



## Telesat Holdings Inc. Announces Third Quarter Earnings

**OTTAWA, CANADA, November 10, 2008** - Telesat Holdings Inc. (Telesat) today announced its financial results for the three and nine month periods ended September 30, 2008. Unless otherwise stated herein, all amounts are in Canadian Dollars (CAD).

Consolidated revenues and EBITDA for the nine month period were \$504 million, and \$311 million respectively. For the quarter ending September 30, 2008, revenues were \$172 million, and EBITDA was \$110 million. Relative to the second quarter of 2008, revenues increased by \$2 million while EBITDA increased by \$6 million, reflecting sales growth in the enterprise segment, continuing cost savings from the synergy plan and the impact of foreign exchange movements. The EBITDA margin improved to 64% at the end of the third quarter, up from 61% at the end of the second quarter.

Telesat reported a net loss for the nine months ended September 30, 2008 of \$151 million. For the most recent quarter, the net loss was \$62 million. For the nine month period, the net loss is primarily driven by interest expense on the debt and non-cash, unrealized foreign exchange losses related to the Company's US-dollar denominated debt. The foreign exchange loss for the nine months was \$226 million and for the three months ended September 30, 2008 was a loss of \$124 million. The Canadian dollar decreased by 7.18 cents relative to the US dollar in the first nine months of 2008. In the three months ended September 30, a decrease of 4.13 cents occurred. Foreign exchange losses were partially offset by gains on financial instruments, primarily related to the Company's US dollar hedging program in relation to long-term debt and capital expenditure commitments: these gains were \$120 million for the first nine months and \$69 million for the quarter.

Dan Goldberg, Telesat's President and CEO, commented: "I am very pleased with Telesat's performance in the third quarter, particularly with respect to the successful launch of the Nimiq 4 satellite and the steady improvement in our EBITDA and EBITDA margin. The business is performing very much consistent with our expectations and our industry leading backlog provides high visibility into our future performance."

### Third Quarter Highlights

- On September 20, 2008, Telesat successfully launched Nimiq 4 on a Proton launch vehicle and the satellite entered commercial service on October 11, 2008. Nimiq 4 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.
- Telesat expects to launch its Telstar 11N satellite on a Land Launch launch vehicle in the first quarter of 2009, and anticipates that the satellite will enter commercial service in the second quarter of 2009. The state-of-the-art all Ku-band satellite, manufactured by Space Systems/Loral, will provide service to North and Central America, Europe, Africa and the Atlantic Ocean region.
- Telesat has received a non-binding offer of approximately US\$200M for certain of its international satellites and related assets and business. These assets represented approximately 7% of Telesat's revenues and 9% of its EBITDA for the nine months ended September 30, 2008, and less than 2% of its backlog as of September 30, 2008. One of these satellites is nearing the end of its life and Telesat must make a decision in 2009 with respect to replacing it, which would cost approximately US\$200-300 million, incurred over a period of approximately three years. If it is not sold, Telesat's current intention is to replace this satellite, although no final decision has been made at this time. Subject to Telesat's obligations under its financing arrangements, proceeds from any sale of these assets would be used to fund replacement satellites or repay debt. The offer is subject to further due diligence and other conditions and Telesat cannot at this time assess the probability of concluding this transaction or any other sale of such satellite assets.

Telesat has posted its unaudited Consolidated Financial Statements for the three and nine month periods ended September 30, 2008 on its website at [www.telesat.com](http://www.telesat.com) in the "Investor Relations" section.

## **EBITDA**

Telesat Holdings Inc. ("Telesat" or "Telesat's") EBITDA consists of earnings before interest, taxes, other income, and depreciation and amortization. EBITDA is a measure commonly used in the fixed satellite services sector, and Telesat presents Telesat's EBITDA to provide further information with respect to its operating performance. Telesat's EBITDA margin is defined as Telesat's EBITDA divided by total revenues. Telesat's EBITDA is used as one criterion for evaluating its performance relative to that of its peers. It is believed that Telesat's 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 EBITDA and Telesat's 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 EBITDA or Telesat's 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.

## **Conference Call**

Telesat has scheduled a conference call to discuss its financial results for the three and nine month periods ended September 30, 2008 and other recent developments for Monday, November 10, 2008 at 11:00 a.m. EST. The call will be hosted by Daniel S. Goldberg, President & Chief Executive Officer, and Michel Cayouette, Chief Financial Officer of Telesat. A presentation to be addressed on the conference call has been posted to the Company's website.

### Dial-in Instructions:

The toll-free dial-in number for the teleconference is +1 (866) 696-5910. Callers outside of North America should dial +1 (416) 340-2217. The access code is 3273812 followed by the number sign (#). 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. EST November 10, 2008, until 11:59 p.m. EST on November 24, 2008. To access the replay, please call +1 (800) 408-3053. Callers outside of North America should dial +1 (416) 695-5800. The access code is 3273812 followed by the number sign (#).

## **About Telesat ([www.telesat.com](http://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 two additional satellites 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 2008 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:

Gerry Nagler, Telesat, (908) 470-2559

[gnagler@telesat.com](mailto:gnagler@telesat.com)

Karen Passmore, Argyle Communications, (416) 968-7311, ext 228,

[kpassmore@argylecommunications.com](mailto:kpassmore@argylecommunications.com);

Kyla Thoms, Argyle Communications, (416) 968-7311, ext 237,

[kthoms@argylecommunications.com](mailto:kthoms@argylecommunications.com);