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SATELLITE & PROJECT FINANCING

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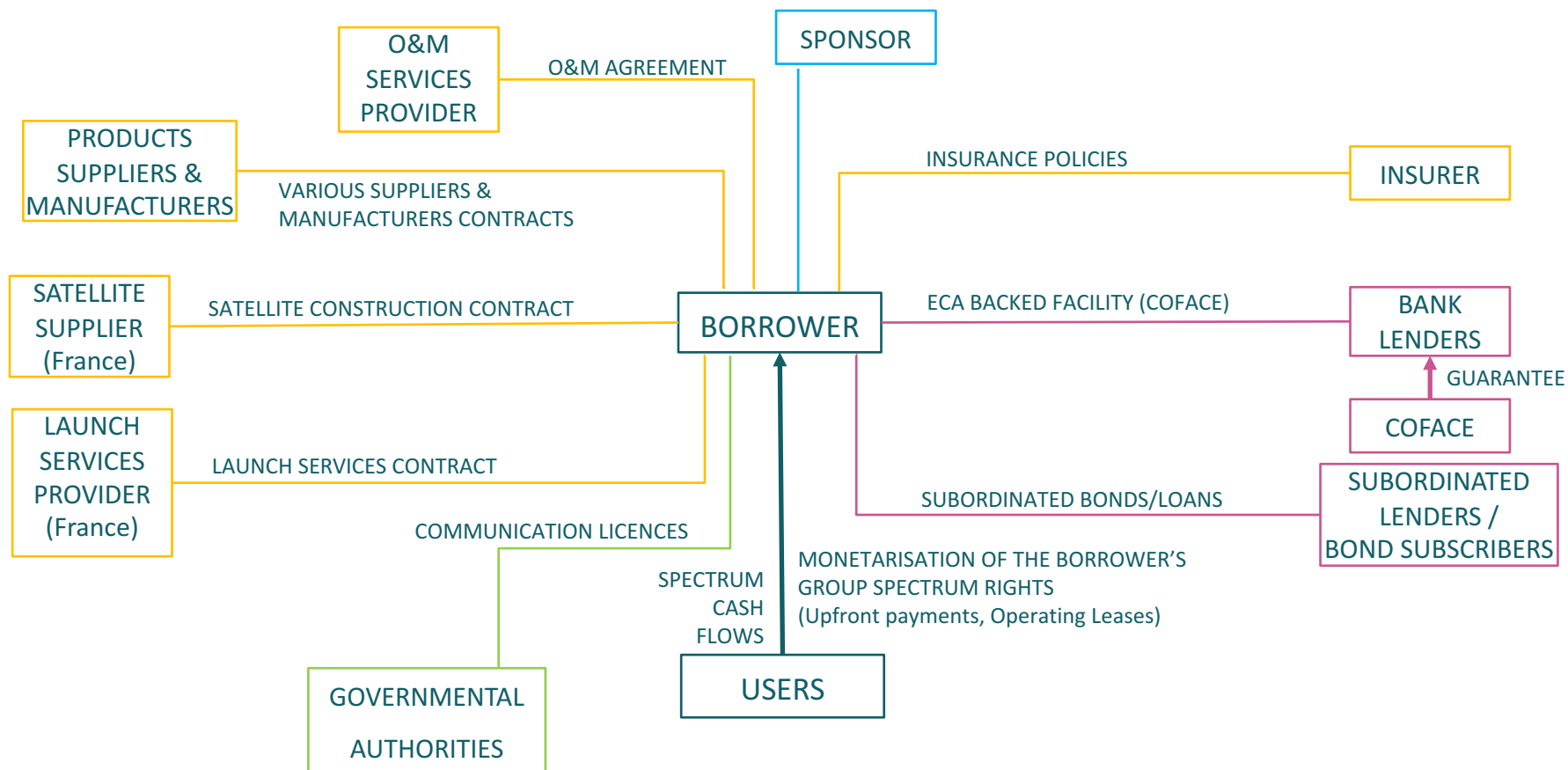
FINANCING CONTEXT

- CHANGE IN THE BUSINESS MODEL
(Nanosatellite / Geostationary)
- INCREASING AVERAGE SIZE OF GEOSTATIONARY SATELLITE
- HIGH UPFRONT INVESTMENT COSTS AND LATE CASH FLOWS
- MORE CHALLENGING FINANCING MARKET FOR NEW PLAYERS
- EXPORT CREDIT AS AN ESSENTIAL FEATURE

BANK FINANCING MAIN FEATURES

- EXPORT FINANCING – COFACE EXAMPLE
- LENDING BANK
- DUE DILIGENCE EXERCISE
 - SPECIAL PURPOSE VEHICULE AS A BORROWER
 - GOOD FINANCIAL STATEMENTS
 - REGULATORY AUTHORIZATIONS
 - GOOD BUSINESS PLAN (PROJECTED CASH FLOWS)
 - GOOD PROJECT CONTRACTS WITH CREDIT WORTHY PROJECT COMPANIES
 - SOLID INSURANCES

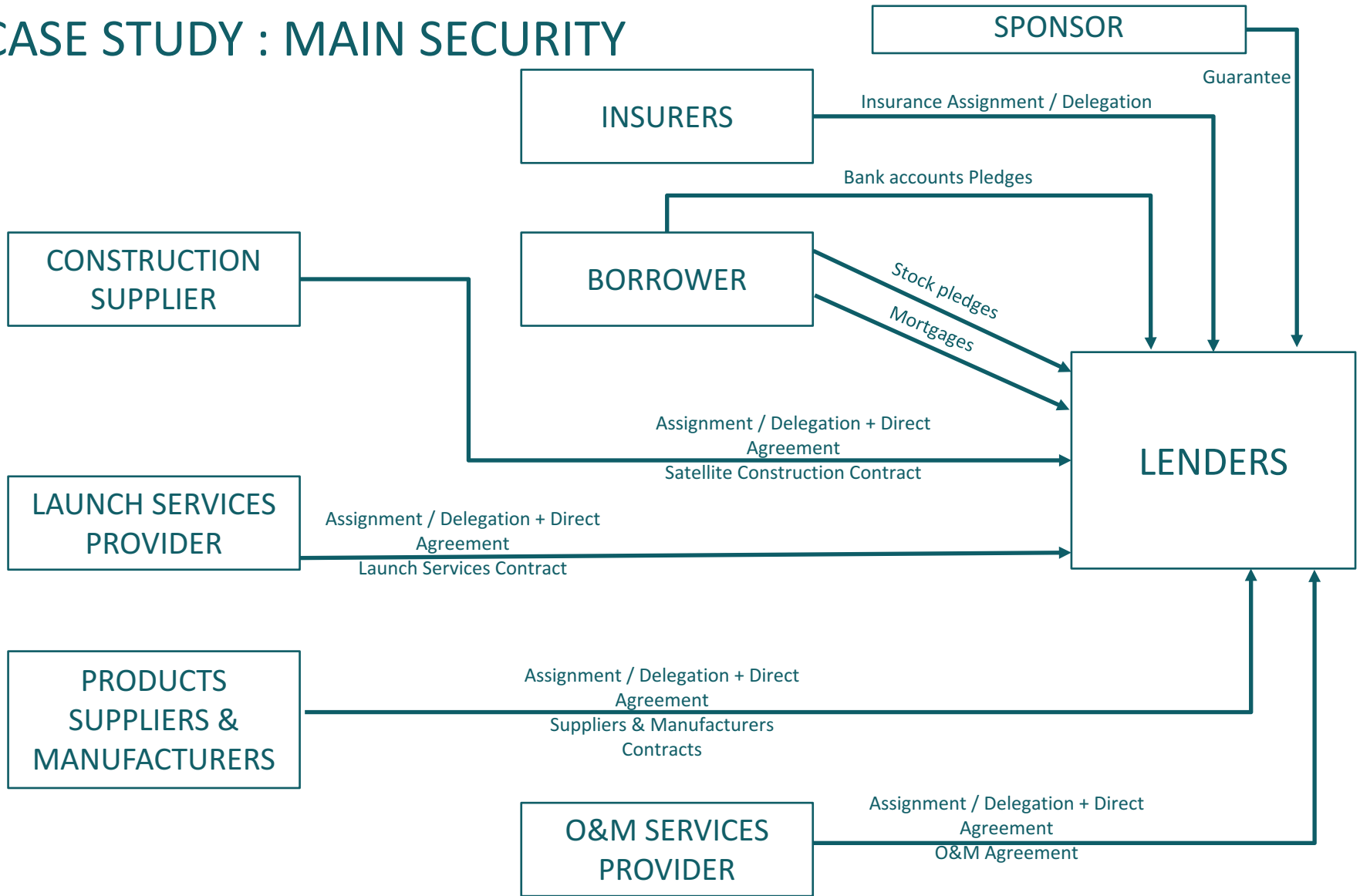
CASE STUDY : MAIN CONTRACTS



SECURITY PACKAGE MAIN FEATURES

- MORTGAGE ON THE FINANCE ASSET (SATELLITE)
- ASSIGNMENT OF THE LEASE (IF PROJECT DONE ON A LEASE BASIS)
- ASSIGNMENT OF THE RECEIVABLES FROM CUSTOMERS
- PLEDGE OF THE STOCK OF THE BORROWER
- ASSIGNMENT / DELEGATION: FINANCIAL FLOWS UNDER THE SATELLITE CONSTRUCTION CONTRACT
- ASSIGNMENT / DELEGATION: FINANCIAL FLOWS UNDER THE LAUNCH SERVICES CONTRACT
- DIRECT AGREEMENTS: SATELLITE CONSTRUCTION CONTRACT AND LAUNCH SERVICES CONTRACT
- ASSIGNMENT / DELEGATION: ANCILLARY CONTRACTS SUCH AS O&M CONTRACT AND INSURANCE POLICIES
- PLEDGES OF BORROWER'S BANK ACCOUNTS
- OTHER PROTECTIONS:
 - DEBT SERVICE RESERVE ACCOUNT, DSRA MINIMUM CREDIT BALANCE, DEBT SERVICE COVERAGE RATIO
 - SUBORDINATION AGREEMENT

CASE STUDY : MAIN SECURITY



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