

INTELSAT S.A.  
UNAUDITED RECONCILIATION OF NET LOSS TO EBITDA  
(\$ in thousands)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2009	<u>Combined</u> Year Ended December 31, 2008	Year Ended December 31, 2009
	Net loss attributable to Intelsat S.A.	\$ (524,228)	\$ (97,030)	\$ (1,198,167)
Add:				
Interest expense, net	365,786	334,987	1,375,733	1,362,823
Gain on early extinguishment of debt	(592)	(19,676)	(576)	(4,697)
Provision for (benefit from) income taxes	(129,245)	42,726	(120,037)	11,399
Depreciation and amortization	217,140	192,958	859,820	804,037
Intelsat S.A. EBITDA	<u>\$ (71,139)</u>	<u>\$ 453,965</u>	<u>\$ 916,773</u>	<u>\$ 1,391,870</u>
Intelsat S.A. EBITDA margin	-12%	73%	39%	55%

**Note:**

Intelsat S.A. EBITDA consists of earnings before net interest, gain on early extinguishment of debt, taxes and depreciation and amortization. EBITDA is a measure commonly used in the fixed satellite services sector, and Intelsat presents Intelsat S.A. EBITDA to provide further information with respect to its operating performance. Intelsat S.A. EBITDA margin is defined as Intelsat S.A. EBITDA divided by total revenue. Intelsat uses Intelsat S.A. EBITDA as one criterion for evaluating its performance relative to that of its peers. Intelsat believes that Intelsat S.A. EBITDA is an operating performance measure, and not a liquidity measure, that provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. However, Intelsat S.A. EBITDA and Intelsat S.A. EBITDA margin are not measures of financial performance under GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider Intelsat S.A. EBITDA or Intelsat S.A. EBITDA margin as an alternative to operating income or net loss or operating or net income (loss) margin, determined in accordance with GAAP, as an indicator of Intelsat's operating performance, or as an alternative to cash flows from operating activities, determined in accordance with GAAP, as an indicator of cash flows or as a measure of liquidity.

INTELSAT S.A.  
 UNAUDITED RECONCILIATION OF CASH FLOW FROM OPERATIONS TO  
 INTELSAT LUXEMBOURG ADJUSTED EBITDA AND SUB HOLDCO ADJUSTED EBITDA  
 (\$ in thousands)

	Three Months Ended December 31,		Combined Year Ended December 31,	Year Ended December 31,
	2008	2009	2008	2009
Reconciliation of net cash provided by operating activities to net loss attributable to Intelsat S.A.:				
Net cash provided by operating activities	\$ 208,265	\$ 324,354	\$ 895,762	\$ 873,656
Depreciation and amortization	(217,140)	(192,958)	(859,820)	(804,037)
Impairment of asset value	(326,800)	-	(390,444)	(499,100)
Provision for doubtful accounts	(72)	2,309	5,215	(3,387)
Foreign currency transaction gain (loss)	(8,128)	2,994	(6,104)	7,798
Loss on disposal of assets	(389)	(148)	(588)	(2,709)
Share-based compensation expense	(20)	(32,928)	(199,564)	(56,965)
Deferred income taxes	144,727	(12,037)	163,426	43,258
Amortization of discount, premium and other non-cash items	(34,551)	(32,111)	(202,208)	(125,337)
Interest paid-in-kind	(69,803)	(71,074)	(210,481)	(298,030)
Gain on early extinguishment of debt	592	19,676	592	5,180
Share in gain (loss) of unconsolidated affiliates	135	129	(17,127)	517
Gain on sale of investment	-	27,333	-	27,333
Unrealized gains (losses) on derivative financial instruments	(177,843)	19,475	(142,312)	83,953
Other non-cash items	(5,526)	(472)	(5,969)	(178)
Changes in operating assets and liabilities, net of effect of acquisition	(37,675)	(151,572)	(228,545)	(33,644)
Net loss attributable to Intelsat S.A.	<u>\$ (524,228)</u>	<u>\$ (97,030)</u>	<u>\$ (1,198,167)</u>	<u>\$ (781,692)</u>
Add (Subtract):				
Interest expense, net	365,786	334,987	1,375,733	1,362,823
Gain on early extinguishment of debt	(592)	(19,676)	(576)	(4,697)
Provision for (benefit from) income taxes	(129,245)	42,726	(120,037)	11,399
Depreciation and amortization	217,140	192,958	859,820	804,037
Intelsat S.A. EBITDA	<u>\$ (71,139)</u>	<u>\$ 453,965</u>	<u>\$ 916,773</u>	<u>\$ 1,391,870</u>
Add (Subtract):				
Parent and intercompany expenses, net	3,059	3,640	13,567	12,723
EBITDA from unrestricted subsidiaries	-	164	-	(822)
Compensation and benefits	639	39,142	5,420	61,229
Transaction costs	1,926	-	315,028	-
Acquisition related expenses	2,311	5,797	10,240	23,188
Share in (gain) loss of unconsolidated affiliates	(136)	(129)	17,111	(517)
Satellite impairment charge	326,800	-	390,444	499,100
Losses on derivative financial instruments	186,556	7,984	166,736	2,681
Gain on sale of investment	-	(27,333)	-	(27,333)
Non-recurring and other non-cash items	11,837	7,720	30,523	23,475
Satellite performance incentives	(2,313)	(2,084)	(10,789)	(8,686)
Intelsat Luxembourg Adjusted EBITDA	<u>\$ 459,540</u>	<u>\$ 488,866</u>	<u>\$ 1,855,053</u>	<u>\$ 1,976,908</u>
Intelsat Luxembourg Adjusted EBITDA Margin	75%	79%	78%	79%
Add (Subtract):				
Intelsat Corp Adjusted EBITDA	(180,005)	(191,562)	(772,890)	(763,339)
Parent and intercompany expenses	256	220	1,033	413
Non-recurring intercompany expenses	-	-	34,991	-
Satellite performance incentives	2,313	2,084	10,789	8,686
Sub Holdco Adjusted EBITDA	<u>\$ 282,104</u>	<u>\$ 299,608</u>	<u>\$ 1,128,976</u>	<u>\$ 1,222,668</u>

**Note:**

Intelsat calculates a measure called Intelsat Luxembourg Adjusted EBITDA, based on the term Adjusted EBITDA, as defined in the indenture governing the 2017 PIK Notes. Intelsat Luxembourg Adjusted EBITDA consists of Intelsat S.A. EBITDA as adjusted to exclude or include certain unusual items, certain other operating expense items and other adjustments permitted in calculating covenant compliance under this indenture as described in the table above. Intelsat Luxembourg Adjusted EBITDA as presented above is calculated only with respect to Intelsat (Luxembourg) S.A. and its subsidiaries. Intelsat Luxembourg Adjusted EBITDA is a material component of certain ratios used in this indenture, such as the unsecured indebtedness leverage ratio and the secured indebtedness leverage ratio. Intelsat Luxembourg Adjusted EBITDA Margin is defined as Intelsat Luxembourg Adjusted EBITDA divided by Intelsat (Luxembourg) S.A. total revenue.

Intelsat also calculates a measure called Sub Holdco Adjusted EBITDA, based on the term Consolidated EBITDA, as defined in the Credit Agreement of Intelsat Subsidiary Holding Company S.A. ("Intelsat Sub Holdco") dated as of July 3, 2006, as amended. Sub Holdco Adjusted EBITDA consists of EBITDA as adjusted to exclude certain unusual items, certain other operating expense items and other adjustments permitted in calculating covenant compliance under the Credit Agreement as described in the table above. Sub Holdco Adjusted EBITDA as presented above is calculated only with respect to Intelsat Sub Holdco and its subsidiaries. Sub Holdco Adjusted EBITDA is a material component of certain covenant ratios used in the Credit Agreement that apply to Intelsat Sub Holdco and its subsidiaries, such as the secured debt leverage ratio and total leverage ratio.

Intelsat Luxembourg Adjusted EBITDA, Sub Holdco Adjusted EBITDA and Intelsat Luxembourg Adjusted EBITDA Margin are not measures of financial performance under GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider Sub Holdco Adjusted EBITDA, Intelsat Luxembourg Adjusted EBITDA or Intelsat Luxembourg Adjusted EBITDA Margin as alternatives to operating income or net loss or operating or net income (loss) margin, determined in accordance with GAAP, as indicators of Intelsat's operating performance, or as alternatives to cash flows from operating activities, determined in accordance with GAAP, as indicators of cash flows or as measures of liquidity.

INTELSAT S.A.  
 UNAUDITED RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES  
 TO FREE CASH FLOW FROM OPERATIONS  
 (\$ in thousands)

	<u>Combined</u>			
	<u>Three Months Ended December 31, 2008</u>	<u>Three Months Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>	<u>Year Ended December 31, 2009</u>
Net cash provided by operating activities	\$ 208,265	\$ 324,354	\$ 895,762	\$ 873,656
Payments for satellites and other property and equipment (including capitalized interest)	(118,448)	(487,098)	(422,460)	(943,133)
Free cash flow from (for) operations	<u>\$ 89,817</u>	<u>\$ (162,744)</u>	<u>\$ 473,302</u>	<u>\$ (69,477)</u>

**Note:**

Free cash flow from operations consists of net cash provided by operating activities, less payments for satellites and other property and equipment (including capitalized interest). Free cash flow from operations is not a measurement of cash flow under GAAP. Intelsat believes free cash flow from operations is a useful measure of financial performance that shows a company's ability to fund its operations. Free cash flow from operations is used by Intelsat in comparing its performance to that of its peers and is commonly used by analysts and investors in assessing performance. Free cash flow from operations does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Free cash flow from operations is not a measure of financial performance under GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider free cash flow from operations as an alternative to operating or net income, determined in accordance with GAAP, as an indicator of Intelsat's operating performance, or as an alternative to cash flows from operating activities, determined in accordance with GAAP, as an indicator of cash flows or as a measure of liquidity.