



Telesat Achieves Strong Growth in Revenue and Adjusted EBITDA in First Quarter 2009

OTTAWA, CANADA, May 11, 2009 - Telesat Holdings Inc. (Telesat) today announced its unaudited financial results for the three month period ended March 31, 2009. Unless otherwise stated herein, all amounts are in Canadian Dollars (CAD).

Consolidated revenues and Adjusted EBITDA for the three month period were \$204 million and \$143 million, respectively. Revenues rose by approximately 25% (\$41 million) and Adjusted EBITDA improved by 47% (\$46 million) compared to 2008 unaudited first quarter results. Revenues increased as a result of a full quarter of Nimiq 4 revenues in the first quarter of 2009, higher US/Canadian dollar exchange rates and higher utilization of the international fleet. Adjusted for changes in foreign exchange rates, revenue and Adjusted EBITDA increased by 14% and 34%, respectively. The Adjusted EBITDA margin was 70% for the three month period, compared to a margin of 60% for the same period last year.

As a result of non-cash losses arising from foreign exchange Telesat reported a net loss for the three months ended March 31, 2009 of \$39 million. The non-cash foreign exchange loss for the three months, related to the Company's US dollar denominated debt, was \$101 million. Foreign exchange losses were partially offset by non-cash gains on financial instruments. These gains were primarily related to the Company's US dollar hedging program on a portion of its long-term debt and capital expenditure commitments.

At March 31, 2009, Telesat had contracted backlog for future services of \$5.3 billion.

Dan Goldberg, Telesat's President and CEO, commented: "I am very pleased with our performance for the first quarter. Consistent with our expectations, we experienced significant growth in revenues, even more significant growth in EBITDA and a meaningful expansion in our EBITDA margin when compared to the same period last year. In addition, Telstar 11N was successfully launched and brought into service and we are making steady progress in increasing its utilization. Although there are a range of challenges in this difficult economic environment, our industry-leading contractual backlog and focused execution on both the revenue and cost side of our business keep us well positioned as we move through the balance of the year."

Highlights

- Telstar T11N was successfully launched on February 26, 2009, and entered commercial service on March 31, 2009.
- Nimiq 5 remains under construction and is anticipated to be launched late in 2009. Nimiq 5 is fully leased to Bell TV, which will use the new satellite to enhance and expand its industry-leading high definition television services across Canada. Bell TV has subleased half the capacity of Nimiq 5 to EchoStar Corporation and Dish Network for the provision of direct-to-home satellite services in the United States.
- As previously announced, Telesat is in discussions regarding the potential sale of its interests in certain of its international satellites and related assets and business. Any potential transaction is subject to further due diligence and other conditions and Telesat cannot at this time assess the probability of concluding any transaction under discussion or under what terms, including price, these assets may be sold.

Telesat has posted its unaudited Consolidated Financial Statements for the three month period ending March 31, 2009 on its website at www.telesat.com under the tab "Media Room" in the "Investor Relations" section.

Adjusted EBITDA

Telesat Holdings Inc. (“Telesat” or “Telesat’s”) EBITDA consists of earnings before interest, taxes, and depreciation and amortization. Telesat’s Adjusted EBITDA is EBITDA before goodwill and other impairment charges, other income, and amortization of stock based compensation, adjusted for sales type lease revenues and expenses. Telesat presents Telesat’s Adjusted EBITDA to provide further information with respect to its operating performance. Telesat’s Adjusted EBITDA margin is defined as Telesat’s Adjusted EBITDA divided by total revenues. Telesat’s Adjusted EBITDA is used as one criterion for evaluating its performance relative to that of its peers. It is believed that Telesat’s Adjusted 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, Telesat’s Adjusted EBITDA and Telesat’s Adjusted EBITDA margin are not measures of financial performance under Canadian GAAP or United States GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider Telesat’s Adjusted EBITDA or Telesat’s Adjusted EBITDA margin as an alternative to operating income or net loss or operating or net income (loss) margin, determined in accordance with Canadian GAAP or United States GAAP, as an indicator of Telesat’s operating performance, or as an alternative to cash flows from operating activities, determined in accordance with Canadian GAAP or United States GAAP, as an indicator of cash flows or as a measure of liquidity.

Telesat Holdings Inc.
Consolidated Statements of Loss

	Three months	
<i>(in millions of Canadian dollars)</i>	2009	2008
Operating revenues		
Service revenues	198.8	155.2
Equipment sales revenues	5.2	7.5
Operating revenues	204.1	162.7
Amortization	61.3	58.7
Operations and administration	58.2	59.5
Cost of equipment sales	4.4	6.0
Total operating expenses	123.9	124.2
Earnings from operations	80.2	38.5
Interest expense	71.1	65.3
Other expense	43.9	90.9
Loss before income taxes	(34.8)	(117.7)
Income tax expense (recovery)	4.3	(16.3)
Net loss applicable to common shares	(39.1)	(101.4)

Telesat Holdings Inc.

Quarter ended March 31, 2009 vs. quarter ended March 31, 2008

(in millions of Canadian dollars)

	Quarter Ended March 31 2009	Quarter Ended March 31 2008	Variance
Service revenues	198.8	155.2	43.6
Equipment sales revenues	5.2	7.5	(2.3)
	<u>204.0</u>	<u>162.7</u>	<u>41.3</u>
Operating and administration expense	58.2	59.5	1.3
Cost of equipment sales	4.4	6.0	1.6
Stock-based compensation expense	(1.6)	-	1.6
	<u>61.0</u>	<u>65.5</u>	<u>4.5</u>
Adjusted EBITDA	<u>143.0</u>	<u>97.2</u>	<u>45.8</u>
EBITDA Margin	70%	60%	

Conference Call

Telesat has scheduled a conference call to discuss its financial results for the three month period ended March 31, 2009 for Monday, May 11, 2009 at 10:30 a.m. EDT. The call will be hosted by Dan Goldberg, President & Chief Executive Officer, and Michel Cayouette, Chief Financial Officer of Telesat. A presentation that will be addressed on the conference call has been posted to the Company's website.

Dial-in Instructions:

The toll-free dial-in for the teleconference is +1-866-226-1793. International callers should dial +1-416-340-2218. The access code is 4006270. Please allow at least 15 minutes prior to the scheduled start time to connect to the teleconference.

Dial-in Audio Replay:

A replay of the teleconference will be available beginning at 1:00 p.m. EDT May 11, 2009, until 11:59 p.m. EDT on May 25, 2009. To access the replay, please call +1-800-408-3053. International callers should dial +1-416-695-5800. The access code is 5316307 followed by the number sign (#).

About Telesat (www.telesat.com)

Headquartered in Ottawa, Canada, with offices and facilities around the world, Telesat is the fourth largest fixed satellite services operator. The company provides reliable and secure satellite-delivered communications solutions to broadcast, telecom, corporate and government customers. Telesat has a global state-of-the-art fleet of 13 satellites and one additional satellite under construction, and manages the operations of 13 additional satellites for third parties. Telesat is privately held. Its principal shareholders are Canada's Public Sector Pension Investment Board and Loral Space & Communications Inc. (NASDAQ: LORL).

Statement under the Private Securities Litigation Reform Act

This news release may contain statements that are not based on historical fact and are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this release concerning the beliefs, expectations, intentions, future events, future performance, business prospects and business strategy, including statements regarding projections for 2009 and beyond, are based on several assumptions. If any of these assumptions are not satisfied or prove to be incorrect, actual results could differ materially from those indicated in the forward-looking statements, depending on a variety of factors including, but not limited to, Telesat’s ability to implement its business strategy and competition in the market. The information presented in this release reflects Telesat’s expectations as of the date of this release. Telesat undertakes no obligation to update or revise the information herein.

For further information:

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