

Connections

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Steve Collar,
Chief Executive Officer
O3b Networks Ltd.

CEO INSIGHT NEW HORIZONS FOR O3B

Welcome to the fifth edition of CONNECTIONS, our company newsletter that aims to keep our customers, partners and friends up-to-date with our progress.

Lately I have been focused on and fascinated by Latin America – in part because of the vibrancy of the market at the moment but mainly because we recently made our first customer announcement in the region with Ozonio Telecommunications – a Brazilian telecommunications and internet services provider. Ozonio are clearly in the right business, borne out by the fact that Cisco’s® Visual Networking Index (VNI) shows that IP traffic is growing more rapidly in Latin America than in any other region of the world. They estimate that internet traffic will grow at a staggering 50% CAGR between 2010 and 2015 in Latin America and will be increasingly dominated by mobile broadband.

As you will read later in CONNECTIONS, we held an extremely successful media launch of the partnership between O3b and Ozonio in September and, while flying into and out from Manaus, I was reminded just how remote some parts of Brazil are. Manaus is a city of almost 2 million people but sits in the heart of the Brazilian Amazonas rainforest. Originally founded on the abundance of rubber in the region, Manaus is now a major industrial centre and a host city for the 2014 World Cup and has the same need for connectivity and infrastructure as Sao Paulo or Rio de Janeiro. Clearly the challenges to provide service are exacerbated by the extreme distances and terrain that must be overcome. Fiber has been deployed to the city but to date has been unreliable with cuts and outages a regular hazard. Even more significantly, towns within the greater Amazonas region are surviving on extremely thin route connectivity and have largely been ignored in the National Broadband Plan because, until now, a cost effective, broadband solution has not been available to connect them.

This has become an important topic in Brazil and it was gratifying to welcome a number of prominent Brazilian State Governors and City Mayors to our launch, each of whom emphasized both the need for connectivity and excitement about the solutions that O3b would be bringing to the region. Working with Ozonio, we intend to ensure that the citizens of the Amazonas region have the same opportunity to connect and interact as everyone else in the world.

And one of the ways that they will be able to do so will be through our range of IP Trunking products soon to be launched! Telecommunications Carriers and Internet Service Providers in the most remote locations require high capacity IP pipes to connect their Core Networks to the global Internet highway. Increasingly we are heading towards an all-IP world where voice, video and data services are carried ubiquitously over broadband IP. Global IP traffic has increased eightfold over the past

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five years, and will increase fourfold over the next five while mobile broadband data will grow at almost 130% year on year – a staggering number.

This mind blowing increase in traffic in the market will need efficient and effective solutions to facilitate termination directly onto the global internet backbone. At O3b we challenge ourselves to develop solutions that lower the cost per bit and provide service at increasing speeds and throughputs, stimulating demand and in turn generating faster subscriber revenue for our customers. O3b’s range of IP Trunking products – to be launched next month – are cost-optimized and tailored to fit your exact network needs both now and in the future. A seamless, carrier grade product we will deliver a low-cost, high capacity and low latency pipe to enable your business. Watch this space!

Contact us at getconnected@o3bnetworks.com



O3b Networks' CEO Steve Collar, Ozonio Telecommunications CEO Yoram Yaeli (centre) with local State of Amazonas government officials at the official press event.

CUSTOMER SPOTLIGHT

O3B AND OZONIO SET TO PROVIDE COVERAGE TO BRAZIL'S STATE OF AMAZONAS.

“We are pleased to be among the first to have reserved the O3b capacity that will enable us to assure that our corporate and government customers will have high speed internet access they need to maintain and grow their businesses, and to serve the people of Brazil.”

Ozonio Telecommunications will use O3b's Medium Earth Orbit (MEO) satellite technology to provide internet and telecommunication services to corporate customers and local government agencies across many remote towns and cities in Brazil's State of Amazonas. Ozonio is a Brazilian multimedia communications service provider who specializes in delivering data and voice turn-key solutions in regions that are not connected to the nation's fiber-optic network and depend on satellite communication.

The company is strategically located in the middle of Manaus, distributing satellite internet, targeting the states of Amazonas including, Acre, Amapa, Para, Rondonia and Roaima. Located in the northwestern corner of Brazil, Amazonas is the largest state by area and the ninth

largest country subdivision in the world with a population of approximately 3.5 million. With the opportunity to use O3b's capacity, the people of this region will enjoy internet access of the same speed and low cost as the more popular parts of the country.

Ozonio will use Micro-Data-Centers (MDC) to provide internet backbone access via O3b's satellite and local distribution to high volume customers, including government agencies, cellular operators, electrical companies, oil and gas companies, universities, ports and ISPs.

“We are pleased to be among the first to have reserved the O3b capacity that will enable us to assure that our corporate and government customers will have the high speed internet access they need to maintain and grow their businesses, and to serve the people of Brazil. O3b fits well with the spirit of the Amazon and will allow Ozonio to provide reliable and consistent high-speed broadband access in the most green-friendly way,” said Yoram Yaeli, CEO Ozonio Telecommunications.

We are pleased to have our first customer in Latin America and to work with a company growing and striving to create new internet and telecommunications solutions for its customers.

“We are delighted to have Ozonio onboard and proud to announce our first customer in Latin America. We have now won contracts in Africa, Asia, the Middle East and the Pacific demonstrating a truly global company,” said John Finney, CCO O3b Networks.

We look forward to launching our services for Ozonio Telecommunications, helping to deliver these vital broadband services to the Amazon region and see the positive impact it has both socially and economically.



PROGRAMME UPDATE

PROGRESS CONTINUES ON SCHEDULE WITH MANY ACCOMPLISHMENTS...

GROUND UPDATE



Gateway Antenna ready for Factory Acceptance Testing

Ground Systems activities continue to make great progress in the Teleports, Gateway Antenna, Tier 1 and Network Operations Centers areas. We are also on track to announce the Tier 2 systems providers this fall and subsequent availability of these terminals in late 2013.

We recently completed installation of the Ground infrastructure at the Nemea Greece Teleport. This included fabrication of foundations for three 7.3m Gateway antennas and installation of the primary equipment shelter. The equipment shelter will house Gateway and network equipment as well as provide space for customer systems co-location. In the first quarter of 2013 we will begin installation of Gateway equipment to support early integration testing of the system.

The Gateway antennas are also making solid progress with completion of integration activities on the first 7.3m antenna. This antenna will undergo Factory Acceptance Testing during the fourth quarter. In parallel with this the Gateway manufacturer, ViaSat, is completing fabrication and integration of the first three antennas which will be shipped to Greece by the end of the year.

The Tier 1 antenna RF range testing was recently performed with all requirements successfully met. The Factory Acceptance Test unit is now being assembled and readied for testing. This unit has completed pointing stiffness testing and appears to be performing better than specified. Factory Acceptance Testing will be conducted starting the end of this quarter with completion early next year. As a side note the Tier 1 modems, which are designed to support data rates of over 1 GBPS, recently completed their Factory Acceptance Test. Completion of this activity is an important milestone as it verified that the O3b terminal equipment is capable of providing extremely high, IP trunking levels of performance.

The ground team also kicked off the detailed Network Operations Center development activities. The Network Operations Center (NOC), is located in Virginia, USA and will be operated through a contract with SES. This center will be operational by the third quarter of 2012 and will initially be used to support system risk reduction and integration testing. Once operations begin in 2013 the NOC will operate 24 hours a day, seven days a week managing the O3b system and ensuring O3b's quality of service and Service Level Agreements are met.

SPACE NEWS

The Satellite design execution is in full swing. A myriad of Manufacturing Readiness Reviews, Test Readiness Reviews and Data Review Boards for the Platform and Payload equipment have kept the engineering team on the move around the globe. Our engineering team, second to none, has continued to maintain a high level of technical intimacy with the hardware and software to ensure programme success. The tenacity and intelligence of the technical team members across three continents, 11 countries, 30 subcontractors

and 38 unique component contracts is extraordinary.

The Assembly, Integration and Test (AIT) of the Payload Protoflight Model (PFM) was initiated in mid- July following the associated readiness review in Toulouse, France.

With respect to time critical payload equipment delivery, we are on track to have all of the payload equipment for the PFM by early December.

The initial flight set of 12 antennas and the Antenna Pointing Mechanism Electronics (APME) have arrived from MDA, Montreal, Canada. Other payload equipment deliveries are on track to support the integration schedule.

As noted in the last update, several technical reviews were held regarding the Satellite Control Centre and the Satellite Operations Centre. It is gratifying to note, that as of September 16th, the satellite contract has been updated such that the Launch and Early Operations (LEOP) phase will be completed at Thales Operations Facility in Cannes, France and the Satellite Control Centre has been extended to more than double the number of engineering stations.

It is evident that the satellite portion of the Space Segment is rapidly advancing forward. As noted, this is a direct result of dedicated, motivated and highly-skilled engineers and technicians across the globe working through a variety of stages – technical and physical. In early 2012, the Payload PFM will be mated to the Platform PFM. Shortly thereafter, performance and environmental testing will initiate.

In other news, the launch vehicle dispenser has been completing the critical design phase. In the next newsletter, expect to see feedback on the Dispenser Critical Design Review scheduled for early November, 2011. These are exciting times in the program. Stay tuned for more news in the coming months.

“It is evident that the satellite portion of the Space Segment is rapidly advancing forward.”



Syed Khurran Iqbal
System Architect
O3b Networks Ltd.

EMPLOYEE PROFILE

Q&A WITH SYED KHURRAM IQBAL

What does your job entail?

I am part of the Sales Engineering and Customer Fulfillment team working as a System Architect for Pakistan. I am the primary technical point of contact for prospective and existing customers, providing support in all technical aspects of developing and implementing technical solutions for customers' requirements. I carry out optimized

systems design and analysis, equipment recommendations, link budget analyses, technical proposal preparation and customer presentations, whilst tracking and understanding new network technologies, products and satellite network applications and understanding how customers will use O3b's service offerings.

What is your background?

I grew up in Pakistan and studied Electronics- Engineering. I am a certified Project Management Professional and GSM Backhauling expert. I began my career in Satellite Communication at Supernet/Telecard Limited as Regional Technical Head for services of Internet POP and CMDA in the Baluchistan region from 2003-2005. I later joined Wateen Telecom in Islamabad for GSM backhauling services for Warid Telecom in Pakistan and Uganda. Prior to joining O3b Networks in May 2010, I was working as a VSAT Expert in China Mobile Pakistan in the Network Planning and Strategy department.

The experience I gained while working for GSM operators has gone a long way in helping me to perform my role at O3b Networks.

What made you join O3b Networks?

From the moment I heard about O3b, I knew it was an organization I wanted to be involved with. I have been part of the satellite industry for many years and

this change to the industry is significant, especially related to GSM networks where we can take advantage of changes related to capacity for 3G networks, flexibility to dynamically assign bandwidth among towers, ultra-low round-trip latency, transmission capacity without complexity, the ability to centralize networking equipment anywhere it is needed and instantly upgrade network backhaul capacity. O3b Networks is making history and I am proud to be part of it.

How do you see the future of O3b?

I see O3b as a profitable company that has the innovative technology to positively impact the satellite and communications world. The evolving service portfolio will address mission-critical network applications such as, IP Trunking, Mobile Backhaul, and Satellite Connectivity for businesses.

What's the greatest thing about your job?

It gives me great satisfaction to use the technology we are developing to benefit the parts of the world that have so far been inadequately served by internet access until now.

GTB'S FORTY UNDER FORTY... JOHN FINNEY



O3b's very own Chief Commercial Officer Mr John Finney is named one of Global Telecoms Business' young leaders of today and the leaders of tomorrow after being selected as Global Telecoms Business 'Forty under Forty Awards' for 2011. John is one of the pioneers of O3b, he has built a world class sales and marketing function from the ground up. In fact, John reached a sales backlog of over \$500 million, 18 months before the launch. John attended the awards conference in London from the 19-20th September and participated in the conference titled 'Emerging opportunities in new markets', his presentation was titled 'Gandhian engineering in emerging market telecoms'. This is a great achievement and something O3b is proud of.

SOCIAL MEDIA

O3b Networks is now part of the social phenomena, Facebook and can also be followed via Twitter. Social Media is a perfect way to inform customers and followers about what's happening with O3b. Logon and become a fan of O3b Networks. Stay tuned for the latest announcements, news and for upcoming events O3b will be participating in. Please find the link to our Facebook and Twitter page below.

 Like us @ <http://www.facebook.com/pages/O3b-Networks-Ltd/102851116461131>

 follow us @ http://twitter.com/#!/satellites_

EVENTS CALENDAR

03b Networks' Industry Event participation for the fourth quarter of 2011.



From	To	Event	Location
6-Oct	7-Oct	Congresso Latino-Americano Satellites 2011	Rio de Janeiro, Brazil
20-Oct	20-Oct	X-Prize Foundation	San Francisco, United States
24-Oct	27-Oct	ITU Telecoms World	Geneva, Switzerland
25-Oct	27-Oct	Iraq Telecoms 2011	Istanbul, Turkey
9-Nov	10-Nov	AfricaCom & AfricaCast 2011	Cape Town, South Africa

UPCOMING EVENTS

03B IN Q4 2011

Congresso Latino-Americano Satellites 2011

Congresso Latino-Americano 2011 took place in Rio de Janeiro, Brazil from October 6-7. Latin America's entire satellite industry gathers here. The hot topics on this year's agenda included; the role of satellites in universalizing broadband, the explosive growth of DTH, the entry of large Brazilian corporations into the aerospace segment and new applications in maritime communications, meteorology, imaging and remote sensing. 03b Networks were a Silver sponsor at the event and had VP of Latin America and the Caribbean Erwin Mercado participating in the panel discussion, 'Market conditions, new technologies and applications'.

X-Prize Foundation

03b Networks were Gold Sponsors at the prestigious X-Prize Foundation i2i Conference in San Francisco on October 20. This is the leading nonprofit organization solving the world's Grand Challenges by

creating and managing large-scale, high profile, incentivized prize competitions that stimulate investment in research and development worth far more than the prize itself. 03b's founder, Greg Wyler, Chairman, Mr John Dick and CEO Steve Collar will be in attendance.

ITU Telecoms World

ITU Telecoms World 2011 opened its doors from October 24-27, in Geneva Switzerland. This event is a unique gathering of leading industry players, government heads, digital innovators and technological talents - focused together on applying the power of connected technology to real-world issues. 03b Networks featured as Key Partner Sponsor at the event. Both Mr Steve Collar (CEO) and Mr John Finney (CCO) headlined in two leading panel sessions. Mr Collar was in the 'Broadband Leadership Summit' and Mr Finney's main forum feature was in the 'Connected on the Move' panel.

Iraq Telecoms 2011

The 6th Annual Iraq Telecoms conference brought together the key decision makers in Iraq's Telecoms market. The Conference took place on the 25-27th of October in Istanbul, Turkey and built on the success of Iraq Telecoms 2010, which gathered together 36 speakers, over 300 senior telecoms industry experts, and 21 sponsoring companies. 03b exhibited at the event with a Branding Sponsorship. VP for the Middle East region, Simon Maher

presented on Thursday 27th at 14.15 on panel discussion 'Internet Gateways in Iraq: Future Possibilities'.

AfricaCom & AfricaCast 2011

The 14th Annual AfricaCom Event is held in Cape Town, South Africa from 9-10th November 2011. This event gives you the most innovative, visionary, entrepreneurial, creative perspectives on the continent's fast-moving telecoms, media and ICT ecosystem. The keynotes will bring together operators who are transforming their businesses, suppliers delivering more profitable solutions, and alternative players with a fresh approach to delivering attractive services to the consumers. 03b Networks will be a Gold Sponsor at the event and co-exhibit with SES. VP of Africa Omar Trujillo will be presenting at the event on Wednesday the 9th at 14.15 on panel discussion, 'Ensuring Reliable and Affordable Access to Deliver Improved Services for All in Africa.'

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