



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

	<b>Three Months Ended March 31, 2010</b>	<b>Three Months Ended March 31, 2011</b>
Net loss	\$ (103,428)	\$ (215,758)
Add:		
Interest expense, net	339,824	348,790
Loss on early extinguishment of debt	-	168,229
Provision for (benefit from) income taxes	11,829	(6,986)
Depreciation and amortization	196,807	195,002
Intelsat S.A. EBITDA	<u>\$ 445,032</u>	<u>\$ 489,277</u>
Intelsat S.A. EBITDA margin	72%	76%

**Note:**

EBITDA consists of earnings before net interest, gain (loss) on early extinguishment of debt, taxes and depreciation and amortization. EBITDA is a measure commonly used in the FSS sector, and we present EBITDA to enhance the understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that 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, EBITDA is not a measure of financial performance under U.S. GAAP, and our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA should not be considered as an alternative to operating income (loss) or net income (loss), determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities, determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

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

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2011
	<u>2010</u>	<u>2011</u>
Net loss	\$ (103,428)	\$ (215,758)
Add (Subtract):		
Interest expense, net	339,824	348,790
Loss on early extinguishment of debt	-	168,229
Provision for (benefit from) income taxes	11,829	(6,986)
Depreciation and amortization	196,807	195,002
Intelsat S.A. EBITDA	<u>445,032</u>	<u>489,277</u>
Add (Subtract):		
Compensation and benefits	(5,981)	2,330
Management fees	6,178	6,217
Share in gain of unconsolidated affiliates	(124)	(120)
Impairment of asset value	6,538	-
(Gain) loss on derivative financial instruments	29,867	(1,714)
Gain on sale of investment	(1,261)	-
Non-recurring and other non-cash items	2,821	3,735
Intelsat S.A. Adjusted EBITDA	<u>\$ 483,070</u>	<u>\$ 499,725</u>
Intelsat S.A. Adjusted EBITDA Margin	78%	78%

**Note:**

Intelsat calculates a measure called Intelsat S.A. Adjusted EBITDA to assess the operating performance of Intelsat S.A. Intelsat S.A. Adjusted EBITDA consists of EBITDA of Intelsat S.A. as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments as described in the table and related footnotes below. Our management believes that the presentation of Intelsat S.A. Adjusted EBITDA provides useful information to investors, lenders and financial analysts regarding our financial condition and results of operations, because it permits clearer comparability of our operating performance between periods. By excluding the potential volatility related to the timing and extent of non-operating activities, such as impairments of asset value and gains (losses) on derivative financial instruments, our management believes that Intelsat S.A. Adjusted EBITDA provides a useful means of evaluating the success of our operating activities. We also use Intelsat S.A. Adjusted EBITDA, together with other appropriate metrics, to set goals for and measure the operating performance of our business, and it is one of the principal measures we use to evaluate our management's performance in determining compensation under our incentive compensation plans. EBITDA measures have been used historically by investors, lenders and financial analysts to estimate the value of a company, to make informed investment decisions and to evaluate performance. Our management believes that the inclusion of Intelsat S.A. Adjusted EBITDA facilitates comparison of our results with those of companies having different capital structures.

Intelsat S.A. Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies. Intelsat S.A. Adjusted EBITDA should not be considered as an alternative to operating income (loss) or net income (loss), determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as alternative to cash flows from operating activities, determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

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

	<u>Three Months Ended March 31, 2010</u>	<u>Three Months Ended March 31, 2011</u>
Net cash provided by operating activities	\$ 84,448	\$ 206,298
Payments for satellites and other property and equipment (including capitalized interest)	<u>(190,526)</u>	<u>(175,811)</u>
Free cash flow from operations	<u>\$ (106,078)</u>	<u>\$ 30,487</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.