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Connections

September 2010 ISSUE 1

Mark Rigolle,
Chief Executive Officer
O3b Networks Ltd.

CEO INSIGHT

TAKING THE NEXT BIG STEP

Welcome to the first issue of CONNECTIONS, our new company newsletter which aims to keep our customers, partners and friends up-to-date with our progress. It is my pleasure to be the 'anchorman' of this first edition which will be published quarterly.

Many of you following our progress since O3b's start-up days will be pleased to see that our company has become a real player in the telecommunications and internet connectivity business. Later this summer, it will be only two years since O3b publicly announced its plans (Sept. '08) to launch a new medium earth orbit-based satellite service that will enable our customers in emerging markets to provide access to better, faster and more affordable connectivity to the 'Other 3 Billion' underserved; an objective which remains central to our vision.

Our satellite constellation will have the capability to reach and to provide fast internet connectivity to over 3 billion consumers, businesses and organizations in more than 150 countries across Asia, Africa, Latin America and the Middle East – no mean feat!

Thanks to our customers, we have grown to become a dynamic and highly professional global company, and our people bring as much passion as they do expertise. Over the past year, we have built strong relationships with our prospects and customers and important partnerships with equipment manufacturers and vendors. For a project of this size and complexity, partnerships at many levels remain key to our success, and it's thanks to these strong partnerships that we continue to be successful.

I would like to take the opportunity of this inaugural edition of CONNECTIONS to express my gratitude to our shareholders - SES, Google Inc., Liberty Global Inc., HSBC Principal Investments, Northbridge Venture Partners and Allen & Company - who have put their faith in our ground-breaking concept on numerous occasions and have endorsed it with their investments.

And, last but not least I would like to thank our people for their raw determination to turn O3b into a reality. We have built a world class team with passion and dedication that makes me proud to lead O3b into a bright future.

"Thanks to our customers, we have grown to become a dynamic and highly professional global company..."

So, with that said, please read on to find out a little more about us, I hope you enjoy it!

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Cook Islands Prime Minister - a big O3b supporter at the signing event in June this year.

Contact us at getconnected@o3bnetworks.com

Jules Maher (Telecom Cooks) and Simon Maher (03b) signing the contract.

CUSTOMER SPOTLIGHT

GIVING A BOOST TO THE COOK ISLANDS' ECONOMY

03b recently signed a long-term contract with Telecom Cook Islands that will see fast internet brought to the islands. Everybody there wants fast connections, fast broadband; the faster the better; the cheaper, the better. Telecom Cooks' customers and economists agree that if their broadband grows, the economy will grow. Furthermore, the education sector in the region would like to provide online learning which would be a great benefit for a country with the geography of the Cook Islands. But they need it at affordable prices.

Islanders will be able to enjoy speeds like people in other parts of the world so productivity will increase and frustration will disappear.

Telecom Cook Islands has been looking for a cost effective solution to broadband access for a while, and 03b is the answer they've been looking for! Fiber is too expensive and traditional satellite means a slower connection. Many Cook Islanders have travelled the world or are in fact living overseas so it can be very frustrating for them to come back to the Cook Islands and have to endure such slow connections. There are some activities that will be possible with 03b's connectivity that are just not possible today; for example, video conferencing and You-Tube downloads. When the 03b system is in place the Cook Islanders will have seven or eight times more capacity than the entire community is using at the moment, and the unit cost is much cheaper. At the recent contract signing event in Rarotonga, Jules Maher, CEO of Telecom Cooks said, "I am really excited today. I think this is one of the most historical moments for communications for the whole group of islands – this will bring us closer to the rest of the world."

When the service is operational, the economy should receive a real boost and some of the industries that could benefit are as follows:

Health – remote health monitoring and management, and even diagnosis and guided treatment will be possible as well as more efficient health administration (centralised records etc). The Department of Health has already applauded Telecom Cooks' recent installation of VSAT links on seven Outer Islands, giving them much more capacity and speeds up to 256kbs – a step towards better broadband.

Education – remote learning, interactive education and teacher training will be possible and the Department of Education is keenly awaiting the arrival of 03b.

Tourism – live cameras at key locations could be placed so that prospective visitors can check out the places they plan to visit; live streaming of events (weddings, birthdays etc) to relatives abroad, hosting tourism websites locally, fast online enquiries and reservations; and fast wifi and mobile data services for guests.

Finance Industry – fast access to centralised company servers located off-shore; and the rapid transfer of large quantities of data will be made easy. The credibility of the local industry can be improved enormously if communications are fast and reliable.

Airlines – fast on-line information and bookings for Air Raratonga, as well as links to related sites for holiday packages involving local travel and accommodation.

Media – live feeds back to the TV studio for news will be possible while live sports and on-demand TV will be available. There are at least 100,000 Cook Islanders living overseas compared to the estimated 12,000 residing in the country. The local news channel could be distributed via the web, so that Cook Islanders abroad can be aware of what is happening back-home, and retain a bond with the homeland.

So, although the Cook Islands have increased internet services 400 times over the past 13 years, a lot more can be achieved with the fast connectivity that 03b will bring. Islanders will be able to enjoy speeds like people in other parts of the world so productivity will increase and frustration will disappear. As Jules Maher said, "it will be like having a fiber cable dropping out of the sky". Very soon, the days of slow connections for the Cook Islands' businesses and its residents will be over.

PROGRAMME UPDATE

FROM MEDIA PORTS TO ANTENNAS TO PLATFORM AND PAYLOAD MILESTONES, READ ON TO FIND OUT MORE...

GROUND NEWS

Nemea Media Port, Greece

EUROPE MEDIA PORT SELECTION

In July we announced the selection of the Europe Media Port (EMP) in Nemea, Greece as our first provider of Teleport services. Through this location we will link our reliable Gigabit IP network connectivity and bandwidth services to clients located in Africa and the Middle East. We will locate multiple 7.3 meter Ka-Band antennas at the Nemea facility enabling low latency, high-speed IP services to customer and remote terminals. On the ground, the Gateway will initially support the provision of greater than 12 Gbps throughput serving up to 10 spot beams simultaneously. However, we anticipate expanding the site in the future to provide greater capacity as customer demand grows.

"03b is delighted about the new agreement with EMP. With over 15 years of experience at the Nemea Teleport the EMP team is an instrumental partner on our way to establish a seamless, premium quality data service network for our clients." said Brian Holz, CTO of 03b Networks.

OTHER 03B GATEWAY TELEPORTS

We have also made significant progress on the Australia, Peru, Hawaii, Spain, Southwestern USA and UAE teleports. Our ground networks and legal teams with the support of SES have made significant progress in site and service agreement negotiations with providers at the other teleport locations. In addition, frequency and landing rights applications are also being submitted to the respective regulators and are currently being processed.

GROUND NETWORK EQUIPMENT

ViaSat has made great progress in their development work for the 7.3 meter Gateway terminals, the 4.5 meter Tier 1 customer terminals, and the development of a high data rate Tier 1 modem. The Preliminary Design Review for all systems was held on schedule in May 2010. Additionally, ViaSat has recently completed pattern measurements of the 7.3m design using their far field range. The resulting measurements indicate that these antennas will comply with ITU and FCC requirements.

IP NETWORK AND NETWORK OPERATIONS CENTER (NOC)

One of the areas where SES WORLD SKIES is providing support to 03b is in leading the NOC integration project while ViaSat continues development on the NOC Monitoring and Control equipment.

The current focus is on the completion of the ground network architecture and requirements development. The gateway router vendor selection is also underway.

SPACE NEWS

The 03b Space Systems team and Thales Alenia Space continue to meet milestones on the equipment design reviews. All components have completed preliminary design reviews and we are greater than halfway through completing component critical design reviews. These reviews will lead up to a 1Q/2011 system level critical design review which will authorize the beginning of the fabrication and assembly phase. MDA, the satellite antenna supplier, has fabricated and completed RF characterization testing of two engineering prototype antennas. Additionally, MDA has completed design and qualification testing of the engineering unit for the antenna control electronics. Both of these accomplishments are significant steps towards confirming link performance and reducing production risk. The engineering unit antenna is in qualification testing now. Finally, Spectrolab, the satellite solar cell supplier, has completed radiation testing of our cell and cell coverglass design confirming power output after our expected end of life radiation exposure. Satellite Operations Control Center activities will begin this fall with a design review late in 4Q/2010.

Arianespace has completed initial accommodation studies for our launch configuration validating adequate clearances between the fairing and satellites including dispenser within the fairing. Additionally, electrical and mechanical interfaces between the satellites, dispenser, and launch vehicle have completed initial design and review. Arianespace is currently completing the first coupled loads cycle integrating the satellite, preliminary dispenser design, and launch vehicle models to validate mechanical design, expected loads, and qualification margins experienced during launch. A key milestone for Arianespace will be their first successful Soyuz launch from French Guyana which is currently scheduled for 1Q/2011. Arianespace is finalizing construction on a new launch pad in French Guyana for the Soyuz which 03b will use for our first two launches.

Q3 & 4 EVENTS

We will be present at the following industry shows in the second half of 2010. Please come along and visit us.

From	To	Event	Location
10-Sep	14-Sep	IBC	Amsterdam, NL
15-Sep	17-Sep	COMSYS VSAT 2010	London, UK
21-Sep	22-Sep	Capacity Africa	Nairobi, Kenya
26-Oct	29-Oct	FutureCom	Sao Paulo, Brazil
28-Oct	30-Oct	Andicom	Catagena, Colombia
4-Nov	5-Nov	Capacity Asia	KL, Malaysia
18-Nov	19-Nov	Africacoms	Cape Town, SA

O3B IN SEPTEMBER

IBC 2010
The IBC Conference provides a platform for discussing and debating the developments that are changing the creation, management and delivery of entertainment and news content worldwide and attracts a wide range of satellite professionals.

O3b will be co-exhibiting with SES at IBC and our Chief Product Development Officer, Christian Patouraux will give a presentation on Monday 13th September at 15:00.

COMSYS VSAT 2010
The COMSYS VSAT 2010 Conference aims to promote system vendors and operators who are bringing VSAT initiatives to market and developing new and growing businesses.

Vendors will talk about the consumer markets in North America and Europe, Ka-band spot-beam opportunities and the best network management features and practices. Presentations from Latin America, Africa, Russia, Europe and the United States will take place for this niche, but ubiquitous, technology. O3b will have a booth at Comsys VSAT 2010 and our EVP and Chief Technical Officer, Brian Holz will deliver a presentation on Wednesday 15th September.

CAPACITY AFRICA 2010
Capacity Africa is the most comprehensive African wholesale telecoms conference bringing together local and regional fixed-line and mobile operators from across the continent.

The conference will feature continental giants like GatewayCommunications and global carriers like Cable & Wireless Worldwide. The conference which has traditionally been held in Cape Town, South Africa will be held in Nairobi, Kenya for the first time.

O3b will have a booth at Capacity Africa 2010 and our VP of sales for Africa, Omar Trujillo will be participating on a panel discussion during the event which will take place on on Tuesday 21st September.

Please contact us to schedule a meeting at any of these events by sending an email to getconnected@o3bnetworks.com

Ken Mentasti
RF Payload Engineer

EMPLOYEE PROFILE
Q&A WITH KEN MENTASTI

What does your job entail?
As an RF Payload Engineer I support O3b's subcontractors like Thales Alenia Space on anything related to the RF payload aspect of our project. I also analyze system performance and assist with the sales and marketing process. At O3b, we engage with customers a bit differently than most organizations in the satellite industry. Our sales process requires a high degree of engineering involvement, and requires us to run link budgets for virtually every customer that expresses an interest in our services.

What is your background?
I began my career with Ball Aerospace in Boulder, Colorado building Low Earth Orbit (LEO) Satellites for commercial and U.S. government agencies. I spent over seven years there working on a multitude of systems. Some of those systems operated using less complex modulations and low data rates, while others operated at nearly 1 Gbps using cutting edge technology. Today, the experiences I gained while working at Ball Aerospace go a long way in helping me perform my work for O3b Networks.

What made you join O3b Networks?
This is a once in a lifetime opportunity. It's not every day a system like O3b is created that will help so many people around the world!

How do you see the future of O3b?
We have a tremendous idea that will help revolutionize satellite telecommunications, and bring the benefits of the Internet and information to those who previously did not have that opportunity. I see O3b playing a significant role in changing what people are able to do with technology in emerging markets and helping them catch up with the rest of the developed world. As we begin to deliver the Internet to emerging markets new industries and economies can begin to develop that would not have been able to develop otherwise.

What's the greatest thing about your job?
I get to analyze an entire satellite system as complex as they come in the aerospace field. Every day we get to push the envelope in terms of technology, and find ways to provide the best services to our customers we can. I enjoy meeting people around the world that have a broad range of experiences and expertise, but that share my appreciation of satellites and satellite communications.