



Global Satellite Solutions

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ASX Release  
25 February 2013

## **NEWSAT SECURES EQUITY AND MEZZANINE FUNDING FOR ITS JABIRU-1 SATELLITE**

- **A\$105 million share and US\$30 million mezzanine placement finalised**
- **US\$611 million total funding committed**
- **US\$95 million shaved from initial equity requirements**
- **US\$618 million Jabiru satellite capacity presold**

**NewSat Limited (ASX: NWT)**, Australia's satellite company, is pleased to announce the successful placement of the equity and mezzanine funding for the Jabiru-1 satellite, Australia's first commercial Ka-band satellite. The placement completes the equity component of the funding package, as required by Ex-Im Bank of USA and COFACE of France to ensure the launch of Jabiru-1.

In late November 2012, a trading halt was initiated and the Company embarked on a number of financial initiatives which resulted in a US\$95 million reduction in the equity required, and culminated in the now finalised equity and mezzanine fundraising.

Under the placement, new shares will be issued at 40 cents for the equity, will be fully paid and will rank equally with NewSat's existing shares.

### ***Placement and mezzanine funding overview***

The placement raised gross proceeds of A\$105 million (US\$108 million), and was managed by Credit Suisse Australia Limited and Baillieu Holst jointly. As a result of the placement, the Company is very pleased to welcome a number of new institutional investors, both local and international, as shareholders, as well as acknowledging the strong support of certain existing institutional shareholders who increased their holdings.

Mezzanine funds, comprising US\$30 million, were provided by sophisticated investors from Singapore, who the Company looks forward to working with further.

### ***Funding overview***

The Export Credit Agency (ECA) funding for NewSat's Jabiru-1 is a first for an Australian satellite project and is a testament that the project was able to meet the most stringent due-diligence requirements. The export funds of US\$399 million are provided at an interest rate of approximately 2% on the basis of jobs created in the USA and France. USA-based Lockheed Martin is currently building the satellite and France-based Arianespace will launch it in 2015.

The US\$611 million funding comprises:

- ECA funds - US\$399 million
- Equity - US\$108 million
- Mezzanine debt - US\$30 million
- Reserve facility - US\$25 million
- Equity spent to date - US\$49 million

**NewSat Limited**

Level 4, 6 Riverside Quay Southbank Vic 3006 Australia  
T +61 3 9674 4644 F +61 3 9674 4655 ABN 12 003 237 303

The amount of equity required was substantially reduced as a result of:

- An increase in secured ECA loans
- A decrease in upfront ECA fees
- The provision of a Standard Chartered Bank facility
- Inclusion of subordinated mezzanine debt
- A reduction in cash transaction costs
- A reduction in Debt Service Reserve Account

#### ***Jabiru-1 Satellite Project update***

- Construction continues at the Lockheed Martin factory in the USA. A critical construction milestone was achieved with the completion of the Preliminary Design Review. The Critical Design Review is the next major milestone
- The work undertaken to date by Arianespace continues to progress favourably. Arianespace recently completed their 54<sup>th</sup> consecutive launch success of the Ariane 5 launch vehicle
- NewSat has secured launch protection and ongoing insurance from AON
- Jabiru-1 customer sales pipeline continues to grow and currently at US\$454 million

#### **In commenting on the finalisation of the equity and mezzanine funding for the Jabiru-1 satellite, Adrian Ballantine, NewSat Founder and CEO, said:**

“Closing the US\$611 million funding for the Jabiru-1 satellite is an enormous achievement for our company. It signals the evolution of NewSat into a global satellite operator from a teleport services provider, and is the culmination of hard work and a profitable base business, needing more capacity than is currently able to be purchased elsewhere.”

“In particular, I would like to thank our existing loyal shareholders who will be rewarded with a step-change in earnings and profits in the near future. Jabiru-1, at 70% utilisation is expected to generate in excess of US\$3 billion of revenue over its 15 year life at 85% EBITDA margins.”

“Revisiting the required equity was a prudent step, resulting in cost savings of US\$95 million. Investment support from internationally recognised investors was very pleasing and encouraging.”

“The Jabiru-1 sales pipeline continues to expand and our base teleport business continues to grow month-on-month. I am very excited about the ongoing opportunities for NewSat and for our customers and future customers who will benefit greatly from extra capacity and NewSat’s knowledge of their business and culture.”

“I would like to thank all of my team members and advisors who contributed to the successful closing of the placement and the commitment of the ECA facilities, including Daun Consulting, Standard Chartered Bank, Baillieu Holst and Credit Suisse.”



Global Satellite Solutions

### **About NewSat:**

NewSat is Australia's largest pure-play satellite communications company, delivering internet, voice, data and video communications via satellite. With its unique-to-Australia teleport infrastructure, NewSat provides a full range of managed satellite communication services and has established a reputation as the partner of choice for governments, corporations and private enterprises. Today, NewSat has the ability to provide coverage to 75% of the globe; from Australia, Asia, the Middle East, Africa, across the Indian Ocean extending into Europe and across the Pacific Ocean, reaching into the West coast of the USA.

NewSat's world acclaimed teleports in Perth (Western Australia) and Adelaide (South Australia) were Top 3 Finalists in the World Teleport Association's 2012 and 2010 "Awards for Excellence" and made the 2012 and 2011 "Top Operator Rankings". Both teleports are accredited to supply services to the Australian Department of Defence (DRSS) and are recognised as highly secure Global Access Points, supporting certified classified networks to ensure the transmission of vital and sensitive information for government clients.

NewSat will be expanding its satellite capabilities with the Jabiru Satellite Program, beginning with the launch and operation of Jabiru-1, Australia's first commercial Ka-band satellite. Jabiru-1, a large next generation satellite, will provide superior coverage over South East Asia, the Middle East and North Africa. Jabiru-2, also scheduled, will deliver enhanced coverage in and around Australia. NewSat has rights to eight premium orbital slots and its fleet of next generation geostationary satellites will lead Australia's space quest. For more information, please visit [www.newsat.com](http://www.newsat.com)

### **For further information:**

#### **Investors**

Adrian Ballintine, Founder & Chief Executive Officer: +61 3 9674 4644

Adam Shapiro, Chief Financial Officer & Company Secretary: +61 3 9674 4644

#### **Media**

Merv Kuek, VP Marketing & Corporate Communications: +61 3 9674 4644

### **Not for distribution or release in the United States**

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. NewSat securities have not been, and will not be, registered under the US Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable US state securities laws.

### **Disclaimer**

This announcement contains certain "forward-looking" statements. Words such as "intends", "expected", "proposed", "forecast", "target", and "will" and other similar expressions are intended to identify forward looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements including the expected fill rates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, NewSat and its affiliates, and their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.