

ISPL Workshop On UNIDROIT Space Protocol

A New Satellite Operator Perspective

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Avanti Overview

- ❑ Avanti is a UK-based satellite operator specialising in Ka-band services.

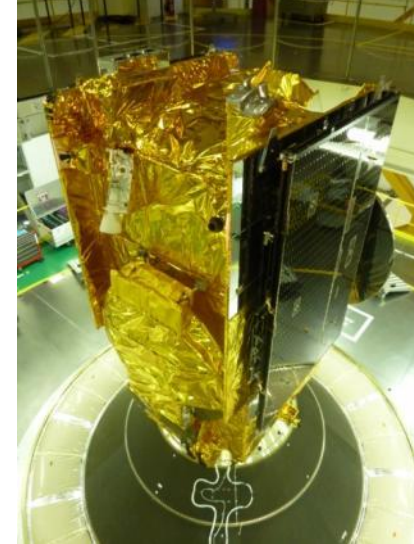
- ❑ See www.avantiplc.com

- ❑ HYLAS-1 Ka-band satellite – launched in November 2010
- ❑ HYLAS-2 Ka-band satellite - to be launched in H1 2012
- ❑ The Company is public and listed on the AIM market of the London Stock Exchange since Q2 2007



Avanti Satellite Systems

- ❑ Avanti owns Ka band satellites:
 - HYLAS 1 Launched for Europe in November 2010
 - HYLAS 2 Will Launch Spring 2012 for EMEA
 - HYLAS 3 Project Commenced
- ❑ Avanti sells satellite capacity to telcos etc to enable provision of various electronic communications services (e.g. broadband) to consumers, corporates and governments.
- ❑ Operates Gateway Earth Stations in UK etc.
- ❑ Uses Hughes Communications as primary Hub and Modem vendor
- ❑ All satellites launch on Arianespace / Ariane 5
- ❑ EADS Astrium and Orbital are satellite manufacturers



Ariane 5 ECA Launch • INTELSAT 17 - HYLAS 1 November 20th 2010

Avanti Financing Stages

- ❑ Equity Rounds:
 - ❑ £ 25 million in 2006 (for HYLAS-1)
 - ❑ £ 30 million in July 2009 (for HYLAS-1)
 - ❑ £ 90 million in December 2009 (for HYLAS-2)
 - ❑ £ 70 million in July 2010 (for various)

- ❑ Debt Rounds
 - ❑ PIK Debt of £ 30 in July 2007 (for HYLAS-1 - now repaid)
 - ❑ ECA Debt of £ 194 million in December 2009 (for HYLAS-2)

- ❑ Shareholders: M&G, Fidelity, Caledonia, AEGON etc

- ❑ Capitalised at approx £500M

Perspective On UNIDROIT Space Protocol

- ❑ Key Drivers For Satellite Project Financing
 - ❑ Sound business plan and focussed implementation plan
 - ❑ Credible enabling assets (e.g. know-how, regulatory assets)
 - ❑ Credible management team and demonstrable ability to execute.
- ❑ Existing equity and debt financing opportunities / mechanisms are sufficient to finance satellite projects if above enablers in place.
- ❑ There are multiple existing safeguards in existing national law / jurisdictions to protect creditors.
- ❑ Investors dislike multiple overlapping layers of national or supra-national legislation.
- ❑ A UNIDROIT Space Protocol would:
 - Offer no clear advantages for start-up or emergent satellite operators;
 - Affect negatively the financing of new satellite projects.