

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

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010
Net loss attributable to Intelsat S.A.	\$ (94,276)	\$ (106,400)	\$ (684,662)	\$ (389,664)
Add:				
Interest expense, net	337,504	345,531	1,027,837	1,035,018
Loss on early extinguishment of debt	103	75,805	14,979	75,805
Benefit from income taxes	(3,476)	(35,811)	(31,327)	(54,919)
Depreciation and amortization	199,991	198,993	611,079	596,989
Intelsat S.A. EBITDA	<u>\$ 439,846</u>	<u>\$ 478,118</u>	<u>\$ 937,906</u>	<u>\$ 1,263,229</u>
Intelsat S.A. EBITDA margin	71%	74%	50%	66%

**Note:**

Intelsat S.A. EBITDA consists of earnings before net interest, loss 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 September 30,		Nine Months Ended September 30,	
	2009	2010	2009	2010
Reconciliation of net cash provided by operating activities to net loss attributable to Intelsat S.A.:				
Net cash provided by operating activities	\$ 153,124	\$ 227,894	\$ 549,302	\$ 621,020
Depreciation and amortization	(199,991)	(198,993)	(611,079)	(596,989)
Impairment of asset value	-	-	(499,100)	(110,625)
Provision for doubtful accounts	(5,814)	(829)	(5,696)	(4,120)
Foreign currency transaction gain	1,985	1,785	4,804	1,419
Loss on disposal of assets	(3)	(55)	(2,561)	(343)
Share-based and other compensation expense	(3,001)	(656)	(24,037)	4,645
Deferred income taxes	10,735	8,548	55,295	49,656
Amortization of discount, premium, and other non-cash items	(31,351)	(23,906)	(93,226)	(72,584)
Interest paid-in-kind	(78,281)	(57,427)	(226,956)	(203,715)
Loss on early extinguishment of debt	-	(73,247)	(14,496)	(73,247)
Share in gain of unconsolidated affiliates	129	128	388	377
Gain on sale of investment	-	-	-	1,261
Unrealized gain (loss) on derivative financial instruments	(13,834)	(17,804)	64,478	(43,257)
Other non-cash items	80	(867)	(162)	(2,602)
Net loss attributable to noncontrolling interest	456	953	456	3,029
Changes in operating assets and liabilities, net of effect of acquisition	71,490	28,076	117,928	36,411
Net loss attributable to Intelsat S.A.	<u>(94,276)</u>	<u>(106,400)</u>	<u>(684,662)</u>	<u>(389,664)</u>
Add (Subtract):				
Interest expense, net	337,504	345,531	1,027,837	1,035,018
Loss on early extinguishment of debt	103	75,805	14,979	75,805
Benefit from income taxes	(3,476)	(35,811)	(31,327)	(54,919)
Depreciation and amortization	199,991	198,993	611,079	596,989
Intelsat, S.A. EBITDA	<u>439,846</u>	<u>478,118</u>	<u>937,906</u>	<u>1,263,229</u>
Add (Subtract):				
Parent and intercompany expenses, net	3,279	1,881	9,083	6,388
EBITDA from unrestricted subsidiaries	(499)	(980)	(986)	(2,895)
Compensation and benefits	4,013	769	22,087	(4,307)
Management fees	5,797	6,178	17,391	18,534
Share in gain of unconsolidated affiliates	(129)	(128)	(388)	(377)
Impairment of asset value	-	-	499,100	110,625
(Gain) loss on derivative financial instruments	38,820	19,951	(5,303)	90,592
Gain on sale of investment	-	-	-	(1,260)
Non-recurring and other non-cash items	1,885	2,370	15,755	12,078
Satellite performance incentives	(2,120)	(2,153)	(6,602)	(6,539)
Intelsat Luxembourg Adjusted EBITDA	<u>490,892</u>	<u>506,006</u>	<u>1,488,043</u>	<u>1,486,068</u>
Intelsat Luxembourg Adjusted EBITDA Margin	79%	79%	79%	78%
Add (Subtract):				
Intelsat Corp Adjusted EBITDA	(185,865)	(196,723)	(571,777)	(576,011)
Parent and intercompany expenses	(195)	567	193	1,070
Satellite performance incentives	2,120	2,153	6,602	6,539
Sub Holdco Adjusted EBITDA	<u>\$ 306,952</u>	<u>\$ 312,003</u>	<u>\$ 923,061</u>	<u>\$ 917,666</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)

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010
Net cash provided by operating activities	\$ 153,124	\$ 227,894	\$ 549,302	\$ 621,020
Payments for satellites and other property and equipment (including capitalized interest)	(172,632)	(245,825)	(456,035)	(683,349)
Free cash flow for operations	<u>\$ (19,508)</u>	<u>\$ (17,931)</u>	<u>\$ 93,267</u>	<u>\$ (62,329)</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.