss of unconsolidated affiliates		17,127	(517)	(503)
Gain on sale of investment			(27,333)	(1,261)
Unrealized (gains) losses on derivative financial instruments	11,748	130,564	(83,953)	22,225
Other non-cash items	108	5,954	547	3,469
Changes in operating assets and liabilities net of effect of acquisition:				
Receivables	358	16,080	5,008	34,846
Prepaid expenses and other assets	(25,270)	(47,741)	20,071	(36,827)
Accounts payable and accrued liabilities	70,704	139,519	(53,107)	60,337
Deferred revenue	14,342	32,718	63,914	171,954
Accrued retirement benefits	78	1,802	4,860	(1,437)
Other long-term liabilities	5,230	20,725	(7,102)	(34,865)
Net cash provided by operating activities	19,619	876,143	873,656	1,018,218
Cash flows from investing activities:				
Payments for satellites and other property and equipment (including capitalized interest)	(24,701)	(397,759)	(943,133)	(982,127)
Proceeds from sale of other property and equipment			686	
Proceeds from sale of investment				28,594
Capital contributions to unconsolidated affiliates		(27,280)	(12,210)	(12,209)
Other investing activities		15,142	7,562	11,128
Net cash used in investing activities	(24,701)	(409,897)	(947,095)	(954,614)
Cash flows from financing activities:				
Repayments of long-term debt	(168,847)	(6,280,165)	(823,309)	(801,785)
Repayment of revolving credit facility		(241,221)		
Loan proceeds received (repaid) from/to Intelsat Holdings		34,000	(34,000)	
Proceeds from issuance of long-term debt		5,012,783	961,917	1,025,565
Proceeds from revolving credit facility	150,000	241,221		
Capital contribution from parent			12,000	18,000
Debt issuance costs		(119,633)	(17,522)	(32,376)

Repayments of funding of capital expenditures by customer		(30,862)		
Payment of premium on early retirement of debt		(88,104)		(44,613)
Noncontrolling interest in New Dawn			377	1,128
Principal payments on deferred satellite performance incentives	(1,333)	(23,302)	(24,603)	(15,030)
Principal payments on capital lease obligations	(2,124)	(9,148)	(1,859)	(191)
Net cash provided by (used in) financing activities	(22,304)	(1,504,431)	73,001	150,698
Effect of exchange rate changes on cash and cash equivalents	137	(6,241)	7,798	1,057
Net change in cash and cash equivalents	(27,249)	(1,044,426)	7,360	215,359
Cash and cash equivalents, beginning of period	426,569	1,514,637	470,211	477,571
Cash and cash equivalents, end of period	$ 399,320	$ 470,211	$ 477,571	$ 692,930
Supplemental cash flow information:				
Interest paid, net of amounts capitalized	$ 119,399	$ 712,284	$ 978,515	$ 954,111
Income taxes paid	4,028	44,687	52,070	33,023
Supplemental disclosure of non-cash investing activities:				
Capitalization of deferred satellite performance incentives	$	$ 21,175	$ 16,705	$ 18,720
Accrued capital expenditures	13,363	32,017	78,151	71,219

Note: The increase in cash and cash equivalents between the predecessor entity ending balance for the period January 1, 2008 to January 31, 2008 and the successor entity opening balance is due to approximately $1.1 billion in cash received in connection with the closing of the New Sponsors Acquisition Transactions.

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Background of Company

Intelsat S.A. (Intelsat, we, us or our) provides satellite communications services worldwide through a global communications network of 54 satellites in orbit as of December 31, 2010 and ground facilities related to satellite operations and control, and teleport services.

The International Telecommunications Satellite Organization INTELSAT (the IGO) was established on an interim basis in 1964. The IGO was formally established on February 12, 1973 in accordance with the provisions of an intergovernmental agreement (the INTELSAT Agreement) and an operating agreement (the Operating Agreement). The parties to the INTELSAT Agreement were the IGO s 148 member countries. Substantially all of the IGO s assets, liabilities, rights, obligations and operations were transferred to Intelsat, Ltd. and its wholly-owned subsidiaries on July 18, 2001 in a transaction referred to as the privatization. The IGO s shareholders received shares in Intelsat, Ltd., a company originally organized under the laws of Bermuda, in proportion to their ownership in the IGO on the privatization date and became holders of 100% of the outstanding ordinary shares of Intelsat.

On January 28, 2005, Intelsat, Ltd. was acquired by Intelsat Holdings, Ltd. (Intelsat Holdings), formerly known as Zeus Holdings, Limited, a Bermuda company formed at the direction of funds advised by or associated with Apax Partners Worldwide LLP and Apax Partners, L.P., Apollo Management V, L.P., MDP Global Investors, Limited and Permira Advisers LLC.

On July 3, 2006, Intelsat (Bermuda), Ltd. (Intelsat Bermuda), a wholly-owned indirect subsidiary of Intelsat Holdings, completed the acquisition of PanAmSat Holding Corporation (PanAmSat Holdco) pursuant to a merger agreement dated as of August 28, 2005, by and among Intelsat Bermuda, Proton Acquisition Corporation (Merger Sub), a wholly-owned subsidiary of Intelsat Bermuda, and PanAmSat Holdco (the Merger Agreement). Pursuant to the Merger Agreement, Merger Sub merged with and into PanAmSat Holdco, with PanAmSat Holdco surviving the merger (the Merger Transaction). Upon completion of the Merger Transaction, PanAmSat Holdco s equity holders ceased to hold shares or other equity interests in PanAmSat Holdco. On July 3, 2006, following the completion of the acquisition, PanAmSat Holdco was renamed Intelsat Holding Corporation and PanAmSat Corporation was renamed Intelsat Corporation (Intelsat Corp). Upon completion of the PanAmSat Acquisition Transactions (as defined below), PanAmSat Holdco became a wholly-owned subsidiary of Intelsat Bermuda.

In connection with, and in order to effect, the transactions contemplated by the Merger Agreement and the related financing, Intelsat Bermuda created a new direct wholly-owned subsidiary, Intelsat Intermediate Holding Company, Ltd. (Intermediate Holdco). Intelsat Bermuda transferred substantially all of its assets (other than cash, certain prepaid expenses and the capital stock of Merger Sub) and liabilities to Intermediate Holdco. In addition, on July 3, 2006, we incurred approximately $3.5 billion of additional debt and assumed $3.2 billion of outstanding debt to finance the Merger Transaction. Also, on July 3, 2006, Intelsat Subsidiary Holding Company, Ltd. terminated its prior senior secured credit facilities and entered into new senior secured credit facilities under a credit agreement, to change certain of the terms thereunder. These transactions and the Merger Transaction are collectively referred to as the PanAmSat Acquisition Transactions.

INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

On February 4, 2008, Serafina Acquisition Limited (Serafina) completed its acquisition of 100% of the equity ownership of Intelsat Holdings for total cash consideration of approximately $5.0 billion, pursuant to a Share Purchase Agreement, dated as of June 19, 2007 (the BC Share Purchase Agreement), among Serafina, Intelsat Holdings, certain shareholders of Intelsat Holdings and Serafina Holdings Limited (Serafina Holdings), the direct parent of Serafina. This transaction is referred to as the New Sponsors Acquisition (see Note 3 New Sponsors Acquisition).

Although the effective date of the New Sponsors Acquisition was February 4, 2008, due to the immateriality of the results of operations for the period between February 1, 2008 and February 4, 2008, we have accounted for the New Sponsors Acquisition as if it had occurred on February 1, 2008, except for acquisition transactions costs which were recorded within the predecessor period of January 1, 2008 to January 31, 2008.

Our consolidated financial statements for the period January 1, 2008 to January 31, 2008 represent the predecessor entity. The period February 1, 2008 to December 31, 2008, the year ended December 31, 2009, and the year ended December 31, 2010 represent the successor entity. As a result of the application of purchase accounting, the consolidated financial statements of the predecessor entity are not comparable with the consolidated financial statements of the successor entity, because they are, in effect, those of a new entity.

On December 15, 2009, Intelsat, Ltd. and certain of its parent holding companies and subsidiaries migrated their jurisdiction of organization from Bermuda to Luxembourg (the Migration). As a result of the Migration, our headquarters are located in Luxembourg. Each company that migrated has continued its corporate and legal personality in Luxembourg. Subsequent to the Migration, Intelsat Global, Ltd. is known as Intelsat Global S.A. (Intelsat Global), Intelsat Global Subsidiary, Ltd. is known as Intelsat Global Subsidiary S.A., Intelsat Holdings, Ltd. is known as Intelsat Holdings S.A. (Intelsat Holdings), Intelsat, Ltd. is known as Intelsat S.A., Intelsat Bermuda is known as Intelsat (Luxembourg) S.A. (Intelsat Luxembourg), Intelsat Jackson Holdings, Ltd. is known as Intelsat Jackson Holdings S.A. (Intelsat Jackson), Intelsat Intermediate Holding Company, Ltd. is known as Intelsat Intermediate Holding Company S.A. (Intermediate Holdco) and Intelsat Subsidiary Holding Company, Ltd. is known as Intelsat Subsidiary Holding Company S.A. (Intelsat Sub Holdco).

Note 2 Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Intelsat, its wholly-owned subsidiaries, variable interest entities (VIE) of which we are the primary beneficiary and a joint venture with Convergence SPV, Ltd. (Convergence Partners) named New Dawn Satellite Company Ltd. (New Dawn), of which we have a 74.9% interest. We are the primary beneficiary of two VIEs, as more fully described in Note 9 Investments, and accordingly, we include in our consolidated financial statements the assets and liabilities and results of operations of those entities, even though we may not own a majority voting interest. We use the equity method to account for our investments in entities where we exercise significant influence over operating and financial policies but do not control under the voting interest model (generally 20% to 50% ownership interest) or the variable interest model. All significant intercompany accounts and transactions have been eliminated.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(b) Use of Estimates

The preparation of these consolidated financial statements in conformity with United States generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. Examples of estimates include the allowance for doubtful accounts, pension and postretirement benefits, the fair value of our derivative instruments, the fair value of the redeemable noncontrolling interest, the fair value of share-based and other compensation awards, income taxes, useful lives of satellites, intangible assets and other property and equipment, the recoverability of goodwill and the fair value of non-amortizable intangible assets. Changes in such estimates may affect amounts reported in future periods.

(c) Revenue Recognition

We earn revenue primarily from satellite utilization charges and, to a lesser extent, from providing managed services to customers. We enter into contracts with customers to provide satellite transponders and transponder capacity and, in certain cases, earth stations and teleport facilities, for periods typically ranging from one year to the life of the satellite. Our revenue recognition policies by product or service offering are as follows:

Satellite Utilization Charge. We generally recognize revenues on a straight-line basis over the term of the related customer contract unless collectability is not reasonably assured. Revenues from occasional use services are recognized ratably as the services are performed. We have certain obligations, including providing spare or substitute capacity if available, in the event of satellite service failure under certain long-term agreements. Except for certain deposits that were refunded in 2008, we generally are not obligated to refund satellite utilization payments previously made.

Satellite Related Consulting and Technical Service. Revenues earned from the provision of consulting services by employee specialists are typically recognized on a monthly basis as those services are performed. Consulting services, which call for services with specific deliverables, such as Transfer Orbit Support Services or training programs, are typically recognized upon the completion of those services.

Tracking, Telemetry and Control (TT&C). We earn TT&C services revenue from providing operational services to other satellite owners and from certain customers on our satellites. The TT&C services are performed by our consulting/technical services group. TT&C agreements entered into in connection with our satellite utilization contracts are typically for the period of the related service agreement and are recognized ratably over the term of the service agreement. Fees for such services are either included in the customers utilization charges or billed separately.

In-Orbit Backup Services and Equipment Sale. We provide back-up transponder capacity that is held on reserve for certain customers on agreed upon terms. We recognize revenues for in-orbit protection services ratably over the term of the related agreement. We also record revenue related to equipment sales, which represents equipment purchased, constructed or developed on behalf of the customers. We recognize revenue related to these equipment sales upon transfer to the customer of title to the equipment.

Revenue Share Arrangements. We recognize revenues under revenue share agreements for satellite-related services either on a gross or net basis in accordance the Principal Agent

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Considerations topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) (the Codification) which provides guidance and clarifies when an entity should report revenue gross as a principal versus net as an agent, depending on the nature of the specific contractual relationship.

Construction Program Management. Construction program management arrangements that extend beyond one year are accounted for in accordance with the Construction-Type and Production-Type Contracts topic of the Codification. We generally record long-term, fixed price, development and production contracts utilizing the percentage of completion method as the basis to measure progress towards completion of the contract and for recognizing revenues. Progress towards contract completion is measured when achieving performance milestones or using the cost-to-cost method.

We may sell these products or services individually or in some combination to our customers. When these products and services are sold together, we account for the multiple elements under FASB ASC Topic 605-25, *Revenue Recognition-Multiple Element Arrangements* (FASB ASC 605-25). FASB ASC 605-25 provides guidance on accounting for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets.

Prior to fiscal year 2010, we recognized revenue for multiple-element arrangements using the relative fair value method, which required that all undelivered elements have vendor-specific objective evidence (VSOE) or third-party evidence (TPE) before an entity can recognize the portion of revenue that is attributable to items already delivered. In certain situations we deferred the revenue of all deliverables until the undelivered item had been provided because we were unable to demonstrate VSOE or TPE for the undelivered items, primarily capacity.

In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU 2009-13), which amends FASB ASC 605-25. ASU 2009-13 eliminates the requirement that all undelivered elements must have VSOE or TPE before recognizing the portion of revenue that is attributable to items already delivered. In the absence of VSOE or TPE of the stand-alone selling price for one or more delivered or undelivered elements in the arrangement, entities are required to make a best estimate of the selling prices of those elements.

Effective January 1, 2010, we elected to early adopt ASU 2009-13 prospectively for revenue arrangements entered into or materially modified beginning in the first quarter of 2010. Under the revised guidance, we allocate revenue for transactions or collaborations that include multiple elements to each unit of accounting based on its relative selling price, and recognize revenue for each unit of accounting when the revenue recognition criteria have been met.

The arrangements with multiple elements are not common and are non-standard; therefore, they do not constitute a significant portion of the contracts entered into during a given year. The adoption of ASU 2009-13 did not have a material impact on our consolidated financial statements and is not expected to significantly impact future periods.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(d) Fair Value Measurements

We estimate the fair value of our financial instruments using available market information and valuation methodologies. The carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

We apply FASB ASC Topic 820, *Fair Value Measurements and Disclosure* (FASB ASC 820), which defines fair value as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. FASB ASC 820 establishes a three-level valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date. We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

We performed an evaluation of our financial assets and liabilities that met the criteria of the disclosure requirements and fair value framework of FASB ASC 820. As a result of that evaluation, we identified investments in marketable securities, interest rate financial derivative instruments, embedded derivative instruments and a redeemable noncontrolling interest as having met such criteria.

We account for our investments in marketable securities in accordance with FASB ASC Topic 320, *Investments Debt and Equity Securities*. All investments have been classified as available-for-sale securities as of December 31, 2009 and 2010, and are included within other assets in the accompanying consolidated balance sheets. Available-for-sale securities are stated at fair value with any unrealized gains and losses included in accumulated other comprehensive income (loss) within shareholder s equity (deficit). Realized gains and losses and declines in fair value on available-for-sale securities that are determined to be other than temporary are included in other income (expense), net within our consolidated statements of operations. Interest and dividends on available-for-sale securities are included in interest expense, net and other income (expense), net, respectively, within the consolidated statements of operations. We determined that the valuation measurement inputs of these marketable securities represent unadjusted quoted prices in active markets and, accordingly, have classified such investments within Level 1 of the fair value hierarchy.

The fair value of our interest rate financial derivative instruments reflects the estimated amounts that we would pay or receive to terminate the agreement at the reporting date, taking into account current interest rates, the market expectation for future interest rates and current creditworthiness of both the counterparties and ourselves. Observable inputs utilized in the income approach valuation technique incorporate identical contractual notional amounts, fixed coupon rates, periodic terms for interest payments and contract maturity. Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments, if any, associated with our derivatives utilize Level 3 inputs, such as the estimates of current credit spread, to evaluate the likelihood of default by us or our counterparties. We also considered the existence of offset provisions and

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

other credit enhancements that serve to reduce the credit exposure associated with the asset or liability being fair valued. We have assessed the significance of the inputs of the credit valuation adjustments to the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

We account for a contingent put option embedded within Intelsat Sub Holdco s 8 7/8% Senior Notes due 2015, Series B (the 2015 Senior Notes) under FASB ASC Topic 815, *Derivatives and Hedging* (FASB ASC 815), bifurcating the put option from the debt host instrument and classifying it as a derivative instrument. We estimated the fair value of the embedded derivative on the issuance date and subsequently revalue the derivative at the end of each reporting period, recognizing any change in fair value through earnings. We use a standard valuation technique whereby the critical assumptions and underlyings include the debt maturity date, issue price, coupon rate, change of control put price, and the estimated date of a change in control. We have identified the inputs used to calculate the fair value as Level 3 inputs and have concluded that the valuation in its entirety is classified in Level 3 of the fair value hierarchy.

In accordance with the guidance provided in FASB ASC Topic 480, *Distinguishing Liabilities from Equity* (FASB ASC 480), regarding the classification and measurement of redeemable securities, we mark to market the fair value of the noncontrolling interest in New Dawn, a majority owned subsidiary which is a joint venture investment with Convergence Partners, at each reporting period. Convergence Partners has at its option the ability to require Intelsat to buy its ownership interest at fair value subsequent to the operations of New Dawn s assets for a period defined in the New Dawn Project Agreement. We estimated the fair value of the put option using Level 3 inputs such as the discounted cash flows.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less and generally consist of time deposits with banks and money market funds. The carrying amount of these investments approximates market value.

(f) Receivables and Concentration of Credit Risk

We provide satellite services and extend credit to numerous customers in the satellite communication, telecommunications and video markets. To the extent that the credit quality of customers deteriorates, we may have exposure to credit losses. Management monitors its exposure to credit losses and maintains allowances for anticipated losses. Management believes it has adequate customer collateral and reserves to cover its exposure.

Our allowance for doubtful accounts is determined through an evaluation of the aging of our accounts receivable, and considers such factors as the likelihood of collection based upon an evaluation of the customer s creditworthiness, the customer s payment history and other conditions or circumstances that may affect the likelihood of payment, such as political and economic conditions in the country in which the customer is located. When we have determined

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

that the collection of payments for satellite utilization or managed services is not reasonably assured at the time the service is provided, we defer recognition of the revenue until such time as collection is believed to be reasonably assured or the payment is received. If our estimate of the likelihood of collection differs from actual results, we may experience lower revenue or an increase in our provision for doubtful accounts.

(g) Satellites and Other Property and Equipment

Satellites and other property and equipment are stated at historical cost, or in the case of certain satellites acquired, the fair value at the date of acquisition, and consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentives expected to be payable to the satellite manufacturers, costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction.

Satellite construction and launch services are generally procured under long-term contracts that provide for payments over the contract periods. Satellite construction and launch services costs are capitalized to reflect progress toward completion. Capitalizing these costs typically coincides with contract milestone payment schedules. Performance incentives payable in future periods are dependent on the continued satisfactory performance of the satellites in service. Satellites and other property and equipment are depreciated on a straight-line basis over the following estimated useful lives:

	Years
Buildings and improvements	10 - 40
Satellites and related costs	11 - 17
Ground segment equipment and software	4 - 15
Furniture and fixtures and computer hardware	4 - 12
Leasehold improvements	2 - 12

(h) Other Assets

Other assets consist of investments in certain equity securities, unamortized debt issuance costs, long-term deposits, long-term receivables and other miscellaneous deferred charges and long-term assets. Debt issuance costs, which represent our costs incurred to secure debt financing, are amortized to interest expense using the effective interest method, over the life of the related indebtedness.

(i) Business Combinations

Business combinations are accounted for whereby the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at the acquisition date are recognized at their fair values as of that date. The excess of the consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair values of the identifiable net assets acquired is recognized as goodwill.

The assignment of fair values to net assets acquired involves estimates and judgments by us that may be adjusted during the measurement period. In arriving at the fair values of net

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assets acquired, we consider the following generally accepted valuation approaches: the cost approach, income approach, and market approach. Our estimates may also include assumptions about projected growth rates, cost of capital, effective tax rates, tax amortization periods, technology royalty rates and technology life cycles, the regulatory and legal environment, and industry and economic trends.

(j) Goodwill and Other Intangible Assets

Goodwill. We account for goodwill and other intangible assets in accordance with the Intangibles Goodwill and Other topic of the Codification. Goodwill represents the excess of the consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair values of identifiable net assets of businesses acquired. Goodwill and certain other intangible assets deemed to have indefinite lives are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The impairment test compares the reporting unit s carrying value to its fair value and, when appropriate, the carrying value of goodwill is reduced to fair value. See Note 10 Goodwill and Other Intangible Assets.

Other Intangible Assets. Intangible assets arising from business combinations are initially recorded at fair value. Other intangible assets not arising from business combinations are initially recorded at cost. Intangible assets with determinable lives consist of backlog, customer relationships, and technologies and are amortized based on the expected pattern of consumption. We review these intangible assets for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. See Note 10 Goodwill and Other Intangible Assets.

(k) Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and acquired intangible assets with estimable useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These indicators of impairment can include, but are not limited to, the following:

- satellite anomalies, such as a partial or full loss of power;
- under-performance of an asset as compared to expectations; and
- shortened useful lives due to changes in the way an asset is used or expected to be used.

The recoverability of an asset to be held and used is determined by comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value, determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique. Additionally, when assets are expected to be used in future periods, a shortened depreciable life may be utilized if appropriate, resulting in accelerated depreciation.

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(l) Income Taxes

We account for income taxes in accordance with the Income Taxes topic of the Codification (FASB ASC 740). We are subject to income taxes in the United States as well as a number of foreign jurisdictions. Significant judgment is required in the calculation of our tax provision and the resultant tax liabilities and in the recoverability of our deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense and net operating loss and credit carryforwards.

As part of our financial process, we must assess the likelihood that our deferred tax assets can be recovered. A valuation allowance is required when it is more likely than not that all, or a portion, of the deferred tax asset will not be realized. We evaluate the recoverability of our deferred tax assets based in part on the existence of deferred tax liabilities that can be used to realize the deferred tax assets.

During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. We evaluate our tax positions to determine if it is more likely than not that a tax position is sustainable, based solely on its technical merits and presuming the taxing authorities full knowledge of the position and having access to all relevant facts and information. When a tax position does not meet the more likely than not standard, a liability is recorded for the entire amount of the unrecognized tax benefit. Additionally, for those tax positions that are determined more likely than not to be sustainable, we measure the tax position at the largest amount of benefit more likely than not (determined by cumulative probability) to be realized upon settlement with the taxing authority.

(m) Currency and Exchange Rates

Substantially all customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Consequently, we do not believe that we are exposed to material currency exchange risk.

(n) Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting shareholder s equity that, under U.S. GAAP, are excluded from net income. For us, such items consist primarily of the change in the market value of available-for-sale securities and minimum pension liability adjustments.

(o) Share-Based Compensation

Compensation cost is recognized based on the requirements of Topic 718, Compensation   Stock Compensation, for all share-based awards granted.

(p) Deferred Satellite Performance Incentives

The cost of satellite construction includes an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. We are contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite

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manufacturers have earned substantially all of these payments. Therefore, we account for these payments as deferred financing. We capitalize the present value of these payments as part of the cost of the satellites and record a corresponding liability to the satellite manufacturers. Interest expense is recognized on the deferred financing and the liability is accreted upward based on the passage of time and reduced as the payments are made.

(q) Reclassifications

Certain reclassifications have been made to the prior years financial statements to conform to the current year presentation. The reclassifications had no effect on previously reported results of operations, cash flows or retained earnings.

(r) New Accounting Pronouncements

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). We adopted certain provisions of ASU 2010-06 in the first quarter of 2010. These provisions of ASU 2010-06 amended FASB ASC 820, *Fair Value Measurements and Disclosures*, by requiring additional disclosures for transfers in and out of Level 1 and Level 2 fair value measurements, as well as requiring fair value measurement disclosures for each class of assets and liabilities. The adoption did not have a material impact on our consolidated financial statements or our disclosures, as we did not have any transfers between Level 1 and Level 2 fair value measurements and did not have material classes of assets and liabilities that required additional disclosure during 2010.

Certain provisions of ASU 2010-06 are effective for fiscal years beginning after December 15, 2010, which for us will be our 2011 first quarter. These provisions of ASU 2010-06, which amended FASB ASC 820, will require us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation for fair value measurements, whereas currently these are presented in aggregate as one line item. Although this may change the appearance of our reconciliation, we do not believe the adoption will have a material impact on our financial statements or disclosures.

In December 2010, the FASB issued ASU 2010-29, *Disclosures of Supplementary Pro Forma Information for Business Combinations* (ASU 2010-29), which intends to address diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations. ASU 2010-29 specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior year reporting period. ASU 2010-29 is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after December 15, 2010. The Company plans to adopt ASU 2010-29 for fiscal year 2011 and we do not believe the adoption will have a material impact our consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 3 New Sponsors Acquisition

On February 4, 2008, Serafina completed its acquisition of 100% of the equity ownership of Intelsat Holdings for total cash consideration of approximately $5.0 billion, pursuant to the BC Share Purchase Agreement. The former shareholders of Intelsat Holdings (other than management) sold 100% of their equity interests in Intelsat Holdings. Upon closing, management contributed to Serafina Holdings the portion of their equity interests in Intelsat Holdings not purchased for cash by Serafina in exchange for equity interests in Serafina Holdings (which was renamed Intelsat Global, Ltd. on February 8, 2008).

In order to finance the New Sponsors Acquisition, Serafina borrowed $4.96 billion in aggregate principal amount of term loans under a $2.81 billion senior unsecured bridge loan credit agreement, dated as of February 4, 2008 (the Senior Bridge Loan Credit Agreement) and a $2.15 billion senior unsecured payment-in-kind election bridge loan credit agreement, dated as of February 4, 2008 (the PIK Election Bridge Loan Credit Agreement and, together with the Senior Bridge Loan Credit Agreement, the Bridge Loan Credit Agreements) (see Note 11 Long-Term Debt). Serafina Holdings was an entity formed by funds controlled by BC Partners Holdings Limited (BC Partners) and certain other investors (collectively, the BCEC Funds). Subsequent to the execution of the BC Share Purchase Agreement, two investment funds controlled by Silver Lake Partners (Silver Lake) and other equity investors joined the BCEC Funds as the equity sponsors of Serafina Holdings. The BCEC Funds, the Silver Lake funds and the other equity sponsors are referred to as the New Sponsors and the acquisition of Intelsat Holdings, our indirect parent, referred to as the New Sponsors Acquisition.

Immediately following the New Sponsors Acquisition, Intelsat Bermuda, our direct wholly-owned subsidiary, transferred certain of its assets (including all of its direct and indirect ownership interests in its subsidiaries) and certain of its liabilities and obligations to a newly formed direct wholly-owned subsidiary, Intelsat Jackson, pursuant to an assignment and assumption agreement (the Intelsat Bermuda Transfer). Following the Intelsat Bermuda Transfer, Intelsat Jackson became the owner of substantially all of Intelsat Bermuda s assets and the obligor with respect to substantially all of Intelsat Bermuda s liabilities and obligations, and Intelsat Bermuda no longer had any rights or obligations with respect to such assets and liabilities. Immediately after the consummation of the Intelsat Bermuda Transfer, Serafina assigned certain of its assets and liabilities to Intelsat Bermuda, including Serafina s rights and obligations under the Bridge Loan Credit Agreements and a Commitment Letter, dated as of June 19, 2007 among Serafina and certain banks related to the financing of the New Sponsors Acquisition, as amended by the Commitment Letter Amendment, dated as of February 7, 2008. In addition, our subsidiaries, Intelsat Sub Holdco and Intelsat Corp, entered into amendments to their existing credit agreements, and Intelsat Corp entered into a joinder agreement to its existing credit agreement, to facilitate the New Sponsors Acquisition. In connection with the New Sponsors Acquisition, on February 7, 2008, Intelsat Jackson redeemed, pursuant to their terms, all $260.0 million of its outstanding Floating Rate Senior Notes due 2013 and all $600.0 million of its outstanding Floating Rate Senior Notes due 2015, and on March 6, 2008, Intelsat, Ltd. redeemed, pursuant to their terms, all $400.0 million of its outstanding 5 $^{1}/4$% Senior Notes due 2008. The New Sponsors Acquisition and the transactions described above are collectively referred to as the New Sponsors Acquisition Transactions.

Immediately upon the closing of the New Sponsors Acquisition, the Intelsat Bermuda and Intelsat Sub Holdco monitoring fee agreements with Apax Partners Worldwide LLP and Apax Partners, L.P., Apollo Management V, L.P., MDP Global Investors Limited, and Permira

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Advisers LLC (collectively, the Former Sponsors) were terminated. Intelsat Bermuda entered into a new monitoring fee agreement (the 2008 MFA) with BC Partners and Silver Lake Management Company III, L.L.C. (together, the 2008 MFA parties), pursuant to which the 2008 MFA parties provide certain monitoring, advisory and consulting services to Intelsat Bermuda.

The New Sponsors Acquisition was accounted for by Intelsat Holdings under the purchase method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*. As a result, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair market values at the date of acquisition. In accordance with Topic 5J of the codified SEC Staff Accounting Bulletins, the purchase accounting adjustments have been pushed down and recorded in our consolidated financial statements, which resulted in a new basis of accounting for the successor period beginning after the consummation of the New Sponsors Acquisition. Determining fair values of the assets acquired and liabilities assumed required us to make significant estimates and assumptions. In order to develop estimates of fair values of the assets acquired and liabilities assumed, we considered the following generally accepted valuation approaches: the cost approach, the income approach and the market approach. Our estimates included assumptions about projected growth rates, cost of capital, effective tax rates, tax amortization periods, technology royalty rates and technology life cycles, the regulatory and legal environment, and industry and economic trends. While we believe that the estimates and assumptions underlying the valuation methodologies were reasonable, different assumptions could have resulted in different market values. The purchase price allocation was finalized during the period ended December 31, 2008.

In connection with the completion of the New Sponsors Acquisition Transactions, we recorded $313.1 million of transaction costs in our consolidated statements of operations during the predecessor period January 1, 2008 to January 31, 2008. These costs included $197.2 million of costs associated with the repurchase or cancellation of restricted shares and share-based compensation arrangements (SCAs) of Intelsat Holdings, an advisory service fee of $60.0 million paid to the 2008 MFA parties, and $55.3 million in professional fees.

Note 4 Fair Value Measurements

FASB ASC 820 defines fair value, establishes a market-based framework or hierarchy for measuring fair value and provides for certain required disclosures about fair value measurements. The guidance is applicable whenever another accounting pronouncement requires or permits assets and liabilities to be measured at fair value, but does not require any new fair value measurements.

The fair value hierarchy prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation; and

Level 3 unobservable inputs based upon the reporting entity s internally developed assumptions which market participants would use in pricing the asset or liability.

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We did not have any transfers between Level 1 and Level 2 fair value measurements during the year ended December 31, 2010.

The following tables present assets and liabilities measured and recorded at fair value in our consolidated balance sheets on a recurring basis and their level within the fair value hierarchy (in thousands), excluding long-term debt (see Note 11 Long-Term Debt):

Description		Fair Value Measurements at December 31, 2009		
Assets	**As of December 31, 2009**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Marketable securities(1)	$ 34,303	$ 34,303	$	$
Undesignated interest rate swaps	15,662		15,662	
Total assets	$ 49,965	$ 34,303	$ 15,662	$
Liabilities				
Undesignated interest rate swaps	$ 115,512	$	$ 115,512	$
Embedded derivative	14,600			14,600
Redeemable noncontrolling interest(2)	8,884			8,884
Total liabilities	$ 138,996	$	$ 115,512	$ 23,484

Description		Fair Value Measurements at December 31, 2010		
Assets	**As of December 31, 2010**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Marketable securities(1)	$ 5,949	$ 5,949	$	$
Total assets	$ 5,949	$ 5,949	$	$
Liabilities				
Undesignated interest rate swaps	$ 147,815	$	$ 147,815	$
Embedded derivative	4,295			4,295
Redeemable noncontrolling interest(2)	18,621			18,621
Total liabilities	$ 170,731	$	$ 147,815	$ 22,916

(1) The cost basis of our available-for-sale marketable securities was $34.0 million at December 31, 2009 and $6.3 million at December 31, 2010. We sold marketable securities with a cost basis of $27.8 million during the twelve months ended December 31, 2010 and recorded a gain on the sale of $1.4 million which was included within other income, net in our consolidated statement of operations.

(2) Redeemable noncontrolling interest is classified as mezzanine equity in the accompanying consolidated balance sheets.

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The following table presents the activity for those items measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in FASB ASC 820 (in thousands):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Redeemable Noncontrolling Interest(1)	Embedded Derivative	Total
Balance at December 31, 2008	$ 4,500	$	$ 4,500
Purchases, issuances and settlements		36,040	36,040
Mark to market valuation adjustment	4,754	(21,440)	(16,686)
Net loss attributable to noncontrolling interest	(370)		(370)
Balance at December 31, 2009	8,884	14,600	23,484
Contributions	1,128		1,128
Mark to market valuation adjustment	10,908	(10,305)	603
Net loss attributable to noncontrolling interest	(2,299)		(2,299)
Balance at December 31, 2010	$ 18,621	$ 4,295	$ 22,916

(1) In accordance with the FASB ASC 480, regarding the classification and measurement of redeemable securities, we mark to market the fair value of the noncontrolling interest in our joint venture investment in New Dawn, at each reporting period.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, such items are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances, such as if there is evidence of impairment. The following table presents assets measured and recorded on a nonrecurring basis at fair value in our consolidated balance sheets and their level within the fair value hierarchy (in thousands):

Description	Carrying Value As of December 31, 2010	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Total Losses
Long lived asset held and used	$ 33,333	$35,000	$ 104,100

The fair value measurement of this long-lived asset was considered by us to be within Level 3 of the fair value hierarchy as the most significant inputs were derived utilizing our internally prepared budgets and forecast information, which we believe a market participant would use in pricing such an asset. The estimated fair value was determined based on a probability weighted discounted cash flow analysis and was discounted at an appropriate weighted average cost of capital. During the second quarter of 2010, this long-lived asset was written down to a fair value of $35.0 million from its carrying value of $139.1 million, and continues to be depreciated. In accordance with the FASB ASC Topic 360, *Property, Plant and*

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Equipment, regarding the impairment or disposal of long-lived assets, we recorded an impairment charge of $104.1 million, which was included in our consolidated statements of operations for the year ended December 31, 2010 (see Note 8 Satellites and Other Property and Equipment).

Note 5 Share-Based and Other Compensation Plans

(a) 2005 Share Plan

(i) Restricted Shares

The board of directors of Intelsat Holdings adopted the Intelsat Holdings, Ltd. 2005 Share Incentive Plan (the 2005 Share Plan) with an effective date of January 28, 2005. Upon consummation of the New Sponsors Acquisition on February 4, 2008, all outstanding performance-based restricted shares and a portion of the time vesting shares under the 2005 Share Plan vested. Vested restricted shares were purchased by the New Sponsors at approximately $400 per share (the per share price specified in the BC Share Purchase Agreement). In connection with the vesting of these awards upon the consummation of the acquisition, we recorded compensation expense of $148.9 million in the predecessor period January 1, 2008 to January 31, 2008. In connection with the New Sponsors Acquisition, each unvested restricted share of Intelsat Holdings was exchanged for approximately four unvested restricted shares of Intelsat Global (see *(b) 2008 Share Plan (i)* Rollover Shares below). The total non-vested restricted shares as of February 1, 2008 were 73,425.

(ii) Share-Based Compensation Arrangements

During 2006 and 2007, Intelsat Holdings entered into share-based compensation arrangements (SCAs) with selected employees of Intelsat Holdings and its direct and indirect subsidiaries under the 2005 Share Plan, which permitted such employees to purchase Intelsat Holdings common shares. In connection with the New Sponsors Acquisition, vesting in SCAs issued under the 2005 Share Plan doubled at consummation of the transaction if the awardee was still employed on February 4, 2008. The vested SCAs were cancelled in return for cash in an amount equal to the excess of approximately $400 (the per share price of the transaction) over the exercise price of each share covered. In connection with the vesting and cancellation of these awards, we recorded expense of $47.6 million in the predecessor period January 1, 2008 to January 31, 2008. The remaining unvested SCAs were rolled over into new SCAs of Intelsat Global with new repurchase features (see *(b) 2008 Share Plan (ii)* Rollover Options below).

(b) 2008 Share Plan

On May 6, 2009, the board of directors of Intelsat Global adopted the amended and restated Intelsat Global, Ltd. 2008 Share Incentive Plan (the 2008 Share Plan). The 2008 Share Plan provides for a variety of equity-based awards with respect to Class A common shares (the Class A Shares), and Class B common shares (the Class B Shares and, together with the Class A Shares, the Common Shares), including non-qualified share options, incentive share options (within the meaning of Section 422 of the United States Internal Revenue Service Tax Code), restricted share awards, restricted share unit awards, share appreciation rights, phantom share awards and performance-based awards.

A total of 1,689,975 Common Shares may be issued under the 2008 Share Plan (the Pool); provided, however, that no more than 946,386 Class B Shares may be issued under the 2008 Share Plan. Class A Shares may be issued pursuant to any type of award; however, Class B

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Shares may only be issued pursuant to restricted share awards. Additionally, 438,827 Class A Shares shall be available for issuance pursuant to the vesting and/or exercise of certain options and restricted share awards previously granted pursuant to the 2005 Share Plan (the Rollover Awards). To the extent that any award, other than the Rollover Awards, terminates, expires, or lapses for any reason, or is settled in cash without delivery of shares (or, in the case of restricted shares, without vesting) to the participant, then any shares subject to the award may be used again for new grants under the 2008 Share Plan. All equity based awards are for shares in our indirect parent, Intelsat Global, and therefore the costs related to these equity-based awards are reflected as capital contributions in the form of liabilities assumed by the parent in the accompanying statements of shareholder s equity (deficit).

Because our equity is privately held, we are required to estimate the fair market value of equity at each reporting period in order to properly record stock compensation expense. We estimate the fair market value using a combination of income and market approaches.

(i) Rollover Shares

In connection with the adoption of the 2008 Share Plan, 293,926 Class A Shares previously granted pursuant to the 2005 Share Plan, of which 228,976 Class A Shares had been awarded to certain executive officers (the Rollover Executive Officers) under employment agreements, became subject to new Class A restricted share agreements and the provisions of the 2008 Share Plan. These rollover shares continue to be classified as a liability of Intelsat Global due to certain repurchase features in the 2008 Share Plan and the new Class A restricted share agreements. Further, due to these repurchase features, the fair value equaled the fair value of the Class A shares at December 31, 2010 for the rollover shares held by the Rollover Executive Officers and the fair value equaled the fair value of the Class A shares at the date of grant, $100.00 per share, for rollover shares held by all other awardees. The rollover shares continued to vest in the same increments and on the same vesting dates as were applicable prior to the closing of the New Sponsors Acquisition.

During the successor period February 1, 2008 to December 31, 2008, the year ended December 31, 2009 and the year ended December 31, 2010 we recorded compensation expense of $0.1 million, $30.9 million and $10.4 million, respectively, related to the rollover shares.

A summary of the changes in Intelsat Global s rollover shares during the years ended December 31, 2009 and 2010 is set forth below:

	Rollover Executive Officers		All Other Awardees	
	Shares	**Fair Value**	**Shares**	**Fair Value**
Rollover shares:				
Non-vested rollover shares outstanding as of December 31, 2008	124,029	$ 0.54	34,990	$ 0.54
Rollover shares forfeited and purchased at par value		$ 48.74	(12,178)	$ 48.74
Vested	(114,488)	$ 48.74	(21,136)	$ 48.74
Total non-vested rollover shares at December 31, 2009	9,541	$ 122.06	1,676	$ 100.00

Vested	(9,541)	$ 122.06	(1,676)	$ 100.00
Total non-vested rollover shares at December 31, 2010		$ 161.84		$ 100.00

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ii) Rollover Options

In connection with the adoption of the 2008 Share Plan, the unvested SCAs of Intelsat Holdings that had been rolled over into SCAs of Intelsat Global became subject to new option agreements and the provisions of the 2008 Share Plan.

Holders of these options who terminate employment with Intelsat Global or its subsidiaries will forfeit any unvested options. Additionally, the option agreements have certain repurchase features which provide Intelsat Global, based on the reason for termination, with the right to repurchase any vested options, and any shares issued upon exercise of vested options, at a price equal to either the fair market value of the shares at resignation or $100.00 per share based on the reason for termination, less the applicable exercise price of $25.00 per share.

During the successor period February 1, 2008 to December 31, 2008, the year ended December 31, 2009 and the year ended December 31, 2010, we recognized $3.1 million, $12.1 million, and $0.3 million, respectively, as compensation expense related to the rollover options. We recorded compensation expense for these time vesting restricted options over the vesting period based on the intrinsic value at December 31, 2010, taking into consideration the repurchase features set forth in the underlying agreements. The intrinsic value of the rollover options at December 31, 2010 was $75.00 per share.

A summary of the changes in Intelsat Global s rollover options outstanding during the years ended December 31, 2009 and 2010 is set forth below:

	Number of Shares	Intrinsic Value
Rollover options outstanding as of December 31, 2008	170,102	$
Forfeited		$
Rollover options outstanding at December 31, 2009	170,102	$ 75.00
Cancelled and returned for cash	(2,094)	$
Cancelled and returned for cash	(8,195)	$ 75.00
Cancelled and returned for cash	(12,566)	$ 97.06
Rollover options outstanding at December 31, 2010	147,247	$ 75.00
Rollover options exercisable at December 31, 2010	147,027	$ 75.00

(iii) Class B Share Grants

In connection with the adoption of the 2008 Share Plan, 900,249 Class B Shares were awarded to employees of Intelsat Global and its subsidiaries. These shares are subject to transfer, vesting and other restrictions set forth in the applicable Class B restricted share agreements, as described below.

Class B Share Grants to Certain Executive Officers

480,830 Class B Shares were issued to certain of our executive officers (the Class B Executive Officers) as of May 6, 2009. Generally, five-sevenths of these Class B Shares are subject to time vesting, with 25% of the shares vested as of the date of grant and the

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remaining shares vesting in equal monthly installments of 1/45th per month commencing June 4, 2009 (the Executive Officer Class B Time-Vesting Shares). With respect to Class B Executive Officers with a date of hire after February 4, 2008, 10% of the Executive Officer Class B Time-Vesting Shares vest six months after the date of hire and the remaining shares vest in equal monthly installments of 1/54th per month thereafter. The remaining Class B Shares are subject to annual performance-based vesting upon the achievement of certain adjusted EBITDA and revenue goals for 2008 and 2009 (and 2010 for individuals hired after the first quarter of 2008), as defined in the applicable agreements, subject to catch-up vesting upon achievement of targets in later years (the Executive Officer Class B Performance Shares). The adjusted EBITDA and revenue targets for 2008, 2009 and 2010 were met.

In the event of a change in control, as defined in the 2008 Share Plan, the Executive Officer Class B Time-Vesting Shares become fully vested, and the Executive Officer Class B Performance Shares vest if certain principal shareholders of Intelsat Global, as defined in the applicable agreements (the Principal Shareholders), receive a three times multiple on their investment (four times if the change in control occurs after February 4, 2015).

Class B Share Grants to All Other Awardees

419,419 restricted Class B Shares were issued effective as of May 8, 2009 to certain other members of management and key employees of Intelsat Global and its subsidiaries. Generally, five-sevenths of these Class B Shares are subject to time vesting, with 10% of the shares generally vesting six months after the later of February 4, 2008 or the date of hire, and the remaining shares vesting in equal monthly installments of 1/54th per month thereafter (the Management Class B Time-Vesting Shares). The remaining Class B Shares are subject to annual performance-based vesting upon the achievement of certain adjusted EBITDA and revenue goals for 2008 and 2009 (and 2010 for individuals hired after the first quarter of 2008), as defined in the applicable agreements, subject to catch-up vesting upon achievement of targets in later years (the Management Class B Performance Shares). The adjusted EBITDA and revenue targets for 2008, 2009 and 2010 were met.

In the event of a change in control, as defined in the applicable agreement, the Management Class B Time-Vesting Shares become fully vested, and the Management Class B Performance Shares vest if the Principal Shareholders receive a three times multiple on their investment (four times if the change in control occurs after February 4, 2015).

Due to certain repurchase features in the 2008 Share Plan and the terms of the applicable restricted share agreements, all restricted Class B Share grants were classified as a liability of Intelsat Global. During the year ended December 31, 2009 and the year ended December 31, 2010, we recorded compensation expense of $13.5 million and $6.8 million, respectively, related to the restricted Class B shares. During the year ended December 31, 2010 we repurchased 22,289 Class B shares at liquidation value.

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A summary of the changes in Intelsat Global s restricted Class B Shares during the year ended December 31, 2010 is set forth below:

	Class B Executive Officers		All Other Awardees	
	Shares	Intrinsic Value	Shares	Intrinsic Value
Non-vested Class B Shares at January 1, 2009		$		$
Class B Shares granted on May 6, 2009	480,830	$ 10.73	419,419	$ 10.73
Vested	(177,333)	$ 10.73	(167,500)	$ 10.73
Total non-vested Class B Shares at December 31, 2009	303,497	$ 44.44	251,919	$ 10.73
Shares forfeited and purchased at par value		$	(12,720)	$
Vested	(137,380)	$	(118,328)	$
Total non-vested Class B Shares at December 31, 2010	166,117	$ 61.84	120,871	$

(iv) Class A Share Option Grants and SCAs

In connection with the adoption of the 2008 Share Plan, 707,351 Intelsat Global Class A SCAs were awarded to employees of Intelsat Global and its subsidiaries under SCAs at an exercise price of $100 per share (the New 2008 SCAs), and 377,795 Class A Share options were awarded to certain of our executive officers under option agreements at an exercise price of $100 per share. These awards are subject to transfer, vesting and other restrictions set forth in the various agreements. During the year ended December 31, 2010, an additional 35,700 Intelsat Global Class A SCAs were awarded to employees at an exercise price of $122.06 per share.

Class A Share Option Grants to Certain Executive Officers

These options will vest with respect to 206,070 Class A Shares based upon the achievement of certain adjusted EBITDA and revenue goals for 2010, 2011 and 2012 (and 2013 for individuals hired after the first quarter of 2008), as defined in the applicable agreements, subject to catch-up vesting upon achievement of targets in later years or if the Principal Shareholders receive a three times multiple on their investment (four times if the change in control occurs after February 4, 2015) in connection with a change in control. The adjusted EBITDA and revenue targets for 2010 were met.

We calculated compensation expense for the Class A options based on the performance-based vesting criteria specified in the applicable agreements, including the meeting of certain of the goals as of December 31, 2010. Compensation expense was based on the intrinsic value at December 31, 2010 of $61.84 per share. During the year ended December 31, 2009 and December 31, 2010, we recorded compensation expense of $0.5 million and $3.2 million, respectively, related to these Class A options.

Class A SCAs for All Other Employees

Approximately 55% of the shares subject to the New 2008 SCAs will vest based upon the achievement of certain adjusted EBITDA and revenue goals for 2010, 2011 and 2012 (and 2013 for individuals hired after the first quarter of 2008), as defined in the applicable

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agreements, subject to catch-up vesting in certain circumstances, including upon achievement of targets in later years or if the Principal Shareholders receive a three times multiple on their investment (four times if the change in control occurs after February 4, 2015) in connection with a change in control, as defined. The adjusted EBITDA and revenue targets for 2010 were met. Approximately 45% of the shares subject to the New 2008 SCAs will vest upon the occurrence of a change in control or other realization event based upon a sliding scale of return on the Principal Shareholders investment from 3.3 times to 4.1 times.

Any Class A Shares held by employees as a result of the exercise of the New 2008 SCAs can be repurchased at the lesser of fair market value and the exercise price in the event of voluntary termination by the employee and other defined circumstances. Since these repurchase features enable Intelsat Global to recover the shares without transferring any appreciation in value if the employee were to terminate voluntarily, the New 2008 SCAs were not deemed to be granted. No compensation expense has been recorded in connection with these awards.

Note 6 Retirement Plans and Other Retiree Benefits

(a) Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan s benefit formulas, which take into account the participants remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, as part of the overall medical plan, we provide postretirement medical benefits to certain current retirees who meet the criteria under the medical plan for postretirement benefit eligibility.

The defined benefit retirement plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan s funded status. Recent market conditions have resulted in an unusually high degree of volatility and increased risks related to the short-term liquidity of certain investments held by our defined benefit retirement plan, which could impact the value of the plan assets after the date of these consolidated financial statements. Additionally, any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan s funded status would negatively impact its funded status and could result in increased funding in future periods. The impact on the funded status as of October 1, the plan s annual measurement date, is determined based upon market conditions in effect when we completed our annual valuation. During the year ended December 31, 2010, we made a cash contribution to the defined benefit retirement plan of $7.3 million. We also made an additional non-cash contribution of approximately $2.3 million to the defined benefit retirement plan, whereby a credit was applied for this amount related to the defined benefit retirement plan s funding standard carryover balance. We anticipate that our contributions to the defined benefit retirement plan in 2011 will be approximately $26.3 million. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2011 will be approximately $4.2 million.

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The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the Healthcare Reform Act), was signed into law in March 2010. The Healthcare Reform Act codifies health care reforms with staggered effective dates from 2010 to 2018 with many provisions in the Healthcare Reform Act requiring the issuance of additional guidance from various governmental agencies. We assessed the future impact of several of the Healthcare Reform Act s provisions on our other postretirement benefit liability and determined that as of December 31, 2010, the impact to our consolidated balance sheets and consolidated statements of operations would be immaterial. Given the complexity of the Healthcare Reform Act, the extended time period over which the reforms will be implemented, and the unknown impact of future regulatory guidance, further financial impact to our other postretirement benefit liability and related future expense may occur.

Effective December 31, 2008, FASB ASC Topic 715, *Compensation Retirement Benefits* (FASB ASC 715) requires an employer to measure defined benefit plan assets and obligations as of the date of the employer s fiscal year-end. On January 1, 2008, we adopted the measurement date provision under the alternative transition method, utilizing a 15-month model for transition. Accordingly, we used our September 30, 2007 valuation to project 15 months of net periodic benefit cost and recognized three-fifteenths, or $0.4 million (net of tax), of such costs as an adjustment to accumulated deficit in January 2008.

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Reconciliation of Funded Status and Accumulated Benefit Obligation. Expenses for our defined benefit retirement plan and for postretirement medical benefits that are provided under our medical plan are developed from actuarial valuations. The following summarizes the projected benefit obligations, plan assets and funded status of the defined benefit retirement plan, as well as the projected benefit obligations of the postretirement medical benefits provided under our medical plan (in thousands, except percentages):

	Year Ended December 31, 2009		Year Ended December 31, 2010	
	Pension Benefits	Other Post-retirement Benefits	Pension Benefits	Other Post-retirement Benefits
Change in benefit obligation				
Benefit obligation at beginning of period	$ 341,713	$ 78,295	$ 366,840	$ 84,849
Service cost	2,774	781	2,905	550
Interest cost	20,706	4,810	20,882	4,930
Employee contributions		451		430
Benefits paid	(20,345)	(4,017)	(18,791)	(4,410)
Plan amendments				
Curtailment	(51)			
Actuarial (gain) loss	22,043	4,529	18,810	9,963
Benefit obligation at end of period	$ 366,840	$ 84,849	$ 390,646	$ 96,312
Change in plan assets				
Plan assets at beginning of period	$ 181,382	$	$ 208,300	$
Employer contributions	655	3,566	7,304	3,980
Employee contributions		451		430
Actual return on plan assets	46,608		28,953	
Benefits paid	(20,345)	(4,017)	(18,791)	(4,410)
Plan assets at fair value at end of period	$ 208,300	$	$ 225,766	$
Accrued benefit costs and funded status of the plans	$ (158,540)	$ (84,849)	$ (164,880)	$ (96,312)
Accumulated benefit obligation	$ 355,904		$ 379,590	
Weighted average assumptions used to determine accumulated benefit obligation and accrued benefit costs				
Discount rate	5.88%	5.95%	5.30%	5.38%
Salary rate	3.25%		3.25%	
Weighted average assumptions used to determine net periodic benefit costs				
Discount rate	6.27%	6.30%	5.88%	5.95%
Expected rate of return on plan assets	8.0%		8.0%	
Rate of compensation increase	3.75%		3.25%	
Amounts in accumulated other comprehensive loss recognized in net periodic benefit cost				
Actuarial (gain) loss, net of tax	$ 2,509	$ (2,652)	$ 5,852	$ 5,911
Prior service credits, net of tax	(107)		(2,184)	

Total	$	2,402	$	(2,652)	$	3,668	$	5,911
Amounts in accumulated other comprehensive loss not yet recognized in net periodic benefit cost								
Actuarial (gain) loss, net of tax	$	69,178	$	(251)	$	75,030	$	7,609
Prior service credits, net of tax		(932)				(824)		
Total	$	68,246	$	(251)	$	74,206	$	7,609
Amounts in accumulated other comprehensive loss expected to be recognized in net periodic benefit cost in the subsequent year								
Actuarial loss	$	(3,641)	$		$	(6,862)	$	
Prior service credits		172				172		
Total	$	(3,469)	$		$	(6,690)	$	

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Yield curves matching our benefit obligations were derived from monthly bid-price bond data including corporate bonds and excluding bonds that are callable, make-whole, sinkable and putable as well as those for which the quoted yield-to-maturity is zero. Using this bond universe, regression analysis is used to identify the best-fitting regression curve that links yield-to-maturity providing match to data for both long and short maturities. The resulting regressed coupon yield curve is smoothly continuous along its entire length and represents an unbiased average of the observed market data and takes into account all information for both a single maturity and across all maturities.

Interest rates used in these valuations are key assumptions, including discount rates used in determining the present value of future benefit payments and expected return on plan assets, which are reviewed and updated on an annual basis. The discount rates reflect market rates for high-quality corporate bonds. We consider current market conditions, including changes in interest rates, in making assumptions. In establishing the expected return on assets assumption, we review the asset allocations considering plan maturity and develop return assumptions based on different asset classes. The return assumptions are established after reviewing historical returns of broader market indexes, as well as historical performance of the investments in the plan. Our pension plan assets are managed in accordance with an investment policy adopted by the pension committee, as discussed below.

Plan Assets. The investment policy of the Plan includes target allocation percentages of approximately 65% for investments in equity securities (49% U.S. equities and 16% non-U.S. equities) and 35% for investments in fixed income securities. There are restrictions on investment managers to prevent the concentration of investments in the securities of any one company or industry, the purchase of tax-exempt securities, direct investments in commodities and short sales and to impose other restrictions. Plan assets include investments in equity and bond funds, U.S. government securities funds and liquid reserve funds. The mutual funds in which the plans assets are invested are institutionally managed mutual funds with diversified exposures into multiple asset classes implemented with over 40 investment managers. The guidelines and objectives of the funds are congruent with the Intelsat investment policy statement.

The target and actual asset allocation of our pension plan assets was as follows:

	As of December 31, 2009		As of December 31, 2010	
Asset Category	**Target Allocation**	**Actual Allocation**	**Target Allocation**	**Actual Allocation**
Equity securities	65%	67%	65%	67%
Debt securities	35%	33%	35%	33%
Total	100%	100%	100%	100%

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The fair values of our pension plan assets by asset category are as follows (in thousands):

	Fair Value Measurements at December 31, 2009 Quoted Prices in Active Markets for Identical Assets (Level 1)		Fair Value Measurements at December 31, 2010 Quoted Prices in Active Markets for Identical Assets (Level 1)	
Asset Category				
Equity Securities				
U.S. Large-Cap(1)	$	90,280	$	97,217
U.S. Small/Mid-Cap(2)		15,489		16,795
World Equity Ex-US(3)		33,606		36,339
Fixed Income Securities				
Long Duration Bonds(4)		42,047		47,709
High Yield Bonds(5)		18,182		18,407
Emerging Market Fixed income (Non-US)(6)		8,345		8,968
Income earned but not yet received		351		331
Total	**$**	**208,300**	**$**	**225,766**

(1) US large cap equity fund invests primarily in a portfolio of common stocks included in the S&P 500 Index, as well as other equity securities and derivative instruments whose value is derived from the performance of the S&P 500.

(2) US small/mid cap equity fund invests primarily in a portfolio of common stocks included in the Russell 2500 Index.

(3) World equity ex-US fund invests primarily in common stocks and other equity securities whose issuers comprise a broad range of capitalizations and are located outside of the U.S. The fund invests primarily in developed countries but may also invest in emerging markets.

(4) Long duration bond fund seeks to duplicate the return characteristics of high quality corporate bonds with a duration range of 10-13 years. The fund s investment strategy is designed to aid corporate pension plans with asset and liability management in order to reduce funding status volatility caused by changes in interest rates.

(5) High yield bond fund seeks to maximize return by investing primarily in a diversified portfolio of higher yielding, lower rated fixed income securities. The fund will invest primarily in securities rated below investment grade, including corporate bonds, convertible and preferred securities and zero coupon obligations.

(6) Emerging markets debt fund seeks to maximize return investing in fixed income securities of emerging markets issuers. The fund will invest primarily in U.S. dollar denominated debt securities of government, government-related and corporate issuers in emerging market countries, as well as entities organized to restructure the outstanding debt of such issuers.

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Net periodic pension benefit costs included the following components (in thousands):

	Predecessor Entity	Successor Entity		
	Period January 1, 2008 to January 31, 2008	Period February 1, 2008 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Service cost	$ 217	$ 2,277	$ 2,774	$ 2,905
Interest cost	1,621	18,569	20,706	20,882
Expected return on plan assets	(2,014)	(21,175)	(20,573)	(19,421)
Amortization of unrecognized prior service cost	(26)		(172)	(172)
Amortization of unrecognized net loss	18			3,641
Total benefit	(184)	(329)	2,735	7,835
Curtailment gain			(55)	
Net periodic (benefits) costs after curtailment	$ (184)	$ (329)	$ 2,680	$ 7,835

We had accrued benefit costs at December 31, 2009 and 2010 of $158.5 million and $164.9 million, respectively, related to the pension benefits, of which $0.6 million was recorded within other current liabilities for both respective periods and $157.9 million and $164.3 million was recorded in other long-term liabilities, respectively. Additionally, we had accrued benefit costs at December 31, 2009 and 2010 related to the other postretirement benefits of $84.8 million and $96.3 million, respectively, of which $4.0 million and $4.2 was recorded in other current liabilities, respectively, and $80.8 million and $92.1 million was recorded in other long-term liabilities, respectively.

Net periodic other postretirement benefit costs included the following components (in thousands):

	Predecessor Entity	Successor Entity		
	Period January 1, 2008 to January 31, 2008	Period February 1, 2008 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Service cost	$ 83	$ 850	$ 781	$ 550
Interest cost	387	4,570	4,810	4,930
Amortization of unrecognized prior service cost	10			

Amortization of unrecognized net gain	(24)			
Total costs	$ 456	$ 5,420	$ 5,591	$ 5,480

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Depending upon our actual future health care claims, our actual costs may vary significantly from those projected above. As of December 31, 2009 and December 31, 2010, the assumed health care cost trend rate was 9.0% and 8.5%, respectively. This rate is assumed to decrease gradually to 4.5% by the year 2030 and to remain at that level of annual increase thereafter. Increasing the assumed health care cost trend rate by 1% each year would increase the other postretirement benefits obligation as of December 31, 2010 by $10.3 million. Decreasing this trend rate by 1% each year would reduce the other postretirement benefits obligation as of December 31, 2010 by $8.8 million. A 1% increase or decrease in the assumed health care cost trend rate would have increased or decreased the net periodic other postretirement benefits cost for 2010 by $0.5 million.

The benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows (in thousands):

	Pension Benefits	Other Post-retirement Benefits
2011	$ 24,375	$ 4,430
2012	24,283	4,864
2013	24,002	5,272
2014	24,226	5,632
2015	24,966	6,073
2016 to 2020	135,415	36,138
Total	$ 257,267	$ 62,409

(b) Other Retirement Plans

We maintain two defined contribution retirement plans, qualified under the provisions of Section 401(k) of the Internal Revenue Code, for our employees in the United States. We recognized compensation expense for these plans of $0.5 million, $8.4 million, $9.0 million, and $5.1 million, for the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively. We also maintain other defined contribution retirement plans in several non-U.S. jurisdictions, but such plans are not material to our financial position or results of operations.

Note 7 Receivables

Receivables were comprised of the following (in thousands):

	As of December 31, 2009	As of December 31, 2010
Service charges:		
Billed	$ 294,105	$ 252,483
Unbilled	10,918	9,037
Other	10,033	10,579
Allowance for doubtful accounts	(20,517)	(21,748)
Total	$ 294,539	$ 250,351

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Unbilled service charges represent amounts earned and accrued as receivables from customers for services rendered prior to the end of the reporting period. Unbilled service charges are expected to be billed and collected within twelve months of the respective balance sheet date. Other receivables as of December 31, 2009 and 2010 include $3.3 million and $5.0 million, respectively, of receivables due from our indirect parent, Intelsat Global.

Note 8 Satellites and Other Property and Equipment

(a) Satellites and Other Property and Equipment

Satellites and other property and equipment, including a satellite utilized under a capital lease agreement, were comprised of the following (in thousands):

	As of December 31, 2009	As of December 31, 2010
Satellites and launch vehicles	$ 6,384,964	$ 7,145,919
Information systems and ground segment	377,237	429,888
Buildings and other	273,518	282,633
Total cost	7,035,719	7,858,440
Less: accumulated depreciation	(1,253,764)	(1,861,157)
Total	$ 5,781,955	$ 5,997,283

Satellites and other property and equipment, net as of December 31, 2009 and 2010 included construction-in-progress of $1.1 billion and $1.6 billion, respectively. These amounts relate primarily to satellites under construction and related launch services. Interest costs of $78.8 million and $99.4 million were capitalized during the years ended December 31, 2009 and 2010, respectively. Additionally, we recorded depreciation expense of $658.4 million and $668.5 million during the years ended December 31, 2009 and 2010, respectively.

We have entered into launch contracts for the launch of both specified and unspecified future satellites. Each of these launch contracts provides that such contract may be terminated at our option, subject to payment of a termination fee that increases in magnitude as the applicable launch date approaches. In addition, in the event of a failure of any launch, we may exercise our right to obtain a replacement launch within a specified period following our request for re-launch.

In August 2009, we purchased from Israel Aerospace Industries Ltd. its Amos-1 satellite, which is currently in inclined orbit, plus related ground assets. The satellite, with nine Ku-band transponders, had an estimated remaining useful life of 4.0 years at closing, and was purchased together with ground assets for $14.0 million, of which $7.0 million was paid at closing and the balance was to be paid over the next two years. During third quarter 2010 the first installment payment of $5.3 million was made and as of December 31, 2010, the final installment payment of $1.7 million remained payable. This satellite, which we renamed IS-24, began providing service in November 2009.

On October 29, 2009, we were selected as the successful bidder at a bankruptcy auction for the Protostar I satellite with an all cash offer of $210.0 million. The purchase of the satellite

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and related ground assets closed in December 2009. The satellite, with 16 Ku-band transponders, has an estimated remaining useful life of 15.5 years. This satellite, which was renamed IS-25, began providing service in April 2010.

In December 2009, we purchased from SKY Perfect JSAT Corporation its JCSAT-R satellite, which is currently in inclined orbit, plus related ground assets. The satellite, with 28 Ku-band transponders and 12 C-band transponders, had an estimated remaining useful life of 5.0 years at closing, and was purchased together with ground assets for $5.0 million, of which $0.5 million was paid at closing. The remaining $4.5 million was paid in January 2010. This satellite, which was renamed IS-26, began providing service in June 2010.

(b) Satellite Launches

On February 11, 2010, we successfully launched our IS-16 satellite into orbit. This satellite operates at 58.1º west longitude and primarily serves a direct-to-home customer operating in Latin America. This satellite entered into service in March 2010.

On November 26, 2010, we successfully launched our IS-17 satellite into orbit. This satellite replaces Intelsat 702 at 66º east longitude and serves programmers, government and corporate broadband customers in Europe, the Middle East, Africa, Russia and Asia. This satellite entered into service in January 2011.

(c) Satellite Health

Our satellite fleet is diversified by manufacturer and satellite type, and as a result, our fleet is generally healthy. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

2010 Anomalies

On February 1, 2010 our IS-4 satellite experienced an anomaly of its backup satellite control processor (SCP). The anomaly caused this satellite to be deemed unrecoverable, resulting in a net non-cash impairment charge in February 2010 of $6.5 million to write off the remaining carrying value of the satellite, which was not insured, and related deferred performance incentive obligations. Launched in 1995, IS-4 was expected to reach its end of service life later in 2010. IS-4 had previously experienced the failure of its primary SCP and was operating on its backup SCP.

On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. We transitioned all media traffic on this satellite to our Galaxy 12 satellite, which was our designated in-orbit spare satellite for the North America

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region. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. When the anomaly occurred there was substantial uncertainty as to our ability to recover use of the satellite and, accordingly, we recognized a $104.1 non-cash impairment charge related to Galaxy 15 during the second quarter of 2010. On December 23, 2010, we recovered command of the spacecraft and we began diagnostic testing and uploading of software updates that protect against future anomalies of this type. In February 2011, Galaxy 15 initiated a drift to 133.1°W and returned to service, initially as an in-orbit spare.

Other Significant Anomalies

On November 28, 2004, our Galaxy 27 satellite experienced a sudden anomaly in its north electrical distribution system which resulted in the loss of control of the satellite and the interruption of customer services on the satellite. Galaxy 27 is a FS 1300 series satellite manufactured by SS/L. Our engineers were able to regain command and control of Galaxy 27, and it was placed back in service, with reduced payload capacity, following operational testing. We have determined that the north electrical distribution system on Galaxy 27 and the communications capacity associated with it are not operational, and the satellite has lost redundancy in nearly all of its components. As a result, Galaxy 27 faces an increased risk of loss in the future. As of December 31, 2010, a substantial subset of Galaxy 27 s transponders, which are all powered by the south electrical distribution system, have been tested, are performing normally and are available for service to our customers. Some of these transponders are currently being used by our customers.

On January 14, 2005, our IS-804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite. IS-804 was a Lockheed Martin 7000 series (the LM 7000 series) satellite, and as of December 31, 2010 we operated two other satellites in the LM 7000 series, IS-801, and IS-805. Of these two satellites, only IS-805 remains in a primary orbital role. Based on the report of the failure review board that we established with Lockheed Martin Corporation, we believe that the IS-804 failure was not likely to have been caused by an IS-804 specific workmanship or hardware element, but was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system. We therefore believe that although this risk exists for our other LM 7000 series satellites, the risk of any individual satellite having a similar anomaly is low.

On September 21, 2006, our IS-802 satellite experienced a reduction of electrical power capability that resulted in a degraded capability of the satellite. A substantial subset of transponders on IS-802 were subsequently reactivated and are operating normally. The anomaly review board that we established with Lockheed Martin Corporation to investigate the cause of the anomaly concluded that the IS-802 anomaly was most likely caused by an electrical short internal to the solar array harness located on the south solar array boom. The anomaly review board found that this anomaly was significantly different from previous LM 7000 series spacecraft failures and was the first failure of this type on a solar array of the LM 7000 series. We therefore believe that although this risk exists for our other LM 7000 series satellites, the risk of any individual satellite having a similar anomaly is low. On September 21, 2010 IS-802 was decommissioned after reaching its end of service life.

On June 29, 2008, our Galaxy 26 satellite experienced a sudden and unexpected electrical distribution anomaly causing the loss of a substantial portion of the satellite power generating capability and resulting in the interruption of some of the customer services on the

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satellite. Galaxy 26 is also a FS 1300 series satellite. Certain transponders continue to operate normally. However, the anomaly resulted in a reduction to the estimated remaining useful life of the satellite.

With respect to both the Galaxy 27 and Galaxy 26 anomalies, the failure review boards that we established with SS/L identified the likely root cause of the anomalies as a design flaw which is affected by a number of parameters and in some extreme cases can result in an electrical system anomaly. The design flaw also exists on IS-8. This satellite has been in service since November 1998 and has not experienced an electrical system anomaly. Along with the manufacturer, we continually monitor this problem and we have ordered a replacement for IS-8 expected to be launched in late 2012.

Other Anomalies

We have also identified three other types of common anomalies among the satellite models in our fleet, which have had an operational impact in the past and could, if they materialize, have an impact in the future. These are:

- failure of the on-board spacecraft control processor (SCP) in Boeing 601 (BSS 601) satellites;
- failure of the on-board XIPS used to maintain the in-orbit position of Boeing 601 High Power Series (BSS 601 HP) satellites; and
- accelerated solar array degradation in early Boeing 702 (BSS 702) satellites.

SCP Failures. Many of our satellites use an on-board SCP to provide automatic on-board control of many operational functions. SCPs are a critical component in the operation of such satellites. Each such satellite has a backup SCP, which is available in the event of a failure of the primary SCP. Certain BSS 601 satellites have experienced SCP failures. The risk of SCP failure appears to decline as these satellites age.

As of December 31, 2010, we operated four BSS 601 satellites: HGS-3, which is utilized by a third-party, IS-2, IS-3R, and IS-26. These satellites have been identified as having heightened susceptibility to the SCP problem. IS-2 was decommissioned in January 2011. IS-3R and IS-26 have been in continuous operation since 1996 and 1997, respectively. Both primary and backup SCPs on these satellites are monitored regularly and remain fully functional. Accordingly, we believe it is unlikely that additional SCP failures will occur and we do not anticipate an interruption in business or early replacement of these satellites.

BSS 601 HP XIPS. The BSS 601 HP satellite uses XIPS as its primary propulsion system. There are two separate XIPS on each BSS 601 HP, each one of which is capable of maintaining the satellite in its orbital position. The satellite also has a completely independent bi-propellant propulsion system as a backup to the XIPS. As a result, the failure of a XIPS on a BSS 601 HP typically would have no effect on the satellite s performance or its operating life. However, the failure of both XIPS would require the use of the backup bi-propellant propulsion system, which could result in a shorter operating life for the satellite depending on the amount of bi-propellant fuel remaining. XIPS failures do not typically result in a catastrophic failure of the satellite or affect the communications capability of the satellite.

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As of December 31, 2010, we operated four BSS 601 HP satellites, IS-5, IS-9, 1S-10 and Galaxy 13/Horizons-1. IS-5 and Galaxy 13/Horizons-1 continue to have both XIPS available as their primary propulsion system. IS-9 and IS-10 have experienced the failure of both XIPS and are operating on their backup bi-propellant systems. These two satellites are expected to be replaced by 2012. Our BSS 601 HP satellites had available bi-propellant fuel for a range of approximately two to eight years from December 31, 2010. No assurance can be given that we will not have further XIPS failures that result in shortened satellite lives. We have decommissioned three satellites that had experienced failure of both XIPS. IS-6B was replaced by IS-11 during the first quarter of 2008, Galaxy 10R was replaced by Galaxy 18 during the second quarter of 2008, and Galaxy 4R was decommissioned in March 2009.

BSS 702 Solar Arrays. All of our satellites have solar arrays that power their operating systems and transponders and recharge the batteries used when solar power is not available. Solar array performance typically degrades over time in a predictable manner. Additional power margins and other operational flexibility are designed into satellites to allow for such degradation without loss of performance or operating life. Certain BSS 702 satellites have experienced greater than anticipated degradation of their solar arrays resulting from the design of the solar arrays. Such degradation, if continued, results in a shortened operating life of a satellite or the need to reduce the use of the communications payload.

As of December 31, 2010, we operated three BSS 702 satellites, two of which are affected by accelerated solar array degradation, Galaxy 11 and IS-1R. Service to customers has not been affected, and we expect that both of these satellites will continue to serve customers until we replace or supplement them with new satellites. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. Due to this continued degradation, Galaxy 11 s estimated end of service life is April 2015 and IS-1R s estimated end of service life is February 2016. IS-1R is currently operating in a secondary orbital role. Galaxy 11 is currently operating in a primary orbital role, bridging service until the arrival of the New Dawn satellite, which is scheduled to enter service in the second quarter of 2011. The third BSS 702 satellite that we operated as of December 31, 2010, Galaxy 3C, was launched after the solar array anomaly was identified, and it has a substantially different solar array design intended to eliminate the problem. This satellite has been in service since September 2002 and has not experienced similar degradation problems.

Note 9 Investments

In June 2009, the FASB issued authoritative guidance on VIEs, which was subsequently codified into FASB ASC Topic 810, *Consolidation* (FASB ASC 810), with the issuance of ASU 2009-17, *Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities (ASU 2009-17)*. ASU 2009-17 revises the previous methodology used to determine the primary beneficiary of a VIE. Historically, the analysis was primarily quantitative and contained certain considerations of qualitative factors. FASB ASC 810 eliminates the quantitative approach for determining the primary beneficiary of a VIE and revises the guidance to employ a more qualitative approach to analyzing a VIE, including consideration of the substance of the VIE as well as assessing the underlying factors driving the economics of the VIE. Additionally, the revised guidance requires an ongoing assessment of whether an entity is the primary beneficiary and includes additional disclosure requirements, which are included below, including further description and explanation as to how an entity

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determined the primary beneficiary of the VIE. Under FASB ASC 810, the primary beneficiary is the entity that consolidates a VIE. We adopted FASB ASC 810 in the first quarter of 2010 and its application did not have a material impact on our consolidated financial statements.

We have ownership interests in a number of entities which met the criteria of a VIE, including WildBlue Communications Inc. (WildBlue), which was disposed of during the fourth quarter of 2009 as discussed below, Horizons-1, Horizons-2 and WP Com, as defined below. We have a greater than 50% controlling ownership and voting interest in New Dawn and therefore consolidate the New Dawn joint venture. We had a noncontrolling ownership interest of approximately 28% in WildBlue in 2009 and accordingly did not consolidate WildBlue. Horizons-1 and Horizons-2, as well as WP Com, are discussed in further detail below, including our analyses of the primary beneficiary determination as required under FASB ASC 810.

(a) WildBlue Communications, Inc.

Prior to December 15, 2009 we had a noncontrolling ownership interest of approximately 28% in WildBlue, a company offering broadband Internet access services in the continental United States via Ka-band satellite capacity. We accounted for our investment using the equity method of accounting. On December 15, 2009, we sold our ownership interest in WildBlue to Viasat Inc. through a non-cash transaction whereby we exchanged our interest in WildBlue for shares of Viasat Inc. common stock. During the first quarter of 2010, we sold all of our shares of Viasat Inc. common stock for $28.6 million, and recorded a $1.3 million gain on the sale within our consolidated statement of operations during the year ended December 31, 2010.

(b) Horizons-1 and Horizons-2

We have a joint venture with JSAT International, Inc. (JSAT), a leading satellite operator in the Asia-Pacific region. The joint venture is named Horizons Satellite Holdings, LLC (Horizon Holdings), and consists of two investments: Horizons-1 Satellite LLC (Horizons-1) and Horizons-2 Satellite LLC (Horizons-2). We provide certain services to the joint venture and utilize capacity from the joint venture.

Under FASB ASC 810, we are required to reassess the primary beneficiary determination of Horizon Holdings on a recurring basis, as well as consider more qualitative factors when considering the primary beneficiary. Upon inception of the joint venture, we originally concluded that we were not the primary beneficiary of the joint venture and therefore did not consolidate Horizon Holdings. The assessment considered both quantitative and qualitative factors surrounding the joint venture, including which entity was more exposed to risk of loss or gain as well as other factors such as whether one partner of the joint venture had more voting power or other control of the joint venture. Horizons Holdings is set up with a joint 50/50 share of management authority as well as an equal share of the profits and revenues from Horizons-1 and Horizons-2. Therefore the equal share of quantitative and qualitative rights from the joint venture alone was not persuasive in defining a primary beneficiary. However, JSAT guarantees the payment of the debt at Horizons Holdings which was incurred to finance the construction of the Horizons-2 satellite. As a result, it was determined that we were not the primary beneficiary and would not consolidate Horizons Holdings. Rather, our investment is accounted for using the equity method of accounting. Subsequent to inception, there have been no events or revisions

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to the joint venture which would change our primary beneficiary determination. As of December 31, 2010, we continue to believe that we are not the primary beneficiary of the VIE and therefore we have not consolidated Horizons Holdings.

Horizons-1 owns and operates the Ku-band portion of the Horizons-1 satellite in the fixed satellite services sector, offering service to customers in the Asia-Pacific region. Through our investment in Horizons Holdings, we have an indirect 50% ownership interest in Horizons-1, an investment which is accounted for under the equity method of accounting. Our share of the results of Horizons-1 is included in other income (expense), net in the accompanying consolidated statements of operations and was income of $0.02 million, $0.2 million, $0.2 million and $0.2 million for the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008, and the years ended December 31, 2009 and 2010, respectively. The investment balance of $12.6 million and $9.8 million as of December 31, 2009 and 2010, respectively, was included within other assets in the accompanying consolidated balance sheets.

During the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, we recorded expenses of $0.3 million, $3.5 million, $3.8 million and $3.7 million, respectively, in relation to the utilization of Ku-band satellite capacity from Horizons-1. Additionally, we provide TT&C and administrative services for the Horizons-1 satellite. We recorded revenue for these services of $0.1 million, $0.6 million, $0.6 million and $0.6 million during the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively.

We also have a revenue share agreement with JSAT related to services sold on the Horizons-1 satellite. We are responsible for the billing and collecting for all such services sold, but recognize revenue on a net basis. The payable due to JSAT was $1.8 million and $1.9 million as of December 31, 2009 and 2010, respectively.

On August 1, 2005, Intelsat Corp formed a second satellite joint investment with JSAT to build and launch a Ku-band satellite, Horizons 2. The Horizons-2 satellite was launched in December 2007 and placed into service in February 2008. Similar to the Horizons-1 joint venture, we share an indirect 50/50 ownership and voting interest in Horizons-2 with JSAT through our investment in Horizon Holdings. However, unlike Horizons-1, JSAT guarantees the payment of debt for the Horizons-2 joint venture.

The total future joint investment obligation in Horizons-2 is estimated to be $100.7 million as of December 31, 2010, of which each of the joint venture partners is required to fund their 50% share. Our share of the results of Horizons-2 is included in other income (expense), net in the accompanying consolidated statements of operations and was income of $0.3 million during the successor period February 1, 2008 to December 31, 2008 and for each of the years ended December 31, 2009 and 2010. As of December 31, 2009 and 2010, the investment balance of $75.3 million and $71.0 million, respectively, was included within other assets in the accompanying consolidated balance sheets.

In connection with our investment in Horizons-2, we entered into a capital contribution and subscription agreement in August 2005, which requires us to fund our 50% share of the amounts due under Horizons-2 s loan agreement with a third-party lender. Pursuant to this

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agreement, we made contributions of $12.2 million during each of the years ended December 31, 2009 and 2010. We have entered into a security and pledge agreement with a third-party lender and, pursuant to this agreement, granted a security interest in our contribution obligation to the lender. Therefore, we have recorded this obligation as an indirect guarantee. We recorded a liability of $12.2 million within accrued liabilities as of December 31, 2009 and 2010, and a liability of $48.8 million and $36.6 million within other long-term liabilities as of December 31, 2009 and 2010, respectively, in the accompanying consolidated balance sheets.

We provide TT&C and administrative services for the Horizons-2 satellite. We did not receive any revenue for these services during the predecessor period January 1, 2008 to January 31, 2008. We recorded revenue for these services of $0.7 million, $0.8 million and $0.8 million during the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively. During the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, we recorded expenses of $6.9 million, $7.1 million and $6.9 million, respectively, in relation to the utilization of satellite capacity for the Horizons-2 satellite.

We also have a revenue share agreement with JSAT related to services sold on the Horizons-2 satellite. We are responsible for the billing and collecting for all such services sold, but recognize revenue on a net basis. The amount payable to JSAT was $1.8 million and $1.5 million as of December 31, 2009 and 2010, respectively.

(c) New Dawn

In June 2008, we entered into a project and shareholders agreement (the New Dawn Project Agreement) with Convergence Partners pursuant to which New Dawn, a Mauritius company in which we have a 74.9% indirect ownership interest and Convergence Partners has a 25.1% noncontrolling ownership interest, intends to procure and launch a new satellite to provide satellite transponder services to customers in Africa. We currently expect the satellite to be launched during the first quarter of 2011.

New Dawn entered into a secured loan financing arrangement, which is non-recourse to New Dawn s shareholders, including us and our wholly-owned subsidiaries, beyond the shareholders scheduled capital contributions, on December 5, 2008 to obtain $215.0 million of financing to fund a portion of the cost of construction and launch of the new satellite (see Note 11 Long-Term Debt). In addition, we and Convergence Partners have agreed to make certain capital contributions to New Dawn in proportion to our respective ownership interests in New Dawn to fund a portion of these costs. Total equity contributions during 2009 and 2010 were $1.5 million and $4.5 million, respectively, of which $1.1 million and $3.4 million were attributable to us with the remaining $0.4 million and $1.1 million contributed by Convergence Partners. New Dawn and its subsidiaries are unrestricted subsidiaries for purposes of applicable indentures and credit agreements of ours and our wholly-owned subsidiaries.

We have agreed to provide sales and marketing services, engineering and administrative support services, and have agreed to perform satellite-related consulting and technical services for New Dawn. The services include the provision of program management services with respect to the satellite and launch vehicle construction programs as well as TT&C

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services for the new satellite. In addition, for a fee of $15.0 million together with assumption of continuing payment obligations, we assigned New Dawn a launch service contract to provide for the launch of the New Dawn satellite.

Convergence Partners has at its option the ability to require us to buy its ownership interest at fair value subsequent to the operations of New Dawn s assets for a period as defined in the New Dawn Project Agreement. As a result of this option, as of each balance sheet date, we have reflected within mezzanine equity the estimated amount that we would pay to Convergence Partners as if the option was exercised. This amount reflects the fair value analysis we performed at December 31, 2010, which resulted in a $10.9 million increase in the fair value. The $10.9 million change in fair value is shown as a reduction in our paid-in capital at December 31, 2010. We have assessed the significance of the Level 3 inputs to the overall valuation and have concluded that the valuation in its entirety is classified in Level 3 of the fair value hierarchy (see Note 2 Significant Accounting Policies).

We consolidated New Dawn within our consolidated financial statements, net of eliminating entries. Additionally, we accounted for the percentage interest in New Dawn owned by Convergence Partners as a noncontrolling interest. We recorded the transaction in accordance with the guidance provided under FASB ASC 480 specifically related to the classification and measurement of redeemable securities.

(d) WP Com

We have formed a joint venture with Corporativo W. Com S. de R.L. de C.V. (Corporative) named WP Com, S. de R.L. de C.V. (WP Com). We own 49% of the voting equity shares and 88% of the economic interest in WP Com and Corporativo owns the remaining 51% of the voting equity shares. PanAmSat de Mexico, S. de R.L. de C.V. (PAS de Mexico) is a subsidiary of WP Com, 99.9% of which is owned by WP Com, with the remainder of the equity interest split between us and Corporativo. We formed WP Com to enable us to operate in Mexico, and PAS de Mexico acts as a reseller of our satellite services to customers in Mexico. Profits and losses of WP Com are allocated to the joint venture partners based upon the voting equity shares.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810. In accordance with FASB ASC 810, we evaluated this joint venture to determine the primary beneficiary. We have concluded that we are the primary beneficiary because we influence the underlying business drivers of PAS de Mexico, including by acting as the sole provider for satellite services that PAS de Mexico resells. Furthermore, we have modified our pricing for these services to ensure that PAS de Mexico continues to operate in the Mexican market. Corporativo does not fund any of the operating expenses of PAS de Mexico. Thus, we have consolidated WP Com within our consolidated financial statements and we have accounted for the percentage interest in the voting equity of WP Come owned by Corporativo as a noncontrolling interest, which is included in the equity section of our consolidated balance sheet in accordance with FASB ASC 810.

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Note 10 Goodwill and Other Intangible Assets

The carrying amounts of goodwill and acquired intangible assets not subject to amortization consist of the following (in thousands):

	As of December 31, 2009	As of December 31, 2010
Goodwill	$ 6,780,827	$ 6,780,827
Trade name	70,400	70,400
Orbital locations	2,387,700	2,387,700

We account for goodwill and other non-amortizable intangible assets in accordance with FASB Accounting Standards Codification (ASC) 350, and have deemed these assets to have indefinite lives. Therefore, these assets are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The following is a discussion of our impairment analysis and methodology:

Goodwill . We follow a two-step process to evaluate if a potential impairment exists to our recorded amounts of goodwill and tradename. The first step of the process is to compare the reporting unit s fair value to its carrying value, including goodwill. In the event the carrying value of our reporting unit exceeds its fair value, goodwill is considered impaired and the second step is required. The second step requires us to calculate a hypothetical purchase allocation to compare the current implied fair value of the goodwill to the current carrying value of the goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination, which is the excess of the fair value over the aggregate fair values of the individual assets, liabilities and identifiable intangibles, as if they were being acquired in a business combination. If the implied fair value of goodwill as described above exceeds recorded goodwill, there is no impairment. If the recorded goodwill exceeds the implied fair value, an impairment charge would be recorded for the excess. Furthermore, an impairment loss cannot exceed the amount of goodwill assigned to a reporting unit. After recognizing the impairment loss, the corresponding loss establishes a new basis in the goodwill. Subsequent reversals of goodwill impairment losses are not permitted under applicable accounting standards.

We determined the estimated fair value of our reporting unit using discounted cash flow analysis, along with independent source data related to comparative market multiples and, when available, recent transactions which are all considered Level 3 inputs within the fair value hierarchy under FASB ASC 820. The discounted cash flows were derived from a five-year projection of revenues and expenses plus a residual value, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital. The analysis, which was completed in the fourth quarter of 2010, did not result in an impairment of our goodwill intangible, and there is no accumulated impairment.

Trade name. We have implemented the relief from royalty method to determine the estimated fair value of the Intelsat trade name. The relief from royalty analysis is comprised of two major steps: i) a determination of the hypothetical royalty rate, and ii) the subsequent application of the royalty rate to projected revenue. In determining the hypothetical royalty rate utilized in the relief from royalty approach, we considered comparable license agreements,

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operating earnings benchmark rule of thumb, an excess earnings analysis to determine aggregate intangible asset earnings, and other qualitative factors which are all considered Level 3 inputs within the fair value hierarchy under FASB ASC 820. Based on our analysis, the fair value of the Intelsat trade name as of the fourth quarter of 2010 was not impaired.

Orbital Locations. We are authorized by governments to operate satellites at certain orbital locations i.e., longitudinal coordinates along the Clarke Belt. The Clarke Belt is the part of space approximately 42,165 kilometers above the plane of the equator where geostationary orbit may be achieved. Various governments acquire rights to these orbital locations through filings made with the International Telecommunication Union (the ITU), a sub-organization of the United Nations. We will continue to have rights to operate at our orbital locations so long as we maintain our authorizations to do so.

We determined the estimated fair value of our right to operate at orbital locations using the build up method to determine the cash flows for the income approach, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital. In instances where the build up method did not generate positive value for the right to operate at an orbital location, but the right was expected to generate revenue, we assigned a value based upon independent source data for recent transactions of similar orbital locations which are all considered Level 3 inputs within the fair value hierarchy under FASB ASC 820. The analysis, which was completed in the fourth quarter of 2010, did not result in an impairment of our orbital slots.

During the first quarter of 2009, the credit markets continued to experience difficulties, with new debt issuances being priced at significantly higher effective interest rates as compared to the pricing of debt issuances completed in prior periods. The higher effective interest rates reflected, in our view, higher discounts being applied in the valuation of companies generally, and were therefore considered by us to be an indicator of potential impairment to the fair value of our right to operate at orbital locations. The higher interest rates resulted in an increase to our weighted average cost of capital, and led to our recognizing a non-cash impairment charge of $499.1 million in the first quarter of 2009.

The carrying amount and accumulated amortization of acquired intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31, 2009			As of December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Backlog and other	$ 743,760	$ (270,905)	$ 472,855	$ 743,760	$ (376,455)	$ 367,305
Customer relationships	534,030	(28,366)	505,664	534,030	(53,017)	481,013
Technology	2,700	(2,620)	80	2,700	(2,700)	
Total	$ 1,280,490	$ (301,891)	$ 978,599	$ 1,280,490	$ (432,172)	$ 848,318

Intangible assets are amortized based on the expected pattern of consumption. As of December 31, 2010, backlog and other, customer relationships and technology had weighted-average useful lives of four years, thirteen years and two years, respectively. We recorded amortization expense of $7.8 million, $156.2 million, $145.7 million and $130.3 million for the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and for the years ended December 31, 2009 and 2010, respectively.

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Scheduled amortization charges for the intangible assets over the next five years are as follows (in thousands):

Year	Amount
2011	$ 105,451
2012	91,781
2013	82,311
2014	68,231
2015	60,215

In the first quarter of 2009, the FASB revised FASB ASC 350 to provide additional guidance for determining the useful life of intangible assets. The revised guidance provides that we are required to disclose on an interim and annual basis our policy related to the renewal or extension of the term of our intangible assets. Our policy is to expense all costs incurred to renew or extend the terms of our intangible assets. The renewal expenses for the year ended December 31, 2010 were immaterial to our consolidated results of operations.

Note 11 Long-Term Debt

The carrying amounts and fair values of our notes payable and long-term debt were as follows (in thousands):

	As of December 31, 2009		As of December 31, 2010	
	Amount	**Fair Value**	**Amount**	**Fair Value**
Intelsat S.A.:				
6.5% Senior Notes due November 2013	$ 353,550	$ 328,802	$ 353,550	$ 368,152
Unamortized discount on 6.5% Senior Notes	(92,653)		(73,687)	
7.625% Senior Notes due April 2012	485,841	478,553	485,841	510,133
Unamortized discount on 7.625% Senior Notes	(71,932)		(43,757)	
Total Intelsat S.A. obligations	674,806	807,355	721,947	878,285
Intelsat Luxembourg:				
11.25% Senior Notes due February 2017	2,805,000	2,812,013	2,805,000	3,064,463
11.5% / 12.5% Senior PIK Election Notes due February 2017	2,149,991	2,106,991	2,427,138	2,675,919
Total Intelsat Luxembourg obligations	4,954,991	4,919,004	5,232,138	5,740,382
Intelsat Jackson:				
11.25% Senior Notes due June 2016	1,048,220	1,132,078	1,048,220	1,129,457
Unamortized premium on 11.25% Senior Notes	5,619		4,990	
11.5% Senior Notes due June 2016	284,595	306,651	284,595	305,940
9.5% Senior Notes due June 2016	701,913	751,047	701,913	740,518

9.25% Senior Notes due June 2016	55,035	55,794	55,035	59,509
Senior Unsecured Credit Facilities due February 2014	195,152	176,515	195,152	185,161
New Senior Unsecured Credit Facilities due February 2014	810,876	733,437	810,876	769,359
8.5% Senior Notes due November 2019	500,000	513,750	500,000	543,750
Unamortized discount on 8.5% Senior Notes	(4,119)		(3,845)	
7.25% Senior Notes due October 2020			1,000,000	1,010,000
Total Intelsat Jackson obligations	3,597,291	3,669,272	4,596,936	4,743,694

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	As of December 31, 2009		As of December 31, 2010	
	Amount	**Fair Value**	**Amount**	**Fair Value**
Intermediate Holdco:				
9.25% Senior Discount Notes due February 2015	4,516	4,640	4,545	4,681
9.5% Senior Discount Notes due February 2015	477,385	490,513	481,020	495,451
Total Intermediate Holdco obligations	481,901	495,153	485,565	500,132
Intelsat Sub Holdco:				
8.5% Senior Notes due January 2013	883,346	901,013	850,346	852,472
8.875% Senior Notes due January 2015	681,012	703,145	681,012	699,740
Senior Secured Credit Facilities due July 2013	334,408	317,420	330,960	328,478
8.875% Senior Notes due January 2015, Series B	400,000	413,000	400,000	411,000
Unamortized discount on 8.875% Senior Notes	(73,759)		(63,050)	
Capital lease obligations	191	191		
7% Note payable to Lockheed Martin Corporation	5,000	5,000		
Total Intelsat Sub Holdco obligations	2,230,198	2,339,769	2,199,268	2,291,690
New Dawn:				
Senior Secured Debt Facility	72,652	72,652	84,773	84,773
Mezzanine Facility Term Loan	42,137	42,137	62,819	62,819
New Dawn obligations	114,789	114,789	147,592	147,592
Intelsat Corp:				
Senior Secured Credit Facilities due January 2014	1,733,391	1,630,427	1,715,522	1,709,517
Unamortized discount on Senior Secured Credit Facilities	(10,785)		(8,361)	
Senior Secured Credit Facilities due July 2012	204,648	195,644	133,466	132,305
9.25% Senior Notes due August 2014	658,119	676,217	111,833	115,333
9.25% Senior Notes due June 2016	580,719	599,592	580,719	627,177
6.875% Senior Secured Debentures due January 2028	125,000	104,688		
Unamortized discount on 6.875% Senior Secured Debentures	(24,369)			
Total Intelsat Corp obligations	3,266,723	3,206,568	2,533,179	2,584,332
Total Intelsat S.A. long-term debt	15,320,699	$ 15,551,910	15,916,625	$ 16,886,107
Less:				
Current portion of capital lease obligations	191			
Current portion of long-term debt	97,498		94,723	
Total current portion	97,689		94,723	
Total long-term debt, excluding current portion	$ 15,223,010		$ 15,821,902	

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The fair value for publicly traded instruments is determined using quoted market prices and, for non-publicly traded instruments, fair value is based upon composite pricing from a variety of sources, including market leading data providers, market makers, and leading brokerage firms. Substantially all of the inputs used to determine the fair value are classified as Level 1 inputs within the fair value hierarchy from FASB ASC 820, except our senior secured credit facilities, the inputs for which are classified as Level 2. The fair values of the New Dawn obligations and the note payable to Lockheed Martin Corporation approximate their respective book values.

Required principal repayments of long-term debt, excluding payments on capital lease obligations, over the next five years and thereafter as of December 31, 2010 are as follows (in thousands):

Year	Amount
2011	$ 94,723
2012	574,618
2013	1,561,216
2014	2,801,240
2015	1,594,880
2016 and thereafter	9,477,658
Total	$ 16,104,335

2011 Reorganization and 2011 Refinancing

On January 12, 2011, certain of our subsidiaries completed a series of internal transactions and related steps that reorganized the ownership of our assets among our subsidiaries and effectively combined the legacy businesses of Intelsat Sub Holdco and Intelsat Corp in order to simplify our operations and enhance our ability to transact business in an efficient manner. Also on January 12, 2011, Intelsat Jackson entered into a Credit Agreement (the Intelsat Jackson Secured Credit Agreement), and borrowed $3.25 billion under a term loan facility. Part of the net proceeds of the term loan, amounting to $2.4 billion, were contributed or loaned to Intelsat Corp, which used such funds to repay its existing indebtedness under Intelsat Corp s senior secured facilities and to redeem Intelsat Corp s 9 1/4% Senior Notes due 2016. Separately, Intelsat Corp also redeemed all of its 9 ¼% Senior Notes due 2014 (the 2014 Corp Notes) and its 6 7/8% Senior Secured Debentures due 2028 (the 2028 Corp Notes). In addition, Intelsat Jackson contributed approximately $330.2 million of the net proceeds of the new term loan to Intelsat Sub Holdco to repay all existing indebtedness under Intelsat Sub Holdco s senior secured credit facilities. The entry into the Intelsat Jackson Secured Credit Agreement, the repayment of the existing indebtedness of Intelsat Corp and the repayment of all the secured existing indebtedness of Intelsat Sub Holdco are referred to collectively as the 2011 Refinancing. In connection with the 2011 Refinancing, certain of our interest rate swaps were assigned by Intelsat Sub Holdco and Intelsat Corp to Intelsat Jackson, and are now secured by a first priority security interest in the collateral that also secures obligations under the Intelsat Jackson Secured Credit Agreement. Additionally, in connection with the 2011 Refinancing, we will recognize a loss on early extinguishment of debt in January 2011 of $87.9 million, which is driven by the difference between the carrying value of the Intelsat Corp and Intelsat Sub Holdco debt repaid and the total cash amount paid (including related fees), and a write-off of unamortized debt discounts and debt issuance costs.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Proposed Redemptions

On February 16, 2011, Intelsat S.A. issued a notice of redemption stating that it intends to redeem all of the $485,841,000 aggregate principal amount outstanding of the 2012 Intelsat S.A. Notes, and Intelsat Sub Holdco issued a notice of partial redemption stating that it intends to redeem $225 million aggregate principal amount of the 2013 Sub Holdco Notes. These redemptions, which are expected to occur on March 18, 2011, are referred to collectively as the Proposed Redemptions. The Proposed Redemptions are expected to be funded with cash on hand, primarily from the excess proceeds received by Intelsat Jackson from the new term loan discussed above under *The 2011 Refinancing* and from the issuance of the 2020 Jackson Notes defined below under *2010 Debt Transactions*. After the partial redemption of the 2013 Sub Holdco Notes, approximately $625,346,000 aggregate principal amount of the 2013 Sub Holdco Notes is expected to remain outstanding.

2010 Consent Solicitation

On April 21, 2010, Intelsat S.A. completed a consent solicitation that resulted in the amendment of certain terms of the indenture governing the 2012 Intelsat S.A. Notes and Intelsat S.A. s 6 1/2% Senior Notes due 2013. The most significant amendments replaced the limitation on secured debt covenant, which limited secured debt of Intelsat S.A. and its restricted subsidiaries to 15% of their consolidated net tangible assets (subject to certain exceptions), with a new limitation on liens covenant, which generally limits such secured debt to two times the adjusted EBITDA of Intelsat S.A. plus certain general baskets (subject to certain exceptions), and made certain corresponding changes to the sale and leaseback covenant as a result of the addition of the new limitation on liens covenant. As consideration, Intelsat S.A. paid the consenting holders of such notes a consent payment equal to 2% of the outstanding principal amount of notes held by such holders that totaled approximately $15.4 million, which was capitalized and will be amortized over the remaining terms of the notes

Description of Indebtedness

(a) Intelsat S.A.

Senior Notes due 2013

Intelsat S.A. had $353.6 million in aggregate principal amount of Senior Notes due 2013 (the 2013 Senior Notes) outstanding at December 31, 2010. These notes bear interest at 6 1/2% annually and mature in November 2013.

Interest is payable on the 2013 Senior Notes semi-annually on May 1 and November 1 of each year. Intelsat S.A. may redeem some or all of the 2013 Senior Notes at any time at the redemption prices set forth in the 2013 Senior Notes. Intelsat S.A. may also redeem the outstanding 2013 Senior Notes in whole in the event of certain tax changes affecting the senior notes, as set forth in the indenture governing the 2013 Senior Notes. The 2013 Senior Notes are senior unsecured obligations of Intelsat S.A. and rank equally with Intelsat S.A. s other senior unsecured indebtedness.

Senior Notes due 2012

Intelsat S.A. had $485.8 million in aggregate principal amount of Senior Notes due 2012 (the 2012 Intelsat S.A. Notes) outstanding at December 31, 2010. These notes bear interest at 7 $^{5}/8$% annually and mature in April 2012. Interest is payable on the 2012 Intelsat S.A. Notes

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

semi-annually on April 15 and October 15 of each year. Intelsat S.A. may redeem some or all of the 2012 Intelsat S.A. Notes at any time at the redemption prices set forth in the 2012 Intelsat S.A. Notes. Intelsat S.A. may also redeem the outstanding 2012 Intelsat S.A. Notes in whole in the event of certain tax changes affecting the 2012 Intelsat S.A. Notes, as set forth in the indenture governing the 2012 Intelsat S.A. Notes. The 2012 Intelsat S.A. Notes are senior unsecured obligations of Intelsat S.A. and rank equally with Intelsat S.A. s other senior unsecured indebtedness.

(b) Intelsat Luxembourg

Senior Notes due 2017

Intelsat Luxembourg had $2.8 billion in aggregate principal amount of Senior Notes due 2017 (the 2017 Senior Notes) outstanding at December 31, 2010. These notes bore interest at 7 $^{7}/8$% on and prior to August 4, 2008, and bear interest at 11 $^{1}/4$% after August 4, 2008. The notes mature in February of 2017. Interest is payable on the 2017 Senior Notes semi-annually on August 15 and February 15 of each year. The 2017 Senior Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s other senior unsecured indebtedness. The 2017 Senior Notes are guaranteed by Intelsat S.A.

Senior PIK Election Notes due 2017

Intelsat Luxembourg had $2.4 billion in aggregate principal amount of Senior PIK Election Notes due 2017 (the 2017 PIK Notes) outstanding at December 31, 2010. The notes mature in February of 2017. Interest on the 2017 PIK Notes is payable semi-annually on August 15 and February 15 of each year. The 2017 PIK Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s other senior unsecured indebtedness. The 2017 PIK Notes are guaranteed by Intelsat S.A.

Intelsat Luxembourg may, at its option, elect to pay interest on the 2017 PIK Notes (i) entirely in cash, (ii) entirely in payment-in-kind (PIK) interest or (iii) 50% in cash and 50% in PIK interest, through February 15, 2013. After February 15, 2013, interest on the 2017 PIK Notes will be payable in cash. Cash interest on the 2017 PIK Notes accrued at the rate of 7.53% on and prior to August 4, 2008, and accrues at 11 $^{1}/2$% after August 4, 2008. If we elect to pay in PIK interest, the applicable PIK interest rate will be the cash pay interest rate in effect during the period plus 100 basis points. If we elect to pay any PIK interest, we will either increase the principal amount of the outstanding 2017 PIK Notes or issue new 2017 PIK Notes to holders of the 2017 PIK Notes in an amount equal to the amount of PIK interest for the applicable interest payment period.

We made elections to pay interest on the 2017 PIK Notes 50% in cash and 50% in PIK interest for the interest period August 16, 2010 through February 14, 2011. We elected to pay interest on the 2017 PIK Notes for the interest period February 15, 2011 through August 15, 2011 entirely in cash.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(c) Intelsat Jackson

11 1/4% Senior Notes due 2016 and 11 1/2% Senior Notes due 2016

Intelsat Jackson had $1.0 billion in aggregate principal amount of its 11 1/4% Senior Notes due 2016 (the 2016 Notes) and $284.6 million in aggregate principal amount of its 11 1/2% Senior Notes due 2016 (the New 2016 Notes) outstanding at December 31, 2010. The 2016 Notes and the New 2016 Notes are guaranteed by Intelsat S.A.

Interest is payable on both the 2016 Notes and the New 2016 Notes (collectively, the Intelsat Jackson Senior Notes) semi-annually on June 15 and December 15. Intelsat Jackson may redeem some or all of the Intelsat Jackson Senior Notes at any time prior to June 15, 2011 at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes. Thereafter, Intelsat Jackson may redeem some or all of the respective notes at the applicable redemption prices set forth in the respective notes. The Intelsat Jackson Senior Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

9 1/4% Senior Notes due 2016 and 9 1/2% Senior Notes due 2016

Intelsat Jackson had $55.0 million in aggregate principal amount of its 9 1/4% Senior Notes due 2016 (the 2016 Guaranteed Notes) and $701.9 million in aggregate principal amount of its 9 1/2% Senior Notes due 2016 (the New 2016 Guaranteed Notes) outstanding at December 31, 2010. The 2016 Guaranteed Notes and the New 2016 Guaranteed Notes are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Sub Holdco and certain of its subsidiaries.

Interest is payable on both the 2016 Guaranteed Notes and the New 2016 Guaranteed Notes (collectively, the Intelsat Jackson Guaranteed Notes) semi-annually on June 15 and December 15. Intelsat Jackson may redeem some or all of the Intelsat Jackson Guaranteed Notes at any time prior to June 15, 2011 at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes. Thereafter, Intelsat Jackson may redeem some or all of the respective notes at the applicable redemption prices set forth in the respective notes. The Intelsat Jackson Guaranteed Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

8 1/2% Senior Notes due 2019

Intelsat Jackson had $500.0 million in aggregate principal amount of its 8 1/2% Senior Notes due 2019 (the 2019 Jackson Notes) outstanding at December 31, 2010. The 2019 Notes are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Sub Holdco and certain of its subsidiaries.

Interest is payable on the 2019 Jackson Notes semi-annually on May 1 and November 1. Intelsat Jackson may redeem some or all of the 2019 Notes at any time prior to November 1, 2014 at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes. Thereafter, Intelsat Jackson may redeem some or all of the respective notes at the applicable redemption prices set forth in the respective notes.

The 2019 Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7 1/4% Senior Notes due 2020

Intelsat Jackson had $1.0 billion in aggregate principal amount of its 7 1/4% Senior Notes due 2020 (the 2020 Jackson Notes) outstanding at December 31, 2010. The 2020 Jackson Notes are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Sub Holdco and certain of its subsidiaries.

Interest is payable on the 2020 Jackson Notes semi-annually on April 15 and October 15. With the exception of the two options stated below, the Notes shall not be redeemable prior to October 15, 2015. Thereafter, Intelsat Jackson may redeem some or all of the respective notes at the applicable redemption prices set forth in the respective notes.

Intelsat Jackson may redeem some or all of the 2020 Notes at any time prior to October 15, 2015 at a price equal to 100% of the principal amount thereof plus the applicable premium described in the respective notes. Or Intelsat Jackson may redeem at its option some or all of the 2020 Notes at any time prior to October 15, 2013 for up to 35% of the aggregate principal amount of the Notes under the conditions set forth in the respective notes.

Intelsat Jackson Senior Unsecured Credit Agreement

Intelsat Jackson has a senior unsecured credit facility consisting of a senior unsecured term loan facility due 2014 with $195.2 million outstanding at December 31, 2010. As discussed above, pursuant to the Intelsat Bermuda Transfer, the Intelsat Jackson Senior Unsecured Credit Agreement was transferred to Intelsat Jackson, and Intelsat Bermuda executed a supplemental agreement pursuant to which it became a guarantor of the Intelsat Jackson Senior Unsecured Credit Agreement.

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement bear interest at either (i) London Interbank Offered Rate (LIBOR) plus 250 basis points or (ii) the Above Bank Rate (ABR), which is the rate for any day equal to the higher of (a) the Federal Funds Rate plus1/2 of 1.00% and (b) the rate of interest in effect for such day as its prime rate, plus 150 basis points.

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement are prepayable at any time without premium or penalty. With respect to a change in control or asset sales, the Intelsat Jackson Unsecured Credit Agreement contains substantially the same prepayment provisions as the 2016 Guaranteed Notes (as defined above).

Borrowings under the Intelsat Jackson Senior Unsecured Credit Agreement are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Sub Holdco and all of Intelsat Sub Holdco s subsidiaries that guarantee the 2016 Guaranteed Notes, the 2019 Jackson Notes and the 2020 Jackson Notes.

New Intelsat Jackson Senior Unsecured Credit Agreement

On July 1, 2008, Intelsat Jackson entered into the New Intelsat Jackson Senior Unsecured Credit Agreement, consisting of a senior unsecured term loan facility due 2014 with $810.9 million outstanding at December 31, 2010.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement bear interest at either (i) LIBOR plus 300 basis points or (ii) the ABR, which is the rate for any day equal to the higher of (a) the Federal Funds Rate plus 50 basis points or (b) the prime rate, plus 200 basis points. With respect to a change in control or asset sales, the New Intelsat Jackson Senior Unsecured Credit Agreement contains substantially the same prepayment provisions as the Intelsat Jackson Senior Unsecured Credit Agreement.

Borrowings under the New Intelsat Jackson Senior Unsecured Credit Agreement are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Sub Holdco and all of Intelsat Sub Holdco s subsidiaries that guarantee the 2016 Guaranteed Notes, the 2019 Jackson Notes and the 2020 Jackson Notes.

(d) Intermediate Holdco

Senior Discount Notes due 2015

Intermediate Holdco had $4.5 million in aggregate principal amount at maturity of 9 $^{1}/4$ % Senior Discount Notes due 2015 (the 2015 Discount Notes) outstanding at December 31, 2010.

Until February 1, 2010, interest accrued on the 2015 Discount Notes at the rate of 9 $^{1}/4$% per annum, in the form of an increase in the accrued value (representing amortization of the original issue discount) between the date of original issuance and February 1, 2010. Cash interest is payable on the 2015 Discount Notes semi-annually on February 1 and August 1of each year, beginning on August 1, 2010.

The 2015 Discount Notes are senior unsecured obligations of Intermediate Holdco and Intelsat S.A. and rank equally with the other senior unsecured indebtedness of Intermediate Holdco and Intelsat S.A. Borrowings under the 2015 Discount Notes are guaranteed by Intelsat Luxembourg and Intelsat Jackson.

New Senior Discount Notes due 2015

On June 27, 2008, Intermediate Holdco had $481.0 million in aggregate principal amount at maturity of 9 $^{1}/2$% Senior Discount Notes due 2015 (the New 2015 Senior Discount Notes) outstanding at December 31, 2010.

Until February 1, 2010, interest accrued on the New 2015 Senior Discount Notes at the rate of 9 $^{1}/4$% per annum, in the form of an increase in the accrued value (representing amortization of the original issue discount) between the date of original issuance and February 1, 2010. Cash interest is payable on the New 2015 Senior Discount Notes semi-annually on February 1 and August 1of each year, beginning on August 1, 2010. Intermediate Holdco may redeem some or all of the New 2015 Senior Discount Notes at any time at the redemption prices as set forth in the New 2015 Senior Discount Notes.

The New 2015 Senior Discount Notes are senior unsecured obligations of Intermediate Holdco and Intelsat S.A. and rank equally with the other senior unsecured indebtedness of Intermediate Holdco and Intelsat S.A. Borrowings under the New 2015 Senior Discount Notes are guaranteed by Intelsat Luxembourg and Intelsat Jackson.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(e) Intelsat Sub Holdco

8 1/2% Senior Notes due 2013 and 8 7/8% Senior Notes due 2015

Intelsat Sub Holdco had $850.3 million in aggregate principal amount at maturity of 8 1/2 % Senior Notes due 2013 (guaranteed by certain subsidiaries) outstanding at December 31, 2010, and had $681.0 million in aggregate principal amount at maturity of 8 7/8% Senior Notes due 2015 (guaranteed by certain subsidiaries) outstanding at December 31, 2010 (collectively, the New Sub Holdco Senior Notes).

Interest is payable on the New Sub Holdco Senior Notes semi-annually on January 15 and July 15. Intelsat Sub Holdco may redeem some or all of the New Sub Holdco Senior Notes at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes.

The New Sub Holdco Senior Notes are senior unsecured obligations of Intelsat Sub Holdco and rank equally with Intelsat Sub Holdco s other senior unsecured indebtedness. The New Sub Holdco Senior Notes are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Jackson, Intermediate Holdco and certain subsidiaries of Intelsat Sub Holdco.

8 7/8% Senior Notes due 2015, Series B

Intelsat Sub Holdco had $400.0 million in aggregate principal amount at maturity of 8 7/8% Senior Notes due 2015 (the 2015 Senior Notes) (guaranteed by certain subsidiaries) outstanding at December 31, 2010.

Interest is payable on the 2015 Senior Notes semi-annually on January 15 and July 15. Intelsat Sub Holdco may redeem some or all of the 2015 Senior Notes at a price equal to 100% of the principal amount thereof plus the make-whole premium described in the respective notes.

The 2015 Senior Notes are senior unsecured obligations of Intelsat Sub Holdco and rank equally with Intelsat Sub Holdco s other senior unsecured indebtedness. The 2015 Senior Notes are guaranteed by Intelsat S.A., Intelsat Luxembourg, Intelsat Jackson, Intermediate Holdco and certain subsidiaries of Intelsat Sub Holdco.

At the date of issuance of the 2015 Senior Notes, we determined that these debt instruments contained a contingent put option clause within the host contract, which affords the holders of the notes the option to require the issuer to repurchase such notes at 101% of their principal amount in the event of a change of control, as defined in the indenture governing the notes. In our evaluation of the financing arrangement, we concluded that the contingent put option required bifurcation in accordance with current accounting standards under FASB ASC 815. We were therefore required to bifurcate the contingent put option and carry it as a derivative liability at fair value. We estimated the fair value of the derivative on the date of inception using a standard valuation technique, which places the most significant emphasis upon the estimated date and probability of a change of control and incorporates the issue price, maturity date and change of control put price. The fair value of the embedded derivative was calculated at $36.0 million upon inception and $4.3 million at December 31, 2010. The allocation of a portion of the proceeds from the debt issuance to the fair value of the embedded derivative resulted in an additional discount to the carrying value of the 2015 Senior Notes. The additional discount will be amortized in the consolidated statements of operations using the effective interest method over the term of the 2015 Senior Notes. Additionally, the embedded derivative

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will be adjusted to fair value at the end of each reporting period with any change in fair value recognized through earnings (see Note 12 Derivative Instruments and Hedging Activities Put Option Embedded Derivative Instrument).

Senior Secured Credit Facilities

As of December 31, 2010, Intelsat Sub Holdco had a revolving credit facility and a term loan outstanding under its amended and restated credit agreement (the Sub Holdco Credit Agreement) dated July 3, 2006. On January 21, 2011, this credit facility was fully repaid in connection with the 2011 Refinancing as discussed above.

The Sub Holdco Credit Agreement provided for:

- a $344.8 million senior secured term loan facility with a seven-year maturity;
- a $270.8 million senior secured revolving credit facility with a six-year maturity; and
- a $50.0 million incremental revolving credit facility provision.

The revolving credit facility was available on a revolving basis and terminated on July 3, 2012. $200.0 million of the revolving credit facility was available for issuance of letters of credit. Additionally, $35.0 million of the revolving credit facility was available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans would reduce availability under the revolving credit facility on a dollar for dollar basis.

Following an amendment on January 25, 2008, interest rates for the term loan portion of the Sub Holdco Credit Agreement ranged, at the option of Intelsat Sub Holdco, (i) from the LIBOR rate plus 1.75% to the LIBOR rate plus 2.00%, or (ii) the ABR, which is the rate for any day (rounded upwards, if necessary, to the next 1/16 of 1.00%) equal to the greater of (a) the prime rate in effect on such day or (b) the Federal Funds Rate in effect on such day plus 1/2 of 1.00%, as defined in the Sub Holdco Credit Agreement, plus 0.75%, to the ABR plus 1.00%, depending on certain financial measures. Interest rates for the revolving credit facility portion of the Sub Holdco Credit Agreement ranged, at the option of Intelsat Sub Holdco, (i) from LIBOR plus 2.00% to LIBOR plus 2.50% or (ii) the ABR plus 1.00% to the ABR plus 1.50%, depending on certain financial measures. The ABR and LIBOR, plus the applicable margins, were determined as specified in the Sub Holdco Credit Agreement, as amended.

Intelsat Sub Holdco was required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 3/8%. Both the face amount of any outstanding letters of credit and any swingline loans reduced availability under the revolving credit facility on a dollar for dollar basis. Obligations under the Sub Holdco Credit Agreement were guaranteed by certain of Intelsat Sub Holdco s subsidiaries, as well as by Intelsat Luxembourg, Intelsat Jackson and Intermediate Holdco, and secured by a perfected first priority security interest to the extent legally permissible in substantially all of the tangible and intangible assets of the borrower and guarantors, with certain agreed exceptions.

No amounts were outstanding under the revolving credit facility as of December 31, 2010; however, $36.1 million in letters of credit were issued and outstanding under the facility. The borrowing availability under the revolving credit facility was $234.7 million at such date.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The credit agreement governing Intelsat Sub Holdco s senior secured credit facilities and the indentures governing all our outstanding notes contained a number of restrictive covenants that imposed significant operating and financial restrictions on us. The senior secured credit facilities also included a financial covenant that required the borrower to maintain compliance with a Consolidated Secured Debt to Consolidated EBITDA Ratio (as defined in the Sub Holdco Credit Agreement) of less than or equal to 1.5 to 1.0. We were in compliance with this financial maintenance covenant ratio with a Consolidated Secured Debt to Consolidated EBITDA Ratio of 0.05:1.00 as of December 31, 2010. In addition, the senior secured credit facilities required that the borrower use a portion of the proceeds of certain asset sales, in excess of specified amounts, that were not reinvested in the business, to repay indebtedness under such facilities. The credit agreement governing the senior secured credit facilities and the indentures governing the outstanding notes also included covenants (subject to a number of qualifications) restricting, among other things, our ability and certain of our subsidiaries ability to pay dividends, or make redemptions, repurchases or distributions with respect to capital stock; make certain loans or investments; engage in mergers, acquisitions, asset sales and sale and lease-back transactions; and engage in transactions with affiliates.

(f) Intelsat New Dawn

New Dawn Credit Facilities

On December 5, 2008, New Dawn entered into a $215.0 million secured financing arrangement that consists of a senior and mezzanine term loan facilities. The credit facilities are non-recourse to New Dawn s shareholders, including us and our wholly-owned subsidiaries, beyond the shareholders scheduled capital contributions. During the twelve months ended December 31, 2010, New Dawn drew $25.6 million under this facility to fund future capital expenditures. The senior facility provides for a commitment of up to $125.0 million. The interest rate on term loans under the senior facility is the aggregate of the LIBOR plus an applicable margin between 3.0% and 4.0% and certain costs, if incurred. The mezzanine facility provides for a commitment of up to $90.0 million. The interest rate on term loans under the mezzanine facility is the aggregate of LIBOR plus an applicable margin between 5.3% and 6.3% and certain costs, if incurred. New Dawn is required to pay a commitment fee at a rate per annum of 1/2% on any unused commitments under the credit facilities. During the twelve months ended December 31, 2010, New Dawn paid $49.3 million of satellite related capital expenditures, and had aggregate outstanding borrowings of $147.6 million under its credit facilities.

(g) Intelsat Corp

Senior Secured Credit Facilities

As of December 31, 2010, Intelsat Corp had a revolving credit facility and certain term loans outstanding under the Intelsat Corp Amended and Restated Credit Agreement. On January 21, 2011, this credit facility was fully repaid in connection with the 2011 Refinancing as discussed above.

Intelsat Corporation s senior secured credit facilities provided for:

- a $355.9 million senior secured Term Loan A-3 Facility with a six-year maturity;

- a $1,785.1 million senior secured Term Loan B-2 Facility with a seven and one half-year maturity;

INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- a $175.0 million senior secured revolving credit facility with a six-year maturity; and

- a $75.0 million incremental revolving credit facility provision.

The revolving credit facility was available on a revolving basis and terminated on July 3, 2012. $150.0 million of the revolving credit facility was available for issuance of letters of credit. Additionally, a portion of the revolving credit facility was available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans would reduce availability under the revolving credit facility on a dollar for dollar basis. Following the amendment on January 25, 2008, interest rates for the term loan portion of the Intelsat Corp Amended and Restated Credit Agreement ranged, at the option of Intelsat Corp, (i) from LIBOR plus 1.75% to LIBOR plus 2.50% or (ii) the ABR plus 0.75% to the ABR plus 1.50%, depending on certain financial measures. Interest rates for the revolving credit facility portion of the Intelsat Corp Amended and Restated Credit Agreement ranged, at the option of Intelsat Corp, (i) from LIBOR plus 2.50% to LIBOR plus 2.875% or (ii) the ABR plus 1.50% to the ABR plus 1.875%, depending on certain financial measures. The ABR and LIBOR, plus the applicable margins, were determined as specified in the Intelsat Corp Amended and Restated Credit Agreement, as amended.

Intelsat Corp was required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 0.375%. Certain of the collateral pledged to secure Intelsat Corp s obligations under its senior secured credit facilities was shared with the holders of Intelsat Corp s $125.0 million 6 7/8% Senior Secured Debentures due 2028.

No amounts were outstanding under the revolving credit facility as of December 31, 2010; however, $1.7 million in letters of credit were issued and outstanding under the facility. The borrowing availability under the revolving credit facility was $152.5 million at December 31, 2010. Under the terms of the credit agreements governing both Intelsat Sub Holdco s senior secured credit facilities and Intelsat Corp s amended and restated senior credit facilities, the ability of each company to borrow under its respective revolving credit facility was subject to compliance by each company s indirect parent, Intelsat S.A., under a senior secured debt covenant included in the indenture governing Intelsat S.A. s outstanding senior notes. As a result, under certain circumstances, Intelsat Corp may not be able to borrow up to the full amount of borrowing availability under its revolving credit facility if Intelsat Sub Holdco has certain amounts outstanding under its revolving credit facility.

The credit agreement governing the Intelsat Corp senior secured credit facilities and the indentures governing our outstanding notes described below contained a number of restrictive covenants that impose significant operating and financial restrictions on us. The senior secured credit facilities also included a financial covenant that requires the borrower to maintain a Consolidated Secured Debt to Consolidated EBITDA Ratio (as defined in the Intelsat Corp Amended and Restated Credit Agreement) of less than or equal to 4.5 to 1.0. We were in compliance with this financial maintenance covenant ratio, with a Consolidated Secured Debt to Consolidated EBITDA Ratio of 2.03:1.00, as of December 31, 2010. In addition, the senior secured credit facilities require that the borrower use a portion of the proceeds of certain asset sales, in excess of specified amounts, that are not reinvested in the business, to repay indebtedness under such facilities. The credit agreement governing the senior secured credit facilities and the indentures governing the outstanding notes also included covenants (subject to a number of qualifications) restricting, among other things, our ability and certain of our subsidiaries ability to pay dividends, or make redemptions, repurchases or distributions with respect to capital

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

stock; make certain loans or investments; engage in mergers, acquisitions, asset sales and sale and lease-back transactions; and engage in transactions with affiliates.

9 1/4% Senior Notes due 2014

Intelsat Corp had $111.8 million in aggregate principal amount of its 9 1/4% Senior Notes due 2014, (the New Intelsat Corp 2014 Senior Notes) outstanding at December 31, 2010. On January 20, 2011, all of these notes were redeemed in connection with the 2011 Refinancing discussed above.

Interest on these notes was payable semi-annually on February 15 and August 15 of each year. If Intelsat Corp made certain asset sales, Intelsat Corp would be required to offer to repurchase some or all of these notes at a purchase price equal to 100% of the principal amount plus accrued and unpaid interest and Special Interest (as defined in the Intelsat Corp 2014 Senior Notes), if any.

The New Intelsat Corp 2014 Senior Notes were senior unsecured obligations of Intelsat Corp and ranked equally with Intelsat Corp s other senior unsecured indebtedness.

9 1/4% Senior Notes due 2016

Intelsat Corp had $580.7 million of its 9 1/4% Senior Notes due 2016, (the Intelsat Corp 2016 Senior Notes) outstanding at December 31, 2010. On January 12, 2011, all of these notes were redeemed in connection with the 2011 Refinancing discussed above.

Interest on these notes was payable semi-annually on June 15 and December 15 of each year. Prior to June 15, 2011, Intelsat Corp had the option to redeem all or a portion of these notes at a price equal to 100% of the principal amount thereof plus a make-whole premium; Intelsat Corp had the option to redeem all or a portion of these notes on or after June 15, 2011 at par plus accrued interest plus a premium equal to 4 1/2%, which premium would decline ratably on each yearly anniversary of the date of issuance to zero on the date that is two years prior to the maturity date of these notes. If Intelsat Corp made certain asset sales, it would be required to offer to repurchase some or all of these notes at a purchase price equal to 100% of the principal amount plus accrued and unpaid interest, if any.

The Intelsat Corp 2016 Senior Notes were senior unsecured obligations of Intelsat Corp and ranked equally with Intelsat Corp s other senior unsecured indebtedness.

Note 12 Derivative Instruments and Hedging Activities

Interest Rate Swaps

We are subject to interest rate risk primarily associated with our variable rate borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risk includes: the risk of increasing interest rates on short-term debt; the risk of increasing interest rates for planned new fixed long-term financings; and the risk of increasing interest rates for planned refinancing using long-term fixed rate debt. In order to mitigate this risk, we have entered into interest rate swap agreements to reduce the impact of interest rate movements on future interest expense by converting substantially all of our floating-rate debt to a fixed rate.

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As of December 31, 2010, we held interest rate swaps with an aggregate notional amount of $2.3 billion which mature in 2013. These swaps were entered into as further described below to economically hedge the variability in cash flow on a portion of the floating-rate term loans under our senior secured and unsecured credit facilities, but have not been designated as hedges for accounting purposes. On a quarterly basis, we receive a floating rate of interest equal to the three-month LIBOR and pay a fixed rate of interest. On the interest rate reset date of December 14, 2010, the interest rate which the counterparties utilized to compute interest due to us was determined to be 0.3016%. Certain of the interest rate swap agreements had options permitting us to terminate the underlying interest rate swaps on March 14, 2011, prior to the stated maturity date of March 14, 2013. On July 23, 2010, we received $31.8 million in cash from our counterparties to the respective interest rate swap agreements in return for the cancellation of our options to terminate the underlying interest rate swaps on March 14, 2011.

Additionally, as of December 31, 2010, New Dawn had two floating to fixed interest rate swaps to hedge future interest payments on loans under New Dawn s senior and mezzanine term loan facilities. The first interest rate swap has varying notional amounts maturing on July 7, 2011. We receive an interest rate of three-month LIBOR and pay a fixed coupon of 1.55%. Interest payments for each quarterly period are deferred until the maturity date and all the accrued interest will be paid at maturity. The second interest rate swap has an effective date of July 7, 2011, maturing on July 7, 2014, with a notional amount of $65.5 million for mezzanine loans and varying notional amounts for underlying senior loans. We receive an interest rate of three-month LIBOR and pay a fixed coupon of 3.72%. On the interest rate reset date of October 4, 2010, the interest rate which the counterparties utilized to compute interest due to us was determined to be 0.290%. Both of these swaps were undesignated as hedges for accounting purposes.

On March 15, 2010, our interest rate basis swap with an aggregate notional principal amount of $312.5 million matured. On March 14, 2010, our five-year interest rate swap to hedge interest expense on a notional amount of $625.0 million (originally $1.25 billion of debt, and reduced under the original terms of the swap agreement) expired.

The counterparties to our interest rate swap agreements are highly rated financial institutions. In the unlikely event that the counterparties fail to meet the terms of the interest rate swaps, our exposure is limited to the interest rate differential on the notional amount at each quarterly settlement period over the life of the agreement. We do not anticipate non-performance by the counterparties.

All of these interest rate swaps were undesignated as of December 31, 2010. The swaps are marked-to-market quarterly with any change in fair value recorded within (gains) losses on derivative financial instruments in our consolidated statements of operations. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements of our derivatives. The fair value measurement of derivatives could result in either a net asset or a net liability position for us. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting arrangements as applicable and necessary. When the swaps are in net liability position for us, the credit valuation adjustments are calculated by determining the total expected exposure of the derivatives, incorporating the current and potential future exposures and then applying an applicable credit spread to the exposure. The total expected exposure of a derivative is derived using market-observable inputs, such as yield curves and volatilities. The inputs utilized for our own credit spread are

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based on implied spreads from traded levels of our debt. Accordingly, as of December 31, 2010 we recorded a non-cash credit valuation adjustment of approximately $6.4 million as a reduction to our liability.

As of December 31, 2009 and December 31, 2010, $11.2 million and $6.4 million was included in other current liabilities, respectively, and $88.6 million and $141.4 million was included in other long-term liabilities, respectively, within our consolidated balance sheets related to the interest rate swaps.

In connection with the 2011 Refinancing, our interest rate swaps were assigned by Intelsat Sub Holdco and Intelsat Corp to Intelsat Jackson, and are now secured by the assets of Intelsat Jackson.

Put Option Embedded Derivative Instrument

As discussed in Note 11 Long-Term Debt, following an evaluation of the 2015 Senior Notes offering, we concluded that the contingent put option embedded within the indenture governing the 2015 Senior Notes meets the criteria under FASB ASC 815, to be bifurcated from the debt host instrument and classified as a derivative instrument. We estimated the fair value of the embedded derivative on the issuance date and we subsequently revalue the derivative at the end of each reporting period, recognizing any change in fair value through earnings. We use a standard valuation technique whereby the critical assumptions and underlyings include the debt maturity date, issue price, coupon rate, change of control put price, and the estimated date of a change in control. The fair value of the put option embedded derivative as of December 31, 2009 and 2010 was $14.6 million and $4.3 million, respectively, based on our fair value analysis and $21.4 million and $10.3 million of non-cash gains were recorded in (gains) losses on derivative financial instruments within our consolidated statements of operations during the years ended December 31, 2009 and 2010, respectively.

In accordance with disclosure requirements provided under FASB ASC 815, we include the following tabular presentation, which sets forth the fair value of our derivatives by category (in thousands):

		Asset Derivatives		Liability Derivatives	
Derivatives not designated as hedging instruments	**Balance Sheet Location**	**December 31, 2009**	**December 31, 2010**	**December 31, 2009**	**December 31, 2010**
Undesignated interest rate swaps (a)	Other long-term liabilities	$ 15,662	$	$ 104,263	$ 141,411
Undesignated interest rate swaps	Other current liabilities			11,249	6,404
Put option embedded derivative	Other long-term liabilities			14,600	4,295
Total derivatives		$ 15,662	$	$ 130,112	$ 152,110

(a) The value of undesignated interest rate swaps on our consolidated balance sheet at December 31, 2009 was net of $15.7 million, which represented the fair value of options permitting us to terminate the underlying swaps. The fair value of these options is classified as an asset derivative in the table above. In the third quarter of 2010, these options were cancelled, as discussed above. As of December 31, 2010, there are no asset derivatives included within our consolidated balance sheets.

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The following tabular presentation sets forth the effect of the derivative instruments on the consolidated statements of operations (in thousands):

		Predecessor Entity	Successor Entity		
Derivatives not designated as hedging instruments	**Presentation in Statements of Operations**	**Period January 1, 2008 to January 31, 2008**	**Period February 1, 2008 to December 31, 2008**	**Year Ended December 31, 2009**	**Year Ended December 31, 2010**
Undesignated interest rate swaps	Losses on derivative financial instruments	$ 11,431	$ 155,305	$ 24,121	$ 99,814
Put option embedded derivative	Gains on derivative financial instruments			(21,440)	(10,305)
Total losses on derivative financial instruments		$ 11,431	$ 155,305	$ 2,681	$ 89,509

Note 13 Income Taxes

The following table summarizes our total loss before income taxes (in thousands):

	Predecessor Entity	Successor Entity		
	Period January 1, 2008 to January 31, 2008	**Period February 1, 2008 to December 31, 2008**	**Year Ended December 31, 2009**	**Year Ended December 31, 2010**
Domestic income (loss) before income taxes	$ (301,079)	$ (815,303)	$ 114,380	$ (446,738)
Foreign income (loss) before income taxes	(21,258)	(180,657)	(885,042)	(87,409)
Total loss before income taxes	$ (322,337)	$ (995,960)	$ (770,662)	$ (534,147)

The change between our pre-tax domestic and foreign income (loss) for the year ended December 31, 2009 as compared to 2010 is due primarily to our migration to Luxembourg, which occurred on December 15, 2009.

The provision for (benefit from) income taxes consisted of the following (in thousands):

	Predecessor Entity	Successor Entity		
	January 1, 2008 to January 31, 2008	February 1, 2008 to January 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Current income tax provision (benefit)				
Domestic	$	$	$ 1,206	$ (5,097)
Foreign	23,159	41,026	47,111	23,942
Total	23,159	41,026	48,317	18,845
Deferred income tax provision (benefit):				
Foreign	(33,635)	(150,587)	(36,918)	(45,223)
Total	(33,635)	(150,587)	(36,918)	(45,223)
Total income tax provision (benefit):	$ (10,476)	$ (109,561)	$ 11,399	$ (26,378)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The income tax provision (benefit) was different from the amount computed using the Luxembourg statutory income tax rate of 28.59% for the reasons set forth in the following table (in thousands):

	Year Ended December 31, 2009	Year Ended December 31, 2010
Expected tax benefit at Luxembourg statutory income tax rate	$ (220,332)	$ (152,239)
Foreign income tax differential	252,996	(166)
Nontaxable interest income	(41,368)	(45,482)
U.S. extraterritorial income exclusion tax benefit	(4,149)	5,854
Change in tax rate	8,864	(7,948)
Medicare Part D subsidy		2,891
Nondeductible stock compensation expense	1,316	
Changes in unrecognized tax benefits	11,434	(17,345)
Basis difference in Wildblue	(29,066)	
Fair market value basis adjustment on Luxembourg assets and liabilities	(687,529)	(106,477)
Changes in valuation allowance	719,801	297,365
Other	(568)	(2,831)
Total income tax provision (benefit)	$ 11,399	$ (26,378)

The extraterritorial income exclusion benefit will be reduced in subsequent years because of changes to the federal tax law. We have certain contracts that are grandfathered under the tax law.

Because of our cumulative losses in recent years and the inherent uncertainty associated with the realization of future income in the near term, we have recorded a valuation allowance against our Luxembourg net deferred tax assets at December 31, 2009 and 2010. During 2010, Luxembourg enacted a tax rate change increasing the tax rate from 28.59% to 28.8%. The effective date of the enacted tax rate change is January 1, 2011. Due to the full valuation allowance on our Luxembourg net deferred tax assets, the rate change is not expected to impact our provision for tax expense. Our Luxembourg net operating loss includes the effect of Luxembourg GAAP to US GAAP differences, primarily related to fair value adjustments attributable to our Luxembourg Migration on December 15, 2009.

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The components of the net deferred tax liability were as follows (in thousands):

	As of December 31, 2009	As of December 31, 2010
Deferred tax assets:		
Accruals and advances	$ 3,007	$ 9,416
Amortizable intangible assets	673,359	558,276
Non-amortizable intangible assets	84,598	85,219
Performance incentives	44,045	39,072
Sales-type leases	20,870	16,364
Customer deposits	63,603	58,533
Debt issuance costs	8,350	4,021
Bad debt reserve	6,865	7,146
Accrued retirement benefits	96,239	100,541
Interest rate swap	19,185	27,573
Satellites and other property and equipment	67,275	77,690
Net operating loss carryforward	61,455	337,727
Capital loss carryforward	20,412	19,741
Alternative minimum tax credit carryforward	14,122	16,345
Other	10,493	13,962
Total deferred tax assets	1,193,878	1,371,626
Deferred tax liabilities:		
Satellites and other property and equipment	(297,386)	(275,282)
Amortizable intangible assets	(178,527)	(160,798)
Non-amortizable intangible assets	(240,960)	(241,233)
Debt obligations	(142,527)	(28,423)
Other	(20,750)	(10,653)
Total deferred tax liabilities	(880,150)	(716,389)
Valuation allowance	(753,367)	(1,050,732)
Total net deferred tax liabilities	$ (439,639)	$ (395,495)

As of December 31, 2009 and 2010, our consolidated balance sheets included a deferred tax asset in the amount of $61.5 million and $337.7 million, respectively, attributable to the future benefit from the utilization of certain net operating loss carryforwards and $14.1 million and $16.3 million of deferred tax assets, respectively, attributable to the future benefit from the utilization of alternative minimum tax credit carryforwards. As of December 31, 2010, we had tax effected U.S. federal, state and foreign tax net operating loss carryforwards of $38.4 million expiring between 2017 to 2030 and tax effected Luxembourg net operating loss carryforwards of $299.3 million without expiration. These Luxembourg net operating loss carryforwards were caused primarily by our interest expense. Our alternative minimum tax credit carryforward was $16.3 million, which may be carried forward indefinitely. Our capital loss carryforward was $19.7 million, which may be carried forward for the next four years to offset capital gains. As we do not believe we will generate capital gains sufficient to offset this capital loss carryforward in the next four years, an offsetting valuation allowance has been recorded.

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Our valuation allowance at December 31, 2010 was $1.1 billion, of which $19.7 million relates to our capital loss carryforwards. Almost all of the remaining valuation allowance relates to net operating loss carryforwards and deferred tax assets created by differences between US GAAP and Luxembourg GAAP. Certain of the operations of our subsidiaries are controlled by various intercompany agreements which provide these subsidiaries with predictable operating profits. Other subsidiaries, principally those that are subsidiaries of Intelsat Corp, are subject to the risks of our overall business conditions which make their earnings less predictable.

The following table summarizes the activity related to our unrecognized tax benefits (in thousands):

	2009	2010
Balance at January 1	$ 86,808	$ 86,921
Increases related to current year tax positions	6,585	5,283
Increases related to prior year tax positions	17,496	6,264
Decreases related to prior year tax positions	(10,948)	(20,686)
Expiration of statute of limitations for the assessment of taxes	(6,722)	(5,801)
Decreases related to the settlement of tax positions	(6,298)	
Balance at December 31	$ 86,921	$ 71,981

As of December 31, 2010, our gross unrecognized tax benefits were $72.0 million (including interest and penalties), of which $50.6 million if recognized, would affect our effective tax rate. As of December 31, 2009 and 2010, we had recorded reserves for interest and penalties of $5.2 million and $5.7 million, respectively. We continue to recognize interest and, to the extent applicable, penalties with respect to the unrecognized tax benefits as income tax expense.

During 2009, we recorded additional liabilities related to withholding taxes of $13.6 million in accordance with FASB ASC 740. This includes $12.8 million of new potential exposure resulting from certain sales in the Asia-Pacific market. As of December 31, 2010, we have not received any assessments with respect to this additional exposure, and it is our intention to appeal any such assessments.

We operate in various taxable jurisdictions throughout the world and our tax returns are subject to audit and review from time to time. We consider Luxembourg, the United Kingdom and the United States to be our significant tax jurisdictions. Our Luxembourg, U.S. and U.K. companies are subject to federal, state and local income tax examination for periods after December 31, 2003. During the third quarter of 2010, the U.S. Internal Revenue Service closed an audit of Intelsat Holding Corporation and its subsidiaries for the years ended December 31, 2005 and 2006. None of the adjustments had a material impact on our results of operations, financial position or cash flows.

Within the next twelve months, we believe that there are no jurisdictions in which the outcome of unresolved tax issues or claims is likely to be material to our results of operations, financial position or cash flows.

On March 7, 2011, Intelsat Holding Corporation was notified by the Internal Revenue Service of its intent to initiate an audit for the tax years ended December 31, 2008 and 2009.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Tax Contingency

Prior to August 20, 2004, our subsidiary, Intelsat Corp, joined with The DIRECTV Group and General Motors Corporation in filing a consolidated U.S. federal income tax return. In April 2004, Intelsat Corp entered into a tax separation agreement with The DIRECTV Group that superseded four earlier tax-related agreements among Intelsat Corp and its subsidiaries, The DIRECTV Group and certain of its affiliates. Pursuant to the tax separation agreement, The DIRECTV Group agreed to indemnify Intelsat Corp for all federal and consolidated state and local income taxes a taxing authority may attempt to collect from Intelsat Corp regarding any liability for the federal or consolidated state or local income taxes of General Motors Corporation and The DIRECTV Group, except those income taxes Intelsat Corp is required to pay under the tax separation agreement. In addition, The DIRECTV Group agreed to indemnify Intelsat Corp for any taxes (other than those taxes described in the preceding sentence) related to any periods or portions of such periods ending on or prior to the day of the closing of the PanAmSat recapitalization, which occurred on August 20, 2004, in amounts equal to 80% of the first $75.0 million of such other taxes and 100% of any other taxes in excess of the first $75.0 million. As a result, Intelsat Corp s tax exposure after indemnification related to these periods is capped at $15.0 million, of which $4.0 million has been paid to date. The tax separation agreement with The DIRECTV Group is effective from August 20, 2004 until the expiration of the statute of limitations with respect to all taxes to which the tax separation agreement relates. As of December 31, 2009 and 2010, we had a tax indemnification receivable of $2.3 million.

Note 14 Restructuring and Transaction Costs

Our restructuring and transaction costs include our historical facilities restructuring plans and management-approved restructuring plans to consolidate and integrate the management and operations of Intelsat and PanAmSat subsequent to consummation of the PanAmSat Acquisition Transactions as well as transaction-related expenses incurred in connection with the New Sponsors Acquisition.

We approved a facilities restructuring plan subsequent to the consummation of the PanAmSat Acquisition Transactions, which included the closure of PanAmSat s former corporate headquarters in Wilton, Connecticut, as well as two other locations in the United States. These costs relate primarily to payments due on existing lease obligations that are expected to be incurred and paid through 2011. PanAmSat also had recorded liabilities in connection with its 2002 approval of a plan to restructure several of its United States locations and close certain facilities, some of which are currently being leased through 2011. The facilities restructuring liability was $2.9 million and $1.1 million as of December 31, 2009 and 2010, respectively, the current portion of which is included in accounts payable and accrued liabilities. We made cash payments of $1.8 million during the year ended December 31, 2010 in connection with the facilities restructuring plan and we expect to pay the remaining $1.1 million within the next twelve months. No additional charges related to the facilities restructuring plan are expected to be incurred.

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Note 15 Contractual Commitments

In the further development and operation of our commercial global communications satellite system, significant additional expenditures are anticipated. In connection with these and other expenditures, we have assumed a significant amount of long-term debt, as described in Note 11 Long-Term Debt. In addition to these debt and related interest obligations, we have expenditures represented by other contractual commitments. The additional expenditures as of December 31, 2010 and the expected year of payment are as follows (in thousands):

	Satellite Construction and Launch Obligations	Satellite Performance Incentive Obligations	Horizons Contribution Obligations(1)	Operating Leases	Customer and Vendor Contracts	Total
2011	$ 527,448	$ 28,960	$ 12,743	$ 1,109	$ 128,947	$ 699,207
2012	195,300	25,592	12,683	324	21,719	255,618
2013	13,739	24,562	12,563	(529)(2)	15,346	65,681
2014	12,945	23,103	12,380	761	5,600	54,789
2015	12,945	20,210		1,755	4,202	39,112
2016 and thereafter	124,729	93,433		49,325	501	267,988
Total contractual commitments	$ 887,106	$ 215,860	$ 50,369	$ 52,745	$ 176,315	$ 1,382,395

(1) See Note 9 Investments.

(2) In 2013, the total of our rental income on our owned Washington, D.C. building (see (c) Operating Leases) and our sublease income on leased facilities will exceed our operating lease commitments.

(a) Satellite Construction and Launch Obligations

As of December 31, 2010, we had approximately $887.1 million of expenditures remaining under our existing satellite construction and launch contracts. Satellite launch and in-orbit insurance contracts related to future satellites to be launched are cancelable up to thirty days prior to the satellite s launch. As of December 31, 2010, we did not have any non-cancelable commitments related to existing launch insurance or in-orbit insurance contracts for satellites to be launched.

The satellite construction contracts typically require that we make progress payments during the period of the satellite s construction. The satellite construction contracts contain provisions that allow us to terminate the contracts with or without cause. If terminated without cause, we would forfeit the progress payments and be subject to termination payments that escalate with the passage of time. If terminated for cause, we would be entitled to recover any payments we made under the contracts and certain liquidated damages as specified in the contracts.

(b) Satellite Performance Incentive Obligations

Satellite construction contracts also typically require that we make orbital incentive payments (plus interest as defined in each agreement with the satellite manufacturer) over the orbital life of the satellite. The incentive obligations may be subject to reduction or refund if the

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satellite fails to meet specific technical operating standards. As of December 31, 2009 and 2010, we had $147.5 million and $149.6 million, respectively, recorded in relation to satellite performance incentive obligations, excluding future interest payments.

(c) Operating Leases

We have commitments for operating leases primarily relating to equipment and office facilities. These leases contain escalation provisions for increases. As of December 31, 2010, the total obligation related to operating leases, net of $13.1 million aggregate sublease income on leased facilities and rental income, was $52.7 million. We lease space in our Washington, D.C. building, which we own, to various tenants. As of December 31, 2010, the minimum rental income anticipated with respect to this building is $11.0 million, which is expected to be received during the next four years. Rental income and sublease income are included in other income (expense), net in the accompanying consolidated statements of operations.

Total rent expense for the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, was $0.6 million, $8.2 million, $7.0 million and $6.1 million, respectively.

(d) Customer and Vendor Contracts

We have contracts with certain customers which require us to provide equipment, services and other support during the term of the related contracts. We also have long-term contractual obligations with service providers primarily for the operation of certain of our satellites. As of December 31, 2010, we had commitments under these customer and vendor contracts which totaled approximately $176.3 million related to the provision of equipment, services and other support.

Note 16 Contingencies

(a) Insurance

As of December 31, 2010, the majority of our in-orbit satellites were uninsured. Of the insured satellites, one was covered by an insurance policy with substantial exclusions or exceptions to coverage for failures of specific components identified by the underwriters as at risk for possible failure (Significant Exclusion Policies). The Significant Exclusion Policies reduce the probability of an insurance recovery in the event of a loss on this satellite. Galaxy 13/Horizons-1, which was placed in service in January 2004 and is insured by a policy with an exclusion for XIPS related anomalies, continues to have XIPS available as its primary propulsion system. It also has a bi-propellant fuel system currently in use, with sufficient bi-propellant fuel to maintain station-kept orbit until approximately January 2019.

An uninsured failure of one or more satellites could have a material adverse effect on our financial condition and results of operations. In addition, higher premiums on insurance policies would increase our costs, thereby reducing income from operations by the amount of such increased premiums.

(b) Litigation and Claims

We are subject to litigation in the ordinary course of business. Management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

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(c) LCO Protection

Most of the customer service commitments entered into prior to our privatization were transferred to us pursuant to novation agreements. Certain of these agreements contain provisions, including provisions for lifeline connectivity obligation (LCO) protection, which constrain our ability to price services in some circumstances. Our LCO contracts require us to provide customers with the right to renew their service commitments covered by LCO contracts at prices no higher than the prices charged for those services on the privatization date. Under some circumstances, we may also be required by an LCO contract to reduce the price for a service commitment covered by the contract. LCO protection may continue until July 18, 2013. As of December 31, 2010, we had approximately $116.7 million of backlog covered by LCO contracts and to date we have not been required to reduce prices for our LCO-protected service commitments. There can be no assurance that we will not be required to reduce prices in the future under our LCO commitments.

(d) Launch Service Providers

One of our launch service providers, Sea Launch Company L.L.C. (Sea Launch), with which we have contracted for the future launch of three satellites, and have options for the launch of two additional satellites, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in June 2009. In July 2010, the applicable bankruptcy court approved Sea Launch s reorganization plan and Sea Launch emerged from Chapter 11 proceedings on October 27, 2010.

Note 17 Business and Geographic Segment Information

We operate in a single industry segment, in which we provide satellite services to our communications customers around the world. Revenue by region is based on the locations of customers to which services are billed. Our satellites are in geosynchronous orbit, and consequently are not attributable to any geographic location. Of our remaining assets, substantially all are located in the United States.

The geographic distribution of our revenue was as follows:

	Predecessor Entity	Successor Entity		
	Period January 1, 2008 to January 31, 2008	Period February 1, 2008 to December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
North America..	48%	46%	46%	46%
Europe	16%	17%	17%	16%

Africa and Middle East ..	18%	17%	17%	18%
Latin America and Caribbean	11%	12%	12%	13%
Asia Pacific ..	7%	8%	8%	7%

Approximately 7%, 5%, 4% and 4% of our revenue was derived from our largest customer during the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively. The ten largest customers accounted for approximately 23%, 20%, 20% and 21% of our revenue for the predecessor period January 1, 2008 to January 31, 2008, the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively.

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Our revenues were derived from the following services, with Off-Network and Other Revenues shown separately from On-Network Revenues (in thousands, except percentages):

	Predecessor Entity		Successor Entity					
	Period January 1, 2008 to January 31, 2008		Period February 1, 2008 to December 31, 2008		Year Ended December 31, 2009		Year Ended December 31, 2010	
On-Network Revenues								
Transponder services	140,756	74%	1,570,433	72%	1,795,477	71%	1,839,047	72%
Managed services	24,392	13%	294,385	14%	338,607	14%	321,863	13%
Channel	12,525	6%	132,168	6%	133,660	5%	119,924	5%
Total on-network revenues	177,673	93%	1,996,986	92%	2,267,744	90%	2,280,834	90%
Off-Network and Other Revenues								
Transponder , MSS and other off-network services	9,417	5%	131,526	6%	160,660	6%	221,663	9%
Satelitte-related services	3,171	2%	46,128	2%	84,635	4%	42,155	1%
Total off-network and other revenues	12,588	7%	177,654	8%	245,295	10%	263,818	10%
Total	$ 190,261	100%	$ 2,174,640	100%	$ 2,513,039	100%	$ 2,544,652	100%

Note 18 Related Party Transactions

(a) Shareholders Agreement

The shareholders of Intelsat Global entered into shareholders agreements on February 4, 2008. The shareholders agreements and the articles of incorporation of Intelsat Global provide, among other things, for the governance of Intelsat Global and its subsidiaries and provide specific rights to and limitations upon the holders of Intelsat Global s share capital with respect to shares held by such holders.

(b) Monitoring Fee Agreements and Transaction Fees

In connection with the closing of the New Sponsors Acquisition on February 4, 2008, Intelsat Luxembourg, our direct wholly-owned subsidiary, entered into the 2008 MFA, pursuant to which the 2008 MFA parties provide certain monitoring, advisory and consulting services to Intelsat Luxembourg. We recorded expense for services associated with the 2008 MFA of $8.5 million, $23.2 million and $24.7 million during the successor period February 1, 2008 to December 31, 2008 and the years ended December 31, 2009 and 2010, respectively.

As payment for certain structuring and advisory services rendered, Intelsat Luxembourg also paid and expensed an aggregate transaction and advisory fee of $60.0 million to the 2008 MFA parties upon the closing of the New Sponsors Acquisition Transactions.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In connection with the closing of the PanAmSat Acquisition Transactions, Intelsat Bermuda entered into a monitoring fee agreement (the 2006 MFA) with the Former Sponsors, or affiliates of, or entities advised by, designated by or associated with, the former sponsors, as the case may be (collectively, the 2006 MFA parties), pursuant to which the 2006 MFA parties provided certain monitoring, advisory and consulting services with respect to Intelsat Bermuda, PanAmSat Holdco and their respective subsidiaries. In connection with the consummation of the New Sponsors Acquisition, this agreement was terminated. Pursuant to the 2006 MFA, an annual fee equal to the greater of $6.25 million or 1.25% of Intelsat Corp Adjusted EBITDA (as defined in the indenture governing the 9% Senior Notes due 2016 of Intelsat Corp) was to be paid, and Intelsat Bermuda reimbursed the 2006 MFA parties for their out-of-pocket expenses. We recorded expense for services associated with the 2006 MFA of $0.7 million during the predecessor period January 1, 2008 to January 31, 2008.

In connection with the closing of our acquisition by Intelsat Holdings in January 2005, Intelsat SubHoldco entered into a monitoring fee agreement (the 2005 MFA) with Intelsat Holdings and the former sponsors, or affiliates of, or entities advised by, designated by or associated with, the former sponsors, as the case may be (collectively, the 2005 MFA parties), pursuant to which the 2005 MFA parties provided certain monitoring, advisory and consulting services to Intelsat. In connection with the consummation of the New Sponsors Acquisition, this agreement was terminated. Pursuant to the 2005 MFA, Intelsat Sub Holdco was obligated to pay an annual fee equal to the greater of $6.25 million or 1.25% of Adjusted EBITDA as defined in the indenture governing Intelsat Sub Holdco s 8 1/4% Senior Notes due 2013 and Intelsat Sub Holdco s 8 5/8% Senior Notes due 2015, and to reimburse the 2005 MFA parties for their out-of-pocket expenses. We recorded expense for services associated with the 2005 MFA of $1.0 million during the predecessor period January 1, 2008 to January 31, 2008.

(c) Ownership by Management

In connection with and after the closing of the PanAmSat Acquisition Transactions, Intelsat Holdings entered into SCAs under its existing 2005 Share Plan with certain directors, officers and key employees of Intelsat Holdings and its subsidiaries. In addition, upon consummation of the New Sponsors Acquisition on February 4, 2008, all outstanding restricted performance shares under the 2005 Share Plan vested. Vesting in SCAs issued under the 2005 Share Plan doubled at consummation of the New Sponsors Acquisition if the awardee was still employed on February 4, 2008. The vested SCAs were cancelled in return for cash in an amount equal to the excess of approximately $400 (the per share price of the transaction) over the exercise price of each share covered. Vested restricted shares (including time and performance vesting shares) were purchased at approximately $400 per share (the per share price specified in the BC Share Purchase Agreement). In connection with the vesting and modification of these awards upon the consummation of the acquisition, we recorded compensation expense of $197.2 million during the predecessor period January 1, 2008 to January 31, 2008.

Certain directors, officers and key employees of Intelsat Global and its subsidiaries hold restricted shares, options and SCAs of Intelsat Global. In May 2009, Intelsat Global issued new restricted shares, SCAs and options to certain directors, officers and key employees under the 2008 Share Plan (see Note 5(a) 2005 Share Plan and Note 5(b) 2008 Share Plan). In May 2009, certain of our executive officers also purchased shares of Intelsat Global. In the aggregate, these shares and arrangements outstanding as of December 31, 2010 provided for the issuance of approximately 12.7% of the voting equity of Intelsat Global on a fully diluted basis.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(d) Sponsor and Executive Investments

Apollo Management V, L.P., one of our former sponsors, is the indirect controlling stockholder of Hughes Communications, Inc. and Hughes Network Systems, LLC (HNS). HNS is one of our largest network services customers. We recorded $9.5 million of revenue during the predecessor period January 1, 2008 to January 31, 2008, for satellite capacity and other services provided to HNS. Two members of the board of directors prior to the New Sponsors Acquisition, Messrs. Africk and Stone, served on the board of directors of Hughes Communications, Inc. and the board of managers of HNS.

During 2008, affiliates or associates of funds and investment vehicles advised or controlled by one of the New Sponsors, Silver Lake, purchased $90.9 million of the 2017 Senior Notes. Additionally, during 2008 affiliates or associates of funds and investment vehicles advised or controlled by another of the New Sponsors, BC Partners, purchased $90.9 million of the 2017 Senior Notes, which were subsequently sold to a non-affiliate in the fourth quarter of 2010.

Also during 2008, an entity associated with funds and investment vehicles advised or controlled by Silver Lake purchased a further $100.0 million of the 2017 Senior Notes and $650.0 million original principal amount of the 2017 PIK Notes. Mr. Svider, Chairman of our board of directors, Mr. McGlade, our Chief Executive Officer and Deputy Chairman of our board of directors, and a trust of which Mr. Spector, our Executive Vice President, Business Development, and General Counsel, is the beneficiary, invested $3.8 million, $2.5 million and $0.6 million, respectively, as limited partners in the entity through which the notes were purchased.

(e) Resale of Intelsat Luxembourg Notes

In October 2010, ISAT Limited, our affiliate, as it is an affiliate of BC Partners, one of our principal shareholders, sold $90.9 million aggregate principal amount of Intelsat Luxembourg s 2017 Senior Notes in a registered resale. We did not receive any proceeds from the resale of such notes, but in connection with such resale we agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

(f) Horizons

We have a 50% ownership interest in Horizons-1 and Horizons-2 as a result of a joint venture with JSAT (see Note 9 Investments).

(g) New Dawn

We have a 74.9% ownership interest in New Dawn as a result of the New Dawn Project Agreement with Convergence Partners (see Note 9 Investments).

(h) WP Com

We have a 49% ownership interest in WP Com as a result of a joint venture with Corporativo (see Note 9 Investments).

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(i) Receivable from Parent

We had a receivable from Intelsat Global as of December 31, 2009 and 2010 of $3.3 million and $5.0 million, respectively (see Note 7 Receivables).

Note 19 Quarterly Results of Operations (unaudited)

	Quarter Ended			
	March 31	**June 30**	**September 30**	**December 31**
2009				
Revenue	$ 631,847	$ 642,484	$ 617,888	$ 620,820
Income (loss) from operations	(236,168)	316,992	235,966	228,660
Net loss	(557,586)	(32,748)	(94,784)	(96,943)
Net loss attributable to Intelsat S.A.	(557,646)	(32,740)	(94,276)	(97,030)

	Quarter Ended			
	March 31	**June 30**	**September 30**	**December 31**
2010				
Revenue	$ 621,140	$ 635,286	$ 644,256	$ 643,970
Income from operations	245,452	135,242	274,572	256,827
Net loss	(103,428)	(181,912)	(107,353)	(115,077)
Net loss attributable to Intelsat S.A.	(102,618)	(180,646)	(106,400)	(115,789)

Our quarterly revenue and operating income are generally not impacted by seasonality since customer contracts for satellite utilization are generally long-term. The quarter ended March 31, 2009 includes $499.1 million related to the impairment of our rights to operate at orbital locations. The quarter ended June 30, 2009 includes a $52.1 million gain on derivative financial instruments.

The quarter ended March 31, 2010 includes a $6.5 million non-cash impairment charge to write off the remaining carrying value of our IS-4 satellite which experienced an anomaly of its backup satellite control processor. The quarter ended June 30, 2010 includes a $104.1 million non-cash impairment charge related to the write down of our Galaxy 15 satellite to its estimated fair value following an anomaly. The quarter ended September 30, 2010 includes a $75.8 million loss on early extinguishment of debt recognized in connection with the repurchase by Intelsat Corp of its outstanding 2014 Corp Notes and its 2028 Corp Notes.

Note 20 Supplemental Consolidating Financial Information

Intelsat Jackson is the issuer of approximately $1.0 billion of 11¼% Senior Notes due 2016 (the 2016 Intelsat Jackson Notes). The 2016 Intelsat Jackson Notes are fully and unconditionally guaranteed, jointly and severally, by Intelsat S.A. and Intelsat Luxembourg. The 2016 Intelsat Jackson Notes are not guaranteed by any of Intelsat Jackson s direct or indirect subsidiaries.

In addition, on June 27, 2008, Intelsat Luxembourg issued the 2017 Senior Notes and the 2017 PIK Notes, which are fully and unconditionally guaranteed, jointly and severally, by Intelsat S.A.

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Separate financial statements of Intelsat S.A., Intelsat Luxembourg and Intelsat Jackson are not presented because management believes that such financial statements would not be material to investors. Investments in Intelsat Jackson s subsidiaries in the following condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include the following:

elimination of investment in subsidiaries;

elimination of intercompany accounts; and

elimination of equity in earnings (losses) of subsidiaries.

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 7,315	$ 10,017	$ 126,605	$ 548,993	$	$ 692,930
Receivables, net of allowance	4,962		25	245,364		250,351
Deferred income taxes				24,090		24,090
Prepaid expenses and other current assets	608	16	9	31,184		31,817
Intercompany receivables				660,379	(660,379)	
Total current assets	12,885	10,033	126,639	1,510,010	(660,379)	999,188
Satellites and other property and equipment, net				5,997,283		5,997,283
Goodwill				6,780,827		6,780,827
Non-amortizable intangible assets				2,458,100		2,458,100
Amortizable intangible assets, net				848,318		848,318
Investment in affiliates	498,926	5,896,195	10,588,831	81,764	(16,983,952)	81,764
Other assets	11,616	113,290	41,845	260,136		426,887
Total assets	$ 523,427	$ 6,019,518	$ 10,757,315	$ 17,936,438	$ (17,644,331)	$ 17,592,367
LIABILITIES AND SHAREHOLDER S EQUITY						
Current liabilities:						
Accounts payable and accrued liabilities	$ 803	$ (12)	$ 2,111	$ 175,641	$	$ 178,543
Accrued interest payable	11,651	229,242	43,025	119,528		403,446
Current portion of long-term debt				94,723		94,723
Deferred satellite performance incentives				16,693		16,693
Other current liabilities			1,274	146,155		147,429
Intercompany payables	486,065	450	173,864		(660,379)	
Total current liabilities	498,519	229,680	220,274	552,740	(660,379)	840,834
Long-term debt, net of current portion	721,947	5,232,138	4,596,936	5,270,881		15,821,902
Deferred satellite performance incentives, net of current portion				132,884		132,884
Deferred revenue, net of current portion				407,103		407,103
Deferred income taxes				484,076		484,076
Accrued retirement benefits				257,455		257,455
Other long-term liabilities		56,872	43,910	225,749		326,531
Noncontrolling interest				18,621		18,621
Shareholder s equity (deficit):						
Ordinary shares	5,000	669,037	4,959,000	3,602,044	(9,230,081)	5,000
Other shareholder s equity (deficit)	(702,039)	(168,209)	937,195	6,984,885	(7,753,871)	(702,039)
Total liabilities and shareholder s equity	$ 523,427	$ 6,019,518	$ 10,757,315	$ 17,936,438	$ (17,644,331)	$ 17,592,367

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 21,817	$ 16,115	$ 2,206	$ 437,433	$	$ 477,571
Receivables, net of allowance	3,282			291,257		294,539
Deferred income taxes				50,643		50,643
Prepaid expenses and other current assets	679			32,882		33,561
Intercompany receivables				693,484	(693,484)	
Total current assets	25,778	16,115	2,206	1,505,699	(693,484)	856,314
Satellites and other property and equipment, net				5,781,955		5,781,955
Goodwill				6,780,827		6,780,827
Non-amortizable intangible assets				2,458,100		2,458,100
Amortizable intangible assets, net				978,599		978,599
Investment in affiliates	964,519	6,093,804	9,973,449	88,902	(17,031,772)	88,902
Other assets		124,926	27,955	351,834	(106,477)	398,238
Total assets	$ 990,297	$ 6,234,845	$ 10,003,610	$ 17,945,916	$ (17,831,733)	$ 17,342,935
LIABILITIES AND SHAREHOLDER S EQUITY						
Current liabilities:						
Accounts payable and accrued liabilities	$ 2,197	$ 507	$ 242	$ 203,455	$	$ 206,401
Accrued interest payable	11,651	220,739	20,356	116,630		369,376
Current portion of long-term debt				97,689		97,689
Deferred satellite performance incentives				18,683		18,683
Other current liabilities			1,293	121,201		122,494
Intercompany payables	474,422	12,595	206,467		(693,484)	
Total current liabilities	488,270	233,841	228,358	557,658	(693,484)	814,643
Long-term debt, net of current portion	674,805	4,954,991	3,597,292	5,995,922		15,223,010
Deferred satellite performance incentives, net of current portion				128,774		128,774
Deferred revenue, net of current portion				254,636		254,636
Deferred income taxes	37,985	14,090	50,656	552,465	(106,477)	548,719
Accrued retirement benefits				239,873		239,873
Other long-term liabilities		63,433	33,500	238,226		335,159
Noncontrolling interest				8,884		8,884
Shareholder s equity (deficit):						
Ordinary shares	5,000	669,036	4,959,000	3,602,045	(9,230,081)	5,000
Other shareholder s equity (deficit)	(215,763)	299,454	1,134,804	6,367,433	(7,801,691)	(215,763)
Total liabilities and shareholder s equity	$ 990,297	$ 6,234,845	$ 10,003,610	$ 17,945,916	$ (17,831,733)	$ 17,342,935

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Revenue	$	$	$	$ 2,544,652	$	$ 2,544,652
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)				413,400		413,400
Selling, general and administrative	4,054	25,204	376	190,573		220,207
Depreciation and amortization				798,817		798,817
Impairment of asset value				110,625		110,625
Losses on derivative financial instruments			35,942	53,567		89,509
Total operating expenses	4,054	25,204	36,318	1,566,982		1,632,558
Income (loss) from operations	(4,054)	(25,204)	(36,318)	977,670		912,094
Interest expense, net	123,482	611,213	331,155	313,169		1,379,019
Loss on early extinguishment of debt				(76,849)		(76,849)
Subsidiary income (loss)	(415,901)	234,134	550,951		(369,184)	
Other income, net				9,627		9,627
Income (loss) before income taxes	(543,437)	(402,283)	183,478	597,279	(369,184)	(534,147)
Provision for (benefit from) income taxes	(37,985)	(14,090)	(50,656)	76,353		(26,378)
Net income (loss)	(505,452)	(388,193)	234,134	520,926	(369,184)	(507,769)
Net loss attributable to noncontrolling interest				2,317		2,317
Net income (loss) attributable to Intelsat S.A.	$ (505,452)	$ (388,193)	$ 234,134	$ 523,243	$ (369,184)	$ (505,452)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Revenue	$	$	$	$ 2,513,039	$	$ 2,513,039
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)				401,826		401,826
Selling, general and administrative	28,029	23,273	224	208,418		259,944
Depreciation and amortization				804,037		804,037
Impairment of asset value				499,100		499,100
(Gains) losses on derivative financial instruments			4,672	(1,991)		2,681
Total operating expenses	28,029	23,273	4,896	1,911,390		1,967,588
Income (loss) from operations	(28,029)	(23,273)	(4,896)	601,649		545,451
Interest expense, net	104,311	622,058	291,908	345,746	(1,200)	1,362,823
Gain (loss) on early extinguishment of debt	(74,483)	19,676		60,704	(1,200)	4,697
Subsidiary income (loss)	(536,884)	128,646	476,106		(67,868)	
Other income (expense), net		(1)		42,014		42,013
Income (loss) before income taxes	(743,707)	(497,010)	179,302	358,621	(67,868)	(770,662)
Provision for (benefit from) income taxes	37,985	14,133	50,656	(91,375)		11,399
Net income (loss)	(781,692)	(511,143)	128,646	449,996	(67,868)	(782,061)
Net loss attributable to noncontrolling interest				369		369
Net income (loss) attributable to Intelsat S.A.	$ (781,692)	$ (511,143)	$ 128,646	$ 450,365	$ (67,868)	$ (781,692)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD JANUARY 1, 2008 TO JANUARY 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Non-Guarantors	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 190,261	$	$ 190,261
Operating expenses:					
Direct costs of revenue (exclusive of depreciation and amortization)			25,683		25,683
Selling, general and administrative	1,600	739	16,146		18,485
Depreciation and amortization			64,157		64,157
Transaction costs	186,601	60,000	66,501		313,102
Losses on derivative financial instruments			11,431		11,431
Total operating expenses	188,201	60,739	183,918		432,858
Income (loss) from operations	(188,201)	(60,739)	6,343		(242,597)
Interest expense, net	14,168	35,621	30,486		80,275
Subsidiary loss	(109,492)	(13,132)		122,624	
Other income, net			535		535
Loss before income taxes	(311,861)	(109,492)	(23,608)	122,624	(322,337)
Benefit from income taxes			(10,476)		(10,476)
Net loss	(311,861)	(109,492)	(13,132)	122,624	(311,861)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD FEBRUARY 1, 2008 TO DECEMBER 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Revenue	$	$	$	$ 2,174,640	$	$ 2,174,640
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)				337,466		337,466
Selling, general and administrative	21,019	9,976	67	151,895		182,957
Depreciation and amortization				795,663		795,663
Restructuring costs				1,926		1,926
Impairment of asset value				390,444		390,444
Losses on derivative financial instruments			53,843	101,462		155,305
Total operating expenses	21,019	9,976	53,910	1,778,856		1,863,761
Income (loss) from operations	(21,019)	(9,976)	(53,910)	395,784		310,879
Interest expense, net	124,433	535,036	270,443	365,546		1,295,458
Gain (loss) on early extinguishment of debt			(20)	596		576
Subsidiary income (loss)	(740,855)	(195,824)	128,549		808,130	
Other income (expense), net	1	2		(11,960)		(11,957)
Income (loss) before income taxes	(886,306)	(740,834)	(195,824)	18,874	808,130	(995,960)
Provsion for (benefit from) income taxes		21		(109,582)		(109,561)
Net income (loss)	(886,306)	(740,855)	(195,824)	128,456	808,130	(886,399)
Net loss attributable to noncontrolling interest				93		93
Net income (loss) attributable to Intelsat S.A.	$ (886,306)	$ (740,855)	$ (195,824)	$ 128,549	$ 808,130	$ (886,306)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (68,898)	$ (340,628)	$ (177,218)	$ 1,604,962	$	$ 1,018,218
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)				(982,127)		(982,127)
Proceeds from sale of investment				28,594		28,594
Disbursements for intercompany loans				(228,499)	228,499	
Capital contribution to previously unconsolidated affiliates				(12,209)		(12,209)
Investment in subsidiaries	(6,500)		(868,087)		874,587	
Dividend from affiliates	35,013	203,794	351,006		(589,813)	
Other investing activities				11,128		11,128
Net cash provided by (used in) investing activities	28,513	203,794	(517,081)	(1,183,113)	513,273	(954,614)
Cash flows from financing activities:						
Repayments of long-term debt				(801,785)		(801,785)
Proceeds from issuance of long-term debt			1,000,000	25,565		1,025,565
Proceeds from intercompany borrowing	23,253	167,235	38,011		(228,499)	
Debt issuance costs	(15,370)	(1,485)	(15,521)			(32,376)
Payment of premium on early retirement of debt				(44,613)		(44,613)
Principal payments on deferred satellite performance incentives				(15,030)		(15,030)
Principal payments on capital lease obligations				(191)		(191)
Capital contribution from parent	18,000			874,587	(874,587)	18,000
Dividends to shareholders		(35,013)	(203,794)	(351,006)	589,813	
Noncontrolling interest in New Dawn				1,128		1,128
Net cash provided by (used in) financing activities	25,883	130,737	818,696	(311,345)	(513,273)	150,698
Effect of exchange rate changes on cash and cash equivalents		(1)	2	1,056		1,057
Net change in cash and cash equivalents	(14,502)	(6,098)	124,399	111,560		215,359
Cash and cash equivalents, beginning of period	21,817	16,115	2,206	437,433		477,571
Cash and cash equivalents, end of period	$ 7,315	$ 10,017	$ 126,605	$ 548,993	$	$ 692,930

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (96,719)	$ (348,049)	$ (296,688)	$ 1,615,112	$	$ 873,656
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)				(943,133)		(943,133)
Proceeds from sale of other property and equipment				686		686
Disbursements for intercompany loans			(10,616)	(302,295)	312,911	
Capital contribution to unconsolidated affiliates				(12,210)		(12,210)
Investment in subsidiaries	(5,000)		(100,000)		105,000	
Investment in affiliate debt				(347,953)	347,953	
Dividend from affiliates	53,625	596,524	283,560		(933,709)	
Other investing activities				7,562		7,562
Net cash provided by (used in) investing activities	48,625	596,524	172,944	(1,597,343)	(167,845)	(947,095)
Cash flows from financing activities:						
Repayments of long-term debt		(376,000)		(99,356)	(347,953)	(823,309)
Repayment of loan proceeds received from Intelsat Holdings			(34,000)			(34,000)
Proceeds from issuance of long-term debt			495,830	466,087		961,917
Proceeds from intercompany borrowing	51,625	10,616	250,670		(312,911)	
Debt issuance costs			(10,192)	(7,330)		(17,522)
Principal payments on deferred satellite performance incentives				(24,603)		(24,603)
Principal payments on capital lease obligations				(1,859)		(1,859)
Capital contribution from parent	12,000	5,000		100,000	(105,000)	12,000
Dividends to shareholders		(53,625)	(596,524)	(283,560)	933,709	
Noncontrolling interest in New Dawn				377		377
Net cash provided by (used in) financing activities	63,625	(414,009)	105,784	149,756	167,845	73,001
Effect of exchange rate changes on cash and cash equivalents		(1)		7,799		7,798
Net change in cash and cash equivalents	15,531	(165,535)	(17,960)	175,324		7,360
Cash and cash equivalents, beginning of period	6,286	181,650	20,166	262,109		470,211
Cash and cash equivalents, end of period	$ 21,817	$ 16,115	$ 2,206	$ 437,433	$	$ 477,571

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE PERIOD JANUARY 1, 2008 TO JANUARY 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Non-Guarantors	Consolidated
Cash flows from operating activities:	$ (1,179)	$ (46,397)	$ 67,195	$ 19,619
Cash flows from investing activities:				
Payments for satellites and other property and equipment (including capitalized interest)			(24,701)	(24,701)
Net cash used in investing activities			(24,701)	(24,701)
Cash flows from financing activities:				
Repayments of long-term debt			(168,847)	(168,847)
Repayment of loan proceeds received from Intelsat Holdings				
Proceeds from issuance of long-term debt				
Proceeds from revolving credit facility			150,000	150,000
Debt issuance costs				
Principal payments on deferred satellite performance incentives			(1,333)	(1,333)
Principal payments on capital lease obligations			(2,124)	(2,124)
Capital contribution from parent				
Noncontrolling interest in New Dawn				
Net cash used in financing activities			(22,304)	(22,304)
Effect of exchange rate changes on cash and cash equivalents			137	137
Net change in cash and cash equivalents	(1,179)	(46,397)	20,327	(27,249)
Cash and cash equivalents, beginning of period	1,391	50,998	374,180	426,569
Cash and cash equivalents, end of period	$ 212	$ 4,601	$ 394,507	$ 399,320

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE PERIOD FEBRUARY 1, 2008 TO DECEMBER 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	(32,741)	(33,103)	(253,857)	1,195,844		876,143
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)				(397,759)		(397,759)
Capital contribution in unconsolidated affiliates				(27,280)		(27,280)
Capital contribution from parent company	4,596					4,596
Dividend from affiliates	439,565	621,746	826,018		(1,887,329)	
Noncontrolling interest in New Dawn				4,592		4,592
Other investing activities				5,954		5,954
Net cash provided by (used in) investing activities	444,161	621,746	826,018	(414,493)	(1,887,329)	(409,897)
Cash flows from financing activities:						
Repayments of long-term debt	(400,000)		(2,641,597)	(3,238,568)		(6,280,165)
Repayment of revolving credit facility				(241,221)		(241,221)
Proceeds from issuance of long-term debt			1,797,389	3,215,394		5,012,783
Loan proceeds from Intelsat Holdings			34,000			34,000
Proceeds from revolving credit facility				241,221		241,221
Proceeds from (repayment of) Intercompany loans	(201,629)	83,000	226,973	(108,344)		
Debt issuance costs		(55,032)	(21,731)	(42,870)		(119,633)
Repayments of funding of capital expenditures by customer				(30,862)		(30,862)
Payment of premium on early retirement of debt	(7,615)		(48,654)	(31,835)		(88,104)
Principal payments on deferred satellite performance incentives				(23,302)		(23,302)
Principal payments on capital lease obligations				(9,148)		(9,148)
Dividends to shareholders		(439,565)	(621,746)	(826,018)	1,887,329	
Net cash used in financing activities	(609,244)	(411,597)	(1,275,366)	(1,095,553)	1,887,329	(1,504,431)
Effect of exchange rate changes on cash and cash equivalents	0	2		(6,243)	(0)	(6,241)
Net change in cash and cash equivalents	(197,824)	177,048	(703,205)	(320,445)	(0)	(1,044,426)
Cash and cash equivalents, beginning of period	204,110	4,602	723,371	582,554	(0)	1,514,637
Cash and cash equivalents, end of period	6,286	181,650	20,166	262,109	(0)	470,211

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(in thousands, except percentages, share and per share amounts and where otherwise noted)

On April 5, 2011, Intelsat Jackson completed an offering of $2.65 billion aggregate principal amount of senior notes, consisting of $1.5 billion aggregate principal amount of 7 1/4% Senior Notes due 2019 (the 7 1/4% 2019 Notes) and $1.15 billion amount of 7 1/2% Senior Notes due 2021 (the 2021 Notes). The 7 1/4% 2019 Notes and the 2021 Notes are fully and unconditionally guaranteed, jointly and severally by Intelsat S.A., Intelsat Luxembourg and certain wholly-owned subsidiaries of Intelsat Jackson (the Subsidiary Guarantors).

Separate financial statements of Intelsat S.A., Intelsat Luxembourg, Intelsat Jackson and the Subsidiary Guarantors are not presented because management believes that such financial statements would not be material to investors. Investments in Intelsat Jackson s subsidiaries in the following condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include the following:

- elimination of investment in subsidiaries;
- elimination of intercompany accounts;
- elimination of intercompany sales between guarantor and non-guarantor subsidiaries; and
- elimination of equity in earnings (losses) of subsidiaries.

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 7,315	$ 10,017	$ 595,472	$ 468,867	$ 80,126	$ (468,867)	$ 692,930
Receivables, net of allowance	4,962		198,186	198,161	47,203	(198,161)	250,351
Deferred income taxes			12,479	12,479	11,611	(12,479)	24,090
Prepaid expenses and other current assets	608	16	20,556	20,548	12,644	(22,555)	31,817
Intercompany receivables			647,961	821,825		(1,469,786)	
Total current assets	12,885	10,033	1,474,654	1,521,880	151,584	(2,171,848)	999,188
Satellites and other property and equipment, net			5,722,302	5,722,302	290,773	(5,738,094)	5,997,283
Goodwill			6,780,827	6,780,827		(6,780,827)	6,780,827
Non-amortizable intangible assets			2,458,100	2,458,100		(2,458,100)	2,458,100
Amortizable intangible assets, net			848,318	848,318		(848,318)	848,318
Investment in affiliates	498,926	5,896,195	122,454	122,454	10	(6,558,275)	81,764
Other assets	11,616	113,290	279,564	237,719	18,138	(233,440)	426,887
Total assets	$ 523,427	$ 6,019,518	$ 17,686,219	$ 17,691,600	$ 460,505	$ (24,788,902)	$ 17,592,367
LIABILITIES AND SHAREHOLDER S EQUITY							
Current liabilities:							
Accounts payable and accrued liabilities	$ 803	$ (12)	$ 154,820	$ 152,708	$ 24,939	$ (154,715)	$ 178,543
Accrued interest payable	11,651	229,242	162,284	119,260	269	(119,260)	403,446
Current portion of long-term debt			94,723	94,723		(94,723)	94,723
Deferred satellite performance incentives			15,623	15,623	1,070	(15,623)	16,693
Other current liabilities			123,040	121,766	24,389	(121,766)	147,429
Intercompany payables	486,065	450			161,444	(647,959)	
Total current liabilities	498,519	229,680	550,490	504,080	212,111	(1,154,046)	840,834
Long-term debt, net of current portion	721,947	5,232,138	9,720,225	5,123,289	147,592	(5,123,289)	15,821,902
Deferred satellite performance incentives, net of current portion			128,956	128,956	3,928	(128,956)	132,884
Deferred revenue, net of current portion			416,753	416,753	8,143	(434,546)	407,103
Deferred income taxes			461,146	461,146	16,652	(454,868)	484,076
Accrued retirement benefits			257,455	257,455		(257,455)	257,455
Other long-term liabilities		56,873	254,999	211,088	14,659	(211,088)	326,531
Noncontrolling interest					18,621		18,621
Shareholder s equity (deficit):							
Ordinary shares	5,000	669,036	4,959,045	3,602,046	26	(9,230,153)	5,000
Other shareholder s equity (deficit)	(702,039)	(168,209)	937,150	6,986,787	38,773	(7,794,501)	(702,039)
Total liabilities and shareholder s equity	$ 523,427	$ 6,019,518	$ 17,686,219	$ 17,691,600	$ 460,505	$ (24,788,902)	$ 17,592,367

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 21,817	$ 16,115	$ 343,085	$ 340,878	$ 96,554	$ (340,878)	$ 477,571
Receivables, net of allowance	3,282		236,029	236,029	55,228	(236,029)	294,539
Deferred income taxes			39,973	39,973	10,670	(39,973)	50,643
Prepaid expenses and other current assets	679		27,770	27,770	5,112	(27,770)	33,561
Intercompany receivables			678,375	884,842		(1,563,217)	
Total current assets	25,778	16,115	1,325,232	1,529,492	167,564	(2,207,867)	856,314
Satellites and other property and equipment, net			5,511,014	5,511,014	270,941	(5,511,014)	5,781,955
Goodwill			6,780,827	6,780,827		(6,780,827)	6,780,827
Non-amortizable intangible assets			2,458,100	2,458,100		(2,458,100)	2,458,100
Amortizable intangible assets, net			978,599	978,599		(978,599)	978,599
Investment in affiliates	964,519	6,093,804	124,320	124,320	10	(7,218,071)	88,902
Other assets		124,926	362,764	334,808	17,025	(441,285)	398,238
Total assets	$ 990,297	$ 6,234,845	$ 17,540,856	$ 17,717,160	$ 455,540	$ (25,595,763)	$ 17,342,935
LIABILITIES AND SHAREHOLDER S EQUITY							
Current liabilities:							
Accounts payable and accrued liabilities	$ 2,197	$ 507	$ 160,031	$ 159,788	$ 43,666	$ (159,788)	$ 206,401
Accrued interest payable	11,651	220,739	136,721	116,366	265	(116,366)	369,376
Current portion of long-term debt			97,499	97,499	190	(97,499)	97,689
Deferred satellite performance incentives			17,885	17,885	798	(17,885)	18,683
Other current liabilities			98,202	96,910	24,292	(96,910)	122,494
Intercompany payables	474,422	12,595			191,358	(678,375)	
Total current liabilities	488,270	233,841	510,338	488,448	260,569	(1,166,823)	814,643
Long-term debt, net of current portion	674,805	4,954,991	9,478,424	5,881,132	114,790	(5,881,132)	15,223,010
Deferred satellite performance incentives, net of current portion			123,982	123,982	4,792	(123,982)	128,774
Deferred revenue, net of current portion			243,465	243,463	11,171	(243,463)	254,636
Deferred income taxes	37,985	14,090	584,978	534,321	18,143	(640,798)	548,719
Accrued retirement benefits			239,873	239,873		(239,873)	239,873
Other long-term liabilities		63,433	265,992	232,492	5,734	(232,492)	335,159
Noncontrolling interest					8,884		8,884
Shareholder s equity (deficit):							
Ordinary shares	5,000	669,036	4,959,045	3,602,045	25	(9,230,151)	5,000
Other shareholder s equity (deficit)	(215,763)	299,454	1,134,759	6,371,404	31,432	(7,837,049)	(215,763)
Total liabilities and shareholder s equity	$ 990,297	$ 6,234,845	$ 17,540,856	$ 17,717,160	$ 455,540	$ (25,595,763)	$ 17,342,935

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,279,437	$ 2,279,437	$ 628,777	$ (2,642,999)	$ 2,544,652
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			257,553	257,553	519,408	(621,114)	413,400
Selling, general and administrative	4,054	25,204	129,216	128,839	61,734	(128,840)	220,207
Depreciation and amortization			771,473	771,473	27,344	(771,473)	798,817
Impairment of asset value			110,625	110,625		(110,625)	110,625
Losses on derivative financial instruments			80,490	44,548	9,019	(44,548)	89,509
Total operating expenses	4,054	25,204	1,349,357	1,313,038	617,505	(1,676,600)	1,632,558
Income (loss) from operations	(4,054)	(25,204)	930,080	966,399	11,272	(966,399)	912,094
Interest expense, net	123,482	611,213	641,039	309,882	3,285	(309,882)	1,379,019
Loss on early extinguishment of debt			(76,849)	(76,849)		76,849	(76,849)
Subsidiary income (loss)	(415,901)	234,134	25,836	25,836		130,095	
Other income, net			7,790	7,788	1,837	(7,788)	9,627
Income (loss) before income taxes	(543,437)	(402,283)	245,818	613,292	9,824	(457,361)	(534,147)
Provision for (benefit from) income taxes	(37,985)	(14,090)	11,684	62,340	14,013	(62,340)	(26,378)
Net income (loss)	(505,452)	(388,193)	234,134	550,952	(4,189)	(395,021)	(507,769)
Net loss attributable to noncontrolling interest					2,317		2,317
Net income (loss) attributable to Intelsat, S.A.	$ (505,452)	$ (388,193)	$ 234,134	$ 550,952	$ (1,872)	$ (395,021)	$ (505,452)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,316,133	$ 2,316,133	$ 525,821	$ (2,645,048)	$ 2,513,039
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)		23	282,362	282,362	448,355	(611,276)	401,826
Selling, general and administrative	28,029	23,250	146,591	146,367	62,074	(146,367)	259,944
Depreciation and amortization			777,831	777,831	26,206	(777,831)	804,037
Impairment of asset value			499,100	499,100		(499,100)	499,100
(Gains) losses on derivative financial instruments			1,088	(3,584)	1,593	3,584	2,681
Total operating expenses	28,029	23,273	1,706,972	1,702,076	538,228	(2,030,990)	1,967,588
Income (loss) from operations	(28,029)	(23,273)	609,161	614,057	(12,407)	(614,058)	545,451
Interest expense, net	104,311	622,058	631,857	339,949	5,798	(341,150)	1,362,823
Gain (loss) on early extinguishment of debt	(74,483)	19,676	60,704	60,704		(61,904)	4,697
Subsidiary income (loss)	(536,884)	128,646	4,501	4,501		399,236	
Other income (expense), net		(1)	34,377	34,377	7,637	(34,377)	42,013
Income (loss) before income taxes	(743,707)	(497,010)	76,886	373,690	(10,568)	30,047	(770,662)
Provision for (benefit from) income taxes	37,985	14,133	(51,760)	(102,416)	11,041	102,416	11,399
Net income (loss)	(781,692)	(511,143)	128,646	476,106	(21,609)	(72,369)	(782,061)
Net loss attributable to noncontrolling interest					369		369
Net income (loss) attributable to Intelsat, S.A.	$ (781,692)	$ (511,143)	$ 128,646	$ 476,106	$ (21,240)	$ (72,369)	$ (781,692)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD JANUARY 1, 2008 TO JANUARY 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Guarantors	Non-Guarantors	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 177,187	$ 34,373	$ (21,299)	$ 190,261
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)			20,238	26,744	(21,299)	25,683
Selling, general and administrative	1,600	739	13,498	2,648		18,485
Depreciation and amortization			62,303	1,854		64,157
Restructuring and transaction costs	186,601	60,000	64,433	2,068		313,102
Losses on derivative financial instruments			11,431			11,431
Total operating expenses	188,201	60,739	171,903	33,314	(21,299)	432,858
Income (loss) from operations	(188,201)	(60,739)	5,284	1,059		(242,597)
Interest expense, net	14,168	35,621	28,879	1,607		80,275
Subsidiary loss	(109,492)	(13,132)	(398)		123,022	
Other income, net			506	29		535
Loss before income taxes	(311,861)	(109,492)	(23,487)	(519)	123,022	(322,337)
Benefit from income taxes			(10,355)	(121)		(10,476)
Net loss	(311,861)	(109,492)	(13,132)	(398)	123,022	(311,861)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE PERIOD FEBRUARY 1, 2008 TO DECEMBER 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,002,854	$ 2,002,854	$ 421,456	$ (2,252,524)	$ 2,174,640
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			258,581	258,581	328,555	(508,251)	337,466
Selling, general and administrative	21,019	9,976	123,571	123,503	28,391	(123,503)	182,957
Depreciation and amortization			772,687	772,687	22,976	(772,687)	795,663
Restructuring costs			1,926	1,926		(1,926)	1,926
Impairment of asset value			390,444	390,444		(390,444)	390,444
Losses on derivative financial instruments			155,305	101,461		(101,461)	155,305
Total operating expenses	21,019	9,976	1,702,514	1,648,602	379,922	(1,898,272)	1,863,761
Income (loss) from operations	(21,019)	(9,976)	300,340	354,252	41,534	(354,252)	310,879
Interest expense, net	124,433	535,036	625,499	355,056	10,490	(355,056)	1,295,458
Gain on early extinguishment of debt			576	596		(596)	576
Subsidiary income (loss)	(740,855)	(195,824)	18,030	18,030		900,619	
Other income (expense), net	1	2	(6,156)	(6,156)	(5,804)	6,156	(11,957)
Income (loss) before income taxes	(886,306)	(740,834)	(312,709)	11,666	25,240	906,983	(995,960)
Provision for (benefit from) income taxes		21	(116,885)	(116,885)	7,303	116,885	(109,561)
Net income (loss)	(886,306)	(740,855)	(195,824)	128,551	17,937	790,098	(886,399)
Net loss attributable to noncontrolling interest					93		93
Net income (loss) attributable to Intelsat, S.A.	$ (886,306)	$ (740,855)	$ (195,824)	$ 128,551	$ 18,030	$ 790,098	$ (886,306)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (68,898)	$ (340,628)	$ 1,397,532	$ 1,574,750	$ 35,909	$ (1,580,447)	$ 1,018,218
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(924,619)	(924,619)	(63,200)	930,311	(982,127)
Proceeds from sale of investment			28,594	28,594		(28,594)	28,594
Disbursements for intercompany loans			(173,719)	(211,731)		385,450	
Capital contribution to unconsolidated affiliates			(12,209)	(12,209)		12,209	(12,209)
Investment in subsidiaries	(6,500)		(3,817)	(3,817)		14,134	
Dividend from affiliates	35,013	203,794	13,939	13,939		(266,685)	
Other investing activities			7,642	7,642	3,486	(7,642)	11,128
Net cash provided by (used in) investing activities	28,513	203,794	(1,064,189)	(1,102,201)	(59,714)	1,039,183	(954,614)
Cash flows from financing activities:							
Repayments of long-term debt			(801,785)	(801,785)		801,785	(801,785)
Proceeds from issuance of long-term debt			1,000,000		25,562	3	1,025,565
Proceeds from (repayment of) intercompany borrowing	23,253	167,235			(16,769)	(173,719)	
Debt issuance costs	(15,370)	(1,485)	(15,521)				(32,376)
Payment of premium on early retirement of debt			(44,613)	(44,613)		44,613	(44,613)
Principal payments on deferred satellite performance incentives			(14,437)	(14,437)	(593)	14,437	(15,030)
Principal payments on capital lease obligations					(191)		(191)
Capital contribution from parent	18,000			868,087	10,317	(878,404)	18,000
Dividends to shareholders		(35,013)	(203,794)	(351,006)	(13,939)	603,752	
Noncontrolling interest in New Dawn					1,128		1,128
Net cash provided by (used in) financing activities	25,883	130,737	(80,150)	(343,754)	5,515	412,467	150,698
Effect of exchange rate changes on cash and cash equivalents		(1)	(806)	(806)	1,862	808	1,057
Net change in cash and cash equivalents	(14,502)	(6,098)	252,387	127,989	(16,428)	(127,989)	215,359
Cash and cash equivalents, beginning of period	21,817	16,115	343,085	340,878	96,554	(340,878)	477,571
Cash and cash equivalents, end of period	$ 7,315	$ 10,017	$ 595,472	$ 468,867	$ 80,126	$ (468,867)	$ 692,930

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (96,719)	$ (348,049)	$ 1,092,529	$ 1,572,776	$ 42,336	$ (1,389,217)	$ 873,656
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(818,127)	(818,127)	(125,006)	818,127	(943,133)
Proceeds from sale of other property and equipment			686	686		(686)	686
Repayment from (disbursements for) intercompany loans			(49,309)	(289,363)	13,048	325,624	
Capital contribution to unconsolidated affiliates			(12,210)	(12,210)		12,210	(12,210)
Investment in subsidiaries	(5,000)		(101,124)	(1,124)		107,248	
Investment in affiliate debt			(347,953)	(347,953)		695,906	
Dividend from affiliates	53,625	596,524	292,610	9,050		(951,809)	
Other investing activities			7,562	7,562		(7,562)	7,562
Net cash provided by (used in) investing activities	48,625	596,524	(1,027,865)	(1,451,479)	(111,958)	999,058	(947,095)
Cash flows from financing activities:							
Repayments of long-term debt		(376,000)	(99,355)	(99,355)		(248,599)	(823,309)
Repayment of loan proceeds received from Intelsat Holdings			(34,000)				(34,000)
Proceeds from issuance of long-term debt			849,830	354,000	112,087	(354,000)	961,917
Proceeds from (repayment of) intercompany borrowing	51,625	10,616	(13,048)	(13,048)	(12,932)	(23,213)	
Debt issuance costs			(17,522)	(7,330)		7,330	(17,522)
Principal payments on deferred satellite performance incentives			(23,691)	(23,691)	(912)	23,691	(24,603)
Principal payments on capital lease obligations			(1,491)	(1,491)	(368)	1,491	(1,859)
Capital contribution from parent	12,000	5,000		100,000	1,124	(106,124)	12,000
Dividends to shareholders		(53,625)	(596,524)	(283,560)	(9,050)	942,759	
Noncontrolling interest in New Dawn					377		377
Net cash provided by (used in) financing activities	63,625	(414,009)	64,199	25,525	90,326	243,335	73,001
Effect of exchange rate changes on cash and cash equivalents		(1)	279	279	7,520	(279)	7,798
Net change in cash and cash equivalents	15,531	(165,535)	129,142	147,101	28,224	(147,103)	7,360
Cash and cash equivalents, beginning of period	6,286	181,650	213,943	193,777	68,330	(193,775)	470,211
Cash and cash equivalents, end of period	$ 21,817	$ 16,115	$ 343,085	$ 340,878	$ 96,554	$ (340,878)	$ 477,571

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE PERIOD JANUARY 1, 2008 TO JANUARY 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Guarantors	Non-Guarantors	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (1,179)	$ (46,397)	$ 55,677	$ 11,518	$	19,619
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)			(24,701)			(24,701)
Repayment from intercompany loans			34,000		(34,000)	
Dividend from affiliates			5,511		(5,511)	
Net cash provided by investing activities			14,810		(39,511)	(24,701)
Cash flows from financing activities:						
Repayments of long-term debt			(168,847)			(168,847)
Proceeds from revolving credit facility			150,000			150,000
Repayment of intercompany borrowing				(34,000)	34,000	
Principal payments on deferred satellite performance incentives			(1,333)			(1,333)
Principal payments on capital lease obligations			(2,124)			(2,124)
Dividends to shareholders				(5,511)	5,511	
Net cash used in financing activities			(22,304)	(39,511)	39,511	(22,304)
Effect of exchange rate changes on cash and cash equivalents			112	25		137
Net change in cash and cash equivalents	(1,179)	(46,397)	48,295	(27,968)		(27,249)
Cash and cash equivalents, beginning of period	1,391	50,998	299,971	74,209		426,569
Cash and cash equivalents, end of period	$ 212	$ 4,601	$ 348,266	$ 46,241	$	399,320

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE PERIOD FEBRUARY 1, 2008 TO DECEMBER 31, 2008

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	(32,741)	(33,103)	810,201	1,172,403	23,442	(1,064,059)	876,143
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(392,177)	(392,177)	(5,582)	392,177	(397,759)
Capital contribution in unconsolidated affiliates			(27,280)	(27,280)		27,280	(27,280)
Capital contribution from Intelsat Holdings	4,596						4,596
Dividend from affiliates	439,565	621,746	7,914	7,914		(1,077,139)	
Investment in Subsidiaries			(13,703)	(13,703)		27,406	
Minority interest in New Dawn					4,592		4,592
Other investing activities			5,954	5,954		(5,954)	5,954
Net cash provided by (used in) investing activities	444,161	621,746	(419,292)	(419,292)	(990)	(636,230)	(409,897)
Cash flows from financing activities:							
Repayments of long-term debt	(400,000)		(5,880,165)	(3,238,568)		3,238,568	(6,280,165)
Repayment of revolving credit facility			(241,221)	(241,221)		241,221	(241,221)
Proceeds from issuance of long-term debt			5,012,783	3,215,393		(3,215,393)	5,012,783
Loan proceeds from Intelsat Holdings			34,000				34,000
Proceeds from revolving credit facility			241,221	241,221		(241,221)	241,221
Proceeds from (repayment of) Intercompany loans	(201,629)	83,000	226,973	(108,344)			
Debt issuance costs		(55,032)	(64,601)	(42,870)		42,870	(119,633)
Repayments of funding of capital expenditures by customer			(30,862)	(30,862)		30,862	(30,862)
Payment of premium on early retirement of debt	(7,615)		(80,489)	(31,835)		31,835	(88,104)
Principal payments on deferred satellite performance incentives			(23,302)	(23,302)		23,302	(23,302)
Principal payments on capital lease obligations			(8,822)	(8,822)	(326)	8,822	(9,148)
Capital contributions from parent					13,703	(13,703)	
Dividends to shareholders		(439,565)	(621,746)	(826,018)	(7,914)	1,895,243	
Net cash used in financing activities	(609,244)	(411,597)	(1,436,231)	(1,095,228)	5,463	2,042,406	(1,504,431)
Effect of exchange rate changes on cash and cash equivalents	0	2	(420)	(420)	(5,823)	420	(6,241)
Net change in cash and cash equivalents	(197,824)	177,048	(1,045,742)	(342,537)	22,092	342,537	(1,044,426)
Cash and cash equivalents, beginning of period	204,110	4,602	1,259,686	536,314	46,239	(536,314)	1,514,637

Cash and cash equivalents, end of period	6,286	181,650	213,944	193,777	68,331	(193,777)	470,211

(Certain totals may not add due to the effects of rounding)

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SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions (in thousands)	Adjustments(1)	Balance at End of Period
Predecessor period January 1, 2008 to January 31, 2008:						
Allowance for doubtful accounts	$ 32,788	$ 3,922	$	$ (94)	$	$ 36,616
Reserve for operating leases	$ 163	$ (3)	$	$	$	$ 160
Restructuring reserve	$ 13,131	$ (8)		$ (3,296)	$	$ 9,827
Fair value adjustments to restructuring reserve	$	$	$	$	$ (576)	$ (576)
Successor period February 1, 2008 to December 31, 2008:						
Allowance for doubtful accounts	$ 36,616	$ (9,137)	$	$ (7,242)	$	$ 20,237
Reserve for operating leases	$ 160	$ (28)	$	$	$	$ 132
Restructuring reserve	$ 9,251	$ 1,963	$	$ (5,234)	$	$ 5,980
Year ended December 31, 2009:						
Allowance for doubtful accounts	$ 20,237	$ 3,356	$	$ (3,076)	$	$ 20,517
Reserve for operating leases	$ 132	$ (31)	$	$	$	$ 101
Restructuring reserve	$ 5,980	$ (802)	$	$ (2,222)	$	$ 2,956
Year ended December 31, 2010:						
Allowance for doubtful accounts	$ 20,517	$ 7,839	$	$ (6,608)	$	$ 21,748
Reserve for operating leases	$ 101	$ (101)	$	$	$	$
Restructuring reserve	$ 2,956	$	$	$ (1,883)	$	$ 1,073

(1) Adjustments reflect changes in allocation of the purchase price and fair value adjustments recorded or additional liabilities established in connection with the PanAmSat Acquisition Transactions and the New Sponsors Acquisition Transactions.

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INTELSAT S.A.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	As of December 31, 2010	As of September 30, 2011 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 692,930	$ 295,421
Receivables, net of allowance of $21,748 in 2010 and $22,345 in 2011	250,351	293,940
Deferred income taxes	24,090	23,180
Prepaid expenses and other current assets	31,817	53,278
Total current assets	999,188	665,819
Satellites and other property and equipment, net	5,997,283	6,179,780
Goodwill	6,780,827	6,780,827
Non-amortizable intangible assets	2,458,100	2,458,100
Amortizable intangible assets, net	848,318	769,230
Other assets	508,651	429,797
Total assets	$ 17,592,367	$ 17,283,553
LIABILITIES AND SHAREHOLDER S DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 140,984	$ 87,680
Taxes payable	2,342	
Employee related liabilities	35,217	37,346
Accrued interest payable	403,446	336,259
Current portion of long-term debt	94,723	57,420
Deferred satellite performance incentives	16,693	17,513
Deferred revenue	79,845	71,115
Other current liabilities	67,584	64,521
Total current liabilities	840,834	671,854
Long-term debt, net of current portion	15,821,902	15,941,763
Deferred satellite performance incentives, net of current portion	132,884	121,287
Deferred revenue, net of current portion	407,103	687,999
Deferred income taxes	484,076	312,564
Accrued retirement benefits	257,455	239,740
Other long-term liabilities	326,531	361,218
Redeemable noncontrolling interest	18,621	1,985
Commitments and contingencies (Note 11)		
Shareholder s deficit:		
Ordinary shares, $1.00 par value, 100,000,000 shares authorized and 5,000,000 shares issued and outstanding at December 31, 2010 and September 30, 2011	5,000	5,000
Paid-in capital	1,548,380	1,568,198
Accumulated deficit	(2,175,814)	(2,605,222)
Accumulated other comprehensive loss	(76,507)	(73,565)

Total Intelsat S.A. shareholder s deficit	(698,941)	(1,105,589)
Noncontrolling interest	1,902	50,732
Total liabilities and shareholder s deficit	$ 17,592,367	$ 17,283,553

See accompanying notes to unaudited condensed consolidated financial statements.

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INTELSAT S.A.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Revenue	$ 1,900,683	$ 1,935,515
Operating expenses:		
Direct costs of revenue (exclusive of depreciation and amortization)	302,620	316,749
Selling, general and administrative	144,589	157,516
Depreciation and amortization	596,989	583,196
Impairment of asset value	110,625	
Losses on derivative financial instruments	90,592	24,163
Total operating expenses	1,245,415	1,081,624
Income from operations	655,268	853,891
Interest expense, net	1,035,018	992,084
Loss on early extinguishment of debt	(75,805)	(326,183)
Earnings (loss) from previously unconsolidated affiliates	377	(24,658)
Other income, net	7,566	7,753
Loss before income taxes	(447,612)	(481,281)
Benefit from income taxes	(54,919)	(48,931)
Net loss	(392,693)	(432,350)
Net loss attributable to noncontrolling interest	3,029	2,942
Net loss attributable to Intelsat S.A.	$ (389,664)	$ (429,408)

See accompanying notes to unaudited condensed consolidated financial statements.

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INTELSAT S.A.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Cash flows from operating activities:		
Net loss	$ (392,693)	$ (432,350)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	596,989	583,196
Impairment of asset value	110,625	
Provision for doubtful accounts	4,120	5,315
Foreign currency transaction gain	(1,419)	(2,905)
Loss on disposal of assets	343	829
Share-based compensation expense	(4,645)	3,956
Deferred income taxes	(49,656)	(53,026)
Amortization of discount, premium, issuance costs and other non-cash items	72,584	49,238
Interest paid-in-kind	203,715	23,130
Loss on early extinguishment of debt	73,247	326,183
(Earnings) loss from previously unconsolidated affiliates	(377)	24,658
Gain on sale of investment	(1,261)	
Unrealized (gains) losses on derivative financial instruments	43,257	(35,179)
Other non-cash items	2,602	5,178
Changes in operating assets and liabilities:		
Receivables	11,477	(36,694)
Prepaid expenses and other assets	(61,397)	(19,809)
Accounts payable and accrued liabilities	(36,788)	(13,481)
Deferred revenue	89,984	267,845
Accrued retirement benefits	(2,995)	(17,715)
Other long-term liabilities	(36,692)	(5,149)
Net cash provided by operating activities	621,020	673,220
Cash flows from investing activities:		
Payments for satellites and other property and equipment (including capitalized interest)	(683,349)	(615,113)
Proceeds from sale of investment	28,594	
Capital contributions to previously unconsolidated affiliates	(12,209)	(12,209)
Other investing activities	9,585	6,710
Net cash used in investing activities	(657,379)	(620,612)
Cash flows from financing activities:		
Repayments of long-term debt	(745,589)	(6,323,019)
Proceeds from issuance of long-term debt	1,023,465	6,119,425
Debt issuance costs	(32,063)	(69,339)
Capital contribution from parent	18,000	
Payment of premium on early retirement of debt	(44,118)	(171,047)
Noncontrolling interest in New Dawn	1,035	1,734
Principal payments on deferred satellite performance incentives	(11,946)	(10,776)
Principal payments on capital lease obligations	(191)	
Net cash provided by (used in) financing activities	208,593	(453,022)
Effect of exchange rate changes on cash and cash equivalents	1,419	2,905

Net change in cash and cash equivalents		173,653		(397,509)
Cash and cash equivalents, beginning of period		477,571		692,930
Cash and cash equivalents, end of period	$	651,224	$	295,421
Supplemental cash flow information:				
Interest paid, net of amounts capitalized	$	767,790	$	921,812
Income taxes paid, net of refunds		31,997		19,454
Supplemental disclosure of non-cash investing activities:				
Accrued capital expenditures	$	122,661	$	34,181

See accompanying notes to unaudited condensed consolidated financial statements.

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INTELSAT S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2011

Note 1 General

Basis of Presentation

The accompanying condensed consolidated financial statements of Intelsat S.A. and its subsidiaries (Intelsat, we, us or our) have not been audited, but are prepared in accordance with United States generally accepted accounting principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. References to U.S. GAAP issued by the Financial Accounting Standards Board (FASB) in these footnotes are to the FASB Accounting Standards Codification (ASC or the Codification). The unaudited condensed consolidated financial statements include all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of these financial statements. The results of operations for the periods presented are not necessarily indicative of operating results for the full year. The condensed consolidated balance sheet as of December 31, 2010 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 on file with the Securities and Exchange Commission.

Use of Estimates

The preparation of these condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. Examples of estimates include the allowance for doubtful accounts, pension and postretirement benefits, the fair value of our derivative instruments, the fair value of the redeemable noncontrolling interest, the fair value of share-based and other compensation awards, income taxes, useful lives of satellites, intangible assets and other property and equipment, the recoverability of goodwill and the fair value of non-amortizable intangible assets. Changes in such estimates may affect amounts reported in future periods.

Recently Adopted Accounting Pronouncements

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). Certain provisions of ASU 2010-06 are effective for fiscal years beginning after December 15, 2010 and we adopted these provisions in the first quarter of 2011. These provisions of ASU 2010-06 amended FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (FASB ASC 820), by requiring us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation for fair value measurements, whereas previously these were presented in aggregate as one line item. Although this may change the appearance of our reconciliation, this did not have a material impact on our financial statements or disclosures.

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INTELSAT S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (CONTINUED)

September 30, 2011

Note 2 Fair Value Measurements

FASB ASC 820 defines fair value, establishes a market-based framework or hierarchy for measuring fair value and provides for certain required disclosures about fair value measurements. The guidance is applicable whenever another accounting pronouncement requires or permits assets and liabilities to be measured at fair value, but does not require any new fair value measurements.

The fair value hierarchy prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation; and

Level 3 unobservable inputs based upon the reporting entity s internally developed assumptions which market participants would use in pricing the asset or liability.

The following tables present assets and liabilities measured and recorded at fair value in our condensed consolidated balance sheets on a recurring basis and their level within the fair value hierarchy (in thousands), excluding long-term debt (see Note 8 Long-Term Debt):

		Fair Value Measurements at December 31, 2010		
Description	**As of December 31, 2010**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Marketable securities(1)	$ 5,949	$ 5,949	$	$
Total assets	$ 5,949	$ 5,949	$	$
Liabilities				

Undesignated interest rate swaps	$ 147,815	$	$ 147,815	$
Embedded derivative	4,295			4,295
Redeemable noncontrolling interest	18,621			18,621
Total liabilities	$ 170,731	$	$ 147,815	$ 22,916

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INTELSAT S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (CONTINUED)

September 30, 2011

		Fair Value Measurements at September 30, 2011		
Description	**As of September 30, 2011**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Marketable securities(1)	$ 5,179	$ 5,179	$	$
Total assets	$ 5,179	$ 5,179	$	$
Liabilities				
Undesignated interest rate swaps	$ 115,369	$	$ 115,369	$
Redeemable noncontrolling interest	1,985			1,985
Total liabilities	$ 117,354	$	$ 115,369	$ 1,985

(1) The cost basis of our available-for-sale marketable securities was $6.3 million at December 31, 2010 and $5.9 million at September 30, 2011. We sold marketable securities with a cost basis of $0.4 million during the nine months ended September 30, 2011 and recorded a gain on the sale of $0.02 million, which was included within other income, net in our condensed consolidated statement of operations.

The following tables present the activity for those items measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in FASB ASC 820 (in thousands):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Redeemable Noncontrolling Interest(1)	**Embedded Derivative**	**Total**
Balance at December 31, 2009	$ 8,884	$ 14,600	$ 23,484
Contributions	1,128		1,128
Mark to market valuation adjustment	10,908	(10,305)	603
Net loss attributable to noncontrolling interest	(2,299)		(2,299)
Balance at December 31, 2010	$ 18,621	$ 4,295	$ 22,916

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	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Redeemable Noncontrolling Interest(1)	Embedded Derivative	Total
Balance at December 31, 2010	$ 18,621	$ 4,295	$ 22,916
Contributions	1,558		1,558
Mark to market valuation adjustment	(3,657)	(4,295)(2)	(7,952)
Net loss attributable to noncontrolling interest	(82)		(82)
Balance at March 31, 2011	16,440		16,440
Mark to market valuation adjustment	(15,511)		(15,511)
Net loss attributable to noncontrolling interest	(929)		(929)
Balance at June 30, 2011	$	$	$
Contributions	176		176
Mark to market valuation adjustment	3,306		3,306
Net loss attributable to noncontrolling interest	(1,497)		(1,497)
Balance at September 30, 2011	$ 1,985	$	$ 1,985

(1) In accordance with FASB ASC Topic 480, *Distinguishing Liabilities from Equity* (FASB ASC 480), regarding the classification and measurement of redeemable securities, we mark to market the fair value of the noncontrolling interest in our joint venture investment in New Dawn Satellite Company Ltd. (New Dawn) (see Note 6 Investments (c) New Dawn).

(2) As of May 5, 2011, the Intelsat Sub Holdco 8 ^{7}/8% Senior Notes due 2015, Series B (the 2015 Intelsat Sub Holdco Notes, Series B) were redeemed, and the embedded derivative liability was derecognized. As a result, the fair value of the embedded derivative was reduced to $0 (see Note 9 Derivative Instruments and Hedging Activities).

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, such items are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances, such as if there is evidence of impairment.

The fair value measurement of our Galaxy 15 satellite as of September 30, 2010, in conjunction with its related anomaly, was considered by us to be within Level 3 of the fair value hierarchy, as the most significant inputs were derived utilizing our internally prepared budgets and forecast information, which we believe a market participant would use in pricing such an asset. The estimated fair value was determined based on a probability weighted discounted cash flow analysis and was discounted at an appropriate weighted average cost of capital. During the second quarter of 2010, this long-lived asset was written down to a fair value of $35.0 million from its carrying value of $139.1 million, and continues to be depreciated. In accordance with the FASB ASC Topic 360, *Property, Plant and Equipment*, regarding the impairment or disposal of long-lived assets, we recorded an impairment charge of

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$104.1 million, which was included in our condensed consolidated statements of operations for the nine months ended September 30, 2010 (see Note 5(b) Satellites and Other Property and Equipment Impairment of Asset Value).

Note 3 Share-Based and Other Compensation Plans

On May 6, 2009, the board of directors of Intelsat Global adopted the amended and restated Intelsat Global, Ltd. 2008 Share Incentive Plan (the 2008 Share Plan). The 2008 Share Plan provides for a variety of equity-based awards with respect to Class A common shares and Class B common shares of Intelsat Global, including non-qualified share options, incentive share options (within the meaning of Section 422 of the United States Internal Revenue Code), restricted share awards, restricted share unit awards, share appreciation rights, phantom share awards and performance-based awards.

Due to the expiration of certain repurchase features that are contained within the 2008 Share Plan, we have changed the classification of certain executive officers awards from liability classified awards to equity classified awards during the first quarter of 2011. The change has been accounted for in a manner similar to that of a modification in accordance with FASB ASC Topic 718, *Compensation Stock Compensation*, and did not have a material impact on our condensed consolidated balance sheet.

During the nine months ended September 30, 2011, Intelsat Global granted 14,400 Class A share options, and repurchased 4,917 vested Class A rollover options, 3,044 vested Class A restricted shares, 1,887 vested Class A share options and 12,873 vested Class B common shares. We recorded compensation expense of $4.0 million during the nine months ended September 30, 2011, and a credit to compensation expense of $4.6 million during the nine months ended September 30, 2010, related to our share-based awards.

Note 4 Retirement Plans and Other Retiree Benefits

(a) Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan s benefit formulas, which take into account the participants remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, as part of the overall medical plan, we provide postretirement medical benefits to certain current retirees who meet the criteria under the medical plan for postretirement benefit eligibility.

The defined benefit retirement plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan s funded status. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan s funded status would negatively impact its funded status and could result in increased funding in future periods. The impact on the funded status

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as of October 1, the plan s annual measurement date, is determined based upon market conditions in effect when we completed our annual valuation. During the nine months ended September 30, 2011, we made contributions to the defined benefit retirement plan of $21.7 million. We anticipate that we will make additional contributions of approximately $4.6 million to the defined benefit retirement plan during the remainder of 2011. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2011 will be approximately $4.2 million.

Included in accumulated other comprehensive loss at September 30, 2011 is $114.6 million ($72.6 million, net of tax) that has not yet been recognized in net periodic pension cost, which includes the amortization of unrecognized prior service credits and unrecognized actuarial losses.

Net periodic pension benefit costs included the following components (in thousands):

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Service cost	$ 2,179	$ 2,326
Interest cost	15,661	15,044
Expected return on plan assets	(14,566)	(14,796)
Amortization of unrecognized prior service credit	(129)	(129)
Amortization of unrecognized net loss	2,731	5,146
Net periodic costs	$ 5,876	$ 7,591

Net periodic other postretirement benefit costs included the following components (in thousands):

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Service cost	$ 414	$ 339
Interest cost	3,696	3,802
Total costs	$ 4,110	$ 4,141

(b) Other Retirement Plans

We maintain two defined contribution retirement plans, qualified under the provisions of Section 401(k) of the Internal Revenue Code, for our employees in the United States. We recognized compensation expense for these plans of $4.6 million and $5.4 million during the nine months ended September 30, 2010 and 2011, respectively. We also maintain other defined contribution retirement plans in several non-U.S. jurisdictions, but such plans are not material to our financial position or results of operations.

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Note 5 Satellites and Other Property and Equipment

(a) Satellites and Other Property and Equipment, net

Satellites and other property and equipment, net were comprised of the following (in thousands):

	As of December 31, 2010	As of September 30, 2011
Satellites and launch vehicles	$ 7,145,919	$ 7,740,931
Information systems and ground segment	429,888	456,996
Buildings and other	282,633	279,457
Total cost	7,858,440	8,477,384
Less: accumulated depreciation	(1,861,157)	(2,297,604)
Total	$ 5,997,283	$ 6,179,780

Satellites and other property and equipment are stated at cost, with the exception of satellites that have been impaired. Satellites and other property and equipment acquired as part of an acquisition are based on their fair value at the date of acquisition.

Satellites and other property and equipment, net as of December 31, 2010 and September 30, 2011 included construction-in-progress of $1.6 billion. These amounts relate primarily to satellites under construction and related launch services. Interest costs of $69.8 million and $95.1 million were capitalized during the nine months ended September 30, 2010 and 2011, respectively.

We have entered into launch contracts for the launch of both specified and unspecified future satellites. Each of these launch contracts provides that such contract may be terminated at our option, subject to payment of a termination fee that increases in magnitude as the applicable launch date approaches. In addition, in the event of a failure of any launch, we may exercise our right to obtain a replacement launch within a specified period following our request for re-launch.

(b) Impairment of Asset Value

On February 1, 2010, our IS-4 satellite experienced an anomaly of its backup satellite control processor (SCP). The anomaly caused this satellite to be deemed unrecoverable, resulting in a net non-cash impairment charge in February 2010 of $6.5 million to write off the remaining carrying value of the satellite, which was not insured, and the related deferred performance incentive obligations. Launched in 1995, IS-4 was expected to reach its end of service life later in 2010. IS-4 had previously experienced the failure of its primary SCP and was operating on its backup SCP.

On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. We transitioned all media traffic on this satellite to our Galaxy 12 satellite, which was our designated in-orbit spare satellite for the North America

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region. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. When the anomaly occurred there was substantial uncertainty as to our ability to recover use of the satellite and, accordingly, we recognized a $104.1 million non-cash impairment charge related to Galaxy 15 during the second quarter of 2010. On December 23, 2010, we recovered command of the spacecraft and we began diagnostic testing and uploading of software updates that protect against future anomalies of this type. In February 2011, Galaxy 15 initiated a drift to 133.1° west longitude and returned to service as an in-orbit spare. In October 2011, media traffic was transferred from Galaxy 12 back to Galaxy 15 and it resumed normal service.

(c) Satellite Launch

On April 22, 2011, the Intelsat New Dawn satellite was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. A Failure Review Board was established to determine the cause of the anomaly. The Failure Review Board completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the sunshield interfered with the ejection release mechanism and prevented the deployment of the C-band antenna. Despite the C-band antenna reflector anomaly, the Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011.

In accordance with our policy and the guidance provided for under FASB ASC Topic 360, *Property, Plant and Equipment*, we review our long-lived assets for impairment whenever events and circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. The recoverability of an asset or asset group held and used is measured by a comparison of the carrying amount of the asset or asset group to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. When a satellite experiences an anomaly or other health related issues, we believe the lowest level of identifiable cash flows exists at the individual satellite level. Accordingly, in the second quarter of 2011, we performed an impairment review of our Intelsat New Dawn satellite and determined that there was no impairment of the carrying amount of the asset due to the expected cash flows to be generated by the Ku-band payload over the satellite s expected useful life.

The Intelsat New Dawn satellite and its operations are financed primarily with non-recourse debt through a joint venture in which we are the majority shareholder (see Note 6 (c) Investments New Dawn). The New Dawn joint venture has indicated to its insurers that, assuming continued failure of the west antenna reflector to deploy, the New Dawn Joint Venture is reasonably likely to file a partial loss claim. All or most of the proceeds of any insurance claim will be used to pay down the New Dawn joint venture s debt in accordance with New Dawn s existing debt agreements (see Note 8 Long-Term Debt New Dawn Credit Facilities).

On October 5, 2011, we successfully launched our IS-18 satellite into orbit. This satellite will replace Intelsat 701 at 180° east longitude and will provide capacity to enable enhanced direct-to-home coverage and network services throughout the Pacific Ocean region via Ku-band and C-band platforms. In-orbit testing on IS-18 is complete and the satellite has completed its drift to the 180° east orbital location, where it will enter into service in November 2011.

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Note 6 Investments

We have ownership interests in a number of entities which met the criteria of a Variable Interest Entity (VIE), including Horizons Satellite Holdings, LLC (Horizons Holdings) and WP Com, S. de R.L. de C.V. (WP Com). We have a greater than 50% controlling ownership and voting interest in New Dawn and therefore consolidate the New Dawn joint venture. Horizons Holdings, as well as WP Com, are discussed in further detail below, including our analyses of the primary beneficiary determination as required under FASB ASC Topic 810, *Consolidation* (FASB ASC 810).

(a) WildBlue Communications, Inc.

Prior to December 15, 2009, we had a noncontrolling ownership interest of approximately 28% in WildBlue Communications, Inc. (WildBlue), a company offering broadband Internet access services in the continental United States via Ka-band satellite capacity. We accounted for our investment using the equity method of accounting. On December 15, 2009, we sold our ownership interest in WildBlue to Viasat Inc. (Viasat) through a non-cash transaction whereby we exchanged our interest in WildBlue for shares of Viasat common stock. During the first quarter of 2010, we sold all of our shares of Viasat common stock for $28.6 million, and recorded a $1.3 million gain on the sale within our condensed consolidated statement of operations during the nine months ended September 30, 2010.

(b) Horizons Holdings

We have a joint venture with JSAT International, Inc. (JSAT), a leading satellite operator in the Asia-Pacific region. The joint venture is named Horizons Satellite Holdings, LLC and consists of two investments: Horizons-1 Satellite LLC (Horizons-1) and Horizons-2 Satellite LLC (Horizons-2). We provide certain services to the joint venture and utilize capacity from the joint venture.

Under FASB ASC 810, we are required to reassess the primary beneficiary determination of Horizons Holdings on a recurring basis, as well as consider qualitative factors when identifying the primary beneficiary. Upon inception of the joint venture, we originally concluded that we were not the primary beneficiary, and therefore, did not consolidate Horizons Holdings. The assessment considered both quantitative and qualitative factors surrounding the joint venture, including which entity had more voting power or other control of the joint venture as well as whether either entity was exposed to risk of loss or gain. Horizons Holdings was set up with a joint 50/50 share of management authority and equal rights to profits and revenues from Horizons-1 and Horizons-2. However, Horizons Holdings borrowed from JSAT a portion of the funds necessary to finance the construction of the Horizons-2 satellite. As a result, it was initially determined that we were not the primary beneficiary and therefore would not consolidate Horizons Holdings. Our investment was accounted for using the equity method of accounting. Prior to September 30, 2011, there had been no events or revisions to the joint venture that changed our primary beneficiary determination.

On September 30, 2011, Intelsat and JSAT amended the joint venture agreement relating to their investment in Horizons Holdings (the Horizons Amendment), and as a result,

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we re-evaluated the primary beneficiary determination. Pursuant to the Horizons Amendment, the Horizons-2 satellite will be relocated to 85° east longitude and decisions relating to any future relocation of the Horizons-2 satellite will be effectively controlled by us. We believe satellite location is the most significant driver of Horizons Holdings economic performance. Additionally, the Horizons-1 satellite is the less significant asset of the joint venture. As a result, we determined that we became the primary beneficiary of Horizons Holdings as of September 30, 2011. In accordance with FASB ASC 810, as the primary beneficiary, we have consolidated Horizons Holdings within our condensed consolidated financial statements, net of eliminating entries, as of September 30, 2011.

In accordance with FASB ASC 810, the initial consolidation of a VIE that is a business is considered a business combination and should be accounted for in accordance with the provisions in FASB ASC Topic 805, *Business Combinations* (FASB ASC 805). Based on the guidance in FASB ASC 805, an equity interest that is currently held as the result of a previous transaction is remeasured at fair value when an acquirer gains control, and any resulting gain or loss is recognized in the statement of operations. In addition, FASB ASC 805 states that an acquirer must recognize the identifiable assets acquired, the liabilities assumed and any noncontrolling interest at their acquisition date fair values. Determining the fair values of the net assets of Horizons Holdings required us to make significant estimates and assumptions. In order to develop the fair value estimates, we utilized the income approach. Our estimates included assumptions about projected growth rates, cost of capital, effective tax rates and industry and economic trends. While we believe that the estimates and assumptions underlying the valuation methodology were reasonable, different assumptions could have resulted in different market values. We recorded the assets, liabilities and the noncontrolling interest in Horizons Holdings at fair value in our accompanying condensed consolidated balance sheet at September 30, 2011. The $49.3 million noncontrolling interest is included in the equity section of our condensed consolidated balance sheet in accordance with FASB ASC 810. In the nine months ended September 30, 2011, we also recorded a charge of $20.2 million in earnings (loss) from previously unconsolidated affiliates in the accompanying condensed consolidated statements of operations for the difference between the fair value and carrying value of our investment in Horizons Holdings. In addition, we recorded a $7.4 million income tax benefit in the condensed consolidated statements of operations in the three and nine months ended September 30, 2011, related to this charge.

Prior to the consolidation of Horizons Holdings on September 30, 2011, under the equity method of accounting, our 50% share of the results of the joint venture was a gain of $0.4 million and a loss of $4.5 million for the nine months ended September 30, 2010 and 2011, respectively, which is included in earnings (loss) from previously unconsolidated affiliates in the accompanying condensed consolidated statements of operations.

Through September 30, 2011, we have recorded expenses in relation to the utilization of satellite capacity on the Ku-band portion of the Horizons-1 satellite and on the Horizons-2 satellite. Additionally, we provide tracking, telemetry and commanding as well as administrative services for the Horizons-1 and the Horizons-2 satellites (collectively, the Horizons Satellites), and we have recorded revenue for these services. Following the consolidation of Horizons Holdings at September 30, 2011, these revenues and expenses will be considered intercompany transactions and will be eliminated in consolidation.

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We also have a revenue sharing agreement with JSAT related to services sold on the Horizons Satellites. We are responsible for billing and collecting for such services, and we remit 50% of the revenue to JSAT. Under the Horizons Amendment, we have agreed to guarantee to JSAT certain minimum levels of annual gross revenues for a three-year period beginning on the date that the Horizons-2 satellite is relocated to 85° east longitude. This guarantee could require us to pay JSAT a maximum potential amount ranging from $7.8 million to $10.3 million per year over the three-year period; however, we have assessed the likelihood of any payments being made as remote. In addition, we have guaranteed JSAT certain minimum levels of revenue on the Horizons-2 satellite prior to the arrival at 85° east longitude. Amounts payable to JSAT related to the revenue share from the Horizons Satellites were $3.4 million and $3.0 million as of December 31, 2010 and September 30, 2011, respectively.

(c) New Dawn

In June 2008, we entered into a project and shareholders agreement (the New Dawn Project Agreement) with Convergence SPV, Ltd. (Convergence Partners) pursuant to which New Dawn, a Mauritius company in which we have a 74.9% indirect ownership interest and Convergence Partners has a 25.1% noncontrolling ownership interest, launched a new satellite in April 2011 to provide satellite transponder services to customers in Africa (see Note 5(c) Satellite Launch).

New Dawn entered into a secured loan financing arrangement, which is non-recourse to New Dawn s shareholders, including us and our wholly-owned subsidiaries, beyond the shareholders scheduled capital contributions, on December 5, 2008 to obtain $215.0 million of financing to fund a portion of the cost of construction and launch of the new satellite (see Note 8 Long-Term Debt). In addition, we and Convergence Partners have agreed to make certain capital contributions to New Dawn in proportion to our respective ownership interests in New Dawn to fund a portion of these costs. Total equity contributions during the nine months ended September 30, 2010 and 2011 were $4.1 million and $6.9 million, respectively, of which $3.1 million and $5.2 million were attributable to us with the remaining $1.0 million and $1.7 million contributed by Convergence Partners. New Dawn and its subsidiaries are unrestricted subsidiaries for purposes of our applicable indentures and credit agreements.

We have agreed to provide sales and marketing services, engineering and administrative support services, and have agreed to perform satellite-related consulting and technical services for New Dawn. The services include the provision of program management services with respect to the satellite and launch vehicle construction programs as well as TT&C services for the new satellite. In addition, for a fee of $15.0 million together with assumption of continuing payment obligations, we assigned New Dawn a launch service contract to provide for the launch of the New Dawn satellite.

Convergence Partners has at its option the ability to require us to buy its ownership interest at fair value subsequent to the operations of New Dawn s assets for a period as defined in the New Dawn Project Agreement. As a result of this option, as of each balance sheet date, we have reflected within mezzanine equity the estimated amount that we would pay to Convergence Partners if the option were exercised. This amount reflects the fair value analysis we performed at September 30, 2011, which resulted in a year-to-date decrease of $15.9 million

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in the fair value of the option, reducing it to $2.0 million. This decrease reflects the impact on the fair value analysis of the option associated with the C-band antenna reflector anomaly on the Intelsat New Dawn satellite (see Note 5(c) Satellite Launch). The $15.9 million change in fair value is shown as an increase in our paid-in capital at September 30, 2011. We have assessed the significance of the Level 3 inputs to the overall valuation and have concluded that the valuation in its entirety is classified in Level 3 of the fair value hierarchy (see Note 2 Fair Value Measurements).

We consolidate New Dawn within our condensed consolidated financial statements, net of eliminating entries. Additionally, we account for the percentage interest in New Dawn owned by Convergence Partners as a noncontrolling interest according to the guidance provided under FASB ASC 480 related to the classification and measurement of redeemable securities.

(d) WP Com

We have formed a joint venture with Corporativo W. Com S. de R.L. de C.V. (Corporativo) named WP Com, S. de R.L. de C.V. We own 49% of the voting equity shares and 88% of the economic interest in WP Com and Corporativo owns the remaining 51% of the voting equity shares. PanAmSat de Mexico, S. de R.L. de C.V. (PAS de Mexico) is a subsidiary of WP Com, 99.9% of which is owned by WP Com, with the remainder of the equity interest split between us and Corporativo. We formed WP Com to enable us to operate in Mexico, and PAS de Mexico acts as a reseller of our satellite services to customers in Mexico and, beginning in the second quarter of 2011, in Ecuador. Profits and losses of WP Com are allocated to the joint venture partners based upon the voting equity shares.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810. In accordance with FASB ASC 810, we evaluated this joint venture to determine the primary beneficiary. We have concluded that we are the primary beneficiary because we influence the underlying business drivers of PAS de Mexico, including by acting as the sole provider for satellite services that PAS de Mexico resells. Furthermore, we have modified our pricing for these services to ensure that PAS de Mexico continues to operate in the Mexican market. Corporativo does not fund any of the operating expenses of PAS de Mexico. Thus, we have consolidated WP Com within our condensed consolidated financial statements and we have accounted for the percentage interest in the voting equity of WP Com owned by Corporativo as a noncontrolling interest, which is included in the equity section of our condensed consolidated balance sheet in accordance with FASB ASC 810.

Note 7 Goodwill and Other Intangible Assets

The carrying amounts of goodwill and acquired intangible assets not subject to amortization consist of the following (in thousands):

	As of December 31, 2010	As of September 30, 2011
Goodwill	$ 6,780,827	$ 6,780,827
Trade name	70,400	70,400
Orbital locations	2,387,700	2,387,700

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We determined the estimated fair value of our rights to operate at orbital locations using the build up method, as described below, to determine the cash flows for the income approach, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital. In instances where the build up method did not generate positive value for the right to operate at an orbital location, but the right was expected to generate revenue, we assigned a value based upon independent source data for recent transactions related to similar orbital locations, which are considered Level 3 inputs within the fair value hierarchy under FASB ASC 820.

Under the build up method, the amount an investor would be willing to pay for the right to operate a satellite business at an orbital location is calculated by first estimating the cash flows that typical market participants would assume could be available from the right to operate satellites using the subject location in a similar market. It is assumed that rather than acquiring such a business as a going concern, the buyer would hypothetically start with the right to operate at the orbital locations and build a new operation with similar attributes from scratch. Thus the buyer or builder is considered to incur the start-up costs and losses typically associated with the going concern value and pay for all other tangible and intangible assets.

We account for goodwill and other non-amortizable intangible assets in accordance with FASB ASC Topic 350, *Intangibles Goodwill and Other*, and have deemed these assets to have indefinite lives. Therefore, these assets are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

The carrying amount and accumulated amortization of acquired intangible assets subject to amortization consist of the following (in thousands):

	As of December 31, 2010			As of September 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Backlog and other	$ 743,760	$ (376,455)	$ 367,305	$ 743,760	$ (436,568)	$ 307,192
Customer relationships	534,030	(53,017)	481,013	534,030	(71,992)	462,038
Technology	2,700	(2,700)		2,700	(2,700)	
Total	$ 1,280,490	$ (432,172)	$ 848,318	$ 1,280,490	$ (511,260)	$ 769,230

Intangible assets are amortized based on the expected pattern of consumption. We recorded amortization expense of $97.7 million and $79.1 million for the nine months ended September 30, 2010 and 2011, respectively.

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Note 8 Long-Term Debt

The carrying values and fair values of our notes payable and long-term debt were as follows (in thousands):

	As of December 31, 2010		As of September 30, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Intelsat S.A.:				
6.5% Senior Notes due November 2013	$ 353,550	$ 368,152	$ 353,550	$ 359,737
Unamortized discount on 6.5% Senior Notes	(73,687)		(57,369)	
7.625% Senior Notes due April 2012	485,841	510,133		
Unamortized discount on 7.625% Senior Notes	(43,757)			
Total Intelsat S.A. obligations	721,947	878,285	296,181	359,737
Intelsat Luxembourg:				
11.25% Senior Notes due February 2017	2,805,000	3,064,463	2,805,000	2,426,325
11.5% / 12.5% Senior PIK Election Notes due February 2017	2,427,138	2,675,919	2,502,986	2,108,766
Total Intelsat Luxembourg obligations	5,232,138	5,740,382	5,307,986	4,535,091
Intelsat Jackson:				
11.25% Senior Notes due June 2016	1,048,220	1,129,457	1,048,220	1,066,564
Unamortized premium on 11.25% Senior Notes	4,990		4,469	
11.5% Senior Notes due June 2016	284,595	305,940		
9.5% Senior Notes due June 2016	701,913	740,518	701,913	710,687
9.25% Senior Notes due June 2016	55,035	59,509		
Senior Secured Credit Facilities due April 2018			3,241,875	3,144,619
Unamortized discount on Senior Secured Credit Facilities			(14,851)	
Senior Unsecured Credit Facilities due February 2014	195,152	185,161	195,152	181,004
New Senior Unsecured Credit Facilities due February 2014	810,876	769,359	810,876	752,087
8.5% Senior Notes due November 2019	500,000	543,750	500,000	492,500
Unamortized discount on 8.5% Senior Notes	(3,845)		(3,623)	
7.25% Senior Notes due October 2020	1,000,000	1,010,000	1,000,000	925,000
7.25% Senior Notes due April 2019			1,500,000	1,395,000
7.5% Senior Notes due April 2021			1,150,000	1,072,375
Total Intelsat Jackson obligations	4,596,936	4,743,694	10,134,031	9,739,836
Intermediate Holdco:				
9.25% Senior Discount Notes due February 2015	4,545	4,681		
9.5% Senior Discount Notes due February 2015	481,020	495,451		

Total Intermediate Holdco obligations	485,565	500,132		
Intelsat Sub Holdco:				
8.5% Senior Notes due January 2013	850,346	852,472		
8.875% Senior Notes due January 2015	681,012	699,740		
Senior Secured Credit Facilities due July 2013	330,960	328,478		
8.875% Senior Notes due January 2015, Series B	400,000	411,000		
Unamortized discount on 8.875% Senior Notes	(63,050)			
Total Intelsat Sub Holdco obligations	2,199,268	2,291,690		
New Dawn:				
Senior Secured Debt Facility due January 2017	84,773	84,773	107,378	107,378
Mezzanine Secured Debt Facility due January 2019	62,819	62,819	79,850	79,850
10.5% Note Payable to Convergence Partners			502	502
New Dawn obligations	147,592	147,592	187,730	187,730
Intelsat Corp:				
Senior Secured Credit Facilities due January 2014	1,715,522	1,709,517		
Unamortized discount on Senior Secured Credit Facilities	(8,361)			
Senior Secured Credit Facilities due July 2012	133,466	132,305		
9.25% Senior Notes due August 2014	111,833	115,333		
9.25% Senior Notes due June 2016	580,719	627,177		
Total Intelsat Corp obligations	2,533,179	2,584,332		
Horizons Holdings:				
Loan Payable to JSAT			73,255	73,255
New Dawn obligations			73,255	73,255
Total Intelsat S.A. long-term debt	15,916,625	$ 16,886,107	15,999,183	$ 14,895,649
Less:				
Current portion of long-term debt	94,723		57,420	
Total current portion	94,723		57,420	
Total long-term debt, excluding current portion	$ 15,821,902		$ 15,941,763	

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The fair value for publicly traded instruments is determined using quoted market prices, and for non-publicly traded instruments, fair value is based upon composite pricing from a variety of sources, including market leading data providers, market makers, and leading brokerage firms. Substantially all of the inputs used to determine the fair value are classified as Level 1 inputs within the fair value hierarchy from FASB ASC 820, except our senior secured credit facilities, the inputs for which are classified as Level 2. The fair values of the New Dawn and the Horizons Holdings obligations approximate their respective book values.

Senior Secured Credit Facilities

On January 12, 2011, Intelsat Jackson Holdings S.A. (Intelsat Jackson), a wholly-owned subsidiary of Intelsat S.A., entered into a secured credit agreement (the Intelsat Jackson Secured Credit Agreement), which includes a $3.25 billion term loan facility maturing in April 2018 and a $500.0 million revolving credit facility with a five year maturity, and borrowed the full $3.25 billion under the term loan facility. The term loan facility requires regularly scheduled quarterly payments of principal equal to 0.25% of the original principal amount of the term loan beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity on April 2, 2018. Up to $350.0 million of the revolving credit facility is available for issuance of letters of credit. Additionally, up to $70.0 million of the revolving credit facility is available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans reduce availability under the revolving credit facility on a dollar for dollar basis. Intelsat Jackson is required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 0.375%. In August 2011, we borrowed and subsequently repaid $200.0 million principal amount under the revolving credit facility. As of September 30, 2011, Intelsat Jackson had $462.0 million (net of standby letters of credit) of availability remaining under its revolving credit facility.

The Intelsat Jackson Secured Credit Agreement includes two financial covenants. Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio of less than or equal to 3.50 to 1.00 at the end of each fiscal quarter as well as a consolidated EBITDA to consolidated interest expense ratio of greater than or equal to 1.75 to 1.00 at the end of each fiscal quarter, in each case as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement. Intelsat Jackson was in compliance with these financial maintenance covenant ratios with a consolidated secured debt to consolidated EBITDA ratio of 1.48 to 1.00 and a consolidated EBITDA to consolidated interest expense ratio of 2.74 to 1.00 as of September 30, 2011.

New Dawn Credit Facilities

On December 5, 2008, New Dawn entered into a $215.0 million secured financing arrangement with an eight year maturity that consists of senior and mezzanine term loan facilities. The credit facilities are non-recourse to New Dawn s shareholders, including us and our wholly-owned subsidiaries, beyond the shareholders scheduled capital contributions. During the nine months ended September 30, 2011, New Dawn drew $35.2 million under this facility, primarily to fund the purchase of launch insurance for the launch of the Intelsat New Dawn satellite in the second quarter of 2011, and insurance on the satellite for five years in-orbit. The senior facility provides for a commitment of up to $125.0

million. The interest rate

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on term loans under the senior facility is the aggregate of the London Inter-Bank Offered Rate (LIBOR) plus an applicable margin between 3.0% and 4.0% and certain costs, if incurred. The mezzanine facility provides for a commitment of up to $90.0 million. The interest rate on term loans under the mezzanine facility is the aggregate of LIBOR plus an applicable margin between 5.3% and 6.3% and certain costs, if incurred. New Dawn is required to pay a commitment fee at a rate per annum of 0.5% on any unused commitments under the credit facilities. During the nine months ended September 30, 2011, New Dawn paid $46.4 million for satellite related capital expenditures, and had aggregate outstanding borrowings of $187.2 million under its credit facilities as of September 30, 2011.

2011 Reorganization and 2011 Secured Loan Refinancing

On January 12, 2011, certain of our subsidiaries completed a series of internal transactions and related steps that reorganized the ownership of our assets among our subsidiaries and effectively combined the legacy businesses of Intelsat Subsidiary Holding Company S.A. (Intelsat Sub Holdco) and Intelsat Corporation (Intelsat Corp) in order to simplify our operations and enhance our ability to transact business in an efficient manner (the 2011 Reorganization). Also on January 12, 2011, Intelsat Jackson entered into the Intelsat Jackson Secured Credit Agreement as discussed above, and borrowed $3.25 billion under a term loan facility. Part of the net proceeds of the term loan, amounting to $2.4 billion, were contributed or loaned to Intelsat Corp, which used such funds to repay its existing indebtedness under Intelsat Corp s senior secured facilities and to redeem Intelsat Corp s 9 1/4% Senior Notes due 2016. Separately, Intelsat Corp also redeemed all of its 9 1/4% Senior Notes due 2014 and its 6 7/8% Senior Secured Debentures due 2028. In addition, Intelsat Jackson contributed approximately $330.2 million of the net proceeds of the new term loan to Intelsat Sub Holdco to repay all existing indebtedness under Intelsat Sub Holdco s senior secured credit facilities. The entry into the Intelsat Jackson Secured Credit Agreement, the repayment of the existing indebtedness of Intelsat Corp and the repayment of all the secured existing indebtedness of Intelsat Sub Holdco are referred to collectively as the 2011 Secured Loan Refinancing . In connection with the 2011 Secured Loan Refinancing, certain of our interest rate swaps were assigned by Intelsat Sub Holdco and Intelsat Corp to Intelsat Jackson, and are now secured by a first priority security interest in the collateral that also secures obligations under the Intelsat Jackson Secured Credit Agreement. Additionally, in connection with the 2011 Secured Loan Refinancing, we recognized a loss on early extinguishment of debt of $87.9 million during the first quarter of 2011, which consists of the difference between the carrying value of the Intelsat Corp and Intelsat Sub Holdco debt repaid and the total cash amount paid (including related fees), and a write-off of unamortized debt discounts and debt issuance costs.

2011 Notes Redemptions

On March 18, 2011, Intelsat S.A. redeemed all of the $485.8 million aggregate principal amount outstanding of its 7 5/8% Senior Notes due 2012. Additionally, on March 18, 2011, Intelsat Sub Holdco redeemed $225.0 million aggregate principal amount outstanding of its 8 1/2% Senior Notes due 2013 (the 2013 Sub Holdco Notes). In connection with these redemptions, we recognized a loss on early extinguishment of $80.3 million during the first quarter of 2011, which consists of the difference between the carrying value of the Intelsat S.A.

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and Intelsat Sub Holdco debt repaid and the total cash paid (including related fees), and a write-off of unamortized debt discounts and debt issuance costs. On April 8, 2011, Intelsat Intermediate Holding Company S.A. (Intermediate Holdco) redeemed all of the $4.5 million aggregate principal amount outstanding of its 9 $^{1}/_{4}$% Senior Discount Notes due 2015.

2011 Intelsat Jackson Notes Offering, Tender Offers and Additional Redemptions

On April 5, 2011, Intelsat Jackson completed an offering of $2.65 billion aggregate principal amount of senior notes (the 2011 Intelsat Jackson Notes Offering), consisting of $1.5 billion aggregate principal amount of 7 $^{1}/_{4}$% Senior Notes due 2019 and $1.15 billion aggregate principal amount of 7 $^{1}/_{2}$% Senior Notes due 2021 (collectively, the New Jackson Notes). The net proceeds from the sale of the New Jackson Notes were primarily used to repurchase all of the following notes in tender offers launched on March 21, 2011 and completed on April 15, 2011, and to subsequently redeem the remaining outstanding amounts of such notes on May 5, 2011:

- $481.0 million aggregate principal amount outstanding of the Intermediate Holdco 9 $^{1}/_{2}$% Senior Discount Notes due 2015;

- $625.3 million aggregate principal amount outstanding of the 2013 Sub Holdco Notes, after giving effect to the March 2011 partial redemption of the 2013 Sub Holdco Notes, as discussed above;

- $681.0 million aggregate principal amount outstanding of the Intelsat Sub Holdco 8 $^{7}/_{8}$% Senior Notes due 2015;

- $400.0 million aggregate principal amount outstanding of the 2015 Intelsat Sub Holdco Notes, Series B;

- $55.0 million aggregate principal amount outstanding of the Intelsat Jackson 9 $^{1}/_{4}$% Senior Notes due 2016; and

- $284.6 million aggregate principal amount outstanding of the Intelsat Jackson 11 $^{1}/_{2}$% Senior Notes due 2016.

As a result, all of the above series of notes were paid off in full and no third party debt remained outstanding at Intermediate Holdco and Intelsat Sub Holdco as of May 5, 2011. Additionally, in connection with the above transactions, we recognized a loss on early extinguishment of debt of $158.0 million during the second quarter of 2011, which consists of the difference between the carrying value of the debt repaid or redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt discounts and debt issuance costs.

Horizons Holdings Debt

On September 30, 2011, we began consolidating Horizons Holdings within our results (see Note 6 Investments (b) Horizons Holdings). As of the date of consolidation, Horizons Holdings had a debt balance of $73.3 million which is included in long-term debt on our condensed consolidated balance sheet at September 30, 2011. Horizons Holdings incurred the

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debt pursuant to a loan agreement with JSAT in August 2005 (the Horizons Loan) whereby JSAT loaned Horizon Holdings funds for the construction of the Horizons-2 satellite. Horizons Holdings obligations under the loan agreement are secured by a security interest in substantially all of the assets of Horizons Holdings, Horizons-1 and Horizons-2. Payments on the Horizons Loan are made semi-annually in March and September in equal installments. As of September 30, 2011, six semi-annual payments remain on the Horizons Loan, which will be fully repaid in September 2014. The Horizons Loan carries an interest rate of LIBOR plus 0.6%.

Note 9 Derivative Instruments and Hedging Activities

Interest Rate Swaps

We are subject to interest rate risk primarily associated with our variable rate borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risk includes: the risk of increasing interest rates on short-term debt; the risk of increasing interest rates for planned new fixed long-term financings; and the risk of increasing interest rates for planned refinancing using long-term fixed rate debt. In order to mitigate this risk, we have entered into interest rate swap agreements to reduce the impact of interest rate movements on future interest expense by converting substantially all of our floating-rate debt to a fixed rate.

In connection with the 2011 Secured Loan Refinancing, certain of our interest rate swaps were assigned by Intelsat Sub Holdco and Intelsat Corp to Intelsat Jackson, and are now secured by a first priority security interest in the collateral that also secures obligations under the Intelsat Jackson Secured Credit Agreement (see Note 8 Long-Term Debt).

As of September 30, 2011, we held interest rate swaps with an aggregate notional amount of $2.3 billion that mature in 2013. These swaps were entered into as further described below to economically hedge the variability in cash flow on a portion of the floating-rate term loan under our senior secured and unsecured credit facilities, but have not been designated as hedges for accounting purposes. On a quarterly basis, we receive a floating rate of interest equal to the three-month LIBOR and pay a fixed rate of interest. On the interest rate reset date of September 14, 2011, the interest rate which the counterparties utilized to compute interest due to us was determined to be 0.3429%.

Additionally, New Dawn had a zero-coupon interest rate swap with varying notional amounts that matured on July 7, 2011. As of September 30, 2011, New Dawn had a floating-to-fixed interest rate swap to hedge future interest payments on its senior and mezzanine term loan facilities. The interest rate swap has an effective date of July 7, 2011, maturing on July 7, 2014, with a notional amount of $65.5 million for the mezzanine loan and $91.0 million for the senior loan. We receive an interest rate of three-month LIBOR and pay a fixed coupon rate of 3.72%. On the interest rate reset date of July 5, 2011, the interest rate which the counterparties utilized to compute interest due to us was determined to be

0.24575%. Both of these swaps were undesignated as hedges for accounting purposes.

The counterparties to our interest rate swap agreements are highly rated financial institutions. In the unlikely event that the counterparties fail to meet the terms of the interest

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rate swaps, our exposure is limited to the interest rate differential on the notional amount at each quarterly settlement period over the life of the agreement. We do not anticipate non-performance by the counterparties.

All of these interest rate swaps were undesignated as of September 30, 2011. The swaps are marked-to-market quarterly with any change in fair value recorded within (gains) losses on derivative financial instruments in our condensed consolidated statements of operations. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements of our derivatives. The fair value measurement of derivatives could result in either a net asset or a net liability position for us. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting arrangements as applicable and necessary. When the swaps are in a net liability position for us, the credit valuation adjustments are calculated by determining the total expected exposure of the derivatives, incorporating the current and potential future exposures and then applying an applicable credit spread to the exposure. The total expected exposure of a derivative is derived using market-observable inputs, such as yield curves and volatilities. The inputs utilized for our own credit spread are based on implied spreads from traded levels of our debt. Accordingly, as of September 30, 2011, we recorded a non-cash credit valuation adjustment of approximately $4.7 million as a reduction to our liability.

As of December 31, 2010 and September 30, 2011, $6.4 million and $4.8 million was included in other current liabilities, and $141.4 million and $110.5 million was included in other long-term liabilities, respectively, within our condensed consolidated balance sheets related to the interest rate swaps.

Put Option Embedded Derivative Instrument

At the date of issuance of the 2015 Intelsat Sub Holdco Notes, Series B, we determined that these debt instruments contained a contingent put option clause within the host contract, which afforded the holders of the notes the option to require the issuer to repurchase such notes at 101% of their principal amount in the event of a change of control, as defined in the indenture governing the notes. In our evaluation of the financing arrangement, we concluded that the contingent put option required bifurcation in accordance with current accounting standards under FASB ASC Topic 815, *Derivatives and Hedging*, (FASB ASC 815). We therefore bifurcated the contingent put option and carried it as a derivative liability at fair value. We estimated the fair value of the derivative on the date of inception using a standard valuation technique, which places the most significant emphasis upon the estimated date and probability of a change of control and incorporated the issue price, maturity date and change of control put price. We subsequently revalued the derivative at the end of each reporting period, recognizing any change in fair value through earnings. The fair value of the embedded derivative was calculated as $4.3 million at December 31, 2010. As of May 5, 2011, we redeemed the entire $400 million aggregate principal amount outstanding of the 2015 Intelsat Sub Holdco Notes, Series B (see Note 8 Long-Term Debt for further discussion). Therefore, we derecognized the embedded derivative liability and the value at September 30, 2011 was $0. We recorded a gain of $4.3 million included in losses on derivative financial instruments in our

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condensed consolidated statement of operations during the nine months ended September 30, 2011 to adjust the fair market value of the put option embedded derivative to $0.

In accordance with disclosure requirements provided under FASB ASC 815, we include the following tabular presentation, which sets forth the fair value of our derivatives by category (in thousands):

Derivatives not designated as hedging instruments	**Balance Sheet Location**	**Liability Derivatives December 31, 2010**	**Liability Derivatives September 30, 2011**
Undesignated interest rate swaps	Other current liabilities	$ 6,404	$ 4,842
Undesignated interest rate swaps	Other long-term liabilities	141,411	110,527
Put option embedded derivative	Other long-term liabilities	4,295	
Total derivatives		$ 152,110	$ 115,369

The following tabular presentation sets forth the effect of the derivative instruments on the condensed consolidated statements of operations (in thousands):

Derivatives not designated as hedging instruments	**Presentation in Statements of Operations**	**Nine Months Ended September 30, 2010**	**Nine Months Ended September 30, 2011**
Undesignated interest rate swaps	Losses on derivative financial instruments	$ 105,192	$ 28,458
Put option embedded derivative	Losses on derivative financial instruments	(14,600)	(4,295)
Total losses on derivative financial instruments		$ 90,592	$ 24,163

Note 10 Income Taxes

The majority of our operations are located in taxable jurisdictions, including Luxembourg, the United States and the United Kingdom. Our Luxembourg companies that file tax returns as a consolidated group generated a loss for the nine months ended September 30, 2011. Due to our cumulative losses in recent years, and the inherent uncertainty associated with the realization of taxable income in the foreseeable future, we recorded a full valuation allowance against the net operating losses generated in Luxembourg. The difference between tax expense (benefit) reported in the condensed consolidated statements of operations and tax computed at statutory rates is attributable to the valuation allowance on losses generated in Luxembourg, the provision for foreign taxes, which were principally in the United States and the United Kingdom, as well as withholding taxes on revenue earned in many of the foreign markets in which we operate.

Cash paid for income taxes, net of refunds, totaled $32.0 million and $19.5 million for the nine months ended September 30, 2010 and 2011, respectively.

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As of December 31, 2010 and September 30, 2011, our gross unrecognized tax benefits were $72.0 million and $61.9 million, respectively (including interest and penalties), of which $50.6 million and $44.1 million, respectively, if recognized, would affect our effective tax rate. As of December 31, 2010 and September 30, 2011, we had recorded reserves for interest and penalties in the amount of $5.7 million and $5.8 million, respectively. We continue to recognize interest and, to the extent applicable, penalties with respect to the unrecognized tax benefits as income tax expense. Since December 31, 2010, the change in the balance of unrecognized tax benefits consisted of a decrease of $11.7 million related to prior period tax positions and an increase of $1.6 million related to current period tax positions.

During the nine months ended September 30, 2011, we released $14.3 million of liabilities related to withholding taxes resulting from certain sales in the Asia-Pacific market. These liabilities were previously recorded in accordance with FASB ASC 740, Income Taxes.

We operate in various taxable jurisdictions throughout the world and our tax returns are subject to audit and review from time to time. We consider Luxembourg, the United States and the United Kingdom to be our significant tax jurisdictions. Our Luxembourg, U.S. and U.K. subsidiaries are subject to income tax examination for periods beginning after December 31, 2004.

Within the next twelve months, we believe that there are no jurisdictions in which the outcome of unresolved tax issues or claims is likely to be material to our results of operations, financial position or cash flows.

During the nine months ended September 30, 2011, the U.S. Internal Revenue Service began its audit of Intelsat Holding Corporation for the years ended December 31, 2008 and 2009. At this point in time, it is too early to anticipate the probability of any adjustments resulting from this audit.

On September 30, 2011, certain subsidiaries of Intelsat Corp, an indirect U.S. subsidiary of Intelsat S.A., merged into Intelsat Corp. Intelsat Corp released certain state valuation allowances and recorded a tax benefit of $35.1 million as a result of these mergers.

As a result of the $20.2 million fair value adjustment related to the Horizons Holdings joint venture consolidation, we recorded a tax benefit of $7.4 million in the three and nine months ended September 30, 2011 (see Note 6 Investments (b) Horizons Holdings).

Prior to August 20, 2004, Intelsat Corp, joined with The DIRECTV Group and General Motors Corporation in filing a consolidated U.S. federal income tax return. In April 2004, Intelsat Corp entered into a tax separation agreement with The DIRECTV Group that superseded four earlier tax-related agreements among Intelsat Corp and its subsidiaries, The DIRECTV Group and certain of its affiliates. Pursuant to the tax separation agreement, The DIRECTV Group agreed to indemnify Intelsat Corp for all federal and consolidated state and local income taxes a taxing authority may attempt to collect from Intelsat Corp regarding any liability for the federal or consolidated state or local income taxes of General Motors Corporation and The DIRECTV Group, except those income taxes Intelsat Corp is required to pay under the tax separation

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agreement. In addition, The DIRECTV Group agreed to indemnify Intelsat Corp for any taxes (other than those taxes described in the preceding sentence) related to any periods or portions of such periods ending on, or prior to, the day of the closing of the PanAmSat recapitalization, which occurred on August 20, 2004, in amounts equal to 80% of the first $75.0 million of such other taxes and 100% of any other taxes in excess of the first $75.0 million. As a result, Intelsat Corp s tax exposure after indemnification related to these periods is capped at $15.0 million, of which $4.0 million has been paid to date. The tax separation agreement with The DIRECTV Group is effective from August 20, 2004 until the expiration of the statute of limitations with respect to all taxes to which the tax separation agreement relates. As of December 31, 2010 and September 30, 2011, we had a tax indemnification receivable of $2.3 million.

Note 11 Contingencies

(a) Litigation and Claims

We are subject to litigation in the ordinary course of business. Management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

(b) LCO Protection

Most of the customer service commitments entered into prior to our privatization in 2001 were transferred to us pursuant to novation agreements. Certain of these agreements contain provisions, including provisions for lifeline connectivity obligation (LCO) protection, which constrain our ability to price services in some circumstances. Our LCO contracts require us to provide customers with the right to renew their service commitments covered by LCO contracts at prices no higher than the prices charged for those services on the privatization date. Under some circumstances, we may also be required by an LCO contract to reduce the price for a service commitment covered by the contract. LCO protection may continue until July 18, 2013. As of September 30, 2011, we had approximately $102.4 million of contracted backlog covered by LCO contracts and to date we have not been required to reduce prices for our LCO-protected service commitments. There can be no assurance that we will not be required to reduce prices in the future under our LCO commitments.

(c) WildBlue Litigation

In late 2010, Intelsat USA Sales Corp. (USA Sales), our wholly-owned indirect subsidiary, and certain of our directors and officers, among other third parties, were named as additional defendants in an Amended Complaint and Petition for Appraisal (Amended Complaint) in a lawsuit filed in the Delaware Court of Chancery. The lawsuit against WildBlue alleges, among other matters, that various of the former directors of WildBlue, including certain of our directors and officers, breached their fiduciary duty in connection with their approval of a recapitalization of WildBlue in July 2008, and that USA Sales aided and abetted such alleged breach. WildBlue is a broadband internet service access provider via satellite in the continental United States. USA Sales owned approximately 28% of WildBlue before selling its interest to Viasat in a non-cash transaction in December 2009. WildBlue is now a wholly-owned subsidiary of Viasat. The Amended Complaint seeks a statutory appraisal remedy under Delaware law. In

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addition, the plaintiffs are seeking unspecified monetary and rescissory damages against the defendants. USA Sales and our officers and directors named in the suit are vigorously defending the claims, and we believe such defenses are meritorious. Given the status of the litigation, neither a range nor an estimate of loss can be made at this time.

Note 12 Business and Geographic Segment Information

We operate in a single industry segment in which we provide satellite services to our communications customers around the world. Revenue by region is based on the locations of customers to which services are billed. Our satellites are in geosynchronous orbit, and consequently are not attributable to any geographic location. Of our remaining assets, substantially all are located in the United States.

We earn revenue primarily by providing services over satellite transponder capacity to our customers. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. Our customer agreements also cover services that we procure from third parties and resell, which we refer to as off-network services. These services can include transponder services and other satellite-based transmission services in frequencies not available on our network. Under the category off-network and other revenues, we also include revenues from consulting and other services that we provide to other satellite operators.

The geographic distribution of our revenue was as follows:

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2011
North America	46%	47%
Europe	16%	16%
Africa and Middle East	18%	17%
Latin America and Caribbean	13%	14%
Asia Pacific	7%	6%

Approximately 4% of our revenue was derived from our largest customer during each of the nine months ended September 30, 2010 and 2011. Our ten largest customers accounted for approximately 27% of our revenue for each of the nine months ended September 30, 2010 and 2011, respectively.

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Our revenues were derived from the following services, with Off-Network and Other Revenues shown separately from On-Network Revenues (in thousands, except percentages):

	Nine Months Ended September 30, 2010		Nine Months Ended September 30, 2011	
On-Network Revenues				
Transponder services	$ 1,374,357	72%	$ 1,422,163	73%
Managed services	241,857	13%	222,954	12%
Channel	91,821	5%	80,377	4%
Total on-network revenues	1,708,035	90%	1,725,494	89%
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	163,373	9%	168,420	9%
Satellite-related services	29,275	1%	41,601	2%
Total off-network and other revenues	192,648	10%	210,021	11%
Total	$ 1,900,683	100%	$ 1,935,515	100%

Note 13 Related Party Transactions

(a) Shareholders Agreements

The shareholders of Intelsat Global entered into shareholders agreements on February 4, 2008. The shareholders agreements and the articles of incorporation of Intelsat Global provide, among other things, for the governance of Intelsat Global and its subsidiaries and provide specific rights to and limitations upon the holders of Intelsat Global s share capital with respect to shares held by such holders.

(b) Monitoring Fee Agreement

Intelsat Luxembourg, our direct wholly-owned subsidiary, has a monitoring fee agreement dated February 4, 2008 (the 2008 MFA) with BC Partners Limited and Silver Lake Management Company III, L.L.C. (together, the 2008 MFA parties), pursuant to which the 2008 MFA parties provide certain monitoring, advisory and consulting services to Intelsat Luxembourg. We recorded expense for services associated with the 2008 MFA of $18.5 million and $18.7 million during the nine months ended September 30, 2010 and 2011, respectively.

(c) Ownership by Management

Certain directors, officers and key employees of Intelsat Global and its subsidiaries hold restricted shares, options and SCAs of Intelsat Global (see Note 3 Share-based and Other Compensation Plans). In the aggregate, these shares and arrangements outstanding as of September 30, 2011 provided for the issuance of approximately 12.6% of the voting equity of Intelsat Global on a fully diluted basis.

(d) Resale of Intelsat Luxembourg Notes

In April 2011, entities associated with funds and investment vehicles advised or controlled by Silver Lake Partners, one of our principal shareholders, sold all of the $190.9

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million aggregate principal amount of the Intelsat Luxembourg 11 $^{1}/4$% Senior Notes due 2017 (the 2017 Senior Notes) and $854 million aggregate principal amount of the Intelsat Luxembourg 11 $^{1}/2$%/12 $^{1}/2$% Senior PIK Election Notes due 2017 (the 2017 PIK Election Notes) that they had purchased in 2008.

(e) Horizons Holdings

We have a 50% ownership interest in Horizons Holdings as a result of a joint venture with JSAT (see Note 6 Investments).

(f) New Dawn

We have a 74.9% ownership interest in New Dawn as a result of the New Dawn Project Agreement (see Note 6 Investments).

(g) WP Com

We have a 49% ownership interest in WP Com as a result of a joint venture with Corporativo (see Note 6 Investments).

(h) Receivable from Parent

We had a receivable from Intelsat Global as of December 31, 2010 and September 30, 2011 of $5.0 million and $6.4 million, respectively.

Note 14 Supplemental Consolidating Financial Information

Intelsat Jackson is the issuer of approximately $1.0 billion of 11 $^{1}/4$% Senior Notes due 2016 (the 2016 Intelsat Jackson Notes). The 2016 Intelsat Jackson Notes are fully and unconditionally guaranteed, jointly and severally, by Intelsat S.A. and Intelsat Luxembourg. The 2016 Intelsat Jackson Notes are not guaranteed by any of Intelsat Jackson s direct or indirect subsidiaries.

In addition, on June 27, 2008, Intelsat Luxembourg issued the 2017 Senior Notes and the 2017 PIK Election Notes, which are fully and unconditionally guaranteed, jointly and severally, by Intelsat S.A.

Separate financial statements of Intelsat S.A., Intelsat Luxembourg and Intelsat Jackson are not presented because management believes that such financial statements would not be material to investors. Investments in Intelsat Jackson s subsidiaries in the following condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include the following:

elimination of investment in subsidiaries;

elimination of intercompany accounts; and

elimination of equity in earnings (losses) of subsidiaries.

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 7,507	$ 908	$ 65,027	$ 221,979	$	$ 295,421
Receivables, net of allowance	6,384	5	18	287,533		293,940
Deferred income taxes				23,180		23,180
Prepaid expenses and other current assets	852	6,256	139	46,031		53,278
Intercompany receivables		6,256		632,954	(639,210)	
Total current assets	14,743	13,425	65,184	1,211,677	(639,210)	665,819
Satellites and other property and equipment, net				6,179,780		6,179,780
Goodwill				6,780,827		6,780,827
Non-amortizable intangible assets				2,458,100		2,458,100
Amortizable intangible assets, net				769,230		769,230
Investment in affiliates	(277,872)	5,043,488	15,512,851	1,010	(20,278,467)	1,010
Other assets	5,355	103,232	98,056	222,144		428,787
Total assets	$ (257,774)	$ 5,160,145	$ 15,676,091	$ 17,622,768	$ (20,917,677)	$ 17,283,553
LIABILITIES AND SHAREHOLDER S EQUITY						
Current liabilities:						
Accounts payable and accrued liabilities	$ 1,875	$ (10)	$ 4	$ 123,157	$	$ 125,026
Accrued interest payable	9,575	77,102	246,164	3,418		336,259
Current portion of long-term debt			32,500	24,920		57,420
Deferred satellite performance incentives				17,513		17,513
Other current liabilities			3,541	132,095		135,636
Intercompany payables	489,452		149,758		(639,210)	
Total current liabilities	500,902	77,092	431,967	301,103	(639,210)	671,854
Long-term debt, net of current portion	296,181	5,307,986	10,101,531	236,065		15,941,763
Deferred satellite performance incentives, net of current portion				121,287		121,287
Deferred revenue, net of current portion				687,999		687,999
Deferred income taxes				312,564		312,564
Accrued retirement benefits				239,740		239,740
Other long-term liabilities		51,536	99,105	210,577		361,218
Noncontrolling interest				1,985		1,985
Shareholder s equity (deficit):						
Ordinary shares	5,000	669,036	4,322,473	9,576,008	(14,567,517)	5,000
Other shareholder s equity (deficit)	(1,059,857)	(945,505)	721,015	5,935,440	(5,710,950)	(1,059,857)
Total liabilities and shareholder s equity	$ (257,774)	$ 5,160,145	$ 15,676,091	$ 17,622,768	$ (20,917,677)	$ 17,283,553

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 7,315	$ 10,017	$ 126,605	$ 548,993	$	$ 692,930
Receivables, net of allowance	4,962		25	245,364		250,351
Deferred income taxes				24,090		24,090
Prepaid expenses and other current assets	608	16	9	31,184		31,817
Intercompany receivables				660,379	(660,379)	
Total current assets	12,885	10,033	126,639	1,510,010	(660,379)	999,188
Satellites and other property and equipment, net				5,997,283		5,997,283
Goodwill				6,780,827		6,780,827
Non-amortizable intangible assets				2,458,100		2,458,100
Amortizable intangible assets, net				848,318		848,318
Investment in affiliates	498,926	5,896,195	10,588,831	81,764	(16,983,952)	81,764
Other assets	11,616	113,290	41,845	260,136		426,887
Total assets	$ 523,427	$ 6,019,518	$ 10,757,315	$ 17,936,438	$ (17,644,331)	$ 17,592,367
LIABILITIES AND SHAREHOLDER S EQUITY						
Current liabilities:						
Accounts payable and accrued liabilities	$ 803	$ (12)	$ 2,111	$ 175,641	$	$ 178,543
Accrued interest payable	11,651	229,242	43,025	119,528		403,446
Current portion of long-term debt				94,723		94,723
Deferred satellite performance incentives				16,693		16,693
Other current liabilities			1,274	146,155		147,429
Intercompany payables	486,065	450	173,864		(660,379)	
Total current liabilities	498,519	229,680	220,274	552,740	(660,379)	840,834
Long-term debt, net of current portion	721,947	5,232,138	4,596,936	5,270,881		15,821,902
Deferred satellite performance incentives, net of current portion				132,884		132,884
Deferred revenue, net of current portion				407,103		407,103
Deferred income taxes				484,076		484,076
Accrued retirement benefits				257,455		257,455
Other long-term liabilities		56,872	43,910	225,749		326,531
Noncontrolling interest				18,621		18,621
Shareholder s equity (deficit):						
Ordinary shares	5,000	669,037	4,959,000	3,602,044	(9,230,081)	5,000
Other shareholder s equity (deficit)	(702,039)	(168,209)	937,195	6,984,885	(7,753,871)	(702,039)
Total liabilities and shareholder s equity	$ 523,427	$ 6,019,518	$ 10,757,315	$ 17,936,438	$ (17,644,331)	$ 17,592,367

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Revenue	$	$	$	$ 1,935,515	$	$ 1,935,515
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)				316,749		316,749
Selling, general and administrative	3,982	19,049	820	133,665		157,516
Depreciation and amortization				583,196		583,196
Losses on derivative financial instruments			23,716	447		24,163
Total operating expenses	3,982	19,049	24,536	1,034,057		1,081,624
Income (loss) from operations	(3,982)	(19,049)	(24,536)	901,458		853,891
Interest expense, net	58,011	460,023	442,774	31,276		992,084
Loss on early extinguishment of debt	(78,960)		(28,963)	(218,260)		(326,183)
Subsidiary income (loss)	(288,455)	197,706	693,978		(603,229)	
Loss from previously unconsolidated affiliates				(24,658)		(24,658)
Other income (loss), net		(1)	1	7,753		7,753
Income (loss) before income taxes	(429,408)	(281,367)	197,706	635,017	(603,229)	(481,281)
Benefit from income taxes				(48,931)		(48,931)
Net income (loss)	(429,408)	(281,367)	197,706	683,948	(603,229)	(432,350)
Net loss attributable to noncontrolling interest				2,942		2,942
Net income (loss) attributable to Intelsat S.A.	$ (429,408)	$ (281,367)	$ 197,706	$ 686,890	$ (603,229)	$ (429,408)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Revenue	$	$	$	$ 1,900,683	$	$ 1,900,683
Operating expenses:						
Direct costs of revenue (exclusive of depreciation and amortization)				302,620		302,620
Selling, general and administrative	3,081	18,938	353	122,217		144,589
Depreciation and amortization				596,989		596,989
Impairment of asset value				110,625		110,625
Losses on derivative financial instruments			36,950	53,642		90,592
Total operating expenses	3,081	18,938	37,303	1,186,093		1,245,415
Income (loss) from operations	(3,081)	(18,938)	(37,303)	714,590		655,268
Interest expense, net	91,991	458,041	234,731	250,255		1,035,018
Loss on early extinguishment of debt				(75,805)		(75,805)
Subsidiary income (loss)	(332,577)	131,626	353,004		(152,053)	
Earnings from previously unconsolidated affiliates				377		377
Other income, net				7,566		7,566
Income (loss) before income taxes	(427,649)	(345,353)	80,970	396,473	(152,053)	(447,612)
Provision for (benefit from) income taxes	(37,985)	(14,090)	(50,656)	47,812		(54,919)
Net income (loss)	(389,664)	(331,263)	131,626	348,661	(152,053)	(392,693)
Net loss attributable to noncontrolling interest				3,029		3,029
Net income (loss) attributable to Intelsat S.A.	$ (389,664)	$ (331,263)	$ 131,626	$ 351,690	$ (152,053)	$ (389,664)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (33,898)	$ (557,342)	$ (56,163)	$ 1,320,623	$	$ 673,220
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)				(615,113)		(615,113)
Disbursements for intercompany loans			(113,206)	(21,841)	135,047	
Capital contributions to previously unconsolidated affiliates				(12,209)		(12,209)
Investment in subsidiaries	(3,100)		(5,027,932)		5,031,032	
Dividend from affiliates	559,801	1,108,034	781,374		(2,449,209)	
Other investing activities				6,710		6,710
Net cash provided by (used in) investing activities	556,701	1,108,034	(4,359,764)	(642,453)	2,716,870	(620,612)
Cash flows from financing activities:						
Repayments of long-term debt	(485,841)		(547,755)	(5,289,423)		(6,323,019)
Proceeds from issuance of long-term debt			6,083,750	35,675		6,119,425
Proceeds from intercompany borrowing			21,841	113,206	(135,047)	
Debt issuance costs			(69,339)			(69,339)
Payment of premium on early retirement of debt	(36,770)		(26,114)	(108,163)		(171,047)
Principal payments on deferred satellite performance incentives				(10,776)		(10,776)
Capital contribution from parent				5,031,032	(5,031,032)	
Dividends to shareholders		(559,801)	(1,108,034)	(781,374)	2,449,209	
Noncontrolling interest in New Dawn				1,734		1,734
Net cash provided by (used in) financing activities	(522,611)	(559,801)	4,354,349	(1,008,089)	(2,716,870)	(453,022)
Effect of exchange rate changes on cash and cash equivalents				2,905		2,905
Net change in cash and cash equivalents	192	(9,109)	(61,578)	(327,014)		(397,509)
Cash and cash equivalents, beginning of period	7,315	10,017	126,605	548,993		692,930

Cash and cash equivalents, end of period	$	7,507	$	908	$	65,027	$	221,979	$	$	295,421

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Intelsat Jackson Subsidiaries (Non-Guarantors)	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (37,506)	$ (340,120)	$ (100,934)	$ 1,099,580	$	$ 621,020
Cash flows from investing activities:						
Payments for satellites and other property and equipment (including capitalized interest)				(683,349)		(683,349)
Proceeds from sale of other property and equipment						
Proceeds from sale of investment				28,594		28,594
Disbursements for intercompany loans				(228,499)	228,499	
Capital contribution to previously unconsolidated affiliates				(12,209)		(12,209)
Investment in subsidiaries	(6,500)		(834,000)		840,500	
Dividend from affiliates	3,000	161,781	231,955		(396,736)	
Other investing activities				9,585		9,585
Net cash provided by (used in) investing activities	(3,500)	161,781	(602,045)	(885,878)	672,263	(657,379)
Cash flows from financing activities:						
Repayments of long-term debt				(745,589)		(745,589)
Proceeds from issuance of long-term debt			1,000,000	23,465		1,023,465
Proceeds from intercompany borrowing	23,253	167,235	38,011		(228,499)	
Debt issuance costs	(15,370)	(1,485)	(15,208)			(32,063)
Payment of premium on early retirement of debt				(44,118)		(44,118)
Principal payments on deferred satellite performance incentives				(11,946)		(11,946)
Principal payments on capital lease obligations				(191)		(191)
Capital contribution from parent	18,000			840,500	(840,500)	18,000
Dividends to shareholders		(3,000)	(161,781)	(231,955)	396,736	
Noncontrolling interest in New Dawn				1,035		1,035
Net cash provided by (used in) financing activities	25,883	162,750	861,022	(168,799)	(672,263)	208,593
Effect of exchange rate changes on cash and cash equivalents				1,419		1,419
Net change in cash and cash equivalents	(15,123)	(15,589)	158,043	46,322		173,653

Cash and cash equivalents, beginning of period	21,817	16,115	2,206	437,433		477,571
Cash and cash equivalents, end of period	$ 6,694	$ 526	$ 160,249	$ 483,755	$	$ 651,224

(Certain totals may not add due to the effects of rounding)

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On April 5, 2011, Intelsat Jackson completed an offering of $2.65 billion aggregate principal amount of senior notes, consisting of $1.5 billion aggregate principal amount of 7 1/4% Senior Notes due 2019 (the 7 1/4% 2019 Notes) and $1.15 billion amount of 7 1/2% Senior Notes due 2021 (the 2021 Notes). The 7 1/4% 2019 Notes and the 2021 Notes are fully and unconditionally guaranteed, jointly and severally by Intelsat S.A., Intelsat Luxembourg and certain wholly-owned subsidiaries of Intelsat Jackson (the Subsidiary Guarantors).

Separate financial statements of Intelsat S.A., Intelsat Luxembourg, Intelsat Jackson and the Subsidiary Guarantors are not presented because management believes that such financial statements would not be material to investors. Investments in Intelsat Jackson s subsidiaries in the following condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include the following:

- elimination of investment in subsidiaries;
- elimination of intercompany accounts;
- elimination of intercompany sales between guarantor and non-guarantor subsidiaries; and
- elimination of equity in earnings (losses) of subsidiaries.

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 7,507	$ 908	$ 232,780	$ 167,753	$ 54,226	$ (167,753)	$ 295,421
Receivables, net of allowance	6,384	5	200,882	200,863	86,669	(200,863)	293,940
Deferred income taxes			11,976	11,976	11,204	(11,976)	23,180
Prepaid expenses and other current assets	852	6,256	41,400	41,261	8,500	(44,991)	53,278
Intercompany receivables		6,256	542,534	692,292		(1,241,082)	
Total current assets	14,743	13,425	1,029,572	1,114,145	160,599	(1,666,665)	665,819
Satellites and other property and equipment, net			5,782,633	5,782,633	414,940	(5,800,426)	6,179,780
Goodwill			6,780,827	6,780,827		(6,780,827)	6,780,827
Non-amortizable intangible assets			2,458,100	2,458,100		(2,458,100)	2,458,100
Amortizable intangible assets, net			769,230	769,230		(769,230)	769,230
Investment in affiliates	(277,742)	5,043,618	206,748	206,748	10	(5,178,372)	1,010
Other assets	5,355	103,232	277,167	179,110	36,754	(172,831)	428,787
Total assets	$ (257,644)	$ 5,160,275	$ 17,304,277	$ 17,290,793	$ 612,303	$ (22,826,451)	$ 17,283,553
LIABILITIES AND SHAREHOLDER S EQUITY							
Current liabilities:							
Accounts payable and accrued liabilities	$ 1,875	$ (10)	$ 96,748	$ 96,744	$ 30,143	$ (100,474)	$ 125,026
Accrued interest payable	9,575	77,102	247,015	852	2,567	(852)	336,259
Current portion of long-term debt			32,500		24,920		57,420
Deferred satellite performance incentives			16,164	16,164	1,349	(16,164)	17,513
Other current liabilities			122,040	118,497	14,928	(119,829)	135,636
Intercompany payables	489,452				59,338	(548,790)	
Total current liabilities	500,902	77,092	514,467	232,257	133,245	(786,109)	671,854
Long-term debt, net of current portion	296,181	5,307,986	10,101,531		236,065		15,941,763
Deferred satellite performance incentives, net of current portion			118,054	118,054	3,233	(118,054)	121,287
Deferred revenue, net of current portion			697,007	697,007	7,322	(713,337)	687,999
Deferred income taxes			298,214	298,214	8,072	(291,936)	312,564
Accrued retirement benefits			239,740	239,740		(239,740)	239,740
Other long-term liabilities		51,536	291,646	192,541	18,036	(192,541)	361,218
Noncontrolling interest					1,985		1,985
Shareholder s equity (deficit):							
Ordinary shares	5,000	669,036	4,322,518	9,576,007	26	(14,567,587)	5,000
Other shareholder s equity (deficit)	(1,059,727)	(945,375)	721,100	5,936,973	204,319	(5,917,147)	(1,059,857)
Total liabilities and shareholder s equity	$ (257,644)	$ 5,160,275	$ 17,304,277	$ 17,290,793	$ 612,303	$ (22,826,451)	$ 17,283,553

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 7,315	$ 10,017	$ 595,472	$ 468,867	$ 80,126	$ (468,867)	$ 692,930
Receivables, net of allowance	4,962		198,186	198,161	47,203	(198,161)	250,351
Deferred income taxes			12,479	12,479	11,611	(12,479)	24,090
Prepaid expenses and other current assets	608	16	20,556	20,548	12,644	(22,555)	31,817
Intercompany receivables			647,961	821,825		(1,469,786)	
Total current assets	12,885	10,033	1,474,654	1,521,880	151,584	(2,171,848)	999,188
Satellites and other property and equipment, net			5,722,302	5,722,302	290,773	(5,738,094)	5,997,283
Goodwill			6,780,827	6,780,827		(6,780,827)	6,780,827
Non-amortizable intangible assets			2,458,100	2,458,100		(2,458,100)	2,458,100
Amortizable intangible assets, net			848,318	848,318		(848,318)	848,318
Investment in affiliates	498,926	5,896,195	122,454	122,454	10	(6,558,275)	81,764
Other assets	11,616	113,290	279,564	237,719	18,138	(233,440)	426,887
Total assets	$ 523,427	$ 6,019,518	$ 17,686,219	$ 17,691,600	$ 460,505	$ (24,788,902)	$ 17,592,367
LIABILITIES AND SHAREHOLDER S EQUITY							
Current liabilities:							
Accounts payable and accrued liabilities	$ 803	$ (12)	$ 154,820	$ 152,708	$ 24,939	$ (154,715)	$ 178,543
Accrued interest payable	11,651	229,242	162,284	119,260	269	(119,260)	403,446
Current portion of long-term debt			94,723	94,723		(94,723)	94,723
Deferred satellite performance incentives			15,623	15,623	1,070	(15,623)	16,693
Other current liabilities			123,040	121,766	24,389	(121,766)	147,429
Intercompany payables	486,065	450			161,444	(647,959)	
Total current liabilities	498,519	229,680	550,490	504,080	212,111	(1,154,046)	840,834
Long-term debt, net of current portion	721,947	5,232,138	9,720,225	5,123,289	147,592	(5,123,289)	15,821,902
Deferred satellite performance incentives, net of current portion			128,956	128,956	3,928	(128,956)	132,884
Deferred revenue, net of current portion			416,753	416,753	8,143	(434,546)	407,103
Deferred income taxes			461,146	461,146	16,652	(454,868)	484,076
Accrued retirement benefits			257,455	257,455		(257,455)	257,455
Other long-term liabilities		56,873	254,999	211,088	14,659	(211,088)	326,531
Noncontrolling interest					18,621		18,621
Shareholder s equity (deficit):							
Ordinary shares	5,000	669,036	4,959,045	3,602,046	26	(9,230,153)	5,000
Other shareholder s equity (deficit)	(702,039)	(168,209)	937,150	6,986,787	38,773	(7,794,501)	(702,039)
Total liabilities and shareholder s equity	$ 523,427	$ 6,019,518	$ 17,686,219	$ 17,691,600	$ 460,505	$ (24,788,902)	$ 17,592,367

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 1,714,752	$ 1,714,752	$ 508,811	$ (2,002,800)	$ 1,935,515
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			191,443	191,443	413,354	(479,491)	316,749
Selling, general and administrative	3,982	19,049	100,456	99,637	34,029	(99,637)	157,516
Depreciation and amortization			558,503	558,503	25,008	(558,818)	583,196
(Gains) losses on derivative financial instruments			19,255	(4,461)	4,908	4,461	24,163
Total operating expenses	3,982	19,049	869,657	845,122	477,299	(1,133,485)	1,081,624
Income (loss) from operations	(3,982)	(19,049)	845,095	869,630	31,512	(869,315)	853,891
Interest expense, net	58,011	460,023	467,479	24,705	6,571	(24,705)	992,084
Loss on early extinguishment of debt	(78,960)		(247,223)	(218,261)		218,261	(326,183)
Subsidiary income (loss)	(288,325)	197,836	37,595	37,595		15,299	
Loss from previously unconsolidated affiliates			(24,658)	(24,658)		24,658	(24,658)
Other income (expense), net		(1)	2,336	2,336	5,863	(2,781)	7,753
Income (loss) before income taxes	(429,278)	(281,237)	145,666	641,937	30,804	(589,173)	(481,281)
Provision for (benefit from) income taxes			(52,170)	(52,170)	3,239	52,170	(48,931)
Net income (loss)	(429,278)	(281,237)	197,836	694,107	27,565	(641,343)	(432,350)
Net loss attributable to noncontrolling interest					2,942		2,942
Net income (loss) attributable to Intelsat, S.A.	$ (429,278)	$ (281,237)	$ 197,836	$ 694,107	$ 30,507	$ (641,343)	$ (429,408)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 1,702,582	$ 1,702,582	$ 459,736	$ (1,964,217)	$ 1,900,683
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			189,283	189,283	374,972	(450,918)	302,620
Selling, general and administrative	3,081	18,938	97,287	96,934	25,283	(96,934)	144,589
Depreciation and amortization			576,774	576,774	20,215	(576,774)	596,989
Impairment of asset value			110,625	110,625		(110,625)	110,625
Losses on derivative financial instruments			78,742	41,792	11,850	(41,792)	90,592
Total operating expenses	3,081	18,938	1,052,711	1,015,408	432,320	(1,277,043)	1,245,415
Income (loss) from operations	(3,081)	(18,938)	649,871	687,174	27,416	(687,174)	655,268
Interest expense, net	91,991	458,041	482,389	247,657	2,597	(247,657)	1,035,018
Loss on early extinguishment of debt			(75,805)	(75,805)		75,805	(75,805)
Subsidiary income (loss)	(332,577)	131,626	16,544	16,544		167,863	
Earnings from previously unconsolidated affiliates			377	377		(377)	377
Other income, net			5,396	5,396	2,170	(5,396)	7,566
Income (loss) before income taxes	(427,649)	(345,353)	113,994	386,029	26,989	(201,622)	(447,612)
Provision for (benefit from) income taxes	(37,985)	(14,090)	(17,632)	33,024	14,788	(33,024)	(54,919)
Net income (loss)	(389,664)	(331,263)	131,626	353,005	12,201	(168,598)	(392,693)
Net loss attributable to noncontrolling interest					3,029		3,029
Net income (loss) attributable to Intelsat, S.A.	$ (389,664)	$ (331,263)	$ 131,626	$ 353,005	$ 15,230	$ (168,598)	$ (389,664)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (33,898)	$ (557,342)	$ 1,260,055	$ 1,319,179	$ 6,782	$ (1,321,556)	$ 673,220
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(566,434)	(566,434)	(51,056)	568,811	(615,113)
Repayment from (disbursements for) intercompany loans			15,767	(7,554)	787	(9,000)	
Capital contributions to previously unconsolidated affiliates			(12,209)	(12,209)		12,209	(12,209)
Investment in subsidiaries	(3,100)		(6,671)	(6,671)		16,442	
Dividend from affiliates	559,801	1,108,034	17,267	17,267		(1,702,369)	
Other investing activities			6,710	6,710		(6,710)	6,710
Net cash provided by (used in) investing activities	556,701	1,108,034	(545,570)	(568,891)	(50,269)	(1,120,617)	(620,612)
Cash flows from financing activities:							
Repayments of long-term debt	(485,841)		(5,837,178)	(5,289,423)		5,289,423	(6,323,019)
Proceeds from issuance of long-term debt			6,083,750		35,675		6,119,425
Proceeds from (repayment of) intercompany borrowing			(787)	110,940	(15,767)	(94,386)	
Debt issuance costs			(69,339)				(69,339)
Payment of premium on early retirement of debt	(36,770)		(134,277)	(108,163)		108,163	(171,047)
Principal payments on deferred satellite performance incentives			(10,361)	(10,361)	(415)	10,361	(10,776)
Capital contribution from parent				5,027,932	9,771	(5,037,703)	
Dividends to shareholders		(559,801)	(1,108,034)	(781,374)	(17,267)	2,466,476	
Noncontrolling interest in New Dawn					1,734		1,734
Net cash provided by (used in) financing activities	(522,611)	(559,801)	(1,076,226)	(1,050,449)	13,731	2,742,334	(453,022)
Effect of exchange rate changes on cash and cash equivalents			(951)	(953)	3,856	953	2,905
Net change in cash and cash equivalents	192	(9,109)	(362,692)	(301,114)	(25,900)	301,114	(397,509)
Cash and cash equivalents, beginning of period	7,315	10,017	595,472	468,867	80,126	(468,867)	692,930
Cash and cash equivalents, end of period	$ 7,507	$ 908	$ 232,780	$ 167,753	$ 54,226	$ (167,753)	$ 295,421

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(in thousands)

	Intelsat S.A.	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (37,506)	$ (340,120)	$ 986,802	$ 1,087,737	$ 11,844	$ (1,087,737)	$ 621,020
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(635,855)	(635,855)	(47,494)	635,855	(683,349)
Proceeds from sale of investment			28,594	28,594		(28,594)	28,594
Disbursements for intercompany loans			(173,719)	(211,731)		385,450	
Capital contribution to unconsolidated affiliates			(12,209)	(12,209)		12,209	(12,209)
Investment in subsidiaries	(6,500)		(3,366)	(3,366)		13,232	
Dividend from affiliates	3,000	161,781	8,862	8,862		(182,505)	
Other investing activities			6,099	6,099	3,486	(6,099)	9,585
Net cash provided by (used in) investing activities	(3,500)	161,781	(781,594)	(819,606)	(44,008)	829,548	(657,379)
Cash flows from financing activities:							
Repayments of long-term debt			(745,589)	(745,589)		745,589	(745,589)
Proceeds from issuance of long-term debt			1,000,000		23,465		1,023,465
Proceeds from (repayment of) intercompany borrowing	23,253	167,235			(16,769)	(173,719)	
Debt issuance costs	(15,370)	(1,485)	(15,208)				(32,063)
Payment of premium on early retirement of debt			(44,118)	(44,118)		44,118	(44,118)
Principal payments on deferred satellite performance incentives			(11,555)	(11,555)	(391)	11,555	(11,946)
Principal payments on capital lease obligations					(191)		(191)
Capital contribution from parent	18,000			834,000	9,866	(843,866)	18,000
Dividends to shareholders		(3,000)	(161,781)	(231,955)	(8,862)	405,598	
Noncontrolling interest in New Dawn					1,035		1,035
Net cash provided by (used in) financing activities	25,883	162,750	21,749	(199,217)	8,153	189,275	208,593
Effect of exchange rate changes on cash and cash equivalents			(777)	(777)	2,196	777	1,419
Net change in cash and cash equivalents	(15,123)	(15,589)	226,180	68,137	(21,815)	(68,137)	173,653
Cash and cash equivalents, beginning of period	21,817	16,115	343,085	340,878	96,554	(340,878)	477,571
Cash and cash equivalents, end of period	$ 6,694	$ 526	$ 569,265	$ 409,015	$ 74,739	$ (409,015)	$ 651,224

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Intelsat Jackson Holdings S.A.

Offer to Exchange

$7^{1}/_{4}$% Senior Notes due 2019

and

$7^{1}/_{2}$%Senior Notes due 2021

PROSPECTUS

DECEMBER 29, 2011