

ZISKIN IAN V
Form 4
March 01, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
ZISKIN IAN V

2. Issuer Name and Ticker or Trading Symbol
NORTHROP GRUMMAN CORP /DE/ [NOC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1840 CENTURY PARK EAST

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/28/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Corp VP & Chf HR & Adm Ofcr

LOS ANGELES, CA 90067

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

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

(City) (State) (Zip)

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	02/28/2007		A	14,000 A \$ 71.85	46,167 ⁽¹⁾	D	
Common Stock					2,567.32	I	See footnote. ⁽²⁾

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

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SEC 1474 (9-02)

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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 Underlying Security (Instr. 3 and 4)
Stock Option (Right-to-Buy)	\$ 71.85	03/28/2007		A	28,000	02/28/2008 ⁽³⁾ 02/28/2017	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZISKIN IAN V 1840 CENTURY PARK EAST LOS ANGELES, CA 90067			Corp VP & Chf HR & Adm Ofcr	

Signatures

/s/ Kathleen M. Salmas, Attorney-in-fact for Ian V. Ziskin
Date: 03/01/2007

**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).

Total includes 5,000 Restricted Performance Stock Rights(RPSRs) granted under the 2001 Long-Term Incentive Stock Plan (LTISP) on 2/16/05 with the valuation of performance measurement period ("measurement period") ending on 12/31/07; 2,000 unvested RPSRs (1) granted under the 2001 LTSIP on 11/2/05 with the measurement period ending 12/31/07; 16,000 unvested RPSRs granted under the 2001 LTISP on 2/15/06 with the measurement period ending 12/31/08; and 14,000 unvested RPSRs granted under the 2001 LTSIP on 2/28/07 with the measurement period ending on 12/31/09. Grants awarded pursuant to Rule 16b-3(d).

(2) Held in the Northrop Grumman Savings and Investment Plan, a qualified profit sharing plan, as of February 1, 2007. Share totals with respect to the Plan are based upon unit accounting and therefore may reflect a decrease in units attributable to an individual though no disposition occurred.

(3) This option vests in four equal installments (25%) on each anniversary of grant date commencing 2/28/08.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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Total current assets

12,885	10,033	126,639	1,510,010	(660,379)	999,188
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Satellites and other property and equipment, net

5,997,283	5,997,283
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Goodwill

6,780,827	6,780,827
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Non-amortizable intangible assets

2,458,100	2,458,100
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Amortizable intangible assets, net

848,318	848,318
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Investment in affiliates

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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

Explanation of Responses:

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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

Explanation of Responses:

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	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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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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)

Table of Contents**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)

Table of Contents**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)
Provision 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)

Table of Contents**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)

Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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 7/2% 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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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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)

Table of Contents**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)

Table of Contents**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)

Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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

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Cash and cash equivalents, end of period	6,286	181,650	213,944	193,777	68,331	(193,777)	470,211
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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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.

Table of Contents**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)

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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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Table of Contents**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.

Table of Contents**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

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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.

Table of Contents**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):

Description	Fair Value Measurements at December 31, 2010			
	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

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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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Table of Contents**INTELSAT S.A.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED) (CONTINUED)****September 30, 2011**

Description	Fair Value Measurements at September 30, 2011			
	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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INTELSAT S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (CONTINUED)

September 30, 2011

	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 8⁷/₈% 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

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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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INTELSAT S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (CONTINUED)

September 30, 2011

\$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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Table of Contents**INTELSAT S.A.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED) (CONTINUED)****September 30, 2011**

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,

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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

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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):

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	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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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
<i>Intelsat S.A.:</i>				
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)			
<i>Total Intelsat S.A. obligations</i>	<i>721,947</i>	<i>878,285</i>	<i>296,181</i>	<i>359,737</i>
<i>Intelsat Luxembourg:</i>				
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
<i>Total Intelsat Luxembourg obligations</i>	<i>5,232,138</i>	<i>5,740,382</i>	<i>5,307,986</i>	<i>4,535,091</i>
<i>Intelsat Jackson:</i>				
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
<i>Total Intelsat Jackson obligations</i>	<i>4,596,936</i>	<i>4,743,694</i>	<i>10,134,031</i>	<i>9,739,836</i>
<i>Intermediate Holdco:</i>				
9.25% Senior Discount Notes due February 2015	4,545	4,681		
9.5% Senior Discount Notes due February 2015	481,020	495,451		

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<i>Total Intermediate Holdco obligations</i>	485,565	500,132		
<i>Intelsat Sub Holdco:</i>				
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)			
<i>Total Intelsat Sub Holdco obligations</i>	2,199,268	2,291,690		
<i>New Dawn:</i>				
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
<i>New Dawn obligations</i>	147,592	147,592	187,730	187,730
<i>Intelsat Corp:</i>				
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		
<i>Total Intelsat Corp obligations</i>	2,533,179	2,584,332		
<i>Horizons Holdings:</i>				
Loan Payable to JSAT			73,255	73,255
<i>New Dawn obligations</i>			73,255	73,255
Total Intelsat S.A. long-term debt	15,916,625	\$ 16,886,107	15,999,183	\$ 14,895,649
<i>Less:</i>				
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 9¼% Senior Notes due 2016. Separately, Intelsat Corp also redeemed all of its 9¼% Senior Notes due 2014 and its 6⁷/₈% 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 7⁵/₈% Senior Notes due 2012. Additionally, on March 18, 2011, Intelsat Sub Holdco redeemed \$225.0 million aggregate principal amount outstanding of its 8¹/₂% 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 7/4% 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

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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	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
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

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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

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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

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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

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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

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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.	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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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)

Table of Contents**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

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Cash and cash equivalents, end of period	\$	7,507	\$	908	\$	65,027	\$	221,979	\$	295,421
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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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

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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 7/2% 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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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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

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(Certain totals may not add due to the effects of rounding)

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Table of Contents**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)

Table of Contents**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)

Table of Contents**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

Table of Contents**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

7¹/₄% Senior Notes due 2019

and

7¹/₂% Senior Notes due 2021

PROSPECTUS

DECEMBER 29, 2011