

# Space Business Review

A monthly round-up of space industry developments for the information of our clients and friends.

## May 2015

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### SIA REPORTS MODEST GROWTH IN 2014

According to the annual *State of the Satellite Industry Report* just released by the *Satellite Industry Association*, the Washington D.C.-based industry group, the global satellite services industry produced \$123b in revenues in 2014. The consumer services segment – mainly direct-to-home (DTH) satellite television – comprised the vast majority of these revenues with \$101b, representing a modest 4% growth over 2013 figures. Meanwhile, the mobile services segment, including data to aircraft, was the industry's fastest growing segment, with 25% growth over 2013 figures but only \$3.3b in revenues.

### ILS DECLARES PROTON ANOMALY

On May 16, *Khrunichev State Research and Production Space Center* (Khrunichev) and *ILS International Launch Services Inc.* (ILS) announced an anomaly on the *Proton* launch vehicle carrying the *Centenario* satellite (also known as *MexSat-1*) for the *Secretaría de Comunicaciones y Transportes* (Ministry of Communications and Transportation) of the Mexican government. A Russian State Commission and an ILS Failure Review Oversight Board are investigating the anomaly to determine the root cause. *Proton* launches have been temporarily suspended, with the concern that certain scheduled upcoming launches will be delayed, including the launches of the third *Global Xpress* satellite for *Inmarsat plc*, the *Türksat 4B* satellite for *Türksat A.Ş.*, the *Eutelsat 9B* and *Eutelsat 36C* satellites for *Eutelsat S.A.* and the *Express-AM8* satellite for *Russian Satellite Communications Co.*, all originally scheduled to take place in 2015.

### BRAZIL CONCLUDES SLOT AUCTION

On May 26, *Telesat Canada* (*Telesat*), *Hispasat, S.A.* (*Hispasat*) and *Al Yah Satellite Communications Company PrJSC* (*YahSat*) were announced as the high bidders in an auction – the second of its kind in 12 months – by the *Agência Nacional de Telecomunicações* (known as *Anatel*), Brazil's telecommunications regulatory body, of Brazil's rights to certain orbital locations and associated frequencies. For roughly \$28.3m, *Telesat* won two licenses, one for Ka-band services and the other for Appendix 30B services, at the 63°W orbital position; for roughly \$13.9m, *Yahsat* won a license for Ka-band services at the 26°W orbital slot; and for roughly \$15.8m, *Hispasat* won a license for Ka-band services at the 74°W orbital location.

### ARIANESPACE ORBITS TWO SATELLITES

On May 27, *Arianespace S.A.* successfully launched the *DirecTV-15* satellite for *DIRECTV, LLC* (*DIRECTV*) and the *SKY México-1* satellite for *SKY México* on an *Ariane 5* launch vehicle from the Guiana Space Centre in Kourou, French Guiana. *DirecTV-15*, which was manufactured by *Airbus Defence and Space* based on the *Eurostar E3000* satellite platform, is among the most powerful broadcast satellites ever manufactured for the United States. *SKY México-1*, which was manufactured by *Orbital ATK, Inc.* based on its *GEOStar-2™* satellite platform, is the first satellite procured by *SKY México*, jointly owned by Mexico's *Grupo Televisa S.A.B.* and *DIRECTV*. Equipped with Ku- and R-band transponders, *SKY México-1* will provide DTH television broadcast services to users in Mexico, Central America and the Caribbean.

### U.S. AIR FORCE CERTIFIES FALCON 9

On May 26, the *U.S. Air Force* announced that it certified the *Space Exploration Technologies Corp.* (*SpaceX*) *Falcon 9* launch vehicle to launch U.S. military satellites. With the certification, coming after an almost two year process involving 2,800 discrete tasks, including verification of 160 payload interface requirements, 21 major subsystem reviews and 700 audits to establish a technical baseline, *SpaceX* may now compete with *United Launch Alliance* for U.S. military launch missions.

### TSGN SECURES PAYLOAD ON APSTAR 9

On May 19, *APT Satellite Company Limited* (*APT*) and *TS Global Network Sdn Bhd* (*TSGN*), a leading Malaysian VSAT connectivity provider, jointly announced an agreement whereby *TSGN* will invest in a designated payload, to be called *TSGN MySAT-1*, on *APT's APSTAR 9* satellite, scheduled for launch in Q4 2015. *TSGN* intends to use the payload to provide C-band satellite communications services to both government and commercial customers, including in underserved and unserved areas, in Malaysia and the broader ASEAN and Asia-Pacific markets.

### DIGITALGLOBE AND SAAB FORM JV

On May 26, *DigitalGlobe, Inc.* (*DigitalGlobe*) and *Saab AB* (*Saab*) announced the establishment of *Vricon, Inc.*, a 50-50 *DigitalGlobe-Saab* joint venture that will produce highly accurate, photo-realistic 3D products and digital elevation models of the earth, available through a visualization platform and standard-based data formats.